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BEFORE THE ARIZONA CORPORATION COMMISSION

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IN THE MATTER OF THE U S WEST COMMUNICATIONS, INC. COMPLIANCE WITH SECTION 271 OF THE TELECOMMUNICATIONS ACT OF 1996	)))))))	**Docket No. T-00000B-97-0238** **U S WEST'S POSITION STATEMENT AND APPENDIX REGARDING PERFORMANCE MEASURES**

U S WEST respectfully submits its position statement regarding the workshops relating to the Performance Measures Evaluation component of the OSS Test Plan. Specifically, workshop discussions on September 30 and October 1, 1999, will focus on the performance measures and performance expectations that U S WEST must satisfy for the OSS Test. As it has with other aspects of the test plan, U S WEST encourages the Commission to remain focused on the purpose of the OSS Test – ensuring that U S WEST's electronic interfaces meet the requirements of section 271 of the Act.

PURPOSE OF PERFORMANCE MEASURES

The Telecommunications Act of 1996 set forth three principal means of competitive entry by CLECs into the local exchange market: (1) facilities based by-pass; (2) leasing unbundled network elements (UNEs); and (3) resale. To foster each type of entry, U S WEST must provide CLECs with nondiscriminatory access to interconnection, UNEs, and resale.

The FCC has established different legal standards that U S WEST must satisfy for each of these means of entry. For interconnection, U S WEST must provide interconnection that is "at least equal in quality" to that which U S WEST provides to itself. For the ordering/provisioning of unbundled network elements and other instances

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where no retail analogue exists, U S WEST must provide access in a manner that provides an "efficient CLEC with a meaningful opportunity to compete." For the repair/maintenance of UNEs and provision of resale, U S WEST must provide these items in "substantially the same time and manner" as U S WEST provides the same service to itself. U S WEST's performance measures track these legal standards.

The FCC recognized that the entire purpose of "performance measurements and reporting requirements [is to] allow carriers to observe or verify the extent to which an ILEC is providing nondiscriminatory access to services and facilities." *In the Matter of Performance Measurements and Reporting Requirements for Operations Support Systems, Interconnection, and Operator Services and Directory Assistance, Notice of Proposed Rulemaking*, FCC 98-72, ¶ 14 (April 17, 1998) ("NPRM"); *see id* at ¶ 116 (performance measures serve as a "bases for determining whether an incumbent LEC is in compliance with statutory standards."); *id* at ¶ 104 (performance measures allow carriers to "determine whether ILECs are satisfying their statutory obligations pursuant to section 251."). Thus, performance measures are not designed to ensure perfection; to the contrary, performance measures are designed to ensure that, in the context of Arizona's competitive landscape, that U S WEST is meeting its legal obligations with respect to interconnection, UNEs and resale.

U S WEST'S PROPOSED PERFORMANCE EXPECTATIONS

The ACC's OSS Test Plan for U S WEST expressly recognizes these distinct legal standards. *See* OSS Test Plan at § 8.1. With these legal standards in mind, the ACC requested that the parties complete Appendix D to the OSS Test Plan and describe (1) whether a legal standard for the OSS test is appropriate; (2) if a legal standard is

justified, the appropriate standard or benchmark; and (3) if a benchmark is appropriate, what the specific benchmark should be. OSS Test Plan at § 8.2

Attached hereto is U S WEST's completed Appendix D for use during the workshops. The Appendix reflects some fundamental concepts.

1. The purpose of the OSS test is to test U S WEST's electronic interfaces.
2. Performance expectations should be determined based on the appropriate legal standard as defined by either the Act or the FCC.
3. The legal standards and benchmarks to be set should be grounded in the competitive expectations of customers in the state of Arizona.
4. When a retail alternative exists, the performance comparison should depend on whether the retail product is identical or similar. If it is the latter, some additional statistical deviation between the two should be expected and accounted for.
5. Benchmarks should be set based upon facts and not aspirational levels of performance.

U S WEST considered each of these key concepts while completing the Appendix.

A. Instances Where Parity is the Appropriate Legal Standard.

As described above, U S WEST must provide both resale and the repair/ maintenance of UNEs at "parity" – i.e., in substantially the same time and manner as U S WEST provides the comparative service to itself. This is relatively simple for resale where U S WEST is providing the exact same retail service to its own customers as the CLEC is providing to its customers. For the provision of resold services, U S WEST

proposes to provide the service at "comparative parity" with a 95% statistical confidence level.

On the other hand, there are instances where U S WEST provides an analogous, but slightly different service to its retail customers. The repair of UNEs and mediated access to pre-order functions exemplify this type of parity. In those instances, something less than "identical treatment"; something allowing for some additional statistical deviation due to the inherent difference in the products is appropriate. U S WEST calls this "analogue parity." For example, for the repair of loops where a similar but slightly different task is performed, U S WEST proposes parity at a 99% confidence level. This accounts for some additional statistical deviation. Similarly, for some pre-order functions that require mediated access, U S WEST proposes the retail response time plus 10 seconds.

Although U S WEST must provide interconnection that is "at least equal in quality," U S WEST has not proposed any legal benchmarks for interconnection. As described in each of the workshops to date, U S WEST believes that interconnection is outside the scope of the OSS Test. Interconnection should be left for the Commission to assess in the context of a hearing.

B. <u>Instances Where a Benchmark Should Be Set.</u>

As described above, where no retail analogue exists, U S WEST must provide an efficient competitor with a meaningful opportunity to compete. In these instances, U S WEST cannot point to its own retail performance as determinative. The obvious example that falls within this category is the ordering and provisioning of UNEs, such as the unbundled loop. The FCC has recognized time and again that there are no retail

analogues for these products. When no retail analogue exists, the OSS Test must set benchmarks that identify some expected level of performance.

As an example of the analysis that U S WEST conducted to identify the appropriate benchmarks, U S WEST proposes provisioning intervals of (usually) 5 or 6 days for unbundled analog loops (depending on the population density), with an expectation of meeting its installation commitments 80% of the time. A substantial amount of data that supports both the provisioning interval and the performance expectation exists.

When setting the provisioning interval, U S WEST assessed the amount of work that it needed to perform in order to provision an unbundled loop. Each time a loop is ordered by a CLEC, U S WEST must follow a 16-step provisioning process. That process requires several steps that are not usually required to provision POTs. For example, each time a loop is ordered, U S WEST must dispatch a technician to run a jumper from U S WEST's main distribution frame to the CLEC's equipment. Similarly, in most instances CLECs want loops provisioned with a "coordinated cut" to ensure that its customer is out of service for as brief a time as possible. For these and many other reasons, U S WEST provisions unbundled loops using a "design flow" as compared to a "POTs flow." U S WEST provides its own retail customers with identical 5 and 6 days intervals when it provides them with a design service.

There are many other reasons why 5 and 6 days intervals are appropriate. While there is no retail analogue to the provisioning of unbundled loops, there is one fact that cannot be questioned – unlike POTs, each time an unbundled loop is ordered, U S WEST must dispatch a technician. When U S WEST provisions POTs with a dispatch,

U S WEST's average provisioning intervals run approximately 6 days. Similarly, when U S WEST provides retail services with a dispatch, it meets its due dates about 80% of the time. These numbers add a great deal of validity to U S WEST's proposed benchmarks. They also forewarn that the ACC should not set unreasonably high expectations of performance.

Collocation is another example where no retail analogue exists. However, just as with interconnection, U S WEST believes that collocation is outside the scope of the OSS Test and should be left for the Commission to assess in the context of a hearing.

C. Instances Where No Legal Standard or Benchmark Should be Set.

Finally, there are some instances where a performance measure is either diagnostic or not readily capable of comparison. In these instances, no performance expectation should be set. An example is the diagnostic indicator, "CLEC Caused Misses", which helps the Commission to assess performance, but does not readily address U S WEST's performance.

There are also instances, however, where U S WEST simply does not have the ability to discriminate in its provision of service. For example, when U S WEST provisions CLECs with Directory Assistance and Operator Services, calls are routed to employees in the same way and on a first come-first served basis, thereby making it impossible for U S WEST to discriminate. In these instances, no performance expectations should be set because, by definition, CLECs receive nondiscriminatory access.

CONCLUSION

This document sets forth examples of the decision-making employed by U S WEST to complete Appendix D. At the workshops next week, U S WEST will be prepared to discuss each component of its Appendix D in this level of detail. U S WEST welcomes the opportunity to continue its work with the ACC on this important undertaking.

RESPECTFULLY SUBMITTED this 24th day of September, 1999.

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RECOMMENDED BENCHMARKS FOR PERFORMANCE MEASURES

NO.	MEASUREMENT	U S WEST
PERFORMANCE MEASUREMENTS		
	Pre-Order	
PO-1	Pre-Order/Order Response Times 1A. IMA (CLEC Transaction) 1B. Exact (CLEC & Retail) 1C. EDI (CLEC Transaction)	Retail analogue response time plus 10 seconds; or Less than 10 seconds where the retail analogue response time is less than 10 seconds (where such transactions and comparisons exist)
	Gateway Availability	
GA-1	Gateway Availability – Human/Computer Interface (IMA)	95 percent or more
GA-2	Gateway Availability – Computer/Computer Interface (EDI)	95 percent or more
	Ordering and Provisioning	**(Where multiple performance indicators address the same installation activity, share the "weighting" of the test evaluation among the indicators involved.)**
OP-1	Speed of Answer – Interconnect Provisioning Center (average)	Comparative[1] Parity at the 95 percent confidence level
OP-2	Calls Answered within Twenty Seconds – Interconnect Provisioning Center (percent)	Comparative Parity at the 95 percent confidence level
OP-3	Installation Commitments Met (percent)	Unbundled Loops: 80 percent or more Resale: Comparative Parity with the same retail service type at the 95 percent confidence level
OP-4	Installation Interval (average)	Unbundled Loops: (Use only for supplementary reference in the context of the OP-3 result above.) Resale: Comparative Parity with the same retail service type at the 95 percent confidence level

[1] "Comparative Parity" applies when the services/processes being compared are fundamentally the same in nature (e.g., resale and retail services). The appropriate statistical confidence level associated with comparative parity is the 95 percent confidence level, as determined by a modified Z-test for sample sizes greater than 600 or a permutation test for sample sizes less than 600. Comparisons should be applied only to sample sizes above 30, to ensure materiality.

NO.	MEASUREMENT	U S WEST
OP-5	Installation Trouble Reports (percent)	Unbundled Loops: Analogue[2] Parity at the 99 percent confidence level, with the analogue consisting of POTS installation trouble report (OP-5) Resale: Comparative Parity with the same retail service type at the 95 percent confidence level
OP-6	Delayed Days (average)	Diagnostic
OP-7A	Coordinated Cutover Interval – Unbundled Loop (without Number Portability) (average)	TBD
OP-7B	Coordinated Cutover Interval – Unbundled Loops (associated with LNP)	TBD
OP-8A	Coordinated Cutover Interval – Interim Number Portability (INP) (average)	NA[3]
OP-8B	Coordinated Local Number Portability (LNP) Timeliness (percent)	TBD
OP-9	Coordinated Cutover Combined Interval – Unbundled Loops coordinated with INP (average)	NA[3]
	Maintenance & Repair	**(Where multiple performance indicators address the same repair activity, share the "weighting" of the test evaluation among the indicators involved.)**
MR-1	Speed of Answer – Interconnect Repair Center (average	Comparative Parity at the 95 percent confidence level.
MR-2	Calls Answered within 20 seconds – Interconnect Repair Center (percent)	Comparative Parity at the 95 percent confidence level.

2 "Analogue Parity" applies when the services/processes being compared are similar, but not the same (e.g., interconnection and interoffice trunks; repair of unbundled loops and repair of residence or business basic services). The appropriate statistical confidence level associated with comparative parity is the 99 percent confidence level (to partially account for the broader range of differences that may be caused by the services/processes not being precisely an "apples to apples" comparison), as determined by a modified Z-test for sample sizes greater than 600 or a permutation test for sample sizes less than 600. Comparisons should be applied only to sample sizes above 30, to ensure materiality.

3 "NA" applies as Interim Number Portability is not being tested.

NO.	MEASUREMENT	U S WEST
MR-3	Out of Service Cleared within 24 hours – Non-Designed Repair Process (percent)	Unbundled Loops Troubles Cleared within 24 hours (MR-3): Analogue Parity at the 99 percent confidence level,[4] with the analogue consisting of Out of Service Cleared within 24 hours (MR-3) for POTS retail services Resale (non-designed): Comparative Parity with the same retail service type at the 95 percent confidence level
MR-4	All Troubles Cleared within 48 hours – Non-Designed Repair Process (percent)	Diagnostic
MR-5	All Troubles Cleared within 4 hours –Designed Repair Process (percent)	Resale (designed): Comparative Parity with the same retail service type at the 95 percent confidence level
MR-6	Mean Time to Restore (average)	Unbundled Loops: Analogue Parity at the 99 percent confidence level with the analogue consisting of Mean Time to Restore (MR-6) for POTS retail services Resale: Comparative Parity with the same retail service type at the 95 percent confidence level
MR-7	Repair Repeat Report Rate (percent)	Unbundled Loops: Analogue Parity at the 99 percent confidence level with the analogue consisting of Repair Repeat Report Rate (MR-7) for POTS retail services Resale: Comparative Parity with the same retail service type at the 95 percent confidence level
MR-8	Trouble Rate (percent)	Unbundled Loops: Analogue Parity at the 99 percent confidence level with the analogue consisting of Trouble Rate (MR-8) for POTS retail services Resale: Comparative Parity with the same retail service type at the 95 percent confidence level
	Billing	
BI-1	Mean Time to Provide U S WEST-Recorded Usage Records (average)	5 or fewer calendar days
BI-2	Mean Time to Deliver Invoices (average)	10 or fewer calendar days

[4] Rationale for applying "Analogue Parity" and 99 percent confidence level to unbundled loops repair comparisons: The standard is "substantially the same," and the processes being compared are not the same (i.e., repair of unbundled loops compared to repair of "bundled" U S WEST's retail services). Accordingly, the broader range of statistical comparison associated with a 99 percent confidence level is appropriate.

NO.	MEASUREMENT	U S WEST
BI-3	Billing Accuracy – Adjustments for Errors (under development)	TBD
	Emergency Services	
ES-1	ALI Database Updates Completed within 24 hours (percent)	99 percent or more
ES-2	911/E911 Emergency Services Trunk Installation Interval (average)	NA[5]
	Directory Assistance	
DA-1	Speed of Answer – Directory Assistance (average)	NA[6]
DA-2	Calls Answered Within Ten Seconds – Directory Assistance (percent)	NA[6]
	Operator Services	
OS-1	Speed of Answer – Operator Services (average)	NA[7]
OS-2	Calls Answered Within Ten Seconds – Operator Services (percent)	NA[7]
	Network Performance – Network Interconnection	
NI-1	Trunk Blocking – Interconnection Trunks (percent)	NA[8]
NI-2	Trunk Blocking – Local Interoffice ("Common") Trunks (percent)	NA[8]
	Collocation Provisioning	
CP-1	Installation Commitments Met (percent)	NA[9]
CP-2	Installation Interval (average)	NA[9]

5 "NA" because ES trunks are not being tested.
6 "NA" because, for OS and DA, traffic of U S WEST retail customers and CLEC customers is comingled.
7 Ibid.
8 "NA" because interconnection trunks and interoffice trunks are not being tested.
9 "NA" becausse collocation is not being tested.

NO.	MEASUREMENT	U S WEST
DIAGNOSTIC PERFORMANCE INDICATORS		
	Pre-Order/Ordering	
DPO-1	Electronic Flow-through of Local Service Requests (LSRs) to the Service Order Processor (percent)	TBD
DPO-2	LSR Rejection Notice Interval (average)	0.5 business days or less
DPO-3	LSRs Rejected (percent)	Diagnostic
DPO-4	Firm Order Confirmation (FOC) Interval (average)	1.0 business day or less
DPO-5	Pre-Order/Order Response Times for U S WEST Retail Transactions (average)	(See PO-1 above)
DPO-6	Completion Notifications Transmitted within 24 hours (percent) (under development)	TBD
DPO-7	Completion Notification Interval (average) (under development)	TBD
	Ordering and Provisioning	
DOP-1	CLEC- or CLEC's Customer-Caused Installation Misses (percent)	Diagnostic
DOP-2	Delayed Orders Completed ≥ 15 days past the commitment date (percent)	Diagnostic
DOP-3	Delayed Orders Completed ≥ 90 days past the commitment date (percent)	Diagnostic
	Maintenance & Repair	
DMR-1	CLEC- or CLEC's Customer-Caused Trouble Reports (percent)	Diagnostic
	Collocation Provisioning	
DCP-1	CLEC Caused Collocation Misses (percent)	NA[10]
DCP-2	Collocation Feasibility Study Interval (average)	NA[10]
DCP-3	Collocation Feasibility Study Commitments Met (percent)	NA[10]
DCP-4	Average Collocation Quote Interval (percent)	NA[10]

[10] ibid.