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BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKETED

JUL 05 2000

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IN THE MATTER OF U S WEST COMMUNICATIONS, INC.'S COMPLIANCE WITH § 271 OF THE TELECOMMUNICATIONS ACT OF 1996	Docket No. T-00000A-97-0238 **U S WEST'S PROPOSAL FOR ASSURANCE PLAN**

INTRODUCTION

U S WEST Communications, Inc. ("U S WEST") proposes that the performance assurance plan outlined in attachment Exhibit A be considered by the Arizona Corporation Commission ("ACC") in its section 271 collaborative workshop. U S WEST maintains that it has structured a proposed plan that is reasonable and that will meet the ACC and the Federal Communications Commission's ("FCC") expectations that U S WEST will continue compliance with its 271 obligations after approval.

I. ELEMENTS OF THE PLAN

The U S WEST proposed plan is structured around five key elements: 1) modes of entry that should be addressed by the plan, 2) appropriate modules necessary to address the modes of entry, 3) relevant performance indicators to satisfy the values identified in the appropriate modules, 4) reasonable, yet effective, penalty thresholds and levels, and 5) meaningful categories of fines.

A. Modes of Entry:

Competitive local exchange companies operating in U S WEST's region offer service through several modes, including resale, interconnection, and purchase of unbundled network elements. U S WEST has chosen relevant modules for inclusion in its proposed plan.

B. Modules and Performance Measure Indicators:

U S WEST has proposed that the following modules be included in the performance assurance plan: interconnection trunking, collocation, gateway availability, unbundled loops, resale, number portability, center access, NXX activation, and billing timeliness and accuracy. These are reasonably considered key "competition-affecting" measures. U S WEST proposes that the Arizona Corporation Commission adopt relevant PIDs developed in the 271 collaborative workshops to implement these modules. Those PIDs each have precise definitions, exclusions and stated performance standards. Importantly, those PIDs also represent consensus between U S WEST and the CLEC community. The specific measures suggested by U S WEST are:

- Interconnection trunk blocking, NI-1 and interconnection trunk installation commitments, OP-3;
- Collocation intervals CP-1 and collocation commitments, CP-2;
- Gateway availability to IMA and EDI, GA-1 and GA-2;
- Preorder response measures for appointment scheduling, service availability, facility availability, street address validation, customer service records, telephone number records, loop qualification, PO-1 A-B 1-7;
- Unbundled loop installation intervals for analog and digital loops, OP-4 and installation commitments met for analog and digital loops, OP-3;
- Troubles cleared < 24 hours for analog and digital loops, MR-3 and troubles cleared < 4 hours for digital loops, MR-5;
- Resale residence, business and Centrex installation intervals and commitments met, OP-4 and OP-3;
- Troubles cleared < 24 hours for residence, business and Centrex resale, MR-3;
- Number portability, coordinated and non-coordinated OP-8B and C;
- Center access: Interconnect Service Center calls answered within 20 seconds, OP-2
- Center access: Repair Service Center calls answered within 20 seconds, MR-2;
- NXX activation NP-2;
- Billing timeliness and billing accuracy, BI-2 and BI-3.

C. Penalty Thresholds:

U S WEST suggests a two-tiered penalty plan (level one and level two occurrences) that applies reasonable and appropriate statistical or benchmark standards to detect and penalize poor performance. A statistical analysis will be applied to the monthly ILEC and CLEC performance results for each of the measures identified in the proposed plan. If the z score applied to the data

shows that at a 95% confidence level there is a statistically significant difference and at a 99% confidence level there is no statistically significant difference, then a penalty would apply if the two previous months of data evidence the same results and the data represents an appropriate sample size.[1] This approach acknowledges that at least 5% percent of the time, U S WEST's performance will be determined to be discriminatory, entirely by chance. U S WEST's suggested approach logically tests the performance results over a period of time to determine whether the test results identify actual disparate treatment. If so, a penalty will be imposed. In cases of benchmark level one occurrences, penalties would be applied in the identical manner as statistical test level one occurrences.

If the statistical tests identify a statistically significant difference with greater certainty, defined as a level two occurrence, a penalty will be imposed immediately. Specifically, in any month where the z score associated with the data is greater than the critical value defined for a 99% confidence level, then a penalty will apply. In cases of benchmark standards, a penalty will also apply in each month in which there is a level 2 occurrence.

D. Level of Fines

U S WEST supports a plan that contains an overall dollar cap and two catagories of payments for poor performance. The amount of the plan cannot be considered until the critical performance measures are determined. Credits to CLECs should be limited to a certain amount by state. Any remaining penalties paid under the plan should be paid to a state universal service fund. The approach creates the appropriate incentive for U S WEST to continue to demonstrate that its markets are open to competition while avoiding the incentive to CLECs to use the plan as a financial windfall or to subsidize the their businesses.

[1] Where the data points are normally distributed or where sample sizes are sufficiently large, the critical z values associated with 95% and 99% confidence levels are 1.65 and 2.33, respectively. Permutation testing may be used to adjust critical z values to obtain the same confidence levels.

RESPECTFULLY SUBMITTED this 30th day of June, 2000.

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Performance Penalty Plan

Principles

Plan should build on Arizona/ROC Performance Measures/Standards

Plan should be simple to Understand and Administer

Plan should cover most CLEC entry strategies

- Resale
- UNEs
- Facility Based CLEC
- DLEC

Penalty Plan Modules

Module

1 Interconnection Trunking
2 Collocation
3 Gateway
4 Unbundled Loops
5 Resale
6 Number Portability
7 Center Access
8 NXX Activation
9 Billing Timeliness/Accuracy

Penalty Thresholds

Level 1

"Possible" Statistically Significant Difference

For parity comparisons:

@ 95% confidence, there is a statistically significant difference

@ 99% confidence, there is no statistically significant difference

Penalty requires 3 consecutive months of Level 1 Failure

Penalty Requires Statistical Significance (Sample Size)

Level 2

"Certain" Statistically Significant Difference

For parity comparisons:

@ 99% confidence, there is a statistically significant difference

Penalty applies in each month there is a Level 2 failure

Penalty requires Statistical Significance (Sample Size)

Penalty Application

A Penalty Applies:

With 3 Consecutive Level 1 or 2 Occurrences

With each Level 2 Occurrence

Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
	Level1		Level1	Level1	Level1		Level2		Level1	Level2	Level1
					Penalty		Penalty			Penalty	Penalty

Interconnection Trunking

Module 1.1	Level 1	Level 2
a) Tandem trunks (NI-1A)	> 1% blockage and	Z > 2.33
b) Direct trunks (NI-1B)	1.65 < Z ≤ 2.33	

(Excludes trunk groups where U S WEST has requested additional trunks, but CLEC has not responded with trunk orders)

Module 1.2		
a) Installation Commitments	1.65 < Z ≤ 2.33	Z > 2.33

Collocation

Module 2.1 (Days)	Level 1	Level 2
a) Installation Interval - Physical - New	$90 < X < 94$	$X>94$
b) Installation Interval - Physical - Augment	$90 < X \leq 94$	$X>94$
c) Installation Interval - Virtual - New	$90 < X \leq 94$	$X>94$
d) Installation Interval - Virtual - Augment	$90 < X \leq 94$	$X>94$
Module 2.2 (Percent)		
e) Commitments Met - Physical - New	$80 < X \leq 89$	$X<80$
f) Commitments Met - Physical - Augment	$80 < X \leq 89$	$X<80$
g) Commitments Met - Virtual - New	$80 < X \leq 89$	$X<80$
g) Commitments Met - Virtual - Augment	$80 < X \leq 89$	$X<80$

Gateway

Module 3.1	Level 1	Level 2
a) Gateway Availability (Percent) IMA (GA-1), EDI (GA-2)	$0.98<X\leq 0.9925$	$X<0.98$
Module 3.2		
a) Appointment Scheduling (Seconds) IMA (PO-1A-1), EDI (PO-1B-1)	$10<X\leq 12$	$X>12$
b) Service Availability (Seconds) IMA (PO-1A-2), EDI (PO-1B-2)	$30<X\leq 36$	$X>36$
c) Facility Availability (Seconds) IMA (PO-1A-3), EDI (PO-1B-3)	$25<X\leq 30$	$X>30$
d) Street Address Validation (Seconds) IMA (PO-1A-4), EDI (PO-1B-4)	$10<X\leq 12$	$X>12$
e) Customer Service Records (Seconds) IMA (PO-1A-5), EDI (PO-1B-5)	$12.5<X\leq 15$	$X>15$
f) Telephone Number Records (Seconds) IMA (PO-1A-6), EDI (PO-1B-6)	$10<X\leq 12$	$X>12$
g) Loop Qualification (Seconds) IMA (PO-1A-7), EDI (PO-1B-7)	$20<X\leq 24$	$X>24$

Unbundled Loop

	Level 1	Level 2
Module 4.1		
a) Installation Intervals - Analog (OP-4)	$1.65 < Z \leq 2.33$	$Z>2.33$
b) Installation Intervals - Digital (OP-4)	$1.65 < Z \leq 2.33$	$Z>2.33$
Module 4.2		
c) Installation Commitments Met - Analog (OP-3)	$1.65 < Z \leq 2.33$	$Z>2.33$
d) Installation Commitments Met -Digital (OP-3)	$1.65 < Z \leq 2.33$	$Z>2.33$
Module 4.3		
e) Troubles Cleared < 24 hours - Analog (MR-3)	$1.65 < Z \leq 2.33$	$Z>2.33$
f) Troubles Cleared < 4 hours - Digital (MR-5)	$1.65 < Z \leq 2.33$	$Z>2.33$

Resale

	Level 1	Level 2
Installation Intervals (OP-4)		
a) Residence	$1.65 < Z \leq 2.33$	$Z > 2.33$
b) Business	$1.65 < Z \leq 2.33$	$Z > 2.33$
c) Centrex	$1.65 < Z \leq 2.33$	$Z > 2.33$
Installation Commitments Met (OP3)		
a) Residence	$1.65 < Z \leq 2.33$	$Z > 2.33$
b) Business	$1.65 < Z \leq 2.33$	$Z > 2.33$
c) Centrex	$1.65 < Z \leq 2.33$	$Z > 2.33$
Troubles Cleared < 24 Hours (MR-3)		
a) Residence	$1.65 < Z \leq 2.33$	$Z > 2.33$
b) Business	$1.65 < Z \leq 2.33$	$Z > 2.33$
c) Centrex	$1.65 < Z \leq 2.33$	$Z > 2.33$

Number Portability

Module 6.1

Number Portability Timeliness	**Level 1**	**Level 2**
a) Coordinated (OP-8B)	90% $\leq$ X < 95%	X<90%
b) Non-Coordinated (OP-8C)	90% $\leq$ X < 95%	X<90%

Center Access

Module 7.1- Interconnect Service Center	Level 1	Level 2
a) Calls Answered within 20 Seconds (OP-2)	$1.65 < Z \leq 2.33$	$Z>2.33$

Module 7.2- Repair Service Center	Level 1	Level 2
a) Calls Answered within 20 Seconds (MR-2)	$1.65 < Z \leq 2.33$	$Z>2.33$

NXX Activation

Module 8.1	Level 1	Level 2
a) NXX Code Activation (NP-1)	$1.65 < Z \leq 2.33$	$Z > 2.33$

Billing

Module 9.1- Billing Timeliness	Level 1	Level 2
a) Invoices Delivered within 10 days (BI-2)	90% $\leq$ X < 99%	X<90%

Module 9.2- Billing Accuracy		
a) Adjustments for Errors (BI-3)		
UNEs and Resale	1.65 < Z $\leq$ 2.33	Z>2.33
Reciprocal Compensation	90% $\leq$ X < 95%	X<90%