the differences were much smaller and often insignificant (in two of the months in NY and two of the months in MA, the differences were a day or less compared to a range of seven to 12 days in the measures submitted for the audit).

DS 1 Maintenance

For repair activity, Verizon has determined that there are several main factors that influence the maintenance data and prevent a meaningful comparison. These factors are volume of embedded circuits and troubles, the inclusion of trouble tickets cleared to Test OK (TOK) and No Trouble Found (NTF), and the type of facility upon which the services are provisioned.

During the months reviewed, across all regions, nonaffiliates reported 41,378 troubles on DS1 services compared to only 3,898 troubles reported by 272 affiliates. As a result of the low volume of 272 affiliate troubles in any given month, a single ticket can have a significant impact on performance. For example, during the month of January there were only three CO or FAC troubles. Recalculating the MTTR (excluding NTF/TOK) by removing just one ticket changes the MTTR from 4.46 to 5.93, a difference of 1.47 hours.

Tickets cleared to NTF and TOK were included in the measures submitted for the audit. Both NTF and TOK tickets usually take little time to execute and tend to drive down the number of hours reported in mean time to restore (MTTR). In addition, the volume of NTF and TOK troubles received is largely influenced by customer behavior and is outside of Verizon's control. Access customers are expected to test their own network and equipment before submitting a ticket to Verizon. The quality of the customers' testing systems and the customer's ability or inclination to test before reporting a trouble to Verizon can cause large differences in the percentages of tickets cleared to NTF and TOK. By excluding these trouble tickets and recalculating MTTR, the gap between 272 affiliate results and nonaffiliate results narrows, as detailed below for January through December of 2004 for DS1 in NY, as seen in Table 3 below. NY was selected because it experienced higher volumes of 272 affiliate activity compared to other states (ten or more orders in a month).

Table 3
2004 DS1 New York MTTR and Trouble Ticket Volumes

Month	Type	As Submitted for the Audit		Excluding NTF and TOK	
		Hours	Tickets	Hours	Tickets
01/2004	272 affiliates	1.65	15	4.46	3
	Nonaffiliates	5.16	2927	7.43	1862
	Difference	3.51		2.97	
02/2004	272 affiliates	3.08	16	6.40	7
	Nonaffiliates	6.06	3072	8.22	2086
	Difference	2.98		1.82	

Table 3- continued
2004 DS1 New York MTTR and Trouble Ticket Volumes

Month	Type	As Submitted for the Audit		Excluding NTF and TOK	
		Hours	Tickets	Hours	Tickets
03/2004	272 affiliates	4.36	19	5.05	16
	Nonaffiliates	5.51	3237	7.70	2117
	Difference	1.15		2.65	
04/2004	272 affiliates	3.00	31	7.34	10
	Nonaffiliates	6.11	3470	8.38	2368
	Difference	3.11		1.04	
05/2004	272 affiliates	2.71	27	12.03	5
	Nonaffiliates	5.92	3769	8.39	2443
	Difference	3.21		-3.64	
06/2004	272 affiliates	3.47	29	8.13	11
	Nonaffiliates	6.58	3391	9.07	2301
	Difference	3.11		0.94	
07/2004	272 affiliates	3.90	36	8.54	15
	Nonaffiliates	6.99	4052	10.27	2564
	Difference	3.09		1.73	
08/2004	272 affiliates	3.82	52	7.28	24
	Nonaffiliates	6.22	4190	9.04	2671
	Difference	2.40		1.76	
09/2004	272 affiliates	4.08	46	8.44	21
	Nonaffiliates	6.54	3856	9.00	2652
	Difference	2.46		0.54	
10/2004	272 affiliates	1.89	58	5.44	15
	Nonaffiliates	5.69	3166	7.78	2177
	Difference	3.80		2.34	
11/2004	272 affiliates	4.51	42	7.29	23
	Nonaffiliates	5.46	3049	7.51	2080
	Difference	0.95		0.22	
12/2004	272 affiliates	6.09	18	11.65	9
	Nonaffiliates	5.88	3199	8.19	2174
	Difference	-1.79		-3.46	

As the analysis above demonstrates, when NTF and TOK activity is removed from the calculation, the repair interval increases for both nonaffiliates and 272 affiliates. After removing NTF and TOK from the calculations, the gap between 272 affiliate and nonaffiliate results narrows in all but one month. In two months the nonaffiliates

experience shorter clearing intervals and in three months the gap was less than one hour.

Another fundamental difference between 272 affiliate repair activity and nonaffiliate repair activity is the facilities on which the circuits are provisioned.

The technology (copper or fiber) utilized to provision circuits is dependent upon the specific route and nature of the special access service. Section 272 affiliates more often order backbone, network infrastructure circuits where fiber facilities are in place. In contrast, nonaffiliates more often order special access circuits that terminate at a remote end user location served by copper facilities. As is shown in Table 4 below, the 272 affiliate troubles more often occur on fiber facilities, while nonaffiliate troubles more often occur on copper facilities.

Fiber loops tend to experience trouble less often and the required fix is more often at the central office or at a customer premises, as opposed to on a pole line or in an underground facility. Moreover, circuits provisioned on fiber optic facilities can typically be restored more quickly than those on copper facilities. Facility troubles on copper often require dispatches to several outside work groups such as Special Services repair and construction. Many times tickets for copper repair need to be referred to multiple work groups for resolution. Interdepartmental team conference calls are often required to resolve these issues. Multiple dispatches and interdepartmental coordination are less likely to be required for a circuit on fiber that fails. Copper facilities typically are more prone to plant operating errors in the field. These include troubles caused by human errors such as crossing up terminals at a cross-connect box, which typically require a dispatch to clear, resulting in longer repair intervals. Fiber loops are usually segregated from or independent from copper facilities and are more protected from the type of inadvertent errors in the field described above.

Connectivity to network elements for remote testing has been greatly improved on fiber, whereas on copper facilities, remote testing is more challenging. Fiber technology is, by design, more dependable than copper. For example, survivability features, redundant designs and SONET technology typically give fiber facilities a lower failure rate and a shorter average repair interval than copper. Verizon recalculated the clearing intervals for NY DS1 trouble reports based on whether the underlying facilities were copper or fiber. The analysis for the months where the underlying data was available appears on the following pages.

Table 4
2004 DS1 New York MTTR of Troubles
Found on Services Provisioned on Copper Versus Fiber

Month	Type	Hours (Cop.)	Tickets	Hours (Fib.)	Tickets
02/2004	272 affiliate	none	0	5.12	3
	Nonaffiliate	9.24	1253	6.69	820
	Difference	NA	0	1.57	

Table 4- continued
2004 DS1 New York MTTR of Troubles
Found on Services Provisioned on Copper Versus Fiber

Month	Type	Hours (Cop.)	Tickets	Hours (Fib.)	Tickets
03/2004	272 affiliate	3.15	4	6.01	11
	Nonaffiliate	8.06	1335	7.11	771
	Difference	4.91		1.10	
04/2004	272 affiliate	13.48	3	3.74	5
	Nonaffiliate	9.20	1567	6.66	787
	Difference	-4.28		2.92	
05/2004	272 affiliate	18.12	2	6.70	1
	Nonaffiliate	8.85	1599	7.41	826
	Difference	-9.27		0.71	
06/2004	272 affiliate	9.66	5	6.85	6
	Nonaffiliate	9.71	1495	7.79	777
	Difference	0.05		1.87	
07/2004	272 affiliate	10.95	4	7.66	11
	Nonaffiliate	10.87	1785	8.86	765
	Difference	-0.08		1.20	
08/2004	272 affiliate	10.80	9	5.17	15
	Nonaffiliate	9.59	1811	7.87	848
	Difference	-1.21		2.70	
09/2004	272 affiliate	8.07	11	9.12	9
	Nonaffiliate	9.65	1925	7.29	714
	Difference	1.58		-1.83	
10/2004	272 affiliate	4.47	8	6.55	7
	Nonaffiliate	8.69	1360	6.29	813
	Difference	4.22		-0.26	
11/2004	272 affiliate	8.79	9	6.15	11
	Nonaffiliate	7.55	1341	7.45	733
	Difference	-1.24		1.30	
12/2004	272 affiliate	9.79	5	13.97	4
	Nonaffiliate	8.66	1531	7.08	634
	Difference	-1.13		-6.89	

The data above illustrates that when making an apples-to-apples comparison of like facilities, the gap between the 272 affiliates and nonaffiliates narrows. In six of the 10 months where the chart above excluding NTF and TOK troubles still showed a longer maintenance interval for nonaffiliates than for 272 affiliates, the data disaggregated between copper and fiber shows that the nonaffiliates had shorter intervals for either copper or fiber When comparing just copper facilities, six of the

10 months for which both 272 affiliates and nonaffiliates had copper facility repairs show that the nonaffiliates experienced shorter durations. In three of 11 months, the nonaffiliates had shorter intervals for fiber facility repairs. In addition, the 272 affiliate repairs are weighted towards fiber facilities, which generally have shorter repair intervals than copper facilities, while nonaffiliates have twice as many copper repairs as fiber repairs. The measures submitted for the audit, which aggregate fiber and copper repairs, mask these distinctions.

The above data further illustrate the differences in volumes between 272 affiliates and nonaffiliates. The above study included only 143 troubles during 11 months for 272 affiliates, versus 27,337 troubles for nonaffiliates during the same period, and in four of the 11 months there were fewer than 10 data points for the 272 affiliates.

This analysis of the measures submitted for the audit is consistent with the fact that Verizon's systems and procedures are designed to treat affiliate and nonaffiliate requests on a non-discriminatory basis. The data do not support a conclusion that the Verizon BOCs/ILECs fulfill requests from unaffiliated entities for exchange access services, including both initial provisioning and subsequent repair, within a period that is longer than the period in which they fulfill similar requests for the same exchange access services to their affiliates."

We also requested of management a linear graph for each state, for each performance measure, for each service, over the entire Engagement Period, depicting the performance for the section 272 affiliates, BOC and other BOC affiliates, and nonaffiliates. The linear graphs provided by management are included in Attachment A-4.

5. For the randomly selected month of June 2003, we requested the underlying raw data and data file layouts, data documentation, data dictionaries and regulatory guidelines needed to replicate all the metrics for June 2003 selected for all states where Verizon has obtained authority to provide in-region interLATA services. We applied the business rules for all stages of the performance metric computation including definitions, exclusions, calculations, and reporting structure, where appropriate. We developed code to compute the denominator, numerator, performance and standard deviations (where applicable).

   After processing the data we ran comparisons between our replicated results and the results reported by Verizon for June 2003 in all states where Verizon has obtained authority to provide in-region interLATA services. A detailed listing of all differences is included Attachment A-5.

6. We inquired of management and documented how and where the Verizon BOC/ILEC makes available to unaffiliated entities information regarding service intervals in providing service to the section 272 affiliates, BOC and other BOC affiliates and nonaffiliates.

   Management indicated that standard minimum provisioning intervals are used for certain access services when facilities are available and when the customer requests less than a specified maximum quantity of access services. For other access services or for quantities of access services above the maximums specified by Verizon, intervals are negotiated on a case-by-case basis.

Management indicated that a schedule that specifies the access services and quantities of services that can be provided in standard minimum provisioning intervals is made available to all access customers. Management indicated that a copy of this schedule is made available upon request and all carrier customers can obtain this schedule via access to the Verizon wholesale website. Management further indicated that customers can obtain information about these intervals by discussing the schedule with Verizon Account Managers and/or Verizon Customer Service Representatives.

Management also indicated that it does not routinely make available to unaffiliated entities information on service intervals in providing service to section 272 affiliates, other affiliates, and nonaffiliates. Management also indicated that the Verizon BOC/ILEC's procedures address requests from individual entities for BOC service actually experienced interval data on a case-by-case basis. Management indicated that information requests of this nature enter the business through various channels (e.g. account manager, Carrier Account Team Centers (CATCs), legal, or senior management). Once the request is identified Regulatory is notified. Regulatory, in turn, contacts the business owner to aggregate information pertinent to the request using the Verizon BOC/ILEC business rules identified for section 272(e)(1) reporting. Management further indicated that this response, limited to data consistent with the Verizon BOC/ILEC's current obligations under regulation, is provided in a timely manner to the requesting party.

We inspected the Verizon wholesale website and noted a schedule which specifies the access services and quantities of service and corresponding standard minimum provisioning intervals.

<u>OBJECTIVE IX</u>. Determine whether or not the Bell operating company and an affiliate subject to section 251(c) of the Act have made available facilities, services, or information concerning its provision of exchange access to other providers of interLATA services on the same terms and conditions as it has to its affiliate required under section 272 that operates in the same market.

1. We obtained from management a list of exchange access services and facilities with their related tariff rates offered by the Verizon BOC/ILEC to each section 272 affiliate.

   We requested brochures, advertisements of any kind, bill inserts, correspondence, or any other media used to inform carriers of the availability of exchange access services and facilities. Management indicated that the informational media used to inform carriers of the availability of these services includes industry letters, Account Team Contacts, Cost Allocation Manual ("CAM"), the Verizon Wholesale Markets website, the Tariffs website, and the section 272 Affiliate website.

   We found that the industry letters were available via the Verizon Wholesale Markets website. We also noted that hyperlinks to the tariffs are available through the Verizon Wholesale Markets and the section 272 affiliates' websites. The hyperlinks lead to the identical web page containing the tariffs. The related tariffs include the rates, terms and conditions for exchange access services and facilities provided by the Verizon BOC/ILEC.

   We inspected all forms of the informational media used to inform carriers of the availability of exchange access services and facilities and noted that the specific services are priced pursuant to the same tariffs as each section 272 affiliate. We noted that both affiliates and non-affiliates are directed to the same websites.

2. We requested and obtained a listing of all invoices for exchange access services and facilities, by Billing Account Number ("BAN"), for the randomly selected month of February 2003. This listing included both invoices rendered by the Verizon BOC/ILECs to the section 272 affiliates, and invoices rendered to other interexchange carriers ("IXCs"). Using a statistically valid sample of 70 invoices for exchange access services and facilities rendered by the Verizon BOC/ILEC to the section 272 affiliates, we obtained and inspected the invoices noting terms and conditions applied and randomly selected one billed item from each invoice to compare against the same service provided and invoiced to an IXC in February 2003.

   Verizon was unable to provide a listing of IXCs which were provided the same billed item in February 2003 as selected from each of the section 272 invoices. For each of the 70 section 272 affiliate invoices selected for testing, and using the listing of all invoices for exchange access services and facilities, we identified all IXC invoices that shared the same BAN/product group number ("PGN") as the section 272 affiliate invoice. We then randomly selected an IXC from the list of other IXC invoices which matched the BAN/PGN. However, for 6 of 70 section 272 affiliate invoices, an IXC was not invoiced in February 2003 with the same BAN/PGN as the corresponding section 272 affiliate. For the remaining 64 invoice pairs, we compared the rates charged for the billed items randomly selected from each section 272 affiliate invoice to a corresponding billed item on the IXC invoice, if such service was provided to the IXC during February 2003. For 27 of the invoice pairs, for the billed items provided to both a section 272 affiliate and an IXC, we noted no differences in rates, terms and conditions reflected on the respective

invoices. For the remaining 37 invoice pairs the billed items selected from each section 272 affiliate invoice had no corresponding billed item on the paired IXC invoice. We performed replacement sampling for those billed items on each section 272 invoice, but were still unable to find any matching billed items for the 37 invoice pairs.

3. For the each of the 70 invoices to section 272 affiliates for exchange access services and facilities obtained in Procedure 2 above, we inquired of management to provide the amount recorded by the Verizon BOC/ILEC and paid by each section 272 affiliate. Regarding amounts recorded by the Verizon BOC/ILEC, management indicated that the amount recorded in the Verizon BOC/ILEC general ledger for exchange access services is an aggregate amount entered in batches, and not on a per-invoice basis. Management also indicated that the Carrier Access Billing System ("CABS") for the former Bell Atlantic north, former Bell Atlantic south, and former GTE feed into the Peoplesoft General Ledger. Customer specific information is given at system level, however once it is recorded in the general ledger, only an aggregated number is retained.

   We obtained and maintained in the workpapers copies of the Accounts Payable screens/summaries that identify the method of payment for each invoice. We inspected the Accounts Payable screen and traced the amount invoiced to the amount paid by each section 272 affiliate. We noted the following:

   - For 51 of the 70 invoices, we noted no differences
   - For 19 of the 70 invoices, we noted differences, which occurred for various reasons as documented below:

Invoice #	Invoice Amount	Amount Paid	Difference	Reason per Management
M150329417-03035	$ 4,347.04	$ 4,310.40	$ 36.64	Billing dispute
Y770026052-03035	7,502.26	6,707.37	794.89	Billing dispute
H010055242-03033	5,291.97	5,201.20	90.77	Billing dispute
M020035132-03035	15,001.77	5,682.61	9,319.16	Billing dispute
M149001013-03035	2,647.48	2,625.00	22.48	Billing dispute
Y550019029-03035	130,309.10	123,280.33	7,028.77	Billing dispute
H040035963-03047	64,094.59	63,251.73	842.86	Billing dispute
H040043043-03041	6,407.74	5,830.90	576.84	Billing dispute
K060010105-03056	138,268.36	138,308.63	(40.27)	Overpayment
M020176762-03035	1,334.72	1,172.96	161.76	Billing dispute
M020177831-03035	403.76	392.00	11.76	Billing dispute
M149007020-03035	2,640.87	2,625.00	15.87	Billing dispute
H504322132-03033	26,466.93	26,221.93	245.00	Billing dispute
H500083083-03044	17,500.89	18,583.99	(1,083.10)	Overpayment
M110019516-03037	8,714.20	6,915.40	1,798.80	Billing dispute
Y249034622-03047	99.00	51.00	48.00	Billing dispute
DHC39221122003044	3,170,086.57	3,172,663.36	(2,576.79)	Overpayment
SQC36801052003059	1,440.92	1,365.44	75.48	Billing dispute
DMD33761102003032	214,268.96	214,042.74	226.22	Billing dispute

OBJECTIVE X. Determine whether or not the Bell operating company and an affiliate subject to section 251(c) of the Act have charged its separate affiliate under section 272, or imputed to itself (if using the access for its provision of its own services), an amount for access to its telephone exchange service and exchange access that is no less than the amount charged to any unaffiliated interexchange carriers for such service.

1. We obtained the list of interLATA services offered by the Verizon BOCs consisting of E911 InterLATA Service ("E911"), Gateway Access Service ("GAS"), International/National Directory Assistance ("IDA/NDA") Service, and Call Management Signaling Services ("CMSS"). We discussed the list with the appropriate Verizon BOC/ILEC employee who indicated that the list was comprehensive. We compared services appearing on the list with the interLATA services disclosed in the Verizon BOC/ILEC's Cost Allocation Manual ("CAM") and noted that Customer Name and Address Service did not appear on the provided list. Verizon explained that Customer Name and Address Service is not offered by Verizon BOCs, only ILECs, and therefore was not included. We compared the non-regulated interLATA services listed in the Verizon BOC/ILEC's CAM with those defined as incidental in section 271(g) of the Act and those interLATA services allowed under FCC Order and noted no differences.

2. Because the population of interLATA services offered by the Verizon BOCs, and not through an affiliate obtained in Procedure 1 above consists of only the four services listed under Procedure 1, we selected all services for our sample to determine whether the Verizon BOC is imputing (charging) to itself an amount for access, switching, and transport. Call Management Signaling Services does not require imputation because the costs associated with CMSS are identified as nonregulated in the Company's accounting records. Therefore, the procedure was only performed for the three interLATA services E911, GAS, and INA/NDA.

   For the three interLATA services, we requested and obtained from management the related analyses and a written narrative indicating that the Verizon BOCs are imputing (charging) to themselves an amount for access, switching, and transport. We also obtained usage details and tariff rates. From the population of the three interLATA services offered by the 11 Verizon BOCs during the Engagement Period, we selected a statistically valid sample of 95 items to match rates used in calculations with tariff rates or the highest rates charged other IXCs. We compared rates used in the imputation studies with the tariff rates. We noted the following:

   E911

   - Channel Termination rate used in the imputation for New York and New England of $302.29 is higher than the current tariff rate of $276.90.
   - Channel Termination rate, Mileage Fixed Rate and the Mileage Rate per Mile used in the imputation for all other states are higher than the current tariff rates as detailed below:

Rates	Channel Termination	Mileage Fixed Charge	Mileage Rate per Mile
Imputation rates	$90.44	$70.34	$1.71
Current rates	$85.10	$59.64	$1.45

GAS

- Link Termination rate was omitted from the calculation for New York and Massachusetts resulting in an undercharge of $67.40 per month for New York and an undercharge of $31.87 per month for Massachusetts.
- Link transport rate used in the imputation for Massachusetts 2004 is higher than the current tariff rate resulting in an overcharge of $31.80 per month.

IDA/NDA

- Transmission Function rate used in the imputation for New York is lower than the current tariff rate resulting in an undercharge of $519.82 per month.
- Transmission rate, the Mileage Fixed Rate and the Mileage Rate per Mile used in the imputation for Maine, New Hampshire and Rhode Island are higher than the current tariff rates as detailed below:

Rates	Transmission Rate	Mileage Fixed Charge	Mileage Rate per Mile
Imputation rates	$62.11	$36.44	$4.24
Current rates	$45.10	$29.08	$3.39

For E911, we requested and obtained copies of the related journal entries and general ledger entries of the Verizon BOC for each of the sampled items. We compared the BOC's imputation study amounts to their journal entries and noted no differences. We traced the amounts of journal entries to the general ledger of the Verizon BOC and noted no differences. The entry is a debit to nonregulated operating revenues (decrease) and a credit to regulated revenues (increase).

For GAS, we requested and obtained copies of the related journal entries and general ledger entries of the Verizon BOC. We compared the BOC's imputation study amounts to their journal entries and noted that the imputation study amount in New York does not match the corresponding journal entry. The imputation amount for four months from November 2002 through February 2003 was $4,072.84; however, the journal entry amount was booked as $22,536.71. The journal description indicated that this amount was to reclass revenue for regulated services from November 2002 through February 2003 and to correct a posting error recorded in October 2002. We traced the amount of journal entries to the general ledger of the Verizon BOC and noted no differences. The entry is a debit to nonregulated operating revenues (decrease) and a credit to regulated revenues (increase).

For IDA/NDA, we requested and obtained copies of the related journal entries and general ledger entries of the Verizon BOC. We compared the BOC's imputation study amounts to their journal entries. Management indicated that NDA service was comprised of two components: NDA Transport Service and NDA DIP Service. For NDA Transport Service, we noted that the quarterly imputation amount of Maine was $6,024.42 whereas the journal entry amount was booked as $10,621.05. For NDA DIP Service, management indicated that Delaware and Virginia December 2004 journal entries were not placed into the financials and the correction journal entries were made in January 2005. We obtained the journal entries and compared to the imputation study amounts. The imputation amount for Virginia was $2,187.14 whereas the journal entry amount was booked as $21,874.14. We traced the

amount of journal entry to the general ledger of the Verizon BOC and noted no differences. The entry is a debit to nonregulated operating revenues (decrease) and a credit to regulated revenues (increase).

3. For exchange access services, we obtained the total amount the section 272 affiliates recorded in their books, the amount the section 272 affiliates paid the Verizon BOC/ILEC, and the amount of revenue reflected in the Verizon BOC/ILEC books during the last 12 months of the Engagement Period:

Total amount the section 272 affiliates recorded	The amount the section 272 affiliates paid to the Verizon BOCs/ILECs	The amount of revenue reflected in the Verizon BOCs/ILEC's books
$434,156,257	$384,146,748	$432,826,006

Management indicated that all exchange access services expenses are recorded on GNI's books and are subsequently allocated out to and recorded as expenses on the respective section 272 affiliates' books. We inquired of management and management indicated that the differences between the above amounts can be attributed to billing disputes, timing of invoices and when they are recognized, and accruals established by the section 272 affiliate.

For local exchange services, management was unable to provide the total amount the section 272 affiliates recorded in their books and the amount the section 272 affiliates paid to the Verizon BOC/ILEC during the last 12 months of the Engagement Period. Management indicated the trial balance does not contain accounts that are specific enough to isolate only the local exchange services. We requested the amount of revenue reflected in the Verizon BOC/ILEC books during the last 12 months of the Engagement Period. Management indicated that the information was not available.

We inquired of management how the services billed by the BOC/ILEC are recorded in the general ledger by the BOC/ILEC. Management indicated the following:

> *"Verizon East (fBA) and West (fGTE) records revenue and receivable amounts in its billings systems at a detail customer level. These amounts are summarized at a financial account code level as they pass to the BOC/ILEC's general ledger systems. These amounts are aggregated on the books of the BOC/ILEC's to various FCC USOA accounts. There are internal control functions in place between the billing systems and financial systems to ensure all billed levels are recorded. Receivable collection systems maintain currently due and past due balances from customers regardless of whether the customer is an affiliate or not. There is also matchoff process in place whereby the expenses recorded by the affiliate correspond to the revenue booked by the BOC/ILEC. This process is used to eliminate intercompany revenue and expenses. "*

For unbundled network elements, management indicated that no section 272 affiliates purchased unbundled network elements from the Verizon BOC/ILEC during the last 12 months of the Engagement Period.

<u>OBJECTIVE XI</u>. Determine whether or not the Bell operating company and an affiliate subject to section 251(c) of the Act have provided any interLATA facilities or services to its interLATA affiliate and made available such services or facilities to all carriers at the same rates and on the same terms and conditions, and allocated the associated costs appropriately.

1. We requested and obtained from management a list of interLATA services and facilities with their related rates offered by the Verizon BOC/ILECs to each section 272 affiliate. Management indicated as it relates to Objective XI of the 2003/2004 section 272 Agreed-upon Audit and section 272 (e)(4) of the Telecommunications Act of 1996, National Directory Assistance ("NDA") to VLD and GSI is the only InterLATA service and facility offered by the BOC/ILEC to the 272 affiliate. Management also indicated the NDA rate for the BOC states is $0.50 per event and the ILEC states will be $0.52 per event.

   We obtained from management and inspected brochures, advertisements of any kind, bill inserts, correspondence, or any other media used to inform carriers of the availability of interLATA services and facilities. The brochure listed only NDA service and indicates that the service is available to anyone under the same terms and conditions. The brochure for NDA does not mention rates.

   We compared the list obtained from the Verizon BOC/ILECs to the services found in the obtained information media and noted no differences.

   We compared the list obtained from the Verizon BOC/ILECs to the list of interLATA services obtained in Objective V/VI, Procedure 4 (agreements between the Verizon BOC/ILECs and section 272 affiliates) and noted no differences. We compared the list to the list of interLATA services obtained in Objective X, Procedure 1 (after comparison to the CAM) of all interLATA services provided by the Verizon BOCs. We noted four services found on the list in Objective X, Procedure 1 (after comparison to the CAM) were not listed by management as responses to Objective XI, Procedure 1:

   - Gateway Access Service ("GAS")
   - E911 InterLATA Service ("E911")
   - Customer Name and Address Service
   - Call Management Signaling Services

   We also noted that in the response to Objective XI, Procedure 1, the Directory assistance service is listed as NDA and in the response to Objective X, Procedure 1 (after comparison to the CAM), the Directory assistance service is listed as International/National Directory Assistance Service ("IDA/NDA").

   We noted no interLATA services were offered to any section 272 affiliate which were not covered by any written agreements.

2. In connection with the information media requested in Procedure 1 above, the population of informational media consists of one brochure for the National Directory Assistance service. We obtained and examined the brochure noting no distinction about what is offered to affiliates vs. nonaffiliates. The brochure indicates the service is available to

anyone under the same terms and conditions. The brochure for National Directory Assistance does not mention rates.

3. Management indicated that NDA service rendered by the Verizon BOC/ILEC to VLD was the only interLATA network service and facility rendered by the Verizon BOC/ILEC to a section 272 affiliate from January 3, 2003 to January 2, 2005. We obtained the invoices for WNDA service rendered by the Verizon BOC/ILEC to VLD with invoice dates in the randomly selected months of February 2003, May 2004 and June 2004. Management indicated that no IXCs purchased Wholesale National Directory Assistance service from the Verizon BOC/ILEC during January 3, 2003 through January 2, 2005. Consequently, we could not compare rates, terms, and conditions charged to VLD to those of unaffiliated carriers.

4. For the invoices from the months selected in Procedure 3 above, we were unable to trace the amount invoiced to each section 272 affiliate for interLATA facilities and services to the amount recorded by the Verizon BOC/ILEC in their general ledger. Management indicated that customer specific information is given at system level. Management also indicated that once it is recorded in the general ledger, only an aggregated number is retained. We obtained a written narrative describing how the services billed by the BOC/ILEC are recorded as revenue in the general ledger of the BOC/ILEC. We also obtained the corresponding copies of the Accounts Payable screens/summaries that identifies the method of payment. We inspected the Accounts Payable screen, traced the amount invoiced to the amount paid by each section 272 affiliate for interLATA facilities and services and noted the following differences.

Invoice #	Invoice Date	Invoice Amount	Amount Paid	Difference
05483SV00000302	2/15/03	$ 340,224,55	$ 284,756,25	$ 55,468.30
05483SV00000405	5/15/04	273,943.62	329,411,92	(55,468.30)
05483SV00000406	6/15/04	352,052.27	352,052.27	0.00

Procedures for Subsequent Events

1. We inquired of management whether companies' processes and procedures have changed since the time of execution of these procedures and the end of the engagement period. Management indicated the following:

   "Management has not identified any major changes to processes and procedures that would have changed the way data would have been provided for the audit, since the time of execution of these procedures and the end of the engagement period."

2. We inquired of and obtained written representation from management as to whether they are aware of any events subsequent to the engagement period, but prior to the issuance of the report, that may affect compliance with any of the objectives described in this document. Management indicated the following:

   "Management is not aware of any major events subsequent to the engagement period, but prior to the issuance of the report, that may affect compliance with any of the objectives described in this document not otherwise provided to the auditor during the course of the audit."

Follow-up Procedures on the Prior Engagement

The following matters were noted in the Verizon Communications Inc. section 272 Biennial Agreed Upon Procedures Report dated June 12, 2003:

A. GTE Communication Systems Corporation, a non-regulated Verizon affiliate, acting through its Verizon Logistics division provided repair of plug-in cards for TCI (a former GTE section 272 affiliate) switches located in Canada from the merger closing date through 2002. As part of the repair service, Verizon Logistics tested the plug-in cards on a test switch owned by Verizon California. (Appendix B:2 in the 6/12/03 report, I-3 in this report)

   With regard to whether these matters continued to exist beyond the previous engagement period, reference Appendix A - Objective I, Procedure 3 for the results of the procedure agreed to by the Specified Parties. We inquired as to what action management took to ensure their non-recurrence or improvement, and the effective date of such action. Management indicated the following:

   "On January 12, 2004 a communication reinforcing the Section 272 obligations was sent to Verizon's offshore affiliates. On February 9, 2004 Verizon adopted a policy statement for its logistics functions to emphasize the need to comply with Section 272 obligations. Subsequent to taking these steps, the FCC eliminated the Section 272 limitation on Operations, Installation and Maintenance on March 30, 2004. Further, effective December 14, 2004 Verizon sold its interest in Telus Corporation."

B. Between January 18, 2001 and January 22, 2002, TCI's Systems Support and Repair organization located in Burnaby, British Columbia, repaired six Verizon GTD5 plug-in cards sent by Verizon Logistics for repair on behalf of Verizon Florida. (Appendix B:3 in the 6/12/03 report, I-3 in this report)

   With regard to whether these matters continued to exist beyond the previous engagement period, reference Appendix A - Objective I, Procedure 3 for the results of the procedure agreed to by the Specified Parties. We inquired as to what action management took to ensure their non-recurrence or improvement, and the effective date of such action. Management indicated the following:

   "Same as Item A"

C. Two of 20 leases maintained by the section 272 affiliates were not properly recorded as capital leases according to GAAP. (Appendix A, II-2 in the 6/12/03 report, II-3 in this report)

   With regard to whether these matters continued to exist beyond the previous engagement period, reference Appendix A - Objective II, Procedure 3 for the results of the procedure agreed to by the Specified Parties. We inquired as to what action management took to ensure their non-recurrence or improvement, and the effective date of such action. Management indicated the following:

   "By July 29, 2003, Verizon reviewed existing leases for all domestic 272 affiliates to determine compliance w/FAS13. Other than those identified in the 2001/2002 Section 272 audit, no additional reclassification was required. Verizon instituted procedure in which central accounting in Frazer, PA will perform FAS 13 capital lease test."

D. Verizon disclosed that there were 9 instances of services provided between BOC/ILECs and section 272 affiliates without written affiliate agreements, and 6 instances of services provided between BOC/ILECs and former GTE section 272 affiliates without written affiliate agreements. (Appendix A, V/VI-4 and Appendix B-1, V/VI-4 in the 6/12/03 report, V/VI-4a in this report)

With regard to whether these matters continued to exist beyond the previous engagement period, reference Appendix A - Objective V/VI, Procedure 4a for the results of the procedure agreed to by the Specified Parties. We inquired as to what action management took to ensure their non-recurrence or improvement, and the effective date of such action. Management indicated the following:

"Verizon agreed to remedial actions in its Consent Decree:

1. *On September 20, 2004, i.e. within 60 days after the Effective Date of the Consent Decree, Verizon sent a targeted communications to employees responsible for establishing services between the 272 Affiliates and the Verizon local exchange carriers and their affiliates instructing them on the need to execute a contract before providing service.*

2. *Starting in the first full calendar year quarter after the Effective Date of the Consent Decree, the Verizon Section 272 contract posting teams will submit a quarterly report to the Verizon Senior Vice President for Regulatory Compliance describing any services in the previous quarter that were provided prior to the effective date of a contract. This report will be completed on or before the 60th day after the close of each quarter. The first report is due March 1, 2005."*

E. Fourteen of 81 agreements, and 7 of 121 amendments, between the BOC/ILECs and section 272 affiliates had discrepancies between the agreement and the information disclosed on the internet postings. (Appendix A, V/VI-5 in the 6/12/03 report, V/VI-5 in this report)

With regard to whether these matters continued to exist beyond the previous engagement period, reference Appendix A - Objective V/VI, Procedure 5 for the results of the procedure agreed to by the Specified Parties. We inquired as to what action management took to ensure their non-recurrence or improvement, and the effective date of such action. Management indicated the following:

"Verizon agreed to remedial actions in its Consent Decree:

By September 20, 2004, i.e. no later than 60 days after the Effective Date of the Consent Decree, Verizon updated its web posting procedures to include: (1) a template for verifying the content of each posting, with instructions that define fully distributed cost, and (2) a requirement for a second person to review each posting and certify completeness and accuracy when the item is posted. By October 14, 2004, i.e. no later than 90 days after the Effective Date of the Consent Decree Verizon retrained its web posting teams on the revised web posting procedures and implemented the procedure described in (2) of this paragraph requiring review by a second person when posting."

F. Some agreements and some parts of the agreements were not readily available for public inspection at the principal place of business. (Appendix A, V/VI-5 in the 6/12/03 report, V/VI-5 in this report)

With regard to whether these matters continued to exist beyond the previous engagement period, reference Appendix A - Objective V/VI, Procedure 5 for the results of the procedure agreed to by the Specified Parties. We inquired as to what action management took to ensure their non-recurrence or improvement, and the effective date of such action. Management indicated the following:

"During the 4th quarter 2003 Verizon made available a PC at each Public Inspection site with access to the Internet (for linked tariff pages). Contracts are now scanned in at a central location and the CD-ROMs are distributed quarterly to the public inspection sites. The public inspection coordinators were trained on this process. All actions associated with this updated process were completed by January 31, 2004."

G. Twenty-six new BOC/ILEC agreements/amendments with section 272 affiliates, and 2 new BOC/ILEC agreements with former GTE section 272 affiliates, executed during the audit period were not posted to the internet within the requisite ten days. (Appendix A, V/VI-5 and Appendix B-1, V/VI-5 in the 6/12/03 report, V/VI-5 in this report)

With regard to whether these matters continued to exist beyond the previous engagement period, reference Appendix A - Objective V/VI, Procedure 5 for the results of the procedure agreed to by the Specified Parties. We inquired as to what action management took to ensure their non-recurrence or improvement, and the effective date of such action. Management indicated the following:

"See Item E"

H. There were instances where the disclosures on the internet were incomplete. (Appendix A, V/VI-5 in the 6/12/03 report, V/VI-5 in this report)

With regard to whether these matters continued to exist beyond the previous engagement period, reference Appendix A - Objective V/VI, Procedure 5 for the results of the procedure agreed to by the Specified Parties. We inquired as to what action management took to ensure their non-recurrence or improvement, and the effective date of such action. Management indicated the following:

"See Item E"

I. For ten of 87 bills from section 272 affiliates to BOCs, management was unable to locate a corresponding amount in the BOCs' books. (Appendix A, V/VI-7 in the 6/12/03 report, V/VI-8 in this report)

With regard to whether these matters continued to exist beyond the previous engagement period, reference Appendix A - Objective V/VI, Procedure 7 for the results of the procedure agreed to by the Specified Parties. We inquired as to what action management took to ensure their non-recurrence or improvement, and the effective date of such action. Management indicated the following:

"The specificity requested in the audit procedure is not easily tracked in Verizon's systems. This audit discrepancy was minimal, totaling less than $20,000, and in Verizon's view did not indicate an issue with internal accounting controls. Verizon determined no remediation was needed."

J. Verizon BOCs purchased pre-paid calling cards from VSSI, a section 272 affiliate, without obtaining competitive bids. (Appendix A, VII-1 in the 6/12/03 report, VII-2 in this report)

With regard to whether these matters continued to exist beyond the previous engagement period, reference Appendix A - Objective VII, Procedure 1 for the results of the procedure agreed to by the Specified Parties. We inquired as to what action management took to ensure their non-recurrence or improvement, and the effective date of such action. Management indicated the following:

"Verizon agreed to remedial actions in its Consent Decree:

By September 21, 2004, i.e. no later than 60 days after the Effective Date of the Consent Decree, the Verizon section 272 affiliates that sell prepaid calling cards adopted procedures to prevent order forms from being issued that would bill charges for prepaid calling cards directly or indirectly to the Verizon BOCs without a contract that was executed pursuant to competitive bidding in accordance with the Verizon BOCs' procurement guidelines. Verizon informed the section 272 employees responsible for filling orders for prepaid calling cards that failure to use the procedures required by this condition will subject them to disciplinary action, with increasing penalties for repeated violations."

K. Verizon BOCs' customer service representatives, in some instances, failed to give inbound customers the required equal access notifications. (Appendix A, VII-6 in the 6/12/03 report, VII-7 in this report)

With regard to whether these matters continued to exist beyond the previous engagement period, reference Appendix A - Objective VII, Procedure 6 for the results of the procedure agreed to by the Specified Parties. We inquired as to what action management took to ensure their non-recurrence or improvement, and the effective date of such action. Management indicated the following:

"Verizon agreed to remedial actions in its Consent Decree:

1. *By September 21, 2004, i.e. no later than 60 days after the Effective Date of the Consent Decree, Verizon provided refresher instructions to customer service representatives instructing them on compliance with the equal access notification requirements.*

2. *By November 11, 2004, i.e. no later than 120 days after the Effective Date of the Consent Decree, Verizon modified the automated voice response unit to ensure that every customer who is ordering new telephone service or moving service to a new location within Verizon's in-region service territory, is notified before being connected with a service representative that the customer has a choice of long distance providers and that a list of providers is available. Verizon is testing these systems every 180 days after the Effective Date of the Consent Decree to verify that the equal access announcement is heard before the customer is connected with a*

service representative; and submitting the results of the tests to Verizon's Senior Vice President for Regulatory Compliance within 15 days of the test. Requirements to date have been met."

L. For certain measurements for which the auditors attempted to replicate the calculation, discrepancies in the prescribed calculation method were found. (Appendix A, VIII-5 in the 6/12/03 report, VIII-5 in this report)

With regard to whether these matters continued to exist beyond the previous engagement period, reference Appendix A - Objective VIII, Procedure 5 for the results of the procedure agreed to by the Specified Parties. We inquired as to what action management took to ensure their non-recurrence or improvement, and the effective date of such action. Management indicated the following:

"In preparation for the 2003-2004 audit, these issues were addressed and the results will be noted in the replication procedure."

M. Verizon BOCs had several errors in their imputation calculations, and for several months no imputation amounts were booked. (Appendix A, X-2 in the 6/12/03 report, X-2 in this report)

With regard to whether these matters continued to exist beyond the previous engagement period, reference Appendix A - Objective X, Procedure 2 for the results of the procedure agreed to by the Specified Parties. We inquired as to what action management took to ensure their non-recurrence or improvement, and the effective date of such action. Management indicated the following:

"By May 21, 2003 E911 & NDA journal entries that are originated by the Cost Allocation group were be reviewed for accuracy against the imputation studies prior to submission to Corporate Books for posting to the General Ledger. The GAS (Gateway Access Services) imputation studies & quarterly journal entries were be reviewed by the Cost Allocation group to check for accuracy."

Attachment A-1
Objective V & VI, Procedure 4.a.
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List of Section 272 Affiliate Agreements Terminated During Audit Test Period					
No.	section 272 Affiliate	Agreement Description	Termination Date	Terminated Prior to Contracted Termination Date	Reason for Termination Prior to Contracted Termination Date
1	GSI	Carrier Services Agreement between VGSI and Verizon North for the provision of private line circuits dated 06/26/03.	6/18/04	Yes	The Carrier Service Agreements were entered into in support of 2003 strike contingency planning. Management stated that the contracts were terminated prematurely "because the strike was averted" and the services to be provided were no longer required.
2	GSI	Carrier Services Agreement between VGSI and Verizon North for the provision of private line circuits dated 07/16/03.	7/7/04	Yes	The Carrier Service Agreements were entered into in support of 2003 strike contingency planning. Management stated that the contracts were terminated prematurely "because the strike was averted" and the services to be provided were no longer required.
3	GSI	TELECOM SVC., Amendment #2	3/31/03	No	
4	GSI	TELECOM SVC., Amendment #3	3/31/03	No	
5	GSI	TELECOM SVC., Amendment #4	3/31/03	No	
6	GSI	Intranet Website Agreement	10/27/03	No	
7	GSI	Carrier Services Agreement	11/14/03	No	
8	GSI	Wholesale Marketing and Sales Agreement	4/10/04	No	
9	GSI	Wholesale Marketing and Sales Agreement - Amendment 1	5/08/04	No	
10	GSI	Service Agreement	10/08/03	No	
11	GSI	Service Agreement Amendment No. 1	10/08/03	No	

List of Section 272 Affiliate Agreements Terminated During Audit Test Period					
No.	section 272 Affiliate	Agreement Description	Termination Date	Terminated Prior to Contracted Termination Date	Reason for Termination Prior to Contracted Termination Date
12	GSI	Service Agreement Amendment No. 2	10/08/03	No	
13	GSI	Service Agreement Amendment No. 3	10/08/03	No	
14	VLD	Advanced Services Agreement	03/26/03	Yes	Replaced by SS7 Off Net Services Agreement, effective 03/26/03
15	VLD	First Amendment to Advanced Services Agreement	03/26/03	Yes	Replaced by SS7 Off Net Services Agreement, effective 03/26/03
16	VLD	Second Amendment to Advanced Services Agreement	03/26/03	Yes	Replaced by SS7 Off Net Services Agreement, effective 03/26/03
17	VLD	Agreement for Contract Negotiation Services	02/15/04	No	
18	VLD	Agreement For Operational Readiness Testing (ORT) Services	12/31/03	No	
19	VLD	Statement of Work (SOW) for Operation Readiness Testing (ORT) Services	11/30/03	No	
20	VLD	Statement of Work (SOW) No. 2 for Enterprise Advance User Acceptance Testing (UAT)	12/31/03	No	
21	VLD	Agreement for the Provision of 272 Affiliate Contracts on CD ROM	01/23/04	No	
22	VLD	Amendment No. 2 to Billing Services Agreement	04/01/02	Yes	Replaced by Amendment 06 to Billing Services Agreement, effective 04/01/02

List of Section 272 Affiliate Agreements Terminated During Audit Test Period					
No.	section 272 Affiliate	Agreement Description	Termination Date	Terminated Prior to Contracted Termination Date	Reason for Termination Prior to Contracted Termination Date
23	VLD	Amendment No. 4 to Billing Services Agreement	04/01/02	Yes	Replaced by Amendment 06 to Billing Services Agreement, effective 04/01/02
24	VLD	Amendment No. 6 to Billing Services Agreement	04/01/02	Yes	Replaced by Amendment 08 to the Billing Services Agreement, effective 04/01/02
25	VLD	Memorandum of Understanding Freedom Billing to Billing Services Agreement (MOU)	04/01/02	Yes	Replaced by Amendment 08 to the Billing Services Agreement, effective 04/01/02
26	VLD	Memorandum of Understanding Reconciliation Billing to Billing Services Agreement (MOU)	04/01/02	Yes	Replaced by Amendment 08 to the Billing Services Agreement, effective 04/01/02
27	VLD	Memorandum of Understanding Freedom Billing to Billing Services Agreement – Business (MOU)	04/01/02	Yes	Replaced by Amendment 08 to the Billing Services Agreement, effective 04/01/02
28	VLD	Amendment No. 8 to Billing Services Agreement	06/30/04	Yes	Replaced by Amendment 10 to the Billing Services Agreement, effective 06/30/04
29	VLD	Amendment No. 10 to Billing Services Agreement	07/01/04	Yes	Replaced by Amendment 11 to the Billing Services Agreement, effective 07/01/04
30	VLD	Memorandum of Understanding – Fast Packet	08/01/03	No	
31	VLD	Amendment No. 1 to Memorandum of Understanding – Fast Packet Services	08/01/03	No	
32	VLD	Memorandum of Understanding Service Express	12/31/03	No	
33	VLD	Amendment No. 1 to Memorandum of Understanding Service Express	12/31/03	No	
34	VLD	Services Agreement	06/29/04	No	

List of Section 272 Affiliate Agreements Terminated During Audit Test Period					
No.	section 272 Affiliate	Agreement Description	Termination Date	Terminated Prior to Contracted Termination Date	Reason for Termination Prior to Contracted Termination Date
35	VLD	Service Agreement (Work Stoppage)	10/08/03	Yes	This agreement was cancelled by a letter dated 10/22/03, effective 10/08/03, which was the date of ratification of the new IBEW and CWA labor agreements (in the former Bell Atlantic and NYNEX territories).
36	VLD	A2mendment No. 1 to Service Agreement (Work Stoppage)	10/08/03	Yes	This agreement was cancelled by a letter dated 10/22/03, effective 10/08/03, which was the date of ratification of the new IBEW and CWA labor agreements (in the former Bell Atlantic and NYNEX territories).
37	VLD	Amendment No. 2 to Service Agreement (Work Stoppage)	07/31/03	Yes	This agreement was cancelled by a letter dated 10/22/03, effective 10/08/03, which was the date of ratification of the new IBEW and CWA labor agreements (in the former Bell Atlantic and NYNEX territories).
38	VLD	Amendment No. 3 to Service Agreement (Work Stoppage)	10/08/03	Yes	This agreement was cancelled by a letter dated 10/22/03, effective 10/08/03, which was the date of ratification of the new IBEW and CWA labor agreements (in the former Bell Atlantic and NYNEX territories).
39	VLD	Trial Agreement	04/17/04	No	
40	GNI	Fast Packet Services – MOU	8/1/03	Yes	Fast Packet Service MOU's were terminated due to reintegration of Verizon Advanced Data company into Verizon core and both services are now covered under MOU Access Services
41	GNI	Fast Packet Services - MOU - Amendment 1	8/1/03	Yes	Fast Packet Service MOU's were terminated due to reintegration of Verizon Advanced Data company into Verizon core and both services are now covered under MOU Access Services
42	GNI	Virginia Special Construction Services # VA2002-21762	9/16/03	No	

List of Section 272 Affiliate Agreements Terminated During Audit Test Period					
No.	section 272 Affiliate	Agreement Description	Termination Date	Terminated Prior to Contracted Termination Date	Reason for Termination Prior to Contracted Termination Date
43	GNI	Pennsylvania Special Construction Services #PA2002-22938	9/26/03	No	
44	GNI	New York Special Construction Services #2002-236271	11/13/03	No	
45	GNI	Advanced Services Agreement	3/26/03	Yes	Advanced Service Agreements were cancelled and replaced by the SS7 Off-net Agreement
46	GNI	Advanced Services Agreement Amendment 1	3/26/03	Yes	Advanced Service Agreements were cancelled and replaced by the SS7 Off-net Agreement
47	GNI	Advanced Services Agreement Amendment 2 (196b)	3/26/03	Yes	Advanced Service Agreements were cancelled and replaced by the SS7 Off-net Agreement
48	GNI	Florida Special Construction Services FL0303151 197)	3/04/04	No	
49	GNI	Pennsylvania Special Construction Services PA2003-244527 (198)	3/04/04	No	
50	GNI	Indiana Special Construction Services – IN0301704 (202)	6/12/04	No	
51	GNI	Service Agreement (work stoppage) (203)	10/8/03	Yes	Work Stoppage Agreements were not used since no work stoppage occurred
52	GNI	Service Agreement (work stoppage) Amendment 1 (203a)	10/08/03	Yes	Work Stoppage Agreements were not used since no work stoppage occurred
53	GNI	Service Agreement (work stoppage) Amendment 2 (203b)	10/08/03	Yes	Work Stoppage Agreements were not used since no work stoppage occurred
54	GNI	Service Agreement (work stoppage) Amendment 3 (203c)	10/08/03	Yes	Work Stoppage Agreements were not used since no work stoppage occurred
55	GNI	New York Special Construction Services NY2003-258697 (204)	8/14/04	No	
56	GNI	IP/VPN Trial Agreement (210)	4/30/2004	No	
57	GNI	Mentoring Agreement (212)	9/15/03	No	

List of Section 272 Affiliate Agreements Terminated During Audit Test Period					
No.	section 272 Affiliate	Agreement Description	Termination Date	Terminated Prior to Contracted Termination Date	Reason for Termination Prior to Contracted Termination Date
58	GNI	Service Agreement E-web (220)	8/18/04	No	
59	VSSI	Advanced Services Agreement	3/26/03	Yes	Advanced Service Agreements were terminated and replaced by the SS7 Off-Net Services Agreement
60	VSSI	Advanced Services Agreement Amend 1	3/26/03	Yes	Advanced Service Agreements were terminated and replaced by the SS7 Off-Net Services Agreement
61	VSSI	Advanced Services Agreement Amend 2	3/26/03	Yes	Advanced Service Agreements were terminated and replaced by the SS7 Off-Net Services Agreement
62	VSSI	Asset Purchase Agreement	6/19/04	No	
63	VSSI	Assignment of Contracts (Amgen)	6/13/03	No	
64	VSSI	Help Desk Service Agreement	9/07/03	No	
65	VSSI	IP/VPN Trial Agreement	4/30/04	No	
66	VSSI	Interconnection Agreement CA	7/28/04	No	
67	VSSI	Interconnection Agreement CA Amendment 1	7/28/04	No	
68	VSSI	Interconnection Agreement CA Amendment 2	7/28/04	No	
69	VSSI	Interconnection Agreement CA Amendment 3	7/28/04	No	
70	VSSI	Interconnection Resale Agreement TX	6/28/04	No	
71	VSSI	Interconnection Resale Agreement TX Amendment 1	6/28/04	No	
72	VSSI	Long Distance Telecommunications Services Agreement	7/01/03	Yes	Long Distance Telecommunications Service Agreements were cancelled and replaced the VZ Long Distance Telecom Service Agreements
73	VSSI	Long Distance Telecommunications Services Agreement Amendment 1	7/01/03	Yes	Long Distance Telecommunications Service Agreements were cancelled and replaced the VZ Long Distance Telecom Service Agreements

List of Section 272 Affiliate Agreements Terminated During Audit Test Period					
No.	section 272 Affiliate	Agreement Description	Termination Date	Terminated Prior to Contracted Termination Date	Reason for Termination Prior to Contracted Termination Date
74	VSSI	Long Distance Telecommunications Services Agreement Amendment 2	7/01/03	Yes	Long Distance Telecommunications Service Agreements were cancelled and replaced the VZ Long Distance Telecom Service Agreements
75	VSSI	Long Distance Telecommunications Services Agreement Amendment 3	7/01/03	Yes	Long Distance Telecommunications Service Agreements were cancelled and replaced the VZ Long Distance Telecom Service Agreements
76	VSSI	Long Distance Telecommunications Services Agreement Amendment 4	7/01/03	Yes	Long Distance Telecommunications Service Agreements were cancelled and replaced the VZ Long Distance Telecom Service Agreements
77	VSSI	Long Distance Telecommunications Services Agreement Amendment 5	7/01/03	Yes	Long Distance Telecommunications Service Agreements were cancelled and replaced the VZ Long Distance Telecom Service Agreements
78	VSSI	Long Distance Telecommunications Services Agreement Amendment 6	7/01/03	Yes	Long Distance Telecommunications Service Agreements were cancelled and replaced the VZ Long Distance Telecom Service Agreements
79	VSSI	Long Distance Telecommunications Services Agreement Amendment 7	7/01/03	Yes	Long Distance Telecommunications Service Agreements were cancelled and replaced the VZ Long Distance Telecom Service Agreements
80	VSSI	Long Distance Voice Services Agreement	8/01/03	Yes	Long Distance Voice Services Agreement was terminated due to the reintegration of Verizon Data into Verizon Core and the services were now provided under another VSSI agreement
81	VSSI	Memorandum of Understanding – Data Exchange	4/19/03	No	
82	VSSI	Memorandum of Understanding Fast Packet Services	8/01/03	Yes	MOU Service Agreements were terminated due the reintegration of Verizon Data Services into Verizon Core: services covered under 2 agreements are now covered under the MOU service agreements provided by the ILEC and services covered by 2 of the agreements are no longer needed now

List of Section 272 Affiliate Agreements Terminated During Audit Test Period					
No.	section 272 Affiliate	Agreement Description	Termination Date	Terminated Prior to Contracted Termination Date	Reason for Termination Prior to Contracted Termination Date
83	VSSI	Memorandum of Understanding-Fast Packet Services Amendment 1	8/1/03	Yes	MOU Service Agreements were terminated due the reintegration of Verizon Data Services into Verizon Core: services covered under 2 agreements are now covered under the MOU service agreements provided by the ILEC and services covered by 2 of the agreements are no longer needed now
84	VSSI	Memorandum of Understanding Service Express	9/25/03	Yes	MOU Service Agreements were terminated due the reintegration of Verizon Data Services into Verizon Core: services covered under 2 agreements are now covered under the MOU service agreements provided by the ILEC and services covered by 2 of the agreements are no longer needed now
85	VSSI	Memorandum of Understanding Service Express – Amendment 1	9/25/03	Yes	MOU Service Agreements were terminated due the reintegration of Verizon Data Services into Verizon Core: services covered under 2 agreements are now covered under the MOU service agreements provided by the ILEC and services covered by 2 of the agreements are no longer needed now
86	VSSI	Professional Services Agreement	6/13/04	No	
87	VSSI	Service Agreement - EWeb	8/18/04	No	
88	VSSI	Service Agreement (Work Stoppage)	10/08/03	Yes	Work Stoppage Agreements were terminated due since no work stoppage occurred
89	VSSI	Service Agreement (Work Stoppage) Amendment 1	10/08/03	Yes	Work Stoppage Agreements were terminated due since no work stoppage occurred
90	VSSI	Service Agreement (Work Stoppage) Amendment 2	10/08/03	Yes	Work Stoppage Agreements were terminated due since no work stoppage occurred
91	VSSI	Service Agreement (Work Stoppage) Amendment 3	10/08/03	Yes	Work Stoppage Agreements were terminated due since no work stoppage occurred
92	VSSI	Subcontract Agreement & Custom Work Order	1/21/03	No	

List of Section 272 Affiliate Agreements Terminated During Audit Test Period					
No.	section 272 Affiliate	Agreement Description	Termination Date	Terminated Prior to Contracted Termination Date	Reason for Termination Prior to Contracted Termination Date
93	VSSI	Telemarketing Agreement	10/15/03	No	
94	VSSI	Vendor Services Agreement	7/31/03	Yes	Vendor Service Agreements/Amendments were terminated because VSSI was removed as a party from the agreement on 7/31/2003
95	VSSI	Vendor Services Agreement - Amendment 1	7/31/03	Yes	Vendor Service Agreements/Amendments were terminated because VSSI was removed as a party from the agreement on 7/31/2003
96	VES	Advanced Services Agreement	03/26/03	Yes	Advanced Service Agreements were terminated and replaced by the SS7 Off-Net Services Agreement
97	VES	First Amendment to Advanced Services Agreement	03/26/03	Yes	Advanced Service Agreements were terminated and replaced by the SS7 Off-Net Services Agreement
98	VES	Second Amendment to Advanced Services Agreement	03/26/03	Yes	Advanced Service Agreements were terminated and replaced by the SS7 Off-Net Services Agreement
99	VES	Agreement For Operational Readiness Testing (ORT) Services	12/31/03	No	
100	VES	Statement of Work for Operation Readiness Testing (ORT) Services	11/30/03	No	
101	VES	Statement of Work No. 2 for Enterprise Advance User Acceptance Testing (UAT)	12/31/03	No	
102	VES	Amendment No. 2 to Billing Services Agreement	04/01/02	Yes	MOU's for Billing to Billing Services and 5 amendments to Billing Services were terminated and replaced by Amendments 6, 8, 10, and 11 of the Billing Services Agreement
103	VES	Amendment No. 4 to Billing Services Agreement	04/01/02	Yes	MOU's for Billing to Billing Services and 5 amendments to Billing Services were terminated and replaced by Amendments 6, 8, 10, and 11 of the Billing Services Agreement

List of Section 272 Affiliate Agreements Terminated During Audit Test Period					
No.	section 272 Affiliate	Agreement Description	Termination Date	Terminated Prior to Contracted Termination Date	Reason for Termination Prior to Contracted Termination Date
104	VES	Amendment No. 6 to Billing Services Agreement	04/01/02	Yes	MOU's for Billing to Billing Services and 5 amendments to Billing Services were terminated and replaced by Amendments 6, 8, 10, and 11 of the Billing Services Agreement
105	VES	MOU Freedom Billing to Billing Services Agreement (MOU)	04/01/02	Yes	MOU's for Billing to Billing Services and 5 amendments to Billing Services were terminated and replaced by Amendments 6, 8, 10, and 11 of the Billing Services Agreement
106	VES	MOU Reconciliation Billing to Billing Services Agreement (MOU)	04/01/02	Yes	MOU's for Billing to Billing Services and 5 amendments to Billing Services were terminated and replaced by Amendments 6, 8, 10, and 11 of the Billing Services Agreement
107	VES	MOU Freedom Billing to Billing Services Agreement – Business (MOU)	04/01/02	Yes	MOU's for Billing to Billing Services and 5 amendments to Billing Services were terminated and replaced by Amendments 6, 8, 10, and 11 of the Billing Services Agreement
108	VES	Amendment No. 8 to Billing Services Agreement	06/30/04	Yes	MOU's for Billing to Billing Services and 5 amendments to Billing Services were terminated and replaced by Amendments 6, 8, 10, and 11 of the Billing Services Agreement
109	VES	Amendment No. 10 to Billing Services Agreement	07/01/04	Yes	MOU's for Billing to Billing Services and 5 amendments to Billing Services were terminated and replaced by Amendments 6, 8, 10, and 11 of the Billing Services Agreement
110	VES	Memorandum of Understanding – Fast Packet	08/01/03	No	
111	VES	Amendment No. 1 to Memorandum of Understanding – Fast Packet Services	08/01/03	No	

List of Section 272 Affiliate Agreements Terminated During Audit Test Period					
No.	section 272 Affiliate	Agreement Description	Termination Date	Terminated Prior to Contracted Termination Date	Reason for Termination Prior to Contracted Termination Date
112	VES	Memorandum of Understanding Service Express	12/31/03	No	
113	VES	Amendment No. 1 to Memorandum of Understanding Service Express	12/31/03	No	
114	VES	Service Agreement (Work Stoppage)	10/08/03	Yes	Work Stoppage Service Agreements were terminated with the ratification of the IBEW and CWA labor agreements
115	VES	Amendment No. 1 to Service Agreement (Work Stoppage)	10/08/03	Yes	Work Stoppage Service Agreements were terminated with the ratification of the IBEW and CWA labor agreements
116	VES	Amendment No. 2 to Service Agreement (Work Stoppage)	10/08/03	Yes	Work Stoppage Service Agreements were terminated with the ratification of the IBEW and CWA labor agreements
117	VES	Amendment No. 3 to Service Agreement (Work Stoppage)	10/08/03	Yes	Work Stoppage Service Agreements were terminated with the ratification of the IBEW and CWA labor agreements
118	VES	Services Agreement	06/29/04	No	
119	VES	Trial Agreement	4/17/04	No	
120	TCI/TCQI	Amendment to Memorandum of Understanding Equipment Purchases	6/28/02	No	
121	TCI/TCQI	Agreement for 411 Redirect Directory Assistance Services	8/21/03	Yes	Redirect Directory Service Assistance Agreement that was terminated prematurely since it was executed in the event of a work stoppage

Attachment A-2
Objective V & VI, Procedure 5
Page 1 of 2

Objectives V & VI; Procedure 5
Summary of Web Posting Completeness and Accuracy Results

Form 2 - These results would be developed based on the Form 1 results for each sample.

Col. A	Col. B	Col. C		Col. D	Col. E
	Accuracy of Web Postings			Completeness of Web Posting	
	Total Number of Items Checked in Sample	Errors Found in Sample		Total Number of Items Checked in Sample	Errors Found in Sample
Sample # 1	79	0		80	0
Sample # 2	131	0		118	0
Sample # 3	14	0		15	0
Sample # 4	16	0		16	0
Sample # 5	22	0		7	0
Sample # 6	28	0		13	0
Sample # 7	22	0		24	0
Sample # 8	2,838	0		2,831	0
Sample # 9	21	0		15	0
Sample # 10	205	0		199	0
Sample # 11	46	0		34	0
Sample # 12	23	0		17	0
Sample # 13	1,014	0		1,008	0
Sample # 14	133	0		127	0
Sample # 15	153	0		147	0
Sample # 16	37	0		28	0
Sample # 17	46	0		31	0
Sample # 18	15	0		17	0
Sample # 19	14	0		9	0
Sample # 20	19	0		23	0
Sample # 21	728	0		792	0
Sample # 22	871	0		865	0
Sample # 23	8	0		13	0
Sample # 24	19	0		21	0
Sample # 25	8	0		12	0
Sample # 26	149	0		133	0
Sample # 27	4	0		6	0
Sample # 28	23	0		22	0
Sample # 29	102	0		95	0
Sample # 30	3,604	0		3,602	0
Sample # 31	33	0		30	0
Sample # 32	141	0		141	0
Sample # 33	21	0		22	0
Sample # 34	35	0		18	0
Sample # 35	8	0		7	0
Sample # 36	90	0		83	0

Objectives V & VI; Procedure 5
Summary of Web Posting Completeness and Accuracy Results

Form 2 - These results would be developed based on the Form 1 results for each sample.

Col. A	Col. B	Col. C		Col. D	Col. E
	Accuracy of Web Postings			Completeness of Web Posting	
	Total Number of Items Checked in Sample	Errors Found in Sample		Total Number of Items Checked in Sample	Errors Found in Sample
Sample # 37	128	0		112	0
Sample # 38	23	0		7	0
Sample # 39	40	0		25	0
Sample # 40	431	0		415	0
Sample # 41	40	0		25	0
Sample # 42	27	0		28	0
Sample # 43	86	0		79	0
Sample # 44	184	0		169	0
Sample # 45	26	0		16	0
Sample # 46	24	0		24	0
Sample # 47	6	0		7	0
Sample # 48	782	0		766	0
Sample # 49	24	0		24	0
Sample # 50	41	0		35	0
Sample # 51	41	0		35	0
Totals	12,623	0		12,388	0
Error Rate as a Percentage		0.00%			0.00%

Differences Noted in Performance Measurement Results Replication – June 2003												
State	Metric	Service	Customer	Verizon Reported Denominator	Replicated Denominator	Denominator Match?	Verizon Reported Performance	Replicated Performance	Performance Match?	Verizon Reported Std Dev	Replicated Std Dev	Std Dev Match?
CT	pic		#ALL	829	829	YES	2.08	2.08	YES	1.6	1.54	NO

LEGEND:

Metric		Customer	
foc	Firm Order Confirmation Response Time	#272	272-affiliate Aggregate
install_int	Average Installation Interval	#VZ	Verizon ILEC & Other (non-272) Affiliate Aggregate
install_pcnt	% Installation Commitments Met	#ALL	Non-affiliate Aggregate
troubles	Total Trouble Reports		
repair_int	Average Repair Interval		
pic	Average Time of PIC Change		

Differences Noted in Performance Measurement Results Replication – June 2003												
State	Metric	Service	Customer	Verizon Reported Denominator	Replicated Denominator	Denominator Match?	Verizon Reported Performance	Replicated Performance	Performance Match?	Verizon Reported Std Dev	Replicated Std Dev	Std Dev Match?
DC	install_int	OCN	#ALL	4	4	YES	51.25	51.25	YES	12.7	62.52	NO
DC	pic		#272	2	2	YES	0.58	0.59	NO	0.08	0.08	YES
DC	repair_int	DS1	#ALL	394	394	YES	3.96	3.95	NO	4.9	4.9	YES

LEGEND:

Metric		Customer	
foc	Firm Order Confirmation Response Time	#272	272-affiliate Aggregate
install_int	Average Installation Interval	#VZ	Verizon ILEC & Other (non-272) Affiliate Aggregate
install_pcnt	% Installation Commitments Met	#ALL	Non-affiliate Aggregate
troubles	Total Trouble Reports		
repair_int	Average Repair Interval		
pic	Average Time of PIC Change		

Differences Noted in Performance Measurement Results Replication – June 2003												
State	Metric	Service	Customer	Verizon Reported Denominator	Replicated Denominator	Denominator Match?	Verizon Reported Performance	Replicated Performance	Performance Match?	Verizon Reported Std Dev	Replicated Std Dev	Std Dev Match?
DE	repair_int	DS1	#272	2	2	YES	0.44	0.43	NO	0.26	0.26	YES

LEGEND:

Metric	
foc	Firm Order Confirmation Response Time
install_int	Average Installation Interval
install_pcnt	% Installation Commitments Met
troubles	Total Trouble Reports
repair_int	Average Repair Interval
pic	Average Time of PIC Change

Customer	
#272	272-affiliate Aggregate
#VZ	Verizon ILEC & Other (non-272) Affiliate Aggregate
#ALL	Non-affiliate Aggregate

Differences Noted in Performance Measurement Results Replication – June 2003												
State	Metric	Service	Customer	Verizon Reported Denominator	Replicated Denominator	Denominator Match?	Verizon Reported Performance	Replicated Performance	Performance Match?	Verizon Reported Std Dev	Replicated Std Dev	Std Dev Match?
MA	install_int	FGD	#ALL	16	16	YES	15.56	15.63	NO	7.94	10.52	NO
MA	install_pcnt	DS1	#ALL	1036	1036	YES	96	95.9	NO			YES
MA	repair_int	DS0	#ALL	205	205	YES	4.75	4.75	YES	5.77	5.78	NO
MA	troubles	DS3	#ALL	5	4	NO	5	4	NO			YES
MA	troubles	DS3	#VZ	5	2	NO	5	2	NO			YES

LEGEND:

Metric	
foc	Firm Order Confirmation Response Time
install_int	Average Installation Interval
install_pcnt	% Installation Commitments Met
troubles	Total Trouble Reports
repair_int	Average Repair Interval
pic	Average Time of PIC Change

Customer	
#272	272-affiliate Aggregate
#VZ	Verizon ILEC & Other (non-272) Affiliate Aggregate
#ALL	Non-affiliate Aggregate

Differences Noted in Performance Measurement Results Replication – June 2003												
State	Metric	Service	Customer	Verizon Reported Denominator	Replicated Denominator	Denominator Match?	Verizon Reported Performance	Replicated Performance	Performance Match?	Verizon Reported Std Dev	Replicated Std Dev	Std Dev Match?
MD	install_int & install_pcnt	FGD	#ALL	17	16	NO	15.88	16.69	NO	8.96	8.6	NO
MD	troubles & repair_int	FGD	#ALL	9	7	NO	1.22	1.31	NO	0.91	0.99	NO

LEGEND:

Metric	
foc	Firm Order Confirmation Response Time
install_int	Average Installation Interval
install_pcnt	% Installation Commitments Met
troubles	Total Trouble Reports
repair_int	Average Repair Interval
pic	Average Time of PIC Change

Customer	
#272	272-affiliate Aggregate
#VZ	Verizon ILEC & Other (non-272) Affiliate Aggregate
#ALL	Non-affiliate Aggregate

Differences Noted in Performance Measurement Results Replication – June 2003												
State	Metric	Service	Customer	Verizon Reported Denominator	Replicated Denominator	Denominator Match?	Verizon Reported Performance	Replicated Performance	Performance Match?	Verizon Reported Std Dev	Replicated Std Dev	Std Dev Match?
NH	troubles & repair_int	FGD	#272		1	NO		3.9	NO			YES

LEGEND:

Metric		Customer	
foc	Firm Order Confirmation Response Time	#272	272-affiliate Aggregate
install_int	Average Installation Interval	#VZ	Verizon ILEC & Other (non-272) Affiliate Aggregate
install_pcnt	% Installation Commitments Met	#ALL	Non-affiliate Aggregate
troubles	Total Trouble Reports		
repair_int	Average Repair Interval		
pic	Average Time of PIC Change		

Differences Noted in Performance Measurement Results Replication – June 2003												
State	Metric	Service	Customer	Verizon Reported Denominator	Replicated Denominator	Denominator Match?	Verizon Reported Performance	Replicated Performance	Performance Match?	Verizon Reported Std Dev	Replicated Std Dev	Std Dev Match?
NJ	install_int & install_pcnt	FGD	#272	9		NO	20.67		NO	2.35		NO
NJ	install_int & install_pcnt	FGD	#ALL	25	18	NO	15.44	5.83	NO	25.62	3.13	NO
NJ	repair_int	DS0	#272	4	4	YES	1.31	1.31	YES	0.85	0.86	NO
NJ	troubles & repair_int	FGD	#ALL	33	31	NO	2.73	2.49	NO	2.9	2.47	NO

LEGEND:

Metric	
foc	Firm Order Confirmation Response Time
install_int	Average Installation Interval
install_pcnt	% Installation Commitments Met
troubles	Total Trouble Reports
repair_int	Average Repair Interval
pic	Average Time of PIC Change

Customer	
#272	272-affiliate Aggregate
#VZ	Verizon ILEC & Other (non-272) Affiliate Aggregate
#ALL	Non-affiliate Aggregate

Differences Noted in Performance Measurement Results Replication – June 2003												
State	Metric	Service	Customer	Verizon Reported Denominator	Replicated Denominator	Denominator Match?	Verizon Reported Performance	Replicated Performance	Performance Match?	Verizon Reported Std Dev	Replicated Std Dev	Std Dev Match?
NY	install_int & install_pcnt	FGD	#272	6	2	NO	41.67	35	NO	6.31	1.41	NO
NY	install_int & install_pcnt	FGD	#ALL	58	43	NO	36.41	28.28	NO	20.97	12.54	NO
NY	troubles & repair_int	FGD	#ALL	69	68	NO	3.09	3.08	NO	3.64	3.67	NO

LEGEND:

Metric	
foc	Firm Order Confirmation Response Time
install_int	Average Installation Interval
install_pcnt	% Installation Commitments Met
troubles	Total Trouble Reports
repair_int	Average Repair Interval
pic	Average Time of PIC Change

Customer	
#272	272-affiliate Aggregate
#VZ	Verizon ILEC & Other (non-272) Affiliate Aggregate
#ALL	Non-affiliate Aggregate

Differences Noted in Performance Measurement Results Replication – June 2003												
State	Metric	Service	Customer	Verizon Reported Denominator	Replicated Denominator	Denominator Match?	Verizon Reported Performance	Replicated Performance	Performance Match?	Verizon Reported Std Dev	Replicated Std Dev	Std Dev Match?
PA (fBA)	install_int & install_pcnt	FGD	#ALL	20	19	NO	16.65	16.21	NO	7.14	7.18	NO
PA (fBA)	install_pcnt	DS1	#ALL	1850	1850	YES	94	93.9	NO			YES
PA (fBA)	troubles & repair_int	FGD	#ALL	4	1	NO	1.35	0.45	NO	0.96		NO

LEGEND:

Metric		Customer	
foc	Firm Order Confirmation Response Time	#272	272-affiliate Aggregate
install_int	Average Installation Interval	#VZ	Verizon ILEC & Other (non-272) Affiliate Aggregate
install_pcnt	% Installation Commitments Met	#ALL	Non-affiliate Aggregate
troubles	Total Trouble Reports		
repair_int	Average Repair Interval		
pic	Average Time of PIC Change		

Differences Noted in Performance Measurement Results Replication – June 2003

State	Metric	Service	Customer	Verizon Reported Denominator	Replicated Denominator	Denominator Match?	Verizon Reported Performance	Replicated Performance	Performance Match?	Verizon Reported Std Dev	Replicated Std Dev	Std Dev Match?
PA (fGTE)	pic		#ALL	12401	12401	YES	4.23	4.25	NO	1.05	1.04	NO
PA (fGTE)	repair_int	DS1	#ALL	110	110	YES	5.21	5.22	NO	4.72	4.72	YES

LEGEND:

Metric	
foc	Firm Order Confirmation Response Time
install_int	Average Installation Interval
install_pcnt	% Installation Commitments Met
troubles	Total Trouble Reports
repair_int	Average Repair Interval
pic	Average Time of PIC Change

Customer	
#272	272-affiliate Aggregate
#VZ	Verizon ILEC & Other (non-272) Affiliate Aggregate
#ALL	Non-affiliate Aggregate

Differences Noted in Performance Measurement Results Replication – June 2003												
State	Metric	Service	Customer	Verizon Reported Denominator	Replicated Denominator	Denominator Match?	Verizon Reported Performance	Replicated Performance	Performance Match?	Verizon Reported Std Dev	Replicated Std Dev	Std Dev Match?
RI	install_int & install_pcnt	FGD	#ALL	2	1	NO	20.5	25	NO	6.36		NO

LEGEND:

Metric		Customer	
foc	Firm Order Confirmation Response Time	#272	272-affiliate Aggregate
install_int	Average Installation Interval	#VZ	Verizon ILEC & Other (non-272) Affiliate Aggregate
install_pcnt	% Installation Commitments Met	#ALL	Non-affiliate Aggregate
troubles	Total Trouble Reports		
repair_int	Average Repair Interval		
pic	Average Time of PIC Change		

Differences Noted in Performance Measurement Results Replication – June 2003												
State	Metric	Service	Customer	Verizon Reported Denominator	Replicated Denominator	Denominator Match?	Verizon Reported Performance	Replicated Performance	Performance Match?	Verizon Reported Std Dev	Replicated Std Dev	Std Dev Match?
VA	install_int & install_pcnt	FGD	#ALL	33	32	NO	17.33	17.25	NO	9.27	9.4	NO
VA	troubles & repair_int	FGD	#ALL	22	17	NO	4.3	5.29	NO	6.2	6.75	NO

LEGEND:

Metric		Customer	
foc	Firm Order Confirmation Response Time	#272	272-affiliate Aggregate
install_int	Average Installation Interval	#VZ	Verizon ILEC & Other (non-272) Affiliate Aggregate
install_pcnt	% Installation Commitments Met	#ALL	Non-affiliate Aggregate
troubles	Total Trouble Reports		
repair_int	Average Repair Interval		
pic	Average Time of PIC Change		

Differences Noted in Performance Measurement Results Replication – June 2003												
State	Metric	Service	Customer	Verizon Reported Denominator	Replicated Denominator	Denominator Match?	Verizon Reported Performance	Replicated Performance	Performance Match?	Verizon Reported Std Dev	Replicated Std Dev	Std Dev Match?
VT	repair_int	DS1	#VZ	3	3	YES	2.35	2.36	NO	2.93	2.93	YES

LEGEND:

Metric	
foc	Firm Order Confirmation Response Time
install_int	Average Installation Interval
install_pcnt	% Installation Commitments Met
troubles	Total Trouble Reports
repair_int	Average Repair Interval
pic	Average Time of PIC Change

Customer	
#272	272-affiliate Aggregate
#VZ	Verizon ILEC & Other (non-272) Affiliate Aggregate
#ALL	Non-affiliate Aggregate

Differences Noted in Performance Measurement Results Replication – June 2003												
State	Metric	Service	Customer	Verizon Reported Denominator	Replicated Denominator	Denominator Match?	Verizon Reported Performance	Replicated Performance	Performance Match?	Verizon Reported Std Dev	Replicated Std Dev	Std Dev Match?
WV	install_int	FGD	#ALL	8	8	YES	16.5	16.5	YES	6.49	12.43	NO
WV	pic		#272	122	122	YES	0.88	0.88	YES	0.35	0.36	NO

LEGEND:

Metric		Customer	
foc	Firm Order Confirmation Response Time	#272	272-affiliate Aggregate
install_int	Average Installation Interval	#VZ	Verizon ILEC & Other (non-272) Affiliate Aggregate
install_pcnt	% Installation Commitments Met	#ALL	Non-affiliate Aggregate
troubles	Total Trouble Reports		
repair_int	Average Repair Interval		
pic	Average Time of PIC Change		

See underlying General Standard Procedures

JOINT FEDERAL/STATE OVERSIGHT TEAM
FOR
VERIZON COMMUNICATIONS

GENERAL STANDARD PROCEDURES
FOR
BIENNIAL AUDITS
REQUIRED UNDER SECTION 272
OF THE
COMMUNICATIONS ACT OF 1934, AS AMENDED

FOR THE PERIOD JANUARY 3, 2003 THROUGH JANUARY 2, 2005

Final Procedures – May 9, 2005

JOINT FEDERAL/STATE OVERSIGHT TEAM
FOR

VERIZON COMMUNICATIONS

GENERAL STANDARD PROCEDURES
FOR
BIENNIAL AUDITS
REQUIRED UNDER SECTION 272
OF THE
COMMUNICATIONS ACT OF 1934, AS AMENDED

FOR THE PERIOD JANUARY 3, 2003 THROUGH JANUARY 2, 2005

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