

Before the
Federal Communications Commission
Washington, D.C. 20554

RECEIVED

AUG 6 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Application by Verizon Pennsylvania)
Inc., Verizon Long Distance, Verizon)
Enterprise Solutions, Verizon Global)
Networks Inc., and Verizon Select)
Services Inc., for Authorization To)
Provide In-Region, InterLATA Services)
in Pennsylvania)

CC Docket No. 01-138

**APPLICATION BY VERIZON PENNSYLVANIA
FOR AUTHORIZATION TO PROVIDE IN-REGION,
INTERLATA SERVICES IN PENNSYLVANIA**

REPLY APPENDIX A

Volume 1

Reply Declarations

**APPLICATION BY VERIZON PENNSYLVANIA
FOR AUTHORIZATION TO PROVIDE IN-REGION,
INTERLATA SERVICES IN PENNSYLVANIA**

CC DOCKET NO. 01-138

REPLY APPENDIX A

TABLE OF CONTENTS

Reply Declarations

Tab	Declarant	Subject
A	Paul A. Lacouture and Virginia P. Ruesterholz	Competitive Checklist
B	Kathleen McLean, Raymond Wierzbicki, and Catherine T. Webster	Operations Support Systems
C	Catherine Bluvol and Sameer Kumar	Operations Support Systems
D	Elaine M. Guerard, Julie A. Canny, and Marilyn C. DeVito	Performance Measurements
E	Robert H. Gertner, Gustavo E. Bamberger, and Michael P. Bandow	Loop Performance Data
F	Daniel J. Whelan and Gary E. Sanford	Pricing



**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) CC Docket No. 01-138
Networks Inc., and Verizon Select)
Services Inc., for Authorization To)
Provide In-Region, InterLATA Services)
in Pennsylvania)

REPLY DECLARATION OF PAUL A. LACOUTURE

AND

VIRGINIA P. RUESTERHOLZ

1. My name is Paul A. Lacouture. I submitted a Declaration with Virginia P. Ruesterholz in this proceeding on June 21, 2001. My qualifications are set forth in that declaration.

2. My name is Virginia P. Ruesterholz. I submitted a Declaration with Paul A. Lacouture in this proceeding on June 21, 2001. My qualifications are set forth in that declaration.

I. Purpose of Reply Declaration

3. The purpose of our reply declaration is to address the issues raised by commenters about whether Verizon's performance satisfies the checklist requirements in Section 271(c)(2)(B) of the Telecommunications Act of 1996. When these isolated challenges and unsupported assertions are placed in perspective and Verizon's performance data are presented fairly, it is evident that Verizon is meeting the checklist.

No company can perform perfectly and the checklist does not require perfection. But overall, Verizon is providing checklist items on time and competitors are using them to enter the local market in Pennsylvania.

II. Verizon Provides Loops.

4. There is no dispute that Verizon's overall performance in providing unbundled loops is excellent. As we explained in our declaration, through April 2001, Verizon had in service about 386,000 loops in Pennsylvania, including more than 164,000 stand-alone loops (new loops and hot cuts) and more than 222,000 loops provided as part of network element platforms that include switching and transport elements. As of June 2001, Verizon has in service more than 428,000 loops in Pennsylvania, including about 179,000 stand-alone loops (new loops and hot cuts) and more than 249,000 loops provided as part of network element platforms.

5. Verizon's overall loop performance in Pennsylvania continues to be excellent. Verizon is delivering loops when CLECs want them, ensuring that the loops work when they are installed and repairing those few loops that do not work in a timely and nondiscriminatory manner. Verizon's excellent loop performance continues to be evident in May and June.

a. Stand-Alone POTS Loops.

6. Verizon is continuing to provide unbundled loops in commercial volumes in Pennsylvania. Through April 2001, Verizon had in service about 145,000 stand-alone POTS loops. As of June 2001, Verizon has in service more than 158,000 stand-alone POTS loops.

7. As we explained, Verizon is delivering stand-alone POTS loops in Pennsylvania when CLECs want them. During February, March, and April, Verizon missed about 4.0 percent of CLEC installation appointments for stand-alone POTS loops that require a dispatch. In May and June, Verizon's missed installation appointment rate for stand-alone POTS loops that require a dispatch was 3.45 percent in May and 4.57 percent in June. *See* Attachment 1. This means that Verizon delivered approximately 96 percent of stand-alone POTS loops on time.

8. We explained in our initial declaration that Verizon's reported performance for provisioning stand-alone POTS loops that require a dispatch showed some disparity in the average installation interval during February, March, and April. This disparity was due to the fact that the standard installation interval for these POTS loops was six days, while the interval for the comparable retail services was based on a SMARTS clock. Verizon eliminated this disparity by changing the standard interval for these POTS loops to the same SMARTS clock interval used for retail services on April 21, 2001. During May and June, Verizon's average completion interval for 1-5 stand-alone POTS loops where a dispatch was required was 5.20 days for CLECs and 4.82 days for the retail comparison group established by the Pennsylvania PUC. *See* Guerard/Canny/DeVito Reply Decl., Att. 1.

9. Verizon is also continuing to install POTS loops overall with a high degree of quality. As we explained in our initial declaration, under the New York Performance Assurance Plan, Verizon's retail POTS installation quality is compared to Verizon's installation quality on both stand-alone POTS loops and platforms. During February, March, and April, Verizon's I-Code rate was 1.74 percent for POTS loops and

platforms, compared with 1.72 percent for Verizon's retail services. In May, Verizon's I-Code rate was 1.86 percent for POTS loops and platforms, as well as for Verizon's retail analog. In June, Verizon's I-Code rate was 1.95 percent for POTS loops and platforms, compared with 1.91 percent for Verizon's retail services. *See Attachment 2.*

10. Verizon's performance for repairing and maintaining stand-alone POTS loops also continues to be strong. During February, March, and April, fewer than one percent of CLEC POTS loops and Verizon's retail POTS services had reported troubles found in either the outside plant or the central office. In May and June, about one percent of CLEC POTS loops and Verizon's retail POTS services had reported troubles. *See Attachment 3.*

11. Verizon is also continuing to complete repairs by the committed appointment time. During February, March, and April, Verizon's average missed repair appointment rate was 7.90 percent for POTS loops overall and 11.99 percent for the retail comparison group established by the Pennsylvania PUC. In May, Verizon's average missed repair appointment rate was 5.85 percent for POTS loops overall and 11.29 percent for the retail comparison group. And in June, Verizon's average missed repair appointment rate was 7.94 percent for POTS loops overall and 14.04 percent for the retail comparison group. This means that on average Verizon is meeting over 92 percent of repair appoints for CLECs and over 87 percent for its retail customers. *See Attachment 4.*

12. Verizon's mean time to repair CLEC POTS loops also continues to be in parity. During February, March, and April, Verizon's mean time to repair POTS loops was, on average, 18.38 hours for CLECs in Pennsylvania and 18.50 hours for Verizon's

retail customers. In May, Verizon's mean time to repair POTS loops was, on average, 15.68 hours for CLECs in Pennsylvania and 17.57 hours for Verizon's retail customers. In June, Verizon's mean time to repair POTS loops was, on average, 15.99 hours for CLECs in Pennsylvania and 19.52 hours for Verizon's retail customers. *See Attachment 5.*

13. The only POTS maintenance measure in Pennsylvania that shows some disparity is the percent of repeat trouble reports within 30 days (MR-5-01). Verizon has worked with the CLECs to improve performance under this measure and has reduced the repeat trouble report rate since the beginning of the year. The small remaining disparity is driven largely by CLEC behavior and Verizon's inability to test whether a CLEC loop is working because the loop is connected to the CLEC's switch, rather than Verizon's switch.

14. As we explained in our initial declaration, Verizon's repeat trouble report rates were skewed by CLEC behavior as well as Verizon's inability to test whether a CLEC loop is working. Some repeat trouble reports were due to the CLECs' failure to isolate the location of the trouble in the loop and some repeat trouble reports were due to the CLECs' failure to make access arrangements at the customer premises. Correcting for these two factors alone reduced the disparity in the average repeat trouble report rate for the months of February, March, and April to about 1.92 percentage points. Verizon also corrected for these two factors in the months of May and June, which reduced the disparity in the average repeat trouble report rate to 1.68 percent for the five-month period. *See Attachment 6.* This difference is not competitively significant and could well

be explained by the fact that Verizon (and sometimes even the CLEC) cannot test a CLEC loop after it is repaired.

b. Hot Cut Loops.

15. In our initial declaration, we demonstrated that Verizon uses the same hot cut process in Pennsylvania as it does in New York and Massachusetts. Verizon's hot cut performance in Pennsylvania continues to be excellent. During February, March, and April, Verizon completed on average 96.85 percent of its hot cut orders on time. In May and June, Verizon completed on average 97.3 percent of its hot cut orders on time. See Attachment 7. For purposes of this performance measure, a hot cut that is completed early (*e.g.*, a premature disconnect) is scored as a miss, rather than as on time.

16. Verizon is also continuing to perform hot cuts with a high level of quality. As we previously explained, Verizon's installation quality performance is not reported separately for hot cuts in the Pennsylvania Carrier-to-Carrier report. Verizon therefore calculated Verizon's installation quality performance for hot cuts in Pennsylvania using the New York performance guidelines. During February, March, and April, less than 0.33 percent of CLEC hot cuts had reported troubles within 7 days of installation. In May and June, less than .5 percent of CLEC hot cuts had reported troubles within 7 days of installation, which is better than the New York benchmark of 2 percent. See Attachment 8.

17. Only one commenter raised an issue regarding Verizon's hot cut performance. The Association for Communications Enterprises ("ASCENT") notes that Verizon's reported average provisioning interval for hot cut loops is longer than the reported interval for the retail comparison group. See ASCENT Comments at 14. As we

explained in our initial declaration, the retail comparison group for the hot cut average completed interval measure (PR-2-01) that is currently included on the Pennsylvania Carrier-to-Carrier reports is completely inappropriate. It includes orders for retail services that have much shorter standard intervals, such as orders for feature changes, which can be provisioned the same day. As explained by Dr. Gertner, Dr. Bamberger, and Dr. Bandow, the average standard interval for a randomly selected sample of retail non-dispatch orders is between 0.43 and 1.25 days. *See Gertner/Bamberger/Bandow Decl.* Because hot cuts have a standard interval of 6 days and the retail analog has an average standard interval of well under 2 days, the comparison is completely inappropriate.

18. Verizon's hot cut interval performance under the New York performance guidelines, which all parties have agreed to adopt, is a diagnostic tool. During February, March, and April, Verizon completed hot cuts in Pennsylvania within, on average, 6.72 days. Verizon's average completion interval for hot cuts was 6.64 in May and 6.54 in June. *See Attachment 9.* This performance measure includes orders that have the standard 6-day interval as well as orders that have longer intervals. Verizon's performance is just slightly longer than the shortest standard interval for hot cuts in Pennsylvania.

c. High Capacity Loops.

19. We explained in our initial declaration that Verizon had provisioned about 500 high capacity DS-1 loops, but only a few high capacity DS-3 loops through April 2001. As of June 2001, Verizon has provided over 700 high capacity DS-1 loops and

only a minimal number of DS-3 loops. These high capacity loops represent only about .16 percent of all unbundled loops provisioned to competitors in Pennsylvania.

20. In their joint comments, Capsule Communications, Covista and US LEC claim “it is inaccurate for Verizon to state that DS-1 loops only represent 0.13% of all unbundled loops provisioned.” Capsule/Covista/US LEC Comments at 6. According to these parties, if “a DS-1 facility is the equivalent of 20 loops, then the percentage is more accurately nearly 3% of all unbundled loops provisioned.” *Id.*

21. These parties are assuming that CLECs purchase high capacity loops to provide the equivalent of 20 voice grade dial tone lines. This assumption is incorrect because CLECs are actually using high capacity loops to provide DSL service. As explained by Broadslate Networks, CTSI, and XO Communications, “[t]hese [high capacity loop] facilities are often deployed . . . in areas that cannot be reached by xDSL services due to their distance from a central office or because the existence of a Digital Loop Carrier (“DLC”) system impedes the deployment of xDSL.” Broadslate/CTSI/XO Comments at 4. High capacity loops therefore represent only about one tenth of one percent of all the unbundled loops Verizon has provisioned.

22. As we previously explained, Verizon has been provisioning a small number of DS-1 loops per month. With so few orders, Verizon’s monthly performance reports are subject to significant variations. Nonetheless, Verizon’s performance in provisioning high capacity DS-1 loops continues to be strong.

23. Verizon examined those CLEC orders that were given the standard interval and excluded the orders that could not be completed on the due date because facilities were not available. The orders that could not be completed on the due date for

facility reasons include orders where, for example, the assigned loop was defective, in use or not capable of supporting DS-1 service or the DS-1 common electronic equipment in the central office had no spare capacity. Verizon's average completion interval for these DS-1 loop orders was 16.28 days in May and 14.80 days in June. *See Attachment 10.* The retail comparison for this performance measure is completely inappropriate. While virtually all high capacity loops require a dispatch, many of the orders included in the retail comparison group are translation rearrangements, including feature and hunting changes. These translation changes can and often are completed in much shorter intervals.

24. Verizon is also continuing to install high capacity loops with a high level of quality. Although Verizon's installation quality is not reported separately for DS-1 loops, during February, March, and April only 1.19 percent of high capacity loops and interoffice facilities provided to CLECs had reported troubles within 30 days of installation, while the I-Code rate for the retail comparison group during this same period was 1.18 percent. In May, Verizon had no installation troubles reported on high capacity loops and in June, Verizon had only one reported installation trouble. *See Guerard/Canny/DeVito Reply Decl., Att. 1.* During May and June, the I-Code rate for the retail comparison group was above 3 percent. *See id.*

25. Verizon is also maintaining high capacity loops on a nondiscriminatory basis. During February, March, and April, the trouble report rate on high capacity loops and interoffice facilities provided to CLECs and the retail comparison group was less than 2 percent. In May, the trouble report rate on high capacity loops and interoffice facilities provided to CLECs and the retail comparison group was less than 1 percent and

in June was less than 3 percent. *See id.* This means that on average 98 percent of high capacity loops do not experience any troubles in a given month.

26. In addition, although Verizon receives very few trouble reports for high capacity loops, its mean time to repair CLEC high capacity loops during February, March, and April was on average 4.08 hours (after adjusting for a fiber cut in March that affected 4 wholesale circuits), which was slightly less than Verizon's mean time to repair performance of 4.43 hours during this period for the retail comparison group. In May, Verizon's mean time to repair CLEC high capacity loops was 8.25 hours, reflecting just 5 trouble tickets that month. Verizon's performance in May was skewed by a single trouble ticket with a duration of 19 hours. Verizon received this trouble ticket on a Saturday afternoon and resolved the trouble as part of a larger maintenance restoration of a wet cable. Verizon contacted the CLEC Sunday morning to provide a progress report on the overall job, and was informed by the CLEC that the circuit was testing OK. Although the circuit was restored on Saturday, Verizon measured this ticket to the time Verizon contacted the CLEC on Sunday morning. Adjusting Verizon's performance for this one trouble ticket reduces Verizon's mean time to repair for May to 5.43 hours, which is comparable to Verizon's mean time to repair performance of 4.14 hours for the retail comparison group. *See Attachment 11.*

27. In June, Verizon's mean time to repair CLEC high capacity loops was 6.56 hours, which is within the statistical threshold for parity performance. *See Guerard/Canny/DeVito Reply Decl., Att. 1.* In addition, Verizon had only one repeat trouble report on a high capacity loop in May and only three in June. *See id.*

28. As we previously explained, one set of performance measures that show some disparity in Verizon's performance is missed installation appointments (PR-4-01). These measures include orders that Verizon could not complete because facilities were not available on the due date. Rather than reject these orders, Verizon takes additional steps to make a high capacity loop available to serve the customer. These steps include checking whether there are already network construction projects underway that would make facilities available for that order in the near future. If such plans are underway, Verizon provides the CLEC a due date for the order that is based on Verizon's then-current estimate of when the construction project will be complete.

29. Verizon recalculated its performance under this measure by excluding orders where facilities were not available on the due date. During February, March, and April, Verizon's missed appointment rate for high capacity loops was 12.02 percent for CLECs. In May and June, Verizon's missed appointment rate for high capacity loops was 15.03 percent and 8.33 percent, respectively. *See Attachment 12.* In other words, during February through June, Verizon completed about 88 percent of CLEC high capacity loop orders on time.

30. We also explained that it is not appropriate to compare Verizon's wholesale performance to its retail special services performance because of fundamental differences in these two processes. Verizon does not set a due date for retail special services within a few days of receiving the retail customer's order. Rather, Verizon's retail sales personnel may not give the retail customer a due date until shortly before the service is installed. For example, where no facilities are available, the due date may not be set until facilities are available. By contrast, Verizon responds to a CLEC order for a

high capacity loop by returning a confirmation within a few days of when Verizon receives the order. That confirmation sets a due date for the order and that due date is used for measurement purposes whether or not facilities are available.

31. There are several performance measures included on the Pennsylvania Carrier-to-Carrier reports that the Commission has not relied upon in prior long distance applications. One such measure is PR-4-09, which shows the percentage of missed appointments for standard interval (W Coded) orders for special services. As we previously explained, this measure is not part of the New York performance guidelines and will be eliminated when the New York performance guidelines are implemented in Pennsylvania.

32. Moreover, PR-4-09, as reported on the Pennsylvania Carrier-to-Carrier reports, is significantly flawed because it includes orders where Verizon lacked facilities. There are also a very small number of orders reported under this Pennsylvania measure. Although there is no reason for the Commission to consider this measure, Verizon's performance under this measure is on average better than 90 percent when adjusted for orders where Verizon lacked facilities. During February, March, and April, Verizon's rate for completing standard interval orders for special services where facilities were available was 91.45 percent. In May and June, Verizon's rate for completing standard interval orders for special services where facilities were available was 90 percent and 94.12 percent, respectively. *See Attachment 13.*

33. Another performance measure that the Commission has not previously considered is PR-8-01, which shows the percentage of open special services orders in a hold status for more than 30 days past the due date. This measure is also significantly

flawed because it counts orders that are awaiting cancellation by the CLECs as orders in a hold status. Orders that should be cancelled by the CLECs include orders that the CLEC refused on the due date because it no longer wanted the facilities. Nonetheless, in May and June, Verizon had no CLEC open orders in a hold status for more than 30 days past the due date. *See* Guerard/Canny/DeVito Reply Decl., Att. 1.

34. US LEC claims it has experienced problems with Verizon's provisioning of special access services. *See* Capsule/Covista/US LEC Comments at 7. These are high capacity special access services from Verizon's access tariffs that Verizon provides directly to interexchange carriers. They have nothing to do with the checklist.

35. Several CLECs argue that Verizon will not construct high capacity loops to fill a CLEC order where facilities are not available. *See, e.g.,* Broadslate/CTSI/XO Communications Comments at 7. Verizon meets its unbundling obligations by providing high capacity loops where facilities are already available. Verizon also goes beyond its unbundling obligations to provide high capacity loops in certain situations where not all of the necessary facilities are available. *See* Attachment 14.

36. Where there are already high capacity loop facilities in use serving a customer, Verizon will transfer those facilities to fill a CLEC order for an unbundled high capacity loop. In these cases, Verizon will cross-connect the high capacity loop to the CLEC's collocation arrangement in the central office where that high capacity loop terminates.

37. In addition, Verizon will fill a CLEC order for an unbundled high capacity loop where the central office common equipment and the equipment at the end user's location necessary to create a high capacity loop can be accessed. This means that

Verizon will install the appropriate high capacity card in the spare slots or ports of the equipment and perform cross connection work between the common equipment and the wire or fiber facility between the central office and the customer premises. Verizon will also correct conditions on an existing copper facility that could affect transmission characteristics. In addition, Verizon will terminate the high capacity loop in the appropriate network interface device at the customer premises, such as a Smart Jack or a Digital Cross Connect (DSX).

38. Cavalier claims that Verizon is not processing its “UNE T1 orders if no terminal equipment (line cards) is present on the customer premise.” Cavalier Comments at 1. Although Cavalier did not provide any examples of orders in Pennsylvania that had been cancelled for this reason, Verizon examined Cavalier’s orders for unbundled high capacity loops that Verizon could not provision because facilities were not available. In nearly every case, Cavalier was requesting high capacity service on a loop longer than 12,000 feet. High capacity service, in this case HDSL service, cannot be provided on a loop longer than 12,000 feet unless repeater electronics are installed on the loop. Verizon did not complete these orders for unbundled high capacity loops because of the extensive construction and splicing work necessary to add apparatus cases and repeater electronics.

39. XO claims that in situations where XO’s high capacity loop orders were rejected because facilities were not available, XO ordered special access services and Verizon constructed the facilities necessary to provide the special access services. *See Broadslate/CTSI/XO Communications Comments, Plue Decl.* ¶ 6. XO did not identify the special access orders where it claims Verizon constructed the necessary facilities. Nonetheless, under Verizon’s special access tariffs, Verizon has the discretion to

construct facilities if doing so is consistent with Verizon's current design practices and with its current construction program. These tariff provisions have been in place since well before the Telecommunications Act went into effect.

40. XO Communications also objects to paying any termination liabilities for special access services it purchases under term discount plans when XO converts those special access services to unbundled network elements before the end of the term. *See id.* ¶¶ 12-14. These objections are misplaced.

41. First, Verizon's termination liabilities are pro-competitive. They enable carriers to offer a lower price when competing for special access services. Under term discount plans, carriers offer lower rates in exchange for a future stream of revenue. Without some reasonable assurance that they will be able receive a revenue stream for a fixed period of time, carriers would have little incentive to offer discounts from standard tariff rates and to compete as aggressively for the customer's business.

42. By including termination liabilities in a term plan with discounted rates, Verizon and the general body of ratepayers are assured of a continuing stream of revenues. At the same time, the customer – in this case, XO Communications – benefits from a lower price. For these reasons, term discount plans are a desirable and commonplace feature of various telecommunications offerings and are offered by virtually every competing carrier.

43. Second, termination liabilities in term discount plans are reasonable because the customer is never forced to agree to them. Typically, Verizon's term and volume discount plans are available where competitors offer directly competing services. In these situations, the customer can choose among competing proposals, and will accept

Verizon's special access services under a term discount plan only if it believes the discounted rates and termination liabilities are reasonable. And even if there were no competitive alternatives, the customer still has the option of taking service under a standard tariff arrangement and avoiding any termination liability.

44. Third, the level of Verizon's termination liabilities is reasonable. XO Communications generally purchases special access services under Verizon's interstate special access tariffs. Verizon's interstate special access tariffs provide that early termination charges will equal the lesser of: (1) 15 percent of the remaining balance of the term discount plan; or (2) the difference between the monthly rate the customer paid per line during each month the customer subscribed to the service and the monthly rate that would have been applicable for the period during which the customer subscribed to the service.

d. DSL Loops.

45. Although Verizon is continuing to provide DSL loops in commercial volumes, they still represent only a small fraction of the unbundled loops provided by Verizon. Of the nearly 428,000 total unbundled loops provided by Verizon in Pennsylvania through June 2001, less than 17,000, about 4 percent, were DSL loops. And of the 28,500 unbundled loops Verizon provisioned on average per month in Pennsylvania during the first six months of this year, only about 480, less than 2 percent, were DSL loops. Even when compared to the 179,000 loops provided on a stand-alone basis, unbundled DSL loops remain only a minority – less than 10 percent.

Pre-ordering

46. Verizon's performance in providing loop qualification information to CLECs in Pennsylvania continues to be strong. PO-1-06 measures the time it takes to respond to mechanized loop qualification requests submitted over the EDI and Web GUI interfaces. During February, March, and April 2001, Verizon has consistently met or bettered the Carrier-to-Carrier parity standard of retail response time plus not more than seven seconds for Web GUI. During the same period, there were no CLEC loop qualification transactions submitted over EDI. During May and June 2001, Verizon consistently met or bettered the Carrier-to-Carrier parity standard of retail response time plus not more than seven seconds for Web GUI and the standard of retail response time plus not more than four seconds for EDI. *See Attachment 15.*

Ordering

47. Verizon's performance for order processing timeliness for DSL loop orders (as with other orders) continues to be excellent. For all categories that include DSL orders – whether pre-qualified or requesting a manual loop qualification – Verizon's timeliness in returning order confirmations (LSRCs or FOCs) for February through April had been, on average, 98.7 percent on time in Pennsylvania. In May and June, Verizon returned 99.37 percent and 98.32 percent of order confirmations on time, respectively. *See Attachment 16.*

48. Verizon also continues to return reject notices or queries for DSL loops in a timely manner. During February through April, Verizon's timeliness in returning reject notices or queries had been, on average, 99.6 percent on time in Pennsylvania. In May

and June, Verizon returned 100 and 98.18 percent of reject notices or queries on time.

See Attachment 17.

Provisioning.

49. As we demonstrated in our initial declaration, Verizon is already provisioning DSL loops in commercial volumes in Pennsylvania and delivering them in a timely manner. Verizon's performance during May and June continues to be excellent.

50. The principal measure of Verizon's timely performance is the missed installation appointment rate for DSL loop orders that require a dispatch (PR-4-04). During February through April, Verizon's missed appointment rate for DSL loops in Pennsylvania was 2.84 percent. In May and June, Verizon's missed appointment rate was 0.62 percent and 1.49 percent, respectively. *See Attachment 18.* This means that Verizon is now provisioning 98 percent of DSL loop orders on time.

51. The Carrier-to-Carrier reports also track on time performance for DSL loops that do not require a dispatch. These types of DSL loop installations are rare and typically involve the rearrangement of DSL loop wiring in a central office. In April and May, Verizon's reported observations were higher than normal. This spike in volume was due to a CLEC bankruptcy that required the rearrangement of its customers' DSL loops to other collocation arrangements.

52. Another measure that the Commission has relied on to assess the timeliness of DSL loop provisioning – Average Completion Interval – Total Dispatch (PR-2-02) – shows that Verizon not only is installing loops on time, but that Verizon is also providing DSL loops on a nondiscriminatory basis. During February through April, Verizon's average completion interval to provision DSL loops for CLECs in

Pennsylvania where a dispatch was required was 5.72 days, which is less than the standard interval of 6 days. During May and June, Verizon's average completion interval for DSL loops requiring a dispatch was 5.81 days and 5.70 days, respectively. *See* Attachment 19. Thus, Verizon has continued to provision DSL loops in less than the standard interval of 6 days.

53. Covad questions Verizon's calculation of its performance under PR-2-02 by noting that there are fewer observations listed under this performance measure than there are listed under PR-3-10. In particular, Covad notes that in May, PR-2-02 has 13 fewer observations than PR-3-10 and in February it has 3 fewer observations. *See* Covad Comments at 6-7. This difference in observations is explained by the different business rules for these performance measures. PR-3-10 includes both dispatch and non-dispatch orders, while PR-2-02 only includes dispatch orders. *See* Application, App. B, Tab R16 at 42, 45-47. The orders included in PR-3-10, but not PR-2-02, were orders that did not require a dispatch and therefore were properly excluded from PR-2-02.

54. Covad also claims that there are many DSL loop orders that are excluded from PR-2-02. *See* Covad Comments at 8. Covad is correct that PR-2-02 does not include all DSL loop orders completed in a month. For example, the business rules for PR-2-02 exclude DSL loop orders that do not require a dispatch. Those DSL loop orders are measured under PR-2-01. In addition, the business rules for PR-2-02 exclude DSL loop orders where the CLEC requested a manual loop qualification. These orders will obviously have a longer completion for reasons that have nothing to do with Verizon's performance. Similarly, the business rules for PR-2-02 exclude those DSL loop orders that were not completed on the due date because Verizon could not obtain access to the

customer premises. Again, since the CLEC is responsible for making access arrangements on the due date, these orders will have a longer completion interval for reasons that are not attributable to Verizon. In addition, PR-2-02 excludes orders where facilities were not available on the due date, such as where the loop is defective or all of the copper loops to the customer premises are in use. Attachment 20 lists all of the Covad DSL loop orders that Verizon completed through its billing systems in the month of May, identifies the orders that were excluded from the PR-2-02 performance measure; and identifies the business rule under which those orders were excluded.

55. During our investigation of Covad's claims, we discovered a Verizon system programming error that caused some standard interval orders to be excluded from the calculation of Verizon's performance under PR-2-02 and several other measures. The affected orders were those orders that Verizon received after 5:00 pm. The programming error treated these orders as having been received that day, rather than the following day. As a result, these orders were treated as having requested an interval one day longer than the standard interval, when in fact they had requested the standard interval. These orders were therefore excluded from the calculation of Verizon's performance under PR-2-02 and several other measures.

56. This programming error had virtually no effect on Verizon's reported DSL loop performance. Verizon still treated the CLEC requested due date as the due date for each DSL loop order. The CLEC requested due date was based on the standard interval as calculated under the business rules. Verizon used the CLEC requested due date as the date for provisioning these orders and, in fact, provisioned over 98 percent of these orders on the due date. Verizon has recalculated its performance under the affected performance

measures by including the orders that had been incorrectly excluded. *See* Attachment 19. In the majority of cases, Verizon’s recalculated performance is comparable to or better than the performance that had been reported previously, but the number of observations for these measures increased by the number of excluded orders. For example, in May, Verizon’s recalculated performance under PR-2-02 is 5.81 days, rather than 5.82 days as previously reported on the Carrier-to-Carrier report. The number of observations, however, increased from 359 to 511. All of the DSL performance results included in this declaration for the affected measures reflect the recalculated numbers.

57. NAS claims that the average completion interval for its DSL loop orders is “more than **** **** business days longer than the **** **** day interval that Verizon-PA reports for NAS.” NAS Comments at 5. NAS is misrepresenting Verizon’s performance. First, NAS is comparing apples to oranges. NAS calculated an average completion interval of **** **** days for the months of April and May. *See* NAS Comments at 5. NAS then compares its calculation to Verizon’s reported performance on NAS’s DSL loop orders for two completely different months – February and March. *See* NAS Comments at 5 n.11 (“The **** **** day figure for NAS is the weighted average installation interval for February and March combined”).

58. Second, NAS’s average interval calculation completely ignores the Carrier-to-Carrier business rules for PR-2-02. For example, NAS included 20 orders where NAS had requested an interval longer than the standard interval. *See* Attachment 21. NAS also included 21 orders that were not completed in April or May. *See id.* NAS included 5 orders that were queried for corrections, but used the date of the inaccurate

order as the order date for NAS's calculation. *See id.* Finally, NAS included 6 orders that did not require a dispatch, 4 orders missed for facility reasons, 14 orders that required manual loop qualification and one order that could not be completed on the due date for customer reasons. *See id.* None of these orders should be included in the PR-2-02 calculation under the Carrier-to-Carrier business rules. Attachment 21 lists each of the NAS orders included in the attachment to NAS's Comments and identifies the orders where NAS listed the wrong order date and the orders that should have been excluded under the Carrier-to-Carrier business rules. When Verizon's performance is properly calculated under the Carrier-to-Carrier business rules, it shows that Verizon completed NAS's DSL loop orders during May in **** days. *See* Attachment 22.

59. One provisioning measure that the Commission has not relied on in prior applications is PR-3-10, which shows the percentage of DSL loop orders (1-5 lines) completed within 6 days. Although there is no reason for the Commission to consider this measure, Verizon's performance under this measure is excellent. During February, March, and April, Verizon's rate for completing orders for DSL loops within 6 days in Pennsylvania was 95.68 percent. During May and June, Verizon's rate for completing DSL loop orders within 6 days was 95.27 percent and 94.97 percent, respectively. *See* Attachment 19.

60. Covad does not accept Verizon's on-time performance reported under PR-3-10 because Verizon reports only 372 observations in May 2001. According to Covad, "Verizon's 'FOC + 1' report, delivered daily to Covad, shows that it completed at least **** DSL loops for Covad in May 2001." Covad Comments at 6. The

implication of Covad's argument is that Verizon performed poorly on the DSL loop orders that are not reported under PR-3-10. In fact, just the opposite is true.

61. First, Covad is misreading Verizon's FOC + 1 reports and grossly overstating the number of DSL loops it receives in a month. Verizon's FOC + 1 report includes not only DSL loops, but ISDN loops as well. Covad is apparently counting ISDN loops as DSL loops. Verizon's FOC + 1 report also provides the details of what happened to each Covad DSL loop order that was due on a particular day. For example, if an order was due on the 10th of the month, but was completed early on the 8th of the month, it will show up twice on the report. Covad apparently counts these two separate appearances of the same order on the report as two separate DSL loops, even though Verizon installed only one DSL loop for that order. Correcting for these errors indicates that Verizon completed only **** DSL loop orders for Covad in May 2001. See Attachment 23. Although it is not possible to compare the number of orders listed on Verizon's FOC+1 reports to the number of orders listed as observations on a monthly Carrier-to-Carrier report, the number of Covad DSL loops reported on Verizon's Carrier-to-Carrier report for May is nearly identical to the corrected number from Covad's FOC + 1 report.

62. Second, Covad is correct that PR-3-10 does not include all DSL loop orders completed in a month. Attachment 24 lists all of the Covad DSL loop orders that Verizon completed through its billing systems in the month of May, identifies the orders that are properly excluded from the PR-3-10 performance measure and identifies the applicable business rule.

63. As we previously explained, during our investigation of Covad's claims, we discovered a Verizon system programming error that caused some standard interval orders to be excluded from the calculation of Verizon's performance under PR-3-10. This programming error had virtually no effect on Verizon's performance because Verizon still used the CLEC requested due date as the date for provisioning the DSL loop order and, in fact, provisioned over 98 percent of DSL loop orders on the due date. Verizon has recalculated its performance under PR-3-10 by including the orders that had been incorrectly excluded. *See* Attachment 19. Verizon's performance is nearly the same as the performance that had been reported previously, but the number of observations for these measures increased by the number of excluded orders. For example, in May, Verizon's recalculated performance under PR-3-10 is 95.27 percent, rather than 95.70 percent as previously reported on the Carrier-to-Carrier report. The number of observations, however, increased from 372 to 528.

64. Nonetheless, Verizon's on time performance is best measured under PR-4-04 (Percent Missed Appointment – Verizon – Dispatch) because this measure includes a broader range of DSL loop orders. In May 2001, for example, there are 967 observations included under this measure, which is nearly twice as many observations as included under PR-3-10 in the same month. And as we previously explained, Verizon's missed appointment rate under PR-4-04 was less than 2 percent during May and June. This means that Verizon completed more than 98 percent of its DSL loop orders on time.

Installation Quality.

65. Verizon is also providing unbundled DSL loops to CLECs with a high level of quality. As we explained in our declaration, Verizon has recalculated the I-Code

performance measures in Pennsylvania under the new business rules determined by the New York Carrier-to-Carrier Working Group. During February, March, and April, the I-Code rate on Verizon's retail POTS orders that required a dispatch was 6.20 percent, compared to 5.91 percent for DSL loops provided to all CLECs. In May, the I-Code rate on Verizon's retail POTS orders that required a dispatch was 6.82 percent, compared to 5.23 percent for DSL loops provided to all CLECs. In June, the I-Code rate on Verizon's retail POTS orders that required a dispatch was 6.51 percent, compared to 4.08 percent for DSL loops provided to all CLECs. *See Attachment 25.* Thus, under the new agreed-upon business rules, Verizon's installation quality results for DSL loops are at parity.

66. Covad claims that Verizon is underreporting the I-Code rate by “systematically excluding trouble tickets that its technicians code as ‘no trouble found’ (NTF).” Covad Comments at 8. Verizon does not exclude from its Carrier-to-Carrier reports the trouble tickets where there is no trouble found. These trouble tickets are reported under PR-6-03 in accordance with the Carrier-to-Carrier business rules, but not under PR-6-01. *See Application, App. B, Tab R16 at 55-57.*

67. Moreover, when Verizon finds no trouble on a DSL loop, Verizon attempts to contact the CLEC to verify that there is no trouble in Verizon's network facilities or that the trouble is in the CLEC's or the customer's equipment, even though Verizon has no obligation to do so. In many cases, the CLEC gives Verizon's technician a serial number verifying the fact that no trouble was found on that trouble ticket. For example, between February and June, Verizon obtained serial numbers from Covad verifying that no trouble was found on **** out of **** trouble tickets reported under PR-6-03. *See Attachment 26.* An additional ****

Covad trouble tickets where no trouble was found were verified by a Covad employee whose name was recorded in the trouble closeout narrative. *See* Attachment 26. Thus, over 75 percent of all Covad trouble tickets coded as “no trouble found” during this period were confirmed by a Covad employee. Finally, only **** of the lines associated with the **** Covad trouble tickets where no trouble was found had a second trouble ticket where trouble was found. *See* Attachment 26.

68. The only data Covad relies on to support its claim that Verizon is underreporting I-Codes on DSL loops is an attachment with 9 lines that it claims had troubles. *See* Covad Comments at Attachment C. All 9 lines listed on Covad’s attachment involved line sharing, not DSL loops. As we explain below, only one of the listed lines involves a line sharing arrangement in Pennsylvania; the rest of the lines involve other states. Covad has not identified even a single DSL loop with a trouble ticket that was coded as “trouble not found” where the loop in fact had a trouble.

69. NAS claims that Verizon’s I-Code rate may be higher than reported because Verizon “calculated the I-Code rate by excluding I-Codes reported by CLECs who do not engage in loop acceptance testing.” NAS Comments at 2. As we explained above, for purposes of this application, Verizon used the business rules adopted by the New York Carrier-to-Carrier working group and calculated its I-Code rate by including I-Codes from all CLECs. Calculated under those rules, Verizon’s installation quality performance for DSL loops is excellent and better than parity. Moreover, the I-Code rate improves steadily from February through June.

70. NAS also claims that Verizon is not conducting cooperative testing on “all” DSL loops. *See* NAS Comments at 3-4. NAS assumes that the absence of a

cooperative test is a result of the central office not being wired at the time Verizon installs the DSL loop. This is only one of several reasons why a cooperative test might not be performed. While Verizon attempts to conduct cooperative testing when it installs DSL loops, it is not always possible to do so. For example, during February through June, there were **** DSL loop installations where a Verizon technician called NAS to conduct the test, but NAS did not answer. *See Attachment 27.* During this same period, there were **** instances where NAS's testing equipment was not available at the time Verizon installed the loop. *See Attachment 27.* Nonetheless, during February through June, Verizon cooperatively tested **** percent of the DSL loops installed for NAS. *See Attachment 27.*

71. In those instances where cooperative testing cannot be done at the time of installation because the DSL loop has not been properly wired in the central office, Verizon conducts a single ended test with the CLEC after the central office wiring has been completed. A single ended test is one in which the CLEC tests the loop from its location without Verizon's technician placing a short on the DSL loop at the NID. In this type of test, the CLEC can determine distance and faults on the line, but cannot verify continuity. Contrary to NAS's undocumented assertions, only **** percent of NAS's DSL loop orders during February through June actually had a central office wiring problem that prevented a cooperative test. NAS submitted installation troubles for only **** of these DSL loops. Of the **** orders for which installation trouble reports were submitted, **** were closed with no trouble found, **** was attributed to a defective CLEC port, and ****

required the removal of a half-ringer, and **** was referred to engineering for a problem with the cable pair. See Attachment 28.

72. NAS also claims that Verizon is not removing half ringers on all DSL loops at the time they are installed. See NAS Comments at 3-4. NAS did not identify any DSL loop orders where Verizon did not remove a half ringer. Verizon nonetheless examined NAS's I-Codes during February through June. Only **** of those I-Codes required removal of a half ringer and **** more required the replacement of a defective NID (which might have had a half ringer). Thus, no more than 1.8 percent of the DSL loops Verizon installed for NAS between February and June required the removal of a half ringer. See Attachment 29.

Maintenance and Repair.

73. Verizon is also making its repair services available to CLECs on a nondiscriminatory basis. One measure of Verizon's maintenance performance is the network trouble report rate. The Carrier-to-Carrier reports measure both troubles found in the outside plant portion of the DSL loop (Network Trouble Report Rate – Loop (MR-2-02)) and troubles found in the central office portion of the DSL loop (Network Trouble Report Rate – Central Office (MR-2-03)). During February, March, and April, fewer than one percent of DSL loops had reported troubles found in either the outside plant or the central office. Likewise, in May and June, fewer than one percent of DSL loops had reported troubles found in either the outside plant or the central office. See Attachment 30. Moreover, the New York Carrier-to-Carrier working group has already agreed to change the retail comparison for this measure to overall retail POTS performance. During February through June, Verizon's DSL loop trouble report rate has consistently

been comparable to Verizon overall retail POTS network trouble report rate. *See* Guerard/Canny/DeVito Decl., Att. 1.

74. Another measure of Verizon's maintenance performance is the missed repair appointment rate. During February, March, and April, Verizon's average missed repair appointment rate was 10.3 percent for DSL loops overall and 16.86 percent for the retail analog established by the Pennsylvania PUC. In May, Verizon's average missed repair appointment rate was 10.65 percent for DSL loops overall and 20.59 percent for the retail analog. And in June, Verizon's average missed repair appointment rate was 5.10 percent for DSL loops overall and 21.74 percent for the retail analog. *See* Attachment 31.

75. A third measure of Verizon's maintenance performance is the comparative intervals to complete repairs. The Carrier-to-Carrier reports measure the mean time to repair separately for troubles found in the outside plant portion of the DSL loop (Mean Time To Repair – Loop Trouble (MR-4-02)) and troubles found in the central office portion of the DSL loop (Mean Time To Repair – Central Office (MR-4-03)). As we explained in our initial declaration, during February, March, and April, Verizon's performance was at parity or better for each of these measures. Verizon's mean time to repair a trouble outside the central office was 24.90 hours for CLECs, compared to 26.54 hours for the retail analog established by the Pennsylvania PUC. Verizon's mean time to repair a trouble in the central office was 9.92 hours for CLECs, compared to 16.16 hours for the retail analog.

76. In May, Verizon's performance was also at parity or better for each of these measures. Verizon's mean time to repair a trouble outside the central office was

23.64 hours for CLECs, compared to 29.34 hours for the retail analog. Verizon's mean time to repair a trouble in the central office was 11.75 hours for CLECs, compared to 17.24 hours for the retail analog. *See* Attachment 32.

77. Likewise, in June, Verizon's performance was at parity or better for each of these measures. Verizon's mean time to repair a trouble outside the central office was 25.14 hours for CLECs, compared to 30.09 hours for the retail analog. Verizon's mean time to repair a trouble in the central office was 11.97 hours for CLECs, compared to 15.19 hours for the retail analog. *See* Attachment 32.

78. Finally, Verizon's repeat trouble report rate in May and June continues to be in parity. *See* Guerard/Canny/DeVito Decl., Att. 1.

79. Only one commenter – Covad – raises an issue with respect to Verizon's DSL loop maintenance performance. Covad claims that "the repeat trouble ticket metrics . . . exclude any NTF coded tickets." Covad Comments at 10. Covad has incorrectly described how the Carrier-to-Carrier business rules apply to repeat troubles. Using Covad's own example, "if Covad has to submit 5 trouble tickets on the same loop, and Verizon improperly finds no trouble on the first 4 while admitting finally on the fifth ticket that it has repair work to perform," the first 4 tickets would be counted in MR-2-05 (Percent CPE/TOK/FOK) and the fifth ticket would be scored as a repeat trouble and included in MR-5-01 (Percent Repeat Reports within 30 days). *See* Application, App. B, Tab R16 at 65, 74. But Covad's example is purely hypothetical. There is not a single instance of that example (or anything even remotely close to that example) actually occurring during February through June.