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FEDERAL COMMUNICATIONS COMMISSION
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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of Petition of WorldCom, Inc. Pursuant to Section 252(e)(5) of the Communications Act for Expedited Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc., and for Expedited Arbitration	)	CC Docket No. 00-218
In the Matter of Petition of Cox Virginia Telecom, Inc. Pursuant to Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc. and for Arbitration	)	CC Docket No. 00-249
In the Matter of Petition of AT&T Communications of Virginia Inc., Pursuant to Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia Corporation Commission Regarding Interconnection Disputes With Verizon Virginia Inc.	)	CC Docket No. 00-251

VERIZON VIRGINIA INC.'S OBJECTIONS
TO AT&T AND WORLDCOM'S FOURTH SET OF DATA REQUESTS

In accordance with the Procedures Established for Arbitration of Interconnection Agreements Between Verizon and AT&T, Cox, and WorldCom, CC Docket Nos. 00-218, 00-249, 00-251, DA 01-270, Public Notice (rel. February 1, 2001), Verizon Virginia Inc. ("Verizon") objects as follows to the Fourth Set of Data Requests served on Verizon jointly by AT&T and WordCom on July 28, 2001.

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GENERAL OBJECTIONS

1. Verizon objects to AT&T and WorldCom's Data Requests to the extent that all or any of them seek confidential business information covered by the Protective Order that was adopted and released on June 6, 2001. Such information will be designated and produced in accordance with the terms of the Protective Order.

2. Verizon objects to AT&T and WorldCom's Data Requests to the extent that all or any of them seek attorney work product or information protected by the attorney-client privilege.

3. Verizon objects to AT&T and WorldCom's Data Requests to the extent that all or any of them, when read in conjunction with the instructions and definitions contained therein, seek information that is neither relevant to this case nor likely to lead to the discovery of admissible evidence, or otherwise seek to impose upon Verizon discovery obligations beyond those required by 47 CFR § 1.311 et seq.

4. Verizon objects to AT&T and WorldCom's Data Requests to the extent that all or any of them, when read in conjunction with the instructions and definitions contained therein, are overly broad, unduly burdensome or vague.

5. Verizon objects to AT&T and WorldCom's Data Requests to the extent that all or any of them, when read in conjunction with the instructions and definitions contained therein, seek information from independent corporate affiliates of Verizon Virginia Inc., or from board members, officers or employees of those independent corporate affiliates, that are not parties to this proceeding.

6. Verizon objects to AT&T and WorldCom's Data Requests to the extent that all or any of them, when read in conjunction with the instructions and definitions

contained therein, seek information relating to operations in any territory outside of Verizon Virginia Inc. territory.

7. Verizon objects to AT&T and WorldCom's Data Requests to the extent that all or any of them, when read in conjunction with the instructions and definitions contained therein, seek discovery throughout the Verizon footprint. This proceeding involves only Verizon Virginia Inc. and relates only to the terms of interconnection and resale in Virginia. Moreover, as the Commission has assumed the jurisdiction of the Virginia State Corporation Commission in this matter, it has no jurisdiction over Verizon entities that do not conduct business in Virginia. *See* Memorandum Opinion and Order, *In the Matter of Petition of AT&T Communications of Virginia, Inc. for Preemption of Jurisdiction of the Virginia State Corporation Commission Pursuant to Section 252(e)(5) of the Telecommunications Act of 1996*, 16 FCC Rcd 2326 (2001).

8. Verizon objects to AT&T and WorldCom's Data Requests to the extent that all or any of them, when read in conjunction with the instructions and definitions contained therein, seek information that is confidential or proprietary to a customer, CLEC or other third party. Verizon has an obligation to safeguard such information from disclosure. Thus, while Verizon may be in possession of such information, it does not have the authority to disclose that information to AT&T, WorldCom or any other entity.

9. Verizon objects to AT&T and WorldCom's Data Requests to the extent that all or any of them, when read in conjunction with the instructions and definitions contained therein, are redundant of prior data requests served by AT&T or WorldCom.

SPECIFIC OBJECTIONS

In addition to the foregoing General Objections and without waiver of same, Verizon objects specifically to AT&T and WorldCom's Data Requests as follows:

ITEM: AT&T/WCOM 4-1

AT&T/WorldCom understand that Verizon has reflected various workgroups used to reflect labor expense in its presentation of non-recurring cost reflected in the VZ-NRCM (Non Recurring Cost Model). For each labor group classification, please provide all requested documentation or relevant answers to the following questions regarding the various work groups.

a. Identify each responsible person representing each individual workgroup as well as the data they provided representing any kind of input, and/or opinions about workflow processes or analysis that they may have identified about their organization or any other involved organizations, and their respective functional work activities, probabilities, and/or work times that may have been used in the development of the Verizon NRCM.

b. Please identify all OSS used in the provisioning of UNEs (both UNEs currently provided and UNEs which Verizon has identified that it will be provisioning in the future) to which each department has access to as well as any administrative systems that may be used to keep track of employees time (e.g., a complete description of the OSS, the company responsible for its software, and the functionality it provides).

   i. Please provide a workflow process diagram for each UNE explaining when and how these OSS are used, and the interactions of the workgroups, as they perform activity tasks related to the provisioning of UNEs.

   ii. Please indicate how employees and/or management are notified of pending work (e.g., Administrative Notices, RMA's, etc) that requires the employees of the represented workgroups to perform some task related to the provisioning of UNEs. In addition, please provide samples of the notices (e.g., service orders, Administrative Notices, screen shots, etc) that require the employees to perform some task related to

the provisioning of UNEs as indicated in the NRCM.

c. Please define all labor classifications (e.g. subcategories of employees) that represent each work group, i.e., Screeners, Field Installation technicians, MLAC, etc.

d. Please provide for each work group the current state specific ratios of non-management to management indicating all labor classifications (e.g. categories of employees) that are represented by each work group.

   i. Please also explain if these ratios would change from current levels and what those changes would be as a result of any "forward looking adjustments" included in the presentation of non-recurring cost calculations reflected in the VZ-NRCM.

e. Please define for each work group the current state specific management structure and the ratio of supervisors to each upper level of management that currently exist (e.g., organization charts).

   i. Please also explain if these ratios would change from current levels and what those changes would be as a result of any "forward looking adjustments" included in the presentation of non-recurring cost calculations reflected in the VZ-NRCM.

f. Please provide the state specific latest labor contract or wage table that reflects or defines each category of the non-management employee that is indicated in the VZ-NRCM.

   i. From the labor classifications as defined above, please explain in detail how employees of each work group report or keep track of any functions or work activities preformed by them to their daily/weekly time sheet or any other time reporting or accounting system that Verizon may currently use. Specifically identify to which accounting codes the employees of the various work groups indicated in the NRCM may charge their time.

   ii. Please also provide a state specific sampling (2-5% of the non-management employee base from each work

group) of actual time sheets and/or any reports that can be or are generated from any time reporting or accounting system, that reflect activities and/or accounting codes reported during two recent weeks time and would demonstrate and/or reflect the accounting codes as provided above.

iii. Please provide copies of any training materials and/or documentation that explains or instructs the employees of these work groups on "how to" report their daily or weekly time activities into any time reporting or accounting system that Verizon may have.

REPLY: See general objections.

VZ VA #391

ITEM:
AT&T/WCOM 4-2

Do any of the employees of the workgroups identified in the NRCM currently perform any other tasks or work functions associated with the provisioning of UNEs that <u>are not reflected</u> in the list of activities in its presentation of non-recurring cost reflected by the VZ-NRCM? If so, please provide a list (by UNE) of all work activities (tasks) that would be considered as non-recurring cost activities but which were not included in the presentation of non-recurring cost reflected by the VZ-NRCM.

a. Please also explain in detail why these tasks were not included in the NRCM, and who was responsible party for the decision not to include them.

   i. Provide a copy of all minutes, notes, handouts, presentations, or other documents reflecting any communications, meetings, or other exchanges between or among some or all of persons or subject matter experts concerning these tasks that were not included in the NRCM model's development, (or methodology, underlying assumptions, work time estimates, operation, or results).

b. Please estimate the additional NRC cost that these tasks (that are not reflected in the NRCM) would represent for each UNE in VZ-NRCM.

c. Are there any tasks or work functions performed by any work group that would be considered as "recurring[1]" cost activities?

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[1] See FIRST REPORT AND/ORDER at 691 and 745:

691 "Any function necessary to produce a network element must have an associated cost. The study must explain with specificity why and how specific functions are necessary to provide network elements and how the associated costs were developed. Only those costs that are incurred in the provision of the network elements in the long run shall be directly attributable to those elements. Costs must be attributed on a cost-causative basis. Costs are causally-related to the network element being provided if the costs are incurred as a direct result of providing the network elements, or can be avoided, in the long run, when the company ceases to provide them. Thus, for example, the forward-looking costs of capital (debt and equity) needed to support investments required to produce a given element shall be included in the forward-looking direct cost of that element. Directly attributable costs shall include costs such as certain administrative expenses, which have traditionally been viewed as common costs, if these costs vary with the provision of network elements. Retailing costs, such as marketing or consumer billing costs associated with retail services, are not attributable to the production of network elements that are offered to interconnecting carriers and must not be included in the forward-looking direct cost of an element."

745 "Second, if we apply our general rule that costs should be recovered in a manner that reflects the way they are incurred, then recurring costs must be recovered through recurring charges, rather than through a nonrecurring charge. A recurring cost is one incurred periodically over time. A

i. Please provide a complete list of all tasks, and/or work functions by work group that would be included in the calculations used to produce the recurring cost of UNEs.

ii. Please provide some estimation as to the total amount of time (e.g., Daily, Weekly, or Yearly) and/or labor expense that would be related to those functions or tasks that would be considered recurring cost activities and that would be included or reflected in the cost calculations used to produce the recurring UNE rates.

iii. In theory, please explain how the employee's individual (daily/weekly, etc) time for these other activities "i.e., recurring cost activities" would be reflected in any Time Reporting system (and/or accounting system)? Are there different time reporting codes for non-service order or "recurring" work activities as opposed to non-recurring cost activities.

(a) Please provide the accounting codes to which employees would charge their labor expenses that would reflect any activities that are performed by the work groups listed in the NRCM that would be considered as "recurring" cost activities.

d. Do you agree that if some tasks are being performed by the work groups listed in the NRCM and that are unrelated to NRCs and not reflected in cost calculations of Verizon's NRCM, then the costs for those tasks <u>should be reflected</u> in the recurring rates for various elements. If your answer is anything other than an unconditional "yes," please explain your answer in detail.

e. Do you agree that if some tasks are being performed by the various work groups that are unrelated to NRCs reflected in Verizon's NRCM, thus the cost for those

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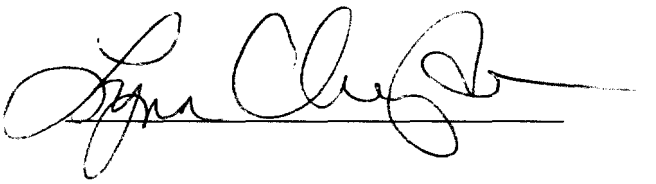
LEC may not recover recurring costs such as income taxes, maintenance expenses, and administrative expenses through a nonrecurring charge because these are costs that are incurred in connection with the asset over time. For example, we determine that maintenance expenses relating to the local loop must be recovered through the recurring loop charge, rather than through a nonrecurring charge imposed upon the entrant."

tasks are reflected in the recurring rates for various elements. If your answer is anything other than an unconditional "yes," please explain your answer in detail.

REPLY: See general objections.

VZ VA #392

Respectfully submitted,



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Dated: August 2, 2001

CERTIFICATE OF SERVICE

I do hereby certify that true and accurate copies of the foregoing Objections to AT&T/WorldCom's Fourth Set of Data Requests were served electronically and by overnight mail this 2nd day of August, 2001, to:

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