

enclosures at which it will provide collocation to enclosures “in buildings”, and (2) requires CLECs to build a separate outside plant interconnection cabinet at every remote terminal they seek to serve. Rhythms Comments at 12-13, ALTS Comments at 17. These parties have misinterpreted Verizon's remote collocation tariff. Verizon's Massachusetts tariff does not preclude CLECs from remotely collocating in huts or cabinets that are not located in buildings where technically feasible and space is available. Rhythms Comments at 12. Instead, Verizon's remote collocation tariff states that a “Collocation Remote Terminal Equipment Enclosure” or CRTEE “provides an arrangement in which CLEC equipment can be placed in Telephone Company remote terminal equipment enclosures (RTEEs).” D.T.E. Tariff 17, Part E, Section 11.1.1.A. 1.1.A. These RTEEs refer to those CEVs, huts, cabinets, and remote terminals that Verizon owns, regardless of whether they are located in a field or a building. The language to which Rhythms points to merely expands the scope of the tariff by indicating that RTEEs are not only those enclosures that Verizon owns but that they also “include controlled environment vaults, huts, cabinets and remote terminals in buildings not owned by the Telephone Company.” *Id.* (emphasis added).

140. Third, the Telecommunications Outside Plant Interconnection Cabinets (“TOPICs”) that Verizon requires CLECs seeking to access customers at remote terminals to erect are essential to preserve the integrity of the sensitive network interface with which CLECs must interconnect to access subloops. To help defray the costs, CLECs may share TOPIC arrangements. To interconnect with Verizon's network to serve customers served by a remote terminal, a CLEC must connect to Verizon's feeder distribution interface (“FDI”) which may be located either in or within 100 feet of the

actual remote terminal. The FDI functions much like the main distribution frame (“MDF”) in that it houses all end user circuits served by the remote terminal. The TOPIC functions much like a pot bay in the central office because it serves as the demarcation point or interface point between the Verizon and CLEC networks. The TOPIC may be located within the remote terminal itself if the FDI is located there.

141. Just as Verizon hard wires equipment from its MDF to the pot bay in the central office, in the remote collocation context, Verizon runs a cable from the FDI to the CLEC’s TOPIC. This architecture makes sense because it protects the integrity of the FDI, just as it does the MDF in the central office, by ensuring that multiple CLECs are not in direct contact with this sensitive interface. Such direct contact would increase the likelihood of some CLEC inadvertently disconnecting an end user from the FDI because CLECs that are unfamiliar with Verizon's equipment would be performing their own wiring work directly on the FDI.

V. Verizon is Providing Unbundled Interoffice Facilities.

142. There is no dispute that Verizon is providing unbundled interoffice facilities in commercial volumes. Through July 2000, Verizon has in service over 1,200 dedicated unbundled local transport facilities. In addition, during May, June and July 2000, Verizon’s on-time completion rate for CLECs’ unbundled local transport orders was on average 97.3 percent. *See* Carrier to Carrier Reports (Guerard/Canny Decl. Att. E).

143. In August 2000, Verizon’s on time completion rate for CLECs’ unbundled local transport orders was on average 96.7 percent. *See* August Carrier to Carrier Reports (Guerard/Canny Reply Decl. Att. E). In September 2000, Verizon’s on time completion

rate for CLECs' unbundled local transport orders was on average 89.3 percent. *See* September Carrier to Carrier Reports (Guerard/Canny Reply Decl. Att.E).

144. Verizon is providing unbundled interoffice facilities to over 15 CLECs in Massachusetts. Only two CLECs – OnSite Access and Digital Broadband – have raised issues on this checklist item before the FCC. Neither of these CLECs raised these issues before the Massachusetts Department of Telecommunications and Energy.

145. One CLEC – OnSite Access – complains about Verizon's performance in providing "transport," "circuits" and "loops" in New York and Massachusetts. OnSite Access Comments at 20-21; Leonard Kriss Decl. at 2-6. None of the "transport," "circuits" and "loops" identified by OnSite Access are for unbundled interoffice facilities or any other network elements. In fact, OnSite Access has not negotiated an interconnection agreement with Verizon under which it could obtain unbundled network elements or interconnection trunking. They are instead special access services from Verizon's access tariffs that Verizon provides directly to Interexchange carriers. *See* Attachment Q. They have nothing to do with the checklist.

146. Through comments filed by ALTS, Digital Broadband criticizes Verizon's provisioning on dedicated unbundled DS-3 transport orders placed between April 15 and September 29, 2000. ALTS Comments at 29; Theresa Landers (Digital Broadband) Decl. ¶ 12. Digital Broadband also complains about orders not completed by the "committed due date," orders with extended due dates, and newly installed circuits not functioning properly.

147. Verizon's 18 day provisioning interval applies only for unbundled DS-3 orders where interoffice facilities are available. There are areas of Verizon's network

where interoffice facilities are not available and in these areas, Verizon cannot fill orders for unbundled interoffice facilities or special access service. For certain Digital Broadband DS-3 orders, interoffice facilities are not available. Although Verizon is not required to build new (interoffice facility) network elements at the request of a CLEC, Verizon does strive to fill orders for unbundled interoffice facilities by constructing new SONET fiber optic rings in many cases. The construction of a new SONET fiber optic ring can take anywhere from six months to a year, depending on such factors as the distance of the ring, the number of multiplexers, and the availability of spare fiber facilities. As a result, Verizon cannot build new interoffice facilities and provision Digital Broadband's order within the same 18 day interval that applies where spare facilities are available.

148. When Verizon determines that interoffice facilities are not available to fill an order for unbundled interoffice facilities or special access, Verizon's engineering and operations personnel develop an Estimated Construction Complete Date ("ECCD") and an approximate due date for the related order(s). Digital Broadband describes an extreme case where the approximate due date for the order was December 2001. In this case, Digital Broadband's order was for unbundled interoffice facilities between Brockton and Martha's Vineyard, Massachusetts. The island of Martha's Vineyard is served by radio transmission facilities that do not have enough spare capacity to fill Digital Broadband's unbundled DS-3 order. Although Verizon's current estimated due date of December 2001 is reasonable considering the amount of time it typically takes to obtain additional frequencies and to upgrade and expand radio equipment, Verizon's engineers are exploring alternatives technologies to improve the current estimated due date.

149. Digital Broadband also complains about orders that were not completed because the customer was not ready and circuits that did not function properly at the time of installation. Digital Broadband does not provide any data identifying any of these orders. Without such data, Verizon cannot address these specific orders. Nonetheless, it is Verizon's practice to log an order as "Customer Not Ready" only where the CLEC is not ready to test and accept the circuit on the due date. Verizon calls the CLEC on the due date to inform the CLEC that Verizon is ready for the CLEC to test and accept the DS-3s. Moreover, Verizon does not wait five days to reschedule testing and acceptance with the CLEC. Verizon will reschedule testing when the CLEC is ready.

150. Verizon analyzed a sample of trouble tickets submitted by Digital Broadband for newly installed unbundled DS-3 interoffice facilities. This analysis suggests that Digital Broadband may be accepting circuits without testing them, and then waiting several weeks to test and turn up the DS-3 circuit. This is based on the circuit acceptance date, the trouble report date, and the type of trouble. If these circuits had been tested at acceptance, some troubles could have been corrected on the date due. *See* Attachment R.

VI. Verizon is Providing Pole Attachments and Conduit.

151. Verizon is unquestionably providing access to its poles and conduit in commercial volumes. As of July 2000, Verizon has provided over 1,059,000 pole attachments and over 2,626,000 feet of conduit in Massachusetts. During the second quarter of 2000, Verizon licensed over 5,000 pole attachments, which is 60 percent more poles than it licensed during the second quarter of 1999. In addition, during the first half

of 2000, Verizon licensed over 170,000 feet of conduit, which is nearly three times as many feet of conduit as it licensed during the first half of 1999.

152. The Massachusetts Department of Telecommunications and Energy, which regulates pole attachments in Massachusetts, found that Verizon “has conclusively demonstrated that it is providing nondiscriminatory access to its poles, ducts, conduits, and rights-of-way at just and reasonable rates, terms, and conditions in accordance with the requirements of § 224, and has satisfied the requirements of checklist item 3.” MA DTE Comments at 387. The Department provided further assurance that its rules “permit any party to raise claims of discriminatory treatment” for resolution by the Department. MA DTE Comments at 387.

153. Only one CLEC – RCN – raises any issues with Verizon’s pole attachment procedures. In its comments, RCN “focuses on Verizon’s refusal to permit RCN to box the poles in Quincy” – *i.e.*, the attachment of wires on opposite sides of a pole. RCN Comments at 10. RCN has grossly mischaracterized the boxing issue.

154. First, only a tiny fraction of the poles requested by RCN in Quincy are affected by the boxing issue. Verizon will be able to license more than 99 percent of the poles requested by RCN without any make ready work or with only a rearrangement of facilities on the poles. Out of 9,305 requested poles, Verizon only needs to replace 55 poles – less than one percent – to make space available for RCN. Verizon has already replaced 31 of these poles and expects to replace the remaining 24 poles within the next three months. In addition to these 55 poles, Verizon needs to replace another 87 poles because they are unsuitable for attachment. Verizon and Massachusetts Electric, the joint owner of the poles, will absorb the cost of replacing these 87 poles.

155. Second, the cost of all make ready work, including the pole replacements, is not significant. The costs of replacing poles include the labor costs of engineering and construction, the remaining value of the pole being replaced, the difference between the cost of the new taller pole and the cost of a new pole of the same height. Other make ready costs include labor and equipment for raising or lowering cables on existing poles as well as any costs associated with police details for rerouting and controlling traffic. For the entire 9,305 poles to be licensed, Verizon's estimated make ready charges are \$105,000. That is less than \$12 per pole.

156. Third, Verizon is not delaying RCN's entry into the market by not boxing 55 poles in Quincy. Verizon has already licensed 4,600 poles to RCN in Quincy. Barring any major storms, Verizon expects to complete all of the remaining make ready work and license all of the remaining poles within the next three months. If "after more than a year of effort, no poles are fully licensed and RCN is offering no service in Quincy" (RCN Comments at 11), it is because the joint owner of the poles – Massachusetts Electric – has not issued any licenses to RCN. Verizon is not responsible for RCN's failure to obtain pole attachment licenses from Massachusetts Electric.

157. Finally, Verizon's pole attachment policy, which applies throughout the former Bell Atlantic territory, does not flatly prohibit boxing of poles in all cases. *See* Attachment S. Rather, it states that boxing is an option that may be used on an exception basis after taking into account engineering, construction and safety considerations. For example, where there is a pole that is already boxed and there is still available space on that pole for additional boxing, Verizon will license the pole attachment for further boxing. But boxing is a less desirable alternative in many instances because it makes the

pole more difficult and, consequently, more expensive to replace in the future.

Moreover, because of the need to maintain safe distances between cables on both sides of the pole, boxing may only allow one or two more attachments before the pole must be replaced at the higher cost.

158. RCN also mentions two other pole attachment issues in passing. First, RCN says that Verizon imposes “an arbitrary 2000 pole limit per application.” RCN Comments at 10. This is not true. Verizon simply reserves the right to impose the limitation of 2,000 pending pole applications per planning manager’s area. There are 6 planning managers areas in Massachusetts. This limitation could be imposed to prevent a single CLEC from monopolizing Verizon’s pole attachment resources to the exclusion of other CLECs. Verizon has not imposed this limitation on RCN in Quincy, and in fact accepted applications for over 9,000 poles in that municipality.

159. Second, RCN says that Verizon has continuously refused to “permit anyone other than their own employees to do survey and make-ready work.” RCN Comments at 33. Again, this is not true. Surveys are conducted by engineers from Verizon, the electric utility that jointly owns the poles and the CLEC working together to perform a visual inspection of the poles subject to the application. Any CLEC can use its own employees or its own contractors to perform make ready work on its own facilities or to attach its own facilities. Verizon simply does not allow a CLEC to work on another CLEC’s or Verizon’s facilities.

160. Two other parties – ALTS and the Massachusetts Attorney General – address pole and conduit issues in their comments. Neither of these parties licenses poles or conduit in Massachusetts. They simply repeat the issues raised by the New England

Cable Television Association (“NECTA”) before the Massachusetts Department of Telecommunications and Energy. NECTA has not raised these issues before the FCC. In fact, Verizon has resolved these issues directly with NECTA.

161. One of the abandoned NECTA issues that the Massachusetts Attorney General attempts to revive is a claim that Verizon requires CLECs to move their facilities within 15 days but allows itself seven and a half months. MA AG Comments at 9. This is simply an inappropriate attempt to compare a piece of a pie with the entire pie. The referenced seven and a half month period is the time it takes to process a CLEC application for pole attachments and complete the necessary make ready work. That make ready work could include the movement of facilities by CLECs, cable television companies and electric utilities. Without a 15 day interval requirement for individual companies to move their facilities, it would not be possible for Verizon to issue new pole attachment licenses within seven and a half months.

162. Another abandoned NECTA issue is the claim that Verizon allows itself to reserve space in its conduits for one year but only allows CLECs a 90-day reservation period. ALTS Comments at 46; MA AG Comments at 9. Once again, this is an apples to oranges comparison. The referenced 90-day period is not a reservation period. It is the period of time within which a CLEC must place its cable facilities in Verizon’s conduit after it receives its licenses. If a CLEC does not place its facilities within 90 days and another CLEC has applied for that conduit, Verizon can reclaim the conduit and provide it to the other CLEC. This is essentially a “use it or lose it” requirement, not a reservation period.

163. A CLEC can reserve conduit by submitting an application for a specific conduit run. Upon receiving an application, Verizon will give that CLEC priority over any later filed CLEC, CATV or any other licensee's application or any later developed Verizon engineered plan for conduit space. The CLEC does not have to place its cable facilities until a year after it submits its application. CLECs therefore have the same opportunity to reserve conduit space up to one year in advance.

164. Another abandoned NECTA issue that ALTS repeats before the FCC is the claim that Verizon places unnecessary restrictions on licensees with respect to overlashing of facilities. ALTS Comments at 46. This is inaccurate. Verizon fully supports overlashing as long as it is performed in a way that complies with accepted engineering and safety standards and does not adversely affect existing attachees' facilities. The only disputed overlashing issues were the amount of advance notice that must be provided before overlashing (so that Verizon can coordinate make ready work on the same poles) and the cost of inspecting overlashing jobs to make sure they do not adversely affect existing attachees' facilities. Verizon has resolved these issues with NECTA. Moreover, the Massachusetts Department of Telecommunications and Energy found Verizon's "overlashing procedures to be reasonable." MA DTE Comments at 386.

165. Another NECTA issue that ALTS attempts to resurrect is the claim that Verizon has not committed to any performance deadlines for pole attachments and conduit. ALTS Comments at 46. This claim is not true. Verizon has included in its standard license agreement a 90 day period for conduit make ready work and a 180 day period for pole attachment make ready work. *See* Lacouture/Ruesterholz Decl., Att. P at 11 and 146. Moreover, the Massachusetts Department of Telecommunications and

Energy found that Verizon “has included in its revised pole attachment and conduit licensing agreements . . . a commitment that [Verizon] will strive to complete make-ready work within 90 days for conduit access and 180 days for pole attachments.” MA DTE Comments at 372.

166. Finally, ALTS and the Massachusetts Attorney General resurrect NECTA’s claim that Verizon requires CLECs to tag their facilities but does not tag its own facilities. ALTS Comments at 47; MA AG Comments at 9. The purpose of Verizon’s tagging requirement is to enable Verizon to provide notice to affected CLECs when a pole has been damaged and needs repairs or replacement. There is no need for Verizon to identify its own facilities with a tag because it can recognize them from their unique hardware and the fact that they are always mounted lowest on poles.

VII. Verizon is Meeting Its Numbering Obligations.

167. Although Verizon no longer assigns telephone numbers to itself or CLECs, NeuStar is assigning blocks of 10,000 telephone numbers (NXX codes) to carriers within each area code (NPA). Through July 2000, more than 1,400 NXX codes were assigned to CLECs in Massachusetts.

168. Sprint claims that there is a telephone number shortage in Massachusetts and that “[w]hile the DTE is attempting to resolve the severe numbering shortage, CLECs are unable to obtain numbers in a sufficiently timely fashion to allow them to offer service to consumers.” Sprint Comments at 11; *see also* ALTS Comments at 52. Sprint is exaggerating the impact of the telephone number shortage on local competition.

169. First, the numbering shortage is not limiting local competition in Massachusetts since CLECs currently have assigned to them more than 1300 exchange

codes in Massachusetts – or more than 13 million numbers. Moreover, Verizon and a number of CLECs have returned exchange codes to the number administrator, NeuStar. Some examples of the CLECs that have returned exchange codes are as follows: LBC Telephony recently returned 13 codes in the 617 area code and 2nd Century Communications returned 5; Verizon returned 97 codes last spring in the 413 area code; LBC Telephony returned 23 exchange codes in the 781 area code and 36 in the 978 area code for a total of 59, effective June 24, 1999; AT&T Local returned four codes in 781, effective July 22, 1999; and WinStar returned 3 codes in 781 last year.

170. Second, the telephone number shortage does not limit the ability of CLECs to compete for customers that already have telephone numbers. CLECs can serve these customers with their existing telephone numbers through local number portability, which is available throughout Massachusetts.

171. Third, the telephone number shortage has not limited the volume of calls exchanged between Verizon and CLECs. This year, Verizon has been exchanging an average of 1.8 billion of traffic each month over local interconnection trunks in Massachusetts.

172. Finally, even Sprint admits “Verizon appears to have satisfied its own obligations under Section 271(c)(2)(B)(ix), the checklist item governing numbers” Sprint Comments at 15. Sprint further notes that “it is beyond Verizon’s control to unilaterally solve the numbering crisis” Sprint Comments at 17.

VIII. Work Stoppage.

173. The performance data we present in our declaration include August and September 2000, during which Verizon experienced a work stoppage by its union

employees. Verizon prepared extensively for the possibility of a work stoppage, and took a number of steps designed to minimize the impact of the work stoppage on wholesale and retail customers. Despite Verizon's efforts, however, the work stoppage caused Verizon's reported performance results for August and September (and, in some instances, later months) to decline from the levels reported in May, June, and July. Below, we describe the steps Verizon took to prepare for a work stoppage, the procedures implemented for handling CLEC transactions during and after the work stoppage, and the impact of the work stoppage on Verizon's operations. Ms. Guerard and Ms. Canny address the effect of the work stoppage on individual performance measures in more detail.

Preparation for a Work Stoppage

174. Planning for the work stoppage began more than a year before the contract expired on August 5, 2000, and all managers, except a limited few who were designated as essential to corporate operations, were given assignments through the Emergency Work Assignment System ("EWAS").² In March 2000, Verizon required all management employees to complete a survey of their individual field skills in order to determine appropriate emergency work assignments. Verizon assigned managers to staff both retail and wholesale functions. Verizon provided training to management

² Only managers of the former Bell Atlantic were given assignments. Since the merger with GTE had just been completed, GTE managers were not given assignments in the Bell Atlantic territories. While Verizon contemplated using GTE managers if the work stoppage were to continue for an extended period, it did not believe that mobilization of the GTE managers for work stoppage duty would be efficient during the first few weeks of the work stoppage.

employees, depending on their particular job assignments and levels of proficiency, to prepare for their strike assignments.

175. In addition, Verizon provided information to CLECs about operational procedures during a work stoppage. For example, Verizon advised CLECs how they would continue to be able to access their physical collocation arrangements. *See* Lacouture/Ruesterholz Decl. Att. T. As discussed in more detail below, CLECs continued to have access to Verizon’s wholesale systems, and Verizon kept open its wholesale order processing centers, which gave CLECs the ability to submit their orders throughout the work stoppage. Orders for resold services and unbundled network elements not requiring a dispatch were provisioned during the work stoppage.

176. Verizon also advised CLECs that during the work stoppage available field personnel were dedicated primarily to repair and maintenance of existing services. *See* Lacouture/Ruesterholz Decl. Att. U. This meant that as a general rule orders requiring a dispatch were not provisioned for either wholesale or retail customers. Verizon made exceptions to this rule for both wholesale and retail customers for emergency situations pertaining to either health or public safety. As the work stoppage continued, Verizon instituted procedures for the provisioning of “cut-through” orders – for both wholesale and retail customers – as available force permitted. *See* Lacouture/Ruesterholz Decl. Att. V. In these instances, Verizon provided its wholesale customers with a provisioning interval that was shorter than the one Verizon offered its retail customers. Verizon also kept CLECs advised of developments through daily conference calls and postings on the Verizon web site. *See* <<http://www.bellatlantic/wholesale/>>.

177. On Sunday, August 6, 2000, immediately after the work stoppage began, management employees began to report to their emergency work assignments and were assigned to 12-hour shifts, seven days a week. Verizon assigned every available manager to an essential work assignment, including assignments at the Regional CLEC Maintenance Center (“RCMC”) and Regional CLEC Coordination Center (“RCCC”), which support Verizon’s wholesale operations. Verizon was able to mobilize a force of approximately 3,300 managers to perform work usually handled by approximately 12,100 hourly employees.

Impact of the Work Stoppage on Operations

178. In Massachusetts, the most noticeable effects of the work stoppage for wholesale customers were on provisioning and maintenance activities. Pre-ordering and billing functions are handled almost entirely by systems. Verizon personnel responsible for maintaining those systems made sure that those systems continued to function throughout the work stoppage. As a result, there was little or no effect on, *e.g.*, pre-order response times or the provision of daily usage files during the work stoppage.

179. Similarly, flow through orders are received and entered into Verizon’s service order processor entirely by Verizon’s interfaces and systems without manual intervention. Moreover, the four work centers responsible for receiving and processing Massachusetts wholesale orders that require Verizon manual assistance – the Boston Resale Center, the Boston Platform Center, the Boston Digital Subscriber Loop (“DSL”)/Line Sharing Center, and the Boston UNE Loop/Hotcut Center – are staffed by non-unionized employees. Most employees of those centers continued to work at their regular jobs throughout the work stoppage processing CLEC orders. As a result, as

discussed in Ms. McLean's and Mr. Wierzbicki's Reply Declaration, Verizon continued to return confirmations and reject notices to CLECs on a timely basis throughout August – 99.27% on time for resale orders and 98.12% on time for UNE orders overall. Because of the availability of electronic ordering interfaces to the CLECs and the continued high level of staffing in the wholesale work centers, the incoming volume of wholesale orders remained relatively steady during the work stoppage. *See* Guerard/Canny Reply Decl. Att. C.

180. By contrast, the retail centers that receive orders from Verizon's end user customers had only 25-30% of their normal work force. Moreover, in retail, virtually all orders are received through a phone call from the end user and manually entered into the service order processor by the representative. As a result, the volume of incoming retail orders during the work stoppage was 65% lower than during the period before or after the work stoppage. *See* Guerard/Canny Reply Decl. Att. C. Among other things, this meant that the backlog of wholesale orders at the end of the work stoppage was proportionately greater than the backlog of retail orders, simply because proportionately fewer retail orders had been received during the work stoppage.

181. In the maintenance arena, as in ordering, Verizon's retail centers were severely understaffed and were simply unable to handle as many trouble reports as usual. The incoming volume of retail trouble reports during the work stoppage was about 50% lower than it was before or after the work stoppage. By contrast, call volumes to the RCMC dropped about 30 percent. In addition, wholesale customers have the ability to submit trouble reports electronically over the Web GUI or the Electronic Bonding

Interface. As a result, Verizon processed and cleared a higher proportion of CLEC troubles during the work stoppage than of retail troubles.

Handling of Orders and Trouble Reports During the Work Stoppage

182. Because Verizon focused its management work force on maintenance and repair activities during the work stoppage, it missed a high percentage of installation appointments for orders received before the work stoppage that had confirmed due dates during the work stoppage. Orders for retail, resale, DSL loops, and new loops where Verizon missed the due date because of the work stoppage were tracked so that they could be rescheduled when the work stoppage ended. Following the work stoppage, as these orders were given new installation dates, the procedures called for them to be coded with a company missed appointment code to reflect the fact that the originally-scheduled due date was missed as a result of the work stoppage.

183. Verizon handled hot cut orders missed during the work stoppage slightly differently because these orders require coordination between Verizon and the CLEC to avoid disruption of the end user's service. As hot cut orders were missed during the work stoppage, they were immediately given a new, fictitious due date well in the future to ensure that they would not be completed without coordination with the CLEC. After the strike, as discussed below, Verizon worked with the CLECs to reschedule these orders based on the CLECs' priorities. As the orders were given new due dates, the same procedures for indicating company missed appointment codes, described above, applied.

184. Orders received during the work stoppage, whether retail, resale, DSL, UNE loop or hot cuts, were given fictitious due dates well in the future (for example, December 25, 2001). Different order types were given different due dates. These dates

enabled Verizon to identify these orders when the work stoppage ended so that installation appointments could be rescheduled with the customers. All orders received during the work stoppage and given fictitious future due dates should have been coded with an “R” (rather than a “W” or an “X”) to indicate that they were received during the work stoppage.

185. As noted, the work stoppage affected provisioning activities most severely. The loss of productivity from hourly workers started on Thursday, August 1, 2000, when many of the hourly workers began a work slow down in anticipation that the work stoppage would occur at 12:00 A.M. on August 5, 2000. After the work stoppage began, installation appointments could not be satisfied because all available manpower was assigned to maintenance jobs. While Verizon assigned approximately 3,300 management employees to the jobs normally handled by the hourly workers, this management work force represented less than 28% of the hourly workers normally assigned to these tasks in August. With a management work force of this size, it was simply impossible for Verizon to keep up with the daily workload and each passing day resulted in a substantial increase to the backlog.

186. Hot Cut and DSL provisioning performance was negatively affected by the work stoppage. This was primarily due to the decision to cease provisioning work (both wholesale and retail) for the first 14 days of the work stoppage. During work stoppages, it is standard operating procedure to focus on maintenance and repair efforts for existing customers, both wholesale and retail, with the exception of emergency or public safety-related service orders. Orders received before the work stoppage that were due during the work stoppage could not be provisioned within the standard intervals.

187. Collocation performance also suffered during the work stoppage.

Although Verizon worked closely with its vendors and dedicated numerous internal resources in an effort to minimize the impact of the work stoppage, it was unable to eliminate the effects of the work stoppage on its collocation performance. While managers were assigned to collocation projects, there were simply not enough managers available to do all the required work. In addition, vendors conduct a substantial amount of collocation work. In many locations where picketing was active, the vendors were either unable or unwilling to cross the picket lines. This, of course, also had a negative influence on Verizon's abilities to complete collocation arrangements in the required time frames.

Recovery from the Work Stoppage

188. As soon as the work stoppage ended and Union members returned to work, Verizon began aggressive efforts to clear the trouble reports still pending, and to provision the orders missed as a result of the work stoppage. However, immediately after the work stoppage ended, there was a substantial backlog of work. In addition, because of the unfinished work carried over from August and the new work that came in during September, the volume of work to be completed in September was also well above normal levels. The work stoppage therefore continued to affect performance in September. In some instances it will also impact performance in October.

189. Verizon instituted nondiscriminatory recovery procedures. These procedures were posted on the Verizon web site and explained how orders that were not completed during the work stoppage would be provisioned. *See* <http://www.bellatlantic/wholesale/html/resources.htm>. For example, as soon as the

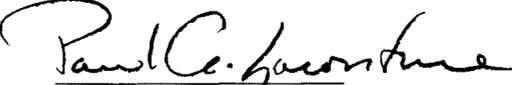
work stoppage ended, the DSL centers began working with CLECs to schedule the completion of orders received before the work stoppage that were missed because of the strike, and then to schedule the completion of orders received during the work stoppage that had been given fictitious due dates (“R-dated”).

190. For hot cuts, the RCCC worked to coordinate priorities for orders received before the work stoppage that were missed as a result of the strike, and for orders received during the work stoppage that had been given fictitious due dates. Because Verizon’s hot cut provisioning activities are concentrated within Verizon’s central offices, Verizon determined that the most efficient way to complete provisioning of the maximum number of pending orders at the earliest possible date was on a central office-by-central office basis. Verizon worked with CLECs to schedule completion of hot cuts that were overdue as a result of the work stoppage in each central office on a project basis.

191. As Ms. Guerard and Ms. Canny explain, in many cases Verizon was more successful in clearing the wholesale work stoppage-related backlog in August than it was in clearing the retail work stoppage-related backlog. This had the perverse effect of making Verizon’s performance for CLECs during August look worse than Verizon’s retail performance, even though Verizon actually provided better service to the CLECs. Verizon’s success in addressing its strike-related backlog was confirmed by Robert Knowling, CEO of Covad: “I will give them a lot of credit. They have done a wonderful job, I would highly commend Ivan Seidenberg’s organization for really stepping up. And it has been surprising how well they have rebounded in terms of meeting service expectations for me.” RadioWallStreet.Com Interview (October 5, 2000).

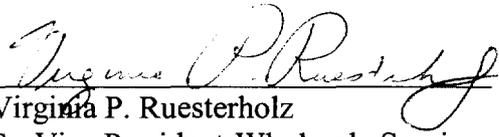
I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on October 31, 2000


Paul A. Lacouture

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on November 1, 2000


Virginia P. Ruesterholz
Sr. Vice President-Wholesale Services

JOINT REPLY DECLARATION OF
PAUL A. LACOUTURE AND
VIRGINIA P. RUESTERHOLZ

ATTACHMENT A

REDACTED FOR PUBLIC INSPECTION



B