

have descriptions and stated exclusions which provide a specific methodology for calculating Verizon's performance.

13. As we have previously shown, Verizon has consistently returned 95 percent of confirmation and reject notices for resale and UNE platform orders on time in November, December, January, and February, both for CLECs in the aggregate and for MetTel specifically. *See* McLean/Wierzbicki/Webster/Canny Supp. Decl., Att. 1 (Supp. App. A, Tab A). MetTel argues that Verizon's reported results are inaccurate, claiming that Verizon failed to include certain of MetTel's orders in the measurement results, and that Verizon missed more individual sub-measurements than the few shown in the Carrier-to-Carrier reports. In addition, MetTel claimed that only 73.66 percent of its confirmation and reject notices were returned within the "weighted average" response time that, according to MetTel, represented its unique mix of orders. *See* MetTel Goldberg Decl. ¶ 6. MetTel is wrong, and its calculations do not follow the Carrier-to-Carrier Guidelines.

14. MetTel first claimed that Verizon had excluded 16 percent of MetTel's New Jersey orders (represented by Purchase Order Numbers, or "PONs") from the November and December performance results. MetTel Goldberg Decl. ¶ 6. These PONs were appropriately excluded under the Carrier-to-Carrier Guidelines. Attachment 1 to MetTel's comments contained **** ***** PONs. Of those, **** ***** (90.6 percent) were "front-end" rejects and should not be included in the performance results under the Carrier-to-Carrier Guidelines. (As a general matter, as MetTel's list shows, "front-end" rejects are returned very quickly, and inclusion in the performance results in a reported measure would only improve those results; however, there is insufficient data

on the LSRs to process and determine under which measure to include them.) The Guidelines state that “Edit Rejects – Orders failing ‘Basic front-end edits’ are not placed on PON Master File” which is used to calculate performance results. *See* New Jersey I Appendix J, Tab 17 at 21, 30. Another **** * PONS (7.1 percent) were actually New York or Pennsylvania PONS and should not be included in New Jersey performance results. **** * of the PONS (1.7 percent) were either confirmed or rejected in a different month or on a different version and that PON/version would be included in the month’s performance measurements when the confirmation or reject notifier was generated. The remaining **** * PONS had been submitted twice so the duplicate was rejected by the basic front-end edit process and also properly excluded. *See* Attachments 4, 5 at 43-52.

15. MetTel’s second claim was that Verizon’s reported results in certain sub-measurements were incorrect. MetTel Goldberg Decl. ¶ 6. The detailed data provided by MetTel in Attachment 3 to the Goldberg Declaration show, for each PON, the total elapsed time between the time MetTel sent its order and the date/time stamp for the encryption of the returned confirmation or reject notice. (Verizon agreed that use of the encryption date/time stamp was a reasonable measurement point.) The Carrier-to-Carrier Guidelines, however, do not count the elapsed time on a “run clock” basis in all instances. Instead, the Guidelines provide that, for flow through orders, the scheduled hours when the service order processor is off-line (and neither retail nor wholesale orders can be entered) are excluded. These are 11:30 p.m. to 1:30 a.m. each night and from 9:00 p.m. Saturday to 8:00 a.m. Sunday. For manually handled orders, the Guidelines exclude weekend and holiday hours, beginning at 6:00 p.m. Friday (or the last business day

before a holiday) and ending at 8:00 a.m. Monday (or the first business day after a holiday). See New Jersey I Appendix J, Tab 17 at 22, 30.

16. While MetTel claimed that it had applied these exclusions in its calculations, the results it included in its Comments and Declaration do not appear to have done so. For example, MetTel's Attachment 3 contains **** PONs. Of those, **** show raw elapsed times of 18 hours and 3 minutes or less. Dividing **** by **** produces a result of 73.66 percent which, as noted above and discussed below, is the result MetTel provides for the percent of PONs returned in less than the weighted average response time (which it incorrectly used as the "on time" standard). But it is clear that the raw elapsed times shown in MetTel's Attachment 3 include, rather than exclude, weekend and holiday hours. For example, PON CE17511052 version AE, which appears in MetTel's Attachment 3 at 83, shows an elapsed time of 40 hours, 46 minutes, and 30 seconds. The PON was received on Christmas Eve, December 24, 2001 at 3:55 p.m. The response was returned on December 26, 2001 at 8:41 a.m. If MetTel had, in fact, applied the exclusion for holiday hours specified in the Carrier-to-Carrier Guidelines (excluding the hours from 6:00 p.m. the last business day before the holiday until 8:00 a.m. the first business day after the holiday), the elapsed time should have been 2 hours and 46 minutes, which would have met a 24 hour standard.

17. Although MetTel claims to have used the proper definitions and exclusions from the Carrier-to-Carrier Guidelines in performing its timeliness analysis for confirmations and rejects, Verizon's review of MetTel's data (Attachment 3 to MetTel's Comments) indicates that this is not the case. MetTel's elapsed time for every PON was

calculated using a “run clock” methodology – that is to say, by subtracting the date/time the LSR was sent by MetTel from the date/time the LSC or REJ was sent back to MetTel by Verizon, rather than applying the appropriate Carrier-to-Carrier Guidelines. For example, Verizon performed further analysis on the November and December PONs provided in MetTel Attachment 3 and determined that there were 377 PONs that MetTel scored as “late” which were in fact timely when the weekend and holiday exclusions were properly applied. *See* Attachment 5 at 1-42, 64-69. Verizon also determined that MetTel’s file did not contain 183 LSCs and 407 rejects that were part of Verizon’s calculations. *See* Attachment 5 at 53-56, 57-63. We cannot ascertain why MetTel did not include these 590 PONs.

18. Finally, MetTel used a “weighted average” response time for its “unique order mix” of 18 hours and 3 minutes, and determined that only 73.66 percent of its confirmation and reject notices were returned in less than the average, which MetTel called “on time.” *See* MetTel Goldberg Decl. ¶ 6. MetTel’s use of the weighted average to determine an “on time” standard is inappropriate. Verizon provided the weighted average response times for MetTel’s orders in New Jersey and in Pennsylvania to demonstrate that the different mix of order types processed by MetTel in those two states caused the perceived difference in the average response times in the two states. *See* Letter from Clint E. Odom, Verizon, to William Caton, Acting Secretary, FCC, CC Docket No. 01-347, ¶¶ I.A.3 - I.A.5 (Feb. 25, 2002) (“Feb. 25 Ex Parte”); McLean/Wierzbicki/Webster/Canny Supp. Decl. ¶ 11. It is not appropriate to use the weighted average response time as a standard for timeliness – by doing so, MetTel would

count as a “miss” a confirmation returned in 21 hours, even if the Carrier-to-Carrier Guidelines established a 24-hour standard for that order type.

19. Timeliness of Completion Notifiers: Verizon provides timely and accurate provisioning completion notifiers (“PCNs”) and billing completion notifiers (“BCNs”) to CLECs in New Jersey. The Carrier-to-Carrier Guidelines include four key measures that describe completion notifier performance. These are OR 4-05 and OR 4-10 for PCNs and OR 4-02 and OR 4-09 for BCNs. These measures are reported separately for UNE and Resale. For CLECs in the aggregate, for both UNE and resale, the percent of PCNs that Verizon sent on time has been 99 to 100 percent. For November through February, the percent of BCNs sent on time has been above 97 for Resale, which is the predominant mode of entry in New Jersey, and has ranged from 94 percent to 98 percent for UNE. *See* Carrier-to-Carrier Trend Reports at 54 (OR-4-02-2000), 55 (OR-4-05-2000), 56 (OR-4-09-2000 and OR-4-10-2000), 150 (OR-4-02-3000), 151 (OR-4-05-3000), 152 (OR-4-09-3000 and OR-4-10-3000); McLean/Wierzbicki/Webster/Canny Supp. Decl., Att. 15 at 65.

20. These notifiers inform the CLEC when a work step for the order has been completed and recorded in Verizon’s systems. Verizon understands the importance of timely delivery of notifiers to its customers and has been involved in many discussions with the carriers in various forums on the topic. For example, Verizon conducted a Notifier Workshop for CLECs in February to explain how notifiers are processed and the information transmitted on them. The presentation materials from this workshop are available on Verizon’s web site at:

http://128.11.40.241/east/wholesale/industry_conf_education/2002_workshop_presentations.htm.

21. Verizon's systems are designed to generate the notifiers automatically as a by-product of the completion of the underlying work process and the recording of that completion in Verizon's systems. While these processes and systems perform at a very high level, Verizon does not represent that the process works perfectly all of the time. For this reason, exception handling is built in to the operational procedures. When exceptions are detected, corrective actions are taken to complete the work step and update the relevant systems, which in turn generates the notifier. These actions are not dependent on CLEC submission of a trouble ticket.

22. The OR 4-09 measure captures several work steps and systems updates – it measures the elapsed time (in business days) from the recording of work completion in the SOP (sometimes referred to as the “SOP Completion Date”) to generation of the BCN, which reflects that the billing system has been updated. Verizon's objective is to generate 95 percent of BCNs within 3 days of the recording in SOP that work has been completed and the remainder within a bill period which, as a matter of industry practice, is a month.

23. As Verizon has explained, this measure is a difficult one to meet. The measure was originally developed for New York, where the duration of the bill cycle processing (the amount of time an account is held each month while the bill is generated, processed, and verified) is generally two days, with some three-day cycles. In New Jersey, however, as in Pennsylvania, bill cycles are generally three days in duration, with some four-day cycles. For this reason, the Commission decided in the Pennsylvania 271

proceeding that it was reasonable to use a four-day benchmark for this measure. *See Pennsylvania 271 Order* ¶ 44. Nevertheless, as shown above, in the aggregate, Verizon's performance in New Jersey on this measure using a three-day benchmark has been very good over the last several months. *See Carrier-to-Carrier Trend Reports* at 54 (OR-4-02-2000), 55 (OR-4-05-2000), 56 (OR-4-09-2000 and OR-4-10-2000), 150 (OR-4-02-3000), 151 (OR-4-05-3000), 152 (OR-4-09-3000 and OR-4-10-3000).

24. In its Ex Parte filed April 15, 2002, MetTel states that Verizon had previously "'forced' the BCN out" and claims that this is somehow contrary to Verizon's statements that the issuance of the BCN represents the final step in the migration process to the CLEC. MetTel Apr. 15, 2002 Ex Parte at 2. MetTel mischaracterizes both what happened and what was said. This discussion concerned a process that was in effect in New York for a period of time in mid-2000. At that time, Verizon implemented a work-around process to generate a BCN based on the completion of the billing edit pass rather than data base update in the circumstance when CLEC service orders could not post to the billing system due the bill cycle processing described above. This was in response to CLEC complaints about BCNs being "delayed" by 2 to 3 days due to this circumstance. This work-around process was stopped in New York in September 2000. It was never implemented in New Jersey. Verizon worked with MetTel on a business-to-business basis to understand MetTel's business process and how this delay affected MetTel's ability to serve its customers. At the time, MetTel was processing migrations using two LSRs: one to perform the migration "as-is" and then a second to change the LPIC and/or PIC on the account. If the service order associated with the first LSR had not updated the billing system, the second LSR would be rejected. Verizon suggested that MetTel use the

same “migration as-is with changes” option used by other CLECs which allows both the migration and LPIC/PIC changes to be accomplished with one LSR. This approach eliminates the need for a second LSR and avoids the potential reject of the second LSR. Initially MetTel refused, saying the two LSR process was part of a “quality assurance process,” however, MetTel did subsequently adopt the use of the “migration as-is with changes” option.

25. MetTel claims that the Carrier-to-Carrier reports overstate Verizon’s performance on this measure. MetTel Goldberg Decl. ¶ 7. MetTel provides only its specific performance, not CLEC aggregate performance. In addition, MetTel apparently has re-calculated its results by using the “work completion date” that is provided on the provisioning completion notice (and now on the billing completion notice as well). This is the date the work was completed as recorded in WFA. The “work completion date,” however, is not the starting point specified in the measure – instead, OR-4-09 measures from when SOP is updated to reflect work completion. The latter date does not currently appear on a completion notifier sent to the CLEC. As a result of collaborative discussions with CLECs, in the June release, Verizon will add a field for the “Provisioning Posting Completion Date” (the “SOP completion date”) to both the PCN and the BCN.

26. Accuracy of Completion Notifiers: As noted above, the generation of completion notifiers (either PCNs or BCNs) is triggered by updates to the respective systems. As a result, Verizon fundamentally disagrees with MetTel’s assumption that a notifier is “false” or “inaccurate” if a line does not generate usage within 3 business days of a migration. This is inconsistent with industry experience. Verizon has described

numerous real-life scenarios under which lines do not generate usage. The most basic is that no outbound calls are made on the line. Feb. 25 Ex Parte ¶ II.B; McLean/Wierzbicki/Webster/Canny Supp. Decl. ¶¶ 26-32.

27. Nevertheless, Verizon has taken MetTel's concern seriously and has investigated nearly 1000 billing telephone numbers for which MetTel submitted trouble tickets claiming that usage was due, but no usage had been received. As described in the Supplemental Application, in 75 percent of these cases, Verizon either found usage¹ or MetTel agreed that no usage was due. McLean/Wierzbicki/Webster/Canny Supp. Decl. ¶ 32. In the remaining 251 cases, no usage was found nor was any problem detected by Verizon. In these cases, Verizon suggested that MetTel contact the customer to determine if in fact the line was being used to make outbound calls.

28. In the meantime, Verizon continued its own investigation. Verizon noted that **** of these BTNs were for coin (pay phone) accounts recently acquired by MetTel and conducted additional investigation of its own on these numbers. Verizon found that **** (62 percent) of these telephone numbers were in a seasonal suspend status, and therefore would not generate usage, and **** (four percent) had been disconnected. Verizon selected a sample of 41 of the remaining ****, dispersed throughout the state, and went to the locations to verify the existence of a working phone on the line. Verizon found that:

- 28 of the locations had no phone
- 7 had phones, but the phone was not working (for example, the receiver was missing)
- 5 had phones that were not MetTel's

¹ As part of its investigation, Verizon did not determine when usage first occurred on the telephone number in question; merely that usage existed and had been sent to MetTel on the Daily Usage File ("DUF").

- I was a MetTel phone, but had a different telephone number than the one submitted by MetTel on the trouble ticket.

In sum, the investigation demonstrated that there are valid circumstances under which a line may not generate usage within three days after a migration.

29. MetTel also claimed that it had received usage on 88 lines for which it had submitted an order suspending the line for non-payment (“SNP”), had received a BCN, and had not submitted an order restoring the line to service or the usage occurred prior to the restoral order. *See* MetTel Goldberg Decl. ¶ 8.C. & Att. 7. In its investigation of MetTel’s claim, Verizon found on 73 of the lines that MetTel had in fact submitted a subsequent order to restore the line and that the restoral order preceded the date of “first usage” cited by MetTel. One line showed a new connect order that was subsequent to the disconnect and prior to the “first usage” date. Three lines were complex Centrex lines where MetTel apparently had attempted to suspend the lines by using a blocking scenario that is not designed for service suspension. Another 11 lines were involved in win-backs by Verizon. Because a suspended line cannot be migrated, Verizon restored the lines in preparation for migrating them back to Verizon. These restorals are generally due on the same day or one day prior to the win-back disconnect order for the CLEC.

30. Verizon’s research indicated that in every case, the date of the restoral was before the “first usage” date provided by MetTel. The MetTel restoral PONs and actual completion dates of these PONs are provided in Attachment 6. It appears that MetTel’s data collection process does not accurately reflect the actual date of many of its restorals – MetTel appears to be using the BCN receipt date as the date that usage should begin accruing instead of the work completion date indicated in the PCN. As Verizon

explained, usage begins to accrue on the work completion date, but is not released to the carrier until bill completion.

31. Furthermore, for 23 of the orders listed in MetTel's Attachment 7, MetTel claims that it did not issue any restoral orders. MetTel's own data, however (Attachment 8), shows associated restoral orders for some of these lines. For example, in Attachment 8, MetTel lists restoral Order ID's ****

****. All of these PONs were issued to restore service for lines that MetTel claims it did not issue a restoral on. *See* MetTel Attachment 7.

32. Notifier Trouble Tickets: MetTel continues to take issue with Verizon's practice of clearing a PON on a "missing notifier trouble ticket" by reflowing the requested notifier (or a later one) if found, or by providing the order's status within three business days. MetTel Goldberg Decl. ¶ 10-11. At the time the trouble ticket process was developed, CLECs were not always receiving an electronic acknowledgement that Verizon had received their orders. Without the acknowledgement, a CLEC did not know if its orders had been "lost." To address this, the process was designed to inform a CLEC that its order had been received and also to indicate the processing step to which it had progressed, as recorded by Verizon's systems. If the order had generated the notifier the CLEC was seeking, or one later in the process, the latest notifier is "re-flowed" to the CLEC. The progression of notifiers is: 1) acknowledgement that the order has been received or negative acknowledgement, which means the transmission was flawed and could not be processed by the EDI translator ("ACK/NACK"); 2) confirmation or reject notice; 3) provisioning completion notice or jeopardy; and 4) billing completion notice.

33. As we have explained, if the PON has not reached the work step to generate the notifier the CLEC is seeking, Verizon provides the status of the order, and investigates whether a corrective action is required. If Verizon must take the corrective action, it does so and ensures generation of the notifier. This process may involve investigation, communication, work step completion and system update across different work groups, processes and systems within Verizon and therefore can be time and resource-intensive. If the CLEC must take the corrective action, Verizon informs the CLEC. *See* McLean/Wierzbicki/Webster Decl. ¶¶ 158-159; McLean/Wierzbicki/Webster Reply Decl. ¶ 60; McLean/Wierzbicki/Webster/Canny Supp. Decl. ¶¶ 38-39. Originally, the time to take any subsequent corrective action in the case when the notifier did not yet exist was not tracked.

34. This process has evolved and improved over time. Verizon has refined the tools and procedures to investigate and resolve each PON on a trouble ticket, and Verizon now tracks the time it takes to investigate the PON further when the notifier does not yet exist, and to take corrective action or notifies the CLEC that the CLEC must do so. At that point, the PON is considered “resolved.” On average, it takes Verizon less than 4 business days from receipt of the PON on a trouble ticket to resolution of the PON. *See* Attachment 7.

35. MetTel takes issue with Verizon’s characterization of the retail bills discussed in MetTel’s March 11 Ex Parte as a billing issue, and argues instead that these reflect “a fundamental systemic flaw in Verizon’s provisioning systems . . . [which allow] the system . . . [to] generate Billing Completion Notifiers without all the underlying Service Orders being completed.” MetTel Goldberg Decl. ¶ 12. This is not a flaw in

Verizon's provisioning systems. The underlying service orders are completed before a BCN is generated. In a few instances, however, as explained in more detail below, a representative makes an error in writing one of the underlying service orders, and the account is not linked to the CLEC's master account (or conversely, on a migration away from the CLEC, the account is not removed from the master account). As Verizon previously explained, these are isolated errors and there is no systemic problem with Verizon's systems or processes. MetTel provided Verizon with four accounts in New Jersey where four different order writing errors occurred over the period from September 2000 through January 2002. During this time, Verizon processed over **** * local service requests for MetTel in New Jersey.

36. AT&T again claims that Verizon's failure to meet the standard for Average Duration from work completion to bill completion (OR 4-06) in January and February demonstrates that Verizon is not providing nondiscriminatory access to its OSS. AT&T at 28. This measure is not one that the Commission has relied on before; indeed the New York Public Service Commission eliminated it from the New York Carrier-to-Carrier Guidelines in its October 2001 order, App. J, Tab 18, p. 54, and the measure does not exist in Pennsylvania. Moreover, AT&T's argument is flawed. As we have previously explained, this metric does not measure the timeliness of any notifiers to CLECs. It measures the interval between two internal work steps for all retail service orders as compared to UNE service orders and as compared to resale service orders. There is no apples-to-apples comparison here. For many local service requests from CLECs, there are multiple internal service orders associated with a single LSR. This is unlike retail orders which, with only a few exceptions, involve only a single service

order. *See* McLean/Wierzbicki/Webster Reply Decl. ¶ 31; Letter from Clint E. Odom, Verizon, to William Caton, Acting Secretary, FCC, CC Docket No. 02-67, at 2 (Apr. 4, 2002) (“Apr. 4 Ex Parte”). These service orders for a wholesale request must be processed in sequence. For example, a “new connect” order that adds an end user to a CLEC’s master account cannot be processed by the billing system until the “disconnect” order that removes the account from Verizon retail has processed. If the internal service orders are presented out of sequence, the system will “re-cycle” them to put them in sequence. *See id.* Because the update of the billing system is a batch process, a service order that gets “re-cycled” will wait at least 24 hours (until the next batch is run) before it updates the billing system. Other factors can also affect the update. For example, as explained in Verizon’s April 4 Ex Parte, we have recently made a change to the sequence in which orders are sorted for presentation to the billing system. As we have also explained, orders cannot update the billing system if the account is in a hold status for bill cycle processing. Where multiple service orders are involved there is an increased likelihood that the order completion date will coincide with a bill cycle hold. *See* Letter from Clint E. Odom, Verizon, to William Caton, Acting Secretary, FCC, CC Docket No. 02-67 (Apr. 15, 2002). Verizon’s overall performance in providing completion notifiers to CLECs has been excellent, and the results of this flawed measure do not undermine the demonstrated nondiscriminatory access that Verizon provides CLECs to its OSS.

IV. BILLING

37. As we demonstrated in our Declaration and Reply Declaration, Verizon is providing timely and accurate billing to CLECs in New Jersey, and the New Jersey billing systems are successfully handling commercial volumes.

McLean/Wierzbicki/Webster Decl. ¶¶ 109-112, 118-121, 125-127;

McLean/Wierzbicki/Webster Reply Decl. ¶¶ 41-49. Verizon's performance on the billing measures reported in the Carrier-to-Carrier Guidelines has continued to be strong. For the months of November 2001 through February 2002, Verizon has met or exceeded the specified standard for all measures with the exception of BI-3-03-2030 (% Billing Adjustments) in January. *See* Carrier-to-Carrier Trend Reports at 19-23. This measure is discussed below. In addition, as we demonstrated in our Supplemental Declaration, ¶ 45, Verizon provided 100 percent of electronic bills (bills formatted according to the Bill Output Specification/Bill Data Tape ("BOS BDT")) on time in February. Performance in February for BI-3-06-2030 (% Billing Adjustments – Electronic Bills-BOS BDT format), for which there is no retail analog, was addressed in our Supplemental Declaration, ¶¶ 45-46.) The claims by Metro Teleconnect and the National ALEC Association that Verizon's performance on certain performance measures has been deficient, Metro Teleconnect at 3; NALA at 4, are out of date. Metro Teleconnect and NALA cite to Verizon's OSS and Checklist Declarations filed in the state proceedings which dealt with performance data for April, May, and June 2001.

38. CLECs' actual commercial experience confirms the strong Carrier-to-Carrier results. As we previously explained, on a business-to-business basis outside of the regulatory context, CLECs inform Verizon of issues with their bills in two ways. First, CLECs inform Verizon of errors on their bills (whether electronic or paper) by submitting claims that dispute charges on the bill in accordance with the process set out in the CLEC Handbook. Second, for electronic bills, CLECs report technical issues with systems, formatting, data, or delivery of information by submitting a trouble ticket to the

Wholesale Customer Care Center (the same place where CLECs report issues with respect to other interfaces provided by Verizon).

39. An analysis of the billing disputes submitted by CLECs in the ordinary course of their commercial interaction with Verizon demonstrates that the level of disputes in New Jersey continues to be comparable to the level in New York. Attachment 8 provides a comparison of the amount of billing disputes in New Jersey, as a percent of current charges for the period November 2001 through February 2002, with the levels for similar disputes in New York during the same period, and explains the basis for the calculation. As shown there, the level of current billing disputes as a percent of current charges has averaged 3.7 percent in New Jersey, while the level of disputes in New York over the same time frame has averaged 6.5 percent. Of course, the fact that CLECs submit disputes does not necessarily mean that their claims are correct. Moreover, while some carriers have endeavored to dispute specific amounts or specific charges, other carriers appear to be using the dispute process simply to avoid paying portions of their bills. Consequently, the dispute process is subject to significant gaming by other carriers for their own business or regulatory reasons. Nonetheless, this analysis of the amount of charges for which CLECs have submitted billing disputes in New Jersey shows that the amount of disputes that have been submitted is comparable to the level in New York, where CLECs agree that Verizon's billing system allows them to compete. *See, e.g.*, WorldCom PA 271 Lichtenberg Reply Decl. ¶ 19; Z-Tel PA 271 Reply Comments at 6.

40. BOS BDT Electronic Bill: As of February 2002, over 45 CLECs in New Jersey are receiving BOS BDTs, and Verizon distributed over 130 BDT files. Of the total resale and UNE charges billed by Verizon for all CLECs in New Jersey,

approximately 75 percent are rendered on BOS BDT bills at the request of the CLECs. (Many CLECs choose to receive an electronic BOS BDT bill in addition to a paper bill.) As shown in Attachment 9, CLECs have submitted only a handful of BOS BDT trouble tickets in December, January, and February, and over half of those were simply requests to resend the file. Contrary to the Ratepayer Advocate's claim, Verizon is providing commercial volumes of electronic bills in New Jersey. NJ Division of the Ratepayer Advocate at 11-12.

41. Only AT&T raises concerns with the BOS BDT electronic bill in New Jersey. AT&T did not raise these claims in connection with Verizon's original application, nor did it raise these claims in the state section 271 proceeding. AT&T raises them here for the first time, despite the fact that AT&T claims its issues are at least a year old. *See* Kamal Decl. ¶¶ 13, 18. According to AT&T, the bills are not readable and auditable because they are not properly formatted and because they do not contain a telephone number for every charge. AT&T at 19-20; Kamal Decl. ¶ 15. AT&T is incorrect.

42. AT&T indicates that Verizon implemented a system enhancement in September 2001 to provide the telephone number for each charge associated with a USOC on the New Jersey BOS BDT bills. Kamal Decl. ¶ 16. Indeed, Verizon did implement a system enhancement in Pennsylvania and Delaware. The enhancement was not implemented in New Jersey because it was not required. Verizon does provide telephone numbers for charges associated with a USOC on the BDT in New Jersey. This is confirmed by AT&T own admission. AT&T states that its February 2002 BOS BDT bill from Verizon contained telephone numbers for each charge associated with a

USOC. Verizon has also checked AT&T's March 2002 BOS BDT bill and has verified that it contains telephone numbers for charges associated with a USOC.

43. AT&T also claims that Verizon's electronic bills are incorrectly formatted in violation of industry billing guidelines, and points to two phrase codes ("X99 and G93") that AT&T claims are improper. Kamal Decl. ¶ 17. Again, AT&T is wrong. Verizon's BOS BDT electronic bill was developed and designed in accordance with Telcordia's industry guidelines. The Telcordia guidelines recognize that there will be company-to-company variations in the implementation of Telcordia's published guidelines, and permit such differences if they are documented: "Due to tariff requirements, FCC/State mandates, customer requests and other business needs, Exchange Companies have been, and will continue, providing information not consistent with these Specifications."² See Attachment 10. For example, with respect to phrase codes, the Telcordia specification designates X++ through Z++ as "write in phrase for local EC [exchange carrier] use." *Id.*

44. The Telecordia guidelines further provide the format and content for the "Differences List." Consistent with the guidelines, Verizon documents its differences, including the use of Verizon-specific phrase codes, in its *CABS Bill Output Specifications Billing Data Tape Differences List*, which is distributed by Verizon to the CLEC community in advance of the semi-annual, industry-wide releases and is published on the Verizon Wholesale web site at:

http://128.11.40.241/east/wholesale/customer_docs/cabs_bos.htm. Verizon's use of the

² Telcordia Technologies, *Carrier Access Billing System Billing Outputs Specifications – Volume 1, Part 1 Carrier Billing*, SR-1868, Issue 8, Revision 2, March 2001, Section 5.03.

X99 and G92 phrase codes is documented in the *Differences List*. (Contrary to AT&T's claim, Verizon does not use phrase code G93). Verizon is therefore in full compliance with the BOS BDT Guidelines.

45. Nevertheless, pursuant to agreements reached with the CLEC community, including AT&T, in the collaboratives associated with the Plan of Record for Uniform OSS developed by Verizon pursuant to the Bell Atlantic/GTE Merger Conditions, Verizon introduced an expanded set of (Verizon-specific) phrase codes and text for Wholesale BOS BDT in New Jersey, Pennsylvania, Delaware, Virginia, Maryland, West Virginia, and DC in February 2002. This initiative reduced the use of the X99 phrase code by introducing additional phrase codes for miscellaneous other charges and credits. CLECs were informed of this change through Change Management.

46. AT&T criticizes the "manual" review and adjustment process – implemented by Verizon to ensure that the BOS BDT bills balance internally and match the paper bill – arguing that it "is no substitute for accurate and readable electronic bills that CLECs themselves can audit." Kamal Decl. ¶ 21. AT&T also claims that CLECs have no means of determining what manual adjustments Verizon has made, or whether the manual adjustments are correct. *Id.* AT&T misunderstands the purpose of Verizon's review and adjustment process.

47. Verizon implemented the review and adjustment process to ensure that the BOS BDT matches the paper bill, and to ensure that the BOS BDT balances internally to facilitate auditability by CLECs. As we previously explained, Verizon engaged PricewaterhouseCoopers to examine the BOS BDT bills, including the review and adjustment process, to verify that the BDT matches the paper bill for key billing elements

and summarization points, that the dollar amounts charged on the BDT for those billing elements and summarization points match the paper bill, that the BDT contains sufficient information for a third party to recalculate the charges, and that the BDT balances internally. *See* McLean/Wierzbicki/Webster Decl. ¶¶ 115-117; Joint Declaration of Catherine Bluvol and Sammy Kumar ¶¶ 25-46 (App. B, Tab 4 (Attachment 501 to Verizon New Jersey's Reply Declarations)).

48. Although this review and adjustment process was largely manual when it was introduced in Pennsylvania, Verizon has now automated substantial portions of the process. Every New Jersey BDT for resale or UNE charges that Verizon produces is subjected to this review before it is released to the CLEC. If necessary, corrections in the form of balancing records are inserted in the Other Credit and Charges section of the BOS BDT. These balancing records are identified by specific phrase codes. The review and adjustment process and a description of the phrase codes used on the balancing records were published to CLECs through Change Management in August 2001. *See* Attachment 11. In addition, a letter is sent to each CLEC along with its BDT, informing the CLEC of all adjustments made and whether or not an automatic credit will be applied to the next bill. All "unknown" adjustments are automatically credited back to the CLEC on a subsequent bill.

49. In New Jersey, the amount of the balancing records inserted into BDTs in order to balance to the paper bills, expressed as a percentage of the total current charges, was less than one half of one percent for the period November 2001 through February 2002 and declined further in March. *See* Attachment 12.

50. Bill Accuracy: AT&T and ATX complain that Verizon's wholesale bills are inaccurate. AT&T at 21-23; Kamal Decl. ¶¶ 24-31; ATX Ex Parte at 2-3. The issues they raise do not represent systemic problems with Verizon's billing system, and affect less than one percent of these carriers' current charges.

51. AT&T complains that Verizon is improperly including charges for retail services on wholesale bills, and claims that this represents a "systemic" problem because retail charges have been included only when the customer is taking certain services, such as call waiting, Caller I.D., or touch tone. Kamal Decl. ¶ 27. This is not a systemic problem, nor does it indicate a problem in implementing new UNE rates. Instead, the three examples provided by AT&T resulted from order-writing errors in setting up the accounts in the May – June 2001 timeframe, which cause the features to carry a retail rate rather than a zero rate. Verizon has identified the occurrences of these errors for AT&T and other CLECs in New Jersey, and is in the process of correcting the errors and issuing credits. AT&T's accounts include approximately **** vertical features; erroneous rates were found for only about **** of them – less than one percent – and the total amount of erroneous charges in February on AT&T's bills was ****, less than one percent of AT&T's monthly charges.

52. In Attachment 3 to AT&T's Kamal Declaration, AT&T also disputes four toll calls which appear on one of the example bills. These are not direct dialed calls, nor are they calling card calls as AT&T claims. Instead, they are charges for collect calls accepted by AT&T's end-user and carried by Verizon. Therefore, they are valid charges.

53. ATX's March 6, 2002 Ex Parte also made a number of allegations concerning the accuracy of Verizon's wholesale bills, including claims of "standalone"

bills, non-resellable USOCs on resale bills, inappropriate tax and universal service fund charges, and unidentifiable credits on bills. ATX Ex Parte at 2-3. As Verizon has previously explained, McLean/Wierzbicki/Webster Decl. ¶ 123; McLean/Wierzbicki/Webster Reply Decl. ¶¶ 52-53. ATX raised these issues before the New Jersey BPU, and the occurrence of these errors on ATX's accounts has been minuscule.

54. "Standalone" bills are individual bills for end user accounts that are sent separately to the CLEC rather than being included with the CLEC's master bill. They result from errors at the ordering stage in setting up the accounts when a representative fails to include the appropriate information to associate the account with the CLEC's master bill or by erroneously removing this association prior to disconnecting or migrating the customer back to Verizon or another CLEC. A standalone bill is also more likely to include incorrect taxes or non-resellable products, because the ordering edits which prevent a wholesale order from containing these items may not be applied..

55. Standalone bills represent only four one-hundredths of a percent (0.04%) of ATX's accounts. Similarly, the occurrence of non-resellable USOCs on ATX's bills amounts to less than **** per month, out of current charges of approximately **** per month – less than two one-hundredths of one percent (0.02%). This amount includes the incorrect universal service fund charges, which are less than **** per month. The amount of taxes appearing on ATX's bills is even smaller – less than **** per month, or less than one one-hundredth of one percent (0.01%).

56. ATX argues that, even though the errors are small, it nevertheless requires ATX to undertake a detailed and time-consuming review of each month's bill. ATX Ex Parte at 2-4. Although ATX receives an electronic BOS BDT bill from Verizon, it apparently performs a manual review using the paper bill. At ATX's request, Verizon spent a day at ATX's location providing assistance and guidance on how to read and review the BOS BDT, and how to reconcile the BDT and the Daily Usage File. Verizon has also engaged in numerous telephone conversations with ATX personnel providing assistance and answering questions about the BOS BDT. Use of the BDT may enable ATX to reduce the time to review its bills.

57. ATX also complained that when Verizon issues credit adjustments, ATX cannot identify what they are for. ATX Ex Parte at 2-3. ATX raised this claim in the state proceeding. At that time, Verizon reviewed ATX's bills from July through October 2001. Those bills contained 60 credits that had been issued to ATX. Fifty-five of the credits contained on the bill the claim number provided to ATX at the time Verizon acknowledged each claim submitted by ATX. The other five credits contained meaningful descriptions of the adjustments.

58. ATX also claimed that, as a result of "billing problems" in Pennsylvania, it had to file a formal complaint with the Pennsylvania PUC. ATX Ex Parte at 2. That complaint was filed on March 1, 2002, and Verizon's response was submitted on April 1, 2002. The complaint replaced a Petition for an Emergency Order which sought, in essence, to enjoin Verizon from "embargoing" ATX (ceasing to process orders for new services on new or existing accounts) because of ATX's refusal to pay undisputed amounts that it owed to Verizon. The basic relief sought in the Pennsylvania complaint

was an order preventing Verizon from imposing an embargo. ATX (also known as “Corecomm”) also filed a similar complaint in Massachusetts, seeking to prevent Verizon from imposing an embargo on ATX there, which the Superior Court in Massachusetts rejected. *See* Attachment 13. Although ATX’s Ex Parte claimed it was not seeking to resolve its billing disputes with Verizon in the 271 process, it was trying to use the 271 process to avoid being embargoed in New Jersey, while still refusing to pay undisputed past due amounts. ****

**** *See* Attachment 14 .

59. ATX claimed in Pennsylvania and in its March 6, 2002 Ex Parte that the parties had developed a “course of dealing” in which ATX would take 60-90 days to audit the bills and then pay “undisputed” amounts. ATX Ex Parte at 3. According to ATX, Verizon unilaterally sought to change this course of dealing and threatened to embargo ATX for failure to pay charges that ATX has disputed. ATX is wrong.

60. The “course of dealing” described by ATX is one-sided. Verizon has persistently asked ATX to pay its undisputed bills more promptly. When ATX has failed to do so after many entreaties, Verizon has sent ATX letters notifying it that it would be embargoed. ATX then has made a payment of some (but not all) of the undisputed amount due, and Verizon has withdrawn the threatened embargo.

61. Contrary to the concern expressed by DOJ, DOJ Eval. at 7, n. 31, Verizon did not threaten to embargo ATX for failure to pay amounts for which ATX has submitted disputes pursuant to its interconnection agreement and Verizon’s standard billing practices. ATX’s response to Verizon’s requests that ATX pay its past due bills,

and to Verizon's notices that ATX would be embargoed, however, has been to claim – without substantiation or detail – that it disputes all of its unpaid amounts. That is not a billing dispute, but simply an attempt to avoid paying its bills. As Attachment 14, p. 3 makes clear, ATX has ****

62. Verizon has made a number of proposals to ATX for payment plans that would reduce ATX's outstanding overdue balance. Verizon has also made payment proposals to ATX that would allow ATX the time it claims it needs to audit Verizon's bills (for example, ATX could withhold an amount each month equal to its average dispute, plus a cushion; after ATX has submitted any disputes, the parties would simply true-up the amount due). As noted above, Verizon has worked with ATX to assist it in using the BOS BDT, which would allow ATX to review its bills more efficiently and with much less effort. ATX has rejected all of Verizon's proposals and instead has simply refused to pay its undisputed bills.

63. Verizon has established procedures (set out in the CLEC Handbook, Volume III, Section 10.4, which is available on Verizon's wholesale web site at http://128.11.40.241/east/wholesale/customer_docs/master.htm) under which CLECs can dispute charges on their bills and they do not have to pay the disputed amounts until the dispute is resolved. ATX regularly uses this process, and these disputed charges are not the basis for embargoing ATX. As Attachment 15 shows, the amount of ATX's actual billing disputes in New Jersey (not "disputes" of the entire bill without a reason, or disputes of late payment charges, which are clearly due as a result of ATX's ongoing failure to pay past due amounts) represent only 1.4 percent of ATX's current charges in