FairPoint Cutover Monitoring
Status Report
The Liberty Consulting Group
October 10, 2008

Introduction

FairPoint Communications, Inc. ("FairPoint") is currently developing and testing operations support systems and business processes, and hiring and training personnel, to replace systems and processes Verizon is providing through a Transition Services Agreement ("TSA"). The staffs of the Maine Public Utilities Commission, the New Hampshire Public Utilities Commission, and the Vermont Department of Public Service ("Staffs") have engaged the Liberty Consulting Group ("Liberty") to monitor FairPoint's progress in preparing to "cutover" from Verizon's systems and processes and to provide an on-going assessment of FairPoint's readiness to cutover. The scope statement for the monitoring engagement specifies that Liberty will provide monthly reports of the cutover status to the Staffs. Liberty has now provided such reports in December 2007 and in January, February, March, April, May, June, July, August, and September 2008. The present report is Liberty's latest monthly monitoring report.

Liberty's review of FairPoint's cutover readiness focuses on the specific criteria FairPoint developed as part of its Cutover Readiness Verification Plan.[1] In the September monthly monitoring report, Liberty concluded that FairPoint had not yet demonstrated it had satisfied all the criteria for cutover readiness, despite substantial recent progress. On September 15, 2008, FairPoint announced an extension of the projected date for cutting over from Verizon's systems by 60 days to the end of January 2009. In the present report, Liberty concludes that FairPoint continues to make progress toward satisfying the criteria for cutover readiness and appears to be on track for demonstrating cutover readiness by November if the current momentum continues.

Overview of Recent Monitoring Activities

Since the last monitoring report issued September 15, 2008, Liberty has continued to monitor FairPoint's progress through frequent communications with FairPoint and examination of data and other information FairPoint has provided. Liberty also provided an oral status report on cutover status at the Vermont Public Service Board workshop on September 17 in Montpelier, VT and has held weekly briefing calls with the Staffs. In

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[1] Liberty reviewed this plan and provided its comments in a May 21, 2008 draft report, which the state regulatory staffs issued for public comment. Liberty generally concurred at that time with the structure of FairPoint's readiness plan and readiness criteria, but noted that certain gaps remained. Liberty's final report on the FairPoint Cutover Readiness Verification Plan, issued on August 15, 2008, concluded that FairPoint had addressed those gaps in the plan; therefore, Liberty concurred with the FairPoint Cutover Verification Plan and cutover criteria.

addition, Liberty participated in the FairPoint Wholesale User Forum, held on October 2 in Portland, ME, and a follow-up webex meeting on October 9.

Analysis of FairPoint's Cutover Readiness Status

As in the September monitoring report, Liberty examines in this report whether FairPoint has demonstrated it has met each of the criteria for readiness defined in FairPoint's Cutover Readiness Verification Plan. As noted in Liberty's August 15, 2008 Cutover Readiness Verification Plan Assessment, this plan specifies that FairPoint must demonstrate readiness in five different areas:

- Tests of FairPoint's new Capgemini-developed operational support systems, which will replace the Verizon systems
- Tests of FairPoint's ability: (a) to correctly accept the data extracted from Verizon's systems as will be necessary to operate FairPoint's business and (b) to convert that data into a form that can be used by the new operational support systems
- Demonstration of the existence and documentation of the key business processes that must operate successfully at cutover
- Demonstration that key staff positions that are necessary at cutover are filled
- Demonstration that training of the FairPoint staff in the new systems and processes will be successfully completed by cutover.

The analysis in this report is based on information provided to Liberty as of October 8.

1. Operational Support System Testing.

In cooperation with FairPoint, Capgemini has been conducting a series of tests of the operational support systems it has developed for FairPoint. These tests consist of four separate sub-components: functional testing, user acceptance testing (UAT), CLEC testing, and performance testing. In each of these areas, Capgemini has developed a set of test cases of specific transactions that the operations support systems must be capable of executing. Liberty addresses each of these four sub-components below.

   a. Functional Testing.

Functional testing consists of a hierarchy of test cases, beginning with unit, product, and integration test cases, which test individual applications (*e.g.,* retail billing) and pairs of linked applications. Liberty's earlier monthly reports have noted that Capgemini successfully completed testing at these levels by early August.

At the highest functional testing level are the system test cases, which involve tests of several linked systems, including test cases for end-to-end system processes. Capgemini developed a core set of 1,157 system test cases representing a wide range of transactions

that FairPoint will need to be able to conduct when it cuts over from the Verizon systems to the newly developed systems. In addition to this core test case set, Capgemini and FairPoint are conducting additional tests to fill remaining gaps in the test coverage. These additional tests are:

- E911 automatic line identification ("ALI") database updates driven by business transactions

- Transactions involving some additional types of large business customer or "enterprise system group" ("ESG") products such as Centrex, PBX trunks and DDS services

- Additional wholesale transactions, including mechanized line testing ("MLT"); line loss reporting; daily usage feeds ("DUF"); and orders for an enhanced extended loop ("EEL"), line sharing, and line splitting

- Execution of test cases using in-service network elements to test the updating of switch translations based on service order activity, polling of switches for billing usage records, launching of MLT tests, and network element surveillance and alarm monitoring using FairPoint's live network

- Testing of the systems for the ability to collect the data and to create the required regulatory retail and wholesale performance reports, including the wholesale performance assurance plan ("PAP").

Five criteria govern the determination of cutover readiness in connection with functional testing in FairPoint's Cutover Readiness Verification Plan:

i.   100 percent of tests are executed

ii. There are no open severity 1 defects and no open severity 2 defects without acceptable business workarounds

iii. The cumulative effect of defects (for all severity levels) across all testing (system, UAT, CLEC) resulting in necessary workarounds must be quantified and must not exceed 50 incremental headcount

iv. All open defects have been assigned target fix dates

v.   Required workarounds are subsequently tracked under method and procedure development.

Liberty's analysis of the status of each of these five criteria follows.

i.   *Have 100 percent of the tests been executed?*

On September 16, Capgemini reported that it had completed the testing of the core system test cases with all passing, as shown in the following table.

Core System Test Case Execution Status
(As of September 16)

Functional Domain	Planned Test Cases	Executed Test Cases	Passed Test Cases	Failed Test Cases
Billing and Collection	101	101 (100%)	101	0
Retail Ordering and Service Fulfillment (less complex)	304	304 (100%)	304	0
Retail Ordering and Service Fulfillment (more complex)	30	30 (100%)	30	0
Wholesale Ordering and Service Fulfillment	534	534 (100%)	534	0
Plant and Construction	62	62 (100%)	62	0
Service Assurance (Maintenance and Repair)	112	112 (100%)	112	0
Support Systems (Finance, Human Resources, Supply Chain Management)	14	14 (100%)	14	0
Total	1,157	1,157 (100%)	1,157	0

As noted in earlier monthly reports, Liberty has observed a small sample of the system test cases live at the Capgemini offices in Atlanta. Liberty has also examined test artifacts, such as screen shots and other output, provided by Capgemini from an additional sample of test cases. (Through these means, Liberty made a detailed examination of the results of approximately five percent of the system test cases.) In the September monitoring report, Liberty noted a few concerns about the test case output, including a few cases of inconsistency in test case results and some retail billing issues. Since the time of the September monitoring report, Liberty has been examining billing results with Capgemini and FairPoint, and these discussions are continuing. Liberty has also examined additional test case artifacts and found them to be correct. Liberty plans to make another on-site visit to review testing results at the end of October in conjunction with observation of FairPoint's business simulation testing.

In addition to the core test cases, Liberty reviewed the status of the additional required functional test cases. The following table provides the status of the tests that do not involve live network access:

Additional Functional Test Execution Status
(As of October 8)

Test Domain	Planned Tests	Execution Status	Execution Success
E911 Database Updates	72 scenarios	72 executed (100%)	72 passed (100%)

Additional ESG Products	63 scenarios	47 executed (75%)	40 passed (63%)
Additional Wholesale Tests	MLT	Executed	Passed
	Line Loss Reports	Executed	Passed
	DUF	Executed	Passed
	Line Sharing (1 test case)	1 executed (100%)	1 passed (100%)
	Line Splitting (1 test case)	1 executed (100%)	0 passed (0%)
	EEL (4 test cases)	4 executed (100%)	4 passed (100%)
Regulatory Performance Reporting Tests	380 test cases	274 executed (72%)	223 passed (59%)

Capgemini has now executed all the E911 database update and additional wholesale tests, and with one exception all these tests have passed. However, Capgemini and FairPoint still need to complete additional ESG product, and regulatory performance reporting.

In addition to the tests noted in the table above, FairPoint has begun conducting tests using in-service network elements. During August and September, FairPoint developed a test schedule together with Verizon to conduct live network tests to cover MLT testing of in-service lines, updating of switch translations based on service order activity, polling of switches for billing usage records, and verifying FairPoint's ability to perform surveillance and alarm monitoring for various critical network elements. Testing is complete for surveillance and alarm monitoring of the network routers used by FairPoint for DSL service provisioning and updating switch translations. The remainder of the most critical live network tests are scheduled to be completed by early November; however, a few of the alarm monitoring tests for network elements that are less commonly found in FairPoint's network are scheduled for later in November. Liberty reviewed the full set of live network test scenarios and concludes that they provide a robust set of tests, particularly when coupled with the functional testing that Capgemini conducted during the summer using network equipment in a laboratory environment (*e.g.,* vendor laboratory test switches, routers, and multiplexers).

In the September monitoring report, Liberty noted that Capgemini had conducted the system and other functional tests without using a complete set of converted data and without using the complete "product catalogue" that contains all of the relevant product data. Capgemini has now introduced "Mock 9," which uses the full set of converted data and a product catalogue that includes 98 percent of the products. The remaining two percent of the products are mostly "grandfathered" or rarely ordered products that should have little impact on the conduct of FairPoint's business. "Regression testing," which is conducted to assure that the introduction of the new data provides the same test results as the original system test, is in progress using Mock 9. As of October 8, 342 of the 387 regression tests had been executed and passed.

In summary, although Capgemini and FairPoint have executed most of the functional tests, a few more remain to be completed before FairPoint satisfies this cutover readiness criterion.

ii. *Are there no severity 1 defects and no severity 2 defects without manual workarounds?*

In the September monitoring report, Liberty noted that there were 20 open defects arising from the functional testing, none of which were severity 1 or severity 2 defects. Liberty also noted that these defects corresponded to issues uncovered with the systems as originally designed. In addition to these defects, testing has been uncovering the need for certain modifications in the system design. FairPoint is addressing the need for these modifications by issuing change requests ("CRs"). Many of the CRs address improvements in system execution and usability but are not essential for the proper execution of the business transactions. However, some CRs are essential and will either need to be completed or have manual workarounds in place by cutover.

Since the September monitoring report, Capgemini has fixed 15 of the open defects and no new ones have been opened. This leaves five open defects. FairPoint has also reviewed the critical CRs and have scheduled for earliest implementation those for which the manual workarounds would require the largest number of additional full-time equivalent (FTE) employees. The following table shows the status of these critical CRs:

Critical Change Request Status
(As of October 8)

Projected Implementation Date	FTE Required for Manual Workarounds
By October 31, 2008	59
After January 30, 2009	39
Under Evaluation	5
Total	103

Taking into account both the defects in the systems as designed and the CRs, there are no existing severity 1 defects and no severity 2 defects without defined manual workarounds. However, testing is not yet complete. Functional testing must be completed before it can be determined whether FairPoint has met this criterion, because additional defects may arise as part of the additional testing.

iii. *Does the cumulative effect of manual workarounds across all operational support system testing require additional workforce with equivalent headcount of no more than 50?*

To determine whether this criterion is satisfied, it is necessary to combine the impact of the manual workarounds associated with defects in the systems as designed and the impact of the manual workarounds associated with the missing functionality critical for

cutover (the critical CRs). FairPoint has estimated that slightly more than one FTE would be necessary for manual workarounds to address the five open defects associated with systems as designed. As noted in the table above, currently 103 FTE would be required if the existing critical CRs are not implemented by cutover. However, if FairPoint successfully completes the CRs currently planned for implementation by October 31, the number of FTE required for the remaining CRs would be reduced to 44. Thus, if testing does not reveal any additional defects or critical CRs and the CRs are implemented as planned, FairPoint is on track to meet this criterion by the end of October, because the total FTE would be reduced to 45 (*i.e.,* 44 + 1).

   iv. *Do all defects have assigned target fix dates?*

All the existing open defects and critical CRs have target fix dates, although, as noted in the table above, the implementation of some of the CRs is still under evaluation by FairPoint. In addition, not all functional testing is complete. Functional testing must be completed before it can be determined whether FairPoint has met this criterion.

   v. *Have all manual workarounds been incorporated into methods and procedures development and tracked?*

All of the existing open defects and critical CRs have defined manual workarounds, and many of these workarounds have been documented. FairPoint is working on the documentation of the remainder. In addition, functional testing must be completed before it can be determined whether FairPoint has satisfied this criterion.

   vi. *Conclusions for Functional Testing*

In summary, Capgemini and FairPoint have continued to make progress in functional testing. All the core functional testing and much of the supplemental testing is complete. Items that remain before FairPoint can demonstrate cutover readiness in functional testing include:

- Completing execution of the additional supplemental tests, including ESG product tests, live network tests, and regulatory performance reporting tests
- Completing implementation of CRs that will reduce the requirements for additional FTE below 50.

   b. <u>User Acceptance Testing</u>.

The purpose of User Acceptance Testing (UAT) is to examine whether the FairPoint users of the systems can successfully complete their required business transactions. UAT is based on a subset of the test cases used in the functional testing, but the test cases are executed by FairPoint users rather than by the Capgemini testing team. Capgemini and FairPoint completed UAT during the week of September 8.

UAT has the same acceptance criteria as system testing. Liberty's analysis of the status of each of these criteria follows.

i. *Have 100 percent of the tests been executed?*

In the September monitoring report, Liberty concluded that FairPoint appears to have met this criterion. Liberty has obtained no additional information since then to change this conclusion. The results of UAT testing are summarized in the following table:

User Acceptance Test Execution Status
(As of September 9)

Functional Domain	Planned Test Cases	Executed Test Cases	Passed Test Cases	Failed Test Cases
Billing and Collection	18	18 (100%)	18	0
Retail Ordering and Service Fulfillment (less complex)	128	128 (100%)	128	0
Retail Ordering and Service Fulfillment (more complex)	9	9 (100%)	9	0
Wholesale Ordering and Service Fulfillment	145	145 (100%)	145	0
Plant and Construction	60	60 (100%)	60	0
Service Assurance (Maintenance and Repair)	40	40 (100%)	40	0
Total	400	400 (100%)	400	0

ii. *Are there no severity 1 defects and no severity 2 defects without manual workarounds?*

In the September monitoring report, Liberty concluded that FairPoint appears to have met this criterion. Liberty has obtained no additional information since then to change this conclusion.

iii. *Does the cumulative effect of manual workarounds across all operational support system testing require additional workforce with equivalent headcount of no more than 50?*

Because this criterion applies jointly to functional, UAT, and CLEC testing, the same remarks and conclusions that Liberty had for functional testing apply to UAT. (See p. 6-7 above.) FairPoint needs to successfully complete the CRs scheduled for October implementation to meet this criterion.

iv. *Do all defects have assigned target fix dates?*

In the September monitoring report, Liberty concluded that FairPoint appears to have met this criterion. Liberty has obtained no additional information since then to change this conclusion.

v. *Have all manual workarounds been incorporated into methods and procedures development and tracked?*

As noted for functional testing, all of the existing open defects and critical CRs have defined manual workarounds, and many of these workarounds have been documented. FairPoint is working on the documentation of the remainder.

vi. *Conclusions for User Acceptance Testing*

In summary, FairPoint appears to have satisfied all but two of the UAT cutover acceptance criteria. Satisfaction of the other two will depend on the completion of the planned implementation of the critical CRs and the completion of the documentation of manual workarounds for those not complete. FairPoint appears to be on track to accomplish these tasks by the end of October.

c. <u>CLEC Testing</u>.

The principal manner in which Capgemini and FairPoint have been testing wholesale transactions is through internal testing (as part of functional and UAT testing). The purpose of the CLEC testing is to provide wholesale users the opportunity to interact with the new FairPoint systems to determine whether they are able to use them based on FairPoint's system specifications. FairPoint provides two forms of interface to the wholesale customers: (a) an interface using Electronic Data Interchange (EDI), an electronic bonding protocol, and (b) a webGUI interface. For those users requiring EDI, the CLEC testing is being used to certify that the electronic-bonded customers are able to connect to the FairPoint systems and successfully transmit and receive transactions in the correct format.

Because of the extensive internal testing of the wholesale systems, it is not necessary to execute every possible scenario as part of CLEC testing. Thus, CLEC testing uses a more limited set of test cases than functional or UAT testing. However, it is important that the wholesale users have an opportunity to test those scenarios that are most important for their normal business operations.

CLEC testing began with internal testing by Capgemini and FairPoint of the test cases that were to be made available to the CLECs. In June, FairPoint opened the testing to CLECs and vendors desiring to participate. Partly because the interfaces available at that time were developed in accordance with industry standard ASOG and LSOG business rules that will be out of date by cutover, only one tester (NeuStar) initially chose to test

the electronic bonding (EDI) functionality. However, one CLEC subsequently conducted some EDI testing late in the testing schedule.

Several CLECs volunteered to test the webGUI functionality. This testing continued until mid-September except for a suspension for most of August in order to: (a) fix defects that were preventing successful completion of the tests, (b) update the data used in the testing, and (c) add some additional scenarios to the test case list.

On October 13, FairPoint plans to make testing available to both EDI and webGUI users in the new LSOG 9.12.1 and ASOG 37 business rules. Initially, testing will begin with a set of 85 test cases, which FairPoint and Capgemini have successfully tested internally and used during the later stages of the testing with the older business rules. This set of test cases includes 40 ordering, 22 pre-ordering, and 23 trouble administration scenarios. Several CLECs have requested additional scenarios to be included in the testing, and FairPoint has agreed to add ten additional test cases by October 21, although it has not yet specified which of the CLEC-requested scenarios these new test cases will cover.

CLEC testing has the same acceptance criteria as system testing. Liberty's analysis of the status of each of these criteria follows.

> i.   *Have 100 percent of the tests been executed?*

Liberty noted in the September monitoring report that additional EDI and GUI testing will need to be completed before FairPoint has demonstrated it has satisfied this cutover criterion. Liberty will be reviewing the results of the new phase of testing beginning October 13 to assess this.

> ii. *Are there no severity 1 defects and no severity 2 defects without manual workarounds?*

FairPoint and Capgemini report that although there are three open defects associated with CLEC testing to date, none are severity 1 or severity 2 defects. However, Liberty noted in the September monitoring report that CLECs have identified the lack of some functionality that is currently available through the Verizon systems. In particular, the CLECs have noted that the following functionality is missing in the new FairPoint systems:

- Estimated time to repair (the FairPoint systems currently provide only a standard repair interval with no commitment that this appointment will be met)
- Provisioning intervals based on Verizon's "SMARTS clock" or the equivalent
- Access to automated trouble history prior to the cutover (the data on trouble history to be extracted from the Verizon systems)
- Automated vertical feature (voicemail, Caller ID, etc.) verification.

In addition, since the time of the September monitoring report, Liberty became aware of a CLEC that has requested the availability of bulk downloads of loop qualification

information. Liberty notes that FairPoint's systems also currently do not provide any of these functions for FairPoint's retail service representatives.

FairPoint has responded to these requests for missing functionality by indicating that a CR has been opened to provide the estimated time to repair and that this CR is planned for implementation by October 31. FairPoint has also proposed interim solutions to the other functionality issues that CLECs have raised, with, in most cases, a longer term solution that would provide the functionality after cutover.

Liberty plans to monitor the results of the CLEC testing when it resumes on October 13 in order to see if any additional defects are uncovered.

iii. *Does the cumulative effect of manual workarounds across all operational support system testing require additional workforce with equivalent headcount of no more than 50?*

Because this criterion applies jointly to functional, UAT, and CLEC testing, the same remarks and conclusions that Liberty had for functional testing apply to CLEC testing. (See p. 6-7 above.) FairPoint needs to successfully complete the CRs scheduled for October implementation to meet this criterion.

iv. *Do all defects have assigned target fix dates?*

Capgemini has shown Liberty the target fix dates for all the defects arising from CLEC testing to date. However, testing is incomplete.

v. *Have all manual workarounds been incorporated into methods and procedures development and tracked?*

As noted in the discussion of functional testing, Capgemini and FairPoint have provided information indicating that the manual workarounds have been incorporated into the development of methods and procedures, but the documentation is not yet complete. In addition, the CLECs have not yet completed CLEC testing. CLEC testing must be completed before it can be determined whether FairPoint has met this criterion.

vi. *Additional Considerations.*

As Liberty noted in the September monitoring report, the CLECs have raised some additional concerns about FairPoint's wholesale policies and procedures. To help identify and document the full range of the CLEC concerns, the staffs of the Maine and New Hampshire Public Utilities Commissions requested the CLECs to provide lists of their cutover-related concerns. Thirteen CLECs responded to this request by September 26. The CLEC concerns fall into five general categories:
1. Missing information on how wholesale processes will be conducted during the cutover
2. Missing functionality (as noted above)

3. Issues with CLEC testing (including the need for additional scenarios (as noted above)

4. Missing or inadequate documentation of processes and procedures

5. Others, including connectivity issues.

On September 29, FairPoint issued a Cutover Communications Plan in an attempt to address concerns raised about the conduct of wholesale processes immediately before, during, and immediately after cutover, including the "dark period" during which all access (wholesale and retail) to the Verizon systems has been removed and the new FairPoint systems are not yet available. In addition, FairPoint sent replies to the CLECs who had filed specific concerns with the Maine and New Hampshire Staffs during the week of October 6. Subsequently, on October 9, the Maine and New Hampshire Staffs requested the CLECs to provide information as to whether their concerns had been addressed.

vii. *Conclusions for CLEC Testing*

In summary, the CLEC testing cutover readiness acceptance criteria have not yet all been met. Additional testing remains to be performed, beginning on October 13. In addition, the CLECs have raised a number of concerns beyond the specific testing issues. Although FairPoint has begun to address these concerns, it remains to be seen to what extent FairPoint has successfully done so and whether any unresolved concerns are relevant to FairPoint's satisfying the cutover readiness criteria.

d. Performance Testing.

The purpose of performance testing is to assure that the systems will be able to function properly under the full volume of expected transactions. Performance testing began with initial testing at the application level, known as Application Performance Testing (APT), which was successfully completed earlier in the year. Capgemini is now nearing completion of Integrated Performance Testing (IPT), which tests the performance of the applications linked together as they will operate during the processing of business transactions.

Performance testing has three acceptance criteria:
i. 100 percent of tests are executed.
ii. There are no open severity 1 defects and no open severity 2 defects without acceptable business workarounds.
iii. All open defects have been assigned target fix dates.

Liberty's analysis of the status of these acceptance criteria follows.

i. *Have 100 percent of the tests been executed?*

In the September monitoring report, Liberty concluded that FairPoint appears to have met this criterion. Since that time, Capgemini has continued the performance testing, and the following table shows that all but two of the 200 test cases have passed. The defect leading to these failures is not serious, and Capgemini is working on resolving it.

Status of Performance Testing
(As of October 8)

Planned IPT Test Cases	Executed IPT Test Cases	Passed Test Cases	Failed Test Cases
200	200 (100%)	198	2

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    ii. *Are there no severity 1 defects and no severity 2 defects without manual workarounds?*

In the September monitoring report, Liberty concluded that FairPoint appears to have met this criterion. Further testing has not revealed any change in this status.

    iii. *Do all defects have assigned target fix dates?*

In the September monitoring report, Liberty concluded that FairPoint appears to have met this criterion. Further testing has not revealed any change in this status.

In summary, FairPoint appears to have met all the criteria for performance testing at this time.

    e. <u>Summary of Operations Support System Testing Status and Conclusions</u>.

FairPoint and Capgemini continue to make progress in operations support system testing. Much of the testing is complete or nearly complete, including UAT and performance testing. The items that remain for FairPoint to demonstrate cutover readiness for operational support system testing include:

- Execution of the remaining supplemental functional tests, including those for ESG products and regulatory performance reporting and those involving the live network
- Implementation of the CRs necessary to reduce the required FTE for manual workarounds below 50
- Wholesale EDI and webGUI customers' execution of CLEC testing with the new LSOG 9.12.1 and ASOG 37 business rules
- Successful resolution of or workaround for any additional issues that the CLECs have raised that are relevant to cutover readiness.

2. Data Conversion.

Data conversion testing involves the testing of automated procedures for converting the data extracts from Verizon's source systems into the new FairPoint systems.

Data conversion has four acceptance criteria:
  i.   100 percent of tests are executed.
  ii. There are no open severity 1 or severity 2 defects without acceptable automated or manual data correction tasks defined.
  iii. Required manual data correction tasks are subsequently tracked under method and procedure development.
  iv. Target systems capacity use must not exceed 70 percent as measured after loading converted data.

Liberty's analysis of the status of these acceptance criteria follows.

  i.   *Have 100 percent of the tests been executed?*

In the September monitoring report, Liberty concluded that FairPoint appeared to have satisfied this criterion. At that time all the planned data conversion test cases had been executed with no open severity 1 or 2 defects, as noted in the following table:

Status of Data Conversion Testing
(As of September 9)

Planned Test Cases	Executed Test Cases	Open Severity 1 Defects	Open Severity 2 Defects
323	323 (100%)	0	0

Since that time Capgemini has continued data conversion preparations by converting a new data extract obtained from Verizon at the end of September as a dry run for the cutover conversion. Although this work is still in progress, it appears to be going well.

  ii. *Are there no severity 1 defects and no severity 2 defects without acceptable data correction tasks?*

In the September monitoring report, Liberty concluded that FairPoint appeared to have satisfied this criterion. At that time there were ten open defects but none were severity 1 or severity 2 defects. Since that time, Capgemini has closed seven of the defects, leaving only three open.

  iii. *Have all manual data correction tasks been incorporated into methods and procedures development and tracked?*

In the September monitoring report, Liberty concluded that FairPoint appeared to have satisfied this criterion. Because the number of data conversion defects has decreased and no new ones have been opened, Liberty's conclusion has not changed.

      iv. *Is usage of the target system capacity after loading converted data 70 percent or less?*

In the September monitoring report, Liberty concluded that FairPoint appeared to have satisfied this criterion. Liberty has obtained no additional information since then to change this conclusion.

      v. *Summary of Data Conversion Status and Conclusions.*

FairPoint appears to have satisfied all the criteria for data conversion testing. There now remain only three minor defects to resolve, and Capgemini is engaged in a dry run of the data conversion activity that will take place at cutover using a new extract from Verizon.

3. Business Processes

There is one cutover readiness acceptance criterion for business processes:

    i. 100 percent of key policies, processes, scripts, and methods and procedures are documented, reviewed, and approved by FairPoint senior management or their designees.

Liberty's analysis of the status of this criterion follows.

    i. *Has FairPoint completed documentation and internal approval of 100 percent of the key policies, processes, scripts, and methods and procedures?*

In the September monitoring report, Liberty noted that FairPoint had documented and obtained internal approval for the key policies, processes, scripts, and methods and procedures. However, Liberty also noted flaws in the documentation and that FairPoint had engaged consultants to review, analyze, and propose improvements in the documentation.

Since the September monitoring report, FairPoint has continued the review of and revisions to the business process documentation. The number of key documents has now increased to 936. As of October 8, 19 percent of these 936 documents had undergone revisions and been approved by senior management. Liberty has reviewed a sample of the revised documents and notes that they are substantially improved over the documents that existed in early September. The revised documents provide clear, detailed descriptions of the business process steps and appear to include all the necessary steps and system interfaces.

FairPoint has also continued to execute business simulation testing based on the process documentation.

    ii. *Summary of Status and Conclusions on Business Processes.*

FairPoint began a major effort in September to review and revise the business process documentation. This effort appears to be successfully resolving the issues Liberty has raised regarding the quality and completeness of the documentation. Although this effort is only 19 percent complete, it appears that FairPoint is on track to complete it by early November.

4. Staffing.

There is one cutover readiness acceptance criterion for staffing:
- 100 percent of key positions are filled.

Liberty's analysis of the status of this criterion follows.

    i. *Has FairPoint filled 100 percent of the key staff positions?*

In the September monitoring report, Liberty noted that of the 237 key positions that FairPoint has identified, 137 remained to be filled, although FairPoint projected that these open positions would be filled by the end of September. FairPoint was in the process of filling many of these key positions and some of the other open positions with internal transfers. However, some of these transfers were, in turn, causing other key positions to be vacated. FairPoint identified 35 key positions that would be vacated by these transfers. Liberty observed that an additional 90 splice-service and outside plant technician positions would be vacated, and pointed out that many of these positions will also need to be refilled, particularly in light of the recent history of service problems in northern New England over the last few years.

Since the time of the September monitoring report, FairPoint has made considerable progress in filling open positions, as shown in the following table.

Status of Staffing
(As of October 10)

	Total	Filled As of August 31	Filled As of October 3	Filled As of November 3 (Projected)
Key Positions	237	96 (41%)	233 (98%)	237 (100%)
Total Positions	1,060	553 (52%)	802 (76%)	--
FairPoint-Designated Key Positions to Backfill	35	--	18 (51%)	35 (100%)
Splice-Service and Outside Plant Technician Positions to Backfill	90	--	30 (33%)	90 (100%)

As of October 3, FairPoint had filled 233 of the 237 key positions, which is very close to its original projection of filling all of these positions by the end of September. FairPoint has also now filled 76 percent of the total 1,060 open positions. In addition, FairPoint has filled more than half of the vacated key positions and one-third of the vacated splice-service and outside plant technician positions that Liberty identified in the September monitoring report as important to fill and thus should be considered "key." Finally, FairPoint projects that all of these key positions, including the additional ones Liberty identified, will be filled by November 3.

  ii. *Summary of Status and Conclusions on Staffing.*

FairPoint has made substantial progress in staffing over the last four weeks and is well positioned to satisfy the staffing cutover criterion by early November.

5. <u>Training</u>.

There are four cutover readiness acceptance criteria for staff training:
  i. 100 percent of train-the-trainer courses executed and the results are approved.
  ii. The final version of training documentation has been delivered, reviewed and approved.
  iii. Planned training courses are completed with 90 percent of students demonstrating proficiency.
  iv. The remaining training courses have time allotted to absorb additional training if needed.

Liberty's analysis of the status of these criteria follows.

  i. *Has FairPoint completed 100 percent of the train-the-trainer courses with approved results?*

In the September monitoring report, Liberty concluded that FairPoint appears to have met this criterion. Liberty has obtained no additional information since then to change this conclusion.

  ii. *Has FairPoint completed the final version of training documentation and has this documentation been reviewed and approved?*

In the September monitoring report, Liberty noted that review of a sample of the existing training materials indicated that they appeared to be adequate to meet the training needs. However, the systems had recently been completed and tested and a large backlog of defect fixes and CRs were being implemented. In addition, the trainers and course developers are using the business simulations and test teaching sessions to complete the development of the materials, and these sessions were still in the early stages of their

progress. As a result, the training documentation was not complete for all the training courses.

The training documentation is still not complete. However, Liberty expects between now and early November to review additional completed training materials in order to be able to judge whether this criterion has been met.

   iii. *Has FairPoint completed all training courses planned to date with 90 percent proficiency demonstrated by the students?*

In the September monitoring report, Liberty concluded that the number of training courses that have been conducted was too small for Liberty to make a conclusive judgment of their effectiveness. Since that time FairPoint has begun conducting some training courses for newly hired employees.

On October 2, FairPoint provided to Liberty an updated training schedule, which calls for "waves" of training for most of the business functions, with a total of 336 training sessions. This approach calls for high-level overviews and systems training early in the training schedule and more extensive training closer to cutover. Liberty believes this is a sound approach; however, it means that the more complete training sessions will not occur until after FairPoint needs to provide its notice of readiness. As a result, the evaluation of this criterion will need to be based on the success of the earlier high-level training that will be completed by that time.

   iv. *Do the additional courses have time allotted to absorb additional training as needed?*

In the September monitoring report, Liberty concluded that the existing training schedule was unrealistically short, because it was based on the assumption of a cutover date in late November. This schedule would not have allowed time for additional training to be conducted if needed. The schedule provided to Liberty on October 2 is based on the assumption of a cutover in late January, and appears now to allow sufficient time for retraining, assuming the main waves of training follow the schedule.

   v. *Summary of Status and Conclusions on Training.*

The training materials Liberty has reviewed appear to be adequate, but Liberty will need to review more training materials as they are completed before drawing conclusions about cutover readiness for training. As Liberty noted in the September monitoring report, training necessarily occurs at the end of a long process, after completion of initial system development, process development, system and process testing, and defect fixing. In spite of this handicap, FairPoint continues to do a good job in planning for training, adjusting the schedule, as needed, to coordinate with the completion of the systems and process documentation and testing. However, given the delays in completing these prerequisites, FairPoint has not yet demonstrated that it has met the cutover readiness criteria for training.

Overall Conclusions

FairPoint continues to make progress in demonstrating cutover readiness. Of particular note, since the September monitoring report, are the substantial progress in staffing, the continuing successful execution of the live network tests, and the quality of the revised business process documentation. FairPoint appears to be on track for demonstrating cutover readiness by November if the current momentum continues. The areas that constitute the most substantial challenge in accomplishing this are:

- Successful implementation of the CRs scheduled for October
- Successful completion of the live network tests scheduled for October and early November
- Successful execution of the CLEC testing during October and early November and resolution of or workaround for other CLEC issues relevant to cutover readiness
- Successful completion of the business process documentation revisions.