COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 4, 2002

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

Ex Parte: Establishment of Carrier Performance Standards for Verizon Virginia Inc.

CASE NO. PUC010206

ORDER ESTABLISHING CARRIER PERFORMANCE STANDARDS WITH IMPLEMENTATION SCHEDULE AND ONGOING PROCEDURE TO CHANGE METRICS

On October 30, 2001, the State Corporation Commission ("Commission") established this case to consider carrier performance standards for Verizon Virginia Inc. ("Verizon Virginia"), which were developed by the Collaborative Committee established in Case No. PUC000026.[1] The Virginia Carrier-to-Carrier Guidelines Performance Standards and Reports ("VA Guidelines") for Verizon Virginia include a set of service quality measurements and standards for the provision of services, network elements, and interconnection arrangements with competitive local exchange carriers ("CLECs"). Comments were filed on November 20, 2001, on the proposed VA Guidelines for Verizon Virginia, matrix of remaining issues, proposal for ongoing metric changes, and Verizon Virginia's proposed implementation schedule.[2] There were no requests for hearing. Reply comments were filed on December 7, 2001.[3]

The filed comments and replies primarily concern five contested metrics,[4] Appendix H to the VA Guidelines,[5] Verizon Virginia's proposed adoption of Exhibit 1,[6] additional trunking and directory assistance metrics proposed by Cox, an additional metric proposed by Cavalier, and Verizon Virginia's proposed implementation schedule. The Commission finds that the remaining undisputed portions of the VA Guidelines are reasonable and should be adopted, consistent with the findings below.

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[1] See the Order For Notice and Comment or Requests for Hearing, issued October 30, 2001 ("Order of October 30, 2001"), for discussion of the collaborative process.

[2] The first three items are attachments to Staff Motion To Establish Carrier Performance Standards For Verizon Virginia Inc., And For Order Prescribing Notice and Providing For Comment Or Request Hearing, filed October 10, 2001. Verizon Virginia filed the fourth item, Proposed Implementation Schedule For the VA Guidelines, on October 24, 2001. Comments were filed by Verizon Virginia, Cox Virginia Telecom, Inc. ("Cox"), WorldCom, Inc. ("WorldCom"), Allegiance Telecom of Virginia, Inc. ("Allegiance"), AT&T Communications of Virginia, Inc. ("AT&T"), and the Division of Consumer Counsel, Office of the Attorney General ("Consumer Counsel").

[3] Pursuant to the Commission's Order Extending Time For Reply Comments issued November 28, 2001, reply comments were filed by Verizon Virginia, Cox, WorldCom, AT&T, and Cavalier Telephone, LLC ("Cavalier").

[4] The five contested metrics included in the VA Guidelines Performance Standards and Report are: OR-1/OR-2 Order Confirmation Timeliness and Reject Timeliness; OR-4 (submetrics 11-15) Timeliness of Completion Notification; OR-6-04 Order Accuracy; PR9-02 Hot Cut Loops; and PR-3-08 completed within a Specified Number of Days (1-5 Lines).

[5] Appendix H is a listing of order types eligible for electronic flow-through.

CONTESTED ISSUES

OR-1 Order Confirmation Timeliness/OR-2 Reject Timeliness (Issue 1 on Matrix)

The order confirmation response time[7] measured by OR-1 and the reject response time[8] measured by OR-2 both exclude scheduled downtime hours of Verizon Virginia's Service Order Processor ("SOP").[9] Currently, the aggregate downtime hours reflect overlapping downtime on the expressTRAK and its associated systems and the SOACS system. Verizon Virginia proposes that this aggregate downtime be recognized in the OR-1 and OR-2 metrics until SOACS is completely phased out or, alternatively, until September 1, 2002. Comments by AT&T and WorldCom urge the Commission not to adopt the open-ended date of the SOACS phaseout and to recognize the expressTRAK downtime hours only, effective January 1, 2002. AT&T does acknowledge that its proposed effective date could be extended for good cause shown by Verizon Virginia.

We agree with the CLECs that Verizon Virginia's proposed open-ended continuation of the SOACS downtime hours is

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[6] Exhibit 1 addresses "force majeure" events, statistical invalidity of measurements, confidentiality, and reciprocal obligations of the CLECs.

[7] The order confirmation response time is the elapsed time (in hours and minutes) between receipt of a valid order request and distribution of a Service Order confirmation.

[8] The reject response time is the elapsed time (in hours and minutes) between receipt of an order request and distribution of a Service Order rejection.

unreasonable. The Commission finds that July 1, 2002, is a reasonable date to reflect only the downtime hours of expressTRAK and associated systems as excluded in these metrics. Accordingly, footnote 7 to the OR-1 metric and footnote 11 to the OR-2 metric should include the date of July 1, 2002, as the cut-off for inclusion of the aggregate downtime hours for expressTRAK, SOACS, and their associated systems. Thereafter, the downtime hours excluded for calculation of the results under these two metrics should be for expressTRAK and its associated systems only.

OR-4-11 through 15 (Issue 2 on Matrix)

Verizon Virginia has proposed two sets of performance intervals[10] for submetrics OR-4-11 through 15. The two sets of intervals would apply while both SOACS and expressTRAK are in use. Verizon Virginia proposes to use both intervals until SOACs is retired from service. AT&T and WorldCom propose the adoption of a January 1, 2001, date to use only the expressTRAK intervals.

The Commission finds that July 1, 2002, is a reasonable date to eliminate the SOACs intervals in these submetrics. The

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[9] Verizon Virginia currently uses two SOPs, SOACs, and expressTRAK.

[10] The interval is measured in business days between the due date of an order and the date when provisioning and billing completion notices for the order are issued.

note to OR-4 should be revised to reflect the adoption of this date.

OR-6-04 Order Accuracy (Issue 3 on Matrix)

Verizon Virginia has proposed the adoption of this metric to measure the accuracy of published directory listings provided to the CLEC. However, several CLECs, as well as the Consumer Counsel, raise concerns that the proposed metric only addresses the accuracy of the listing information on Verizon Virginia's service order. According to AT&T, Cox, Allegiance, and Cavalier the metric does not represent directory listing order completion of the CLEC's listings because it does not measure omissions from the published directory or compare CLEC listings to the directory itself.

Under Metric OR-6-04, Verizon Virginia will select a random sample of twenty (20) CLEC orders each business day and compare the listing information on the order submitted by the CLEC with the listing information on the completed Verizon Virginia service order. AT&T and Cox criticize this sampling procedure as failing to insure a statistically valid sampling of stand-alone directory listing orders.[11]

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[11] The definition of stand-alone order listing given in Verizon Virginia's Reply Comments at footnote 13 is as follows: "orders that are issued by a CLEC for directory listings only and that do not include a request with regard to other services. Such orders might include orders for new CLEC customers who are not served by the use of Verizon [Virginia] facilities that must be ordered by the CLEC and are not being ported from Verizon [Virginia] to the CLEC, or orders for customers who are being ported from Verizon

Verizon Virginia dismisses the problem of missing CLEC orders as unsubstantiated and easily remedied by CLEC follow-up. Verizon Virginia also claims that its sampling of daily CLEC orders will adequately monitor stand-alone orders, although it offers to perform and report a separate measurement for the accuracy of stand-alone order listings.[12]

The Commission believes that Verizon Virginia's proposal to perform and report a separate measurement for stand-alone listings may address the concerns of AT&T and Cox. The Commission directs Verizon Virginia to file with the Commission on or before February 28, 2002, its proposed date for implementation of this measurement for stand-alone listings. The Commission will not order the "rotating" alternate monthly reporting for stand-alone listings and all other types of listings at this time.[13] However, if Verizon Virginia is unable to implement the separate measurement for stand-alone listings in a reasonable timeframe, the Commission may reconsider this alternative.

[Virginia] to a CLEC but for whom the CLEC has issued the directory listing order separately from the porting order."

[12] Verizon Virginia's offer to perform this separate measurement is premised upon the Commission adopting the form of comparison measurement it proposes in OR-6-04. (Reply Comments, pp. 13-14).

[13] This was another option proposed by Verizon Virginia to address stand-alone listings.

Several parties also raise concerns about whether the proposed standard of 95% accuracy for directory listings is sufficient. Cox argues that if it committed the same level of listing errors for its customers as allowed in the proposed Metric OR-6-04, then ten percent of its customers would suffer directory errors from the combined efforts of Verizon Virginia and Cox. Verizon Virginia responds that it should not be made to carry the CLEC by being held to a higher standard. Nevertheless, as AT&T points out in its Reply Comments, the proposed standard of 95% accuracy, if applied to all of Verizon Virginia's customers, would produce enormous directory errors for the approximately four (4) million customer lines served.

Cox and WorldCom propose that the standard be raised from 95% to 98%.[14] Cavalier urges a 100% error-free standard to preclude any incentive to win back CLEC customers dissatisfied with the CLEC because of directory listing errors committed by Verizon Virginia. The Commission finds that 98% is a reasonable accuracy standard for Metric OR-6-04.

Cox requests that Verizon Virginia be required to compare the most recent CLEC-submitted orders on a random and regular basis against the listing that ultimately appears in the telephone directory. We agree with Cox and the other CLECs that

[14] Cox actually proposes a standard of 99% for Verizon Virginia, which would equate to an overall 98% accuracy level.

it is more important for the customer's listing to appear correctly in the telephone directory, and whether or not the listing on a Verizon Virginia service order is correct should be a secondary concern. However, the Commission recognizes Verizon Virginia's concern about utilizing a manual process for such comparisons with the published directory. The Commission believes that the Collaborative Committee should investigate further whether the parties can develop or agree to a procedure that more directly reflects a comparison to the CLEC's customers' listings in the published directory. The Commission considers the reliability of the published directory to be a critical matter to all consumers in Virginia, and we encourage the parties to work diligently in ensuring this objective.

Cox additionally requests that Verizon Virginia measure its implementation of fields 15 (style presentation in directory), 86 (number of directories delivered on new connect or moves), 88 (directory identification), and 94 (Yellow Page heading code).

Verizon Virginia replies that field 94 is already included in the proposed Metric OR-6-04 and that the remaining fields are not related to the substantive accuracy of the directory listing. We accept Verizon Virginia's position that fields 15, 86, 87, and 88 are not appropriate for measuring directory listing accuracy and, therefore, find that these fields should not be added at this time.

Finally, Cox requests that a new directory assistance metric (OD-3) be added. Cox claims that this metric for Database Update Accuracy was omitted from the most recent version of the VA Guidelines.[15] Cox did not pursue adoption of this metric in the Collaborative Committee. The Commission will not consider OD-3 for adoption at this time; however, Cox may submit this request at a later date through the procedures adopted herein for going forward changes to the metrics.

PR-9-02 Hot Cut Loops (Issue 4 on Matrix)

Verizon Virginia has agreed to include a metric that measures the percentage of UNE Hot Cut lines that are cut-over prior to the scheduled completion time.[16] The dispute with respect to this metric is the standard to be adopted. Verizon Virginia has proposed a 98% standard for PR-9-02 (i.e., no more than 2% of UNE Hot Cut lines will be cut early). Cavalier proposes the Commission adopt a 99.5% standard. The Commission finds that a standard of 99.0% is reasonable for this metric and should be adopted.

PR-3-08 % Completed in 5 days (1-5 lines-no dispatch) (Issue 5 on Matrix)

[15] This metric is apparently included in the OSS test in Case No. PUC000035. OD-3 is not a metric in the New York Carrier-To-Carrier Guidelines ("NY Guidelines").

[16] This is the issue of "premature disconnects" that was addressed on Case No. PUC000262.

Metric PR-3-08 was agreed to by the Collaborative Committee; however, its implementation date remains at issue. Cavalier urges that this metric be adopted in the initial VA Guidelines. Verizon Virginia requests that this metric be introduced with other "consensus" items from New York through the ongoing process for adoption of metric changes discussed below.

Having afforded all parties an opportunity to comment on this metric, the Commission finds that Metric PR-3-08 should be adopted as part of the VA Guidelines in this Order.

Appendix H Flow-Through Order Scenarios (Issue 6 on Matrix)

Appendix H in the VA Guidelines identifies the types of service orders that are designed to flow-through.[17] As proposed by Verizon Virginia, the current list of service order types in Appendix H would be illustrative and subject to change but with a statement that an up-to-date list can be found on Verizon Virginia's website. The CLECs request that the listing in Appendix H be established as a baseline and that Verizon Virginia be required to obtain Commission approval before making deletions.

[17] Metric OR-5 measures the percent of valid orders received through the electronic ordering interface without manual intervention ("flow-through"). Metric OR-5 refers to Appendix H for the list of service order types that flow-through.

The Commission will not establish a baseline list of service order types in Appendix H. However, we will take the necessary actions to monitor and investigate any potential CLEC concerns regarding unreasonable deletions of order types from Appendix H in the future. Furthermore, the Commission finds that the following language should be added in Appendix H:

> The CLECs shall be provided at least sixty (60) days' advance written notice of any deletions to the list of orders that flow-through as part of Verizon Virginia's OSS Change Management Process. This notification does not preclude a CLEC from pursuing regulatory action at the Virginia State Corporation Commission if it opposes a change.

The Commission regards the processing of orders without manual intervention as advantageous to both Verizon Virginia and the CLECs. Therefore, we encourage the expansion of the list in Appendix H and not a reduction in ordering flow-through scenarios.

Exhibit 1 Additional Provisions (Issue 7 on Matrix)

Verizon Virginia proposes to include Exhibit 1 in the VA Guidelines. The most controversial provision of Exhibit 1 is Section 3 ("Skewed Data") which excuses Verizon Virginia from the responsibility to meet a performance standard whenever its failure to meet such performance standard is due to a "force majeure" event,[18] a statistically invalid measurement, event-driven clustering, location-driven clustering, time-driven clustering, or CLEC actions, as described in Appendix K. Verizon Virginia also proposes that confidentiality treatment of documents and information be accorded in a wide array of circumstances (Section 4). Further, Verizon Virginia seeks to distribute its Performance Measurements Reports on the 27th day of the month following the reporting month for Aggregate Affiliate Reports and the 29th day of the month following the reporting month for CLEC specific Reports (or, if the 27th or 29th day of the month is a Saturday, Sunday, or holiday observed by Verizon Virginia, the next Verizon Virginia business day) (Section 5). Finally, Verizon Virginia proposes in its Exhibit 1 that CLECs be required to provide timely, accurate forecasts for interconnection trunks and collocation (Section 6).

One reason AT&T and WorldCom object to Exhibit 1 is because it is outside the scope of the agreed-upon collaborative process to utilize the NY Guidelines as the basis for the VA Guidelines. Exhibit 1 has not become a part of the NY Guidelines.

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[18] "Force majeure" event is defined by Verizon Virginia to include: events or causes beyond reasonable control of Verizon Virginia; unusually severe weather conditions; earthquake; fire; explosion; flood; epidemic; war; revolution; civil disturbances; acts of public enemies; any law, order, regulation, ordinance, or requirement of any governmental or legal body; strikes, labor slowdowns, picketing, or boycotts; unavailability of equipment, parts, or repairs thereof; or any acts of God.

AT&T and WorldCom both argue that Exhibit 1 includes issues that should more appropriately be considered in a Performance Assurance Plan (PAP) for Verizon Virginia. Verizon Virginia replies that it should not have to wait for consideration of Exhibit 1 in its PAP proceeding docketed in Case No. PUC010226 since there is no assurance that its PAP will be approved.

The Commission will grant Verizon Virginia its requested filing dates of the 27th and 29th of the month. The remainder of Exhibit 1 is not adopted at this time in the initial VA Guidelines approved herein.[19]

Cox Proposal for Additional Trunking Metric

Cox proposes that Metric NP-1 Percent Final Trunk Group Blockage be augmented with its newly proposed measurement for a minimum blockage rate. Citing Bellcore Notes on the Network, 1999, Cox proposes a minimum blockage rate of 1% (.5% blocking in the CLEC portion of the network and .5% blocking in Verizon Virginia's portion.) Verizon Virginia responds that an additional trunking metric is unnecessary and has not been adopted in either New York or five other jurisdictions in which Verizon operates.

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[19] The Commission does not reject Verizon Virginia's desire to address many of the points incorporated in Exhibit 1. However, the Commission believes the adoption of this Exhibit in the VA Guidelines is not the appropriate means to consider these issues. Verizon Virginia may raise some or all of these concerns in Case No. PUC010226, as well as in other procedures (i.e., interconnection agreements, request for confidentiality treatment).

The Commission does not adopt an additional trunking metric at this time. We suggest that Cox request consideration of this metric through the Collaborative Committee and the procedures adopted herein for going forward changes to the VA Guidelines.

Cavalier Proposal on PR-5-04 Orders Cancelled For No Facilities

In its Reply Comments, Cavalier raises concerns about the number of Verizon Virginia-provided Firm Order Confirmations ("FOC") with targeted installation dates that are ultimately cancelled due to "no facilities." Cavalier claims that the proposed PR-5 Metric in the VA Guidelines does not measure the number of orders cancelled due to "no facilities." Cavalier further points out that the New York Public Service Commission has recently adopted a new submetric, PR-5-04, that partially addresses this problem. However, according to Cavalier, even this new metric would not capture the real magnitude of such orders cancelled due to "no facilities."

The Commission will not address the PR-5-04 metric in this Order. We suggest that Cavalier raise its concerns again once this metric is filed by Verizon Virginia as a result of the procedures adopted for going forward changes to the VA Guidelines.[20]

<u>VA GUIDELINES METRIC CHANGES PROCEDURE</u>

The Commission adopts the procedure proposed by the Collaborative Committee for changes to the VA Guidelines. On a going forward basis, proposed changes to the VA Guidelines shall be considered for adoption by the Commission under the following procedures:

A. Consensus Decision[21] and Non-consensus Decision[22]

1. Verizon Virginia shall file with the Commission the New York consensus and/or non-consensus metric change(s) and proposed implementation interval(s), including an explanation of time required to implement, and description of the changes made to adapt to Virginia systems. Such filings shall be within 30 calendar days of submission date of the compliance filing in New York.[23]

2. With each such filing, Verizon Virginia may submit to the Commission any opposition to adoption of any metric change(s). Verizon Virginia shall set forth its reasons for opposition in any such filing.

3. Verizon Virginia shall make an electronic copy of its filing on the proposed consensus and/or non-consensus change(s) available to the Performance

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[20] This metric should be introduced as either a consensus or nonconcensus change under those procedures.

[21] A consensus decision is a change to the NY Guidelines that has been agreed to (or not opposed) by the parties in the NY Carrier Working Group and has been approved by the New York Public Service Commission.

[22] A non-consensus decision is a change to the NY Guidelines that has been approved by the New York Public Service Commission but not agreed to by all parties in the NY Carrier Working Group.

[23] The compliance filing in New York is the filing by Verizon New York with the New York Public Service Commission of revisions to the NY Guidelines that contain metric changes that have been approved by the New York Public Service Commission.

Standards/Remedy Plans Subcommittee of the Virginia Collaborative Committee ("Standards Subcommittee") and the Commission Staff at the time of filing. The Division of Communications shall make an electronic version available on its website page within 48 hours of filing (excluding weekend and holidays).

4. The Commission Staff, Office of Attorney General, and interested parties shall have an opportunity to comment and/or request a hearing on the proposed metric change(s) submitted by Verizon Virginia. Such comments are not limited to but should address whether the metric change(s) appropriately adapts the New York metric to Virginia and on the proposed implementation interval(s). Verizon Virginia and others that did not object to a metric change(s) or proposed implementation interval(s) shall be provided an opportunity to respond if anyone objects to the adoption of the change(s) or implementation interval(s).

5. If neither the Commission Staff, the Office of Attorney General, nor any interested party, including Verizon Virginia, has objected to the adoption of a proposed consensus or non-consensus metric change(s) after the Commission has provided an opportunity for comment, the change should be considered approved forty-five (45) days after submission of filing, unless otherwise ordered by the Commission.

B. Other Changes

1. The Virginia Collaborative Committee and Standards Subcommittee shall remain as a forum for parties to discuss performance standards and metric change(s) issues.

2. No one shall be prevented from proposing metric change(s) to the VA Guidelines in accordance with the Commission's Rules of Practice and Procedure. However, the

> Commission encourages parties to continue participating in the Virginia Collaborative process and to consider the Standards Subcommittee as the most appropriate vehicle for the initial consideration of any proposed Virginia-specific metric change(s).
>
> 3. The Virginia Collaborative Committee and/or Standards Subcommittee may submit Virginia-specific proposed metric change(s) to the VA Guidelines to the Commission for its consideration. These proposals may be either on a consensus or non-consensus basis, provided that any party shall be free to oppose before the Commission a proposal to which it has not agreed.

IMPLEMENTATION SCHEDULE

Verizon Virginia proposes to begin implementing its reporting to the Commission of its performance under the VA Guidelines in two phases. Data for the metrics that are the same as in the current OSS testing, in Case No. PUC000035, would be collected for the second month after the month of issuance of this Order. For other non-OSS test metrics, Verizon Virginia requests an additional month for reporting most metrics and two or more additional months for reporting the remainder of the metrics.

The Commission recognizes that Verizon Virginia is currently providing metrics reports and the underlying data in the OSS test. We further understand that the only actual change necessary for reporting under the VA Guidelines for the identical OSS test metrics is the form of the report template.

We will require Verizon Virginia to use the new report template for all the metrics; however, we consider that the identical OSS test metrics in the VA Guidelines are in effect "implemented" as of the date the VA Guidelines are adopted in this proceeding.[24] Therefore, the Commission is of the opinion that Verizon Virginia should focus first on ensuring that the non-OSS test metrics adopted in the VA Guidelines be implemented as quickly as possible.

We find that Verizon Virginia should be required to file its first report on the VA Guidelines in March 2002 utilizing February 2002 data.[25] We are hopeful that Verizon Virginia can complete the template change for the identical OSS test metrics by the March 2002 report but will not require conversion to the new template for the OSS test metrics at this time. However, Verizon Virginia should work with the Commission Staff and Project Leader in Case No. PUC000035 to ensure an orderly and timely transition to the new report template for the OSS test metrics. Furthermore, Verizon Virginia should report on all non-OSS test metrics included in the VA Guidelines in the

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[24] The form of the report will not be considered a scheduled implementation event.

[25] We expect Verizon Virginia to continue providing underlying data supporting the reported results to the Commission Staff.

March 2002 report, unless implementation is subsequently extended for good cause shown.[26]

Verizon Virginia is required to file amended VA Guidelines in accordance with this Order no later than January 18, 2002.

Accordingly, IT IS ORDERED THAT:

(1) The VA Guidelines, ongoing procedure to change metrics, and implementation schedule are hereby adopted consistent with the findings above.

(2) Verizon Virginia is hereby ordered to file the amended VA Guidelines, as found above, on or before January 18, 2002.

(3) This case is now continued.

[26] Verizon Virginia may request an extension for any individual non-OSS test metric in the VA Guidelines if it determines that it is unable to meet the schedule. Such requests will be evaluated by the Commission on a case-by-case basis to determine if good cause is shown for any requested extension of time.