

ORIGINAL

RECEIVED EX PARTE OR LATE FILED

MAR 19 2001



Dee May
Executive Director
Federal Regulatory

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

1300 I Street N.W., Floor 400W
Washington, DC 20005

Phone 202 515-2529
Fax 202 336-7922
dolores.a.may@verizon.com

March 19, 2001

Ex Parte

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th St., 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. 01-9

Dear Ms. Salas:

Today D. Evans, M. Glover, K. Zacharia and D. May met with Jordan Goldstein of Commissioner Ness' office to discuss the above application. The materials used in this meeting are enclosed. Please let me know if you have any questions. The twenty-page limit does not apply as set forth in DA 01-106.

Sincerely,



cc: E. Einhorn
K. Farroba
J. Goldstein
S. Pie

No. of Copies rec'd 071
LBIAB/DE



MASSACHUSETTS 271 APPLICATION

SUMMARY

1. LOCAL MARKETS ARE OPEN TO COMPETITION.

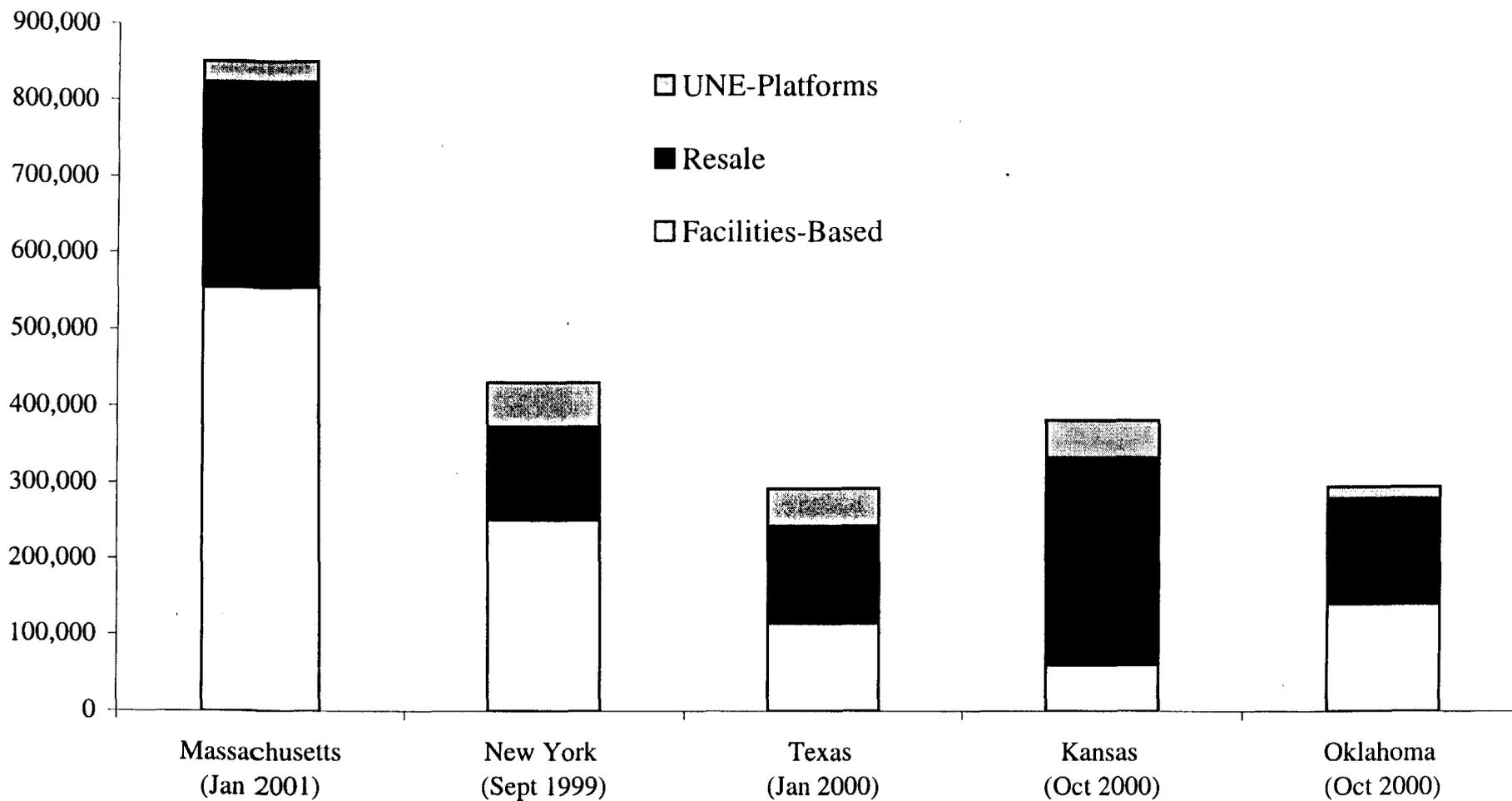
LOCAL COMPETITION IS MORE EXTENSIVE IN MASSACHUSETTS THAN IN OTHER STATES AT THE TIME APPLICATIONS WERE FILED THERE.

2. PRICES IN MASSACHUSETTS ARE CONSISTENT WITH TELRIC PRINCIPLES AND THE FCC'S PRECEDENT IN OTHER 271 APPLICATIONS.

3. VERIZON'S DSL AND LINE SHARING PERFORMANCE IS STRONG.

Proportionate Competitive Lines at Time of 271 Applications

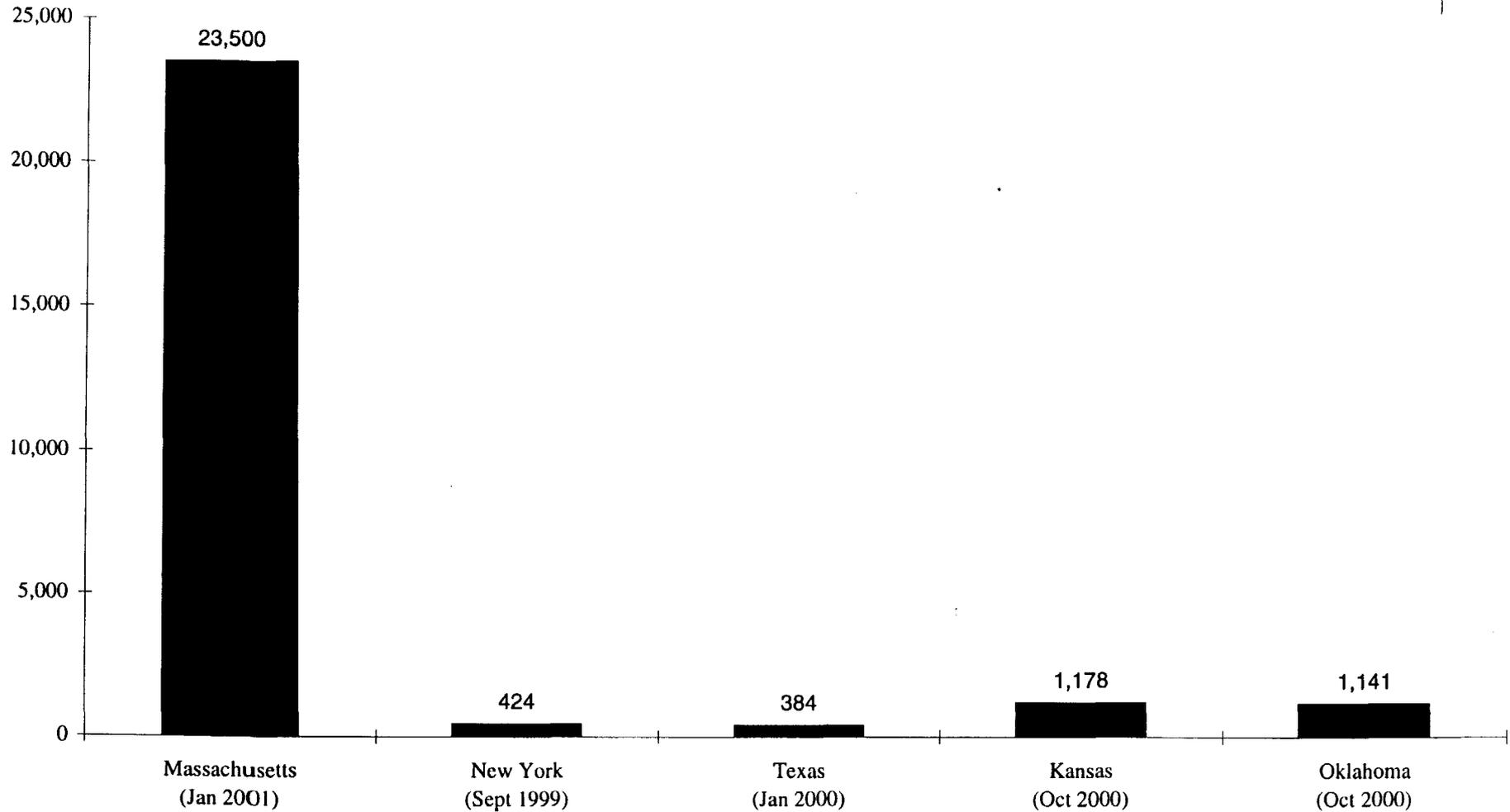
NY, TX, KS, and OK figures adjusted in proportion to the number of RBOC access lines in each state
 (VZ-MA: 5.4 mil; VZ-NY: 14.1 mil; SBC-TX: 13.6 mil; SBC-KS: 1.9 mil; SBC-OK: 2.1 mil)



Sources: CLEC Lines - Bell Atlantic NY Application, Declaration of W. E. Taylor, Att. A at Table 1; SBC TX Application, Brief at Fig. 1; SBC KS/OK Application, Brief at Figs. 1 2.. ILEC Lines - FCC ARMIS Database.

Proportionate CLEC DSL-Capable Loops at Time of 271 Applications

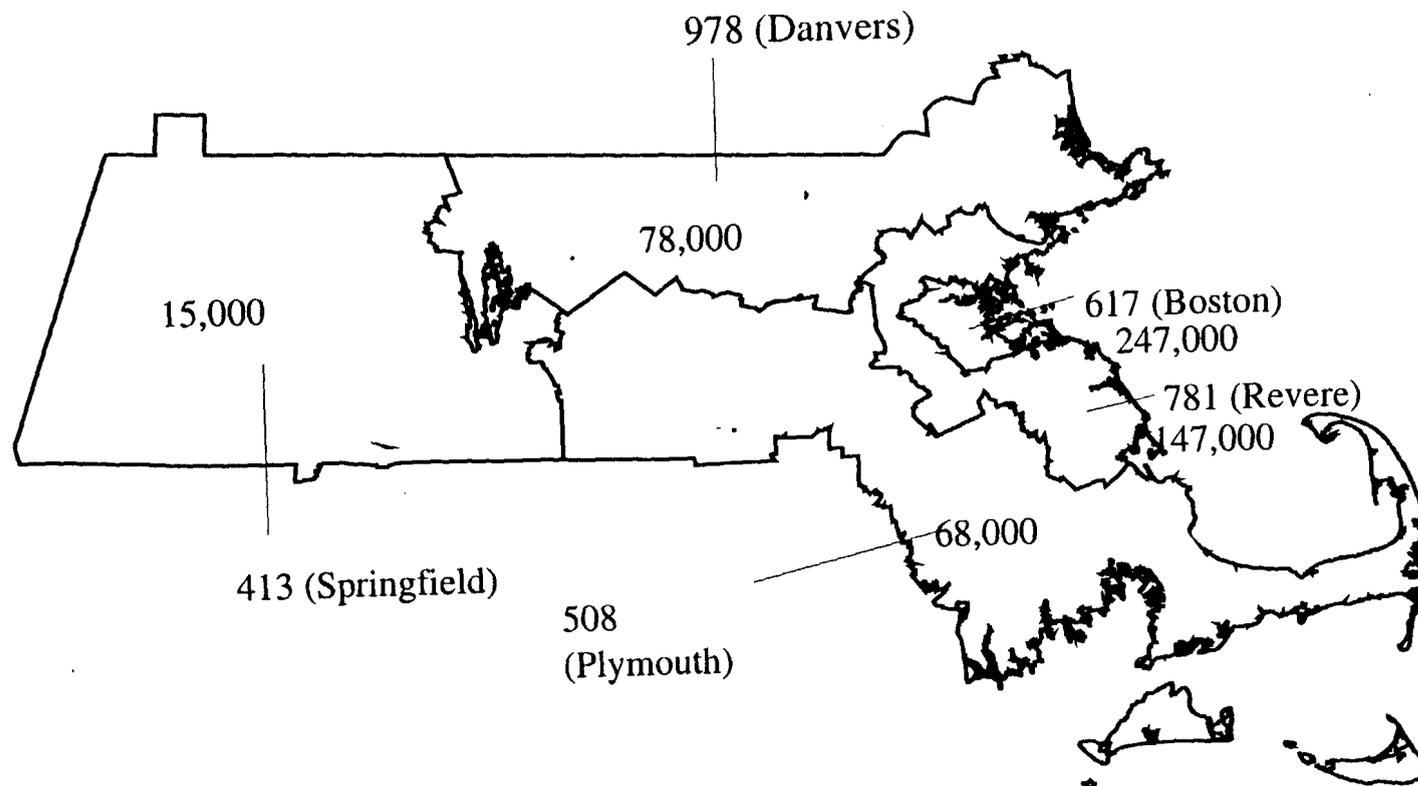
NY, TX, KS, and OK figures adjusted in proportion to the number of RBOC access lines in each state
(VZ-MA: 5.4 mil; VZ-NY: 14.1 mil; SBC-TX: 13.6 mil; SBC-KS: 1.9 mil; SBC-OK: 2.1 mil)



Sources: DSL Loops- VZ internal data; SBC Texas Application, Chapman Aff. para. 4; SBC Kansas-Oklahoma Application, Dysart Aff. Att. D and Dysart Aff. Att.C. ILEC Lines- ARMIS Database

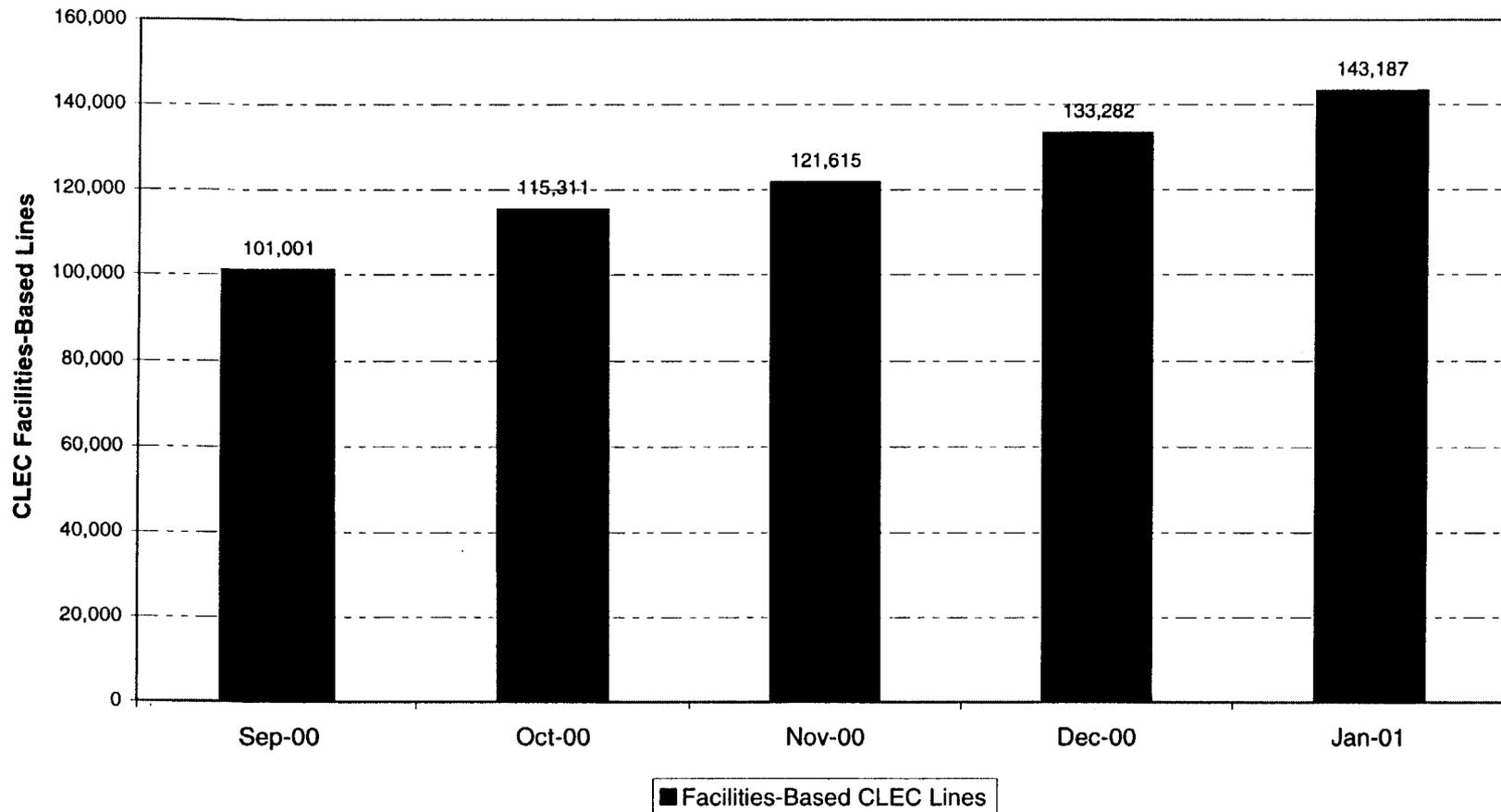
CLEC Facilities-Based Lines in Massachusetts by Area Code

Total: 555,000



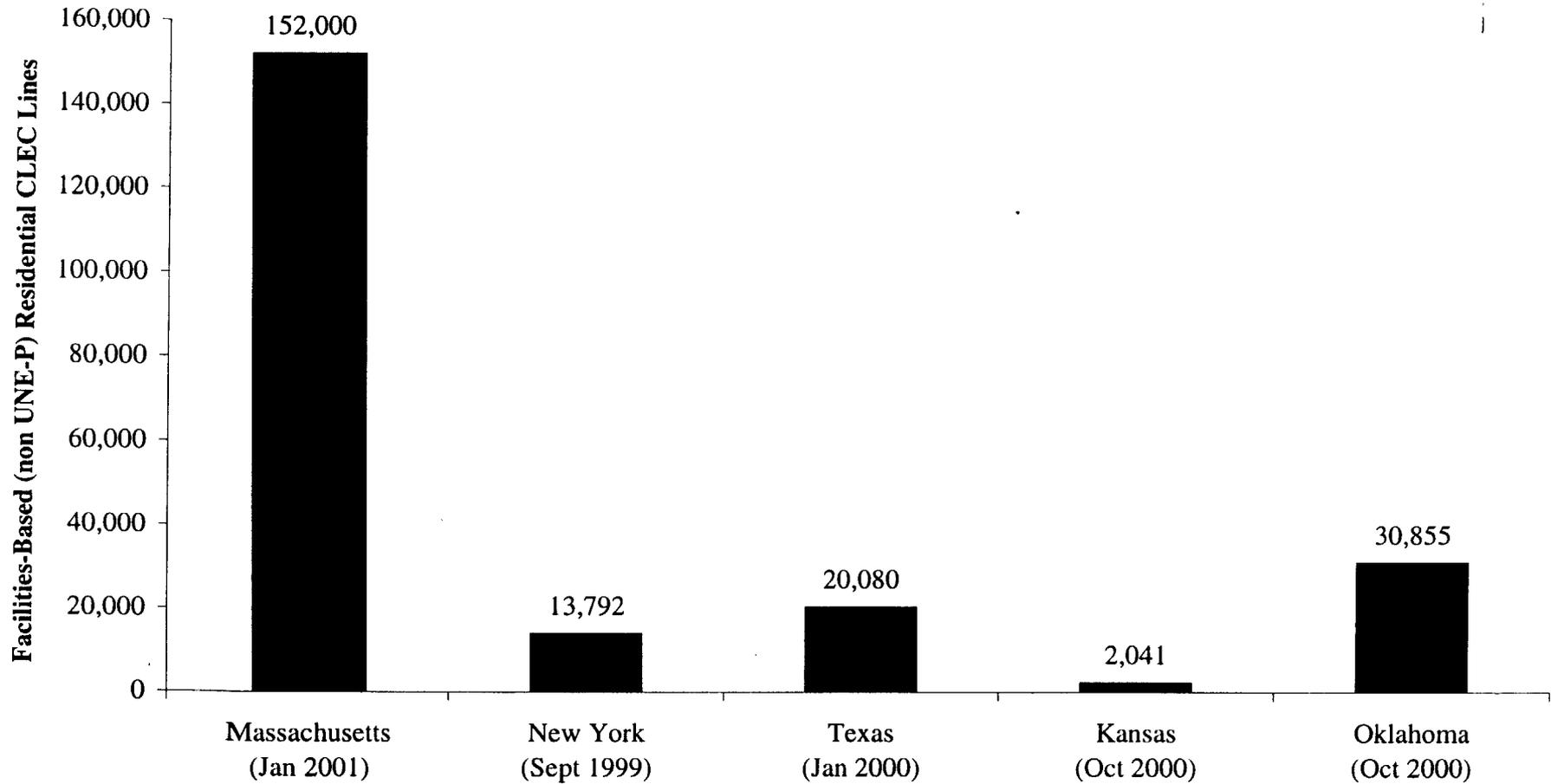
As of January 2001

Growth of Facilities-Based CLEC Residential Competition in Massachusetts



Proportionate Facilities-Based Residential Lines at Time of 271 Application

NY, TX, KS, and OK figures in proportion to the number of RBOC access lines in each state
(VZ-MA: 5.4 mil; VZ-NY: 14.1 mil; SBC-TX: 13.6 mil; SBC-KS: 1.9 mil; SBC-OK: 2.1 mil)



Sources: CLEC Lines - Bell Atlantic NY Application, Declaration of W. E. Taylor, Att. A at Table 3; SBC-TX Application, Habeeb Supp. Reply Aff., Att. A; SBC-KS/OK Application, Smith and Johnson Joint Aff. ILEC Lines - ARMIS Database.

PRICING

- **MASSACHUSETTS SWITCHING RATES ARE THE SAME AS THOSE IN NEW YORK.**
- **FCC PREVIOUSLY FOUND THAT NY SWITCHING RATES WERE IN THE ZONE OF REASONABLENESS.**
- **THE COMMISSION PREVIOUSLY REJECTED THE SAME CLAIMS IN THE NY 271 PROCEEDING.**
- **THE MA COMMISSION IS CURRENTLY REVIEWING UNE RATES.**

PRICING (cont'd)

We conclude that Bell Atlantic provides sufficient evidence to demonstrate that its switch costs are based on forward-looking, long-run incremental costs. We reject AT&T's allegation that Bell Atlantic's switching prices violate TELRIC principles because they fail to account for any cost savings from the steep switch discounts that an efficient carrier operating in the long run would unquestionably receive. **New York 271 Order, para. 242.**

Moreover, we are not persuaded that Bell Atlantic's switching costs are based on speculation, simply because the New York Commission did not adequately reflect switching discounts. As discussed above, the New York Commission engaged in extensive fact-finding in its rate case, and specifically considered AT&T's assertions about switching discounts. As a result, Bell Atlantic's switching prices were greatly reduced, with a final result that is very close to AT&T's estimated switching prices, further undermining AT&T's claim that Bell Atlantic's switch prices are double or even triple what they should be. **New York 271 Order, para. 246.**

As the NYPSC observed, however, "[t]he new information might warrant modifying that estimate in one way, but the prospect of that modification would not negate the overall reasonableness of the rates we set"; indeed, "[o]nce switching costs were reopened, one might envision changes...that would *increase* the calculated switching costs." **FCC D.C. Cir. Brief at 18.**

**DSL AND LINE SHARING PERFORMANCE
IS STRONG IN MASSACHUSETTS**

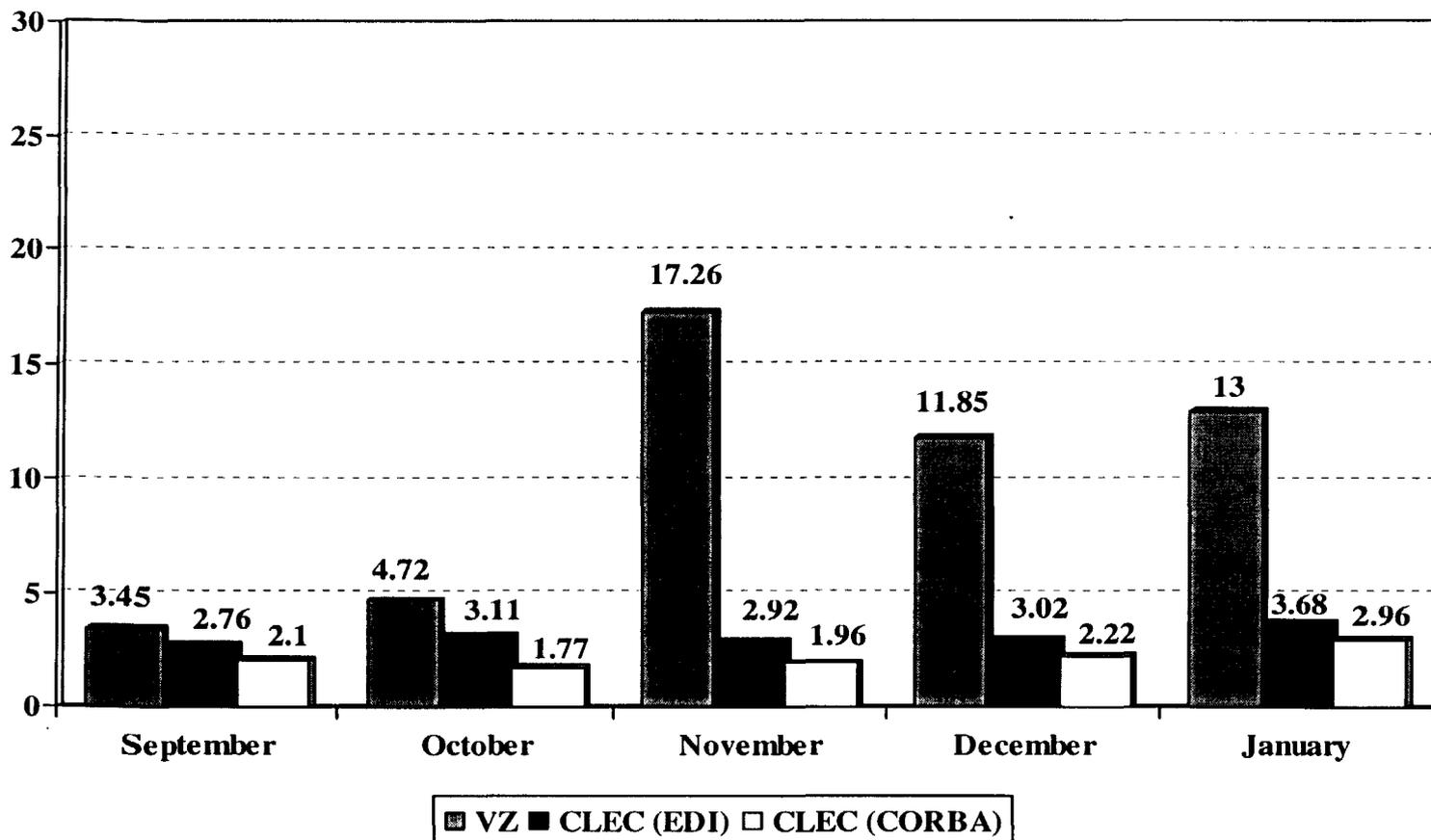
DSL Measures

<p>Pre-Order</p> <ul style="list-style-type: none"> 1) Loop Qualification - Mechanized (PO-1-06) 2) Loop Qualification - Manual 	<ul style="list-style-type: none"> 1) Parity 2) 97 to 99%
<p>Order Processing</p> <ul style="list-style-type: none"> 3) Order Confirmation Timeliness 4) Reject Timeliness 	<ul style="list-style-type: none"> 3) 98% or better 4) 97% or better
<p>Installation Timeliness</p> <ul style="list-style-type: none"> 5) Percent Appointments Met- (Inverse of PR-4-04) 6) % Completed On-Time 7) Avg. Interval Completed - Dispatch (PR-2-02) 8) % Completed in 6 Days (PR-3-10) 	<ul style="list-style-type: none"> 5) 96% or better since Oct. 6) 93% or better since Nov. 7) Average interval declined from Sept. through Jan.; results within approximately half of a day of standard interval for Dec. and Jan. 8) Historically bad measure skewed by factors outside Verizon's control; Jan. results under consensus definition is over 92%
<p>Loop Quality</p> <ul style="list-style-type: none"> 9) Total Troubles (MR-2-02 and MR-2-03) 10) % Installation Troubles Reported w/in 30 Days (PR-6-01) 	<ul style="list-style-type: none"> 9) 2% five-month weighted average reflects extremely low trouble report rate; overall reliability of DSL loops is very high 10) CLEC behavior skews results; performance results reflects rough parity under consensus definitions
<p>Maintenance and Repair</p> <ul style="list-style-type: none"> 11) % Missed Repair Appointment - Loop (MR-3-01) 12) Mean Time to Repair - Total (MR-4-01) 	<ul style="list-style-type: none"> 11) Performance strong Sept. through Jan. 12) Performance substantially improved since May, results reflect parity from Nov. through Jan.

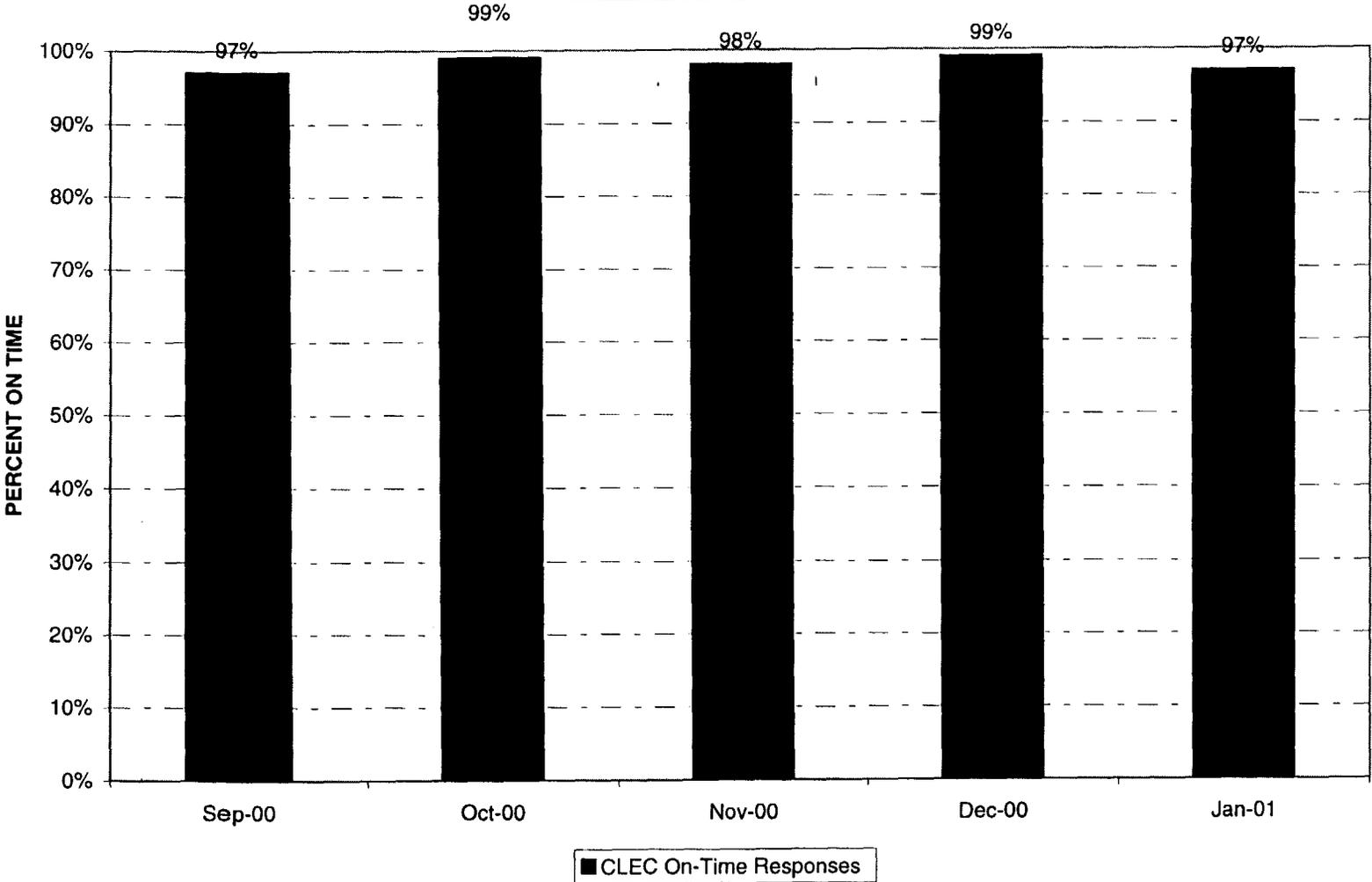
Line Sharing Measures

Pre-Order 1) Loop Qualification - Mechanized (PO-1-06) 2) Loop Qualification - Manual	1) Same as DSL (parity) 2) Same as DSL (97 to 99%)
Order Processing 3) Order Confirmation Timeliness 4) Reject Timeliness	3) Same as DSL (98% or better) 4) Same as DSL (97% or better)
Installation Timeliness 5) Percent Appointments Met- (Inverse of PR-4-05) 6) Avg. Interval Completed - Dispatch (PR-2-02) 7) % Completed in 5 Days (PR-3-08)	5) 99% or better in Dec. and Jan. 6) Parity 7) 97%
Loop Quality 8) Total Troubles (MR-2-02 and MR-2-03) 9) % Installation Troubles Reported w/in 30 Days (PR-6-01)	8) 1% five-month weighted average reflects extremely low trouble report rate 9) Less than 2% from Nov. through Jan.; also very low rate
Maintenance and Repair 10) % Missed Repair Appointment - Loop (MR-3-01) 11) Mean Time to Repair - Total (MR-4-01)	10) Total number of troubles remains low; in Dec. and Jan. missed only one repair appointment each month. 11) Total number of troubles remains low

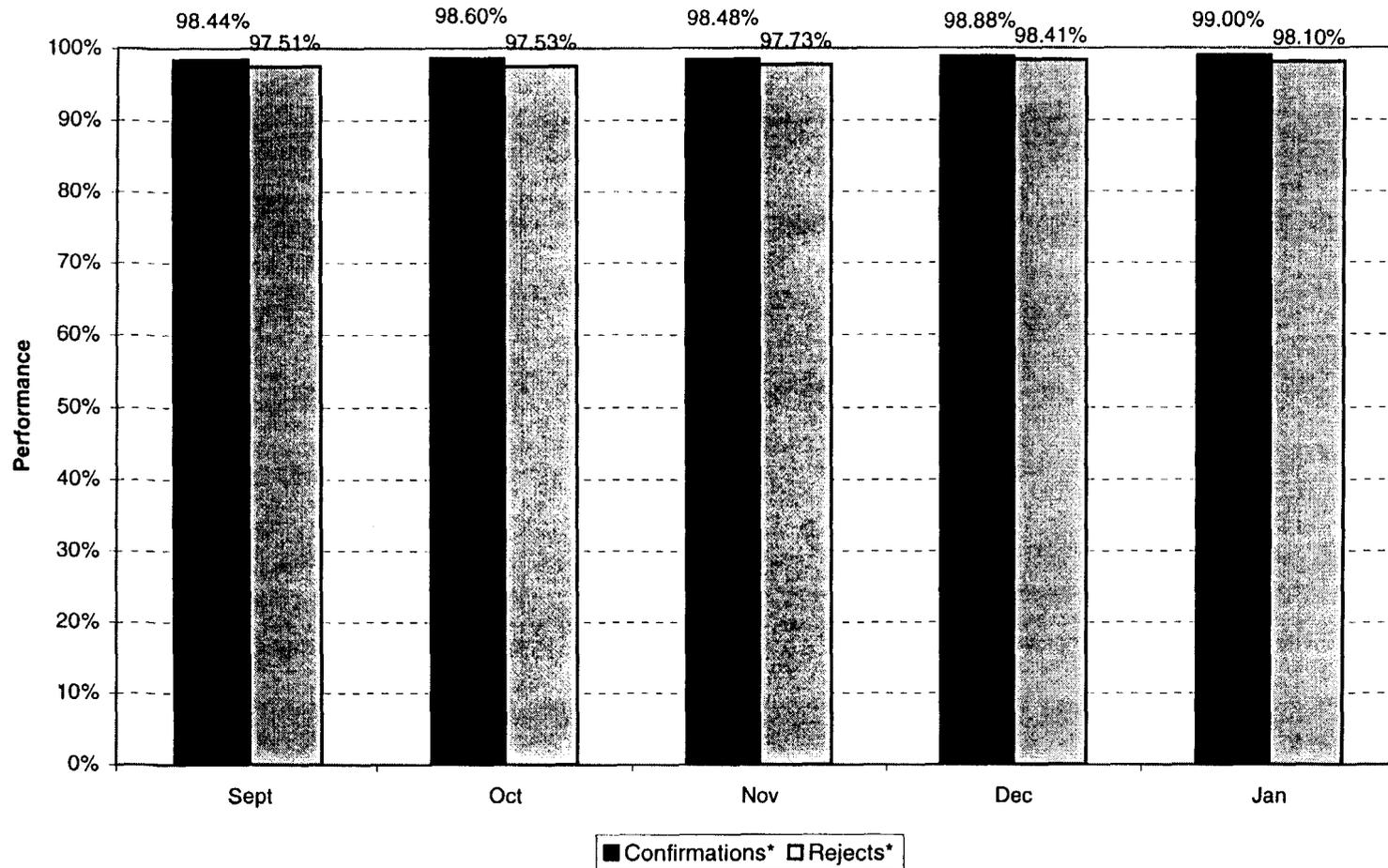
**MASSACHUSETTS
RESPONSE TIME TO MECHANIZED LOOP QUAL REQUESTS (PO-1-06)**



**MASSACHUSETTS
MANUAL LOOP QUALIFICATION RESPONSE TIMES
COMPLETED W/IN 48 HOURS**



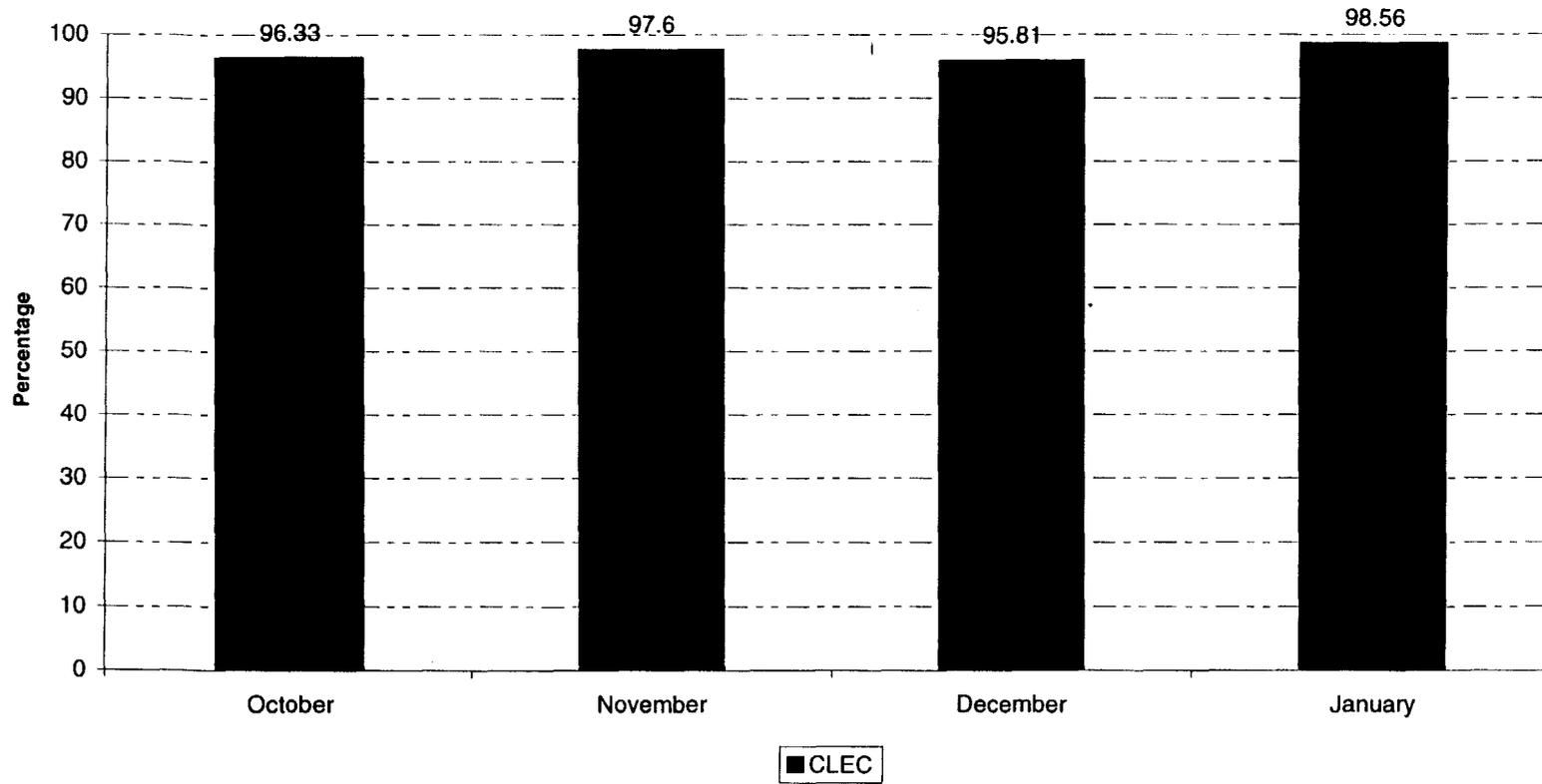
MASSACHUSETTS DSL Ordering Timeliness



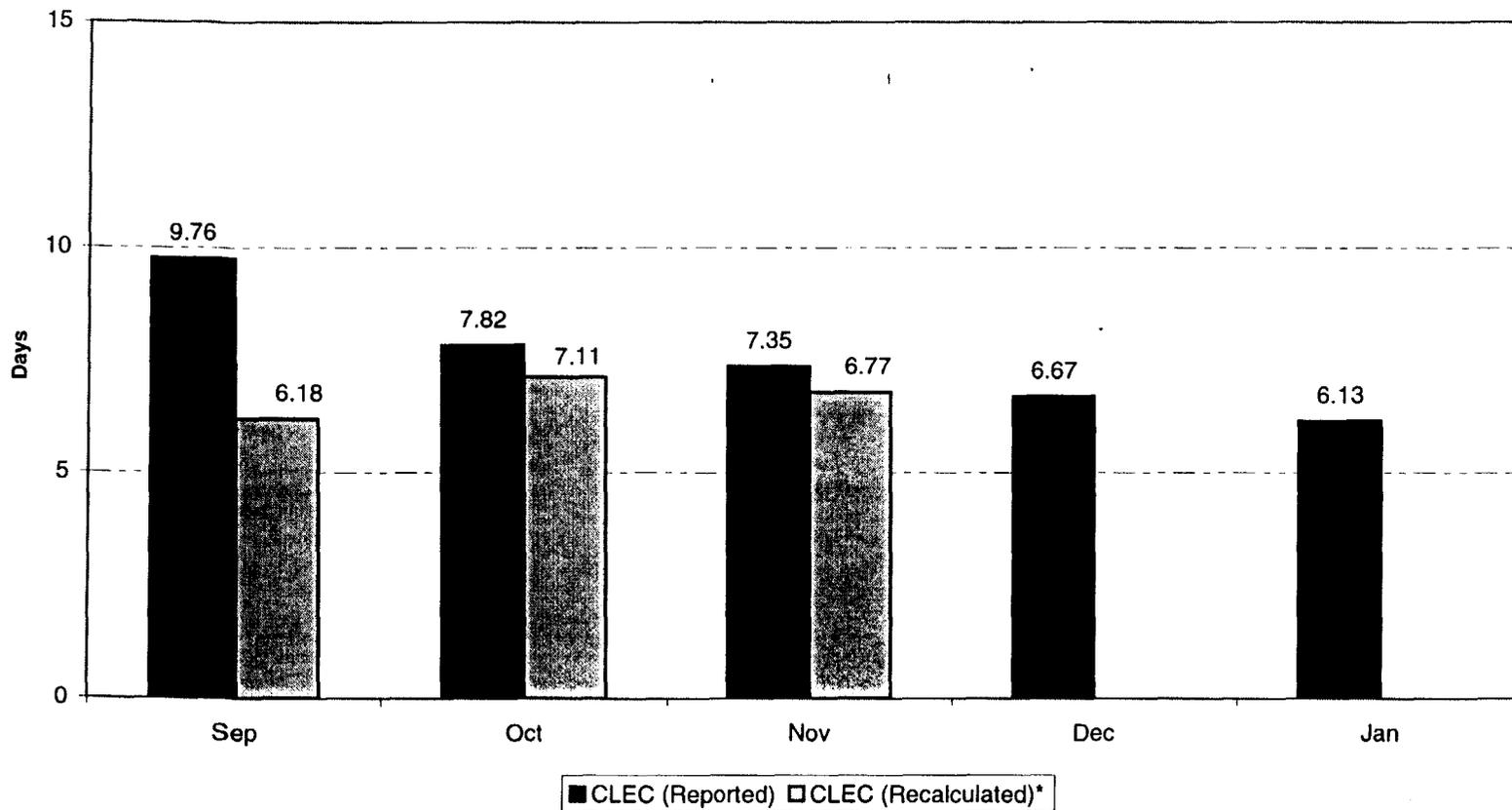
*Confirmations = wgted avg of OR-1-02 (2wr DSL); OR-1-02, 1-04, 1-06 (Loop/Prequal Complex/LNPDSL)

*Rejects = wgted avg of OR-2-02 (2wr DSL); OR-2-02, 2-04, 2-06 (Loop/Prequal Complex/LNPDSL)

**MASSACHUSETTS
Percent Appointments Met*
DSL Loops**

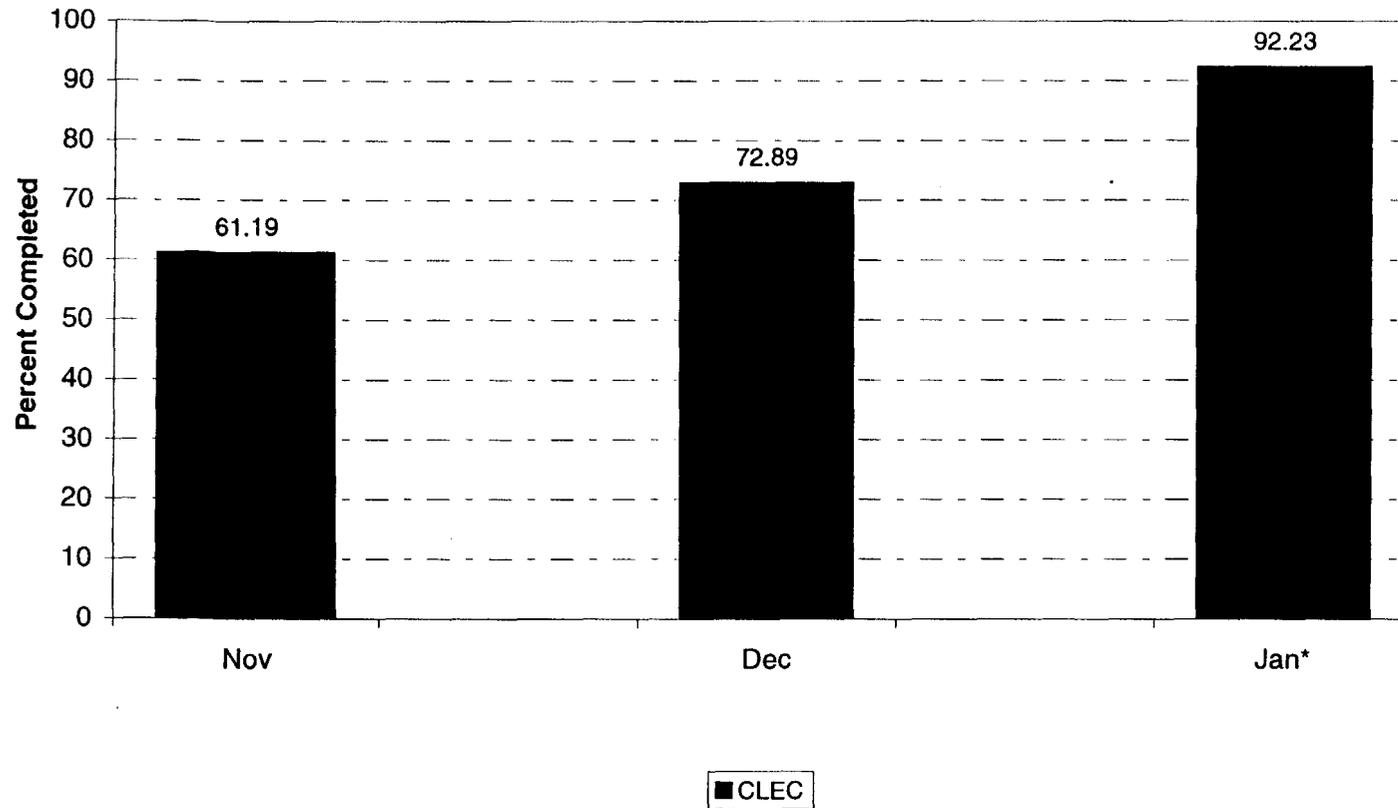


MASSACHUSETTS Average Completion Interval - Dispatch (PR-2-02)



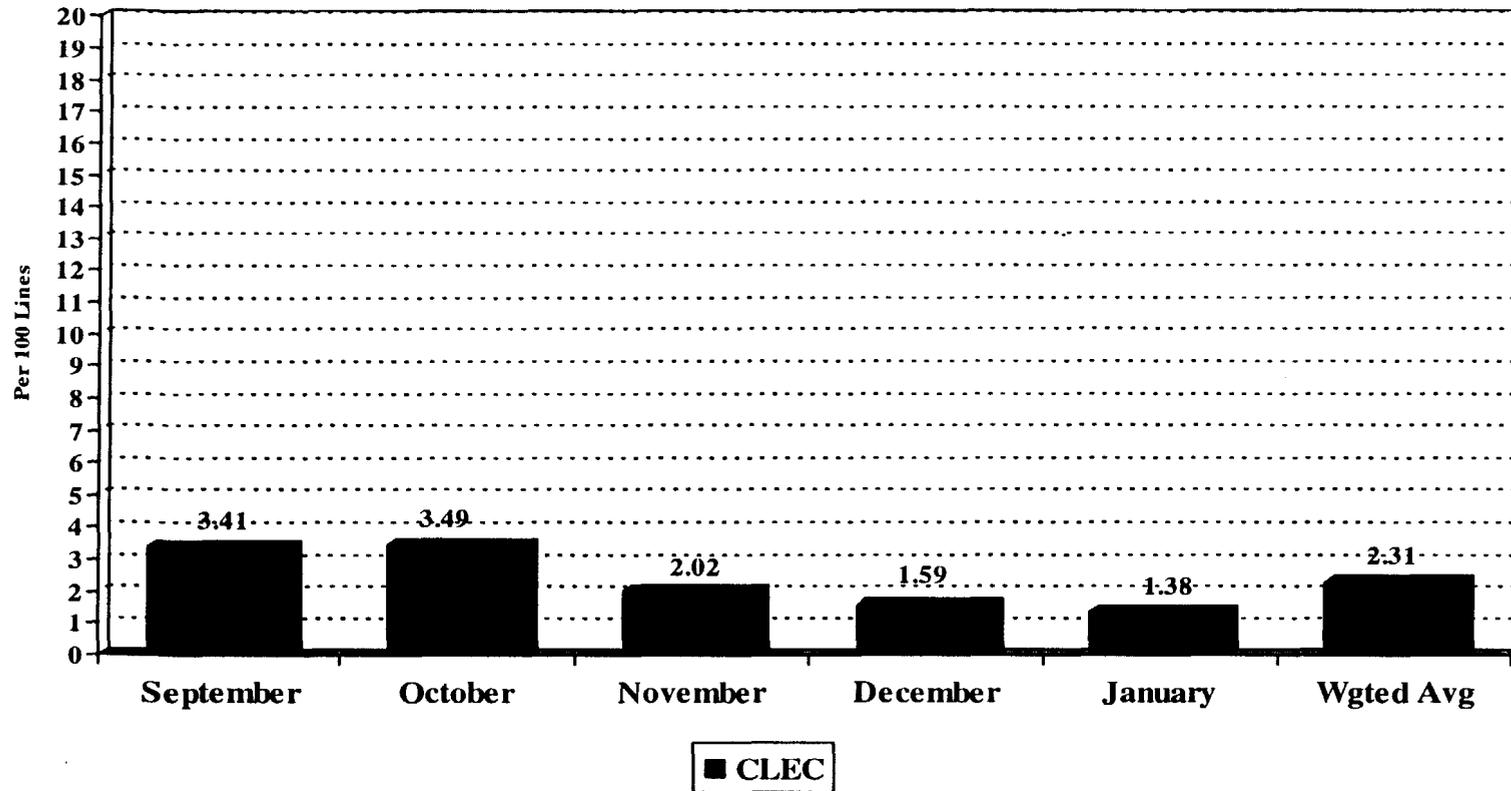
*Recalculation excludes non-standard interval orders, facility misses, and non-prequalified orders. September recalculated is also adjusted for the strike

**Massachusetts
DSL Percent Completed w/in 6 Days (PR-3-10)
As Reported**

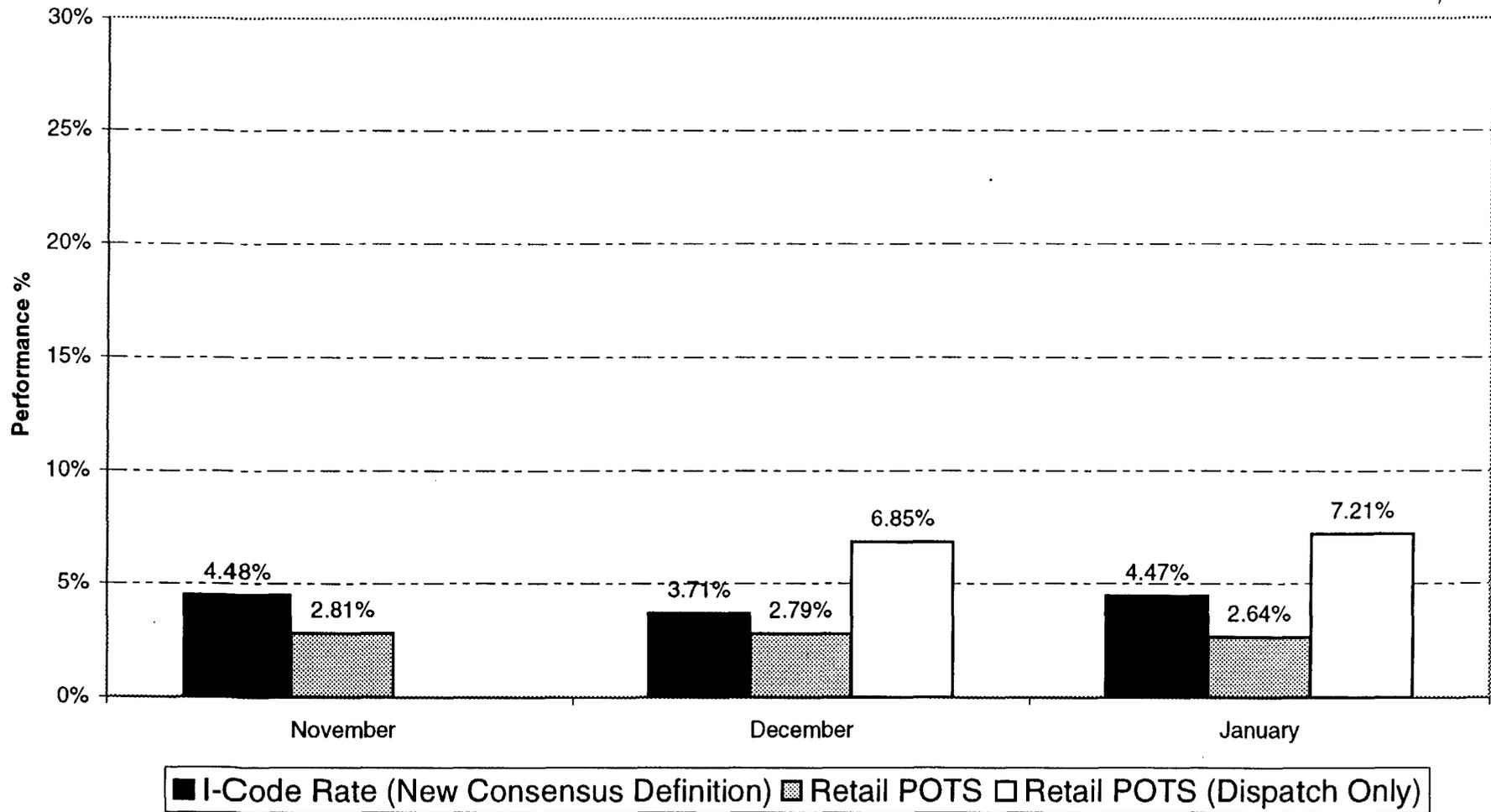


* New Consensus Definition

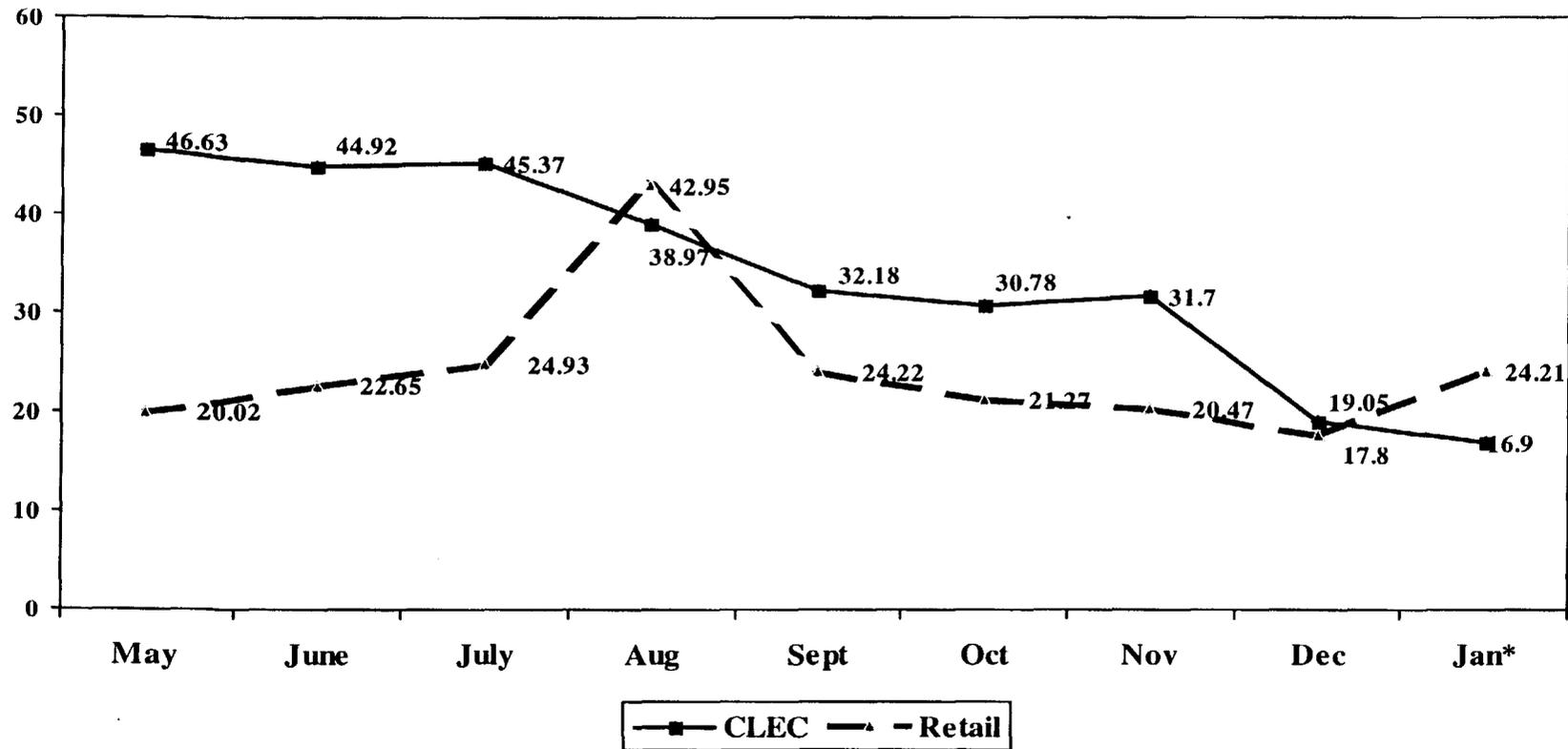
MASSACHUSETTS
Total Network Trouble Report Rate
(Sum of MR2-02 and 2-03)



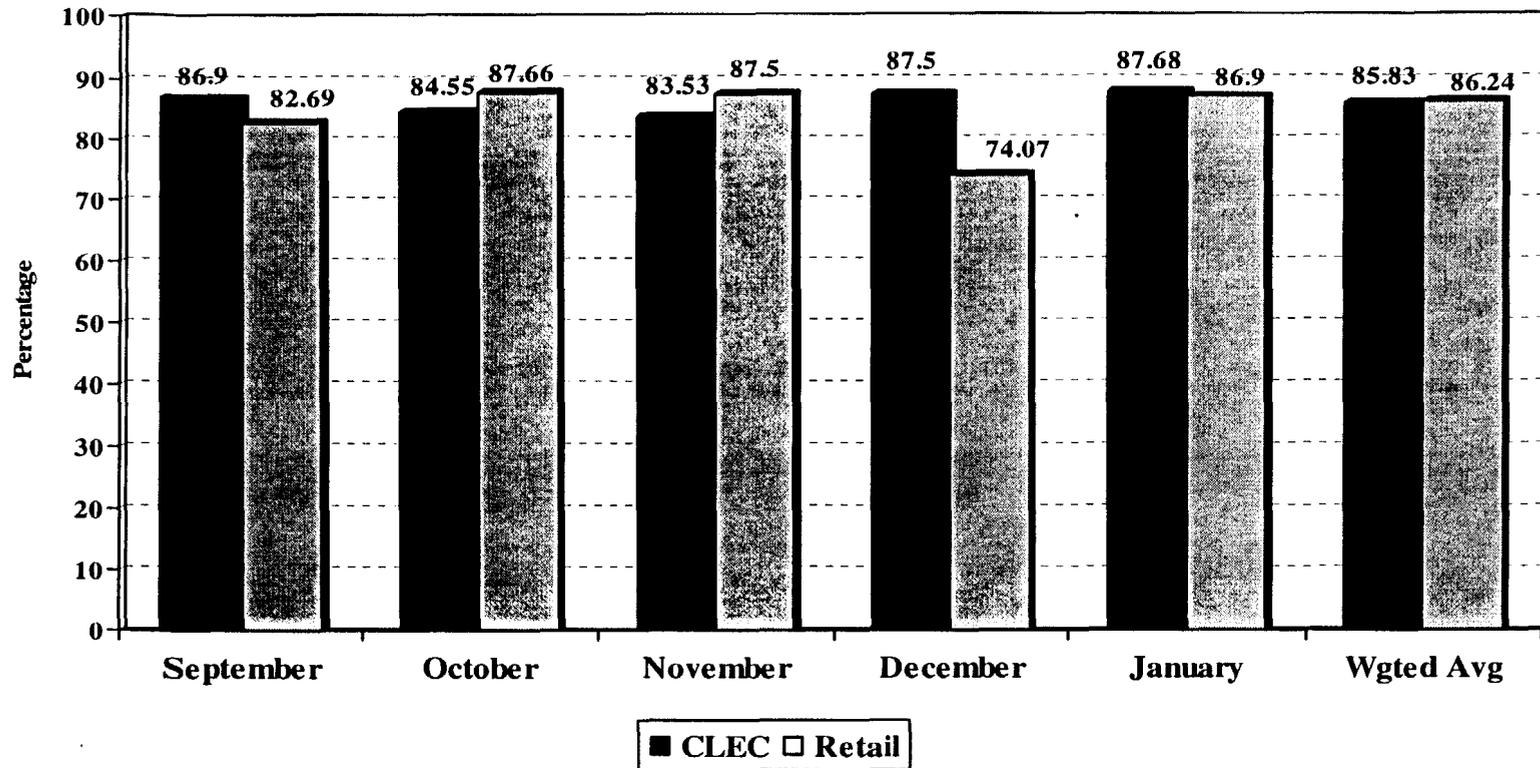
DSL - Installation Trouble Reports Within 30 Days (PR-6-01)
New Consensus Measure
Massachusetts



MASSACHUSETTS
Mean Time To Repair - Total
May 00 - Jan 01

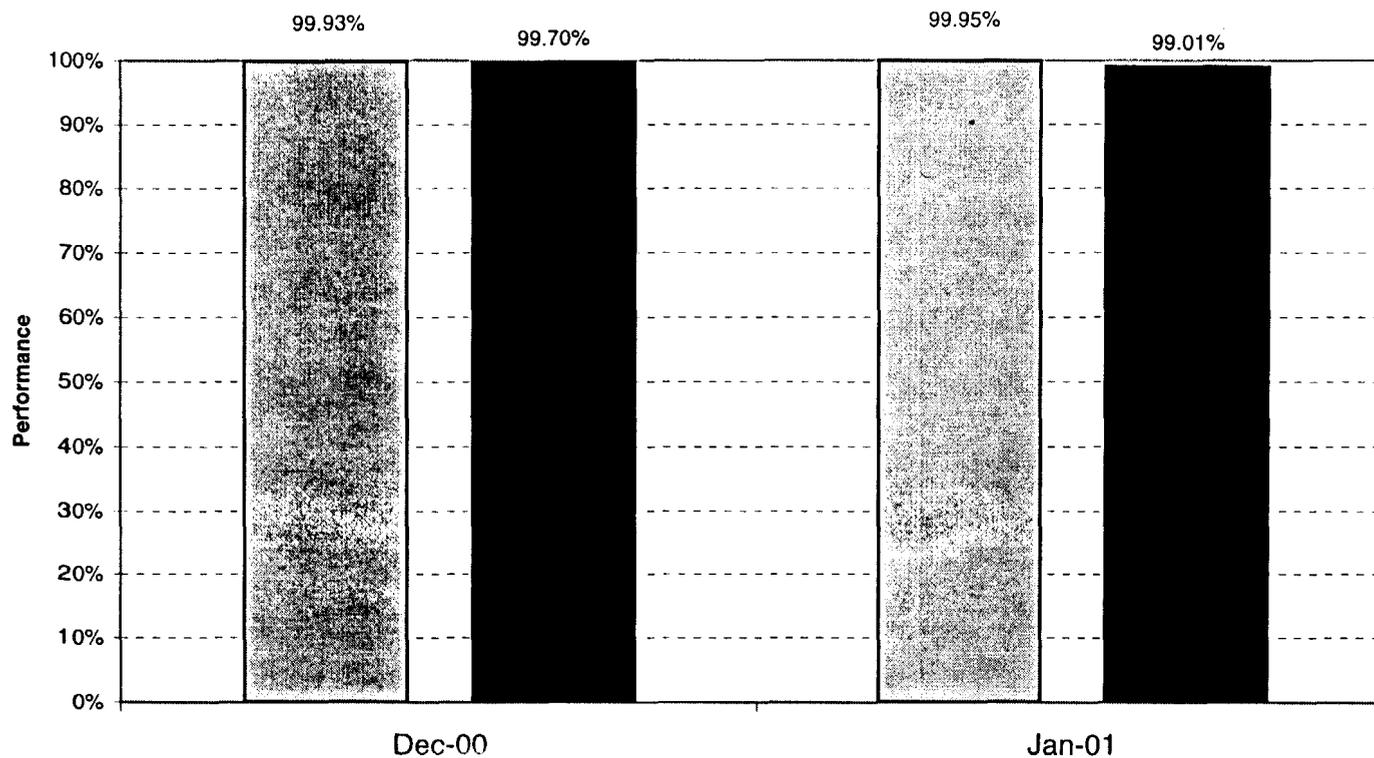


**MASSACHUSETTS
Percent Repair Appointments Met
DSL Loop Troubles***



* Inverse of MR-3-01

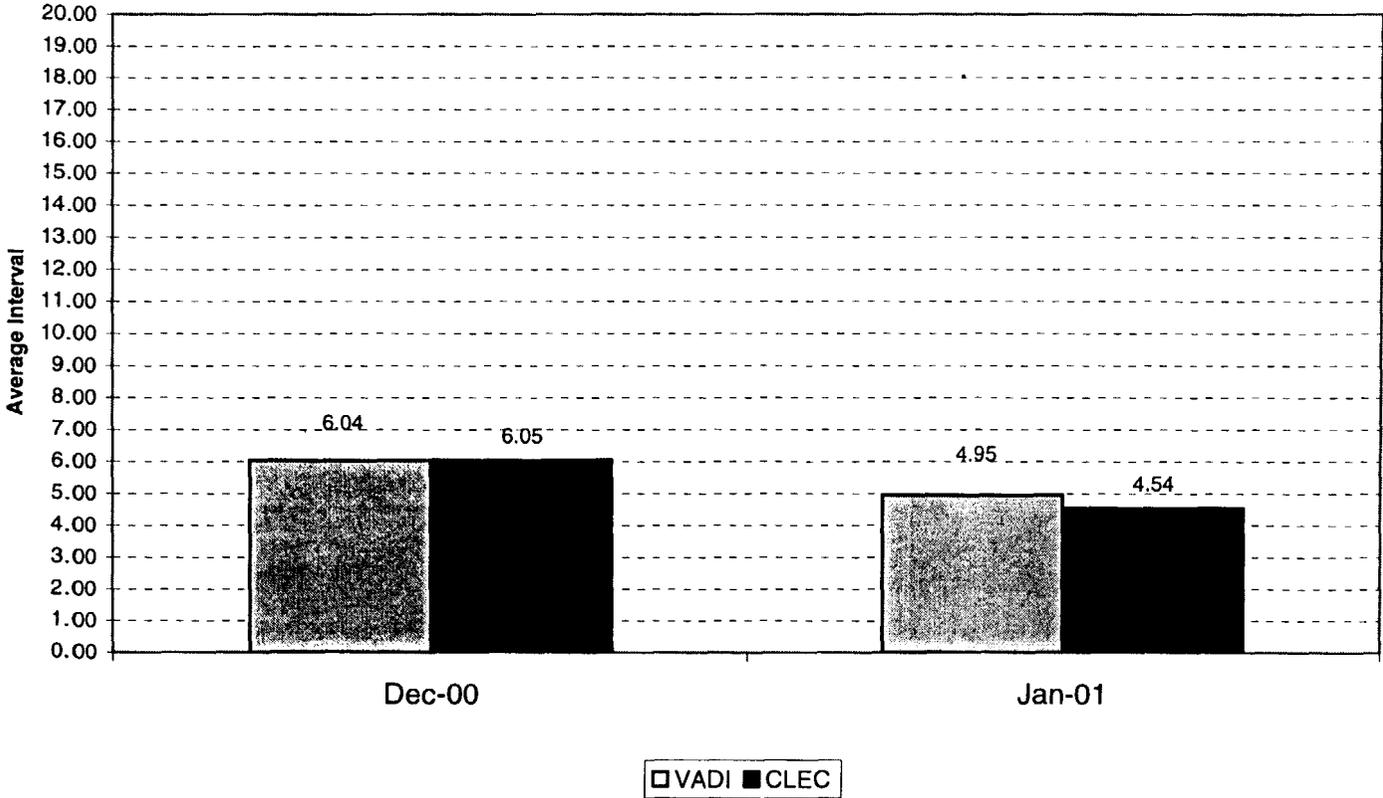
**Line Sharing Provisioning
Appointments Met*
Massachusetts**



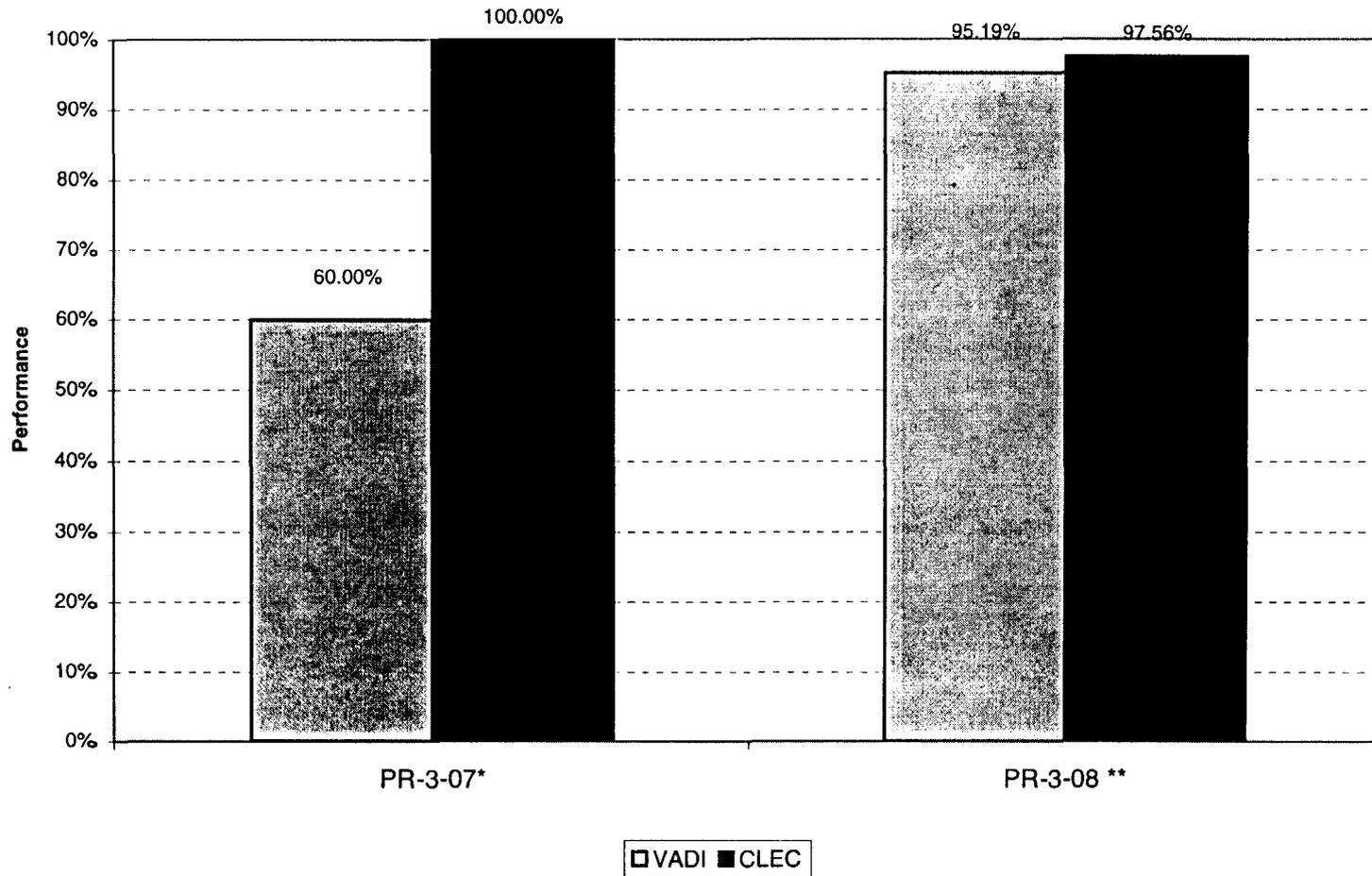
* Inverse of PR-4-05

□ VADI ■ CLEC

Line Sharing Provisioning
Average Interval Completed - Total No Dispatch (PR-2-01)
Massachusetts

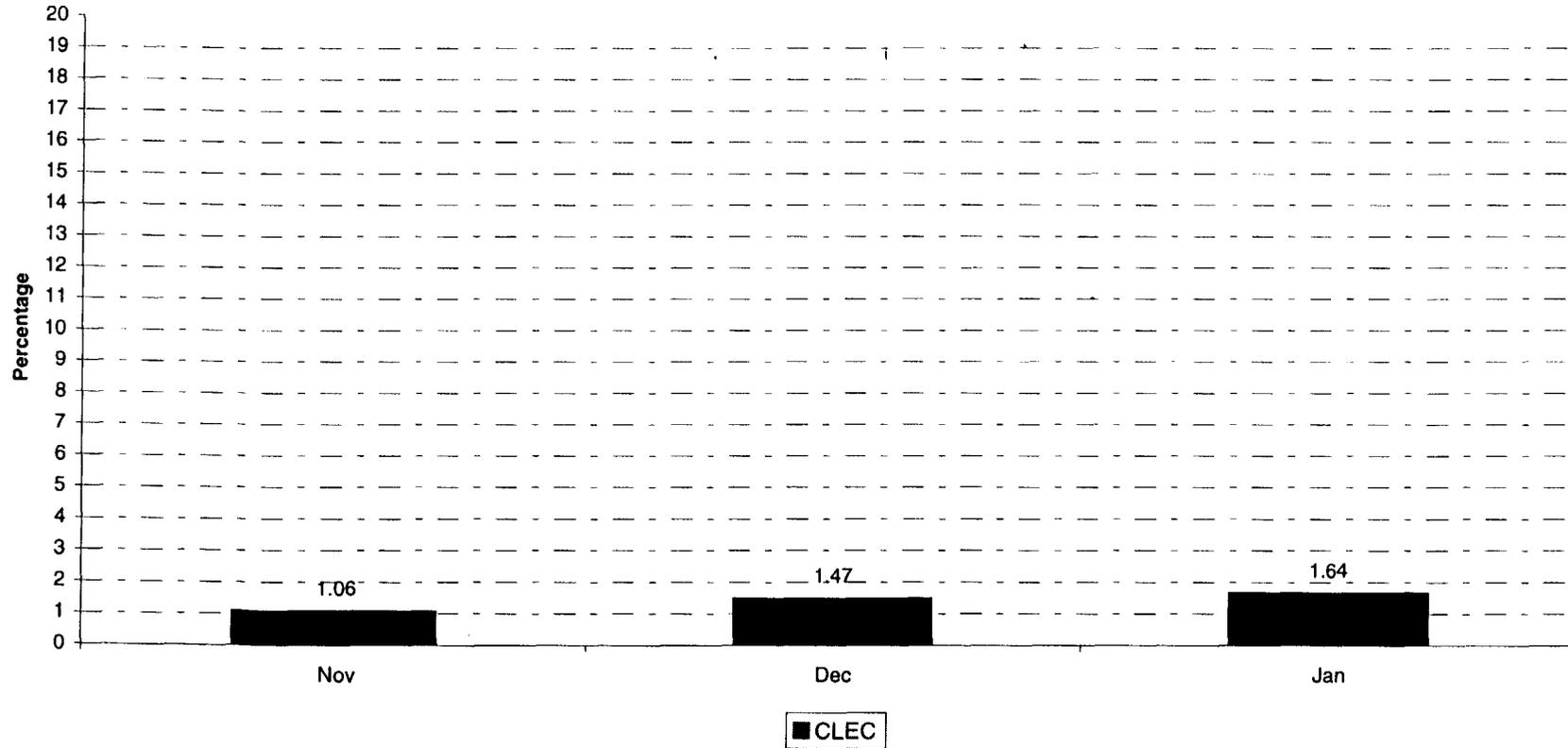


**Line Sharing
Provisioning - % Completed
Massachusetts - Jan-01**



* Percent completed w/in 4 days when a four day (or less than 4 day) interval was requested
 ** Percent completed w/in 5 days when a five day (or less than 5 day) interval was requested

Massachusetts - Line Sharing Installation Troubles w/in 30 Days (PR-6-01)



MASSACHUSETTS-LINE SHARING
MAINTENANCE AND REPAIR

- **THE TOTAL NUMBER OF MAINTENANCE AND REPAIR TROUBLES ON LINE SHARED LOOPS REMAINS LOW IN MASSACHUSETTS**

- **THE OVERALL TROUBLE REPORT RATE IN MASSACHUSETTS IS EXTREMELY LOW**

FOR DECEMBER AND JANUARY, THE WEIGHTED AVERAGE FOR THE TOTAL TROUBLE REPORT RATE IN MASSACHUSETTS IS LESS THAN ONE PERCENT FOR CLECS

- **IN DECEMBER AND JANUARY, VERIZON MISSED ONLY ONE REPAIR APPOINTMENT EACH MONTH**