REQUEST: BellSouth to provide source of the paper referenced by BellSouth in the workshop that addressed problems with having a small quantity of transactions in a measurement evaluation.

RESPONSE: In November 2003, the Brattle Group, and Dr. David Sappington of the University of Florida, Department of Economics, conducted an analysis of the Performance Plans in effect in several states. The analysis is discussed in a paper located at:

http://www.brattle.com/_documents/Publications/ArticleReport2298.pdf

On pages 4, and 42 through 44 of this paper is a discussion of erroneous conclusions (such as Type I errors) resulting from measurements with a small quantity of transactions.

REQUEST: BellSouth to provide an Excel template that can be used to perform Truncated Z statistical calculations

RESPONSE: This template is provided in the attached file Truncated Z Calculation Examples.xls.

REQUEST: BellSouth was asked to provide a sensitivity analysis of the proposed fixed Delta value compared to the Ford Delta Function..

RESPONSE: This response is pending.

REQUEST: BellSouth was asked to provide empirical substantiation of the disaggregation recommended by BellSouth.

RESPONSE:

1. As noted in Item 1 above, the Brattle Group concluded that a low number of transactions in a statistical evaluation will produce unreliable and erroneous results. The greater the level of disaggregation, the lower the number of transactions in each statistical evaluation. Increasing the number of transactions in a statistical test reduces the potential for errors.

2. Earlier this year, BellSouth provided to FL PSC Staff an excel file showing activity levels in the CLEC-specific SQM measurements. While this data is from the SQM results and not directly from PARIS / SEEM, it is very representative of the level of activity in the Tier 1 measurements in PARIS. This data is for all CLECs, in aggregate. The conclusions - in a typical month:

   a. 40% of the submetrics have no activity – for the entire state.

   b. Less than 25% have activity of 100 or more for all of the approximately 200 CLECs in the state.

If 40% of the CLEC specific SQM submetrics have no activity for all CLECs in the state, a <u>much smaller percentage</u> could be expected to have activity for each CLEC, for each submetric. That file is attached as Meas volumes.xls

3. Based on an evaluation of FL SEEM data, very few of the SEEM submetrics have any activity at the CLEC-specific, (Tier 1) level.

4. Going one step farther, for those few SEEM submetrics that do have <u>some</u> activity, 50% of the submetrics in the Tier 1 SEEM submetrics in Florida have only 4 cells upon which to base a pass/fail determination. Additionally, a large percentage of the cells contain only one transaction. Details are attached as "FL SEEM Cell level disaggregation.pdf"

5. Finally, as a part of the Louisiana SQM workshops conducted in 2002 and 2003, statisticians representing BellSouth and the CLEC

coalition conducted an analysis of the SEEM data in Louisiana to determine if masking of performance could result from a higher level of disaggregation. A draft of the report (attached as LAStatAnalysisSummary March 11 Draft.pdf) indicates that potential masking is not a significant issue.