AMENDMENT NO. 6
TO INTERCONNECTION AGREEMENT
By and Between
WISCONSIN BELL, INC. d/b/a SBC WISCONSIN
AND
AT&T COMMUNICATIONS OF WISCONSIN, L.P.

The Interconnection Agreement, dated July 9, 2002 ("the Agreement") by and between Wisconsin Bell, Inc. d/b/a SBC WISCONSIN[1] ("SBC WISCONSIN") and AT&T Communications of Wisconsin, L.P. ("CLEC") is hereby amended as follows:

(1) Article XXXII PERFORMANCE MEASUREMENTS is hereby replaced by the attached Article XXXII PERFORMANCE REMEDY PLAN - WISCONSIN.

(2) This Amendment shall not modify or extend the Effective Date or Term of the underlying Agreement, but rather, shall be coterminous with the underlying Agreement. Notwithstanding, the parties agree that the PERFORMANCE REMEDY PLAN will expire December 31, 2006 and therefore will be included in any successor agreements until December 31, 2006 regardless of the term of such successor agreements.

(3) This Amendment shall be filed with and is subject to approval by the Public Service Commission of Wisconsin ("PSCW") and shall become effective on (10) days following approval by the PSCW. The Parties agree to implement the Remedy Plan described in this Amendment so that the initial measurement month from which performance data is collected begins the first full month after the PSCW approves this Amendment.

(4) EXCEPT AS MODIFIED HEREIN, ALL OTHER TERMS AND CONDITIONS OF THE UNDERLYING AGREEMENT SHALL REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.

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[1] Wisconsin Bell, Inc. ("Wisconsin Bell"), a Wisconsin corporation, is a wholly owned subsidiary of Ameritech Corporation, which owns the former Bell operating companies in the States of Illinois, Indiana, Michigan, Ohio and Wisconsin. Wisconsin Bell offers telecommunications services and operates under the names "SBC Wisconsin" and "SBC Ameritech Wisconsin", pursuant to assumed name filings with the State of Wisconsin. Ameritech Corporation is a wholly owned subsidiary of SBC Communications, Inc.

(5) In entering into this Amendment, the Parties acknowledge and agree that neither Party is waiving any of its rights, remedies or arguments it may have at law or under the intervening law or regulatory change provisions in the underlying Agreement (including intervening law rights asserted by either Party via written notice predating this Amendment), with respect to any orders, decisions, legislation or proceedings and any remands thereof, including but not limited to its intervening law rights relating to the following actions: United States Supreme Court's opinion in *Verizon v. FCC, et al,* 535 U.S. 467 (2002); the D.C. Circuit's decision in *United States Telecom Association, et. al v. FCC,* 290 F.3d 415 (D.C. Cir. 2002) ("*USTA* decision"), and following remand and appeal, the D.C. Circuit's March 2, 2004 decision in USTA v. FCC, Case No. 00-1012 (D.C. Cir. 2004), if, when, and to the extent, that such DC Circuit Opinion becomes effective; the FCC's Triennial Review Order, released on August 21, 2003 *Review of Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers,* CC Docket No. 01-338 1); the FCC's Order *In the Matter of the Local Competition Provisions of the Telecommunications Act of 1996*, 15 FCC Rcd 1760 (FCC 99-370) (rel. Nov. 24, 1999), including its Supplemental Order Clarification (FCC 00-183) (rel. June 2, 2000), in CC Docket 96-98; the FCC's Order on Remand and Report and Order in CC Dockets No. 96-98 and 99-68, 16 FCC Rcd 9151 (2001), (rel. April 27, 2001) ("ISP Compensation Order"), which was remanded in *WorldCom, Inc. v. FCC,* 288 F.3d 429 (D.C. Cir. 2002). In entering into this Amendment, each Party fully reserves all of its rights, remedies and arguments with respect to any decisions, orders or proceedings.

IN WITNESS WHEREOF, this Amendment to the Agreement was exchanged in triplicate on this 26 day of April, 2004, by SBC WISCONSIN, signing by and through its duly authorized representative, and CLEC, signing by and through its duly authorized representative.

AT&T COMMUNICATIONS OF WISCONSIN, L.P.	**Wisconsin Bell, Inc. d/b/a SBC WISCONSIN by SBC Telecommunications, Inc., its authorized agent**
By: Kathleen Whiteaker	By: M Auinbauh
Name: Kathleen Whiteaker (Print or Type)	Name: Mike Auinbauh (Print or Type)
Title: District Manager (Print or Type)	Title: For/ President-Industry Markets (Print or Type)
Date: 4-8-04	Date: APR 26 2004

ATTACHMENT A

Minimum Levels of Service:

The following table represents "Maximum level of service (Ceilings)" and "Minimum level of service (Floors)" for each respective measure/sub-measure. Without regard to parity, **SBC WISCONSIN** will not pay remedies to a CLEC if the result for that CLEC meets or exceeds the ceilings and **SBC WISCONSIN** will pay remedies to a CLEC if the result for that CLEC does not meet the floor. Parity applies when the result for that CLEC falls between the ceiling and the floor.

Measure #:	Measure:	Sub-measure:	Ceiling:	Floor:
PM #12	Mechanized Provisioning Accuracy	Each	≥ 97%	< 90%
PM #27	Mean Installation Interval	POTS-Res/Bus-NFW UNE-P-Res/Bus-NFW CIA-Centrex NFW	1 day or less on NFW	> 5 Business Days
PM #27	Mean Installation Interval	POTS-Res/Bus FW, UNE-P-Res/Bus FW and CIA Centrex FW	2 days or less on FW	> 5 Business Days
PM #28	Percent Installations Completed within CRDD	Each	≥ 98%	< 90%
PM #30	Percent Ameritech Caused Missed Due Dates Due to Lack of Facilities	Each	≤ 2%	> 10%
PM #35	Percent of Trouble Reports within 30 Days of Installation	Each	≤ 4%	> 20%
PM #37.1	Trouble Report Rate net Installation and Repeat Reports	Each	≤ 4%	> 20%
PM #38	Percent Missed Repair Commitments	Each	≤ 5%	> 15%
PM #39	Receipt To Clear Duration	OS	≤ 8 hours	> 30 hours
PM #39	Receipt To Clear Duration	AS	≤ 8 hours	> 60 hours
PM #40	Percent Out of Service Intervals < 24 Hours	Each	≥ 96%	< 85%
PM #41	Percent Repeat Trouble Reports	Each	≤ 4%	> 20%
PM #55	Average Installation Interval	Analog (1-10), Digital (1-10), DS1 including PRI, Dedicated Transport DS1 (1-10), Dedicated Transport DS3 (1-10)	≤ 2 days	> 5 Business Days
PM #55	Average Installation Interval	Analog (11-20)	≤ 2 days	> 10 Business Days
PM #55	Average Installation Interval	Analog (20+)	≤ 2 days	> 15 Business Days
PM #56	Percent Installations Completed within CRDD	Each	≥ 98%	< 90%
PM #59	Percent of Trouble Reports within X Days of Installation	Each	≤ 4%	> 20%
PM #60	Percent Ameritech caused Missed Due Dates Due to Lack of Facilities	Each	≤ 2%	> 10%
PM #65.1	Trouble Report Rate net Installation and Repeat Reports	Each	≤ 4%	> 20%
PM #66	Percent Missed Repair Commitments	Each	≤ 5%	> 15%
PM #67	Mean Time To Restore	All except for Dedicated Transport & DS1 Loop	≤ 8 hours	> 36 hours
PM #67	Mean Time To Restore	Dedicated Transport & DS1 Loop	≤ 4 hours	> 10 hours
PM #68	Percent Out of Service Intervals < 24 Hours	Each	≥ 96%	< 85%
PM #69	Percent Repeat Trouble Reports	Each	≤ 4%	> 20%

ARTICLE XXXII
SBC WISCONSIN
PERFORMANCE REMEDY PLAN
DESCRIPTION

This Performance Remedy Plan sets forth the terms and conditions under which **SBC WISCONSIN** will report performance to AT&T Communications of Wisconsin, L.P. (CLEC) and compare that performance to **SBC WISCONSIN**'s own performance (parity), benchmark criteria, or both, whichever is applicable. This document further provides for enforcement through liquidated damages and assessments.

32.1 **SBC WISCONSIN** agrees to provide CLEC a monthly report of performance for the performance measures listed in Appendix 1 – **SBC WISCONSIN** Performance Measurement User Guide. **SBC WISCONSIN** will collect, analyze, and report performance data for these measures in accordance with the business rules defined in Appendix 1, as approved by the Commission. Both the performance measures and the business rules in Appendix 1 are subject to modification in accordance with section 32.6.4 below regarding six-month reviews. **SBC WISCONSIN** further agrees to use the two-tiered enforcement structure for performance measurements provided for in this document. The Commission-approved performance measurements shown in Appendix 1 hereto identify the measurements that belong to Tier 1 (payable to CLECs) and/or Tier 2 (payable to the State) categories.

32.1.1 **SBC WISCONSIN** will not levy a separate charge for provision of the data to CLEC called for under this document. Upon CLEC's request, data files of CLEC's raw data, or any subset thereof, will be transmitted to CLEC. If CLEC's request is transmitted to **SBC WISCONSIN** on or before the last day of the month for which data is sought, **SBC WISCONSIN** shall provide the data to CLEC on or before the last day of the following month pursuant to mutually acceptable format, protocol, and transmission media. If CLEC's request is transmitted to **SBC WISCONSIN** after the last day of the month for which data is sought, **SBC WISCONSIN** shall provide the data to CLEC within 30 days of receipt pursuant to mutually acceptable format, protocol, and transmission media. Notwithstanding other provisions of this Agreement, the Parties agree that such records will be deemed Proprietary Information.

32.2 **SBC WISCONSIN** will use a statistical test, namely the modified "Z-test," for evaluating the difference between two means (**SBC WISCONSIN** retail or its affiliate – whichever is better, provided the number of affiliate data points equal or exceed 30 – and CLEC) or percentages, or the difference between two ratios for purposes of this document. **SBC WISCONSIN** agrees to use the modified Z-tests as outlined below as the statistical tests for the determination of parity when the results for **SBC WISCONSIN** retail or its affiliate (whichever is better, provided the number of affiliate data points equal or exceed 30) and the CLEC are compared. This statistical test will compare the CLEC performance to the **SBC WISCONSIN** retail performance or the affiliate performance (whichever is better). If the affiliate data has fewer than 30 observations, the comparison will be to **SBC WISCONSIN**'s retail performance. The modified Z-tests are applicable if the number of data points are greater than or equal to 30 for a given disaggregation category. In cases where benchmarks are established, the determination of compliance is through a comparison to the applicable Commission-approved benchmark. For testing compliance for measures for which the number of data points is 29 or less, the use of permutation tests as outlined below may be used.

32.3 For purposes of this document, performance for the CLEC on a particular sub-measure (disaggregated level) will be considered in compliance with the parity requirement when the measured results in a single month (whether in the form of means, percents, or ratios) for the same sub-measurement, at equivalent disaggregation, for both **SBC WISCONSIN** and/or its affiliate (whichever is better, provided the number of affiliate data points are equal to or exceeds 30) and CLEC are used to calculate a Z-test statistic and the resulting value is no greater than Critical-Z value that would maintain 95% confidence that the difference in results reflects disparity. That Critical-Z value is 1.645.

Z-Test:

SBC WISCONSIN will utilize the following formulae for determining parity using Z-Test:

For Measurement results that are expressed as Averages or Means:

$$Z = (DIFF) / \sigma_{DIFF}$$

Where: $DIFF = M_{ILEC} - M_{CLEC}$
M_{ILEC} = ILEC Average
M_{CLEC} = CLEC Average
$\sigma_{DIFF} = SQRT [\sigma^2_{ILEC} (1 / n_{CLEC} + 1 / n_{ILEC})]$
σ^2_{ILEC} = Calculated variance for ILEC
n_{ILEC} = number of observations or samples used in ILEC measurement
n_{CLEC} = number of observations or samples used in CLEC measurement

For Measurement results that are expressed as Percentages or Proportions:

Step 1:

$$\rho = \frac{(n_{ILEC} P_{ILEC} + n_{CLEC} P_{CLEC})}{n_{ILEC} + n_{CLEC}}$$

Step 2:

$$\sigma_{PILEC-PCLEC} = SQRT \{ [\rho(1 - \rho)] / n_{ILEC} + [\rho(1 - \rho)] / n_{CLEC} \}$$

Step 3:

$$Z = (P_{ILEC} - P_{CLEC}) / \sigma_{PILEC-PCLEC}$$

Where: n = number of observations
P = Percentage or Proportion

For Measurement results that are expressed as Rates or Ratios:

$$Z = (DIFF) / \sigma_{DIFF}$$

Where: $DIFF = R_{ILEC} - R_{CLEC}$

$R_{ILEC} = num_{ILEC} / denom_{ILEC}$
$R_{CLEC} = num_{CLEC} / denom_{CLEC}$
$\sigma_{DIFF} = SQRT \{[(num_{CLEC} + num_{ILEC}) \div (denom_{CLEC} + denom_{ILEC})] * (1 / denom_{CLEC} + 1 / denom_{ILEC})\}$

32.4 Qualifications to use Z-Test:

32.4.1 The proposed Z-tests are applicable to reported measurements that contain 30 or more data points. The Z-test is not applied to measures with benchmark standards.

32.4.2 The minimum sample size for Tier 2 is 10 observations for the aggregate of all CLECs. Sub-measures in Tier 2 with fewer than 10 observations do not have statistical tests conducted on them.

32.4.3 In calculating the difference between the performances, the formulas defined above apply when a larger CLEC value indicates a higher quality of performance. In cases where a smaller CLEC value indicates a higher quality of performance the order of subtraction should be reversed (i.e., $M_{ILEC} - M_{CLEC}$, $P_{ILEC} - P_{CLEC}$, $R_{ILEC} - R_{CLEC}$).

32.4.4 For measurements where the performance delivered to the CLEC is compared to **SBC WISCONSIN** performance and for which the number of data points are 29 or less for either the CLEC or **SBC WISCONSIN**, **SBC WISCONSIN** will apply the following alternatives for compliance.

32.4.4.1Alternative 1 (used only in the following situations: 1) for a measure where results for both the CLEC and **SBC WISCONSIN** Retail or affiliate (whichever is used) both show perfect compliance (no failures), and 2) where the individual transaction detail required to conduct permutation testing is not available):

SBC WISCONSIN applies the Z-Test as described in section 32.3.

32.4.4.2 Alternative 2 (used in all situations except those defined above for Alternative 1):

For Percentages, the Fisher Exact Permutation Test will be used.

For Averages and Ratios, the following Permutation analysis will be applied to calculate the Z-statistic using the following logic:

(1) Choose a sufficiently large number T.
(2) Pool and mix the CLEC and ILEC data sets.
(3) Randomly subdivide the pooled data sets into two pools, one the same size as the original CLEC data set (n_{CLEC}) and one reflecting the remaining data points, (which is equal to the size of the original ILEC data set, or n_{ILEC}).
(4) Compute and store the Z-test score (Z_S) for this sample.
(5) Repeat steps 3 and 4 for the remaining T-1 sample pairs to be analyzed. (If the number of possibilities is less than 1 million, include a programmatic check to prevent drawing the same pair of samples more than once).
(6) Order the Z_S results computed and stored in step 4 from lowest to highest.
(7) Compute the Z-test score for the original two data sets and find its rank in the ordering determined in step 6.
(8) To calculate P, divide the rank of the Z-test score as determined in step 7 by the number of total runs executed. (P = rank / T).
(9) Using a cumulative standard normal distribution table, find the value Z_A such that the probability (or cumulative area under the standard normal curve) is equal to P calculated in step 8.

Compare Z_A with the Critical Z-value. If Z_A > the Critical Z-value, then the performance is non-compliant.

32.4.5 **SBC WISCONSIN** and CLECs will provide software and technical support as needed by Commission Staff for purposes of statistical analysis. Any CLEC who opts into this plan agrees to share in providing such support to Commission Staff.

32.5 Overview of Enforcement Structure

SBC WISCONSIN agrees with the following methodology for developing the liquidated damages and penalty assessment structure for Tier 1 liquidated damages and Tier 2 assessments:

32.5.1 **SBC WISCONSIN** will pay Liquidated Damages to the CLEC according to the terms set forth in this document.

32.5.2 Liquidated damages apply to Tier 1 measurements identified as "Remedied" in the Measurement Type section of the performance measurement business rules documented in Appendix 2.

32.5.3 Assessments are applicable to Tier 2 measures identified as "Remedied" in the Measurement Type section of the performance measurement business rules documented in Appendix 2, and are payable to the State Fund designated by the Commission.

32.5.4 **SBC WISCONSIN** will not be liable for the payment of Tier 1 damages until 10 days after receipt by **SBC WISCONSIN** of an executed (by CLEC) Interconnection Agreement amendment, terms of which have been agreed to by both CLEC and **SBC WISCONSIN**, referencing this plan; or if CLEC interconnects by tariff, 10 days after receipt by **SBC WISCONSIN** of the self-identification form posted on the CLEC OnLine website (https://clec.sbc.com/clec). Tier 1 damages will be accrued, but not paid, effective with the first full month of performance results after that date, and will be payable from and after the date that the Interconnection Agreement Amendment is approved by the Commission. **SBC WISCONSIN** will not unnecessarily delay filing of the Interconnection Agreement or amendment once both CLEC and **SBC WISCONSIN** have signed.

32.5.5 **SBC WISCONSIN** will be liable for the payment of Tier 2 assessments upon formal approval of this plan by the Commission in either a generic proceeding or by approving an Interconnection Agreement amendment referencing this plan. Tier 2 assessments will be paid on the aggregate performance for all CLECs that are operating in Wisconsin. To the extent that there are one or more other remedy plans in effect that call for payments to be made to the State (as opposed to, or in addition to, payments to a CLEC or CLECs), **SBC WISCONSIN** will be liable only for the greater of payments to the State under that plan or the Tier 2 assessments payable under this plan.

32.5.6 In order to receive payment by check CLEC must complete the CLEC Identification and Liquidated Damages Information Form located on the CLEC OnLine website (https://clec.sbc.com/clec). Otherwise, remedy payment will be made via bill credit.

32.6 Procedural Safeguards and Exclusions

32.6.1 **SBC WISCONSIN** agrees that the application of the assessments and damages provided for herein is not intended to foreclose other non-contractual legal and regulatory claims and remedies that may be available to a CLEC. By incorporating these liquidated damages terms into an interconnection agreement and tariff, **SBC WISCONSIN** and CLEC agree that proof of damages from any "noncompliant" performance measure would be difficult to ascertain and, therefore, liquidated damages are a reasonable approximation of any contractual damage resulting from a non-compliant performance measure. **SBC WISCONSIN** and CLEC further agree that liquidated damages payable under this provision are not intended to be a penalty.

32.6.2 **SBC WISCONSIN**'s agreement to implement these enforcement terms, and specifically its agreement to pay any "liquidated damages" or "assessments" hereunder, will not be considered as an admission against interest or an admission of liability in any legal, regulatory, or other proceeding relating to the same performance. **SBC WISCONSIN** and CLEC agree that CLEC may not use: (1) the existence of this enforcement plan; or (2) **SBC WISCONSIN**'s payment of Tier 1 "liquidated damages" or Tier 2 "assessments" as evidence that **SBC WISCONSIN** has discriminated in the provision of any facilities or services under Sections 251 or 252, or has violated any state or federal law or regulation. **SBC WISCONSIN**'s conduct underlying its performance measures, and the performance data provided under the performance measures, however, are not made inadmissible by these terms. Any CLEC accepting this performance remedy plan agrees that **SBC WISCONSIN**'s performance with respect to this remedy plan may not be used as an admission of liability or culpability for a violation of any state or federal law or regulation. Further, any liquidated damages payment by **SBC WISCONSIN** under these provisions is not hereby made inadmissible in any proceeding relating to the same conduct where **SBC WISCONSIN** seeks to offset the payment against any other damages a CLEC might recover. Whether or not the nature of damages sought by the CLEC is such that an offset is appropriate will be determined in the related proceeding. The terms of this paragraph do not apply to any proceeding before the Commission or the FCC to determine whether **SBC WISCONSIN** has met or continues to meet the requirements of section 271 of the Act.

32.6.3 **SBC WISCONSIN** shall not be liable for Tier 2 "assessments" under this remedy plan to the extent they are duplicative of any other assessments or sanctions under the Commission's service quality rules relating to the same performance. This section does not limit the Commission's ability to assess remedies, penalties or fines regarding such performance consistent with their lawful authority.

32.6.4 Every six months, CLEC may participate with **SBC WISCONSIN**, other CLECs, and Commission representatives to review the performance measures to determine (a) whether measurements should be added, deleted, or modified; (b) whether the applicable benchmark standards should be modified or replaced by parity standards, or vice versa; and (c) whether to move a classification of a measure, either Tier 1, Tier 2 or both, from Remedied to Diagnostic, or vice versa. Criteria for review of performance measures, other than for possible reclassification, shall be whether there exists an omission or failure to capture intended performance, and whether there is duplication of another measurement. Any changes to existing performance measures and this remedy plan shall be by mutual agreement of the parties and approval of the Commission. Should disputes occur regarding changes, additions and/or deletions to the performance measurements, the dispute shall be referred to the Commission for resolution. The current measurements and benchmarks will be in effect until modified hereunder through this review process or expiration of the interconnection agreement.

32.6.5 CLEC and **SBC WISCONSIN** will consult with one another and attempt in good faith to resolve any issues regarding the accuracy or integrity of data collected, generated, and reported pursuant to this document. In the event that CLEC requests such consultation and the issues raised by CLEC have not been resolved within 45 days after CLEC's request for consultation, then **SBC WISCONSIN** will allow CLEC to have an independent audit conducted, at CLEC's expense, of **SBC WISCONSIN**'s performance measurement data collection, computing, and reporting processes. In the event the subsequent audit affirms the problem identified by the CLEC, or if any new problem is identified, **SBC WISCONSIN** shall reimburse the CLEC any expense incurred by the CLEC for such audit. CLEC may not

request more than one audit per four calendar months under this section, and may not request an audit of the same performance measurement more than once in a twelve calendar month period. This section does not modify CLEC's audit rights under other provisions of this Agreement or any applicable Commission Order. **SBC WISCONSIN** agrees to inform all CLECs via Accessible Letter of any problem identified during an audit initiated by any CLEC.

32.6.6 **SBC WISCONSIN** agrees to periodic, regional (five-state) audit of the performance measurement data collection, retention, transformation, result and remedy calculation, and result publication processes and systems. The first regional audit shall commence the later of eighteen months after this plan becomes effective or eighteen months after completion of the performance measurement audit of the OSS Third Party Test conducted by KPMG under Docket No. 6720-TI-160. Subsequent to that initial audit, additional periodic audits will be scheduled as deemed necessary by the Commission. CLECs and the Commission will have input into the design and schedule of the audit. An independent, third party auditor chosen by **SBC WISCONSIN** and approved by the Commission will conduct these audits at **SBC WISCONSIN**'s expense.

32.7 Exclusions Limited

32.7.1 **SBC WISCONSIN** will not be excused from payment of liquidated damages or assessments on specific grounds (e.g. Force Majeure, third party systems or equipment problems), unless **SBC WISCONSIN** prevails in a waiver of liability filed with the Commission seeking expedited resolution. **SBC WISCONSIN** bears the burden of proof and must pay the remedies in advance of the expedited hearing, subject to refund, including interest, if it prevails. **SBC WISCONSIN** will not be excused from payment of liquidated damages or assessments on any other grounds except as addressed in Section 32.7.2 or by application of the procedural threshold provided for below. Neither party will be required to pay attorneys fees to the prevailing party. If an event which is the subject of a waiver of liability only suspends **SBC WISCONSIN**'s ability to timely perform an activity subject to performance measurement, the applicable time frame in which **SBC WISCONSIN**'s compliance with the parity or benchmark criterion is measured will be extended on an hour for hour or day for day basis, as applicable, equal to the duration of the excusing event.

32.7.2 In addition to the provisions set forth herein, **SBC WISCONSIN** shall not be obligated to pay liquidated damages or assessments for noncompliance with a performance measure to the extent that such noncompliance was the result of an act or omission by a CLEC that is contrary to any of the CLEC's obligations under its interconnection agreement with **SBC WISCONSIN** or under the Act or Wisconsin law or tariff. An example of a potential act or omission could include, inter alia, unreasonably holding orders and/or applications and "dumping" such orders or applications in unreasonably large batches, at or near the close of a business day, on a Friday evening or prior to a holiday.

32.7.3 In any event where **SBC WISCONSIN** believes there has been an act or omission by a CLEC that is contrary to any of the CLEC's obligations under its interconnection agreement with **SBC WISCONSIN** or under the Act or Wisconsin law or tariff and that has caused noncompliance with a performance measurement, and a dispute occurs, **SBC WISCONSIN** shall pay one-half of the Tier 1 remedies to the CLEC while disputes are referred to the Commission for resolution, subject to refund, including interest, if **SBC WISCONSIN** prevails. If **SBC WISCONSIN** does not prevail, the remaining one-half of the Tier 1 remedies will be paid, with interest, within 30 days of a final, non-appealable resolution by the Commission. **SBC WISCONSIN** shall pay Tier 2 remedies to the State Fund designated by

the Commission after the disputes are resolved. **SBC WISCONSIN** will have the burden in any such proceeding to demonstrate that its noncompliance with the performance measurement is due to such acts or omissions by a CLEC.

32.7.4 **SBC WISCONSIN** and CLEC agree that a procedural annual threshold will apply to the aggregate total of any Tier 1 liquidated damages (including any such damages paid pursuant to this Agreement or to any other Wisconsin interconnection agreement with a CLEC) and Tier 2 assessments or voluntary payments made by **SBC WISCONSIN** pursuant to any Wisconsin interconnection agreement or tariff with a performance remedy plan for the calendar year. The annual threshold amounts will be determined by **SBC WISCONSIN**, based on the formula of 36% of Net Return as set forth at ¶ 436 and footnote 1332 of the FCC's December 22, 1999 Memorandum Opinion and Order in CC Docket No. 99-295. The annual threshold shall be re-calculated on the first business day of the calendar year when updated ARMIS data is made publicly available. For purposes of applying the threshold, the calendar year shall apply. Once the annual threshold is established, a maximum monthly threshold will be determined by dividing the amount of the annual threshold by twelve. CLEC further acknowledges that a maximum monthly threshold of one-twelfth of the annual threshold for Tier 1 liquidated damages and Tier 2 assessments will apply to all performance payments made by **SBC WISCONSIN** under all **SBC WISCONSIN** interconnection agreements and tariff. To the extent in any given month the monthly threshold is not reached, the subsequent month's total threshold will be increased by an amount equal to the unpaid portion of the previous month's threshold. At the end of the year, if the aggregate total of Tier 1 liquidated damages and Tier 2 assessments under all **SBC WISCONSIN** interconnection agreements and Performance Measurements and Remedy Plan tariff equals or exceeds the annual threshold, but **SBC WISCONSIN** has paid less than that amount due to the monthly threshold, **SBC WISCONSIN** shall be required to pay an amount equal to the difference between the annual threshold and the amount paid. In such event, Tier 1 liquidated damages shall be paid first on a pro rata basis to CLECs, and any remainder within the annual threshold shall be paid as a Tier 2 assessment. In the event the total calculated amount of damages and assessments for the year is less than the annual threshold, **SBC WISCONSIN** shall be obligated to pay ONLY the actual calculated amount of damages and assessments.

32.7.5 Whenever **SBC WISCONSIN** Tier 1 payments to an individual CLEC in a given month exceed 12.5% of the monthly threshold amount, or the Tier 1 payments to all CLECs in a given month exceed the monthly threshold, then **SBC WISCONSIN** may request a hearing before the Commission. Upon timely commencement of this proceeding, **SBC WISCONSIN** must pay one-half of the damages owed to the individual CLEC (subject to refund, including interest, if it prevails), and the balance of damages owed into escrow to be held by a third party pending the outcome of the hearing. To invoke these escrow provisions, **SBC WISCONSIN** must file with the Commission, not later than the due date of the affected damages payments, an application to show cause why it should not be required to pay any amount in excess of the threshold amount. **SBC WISCONSIN**'s application will be processed in an expedited manner to the extent authorized by Wis. Stat. section 196.199. **SBC WISCONSIN** will have the burden of proof to demonstrate why, under the circumstances, it should not be required to pay liquidated damages in excess of the applicable threshold amount. If **SBC WISCONSIN** reports non-compliant performance to the CLEC for three consecutive months on 20% or more of the measures reported to the CLEC, but **SBC WISCONSIN** has incurred no more than 4.2% of the monthly threshold amount in liquidated damages obligations to the CLEC for that period under the enforcement terms set out here, then the CLEC may commence an expedited dispute resolution under this paragraph to the extent authorized by Wis. Stat. section 196.199

to request that **SBC WISCONSIN** should have to pay an amount of damages in excess of the amount calculated under these enforcement terms. In any such proceeding the CLEC will have the burden of proof to demonstrate why **SBC WISCONSIN** should have to pay any amount of damages in excess of the amount calculated under these enforcement terms.

32.7.6 **SBC WISCONSIN**'s Tier 1 remedy liability to any individual CLEC in any month will not exceed (will be capped at) the total billed revenue due **SBC WISCONSIN** for services provided to the CLEC in the same month for which the remedy liability was incurred.

32.7.7 **SBC WISCONSIN** will post on its Internet website the aggregate payments of any liquidated damages or assessments paid during the current calendar year.

1.1 With respect to any interconnection agreement, **SBC WISCONSIN** or any CLEC may request an expedited dispute resolution proceeding before the Commission pursuant to sections 32.7.4 and 32.7.5 above.

32.8 Tier 1 Damages Payable to CLECs:

32.8.1 Tier 1 liquidated damages apply to measures designated in Appendix 2 as Remedied when **SBC WISCONSIN** delivers "non-compliant" performance as defined in Section 32.3 above.

32.8.2 Liquidated damages in the amount specified in TABLE 1: Per Occurrence Liquidated Damage Amount Index Table below apply to all "non-compliant" sub-measures subject to remedies. Liquidated damages apply on a per occurrence basis, using the amount per occurrence taken from the table below, based on the number of consecutive months for which **SBC WISCONSIN** has reported noncompliance for the sub-measure and on the overall percentage of sub-measures subject to remedies for which **SBC WISCONSIN** met or exceeded the performance standard. For those measures listed in Appendix 3 as "Measurements That Are Subject to Per Occurrence Damages or Assessments With a Cap," the amount of liquidated damages in a single month for a disaggregation category shall not exceed the amount listed in TABLE 2: Per Measure/Cap Liquidated Damage Amount Index Table. For those measures listed in Appendix 3 as "Measurements That Are Subject to Per Measure Damages or Assessments," liquidated damages will apply on a per disaggregation category basis, at the amounts set forth in the TABLE 2: Per Measure/Cap Liquidated Damage Amount Index Table below. The methodology for determining the number of occurrences is addressed in "Methods of Calculating Liquidated Damages and Assessment Amounts," below.

32.8.3 TABLE 1 and TABLE 2 utilize an Index Value ("IV") that establishes the single level of liquidated damages assessment amount to be paid to all CLECs participating in the Plan in the case of a failure to meet or exceed a performance standard. This Index Value is uniquely established for each month's results based on the overall performance **SBC WISCONSIN** provided to the CLECs as a whole on remedied sub-measures. The IV is calculated by (1) determining the number of reported sub-measure results subject to remedies for which performance met or exceeded the standard of comparison; (2) determining the total number of reported sub-measures subject to remedies; and (3) dividing (1) by (2) and multiplying by 100. The number of sub-measures is intended to reflect all CLEC activity within the state that is subject to remedy as defined in the performance measurement user guide. More specifically, a sub-measure is defined as a fully disaggregated (e.g. by product, by geography, by CLEC) performance measurement result. For determining the IV, the denominator is the total number of sub-measures reported, across all CLECs with activity, that

are subject to liquidated damages remedy payments payable to CLECs or assessments payable to the State are included. This formula is provided below.

$$IV = (RSM_{passed} \div RSM_{total}) \times 100$$

Where

RSM_{passed} = Total number of Remedied Sub-Measure results where performance met or exceeded the standard of comparison

RSM_{total} = Total count of Remedied Sub-Measure results

32.8.4 Upon completion of each twelve-month period of performance reporting under this plan beginning October 2002, performance for the previous twelve months in total shall be calculated in the same fashion as defined in Section 32.8.3. Should the IV result calculated for that entire twelve-month period, by averaging the individual month's IV values, not meet or exceed 92%, the liquidated damages remedy amounts applicable in Tables 1 and 2 will step back to the previous level for the next twelve months, unless the level of payments is already at the highest payment schedule whereby it would remain at that level for the next twelve months.

32.8.5 For measures identified in Attachment A and defined in Appendix 1 as subject to a Tier 1 remedy, liquidated damages apply as indicated in Section 32.8.2 whenever the following occurs:

- Performance is below the ceiling performance level and equal to or above the floor performance level and not in parity; or
- Performance is below the floor performance level, whether or not in parity.

Performance above the ceiling performance standard is deemed to have met the performance standard regardless of the result of a parity comparison.

When performance for the CLEC is below the floor, liquidated damages will be calculated against the better of the floor level of performance or the parity comparison performance.

Should the Commission order the implementation of retail performance standards applicable to all carriers providing retail local exchange services, or order changes to existing retail performance standards applicable to all carriers providing retail local exchange service, the parties will negotiate whether or not to create new, or modify existing, floor and ceiling performance standards.

32.8.6 Following at least two consecutive months of non-compliance for a given sub-measure, liquidated damages will be subject to a "proof of compliance" period for that individual metric. This process will require **SBC WISCONSIN** to return to compliance for a specified number of months, based on the number of consecutive months non-compliant performance, before the liquidated damages amount is reduced to the lowest, or single month of non-compliance, level. For example, if **SBC WISCONSIN** was out of compliance for four consecutive months for a given performance measurement reported for a specific CLEC, **SBC WISCONSIN** will have to provide this CLEC three consecutive months of compliant performance for this same submeasure before it can begin paying the "Month 1" liquidated damage amount.

32.8.7 During this "proof of compliance" period, **SBC WISCONSIN** will make liquidated damages payments *only* for those months during which the performance result for a specific

sub-measure is determined to be "non-compliant" for a CLEC. This remedy payment amount will return to the lowest level of payment when **SBC WISCONSIN** provides "compliant" performance for the number of consecutive months identified in TABLE 4: "Step-Down" Table Of Liquidated Damages For Tier 1 Measures where the payment amount is "Month One Amount". Until the performance result has met or exceeded the standard of comparison for three consecutive months, liquidated damages amounts will be determined using the number of months defined in Table 4.

32.8.8 **SBC WISCONSIN** is obligated to correctly and completely report performance results for CLEC and the aggregate of all CLECs. On occasion, it may be necessary for **SBC WISCONSIN** to restate previously published performance results to comply with this obligation where the originally published results were materially different from actual performance. **SBC WISCONSIN** will provide notice, via the CLEC OnLine web site, to CLEC and the Commission of each restatement, indicating the performance measurements restated, which months' performance the measurements were restated for, and why the restatement was necessary.

32.8.9 In the event that performance measurement results need to be restated, **SBC WISCONSIN** will restate those results as soon as possible for a period not to exceed the three months prior to the month for which results have most recently been reported at time of the restatement. In a case where restatement is required to address an audit finding, the restatement will be applied for the period of time necessary to resolve the finding.

32.8.10 If it is determined through restatement of performance results or other means that **SBC WISCONSIN** underpaid liquidated damages due a CLEC, or assessments due the State, **SBC WISCONSIN** will make additional payment/bill credit to the CLEC and/or payments to the State to the extent that it underpaid. All underpayments will be credited with interest. Beginning October 1, 2003, in the event that determination is made through restatement of performance results or other means that **SBC WISCONSIN** overpaid, current and/or future monthly liquidated damages remedy payments/bill credits to CLEC and/or assessments to the State will be offset by the amount of overage.

32.8.11 **SBC WISCONSIN** shall be able to apply any liquidated damages remedy payments due toward those charges that the CLEC owes **SBC WISCONSIN** for services rendered (or facilities provided) so long as such charges are undisputed and are past due for not less than 90 days.

32.8.12 If performance for any sub-measure fails to meet the standard of performance (parity or benchmark) defined in Appendix One for three consecutive months, **SBC WISCONSIN** will, at request of the CLEC, initiate a "gap closure" effort. For a measure to which a floor applies, "gap closure" can be initiated when performance is below the floor for two consecutive months. The "gap closure" effort will (1) identify the root cause for the failure to meet the performance standard, and (2) develop an action plan to improve performance to a level where it is meeting the standard of performance. Documentation of the root cause and the action plan to address it will be provided to the CLEC requesting "gap closure" within 30 days of CLEC request. If requesting CLEC assesses the action plan as inadequate, the issue will be escalated to senior management responsible for the CLEC account and the operational area(s) impacted. A response will be provided to CLEC senior management within 10 business days of receipt of the escalation from the CLEC.

TABLE 1: Per Occurrence Liquidated Damage Amount Index Table						
Index Value ("IV")	**Consecutive Months Missed**					
	One	**Two**	**Three**	**Four**	**Five**	**Six or More**
Effective Beginning With The First Month's Results Reported Under This Plan Through The Twelfth Month's Results Reported Under This Plan						
IV >= 92.0%	$35	$50	$100	$200	$300	$400
86.0% <= IV < 92.0%	$50	$70	$125	$250	$350	$450
80.0% <= IV < 86.0%	$75	$90	$150	$300	$400	$500
74.0% <= IV < 80.0%	$100	$125	$250	$500	$600	$700
IV < 74%	$150	$175	$350	$700	$800	$900
Effective Beginning With The Thirteenth Month's Results Reported Under This Plan Through The Twenty-Fourth Month's Results Reported Under This Plan						
IV >= 92.0%	$30	$55	$100	$200	$300	$400
86.0% <= IV < 92.0%	$40	$65	$125	$250	$350	$450
80.0% <= IV < 86.0%	$50	$80	$150	$300	$400	$500
74.0% <= IV < 80.0%	$100	$125	$250	$500	$600	$700
IV < 74%	$150	$175	$350	$700	$800	$900
Effective Beginning With The Twenty-Fifth Month's Results Reported Under This Plan						
IV >= 92.0%	$25	$50	$100	$200	$300	$400
86.0% <= IV < 92.0%	$35	$60	$125	$250	$350	$450
80.0% <= IV < 86.0%	$50	$75	$150	$300	$400	$500
74.0% <= IV < 80.0%	$100	$125	$250	$500	$600	$700
IV < 74%	$150	$175	$350	$700	$800	$900

TABLE 2: Per Measure/Cap Liquidated Damage Amount Index Table						
Index Value ("IV")	**Consecutive Months Missed**					
	One	**Two**	**Three**	**Four**	**Five**	**Six or More**
Effective Beginning With The First Month's Results Reported Under This Plan Through The Twelfth Month's Results Reported Under This Plan						
IV >= 92.0%	$9,000	$15,000	$15,000	$20,000	$25,000	$30,000
86.0% <= IV < 92.0%	$12,500	$20,000	$22,500	$30,000	$37,500	$45,000
80.0% <= IV < 86.0%	$15,000	$25,000	$30,000	$40,000	$50,000	$60,000
74.0% <= IV < 80.0%	$20,000	$30,000	$45,000	$60,000	$75,000	$90,000
IV < 74%	$25,000	$50,000	$75,000	$100,000	$125,000	$150,000
Effective Beginning With The Thirteenth Month's Results Reported Under This Plan Through The Twenty-Fourth Month's Results Reported Under This Plan						
IV >= 92.0%	$7,500	$12,500	$15,000	$20,000	$25,000	$30,000
86.0% <= IV < 92.0%	$10,000	$17,500	$22,500	$30,000	$37,500	$45,000
80.0% <= IV < 86.0%	$15,000	$20,000	$30,000	$40,000	$50,000	$60,000
74.0% <= IV < 80.0%	$20,000	$30,000	$45,000	$60,000	$75,000	$90,000
IV < 74%	$25,000	$50,000	$75,000	$100,000	$125,000	$150,000
Effective Beginning With The Twenty-Fifth Month's Results Reported Under This Plan						
IV >= 92.0%	$5,000	$10,000	$15,000	$20,000	$25,000	$30,000
86.0% <= IV < 92.0%	$7,500	$15,000	$22,500	$30,000	$37,500	$45,000
80.0% <= IV < 86.0%	$10,000	$20,000	$30,000	$40,000	$50,000	$60,000

74.0% <= IV < 80.0%	$15,000	$30,000	$45,000	$60,000	$75,000	$90,000
IV < 74%	$25,000	$50,000	$75,000	$100,000	$125,000	$150,000

TABLE 3: Assessment Amounts For Tier 2 Measures	
Per Occurrence	$200
Per Measure / Cap*	$20,000

TABLE 4: "Step-Down" Table Of Liquidated Damages For Tier 1 Measures				
	Consecutive Months Non-Compliant Performance Prior to First Month of Compliant Performance			
Consecutive Months Compliant Performance Before Subsequent Non-Compliant Month	**Three Months**	**Four Months**	**Five Months**	**Six Months or More**
Per Occurrence and Per Measure/Cap				
One Month	Month Two Amount	Month Three Amount	Month Four Amount	Month Five Amount
Two Months	Month One Amount	Month Two Amount	Month Two Amount	Month Three Amount
Three Months or More	Month One Amount	Month One Amount	Month One Amount	Month One Amount

32.8.13 Example Application of "Step-Down" Table

Assume a measurement result is deemed non-compliant for four consecutive months. Performance is then deemed compliant with the measurement standard in the fifth month. Further assume that in the sixth month performance is again deemed non-compliant, resulting in four consecutive months missed, followed by one month (month five) met and the next month (month six) missed. Using Table 4 above, remedies for performance in month six would be at the level of three consecutive months missed. This can be confirmed by looking at the column for "Consecutive Months Non-Compliant Performance Prior to First Month of Complaint Performance", or the "Four Months" column in this example, then looking at the row for "Consecutive Months Complaint Performance Before Subsequent Non-Compliant Month", or the "One Month" row in this example. The intersecting cell indicates that remedies would be paid at the "Month Three Amount", or the level corresponding to three consecutive months misses for the measure from Table 1 or Table 2 (as applicable to the specific measure).

32.9 Tier 2 Assessments to the State:

32.9.1 Assessments payable to the State Fund designated by the Commission apply to the Tier 2 measures designated in Appendix 2 as "Remedied" when **SBC WISCONSIN** and/or its affiliate (whichever is better, provided the affiliate data points equal or exceed 30) performance is out of parity or does not meet the benchmarks for the aggregate of all CLEC data. Specifically, if the Z-test value is greater than the Critical Z, the performance for the reporting category is out of parity or below standard. Assessments will be paid when the aggregate of all CLECs has at least 10 observations.

32.9.2 For those measurements where a per occurrence assessment applies, an assessment as specified in TABLE 3: Assessment Amounts for Tier 2 Measures shown above for each occurrence is payable to the State Fund designated by the Commission for each sub-measure that exceeds the Critical Z-value for three consecutive months. For those measurements listed in Appendix 3 as measurements subject to per occurrence with a cap, an assessment as shown in TABLE 3: Assessment Amounts for Tier 2 Measures shown above for each occurrence within the applicable cap is payable to the State Fund designated by the Commission for each sub-measure that exceeds the Critical Z-value for three consecutive months. For those Tier 2 measurements listed in Appendix 3 as subject to a per measurement assessment, an assessment amount as shown in TABLE 3: Assessment Amounts for Tier 2 Measures shown above is payable to the State Fund designated by the Commission for each sub-measure that exceeds the Critical Z-value for three consecutive months.

32.10 Posting of Results and Provision of Liquidated Damages and Assessment Payments:

32.10.1 If **SBC WISCONSIN** fails to submit performance reports by the last business day of the month following actual performance, the following assessments payable to the State Fund designated by the Commission apply unless excused for good cause by the Commission:

- If no reports are filed, $5,000 per day past due;
- If incomplete reports are filed, $1,000 per day for each performance measurement listed in the User Guide for which results are not posted, but not to exceed $5,000 per day past due.

32.10.2 If **SBC WISCONSIN** alters previously reported data for a CLEC, and after discussions with **SBC WISCONSIN** the CLEC disputes such alterations, then the CLEC may ask the Commission to review the submissions and the Commission may take appropriate action. This does not apply to the limitation stated under the section titled "Exclusions Limited."

32.10.3 When **SBC WISCONSIN** performance creates an obligation to pay liquidated damages to a CLEC or an assessment to the State under the terms set forth herein, **SBC WISCONSIN** shall make payment by check, bill credit or other direct payment method in the required amount on or before the last business day of the month following the due date of the performance measurement report for the month in which the obligation arose (e.g., if **SBC WISCONSIN** performance through March is such that **SBC WISCONSIN** owes liquidated damages to CLECs for March performance, or assessments to the State for January – March performance, then those payments will be due the last business day of May, the last business day of the month following the month (April) in which results were posted). (In order to receive payment by check CLEC must complete the CLEC identification and liquidated damages Information Form located on the CLEC website.) For each day after the due date that **SBC WISCONSIN** fails to pay the required amount, **SBC WISCONSIN** will pay interest to the CLEC at the maximum rate permitted by law for a past due liquidated damages obligation and will pay an additional $3,000 per day to the State Fund designated by the Commission for a past due assessment.

32.10.4 **SBC WISCONSIN** may not withhold payment of liquidated damages to a CLEC unless **SBC WISCONSIN** has commenced a Commission arbitration proceeding on or before the payment due date, asserting that noncompliance was the result of an act or omission by a CLEC as more fully described in Section 32.7.2 and 32.7.3.

32.10.5 CLEC will have access to monthly reports on performance measures and business rules through an Internet website that includes performance results for individual CLECs, the aggregate of all CLECs, and **SBC WISCONSIN**.

32.10.6 The thresholds more fully described in Section 32.7.4. do not apply to assessments under Section 32.10 of this document.

32.11 Methods of Calculating Liquidated Damages and Assessment Amounts

The following methods apply in calculating per occurrence liquidated damage and assessments:

32.11.1 Calculating Tier 1 Liquidated Damages

32.11.1.1 Measures for Which the Reporting Dimensions are Averages or Means

Step 1: Calculate the average or the mean for the sub-measure for the CLEC that would yield the Critical Z-value. Use the same denominator as the one used in calculating the Z-statistic for the sub-measure. (There are no Critical Z-values calculated for Benchmark measures.)

Step 2: Calculate the percentage difference between the actual average and the calculated average. For benchmark measures or floors (for measures that have floors and the floor applies to the result), calculate the percentage difference between the actual average and the benchmark. This percentage is capped at 100%.

Step 3: Multiply the total number of data points by the percentage calculated in the previous step and round this number up to the next integer. Then multiply the result by the per occurrence dollar amount taken from the Liquidated Damages Table for Tier 1 Measures to determine the applicable liquidated damages for the given month for that sub-measure.

32.11.1.2Measures for Which the Reporting Dimensions are Percentages

Step 1: Calculate the percentage for the sub-measure for the CLEC that would yield the Critical Z-value. Use the same denominator as the one used in calculating the Z-statistic for the sub-measure. (There are no Critical Z-values calculated for Benchmark measures.)

Step 2: Calculate the difference between the actual percentage for the CLEC and the calculated percentage. For benchmark measures or floors (for measures that have floors and the floor applies to the result), calculate the difference between the actual percentage and the benchmark.

Step 3: Multiply the total number of data points by the difference in percentage calculated in the previous step and then round this number up to the next integer. Then multiply the result by the per occurrence dollar amount taken from the Liquidated Damages Table to determine the applicable liquidated damages for the given month for that sub-measure.

32.11.1.3Measures for Which the Reporting Dimensions are Ratios or Rates

Step 1: Calculate the ratio for the sub-measure for the CLEC that would yield the Critical Z-value. Use the same denominator as the one used in calculating

the Z-statistic for the sub-measure. (There are no Critical Z-values calculated for Benchmark measures.)

Step 2: Calculate the difference between the actual ratio for the CLEC and the calculated ratio. For benchmark measures or floors (for measures that have floors and the floor applies to the result) calculate the difference between the actual ratio and the benchmark. This difference is capped at 100%.

Step 3: Multiply the total number of data points by the percentage calculated in the previous step and then round this number up to the nearest integer. Then multiply the result by the per occurrence dollar amount taken from the Liquidated Damages Table for Tier 1 Measures to determine the applicable liquidated damages for the given month for that sub-measure.

32.11.2 Calculating Tier 2 Assessments

32.11.2.1 Determine the Tier 2 measurement results that are non-compliant for three consecutive months for the aggregate of all CLECs. If the non-compliant classification continues for three consecutive months, an additional assessment will apply in the third month and in each succeeding month as calculated below, until **SBC WISCONSIN** reports performance that meets the applicable criterion. That is, Tier 2 assessments will apply on a "rolling three month" basis, one assessment for the average number of occurrences for months 1-3, one assessment for the average number of occurrences for months 2-4, one assessment for the average number of occurrences for months 3-5, and so forth, until satisfactory performance is established.

32.11.2.2 Measures for Which the Reporting Dimensions are Averages or Means

Step 1: Calculate the average or the mean for the sub-measure for the CLECs that would yield the Critical Z-value for each of the three non-compliant months. Use the same denominator as the one used in calculating the Z-statistic for the sub-measure. (There are no Critical Z-values calculated for Benchmark measures.)

Step 2: Calculate the percentage difference between the actual average and the calculated average for each of the three non-compliant months. For benchmark measures, calculate the percentage difference between the actual average and the benchmark for each of the three non-compliant months. This percentage is capped at 100%.

Step 3: Multiply the total number of data points for each month by the percentage calculated in the previous step. Calculate the average for three months of these numbers rounding up the result to the next highest integer. Then multiply the result by the per occurrence dollar amount specified in the Assessment Table for Tier 2 Measures to determine the applicable assessment payable to the State Fund designated by the Commission for that sub-measure.

32.11.2.3 Measures for Which the Reporting Dimensions are Percentages

Step 1: Calculate the percentage for the sub-measure for the CLECs that would yield the Critical Z-value for each of the three non-compliant months. Use the same denominator as the one used in calculating the Z-statistic for the

sub-measure. (There are no Critical Z-values calculated for Benchmark measures.)

Step 2: Calculate the difference between the actual percentage for the CLECs and the calculated percentage for each of the three non-compliant months. For benchmark measures, calculate the difference between the actual percentage and the benchmark for the three non-compliant months.

Step 3: Multiply the total number of data points for each month by the difference in percentage calculated in the previous step. Calculate the average for three months of these numbers rounding up the result to the next highest integer. Then multiply the result by the per occurrence dollar amount specified in the Assessment Table for Tier 2 Measures to determine the applicable assessment payable to the State Fund designated by the Commission for that sub-measure.

32.11.2.4 Measures for Which the Reporting Dimensions are Ratios or Rates

Step 1: Calculate the ratio for the sub-measure for the CLECs that would yield the Critical Z-value for each of the three non-compliant months. Use the same denominator as the one used in calculating the Z-statistic for the sub-measure. (There are no Critical Z-values calculated for Benchmark measures.)

Step 2: Calculate the difference between the actual ratio for the CLECs and the calculated ratio for each month of the non-compliant three-month period. For benchmark measures calculate the difference between the actual ratio and the benchmark for the three non-compliant months. This difference is capped at 100%.

Step 3: Multiply the total number of service orders by the percentage calculated in the previous step for each month. Calculate the average for three months of these numbers rounding up the result to the next highest integer. Then multiply the result by the per occurrence dollar amount specified in the Assessment Table for Tier 2 Measures to determine the applicable assessment payable to the State Fund designated by the Commission for that sub-measure.

The parties will propose as part of the PM six-month review collaborative that section 32.12 be moved to Appendix 1 – **SBC WISCONSIN** Performance Measurement User Guide as an attachment so that it can be updated through the six-month review process as needed.

32.12 Advanced and Nascent Services:

32.12.1 In order to ensure parity and benchmark performance where CLECs order low volumes of advanced and nascent services, **SBC WISCONSIN** will make increased voluntary payments to the State Fund designated by the Commission on those measurements listed in section 32.12.3 below (the "Qualifying Measurements"). Such increased voluntary payments will only apply when there are more than 10 and less than 100 observations for a Qualifying Measurement on average statewide for a three-month period with respect to the following order categories:

32.12.2 The following are the qualifying sub-measures (if within a qualifying measurement):

- UNE loop and port combinations;
- resold ISDN;
- ISDN UNE loop and port combinations;
- BRI loop with test access; and
- DSL loops.

32.12.3 The Qualifying Measurements are as follows:

Provisioning Measurements:

- PMs 29, 45, 58 – Percent **SBC WISCONSIN** Caused Missed Due Dates
- PMs 35, 46, 59 – Installation Trouble Reports Within "X" Days
- PMs 27, 43, 56 – Mean Installation Interval
- PMs 32, 49, 62 – Average Delay Days for **SBC WISCONSIN** Caused Missed Due Dates
- PM 55.1 – Average Installation Interval – DSL
- PM 1.1 – Average Response Time for Loop Qualification Information

Maintenance Measurements:

- PMs 38, 66 – % Missed Repair Commitments
- PMs 41, 53, 69 – % Repeat Reports
- PMs 39, 52, 67 – Mean Time to Restore
- PMs 37.1, 54.1, 65.1 – Trouble Report Rate

32.12.4 The increased voluntary payments referenced in section 12.1 will be made only if **SBC WISCONSIN** fails to provide parity or benchmark service for the above measurements as determined by the use (where appropriate) of the Modified Z-test and a Critical Z-value for either:

- 3 consecutive months; or
- 6 months or more in a calendar year.

32.12.5 The increased voluntary payments will only be calculated on the rolling average of occurrences or measurements, as appropriate, where **SBC WISCONSIN** has failed to provide parity or benchmark performance for 3 consecutive months. If **SBC WISCONSIN** fails to provide parity or benchmark performance in Wisconsin for 6 or more months in a calendar year, the increased voluntary payments will be calculated as if all such months were missed consecutively.

32.12.6 If, for the three months that are utilized to calculate the rolling average, there were 100 observations or more on average for the qualifying measurement or sub-measurement, then no increased voluntary payments will be made to the State Fund designated by the Commission. However, if during this same time frame there either is (i) an average of more than 10 but less than 100 observations for a qualifying sub-measure on a statewide basis or (ii) an average of more than 10 but less than 100 for a non-qualifying sub-measure within a qualifying measure where the measure's average is more than 10 but less than 100 observations, then **SBC WISCONSIN** shall calculate the payments to be made in addition to the normal payment to the State Fund designated by the Commission by first applying the normal Tier 2 assessment calculation methodology to that qualifying measurement, and then

doubling (multiplying by 2) that amount. The effect of this calculation results in total payment being made at three times the normal amount alone.

32.12.7 Any payments made hereunder shall be subject to the annual threshold set forth in Section 32.7.4.

32.13 The following documents are incorporated herein by reference:

Appendix 1: **SBC WISCONSIN** Performance Measurement User Guide (a document available from CLEC Account Managers or found on the **SBC WISCONSIN** Performance Measurement website)

Appendix 2: Performance Measures Subject to Tier 1 and Tier 2 Damages

Appendix 3: Measurements Subject to Per Occurrence Damages or Assessments With a Cap and Measurements Subject to Per Measure Damages or Assessments

In the event of any inconsistency between Appendices 1, 2 and/or 3 and this performance remedy plan, this performance remedy plan shall supercede and control. In addition, Appendix 1 shall be supplemented by Attachment A hereto.

The parties proposed as part of the PM six-month review collaborative that Appendix 2 and Appendix 3 be moved to attachments to Appendix 1 – **SBC WISCONSIN** Performance Measurement User Guide so that they can be updated through the six-month review process as needed.