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May 17, 2004

Ex Parte

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Portals
Washington, DC 20554

RE: Section 272(f)(1) Sunset of the BOC Separate Affiliate and Related Requirements WC 02-112; Performance Metrics and Standards for Interstate Special Access Services, CC Docket No. 01-321

Dear Ms. Dortch:

On May 14, 2004, Dee May, MaryJo Howe, Julie Slattery, Sherry Ingram, Barbara Alder and the undersigned representing Verizon met with Michael Carowitz, William Cox, William Kehoe, Pamela Megna, Bill Dever, Brad Koerner and Julie Veech of the Wireline Competition Bureau to discuss the attached materials.

If you have any questions, please feel free to call me at (202) 515-2545.

Sincerely,

A handwritten signature in black ink, appearing to be "Tyrone Keys", written over a light gray dotted signature line.

Attachment

cc: Michael Carowitz
William Cox
William Kehoe
Pamela Megna
Bill Dever
Brad Koerner
Julie Veech



Post-272 Sunset Performance Measures



Post-272 Sunset Environment

- Performance reporting is not needed.
- If adopted, measures should be consistent with and limited to 272(e)'s requirements.
- To ensure more accuracy and reliability, FCC should identify types of measures required and then allow BOCs to provide appropriate definitions and business rules.



Standard Performance Reporting Is Not Necessary

- Exchange Access market is highly competitive, and there is no evidence of BOC discrimination.
- Commission may monitor performance through less burdensome means such as biennial data submissions, data requests, or mini-audits.
- Carriers may continue to monitor performance through informal reporting they already receive and that is tailored to their specific interests.



Measures Should Be Limited Given Competitive Environment

- Measures should be narrowly tailored to provide data that will allow the Commission to monitor compliance with section 272(e).
- Measures should be limited to products and services most relevant to customers.
- Compliance should be measured according to section 272(e)'s requirements.



Measures Should Be Structured Consistent With 272(e) Concerns

- Require only periodic reporting (annual/biannual).
- Require reporting only for special access service.
- Require aggregate results for Affiliates and IXC's.
- Require 30-60 days to submit metric definitions and 3 months after period closes to submit data.
- Allow updates as necessary following reintegration.



Company-defined Metrics and Business Rules Required For Meaningful Measures

- Ordering, provisioning, and maintenance processes differ among BOCs and performance is measured differently.
- Company-specific business rules are necessary to allow BOCs to provide more comparable and meaningful data.
- Post 272 environments could yield different structural integration solutions that require flexibility in measures.
- If FCC adopts measures, it should identify the types of measures to be reported – FOC Timeliness, On Time Performance, MTTR – but then allow companies to develop company-specific measurement plans to comply.



Verizon Proposes The Following Schedule

- Within 60 days after the effective date of this order, each BOC must submit business rules to the Wireline Competition Bureau defining how it will report special access (DS0, DS1, DS3 and OCn) performance for its affiliate* and all non-affiliate inter-exchange carriers for the following measures: Firm Order Confirmation Timeliness, Installation On Time Performance, and Mean Time to Restore. Following 272 sunset in a given state, each BOC will begin reporting annual/biennial results for that state. Results will be due by April 1 following the close of the annual/biennial reporting period. By December 31 of the relevant year, Companies may update the business rules by submitting updates to these rules to the Wireline Competition Bureau and report results the following April consistent with any definition or business rule changes submitted.

*If a company reintegrates its affiliate it would report Special Access performance results for services provided to the company's long distance operation.