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ARIZONA CORPORATION COMMISSION
PHOENIX, ARIZONA

1 **LEWIS**
2 **AND**
3 **ROCA**
4 **LLP**
5 **LAWYERS**

6 **BEFORE THE ARIZONA CORPORATION COMMISSION**

7 **WILLIAM A. MUNDELL**
8 **Chairman**

9 **JAMES M. IRVIN**
10 **Commissioner**

11 **MARC SPITZER**
12 **Commissioner**

Arizona Corporation Commission
DOCKETED

JAN 18 2002

DOCKETED BY 

13)
14 **IN THE MATTER OF U S WEST**)
15 **COMMUNICATIONS, INC.'S**)
16 **COMPLIANCE WITH § 271 OF THE**)
17 **TELECOMMUNICATIONS ACT OF**)
18 **1996**)

Docket No. T-00000A-97-0238

19 **WORLDCOM, INC'S BRIEF**
20 **ON**
21 **LIBERTY DATA RECONCILIATION REPORT**

22 WorldCom, Inc., on behalf of its regulated subsidiaries, ("WorldCom") submits this
23 brief addressing the Arizona data reconciliation report ("Arizona Report") conducted by
24 Liberty Consulting Group ("Liberty"). WorldCom incorporates its comments on the
25 Arizona Report filed December 10, 2001, as if fully stated here. WorldCom also concurs
26

1 in the concerns raised by AT&T Communications of the Mountain States both in its
2 written comments and in its oral presentation at the December 13 workshop as well as
3 AT&T's brief addressing the Arizona Report dated January 18, 2002.
4

5 INTRODUCTION

6 Liberty conducted an audit of Qwest's performance measures for the regional
7 oversight committee ("ROC"). As an extension to the audit, and through its Change
8 Request process, the ROC requested that Liberty conduct a "data validation to resolve any
9 debates concerning the accuracy of performance data emanating from particular ROC
10 PIDs." Liberty was subsequently requested to include Arizona within the scope of its data
11 reconciliation work.
12

13 Subsequently, on January 3, 2002, after the Arizona Report had been issued and
14 after OSS Testing Workshop 6 had been completed, Liberty issued its Colorado Report. A
15 copy of that report is attached as Exhibit A. Unlike the Arizona Report, the Colorado
16 Report described problems with Qwest's data processes that had not been discovered in
17 the Arizona Report.
18

19 ARGUMENT

- 20
- 21 1. As a result of the Colorado data reconciliation report, the Commission
22 should refrain from entering any decisions on Qwest's data
23 reconciliation until Liberty has completed its work for Washington and
24 Nebraska.

25 As a result of its data reconciliation work for the State of Colorado, Liberty has or
26 will be issuing several Observation Reports that were not issued in the Arizona Report. In
its Colorado Report, with respect to the issuance of Observation Reports, Liberty stated:

1 Several process errors significantly affected Qwest's reported performance
2 results. These problems are documented in Observation reports 1026, 1027,
3 1029 and 1030. Qwest reported retail line-sharing orders as wholesale
4 orders, orders were repeated in consecutive months because of different
5 completion codes, orders were not reported because the CLEC designation
6 was "unknown," and records were excluded because of no state code. Qwest
7 has indicated that it has either corrected or is investigating these matters.

8 Liberty went on to state:

9 While the problems discussed in the four Observation reports listed above
10 caused reported results to not reflect actual performance, they are the type of
11 problem that can rather easily be fixed, and at least in some cases,
12 performance results can be re-calculated. Of more concern to Liberty
13 because it may not be so easily corrected is the number of apparent human
14 errors that occurred in the processing of AT&T LIS trunk orders. This matter
15 has been reported in Observation 1031. In addition, human errors were
16 apparently the cause of some Covad UBL orders not being excluded from
17 OP-4 in cases where the requested interval was longer than the standard
18 (Observation 1032), and application dates and times were incorrectly
19 determined by Qwest personnel on AT&T LIS trunk orders (Observation
20 1033).

21 Liberty explained that in Colorado three primary factors drove it to different
22 conclusions from those it stated in the Arizona Report:

23 First, Covad provided support information for the performance measures that
24 were to be reconciled. Second, the scope of the AT&T reconciliation was
25 smaller and so Liberty was able to investigate a higher percentage of orders
26 in more depth than had been accomplished for the Arizona data. Finally,
Liberty did not need to spend effort on issues that had been investigated in
Arizona and in learning about how data was stored and processed. Qwest has
indicated that there should not be differences among the states in its region
as to how data are collected and processed for reporting performance
measures.

Most significantly, Liberty stated that it viewed the results of its data reconciliation
work to be cumulative and that overall conclusions should be made after its work for the
states of Washington and Nebraska is complete, as well as Oregon, Utah and other states
where Liberty is reviewing Qwest's data. Therefore, consistent with Liberty's own
recommendation, the Commission should refrain from taking any further action regarding

1 data reconciliation until Liberty has completed its work in other states. In addition,
2 depending on how the Observation Reports issued are resolved, the Commission may need
3 to hold further workshops to address data reconciliation issues and to determine if the
4 problems Liberty reported in the Colorado Report have been corrected and whether the
5 Arizona data Liberty relied upon in its Arizona Report is accurate and valid.
6

- 7 2. Liberty's findings in the Colorado Report suggest that if Liberty had
8 addressed certain CLEC issues in more depth in Arizona, it would have
9 had the same concerns about Qwest's Arizona data as it had about the
10 Colorado data.

11 As noted above, Liberty asserted several reasons for why it discovered more data
12 errors in the Colorado Report than it did in the Arizona Report. Liberty stated that
13 because the scope of the AT&T reconciliation was smaller in Colorado, Liberty was able
14 to investigate a higher percentage of orders in more depth than had been accomplished for
15 the Arizona data. It is common knowledge that Qwest pressured all testers to expedite the
16 issuance of reports in both Arizona and the ROC OSS test. Qwest continually issues press
17 releases advising it has passed checklist requirements, passed OSS tests (Arizona) and will
18 file 271 applications at the Federal Communications Commission, now by March.
19

20 Although Liberty has given this particular explanation to suggest that because
21 AT&T narrowed the scope of its data reconciliation concerns and, therefore, Liberty had
22 more time to spend on AT&T's issues, the explanation really says that Liberty did not
23 have time to evaluate any CLECs' data concerns adequately and to the level of degree it
24 would have preferred had it been allotted more time in Arizona. Once again, an artificial
25
26

1 deadline has driven an inaccurate result because the independent auditor, Liberty, was
2 rushed to issue its Arizona Report.

3
4 Had Liberty been able to study the Arizona data to the depth it did in Colorado, the
5 Arizona results would be consistent with the Colorado results and results for any other
6 Qwest state because, as Qwest has repeatedly stated, Qwest uses the same systems,
7 processes and personnel across all 14 states to perform data collection and reporting.

8
9 Moreover, Liberty's Colorado caveat that its data reconciliation work is cumulative
10 and that overall conclusions should not be made until its work is done in Washington and
11 Nebraska as well as Oregon, Utah and other states where Liberty is reviewing Qwest's
12 data, suggests that Liberty may find other new problems in those states as it "drills down
13 deeper" into Qwest data, and Qwest's data collection and reporting practices as well as
14 Qwest's interpretation of PID requirements.

15
16 3. **In Arizona, Liberty incorrectly considered the burden of proof to be on**
17 **the CLECs and made improper conclusions.**

18 In its December 10 comments, WorldCom expressed concern over the "objective"
19 question described by Liberty as follows: "Does any of the information provided by the
20 participating CLECs demonstrate inaccuracy in Qwest's reporting of performance results
21 under the measures defined in the PID?" This unilaterally places the burden on the
22 CLECs to prove Qwest's raw data and data collection were flawed. Liberty considered the
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24
25
26

1 burden of proof issue a “red herring,”¹ but the reality is the burden was in fact placed upon
2 CLECs as Liberty stated with regard to AT&T below:

3
4 And so when we reached the point that we could draw the conclusion that
5 there wasn't anything wrong with the way Qwest was doing it, that was the
6 end of the story.

7
8 Now, maybe our statement of conclusion was that AT&T didn't provide us
9 anything to show Qwest was wrong. Now that I think about it, and I frankly
10 haven't thought about it until just this moment, that might not be the best
11 way to state that. We tried to come up with some standard categories of
12 conclusions. But maybe we should have just said, Qwest is doing it okay.
13 And there's nothing that AT&T could have given us to show otherwise that
14 we know of.²

15
16 Simply put, the burden of proof in this proceeding is on Qwest, not the CLECs.

17
18 Moreover, as a result of the findings in the Colorado Report, the assignment of the burden
19 of proof is not a red herring. Finally, the reconciliation process should not only make
20 decisions on the information provided by CLECs to disprove Qwest's results or collection
21 methods, but must also take into account information received from Qwest and the
22 findings made by Liberty in the process of conducting the reconciliation to thoroughly
23 analyze the data. As already noted in its December 10 comments and discussed below, it
24 already appears that different standards apply, although Liberty asserts that was not its
25 intent and if such appears to be the case, that is not intended and is an error.

26
27 WorldCom addressed in its comments and at the workshop that Liberty did not
28 apply the same standard in determining whether Liberty's findings were inconclusive or

29
30 ¹ See, Transcript of Workshop 6 dated December 13, 2001, at Page 279, Lines 21
31 through 23.

32 ² *Id.* at Page 298, Line 21 through Page 299, Line 8.

1 not. In the WorldCom specific spreadsheets provided by Liberty there are a number of
2 orders that Liberty concluded to be inconclusive. In most of these cases it is because
3 Qwest could not locate the order information even though WorldCom provided the service
4 order to Qwest. For example, Liberty concluded in a number of cases where “Qwest could
5 not locate the order with the information provided. Subsequently, a WCOM service order
6 has been provided to Qwest. No reply from Qwest. Information available on this order is
7 inconclusive.”³ However, in the reverse situation when WorldCom could not match the
8 PON information or did not get the PON information requested to identify the order,
9 Liberty concluded: “WorldCom did not provide any information that demonstrates
10 Qwest’s treatment of the order was incorrect.”⁴ So even when WorldCom provided
11 Qwest with the PON information, Liberty concluded the order to be inconclusive.
12 However, when WorldCom cannot even obtain the requested PON information from
13 Qwest in order to research the order, the conclusion is that WorldCom did not demonstrate
14 Qwest’s treatment of the order was incorrect. This clearly applies a different standard
15 benefiting Qwest and these types of conclusions at a minimum should be changed to
16 inconclusive to be consistent.

17
18
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20
21 In addition, there were eight orders where WorldCom disagreed with the order
22 number assigned by Qwest. WorldCom responded to Liberty’s data request stating that
23

24
25 ³ See, WorldCom’s confidential spreadsheet under OP-3 LIS Trunks Arizona
WorldCom February 2001, Line #30.

26 ⁴ See, WorldCom’s confidential spreadsheet under OP-3 LIS Trunks Arizona
WorldCom January 2001, Line #12 and February 2001, Lines 55-66.

1 because there was no associated WorldCom PON that WorldCom could not research the
2 order. However, Liberty's findings stated that "WCOM disagrees with the order number
3 assigned by Qwest but not the completion and classification of the service. Qwest's
4 reporting of the performance measure properly accounted for this order."⁵ It is unclear
5 how Liberty could draw the above conclusion that WorldCom did not disagree with the
6 completion and classification of the service given that WorldCom could not match the
7 order information to research the order. At a minimum, Liberty's finding should be
8 changed to "inconclusive" rather than purported agreement over completion and
9 classification of the order.
10
11

12 On another order, both companies agreed the order was completed in July of 2000,
13 which was outside the scope of this data reconciliation. There is no explanation for
14 including the order except that Qwest decided to do some cleanup. Liberty should not
15 have considered this order at all and concluded: "Qwest incorrectly included this order in
16 the performance measure."
17

18 **4. Qwest uses a reference date rather than the actual date.**
19

20 In conducting the data reconciliation, it was revealed that Qwest's service order
21 database does not contain a real-time picture of service order activity and, therefore, there
22 were orders completed in a particular month that were not reported in that month but
23 reported as completed in a subsequent month. This is a concern in attempting to do any
24

25 _____
26 ⁵ See, WorldCom's confidential spreadsheet under OP-3 UBL Arizona WorldCom
February 2001, Lines 56-75.

1 future data reconciliation if CLECs are using the actual completion dates for their data and
2 Qwest is using a reference date that CLECs do not have access to. WorldCom believes that
3 this is an issue that requires additional discussion and review, as it does not truly match the
4 PID denominator that refers to “total orders completed in the reporting period” and makes
5 it virtually impossible for CLECs to match their results with those results reported by
6 Qwest. As WorldCom proposed earlier in its December 10 comments, Qwest could wait
7 for some period of time, such as a week after the end of the month, to collect the data to
8 account for the lag and report on actual completion dates.
9

10
11 This becomes a further issue if the burden of proof rests on the CLECs to show
12 Qwest’s approach is wrong, when Qwest does not comply with the formula in the PIDS,
13 whereas the CLECs do apply the correct formula.
14

15 **5. Liberty minimized Qwest errors in data collection and reporting.**

16 The Arizona Report minimizes the findings where Liberty uncovered Qwest errors
17 that affected performance results. Liberty states the errors are of the kind and at levels to
18 be expected or that they appeared to be honest errors in judgment but does not provide any
19 detail on how they arrived at that determination or how they determine what levels of
20 errors are unacceptable. Regardless if they were honest errors, Liberty reported for
21 WorldCom’s LIS trunks that Qwest was incorrect almost 5% of the time.
22

23 That percentage of errors does concern WorldCom especially when Liberty states
24 that Qwest errors related to lack of support for a customer-caused miss or that the
25 commitment date did not appear to be met as reported by Qwest. The fact is that Liberty
26

1 did find that Qwest did make errors that affected the accuracy in which Qwest reports its
2 performance results. In addition, the Colorado report highlights a large percentage of
3 errors in assigning customer-miss exclusions or likely human error in failing to enter a
4 correct completion date. This is an issue that the Commission must consider and should
5 be focusing upon to determine what actions Qwest will be taking to address these issues
6 and to ensure accurate reporting.
7

8 With problems uncovered in the Colorado Report, WorldCom's concerns that
9 Qwest errors were minimized are simply exacerbated.
10

11 **6. Additional investigation is required for OP-15 results.**

12 Liberty stated it will be issuing an exception report on performance measure OP-15,
13 which applied to about half of the LIS Trunk service orders. Liberty also stated that the
14 problem could exist (for the period being reconciled) for designed services other than LIS
15 Trunks. Accordingly, Liberty recommended that an investigation would be appropriate to
16 determine exactly the full range of products affected, and the months involved."
17

18 Further investigation is absolutely appropriate and should be conducted by Liberty
19 to determine the full range of products affected and the months involved. Such an
20 investigation may produce the additional exceptions or observations.
21

22 **7. Qwest may have improperly applied an OP-4 exclusion.**

23 In addition to the data reconciliation for OP-3 (Commitments Met), WorldCom
24 requested that Liberty validate the denominator portion of OP-4 (Installation Intervals).
25 However, the initial Liberty results provided to WorldCom only address OP-3. Liberty did
26

1 assert that it analyzed the OP-4 denominator for WorldCom. On December 21, 2001, Mr.
2 Stright responded by e-mail stating: "The OP-4 denominator is the same as that for OP-3,
3 with the exception of orders that have a longer than standard interval. Therefore, the OP-3
4 reconciliation covers OP-4 when the OP-4 numerator is not being considered."⁶

5
6 WorldCom agrees that the OP-4 denominator should be the same as OP-3, except for
7 unbundled loops in which OP-4 excludes orders with requested due dates greater than the
8 standard interval and orders with intervals lengthened due to customer-caused delays.
9

10 While there are references in the report to exclusions because of changes in the due date,
11 there does not appear to be any orders in the report excluded for requested due dates
12 greater than the standard interval.

13
14 Given that the results that WorldCom received from Qwest showed different
15 denominators for OP-3 and OP-4, Liberty should validate whether Qwest was properly
16 applying this exclusion and needs to re-examine this concern. Moreover, in the Colorado
17 Report, Liberty's analysis of Colorado OP-4 data for LIS Trunks showed Qwest errors in
18 assigning jeopardy codes and customer-miss exclusions resulting in Qwest inappropriately
19 excluding a significant number of orders from the OP-4 results suggesting that further
20 investigation by Liberty is warranted in Arizona.

22 CONCLUSION

23
24 WorldCom believes that, while the data reconciliation process was beneficial, the
25 report fell short of its potential as is now evidenced by the Colorado Report. The assertion

26

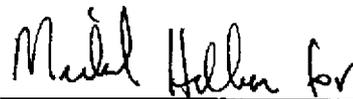
⁶ See, Exhibit WorldCom 5-6.

1 that the entire burden is on the CLECs to prove Qwest wrong as well as application of
2 different standards to the importance of Liberty's conclusions certainly benefited Qwest in
3 the Arizona Report.

4
5 The information provided in Liberty's report demonstrates material errors and
6 inaccuracies by Qwest that affected the accuracy in which Qwest reports its performance
7 results. This is further reinforced in greater detail by the Colorado results. Qwest should
8 be held responsible and accountable for these errors. In addition, the Commission must be
9 advised of the actions that Qwest will take to correct these material errors to ensure
10 accurate reporting under the performance measures on an ongoing basis. Finally, any
11 corrections which Qwest makes in data collection and reporting must be analyzed by
12 Liberty to ensure Qwest is correctly collecting and reporting data.
13

14
15 RESPECTFULLY submitted this 18th day of January, 2002.

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17 

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Second Report on Qwest Performance Measure Data Reconciliation – Colorado

I. Introduction

The Liberty Consulting Group (Liberty) conducted an audit of Qwest's performance measures for the ROC, and issued the final report from that audit on September 25, 2001. As an extension to the audit, and through its Change Request process, the ROC requested that Liberty conduct a "data validation to resolve any debates concerning the accuracy of performance data emanating from particular ROC PIDs." (ROC Change Request #20.) Certain CLECs have expressed concerns about the accuracy of Qwest's reported performance results as they relate to service that they have been receiving. The ROC decided to conduct this data reconciliation work in order to test those concerns. Liberty's performance measures audit applied to all of the ROC states with the exception of Arizona. Nevertheless, Liberty was requested to include Arizona in the scope of its data reconciliation work. The report that used Arizona data was issued on December 3, 2001. This report provides the results of Liberty's review of data from Colorado.

Liberty conducted multiple discussions with state commission personnel, Qwest, and the CLECs, in order to secure their comments on the scope and objectives for this test. Liberty has determined that the objective for the data reconciliation process solicited by the ROC should be to answer the following question:

Does any of the information provided by the participating CLECs demonstrate inaccuracy in Qwest's reporting of performance results under the measures defined in the PID?

The question presented is an important, but narrow one. It allowed the exclusion of activities that would have substantially expanded the scope of this test. For example, Liberty was not required to determine whether CLECs could reproduce Qwest's performance results with their own information, or what changes would be required to allow such recreation. There were also situations in which Liberty found that Qwest and a CLEC interpreted requirements differently or had different understandings of how interactions with Qwest or the information resulting from them should be treated. In those cases, Liberty did not seek to determine who was right and who was wrong, or who reflected the better practice. Instead, Liberty's goal was to determine whether, in consideration of the requirements of the PID, Qwest's methods practices, or processes contained material error. Therefore, in the case of data discrepancies, Liberty required an affirmative showing of Qwest error or omission before issuing an exception or observation. However, in order to make clear the details of its examination, Liberty has reported the cases where it found the information provided by the parties to be inconclusive. In the course of its data reconciliation work, if Liberty found something wrong with the way Qwest reported performance results, regardless of the information provided by the CLEC, Liberty reported that problem.

In its comments on CR #20, AT&T described what it thought should be the process for what has been referred to as "data reconciliation," as follows:

- 1. The CLEC identifies what it believes are discrepancies between performance results it has produced and the performance results that Qwest has produced. The CLEC should identify the particular performance measurement in question and the evidence that lead the CLEC to conclude that a discrepancy exists.*
- 2. The auditor takes the CLECs information and confirms the existence of the discrepancy.*
- 3. After confirming the discrepancy, the auditor determines and identifies the source of the discrepancy.*
- 4. If the source of the discrepancy is the CLEC, the auditor will share its findings at a high level with the TAG. The specific details of the discrepancy shall be shared by the auditor privately with the specific CLEC.*
- 5. If the source of a discrepancy is Qwest and that discrepancy points to some problem with Qwest's raw data, the auditor shall create an Exception/Observation per the Exception and Observation process used in the ROC OSS test. In the Exception/Observation, the auditor will make recommendations as to whether the identified deficiency is likely to affect multiple services and/or multiple CLECs. The auditor will also identify what it believes is the period of time that Qwest may have been producing questionable performance results.*
- 6. After the Exception/Observation has been created, it should follow the normal process for closure as would any other Exception or Observation.*

In general, the process described by AT&T reflected how the data reconciliation effort proceeded.

Three CLECs, Covad, WorldCom, and AT&T, chose to participate in data reconciliation. The participating CLECs had identified numerous discrepancies. In connection with this report, Liberty has separately supplied specific information about the CLECs' sources of discrepancies, as well as proprietary information concerning specific records and volumes. Liberty sought to prepare this report to inform the interested participants about the test and its results, without revealing confidential information. For example, the report generally refers to percentages of total orders instead of the actual number of orders. The specific performance measures and products that the participating CLECs wanted included in the data reconciliation, being widely known, were therefore not considered proprietary.

As a result of its data reconciliation work for the state of Colorado, Liberty has or will be issuing several Observation Reports, each of which is discussed below.

Qwest, the CLECs, and Liberty spent significant time and effort resolving the specific scope of the performance measures to be included in data reconciliation. It took considerable added effort to digest and process the information provided by CLECs and match it with data provided by Qwest. Liberty began this data reconciliation test with a significantly greater familiarity with the structure and nature of the Qwest data, with which Liberty worked extensively during earlier

audit activities. Gaining a similar kind of familiarity with CLEC data structure and content formed a more significant than expected part of this test. During the course of its data reconciliation test work, Liberty was able to match a significant portion of the apparently contradictory data presented by CLECs and Qwest. This success in data matching was important, but the discrepancies remained very large even after it was completed.

II. Overall Summary of Findings

This report presents more detailed, non-confidential results in later sections that are organized by CLEC. This section provides Liberty's overall conclusions, which have been formed on the basis of the reconciliation of Colorado data.

Several process errors significantly affected Qwest's reported performance results. These problems are documented in Observation reports 1026, 1027, 1029, and 1030. Qwest reported retail line-sharing orders as wholesale orders, orders were repeated in consecutive months because of different completion codes, orders were not reported because the CLEC designation was "unknown," and records were excluded because of no state code. Qwest has indicated that it has either corrected or is investigating these matters.

While the problems discussed in the four Observation reports listed above caused reported results to not reflect actual performance, they are the type of problem that can rather easily be fixed, and at least in some cases, performance results can be re-calculated. Of more concern to Liberty because it may not be so easily corrected is the number of apparent human errors that occurred in the processing of AT&T LIS trunk orders. This matter has been reported in Observation 1031. In addition, human errors were apparently the cause of some Covad UBL orders not being excluded from OP-4 in cases where the requested interval was longer than the standard (Observation 1032), and application dates and times were incorrectly determined by Qwest personnel on AT&T LIS trunk orders (Observation 1033).

As a result of its data reconciliation work for Arizona data, Liberty found that Qwest made some errors that affected performance results. However, those errors were generally either (a) of the kind and at levels to be expected at the front end of the performance measurement process, where people must manually enter vast amounts of information, or (b) appeared to be honest errors in judgment. The amount of these errors in relation to the total amount of information required for the performance measures did not exceed what Liberty considers to be expected levels, even under a carefully operated set of measurement activities. The Arizona work also noted a programming problem associated with measure OP-15 (Exception 1046) and a failure to report a group of Firm Order Confirmations in June 2001.

For the Colorado data, there were three primary factors that drove to different conclusions. First, Covad provided support information for the performance measures that were to be reconciled. Second, the scope of the AT&T reconciliation was smaller and so Liberty was able to investigate a higher percentage of orders in more depth than had been accomplished for the Arizona data. Finally, Liberty did not need to spend effort on issues that had been investigated in Arizona and in learning about how data were stored and processed. Qwest has indicated that there should not be differences among the states in its region as to how data are collected and processed for reporting performance measures. Therefore, Liberty views the results of its data reconciliation work to be cumulative and that overall conclusions should be made after its work for the states of Washington and Nebraska is complete.

III. Results of Data Reconciliation – AT&T

A. Issues

The scope of the data reconciliation work for AT&T and Colorado was:

- The denominator of PO-5D for Local Interconnection Service (LIS) trunks.
- The numerator and denominator of OP-3, OP-4, OP-6, and OP-15 for LIS trunks.

The reconciliation period was from January 2001 through June 2001. Qwest stated, however, that it did not report CLEC-specific state results for LIS trunks for OP-15 for January or February; therefore, Liberty could not reconcile data for those months. In addition, Qwest was unable to provide the data necessary to reconcile OP-15 for LIS trunks for May; therefore, data for that month could not be reconciled.

Human Error

Liberty noticed several types of human error that caused inaccuracies in Qwest's performance measure reporting. Liberty discovered instances where the Missed Function Code (*MFC*) applied by Qwest to an order in WFAC was inappropriate, *e.g.*, when Qwest applied a C01 jeopardy in cases when the jeopardy should have been to Qwest. The MFC is entered by Qwest personnel who are supposed to choose the code that represents the reason for a miss. It is used by other Qwest personnel as one factor in determining the Service Order Miss Code (*SOMC*) in RSOR. If the SOMC is to the customer, then the order was excluded from OP-3, OP-4, and OP-6 during the period being reconciled by Liberty. Numerous orders were, in fact, inappropriately excluded from these measures because of this type of human error. This issue is the subject of Liberty's Observation report 1031.

In addition, Liberty noted instances where Qwest's completion date was 01/01/01, which meant that the completion date was blank or invalid and the order was legitimately excluded from the measure. In other cases, the application date to entry date interval was greater than 31 days, and the order was legitimately excluded from the measure. However, the underlying cause of invalid completion dates and excessive intervals is also human error on the part of Qwest personnel.

Application Date/Time

Liberty noticed instances in which Qwest personnel determined AT&T's order application date/time incorrectly. This application date/time is used in OP-4 calculations. The PID requires that LIS trunk applications received after 3 p.m. MT are to be counted as received the next day. In some instances, Qwest failed to follow this rule. In other cases, it appears that Qwest used the wrong application date because of uncertainty as to whether the application was "complete and accurate" as is required by the definition section in the PID. This issue is the subject of Liberty's Observation report 1033.

In a 12/28/01 e-mail from Qwest, Liberty learned that Qwest apparently does not always have a record of the application times for LIS trunks. It is the responsibility of the Qwest Wholesale Service Coordinator (*WSC*) to determine the correct application date by looking at the

application time and following the process for writing service orders. This process includes recording the application date as the next day when the application time is after 3 p.m. MT on a LIS trunk order. This is consistent with the definition section at the end of the PID. The only times that are logged by Qwest, however, appear to be the time when the WSC enters the application date into the EXACT system and the time the most recent application/supplement was received from AT&T. These times need not be the same time as the application time. Thus, Qwest cannot always support the application times it used in developing the performance results for OP-4.

Service Order Completion Date

For LIS trunks, Liberty found that Qwest and AT&T have different operational definitions of when an order is considered to be completed. In most instances, AT&T views the order as completed earlier than Qwest does. AT&T believes the order is completed when a first test is done, but Qwest does not consider it completed until an additional test is completed as well. For many orders a due date is established, *i.e.*, the date by which both parties expect to complete the order. When a test is successfully completed on that due date, AT&T considers the order completed. AT&T therefore includes the order in the relevant performance measures as completed on the date of that test. However, Qwest believes another test is necessary, *i.e.*, a test for which AT&T is often not ready on the due date. Accordingly, Qwest classifies the order completion as having been missed for customer reasons, and therefore excludes it from many measure results. This disagreement about the meaning of order completion accounts some of the discrepancies between the parties. For example, it accounts for seven of the discrepancies between the parties for LIS trunks for OP-4 for the months of January to June in Colorado.

Both AT&T and Qwest have reasonable justifications for their definitions of order completion. Their difference is an operational one, which cannot be resolved in either party's favor by referring to the language of the PID. Liberty did not consider this test as including a Liberty determination of which company applied the better or most correct operational interpretation. Rather, Liberty sought to determine whether Qwest's approach was out of conformity with the PID. Liberty concluded that Qwest's definition and use of a service order completion date could not be judged to be out of conformance with the PID.

Data Processing Error

Liberty's analysis of LIS trunks disclosed that many orders being reported in OP-15 did not appear to be Qwest "misses," even according to Qwest's own data. The cause of the problem was a data transfer error. The Detailed Data Set that Qwest uses for the OP-15 measure incorporates data from the Integrated Data Repository (*IDR*) Pending data source. One extremely important piece of this data is the miss code, which determines whether the order will be included in OP-15, and whether it will be included in OP-15A or OP-15B. LIS trunks constitute a designed service; therefore, they have three-digit miss codes. Misses for customer reasons begin with the letter "C." For example, C01 is the miss code for the category of "Customer Not Ready." During the data transfer step, the third digit of the miss code was often (although not always) being truncated. The Wholesale Regulatory Reporting program looks up the code in a miss code table in order to determine how the order should be handled. If it fails to find the code, it establishes Qwest as the default cause of the miss. Therefore, all of the LIS trunk orders showing two digit miss codes were being reported as Qwest misses, even though not all of them were. Qwest has

stated that it knew about the problem, and has already fixed it, but the performance reports for the months being reconciled, and the data provided by Qwest that generated them, contained this error. Liberty issued an Exception Report 1046 addressing this issue. The problem occurred in four of the LIS trunk service orders.

This problem could exist (for the period being reconciled) for designed services other than LIS Trunks. Accordingly, an investigation would be appropriate to determine exactly the full range of products affected, and the months involved.

Use of Reference Date

Several performance measures use the number of orders completed in the reporting period as the denominator. Qwest's service order database does not contain a real-time picture of service order activity. Liberty's review during the performance measures audit showed that records are updated close to the time of the activity involved, such as completion; however, there is usually a lag of a couple of days. If the performance measures used only the report month, Qwest could miss a substantial amount of activity. Qwest solved this potential problem by calculating measures for records in which the database reference date is the reporting month. This method helps ensure that all records are reported, but may cause orders that are completed in one month to be reported in a later calendar month. Liberty does not consider this problem to be a material one, because:

- Every order is eventually accounted for
- The process is well-defined and applied consistently
- The overall impact (including an order in a future month's performance report) is minimal.

However, a CLEC would not know the reference date; it would only know the actual date of completion. The reference date matter accounted for about 15 percent of the LIS Trunk discrepancies for OP-3 for the months of January to June 2001. This reference date issue affects all products.

Lengthy Completion Intervals

In response to data request 30-2, Qwest told Liberty that it is unable to include in its performance reporting any service orders that are not completed within eight months. This problem accounted for six percent of the discrepancies in both OP-3 and OP-4 for LIS trunks for the months of January to June in Colorado.

B. Reconciliation Results

For the measure OP-3, Qwest and AT&T agreed on 47 percent of the orders. For the orders that the companies disagreed on, Liberty found that:

- 21 percent were likely caused by Qwest's errors in assigning jeopardy codes and customer-miss exclusions. In addition, another 9 percent of the orders contained a 01/01/01 completion date, which meant that Qwest's program properly excluded the orders but that there was likely human error in failing to enter a correct completion date. (Observation 1031.)
- 6 percent were not counted by Qwest because the order took more than eight months to complete.
- For 61 percent, Qwest's treatment was correct, or Qwest followed its procedures for not counting orders with a customer miss. In a quarter of these cases, the discrepancy was caused by Qwest using the reference date to report order completion. In 40 percent of these cases, the discrepancy was caused by disagreement as to when a LIS trunk order completes.
- 12 percent of the discrepancies contained conflicting information that Liberty was unable to resolve.

For measure OP-4, the base results are the same as those presented above for OP-3. In addition, however, the companies disagreed on most of the interval numerator values in cases where they agreed that the order should be included. For many of the numerator discrepancies, Liberty was not given information that resolved the conflict. In some cases, Liberty determined that Qwest correctly determined the numerator for OP-4 and AT&T did not. One-third of the numerator discrepancies were caused by errors in Qwest's application date. (Observation 1033.)

For measure OP-6, Liberty found that there was no actual disagreement in 37 percent of the orders, Qwest was incorrect on 27 percent of the orders for the same reasons given in the OP-3 analysis, Qwest was correct in 18 percent of the discrepancies, and 18 percent remained in conflict.

For the few orders that could be analyzed for measure OP-15, Liberty found that there was no actual disagreement in 24 percent of the records, Qwest was incorrect on 29 percent of the records, Qwest was correct on 29 percent of the records, and 18 percent remained in conflict. All but one of the Qwest errors related to the data processing problem that was the subject of Exception 1046. The other case was one in which Qwest's documentation did not support its position that an order was pending for Qwest reasons.

For PO-5, Qwest and AT&T agreed on 86 percent of the orders. Qwest was in error on 25 percent of the discrepancies, Qwest was correct on 25 percent, and 50 percent of the discrepancies could not be resolved with the available information.

IV. Results of Data Reconciliation – WorldCom

Liberty's scope of work associated with WorldCom (WCom) and Colorado included OP-3, Installation Commitments Met, and OP-4, Installation Interval, for LIS trunks and 2-wire unbundled analog loops. The time period under consideration was January through May 2001. The data provided by WCom did not contain sufficient information to calculate the OP-4 numerator, which is the actual installation interval. The UBL denominator for OP-4 excludes orders with customer-requested due dates that are greater than the standard interval. WCom could only determine these excluded orders on a limited basis. Therefore, Liberty sought to determine whether WCom's information on the total order counts showed any problems with the numbers reported by Qwest for OP-3 and OP-4.

For LIS trunks, Liberty found that Qwest and WCom agreed on the treatment of 7 percent of the orders. After receiving additional information from WCom, the companies agreed on another 9 percent of the orders. In 24 percent of the orders, Qwest excluded the record because of a customer miss. WCom information either confirmed the customer miss or did not provide any information to make Liberty think that Qwest was incorrect in making such an assignment. However, Liberty did not have the information that would have been required to find the same type of human error problems noted above in the AT&T section of this report. Often jobs have more than one service order with one being the actual installation and another being an administrative record. Qwest excluded such records that have no inward activity and WCom often included that order. This situation accounted for 24 percent on the total records. Sometimes Qwest will report an order that was completed in one month in the next month's results because of the database reference date. (Refer to the discussion in the AT&T section above.) This accounted for 7 percent of the total records. Finally, there were orders could not be reconciled because WCom lacked either a PON or a Qwest service order number, and Qwest was unable to trace the other information that WCom provided to an actual order. Initially, this accounted for 29 percent of the orders. Later, Qwest was able to find that several of these orders had been completed at various dates in the year 2000, not in the 2001 months that were under examination. This brought the total down to 21 percent, and, while still a significant percentage, should not be a major concern given the quality of the CLEC-provided information.

For unbundled loops, the companies initially agreed on 31 percent of the orders. After additional information was obtained from WorldCom, the orders for which the parties agreed increased to 62 percent. Qwest excluded the remaining orders for customer-caused miss reasons or had dates outside the period of the reconciliation. The information available from WCom did not dispute Qwest's information.

On December 19, 2001, Liberty sent detailed and proprietary worksheets to WCom and Qwest on the analysis of OP-3/4.

V. Results of Data Reconciliation – Covad

A. Issues

The agreed upon scope of the data reconciliation for Covad was a 25 percent sample of OP-4 (installation interval) for line-sharing and unbundled loops and of PO-5 (Firm Order Confirmations on time). Liberty chose the sample and received Covad's agreement of the method of drawing the sample. The time period for the review was the months of May, June, and July 2001.

Liberty found several problems with Qwest's performance reporting for Covad. First, Qwest reported some retail orders as wholesale. For line sharing, Qwest may generate two orders, one for the CLEC data side and another to account for Qwest's voice service. At least some of the orders of the second type were incorrectly reported as wholesale orders associated with the CLEC. Liberty documented this problem in Observation 1026. In response to the Observation, Qwest said that it had implemented a code change that looks orders that contain billing USOCs for line sharing and reviews all line-level USOCs to identify those with retail activity and excludes them from the results. Qwest said that this change would prevent future reporting of the retail orders as line sharing activity and effectively reduce volumes previously shown. For July 2001, Liberty found that this problem affected 5 percent of the sampled number of discrepant records that Liberty reviewed. Qwest indicated that the revised code would be executed on historical data starting from January 2001 and be reported with performance results that include December 2001.

Liberty also found that Qwest reported some of the same items in two consecutive months. This problem was documented in Observation 1027 and for Covad affected both UBL and line-sharing orders. While Liberty has not received Qwest's formal response to the Observation, Qwest has indicated that this problem was known and has been corrected. Qwest indicated that the problem had to do with different completion status codes given to some orders and that the effect was minimal. However, for the UBL records, this problem accounted for 22 percent of the sampled number of discrepant records that Liberty reviewed.

Liberty found that some line-sharing orders were not reported by Qwest because the CLEC was designated as unknown. This problem was documented in Observation 1029. Qwest's records confirmed the application and completion dates on these orders with the data provided by Covad. However, Qwest could not report the orders because the CLEC designation was not assigned correctly. This problem affected 70 percent of the orders that Liberty reviewed and that were in the category of included by Covad but not by Qwest in the reporting of July line-sharing results for OP-4.

Covad's information provided to Liberty for data reconciliation included many orders that Qwest did not report for PO-5. Investigation of these orders revealed that Qwest's program had excluded them because of an invalid or missing state code. There was nothing apparently wrong with Covad's orders. This problem accounted for about two-thirds of the items that Liberty reviewed and that were the category of included by Covad but not by Qwest in the reporting of July PO-5 results. This matter was documented in Observation 1030.

Qwest included some unbundled loop orders that should have been excluded because the requested provisioning interval was greater than the then current standard installation interval. This problem, which appears to be one involving human error, was documented in Observation 1032.

B. Results

Liberty prepared spreadsheets showing the results of its analysis of the Covad service orders for May, June, and July 2001. These documents contain information that is proprietary to Covad; therefore, Liberty made a limited distribution of them.

For OP-4 and unbundled loops, the companies agreed on only 16 percent of the orders. For another 8 percent of the orders, the companies agreed on inclusion in the denominator of the measure but disagreed on the interval for the numerator. Liberty sampled the 84 percent of the orders for which there was disagreement and found for those discrepancies that:

- Qwest was incorrect on 31 percent of the discrepancies. Most of these (22 percent) were reported incorrectly for the second time by Qwest (Observation 1027). Qwest also included orders (about 6 percent) that should have been excluded because the requested interval was longer than the standard (Observation 1032).
- For 61 percent of the discrepancies, Qwest correctly reported performance and Covad's information supported the way in which Qwest treated the orders. For example, in several cases Covad did not take into account the 4th of July holiday when counting interval days. In other cases, Liberty found nothing wrong with Qwest's reporting and Covad's information did not show otherwise. In some of the records, there turned out to be no real discrepancy other than Covad included the order in the wrong month.
- For 8 percent of the records, the information was either conflicting or Liberty was unable to determine which company was correct.

For OP-4 and line-sharing orders in June and July, the companies agreed on only about 14 percent of the orders. For another 30 percent of the orders, the companies agreed on inclusion in the denominator of the measure but disagreed on the interval for the numerator. Liberty sampled the 86 percent of the orders for June and July and for which there was disagreement and found for those discrepancies that:

- Qwest was incorrect in 26 percent of the records. Retail line-sharing orders reported incorrectly by Qwest (Observation 1026). Qwest incorrectly reported orders in two separate months (Observation 1027). Qwest excluded orders because the CLEC designation was "unknown" (Observation 1029).
- In 55 percent of the records, Qwest was correct or Covad did not provide any information to show otherwise.

- In 19 percent of the records there was conflicting information that Liberty was unable to resolve. Many of these were cases in which the parties disagreed by one day on either the application or completion dates.

For PO-5, the companies agreed on only about 10 percent of the orders. Liberty sampled the 90 percent of the orders for which there was disagreement. For June and July, Liberty found for those discrepancies that:

- Qwest was incorrect in 38 percent of the records. Most all of these were excluded by Qwest because of the problem with the state code (Observation 1030). There were some (PO-5C) fax orders that were not included in the data provided to Liberty, although Qwest claimed that these orders were accounted for.
- Qwest was correct or Covad did not provide any information to show otherwise for 44 percent of the records.
- 18 percent showed conflicting information that Liberty was unable to resolve.