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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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

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

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

In the Matter of)
Petition of AT&T Communications of)
Virginia Inc., Pursuant to Section 252(e)(5)) CC Docket No. 00-251
of the Communications Act for Preemption)
of the Jurisdiction of the Virginia)
Corporation Commission Regarding)
Interconnection Disputes With Verizon)
Virginia Inc.)

**MOTION FOR LEAVE TO FILE CORRECTED
NON-RECURRING COST STUDY AND ERRATA TO TESTIMONY**

Verizon Virginia Inc. ("Verizon VA") hereby moves for leave to file (a) the enclosed revision to its non-recurring cost model (NRCM), which has been previously provided to petitioners during discovery, and simply corrects an error identified in Verizon VA's surrebuttal testimony; and (b) errata that corrects certain written and oral testimony in connection with the NRCM, along with an alternative NRCM that reflects more recent data and *reduces* non-

recurring costs. The corrected NRCM being provided in connection with (a) remains Verizon VA's proposal in this case; Verizon VA is providing the alternative NRCM in (b) in case the Commission wishes to use that instead.

(a) As Verizon VA explained in its surrebuttal testimony, "due to an administrative error, certain UNE costs filed [as part of the NRCM] on July 2 had inadvertently been based on incorrect average work times that differ very slightly from the actual average work times that should have been used." (VZ-VA Non-Recurring Panel Surrebuttal at 36-37.) Attachment D to the surrebuttal depicts the non-recurring costs that result from use of the corrected figures. Verizon VA provided to AT&T and WorldCom a copy of the revised NRCM itself on October 12, 2001, as part of discovery following surrebuttal. Commission staff noted during the hearings that the parties should make sure to file any corrected models with the Commission even if they had been provided in discovery so that the Commission would have the correct models in the record. Verizon VA accordingly seeks leave to file the enclosed corrected NRCM, which is the same as what was previously provided to petitioners during discovery.

(b) The errata set forth in Attachment A to this motion correct certain written and oral testimony in connection with the study used to generate the work times for the Telecom Industry Service Operations Center (TISOC) in Verizon VA's NRCM. Subject to the attached errata and the correction identified in (a) above, Verizon VA's NRCM that was filed on July 2 in this proceeding is valid, as is the supporting testimony, and remains Verizon's proposal in this case.

In addition, Verizon VA is enclosing an alternative NRCM that reflects more recent data for TISOC activities and reduces non-recurring costs. Verizon VA is providing this alternative NRCM in the event that the Commission would prefer to proceed on that basis, though, as noted above, Verizon's July 2 NRCM remains valid.

As Verizon VA has previously explained, the work times and typical occurrence factors for the TISOC were not based on the survey methodology employed for virtually all other work centers. Instead, Verizon VA used a pre-existing study that was performed for TISOC staffing purposes unrelated to any need to develop cost models. When Verizon's cost group approached the TISOC about conducting a survey to determine work times for purposes of developing the NRCM, the TISOC informed the cost group of this study, which had been performed earlier that year. The cost group determined that this pre-existing 1999 study contained reliable and sufficient information to estimate the TISOC work times and typical occurrence factors and accordingly decided to use this study, rather than conduct a survey as it did for other Verizon work organizations.

As Verizon VA has testified, this study was based on observations made of the tasks performed by TISOC personnel in connection with wholesale orders and the times it took to perform those tasks. However, to the extent that the written or oral testimony stated or otherwise implied that the times in the 1999 study were based on observations by Andersen Consulting, that is incorrect. To clarify, the observations were made by Verizon personnel and reported to Andersen Consulting. Based on its own interviews of TISOC personnel, Andersen Consulting subsequently concluded that the observed times were reasonable and valid. The specific corrections to clarify this point in the testimony are listed on Attachment A.

After submitting its NRCM in these proceedings, in which the 1999 TISOC study was used, Verizon's cost group learned that Andersen Consulting did, in fact, subsequently perform its own "time and observation study" for the TISOC that was based on observations Andersen itself made in the spring of 2000. As with the prior study, this study was done to assist the TISOC with staffing issues and was not performed for purposes of developing cost models for

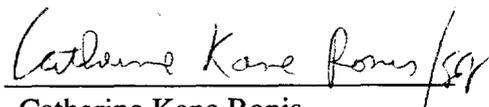
regulatory proceedings. As a result, this study was not automatically shared with the cost group responsible for developing cost models. In fact, the 2000 Andersen Consulting study has not been used in a cost model to date. Having now learned of this new study, however, the Verizon cost group intends to use it in future cost models submitted in other upcoming state UNE proceedings. Given this, Verizon VA is submitting with this motion the new TISOC data and a revised NRCM reflecting that data.

Verizon VA continues to believe, however, that, as corrected in (a) above, the original NRCM filed in these proceedings (and several others) prior to the cost group learning of the new Andersen study is and remains valid. As the Commission is aware, the models submitted by all parties in these proceedings are necessarily “snapshots” of the information known to the parties at the time the models are developed and run. It is inevitable that parties’ knowledge and available data will evolve over the course of the many months that UNE pricing proceedings typically last. If parties updated their models every time such a change occurred, these proceedings would never end. Accordingly, Verizon VA does not believe it necessary to update its model with the more recent Andersen study and is prepared to rest on the NRCM as already filed in this proceeding (and corrected in (a)). Nevertheless, in part because the more recent Andersen study results in shorter work times for the TISOC, and hence lower non-recurring costs, Verizon VA is providing with this filing the more recent TISOC data and an updated NRCM that incorporates that data so that the Commission will have it available if it chooses to rely on the updated NRCM. This material is provided on a CD ROM accompanying this filing; the parties and the Commission thus now have all the relevant data of which Verizon VA is aware with respect to the new TISOC study.

CONCLUSION

Verizon VA respectfully seeks leave to file (a) a revised version of its NRCM that corrects an error identified in surrebuttal and that previously was provided to petitioners as part of discovery; and (b) errata in certain testimony concerning the NRCM, along with an alternative NRCM incorporating more recent data for the Commission's use if it chooses.

Respectfully submitted,



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Dated: November 28, 2001

ATTACHMENT A — ERRATA

Verizon VA Cost Panel Direct Testimony (July 31, 2001)

<u>Page</u>	<u>Line</u>	<u>Change From</u>	<u>To</u>
311	20	by	with the help of
313	15	Andersen Consulting (now “Accenture”) was engaged by Verizon to conduct	Verizon conducted
314	2	the Andersen Consulting analysis	this analysis
314	3-5	Boston. The Andersen Consulting analysis included observations of the processing of over 800 service orders between March and August 1999.	Boston in 1999.
314	5-6	The results were then validated by more than 25	Verizon provided the results of this study to Andersen Consulting (now “Accenture”), which validated them by conducting interviews with more than 25

Verizon VA Oral Testimony at Hearings on October 31, 2001

<u>Page</u>	<u>Line</u>	<u>Change From</u>	<u>To</u>
4680	18	by Andersen Consulting	by Verizon personnel
4690	2-4	this is the Andersen information. This 64-page document, if you will, is essentially Andersen staffing plan to the company.	this is the information resulting from the Verizon observations validated by Andersen. This 64-page document, if you will, is essentially the TISOC staffing plan resulting from the study.
4690	16-17	It’s provided by Andersen and used by Verizon in its nonrecurring cost plan.	It’s the result of the observations done by Verizon and validated by Andersen, which was then used in Verizon’s non-recurring cost model.

4690 20

Right.

No. The observations themselves
were made by Verizon.