

Minutes for the May 6, 2003 PA CWG Meeting¹

Bridge Host – Verizon
Agenda – Staff & Covad
Minutes – Staff & AT&T

1. Introductions & Attendance & Minutes from last meeting

In person – Chris Nurse, AT&T; Mike Clancy, Covad; John Curry, Curry Communications; Jenny Ross, Karen Barsotti, & Paul Rich, Verizon; Christy Appleby, OCA; Angela Jones, OSBA, Kandace Melillo, OTS; Gary Wagner, Rick Watson, John Matchik, Ted Farrar, Dale Kirkwood, & Gail Wickwire, PUC-FUS; Dennis Hosler, PUC-Audits; and Louise Fink Smith, PUC-Law.

On bridge – Joe Bloss, AT&T; Rich Stubbs, Cavalier; Elliot Goldberg, Met-Tel; Brian Curry, Curry Communications; Monique Lynnes, Verizon; Hagood Bellinger, Doherty & Co., Inc. (DCI).

Minutes – Verizon noted that the DL/WP special study placeholder would actually be in the performance reports and not in the Guidelines. Subject to this correction, the Minutes from April 1, 2003, were approved.

2. Purpose & Guidelines and Agreement (formerly Waiver)

There is general agreement that the documents on the PUC website are adequate for their intended purposes. Verizon noted that the Purpose & Guidelines have a few ministerial typos, which **Jenny Ross** forward to Louise off-line.

The corrected versions are now on the website. Those participants who have yet to sign the documents should sign the revised versions.

3. PA PUC Website

http://www.puc.paonline.com/telecomm/PMOII/PACWG_Main.htm

OCA noted that there are some links that are still inactive: to the schedule, to the NY changes, & to the PSC web site.

Louise will work with Cyndi Page for an update.

4. Verizon Website – Navigation Issues

Jenny Ross will work with **Cyndi Page** on a possible link between the PUC and Verizon web sites – e.g., the PUC website links to the various utility tariffs.

¹ The Minutes follow a topical sequence rather than a purely chronological sequence as several items were taken out of sequence to accommodate various schedule conflicts. Additionally, several discussions could be categorized under several headings.

5. NY PSC Website – concerns or feedback regarding PA CWG reliance on this website relative to pending NY PA CWG operations, discussions, and/or recommendations.

The discussion centered around who to contact between PA CWG meetings about information on the NY PSC website.

Contacts: Jenny Ross – Verizon
Elliott Goldberg – Met-Tel
Rochelle Jones – PA CWG chair

6. NY CWG Proposals and Activities

OR-6-Order Accuracy teleconference – this matter was not related to PA concerns re DL/WP. It resulted in a MOU re OR-6-01 to remove the *REMARKS* field from the scope of the accuracy review to facilitate a mechanism effort that would increase the number of orders reviewed. (Jenny & Mike)

Billing – There are three aspects of the Billing discussions in NY. The NY CWG is hoping to get these matters on the NY PSC agenda for July 2003.

Billing Claims Resolution Timeliness – there is significant discussion regarding a billing claims metric and submetrics. Although there is some agreement, there is also some disagreement which may be approaching “impasse” and may result in the NY PSC resolving the contested decision points. (Elliott) This matter has its roots in Rhode Island.

Bill Content Timeliness – Not as far along as the Billing Claims discussions.

(Local) Line Loss Report -- Not as far along as the Billing Claims discussions.

Statistical Issues and Small Sample Size –

Parity of the variance – Elliot referenced the consideration of an additional notion of parity. That is, in addition to comparing for parity of the means, a comparison could also be made of the distribution of the observations, or specifically, the variance. Chris clarified that, for example, rather than just comparing for parity of the means in Mean Time to Repair (MTTR) service, one could also compare the variances of the repair times. Example: if the MTTR were 8 hours for both Verizon and CLECs, but 95% of the Verizon repairs were completed in plus/minus 1 hour, while Verizon completed 95% of the repairs for the CLECs in plus/minus 4 hours. In such a case, comparison of the means would indicate parity, while the customer experiences would plainly be materially different. The CLEC customers had to wait at home for twice as long of an interval—8 hours versus 2 hours.

There was a discussion about the review of various models and theories for evaluating the variance and controversy surrounding the meaning of the results. It

was agreed to best describe the status of that matter as “under review by the NY CWG Statistical Subgroup.”

Parity with a Potentially Degrading Quality of Retail Service – Louise inquired as to what happens if the quality of retail service degrades materially over time, and Verizon merely provides parity with the degrading retail service. Several carriers responded that from a perspective of the wholesale (Carrier-to-Carrier) metrics and the Telecom Act, the obligation is to provide at least parity, whether that means parity with an improving, stable, or degrading level of retail service. The Commission may properly have other reasons to be concerned or to act in response to allegations of degrading Verizon retail service quality. One CLEC suggested that Resellers’ quality and UNE-P providers’ quality are essentially dictated or determined by Verizon’s retail quality.

Small Sized Samples – PMO II Requirements – Louise reminded everyone that this is presently on the PA CWG parking lot because of a *PMO II* requirement for staff to report on the matter in January 2003. That report recommended that the matter be referred to the PA CWG. The background is that the NY PAP under consideration in 2002 prior to the proposal to adopt the Consensus PAP had incorporated a sliding scale to consider samples as small as 6 when the corresponding sample was at least 30. The sliding scale had not been incorporated in the Consensus PAP, which was based upon a VIR version of an earlier NY version. It is understood that the June 2003 PA PAP brings the sliding scale back into play in PA and may, thus, resolve many of the concerns that date to the *PMO II* upon implementation of the June 2003 PA PAP. It will then be incumbent upon the PA CWG to re-activate the matter from the parking lot and determine whether there are any PA-specific small-sized sample concerns remaining or if the matter is being adequately explored in NY.

Thus, some of the small sample size issue may work themselves out now that the small sample size gradient, *e.g.* a minimum of 6 CLEC observations if there are 30 Verizon observations (or vice versa). NOTE: the small sample size (6:30) gradient applied only to the counted category of metrics. [AT THE JUNE 3, 2003 MEETING, THERE WAS SOME DISCUSSION THAT INDICATED THE 6:30 GRADIENT APPLIES TO BOTH COUNTED & MEASURED. THIS WILL BE CLARIFIED AT THE JULY 1, 2003 MEETING.]

It was suggested that if it was desirable to investigate sample sizes smaller than 6 in PA, that a constructive first step might be to review the C2C data to determine how many observations are currently falling between 1 and 5 (inclusive) to get a scope of the activity.

Small Sized Samples – NY CWG Status – It was noted that considerable effort was expended in the NY CWG by the parties’ respective expert statisticians and that 6 was as far down as consensus could be achieved.

7. Third-Party Review and Transition Oversight

The *PMO II* called for a third-party Review of the first 3 months of commercial results under the NY-style metrics and remedies. On May 1, 2003, the PUC announced its selection of Doherty & Co. Inc. (DCI) to perform the Review. The selection was made under a competitive RFP process.

W. Hagood Bellinger, Project Manager, was introduced and discussed briefly DCI’s plans. The first meeting with Staff is the morning of May 21; Verizon will meet with DCI that afternoon. DCI wants to work also with the CLECs to check inputs and to be able to do the requisite reconciliations in the Review. DCI will participate in the next few PA CWG meetings. DCI worked on the Arizona Commission’s metrics (PIDs) in the Qwest service territory. It worked with Cap Gemini and reviewed Liberty Consulting’s work during that assignment.

DCI is bound by the PUC’s confidentiality provisions for both CLEC and ILEC information and data. DCI has the email list from the Agenda distribution.

Timeline: DCI will look at performance data through June 2003. The Review follows the performance through to the crediting of remedies on the CLECs’ bills. Thus, the remedies payments will trail the performance data by several months when “-1” scores are involved. The tentative target is late September/October 2003. There will be a draft report and a final report.

Lou Mazza, PUC-Audits, will be the PUC’s lead contact on the Review. Dennis Hosler will also be involved.

Bob Rosenthal, Director FUS, added that this type of Review is not often done nor is it taken lightly. The PUC is looking for a smooth transition, and the review is directed to ensuring that the major systems are working. The effort is necessary and will be expensive. Accuracy is important in this area. The system of metrics and remedies should be something that one can have confidence in, so there is one less thing to worry about. The presence of six of FUS’s 48 staffers at today’s PA CWG meeting is indicative of the PUC’s commitment to the integrity of the metrics and remedies system. (See also his comments in the Executive Visit segment of the Minutes.)

Louise added that the sooner we can be comfortable with the data measurement processes and the various calculations, the sooner we can focus on what the results mean in the market place and to competition in the Commonwealth.

8. DL/WP Update – From DL/WP Subgroup

The March 2003 data is available, but is restricted to the DL/WP subgroup because of the relatively small numbers and few CLECs involved. The DL/WP subgroup will meet again shortly and report back to the PA CWG on its progress.

9. PA PAP Issue re April 2003 PA PAP

On March 18, 2003, Louis Agro (VZ) sent the following email to the PA CWG: “As a result of recent efforts relating to the implementation of the PA PAP starting with the April 2003 results, Staff and Verizon have identified apparent inconsistencies and ambiguities within the Domain Clustering language of the PAP and its appendices. It appears that the inconsistencies and ambiguities originated in the language taken from the Consensus PAP and from the NY PAP. Dale Kirkwood (PUC) and Louis Agro (with an invitation for CLEC participation) have been working on this matter and the potential need for clarifying the language.

Prior to the meeting Dale circulated a redline version of excerpts of the PAP or its appendices that would clarify the textual language to unambiguously align with the logic reflected in the code of the Excel spreadsheet used in New York and PA to generate the PAP and calculate remedies. There were two major clarifications:

1. *Concerning Critical Measures*, it was clarified that only one of the sub-metrics within one of the Critical measures needed to fail in order to trigger a remedy. E.g. Under Critical Measure # 1, OSS Interface Availability, there are 8 subparts, Further each subpart may have remedies applicable to one or more Modes of Entry. VZ’s liable to remedies for each of the 8 subparts independently of the other 7 subparts. Likewise VZ’s liability for a subpart in one MOE is independent of its liability in any other MOE for that subpart.

Importantly, all parties agreed and understood that Verizon’s practice on the Critical Measures was not “wrong” or “bad,” and in fact followed dutifully the implicit directive from the NY Commission embedded in the supplied Excel model.

2. *Concerning Domain Clustering Scores* Metrics can fail with either a “-2” score a “-1” score, or pass with a “)” score. The scores are multiplied by the weight assigned to each metrics and these products are totaled for the respective MOE or Domain Cluster Score. It was not unambiguous in the PAP documentation that a “-1” failure has half the effect of a “-2” failure.

The standard for the Pre-Order Domain was clarified to be 67% rather than 76%

Importantly, all parties agreed and understood that Verizon’s practice was not “wrong” or “bad,” and in fact followed dutifully the implicit directive from the NY Commission embedded in the supplied Excel model.

There was a discussion regarding the mechanism and timing to document, approve and implement these clarifications. Staff expressed concern that timely implementation was desirable given the upcoming audit whereas the auditor would otherwise likely have to issue associated findings.

The redlined documents circulated were based on an earlier PAP version subsequently replaced by the June version. Accordingly some changes to the redlines reviewed will have to be made and circulated along with the MOU.

Discussion also focused centered on the best way to clarify the April 2003 and June 2003 PA PAPs. IT was suggested that, as in New York, perhaps a Memorandum of Understanding (MOU) could be entered by the parties indicating that all parties were aware of and did not object to Verizon implementation of the above two points. This may be sufficiently timely and avoid an accurate but unjust, negative audit find on these two points. It was decided that Verizon would prepare a draft MOU and provide draft clarifying language, as needed, for the two PAPs. These documents will be discussed at the next PA CWG meeting.

10. PA Carrier-to-Carrier Guidelines – March 21, 2003 Update (June 2003 PA Guidelines)

On April 17, 2003, the PUC adopted the March 21, 2003 metrics Update as the basis for the June 2003 PA Guidelines. It should be effective with June 2003 performance data.

Status of implementation: On schedule for June 1, 2003.

11. PA Performance Assurance Plan – March 21, 2003 Update (June 2003 PA PAP)

On April 17, 2003, the PUC adopted the March 21, 2003 remedies Update as the basis for the June 2003 PA PAP. It should be effective with June 2003 performance data.

Status of implementation: On schedule for June 1, 2003.

12. Executive Visit

Robert Rosenthal, Bureau Director, FUS, noted that all utilities should list their offerings on the PUC's Utility Choice website. (See more comments by Bob Rosenthal under the heading Third-Party Review above.)

13. Industry Chairperson

What are the responsibilities of the Industry Chair? There was discussion of the dual role of keeping the meetings on track and allowing adequate air time for all concerns as balanced against negotiating on behalf of one's own CLEC. (possibly a conflict between the fairness and impartiality involved in Chairing the meeting verses the enthusiasm inherent in advocacy.)

Further discussion: an advantage, particularly to the government members and CLECs not participating in the NY CWG of having a PA-based chairperson is that it would automatically assure that “assumed knowledge” from a New York meeting or unshared New York experience didn’t slip into the proceeding.

In MD and VA, the staff chairs those collaborative. The MD collaborative also envelopes the PAP as well as the Metrics, similar to the PA CWG.

There was some support for Staff chairing the CWG for its impartiality. It was proposed the Staff revisit the proposal for Chairing the CWG now with the benefit of experience and hindsight of several meetings and a considerable volume of Metrics and PAP documents processed since the initial meeting.

14. Parking Lot

Change procedures in general – Continued until 4Q02 NY metrics & 1Q03 NY remedies changes are implemented in PA.

Small Sample Sizes – PA CWG will wait until we have had some experience with the output of the new paradigm instituted in NY that will flow through to PA effective with the Updates expected for June 2003 performance.

GTE Merger into OSS – delayed from mid 2003.

Other

15. New Business

SQL Algorithms – There was discussion of the timing, availability, and distribution of the metrics SQL queries (*i.e.*, Microsoft’s Structured Query Language or “sequel”).

- Query: whether, how, etc., the SQL code (aka the algorithms) will be circulated in PA.
- It was noted that Verizon’s April 1st slides by Louis Agro discussed the 2-year statute of limitations. The NY Order expressly conditioned the implementation of the 2-year S/L on claims on Verizon providing CLECs with the SQL code (or algorithms) so to better facilitate CLECs’ detection of disputes, providing the rationale for requiring the more timely raising of the dispute.
- Verizon acknowledged that the PA PAP required the algorithms to be submitted to the Commission. It was agreed that they were due by July 29, 2003.
- Louise noted the *PMO II* provided that CLECs which could use the algorithms could also have access to the algorithms upon request. (p. 81)
- DCI will look at the algorithms.

Agenda Item: Verizon will report back next month its plan for delivering the algorithms, such as Internet download, CD-ROM, etc., as well as the procedure or routine for accessing them.

Metrics Change Control Metrics Change Control is within review of Doherty. Verizon is changing the process, with a roll out in the late-May-June timeframe. An enhancement for CLECs operating in multiple states is that a single change, impacting multiple jurisdictions will only generate a single notice (that lists the jurisdictions) reducing the volume of notices.

Other changes will include a Severity indicator, “Sev. 1” etc. Sev 1 being a correcting changing a pass/fail outcome. Sev 2 being a correction changing a reported score/value without changing a pass/fail outcome, Sev 3 a correction not changing a reported score/value. The new notices may also be more manageable, such as in a searchable format, to facilitate Verizon, industry users and regulators.

Verizon states it currently issues notices in PA, VA, MD, and NJ.

“Global” Enhanced Remedies A discussion of the \$1000 enhanced portion of the remedies agreed to in the Global Order enveloped: How much was collected in total (up until the conversion to the NY-style PAP remedies)? Where did the collected money go? How much of the money is left? How much was spent, on what? The PMO discusses “in excess of \$1.4M” at p. 79.

Action Item: Louise to check with her clients and report back to the CWG.

Parallel Reporting –

Parallel reporting will be available in aggregate basis for April through June 2003.

16. Next Meetings

Date: Tuesday, June 3, 2003

Bridge Host: AT&T

Agenda: Staff & AT&T

Minutes: Staff & AT&T; Covad offered to assist

Place: Harrisburg Keystone Building HR 4

Date: Tuesday, July 1, 2003

Bridge Host: MCI

Agenda: Staff & MCI

Minutes: Staff & MCI

Place: Harrisburg Keystone Building HR 4