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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ex Parte

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W. – Portals
Washington, DC 20554

RE: Application by Verizon New England Inc., et al., for Authorization To Provide In-Region, InterLATA Services in Massachusetts, Docket No. 00-176

Dear Ms. Salas:

On December 8, D. Evans, M. Glover, D. May and K. Zacharia of Verizon met with Mr. J. Goldstein of Commissioner Ness' office and reviewed the attached.

Please let me know if you have any questions. The twenty-page limit does not apply as set forth in DA 00-2159.

Sincerely,

Enclosure

cc: J. Goldstein
E. Einhorn
S. Pie

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List ABCDE

DSL MEASURES

MEASURES	PERFORMANCE
<p>Pre-Order</p> <p>1) Pre-Qualification – Mechanized (PO-1-06) 2) Pre-Qualification – Manual</p>	<p>1) Parity 2) 96 to 98%</p>
<p>Order Processing</p> <p>3) Order Confirmation Timeliness (OR-1-04) 4) Reject Timeliness (OR-2-04)</p>	<p>3) 97% or better 4) 97% or better</p>
<p>Installation Timeliness</p> <p>5) PAP % Completed On-Time 6) C2C % Completed On-Time 7) % Missed Appointments – VZ – Dispatch (PR-4-04) 8) % Missed Appointments – VZ – No Dispatch (PR-4-05) 9) Avg. Interval Completed – No Dispatch (PR-2-01) 10) Avg. Interval Completed – Dispatch (PR-2-02) 11) % Completed in 6 Days (PR-3-10)</p>	<p>5) 95% or better in June and July 6) 92% or better in June and July; August and September data impacted by strike 7) Three month average shows 3% missed appointments; August and September data impacted by strike 8) Low CLEC Volumes 9) Three and five month weighted averages demonstrate parity 10) Three and five month weighted averages demonstrate parity 11) Flawed measure further skewed by CLEC behavior</p>
<p>Loop Quality</p> <p>12) Total Troubles (DSL to DSL) 13) % Installation Troubles Reported w/in 30 Days (PR-6-01) 14) % Repeat Reports w/in 30 Days (MR-5-01)</p>	<p>12) June through September average demonstrates parity 13) CLEC behavior skews results; adjusted performance good 14) Repeat troubles lower for CLECs every month between May and September</p>
<p>Maintenance and Repair</p> <p>15) % Missed Repair Appointment – Loop (MR-3-01) 16) Mean Time to Repair - Total (MR-4-01)</p>	<p>15) Performance good May through September 16) CLEC behavior skews results; CLEC MTTR has decreased substantially since May; adjusted performance good</p>

Presentation for
Federal Communications Commission
On
Massachusetts 271 Application

DSL Loop Performance

I. Overview

- A. Verizon's overall checklist performance in Massachusetts is excellent.

The DTE has affirmed that Verizon "has met the requirements of § 271(c) of the Telecommunications Act of 1996 . . . and that the local exchange market in Massachusetts is irreversibly open to competition." DTE Eval. at 1.

- B. Verizon's overall unbundled loop performance also is excellent.

No party seriously disputes Verizon's overall unbundled loop performance. The DTE stated that Verizon has "demonstrated its ability to handle significant increases in unbundled loop volumes to meet CLEC commercial demand for UNE loops." DTE Eval. at 253.

DSL is a minority both of the total unbundled loops and of the stand alone loops that CLECs have purchased in Massachusetts.

Through July 2000, Verizon provided competing carriers in Massachusetts with a total of 56,000 unbundled loops. More than 44,000 of these loops were provided on a stand-alone basis, and only 13,000 were DSL loops.

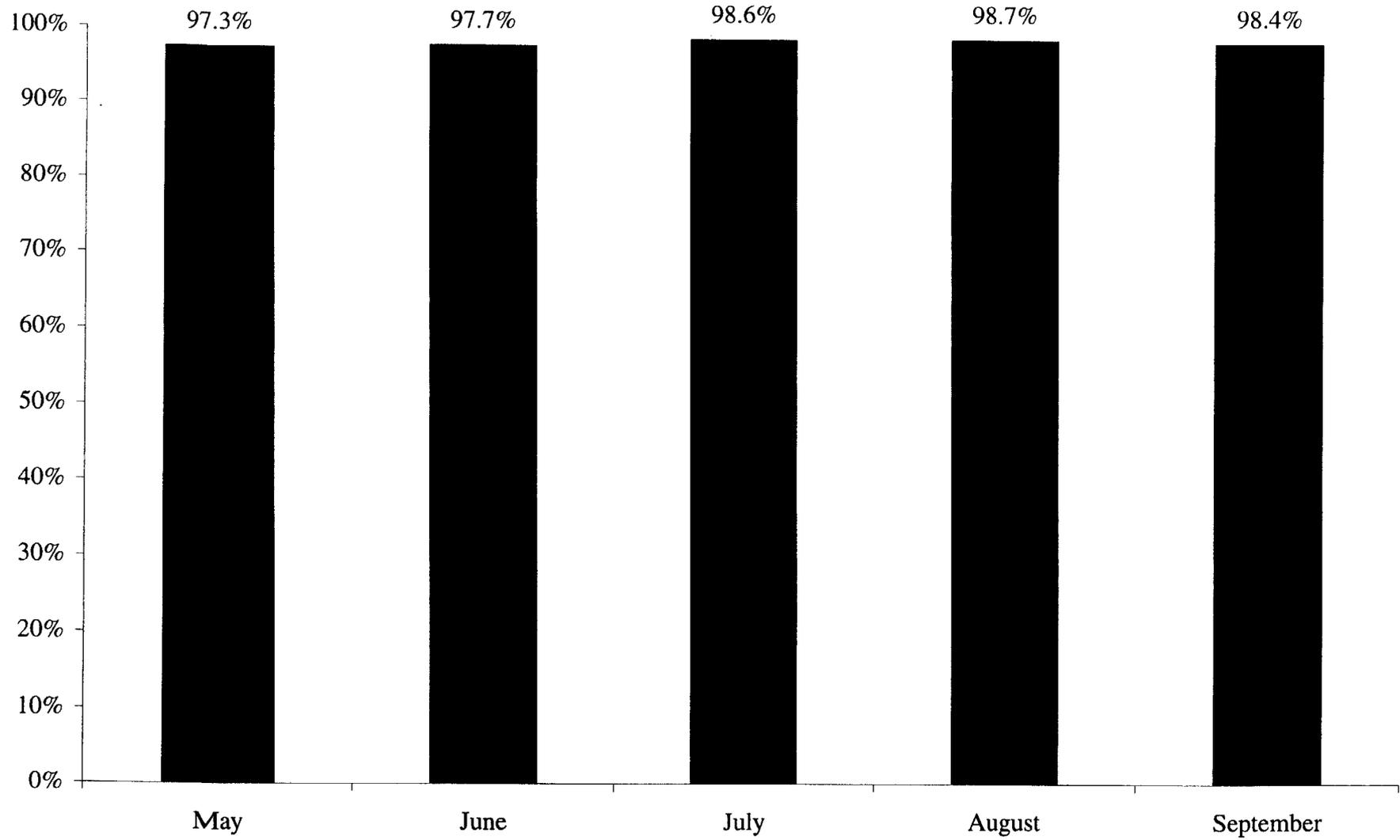
During May, June and July, Verizon provided carriers in Massachusetts with 19,800 unbundled loops. More than 13,000 of these loops were provided on a stand-alone basis, and only 4,700 of these were DSL loops.

- II. Verizon's performance on DSL loops also is strong
 - A. The DTE has confirmed that Verizon's DSL performance is strong: "VZ-MA is performing as a wholesale provider should. It gives CLEC customers the service they request." DTE Eval. at 306.
 - B. Even Covad has conceded outside of regulatory forums that Verizon's DSL performance is excellent.
 - 1. In reporting its first quarter earnings, Covad told analysts that it was "getting great results" from Verizon. Transcript of Covad's 2000 First Quarter Earnings Release Conference Call at 29-30 (Apr. 18, 2000).
 - 2. In reporting its second quarter results, Covad's CEO stated that "I will give [Verizon] a lot of credit. They have done a wonderful job. I would highly commend Ivan Seidenberg's organization for really stepping up." Interview with Robert Knowling Jr. on RadioWallStreet.Com at 6 (Oct. 6, 2000).
 - C. Verizon's performance is strong in each of the four areas that the FCC previously examined in *SBC-Texas*: Order Processing Timeliness, Installation Timeliness; Loop Quality; Maintenance and Repair.

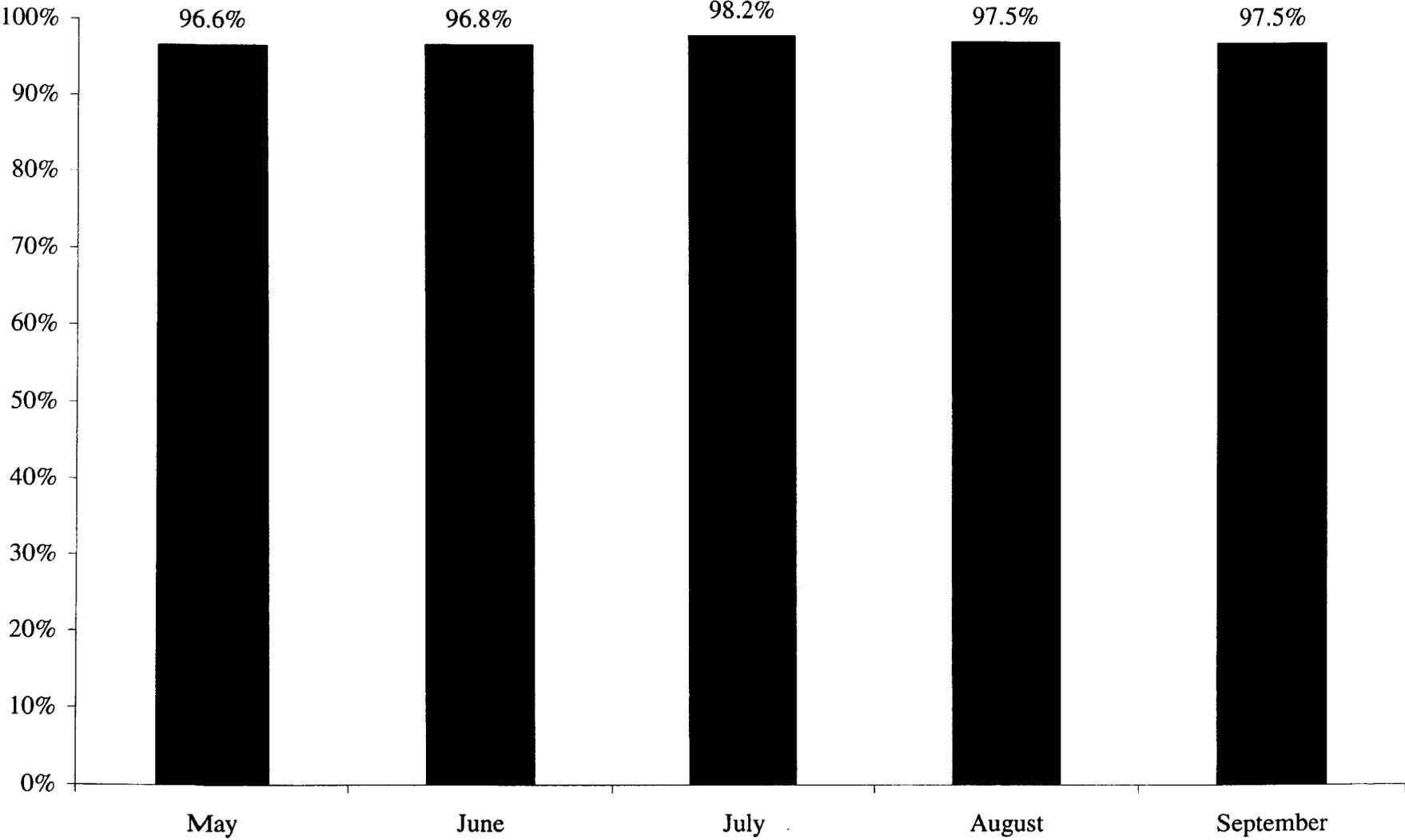
III. Order Processing Timeliness

- A. Verizon's performance for order processing timeliness is excellent.
 - 1. Verizon's timeliness of returning FOCs for DSL orders for May, June and July is 97 % or better. This is the weighted average of the reported measures, and includes loops that have and have not been pre-qualified.
 - 2. Verizon's timeliness of returning reject notices for DSL orders for May, June and July is also 97% or better. This also is the weighted average of the reported measures, including loops that have and have not been pre-qualified.
- B. No party seriously disputes Verizon's performance for DSL ordering processing timeliness.

Percent On-Time Confirmations



Percent On-Time Rejects



IV. Installation Timeliness

- A. The DTE confirmed: “VZ-MA is performing as a wholesale provider should. It gives CLEC customers the service they request.” DTE Eval. at 306.
- B. The on-time measurements included in the Performance Assurance Plan (PAP) are the best measure of Verizon’s on-time performance for installing new DSL loops.
 - 1. The PAP measures are based on the carrier to carrier measures, but exclude facilities misses as the Massachusetts and New York commissions concluded they should.
 - 2. Both the DTE and the New York PSC adopted the PAP measurements for the purpose of assessing financial penalties.
 - 3. The FCC previously found that measures such as this of “the missed rate of installation appointments to be the most accurate indicator of Bell Atlantic’s ability to provision unbundled loops.” New York Order ¶ 288.
- C. The on-time performance, measured under the PAP, in June and July was better than 95% in all categories.
 - 1. These numbers are not in dispute.
 - 2. When Covad previously disputed Verizon's on-time performance during the state proceedings, the DTE conducted a reconciliation and found that 92 percent of Covad's DSL loops were installed on time. DTE Eval. at 309.

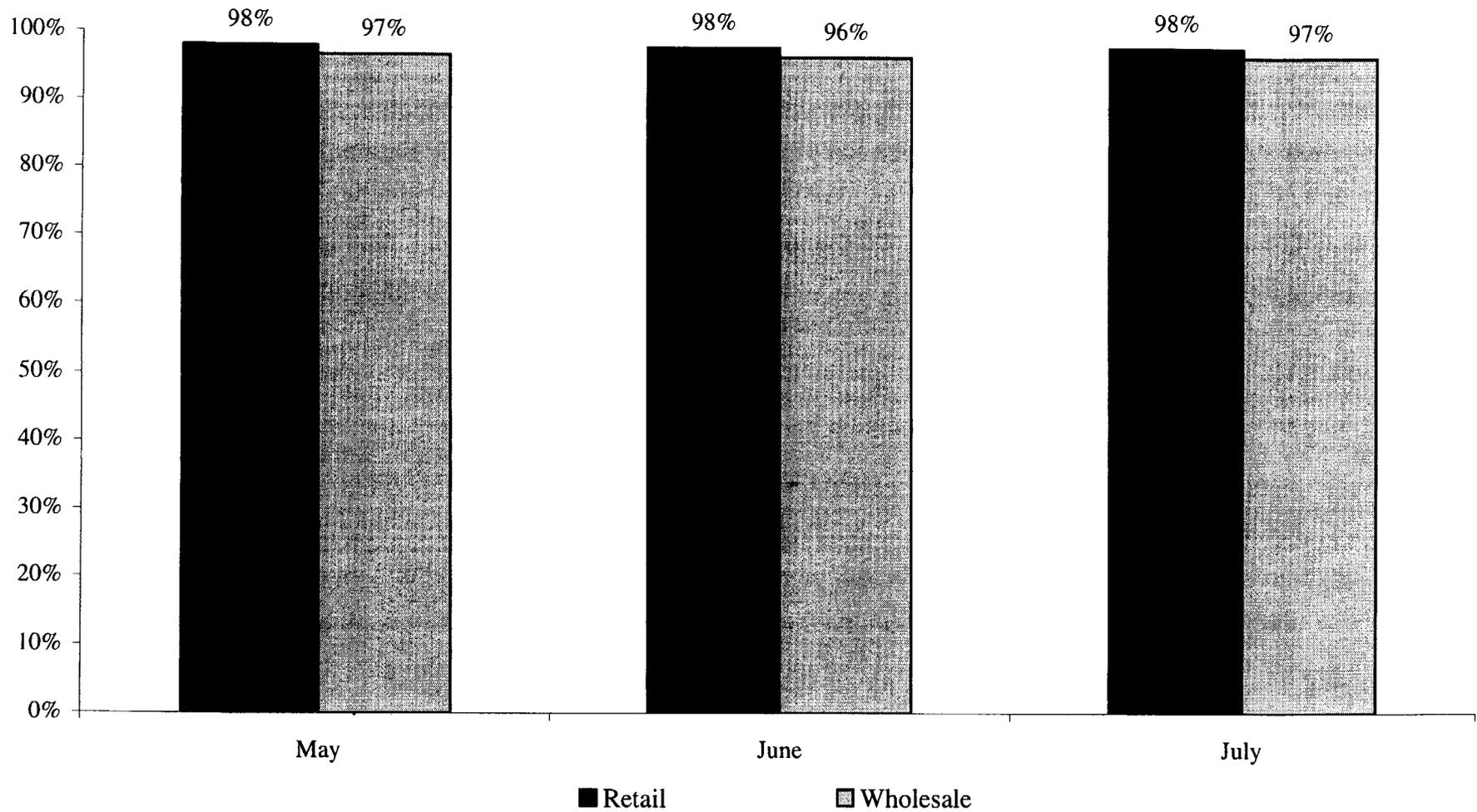
- D. Verizon's on-time performance is confirmed by the carrier-to-carrier missed appointment measure for DSL orders (PR 4-04). While the PAP measure includes new DSL loops, this measure includes all DSL orders (including disconnects and port changes).

From May through July, Verizon made approximately 97 percent of appointments for CLECS.

Percent Completed on Time – New DSL Loop Measured Under Performance Assurance Plan Standards*		
	June	July
PR 4-14	94.62%	95.06%
PR 4-15	97.72%	97.79%
PR 4-16	94.42%	95.71%
PR 4-17	97.72%	98.54%
PR 4-18	NA	NA
Weighted Average	96.8%	97.5%

*PAP excludes facilities misses

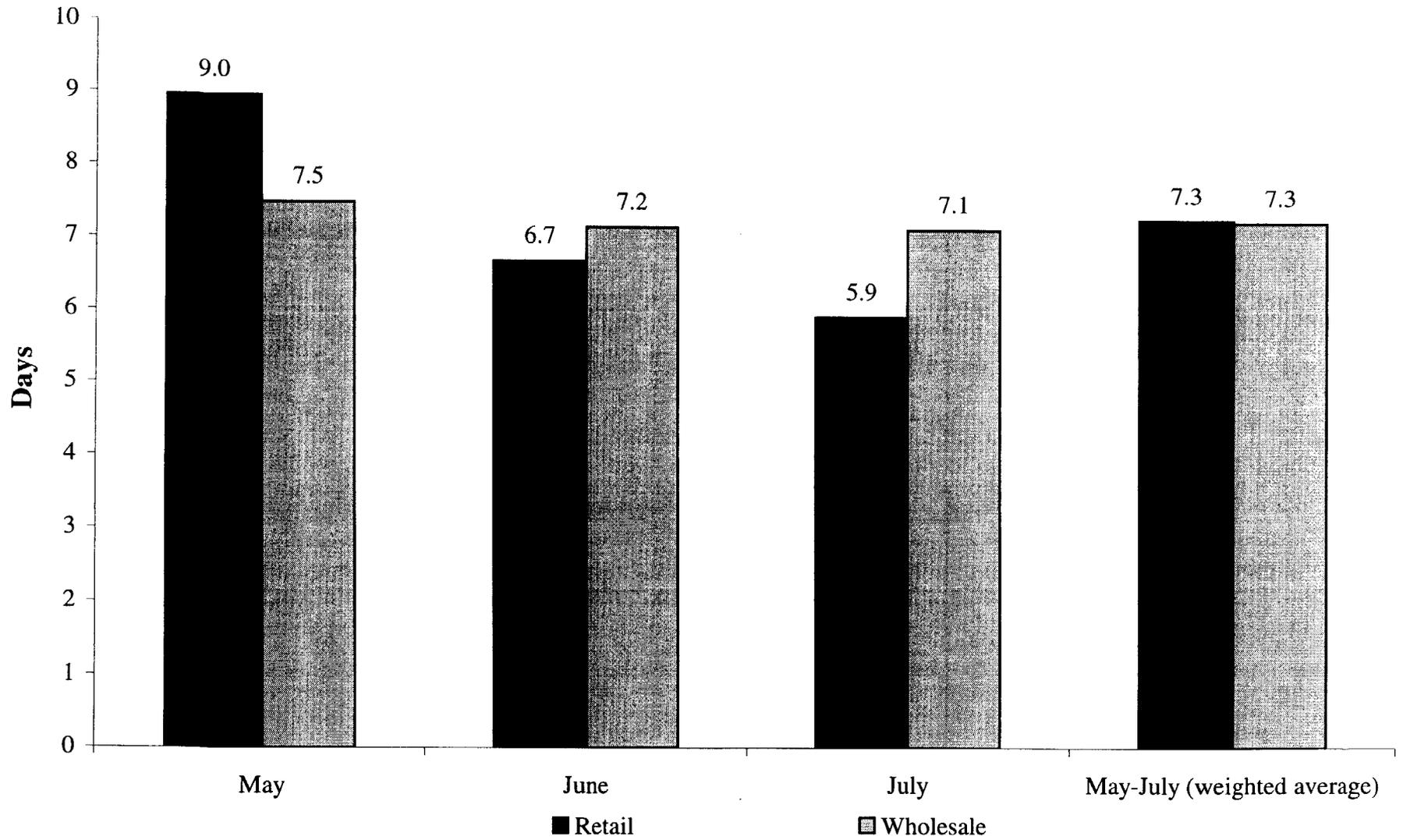
Percent Installation Appointments Met* All DSL Orders



* Inverse of PR 4-04

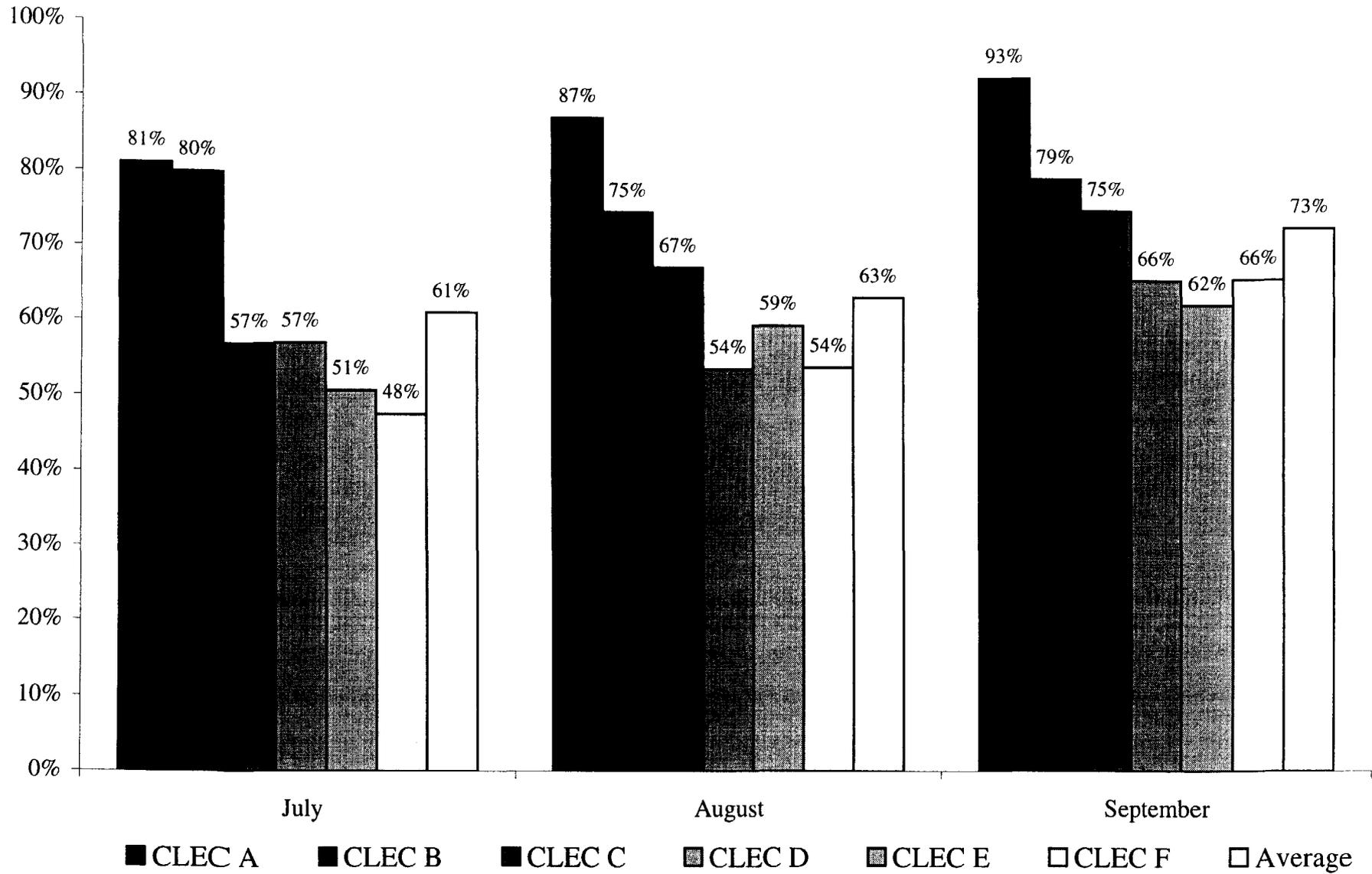
- E. The weighted average completion interval is virtually identical for Verizon and CLECs from May to July, PR 2-02 (dispatch).
1. This is true even without adjusting for the fact that CLECs submit DSL loop orders that have not been pre-qualified (and which have longer installation intervals).
 2. This is true even without adjusting for the fact that CLECs frequently request longer intervals than those available to them.
 3. The FCC previously found that these factors should be taken into account, recognizing that interval measures can be “flawed” because they are affected by “factors outside of [Verizon’s] control and unrelated to the timeliness and quality of [Verizon’s] provisioning.” New York Order ¶ 202.

Average Interval Completed (Dispatch), PR-2-02



- F. The percent of orders completed in 6 days (PR-3-10), which is new in July, is not a measure of on time performance.
1. It compares the percent of CLEC DSL orders completed within six days to the percent of residential second lines completed within six days.
 2. This measure is not a valid measure of Verizon's performance because it includes several factors outside Verizon's control:
 - a. It includes CLEC orders that have not been pre-qualified and require up to three extra days.
 - b. It includes CLEC orders that ask for longer than 6 days.
 - c. It includes facilities misses.
 3. The retail comparison is residential second lines, which have a standard interval of 5 days or SMARTS clock, whichever is longer.
 4. The DTE concluded that the fact that the reported interval measures have "not yet reached formal parity . . . does not . . . support a finding of non-compliance with the requirements" of the checklist. DTE Eval. at 305.
 5. As noted above, the FCC has found that interval measures such as this are "flawed" because they are affected by "factors outside of [Verizon's] control and unrelated to the timeliness and quality of [Verizon's] provisioning." New York Order ¶ 202.

CLEC Pre-Qualified DSL Loops



- G. August and September provisioning results were affected by a one-time event -- Verizon did not provision dispatch orders during the strike for retail or wholesale customers -- and should not be considered. The application demonstrated that Verizon provides non-discriminatory service under normal operating conditions.
1. In fact, by the end of August, Verizon completed more CLEC orders that were missed during the work stoppage than retail orders. This caused reported performance results to appear out of parity because orders appear in the provisioning measurements in the month in which they are completed.
 2. Verizon's service to CLECs continued to be strong when the impact of the strike is taken into account. September's provisioning results show that Verizon's performance for CLECs was at parity with or better than its retail performance when the remaining strike-affected orders are removed.
 3. Covad's CEO confirmed that Verizon's efforts to clear the work stoppage-related backlog for CLECs were successful: "I will give them a lot of credit. They have done a wonderful job....And it has been surprising how well they have rebounded in terms of meeting service expectation for me." Interview with Robert Knowling on RadioWallStreet.com at 6. (October 6, 2000)

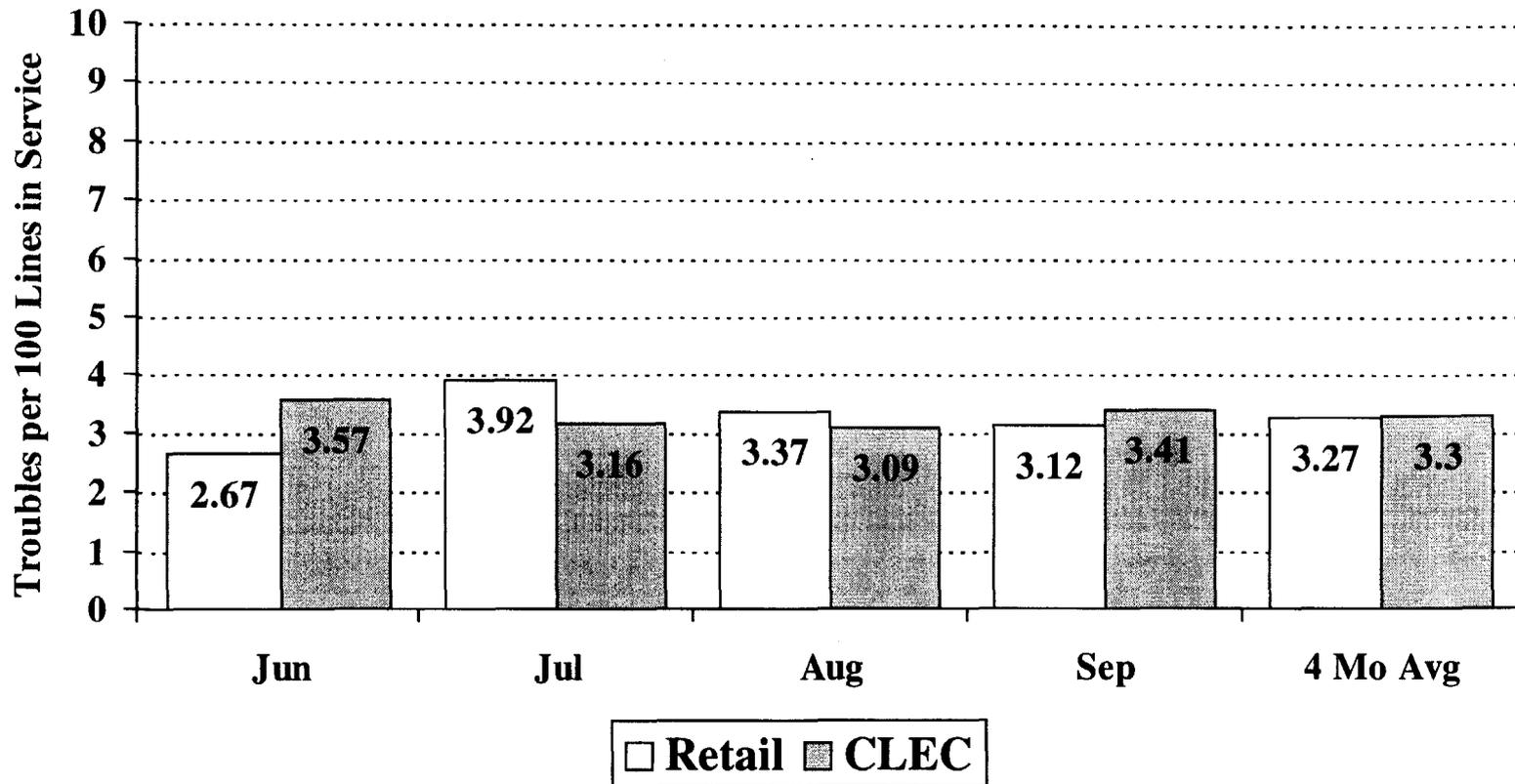
V. Loop Quality

- A. The DTE found: “VZ-MA provides nondiscriminatory access to loop installation for xDSL loops.” DTE Eval. at 314.
- B. The best measure of overall DSL loop quality is the overall Trouble Report Rate (which includes all troubles reported on DSL loops).

The weighted average of the trouble report rates for retail and wholesale DSL over a four-month period demonstrates parity.

DSL Trouble Report Rates

(Retail DSL vs. CLEC DSL)

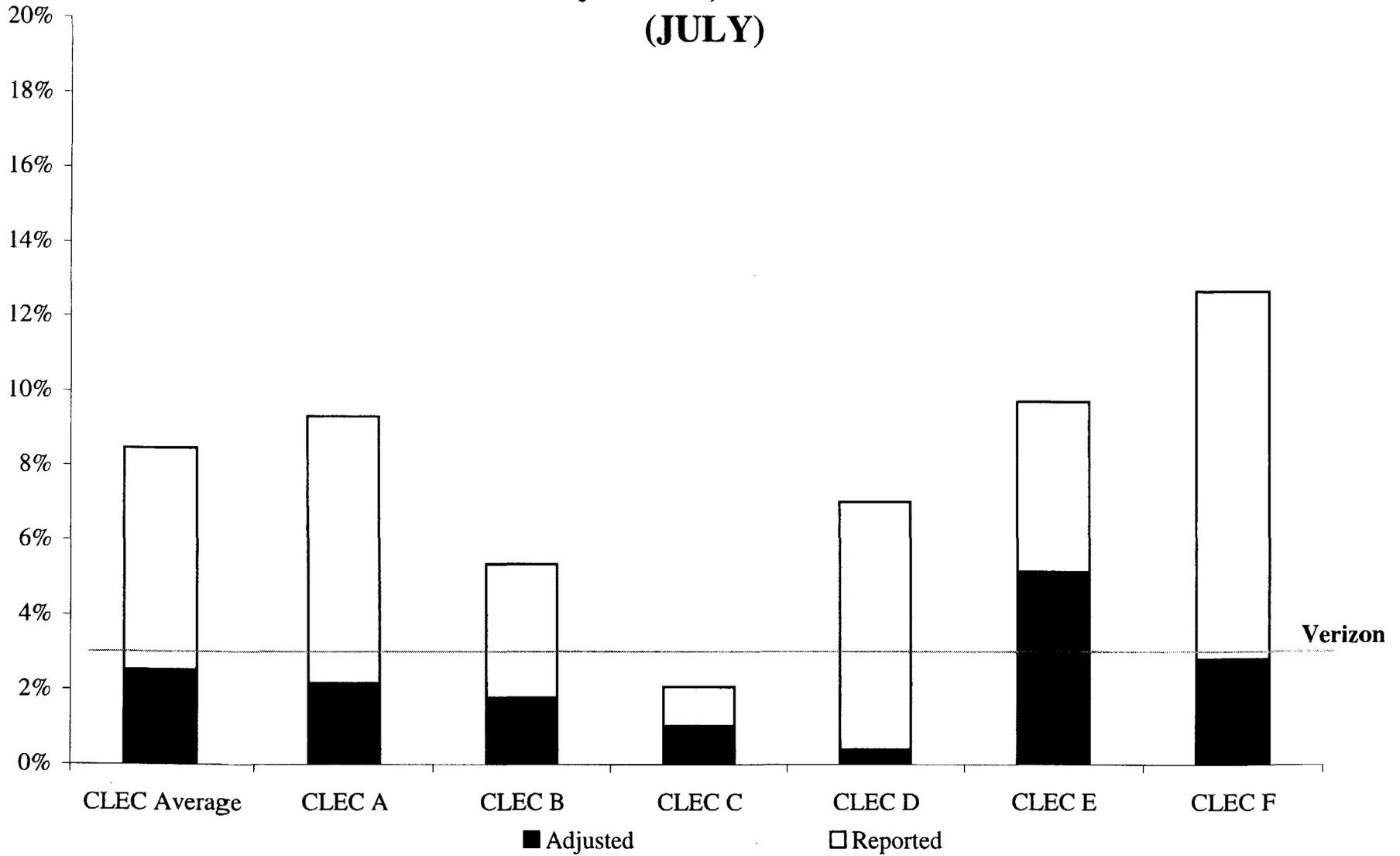


- C. While the reported results for one subset of the overall Trouble Report Rate -- those reported within 30 days of installation -- show a difference between retail and wholesale, these results reflect CLEC behavior.
 - 1. Verizon performs acceptance testing with CLECs, which allows CLECs to test DSL loops at the time of their installation to verify that they are working.
 - a. The CLEC provides Verizon with a serial number at the time the loop is installed to certify that it is working.
 - b. Verizon receives serial numbers for approximately 70% of the loops on which CLECs submit trouble reports within 30 days of installation.
 - c. A properly performed test by the CLEC would have revealed the problem so that it could be corrected at the time of installation.

2. The CLECs are accepting loops that are not suitable for DSL, in many cases intentionally.
 - a. Covad: “The process that Covad experiences, if Bell Atlantic provisions the loop and through Harris testing we discover it has, for example, load coil on it, the way that is dealt with is through a trouble ticket. We have to call Bell Atlantic and open up a trouble ticket. Bell Atlantic has a commitment to clear a trouble ticket in 24 hours.” Application, App. B, Tab 233 at 3247.
 - b. Covad reiterated in July that it accepts loops it knows do not support DSL service. DTE Reply Comments at 79-80 & n.263.
 - c. Vitts: “Our approach has been the same manner with the trouble report. They have two or three days’ turnaround time repairing those, depending on how many load coils they have and how much work is involved.” Application, App. B, Tab 233 at 3248.

3. The DTE concluded that it would “not accord a significant amount of weight to this metric” (PR 6-01) because Verizon’s performance had been skewed by “the conduct of some CLECs in playing an angle in the system.” DTE Eval. at 313-14.
4. Adjusted results show parity.

Installation Trouble Reports By CLEC, PR 6-01 (JULY)



D. The rate of repeat trouble reports within 30 days is actually lower for CLECs than for retail.

“This metric demonstrates that once CLECs receive loops that are appropriate for xDSL service, they experience fewer problems than VZ-MA.” DTE Eval. at 321.

Percent Repeat Trouble Reports Within 30 Days, MR 5-01

