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**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of

Application by Verizon Pennsylvania Inc.,)	
Verizon Long Distance, Verizon Enterprise)	
Solutions, Verizon Global Networks Inc.,)	CC Docket No. 01-138
and Verizon Select Services Inc., For)	
Authorization To Provide In-Region,)	
InterLATA Services In Pennsylvania)	
)	

**JOINT DECLARATION OF MASON FAWZI AND
ROBERT J. KIRCHBERGER
ON BEHALF OF AT&T CORP.**

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In the Matter of)	
)	
Application of Verizon Pennsylvania, Inc.)	
Pursuant to Section 271 of the)	CC Docket No. 00-138
Telecommunications Act of 1996)	
To Provide In-Region, InterLATA Services)	
in Pennsylvania)	

**JOINT DECLARATION OF MASON FAWZI AND
ROBERT J. KIRCHBERGER
ON BEHALF OF AT&T CORP.**

I. INTRODUCTION

1. My name is Mason Fawzi. I am District Manager for OSS Negotiation and Testing. I am responsible for overseeing AT&T's development and implementation of AT&T's business rules and processes that are required to access Verizon Pennsylvania Inc.'s ("Verizon") operations support systems (OSS) so that AT&T may be able to serve its local service customers. I have been in my current position since March of 1999.

2. My responsibilities include, more specifically, reviewing and coordinating AT&T's implementation of all of Verizon's business rules and processes, seeking clarification from Verizon when necessary to understand Verizon's processes, and seeking modifications and/or enhancements to Verizon's business rules and interfaces in order for AT&T to be able to try to effectively use the local service pre-ordering, ordering, provisioning, billing, maintenance and repair functions of Verizon's OSS. As part of those responsibilities, I communicate with Verizon's business team that is assigned to manage the AT&T wholesale customer account and

monitor third party testing of Verizon's OSS in those states where such testing is occurring. I also facilitate interface testing with Verizon in order to ensure that various AT&T business units are able to order service from Verizon through EDI¹ application-to-application processes, including operations readiness testing ("ORT") and production testing of Verizon's OSS. The geographic scope of my responsibilities includes Pennsylvania as well as all of the other states within the former Bell Atlantic and GTE territories.

3. I have worked in the telecommunications industry for over 10 years and served in various capacities associated with network engineering, marketing and sales, product management and development, as well as supplier management. I also served on the negotiation team for the initial interconnection agreement between AT&T and BellSouth following passage of the Telecommunications Act of 1996 ("TA-96"). I hold a Bachelors of Science degree in Electrical Engineering from Virginia Polytechnic Institute and State University and a Master's Degree in Business Administration from Emory University.

4. My name is Robert J. Kirchberger. Currently, I am a Law and Government Affairs Director in AT&T's Atlantic Division. I have 32 years of experience in the telecommunications industry – 10 years with New Jersey Bell and 22 years with AT&T. Over the years, I have held positions of increasing responsibility in a number of areas, including management of local repair service centers and local switching offices, development of technical and tariff support for pricing and marketing of both New Jersey Bell's and AT&T's services, and management of customized offerings. From 1995 to November 1996, I had business management responsibility for the AT&T Atlantic Region Local Services Organization. In that capacity, I was actively involved in the AT&T-BA-PA negotiations for a local interconnection agreement. Over the last three years, I

¹ AT&T uses the CORBA interface for pre-ordering.

have led the AT&T teams in the former Bell Atlantic-South footprint participating in the industry meetings on OSS interfaces, performance standards, measures and self-executing remedies. I have led AT&T's efforts to monitor the KPMG third party testing of Verizon's OSS throughout the former Bell Atlantic-South footprint.

II. PURPOSE OF DECLARATION

5. We will describe AT&T's experiences in attempting to use Verizon's OSS in Pennsylvania. Those experiences conclusively demonstrate that Verizon PA does not provide nondiscriminatory access to its OSS. In particular, AT&T has experienced problems and has received substandard service in the pre-ordering, ordering and billing domains.²

6. AT&T provides local service to customers in Western Pennsylvania through AT&T's facilities-based local service offering to residential and business customers using hybrid-fiber-coaxial facilities. In order to provide this service, AT&T must use Verizon's OSS to port customers' telephone numbers to AT&T's switch and must also submit directory listing orders to make sure that customers' listings appear in (or are properly omitted from, if the customer does not want the number published) the printed directory and the directory assistance database in accordance with each customer's request. In some areas of Pennsylvania where AT&T does not own cable facilities, AT&T offers UNE-P and UNE-loop service to some business customers. During June 2000 through March 2001, AT&T has provisioned about 700 UNE-P lines and used

² Because AT&T has had only limited experience using Verizon's maintenance and repair functions in Pennsylvania, we offer no opinion as to whether Verizon-PA is providing nondiscriminatory access to these functions.

those lines to submit over 9000 transactions and orders to evaluate the manner in which Verizon's OSS functions in a commercial production setting.³

7. Specifically, Verizon's deficient OSS fails to provide nondiscriminatory service to CLECs and denies CLECs a meaningful opportunity to compete in the following ways:

- Verizon's failure to provide timely billing completion notices ("BCNs") means that CLECs are not apprised of when Verizon officially completes the transition of ownership of those customers to the CLECs. Verizon's failure also inhibits CLECs from being able to begin billing those customers (and from collecting revenues in a timely fashion). Finally, Verizon's failure to deliver BCNs introduces the possibility that the customer will be inconvenienced by being doubled billed, thus causing harm to the CLEC's reputation.
- Verizon's failure to process sufficient levels of current volumes of CLEC transactions on an automated flowthrough basis indicates that Verizon's OSS will be incapable of supporting anticipated volumes in a fully commercial operating environment.
- Verizon's inability to produce an automated electronic wholesale carrier bill makes it virtually impossible for CLECs to evaluate the accuracy of the Verizon charges -- the single largest cost of doing business as a CLEC—in any meaningful way.

8. All of these problems have gone unreported in the monthly C2C performance reports because the Pennsylvania Performance Assurance Plan ("PAP") does not adequately cover these areas. No one of these problems is captured in the current monthly C2C performance reports. The performance deficiencies are not captured in the C2C measurements and are not

³ As we concluded our UNE-P commercial test at the end of March 2001, this is the most current information that we have available. We continue to use Verizon's OSS to place other UNE orders in order to serve our cable telephony customers as well as our UNE loop customers.

subject to remedies. Consequently, the PAP enables Verizon to mask these problems.

Meanwhile, Verizon simultaneously relies on these incomplete reports, that provide absolutely no information about these specific competition-affecting problems, to boast about its OSS performance and 271-checklist compliance.

9. Verizon must be required to resolve these OSS deficiencies before it is permitted to enter the interLATA market in Pennsylvania. Even if these problems are repaired, however, Verizon will have no incentive to prospectively continue providing satisfactory service because of the exclusion of appropriate performance measurements, standards and remedies from the Pennsylvania PAP. These omissions enable Verizon to continue providing unsanctioned and undetected discriminatory service that denies CLECs a meaningful opportunity to compete. As described in the Declaration of Messrs. Bloss and Nurse, the Pennsylvania PAP must be amended to incorporate appropriate performance measurements, standards and remedies relating to these problem areas in order to guard against future competitive backsliding.

10. In presenting and explaining AT&T's commercial experience in using Verizon PA's OSS to date, we shall compare those experiences to the KPMG third party test results. As is detailed below, in some instances, our experience appears to be consistent with KPMG's findings and substantiates several of the problems that KPMG identified in its Final OSS Test Report issued on December 22, 2000 (Docket No. M-00991228). In other areas, our end-to-end commercial experiences point out problems with Verizon's OSS that were not detected, and perhaps not detectable, during the third party test due to the inherent limitations of any third party testing methodology.

III. KPMG'S THIRD PARTY OSS TEST DID NOT ESTABLISH THAT VERIZON IS PROVIDING NONDISCRIMINATORY ACCESS TO ITS OSS.

11. Building upon the consensus that emerged during the Global Settlement negotiations that began in the fall of 1998, the PUC retained KPMG, with Verizon's concurrence, to conduct an independent third party test that evaluated whether competitors could obtain nondiscriminatory access to Verizon's OSS. In May of 1999, the PUC approved, with modifications, a draft master test plan that was supposed to serve as the blueprint for KPMG's conduct of the test, and directed that KPMG submit a revised master test plan. As part of the PUC's overall plan for the review of Verizon's OSS performance, the PUC established a companion "commercial availability period," the results of which the PUC would use to validate the accuracy and reliability of the KPMG testing. Recognizing the FCC's well-established position that CLECs' actual commercial experience would constitute the most probative evidence of the level and quality of service that CLECs can expect to receive from using Verizon's OSS in a commercial environment (*see, e.g., Ameritech Michigan Order*, ¶ 138), the PUC directed that the 90-day commercial availability period would run as part of the 271 state review proceeding.⁴

12. KPMG conducted the third party test over the period of June 1999 through December 2000, using a "military style" testing process, where deficiencies are to be fixed as they are encountered, and the fixes then retested to determine whether the underlying problem was in fact resolved. Although the test process spanned several months, testing did not occur continuously through the course of the testing period, because Verizon encountered numerous

⁴ See *Opinion and Order, Joint Petition of Nextlink Pennsylvania, Inc., et al., for Adoption of Partial Settlement Resolving Pending Telecommunications Issues*, Docket Nos. P-00991643 *et seq.* (September 30, 2001) at 250-260, *affirmed*, *Bell Atlantic-Pennsylvania, Inc. v. Pa. PUC*, 763 A.2d 440, 2000 Pa. Commw. LEXIS 592 (2000).

problems that required KPMG to cease testing activities on at least three occasions. First, following KPMG's initial volume test of Verizon's OSS in November 1999, additional transaction testing was suspended for two months until after Verizon made repairs to its OSS to rectify problems arising from KPMG's volume testing and notified KPMG that it could proceed to submit transactions in January 2000. Second, in the first quarter of 2000 when the New York service crisis arose (*i.e.*, when Verizon was failing to return status notices on tens of thousands of UNE-P orders submitted by CLECs in New York), Verizon requested KPMG to suspend testing activities until the New York OSS was stabilized and Verizon had an opportunity to assess whether any modifications to its Pennsylvania OSS may be required. Third party testing resumed in Pennsylvania in April 2000. Third, testing was again interrupted in August and September of 2000 due to the workforce strike of Verizon's employees.

13. In November of 2000, KPMG submitted a draft report to the PUC, which was followed by workshops held in early December. About 10 days after the conclusion of the workshops, KPMG submitted its Final Report to the PUC dated December 22, 2000. KPMG identified numerous problems with Verizon's OSS.

14. The problems found by KPMG, as reported in its Final OSS Report, were not limited to the quality of Verizon's wholesale systems and performance, but also extended to Verizon's ability to measure the quantities and types of service it was providing. KPMG also found that Verizon failed the metrics replication and metrics change control portions of its evaluation. As the PaPUC noted, these defects "may affect its ability to review Verizon PA's performance on a going-forward basis." The PaPUC, therefore, conditionally accepted the KPMG report, provided that Verizon agreed to retain KPMG to conduct further metrics replication analysis. At the same time, however, the PaPUC cautioned that its conditional

acceptance of the KPMG report did not constitute any findings regarding whether Verizon provided nondiscriminatory OSS service to competitors. The Pennsylvania Commission made clear that competitors' actual commercial experience would be examined during the state 271 proceeding, as part of its examination of whether Verizon provides nondiscriminatory OSS service:

Finally, by allowing Verizon PA to proceed to the next step in the process, the Commission has made no determination that Verizon's OSS are operational or present no impediment to competition under commercial conditions with real customers. There are inherent limitations in a third-party test that tries to simulate but cannot duplicate a "real world" experience. The Commission's recommendation to the FCC will be based upon the results of the commercial availability period and compliance with the 14-point checklist.

15. Unfortunately, as it turned out, the PUC's analysis of competitors' commercial experience was limited to simply identifying that competitors' actual commercial experience was at odds with Verizon's reported results on the monthly C2C performance reports without, for example, determining why the discrepancy existed.⁵

16. There are inherent limitations in any independent third party testing methodology of an ILEC's OSS that certainly applied in the Pennsylvania OSS test. Testing, by nature, is

⁵ The Pennsylvania Commission retained KPMG to conduct an analysis of competitors' commercial experience during January through March 2001. Only a few competitors with the resources available to compile data, in the format prescribed by KPMG, and at a PON-specific detail level, were able to submit their commercial data. In every one of the 22 instances for which CLECs submitted their commercial experience data, KPMG identified that the CLECs' reported experience differed from Verizon's reported results in the monthly performance reports. In no instance, however, did KPMG investigate the cause of the difference in reported results, indicating that further data integrity analysis would be required. KPMG Report on Pennsylvania Commercial Availability Review, Final Report-Metrics, Version 1.1 (June 15, 2001). *See also* Bloss/Nurse Declaration.

conducted in an artificial, controlled environment, as KPMG acknowledged in its Final Report.⁶ The test results, therefore, are not necessarily representative of a CLEC's actual commercial experience using Verizon's OSS, and in fact should be evaluated contextually according to CLECs' experience whenever possible. The purpose of the third party test, in KPMG's own words, was to "conduct an independent third-party test of the readiness of Verizon PA's Operational Support Systems (OSS) interfaces, documentation and processes to support local market entry by the CLECs." KPMG Final Report, Version 2.0 at 9.

17. KPMG's description of the limitations of the test confirm that the test could not simulate certain order types, troubles, and processes, such as orders with long time intervals; provisioning of large volumes of test transactions, or execution of certain live tests that would disrupt service to Verizon PA or CLEC customers. *Id.* at 16. In each of these instances, KPMG attempted to use other surrogate means such as interviews, reviews of Verizon PA's documentation, and observations of live orders in process rather than directly test Verizon's capabilities. By necessity, the test was not designed to simulate every aspect of the real world experience of a CLEC using Verizon PA's OSS in a commercial production setting. Thus, the test was not intended to, and could not, make a determination of whether VZ has complied with its statutory obligation to provide nondiscriminatory access to its OSS.

⁶ KPMG's Pennsylvania Final OSS Report notes that, "In some cases, it was not practical to simulate certain order types, troubles, and processes in a test situation. Examples include orders with very long interval periods; provisioning of large volumes of test transactions that would exceed the manual capacity of Verizon PA's Work Centers; or, the complete time consuming Network Design Review (NDR) process. ... It was neither practical nor desirable to execute certain live tests that would disrupt service to Verizon PA or CLEC customers. Verizon PA performance was evaluated using other means." KPMG Consulting Final Report of Verizon Pennsylvania Inc. OSS Evaluation Project, Verizon 2.0 (December 22, 2000) at 16.

18. In establishing the parameters of the test, the PUC reinforced KPMG's role as advisor and by no means a decisionmaker on whether Verizon met its legal obligations.⁷ First, the contractual agreement governing KPMG's conduct of the test specifically prescribes:

“WHEREAS, the Consultant shall provide technical knowledge and experience in developing the Pennsylvania Test Plan and in evaluating the outcome of the test, and the Commission shall retain *final authority*, based on its independent review of the data, to determine, for regulatory purposes and in any subsequent adjudication in which the issue is relevant, whether Bell Atlantic's OSS systems are in compliance with the specific testing standards set forth in the Pennsylvania Test Plan and with the general standards outlined in Section 271 of the Telecommunications Act of 1996.⁸

19. Also, the PUC specifically noted in an Order issued in April 1999 that, while the test was in its beginning stages, the Commission would receive and consider competitors' actual commercial experience data using Verizon's OSS before making any decisions on whether Verizon satisfied its nondiscrimination obligation under the Telecommunications Act.⁹ Later, in

⁷ The KPMG report itself expressly states that it does not constitute a determination or analysis as to whether Verizon is providing nondiscriminatory access to its OSS under the 1996 Act, but assumes this determination will be made by the appropriate regulatory bodies. For example, the report stated KPMG's "expectation" that the "Pa. PUC will review this report in forming its own assessment of Verizon's compliance with the requirements of the Act." KPMG Report at 10. The report also states that its audience includes "readers who will utilize this document during an evaluation process (*i.e.*, the Pa. PUC, the FCC, and the Department of Justice)."

⁸ Agreement Among KPMG LLP And Bell Atlantic-Pennsylvania, Inc. And Pennsylvania Public Utility Commission at 1 (June 1999)(emphasis added).

⁹ "Once the OSS test is completed, we intend to direct BA-PA to begin collecting post-OSS test actual commercial data and to distribute this data to the Commission and to the CLEC community on a monthly basis for three months. The CLECs will be given an opportunity to respond to the results within ten days of each monthly filing." Opinion and Order, *Joint Petition of Nextlink, et al. For an Order Establishing a Formal Investigation of Bell Atlantic-Pennsylvania, Inc.'s Performance Measurements, Remedies and Operations Support Systems Testing of Bell Atlantic-Pennsylvania, Inc.* at 20-21, Docket No. P-00991643 (April 30, 1999).

conditionally accepting the KPMG Report, the PUC likewise confirmed that the responsibility to determine whether Verizon met its legal obligation was the PUC's and not KPMG's.¹⁰

20. In addition to the inherent limitations caused by testing in an artificial, controlled environment, the KPMG test suffered from limitations due to the particular testing methodology that was used. The first such limitation was that most of the testing focused on a now superseded version of the OSS interface, known as Local Service Ordering Guide ("LSOG") Version 2, which will be retired in October 2001. The Master Test Plan called for KPMG to test the most current version of Verizon's OSS interface, which is now Local Service Ordering Guide ("LSOG") Version 4. While LSOG2 was the then current version of the interface when the test commenced in June of 1999, LSOG4 was later introduced in the first quarter of 2000 while the KPMG test was in midcourse. LSOG4 is unique among the versions of the interface that Verizon has developed, since it is designed to be a common interface across the former Bell Atlantic 14-state footprint.¹¹

21. Despite the widespread recognition that LSOG 4, rather than LSOG 2, would be the primary interface used by large CLECs for the foreseeable future, the Pennsylvania Commission directed KPMG to perform only limited transaction and regression testing of

¹⁰ "Finally, by allowing Verizon PA to proceed to the next step in the process, the Commission has made no determination that its OSS are operational or present no impediment to competition under commercial conditions with real customers. There are inherent limitations in a third-party test that tries to simulate but cannot duplicate a 'real world' experience. The Commission's recommendation to the FCC will be based upon the results of the commercial availability period and compliance with the 14-point checklist." *Consultative Report on Application of Verizon Pennsylvania, Inc., for FCC Authorization to Provide In-Region, InterLATA Service in Pennsylvania*, M-00001435 (January 5, 2001).

¹¹ As part of the merger commitments that Bell Atlantic and NYNEX agreed to as conditions for obtaining FCC approval of the merger, Bell Atlantic and NYNEX agreed to establish a common OSS interface platform. Later, when AT&T and MCI WorldCom believed that Verizon was not abiding by its commitments, they filed a joint Complaint against the merged Bell Atlantic Corporation for failing to deploy the common interface in accordance with the time frames and specifications of the merger commitment. The parties ultimately settled the Complaint, and Verizon released the LSOG4 interface initially in the first quarter of 2000.

LSOG4. KPMG, according to its own words, performed a “comprehensive evaluation” using LSOG2 for ordering and LSOG3 for pre-ordering, whereas it only performed a “small scale evaluation of LSOG4 for pre-ordering and ordering.”¹² KPMG submitted a relatively small volume of transactions--about 1800 pre-ordering transactions and about 270 ordering transactions (submitted either as individual transactions or in small batches of transactions) - through the LSOG4 interface to evaluate how that system performed and to determine whether the functionalities present in LSOG2 were also present in LSOG4.¹³ The Pennsylvania Commission refrained from requiring KPMG to conduct a volume and stress test of LSOG4, reserving the right—which the Pennsylvania Commission has not yet invoked—to require this testing in the future.¹⁴ Consequently, there is absolutely no assurance that Verizon’s OSS in Pennsylvania will be capable of supporting expected levels of commercial transactions in the foreseeable future.

22. In New York, a full-scale volume test was not conducted of Verizon’s OSS to evaluate whether the systems were scalable, and capable of supporting expected volumes of commercial transactions.¹⁵ Following closely on the heels of Verizon’s approval to enter the interLATA market in New York, Verizon’s OSS hemorrhaged and failed to return massive numbers of acknowledgments, order confirmations, reject responses, provisioning completion notifications (“PCNs”) and billing completion notifications (“BCNs”). This subjected end user

¹² KPMG also set forth LSOG4 timeliness results in its report, based on its relatively small test bed of transactions, but reiterated that evaluation of LSOG4 timeliness was outside the scope of its engagement. KPMG Final Report (December 22, 1999) at 195.

¹³ KPMG Final Report at 258-264; Tables 1-23 through 1-27.

¹⁴ The LSOG2 volume test reported the results for 46,303 pre-ordering transactions and 16,959 ordering transactions for the peak day for the LSOG2 volume test. KPMG Final Report at 282.

customers to lost and/or delayed orders, causing grave customer service problems such as service interruptions and maintenance and repair delays. AT&T urged the Pennsylvania Commission to take the necessary steps to avoid the same or similar occurrences in Pennsylvania, by robustly testing the ability of Verizon PA's LSOG4 interface to handle anticipated commercial volumes.

23. Rather than require any sort of scalability testing of LSOG4 in Pennsylvania, however, the Pennsylvania Commission decided instead to rely on KPMG's comments citing positive results from New Jersey's LSOG4 volume and stress test.¹⁶ In this instance, however, the New Jersey testing could not serve as an adequate surrogate for stress testing of LSOG 4 in Pennsylvania, because one of the key components of Verizon's OSS testing during the volume test is different in New Jersey and Pennsylvania. While both the New Jersey and Pennsylvania volume tests sought to evaluate Verizon's ability to generate firm order confirmations ("FOCs"), Verizon's service order processor, the specific component of OSS hardware that provides critical information needed for FOCs, is different in New Jersey and Pennsylvania. As a result, any testing showing that Verizon NJ's OSS perform adequately in providing FOCs in New Jersey cannot be relied upon to conclude that Verizon PA's OSS will perform comparably. Given the difference in Verizon's legacy backoffice systems in New Jersey and Pennsylvania, the results of the New Jersey LSOG4 volume test cannot be readily extrapolated to apply to Verizon's Pennsylvania's OSS.

(...Continued)

¹⁵ For example, KPMG's volume and stress testing were limited to orders that flowed through the system without manual intervention; transactions submitted in the volume testing did not go through the provisioning process; and orders submitted during the stress test were only tested through the confirmation process. KPMG's stress testing also did not involve the Web/GUI interface, despite its use by a number of CLECs in commercial operations. *See* KPMG Final Report on New York Testing at III-6, IV-20, IV-75, IV-84, IV-138.

¹⁶ OSS Workshop Tr. 233 (M-00991228, 12/7/00).

24. The second limitation in KPMG's testing methodology is its failure to evaluate how Verizon's OSS performs on an end-to-end basis, that is, from the submission of a pre-order query and submission of the order to provisioning of the order; billing of the services/facilities associated with the order; and maintenance and repair of the services/facilities associated with the order. Instead, KPMG separately tested certain components of Verizon's OSS and could not fully evaluate whether all of the linkages between the various components were integrated properly so that the OSS performs seamlessly in a manner comparable to Verizon's own retail experience.

25. For example, the volume test did not examine Verizon's capabilities for provisioning orders and updating its billing records on a timely basis.¹⁷ Both of these components were outside the design of the volume test. Consequently, the volume test results provide absolutely no assurance that, once CLECs provide local service in Pennsylvania on a mass-market basis, Verizon will provide CLEC customers with at least the same level of service that it provides to its own retail operations for provisioning orders and updating billing records. Nor does the volume test provide any assurance that Verizon will notify CLECs on a timely basis when it has completed the provisioning of an order and the updating of its billing records to reflect the service configuration that it provisioned.¹⁸ As will be discussed below, AT&T experienced problems with receipt of timely billing completion notifications throughout the course of its recently concluded UNE-P production test. Without this information, CLECs and their customers have no way of knowing whether Verizon has successfully transferred billing responsibility for the customer to the CLEC. CLECs once again are forced to resort to opening

¹⁷ OSS Workshop Tr. 218-219 (M-00991228, 12/7/00).

trouble tickets for each missing notifier and hoping that Verizon has sufficient and qualified resources to work on and resolve the trouble tickets. As volumes of transactions increase, however, Verizon's undue reliance on manual processes will become increasingly detrimental to market entry and competition in general.

26. The volume and stress tests also did not examine comprehensively Verizon's capabilities for manually processing orders. The volume test, by design, included only orders that are designed to "flow through" Verizon's OSS electronically without the need for manual intervention. Not even those orders that were designed to flow through but failed to do so were manually worked, and, therefore, Verizon's manual processes were not evaluated for sufficiency, accuracy or promptness. As will be detailed below, AT&T has encountered considerable constraints in its ability to use Verizon's OSS effectively due to Verizon's failure to achieve commercially adequate flowthrough rates and its concomitant failure to sufficiently staff its wholesale customer service centers to handle routine volumes of manually processed orders.

27. The effectiveness of KPMG's testing was further limited by its lack of blindness. Despite KPMG's attempt to conduct the test in a manner that hid its "pseudo-CLEC" identity from Verizon PA, Verizon could readily identify KPMG's pseudo-CLEC activities and accordingly had the opportunity as well as motive to provide KPMG with atypically exemplary service, rather than the typical, substandard quality of service offered to competitors. *See* KPMG Report at 15 (noting that "Each CLEC has a unique set of IDs assigned by Verizon PA that must

(...Continued)

¹⁸ The billing completion notification is critical because it is the document upon which a CLEC must rely to confirm that it now has billing responsibility for the customer. Unless and until Verizon updates its billing records, Verizon continues to treat the customer as its own, even if the provisioning work has been done and the customer has switched over to CLEC service.

be included in every transaction.”) Consequently, KPMG’s positive experiences, as reported in the Final Report, do not likely represent a typical CLEC’s experience.

28. A fourth limitation of the KPMG test was the inadequate opportunity given to CLECs to participate in the testing process. Although Verizon PA attempts to convey the impression that CLECs were full participants in the third party test,¹⁹ CLECs’ involvement was limited. CLECs were permitted to provide input to KPMG and the PUC as to their own experiences using Verizon PA’s OSS, but they were not permitted to actively participate in the conduct of the test or participate in decisionmaking that affected the scope and comprehensiveness of the test.

29. For example, CLECs did not obtain the revised final version of the Master Test Plan document until just days before the draft final report was released in November 2000. Consequently, it was not until after physical testing was completed that CLECs were apprised of the final scope of the test. While CLECs were assured that the modifications to the Master Test Plan were not significant, CLECs continually asked questions about whether certain issues were within the scope of the test during the course of the test, and it was not until the test had been virtually completed that CLECs received definitive responses. Importantly, such critical areas of concern as Verizon’s manual resources, scalability of resources to support anticipated commercial volumes of transactions, and testing techniques to maximize the “blindness” of the test were all issues raised by CLECs during the test; yet the CLECs’ concerns appear to have been dismissed

¹⁹ See, e.g., McLean/Wierzbick/Webster Declaration at ¶15.

as unimportant.²⁰ Thus, while AT&T was allowed to take part in the OSS third party test, its participation was largely limited to monitoring the progress of the test. During the course of the test AT&T tried to constructively participate and bring forward its concerns on a timely basis, but had no real way of knowing whether its concerns would be addressed until KPMG issued its written report. AT&T raised additional concerns and questions about the testing procedures during the OSS Workshops that were held in December, 2000 that also went unaddressed. For example, AT&T expressed various concerns over the failure of KPMG to attempt to verify that Verizon did not provide preferential treatment to Verizon in the face of Verizon's obvious opportunity to do so. AT&T expressed its various concerns with the manner in which the test was conducted in Comments submitted following the conclusion of the workshops.²¹ None of its concerns was addressed.²²

²⁰ The procedures established by the PUC for the testing expressly stated that KPMG was under no obligation to consider or address any of the issues or concerns raised by CLECs. For example, the PUC's procedures established for the handling of CLEC comments to Exceptions specifically prescribe, "CLECs will have an opportunity to raise and explain their comments concerning the Exception and Bell response thereto during the weekly KPMG/PUC/CLEC call. However, KPMG has discretion as to whether it will engage in that discussion, and this procedure creates no independent obligation on KPMG to respond to the CLEC explanation." (emphasis added). While the procedures further indicate that KPMG will "receive and review all timely filed CLEC comments," KPMG was not obliged in any way to address those Comments. "Procedure for CLEC Submission of Comments to Exceptions and Bell's Response to Exceptions—KPMG Third Party Test of Bell Atlantic-PA's Operations Support Systems," posted to the PUC's Web Site at the OSS Home Page: <http://puc.paonline.com/Telephone/OSSTesting/Exceptions/exceptions%20page.asp>.

Yet another example of the clear subordinate role of CLECs was that only Verizon, and not the CLECs, was provided with a copy of the draft final report before the report was released publicly. Verizon misappropriated this early advantage by improperly issuing a press release that proclaimed that the report gave it high marks – all before the report had even been shared with CLECs.

²¹ A copy of AT&T's post-workshop Comments is attached hereto as Exhibit 1.

²² Another deficiency of the test was that, although conducted with a military-style philosophy, in practice not all of the problems that KPMG found were corrected. As KPMG stated, "The military-style test completes at the discretion of the PSC." See KPMG Report at 14.

IV. AT&T's COMMERCIAL EXPERIENCE WITH VERIZON PA'S OSS

A. Introduction

30. AT&T currently uses several different means of accessing Verizon PA's OSS. First, AT&T uses the LSOG4 Electronic Data Interchange ("EDI") application-to-application interface and the Web GUI to place orders, and it uses Web GUI and CORBA to submit pre-ordering queries to Verizon's OSS. During its commercial production test, AT&T provisioned over 700 test lines with Verizon and used the application-to-application interface to submit over 9000 various types of typical orders and transactions in a live commercial setting. This end-to-end testing experience has enabled AT&T to acquire invaluable information about the way in which Verizon PA's OSS actually functions, and to determine whether AT&T's systems are able to communicate and exchange information with Verizon PA's OSS in accordance with Verizon PA's published rules. In addition, this experience has enabled AT&T to better understand how Verizon's various manual processes function, such as the help desk, submission of trouble tickets and processing of non-flowthrough orders.

B. Ordering and Provisioning Issues: Flowthrough and Billing Completion Notices

1. Verizon's Pennsylvania Flowthrough Rates Point to Other Ordering Processing Problems That Indicate That Verizon's OSS Is Not Capable of Supporting Commercial Volumes of Competitors' Transactions.

(a) Introduction.

31. Verizon's OSS handles orders in one of two ways. Certain orders, by design, flow through its system and are automatically processed without the need for human intervention. Other orders require manual processing by Verizon employees. These manual orders take longer and are more error-prone. Orders that flow through are processed more quickly than manually