



**MPSC Case No. U-12320**

**Bill Auditability and Dispute Resolution Plan**

**April 2, 2003**

# **Bill Auditability and Dispute Resolution Plan**

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## Bill Auditability and Dispute Resolution Plan

### 1. Purpose

A number of CLECs raised issues relating to billing auditability and the billing dispute resolution process in their respective comments made or filed during November 2002. For the most part, the comments made were general in nature with few actionable specifics provided.<sup>1</sup> In its January 13, 2003 Order, the Michigan Public Service Commission (“MPSC”) required Michigan Bell Telephone Company (“SBC”) to “include in its February 13, 2003 filing an improvement or compliance plan to address these issues.” Based on the CLEC comments and information gathered from its account managers and other staff involved in providing support to CLECs, SBC understood the billing auditability issue to be difficulties in reconciling CABS billing statements and with utilizing SBC’s billing dispute resolution process when issues arise. SBC filed its draft on February 13, 2003 to address these concerns. SBC further modified this plan based on input received during the collaborative session held at the MPSC Offices in Lansing, Michigan on March 4-5, 2003. Additionally, SBC reviewed the changes with the MPSC Staff and collaborative participants on a conference call held on March 12, 2003. Final modifications were made to this plan in compliance with the MPSC’s Order issued March 26, 2003.

This plan addresses the general bill auditability and dispute resolution process concerns that have been raised. Status on these actions will be monitored by SBC and filed with the MPSC, with service on the parties of record for MPSC Case No. U-12320. This plan does not address the CLEC-specific billing questions submitted. SBC has addressed those issues on an individual basis with the questioning CLEC and will continue to do so consistent with then existing processes and procedures.<sup>2</sup>

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<sup>1</sup> See Transcript of November 25, 2002 MPSC Public Hearing on 271 Matters specifically comments of: TDS Metrocom (T5953) and ZTel T5961, T5967). Also, see XO Michigan, Inc’s November 5, 2002 Comments on Three Months of Ameritech Performance at p. 5.

<sup>2</sup> On January 27, 2003, James Denniston of WorldCom submitted specific questions regarding particular USOC and rate element applications for UNE-P via e-mail to counsel for SBC. On February 25, 2003, SBC’s Account Team responded.

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### 2. Issue Definition

#### A. CABS Billing Auditability

The billing auditability concerns appear to be focused on the Carrier Access Billing System (“CABS”). SBC Midwest implemented CABS BOS BDT<sup>3</sup> format billing for all UNE products in October 2001, consistent with the FCC’s Uniform and Enhanced OSS Plan of Record (the “POR”). The CLECs in general, and WorldCom in particular, were strong proponents of the move to CABS billing. As WorldCom stated, CABS billing “results in a highly dependable and auditable bill.”<sup>4</sup>

CABS is an industry standard format for billing that has been in use for years in the interexchange access business as well as by CLECs. These industry standards are defined by the Ordering and Billing Forum (“OBF”) which includes CLEC representation. As an OBF member, SBC adheres to the CABS billing requirements set by the OBF. This adherence ensures that all SBC Midwest CLEC customers receive a standard, non-discriminatory bill format which is documented and subject to an externally controlled change process. Accessible letters are issued to notify the CLECs of software changes to CABS; these notices include illustrative exhibits when appropriate.

SBC understands that not all CLECs may be conversant in reviewing their billing statements for auditing purposes. SBC CLEC Billing Workshops are available in each of the SBC regions to help CLECs read and interpret the CABS, LEC Services Billing (“LSB”), and Resale Billing System (“RBS”) bills received from SBC. This 1-1/2 day workshop includes information on identifying the components that make up the CABS, LSB and RBS bills as well as using Daily Usage Files (“DUF”) and Ameritech Electronic Billing System (“AEBS”) files. The workshop is available on an ongoing basis for scheduling; additional sessions can be added as needed based upon CLEC demand. Requests for any "on demand" courses are typically added to the schedule within a few weeks. In 2002, this Billing workshop was conducted seven times with 20 CLECS participating in one or more sessions.<sup>5</sup> Three workshops were cancelled due to no enrollment.

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<sup>3</sup> CABS BOS BDT stands for Carrier Access Billing System Billing Output Specifications Bill Data Tape, which is a guideline format overseen by the Ordering and Billing Forum, an industry organization that provides standard billing guidelines.

<sup>4</sup> Direct Testimony of A. Earl Hurter on Behalf of MCImetro Access Transmission Services, Inc. dated September 25, 2000, pg 5, line 12-13. Mr Hurter also indicates in his testimony that the CABS BOS format provides “efficient bill receipt, audit and payment is predicated on a predictable, well defined electronic bill format which allows for levels of summarization by end office, jurisdiction, LATA and state”. (pg 2, lines 17-19)

<sup>5</sup> Of the CLECs commenting on this issue, none participated in the available training in 2002.

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BearingPoint conducted extensive testing of SBC Midwest's CABS billing, evaluating the billing of recurring, non-recurring, and fractional charges as well as sums and cross totals on CABS bills. BearingPoint found that SBC exceeded the 95% benchmark for each of these categories. The BearingPoint Michigan OSS Evaluation Project Report issued on October 30, 2002 specifically evaluated recurring charges on UNE-P bills and determined that 98.9% of these charges were consistent with applicable tariff and/or contract. (See TVV9-6, at p. 1000.) Non-recurring and fractional rates on UNE-P bills were evaluated under TVV9-9 testing and the results indicated 99.2 % of the rates were consistent with applicable tariff and/or contracts. (See p. 1002)

### B. Billing Dispute Resolution

SBC's billing claims and adjustments process begins with the Local Service Center ("LSC") Claims/Dispute organization, which is responsible for processing CLEC billing claims and disputes. SBC's billing claim dispute resolution process is documented on CLEC Online and references the escalation procedures available to a CLEC dissatisfied with the disposition of its claim.<sup>6</sup> If the CLEC is still dissatisfied after the escalation process is complete, it can enter into the Informal Dispute Resolution ("IDR") process as outlined in the CLEC's interconnection agreement.<sup>7</sup> The IDR process generally begins with the Account Manager working with the CLEC to resolve the billing dispute, then notifying the LSC of the resolution. If the CLEC is still not satisfied with the resolution, escalation procedures are generally provided for in the IDR process to bring the issue to SBC senior management. A CLEC that does not have an interconnection agreement at the time of the billing dispute would also use its account manager to escalate and resolve billing disputes.

BearingPoint conducted comprehensive testing of SBC Midwest's support of CLEC billing related claims and inquiries. Testing included documentation reviews, interviews with SBC personnel and on-site observations of help desk operations. BearingPoint found that the billing support process clearly included procedures for accepting, acknowledging, investigating, tracking, and closing CLEC claims, issues, and inquiries. (See PPR10-3 through PPR10-5, pp. 668-671)

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<sup>6</sup> Go to <https://clec.sbc.com/clec>, click on CLEC Handbook, choose a state's handbook i.e. Michigan, and then select Billing from the menu provided on the left side of the screen.

<sup>7</sup> Go to <https://clec.sbc.com/clec>, click on Getting Started as a CLEC, choose Account Management Responsibilities, and then select Dispute Resolution under the General Responsibilities heading.

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### **3. Actions**

#### **A. CABS Billing Auditability**

SBC will take the following actions to address the CLEC and MPSC concerns regarding billing auditability. When a CLEC raises a bill auditability issue, SBC will:

First, confirm that the CLEC is familiar with the support that is available -

- When contacted, SBC account managers will advise CLECs interested in modifications to the CABS BOS standards (e.g. call flows, interconnection agreement pricing schedules, tariff page references, additions) to submit their business need to the OBF.
- SBC Midwest Account Managers will remind their clients, as appropriate, of the ongoing availability and value in attending the SBC CLEC billing workshops. A general reminder also will be provided at the SBC CLEC User forum during or before April 2003.

Second, clarify with the CLEC the specifics of its concerns -

- Given the nonspecific nature of the Bill Auditability comments submitted by many of the CLECs, the issue will be added as an agenda item to the April 2003 SBC Midwest CLEC User Forum.
- At that forum, SBC will extend to the CLEC community, an invitation to schedule on an individual basis, a working session with SBC to discuss company specific billing auditability concerns.

Third, identify additional available support options -

- SBC will investigate the availability of bill auditability training sessions offered by external vendors and provide results of that investigation to the account managers and for CLEC Online updates. Initial evaluation was completed by March 15, 2003, however SBC will continue to research other avenues and provide status at the April 2003 Midwest CLEC User Forum
- SBC will evaluate the need to develop a CABS billing overview presentation to be delivered during a SBC Midwest CLEC User forum. Initial evaluation will be completed by March 31, 2003.
- SBC will assess the viability of posting limited industry documentation on the CLEC Online website. Initial evaluation was completed by March 15, 2003; SBC will provide status on findings at the April 2003 Midwest CLEC User Forum.
- SBC will develop USOC reference guides as follows:
  - A USOC reference guide which will map USOCs to the multi-state generic interconnection agreement; it will be presented at the April 2003 SBC Midwest CLEC User Forum.
  - A USOC reference guide for Tariff MPSC No. 20R, Part 19 (UNEs) and Tariff MPSC No. 20R, Part 23 (Interconnection/Collocation) by June 1, 2003. This

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document and its associated CLEC Online location will be provided at the June 2003 Midwest CLEC User forum.

- On a going forward basis, CLEC interconnection agreement USOC mapping requests should be provided to, and will be handled through, the specific CLEC's account manager.
- The review of the existing complement of CLEC workshops and Operation Support System classes is an ongoing activity. Participant feedback from the 2002 Billing Workshop sessions are considered in identifying course improvements. The review of the CLEC Billing Workshop, along with any related course material updates, will be completed by June 30, 2003.
- SBC will evaluate the feasibility of other training delivery methods. Evaluation will be completed by September 30, 2003.

### **B. Billing Dispute Resolution**

SBC will take the following actions to address the Dispute Resolution Process concerns raised.

The following actions will be taken to improve the CLECs' understanding of the billing dispute resolution process.

- Managers from the LSC's Claims/Dispute Resolution organization were scheduled to provide an overview of the claim submission process at the February 2003 SBC Midwest CLEC User Forum meeting. During that forum, the CLECs indicated they understood the claim process and preferred to discuss more specific bill dispute issues. A subcommittee, with representation from the various impacted SBC organizations and the CLECs, was created to address claims/dispute related issues; the subcommittee's first call took place on March 5, 2003. The subcommittee is expected to continue to meet periodically into the second quarter, with evaluation of continuation made at that time.
- When contacted, the Account Management teams will work with the LSC to schedule CLEC specific meetings to address their billing claim issues.

The following SBC internal training and documentation improvements will be implemented to improve the quality of the billing dispute resolution process.<sup>8</sup>

- The LSC Billing representative initial training course will be updated to address the gaps identified by the CLEC comments (i.e. stress process and communication with the CLEC, UNE-P product knowledge).
  - Classroom exercises will be incorporated to ensure sufficient practice occurs and mastery testing is complete.
  - The enhancements will be included in the new initial class scheduled in April 2003.

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<sup>8</sup> See Z-Tel November 5, 2002 Comments on Three Months of Ameritech Performance Results at pp.6-8. Similar comments are made in the Transcript of November 25, 2002 MPSC Public Hearing on 271 Matters; see T5968-T5969.

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- Training for existing Billing Service Representatives will be developed and delivered to reinforce product understanding, highlight the importance of proper status with the customer and detailed claim responses, and review most common systems used for their segment. Development of the training is scheduled for completion on 3/31/03. Training sessions will be scheduled in April through July 2003.
  - This will be an interactive session that will allow students to take time for hands-on practice.
  - At the conclusion of the training, the participants will be given a mastery test.
- A Claim/Dispute resolution checklist was developed and implemented with the claim/dispute service representatives on February 19, 2003. This checklist enables the service representative to perform the claim process steps in a methodical manner ensuring that every step is covered. The checklist will include direction for the service representative to include reference information, such as TN, repair ticket number, and/or interconnection agreement or tariff reference as appropriate. The revised checklist will be trained and in use by 4/21/03. The checklist will continue to be updated going forward based on internal review and CLEC feedback.
- SBC Midwest developed and implemented an internal quality review process to perform a random sampling of processed claims to ensure accuracy and completeness; the sampling will be from actual claims made and products covered will be dependent upon claims submitted. The process was implemented on March 3, 2003.

The following table provides the schedule for the actions discussed in this section:

Task	Begin	End	Status
<b>Bill Auditability Support Actions</b>			
Clarify the Issue(s)			
• Schedule issue for future CLEC User Forum agenda schedule for high level discussion	2/20/03	2/21/03	Completed
• Conduct CLEC forum discussion	April 2003	April 2003	-----
• Identify External Bill Audit Training & Documentation			
• Identify external CABS BOS/BST training sources	1/27/03	3/31/03	In Progress
• Identify external industry documentation and publications	1/27/03	3/31/03	In Progress
• Update CLEC Online w/findings (if applicable)	3/3/03	3/31/03	In Progress
• Provide read-out on findings at CLEC user forum	April 2003	April 2003	-----
• CLEC Training's review/update of CLEC Billing Workshop	2/17/03	6/30/03	In Progress
• Explore alternate delivery of CLEC training	4/1/03	9/30/03	-----
• Evaluate need for CABS billing overview presentation	3/4/03	3/31/03	In Progress

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Task	Begin	End	Status
• Develop USOC reference guides			
• Develop a USOC to multi-state generic ICA reference guide	3/10/03	4/2/03	In Progress
• Present USOC reference guide at CLEC User Forum	4/2/03	4/2/03	-----
• Develop a USOC to Tariff MPSC No. 20R, Part 19 (UNEs) and Tariff MPSC No. 20R, Part 23 (Interconnection/Collocation) reference guide	4/1/03	6/1/03	In Progress
• Provide USOC to Tariff MPSC No. 20R, Part 19 & Part 23 reference guide at CLEC User Forum	June 2003	June 2003	-----
<b>Dispute Resolution Process Improvements</b>			
• Claim Submission Process Overview Presentation at CUF	2/10/03	2/19/03	Closed
• Work with Billing Subcommittee formed during CUF and report progress to MPSC.	3/5/03	TBD	In Progress
• Provide immediate team coaching at core meeting, team meeting & January & February Segment meetings on importance of complete/accurate dispute disposition responses	12/19/02	2/28/03	Completed
• Identify additional process improvements via weekly LSC segment meetings	1/29/03	Ongoing	Ongoing
• Design and implement a Billing Claim/Dispute response checklist and provide training to all Billing Claim/Dispute Service Representatives.			
• Determine and assign resource to lead checklist development	1/27/03	1/27/03	Completed
• Develop checklist for SR to use when processing claims	1/27/03	2/14/03	Completed
• Conduct Training	2/17/03	2/18/03	Completed
• Implement Checklist revisions	4/3/03	4/21/03	
• Develop and implement a quality review process for validating the completeness of CLEC billing claim resolution responses			
• Develop Service Rep validation scorecard	2/10/03	2/28/03	Completed
• Conduct validation sampling process	3/3/03	Ongoing	Ongoing
• Develop and deliver enhanced training to all Billing Claim/Dispute Service Representatives.			
• Determine and assign resource to lead development effort	02/03/03	7/31/03	In Progress
• Produce training package	02/03/03	03/31/03	In Progress
• Create training schedule	03/14/03	03/31/03	In Progress
• Conduct Training	April 2003	7/31/03	-----

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### **4. Status Reporting**

Additionally, SBC will file a report regarding its progress on this plan to the Commission for its review and serve a copy of the report on the parties of record in MPSC Case No. U-12320 in April, July, and October 2003. These quarterly reports will address status of both bill auditability and billing dispute resolution. SBC will file interim reports should significant changes or improvements occur which the MPSC should be advised of. Specifically, with respect to bill auditability, SBC will provide a status of the SBC and externally available training options available for CABS, LSB and RBS that have been communicated to CLECs during the period under review. With respect to USOC support materials, SBC will report out on its analysis of the appropriate approach to providing such information, as well as its progress. With respect to billing dispute resolution, SBC will summarize the status of the CLEC User Forum sub-committee addressing this issue during the period under review. This status will include progress related to the on-going discussion on how to measure time frames for dispute resolution, as well as which time frames to incorporate into the dispute resolution performance measure currently under discussion in the performance measure six-month review. SBC will provide status of training provided to the LSC representatives responsible for resolution of billing disputes during the period under review. SBC will provide results of the quarterly quality assurance review programs described above during the period under review. Where applicable, details on deviations and corresponding corrective actions will be provided including any additional on-going training needs identified.