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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

July 5, 2001

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**VIA HAND DELIVERY**

Magalie R. Salas, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

**Re: Notice of Oral *Ex Parte* Presentation by Z-Tel Communications, Inc.,  
CC Docket No. 01-138**

Ms. Salas:

Pursuant to Section 1.1206(b)(1) of the Commission's Rules, Z-Tel Communications, Inc. ("Z-Tel"), by its attorneys, submits this notice of an oral *ex parte* presentation made in the above-captioned proceeding on July 3, 2001. The *ex parte* presentation was made during a meeting with the following Common Carrier Bureau Staff Members: Robert Tanner, Laura Tils, Jisna Vachachira, Trey Hanbury, Brad Koerner, Gail Cohen, and Priya Shrinivasan. The presentation was made by Peggy Rubino and Tom Koutsky of Z-Tel and Michael B. Hazzard of Kelley Drye & Warren LLP.

During the presentation, Z-Tel discussed its concerns regarding Verizon Pennsylvania Inc.'s compliance with the competitive checklist contained in section 271 of the Communications Act of 1934, as amended. Z-Tel also handed out the attached presentation. In accordance with Section 1.1206(b)(1), an original and two copies of this *ex parte* notification and

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Magalie R. Salas  
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attachment is provided for inclusion in the public record of this proceeding. Please direct any questions regarding this matter to the undersigned.

Respectfully submitted,



Michael B. Hazzard  
Tamara E. Connor

Attachment

cc: Robert Tanner  
Laura Tils  
Jisna Vachachira  
Trey Hanbury  
Brad Koerner  
Gail Cohen  
Priya Shrinivasan  
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# Verizon Billing Problems in Pennsylvania

July 3, 2001



## Background

- Billing is a critical OSS function that falls under competitive checklist items II (UNEs), VI (Switching), and XIV (Resale)
- Five years after the 96 Act, Verizon PA (and other former Bell Atlantic-South entities) still lack the ability to provide competitors with accurate billing
- Who would buy service from a vendor that can't render a proper bill?
- Especially problematic for carriers with a heavy UNE focus (e.g., UNE-P) -- how do you explain to investors that you cannot determine your Cost of Goods Sold?



## Background

- VZ-PA uses a different billing system than VZ-NY and VZ-MA -- a system the FCC never has reviewed

CHAIRMAN QUAIN (PAPUC Chairman): That's fine. One of the counsel, and I forget which one it was, indicated that this same kind of billing problem was not experienced in New York and Massachusetts. Do you agree with that statement or do you disagree with that? ...

MR. GELLER (Verizon Witness): The statement was accurate, sir. The north -- if I may, in the north, the wholesale services are billed out of the CAB system, the carrier access billing system, as was stated. The carrier access billing system has been in a BOS-BDT format since inception. So, therefore, when you move the wholesale products and services into that existing billing system, it is much easier to produce the BOS-BDTs associated with the wholesale products. In the south, the CRIS system was utilized which never employed the BOS-BDT architecture.

-- PAPUC Docket No. M-00001435, April 25, 2001, p 135 (PA 271 Hearing)



April 28, 2001 BOS/BDT

- Not received until June 2, 2001
  - ❖ Verizon indicated they were manually verifying data
  - ❖ There is no way to identify whether changes were made to the bill manually
- Verizon refused to respond to e-mails seeking clarification that late payment charges would not apply to this untimely bill
- Total amount on BOS/BDT did not equal total on paper summary bill



## Ongoing Problems with BOS/BDT

- Verizon continues to bill for features that should be included in the port charge (call forwarding, call waiting, speed dialing)
- Retail USOCs and charges still appear on bills (Guardian plan, local calling packages, voicemail)
- Thousands of dollars each month billed with vague phrase code descriptions (carrier usage, miscellaneous charges, unknown local service) with no ANI or other descriptive information provided



## Ongoing Problems with BOS/BDT (cont'd)

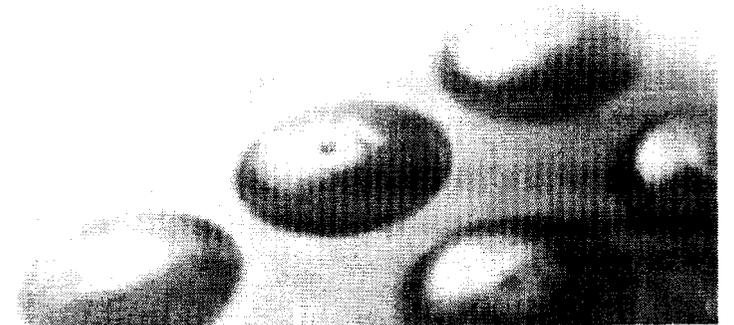
- Verizon billing incorrect recurring rates (overbilled) for all loop zones
- Unrecognizable charges appearing in the other charges and credits and customer service record sections of bill
- Remittance and summary pages not provided with BOS/BDT





## Port Features

- Verizon continues to bill Z-Tel the rate for the full-featured port, despite assurances from Account Manager that this had been corrected
- Z-Tel has not received a credit adjustment for the difference in rates between the full-featured port and the limited feature port





## Other Issues

- May 29, 2001 BOS/BDT received June 26, 2001
- June 16, 2001 software changes will be reflected in Z-Tel's June 28, 2001 bill
  - ❖ Z-Tel not likely to receive 6/28 bill until after FCC comments are due
  - ❖ Unless bill is timely, cannot determine whether software fix or human intervention responsible for changes
- Verizon has not resolved a single dispute for 2001
- Verizon now asking Z-Tel to submit virtually all disputes with ANI-level detail



## Conclusion

- The competitive checklist and the Commission's rulings obligate Verizon to provide accurate billing
- Verizon lacks the ability to render an accurate bill in Pennsylvania
- Verizon has failed to put resources in place to solve this longstanding billing problem
- Verizon has failed to put resources in place to resolve recurring billing disputes
- The Commission therefore should reject Verizon's application