

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of Ameritech Michigan's submission )  
on performance measures, reporting, and )  
benchmarks, pursuant to the October 2, 1998 ) Case No. U-11830  
order in Case No. U-11654. )  
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At the May 27, 1999 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. John G. Strand, Chairman  
Hon. David A. Svanda, Commissioner  
Hon. Robert B. Nelson, Commissioner

**OPINION AND ORDER**

Introduction

In resolving the issues presented in the complaint filed by BRE Communications, L.L.C., d/b/a Phone Michigan, (BRE) against Ameritech Michigan in Case No. U-11654, the Commission determined that a further proceeding was warranted to address issues related to the nondiscrimination provisions of the federal Telecommunications Act of 1996, 47 USC 151 et seq., (FTA) and the Michigan Telecommunication Act, MCL 484.2101 et seq.; MSA 22.1469(101) et seq., (MTA). The Commission envisioned that this new proceeding would provide a basis for determining appropriate performance measurements, the form and method for reporting performance, appropriate standards or benchmarks that should be met, and appropriate enforcement mechanisms. The Commission directed Ameritech Michigan to file its proposal addressing these issues. The Commission

further directed that Ameritech Michigan notify all other Michigan local exchange carriers (LECs) and Attorney General Frank J. Kelley<sup>1</sup> to provide interested parties an opportunity to file comments on Ameritech Michigan's proposal. Finally, the Commission provided for filing reply comments.

Pursuant to the Commission's direction in the October 2, 1998 order, Ameritech Michigan filed its proposed performance measures, benchmarks, reporting form and method, and a payment scheme for performance failures on November 5, 1998. By November 25, 1998, the Commission had received comments from AT&T Communications of Michigan, Inc., and TCG Detroit (collectively, AT&T), Building Communications, Inc., Sprint Communications Company L.P. (Sprint), GTE North Incorporated and Contel of the South, Inc. (collectively, GTE), MCI WorldCom (MCI), BRE, and the Commission Staff (Staff). By December 23, 1998, the Commission had received reply comments from Ameritech Michigan, AT&T, MCI, and GTE.<sup>2</sup>

There can be little doubt about the importance of the availability of nondiscriminatory access to service and facilities that enable competitive local exchange carriers (CLECs) to compete. Unless competitors are provided services and facilities equal in quality to that which the incumbent provides itself, the competitor probably will not be able to compete effectively. State and federal statutes recognize that the incumbent local exchange carrier (ILEC) occupies a powerful position in relation to the CLECs because the incumbent is generally the sole provider of essential services for those competitors. Aside from these legal requirements, an ILEC has little or no incentive to treat

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<sup>1</sup>On January 1, 1999, Jennifer M. Granholm was sworn in to replace Mr. Kelley as Michigan's Attorney General.

<sup>2</sup>BRE filed its comments two days following the deadline provided in the order. Ameritech Michigan and GTE each filed a second reply in order that they might respond to the comments filed by BRE. Under the circumstances of this case, the Commission will treat all of these filings as if they had been timely.

rival providers in a fair or nondiscriminatory fashion. Thus, the incumbent is in a position of power coupled with an incentive to control just how much competition it will face.

Moreover, performance parity is an important factor for any application that Ameritech Michigan might make for interLATA relief pursuant to Section 271 of the FTA, 47 USC 271, which requires that the applicant must demonstrate that it is operating in a market open to competition and in a nondiscriminatory manner as prescribed by state and federal law.

### Legal Framework

47 USC 251(c)(2) requires ILECs to provide CLECs interconnection that is at least equal in quality to that which the ILEC provides to itself, its affiliates, or any other provider. The following subsection requires ILECs to provide “nondiscriminatory access to network elements on an unbundled basis.” 47 USC 251(c)(3). Similarly, the MTA prohibits ILECs from discriminating against CLECs and from providing a CLEC with inferior access or interconnection. Section 305 of the MTA specifically prohibits the incumbent from refusing or delaying access service, refusing or delaying interconnection or providing inferior connections, degrading the quality of access service provided to another provider, impairing the speed, quality, or efficiency of lines used by another provider, and refusing or delaying access service by any person to another provider.

MCL 484.2305; MSA 22.1469(305).

On April 17, 1998, the Federal Communications Commission (FCC ) issued a Notice of Proposed Rulemaking in CC Docket No. 98-56 (NPRM), in which the FCC majority stated that in order to foster the local exchange service competition envisioned by the FTA, it would be necessary for the ILECs to provide service in parity with that which the ILEC provides to itself or to any

affiliated local exchange companies. For those items without a reasonable retail analog,<sup>3</sup> the FCC found that the ILEC must perform in a manner that allows the CLEC a reasonable opportunity to compete. To determine whether adequate performance is given, the FCC concluded, some performance measurements must be employed. The FCC noted its desire to minimize costs to the incumbent, while ensuring that sufficient measurements are in place to expose any discriminatory practices.

The FCC stated that final determinations concerning performance measurements should be left to state commissions. The FCC affirmatively stated that it intended the NPRM to provide models to assist the states in determining appropriate performance measures to be employed within their jurisdiction. To that end, the FCC proposed possible performance measurements, made tentative conclusions regarding related issues, and sought interested parties' comments about the necessity for, and likely efficacy of, the proposed model rules. The FCC provided an opportunity for parties to file comments and reply comments, the latter of which were due by June 22, 1998. To date, the FCC has taken no further action on the NPRM.

## **DISCUSSION**

### **Adoption of Performance Measurements and Standards**

Ameritech Michigan takes the position that the FTA does not authorize state commissions to unilaterally impose performance and reporting requirements, but rather creates a deregulatory process of private negotiation, state commission arbitration, and federal court review. Performance measurements, in Ameritech Michigan's view, are essentially a means of monitoring and enforcing

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<sup>3</sup>"Retail analog" refers to a retail service or facility that is sufficiently similar to the measured wholesale performance that comparison is meaningful.

contractual obligations, which can be properly defined only through the process that creates those contracts. Commission-prescribed performance measures and standards, Ameritech Michigan argues, would allow parties to current interconnection agreements to reap the benefit of bargains that they did not make. Ameritech Michigan concludes that the Commission cannot impose performance measurements or standards without violating the FTA.

In its reply comments, Ameritech Michigan argues that the Commission has no state grant of authority to establish binding performance standards absent either a contested case proceeding or compliance with the rulemaking provisions of the Michigan Administrative Procedures Act (APA), MCL 24.201 et seq.; MSA 3.560(101) et seq. The company asserts that neither procedure has been followed in this case. Thus, Ameritech Michigan argues, the Commission may, at best, adopt a set of voluntary guidelines that are neither binding nor the basis for imposing fines or other penalties upon violation of the MTA or a Commission order.

The Commission finds that adoption of performance measurements is necessary if the Commission is to perform its duty to determine whether the ILECs are providing CLECs service equal to that which the ILECs provide themselves and their affiliates. The ILECs are the sole possessors of critical information to determine whether they in fact provide that performance quality. They are also in the best position to measure both retail and wholesale performance. Thus, performance measurements that will provide meaningful information concerning the question of performance quality are imperative for allowing the Commission to determine whether an incumbent has fulfilled its duties under state and federal law to provide nondiscriminatory service. Because the Commission is sensitive to the burdens that the incumbents may experience in implementing any required system of performance measurement, it adopts only those measurements that, after balancing the probable related costs and benefits, appear necessary to fulfill the Commission's responsibilities.

In this initial proceeding, the Commission will set forth the performance measurements thought reasonably necessary at this time, resolve certain related issues, establish reporting requirements, and provide some general guidance concerning future remedies. However, the Commission is persuaded that further proceedings may be needed to modify and improve upon these performance measurements and standards based upon significant experience and the development of local competition. In an appropriate future case, the Commission may also examine whether it should require implementation of a specific enforcement scheme.

The Commission further notes that until Ameritech Michigan has approved performance measurements in place and can demonstrate that its performance for the CLECs is in parity with that which it provides itself, the Commission will not be in a position to support any application Ameritech Michigan may make to the FCC pursuant to 47 USC 271 for release from the restrictions against its provision of interLATA toll service. Moreover, the Commission finds it appropriate to set ground rules now for determining compliance with statutory obligations that will remain after interLATA relief has been granted.

### Costs

Ameritech Michigan argues that implementing performance measurements will cause substantial costs. According to the company, costs can be expected to increase as there are increases in the number of measurements, reports, and calculations required. Ameritech Michigan states that it already spends about \$20 million across the region to measure its performance. It further states that the incremental cost of wholesale performance measurements reported monthly for over 100 categories, for 50 CLECs across five states, is about \$1.25 million per year in addition to the approxi-

mately \$1 million for initial development and implementation.<sup>4</sup> It asserts that those incremental costs would double if the Commission adopts Ameritech Michigan's proposal.

The Commission finds that it need not prescribe a recovery method for costs associated with performance measurement in this order. There is nothing so extraordinary or burdensome about these costs that they should require treatment different from the company's other costs of doing business. The Commission therefore leaves Ameritech Michigan to the provisions of state law and the competitive market to recover its costs.

### Reporting Procedures

#### A. Frequency

Ameritech Michigan proposes to issue reports monthly. It further proposes that it be allowed 45 days' notice prior to the beginning of the reporting period to generate reports for a new CLEC. Ameritech Michigan states that this period will allow it sufficient time to update its systems and tables with the new CLEC's system identifiers.

None of the commenting parties object to this proposal. It appears reasonable to the Commission and is therefore adopted.

#### B. Distribution

Ameritech Michigan proposes that it continue its current procedure for report distribution, i.e., to each CLEC receiving service from Ameritech Michigan that requests a report. Ameritech Michigan asserts that a CLEC should have at least 1,000 loops in service and have executed an interconnection agreement with Ameritech Michigan before it warrants having a report produced. It also

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<sup>4</sup>These costs, according to Ameritech Michigan, include development and design of systems and procedures, both electronic and manual.

commits to providing the Commission with copies of all reports for CLECs operating in Michigan, but argues that these reports should be kept confidential, pursuant to Section 210 of the MTA, MCL 484.2210; MSA 22.1469(210).

The Commission concludes that Ameritech Michigan's proposed report distribution is reasonable and should be adopted. However, the Commission finds that there is no need to protect as confidential the aggregated results of the performance for the CLECs. Further, results of Ameritech Michigan's self-measurement must be made available to the CLECs and the Commission, but the CLECs shall be restricted from using that data for commercial purposes such as advertising comparative quality, or using it for anticompetitive purposes. The Commission finds that the 1,000 loop or line requirement may be met by lines purchased pursuant to either an interconnection agreement or through Ameritech Michigan's tariffs.<sup>5</sup> Finally, the Commission encourages Ameritech Michigan to make the information available in electronic form, where feasible, with appropriate safeguards.

### C. Content

Ameritech Michigan says that it will include data for the CLEC, data for CLECs as a whole, and any comparable retail figures as appropriate.

The Commission finds that the monthly reports to an individual CLEC should contain all measurement results specific to that CLEC with the appropriate comparison to the appropriate standard (analog or benchmark), where applicable. It should also contain the aggregate results for the CLEC industry, along with an indication of whether, at the aggregate level, the ILEC's performance has complied with its obligations. Reports to the Commission should, in addition to the content of reports provided to the CLECs, contain separately identified measurement results for any

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<sup>5</sup>The Commission recognizes that a small CLEC might negotiate a right to receive a report without meeting this threshold.

CLEC affiliated with the ILEC, which shall be treated as confidential filings. All reports should reflect period and year-to-date data.

Further, CLECs should, at their individual request, have monthly access to raw data or supporting documentation concerning the events excluded from the calculation of the performance measures claimed to be the result of CLEC or third party actions. In that manner, the CLEC will be able to compare the events that the ILEC excludes from the performance measures against its own records. This data need not be filed with the Commission absent a specific request.

#### D. Geographic Disaggregation of Results

Ameritech Michigan proposes to produce results of performance measurements on a statewide and regional basis. It states that statewide reporting best corresponds to its scope of operations and interconnection agreements with competing carriers. In addition, Ameritech Michigan states, many of its operations support systems (OSS) processes are uniform throughout the Ameritech Michigan region. Thus, regional summarization can allow Ameritech Michigan, CLECs, and the Commission to determine whether apparent disparities at the state level reflect systemic problems, idiosyncrasies, or random chance.

Ameritech Michigan urges the Commission to reject reporting on a smaller geographical basis, such as local access and transport areas (LATAs) or metropolitan statistical areas<sup>6</sup> (MSAs). However, in its reply comments, Ameritech Michigan states that if the Commission is persuaded that a smaller geographic area is more appropriate, Ameritech Michigan is willing to provide service-level data for geographic areas corresponding to its existing internal management structure, which will

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<sup>6</sup>According to a footnote in the NPRM, a metropolitan statistical area is defined by the U.S. Census Bureau as a city and the surrounding area containing 50,000 persons or more.

not require extensive modifications to its current system. That structure, Ameritech Michigan states, aligns with metropolitan areas, such as Detroit and Grand Rapids.

The Commission notes that the FCC has not made a final determination or recommendation on this issue. Rather, it sought comments upon whether reporting should be done on a statewide, LATA, MSA, or some other relevant geographical area.

At this juncture, the Commission finds that the ILEC should be required to prepare reports and analyze service-level data for geographic areas corresponding to the ILEC's existing internal management structure, consistent with Ameritech Michigan's alternative proposal. Data for functions wholly completed within a centralized location may be reported on a statewide basis. In this manner, the probability of meaningful results is maximized, while the burden on the ILEC is minimized.

#### Audits and Access to Raw Data

Ameritech Michigan recognizes that there needs to be some provision for audits of the data underlying its reports, but registers its concern that without limits, audits could become burdensome and disruptive to the ILEC. Ameritech Michigan proposes that an independent third-party auditor conduct an annual, central audit (covering data for all CLECs for the year), using the auditor's procedure design. Ameritech Michigan argues that any further audits should require a demonstration of probable cause to believe that the ILEC-provided data contains material errors that have not been corrected after being brought to the company's attention. It argues that any discrepancy should be observed for at least three months to ensure that it is not an isolated problem.

As to data retention, Ameritech Michigan proposes that it store raw data used to calculate the monthly report results for 18 months. It states that it will provide access to this data for auditing purposes after execution of a nondisclosure agreement. Ameritech Michigan proposes that CLECs

be able to access data relating to their own transactions during informal discussions and reconciliation of performance data. However, Ameritech Michigan asserts, implementing procedures and safeguards necessary to provide CLECs with raw data on a routine basis would cost more than \$8 million across its region.

The Commission concludes that Ameritech Michigan's proposal for an annual audit of its processes and data is reasonable and should be adopted, with certain modifications. The audit should cover not only the measurements of service provided to the CLECs, but should include all those items for which the ILEC must measure its performance for itself or any affiliated CLEC. Additionally, the audit should include a review of whether Ameritech Michigan has implemented the measures as ordered by the Commission. The results of the audit should be available to the Commission and all CLECs purchasing service from Ameritech Michigan. The initial audit should occur at the conclusion of calendar year 1999, at which time both implementation procedures and the initial months' operating results may be reviewed.

Proper design of procedures for the audit will be important in assuring the affected carriers that the information Ameritech Michigan has produced is accurate. Therefore, the Commission finds that Ameritech Michigan should meet with interested CLECs and the Staff to establish a consensus on clear objectives for the auditor. Further, the agreed upon objectives and resultant procedures designed by the independent auditor should be explicitly revealed in the audit report. Underlying data should be retained for a minimum of 24 months after the conclusion of the year in which the data was collected or 12 months after the issuance of the audit report, whichever is later.

The Commission finds that raw data should be retained in sufficient detail so that a CLEC can reasonably reconcile the data captured by the ILEC (for the CLEC) with its own internal data. Moreover, the data pertaining to the ILEC's performance for itself must be retained at a level of

disaggregation consistent with that reported for the CLECs and must, at a minimum, reflect the mean, the standard error for the mean, the number of data points used to compute the mean, and an indication of the shape of the distribution for the mean.

The Commission recognizes the CLECs' desire to have additional access to the underlying data and the ability to perform their own audits. In the Commission's view, the manner of satisfying that desire is best left to contract negotiations between the parties. Further, CLECs requesting special reports or requesting an additional audit must expect to bear the costs related to those requests.

#### Appropriate Statistical Analysis

Ameritech Michigan proposes to use statistical analysis of the data to avoid mistakenly finding itself in breach of its parity obligations when parity actually exists. It argues that the focus of the analysis should be on overall performance, because there may be some transactions that fail to meet the standards due to random chance, normal market fluctuations, or environmental factors outside of Ameritech Michigan's control. Such occurrences, argues Ameritech Michigan, should not be held against the ILEC. It asserts that the Commission's goal should be to provide a high likelihood that remedies will be assessed where discrimination exists, while providing a low likelihood that remedies will be assessed where discrimination does not really exist.

Ameritech Michigan proposes that assessments be done on a quarterly basis. In other words, penalties or other remedies would be assessed only if the company's performance failed to meet the benchmark or its own retail record over an entire quarter taken as a whole. According to Ameritech Michigan, this proposal will keep the focus on long-term service rather than short-term events and will create an incentive to correct minor issues before they become serious. Moreover, argues Ameritech Michigan, a longer period generates a larger data pool, which in turn increases the

reliability of statistical analysis and reduces the risk that an isolated transaction will have a disproportionate impact.

Through the affidavit of Dr. Daniel S. Levy, Ameritech Michigan proposes that results for measurements for which a retail analog exists should be analyzed using the standard “z” test to compute an index for comparing measurement results from different data sources. According to Ameritech Michigan, this test requires a minimum of 30 transactions per CLEC for the relevant period. Ameritech Michigan asserts that use of the z test will require the company’s performance to be outside of a range before any penalty will be imposed, thus protecting it from penalties for performance that is within the expected range of random variation. The “safe harbor” would be set so that when performance is nondiscriminatory, random variation is expected to cause remedy payments only 5% of the time. For performance measurements that use a set standard or benchmark, Ameritech Michigan argues that a remedy should be imposed only when a threshold percentage of transactions fails to meet the standard.

After reviewing the comments and reply comments, the Commission is persuaded that some form of statistical methodology must be employed to determine whether the ILEC is providing performance to the CLECs either at parity with the performance it provides to itself or meets the standard adopted in lieu of parity. Further, it is important that the statistical method used reveal excessive variability within the samples as well as excessive differences between the calculated means. It appears that the classic z statistic proposed by Ameritech Michigan will not accomplish both. At this juncture, the Commission finds that the modified z test proposed by the Local Competition Users Group (LCUG)<sup>7</sup> members is the most useful for those determinations.

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<sup>7</sup>LCUG membership includes AT&T, Sprint, and MCI.

The Commission further finds that for samples less than the 30 needed for the modified z statistic, aggregation of results, either across long periods of time or across companies, may produce misleading results. However, Ameritech Michigan must employ some technique to deal with small sample sizes. It appears to the Commission that Fisher's Exact Test as proposed by Dr. Levy, or some other permutation testing, may be sufficient to deal with the problems associated with small samples. At this juncture, the Commission finds that Ameritech Michigan may use any permutation test for which it can demonstrate reasonable validity for small sample sizes.

The Commission is also interested in whether Ameritech Michigan is providing parity to CLECs as a whole. Therefore, Ameritech Michigan should also provide the statistical calculations with regard to the aggregated results for each measure. Statistical analyses provided for in this order should be done on a monthly basis.

### Remedies

Ameritech Michigan begins this portion of its proposal reiterating its position that performance measures are designed to monitor the performance of contractual obligations. Thus, it states that the goal of any remedy implemented in this case must be merely to compensate the carrier, not punish the ILEC. Based on these principles, Ameritech Michigan advocates a formula that uses the degree of disparity, the monetary amount associated with the failed factor, a weighting factor based on the importance of the measure, and the percentage of transactions affected by below-standard performance to calculate what Ameritech Michigan claims would be an appropriate remedy. It states that its remedial system is designed to be self-executing, with the calculated amounts being paid to the CLECs whenever they are warranted.

Ameritech Michigan also proposes to engage in a second-stage analysis to determine the root cause of performance issues. If that second analysis demonstrates that the failure was “not really attributable to Ameritech Michigan,” the company proposes that it be entitled to a return of any previously paid remedies. It proposes that the parties may use the dispute resolution provisions of their interconnection contracts to determine whether a return of previously paid remedies is warranted.

After reviewing the comments and reply comments, the Commission is persuaded that it should not at this time prescribe remedies that must be paid in the event of any breach of the ILEC’s duty to provide parity in performance. Rather, the Commission finds that, at this juncture, it is enough to require the ILEC to measure its performance and to provide monthly reports as described in this order. Should those measurement reports disclose unlawful discrimination or impaired access, the Commission will take appropriate action.

Parties are, of course, free to negotiate reasonable remedies for breach of standards to which they agree. The Commission will not, at this time, prescribe a formula to be used, nor will it endorse the formula proposed by Ameritech Michigan. However, the Commission finds that a breach of performance standards is likely to result in damages for which Ameritech Michigan’s formula would be wholly insufficient to compensate the actual economic loss to the CLEC.

#### What Should be Measured

The commenting parties have submitted differing versions of the measures that they believe are necessary in order for the Commission to be able to discern whether the ILEC provides CLECs nondiscriminatory access and performance at parity with that which the ILEC provides itself or its affiliates. In some cases, the parties may agree on the issue for which measurement should be made,

but not on how to go about measuring it. In other cases, the parties disagree on operational definitions within the proposed measurements, or the appropriate exclusions and disaggregation of results. In designing an approach to this set of issues, the Commission finds that it should address the issues that are necessary to this decision. Except as otherwise noted, Ameritech Michigan's proposed measurements should be adopted. In reaching its conclusions and making the following findings, the Commission has considered all arguments and proposals of the parties, as well as the performance measures considered by other states. Arguments not specifically explained and addressed have been considered. If they are contrary to the findings of this order, they have been rejected.

Further, there are some issues that appear more than once in the proposed measurements. For example, several performance measurements proposed by Ameritech Michigan include a force majeure exclusion. Several of the parties have argued that this exclusion should be rejected because parity is equally important in force majeure conditions as it is in normal conditions. The Commission agrees. Exclusions for force majeure conditions must be rejected. Although the time for performance may lengthen, it is important that the ILEC not discriminate against the CLECs even under unusual circumstances.

The parties differ concerning whether time should be measured in business days or calendar days. The Commission finds that the measurements should use business days, unless noted otherwise. Further, the Commission finds that, in general, manually submitted requests or orders must be measured, but should be tracked separately from electronic submissions.

As to the appropriate standards to utilize, the Commission finds that parity with the performance the ILEC provides itself should be the first choice and must be met for all measurements for which Ameritech Michigan is required to measure its own performance. For those cases in which

the Commission finds that additional standards are required, the Commission has chosen what it believes to be reasonable standards.

#### A. Pre-ordering

Pre-ordering functions refer to the process through which the CLECs' and the ILEC's retail service representatives obtain information preliminary to placing an order. In the NPRM, the FCC tentatively concluded that an ILEC must measure the average interval for providing access to pre-ordering information to competing carriers, as well as to itself. NPRM, ¶43. The measurement proposed in the NPRM covers some functions that Ameritech Michigan has not included in its proposed pre-ordering measurement, including feature function availability, facility availability, service availability, appointment scheduling, and rejected query notices.

Ameritech Michigan proposes to measure its average response time to pre-ordering inquiries made by CLEC representatives, segregated by the type of information requested, i.e., obtaining a customer service record (CSR),<sup>8</sup> validation of a customer address, selection of a telephone number, or selection of a due date. Ameritech Michigan argues that there is no retail analog for this measurement because its own service representatives do not place queries through an interface. Therefore, Ameritech Michigan argues, there is no interface from which to measure speed of response of the ILEC to itself.

The Commission finds that Ameritech Michigan should implement the pre-ordering measurement as proposed in the NPRM. The Commission is persuaded that the company must measure the response time for queries initiated by CLEC representatives and those initiated by its own service

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<sup>8</sup>Obtaining a CSR is broken down into two categories, depending on the number of characters in the given record. Ameritech Michigan states that this is because the greater the number of characters in the CSR, the longer it will take to retrieve from the system.

personnel, rather than establishing an artificial benchmark. As noted by the FCC, although the interface for CLECs may not be identical to the manner in which the ILEC representatives retrieve information, it is similar enough for comparison. Measurement should be segregated by interface type and by the functions listed in the NPRM. Those measurements should be measured in seconds. Ameritech Michigan may segregate results for CSRs as it proposes.

## B. Ordering and Provisioning

### 1. Order Completion

#### a. Average Completion Interval and Percent Due Dates Not Met

The NPRM provides that ILECs should measure the average completion interval. For ILEC orders, this means measuring the interval between the order submission date and time and the completion date and time. For CLEC orders, the measure is for the interval between the order submission date and time and notice of order completion to the CLEC.

Next, the NPRM provides for measuring the percentage of due dates missed, calculated by taking the number of orders not completed within the ILEC-committed due date and time during the reporting period divided by the total number of orders scheduled for completion in that reporting period. Exclusions from these measurements include canceled orders, initial orders when supplemented by the CLEC, and ILEC orders associated with internal or administrative use of local services.

Ameritech Michigan proposes to measure the average installation interval, calculated by summing the time between the “receive date” and the “completion date” for all CLEC orders and dividing by the number of orders in the period. It defines completion date as the installation date, or when service is activated on the line. It also breaks the NPRM measurements into subcategories, related to whether the order is for resale or for unbundled loops. Because Ameritech Michigan

takes the position that there is no retail analog for unbundled loop orders, it proposes that a benchmark be used to determine whether its performance satisfies legal requirements.

The Commission finds that for measuring the average completion interval and percent due dates not met, an order is not complete until notification is sent to the CLEC that installation has occurred. As the Commission noted in the October 2, 1998 order in Case No. U-11654, the consequences of slow notification can be significant. Notification, in most instances, should be nearly immediate, as it is with the company's own installations.

Further, the Commission finds that the time measured may be in business days rather than elapsed time from the moment an order is received to the moment of notification. Using elapsed time including non-installation periods like weekends and holidays might lead to unfairly finding the ILEC not in parity, should a CLEC habitually place orders late on the day prior to a weekend or holiday. The Commission further rejects Ameritech Michigan's proposed exclusion of orders resulting from a repair visit, for which Ameritech Michigan provides no persuasive explanation.

The Commission further finds that it should adopt Ameritech Michigan's proposal to exclude orders from both of these measurements for which there are CLEC or end-user customer caused delaying events. Ameritech Michigan represents that the percentage of orders that would be excluded for this reason is very small and the additional costs to accurately measure them would be significant. However, the Commission finds Ameritech Michigan's proposal to exclude orders for which the end user has requested a due date beyond the due date offered to be appropriate for measuring the average installation interval, but not for the percentage due dates not met.<sup>9</sup>

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<sup>9</sup>The appropriate due date to use for the percentage of due dates not met is the later of the ILEC's offered due date and the due date requested by the customer.

The Commission further rejects Ameritech Michigan's argument that there is no retail analog for installation of unbundled network elements (UNEs). The Commission notes that in Texas and New York, UNEs are being compared to retail installation. It appears to the Commission that very little if any difference exists between the procedures for these installations. Thus, the Commission finds that the average installation interval and percent due dates not met must be at parity with the company's performance for itself, whether for resold service or UNE installation.<sup>10</sup>

Finally, the Commission finds that the appropriate disaggregation for both of these measurements should follow the NPRM, which includes separate reporting for orders that do not require a field dispatch, those that require a field dispatch with existing facilities, and more complex orders that require a field dispatch and installation of additional facilities. These categories should apply to UNEs, as well as resold services. In addition, Ameritech Michigan should include interconnection trunks in its implementation of these measures.

b. Coordinated Customer Conversions

This measurement calculates the time elapsed between the disconnection of an unbundled loop and the completion of its cross connection. The NPRM excludes from this measurement unbundled loop orders for which there exists no subscriber loop and those experiencing delays attributable to the CLEC following the disconnect of the unbundled loop. It further recognizes no reasonable retail analog for this measurement. Consequently, it does not require the ILEC to measure service to itself.

Ameritech Michigan objects to implementing this measurement. It argues that the administration of the measurement would be cumbersome and that it necessarily includes factors outside the

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<sup>10</sup>The Commission notes that UNEs include more than the unbundled loops that the company proposes to measure.

ILEC's control. It asserts that there is no electronic means to record the start and finish time for this process. In its reply comments, Ameritech Michigan argues that if the Commission finds such a measurement necessary, the company should have an opportunity to develop and present a more workable method for obtaining the desired results.

At this juncture, the Commission is persuaded that the company must implement some measure for on time coordinated conversions. The Commission finds that Ameritech Michigan should be given an opportunity to design the method it will use to provide this measurement within the time permitted in this order for implementation. The Commission is persuaded that the problems with delays caused by others can be effectively dealt with in a reasonably designed measurement, perhaps through well-defined exclusions or disaggregation. However, the Commission finds that Ameritech Michigan should be able to provide at least 95% of coordinated conversions within one hour of the scheduled time.

## 2. Order Status

### a. Average Reject Notice Interval

The NPRM included this measurement of the interval between the receipt of an order and the time that it is rejected. The FCC noted that an ILEC typically sends an order rejection notice for invalid orders, such as those that have syntax or formatting errors in the order form. The FCC further found that the prompt receipt of a rejection notice is imperative if the CLEC is to be able to correct the problem so that the order may be completed in a timely fashion.

Ameritech Michigan's proposal includes this measure. The company states that its ordering interface and service representatives check CLEC orders for format and content. Those orders that either contain improper format or are lacking necessary information are returned to the CLEC with

a rejection notice. The company proposes a standard of 80% within 24 hours for electronic orders only.

The Commission finds that Ameritech Michigan's proposal is appropriate, with the following modifications. The definition of the measurement should be as described by AT&T. See, affidavit of C. Michael Pfau, Exhibit 5, p. 11. Disaggregation should follow the NPRM. The Commission finds that this measurement should apply to all rejected orders, whether electronically or manually processed, although manually processed orders should be measured separately, using business days. The Commission further finds that the ILEC must measure this interval for itself, as provided in the NPRM, despite any small differences in interface. However, at a minimum the Commission finds that for electronic orders, 90% of the reject notices should be within 2 hours, and 90% of manual orders for 10 lines or less that are rejected should be returned within 1 business day of receipt by the ILEC. Manual orders for more than 10 lines may require additional time. Ameritech Michigan should return 90% of these orders within 3 business days.

b. Average Firm Order Confirmation Notice Interval

The FCC proposed that ILECs measure the interval between receipt of a valid order and the time that it provides the CLEC a firm order confirmation (FOC). It noted that CLECs depend on this notice to apprise customers of due dates. It concluded that the ILEC should exclude rejected orders from this measurement, because the measurement applies only to valid orders.

Ameritech Michigan includes this measurement as one of its indicator measures. It states that this measure is consistent with the average reject notice interval.

The Commission finds that this measurement should be consistent with the findings made concerning the average reject notice measurement in the previous subsection. However, the measure applies to valid, nonrejected orders, regardless of whether electronically placed, although manually

placed orders should be measured separately. Again, the company must measure this interval for orders placed by itself, as well as those placed by CLECs, and use the disaggregation as provided in the NPRM. For electronic orders, 90% of FOCs should be provided within 2 hours of order receipt. For manual orders of 10 lines or less, 90% should be provided within 1 business day. For manual orders of more than 10 lines, an FOC should issue within 3 business days of the orders' receipt by the ILEC.

c. Average Jeopardy Notice Interval and  
Percentage of Orders Receiving Jeopardy Notices

In the NPRM, the FCC found that ILECs must measure the amount of time in advance that a CLEC receives notice that its customer's order is in jeopardy of not being completed as scheduled compared to how far in advance an ILEC's service representatives receive such notices.

Ameritech Michigan argues that this measurement is inappropriate because the company uses jeopardy notices to internally monitor order status through the network, to identify and resolve roadblocks and resource issues, and to improve due date performance. The company asserts that most jeopardies are resolved well in advance of the due date, with no impact on customer service. Ameritech Michigan asserts that if its network personnel are not able to resolve a jeopardy on a CLEC order before 24 hours in advance of the order due date, the company provides a jeopardy notice to the CLEC through the electronic interface. According to the company, such notices are issued four times per day. It asserts that the system works, in that about 75% of jeopardies are resolved by the due date. Ameritech Michigan argues that the two measurements proposed in the NPRM related to jeopardy would drastically alter its current procedure and its electronic systems. Moreover, it states that these measures would create inappropriate incentives, if the Commission

seeks to limit the number of jeopardies or to require earlier notification, the latter of which could be expected to increase the number of alerts that later prove unnecessary.

The Commission is persuaded that the average jeopardy notice interval measurement as proposed in the NPRM is not likely to provide useful information without negatively affecting the incumbent's performance. The Commission therefore concludes that it should not be adopted in its present form. However, the Commission is persuaded that a measurement can be designed to avoid the problems Ameritech Michigan raises, while providing useful information concerning the CLECs' need to notify their customers of a likely change in due date. To that end, the Commission finds that Ameritech Michigan should measure the percentage of jeopardy notices to CLECs that are less than 24 hours in advance of the due date and the percentage of jeopardy notices provided the ILEC's customers less than 24 hours in advance of the due date.

The Commission further concludes that the percentage of orders receiving jeopardy notices may also provide useful information concerning whether more investigation is warranted. Therefore, the Commission finds that Ameritech Michigan should implement that measure as designed in the NPRM for each CLEC as well as itself.

#### d. Average Completion Notice Interval

The FCC tentatively concluded that an ILEC must measure the amount of time required to send a CLEC notice that work on an order has been completed. The FCC found this notice critical because, among other things, it allows the CLEC to know when billing should begin and when its formal relationship with the customer starts.

Ameritech Michigan proposes to include this measurement, although it proposes to continue its present procedure of noting the date only (without the time) of completion. Therefore, the company proposes to assume the install time as of just after midnight on the installation date and com-

pare that to the notice time. It acknowledges that the interval will thus always appear longer than actual elapsed time.

The Commission finds that this measure should be adopted with the modifications made by AT&T as reflected in Pfau affidavit, Exhibit 5, p. 13, except disaggregation should follow the NPRM. All orders should be included in this measure, although manually submitted orders may be measured separately. Further, the Commission is not persuaded that Ameritech Michigan's procedure of failing to record completion time should be allowed to remain unchanged. The change is not unduly burdensome and this measure will be significantly less meaningful and reliable if it does not include an accurate beginning time. The Commission finds that Ameritech Michigan should be able to provide notice to the CLEC for 95% of completions within 2 hours .

### 3. Held Order Measurement – Average Interval for Held Orders

The FCC tentatively concluded that ILECs must measure the average interval for held orders.<sup>11</sup> It intended that this measurement capture orders that are not included in the average completion interval measurement, which measures the number of orders completed during the reporting period.

Ameritech Michigan proposes to implement a measure to obtain the average number of days to complete orders not completed on their original due date, which substantially rewrites and reconfigures the measurement as presented in the NPRM.

The Commission finds that Ameritech Michigan should employ the measurement as proposed in the NPRM, rather than the measure the company proposes. The measurement proposed by Ameritech Michigan has the disadvantage of not recognizing those orders that are still not complete at the end of the reporting period, and yet are beyond the due date. Further, the Commission is

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<sup>11</sup>A held order is one that is pending at the end of the reporting period whose committed due date has passed.

persuaded that the ILEC should report the percentage of held orders that are 15 or more days past their due date and the percentage of held orders that are 90 or more days past their due date, using the same categories and disaggregation set out in the NPRM. These measures will assist the Commission and the CLECs in determining whether held orders are being held longer for CLEC orders than for ILEC orders and should highlight possible problem areas for all providers.

#### 4. Installation Troubles

In the NPRM, the FCC tentatively concluded that an ILEC must measure the percentage of troubles within 30 days of a new order as one indicator of the degree of accuracy with which orders are completed. The FCC stated that such trouble reports often indicate that the customer did not receive the exact ordered service, because the carrier provided either the wrong type of service or a lower quality of service than expected.

Ameritech Michigan proposes to implement a measurement for trouble reports initiated within 7 days of order completion. It asserts that reports within a 7-day period are more likely to relate to installation than if the parameter is extended to the 30 days that the FCC proposed.

The Commission concludes that 30 days is the appropriate period to measure. Although it is reasonable to assume that the further out one goes from the installation date, the more likely trouble reports are to be unrelated to faulty installation, there is no evidence to indicate the percentage of troubles related to installation that are reported within seven days. Further, the Commission finds that the exclusion for employee reports should be removed.

#### 5. Order Quality

##### a. Percent of Order Flow Through

The FCC noted that an ILEC's internal ordering system permits retail service agents to submit retail customer orders electronically, directly into the ordering system, which is termed "flow

through.” Because it considered that electronically processed service orders are more likely to be completed accurately than orders that require any human assistance, the FCC tentatively concluded that the ILEC should measure the percentage of CLEC orders that flow through electronically to the ILEC’s ordering systems. The FCC found that this measurement would also assist in assessing the readiness of the ILEC’s OSS functions to take on commercially reasonable order volumes.

Ameritech Michigan’s proposal contains a measurement that essentially follows the FCC’s proposal. The Commission finds that Ameritech Michigan’s proposed measurement should be adopted, modified to reflect that the ILEC will also measure, at a minimum, its own percent flow through for retail POTS<sup>12</sup> and retail specials.<sup>13</sup>

b. Rejected Order Rate

The FCC tentatively concluded that ILECs must report the percentage of rejected orders at the same level of disaggregation as it proposed for the order flow through measurement. The FCC found that this measure would be useful for identifying problems in obtaining access to the ILEC’s ordering system or problems with the ordering interface used by a CLEC, or the ILEC’s failure to provide sufficiently comprehensive business rules to the CLECs. The FCC further found that this measure was necessary to validate the percentage flow through measure. If there is a high rejected order rate, a high flow through percentage would be less meaningful.

Ameritech Michigan proposes to measure the percentage of rejected electronically received CLEC orders.

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<sup>12</sup>“POTS” or “plain old telephone service,” refers to the most basic types of telecommunication services that LECs offer to their customers. NPRM, footnote 69.

<sup>13</sup>“Special services” are those services that are not POTS type services, including centrex, private branch exchange trunks, channelized services, etc. NPRM, footnote 70.

The Commission is persuaded that Ameritech Michigan's proposed measurement is appropriate for adoption with one addition. The Commission finds that the ILEC must also measure the percentage of orders returned to its own service agent for inability to be processed as submitted. At this time, the Commission proposes no benchmark for this measurement, preferring parity as the appropriate standard. Manual orders should be measured and reported separately.

c. Average Submissions per Order

The FCC tentatively concluded that the ILEC should measure the average number of submissions per order, to establish how many times a CLEC must submit an order before it is accepted and processed as a valid order. The FCC stated its belief that this measurement could reflect on the quality of access afforded to the ILEC's ordering system.

Ameritech Michigan does not propose to implement this measurement because, in the company's view, the results would not be meaningful. Ameritech Michigan states that resubmissions are usually driven by incomplete or inaccurate orders submitted by competing carriers, not by problems in obtaining access to the ordering system. Further, Ameritech Michigan argues, because the formula uses the number of order rejections in the numerator of the calculation, it is redundant to the percentage of rejected orders measurement

At this juncture, the Commission is not persuaded that measuring the average number of submissions per order in addition to obtaining the rejected order rate is necessary. As proposed, the measurement merely restates what has already been measured for the rejected order rate.

C. Database Updates

The FCC has identified the accuracy of 9-1-1 and E9-1-1 databases as important issues for Ameritech Michigan in its attempts to gain release from the prohibitions on interLATA toll service. The FCC elicited comments on measurements that could be used to monitor whether there is

discrimination involved in the provision of 9-1-1 and E9-1-1 services. The FCC suggested that timing and accuracy of updates might be issues for which measurements would be appropriate. It proposed that ILECs calculate the percentage of accurate database updates completed in the reporting period and the percentage of missed due dates for these database updates or the average time to update these databases.

Ameritech Michigan notes the special emphasis that the Commission has placed on the timely and accurate updating of the 9-1-1 databases. It proposes to measure the number of 9-1-1 customer record update files not processed by the next business day, the percentage of errors in received orders, and the percentage of updates with errors that are not returned by the next business day.

The Commission finds that accurate and timely completion of updates to all databases is important for competition to flourish and for telecommunications systems to work adequately. However, the Commission finds that timely and accurate updates to the 9-1-1 and E9-1-1 databases are absolutely essential to the public safety and welfare. Therefore, at this time, the Commission finds that efforts should be concentrated on the emergency system database, and concludes that the measurements as proposed by Ameritech Michigan should be adopted, with the addition that the standard should be parity with what Ameritech Michigan provides itself. Nothing in this section should be read to relieve Ameritech Michigan of the requirements established in the Commission's September 30, 1997 order in Case No. U-11229.

#### D. Repair and Maintenance

The FCC noted that the CLECs, whether entering the market using UNEs or reselling the ILEC's service, would to some extent be dependent upon the ILEC's repair and maintenance functions. It reasoned that customers may become dissatisfied with competing carrier service if they perceive that service problems are not resolved promptly or that there is a high incidence of

repeated service problems associated with the competing carriers' service. NPRM ¶ 80. The FCC therefore tentatively concluded that an ILEC must provide the following four repair and maintenance measurements: (1) average time to restore, (2) frequency of troubles in a 30-day period, (3) frequency of repeat troubles in a 30-day period, and (4) percentage of customer troubles resolved within the estimated time. The FCC further noted that most ILECs were already measuring performance related to timely resolution of troubles.

#### 1. Mean Time to Repair (Average Time to Repair)

Ameritech Michigan proposes to measure its mean time to repair, measured by the period between receipt of a trouble report and the time that the trouble report is cleared. It states that excluding instances in which no trouble with Ameritech Michigan's facilities is found will better assess the relative quality of network components, rather than assessing the CLEC's ability to screen and resolve troubles on its own. Ameritech Michigan states that trouble reports on new installations should also be excluded here because there is a different measure provided for them.

The Commission finds that Ameritech Michigan should use its proposed mean time to repair measurement, modified to close the period with the time of notice to the CLEC that the matter has been resolved and to reflect parity with service it provides itself as the standard to meet. Further, the Commission finds no persuasive explanation of Ameritech Michigan's proposal to exclude trouble reports made by employees and those involving new installations from this measurement. Although there is a separate measurement for the rate of installation troubles, there is no other measurement for time to repair those troubles. However, Ameritech Michigan may choose to separately report the mean time to repair installation troubles, if it desires. Otherwise, reportable categories should follow the NPRM.

## 2. Trouble Report Rate

The FCC tentatively concluded that the ILECs should determine the percentage of access lines that receive trouble tickets in a 30-day period to permit a CLEC to determine on an ongoing basis whether its customers experience more frequent incidents of trouble than the ILEC's end users. The FCC sought comment on whether 30 days is an appropriate time frame for this measure.

Ameritech Michigan proposes to implement the FCC's measurement, using a 30-day period, and separately measuring resold services from UNEs, with certain exclusions.

The Commission finds that Ameritech Michigan's proposed measurement and standard should be adopted, modified to reflect the disaggregation proposed in the NPRM and to reflect that parity with its own performance is the standard Ameritech Michigan must meet for UNEs as well as resale and interconnection trunks.

## 3. Frequency of Repeat Troubles

The FCC proposed that ILECs should measure frequency of repeat troubles in a 30-day period by dividing the number of repeat trouble tickets with the total number of trouble tickets within the same 30-day period. Ameritech Michigan proposes a measurement that closely resembles the FCC's proposal, titled "percent repeats."

Consistent with its findings above, the Commission finds that Ameritech Michigan's proposed measurement and standard should be adopted, with the same modification.

## 4. Percentage of Customer Troubles Resolved Within the Estimated Time

The FCC concluded that ILECs should measure the percentage of troubles resolved within the estimated time to assess the relative reliability of the ILEC's time estimates for CLEC customer repairs as compared to the ILEC's own performance. The FCC found those repair time estimates to be critical to a CLEC's ability to retain customers. Failure to perform repairs within the estimated

period, the FCC found, “aggravates an already unsatisfactory situation.” NPRM ¶ 85. Further, the FCC established a separate category for reporting on this issue with respect to interconnection trunks.

Ameritech Michigan proposes to measure the percentage of customer troubles not resolved within the estimated time, calculated by the number of trouble reports not resolved by the estimated due date divided by the total number of initial trouble tickets resolved within the reporting period. It seeks to exclude items for which it ultimately finds the troubles do not relate to its facilities, and it proposes separate reports for resale and retail residential POTS, business POTS, Centrex, and unbundled loops. It includes in this measure customer reported problems only.

The Commission finds that Ameritech Michigan’s proposal should be adopted as modified to clarify that a trouble ticket should be considered closed when notice has been given to the CLEC that the customer’s service has been restored to normal operating parameters, to include trouble reports from CLECs and end users, and to reflect parity as the standard to be met for all categories, including UNEs. Additionally, categories reported should follow the NPRM.

#### E. Billing

In the NPRM, the FCC found that ILECs must provide nondiscriminatory access to billing, as one of the five OSS functions identified in an earlier order.<sup>14</sup> It further found that a CLEC is dependent upon the ILEC to obtain billing information, regardless of whether it uses UNEs or resold service. It found that there are two types of billing information a CLEC needs: (1) customer usage records, the records detailing each end user’s use of the ILEC’s services; and (2) billing invoices, which establish the amount the CLEC owes the ILEC for use of its services or facilities.

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<sup>14</sup>Local Competition First Report and Order, 11 FCC Rcd at 15766, ¶ 523.

The FCC tentatively concluded that ILECs should measure the average time to provide usage records and the average time to deliver invoices.

#### 1. Daily Usage Timeliness

The FCC proposed that the ILECs must measure the period between the date and time it records usage data with the date and time it transmits the records from its OSS gateway to the CLEC. Further, the FCC proposed that, to measure retail service, ILECs should measure the period between the date and time usage records are recorded and the date and time usage records are reformatted to an electronic message record (EMR)<sup>15</sup> or equivalent format.

Ameritech Michigan proposes to measure the percent of resale usage records transmitted within five business days of their origination date (the date that the calls and messages were recorded by the automated message accounting system). It states that the five-day standard is used by AT&T in its established process for measuring Ameritech Michigan performance. Further, Ameritech Michigan asserts that there is no retail analog for this measure, as it sends usage data for retail customers directly to the customer's billing file, where it is held until bills are released.

The Commission is persuaded that the more useful measurement for timeliness of daily usage delivery is the mean time to provide recorded usage records, calculated as the sum of the periods between the date of recording and the data set transmission date divided by the count of all messages transmitted in a reporting period. Further, the Commission finds that the ILEC must measure the elapsed time between the time of message recording, as captured on the ILEC's automatic message accounting (AMA) tape, to the time that the AMA tape is converted to a billing

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<sup>15</sup>“Electronic message registration” is a system that detects and counts a phone user's completed local calls and computes the number of message units used. The EMR is a record of those calls and messages. NPRM, n. 110.

format. The Commission is not persuaded that nothing can be learned from the ILEC's collection of billing data for itself and comparison to that which it provides the CLECs, despite any differences in the way that the data is treated. Ameritech Michigan should implement this measure for itself, as provided in the NPRM.

## 2. Average Time to Deliver Invoices

The FCC tentatively adopted this second billing measure to obtain the average time that it takes an incumbent LEC to transmit a billing invoice to a competing carrier for charges related to resale or UNEs. For competing carriers, the FCC determined the ILEC must measure the period between the date and time the billing cycle closes and the date and time that the ILEC transmits the invoices to the competing carrier. For an ILEC's own retail use, it noted the LCUG's proposal that the ILEC compare the date and time the customers' bills are produced in an electronic format (whether or not distributed) to the date and time the billing cycle closes.

Ameritech Michigan proposes to measure the percentage of bills delivered late. For resale, that means delivery is more than 12 days after the scheduled billing date.<sup>16</sup> For UNEs, Ameritech Michigan states, late bills are those mailed more than six days after the scheduled billing date. It says that the 6- and 12- day periods reflect the typical time following the cutoff date within which bills can be prepared. For purposes of this measurement, Ameritech Michigan proposes to implement a business rule that all applicable days are determined based on a full 24-hour period. It proposes no measurement for itself.

The Commission finds that Ameritech Michigan's proposed billing measurement should be adopted. At this juncture, it appears to the Commission that there is no reasonable retail analog for

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<sup>16</sup>In its reply comments, Ameritech Michigan clarifies that the scheduled billing date is the cutoff date for a particular billing period.

delivery of invoices. The Commission expects that Ameritech Michigan will deliver at least 98% of its invoices to the CLEC within 12 days of the scheduled billing date for resale and within 6 days of the scheduled billing date for UNEs.

## F. General Measurements

### 1. Systems Availability: Percentage of Time Interface is Unavailable

The FCC tentatively concluded that an ILEC must measure the percentage of time its electronic interfaces for each function are actually operational as compared to the scheduled availability. The FCC further proposed that the ILEC measure the total time that its own systems are available to its service representatives to the amount of time that those systems should have been available during the reporting period. The FCC concluded that this measurement must be disaggregated by interface type, as well as by each OSS function provided by the ILEC to CLECs.

The Commission finds that this measurement as clarified by the definitions and modifications contained in AT&T's comments, the Pfau affidavit, Exhibit 5, pp.39-40, should be adopted, except that Ameritech Michigan may elect to report the elapsed time in seconds rather than hundredths of hours. The Commission finds that no more than 1% unscheduled unavailable interface is an acceptable standard for this measurement.

### 2. Center Responsiveness

The FCC tentatively concluded that an incumbent LEC must measure the average time to answer calls from CLECs to an ILEC's wholesale service center.

Ameritech Michigan proposes to measure the average time it takes to answer ordering calls separately from the time it takes to answer calls related to repair. Similarly, it proposes to measure resale related calls separately from those related to UNEs. Its reason for this separation, it says, is because separate centers handle these respective call types.

The Commission concludes that Ameritech Michigan's proposal for this measurement is reasonable and should be adopted, with the addition that it must also implement this measure for retail calls to its ordering and repair centers.

#### G. Operator Services (OS) and Directory Assistance (DA)

The FCC tentatively concluded that an ILEC must measure the average time for its own end user customers and those of competing carriers to access the ILEC's OS and DA database operators.

Ameritech Michigan proposes to measure its speed of answer for all OS and DA calls, not segregated as to whether the call originates with the ILEC's or CLEC's end user customer. It states that the OS and DA systems it has in place cannot distinguish between these two groups of calls.

The Commission is persuaded that, without the ability to distinguish between callers that are end user customers of the ILEC and those that are end user customers of the CLEC, there can be no lack of parity in treatment. As long as this lack of ability to distinguish exists, measuring the answer speed would provide a quality of service assessment, rather than offering any assistance in determining parity. Therefore, unless Ameritech Michigan alters its system so that lack of parity is possible, it need not implement or report this measurement.

#### H. Interconnection Measurements

##### 1. Trunk Blockage

The FCC tentatively concluded that ILECs must measure the quality of interconnection by measuring blockage on final groups (those providing the last available path for overflow traffic) within their networks. Such blockage prevents end user calls from reaching their final destination. The FCC reasoned that there are two critical points at which traffic may be blocked, the intercon-

nection trunk groups<sup>17</sup> and common trunk groups located within the ILEC's network behind the point of interconnection.<sup>18</sup>

Ameritech Michigan proposes to measure call attempts blocked. It states that its principal measurement is the blockage rate on calls from Ameritech Michigan customers intended to be routed to and terminated on CLEC networks, via end office integration, as compared to the call completion rate for traffic traveling solely on Ameritech Michigan facilities.

The Commission finds that the measurement as proposed by Ameritech Michigan appears reasonable and should be adopted, modified to remove any exclusions.

## 2. Collocation

The FCC tentatively concluded that ILECs must measure certain aspects of providing collocation arrangements to CLECs, including the response time for initial requests for collocation. The FCC further concluded that this measurement must be segmented into several steps, including average time to respond to a collocation request, average time to provide a collocation arrangement, and percent missed due dates regarding collocation arrangements. It further concluded that the ILEC must disaggregate these measurements by whether the request is for physical or virtual collocation arrangements.

Ameritech Michigan proposes to implement the three measurements tentatively adopted by the FCC.

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<sup>17</sup>According to the NPRM, interconnection trunk groups are those that connect the ILEC's end offices, access tandems, or local tandems with a CLEC's network.

<sup>18</sup>This refers to those trunks that connect the ILEC's tandem switch with other points in the ILEC's network.

The Commission finds that Ameritech Michigan's proposed measurements for the provision of collocation are reasonable and should be adopted, with certain modifications. First, the Commission finds that clarifying questions by the ILEC do not constitute a response to the request. Second, a CLEC's response to clarifying questions does not constitute a modification of the request. Third, Ameritech Michigan should measure orders for physical and virtual collocation separately. Finally, the measurement of time for providing collocation should be modified to reflect that the end of the measured period is marked by notification to the CLEC that the arrangement is complete.<sup>19</sup> The Commission finds that Ameritech Michigan should miss no more than 5% of its confirmed due dates for collocation. The Commission further concludes that Ameritech Michigan should be able to respond to 90% of collocation requests within 10 days of their receipt. Ameritech Michigan should be able to provide 95% of virtual collocations within 63 calendar days of receiving the request and 95% of physical collocations within 99 calendar days of receiving the request, unless the CLEC specifically agrees to a longer period. These time periods are designed to recognize improvements in providing collocations since Ameritech Michigan entered its interconnection agreements with various CLECs.

#### I. Additional Measurements

The Commission is not persuaded that additional measurements proposed by the parties are necessary for implementation at this time. However, as experience is gained using the measurements provided for in this order, additions, modifications, or deletions may appear appropriate. At that time, the Commission will appropriately adjust the measurements required to demonstrate that

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<sup>19</sup>In the case in which a CLEC makes a request for multiple collocation sites that form a unit, the request is not complete until all the sites in that unit are complete.

Ameritech Michigan is providing service to CLECs that is in parity with the service it provides itself.

### Appropriate Scope

#### A. Reciprocal Reporting Requirements

Ameritech Michigan and GTE argue that the Commission should impose reciprocal performance measurement and reporting requirements on CLECs whenever they provide services to the ILECs that are comparable to those services that they receive from Ameritech Michigan.

At this juncture, the Commission is not persuaded that performance measurement should or may be required for other than ILECs that are bound by the obligations imposed by 47 USC 251(c) and MCL 484.2305; MSA 22.1469(305). The purpose of adopting performance measurements and standards is to provide a basis upon which the Commission may determine whether the ILECs that are subject to those sections have met their obligations to provide interconnection, resold services, and unbundled network elements in a nondiscriminatory manner. As noted earlier, this task is necessary because ILECs have both the incentive and the ability to impair a CLEC's ability to compete by providing less than parity in service and products offered to competing providers. CLECs, on the other hand, do not occupy a position in which they might easily impair the development of a competitive market. The Commission therefore concludes that performance measurements adopted in this order should not be imposed at this time on those providers that are not bound by 47 USC 251(c).

#### B. Application to GTE

GTE argues that the Commission lacks authority to require GTE to implement the performance measures adopted in this order. It states that although it is voluntarily participating in this docket, it

has not waived its objection and reserves the right to raise it in future proceedings. In GTE's view, because the docket has its origins in a complaint case between BRE and Ameritech Michigan, any issue that the Commission resolves here should relate to those two companies only. GTE argues that not all ILECs should be required to use the same set of performance measurements and standards without an industry discussion and review of the various issues associated with the different systems.

GTE attached its own proposed list of performance measures, which it states is a result of collaborative efforts and negotiated agreements with other ILECs, CLECs, and regulators in another jurisdiction. It states that implementing consistent requirements across its entire operations will assist it in economically meeting regulatory expectations. It argues that if the Commission insists on additional or different measures, costs will increase for the ILEC, without obtaining a substantial corresponding benefit.

At this juncture, the Commission is persuaded that it should defer taking action with respect to performance measurements for GTE. No comments were filed concerning its proposed measurements, and there is little competitive activity to measure.

#### Future Modifications

The Commission finds agreeable AT&T's proposal for the parties to negotiate with the ILEC concerning additional measures or changes to current measures for at least 30 days. If at the end of that negotiating period, the parties are unable to agree, they may bring the issue before the Commission pursuant to Sections 203a or 204 of the MTA, MCL 484.2203a ; MSA 22.1469(203a) or MCL 484.2204; MSA 22.1469(204).

The Commission also reserves the right to examine, on its own motion, the performance measures adopted in this order and to determine whether additions or modifications are needed.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1991 PA 179, as amended, MCL 484.2101 et seq.; MSA 22.1469(101) et seq.; the Communications Act of 1934, as amended by the Telecommunications Act of 1996, 47 USC 151 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(101) et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACR, R 460.17101 et seq.
- b. The performance measurements and standards as described in this order are reasonable and should be implemented by Ameritech Michigan.
- c. The standards for reporting the results of the measurements provided in this order are reasonable.
- d. Ameritech Michigan should be allowed an opportunity to design a measurement concerning coordinated customer conversions.

THEREFORE, IT IS ORDERED that:

- A. Ameritech Michigan shall, as soon as is practicable, but no later than 60 days from the date of this order, implement the performance measurements set forth in this order.
- B. Ameritech Michigan shall provide reports on their performance measurements as provided in this order.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ John G. Strand  
Chairman

( S E A L )

/s/ David A. Svanda  
Commissioner

/s/ Robert B. Nelson  
Commissioner

By its action of May 27, 1999.

/s/ Dorothy Wideman  
Its Executive Secretary

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

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Chairman

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Commissioner

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Commissioner

By its action of May 27, 1999.

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Its Executive Secretary

In the matter of Ameritech Michigan’s submission )  
on performance measures, reporting, and )  
benchmarks, pursuant to the October 2, 1998 )  
order in Case No. U-11654. )  
\_\_\_\_\_ )

Case No. U-11830

Suggested Minute:

“Adopt and issue order dated May 27, 1999 requiring that Ameritech Michigan implement certain performance measurements to ensure the provision of nondiscriminatory service and access to facilities to competitive local exchange carriers, as set forth in the order.”