

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
----------------------	---------------------	----------------------------------	--	---

II. Restatements That Impacted Parity or Benchmark Attainment¹				
1a	5, 6	The percent of firm order confirmations (“FOCs”) returned was incorrectly calculated for the simple residence and business electronically processed submeasures during April and May 2002 as a result of utilizing the manual rather than the electronic benchmark for one interface to calculate the percentage of FOCs processed that were returned on time. This was due to the implementation of new systems and processes in the Ameritech region.	Effective with June 2002 results reported in July 2002, new computer programming code was implemented to utilize the electronic benchmark to calculate the percentage of FOCs processed that were returned on time rather than the manual benchmark. Results for April and May 2002 were restated on September 5, 2002.	Corrective actions reflected in results filed on October 21, 2002. ²
1b	5, 6	The last two days of April 2002 data were incorrectly excluded from results.	Data for the last two days of April 2002 was subsequently included in results and April 2002 results were restated on September 5, 2002.	Corrective action implemented prior to June, July, and August 2002 reported results.
1c	6	For PM 6 only, results for electronically submitted simple residence and business local number portability (“LNP”) only requests were reported on a combined basis instead of disaggregated between electronic and manual processing as required by the Business Rules.	Effective with June 2002 results reported in July 2002, the Company reported separate levels of disaggregation for electronically submitted simple residence and business LNP only requests that were processed electronically and those that were processed manually. The months of March 2002 through May 2002 were restated on August 5, 2002.	Corrective actions reflected in results filed on October 21, 2002.

¹ The restatement section of the original E&Y Report dated October 18, 2002 (“E&Y Report”) identified noncompliance with the Business Rules during March, April and May 2002. These results were restated for the months of March, April and May 2002 as of October 18, 2002, except as otherwise noted in the E&Y Report. Certain instances of noncompliance that were not restated were classified in the restatement section with related issues and were identified as not being restated in the E&Y Report.

² As used herein, “results filed on October 21, 2002”, or “reported results”, refer to June, July and August 2002 performance results as filed by SBC on October 21, 2002 in Case No. U-12320.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
1d	5	For PM 5 only, due to the implementation of new systems and processes, a query to retrieve data from one of the source systems did not work as intended resulting in errors in the reporting of data from the submeasures that calculate the “tails” results.	Effective with September 2002 results reported in October 2002, Local Service Ordering Guideline (“LSOG”) 5 data was combined with LSOG 4 data and calculated for the “tails” results. On October 7, 2002, April 2002 through August 2002 results were restated to incorporate the LSOG 5 data. Tails information is only reported when the overall PM standard has been attained, and is therefore not assessed on the Company Hit or Miss Report (“HOMR”).	Corrective actions reflected in results filed on October 21, 2002. June through August 2002 results were restated on October 7, 2002.
1e	5, 6	A small number of access service requests for unbundled local transport (“ULT”) submitted via the web were improperly excluded from results due to a flag indicator problem with the ULT orders.	Effective with August 2002 results reported in September 2002, new computer programming code was implemented to correct the flag indicator problem. Results for March through July 2002 were restated on October 7, 2002.	Corrective actions reflected in results filed on October 21, 2002. June and July 2002 results were restated on October 7, 2002.
1f (New)	5, 6	An incorrect clock interval was being used to calculate FOC hours when the start time and end time span two business days. Additionally, September results (manual FOC only) were impacted by a workforce flow manager (“WFM”) system problem and duplicate records are being reported due to an incorrect match logic implementation.	The Company began processing manual orders using LSOG 5 on November 1, 2002. As documented in Accessible Letter CLECAM02-422. In preparation for this process change, the Company began handling a limited number of trial CLECs manual orders via LSOG 5 beginning in August 2002. Volumes of manual orders processed for June and July were zero, and 13 orders were processed in August 2002. This issue impacted 0% of the orders in June and July,	Although, results filed on October 21, 2002 do not reflect corrective action, results for June and July would be not change due to this issue and the August impact is approximately 1% of manual order, no restatement is planned because the corrective action would not change benchmark attainment/failure for August 2002. ³

³ As used herein, “a change in benchmark or parity attainment/failure,” means that implementation of the described corrective action or restating reported results would have changed that the reported results by either (i) changing a reported “Make” to a “Miss;” or (ii) if the reported result was a “Miss,” it would have degraded by more than 5% of reported results. To be conservative, neither a change from a reported “Miss” to a “Make;” nor an improvement of more than 5% in a reported “Make;” were considered in this analysis.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
			and 13 of 1288 (1%) of the manual orders in August 2002. Implementation of new computer programming code to calculate the FOC interval correctly is scheduled for January 2003 results to be reported in February 2003.	
2a	Various PMs	Certain Michigan wire centers were reported in the wrong Michigan metro area in the April 2002 results.	Effective with August 2002 results reported in September 2002, tables were updated to properly map wire centers to the appropriate metro area. Results for April 2002 were initially restated in July 2002 and were later corrected again on October 7, 2002. June and July 2002 results were restated on October 7, 2002.	Corrective actions reflected in results filed on October 21, 2002. June and July 2002 results were restated on October 7, 2002.
2b	66, 67, 68	The March and April 2002 retail comparisons for 8db loops and DSL line sharing did not exclude tickets processed through the Loop Maintenance Operations System ("LMOS") coded as no access or delayed maintenance from the reported results as required by the Business Rules. For the delayed maintenance exclusion, Work Force Administration ("WFA") excludes only the actual time of delay while LMOS now excludes the entire ticket.	Effective with May 2002 results reported in June 2002, new computer programming code was implemented to exclude tickets processed through LMOS coded as no access or delayed maintenance. March and April 2002 results were restated in July 2002.	Corrective action implemented prior to June, July or August 2002 reported results.
2c	Various PMs	April and May 2002 results did not include the correct data from the Local Access Service Request system ("LASR"), which was excluded in error as a result of implementing LASR.	Effective with July 2002 results reported in August 2002, new computer programming code was implemented to include LASR data. Plain old telephone service ("POTS") PMs results for April, May and June 2002 were restated in August 2002. Specials & UNE	Corrective actions reflected in results filed on October 21, 2002. POTS results for June 2002 were restated in August 2002. Specials & UNE results for June were restated in September 2002.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
			PMs results for May and June 2002 were restated in September 2002. Specials and UNE PM results for April 2002 were restated on October 7, 2002.	
2d	27-33, 35, 37-50, 52-54.1 and CLEC WI 5	March, April and May 2002 results did not report certain UNE-P and UNE Loop and Port transactions that were not identified due to a data entry error. These were a subset of all the UNE-P and UNE Loop and Port transactions reported.	Effective with August results reported in September 2002, new computer programming code was implemented to include these UNE-P and UNE Loop transactions. March through July 2002 results were restated on October 7, 2002.	Corrective actions reflected in results filed on October 21, 2002. June and July 2002 results were restated on October 7, 2002.
2e	55-56.1, 58-63, 65-69, WI 1, WI 2, WI 9 and CLEC WI 11	Certain DSL retail and wholesale transactions were improperly classified as 8db loop transactions.	Effective with July 2002 results reported in August 2002, the computer program code was updated to classify certain DSL affiliate and wholesale transactions as DSL, instead of 8db loop transactions. May and June 2002 results were restated in September 2002 and March and April 2002 results were restated on October 7, 2002.	Corrective actions reflected in results filed on October 21, 2002. June 2002 results were restated in September 2002.
2f (i)	Various PMs	Certain UNE and special products were classified as "unknown products" (i.e., products that have not been mapped to be reported in the PMs) and not reported in the PM results.	Effective with August 2002 results reported in September 2002, the computer product table was updated to include, when appropriate, the previously identified unknown products and a process was implemented to ensure that new products were included in the product table. March through July 2002 results were restated in September 2002 and on October 7, 2002.	Corrective actions reflected in results filed on October 21, 2002. June and July 2002 results were restated on October 7, 2002.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
2f (ii)	37, 37.1, 54, 54.1, 65 and 65.1	For the denominators of PMs 37, 37.1, 54, 54.1, 65 and 65.1, the unknown product issue has not been corrected.	<p>Effective with December 2002 results reported in January 2003, the computer product table is scheduled to be updated to include these products. The source systems feed is in summary format using the product table to create the denominators. The prior months' summaries do not contain the unknown products and thus the results cannot be restated.</p> <p>PMs 37 and 37.1, which measure POTS and UNE-P, are not affected by this issue because the data for POTS and UNE-P in service line counts are not sourced from the WFA inventory data.</p>	Results filed on October 21, 2002 do not reflect corrective action. Data is not available to restate June, July and August 2002 results.
2f (iii)	37, 37.1, 54, 54.1, 65 and 65.1	Retail ISDN-Centrex line counts are excluded from the denominator of PMs 37, 37.1, 54, 54.1, 65 and 65.1.	Effective with September 2002 data reported in October 2002, the Company implemented new computer programming code to include retail ISDN-Centrex line counts in the denominator of PMs 37, 37.1, 54, 54.1, 65 and 65.1. March 2002 through August 2002 results were restated on December 5, 2002.	Results filed on October 21, 2002 do not reflect corrective action. The December 5, 2002 restatement did not result in a change to the reported benchmark attainment/failure for June, July or August 2002 results.
2g (i)	29, 45, 58	Cancels were not being properly included in the results during March, April and May 2002. The Company was not including only Ameritech caused cancels after the due date.	Effective with September 2002 results reported in October 2002, the Company implemented new computer programming code to include cancels in the results of PMs 29, 45 and 58 and these results for March through August 2002 were restated for field visit order activity on October 7, 2002.	Corrective actions reflected in results filed on October 21, 2002. June, July and August results were restated on October 7, 2002.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
2g (ii)	29, 45, 58	Cancels were not being mapped to the correct Michigan metro area.	Effective with September 2002 results reported in October 2002, the Company implemented new computer programming code designed to map the cancels to the correct Michigan metro area. This problem does not impact the state aggregate results and no restatements of past results are considered necessary.	No impact on June, July or August 2002 reported state-wide aggregate results.
2g (iii)	29, 45, 58	Cancels for no field-work orders were not being captured and reported in the PMs.	Effective with August 2002 data reported in September 2002, the Company implemented a computer programming change to report canceled orders that did not require field-work in the results of PMs 29, 45 and 58.	Corrective actions reflected in August 2002 results filed on October 21, 2002. June and July 2002 results will not be restated because when the correct August, September and October 2002 results are compared to June and July 2002 results there is no change in parity attainment, except for PM 45-04, which was missed in August 2002 but for reasons unrelated to this issue, since August 2002 had no cancels

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
2h	43-50 and 52-54.1	A coding error incorrectly excluded UNE Loop & Port-ISDN PRI records from May 2002 results.	Effective with July 2002 results reported in August 2002, the Company corrected the computer coding error that excluded UNE Loop & Port-ISDN PRI records and restated May and June 2002 results on October 7, 2002.	Corrective actions reflected in results filed on October 21, 2002. June 2002 results were restated on October 7, 2002.
2i	55.2	March 2002 results were incorrect due to some valid transactions not being properly identified and categorized as coordinated hot cuts (“CHCs”) or frame due time (“FDT”) transactions.	Effective with April 2002 results reported in May 2002, the Company began properly identifying and categorizing these transactions. March 2002 results were restated on October 7, 2002.	Corrective action implemented prior to June, July or August 2002 reported results.
3	58, 59	The Company was counting all N, T, and C order activity in the denominator of PMs 58 and 59. Per the Business Rules, the Company should only be counting the orders with inward line activity.	Effective with April 2002 results reported in May 2002, the Company changed the computer program code to include only orders installing circuits or lines in the results and restated March 2002 retail results in May 2002.	Corrective action implemented prior to June, July or August 2002 reported results.
4	73	The Company was excluding orders with certain due date misses related to projects.	Effective with May 2002 results reported in June 2002, the Company changed the computer program code to include all projects and restated March and April 2002 results in August 2002.	Corrective action implemented prior to June, July or August 2002 reported results.
5	97	The logic within the computer program code for the reporting system contained a coding error.	Effective with April 2002 results reported in May 2002, the Company corrected the logic in the reporting system and restated March 2002 results in July 2002.	Corrective action implemented prior to June, July or August 2002 reported results.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
----------------------	---------------------	----------------------------------	--	---

II. Restatements That Did Not Impact Parity or Benchmark Attainment				
1a	PM 2, MI 10 and MI 16	For EDI LSOG 1 transactions, the Company improperly excluded certain address verification transactions that were not matched to living units or street addresses.	Effective with September 2002 results reported in October 2002, the Company changed the computer program code to include certain address verification transactions that were not matched to living units or street addresses and restated March through August 2002 results on October 7, 2002.	Corrective actions reflected in results filed on October 21, 2002, June, July and August 2002 results were restated on October 7, 2002.
1b	2, MI 10, MI 16	After the implementation of the LSOG 5 version of EDI ("LSOG 5") in April 2002, the Company improperly reported LSOG 5 transactions in which a request for a customer service record and directory listing was made as one combined request in the Verigate CSR submeasure. However, this combined level of disaggregation was not listed in the Business Rules.	Effective with September 2002 results reported in October 2002, consistent with the Business Rules the Company changed the computer program code to exclude the transactions where a combined request of customer service record and directory listing occurred and restated April through August 2002 results on October 7, 2002.	Corrective actions reflected in results filed on October 21, 2002. June, July and August 2002 results were restated on October 7, 2002.
1c	2, MI 10, MI 16	After the implementation of LSOG 5, the Company improperly double-counted certain preorder queries in the reported results for the LSOG 4 customer service requests and telephone number submeasures only.	Effective with July 2002 results reported in August 2002, the Company changed the computer program code to properly count certain preorder queries for LSOG 4 customer service requests and telephone number submeasures and restated April through June 2002 results on October 7, 2002.	Corrective actions reflected in results filed on October 21, 2002. June 2002 results were restated on October 7, 2002.
1d	MI 10, MI 16	March, April and May 2002 results were not reported by interface as required by the Business Rules.	Effective with July 2002 results reported in August 2002, the Company changed the computer program code to report by interface for PM MI 10 and restated March through	Corrective actions reflected in results filed on October 21, 2002. June 2002 results were restated on October 7, 2002.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
			June 2002 results on October 7, 2002. MI 16 Business Rules do not require reporting by interface.	
1e	MI 10, MI 16	Results for March, April and May 2002 excluded transactions that exceeded 600 seconds. This exclusion is not in the Business Rules.	Effective with September 2002 results reported in October 2002, the Company changed the computer program code to include transactions that exceeded 600 seconds and restated March through August 2002 results on October 7, 2002.	Corrective actions reflected in results filed on October 21, 2002. June, July and August 2002 results were restated on October 7, 2002.
1f	MI 10, MI 16	March 2002 transactions excluded transactions from the EDI LSOG 4/CORBA and Verigate systems.	Effective with April 2002 results reported in May 2002, the Company changed the computer program code to include transactions from the EDI LSOG4/CORBA and Verigate systems and restated March 2002 results on October 7, 2002.	Corrective action implemented prior to June, July or August 2002 reported results.
2	7.1	Results for March 2002 for the LNP level of disaggregation were appropriately calculated but were not displayed on the external website.	Effective with April 2002 results reported in May 2002, the Company changed the report matrix used to report the disaggregations to the CLEC website and posted March 2002 results in June 2002.	Corrective action implemented prior to June, July or August 2002 reported results.
3a (i)	13, 13.1	Certain March 2002 transactions were incorrectly included in February 2002 results.	The inclusion of the March 2002 transactions in the February 2002 results resulted from a temporary unavailability of the systems used to collect data from the source systems. The Company corrected this situation in March 2002 and results were restated in June 2002.	Corrective action implemented prior to June, July or August 2002 reported results.
3a (ii)	13, 13.1	Certain other transactions were erroneously excluded from the March 2002 results due to a data processing problem.	Effective with April 2002 results reported in May 2002, the Company revised its process for identifying certain transactions and now extracts this monthly data from MORTel. March 2002 results were restated in June 2002.	Corrective action implemented prior to June, July or August 2002 reported results.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
3b	13, 13.1	April and May 2002 affiliate results did not include certain records as a result of implementing new systems and processes ("LASR").	Effective with July 2002 results reported in August 2002, the Company changed the computer program code to include the affiliate results for certain records and May and June 2002 results were restated in August 2002.	Corrective actions reflected in results filed on October 21, 2002. June 2002 results were restated in August 2002.
3c	13.1	March, April, and May 2002 results did not include orders considered to be "projects" in the denominator of PM 13.1.	Effective with July 2002 results reported in August 2002, the Company changed the computer program code to include orders considered to be "projects" in the denominator of PM 13.1. Restatements for March 2002 through June 2002 results were completed in September 2002.	Corrective actions reflected in results filed on October 21, 2002. June 2002 results were restated in September 2002.
3d	13	The Company's external website did not have results posted for the LNP level of disaggregation although they were calculated for March, April and May 2002.	The Company corrected the report matrix on August 5, 2002 used to report the disaggregations to the CLEC website and posted March through June 2002 results by disaggregation.	Corrective actions reflected in results filed on October 21, 2002, June 2002 results were posted on the website in August 2002.
3e	13, 13.1	Due to a programming error, the MOR system was excluding certain failed flow through transactions from the calculation because the programming logic was incorrect.	Effective with July 2002 results reported in August 2002, the Company changed the computer program code to include the previously excluded failed flow through transactions. March 2002 through June 2002 results were restated in September 2002.	Corrective actions reflected in results filed on October 21, 2002. June 2002 results were restated in September 2002.
3f	13, 13.1	Seven (7) "drop to manual" error messages were incorrectly reported as failed flow through transactions for PM 13 after one of the initial restatements.	Effective with July 2002 results reported in August 2002, the Company changed the computer programming code used for the PM 13 and PM 13.1 calculations to correctly report "drop to manual" error messages, and restated March 2002 through June 2002 results in September 2002.	Corrective actions reflected in results filed on October 21, 2002. June 2002 results were restated in September 2002.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
4	22	March 2002 results improperly included/excluded all required service centers in the retail results.	Effective with April 2002 results reported in May 2002, the Company changed the computer program code to properly include additional consumer centers in the calculation of the retail results. March 2002 results were restated in June 2002.	Corrective action implemented prior to June, July or August 2002 reported results.
5	71	During March, April and May 2002, the Company posted an invalid retail comparison for this PM.	Effective with August 2002 data reported in September 2002, the Company corrected this error by removing the invalid retail parity comparison from the CLEC Online web site. It was replaced with a benchmark of 2% for the month of March 2002 forward, per the Business Rules.	Corrective action implemented prior to June, July or August 2002 reported results. The CLEC result was correct for all months and the replacement did not change the attainment of the 2% benchmark in any month reported.
6	78	March 2002 CLEC results were determined using the count of the number of items instead of the number of orders.	Effective with April 2002 results reported in May 2002, the Company changed the computer program code to use the number of installed trunk orders rather than number of circuits (items) in determining the denominator for PM 78. March 2002 results were restated in May 2002.	Corrective action implemented prior to June, July or August 2002 reported results.
7	99	Results for March, April and May 2002 did not appropriately exclude CLEC-caused misses from the calculation of average delay days.	Effective with June 2002 results reported in July 2002, the Company changed the computer program code to exclude CLEC-caused misses in the calculation of average delay days. March, April and May 2002 results were restated in September and	Corrective actions reflected in results filed on October 21, 2002.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
8 (i)	104.1	Evaluation Period results contained data errors received from the external vendor (Intrado).	October 2002. This issue is related solely to the reporting of performance measure results and not the actual operational process of unlocking 9-1-1 records. This issue relates to the Company being unable to match all 9-1-1 database unlock records (which reflect that an unlock has occurred) to completed service order records in the Company's systems in order to calculate the unlock interval. The Company implemented computer program code enhancements to improve the match rate between unlock records and service order completion data, but additional program code enhancements are determined necessary. The Company is in the process of developing these enhancements with implementation currently planned for January 2003 results reported in February 2003.	Results filed on October 21, 2002 do not reflect corrective action. This is a diagnostic PM with no benchmark; therefore the Company does not plan to restate results for this issue. ⁴
8 (ii)	104.1	The Company is not excluding CLEC-caused delayed unlocks because it is not currently technically feasible given the current processes; thus it has not been restated.	Computer program code enhancements are currently scheduled for January 2003 results reported in February 2003. As such, no restatements are planned. It is important to note that the issue is related to the production of performance measure results and not the operational process of unlocking 9-1-1 records.	Results filed on October 21, 2002 do not reflect corrective action. This is a diagnostic PM with no benchmark; therefore the Company does not plan to restate results for this issue. Corrective action would only improve June, July and August 2002 results because CLEC-caused delayed

⁴ As used herein, a "diagnostic PM" is a measure that does not contain a benchmark in the Business Rules, Version 1.8 (05_20_02). A PM that contains a benchmark or parity comparison, but which are not remedied, are not considered a "diagnostic PM" for purpose of this analysis.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
				unlocks would reflect a longer duration than unlocks that are not delayed by the Company. Exclusion of these unlock records would improve the reported results, if restated.
9	MI 2	The programming code utilized to calculate the denominator for this measure was changed in March 2002 causing results for the PM to be misstated.	Effective with July results reported in August 2002, the Company implemented a computer program code change to query for orders with certain jeopardy notices, rather than all orders, to be included in the denominator of PM MI 2. March through June 2002 results were restated on September 5, 2002.	Corrective actions reflected in results filed on October 21, 2002. June results were restated in September 2002.
10	MI 4	The Company was utilizing an incorrect data field to calculate the numerator for this result. The date the quote was accepted was utilized instead of the construction start date resulting in inaccurate results.	Effective with August results reported in September 2002, the Company changed the computer program code to utilize the construction start date to calculate the numerator of PM MI 4. March through July 2002 results were restated on October 7, 2002.	Corrective actions reflected in results filed on October 21, 2002. June and July results were restated on October 7, 2002.
11 (i)	MI 11	This PM was incorrectly calculated during March, April and May 2002 as the Company counted all notifications instead of just the initial notifications in the results.	Effective with August 2002 results reported in September 2002, the Company changed its processes to capture and count only initial notifications in the results of PM MI 11. March through July 2002 results were restated on October 7, 2002.	Corrective actions reflected in results filed on October 21, 2002. June and July results were restated on October 7, 2002.
11 (ii)	MI 11	Manual errors were noted in the recording of start and end times associated with this PM.	Effective with November 2002 results which are processed and scheduled to be reported in December 20, 2002, the Company changed	Results filed on October 21, 2002 do not reflect corrective action. This is a diagnostic PM with no

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
			the process to record start and end times used in the results of PM MI 11.	benchmark; therefore the Company does not plan to restate results for this issue.
12	MI 13	March 2002 results did not correctly count the interval for resent line loss notifications from the time of the original send to the completion of the resend.	Effective with June 2002 results reported in July 2002, this PM was reprocessed after a data change allowed capture of the interval from the time of the original send of the service order completion to the completion of the resent line loss notification. March 2002 results were restated on August 5, 2002.	Corrective actions reflected in results filed on October 21, 2002.
13 (i)	IN 1	During March, April and May 2002, the Company was using a due date instead of the actual completion date to calculate the percentage of loop acceptance testing completed on or prior to the completion date.	Effective with July 2002 results reported in August 2002, the Company changed the computer program code to use the actual completion date to calculate the percentage of loop acceptance testing completed prior to the completion date. March through June 2002 results were restated on August 5, 2002.	Corrective actions reflected in results filed on October 21, 2002.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
13 (ii)	IN 1	The Company excluded missed due dates coded as a project although not stated in the Business Rules.	Effective with October 2002 data reported on November 20, 2002, the Company implemented new computer programming code to include missed due dates coded as a project in results.	No impact on June, July or August 2002 reported results. There were no projects that impacted this PM during the time period March through August 2002, and therefore no restatements are necessary.
III. Prospective Changes⁵				
1 (i)	5	Certain data from one of the Company's source systems ("EXACT") was improperly overlaying certain FOC data within a PM reporting system resulting in some orders being reported with longer FOC durations than actually occurred. This error impacted the trunk FOC only.	Effective with June 2002 data reported in July 2002, the Company changed the computer program code to correctly report the trunk FOC results.	Corrective action implemented prior to June, July or August 2002 reported results.
1 (ii)	5	Certain ULT orders contained inaccurate start and/or stop times.	The inaccurate start and/or stop times observed by E&Y represented one end office integration trunk transaction out of 40 tested by E&Y. The particular instance in question was a FOC sent as a result of a verbal request from a CLEC that was follow by a supplemental order from the CLEC. This anomaly represents an isolated instance. The Company identified no additional occurrences of this anomaly. No process or system	No corrective action or restatement is required as this was an isolated instance. Results for June, July, and August 2002 are accurate as filed on October 21, 2002.

⁵ The Prospective Changes section of the original E&Y report identified noncompliance with the Business Rules during March, April and May 2002. These results were corrected on a prospective basis but results for the months of March, April and May 2002 were not restated as of October 18, 2002. Certain instances of noncompliance that were not corrected on a prospective basis were classified in the prospective changes section with related issues and were identified as not being corrected in the E&Y Report.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
			changes are planned due to the isolated nature of this issue.	
2 (i)	5.2	Certain transactions were improperly excluded from reported results during March, April and May 2002. These transactions related to new products.	Effective with August 2002 data reported in September 2002, the Company changed the computer program code and included transactions related to new products.	Corrective actions reflected in August 2002 results filed on October 21, 2002. This is a diagnostic PM with no benchmark and the Company does not plan to restate results for this issue.
2 (ii)	5.2	Certain transactions were improperly excluded from reported results during March, April and May 2002. These transactions related to an LSOG 5 jeopardy code that functioned like an unsolicited firm order confirmation.	Effective with September 2002 results reported in October 2002, a computer programming change was implemented to include transactions related to an LSOG 5 jeopardy code that functioned like an unsolicited firm order confirmation in results for this PM.	Results filed on October 21, 2002 do not reflect corrective action. This is a diagnostic PM with no benchmark and the Company does not plan to restate results for this issue.
3 (i)	7, 8	Certain orders contained an incorrect matching logic and therefore were improperly excluded from the results during March and April 2002.	Effective with May 2002 results reported in June 2002, the Company corrected the matching logic to address this issue.	Corrective action implemented prior to June, July or August 2002 reported results.
3 (ii)	7, 8	Certain orders contained the wrong start time (i.e., if multiple service orders existed on a single LSR, the Company was utilizing the time the first order completed instead of the time the last order completed to determine the start time for the calculation).	Effective with October 2002 results reported in November 2002, the Company changed the computer program code and began using the time of the last order completed.	Results filed on October 21, 2002 do not reflect corrective action. No restatements of June, July or August 2002 results are planned. The correction of this issue would only improve the Company's performance results since the start time after the correction is a later point in time than the previous start time used.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
4	10	LSOG 5 auto/manual rejects were not reported during April and May 2002 due to the implementation of new systems and processes.	Effective with August 2002 results reported in September 2002, the Company changed the computer program code to include LSOG 5 auto/manual rejects. April through July 2002 results were restated on September 5, 2002.	Corrective actions reflected in results filed on October 21, 2002. June and July 2002 results were restated on September 5, 2002.
5 (i)	10.4, MI 2	During March, April and May 2002, the Company incorrectly reported certain UNE loop orders as UNE loops with LNP when they were not LNP orders.	Effective with August 2002 results reported in September 2002, the Company changed the computer program code to properly identify certain UNE loop orders. Restatements of these PMs will be considered in conjunction with the series of changes being made to these measures in January and February 2003. See Section IV, Issue 7(i).	Corrective actions reflected in August 2002 results were filed on October 21, 2002. Restatement of June and July 2002 results is not expected to change reported results based on the analysis provided in Section IV, Issue 7 (i) below, which also applies to this issue.
5 (ii)	10.4, MI 2	During March, April and May 2002, the Company did not properly report the percentage of orders given jeopardies when there were multiple due date changes by the CLEC.	Effective with August 2002 results reported in September 2002, the Company implemented new computer programming code to report jeopardies on order due dates instead of completion dates and to only count the order once even for the occurrence of multiple due date changes. Restatements of these PMs will be considered in conjunction with the series of changes being made to these measures in January and February 2003. See Section IV, Issue 7(i).	Corrective actions reflected in August 2002 results were filed on October 21, 2002. Restatement of June and July 2002 results is not expected to change reported results based on the analysis provided in Section IV Issue 7 (i) below, which also applies to this issue.
6(i)	13, 13.1	Certain line sharing orders were improperly excluded from reported results.	Effective with June 2002 results reported in July 2002, the Company implemented new computer programming code to add a separate line sharing submeasure.	Corrective actions regarding separate line sharing submeasures were reflected in results filed on October 21, 2002.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
6(ii)	13, 13.1	Certain line sharing orders were improperly excluded from reported results.	Effective with October 2002 results reported in November 2002, new computer programming code was implemented that included supplemental line sharing orders that flowed through. September 2002 results were restated on December 5, 2002. Prior to the restatement September 5, 2002 results were 97.23%; restated results were 97.31%. Restatements for April 2002 when this functionality was implemented, through August 2002 are not possible because additional computer programming code to capture data was needed for these PMs. These code enhancements were implemented on August 28, 2002.	Results filed on October 21, 2002 do not reflect corrective action regarding supplemental orders. Restatements for June, July and August 2002 are not possible. However the impact for those months results would be expected to be less than 1% of reported results based on a review of September 2002 results. This issue only applies to these supplemental transaction using the Local Service Ordering Requirements (“LSOR”) 5 interface.
7	15	The Company did not have a process in place to accurately capture and report when a totaling, formatting, content, or syntax error was detected during the resale bill audit process.	Effective with May 2002 results reported in June 2002, the Company revised the resale bill audit process log to capture and report errors detected during the resale bill audit process.	Corrective action implemented prior to June, July or August 2002 reported results.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
8	27, 28, 29, 32, 33, 55.1, 56.1, 58	New missed appointment and missed due date codes were implemented in January 2002 but were not reflected in the numerator of the PMs.	Effective with August 2002 results reported in September 2002, the Company changed the computer program code to accept these new missed due date codes. The new codes were more specific descriptions of the reasons for both Company caused and customer caused missed appointment and due dates. For example, if an order were delayed due to a CLEC owned (DSL) splitter, prior to the implementation of this change, the Company would have coded this miss as "SR" (subscriber not ready), indicating a customer caused miss. Upon implementation of the more detailed codes, a miss for this same reason would have been coded "WB" (busy or unavailable CLEC-owned splitter). In either instance the miss would have been designated as a customer caused miss.	Corrective actions reflected in August 2002 results filed on October 21, 2002. Corrective action would not change parity or benchmark attainment/failure, therefore no restatements are planned for June and July 2002 results. Had these due date missed codes been implemented earlier, exclusions would not have changed. Company misses would still be identified as Company misses; and customer misses would still be identified as customer misses.
9 (i)	43	March and April 2002 results did not properly capture all projects in this PM.	Effective with June 2002 results reported in July 2002 for PM 43, the Company enhanced its method of capturing transactions related to projects that resulted in the proper exclusion of projects in PM 43.	Corrective actions for PM 43 reflected in results filed on October 21, 2002.
9 (ii)	73	March and April 2002 results did not properly capture all projects in this PM. Additionally, the Company has identified additional project identifiers for PM 73 that will be tracked and reported but have not yet been implemented.	Effective with September 2002 results reported in October 2002 for PM 73, the Company enhanced its method of capturing transactions related to projects and implemented additional project identifiers that resulted in the proper inclusion of projects. PM 73 was restated on December 5, 2002 for the period March 2002 through August 2002.	Results filed on October 21, 2002 do not reflect corrective action. The December 5, 2002 restatement did not impact benchmark attainment/failure for June, July, or August 2002 results.
10 (i)	91	CLEC-initiated revisions and orders	The Company implemented new computer	Corrective actions were reflected

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
		involving projects were improperly excluded from results.	code to include CLEC-initiated revisions with September results reported in October 2002. June, July, and August 2002 results were restated on October 7, 2002.	in results filed on October 21, 2002. June through August 2002 results were restated on October 7, 2002.
10(ii)	91	CLEC-initiated revisions and orders involving projects were improperly excluded from results.	The Company has not implemented new computer programming changes to include projects from LSOG 4 as of the date of this report. Implementation of computer programming code to include LSOG 4 projects is in development. Implementation of this code is targeted for February 2003 results reported in March 2003. The Company does not plan to restate previous months' results for this issue.	Results filed on October 21, 2002 do not reflect corrective action for projects. Implementation is not expected to adversely change reported June, July or August 2002 results. A comparison of June, July, and August 2002 reported results without projects, to test files including projects, shows impact to results of 1.05% or less and no impact to benchmark attainment.
10 (iii)	91	March through May 2002 results contained a coding error that excluded orders where the completion date was before the due date.	Effective with the July 2002 results reported in August 2002, the Company changed the computer program code and began including orders where the completion date was before the due date. June 2002 results were restated on October 7, 2002.	Corrective actions reflected in results filed on October 21, 2002. June 2002 results were restated on October 7, 2002.
11	93	Data related to the LASR system was not included in results for April and May 2002.	Effective with the September 2002 results reported in October 2002, the Company changed the computer program code and began including orders from the LASR system. June through August 2002 results were restated on October 7, 2002.	Corrective actions reflected in results filed on October 21, 2002. June through August 2002 results were restated on October 7, 2002.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
12 (i)	MI 9	Projects were incorrectly excluded from the calculation of this measurement during March, April and May 2002.	Effective with August 2002 results reported in September 2002, the Company implemented new computer programming code to include projects in results.	Corrective actions reflected in August 2002 results were filed on October 21, 2002. This is a diagnostic PM with no benchmark and the Company does not plan to restate results for this issue.
12 (ii)	MI 9	The PM contained a coding error that counted rejects in the results.	Effective with August 2002 results reported in September 2002, the Company implemented new computer programming code to exclude rejects from results.	Corrective actions reflected in August 2002 results were filed on October 21, 2002. This is a diagnostic PM with no benchmark and the Company does not plan to restate results for this issue.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
13	114, 115	<p>The Company did not have a process in place to capture actual start times of coordinated cutovers during March, April and May 2002 for the frame due time (“FDT”) level of disaggregation. Instead, the process utilized by the Company identified the start time as the scheduled due time which did not allow for premature disconnects or delayed coordinated cutovers to be identified and reported.</p>	<p>For PM 114, effective with September 2002 results reported in October 2002, the Company implemented a network process change to capture the actual start times of coordinated cutovers. Prior to this change, the actual start time could not be derived from the source system. The Company implemented a computer program code change coincident with the network change for September 2002 results reported in October 2002. In the interim, a revised method of reporting was implemented in the reporting system for August 2002 results reported in September 2002. June 2002 and July 2002 results were restated on October 7, 2002.</p> <p>For PM 115 effective with September 2002 results reported in October 2002, the Company implemented a network process change to capture the actual start times of coordinated cutovers. PM 115 was not restated for June 2002 through August 2002.</p>	<p>For PM 114, the results filed on October 21, 2002 reflect the interim corrective action taken for August 2002 results reported in September 2002, with June 2002 and July 2002 results restated on October 7, 2002.</p> <p>For PM 115 results, no restatement of June, July or August 2002 results is planned. A comparison of the post-correction September and October 2002 results to the pre-correction June 2002 through August 2002 results indicates no change to the reported benchmark attainment/failure for June, July or August 2002 results.</p>
14	114, 115, 115.2	<p>Prior to May 2002, the Company incorrectly aggregated multiple orders that occurred on the same date with the same CLEC in the denominator.</p>	<p>Effective with May 2002 results reported in June 2002, the computer program code was changed to no longer aggregate multiple orders that occurred on the same date with the same CLEC.</p>	<p>Corrective action implemented prior to June, July or August 2002 reported results.</p>

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
15 (i)	MI 13	Line loss notifications are not being reported when the winning CLEC originates the order through one ordering system and the Company sends the loss notification to the losing CLEC through a different ordering system.	Effective with September 2002 results reported in October 2002, the Company changed the computer program code to match the line loss notice to the service order completion notice when CLECs use different ordering systems. The months of June through August 2002 were restated on October 7, 2002.	Corrective actions reflected in results filed on October 21, 2002. June, July and August 2002 results were restated on October 7, 2002.
15 (ii)	MI 13	The Company was not using the correct end date/time in one ordering system and was inaccurately capturing start times in another system.	Effective with September 2002 results reported in October 2002, new computer programming code was designed and implemented to capture the correct start and end date/time on line loss notifications. The months of June through August 2002 were restated on October 7, 2002.	Corrective actions reflected in results filed on October 21, 2002. June, July and August 2002 results were restated on October 7, 2002.
16(i)	MI 14	Trouble tickets related to customer premises equipment, interexchange carrier and information were excluded from results in error during March, April and May 2002.	Effective with the September 2002 results reported in October 2002, new computer programming code was implemented to include these trouble tickets in results. June through August 2002 results were restated on October 7, 2002.	Corrective actions reflected in results filed on October 21, 2002. June, July and August 2002 results were restated on October 7, 2002.
16(ii) (New)	MI 14	An incorrect formula was used to handle negative time intervals that occur when the Clear Request Receive is before the Clear Time.	Effective with September 2002 results reported in October 2002, new programming code was implemented to correctly calculate the time interval. March 2002 through August 2002 results have been processed and are scheduled to be restated on December 20, 2002. While the PM calculations appear to have been corrected, based on a review of these processed results, certain data anomalies exists that represent approximately 4% of the total records. This unrelated data issue,	Results filed on October 21, 2002 do not reflect corrective action. Based on processed results, which are scheduled to be posted on December 20, 2002, the restatement did not result in a change to the reported benchmark attainment/failure for June, July or August 2002 results.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
			including the need for additional restatements, is to be determined.	
17	WI 1, WI 2	March and April 2002 results were not reported by geographic metro areas, as required by the Business Rules.	Effective with May 2002 results reported in June 2002, the Company implemented a computer program code change to report the results by geographic metro area.	Corrective action implemented prior to June, July or August 2002 reported results.
18	CWI 1	During March, April and May 2002, the average delay time was incorrectly calculated due to utilizing the wrong start time (i.e., the original FOC due date) on certain orders that were modified and by utilizing the expected due date from the FMOD form instead of the actual completion date of the order.	Effective with the October 2002 results reported in November 2002, new computer programming code was implemented to use the correct start time and the actual completion date to calculate average delay time on these certain orders. March through September 2002 results were restated on December 5, 2002 in connection with BearingPoint's on-going PMR review.	Results filed on October 21, 2002 do not reflect all corrective actions. The December 5, 2002 restatement did not impact benchmark attainment/failure for June, July or August 2002 results because PM CWI 1 is a diagnostic PM with no benchmark.
IV Other Identified Issues⁶				
1	1.2	The denominator for this PM is not calculated in accordance with the Business Rules. The Business Rules state that the denominator should include the total actual loop make-up information responses. The actual denominator includes all DSL orders regardless of whether loop make-up information was obtained. Additionally for the numerator, the method of data collection for this PM does not guarantee that the order was	This issue has been identified and is being discussed in the current, on-going six-month review collaborative. SBC has proposed (as of December 18, 2002) a revised measure that addresses CLEC concerns and reflects the current implementation plus additional updates. These revisions are under review by the CLECs.	Results filed on October 21, 2002 reflect SBC's current implementation. Based on the alternatives being discussed in the six month review, and the timing of implementing changes to this PM, restatements of June, July or August 2002 reported results will not be possible.

⁶ The Other Identified Issues section of the original E&Y report identified noncompliance with the Business Rules during March, April and May 2002. These results were not corrected as of October 18, 2002.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
		identical to engineering work confirmations as required by the Business Rules. The numerator is calculated by subtracting the number of DSL orders with trouble reported within 10 days of DSL installation from total DSL orders.		
2	5, 6	April and May 2002 results misclassified certain loop orders processed through the LASR system as auto/auto instead of auto/manual.	Effective with September 2002 results reported in October 2002, the Company updated the data extract mapping process to direct the auto/manual indicator on the affected loop orders from the source system to the reporting systems so that the orders could be correctly classified.	Results filed on October 21, 2002 do not reflect corrective action. No restatement is planned for June, July or August 2002 results for this issue. A review of June, July and August 2002 data for loop orders that could have experienced this misclassification shows there would have been no impact on benchmark attainment /failure for June, July or August 2002 if they had been classified as auto/auto instead of auto/manual. PM 6 is a diagnostic PM with no benchmark.
3	5, 5.2, 6, 7, 7.1, 8, 9, 10, 10.1, 10.2, 10.3, 10.4, 11, 13, 13.1	Certain valid LASR transactions were incorrectly excluded from PM results due to invalid ACNA/Company code values.	This issue was isolated to LSOG 5 transactions as a result of the implementation of new systems (LSOG 5/LASR) in April 2002. As of the date of this report, the Company has not implemented the planned action to correct this issue. However, based on an analysis of the data for August 2002, it was noted that less than 1% of the all reported LASR transactions (including (LSOG 5) were improperly excluded from the PMs noted in	Results filed on October 21, 2002 do not reflect corrective action. No restatement is planned for June, July or August 2002 results for this issue. Because this issue is impacted by the number of ACNA/Company code values in use for LSOG 5/LASR transactions, the Company analyzed the number of CLECs

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
			<p>this issue as a result of this error in August 2002. The Company does not plan to restate previous months' results for this issue. Implementation is targeted for January 2003 results reported in February 2003.</p>	<p>using LSOG 5/LASR in August 2002, compared to June and July 2002. In August 2002 the number of CLECs using LSOG 5/LASR was 10% more than in June and July. This issue only impacted 1% of the total LASR transactions in August 2002. Based on this analysis, and given the fact that LSOG 5 was recently released, the Company does not expect a change to benchmark attainment/failure for June, July and August 2002 results.</p>
4	5, 7, 10.4, 91, 93, MI 2	Some xDSL loops with LNP were not captured in the reported results.	<p>Effective with October 2002 results reported in November 2002, new computer programming code was implemented for PMs 7, 10.4, and MI 2 to include pre-merger xDSL loops with LNP that were previously not captured in the PM results. These were the only loops affected by this issue. Restatements for 10.4 and MI 2 will be evaluated in conjunction with the series of changes being made to these measures in January 2003 (See Section IV, Issue 7). Changes to PM 91 and PM 93 are scheduled to be implemented with November 2002 results reported in December 2002. PM 5 was coded for this change when this product was implemented and therefore should not be included.</p>	<p>Results filed on October 21, 2002 do not reflect corrective action. A review of June, July and August 2002 data indicated that there were no pre-merger xDSL with LNP loops ordered in Michigan, therefore no restatement is planned for June, July or August 2002 results specially for this issue.</p>

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
5 (i)	7, 8	Certain orders that did not contain service order completion dates or contained start dates with a null value were reported as meeting the one-hour completion timeline when no data was available to make that determination.	Effective with October 2002 results reported in November 2002, the Company implemented new computer programming code to use a different start time that is based on when a service representative worked the completion for transactions that did not contain a service order completion date or contained a start date with a null value. Any completions that cannot use this revised start time are counted as missed. This issue will be included in the restatement currently scheduled for January 2003 for the months of August 2002 and September 2002 in connection with BearingPoint's on-going PMR review.	Results filed on October 21, 2002 do not reflect corrective action. Restatement of August 2002 results is not expected to change reported results for PM 7. October 2002 results and November 2002 processed results, which include this correction, meet the PM 7 benchmark and are higher or within 1% of the stated results for June through August 2002. The Company does not plan to restate June or July 2002 results. PM 8 is a diagnostic measure with no benchmark. However it will be restated in connection with BearingPoint's on-going PMR review.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
5 (ii)	7, 8	Additionally, the Company excluded the LNP portion of certain service order transactions from the results in error.	Effective with October 2002 results reported in November 2002, the Company implemented new computer programming code to include the LNP portion of the order so as to obtain the correct completion date. Only one order in the study month of September 2002 was found that met this criterion. This issue will be included in the restatement currently scheduled for January 2003 for the months of August 2002 and September 2002 in connection with BearingPoint's on-going PMR review.	Results filed on October 21, 2002 do not reflect corrective action. Restatement of August 2002 results is not expected to change reported results for PM 7. October 2002 results and November 2002 processed results, which include this correction, meet the PM 7 benchmark and are higher or within 1% of the stated results for June through August 2002. The Company does not plan to restate June or July 2002 results. PM 8 is a diagnostic measure with no benchmark. However it will be restated in connection with BearingPoint's on-going PMR review.
6	7.1, 91	Results for March, April and May 2002 did not exclude CLEC-caused misses from the calculation as required by the Business Rules.	The Company has not implemented new computer programming changes to address this issue as of the date of this report. The impact of not excluding CLEC-caused misses causes an understatement of the Company's actual performance. The Company does not plan to restate previous months' results for this issue. Implementation of this exclusion is targeted for February 2003 results reported in March 2003.	Results filed on October 21, 2002 do not reflect corrective action. No restatement is planned for June, July or August 2002 results. The correction of this issue would improve the Company's performance results.
7 (i)	10.4, MI 2	The Company did not apply an exclusion for CLEC-initiated end user codes as stated in the Business Rules.	Effective with November 2002 results scheduled to be reported on December 20, 2002, the Company implemented new	Results filed on October 21, 2002 do not reflect corrective action. The expected impact on June, July

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
			<p>computer programming code to exclude CLEC-initiated end user codes. August 2002 through October 2002 results are scheduled to be restated in January 2003 and June 2002 and July 2002 results are scheduled to be restated in February 2003.</p>	<p>and August 2002 results is discussed below for each PM.</p> <p>For PM 10.4, the correction of Issue 7(i) will only improve the Company's results since CLEC-caused misses were previously included. However, the correction of Issues 7(ii), 7(iii), and 7(vi) may have an adverse impact on results. An analysis of the cumulative effect for PM 10.4, of the corrective actions for all of these issues showed that 9 of 10 disaggregations will improve or remain the same for November 2002 processed results when compared to the June, July and August 2002 average. The one exception in November 2002 was for (resale specials-FW), in which all of the three orders received a jeopardy notice.</p> <p>For PM MI 2, the correction of Issues 7(i), 7(ii), 7(iii), 7(v) and 7(vi) , based on an analysis of the cumulative effect of these issues, showed that using the new computer code for MI 2 results in no change to the benchmark attainment/failure for processed</p>

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
				November 2002 results when compared to the June, July and August 2002 average..
7 (ii)	10.4, MI 2	The Company excluded certain wholesale jeopardy transactions processed through LASR from results due to an error in extracting detailed information from a source system.	Effective with November 2002 results, which have been processed and are scheduled to be reported on December 20, 2002, the Company implemented new computer programming code to include these jeopardy transactions. August 2002 through October 2002 results are scheduled to be restated in January 2003 and June 2002 and July 2002 results are scheduled to be restated in February 2003.	Results filed on October 21, 2002 do not reflect corrective action. Restatement of June, July and August 2002 results is not expected to change reported results for PM 10.4 and MI 2 based on the analysis provided for in issue 7 (i) above, which also applies to this issue..
7 (iii)	10.4, MI 2	The Company excluded wholesale LASR transactions in which the scheduled date was erroneously stated as null.	Effective with November 2002 results which have been processed and are scheduled to be reported on December 20, 2002, the Company implemented new computer programming code to include these LASR transactions. August 2002 through October 2002 results are scheduled to be restated in January 2003 and June 2002 and July 2002 results are scheduled to be restated in February 2003.	Results filed on October 21, 2002 do not reflect corrective action. Restatement of June, July and August 2002 results is not expected to change reported results for PM 10.4 and MI 2 based on the analysis provided in issue 7 (i) above, which also applies to this issue.
7 (iv)	10.4, MI 2	The Company did not exclude FMOD orders from results.	The Business Rules for PMs 10.4 and MI 2 do not provide for an allowable exclusion for FMOD orders.	This issue would have no impact on June, July or August 2002 reported results. Therefore there is no reason to restate for this specific issue.
7 (v)	10.4, MI 2	The calculation of the percentage of orders given jeopardy notices within 24 hours of the due date was performed utilizing days instead of minutes resulting in anything less than 48 hours being considered a pass.	Effective with September 2002 results reported in October 2002, the Company implemented computer programming code to convert the duration between the order time and jeopardy notice from days to minutes to determine if the notice was within 24 hours as	Results filed on October 21, 2002 do not reflect corrective action. This issue does not impact PM 10.4. Restatement of June, July and August 2002 results is not expected to change reported

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
			required by the Business Rules. August 2002 through October 2002 results are scheduled to be restated in January 2003 and June 2002 and July 2002 results are scheduled to be restated in February 2003.	results for PM MI 2 based on the analysis provided in issue 7 (i) above, which also applies to this issue.
7 (vi)	10.4, MI 2	The start and stop times were not correct due to not considering the Value Added Network (“VAN”) time.	Effective with November 2002 results, which have been processed and are scheduled to be reported on December 20, 2002, the Company reprocessed the Value Added Network (“VAN”) data to determine the start and stop times are captured for PM MI 2. August 2002 through October 2002 results are scheduled to be restated in January 2003 and June 2002 and July 2002 results are scheduled to be restated in February 2003.	Results filed on October 21, 2002 do not reflect corrective action. Restatement of June, July and August 2002 results is not expected to change reported results for PM 10.4 and MI 2 based on the analysis provided for in issue 7 (i) above, which also applies to this issue.
8	13, 13.1	Certain supplemental and cancelled orders related to UNE loops and LNP have had the ability to flow through the Company’s systems; however, the Company did not have the capability to identify and report this data.	This issue refers to due date changes and cancellations that are designed to flow through if the previous version of the local service request flowed through. Loop and LNP due date changes and cancellations became flow through eligible for LSOR 5.01 requests in August 2002 and therefore were properly reported during the period of March through July 2002. Effective with October 2002 results reported on November 20, 2002, the Company implemented new computer programming code to properly report UNE loop and LNP due date changes and cancellations in PMs 13 and 13.1. Restatements for August 2002, when this functionality was implemented, are not	June and July 2002 results were properly reported on October 21, 2002 since this functionality was not offered until August 5, 2002. Restatements for August 2002 are not possible. The impact on August 2002 results would be expected to be less than 1% of reported results based on a review of September 2002 restated results and because this issue only applies to these supplemental transaction using the LSOR 5.01 interface. September 2002 results for these PMs for loops changed from 94.76% to 94.75%, and for LNP

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
			possible because additional computer programming code to capture data needed for these PMs was not completed. These code enhancements were implemented on August 28, 2002. September results were restated on December 5, 2002.	changed from 96.44% to 95.49%.
9 (i)	14	The process by which the Company performed bill audits to verify wholesale universal service ordering code ("USOC") rates did not ensure all items in the audit sample were tested and did not obtain all the relevant information in all cases to accurately determine if the USOC rate was accurate.	Effective with August 2002 results reported in September 2002, the Company has changed its data retention policies to allow for the appropriate bill audit process to occur.	Corrective actions regarding the Company's audit process are reflected in August 2002 results filed on October 21, 2002. A comparison of August 2002 through October 2002 results, compared to June 2002 and July 2002 results, shows change as follows: PM 14-01 - No Change; PM 14-02 - September and October 2002 results show 0.25% bill elements not corrected prior to release, compared to 0.00% for retail, and both September and October 2002 were out of parity with retail, while June, July and August 2002 were in parity; PM 14-03 - September and October 2002 results are not inconsistent with June, July and August 2002 results, and all months (June through October 2002) exceeded the parity comparison standard. As this is a process change, no restatement is possible.
9 (ii)	14	Additionally, for the retail comparison for	The Company currently verifies that an error	Results filed on October 21, 2002

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
		both resale submeasures, the Company did not have a process in place to accurately capture and report when invalid USOC rates were identified in the bill audit process.	found by a bill validator is actually an error in the bill, or is due to an out-of-date electronic validation handbook being used. The corrective action required is to enhance current methods and procedures to ensure that errors that are confirmed as bill element errors are reported as such in the PM 14 results. The Company is planning the methods and procedures update effective with December 2002 results reported in January 2003.	do not reflect corrective action. No restatements are possible , as this is a process change beginning in December 2002. Identification of additional errors for the retail results would only cause improvement in the parity comparison because retail results have been reported at 100% for each month, and identification of errors in retail results alone will improve parity comparison performance.
9 (iii)	14	Also, for the Resale Monthly Recurring/Non Recurring wholesale submeasure, the Company's process does not compare the USOC rates per the rate tables to the actual bill sent. Utilizing the Company's current process, a difference would not be identified.	The validation procedure followed by the Company from March 2002 through current includes the requirement to compare USOC rates from the rate table to the bill elements. In addition to the corrective action described in Issue 9(i) above, the Company is reinforcing compliance with the current procedure through additional bill validator training and coaching.	The validation procedure required was in place for the months of June, July and August. To the extent this issue is impacted by process change described in Issue 9(i) above, no restatement is possible.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
10	25	Due to a manual calculation error, April 2002 retail data was improperly reported.	This manual input error was due to reporting retail results for the month of January 2002 instead of April 2002 retail results. The Company has implemented controls to verify the accuracy of reported information to the input data and is in the process of mechanizing the PM. The Company has determined that a restatement of April 2002 results is not necessary as the April 2002 wholesale results for Michigan of 96% of DSL calls and 94% of all other calls answered within 20 seconds exceed both the originally reported incorrect retail result of 72% for each retail category and the correct result of 65% for each retail category. This issue had no impact on reported CLEC results. As such, there is no impact on the Company's parity performance.	Corrective action implemented prior to June, July or August 2002 reported results.
11	28	The Company did not properly identify customer-requested due dates ("CDDD") during March, April and May 2002. Instead of capturing the actual customer-requested due date, the Company-offered due date was utilized in the calculation only when the requested due date was greater than or equal to the standard offered interval.	Effective with January 2003 results scheduled to be reported in February 2003, the Company plans to implement a computer program code change to use CDDD in this calculation. If required, June 2002 through December 2002 results will be scheduled for restatement in the first quarter of 2003.	Results filed on October 21, 2002 do not reflect corrective action. The Company expects that this implementation of corrective action for this issue will have a minimal impact on June, July and August 2002 results because the actual due date field is equal to the CDDD field in most cases.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
12	28-33	The Company incorrectly reported certain internal orders impacting the CLEC portion of a partially “won back” account as wholesale orders during March, April and May 2002.	Effective with February 2003 results reported in March 2003, the Company will implement new computer programming code to exclude internal orders correcting the CLEC account on a partial winback.	Results filed on October 21, 2002 do not reflect corrective action. The Company does not plan to restate June, July and August 2002 results. Partial Winbacks comprise approximately 3% to 5% of total winback orders. Removing this small volume of orders from the CLEC results is not expected to impact wholesale results.
13	39, 52, 67	The Company excludes trouble tickets in excess of 720 hours from results although this exclusion is not allowed by the Business Rules.	Effective with October 2002 data reported on November 20, 2002, the Company implemented new computer programming code to include trouble tickets in excess of 720 hours in the results. March 2002 through September 2002 results were restated on December 5, 2002.	Results filed on October 21, 2002 do not reflect corrective action. The December 5, 2002 restatement did not result in a change to the reported benchmark attainment/failure for June, July or August 2002 results for all PMs, except for PM 67 in August 2002. For the month of August 2002, PM 67-18 volume increased (from 2 troubles to 11 troubles) such that a valid parity comparison could be made. Performance of a mean time to restore of 13.8 hours exceeded the retail comparison of 3.2 hours.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
14 (i)	43, 44, 55, 55.1 55.2, 55.3, 56, 56.1	During May 2002, the Company experienced a problem with a source system utilized to identify LNP with loop orders and application date and loop length which was not populated which caused some CHC and FDT Michigan data to not be reported.	<p>This issue only affected May and June 2002 results for PMs 55, 55.1, 55.2, 56 and 56.1. The Company corrected a previously identified problem with a source system utilized to identify LNP with loop orders and to correct the issue associated with the application date and loop length that was not populated. The Company restated May 2002 results in November 2002. A restatement of June 2002 results is targeted for February 2003.</p> <p>This issue did not affect PM 43, 44, or 55.3.</p>	Corrective actions reflected in July and August 2002 results filed on October 21, 2002. June 2002 results schedule to be restated in February 2003. Based on the a review of restated May 2002 results for PMs 55, 55.1, 55.2, 56 and 56.1, which did not change benchmark attainment/failure as a result of this corrective action, benchmark attainment/failure is not expected to change for June 2002 restated results for these same PMs.
14 (ii)	43, 44, 55, 55.1, 56, 56.1	The Company utilized the wrong field to determine the exclusion for customer-requested due dates in excess of the stated time period in the Business Rules.	<p>Effective with January 2003 data scheduled to be reported in February 2003, the Company plans to implement new computer programming code that will utilize the customer-requested due date (“CDDD”) for PMs 43, 44 and 55, and for the lineshare disaggregation only for PMs 55.1, 56 and 56.1.</p> <p>If required, June 2002 through December 2002 results will be scheduled for restatement in the first quarter of 2003.</p>	Results filed on October 21, 2002 do not reflect corrective action. The Company expects that this implementation of corrective action for this issue will have a minimal impact on June, July and August 2002 results because the actual due date field is equal to the CDDD field in most cases.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
14 (iii) (New)	43, 44, 55, 55.1, 56, 56.1	The transaction indicator used to calculate the measured application date is no longer being populated consistently.	Effective with October 2002 results reported in November 2002 the company implemented computer code to check a populated field to identify the source of the order for PMs 43, 44, 55, 55.1, 56 and 56.1; except for line share disaggregations. August 2002 through September 2002 results were restated on December 5, 2002. June and July 2002 results are scheduled to be restated in February 2003.	Results filed on October 21, 2002 do not reflect corrective action. The December 5, 2002 restatement did not result in a change to the reported parity/ benchmark attainment/failure for August 2002 results. No change in parity/benchmark attainment is expected for June or July 2002 results based on restatement results for August and September 2002.
15	55.1-63, 65	DSL transactions were not identified by geographic region as required by the Business Rules and, therefore, are not reported in the correct geographic region.	The Company plans to implement new computer programming code to report these PMs by geographic region for February 2003 results reported in March 2003. PM 55.2 and PM 56.1 are not affected by this issue.	Results filed on October 21, 2002 do not reflect corrective action. This issue regarding geographic disaggregation had no impact on state-wide aggregate results reported for June, July or August 2002.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
16 (i)	55.1, 56, 58	During March, April and May 2002, certain orders involving the FMOD database were not properly identified as loops involving conditioning or were incorrectly identified as FMOD orders.	Effective with November 2002 data, which is processed and scheduled to be reported on December 20, 2002, the Company plans to implement new computer programming code that identified DSL no lineshare orders involving the Facility Modification Order Database ("FMOD") database as loops involving conditioning. The Company restated June and July 2002 results for PMs 55.1 and 56 on November 5, 2002 and August and September 2002 results on December 5, 2002. Analysis of the restatements indicate that all disaggregations stayed in parity. PM 58 does not require a restatement since the PM does not require the results to be disaggregated by conditioning/non-conditioning.	Results filed on October 21, 2002 do not reflect corrective action. The restated June, July and August 2002 results did not adversely affect parity or benchmark attainment/failure except for PM 55.1. Results for PM 55.1-03, which previously had insufficient volume in each month to make a comparison, changed as follows: June - from 24.2 days average installation interval to 9.2 days, and n/a to Make; July - 44 days to 10.6 days, and n/a to Miss; and August - 11.82 days to 13.2 days, and n/a to Miss.
16 (ii)	55.1, 56, 58	The Company did not count the start time correctly during March, April and May 2002 resulting in inaccurate PMs.	Effective with October 2002 data reported on November 20, 2002, the Company implemented new computer programming code to count the start time (application date) correctly. The August 2002 results were restated on December 5, 2002.	Results filed on October 21, 2002 do not reflect corrective action. The December 5, 2002 restatements of August 2002 results did not change the reported parity or benchmark attainment when compared to June and July 2002 results. The Company does not plan to restate June and July 2002 results.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
17 (i)	65, 65.1, 66, 67, 68, 69	The Company improperly calculated the wholesale numerator during March, April and May 2002 for the line share submeasure. The Company only included trouble reports for the voice portion of the line and improperly excluded trouble reports related to the data portion of the line.	Effective with November 2002 results, which have been processed and will be reported on December 20, 2002, the Company implemented new computer programming code to include all troubles recorded for the high frequency portion of the loop (“HFPL”). July October 2002 will be restated on December 20, 2002. June 2002 results are schedule to be restated in January 2003. PM 68 is not affected by this issue	Results filed on October 21, 2002 do not reflect corrective action. The pending December 20, 2002 restatement did not result in a change to the reported parity or benchmark attainment/failure for July and August 2002 results except for 1 disaggregation in 1 month. PM 67 –18 MTTR DSL lineshare - No dispatch went from N/A to a miss in August 2002 (Wholesale performance 13.83 Hours vs affiliate of 3.21 Hours).
17 (ii)	65, 65.1, 66, 67, 68, 69	Certain DSL trouble reports on circuits that the CLECs took “as is” were counted as Company troubles when they were not.	“As is” troubles were not counted as company troubles since they were being appropriately loaded into the data base with non-measured disposition codes, as part of a manual loading process. Effective with October 2002 data reported on November 20 2002, the company implemented new computer programming code to mechanize the loading process. PM 68 is not affected by this issue.	Results filed on October 21, 2002 for June, July and August 2002 were accurate because the data was manually loaded into the data base with non-measured disposition codes.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
18	74, 75, 78	During March and April 2002, the Company excluded certain transactions with a missed appointment code associated with a project from reported results. In May 2002, the Company excluded all projects from the reported results. The Business Rules do not allow for projects to be excluded from results.	Effective with September 2002 data reported in October 2002, the Company implemented new computer programming code to include projects in results. On December 5, 2002, the Company restated March through August 2002 results.	Results filed on October 21, 2002 do not reflect corrective action. The December 2002 restatement had no adverse impact on trunk submeasures in June and July 2002 results, while one submeasure PM 75-04 (% of Ameritech-caused Missed Due Dates > 30 Days - Interconnection Trunks - Interconnection Trunks) went from exceeding the benchmark to under-performing against the benchmark for August 2002 results.
19 (i)	91	Data related to the LASR system was not included in results for April and May 2002.	Effective with October 2002 results reported in November 2002, the Company implemented new computer programming code to include LASR data in PM 91. June through August 2002 results were restated on October 7, 2002.	Corrective actions reflected in results filed on October 21, 2002. June, July and August 2002 results were restated on October 7, 2002.
19 (ii)	91	The Company improperly included LNP transactions that were not scheduled within industry guidelines in results.	Effective with May 2002 data reported in June 2002, the Company implemented new computer programming code to exclude LNP transactions that were not scheduled within industry guidelines.	Corrective action implemented prior to June, July or August 2002 reported results.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
19 (iii)	91	The Company did not capture information by telephone number (“TN”) but instead captured the information by order number.	Effective with November 2002 data scheduled to be reported in December 2002, the Company implemented new computer programming code designed to report at the telephone number level. August 2002 through October 2002 are scheduled for restatement on January 3, 2003, and June and July 2002 results are scheduled to be restated on February 5, 2003.	Results filed on October 21, 2002 do not reflect corrective action. Implementation of correction is not expected to adversely change reported June, July or August 2002 results. A review of a test file using TN level reporting, rather than order number reporting, for October 2002 showed no change in benchmark attainment/failure.
20(i)	92, 99	The Company excluded LNP with loop orders in which the loop portion of the order was rejected and then later corrected.	This issue does not impact PMs 92 and 99. This issue impacts measures that are calculated using data from the MOR system. PMs 92 and 99 are not calculated in the MOR system.	PMs 92 and 99 were correctly reported on October 21, 2002. These PMs are calculated in the RRS system which has its own method for identifying and processing LNP orders which is not impacted by the issue identified here.
20(ii)	5, 6, 7, 7.1, 8, 9, 10, 10.1, 10.2, 10.3, 10.4, 11, 11.1, 11.2, 13, 13.1, 91, 93, 95, MI 2, MI 9:	The Company excluded LNP with loop orders in which the loop portion of the order was rejected and then later corrected.	For PMs 5, 6, 7, 7.1, 8, 9, 10, 10.1, 10.2, 10.3, 10.4, 11, 11.1, 11.2, 95, and MI 2, effective with October 2002 results reported on November 20, 2002, the Company implemented new computer programming code to include LNP with loop orders in which the loop portion of the order was rejected and then later corrected. For PMs 13, 13.1 91, 93, and MI 9, effective with November 2002 results to be reported on December 20, 2002, the Company implemented new computer programming code designed to include LNP with loop	Results filed on October 21, 2002 do not reflect corrective action. PMs 6, 8, 9, 11, 13.1 and MI 9 are diagnostic with no benchmark. For PMs, 5, 7, 7.1, 10, 10.1, 10.2, 10.3, 10.4, 11.1, 11.2, 95, and MI 2, implementation of correction is not expected to change reported June, July or August 2002 results, therefore no restatements are planned for this specific issue. A review of the various impacted

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
			orders in which the loop portion of the order was rejected and then later corrected.	<p>PMs for the months of July, August or September 2002 data show impacts ranging from less than 1/10 of a percent to the largest impact on PM 95 which showed that the largest change to any disaggregation was less than 2.2% and impacted only one order in that disaggregation.</p> <p>For PMs 13, 91, 93, are not expected to change reported June, July or August 2002 results, therefore no restatements are planned for this specific issue. Based on a review of October and November 2002 data for PM 91, only three orders would have been omitted from a base of 265 orders and all were completed within the due date. Thus had the orders been included, results would have improved. A review of PM 93 data for October and November 2002 indicated that 10 orders would have been omitted from a base of 102 orders but all met the requirements of the PM and therefore would have improved the Company's results.</p>

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
21(i)	95	During March, April and May 2002, the Company excluded projects from these PMs although there is no exclusion allowed in the Business Rules.	Effective with September 2002 results reported in October 2002, the Company implemented new computer programming code to include projects in results.	Results filed on October 21, 2002 do not reflect corrective action. Based on a review of June through August 2002 results prior to the correction, and September and October 2002 results after the correction, there was no change in benchmark attainment/failure. Therefore no restatements for prior months are planned.
21(ii)	99	During March, April and May 2002, the Company excluded projects from these PMs although there is no exclusion allowed in the Business Rules.	Effective with July 2002 results reported in August 2002, the Company implemented new computer programming code to include projects in results. The Company restated June 2002 results on August 5, 2002, May 2002 results on September 5, 2002, and March and April 2002 results on October 7, 2002.	Corrective actions are reflected in results filed on October 21, 2002, June 2002 results were restated in August 2002.
21(iii)	MI 13	During March, April and May 2002, the Company excluded projects from these PMs although there is no exclusion allowed in the Business Rules.	Effective with October 2002 results reported in November 2002, the Company implemented new computer programming code to include projects in results. The months of June through September 2002 are scheduled to be restated in January 2003 to include this correction.	Results filed on October 21, 2002 do not reflect corrective action. October 2002 results that include this correction meet the benchmarks and are higher than the stated results for June through August 2002. No negative impact to the planned restated results for June through August 2002 is expected. The CLECs have agreed in the ongoing 6 month review that this

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
				measure does not capture the meaningful information needed to assess the timeliness of line loss notifications. A new measurement that will be remedied has been agreed to.
22	96, 97	For LNP with loop orders, the related order field is not always populated resulting in certain LNP with loop orders being reported as loop orders.	The reason certain LNP with loop orders are being reported as LNP only is the related order field on the LNP order is not always populated with the loop order number. The Company programming code for these PMs looks for the LNP and then its related loop. Effective in February 2003, the Company plans to implement changes to computer program code logic to identify the loop with the related LNP order number and then cross check both ways.	Results filed on October 21, 2002 do not reflect corrective action. Implementation of correction is not expected to change reported June, July or August 2002 results, therefore no restatements are planned for this specific issue. For these PMs all LNP with loop orders were reported, although possibly not in the disaggregation the CLEC expected. The Company does not consider a restatement necessary since all orders were reported and compared to the same benchmark.
23 (i)	105, 106, MI 5	Testing of supporting documentation for the transactions that comprise these PMs revealed that start and stop times were not accurately calculated and that supporting documentation for transactions was not appropriately maintained.	The Company implemented additional controls on October 14, 2002 to ensure that start and stop times are stamped on all requests and that transaction logs are properly maintained. These controls include stamping all requests that come in with date and time received and keeping a separate back-up log for supporting documentation.	Results filed on October 21, 2002 do not reflect corrective action. As this is a process change, no restatements are possible.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
23 (ii)	105, 106, MI 5	Certain transactions were recorded in the wrong month.	The recording of these transactions was consistent with the Company's practice for this PM in which work completed at the end of one month is recorded in the following month's results. To avoid omitting these transactions results are compiled based on the month in which they are recorded rather than in the month the work was done.	Results filed on October 21, 2002 reflect the Company's consistent practice regarding the recording of transactions. Based on that practice these transactions were recorded correctly for June, July and August 2002 reported results. No restatements are necessary.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
24	110, 111, 112, 113	<p>The Company was unable to locate certain supporting documentation related to fax transactions. Additionally, critical dates or times on the source documents did not agree to the data file used to calculate the results. In all cases the times were misstated by less than 2 hours. This had no effect on the reported results for PM 110.</p>	<p>In October 2002, the Company implemented procedures designed to ensure on a prospective basis that supporting documentation related to fax transactions is maintained and that critical dates or times on the source documents are properly reflected in the data.</p> <p>In November 2002, the Company implemented procedures designed to ensure that critical dates on the source document agreed with the data file used to calculate results.</p>	<p>Results filed on October 21, 2002 do not reflect corrective action. Implementation of this change would not be expected to change reported June, July or August 2002 results for PMs 110 and 111 and no restatements are planned. The corrective action addressed supporting documentation. The Company found no cases in which transactions were misstated by more than 2 hours, and reported performance is well within the defined benchmarks (average 19.42 hours against a 48-hour benchmark in PM 111, and over 99.4% were within 72 hours in each month for PM 110).</p> <p>PM 112 is not impacted because it is a measure of accuracy, not timeliness.</p> <p>This issue does not impact PM 113, because PM 113 is a measure of mechanized updates, not a manual measure.</p>

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
25	117, 118	The Company considers an NXX code request to be on time as long as it completes testing by the end of the week containing the due date, instead of by the actual due date as required by the Business Rules.	Effective with October 2002 results reported in November 2002, the Company implemented procedures to consider an NXX code request to be on time as long as it completes testing by the actual due date as required by the Business Rules.	Results filed on October 21, 2002 do not reflect corrective action. The Company does not plan to restate PMs 117 or 118 for this issue for June through August 2002 results. PM 117 results for October 2002 remained at 100% as were the June through August 2002 reported results. Since no transactions were missed, there we no delay days to measure in PM 118.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
26 (i)	2, MI 10, MI 16	During March, April and May 2002, rejected and timed out pre-order transactions were improperly excluded from the numerators of MI 10 and MI 16.	<p>Effective with October 2002 results reported in November 2002, the Company implemented new computer programming code to include rejected and timed out pre-order transactions in the numerators of MI 10 and MI 16. This shifted transactions between MI 10, MI 16 and PM 2. The Company restated results for March 2002 through September 2002 on December 5, 2002 for MI 10, MI 16 and PM 2. The December 5, 2002 restatement resulted in a change to the PM2 benchmark performance for LoopQual Archived Actuals for Verigate from a Made to a slight Miss of 89.76% measured against a 90% benchmark. MI 10 and MI 16 are diagnostic PMs with no benchmarks.</p> <p>Effective with October 2002 results reported in November 2002, the Company implemented new computer programming code to include rejected and timed out pre-order transactions in the numerators of MI 10 and MI 16. The Company restated results for March 2002 through September 2002 on December 5, 2002.</p>	<p>Results filed on October 21, 2002 do not reflect corrective action. The December 5, 2002 restatement resulted in a change for July 2002 results for PM 2 LoopQual Archived Actuals for Verigate from a Made to a Miss of 89.76% measured against a 90% benchmark.</p> <p>MI 10 and MI 16 are diagnostic measures with no benchmarks.</p>

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
26 (ii)	MI 10, MI 16	TCNet does not have the capability to capture the rejected and timed out status; therefore, these transactions cannot be reported in the numerator for these PMs.	This issue is limited to the service feature availability transaction for TCNet, an optional pre-ordering interface. To provide a response for this transaction TCNet accesses an available feature table that resides within the TCNet computer program code on the TCNet server itself. Since the transaction does not interface or call any other applications, the transaction cannot time out or reject.	June, July and August 2002 reported results for TCNet service feature availability were not impacted by this issue because TCNet properly reports these PMs without a reject or time out function. MI 10 and MI 16 are diagnostic measures with no benchmarks
26 (iii)	MI 10, MI 16	Certain valid EDI LSOG 1 transactions were improperly excluded from the reported results. This was due to an error in the programming logic designed to identify duplicate transactions.	Effective with October 2002 results reported in November 2002, the Company implemented new computer programming code to include the excluded EDI LSOG 1 transactions in the reported results for PMs MI 10 and MI 16.	Results filed on October 21, 2002 do not reflect corrective action. MI 10 and MI 16 are diagnostic measures with no benchmarks.
27	MI 12	The Company excluded transactions from reported results where the field cycle date was null and excluded wholesale transactions when a field identifying the CLEC was blank. This issue was isolated to one day in the month of May 2002.	As noted above, this issue was isolated to one day in the month of May 2002. A total of 51,317 records were omitted from the total records count of 3,514,097 for May 2002 representing 1.5% of the total records. As such, the Company does not believe restatement of May 2002 results is necessary.	Corrective action implemented prior to June, July or August 2002 reported results.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
28	MI 14	The Company was not able to identify electronic UNE-P transactions and as a result did not report the UNE-P level of disaggregation for electronically processed completion notifications	As of the date of this report, the Company has not implemented the planned action to correct this issue. However, the volume of transactions reported in the resale electronic disaggregation includes the results for both resale and UNE-P tickets. The reported results for the resale electronic disaggregation, which includes UNE-P, exceed the 95% benchmark for each of the last six months (see Section III Issue 16(ii) (New)). Implementation of the corrective action is planned for February 2003 results reported in March 2003.	Results filed on October 21, 2002 do not reflect corrective action. The processed restatement results scheduled to be reported on December 20, 2002 show restated resale disaggregation, which results also include UNE-P, for June, July and August 2002 meeting the benchmark.
29	MI 15	The Company did not appropriately capture the denominator for this PM during March, April and May 2002. The exclusion for “approved exceptions” was not taken by the Company. The Company was including accessible letters in the calculation of the results.	Effective with September 2002 results reported in October 2002, the Company implemented a process change to exclude exception letters. July 2002 results were restated on October 7, 2002, April and May results were restated on November 5, 2002.	Corrective actions reflected in results filed on October 21, 2002. July 2002 results were restated on October 7, 2002. No restatement was necessary for June or August 2002 because there were no “approved exceptions,” Therefore the reported results for June and August 2002 were accurate.
30	WI 1	Customer-caused no access reports were incorrectly included in the numerator of the calculation during March, April and May 2002 resulting in a published result worse than actual results.	The Company has not implemented changes to address this issue as of the date of this report. Implementation of computer programming changes to exclude certain customer-caused no access reports is planned to be included in February 2003 results reported in March 2003. No restatements are planned.	Results filed on October 21, 2002 do not reflect corrective action. Implementation of this correction, will improve the Company’s actual reported results because excluding customer-caused no access will decrease the numerator. No restatements are planned for reported June, July or August 2002 results for this issue.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
31	C WI 5	The Company did not report data for specials and UNEs during March, April and May 2002.	Implementation of computer programming code to include resold Specials and UNEs in PM C WI 5 is scheduled effective with February 2003 results reported in March 2003.	Results filed on October 21, 2002 do not reflect corrective action. Implementation of this correction, which will add two additional products, is not expected to change reported June, July or August 2002 results. No restatements are planned. The Company's procedures in Michigan require technicians to replace a broken or missing Network Interface Device on every provisioning or maintenance visit, for both retail and wholesale, for all products. The results indicate no failure of the PM for resale (0% vs. a 3% benchmark). Therefore, the company expects the results to be no different when the additional products are added to this measure.

<u>E&Y Issue</u>	<u>PMs Affected</u>	<u>E&Y Error Description</u>	<u>SBC Assertion - Response and Corrective Action Status for the Described Error</u>	<u>SBC Assertion - Impact of Corrective Action on June, July and August 2002 Results As of October 21, 2002</u>
32	C WI 6, C WI 7, and C WI 8	Due to errors in data collection by the reporting systems, the Company improperly excluded certain transactions from reported results.	Effective with September 2002 results reported in October 2002, the Company implemented new computer programming code to include transactions that were improperly excluded for PMs C WI 6, C WI 7, and C WI 8.	Results filed on October 21, 2002 do not reflect corrective action. The Company does not plan to restate for this issue for June through August 2002 results. A comparison of the post-correction September and October 2002 results to the pre-correction June, July and August 2002 results indicates no increase in orders subject to these PMs; therefore restatements of June, July and August 2002 are not planned.

Ernst & Young LLP

**Michigan Bell Telephone Company
Michigan 271 Performance Measurement
Examination of Management's Assertions Relating to the Status
of Corrective Actions**

Supplemental Report

December 19, 2002

Michigan 271 Performance Measurement Corrective Action Examination

Background

SBC Ameritech (“AIT” or the “Company”) requested an independent assessment of AIT’s effort to address issues identified in Ernst & Young’s Michigan 271 Performance Measurement Examination report issued October 18, 2002 (the “Ernst & Young Report”). The purpose was to report on the extent to which corrective action implemented by AIT adequately addressed issues identified in the Ernst & Young Report. To accomplish this objective, Ernst & Young (“E&Y”) performed examination procedures under attestation standards established by the American Institute of Certified Public Accountants. Ernst & Young has also been engaged to subsequently verify resolution of pending restatements and corrections, and will issue our report at a future date.

Our attestation examination opines on the accuracy of the assertions of the Company’s management regarding the status and results of corrective action taken by the Company to correct issues identified in reporting Performance Measurements (PMs) for the Months of March, April, and May 2002 in accordance with the Business Rules¹. For assertions made regarding corrective action on periods subsequent to May 2002, similar examination procedures were performed.

Scope and Approach Summary

E&Y performed procedures necessary to evaluate and validate corrective action implemented by the Company based on findings detailed in the Ernst & Young Report. The scope did not include all PMs, but rather only PMs affected by issues in the E&Y Report where corrective action has been implemented, or where corrective action is pending implementation and no restatement of previously reported PMs is expected to be performed. Our testing approach included the following key elements, all of which are discussed in more detail below:

- i. Process Review,
- ii. Site Visits and Testing of Processes to Capture PM Data,
- iii. Program Code Review – Review of Company programming code changes to determine that Business Rules were appropriately applied,
- iv. Transaction Testing – random sampling of transactions or automated testing for each corrective action implemented by the Company to verify that raw data from the source systems was now appropriately processed (i.e., Business Rules coding was appropriately applied and data was accurate) and captured in the PM reporting files (i.e., appropriately included/excluded in PM). Either by the

¹ “Business Rules” refer to Version 1.8_05_20_02 of the Ameritech Performance Measure User Guide as set forth in the Michigan Public Service Commission Order in Docket No. U-11830, as amended.

restatement of PMs previously reported or through initial PM reporting in subsequent months through December 2002.

For issues and related PMs for which the Company asserted that no corrective action had been implemented by December 2002, and for which no restatement of previously reported PMs are considered to be necessary, E&Y tested the supporting analyses, documentation and rationale to validate the Company's assertion.

Because we had performed comprehensive testing supporting the prior E&Y Report, it was not necessary for our testing scope to completely re-evaluate the entire process used to record, capture, process, and report performance measurement data. Rather, the updated testing was focused on specific issues identified in the E&Y Report and those transactions affected by the issues. Depending on the nature of the issue, corrective action, and restatement that occurred (or will occur in the future) with no changes expected (or not determined/possible), our procedures performed included some or all of the above mentioned audit procedures as considered necessary to verify the Company's assertion and validate the corrective actions taken.

Process Review

For issues identified in the E&Y Report relating to manual processes, E&Y validated the newly implemented processes used in the PM generation process by reviewing the revised methods and procedures for each issue and interviewing key Company subject matter experts. For each process, E&Y verified that the new procedures addressed the previously identified issue. E&Y determined how each transaction should now be processed using the revised procedures in the Company's PM reporting systems. This process review also assessed whether corrective action implemented by the Company adequately addressed previously reported issues.

Site Visits

For issues identified in the E&Y Report, E&Y identified all manual processes utilized by the Company in generating PMs. This portion of the review included a site evaluation with the Billing group in Milwaukee, Wisconsin. During the visit, we observed the revised processes implemented as a result of the previously identified issues. We observed various live transactions being processed using the new methods and procedures. Additionally, we interviewed the location manager and obtained all relevant operational documentation including education and training policies and procedures, quality assurance policies and procedures, and employee hiring and review processes and procedures.

The purpose of the site visit was to document E&Y's understanding of the alterations made to the manual processes and procedures and to update documentation of the identified controls over these manual processes of data input.

Performance Measure Code Review

For issues identified in the E&Y Report, E&Y examined the applicable changes to the computer programming code that contained the Business Rules (exclusions, inclusions, calculation of the numerator and denominator, and disaggregation rules) within the front-end, intermediate, or PM reporting systems. E&Y compared the computer program code to the Business Rules for each issue to determine whether the Company's implemented corrections were designed to appropriately correct the program logic responsible for the previously identified issue. In addition, all changes made to programming code were reviewed for propriety and to ensure processes and controls were modified to support the code changes.

To validate the results of the code review, E&Y performed significant transaction testing as described below to determine that the program code was functioning as designed.

Transaction Testing

For issues contained in the E&Y Report, E&Y identified systems that receive underlying transaction data before the Business Rules (exclusion, inclusion, calculation of numerator and denominator, and disaggregation rules) were applied (i.e., raw data). When the issue affected a mechanized system, E&Y used computer auditing techniques to test the entire population of transactions to verify the code changes were functioning properly. For manual issues, E&Y selected a random sample of transactions (described below) from the period under examination (dependent upon the Company's assertion) or, where volumes were low, performed a 100 percent validation of the PM results for the period under examination.

For issues pertaining to a mechanized system, E&Y obtained electronic source transaction data files for the affected PM before the Business Rules (exclusion, inclusion, calculation of numerator and denominator, and disaggregation rules) were applied (i.e., raw data). E&Y also obtained the corresponding electronic reporting or detail file for the affected PM after the Business Rules were applied. Leveraging information gained through PM code review procedures and interviews with operational and Information Technology subject matter experts, E&Y tested the correction by applying E&Y executed queries to the source data files. The results of this test were compared to the Company reporting or detail files to validate that the implemented correction was functioning correctly.

For issues where the Company made a correction to ensure that transactions were now being included in accordance with Business Rules, E&Y performed additional test procedures to assess the completeness of those inclusions. E&Y selected an additional random sample of transactions that were excluded. E&Y discussed the sample of transactions with the various subject matter experts to validate that these transactions were being properly excluded for legitimate reasons specified in the Business Rules.

For manual issues, E&Y reviewed each transaction to determine if the Business Rules were applied properly to either include or exclude the transaction from the PM results. For each sample transaction, E&Y manually applied the Business Rules and determined if the transaction should be included or excluded. E&Y then determined if the included sample transaction was included in the correct month and disaggregation of the posted PM results. Additionally, E&Y agreed PM-related data elements from the sampled transaction to the data included in the PM results. For those transactions that were determined to be excluded, E&Y documented why the transaction was excluded according to the Business Rules. E&Y then determined that the sampled transaction was appropriately not included in the PM results.