BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION

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OFFICE OF THE SECRETARY

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

DIRECT TESTIMONY OF SHERRY LICHTENBERG

ON BEHALF OF WORLDCOM, INC.

(Issues IV-56, IV-59, IV-74, III-16, IV-91, IV-97, and IV-110)

August 17, 2001

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INTRODUCTION

Q. Please state your name, title and business address.

A. My name is Sherry Lichtenberg. I am Senior Manager for Operations Support Systems Interfaces and Facilities Testing and Development in the Mass Markets unit of MCI WorldCom Communications, Inc ("WorldCom"). My business address is 701 S. 12th Street, Arlington, Virginia, 22202.

Q. Please describe your responsibilities as Senior Manager for Operations Support Systems Interfaces and Facilities Testing and Development.

A. My duties include working with the incumbent local exchange companies ("ILECs") and WorldCom's technical and IT organizations to establish commercially viable Operations Support Systems ("OSS"). This includes participating in the design and implementation of local service customer testing and in third party testing. I also help design, manage, and implement WorldCom's local telecommunications services to residential customers on a mass market basis nationwide.

Q. Please describe your relevant experience with WorldCom and in the telecommunications industry.

A. I have nineteen years of experience in the telecommunications market, four years with WorldCom and fifteen years with AT&T. Prior to joining WorldCom, I was Pricing and Proposals Director for AT&T Government Markets, Executive Assistant to the President, Staff Director for AT&T Government Markets, and Product Manager for a variety of business and government products. My special expertise is in testing and requirements analysis. My WorldCom experience includes conducting market entry testing for New York, Texas, Pennsylvania, and other states, as well as representing

1 WorldCom and its subsidiary, MCImetro Access Transmission Services, Inc.
2 (hereinafter, "MCImetro"), in the Michigan, Illinois, Texas, New York, Pennsylvania,
3 Massachusetts, New Jersey, Virginia, Florida, and California third party Operations
4 Support Systems ("OSS") testing efforts. My AT&T experience includes working on the
5 development of the System 85 and System 75 (major Private Branch Exchanges
6 ("PBXs")), product marketing and product management in both the large business and
7 federal areas.

8 **Q. What is the purpose of your testimony?**

9 A. In this testimony I will discuss WorldCom's position related to security and
10 business process requirements, and a few general terms and conditions. Specifically, I
11 will address Issues IV-56, IV-59, IV-74, III-16, IV-91, IV-97, and IV-110.

12 **Issue IV-56**

13 *Should the Interconnection Agreement contain provisions requiring Verizon to*
14 *participate in the National Consumers Telecommunications Data Exchange ("NCTDE")*
15 *for exchange of information on subscribers' payment history?*

16 **Q. Please summarize WorldCom's position on Issue IV-56.**

17 A. WorldCom believes that the interconnection agreement should contain a provision
18 requiring Verizon to participate in the NCTDE, which would allow new entrants to obtain
19 the same customer payment history Verizon already possesses.

20 **Q. Please describe the contract language that WorldCom has proposed for this**
21 **issue.**

22 A. The specific language that WorldCom has proposed is as follows:

23

2.1.4 **Subscriber Payment History**

2.1.4.1 Neither Party shall disconnect or refuse to migrate a customer, or to port a customer's telephone number(s), to the other Party on the basis of the customer's past payment history. Verizon will participate in NCTDE (National Consumers Telecommunications Data Exchange), provide NCTDE with two years of historical information on UCAs (Unpaid Closed Accounts) for Verizon's local accounts, and report current UCA information, all in accordance with NCTDE timelines and other requirements. Verizon will make the following customer payment history available in accordance with NCTDE format to the same extent such information is available for Verizon's own use for each person or entity that applies for (i) local service; or (ii) intraLATA toll Telecommunications Service(s):

2.1.4.1.1 Applicant's name;

2.1.4.1.2 Applicant's address;

2.1.4.1.3 Applicant's previous phone number, if any;

2.1.4.1.4 Amount, if any, of unpaid balance in applicant's name;

2.1.4.1.5 Whether applicant is delinquent on payments;

2.1.4.1.6 Length of service with prior local or intraLATA toll provider;

2.1.4.1.7 Whether applicant had local or intraLATA toll service terminated or suspended within the last six (6) months with an explanation of the reason therefor; and,

2.1.4.1.8 Whether applicant was required by prior local or intraLATA toll provider to pay a deposit or make an advance payment, including the amount of each.

2.1.4.2 Verizon will provide such information on the condition that NCTDE only make the information available to the carriers to which the person or entity in question has applied for Telecommunications Service(s).

Q. What is the NCTDE?

A. The NCTDE is a database shared by multiple telecommunications companies that allows both ILECs and CLECs to share customer payment history information quickly and easily. This database covers multiple states and therefore benefits all telecommunications carriers that operate in a multi-state service territory.

Q. Why has WorldCom proposed that Verizon participate in the NCTDE?

A. Due to its status as the incumbent carrier, Verizon has access to detailed customer payment history which new entrants lack. Indeed, because Verizon is the only local telephone service provider in its Virginia territory, it is the sole keeper of customer payment history information. Verizon's participation in NCTDE will provide new entrants with equal access to this information. Over time, as new entrants gain market share, Verizon will benefit from its ability to gain information from other carriers.

Q. Why does WorldCom desire customer payment history information?

1 A. WorldCom, like other competing carriers, needs access to customer payment
2 history information to check the creditworthiness of its new subscribers and customers.
3 Customers' payment of telephone bills does not generally correlate with their payment
4 history of other bills that are traditionally recorded in a credit report. In fact, there is
5 usually a significant difference between customers' history of paying such bills.
6 Therefore, information specific to the customer's telecommunications service payment
7 history is essential for WorldCom to determine how creditworthy a new subscriber will
8 be.

9 **Q. Why does WorldCom want the customer payment history information**
10 **provided through the NCTDE?**

11 A. As competition emerges, the number of carriers participating in the local services
12 market has increased. The presence of several companies, all of whom will need to
13 access and/or share customer payment history information, makes the use of a centralized
14 system particularly important. Therefore, WorldCom has proposed that customer
15 payment history be made available through NCTDE – a centralized repository, into
16 which all carriers contribute data and information. Keeping the information in a single
17 place is efficient, and facilitates carriers' ability to access the information. Further, using
18 a nationwide standard to share information about customer payment history saves money
19 and resources for all parties involved because one uniform system will be used
20 throughout the Verizon footprint, rather than different systems for different states.

21 **Q. Does the NCTDE benefit both CLECs and incumbent carriers?**

22 A. Yes. The NCTDE imposes a <u>mutual</u> obligation among all participating carriers to
23 contribute the payment history information in the standardized format. Thus, both the

1 incumbent carrier and competing carriers will provide information to the collective
2 database. For example, in NCTDE states in which WorldCom has begun providing local
3 service, WorldCom would also provide customer payment history to the NCTDE. The
4 provision of that information benefits incumbent carriers that need access to the history
5 of other carriers' subscribers that may desire to migrate their service to the incumbent.
6 As the market becomes more competitive, the benefits to incumbent carriers will
7 increase.

8 **Q. Have you reviewed Verizon's response to this issue?**

9 A. Yes.

10 **Q. Please summarize your view of Verizon's position.**

11 A. Verizon has objected to the inclusion of this language. It asserts that this issue
12 should be addressed in a separate billing and collection agreement, and should not be
13 included in the interconnection agreement. Verizon also suggests that it is inappropriate
14 to include this term because the NCTDE may cease to exist.

15 **Q. Do you agree with Verizon's position?**

16 A. No.

17 First, there is no reason to put this requirement in a separate agreement. The
18 interconnection agreement is intended to memorialize the parties' responsibilities, and
19 this is an important obligation that should be included in the agreement. Moreover, this
20 is not a "billing and collection" matter or an instance of Verizon providing a "billing and
21 collection service." It is a matter of data sharing.

22 Second, there is no reason to suspect that NCTDE will cease to exist. As long as
23 CLECs desire to enter into the local service market, there will be a need for NCTDE, and

1 it should remain in existence. Incumbent carriers' refusal to participate in NCTDE might
2 pose some threat to its continued longevity; however, by agreeing to participate in
3 NCTDE, Verizon could help to ensure that NCTDE does not disappear. Moreover, even
4 if it did, that would not warrant eliminating the requirement that Verizon provide this
5 information in a centralized fashion. In the event that NCTDE is eliminated, WorldCom
6 would be agreeable to using another centralized database. For example, Equifax would be
7 acceptable, so long as it can be used in the manner that WorldCom has proposed using
8 NCTDE. A similar automated interface, NYDE, is already being used in New York by
9 Verizon and WorldCom.

10 **Q. Does WorldCom have an alternative proposal?**

11 A. Yes. We strongly advocate the adoption of our proposed language requiring
12 participation in the NCTDE. However, if the Commission declines to order participation
13 in NCTDE, it should direct Verizon to make the payment history section of the
14 customer's CSR available as part of the pre-order process. The information should be
15 made available in a parsed, fielded format. This alternative will satisfy WorldCom's
16 need for customer information in a timely and useable fashion, and would allow
17 WorldCom to verify the creditworthiness of potential subscribers.

18 **Issue IV-59**

19 *Should Verizon be required to provide WorldCom with electronic copies of their*
20 *Universal Service Order Codes ("USOCs"), their corresponding alpha-numeric*
21 *descriptions, and Feature Identifications ("FIDs")?*

22 **Q. Please summarize WorldCom's position on Issue IV-59.**

A. WorldCom has proposed that the interconnection agreement require Verizon to provide WorldCom with electronic lists of USOCs and their alpha-numeric descriptions. Verizon should be required to provide electronic copies of USOCs because they are essential to successful completion of an order.

Q. Please describe WorldCom's proposed contract language on this issue.

A. WorldCom has proposed the following language, which appears at Attachment VIII, Section 2.1.8 of the current interconnection agreement:

> 2.1.8 **USOC Codes**. Verizon shall provide MCIm with a complete, electronic copy of USOC codes, and an accompanying alphanumeric description of each code, used by Verizon. In addition, Verizon shall provide the FIDS and FID formats and a document showing the business rule relationship between the USOCs and FID format.

Q. What are USOCs?

A. Universal Service Order Codes ("USOCs") are alpha-numeric codes that are associated with features such as call-waiting. To order the feature, WorldCom must send Verizon the appropriate code.

Q. How do the alpha-numeric descriptions relate to the USOCs?

A. The description identifies the feature to which the USOC relates. For example, a USOC for call-waiting may be a code such as FLQ. The alpha-numeric description would identify FLQ as call-waiting.

Q. What are FIDs?

A. Feature identifications ("FIDs"), like USOCs, are associated with features. The FID provides additional specificity to the USOC.

1 **Q. Why does WorldCom need access to the USOCs, their alpha-numeric**
2 **descriptions, and FIDs?**
3 A. Access to a current list of USOCs is critical for several reasons. First, the proper
4 codes are necessary to complete an order; in my experience, when WorldCom attempts to
5 complete an order using an incorrect USOC, its orders are rejected. In addition, a current
6 copy of the USOC file will assist in pre-order activities and will produce higher accuracy
7 and completion rate on the orders themselves. Further, if WorldCom has access to these
8 USOCs and FIDs, the ordering process will be streamlined because the Verizon and
9 WorldCom systems can interface more efficiently and quickly, with a reduced rate of
10 errors. Finally, without USOCs WorldCom is unable to audit its bills from Verizon.
11 **Q. Why does WorldCom need these codes in an electronic format?**
12 A. An electronic format allows the codes to work with WorldCom's ordering
13 process, which is fully automated. A description of the process may help to illustrate
14 this. WorldCom loads a database of features and alpha-numeric descriptions into its
15 system. If a customer requests a feature, the automated system looks through the
16 database to locate the feature. The system then determines which codes correspond to the
17 feature, and places the order using the appropriate codes.
18 **Q. Does the provision of USOCs and FIDs implicate any of the Act's**
19 **requirements or federal regulations?**
20 A. Yes. Without USOCs and FIDs, WorldCom cannot obtain nondiscriminatory
21 access to Verizon's OSS. Verizon uses these codes internally for its own purposes, and if
22 Verizon refuses to provide these codes to WorldCom, WorldCom is at a competitive

1 disadvantage in ordering items. This denial of nondiscriminatory access violates the
2 UNE Remand Order.

3 **Q. Have you reviewed Verizon's response to this issue?**

4 A. Yes.

5 **Q. Please summarize your view of Verizon's position.**

6 A. Verizon objects to inclusion of this provision because it claims that cooperative
7 efforts to address this problem have been successful. In addition, Verizon indicates that
8 we should obtain this information from Telecordia.

9 **Q. Do you agree with Verizon's position?**

10 A. No.

11 At the outset, Verizon's suggestion that cooperative efforts have been successful
12 is not entirely accurate. Although Verizon has provided this data at times, the
13 information has not always been provided in a format that is usable to WorldCom.
14 WorldCom's proposed language would ensure that Verizon provides the USOCs and
15 FIDs in a format that WorldCom can use.

16 To the extent that Verizon has recently begun to provide the information in a
17 mutually acceptable format, including the provision in the interconnection agreement
18 would be a useful means of ensuring that this mutually acceptable arrangement continues.
19 Absent a contractual commitment, Verizon's provision of USOCs and FIDs would be a
20 voluntary act, the continuance of which might well be unenforceable. Verizon controls
21 the content of the documents that it voluntarily provides, and could decide to remove the
22 USOCs at any point, absent a contractual duty to refrain from doing so. Because this data

1 is so critical to WorldCom's ability to complete orders, WorldCom needs the assurance
2 afforded by an interconnection agreement.
3 Finally, Verizon's assertion that access to Telecordia's information would meet
4 WorldCom's need for these codes is simply incorrect. WorldCom has purchased access
5 to the Telecordia information, but has not found that information a sufficient source for
6 the information about Verizon-specific USOCs which allow WorldCom to order local
7 service for its customers, particularly its residential customers. Instead, Telecordia
8 provides a generic list of USOCs that may apply to a given service. For example,
9 Telecordia may indicate that there are 67 USOCs associated with call-waiting. Because
10 WorldCom orders services from Verizon, it needs access to the Verizon-specific USOCs
11 associated with a given feature. That is, instead of knowing which 67 USOCs may apply,
12 we need to know which one Verizon uses–so that we can place an order that is accepted
13 by the system.
14 **Issue IV-74**
15 *Should the Interconnection Agreement set forth the requirements for interim and*
16 *standard billing, and collocation billing arrangements between the parties?*
17 **Q. Please summarize WorldCom's position on Issue IV-74.**
18 A. WorldCom has proposed that the interconnection agreement contain requirements
19 for interim and standard billing, and collocation billing arrangements between the parties.
20 These provisions protect WorldCom's ability to purchase services–which depends on
21 Verizon's adherence to appropriate billing requirements.
22 **Q. Please describe the contract language that WorldCom has proposed with**
23 **respect to this issue.**

1 A. WorldCom has proposed that the interconnection agreement contain the following
2 language, which appears at Attachment VIII, Sections 3.1.2 (and subsections thereunder)
3 and 3.1.4.1 of WorldCom's proposed agreement:

4 3.1.2 Standard Billing

5 3.1.2.1 The providing Party will bill services in accordance with this
6 Section [3] and at the rates set forth in Attachment I. The providing Party
7 will use commercially reasonable efforts to format its electronic bills in
8 accordance with national industry standard specifications, as appropriate.
9 These electronic bills will include a separate and unique billing code for,
10 and the quantity of, each type of service purchased by the purchasing
11 Party. The providing Party will jurisdictionally identify the charges on
12 these bills wherever it has the information necessary to do so. Wherever
13 the providing Party is unable to identify the jurisdiction of the service
14 purchased by the purchasing Party, the Parties will jointly develop a
15 process to determine the appropriate jurisdiction.

16 3.1.2.2 The providing Party will bill the purchasing Party on a monthly
17 basis under this Agreement. These monthly bills will include all
18 appropriate charges, credits and adjustments for the services that were
19 ordered, established, utilized, discontinued or performed during the
20 relevant billing period.

21 3.1.2.3 The providing Party and the purchasing Party will use reasonable
22 commercial efforts to establish the same monthly billing date ("Bill Date")
23 for each purchasing Party account within the state. The providing Party

will include the Bill Date on each invoice transmitted to the purchasing Party. The payment due date (as described in this Attachment) shall be thirty (30) calendar days after the Bill Date. The providing Party will transmit all invoices within ten (10) calendar days after the Bill Date. Any invoice transmitted on a Saturday, Sunday or a day designated as a holiday by the Parties' bill processing departments will be deemed transmitted on the next business day. If the providing Party fails to transmit an invoice within the time period specified above, the payment due date for that invoice will be extended by the number of days it is late.

3.1.2.4 The providing Party will use the same account identification numbers each month, unless it provides the purchasing Party with ten (10) days advance written notice of any change. If either Party requests an additional copy(ies) of a bill, such Party shall pay the other Party a reasonable fee per additional bill copy, unless such copy was requested due to an error or omission of the providing Party.

3.1.2.5 Except as otherwise specified in this Agreement, each Party shall be responsible for (i) all costs and expenses it incurs in complying with its obligations under this Agreement; and (ii) the development, modification, technical installation and maintenance of any systems or other infrastructure which it requires to comply with and to continue complying with its responsibilities and obligations under this Agreement.

3.1.2.6 The providing Party and purchasing Party will identify a contact person for the handling of any questions or problems that may arise during

1 the implementation and performance of the terms and conditions of this
2 Attachment.
3 3.1.4 Collocation
4 3.1.4.1 Verizon agrees to issue a separate bill to MCIm for any
5 Collocation capital expenditures (e.g., costs associated with building the
6 "cage") incurred under this Agreement. Verizon will send these separate
7 bills for Collocation capital expenses to the location specified by MCIm.
8 Verizon will bill all other non-capital recurring Collocation rates to MCIm
9 in accordance with this Section [3].

10 **Q. Why are billing arrangements and requirements needed?**

11 A. Whenever WorldCom purchases services and elements from Verizon, billing will
12 be required. It is therefore essential that the terms on which such billing will occur be
13 made clear. As WorldCom's competitor, Verizon has no incentive to provide the
14 information in a manner that facilitates WorldCom's ability to enter into the marketplace,
15 and in our experience, specific contractual obligations are necessary to ensure that
16 Verizon provides billing information in a manner that WorldCom can efficiently use.

17 **Q. What billing standards should be used for these arrangements?**

18 A. The billing should be based on BOS-BDT, which is an industry standard
19 electronic method of encoding billing information. WorldCom's UNE-Platform billing is
20 based on component accounts (individual phone numbers), and WorldCom must access
21 billing information on that level. BOS-BDT allows WorldCom to efficiently locate and
22 incorporate such information into its databases, run queries, validate the bills in a more
23 efficient, accurate, timely manner, and be able to pay the bills on time.

1 **Q. What is the practical outcome of a failure to provide billing information in**
2 **an appropriate format?**
3 **A.** Proper billing information is the key determinant of WorldCom's ability to
4 conduct basic audit and bill payment procedures. For example, in Pennsylvania, there
5 were some months during which Verizon failed to provide WorldCom with the "USOCs"
6 (Universal Service Order Codes) that allow carriers to determine and bill orders based on
7 the tariff. The lack of USOCs for these bills made it impossible for WorldCom to verify
8 the identity and quantity of its orders, to determine the applicable rates, or to validate the
9 credits owed to it for those billed periods.
10 Further, if Verizon were to send paper bills, as it did in Pennsylvania for a number
11 of months, the volume of bills would make it nearly impossible for WorldCom to review
12 and use the billing information. For example, in Pennsylvania, before Verizon agreed to
13 send electronic bills it sent WorldCom over 150 boxes of paper bills a month. These bills
14 were impossible to store, let alone review or audit. WorldCom could not properly use the
15 information until it was received electronically. As this example illustrates, without
16 electronic billing in BOS-BDT format, WorldCom will be unable to audit the wholesale
17 charges that Verizon sends it and will be unable to determine the accuracy of the bills.
18 **Q. Have you reviewed Verizon's position in this issue?**
19 A. Yes.
20 **Q. Please summarize your view of Verizon's position on this issue.**
21 Verizon has opposed the inclusion of such provisions, on the grounds that these
22 requirements should not be included in the interconnection agreement. Verizon contends
23 that the billing standards listed on its website are sufficient to serve the need for a billing

1 standard. To the extent that the website is not sufficiently detailed, Verizon has proposed
2 that it be read in conjunction with some of Verizon's proposed contract language
3 regarding periodicity of bills, methods of payment, due dates, etc.

4 **Q. Do you agree with Verizon's position?**

5 A. No. It is important that this information be included in the interconnection
6 agreement. In our experience, Verizon has not offered appropriate billing without being
7 contractually obligated to do so. The information published on Verizon's website may be
8 changed whenever Verizon so desires. The interconnection agreement, in contrast, is
9 binding so long as it remains in force. Therefore it would be inappropriate to require
10 WorldCom to depend on what is published on Verizon's website as opposed to
11 memorializing these important terms in the Interconnection Agreement.

12 In addition, the material contained on Verizon's website is not mutually agreed-to
13 language. The information contained in the CLEC handbook – the area in which terms
14 such as billing are set forth – is developed by Verizon. The interconnection agreement,
15 in contrast, contains terms that have been discussed by each party. Even if one party's
16 view on a given issue prevails, each party has had an opportunity to present its views.
17 This type of procedure is more appropriate for an issue such as billing than the unilateral
18 process that applies to Verizon's website material.

19 **Issue III-16**

20 *Should the Interconnection Agreement address transfer of service announcements for*
21 *when a subscriber changes service to another carrier and does not retain their prior*
22 *telephone number?*

23 **Q. Please summarize WorldCom's position on Issue III-16.**

1 A. WorldCom has proposed that the interconnection agreement include a provision
2 requiring that, when an end-user transfers its service to another carrier and does not retain
3 its original telephone number, the carrier that initially provided service to that customer
4 shall provide transfer of service announcements in accordance with the same policies and
5 procedures that the carrier provides to its own customers.

6 **Q. Please describe the contract language that WorldCom has proposed.**

7 A. WorldCom has proposed the inclusion of the following language, which appears
8 at Section 2.2.4 of Attachment VIII of WorldCom's proposed agreement:

9 2.2.4 **Intercept Treatment and Transfer of Service Announcements**

10 2.2.4.1 For Local Resale services and Network Elements (including
11 Combinations and UNE-P), Verizon shall provide unbranded basic
12 intercept treatment and transfer of service announcements to MCIm's
13 subscribers.

14 2.2.4.2 When an end user customer changes its service provider from one
15 Party to the other Party and does not retain its original telephone number,
16 the Party formerly providing service to such end user shall provide a
17 referral announcement on the end user's former telephone number that
18 provides the end user's new number or other appropriate information to
19 the extent known. Referral announcements shall be provided reciprocally,
20 free of charge to either Party or the end user to the extent the providing
21 Party does not charge its own end user customers for such service, for the
22 same period of time the providing Party provides its own end user
23 customers when they change their telephone numbers.

1 2.2.4.3 The providing Party shall provide such basic treatment and
2 transfer of service announcement in accordance with its normal policies
3 and procedures for all service disconnects, suspensions, or transfers.

4 **Q. Does the current interconnection agreement contain a similar provision?**

5 A. Yes. This language appears in the current Virginia interconnection agreement,
6 and Verizon currently provides this service to WorldCom customers.

7 **Q. Why has WorldCom proposed that transfer of service announcements be**
8 **provided in this manner?**

9 A. The provision of transfer of service announcements in a manner comparable to
10 Verizon's provision of that service to its own customers is necessary for WorldCom to
11 offer services at parity with the ILEC. Given that Verizon provides this service to its
12 customers, WorldCom must be allowed to provide it to its customers. As I have noted,
13 this feature is currently available from Verizon.

14 **Q. Have you reviewed Verizon's position on this issue?**

15 A. Yes.

16 **Q. Please summarize your reading of Verizon's position.**

17 A. Verizon seems to acknowledge that carriers should provide these services and
18 with the principle that if Verizon does not charge its customers for these services, it
19 should not charge WorldCom customers for those services. Specifically, Verizon states
20 that it "has agreed to provide basic referral announcements free of charge to WorldCom
21 and AT&T to the extent that they do not charge their own customers for such service."
22 Rather than accepting the current language, Verizon has proposed new language, which
23 purportedly summarizes that principle and also provides that "Verizon, or the Party

1 formerly providing the service, may bill the customer its standard Tariff charge, if any,
2 for the referral announcement."

3 **Q. Do you agree with Verizon's proposed language?**

4 A. Although WorldCom and Verizon appear to agree with the basic premise that
5 these services should be provided to WorldCom end-users, I believe that WorldCom's
6 language more precisely codifies this obligation. Although Verizon has stated that it
7 agrees with the principles that WorldCom has articulated, its language does not make
8 clear that WorldCom end-users will not be charged for referral announcements if Verizon
9 end-users are not charged for this service. Instead, it provides that there will be no charge
10 "to the other Party," which presumably refers to WorldCom; although I do not know
11 whether Verizon intended to leave open the possibility that a career might charge the
12 other Party's customers for these services, as drafted the language may be susceptible to
13 that interpretation. The language's reference to a carrier's ability to apply "its standard
14 Tariff charge, if any, for the referral announcement" does not adequately close this
15 potential loophole.

16 **Issue IV-91**

17 *Should the Interconnection Agreement contain detailed provisions setting forth how*
18 *branding will occur?*

19 **Q. Please summarize WorldCom's position on Issue IV-91.**

20 A. WorldCom has proposed that the interconnection agreement contain provisions
21 that explain in detail how branding of voice services (such as operator handling and
22 directory assistance) and VZ-provided customer contact information and leave-behind

1 documentation will occur. Detailed branding provisions facilitate WorldCom's ability to
2 provide competitive local service to business and residential customers.

3 **Q. What is branding?**

4 A. "Branding" is the process by which a company puts its own name on, or has its
5 name put on, services it provides to its customers.

6 **Q. Please explain the nature of the parties' dispute regarding this issue.**

7 A. The parties appear to agree that the interconnection agreement should contain
8 branding provisions, and have proposed competing language. In the interest of narrowing
9 the issues submitted for arbitration, WorldCom is willing to accept sections 7.2 through
10 7.4 of the branding language that Verizon proposed in its Response on this issue.
11 However, in WorldCom's view, Verizon's proposed section 7.1 improperly limits
12 branding to resold services. Therefore, in addition to the language that Verizon has
13 proposed, WorldCom desires inclusion of language that makes clear that branding will be
14 provided both when operator services and directory assistance ("OS/DA") are provided
15 through resale and when they are provided as part of the UNE-Platform.

16 **Q. Has WorldCom proposed any contract language that addresses the**
17 **availability of branding outside the resale context?**

18 A. WorldCom's initial section 7.1, which defines branding by reference to services
19 over which Verizon has control, is drafted in a manner that does not limit branding to
20 resale. That language, which I have quoted below, is one means through which the
21 Commission could address WorldCom's concerns. However, WorldCom would accept
22 other formulations of this language–for example modifying Verizon's proposed language

1 to eliminate the resale limitation–so long as they allow branding outside of the resale
2 context.

3 7.1 Whenever Verizon has control over handling of the services that
4 MCIm may provide to third parties using services provided by Verizon
5 under this Agreement, Verizon shall, at MCIm's sole discretion, brand any
6 and all services at all points of Customer contact exclusively as MCIm
7 services, or otherwise as MCIm may specify, or be provided with no brand
8 at all, as MCIm may determine. Where Technically Feasible, the branding
9 provided by Verizon must be automatic and not require any manual
10 intervention. Verizon shall not unreasonably interfere with branding by
11 MCIm. Verizon shall thoroughly test branding or unbranding of Operator
12 Services, Directory Assistance and all interfaces and transfer features prior
13 to delivery to MCIm's Customers, subsidiaries, Affiliates, or any other
14 third parties. These tests include, but are not limited to, the installation
15 and testing of MCIm-provided tapes.

16 **Q. How would branding occur under WorldCom's proposed language?**

17 A. Pursuant toWorldCom's proposed language, if WorldCom provides OS/DA to
18 residential end-users served through the UNE-Platform, Verizon would be required to
19 brand the service to reflect that the customer is receiving the service from WorldCom.
20 Thus, when a WorldCom customer calls Directory Assistance, Verizon would have to
21 allow WorldCom customers to hear the message "Welcome to MCI WorldCom," if
22 WorldCom requested that type of branding. Verizon's obligation to do this would not
23 depend on whether UNE-P customers obtained OS/DA through resale or as a UNE.

1 **Q. Why is this type of branding important?**

2 A. In the absence of detailed branding provisions, Verizon might brand the OS/DA
3 services provided to WorldCom customers under its own name–which would be
4 discriminatory. It would be inappropriate for a WorldCom customer that calls directory
5 assistance to hear "Thank you for using Verizon," when that customer has subscribed to
6 WorldCom and is accessing directory assistance through its WorldCom subscription.
7 Using the Verizon brand name would impact and negatively influence WorldCom's
8 customers.

9 **Q. Has Verizon previously provided branding to competing carriers?**

10 A. Yes. Verizon has provided branding in other states, and has provided branding
11 for operator services in both New York and Pennsylvania. Notably, in New York and
12 Pennsylvania, Verizon provides branding for UNE-P.

13 **Issue IV-97**

14 *Should the Interconnection Agreement contain a provision governing the parties'*
15 *responsibilities with respect to confidential information? Specifically, should the*
16 *Interconnection Agreement contain a provision that (1) defines the term confidential*
17 *information; (2) specifies a method for identifying and designating confidential*
18 *information; (3) states the obligations imposed upon the recipient of confidential*
19 *information under the Interconnection Agreement; (4) provides for limited disclosure to*
20 *third parties in certain circumstances; (5) limits reproduction of confidential*
21 *information; (6) sets forth procedures for return of confidential information, loss of such*
22 *information, and unauthorized disclosure; (7) provides certain exceptions from the*
23 *confidentiality obligations imposed by the provision in the case, for example, of*

1 *information publicly available or legally compelled disclosure; (8) provides for survival*
2 *of confidentiality obligations following expiration, cancellation or termination; (9) makes*
3 *clear that disclosure to a Party does not affect property rights in the information; (10)*
4 *provides for equitable relief, including injunctive relief and specific performance, for a*
5 *breach of confidentiality; (11) makes clear that it provides additional confidentiality*
6 *protections to those existing under Applicable Law; (12) sets forth obligations with*
7 *respect to access, use, or disclosure of Customer Proprietary Network Information*
8 *(CPNI) or other customer information; and (13) makes clear that it does not limit the*
9 *rights of either Party with respect to its own subscriber information?*

10 **Q. Please summarize the nature of the parties' dispute regarding Issue IV-97.**

11 A. The parties have reached agreement on most aspects of this issue, and have agreed
12 to use the confidentiality language that WorldCom proposed (which appears in the
13 current interconnection agreement). The only aspect of this issue that remains in dispute
14 is the appropriateness of including a section that would provide Verizon with the right to
15 electronically monitor WorldCom's CPNI access and usage. WorldCom objects to
16 Verizon's proposal that such language be put at the end of the confidentiality section.

17 **Q. Why does WorldCom object to allowing Verizon to monitor its use of and**
18 **access to CPNI?**

19 A. A broad right to real-time monitoring of WorldCom's access to and use of CPNI
20 carries a serious risk of abuse, and should not be authorized. The auditing process to
21 which the parties have agreed is a sufficient means for Verizon to verify that WorldCom
22 has properly used and accessed its customers' CPNI, and is not susceptible to the types of
23 abuses that might follow from monitoring. Therefore Verizon's proposed language

1 should be rejected. My direct testimony on Issue I-8, which is closely related to this
2 issue, provides a more detailed discussion of WorldCom's concerns.

3 **Issue IV-110**

4 *Should the interconnection agreement contain a provision that prohibits a providing*
5 *party from requiring the purchasing party to produce a letter of authorization, disconnect*
6 *order, or other writing, from the purchasing party's subscriber as a pre-condition to*
7 *processing an Order from the purchasing Party?*

8 **Q. Please summarize WorldCom's position on Issue IV-110.**

9 A. WorldCom has proposed that the interconnection agreement contain a provision
10 preventing Verizon from requiring WorldCom to obtain written customer authorization
11 prior to processing an order from WorldCom. Requiring written proof of authorization is
12 unnecessary and only serves to delay the provision of services to WorldCom's customers.
13 WorldCom currently obtains electronic authorization to process orders; specifically,
14 WorldCom obtains verification of the customer's consent from an independent third-
15 party. WorldCom has proposed the inclusion of this provision as a means of ensuring
16 that it may continue to use this type of authorization consistent with applicable law. In
17 sum, this provision prevents Verizon from imposing burdensome and unnecessary
18 requirements as a precondition to its fulfillment of its obligations under the
19 Interconnection Agreement

20 **Q. Please describe the contract language that WorldCom has proposed.**

21 A WorldCom has proposed inclusion of the following language:

1 22.1 A Providing Party shall not require the Purchasing Party to produce a letter
2 of authorization, disconnect order, or other writing, from the Purchasing Party's
3 subscriber as a pre-condition to processing an Order from the Purchasing Party.

4 **Q. Why has WorldCom proposed this language?**

5 A. WorldCom proposes the inclusion of this provision to ensure that Verizon does
6 not insist upon receiving a copy of a letter of authorization or other writing as a pre-
7 condition to processing orders. This provision accomplishes two closely related goals. It
8 prevents Verizon from insisting on a written authorization in situations in which the law
9 permits another type of proof of consent, for example, oral authorization verified by a
10 third-party. In addition, it prevents Verizon from policing WorldCom's compliance with
11 applicable law; that is, WorldCom's proposed language prevents Verizon from
12 demanding written proof of the customer's consent in advance of processing the order,
13 even though WorldCom has informed Verizon that it has obtained that consent in
14 whichever form the law authorizes. This proposed language is designed to prevent both
15 situations from occurring.

16 **Q. How does WorldCom's proposed language relate to the laws governing**
17 **verification of customer consent and the Commission's anti-slamming rules?**

18 A. The law authorizes several forms of consent. To the extent that the law changes
19 to require a written authorization in this context, WorldCom will, of course, comply with
20 that law, and the contract can be amended to reflect that. This Commission has
21 recognized that oral consent, verified by a neutral third-party, is an acceptable means of
22 ensuring that a customer has agreed to subscribe to services such as UNE-P residential
23 services. See, e.g., In re: Implementation of the Subscriber Carrier Selection Changes

1 Provisions of the Telecommunications Act of 1996; Policies and Rules Concerning
2 Unauthorized Changes of Consumers Long Distance Carriers, 15 F.C.C.R. 15996, 16017
3 ¶ ¶ 33-45 (rel'd Aug.15, 2000). WorldCom's language is designed to ensure that Verizon
4 does not insist upon a more stringent written authorization instead of the oral third-party
5 verification that suffices under law. To allow it do to so would inhibit WorldCom's
6 ability to subscribe to new customers.

7 **Q. Why would the inclusion of a written authorization requirement inhibit**
8 **WorldCom's ability to subscribe new customers?**

9 A. A written authorization requirement would seriously delay the subscription
10 process. WorldCom would need to allow time to prepare and send a written
11 authorization request, then allow time for the customer to send its consent, then time to
12 process and record receipt of written consent. Further, some customers may never return
13 the written consent, or choose to deal with carriers that can orally verify their
14 subscription requests.

15 In contrast, the use of oral third-party verification allows an order to be processed
16 efficiently and quickly; the presence of an independent, neutral third-party ensures that
17 the customer has indeed consented to subscribe to the service. Third-party verification
18 would be completed in a matter of minutes.

19 Therefore allowing Verizon to insist upon written authorization in situations in
20 which a more efficient form of authorization is allowed would seriously inhibit
21 WorldCom's ability to subscribe new customers.

22 **Q. Have you reviewed Verizon's Response to this issue?**

23 A. Yes.

1 **Q. Please summarize your view of Verizon's position.**

2 A. Verizon responds that this imposes an obligation that goes beyond applicable law,

3 and has proposed some language from its agreement with AT&T.

4 **Q. Do you agree with Verizon's position?**

5 A. No. WorldCom's language is fully consistent with applicable law, and ensures

6 that Verizon does not impose obligations that go beyond the applicable law. This

7 provision was intended to serve as a simple statement that is fully consistent with the

8 applicable law. I do not understand Verizon's contrary belief.

9 **Q. Does that conclude your testimony?**

10 A. Yes.

I, Sherry Lichtenberg, hereby certify under penalty of perjury that the foregoing is true and correct.

Executed on August 14, 2001.

Sherry Lichtenberg

Sherry Lichtenberg

Commonwealth of Virginia
County of Arlington

Notary Public

My commission expires 3/31/2002