

the checklist,” Texas Order ¶ 58,¹⁹ if “the performance demonstrated by all the measurements as a whole” shows parity, Kansas/Oklahoma Order ¶ 32. Similarly, the fact that a measure may appear to reflect such a disparity does not necessarily mean that the applicant has not complied with the checklist if the disparity has “little or no competitive significance,” or may be traced to CLEC behavior or other “factors outside of [the applicant’s] control.” New York Order ¶¶ 59, 202; see also Massachusetts Order ¶ 13 (“We may find that statistically significant differences exist, but conclude that such differences have little or no competitive significance in the marketplace. In such cases, we may conclude that the differences are not meaningful in terms of statutory compliance.”); Kansas/Oklahoma Order ¶ 32 (“We may also find that the reported performance data is impacted by factors beyond a BOC’s control, a finding that would make us less likely to hold the BOC wholly accountable for the disparity.”).

Applying these standards here, it is abundantly clear that the checklist requirements are satisfied.

A. Interconnection (Checklist Item 1).

Verizon provides the same forms of interconnection in New Jersey that it provides in its 271-approved States, and provides them using substantially the same processes and procedures that it uses in those States. Moreover, as in Verizon’s 271-approved States, real-world experience in New Jersey proves that Verizon is able to meet the large and increasing demand for interconnection.

¹⁹ Application by SBC Communications Inc., et al., Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region, InterLATA Services In Texas, Memorandum Opinion and Order, 15 FCC Rcd 18354 (2000) (“Texas Order”).

1. Interconnection Trunks.

Verizon provides competing carriers in New Jersey with the same kinds of interconnection trunks that Verizon provides in its 271-approved States, and provides them using substantially the same processes and procedures that it uses in those States. See Lacouture/Ruesterholz Decl. ¶ 12; Pennsylvania Order ¶¶ 99-108 (finding that Verizon's provision of interconnection trunks satisfies the checklist); Massachusetts Order ¶¶ 182-193 (same); New York Order ¶¶ 67-76 (same); Connecticut Order ¶ 45 (same). In Verizon's 271-approved States, the Commission found that Verizon provided interconnection to competing carriers that was "equal in quality to the interconnection Verizon provides to its own retail operations, and on terms and conditions that are just, reasonable, and nondiscriminatory." Massachusetts Order ¶ 183; see also Pennsylvania Order ¶ 99. The Commission also found that Verizon "makes interconnection available at any technically feasible point," and that it therefore demonstrates checklist compliance. Massachusetts Order ¶ 182.²⁰ The same is true in New Jersey.

Through October 2001, Verizon has provided more than 29 competing carriers with nearly 320,000 interconnection trunks in New Jersey. See Lacouture/Ruesterholz Decl. ¶ 13. This is approximately two-thirds as many trunks as Verizon has connecting its switches in the entirety of its own interoffice network in the State. See id. Through these trunks, CLECs are exchanging an average of approximately 1.9 billion minutes of traffic per month with Verizon. See id. ¶ 15.

²⁰ Verizon provides interconnection trunks under interconnection agreements. See Lacouture/Ruesterholz Decl. ¶ 12. Verizon provides interconnection to the trunk sides of end office and tandem switches, and to Verizon's signaling network, and provides both one-way and two-way trunks, 64 Kbps Clear Channel trunks, and traditional 56 Kbps trunks. See id. ¶¶ 12, 17-18. Verizon also will accept requests from CLECs for interconnection at other technically feasible points. See id. ¶ 12.

Verizon provides interconnection trunks on time, even in the face of strong commercial demand. From August through October 2001, Verizon met the various intervals for providing interconnection trunks to CLECs 99.5 percent of the time in New Jersey. See id. ¶ 23.²¹ During this same period, there were virtually no troubles reported within 30 days of installation of an interconnection trunk. See Lacouture/Ruesterholz Decl. ¶ 23.

Verizon also has undertaken extraordinary efforts to accommodate the demand for interconnection trunks. For example, Verizon added approximately 147,000 interconnection trunks in 2000, which doubled the number of trunks between Verizon's network and CLEC networks. See id. ¶ 14. Verizon has continued to add significant numbers of additional trunks in 2001. See id.; Brief Att. A, Ex. 2. Moreover, Verizon has adopted the same trunk forecasting process that it uses in its 271-approved States. See Lacouture/Ruesterholz Decl. ¶ 20.

Finally, Verizon provides trunks to competing carriers that are of equal or better quality than those it provides to itself. For example, from August through October, approximately one-half of one percent of the dedicated final trunk groups provided to CLECs exceeded their engineering blocking design, and the same was true for Verizon's own common final trunk groups. See id. ¶ 31. In addition, during this same period, the ratio of "trunks required" —

²¹ Verizon also reports its average interval completed for interconnection trunks. In the Carrier Working Group, Verizon and CLECs agreed that these measurements were flawed and should be eliminated; based on their consensus proposal, the New York PSC issued an order eliminating these measurements from the Carrier-to-Carrier Performance Reports. See Lacouture/Ruesterholz Decl. ¶ 24. These changes were implemented in the Performance Reports in New York and Massachusetts beginning with the November 2001 report month, and should likewise be implemented in New Jersey. See id. Accordingly, the Commission should not rely on Verizon's performance under the average completed interval measurements for purposes of this Application. In any event, from August through October, there were only six interconnection trunks reported under this measurement, see id., which is too low to produce meaningful results, see, e.g., Kansas/Oklahoma Order ¶ 36 (performance data based on low volumes "is not as reliable an indicator of checklist compliance as performance based on larger numbers of observations").

which is the number of trunks a carrier needs to handle its traffic volume — to “trunks in service” — which is the number of trunks actually in place to handle traffic for that carrier — was even better for competing carriers in New Jersey (54.4 percent) than it was for Verizon’s own common final trunk groups (61.5 percent). See id. ¶ 30.

2. Collocation.

Verizon provides competitors in New Jersey with substantially the same forms of collocation as it provides in its 271-approved States, using substantially the same processes and procedures. See id. ¶ 34; see also Pennsylvania Order ¶¶ 103-104 (finding that Verizon’s provision of collocation satisfies the checklist); Massachusetts Order ¶ 194 (same); New York Order ¶ 73 (same); Connecticut Order ¶ 24 (same). The Commission previously found that Verizon’s collocation offerings “satisfy the requirements of sections 251 and 271 of the Act,” and that Verizon has taken “steps necessary to implement the collocation requirements contained in the [Collocation Order] and the Collocation Reconsideration Order.”²² Massachusetts Order ¶ 194. The same is therefore true in New Jersey. Verizon also has modified its collocation offerings and processes to comply with the Collocation Remand Order.²³ See Lacouture/Ruesterholz Decl. ¶ 34.

Through October 2001, Verizon has provisioned approximately 940 collocation arrangements in central offices located throughout New Jersey. See Lacouture/Ruesterholz Decl. ¶ 40. These in-service arrangements give competitors access to central offices that serve

²² Deployment of Wireline Services Offering Advanced Telecommunications Capability, First Report and Order and Further Notice of Proposed Rulemaking, 14 FCC Rcd 4761 (1999) (“Collocation Order”); Deployment of Wireline Services Offering Advanced Telecommunications Capability, Order on Reconsideration and Second Further Notice of Proposed Rulemaking, 15 FCC Rcd 17806 (2000) (“Collocation Reconsideration Order”).

²³ Deployment of Wireline Services Offering Advanced Telecommunications Capability, Fourth Report and Order, 16 FCC Rcd 15435 (2001) (“Collocation Remand Order”).

approximately 90 percent of Verizon's access lines in New Jersey — 94 percent of its business lines and 88 percent of its residential lines. See id.

As in Verizon's 271-approved states, Verizon provides every form of collocation that is required by the Commission's rules.²⁴ *First*, in addition to standard physical arrangements, Verizon provides mini, shared, adjacent, and "cageless" forms of collocation in accordance with the Commission's rules. See Lacouture/Ruesterholz Decl. ¶¶ 36, 54-54; Collocation Order ¶¶ 41-42. Cageless collocation arrangements now represent more than two-thirds of the collocation arrangements in Verizon's central offices. See Lacouture/Ruesterholz Decl. ¶ 40. *Second*, Verizon permits CLECs the option of establishing controlled-environment vaults or similar structures adjacent to Verizon central offices in which physical collocation space is unavailable. See id. ¶ 56; Collocation Order ¶ 44; Collocation Reconsideration Order ¶¶ 45-47. *Third*, Verizon provides virtual collocation, and has provisioned approximately 40 such arrangements to CLECs in New Jersey. See Lacouture/Ruesterholz Decl. ¶¶ 37, 40. *Fourth*, Verizon offers collocation at remote terminals in the same manner as the Commission found compliant in Massachusetts. See id. ¶ 63.²⁵ *Finally*, Verizon provides collocation within intervals adopted by the New Jersey BPU (between 76 and 105 business days for physical arrangements, and 60 business days for virtual arrangements). See Lacouture/Ruesterholz Decl.

²⁴ On December 19, 2001, the New Jersey BPU approved a settlement agreement between Verizon, AT&T, WorldCom, and Sprint under which Verizon has agreed to charge CLECs for power based on the quantity of load amps they request, with such charges having a retroactive effective date of January 1, 2001. See Lacouture/Ruesterholz Decl. ¶ 69. This is the same settlement agreement that Verizon and these parties entered into in Pennsylvania, and it therefore contains the same collocation rates, terms and conditions that the Commission already has found acceptable. See Pennsylvania Order ¶ 104; see also Massachusetts Order ¶ 199.

²⁵ See Massachusetts Order ¶ 196 (finding Verizon in compliance with requirements from the UNE Remand Order); Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Further Notice of Proposed Rulemaking, 15 FCC Rcd 3696 (1999) ("UNE Remand Order").

¶ 41; see also Massachusetts Order ¶ 195 (finding that comparable intervals satisfied the checklist); New York Order ¶¶ 73-75 (same).

Verizon also has modified its collocation offerings in New Jersey to comply with the Commission's recent Collocation Remand Order. On September 28, 2001, Verizon filed amendments to both its federal collocation tariff and its New Jersey collocation tariff to incorporate the requirements of that order. See Lacouture/Ruesterholz Decl. ¶ 51. For example, Verizon's tariffs now permit CLECs to collocate all the kinds of equipment that the Commission in that order held are necessary for interconnection or access to UNEs within the meaning of 47 U.S.C. § 251(c)(6). See id. ¶¶ 50-51. Verizon also has made cross-connects available to CLECs under tariff. See id. ¶ 51.

Verizon is providing collocation in a timely manner. For example, from August through October 2001, Verizon met the standard or agreed-upon interval 100 percent of the time for physical collocation arrangements, virtual arrangements, and collocation augments provided to CLECs in New Jersey. See id. ¶¶ 42-43. Moreover, KPMG tested the processes, procedures, and methodologies that Verizon uses to provide collocation, and found that them satisfactory in all respects. See id. ¶ 35; KPMG NJ Report at 163-172.

Finally, Verizon has taken the same extraordinary steps in New Jersey as it has taken in its 271-approved States to make collocation space available in its central offices. For example, Verizon will allow CLECs to tour the central offices within ten days in those rare instances where it cannot accommodate a request for physical collocation, and it will file space exhaustion notifications as required by the New Jersey BPU upon determining that space is not available. See Lacouture/Ruesterholz Decl. ¶¶ 45-47, 49. Verizon also has implemented methods and

procedures to identify when a central office runs out of space for physical collocation, and to post this information on its Website within ten days of when this occurs. See id. ¶ 46.

B. Unbundled Network Elements (Checklist Items 2, 4, 5, and 6).

Verizon provides competing carriers in New Jersey with commercial volumes of unbundled network elements, including unbundled local loops, local switching, and local transport. Moreover, it does so using substantially the same processes and procedures that it uses in its 271-approved States, where the Commission found that Verizon satisfies the requirements of the Act. Through October 2001, Verizon has provided approximately 80,000 unbundled loops to CLECs, including approximately 22,000 that were provided as part of an unbundled element platform that also included switching and transport. See id. ¶ 76. Moreover, Verizon has kept pace with rapidly increasing demand; it consistently delivers unbundled elements on time, when competing carriers request them.

1. Unbundled Local Loops.

Verizon makes available to competing carriers in New Jersey the same types of unbundled loops it makes available in its 271-approved States, and provides them using substantially the same processes and procedures as it uses in those States. See id. ¶ 72; see also Pennsylvania Order ¶¶ 76-92 (finding that Verizon's provision of unbundled loops satisfies the Act); Massachusetts Order ¶ 124 (same); New York Order ¶¶ 268-336 (same); Connecticut Order ¶¶ 10-26 (same).²⁶ Through October 2001, Verizon has provided competing carriers in New Jersey with approximately 80,000 loops (including DSL loops and platforms). See

²⁶ Verizon provides unbundled loops pursuant to interconnection agreements. See Lacouture/Ruesterholz Decl. ¶ 74. Verizon provides analog and digital, two-wire and four-wire loops, which permit CLECs to offer a full range of services including Integrated Services Digital Network ("ISDN"), Asymmetrical Digital Subscriber Line ("ADSL"), High-bit-rate Digital Subscriber Line ("HDSL"), 1.544 Mbps digital ("DS1") transmission, and 45 Mbps digital ("DS3") transmission. See id.

Lacouture/Ruesterholz Decl. ¶ 76. Moreover, Verizon's performance in provisioning loops in New Jersey has been excellent across the board.²⁷

a. Stand-Alone Voice-Grade Loops.

Through October 2001, Verizon has provided competing carriers in New Jersey with approximately 40,000 voice-grade (*i.e.*, POTS) loops on a stand-alone basis, and approximately 22,000 additional loops as part of unbundled network element platforms. See Lacouture/Ruesterholz Decl. ¶¶ 76, 78. The demand for loops has been steady, with competitors adding more than one-third of all stand-alone voice-grade loops and nearly three-quarters of all platforms in the first ten months of this year. See Brief Att. A, Ex. 2. Moreover, Verizon's processes for providing stand-alone voice-grade loops have earned the prestigious ISO 9000 certification from the International Organization for Standardization, an independent worldwide federation of national standards bodies that awards this certification to companies that demonstrate they meet the expectations of their customers. See Lacouture/Ruesterholz Decl. ¶ 79. Indeed, Verizon's systems for providing stand-alone voice-grade loops were recertified in November 2001, following a surveillance audit conducted every six months to ensure that Verizon is maintaining the high quality of its processes. See id.

As demand has increased, Verizon has continued to provide stand-alone voice-grade loops on time, when competitors ask for them. For example, from August through October

²⁷ The Commission has correctly concluded that its "analysis of this checklist item cannot focus on [Verizon's] performance with respect to any single metric or any single type of loop," but rather should be based on a "comprehensive picture of whether [Verizon] is providing unbundled local loops in accordance with the requirements of checklist item 4." New York Order ¶ 278; see also AT&T Corp. v. FCC, 220 F.3d 607, 624 (D.C. Cir. 2000) (affirming determination that the checklist focus is on "overall provisioning of loops, as opposed to mandating pass-fail analysis with respect to" a single category). As explained in text below, however, Verizon's loop performance in New Jersey is excellent both for loops overall and for the various subsets of loops.

2001, Verizon met approximately 96 percent of its appointments for stand-alone voice-grade loop orders in New Jersey, compared to about 87 percent of its appointments for the retail comparison group adopted by the BPU. See id. ¶ 80; see also Massachusetts Order ¶ 162 (finding 93-percent performance under this measurement acceptable).²⁸ During this same period, Verizon met more than 99 percent of its installation appointments for platform orders in New Jersey. See id. ¶ 212.

Verizon also provides stand-alone voice-grade loops to competitors with a high degree of quality. From August through October, CLECs reported installation troubles within 30 days on 1.48 percent of stand-alone voice-grade loops in New Jersey compared to 5.78 percent for the retail comparison group. See id. ¶ 84.

Verizon's performance in maintaining and repairing stand-alone voice-grade loops also is strong. From August through October, only 0.84 percent of CLEC voice-grade loops had any reported troubles in New Jersey, compared to 1.30 percent for the retail comparison group. See id. ¶ 85. Moreover, for the small number of these loops that did experience troubles, Verizon's maintenance and repair performance is excellent. With respect to most maintenance and repair performance measurements for stand-alone voice-grade loops — including both the missed

²⁸ During the relevant period, Verizon also reported its average completed interval for stand-alone loops (as well as other loop types). See id. ¶ 81. As Verizon has previously explained, however, these measurements are seriously flawed and do not accurately reflect Verizon's performance. See id. ¶ 82; see also New York Order ¶ 205 (“we also find persuasive Bell Atlantic's argument that its average completed interval data for competing carriers' non-dispatch orders reflects a disproportionate share of order types with longer-than-average standard intervals (the ‘order mix’ problem)”). As noted above, because of the recognized flaws in the average completed interval measurements, CLECs and the New York PSC agreed to eliminate them from the Carrier-to-Carrier Performance Reports. See Lacouture/Ruesterholz Decl. ¶ 82. These changes will be implemented in the Performance Reports in New York and Massachusetts beginning with the November 2001 report month, and should likewise be implemented in New Jersey. See id. Accordingly, the Commission should not rely on Verizon's performance under the average completed interval measurements for purposes of this Application.

repair appointment rate and the mean time to repair — Verizon's reported performance for CLECs in New Jersey is comparable to or better than Verizon's reported performance for the retail comparison group. See id. ¶¶ 86-88. For the single measurement that shows a difference in reported results in both states — the repeat trouble report rate — Verizon's performance for CLECs also is in parity when calculated under the business rules that have recently been adopted in New York and that will soon be submitted to the New Jersey BPU for adoption. See id. ¶ 88.

b. Hot Cuts.

Just as Verizon's performance in providing new stand-alone voice-grade loops has been strong overall, so has its performance on the subset of voice-grade loops provisioned through hot cuts. Verizon uses substantially the same methods and procedures to perform hot cuts in New Jersey as it uses in its 271-approved States, see id. ¶ 89, and its performance in New Jersey is excellent. As with Verizon's processes for stand-alone voice-grade loops, its hot-cut processes have earned the prestigious ISO 9000 certification (and were recently re-certified by the ISO in November of this year). See id. ¶ 90.

From August through October 2001, Verizon completed more than 97 percent of CLECs' hot-cut orders on time in New Jersey. See id. ¶ 94; Massachusetts Order ¶ 160 (finding 96-percent performance acceptable); New York Order ¶¶ 291-296 (finding 91- to 94-percent performance acceptable); see also AT&T Corp., 220 F.3d at 625-28 (upholding Commission's decision in New York).²⁹ Verizon also continues to provide hot cuts at a very high level of quality. From August through October, CLECs reported troubles within seven days of

²⁹ Verizon also has completed hot cuts within five hours of the standard six-day interval for orders of one to nine loops in New Jersey. See Lacouture/Ruesterholz Decl. ¶ 95. As noted above, however, the New York PSC and CLECs have agreed to eliminate the average completed interval measurements from the Carrier-to-Carrier Performance Reports there. See id.

installation on only 0.46 percent of their hot cuts. See Lacouture/Ruesterholz Decl. ¶ 97 & Att. 13.³⁰

c. DSL-Capable Loops.

Verizon's performance in providing access to the subset of loops used to provide DSL services is excellent.

Through October 2001, about 14,000 of the approximately 58,000 stand-alone unbundled loops that Verizon provided to competing carriers in New Jersey were DSL-capable loops. See id. ¶ 116. Verizon uses the same processes and procedures to provide competing carriers access to DSL loops in New Jersey as those used in Verizon's 271-approved States. See id. ¶ 111; see also Pennsylvania Order ¶ 79 (finding that Verizon's provision of DSL loops satisfies the Act); Massachusetts Order ¶¶ 60, 130, 133, 136, 142, 149 (same); New York Order ¶ 316 (same); Connecticut Order ¶¶ 14-20 (same). And, as with Verizon's processes for stand-alone POTS loops and hot cuts, Verizon's DSL processes have earned the prestigious ISO 9000 certification. See Lacouture/Ruesterholz Decl. ¶ 113. Moreover, KPMG has evaluated Verizon's practices, procedures, and methodologies for providing DSL-capable loops and found that Verizon satisfied each and every test. See id. ¶ 114; KPMG NJ Report at 207.

Verizon reports its performance in providing access to DSL-capable loops in New Jersey using substantially the same measurements as those used in New York. See Guerard/Canny/DeVito Decl. ¶ 11.³¹ The reported results under these measurements show that Verizon's performance has been and continues to be excellent.³²

³⁰ This represents Verizon's performance as calculated under the New York Carrier-to-Carrier guidelines. See Lacouture/Ruesterholz Decl. ¶ 97.

³¹ In New Jersey, unlike in Verizon's 271-approved States, Verizon has continued to provide DSL services at retail through its local telephone company rather than through a separate advanced services affiliate. See Lacouture/Ruesterholz Decl. ¶ 112. This is because the New

Pre-ordering. Verizon provides CLECs with the same ways of obtaining access to loop qualification and make-up information as in Verizon's 271-approved States. See McLean/Wierzbicki/Webster Decl. ¶ 46 & Att. 2; see also Pennsylvania Order ¶¶ 45-47 (finding that Verizon provides nondiscriminatory access to OSS pre-ordering functions); Massachusetts Order ¶¶ 54-69 (same); New York Order ¶¶ 140-143 (same); Connecticut Order ¶¶ 53-54 (same). Moreover, since the time of its previously approved applications, Verizon has implemented several new pre-ordering capabilities for CLECs.³³ In October 2001, Verizon implemented a new pre-ordering transaction for manual loop qualifications, which enables CLECs to request a manual loop qualification through their existing pre-ordering interface rather than by submitting a Local Service Request ("LSR") (which they may still do, if they choose). See McLean/Wierzbicki/Webster Decl. ¶ 47; see also Massachusetts Order ¶ 58 (noting that "Verizon has begun implementing access to manual loop qualification as a pre-order function," "with complete implementation expected in October 2001"). Since Verizon implemented this

Jersey BPU never acted on Verizon's August 2000 request to transfer its assets for providing advanced services to a separate affiliate. See id. ¶ 138. Verizon continues to provide retail DSL services directly today. See id. Accordingly, the retail comparison group adopted by the BPU for some measurements is the DSL service provided by the local telephone company rather than by Verizon's separate data affiliate as it previously was in other States.

³² On November 9, 2001, the New Jersey BPU approved new Carrier-to-Carrier Guidelines that adopt the DSL and line-sharing measurements that are based on the consensus measurements developed in the New York Carrier-to-Carrier Working Group and approved by the New York PSC. See Lacouture/Ruesterholz Decl. ¶ 140; Investigation Regarding Local Exchange Competition for Telecommunications Services, Order Approving Revised Guidelines, Docket Nos. TX95120631 & TX98010010 (NJ BPU Nov. 9, 2001) ("C2C Guidelines Order") (App. E, Tab 14). Verizon will begin reporting its DSL and line-sharing performance under these new measurements in New Jersey beginning with the November 2001 reporting month. See Lacouture/Ruesterholz Decl. ¶ 140. For the purposes of this Application, however, Verizon has calculated its performance under these new measurements in the DSL/Line Sharing Special Reports that are attached to the Guerard/Canny/DeVito Declaration. See Guerard/Canny/DeVito Decl. ¶ 11 & Att. 2.

³³ Verizon implemented these new capabilities in conformance with the Change Management process. See McLean/Wierzbicki/Webster Decl. ¶¶ 47-48.

new capability, CLECs have used it for fewer than 150 transactions across the entire former Bell Atlantic footprint and for only nine transactions in New Jersey. See McLean/Wierzbicki/Webster Decl. ¶ 47.

In addition, Verizon has implemented a long-term arrangement for CLECs to obtain electronic access to the limited loop make-up information available in LFACS. See id. ¶ 48; see also Pennsylvania Order ¶ 45 (noting that Verizon was “on track to provide access to loop qualification information through the permanent fix described in its Massachusetts application by October 2001”). This new capability enables CLECs to use any of the three pre-ordering interfaces (EDI, CORBA, Web GUI) to access LFACS, and to submit requests using either the telephone number or the service address of the line for which they seek loop information. See McLean/Wierzbicki/Webster Decl. ¶ 48. Since Verizon implemented this new capability, CLECs have used it for fewer than 300 transactions across the entire former Bell Atlantic footprint and, again, for only nine transactions in New Jersey. See id.

Verizon not only provides access to the required loop information, but also does so on a timely basis. For example, from August through October 2001, Verizon consistently met or bettered the relevant standards for responding to mechanized and manual loop qualification requests in New Jersey. See id. ¶¶ 49-51; see also Massachusetts Order ¶¶ 133-134 (relying on comparable performance). And Verizon has generally responded to the few requests for information from LFACS within two hours. See McLean/Wierzbicki/Webster Decl. Att. 2.

Ordering. Verizon is providing competing carriers in New Jersey with access to ordering systems in a timely manner. Specifically, CLECs in New Jersey have a choice of submitting unbundled DSL loop orders using the same two interfaces that Verizon makes available in its 271-approved States: the Web GUI and EDI interfaces. See id. And Verizon’s performance has

been and continues to be excellent for all ordering categories that include unbundled DSL-loop orders. For example, from August through October 2001, Verizon on average returned more than 95 percent of all order confirmation notices and more than 95 percent of all order rejection notices on time in New Jersey. See McLean/Wierzbicki/Webster Decl. ¶ 75 & Att. 2, Ex. D; see also Massachusetts Order ¶ 135 & n.424 (relying on comparable performance).

Provisioning. Verizon also installs DSL loops on time, as demonstrated by substantially the same measurements as those used in New York. For example, Verizon consistently is meeting its installation appointments for CLEC DSL loops. For example, from August through October 2001, Verizon met nearly 99 percent of its installation appointments for CLECs in New Jersey. See Lacouture/Ruesterholz Decl. ¶ 117.³⁴ These results are even better than what the Commission has found acceptable in the past. See, e.g., Massachusetts Order ¶ 137 & n.429 (finding 6.4 percent missed appointment rate for CLECs acceptable).³⁵

Installation Quality. Verizon provides unbundled DSL-capable loops to competing carriers that are equal in quality to Verizon's retail services.

³⁴ Verizon's performance under the average completed interval measurements also is strong. While the Commission has analyzed these measurements in prior applications, it need not do so here. As noted above, the New York PSC and CLECs have agreed to eliminate these measurements. See Lacouture/Ruesterholz Decl. ¶ 118. Nonetheless, from August through October, Verizon installed CLEC DSL loop orders where a dispatch was required in an average of 5.67 days in New Jersey, which is less than the six-day interval for provisioning DSL loops. See id. ¶ 119. This is better than what the Commission previously has found acceptable. See, e.g., Massachusetts Order ¶ 139 & n.434 (finding acceptable average completion interval for CLECs that was "one and one-half days longer than the standard six-day interval").

³⁵ Verizon's performance also is strong under two measurements that the Commission has not relied on in the past (and need not rely on here): the measurement that tracks how often Verizon meets the six-day interval for DSL loops that have been pre-qualified; and the measurement that tracks how often Verizon meets the nine-day interval for all DSL loops, including loops that have been pre-qualified and those that have not. For example, from August through October, Verizon completed more than 98 percent of CLEC orders for pre-qualified DSL loops and more than 99 percent of CLEC orders for DSL loops as a whole within the six- or nine-day intervals. See Lacouture/Ruesterholz Decl. ¶¶ 121-122.

The measurement that the Commission previously has used to evaluate installation quality is the subset of total trouble reports that are reported within 30 days of installation (so-called “I-codes”). The New Jersey BPU has adopted the same I-code measurement that Verizon and CLECs developed in New York and that the New York PSC approved. See Lacouture/Ruesterholz Decl. ¶ 126. As Verizon has explained in previous applications, under the current business rules for this measurement, the trouble reports for all CLECs are counted (not just the trouble reports of CLECS that participate in cooperative acceptance testing with Verizon) and the retail comparison group is POTS orders that require a dispatch. See Guerard/Canny/DeVito Decl. ¶ 91; see also Massachusetts Order ¶ 146; Pennsylvania Order ¶ 81 & nn.282 & 284. From August through October, the I-code rate on DSL-capable loops provided to CLECs in New Jersey was 6.26 percent compared to 10.53 percent for the retail comparison group. See Lacouture/Ruesterholz Decl. ¶ 126; see also Pennsylvania Order ¶ 81 & n.284 (finding comparable performance acceptable); Massachusetts Order ¶ 146 (finding acceptable I-code rate of 7 percent for CLECs compared to 2.3 percent for Verizon retail).

Maintenance and Repair. As described above, competing carriers experience troubles on a very small fraction of their unbundled DSL loops, and therefore generally do not need Verizon to provide them with maintenance and repair. On the small fraction of DSL loops for which Verizon does need to provide maintenance and repair, however, it does so in a nondiscriminatory manner.

First, the total trouble report rate for unbundled DSL loops confirms that Verizon provides reliable loops to CLECs. From August through October, 0.89 percent of CLECs’ DSL loops in New Jersey had reported troubles found in either the outside plant or the central office, compared to 1.71 percent for the retail comparison group. See Lacouture/Ruesterholz Decl.

¶ 127; see also Pennsylvania Order ¶ 80 & n.281 (relying on comparable performance under this measurement).

Second, Verizon meets the scheduled repair appointments for CLECs. See Lacouture/Ruesterholz Decl. ¶ 128; see also Pennsylvania Order ¶ 80 (relying on similar performance under this measurement); Massachusetts Order ¶ 150 n.471 (noting as relevant Verizon's performance under this measurement). From August through October, Verizon's performance in meeting installation appointments for competing carriers' customers is at parity with Verizon's performance in meeting appointments for the retail comparison group. See Lacouture/Ruesterholz Decl. ¶ 128.

Third, Verizon's mean time to repair competing carriers' DSL loops is shorter than the mean time to repair for the retail comparison group adopted by the BPU. For example, from August through October, the mean time to repair CLEC DSL loop troubles was 24.77 hours for troubles outside the central office and 17.67 hours for troubles within the central office, compared to 38.64 hours and 19.02 hours, respectively, for the retail comparison group. See id. ¶ 129. These results are better than what the Commission has found acceptable in the past. See, e.g., Massachusetts Order ¶ 150 (finding eight-hour disparity in mean time to repair performance acceptable).

Finally, Verizon's repeat trouble report rate is in parity. From August through October, the repeat trouble report rate for CLECs was 19.56 percent compared to 22.54 percent for the retail comparison group adopted by the BPU. See Lacouture/Ruesterholz Decl. ¶ 130.

d. Line Sharing.

Just as Verizon's performance in providing access to DSL-capable loops is excellent, so is its performance in providing access to the "high frequency portion of the loop" through so-called "line sharing." Through line sharing, a competing carrier may provide high-speed data

service over the same loop on which a customer receives basic local voice service from Verizon.³⁶

As is the case with DSL-capable loops overall, Verizon provides line sharing in New Jersey using substantially the same processes and procedures as in Verizon’s 271-approved States. See Lacouture/Ruesterholz Decl. ¶ 132; see also Pennsylvania Order ¶ 88 (finding that Verizon’s line-sharing processes and procedures are nondiscriminatory); Massachusetts Order ¶ 165 (same); Connecticut Order ¶ 23 (same).³⁷ Verizon also reports its line-sharing performance in New Jersey using substantially the same line-sharing specific measurements as in New York. See Lacouture/Ruesterholz Decl. ¶ 140; see also Massachusetts Order ¶ 168 (finding that similar line-sharing measurements “adequately show that Verizon has met its line sharing obligation”).

Verizon has provisioned more than 1,700 line-shared loops to CLECs in New Jersey. See Lacouture/Ruesterholz Decl. ¶ 139. Moreover, KPMG fully tested all of Verizon’s line-sharing systems, processes, procedures, and performance measurements, and found that Verizon satisfied each and every test. See Lacouture/Ruesterholz Decl. ¶ 140; KPMG NJ Report at 110-111, 117, 235-236.

Pre-ordering. Verizon uses substantially the same pre-ordering interfaces, systems, and processes in New Jersey as Verizon uses in its 271-approved States. See

³⁶ The New Jersey BPU has indicated that Verizon’s line-sharing offering satisfies this Commission’s requirements. See Lacouture/Ruesterholz Decl. ¶ 134; Review of Unbundled Network Elements Rates, Terms and Conditions of Bell Atlantic New Jersey, Summary Order of Approval, Docket. No. TO00060356, at 9 (NJ BPU Dec. 17, 2001) (“TELRIC Order”) (App. F, Tab 9).

³⁷ Through interconnection agreements, Verizon makes available in New Jersey the same two types of line-sharing arrangements that it provides in its 271-approved States. See Lacouture/Ruesterholz Decl. ¶¶ 132-133; Pennsylvania Order ¶ 88; Massachusetts Order ¶¶ 164 n.512, 165 n.519; Connecticut Order ¶ 23.

McLean/Wierzbicki/Webster Decl. Att. 2; see also Massachusetts Order ¶ 60 (finding that Verizon's pre-ordering systems for line sharing satisfy the Act); Pennsylvania Order ¶ 88; Connecticut Order ¶ 23. Moreover, as in Verizon's 271-approved States, Verizon's pre-ordering performance for line sharing is reported together with its performance for unbundled DSL-capable loops. See Guerard/Canny/DeVito Decl. ¶¶ 35, 41. And, as described above, Verizon's pre-ordering performance in New Jersey has been excellent. See McLean/Wierzbicki/Webster Decl. ¶ 43.

Ordering. Just as with pre-ordering, Verizon uses substantially the same interfaces, systems, and processes for ordering in New Jersey as it uses in its 271-approved States. See id. ¶ 53. The Commission found that Verizon's ordering systems and processes for line sharing fully satisfy the Act. See Massachusetts Order ¶ 135; Pennsylvania Order ¶ 88; Connecticut Order ¶ 23.

As in its 271-approved States, Verizon reports its ordering performance for line sharing under two different sets of measurements. For line-sharing orders that have been pre-qualified — which now make up the majority of line-sharing orders — Verizon reports its ordering performance together with its performance for unbundled DSL-capable loops. See McLean/Wierzbicki/Webster Decl. Att. 2, Ex. D. As described above, Verizon's ordering performance for such loops has, on average, been excellent. For line-sharing orders that require a manual loop qualification, Verizon reports its ordering performance separately. From August through October, however, Verizon did not receive any such orders in New Jersey. See Guerard/Canny/DeVito Decl. Att. 2 (OR-1 & 2).

Provisioning. Verizon installs line-sharing orders in a timely and nondiscriminatory manner, as demonstrated by its performance under several different measurements adopted in the

New York Carrier-to-Carrier proceedings. CLECs have placed a significant number of line-sharing orders in New Jersey, and Verizon's performance in provisioning these orders has been strong.

First, Verizon's performance under the missed appointment measurement demonstrates that its performance in providing line sharing to CLECs is strong.³⁸ From August through October 2001, Verizon met more than 99 percent of its installation appointments for CLECs' non-dispatch line-sharing orders. See Lacouture/Ruesterholz Decl. ¶ 141. This on-time performance is both excellent in its own right and comparable to the results for Verizon's own DSL service. See id.

Second, Verizon reports the percentage of line-sharing orders that it completes within three business days, which is the standard provisioning interval for line-sharing orders in New Jersey. See id. ¶ 143. From August through October, Verizon provisioned line-sharing orders in New Jersey within three business days when that interval was requested 95 percent of the time for CLECs. See id.

Finally, as noted above, both the CLECs and the New York PSC have agreed that the average completed interval measurement should be eliminated. Nonetheless, while the Commission should not rely on this measurement here, Verizon's reported performance has been good. See id. ¶ 142. From August through October, Verizon's average interval for completing non-dispatch orders was three days for CLECs compared to five days for Verizon's own DSL service. See id.; see also Massachusetts Order ¶ 170 & n.541 (finding comparable results acceptable).

³⁸ During the period at issue here, Verizon performed a splitter signature test in order to ensure that the splitter was working properly on the line before marking a CLEC's line-sharing order as complete. See Lacouture/Ruesterholz Decl. ¶ 144; see also Massachusetts Order ¶ 168 n.531.

Installation Quality. Verizon also provides line sharing to its CLEC customers in New Jersey with a high degree of quality. From August through October 2001, CLECs reported installation troubles within 30 days on less than 1 percent of their line-sharing orders in New Jersey. See Lacouture/Ruesterholz Decl. ¶ 145. This is better than what the Commission has found acceptable in the past. See, e.g., Massachusetts Order ¶ 171 (finding acceptable I-code rate of 1 percent in Massachusetts and 1.7 percent in New York).

Maintenance and Repair. Just as Verizon provides line-shared loops that are equal in quality to the loops that it provides to its own DSL customers, when these loops do experience troubles, Verizon repairs them just as quickly for CLECs as it does for itself.

From August through October, CLECs in New Jersey submitted an extremely small number of trouble tickets on line-sharing orders — fewer than ten. See Lacouture/Ruesterholz Decl. ¶ 146. As the Commission has recognized, “performance data based on low volumes of orders or other transactions is not as reliable an indicator of checklist compliance as performance based on larger numbers of observations.” Kansas/Oklahoma Order ¶ 36. This is because, “where performance data is based on a low number of observations, small variations in performance may produce wide swings in the reported performance data.” Id.; see also, e.g., Massachusetts Order ¶ 93 n.296 (“Due to the low volume of competitors’ orders, a handful of trouble reports can cause seemingly large variations in the monthly trouble reports.”). Nonetheless, the limited performance data available demonstrate that Verizon’s performance is excellent.

The first maintenance and repair measurement tracks the percentage of time that Verizon completes repairs on the date of its scheduled repair appointments. See Lacouture/Ruesterholz Decl. ¶ 147; Massachusetts Order ¶ 172 & n.547 (relying on Verizon’s performance under this

measurement). From August through October, CLECs submitted approximately six trouble tickets for central office troubles, and Verizon met all six repair appointments on time. See Lacouture/Ruesterholz Decl. ¶ 147.

A second maintenance and repair measurement tracks the number of repeat trouble reports within 30 days of an initial repair. See id. ¶ 148. From August through October, Verizon did not receive any repeat trouble reports from CLECs in New Jersey. See id.

The third measurement of Verizon's maintenance and repair performance tracks the mean time to repair line-sharing orders. See id. ¶ 149. Although CLECs in New Jersey submitted only a small number of trouble tickets for central office troubles, Verizon's mean time to repair during this period was at parity — seven hours for CLECs, compared to 19 hours for Verizon's own DSL troubles. See id.; see also Massachusetts Order ¶ 172 & n.547 (finding that 16-hour mean time to repair for CLECs compared to slightly longer than ten hours for Verizon's separate data affiliate was "nondiscriminatory").

Finally, the total trouble report rate — which measures the overall reliability of line-shared loops — demonstrates that there were no troubles found on more than 99 percent of the CLEC line-shared loops in service in New Jersey from August through October. See Lacouture/Ruesterholz Decl. ¶ 150.

Line Splitting. Verizon permits CLECs to engage in line splitting in New Jersey in the same manner that the Commission found met its requirements in Verizon's 271-approved States. See id. ¶ 151; see also Pennsylvania Order ¶ 89 (finding that Verizon's provision of line splitting satisfies the checklist); Massachusetts Order ¶¶ 175-180 (same). As the Commission explained, Verizon "offers competitors nondiscriminatory access to the individual network elements

necessary to provide line-split services and that nothing prevents competitors from offering voice and data services over a single unbundled loop.” Massachusetts Order ¶ 175.

As Verizon has made clear in its formal policy statement provided to CLECs on this issue, CLECs may engage in line splitting by using Verizon’s existing systems “to order and combine in a line splitting configuration an unbundled xDSL capable [l]oop terminated to a collocated splitter and DSLAM equipment provided by a participating CLEC, unbundled switching combined with shared transport, collocator-to-collocator connections, and available cross-connects.” Verizon, Line Splitting Policy (Feb. 14, 2001), at http://128.11.40.241/east/wholesale/html/clec_01/02_14.htm. Verizon also has added line splitting to its Model Interconnection Agreement. See Lacouture/Ruesterholz Decl. ¶ 152. As noted above, the Commission previously has found that Verizon’s line-splitting policy fully complies with the Commission’s rules. See Massachusetts Order ¶¶ 176-180.

Moreover, since the time of the applications in its 271-approved States, Verizon has implemented additional OSS capabilities for line splitting, including the ability for competing carriers to add line splitting to a UNE platform arrangement or to migrate from a line-sharing arrangement to a line-splitting arrangement using a single local service request. See Lacouture/Ruesterholz Decl. ¶ 155; McLean/Wierzbicki/Webster Decl. Att. 2; Line Sharing Reconsideration Order ¶¶ 18-21.³⁹ Verizon began work on establishing these additional capabilities in the New York DSL collaborative, even before the Line Sharing Reconsideration Order was issued. See Lacouture/Ruesterholz Decl. ¶¶ 157-158; McLean/Wierzbicki/Webster

³⁹ Deployment of Wireline Services Offering Advanced Telecommunications Capability, Third Report and Order Third Report and Order on Reconsideration in CC Docket No. 98-147, Fourth Report and Order on Reconsideration in CC Docket No. 96-98, Third Further Notice of Proposed Rulemaking in CC Docket No. 98-147, Sixth Further Notice of Proposed Rulemaking in CC Docket No. 96-98, 16 FCC Rcd 2101 (2001) (“Line Sharing Reconsideration Order”).

Decl. Att. 2. Pursuant to the schedule established in the New York collaborative, Verizon began a pilot of these new OSS capabilities in New York in June 2001, and implemented them throughout the former Bell Atlantic footprint — including New Jersey — on October 20, 2001. See Lacouture/Ruesterholz Decl. ¶¶ 158-159; McLean/Wierzbicki/Webster Decl. Att. 2.

Verizon also has begun to receive commercial volumes of line-splitting orders apart from those submitted during the New York pilot. See Lacouture/Ruesterholz Decl. ¶ 159. Through the end of November 2001, Verizon has received 34 line-splitting orders across the former Bell Atlantic footprint (although none in New Jersey), and completed on time all of those orders that were not canceled by the CLEC. See id.

e. High-Capacity Loops.

Verizon's performance also has been strong in providing competing carriers access to high-capacity loops. These loops make up less than 1 percent of all unbundled loops provided to competitors in New Jersey, and, from August through October 2001, Verizon provided only about 25 high-capacity loops per month. See id. ¶¶ 99-100. Nonetheless, Verizon's performance in providing high-capacity loops to competitors in New Jersey has been strong.

From August through October, Verizon missed a total of only six installation appointments for CLEC high-capacity loop orders in New Jersey. See id. ¶ 101.⁴⁰ Given the small volume of orders during that period, this means that Verizon completed 93 percent of the

⁴⁰ One CLEC in New Jersey (XO) rehashed claims it made during the Pennsylvania 271 proceedings regarding Verizon's policy of rejecting CLEC orders for unbundled high-capacity loops when facilities to fill those orders are unavailable. See Lacouture/Ruesterholz Decl. ¶ 108. Verizon's policy in New Jersey is, however, exactly the same as its policy in Pennsylvania, which the Commission found satisfies the checklist. See Pennsylvania Order ¶¶ 91-92.

appointments for CLEC high-capacity loop orders during that time. See Lacouture/Ruesterholz Decl. ¶ 101.⁴¹

Verizon also provides high-capacity loops with a high degree of quality. The installation quality measurements for high-capacity loops report Verizon's performance on these loops together with its performance for high-capacity interoffice facilities. See id. ¶ 104. In New Jersey, from August through October, CLECs did not report any installation troubles on high-capacity loops and interoffice facilities. See id.

Verizon's performance in maintaining and repairing high-capacity loops is equally strong. From August through October, the trouble report rate for high-capacity loops and interoffice facilities was less than 2 percent both for CLECs and the retail comparison group adopted by the BPU. See id. ¶ 105. Moreover, the mean time to repair CLEC high-capacity loops and interoffice facilities in New Jersey was more than two hours shorter than the mean time to repair for the retail comparison group. See id. ¶ 106. Finally, from August through October, Verizon had only two repeat trouble reports in New Jersey for high-capacity loops and interoffice facilities. See id. ¶ 107.

f. Subloops.

Verizon provides access to subloops in New Jersey in substantially the same way as in its 271-approved States. See id. ¶ 161; see also Massachusetts Order ¶ 154 (finding that provides nondiscriminatory access to subloops consistent with the requirements of the Act); Pennsylvania

⁴¹ As with the other average completed interval measurements discussed above, the CLECs and the New York PSC have agreed to eliminate the average completed interval measurement for high-capacity loops. See Lacouture/Ruesterholz Decl. ¶ 102. Accordingly, the Commission should not consider this measurement here. In any event, there were only two observations reported under these measurements in New Jersey, which is too small to provide meaningful results. See id.

Order ¶ 78; Connecticut Order ¶ 10.⁴² The subloop elements that Verizon provides include access to house-and-riser cable, and to remote terminals either through collocation (where space is available) or by establishing a connection between Verizon’s remote terminal and a CLEC’s adjacent facilities. See Lacouture/Ruesterholz Decl. ¶¶ 161-163. As in its 271-approved States, “Verizon allows requesting carrier[s] to obtain access to subloop facilities regardless of the transmission medium,” and to “gain access to subloops at technically feasible points of interconnection other than the FDI [feeder distribution interface].” Massachusetts Order ¶ 155; see Lacouture/Ruesterholz Decl. ¶ 165.

g. Network Interface Devices.

Verizon provides CLECs with access to Network Interface Devices (“NIDs”), either as part of an unbundled loop or on a stand-alone basis to CLECs that deploy their own loop facilities. See Lacouture/Ruesterholz Decl. ¶ 166; UNE Remand Order ¶¶ 233-235. Verizon provides access to NIDs in substantially the same manner as in its 271-approved States. See Lacouture/Ruesterholz Decl. ¶ 166; see also Massachusetts Order ¶ 124 (finding that Verizon’s provision of NIDs satisfies the checklist); Pennsylvania Order ¶ 78; New York Order ¶ 273; Connecticut Order ¶ 10. Verizon permits competing carriers that deploy their own loop facilities to connect their loops directly to Verizon’s NIDs, or to connect indirectly through their own adjacent NIDs. See Lacouture/Ruesterholz Decl. ¶ 167. No CLEC has requested access to Verizon’s NIDs on a stand-alone basis in New Jersey. See id.

2. Unbundled Switching.

Verizon provides unbundled local and tandem switching in New Jersey using substantially the same processes and procedures as in Verizon’s 271-approved States. See id.

⁴² Verizon provides access to subloops through interconnection agreements. See Lacouture/Ruesterholz Decl. ¶ 161.