PERFORMANCE ASSURANCE PLAN

VERIZON ~~MASSACHUSETTS~~VIRGINIA

[DATE] ~~May 18, 2001~~

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PERFORMANCE ASSURANCE PLAN

I.   INTRODUCTION

The ~~Massachusetts~~Virginia Performance Assurance Plan ("~~Massachusetts~~Virginia PAP")

is a self-executing remedy plan that will ensure Verizon ~~Massachusetts~~Virginia ("Verizon

~~MA~~VA") provides quality wholesale services to competitive carriers after Verizon ~~MA~~VA has

gained entry into the long distance market pursuant to Section 271 of the Telecommunications

Act of 1996. ~~The Massachusetts PAP is in compliance with an Order issued by the~~

~~Massachusetts Department of Telecommunications and Energy ("Department") on September 5,~~

~~2000, November 21, 2000 and includes revisions that follow the Order issued by the New York~~

~~PSC on December 15, 2000. The Change Control Assurance Plan ("CCAP") contained in~~

~~Appendix I is also in compliance with the September 5, 2000 Order.~~

A.   The ~~Massachusetts~~Virginia PAP

The ~~Massachusetts~~Virginia PAP has three major components: (1) the metrics used to

report performance; (2) the methodology used to determine billing credits, including service

segmentation, scoring method, and other rules described in the plan document; and (3) the

dollars at risk. Each of these components is summarized below and is discussed in more detail in

the following sections and Appendices.

1.   Measures and Standards

The Virginia PAP utilizes the standards and measures set forth in the Virginia Carrier-to-

Carrier Guidelines Performance Standards and Reports ("C2C"). ~~On January 14, 2000, the~~

~~Department adopted the New York C2C Performance Measurement Plan for evaluating Verizon~~

~~MA's wholesale performance.~~ The C2C measures include hundreds of individual data points

that track and report on performance. Some metrics are compared with analogous Verizon retail services to ensure parity of service and others, where no retail analog exists, are reviewed on the basis of absolute standards. As in New York, where the C2C measures and standards were incorporated into the PAP, the ~~Massachusetts~~ Virginia PAP incorporates the same C2C measures and standards.

2.   Methodology

(a)   Service Segmentation

The ~~Massachusetts~~Virginia PAP includes three service segmentations: Mode of Entry ("MOE"), Critical Measures, and Special Provisions.

The MOE segment measures the overall level of service on an industry-wide basis for each method or mode by which carriers can enter the local exchange market under the Telecommunications Act of 1996, *i.e.* resale, unbundled network elements, interconnection trunks and DSL. Any bill credits generated in any one of these modes are allocated to competitors purchasing those types of services.   The MOE component of the ~~Massachusetts~~Virginia PAP is fully described in Section II.C. and in Appendices A and E.

The Critical Measures component measures performance in 12 critical areas that have been identified as most important to the provision of quality service. The Critical Measures are a subset of the measures included in the MOE segment. Additional bill credits will be provided for performance on these measures that fail to meet the standards. This segment provides a mechanism to assure that carriers are receiving non-discriminatory service on an individual basis. The complete list of Critical Measures is enumerated in Appendix B and scoring/credit calculations are in Appendix F.

The Special Provisions segment focuses on a number of measures that are viewed as measuring key aspects of Verizon ~~MA~~VA's performance. This segment establishes targets that

Verizon ~~MA~~VA must achieve for flow-through, order processing, hot-cuts, Local Service Request confirmations, and reject notices. Verizon ~~MA~~VA will provide bill credits to those carriers who received service below target levels. The Special Provisions measures are described in Section II.E. and Appendix H.

(b)   Change Control Assurance

Verizon is also subject to a separate Change Control Assurance Plan ("CCAP"). Change Control is designed to measure Verizon's performance in implementing revisions to OSS interfaces and business rules that affect CLECs. The Change Control process is common to carriers operating in ~~Massachusetts~~Virginia and New York. Under the Change Control Assurance Plan, $6.52~~5.28~~ million in bill credits will be available to all CLECs in ~~Massachusetts~~Virginia for unsatisfactory performance on four Change Control metrics. Change Control credits are described in Section II. B.2.

(c)   Statistical Test

The ~~Massachusetts~~Virginia PAP uses statistical methodologies as one means to determine if "parity" exists between Verizon ~~MA~~VA's wholesale and retail performance. For measures where parity is the standard and a sufficient sample size exists, a "modified z statistic" is used. The statistical methodology is described in Appendix D.

(d)   Scoring

Each of the measures within the MOE segment is graded with a 0, -1, or -2 based on the statistical analysis and the magnitude of the its z-statistic for the month. The performance score for each metric is then weighted. These weights were developed to reflect the importance of that metric in determining that markets are open to competition. Critical Measures performance is scored against sliding scales based on the statistical score and the magnitude of the difference between wholesale service and the applicable standards. Special Provisions are scored against

absolute standards of performance. Each of the scoring, weighting, and credit distribution processes is contained in Appendices A, B, C, E, and F.

(e)   Self-executing aspects

Verizon ~~MA~~VA will report its performance on the ~~Massachusetts~~Virginia PAP on a monthly basis. Within 30 days of the close of the second month after the month in which performance is being reviewed, PAP credits will be processed for each CLEC. However, if a CLEC has received credits under the *Consolidated Arbitrations* for the same quarter, in an amount greater than credits due under the PAP, no additional credit will be made. See Section II. H. for further explanation. The ~~Massachusetts~~Virginia PAP will go into effect coincident with Verizon's entry into the long distance market in ~~Massachusetts~~Virginia.

3.   Dollars at Risk

The structure of the ~~Massachusetts~~Virginia PAP includes three credit categories: Mode of Entry, Critical Measures, and Special Provisions. Each category has a ~~Massachusetts~~Virginia-specific credit schedule and cap which are presented in greater detail in the Appendices. The ~~Massachusetts~~Virginia PAP contains a maximum dollar amount at risk. The total cap for Verizon ~~MA~~VA is $19~~0.97~~~~155~~ million which is made up of a ~~Massachusetts~~Virginia PAP cap of $184.45~~149.72~~M and a CCAP cap of $6.52~~5.28~~ Million. The distribution of dollars is as follows:

	Dollars at Risk (millions)
Mode of Entry	$48.88~~39.68~~
Doubling of MOE	$48.88~~39.68~~
Critical Measures	$52.80~~42.85~~
Special Provisions	
Flow Through	$6.52~~5.29~~
Hot Cut Performance	$15.64~~12.70~~
EDI	$11.73~~9.52~~
~~PAP Total~~	~~$149.72~~

CCAP	$6.525.28
Verizon Total	$190.97155.00

Conditions for doubling of the MOE dollars at risk are explained fully in Section II.C.2. In addition, there is an additional category for Special Provisions associated with ordering that provides for an additional $15.6412.7M, paid from the MOE dollars at risk, if Verizon MAVA does not meet service standards and has not reached the cap level for MOE. If Verizon MAVA's performance results in payments that reach the overall monetary cap, the DepartmentCommission, at its discretion, may open a proceeding to resolve the underlying service problem. The DepartmentCommission retains the discretion to investigate extraordinary wholesale service performance issues and to take appropriate corrective action.

4. Accurate Reporting of Data

The validation of Verizon MAVA's performance reporting was included as part of the independent, third-party OSS testing conducted by KPMG. Going forward, the MassachusettsVirginia PAP reporting of results will be subject to an annual audit. The first audit will begin 6 months after long distance entry.

II. PROVISIONS OF THE PLAN

A. Measures, Methods of Analysis and Standards

1. Measures

The measures and standards in the ~~Massachusetts~~Virginia PAP have been taken directly from the Virginia ~~Guidelines for~~ Carrier-to-Carrier (C2C) Guidelines Performance Standards and Reports ~~developed in New York Case 97-C-0139~~ and cover the areas of Pre-order, Ordering, Provisioning, Maintenance and Repair, Billing and Network Performance. ~~On January 14, 2000, the Department adopted the New York C2C Performance Measurement Plan for evaluating Verizon MA's compliance with the requirements of Section 271 of the Telecommunications Act of 1996.~~

2. Methods of Analysis

Verizon ~~MA~~VA will use two interrelated methods to monitor wholesale performance to CLECs on the performance measurements. The first method is designed to measure Verizon ~~MA~~VA's overall Section 271 performance in four categories that correspond to the methods or modes CLECs use to enter the local exchange market: Resale; Unbundled Network Elements ("UNEs"); Interconnection (Trunks); and DSL. This is referred to as the Mode of Entry ("MOE") Measurements method, and a total of $48.88~~39.68~~ million in annual bill credits, with potential for doubling per the provisions in Section II.C.2, will be available to CLECs if Verizon ~~MA~~VA provides the maximum allowable unsatisfactory performance in all four MOE categories. (*See* Appendix A.) The MOE measurements provide a mechanism to measure the overall level of Verizon ~~MA~~VA's service to the entire CLEC industry in the four areas.

The second method, referred to as the Critical Measures measurements, measures Verizon ~~MA~~VA's performance in 12 critical areas, on both a CLEC-specific and a CLEC-

aggregate basis. The Critical Measures, which are a subset of the measures included in the MOE

segment are: (1) OSS Interface; (2) % On-Time Ordering Notification; (3) % Completed; (4a) %

Missed Appointment - VZ - Total - EEL; (4b) % Missed Appointments; (5) % Missed

Appointments - VZ - No Dispatch - Platform; (6) Hot Cut Performance; (7) % On-Time

Performance - UNE LNP; (8) Missed Repair Appointments,; (9) Mean Time to Repair; (10) %

Repeat Reports within 30 days ,; (11) Final Trunk Groups Blocked; and (12) Collocation. A

total of $52.80~~42.85~~ million in annual bill credits will be available to CLECs if Verizon ~~MA~~VA

provides the maximum allowable out of parity performance on all 12 Critical Measures. (*See*

Appendix B.) The Critical Measures cover Verizon ~~MA~~VA's service in areas critical to the

CLECs and provide a mechanism to assure that CLECs on an individual basis are receiving non-

discriminatory service.

In addition, the Plan contains a "Special Provisions" segment that focuses on a number of

measures that measure key aspects of Verizon ~~MA~~VA's performance after it gains entry into the

InterLATA long distance market. In order to assure that Verizon ~~MA~~VA will provide

satisfactory service in these key areas, *e.g.*, flow through and hot cuts, $22.16~~17.99~~ million is

made available in addition to the $101.68 ~~82.53~~ million available under the MOE and Critical

Measures for bill credits for these measures. In addition, $15.64~~12.7~~ million will be available for

certain UNE ordering measures, to be paid from the MOE dollars at risk, if Verizon ~~MA~~VA does

not meet service standards and has not reached the cap level for MOE. (*See* Section II.E. *infra*.)

3. Standards

Each measure will be evaluated according to one of two standards. For the measures where a Verizon ~~MA~~VA retail analog exists, a "parity" standard will be applied.[1] For those measures where no retail analogs are available, an absolute standard has been specified as a surrogate to determine whether Verizon ~~MA~~VA is providing non-discriminatory service to the CLECs. The metrics with absolute standards are displayed in Appendix C.

B. Distribution Of The MOE and Critical Measures Credits

1. Distribution of Bill Credits

Annual bill credits totaling $~~48.88~~39.68 million are attributed to the MOE measures and are distributed to each of the MOE categories in amounts that reflect the importance of that MOE to the local exchange competition. Each month one-twelfth (1/12) of the annual amount will be available for bill credits. (*See* Appendix A.) An analogous principle has been applied to the $~~52.80~~42.85 million associated with Critical Measures bill credits. (*See* Appendix B.)

2. Reallocation of Potential Bill Credits

The ~~Department~~Commission will have the authority to reallocate the monthly distribution of bill credits between and among any provisions of the Plan and the Change Control Assurance Plan. The ~~Department~~Commission will give the Company 15 days notice prior to the beginning of the month in which the reallocation will occur. Any reallocation will be done pursuant to ~~Department~~Commission order.

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[1] The parity measures in the Plan fall into two categories: Measured variables and Counted variables. Measured variables are metrics of means or averages, such as mean time to repair. Counted variables are metrics of proportions such as percent measures.

C. MOE Scoring And Bill Credit Calculations

1. Scoring

The measures and standards for the MOE measurements have been placed into four categories: Resale, UNE, Interconnection (Trunks) and DSL. Since the 1996 Act requires that Verizon ~~MA~~VA provide interconnection "that is at least equal in quality" to that provided to itself, and "nondiscriminatory access" to unbundled elements, each month Verizon ~~MA~~VA will apply statistical tests, which are described in Appendix D, to Verizon ~~MA~~VA and CLEC performance data to develop z scores, t scores or equivalent permutation scores for the measures.[2] These statistical scores will be converted into a performance score for each MOE measure as follows:

Statistical Score	Performance Score
$Z \leq -1.645$	-2
$-1.645 < Z \leq -0.8225$	-1
$-0.8225 < Z$	0

For small sample sizes of measures with a parity standard, the Permutation Test will be applied to obtain the statistical scores, which will be converted into a performance score. (*See* Appendix D.) For small sample sizes of measures with an absolute standard of 95%, a small sample size table will be applied to obtain the performance scores. Measures with absolute standards will be given a performance score of 0, -1, or -2 depending on the performance for that measure. (*See* Appendix C.)

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[2] The statistical methodologies set forth in Appendix D were taken from the New York State

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Thus, for each of the measures within the four MOE categories, Verizon ~~MA~~VA's performance will be graded 0, -1, or -2. Each measure with a performance score of -1 in a given month will be subject to change, depending upon the score for that measure in the next two months. Should Verizon ~~MA~~VA maintain a performance score of 0 for the next two months, then the score in the original month will be changed from -1 to 0. The 0 would then be used in conjunction with all of the other metrics in that MOE category to determine an aggregate score. A score of -2 in a given month will not be subject to change based upon performance in subsequent months. The performance score for each metric will then be weighted, based upon the importance of the metric in determining whether that MOE is open to competition. (*See* Appendix A, which lists the weights for the MOE measurements.) The weighted scores will then be aggregated (averaged) by each MOE category (Resale, UNE, Interconnection and DSL), producing an overall weighted score for each of the four categories.

2. Bill Credit Calculations

If Verizon ~~MA~~VA's overall (aggregate) performance score in the four categories falls below a minimum score in any given month, wholesale price reductions in the form of bill credits will be implemented and remain in effect for one month.[3] If an overall score falls to the maximum score or below, the maximum wholesale price reduction will be implemented. Scores between the minimum and maximum scores will also be entitled to credits pursuant to a credit table for each MOE category. Credit Tables with the range of scores between the minimum and

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Carrier-to-Carrier Guidelines Performance Standards and Reports in Case 97-C-0139.

[3] The intent is that the minimum score for each MOE category corresponds to the threshold at which there is a 95% certainty that parity does not exist.

maximum and the applicable rates appear in Appendix A. The bill credits payable to the CLECs will be determined each month by dividing the amount from the table in Appendix A by the actual monthly volumes of the CLEC units in service. The measurement units for each of the MOEs is as follows:

1. UNE – Lines in service at end of month;
2. Resale – Lines in service at end of month;
3. Interconnection (Trunks) – Minutes of use in month; and
4. DSL – Lines in service at end of month.[4]

The maximum scores represent the maximum allowable out of parity condition. The minimum and maximum performance scores and the start point percentages are as follows:

	Minimum Market Adj.	Maximum Market Adj.	% MarketAdj at Minimum[5]
UNE	-.17129	-.67000	20%
Resale	-.16922	-.67000	20%
Interconnection	-.31909	-1.0000	20%
DSL[6]	.-19705	-.67000	20%

If an aggregate MOE score is less than one half the difference (*i.e.*, below the midpoint) between the minimum and maximum scores in any one of the four MOE categories for three

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[4] For the purpose of the Plan:
   1. Lines in service for UNE means UNE-Platform lines, all types of loops and IOF.
   2. Lines in service for Resale means Resale lines plus circuits.
   3. Trunks – minutes of use per month.
   4. Lines in service for DSL means DSL UNE loops and line shared loops.

[5] The "% Market Adj. At Minimum" indicates the amount of monthly bill credits that will be due to CLECs if Verizon ~~MA~~VA trips the minimum score. For example, if Verizon ~~MA~~VA were to score -.173 on the UNE MOE in a month, 20% of the $1,984,000 monthly amount would be due. (*See* Appendix A.)

[6] The minimum and maximum market adjustment scores above for DSL have been calculated assuming PR-3-03 to be an absolute measure. However, if the provisioning interval for line sharing to CLECs is better than the absolute standard, PR-3-03 would be scored as a parity

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consecutive months, the amounts in the credit tables in Appendix A for that same three-month period will be doubled for the applicable MOE category. (The midpoints for the MOEs are delineated in Appendix A.) The amounts in Appendix A will remain doubled until such time as Verizon ~~MA~~VA achieves a score of one quarter (or greater) the difference between the minimum and maximum scores in that category in any given month. Appendix E provides a detailed step-by-step description of how the MOE performance scores and bill credits will be calculated and distributed to the CLECs.

3.   The Domain Clustering Rule

Domain Clustering will provide CLECs with an additional layer of protection under the MOE mechanism. The term Domain refers to four service quality measures, *i.e.*, Pre-Order Ordering, Provisioning, and Maintenance and Repair)[7] that are included in the UNE and Resale MOEs. Under the Domain Clustering Rule, each Domain will be reviewed each month. If 75% or more of the respective Ordering, Provisioning, or Maintenance and Repair Domain weights are tripped, the higher of the clustering overlay or overall market score will be used to determine the market adjustments for the UNE, Resale and DSL MOEs. The same rule will apply to the Pre-Ordering Domain, except that the clustering overlay would be effective if all Pre-Ordering response time measures failed at the -2 level, in which case 75% would be used in the overlay calculations. The Domain Clustering methodologies are set forth in detail in Appendix E.

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measure, and the scores would range from -.22082 to -.67000.

[7]   The domains do not include billing.

D. Critical Measures Scoring And Bill Credit Calculations

1. Scoring

Verizon ~~MA~~VA's performance in 12 measurement categories is critical to the CLECs' ability to compete in the ~~Massachusetts~~Virginia local exchange market. Should Verizon ~~MA~~VA performance miss the applicable performance standards for even *one* of these 12 categories, eligible CLECs will be entitled to bill credits. (*See* Appendix B.) The statistical tests and performance scoring mechanism described in the MOE section also apply to these measures.[8]

2. Bill Credit Calculations

For each Critical Measure, Verizon ~~MA~~VA's performance for all CLECs during a given month will be averaged. Should the resulting performance score in any one category fall to -1 or below ("sub-standard performance"),[9] 50% of the maximum bill credits for that measure will be payable to eligible CLECs. The eligible CLECs are all those CLECs that received Sub-Standard Performance during that month (the "Aggregate Rule"). In addition, should any CLEC receive sub-standard performance for two consecutive months, bill credits for that CLEC will be implemented for the two month period, notwithstanding the fact that all CLECs on average may have received satisfactory performance during the two months (the "Individual Rule").[10]

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[8] To the extent that a Critical Measure contains more than one measure, the weights from Appendix A will be used to determine the amount of bill credits available for the individual measure.

[9] The Permutations Test will be used to derive Z and t scores for measures with small sample sizes as described in the Guidelines and Appendix D.

[10] If all CLECs on average received an aggregate score below -1 for both months, the individual CLEC with the below average score would be entitled to bill credits for the Critical Measure in question under the Aggregate Rule. Likewise, if all CLECs on average received an aggregate score below -1 for the first of the two months and an aggregate score above -1 for the second month, the individual CLEC with sub-standard performance during both months would be

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Bill credits will increase by ten incremental amounts for performance scores between -1 and -2, or Z or t scores between -0.8225 and -1.645. The amounts payable to each CLEC will be in direct proportion to the amount of service that CLEC receives from Verizon ~~MA~~VA compared to the other CLECs who received sub-standard performance pursuant to the critical measure. For example, under Critical Measure No. 10, % Repeat Reports within 30 days, the percent of bill credits for an unsatisfactory score would be calculated by determining the number of lines a CLEC had compared to other CLECs that received sub-standard performance. [11] If a score falls to the maximum level, the maximum bill credits will be implemented for the Critical Measure in question.

Appendix F provides a detailed step-by-step description of how the Critical Measures scores and bill credits will be calculated and distributed to the CLECs.

E.   Special Provisions

A number of key measures have been identified that measure aspects of Verizon ~~MA~~VA's performance on service quality items that are viewed as essential for CLECs during the first year after Verizon ~~MA~~VA's entry in the InterLATA market. Accordingly, additional funds will be made available for these measures under the subparagraphs described below.

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entitled to receive bill credits pursuant to the Aggregate Rule for the first month and pursuant to the Individual Rule for the second month. A CLEC is only entitled to receive Bill Credits under the Individual Rule if it receives a score of -1 or less in a Critical Measure category and the CLEC group on average received a score greater than -1 for the Critical Measure.

[11]   For Collocation – bill credits distribution will be determined by the cages completed during month, *i.e.*, collocation arrangements completed: all arrangements including (a) physical, (b) virtual and (c) other collocation arrangements provided under tariff.

1.   Flow Through Measures For UNEs

Verizon ~~MA~~VA will make an additional $~~5.29~~6.52 million available for potential bill credits, which will be paid on a quarterly basis, for the following flow through UNE metrics measured on a cumulative quarterly basis: OR-5-01 "% Flow Through - Total" and OR-5-03 "% Flow Through Achieved."[12] A performance standard of 80% will apply to OR-5-01, and a performance standard of 95% will apply to OR-5-03. If at the end of any quarter Verizon ~~MA~~VA has not achieved one of these two performance standards, it will distribute $~~1,322,500~~1.63 million in bill credits. The first point of assessment will be upon Verizon ~~MA~~VA's entry into the interLATA market, and any bill credits due under this section will be distributed at that point based upon performance during the three calendar months preceding entry into the interLATA market. The bill credits will be available to all CLECs purchasing UNEs. Any amounts due will be credited based on the CLEC's lines in service.[13] The scoring methodology for this measure is set forth in more detail in Appendix H.

2.   UNE Ordering Performance

An additional $~~1,058,333~~1,303,417 per month, or $~~12.7~~15.64 million annually, will be made available for bill credits for four non-flow through UNE performance measures:

> OR-1-04 % On Time LSRC < 10 lines (Electronic) – POTS
> OR-1-06 % On Time LSRC ≥ 10 lines (Electronic) – POTS
> OR-2-04 % On Time LSR Reject < 10 lines (Electronic) – POTS
> OR-2-06 % On Time LSR Reject ≥ 10 lines (Electronic) – POTS

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[12]   The definition of "% Flow Through Achieved" and the appropriate exclusions for this measure will be determined in the current phase of Case 97-C-0139.

[13]   Lines in service will equal:UNE-P, UNE Loops, IOF, and EEL Loops.

Funding for these additional bill credits will come from any unused MOE funds in a month or the six prior months. $325,854~~264,583~~ in bill credits per metric will be distributed under this section to all CLECs ordering UNEs based on the CLEC's lines in service if performance is less than 90% on the respective measures. These credits will be distributed like the bill credits under Critical Measures, Aggregate Rule. (*See* Appendix H.)

### 3.	Additional Hot Cut Performance Measures

An additional $15.64~~12.7~~ million for bill credits will be made available for service quality related to two Hot Cut Performance Measures: PR-9-01 "Missed Appointment - % on Time Performance - Hot Cut" and PR-6-02 "Installation Quality - % Installation Troubles Reported Within 7 Days."   Bill credits will be paid under this section if either of two events occurs:

(a)	If for any two consecutive months, Verizon ~~MA~~VA fails to achieve either 90% on-time performance for Hot Cuts or has greater than a 3.00% rate for installation troubles within 7 days for hot cuts, Verizon ~~MA~~VA will distribute $651,708~~529,167~~ in bill credits to the affected CLECs. These credits will be distributed like the bill credits under Critical Measures, Aggregate Rule. If Verizon ~~MA~~VA fails to meet either of these measures in the first month, but meets them in the second month, no bill credits will be due.

(b)	If for any one month, Verizon ~~MA~~VA fails to achieve 85% on-time performance for Hot Cuts or scores greater than a 4.00% rate for installation troubles within 7 days for hot cuts, Verizon ~~MA~~VA will distribute $1,303,417~~1,058,333~~ in bill credits to the affected CLECs for that month. These credits will be distributed like the bill credits under Critical Measures, Aggregate Rule. (*See* Appendix H.)

### 4.	Electronic Data Interface Measures

In order to ensure that the Electronic Data Interface ("EDI") between Verizon ~~MA~~VA Operational Support Systems ("OSS") and the CLEC systems is providing non-discriminatory

service, $11.73~~9.52~~ million in additional funds will be made available for the measures described below.

a. % Missing Notifier Trouble Ticket PONs Cleared Within 3 Business Days

The new measure is defined as the percent of EDI missing notifier trouble ticket PONs cleared within 3 business days from the day of receipt of the trouble ticket. The elapsed time begins with receipt at the Verizon Systems Support Help Desk of a trouble ticket for the EDI missing notifiers (*i.e.*, order acknowledgement, order confirmation, order rejection, work completion, and billing completion notices) with the PONs in questions enumerated with the appropriate identification. The ticket is considered cleared when Verizon ~~MA~~VA has either requested the CLEC to resubmit the PON or communicated the current status of the PON and provided the delayed status notifier to the CLEC. Tickets received after 5 P.M. and trouble ticket clearances sent after 5 P.M. will be considered effective on the following business day. Performance shall be reported for the week in which the trouble ticket was received. This measure has a standard of 90% and $651,667~~528,889~~ in additional bill credits are available per month for CLECs if this is not satisfied. In addition, this measure is subject to the requirement that no more than 5% of the orders resubmitted by CLECs at Verizon ~~MA~~VA's request are rejected as duplicates. Verizon ~~MA~~VA must satisfy both standards to avoid the payment of bill credits. (*See* Appendix H.)

b. % SOP To Bill Completion Within 3 Business Days

This measure is defined as the percent of orders provisioning complete in Verizon ~~MA~~VA's Service Order Processor ("SOP") that have BCN notices within 3 business days. The source of this information is the Ordering Metrics Management System~~DCAS PON Master File~~. The start time is when physical completion of the order has been entered into SOP.

The end time is when the BCN is time stamped in ~~DCAS~~Request Manager. $325,833~~264,444~~ in additional bill credits will be available for this measure. (*See* Appendix H.)

F.   The Change Control Assurance Plan

A total of $6.52~~5.28~~ million will be placed at risk for the Change Control Process for those CLECs operating in ~~Massachusetts~~Virginia. The credits will be made available using the same methodology used in New York. The Change Control process that is currently in place is common to systems in ~~Massachusetts~~Virginia and New York. A copy of the currently effective CCAP is attached as Appendix I.

G.   Monthly Reports

In order to ensure that there is timely information regarding Verizon ~~MA~~VA's performance, Verizon ~~MA~~VA will report its performance on a monthly basis. Each month, a 6-page report will be made available to all CLECs providing service in ~~Massachusetts~~Virginia.

A sample copy of the report appears in Appendix G. The first four pages will provide information regarding the MOE measures and will include:

1.   Verizon ~~MA~~VA actual performance to its retail customers where such measures exist and to CLECs for each metric;

2.   The number of observations for Verizon ~~MA~~VA and the CLECs for each measure (where applicable);

3.   The Verizon ~~MA~~VA standard deviation (where applicable);

4.   The sampling error (where applicable);

5. The appropriate statistical scores (where applicable)[14] or the difference between Verizon ~~MA~~VA's and the CLECs' actual performance on the measure (where applicable);

6. A performance score for each measure;

7. The weight for each measure;

8. The weighted performance score; and

9. An aggregation of the performance scores, weighted performance scores, and aggregate bill credits[15], if any, due under each MOE.

The fifth page will list the Critical Measures and the bill credits, if any, that are due for these measures on an aggregate CLEC basis. The sixth page will include Special Provisions. The seventh page will include a summary of the CCAP measures and the bill credits due, if any. The eighth page will provide a summary of the total bill credits, if any, due the CLEC industry. The ninth page will provide the amount, if any, due to the individual CLEC for the MOE and Critical Measures.[16] The monthly report will be provided within 2~~5~~ days of the end of each month.

Verizon ~~MA~~VA will continue to provide a separate report on all measures established in the New York C2C proceeding (Case 97-C-0139), allowing for additions, deletions and other modifications ordered by the ~~Department~~Commission. In addition, to the extent allowed by law, Verizon ~~MA~~VA will make available CLEC-specific C2C electronic reports enabling those

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[14] A Permutations Test will be applied to small sample sizes to obtain a probability. The probability will be converted to a Z or t score, which in turn will be converted to a performance score as described in the Guidelines and Appendix D.

[15] Bill credit information will be provided and processed quarterly.

[16] The computer model that will be used to calculate the MOE and Critical Measures bill credits will be posted on Verizon ~~MA~~VA's TISOC Website after the Plan becomes effective.

receiving the reports to evaluate performance at greater levels of detail. The C2C reports will be made available to any CLEC requesting the reports.

H.   Bill Credits Payment

Under the ~~Massachusetts~~Virginia PAP, a CLEC that is currently being provided with performance reports and credits under the ~~Department~~Commission's *Consolidated Arbitrations* plan will receive the higher of the credits calculated under the two plans on a quarterly basis.

Should Verizon ~~MA~~VA's performance not meet the standards set forth above for the MOE and Critical Measure measurements, CLECs will receive bill credits for those MOE categories or Critical Measures scores that fall below the respective minimum levels. To the extent warranted, bill credits in the amount due under the *Consolidated Arbitrations* for the previous quarter will be credited to each CLEC's account within 30 days of the close of the quarter in which the unsatisfactory performance has occurred. Due to the offset provision for non-compliant measures with performance scores of –1 in the ~~Massachusetts~~Virginia PAP, final performance results under the ~~Massachusetts~~Virginia PAP cannot be determined until after the close of the second month after the month under review. If the cumulative monthly credit amounts due under the ~~Massachusetts~~Virginia PAP for a quarter exceed those due under the *Consolidated Arbitrations* for the same quarter, the additional credit amounts will be made within 30 days of the close of the second month after the month under review.

For example, in the first month following the end of a quarter, Verizon ~~MA~~VA will report results for the entire quarter just completed under the *Consolidated Arbitrations* plan and for the first month of the quarter under the ~~Massachusetts~~Virginia PAP (*e.g*., January ~~Massachusetts~~Virginia PAP results become final in April). CLECs will receive whichever credits are greater, those determined by three months reported in the *Consolidated Arbitrations* or those determined by one month of the ~~Massachusetts~~Virginia PAP.

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In the second month following the end of a quarter, Verizon ~~MA~~VA will report ~~Massachusetts~~Virginia PAP results for the second month of the quarter being reviewed (*e.g.*, February ~~Massachusetts~~Virginia PAP results become final in May). Verizon ~~MA~~VA will then compare the total credits assessed under the ~~Massachusetts~~Virginia PAP for the first two months of the quarter with those paid the prior month. If the credits under two months of the ~~Massachusetts~~Virginia PAP are greater than those previously paid, CLECs will receive additional credits. The amount of the additional credit will be equal to the difference between the two month total ~~Massachusetts~~Virginia PAP credits and the total credits previously processed for the quarter.

In the third month following the end of a quarter, Verizon ~~MA~~VA will report ~~Massachusetts~~Virginia PAP results for the third month of the quarter being reviewed (*e.g.,* March ~~Massachusetts~~Virginia PAP results become final in June). Verizon ~~MA~~VA will then compare the total credits assessed under the ~~Massachusetts~~Virginia PAP for the three months of the quarter with those previously paid. If the credits under three months of the ~~Massachusetts~~Virginia PAP are greater than those previously paid, CLECs will receive additional credits. The amount of the additional credit will be equal to the difference between the three month total ~~Massachusetts~~Virginia PAP credits and the total credits previously processed for the quarter. This ends the cycle for assessing service and credits for a given quarter.

If the total ~~Massachusetts~~Virginia PAP credits due for the quarter do not exceed those due under *Consolidated Arbitrations*, no additional credits will be issued. If a CLEC does not participate in the *Consolidated Arbitrations*, credit amounts will be made within 30 days of the close of the second month after the month under review.

If the bill credits exceed the balance due Verizon ~~MA~~VA on the CLEC's bill, the net balance will be carried as a credit on to the CLEC's next month's bill.

Verizon ~~MA~~VA will issue checks in lieu of outstanding bill credits to CLECs that discontinue taking service from Verizon ~~MA~~VA.

I.   Term Of Performance Assurance Plan

The plan will become effective the day that is the first day of a calendar month Verizon ~~MA~~VA enters into the interLATA market and the ~~Department~~Commission will reevaluate the appropriateness of the Plan when Verizon ~~MA~~VA eliminates its Section 272 affiliate. Until such time as a replacement mechanism is developed or the Plan is rescinded, the Plan will remain in effect, as it may be modified from time to time by the ~~Department~~Commission.

J.   Exceptions and Waiver Process

Recognizing that C2C service quality data may be influenced by factors beyond Verizon ~~MA~~VA's control, Verizon ~~MA~~VA may file Exception or Waiver petitions with the ~~Department~~Commission seeking to have the monthly service quality results modified on three generic grounds. The first involves the potential for "clustering" of data, and the effect that such clustering has on the statistical models used in this Plan. The requirements of the clustering exception are set forth in Appendix D.

The second ground for filing an exception relates to CLEC behavior. If performance for any measure is impacted by unusual CLEC behavior, Verizon ~~MA~~VA will bring such behavior to the attention of the CLEC and attempt to resolve the problem. Examples of CLEC behavior which may influence performance results include:

1. poor order quality, such as missing codes, incorrect codes or misspelled directory listings;

2. actions that cause excessive missed appointments, such as wrong addresses, wrong due dates or offered intervals shorter than the standard interval;

3. actions resulting in excessive multiple dispatch and repeat reports, such as incorrect dispatch information or inadequate testing by a CLEC;

4. inappropriate coding on orders, such as where extended due dates are desired and are not coded as such;

5. delays in rescheduling appointments when Verizon ~~MA~~VA has missed an appointment.

If such action negatively influences Verizon ~~MA~~VA's performance on any metric, Verizon ~~MA~~VA will be permitted to petition for relief. The petition, which will be filed with the ~~Department~~Commission and served on the CLEC, will provide appropriate, detailed documentation of the events, and will demonstrate that the CLEC behavior has caused Verizon ~~MA~~VA to miss the service quality target. Verizon ~~MA~~VA's petition must include all data that demonstrates how the measure was missed. It should also include information that excludes the data affected by the CLEC behavior. CLECs and other interested parties will be given an opportunity to respond to any Verizon ~~MA~~VA petition for an Exception. If the ~~Department~~Commission determines that the service results were influenced by inappropriate CLEC behavior, the data will be excluded from the monthly reports.

The third ground for filing a waiver relates to situations beyond Verizon ~~MA~~VA's control that negatively affect its ability to satisfy only those measures with absolute standards. The performance requirements dictated by absolute standards establish the quality of service under normal operating conditions, and do not necessarily establish the level of performance to

be achieved during periods of emergency, catastrophe, natural disaster, severe storms, work stoppage, or other events beyond Verizon ~~MA~~VA's control.

Verizon ~~MA~~VA may petition the ~~Department~~Commission for a waiver of specific performance results for those metrics that have performance targets dictated by absolute standards, if Verizon ~~MA~~VA's performance results do not meet the specific standard. This waiver process shall not be available for those metrics for which Verizon ~~MA~~VA's wholesale performance is measured by comparison to retail performance (parity metrics).

Any petition pursuant to this provision must demonstrate clearly and convincingly the extraordinary nature of the circumstances involved, the impact that the circumstances had on Verizon ~~MA~~VA's service quality, why Verizon ~~MA~~VA's normal, reasonable preparations for difficult situations proved inadequate, and the specific days affected by the event. The petition must also include an analysis of the extent to which the parity metrics (retail and wholesale) were affected by the subject event, and must be filed within 45 days from the end of month in which the event occurred.

The ~~Department~~Commission will determine which, if any, of the daily and monthly results should be adjusted in light of the extraordinary event cited, and will have full discretion to consider all available evidence submitted. Insufficient filings may be dismissed for failure to make a *prima facie* showing that relief is justified.

K. Annual Review, Updates And Audits

1. Annual Review And Updates

Each year the ~~Department~~Commission and Verizon ~~MA~~VA will review the Performance Assurance Plan to determine whether any modifications or additions should be made. During this review, the ~~Department~~Commission and Verizon ~~MA~~VA can determine, among other things, whether: (1) measures and weights should be modified, added or deleted; (2) modifications should be made to the distribution of dollars at risk among the four MOE and Critical Measures categories; (3) geographic deaveraging should be adopted for reporting metric results; (4) the clustering and CLEC behavior exceptions included in Appendix D should be modified; (5) small sample size procedures should be modified; and (6) the methodologies used to calculate the bill credits should be modified.[17] All aspects of the Plan, however, will be subject to review. The annual review process may be initiated no more than six months before the anniversary date of Verizon ~~MA~~VA's entry into the long distance market pursuant to Section 271.   Any modifications to the Plan will be implemented as soon as is reasonably practical after ~~Department~~Commission approval of the modifications.

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[17] In particular, during the first annual review, the methodology used to calculate amounts due to CLECs under the Individual Rule for bill credits under the Critical Measures category will be analyzed to determine whether the rule provides for an appropriate distribution of bill credits.

2. Changes to the New York Plan

Changes to the New York Plan adopted by the New York PSC will be filed with the ~~Department~~Commission within 10 days for inclusion in the ~~Massachusetts~~Virginia Plan upon the ~~Department~~Commission's approval.

3. Annual Audit

Each year the ~~Department~~Commission will audit Verizon's data and reporting, with the first audit beginning 6 months after Verizon ~~MA~~VA enters the Long Distance market in ~~Massachusetts~~Virginia. The audits shall be performed by an independent auditor, selected by the ~~Department~~Commission through a competitive bidding process and paid for by Verizon. The first audit will include an examination of data reliability issues. Subsequent audits will include an examination of data reliability issues at the ~~Department~~Commission's discretion.

VERIZON VIRGINIA

APPENDIX A

[DATE]

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APPENDIX A – MODE OF ENTRY

1.   Measures and Weights

Table A-1-1: Resale

Table A-1-2: Unbundled Network Elements

Table A-1-3: Interconnection Trunks

Table A-1-4: DSL

Note: BOLD **indicates Critical Measure**

Table A-1-1: Resale - Mode of Entry Weights

PO	Pre-Ordering	Weight	
1-01	**Customer Service Record-EDI**	**15**	
1-01	**Customer Service Record-CORBA**	**5**	
1-01	**Customer Service Record-WEB GUI**	**5**	
1-02	**Due Date Availability-EDI**	**5**	
1-02	**Due Data Availability-CORBA**	**2**	
1-02	**Due Data Availability-WEB GUI**	**2**	
1-03	**Address Validation-EDI**	**5**	
1-03	**Address Validation-CORBA**	**2**	
1-03	**Address Validation-WEB GUI**	**2**	
1-04	**Product and Service Availability-EDI**	**5**	
1-04	**Product and Service Availability-CORBA**	**2**	
1-04	**Product and Service Availability-WEB GUI**	**2**	
1-05	**Telephone Number Availability and Reservation-EDI**	**5**	
1-05	**Telephone Number Availability and Reservation-CORBA**	**2**	
1-05	**Telephone Number Availability and Reservation-WEB GUI**	**2**	
2-02	**OSS System Availability – Prime-EDI**	**20**	
2-02	**OSS System Availability - Prime-CORBA**	**10**	
2-02	**OSS System Availability - Prime-WEB GUI**	**10**	
3-02	% Answered within 30 Seconds – Ordering	10	
3-04	% Answered within 30 Seconds – Repair	10	
OR	**Ordering**		
1-02	% On Time LSRC - Flow Through - POTS	20	
1-04	% OT LSRC /ASRC – No Facility Check (Elec.- No Flow Through) – POTS	5	
1-04	% OT LSRC /ASRC – No Facility Check (Elec.- No Flow Through) – Specials	5	
1-06	% On Time LSRC /ASRC – Facility Check (Electronic) – POTS	5	
1-06	% On Time LSRC /ASRC – Facility Check (Electronic) – Specials	5	
2-02	% On Time LSR Reject - Flow Through – POTS	15	
2-04	% OT LSR/ASR Reject – No Facility Check (Elec.-No Flow Through)-POTS	5	
2-04	% OT LSR/ASR Reject - No Facility Check (Elec.-No Flow Through)-Specials	5	
2-06	% On Time LSR/ASR Reject - Facility Check (Electronic) – POTS	5	
2-06	% On Time LSR/ASR Reject - Facility Check (Electronic) – Specials	5	
4-09	% SOP to Bill Completion Notice Sent Within 3 Business Days	15	
5-03	% Flow Through Achieved – POTS and Specials	20	
PR	**Provisioning**		
3-08	% Completed w/in 5 Days (1-5 lines - No Dispatch) – POTS	10	
3-09	% Completed w/n 5 Days (1-5 lines - Dispatch) – POTS	5	
4-01	**% Missed Appointment - VZ- Total – Specials**	**10**	
4-02	Average Delay Days - Total – POTS	10	
4-02	Average Delay Days - Total – Specials	10	
4-04	**% Missed Appointment - VZ - No Dispatch – POTS**	**10**	
4-05	**% Missed Appointment- VZ- No Dispatch - POTS**	**20**	
5-01	% Missed Appointment - Facilities – POTS	10	
5-01	% Missed Appointment - Facilities – Specials	10	
5-02	% Orders Held for Facilities > 15 days – POTS	5	
5-02	% Orders Held for Facilities > 15 days – Specials	5	
6-01	% Installation Troubles within 30 days – POTS	15	
6-01	% Installation Troubles within 30 days – Specials	15	
MR	**Maintenance & Repair**		
1-01	Average Response Time - Create Trouble	5	
1-03	Average Response Time - Modify Trouble	5	
1-04	Average Response Time - Request Cancellation of Trouble	5	
1-06	Average Response Time - Test Trouble (POTS only)	5	
2-01	Network Trouble Report Rate – Specials	10	
2-02	Network Trouble Report Rate - Loop (POTS)	10	
3-01	% Missed Repair Appointments – Loop	20	
3-02	% Missed Repair Appointments - Central Office	5	
4-01	**Mean Time to Repair – Specials**	**20**	
4-02	**Mean Time to Repair - Loop Trouble**	**15**	
4-03	**Mean Time to Repair - CO Trouble**	**5**	
4-08	**% Out of Service > 24 Hours – POTS**	**20**	
4-08	% Out of Service > 24 Hours – Specials	10	
5-01	**% Repeat Reports w/in 30 days - POTS**	**15**	

5-01	% Repeat Reports w/in 30 days - Specials	15	
BI	**Billing**		
1-02	% DUF in 4 Business Days	10	
		541	

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Table A-1-2: Unbundled Network Elements - Mode of Entry Weights

PO	Pre-Ordering	Weight
1-01	**Customer Service Record-EDI**	**15**
1-01	**Customer Service Record-CORBA**	**5**
1-01	**Customer Service Record-WEB GUI**	**5**
1-02	**Due Date Availability-EDI**	**5**
1-02	**Due Data Availability-CORBA**	**2**
1-02	**Due Data Availability-WEB GUI**	**2**
1-03	**Address Validation-EDI**	**5**
1-03	**Address Validation-CORBA**	**2**
1-03	**Address Validation-WEB GUI**	**2**
1-04	**Product and Service Availability-EDI**	**5**
1-04	**Product and Service Availability-CORBA**	**2**
1-04	**Product and Service Availability-WEB GUI**	**2**
1-05	**Telephone Number Availability and Reservation-EDI**	**5**
1-05	**Telephone Number Availability and Reservation-CORBA**	**2**
1-05	**Telephone Number Availability and Reservation-WEB GUI**	**2**
2-02	**OSS Interface Availability – Prime-EDI**	**20**
2-02	**OSS Interface Availability -Prime-CORBA**	**10**
2-02	**OSS Interface Availability-Prime-WEB GUI**	**10**
3-02	% Answered within 30 Seconds – Ordering	10
3-04	% Answered within 30 Seconds – Repair	10
OR	**Ordering**	
1-02	% On Time LSRC - Flow Through - POTS	20
1-04	% OT LSRC/ASRC – No Facility Check (Elec.-No Flow Through)-POTS	5
1-04	% OT LSRC/ASRC – No Facility Check (Elec.-No Flow Through)-Specials	5
1-06	% On Time LSRC/ASRC – Facility Check (Electronic) – POTS	5
1-06	% On Time LSRC/ASRC – Facility Check (Electronic) – Specials	5
2-02	% On Time LSR Reject - Flow Through – POTS	15
2-04	% OT LSR/ASR Reject – No Facility Check (Elec.-No Flow Through)-POTS	5
2-04	% OT LSR/ASR Reject – No Facility Check (Elec.-No Flow Through)-Specials	5
2-06	% On Time LSR/ASR Reject – Facility Check (Electronic) – POTS	5
2-06	% On Time LSR/ASR Reject – Facility Check (Electronic) – Specials	5
4-09	**% SOP to Bill Completion Sent Within 3 Business Days**	**15**
5-03	**% Flow Through – Achieved - POTS & Specials**	**20**
PR	**Provisioning**	
3-08	% Completed w/in 5 Days (1-5 lines-No Dispatch)-UNE-P/Other	10
3-09	% Completed w/in 5 Days (1-5 lines-Dispatch)-UNE-P/Other	5
4-01	**% Missed Appointment - VZ – Total – Specials**	**10**
4-01	**% Missed Appointment - VZ – Total – EEL**	**10**
4-01	% Missed Appointment - BA - Total – IOF	10
4-02	Average Delay Days - Total – POTS	10
4-02	Average Delay Days - Total – Specials	10
4-04	% Missed Appointment - VZ– Dispatch – Platform	10
4-04	**% Missed Appointment - VZ – Dispatch - New Loop**	**10**
4-05	**% Missed Appointment- VZ - No Dispatch – Platform**	**20**
5-01	% Missed Appointment - Facilities – POTS	10
5-01	% Missed Appointment - Facilities – Specials	10
5-02	% Orders Held for Facilities > 15 days – POTS	5
5-02	% Orders Held for Facilities > 15 days – Specials	5
6-01	% Installation Troubles within 30 days - POTS Other	15
6-01	% Installation Troubles within 30 days – Specials	15
6-02	**% Installation Troubles within 7 days – Hot Cut Loops**	**15**
9-01	**% On Time Performance - Hot Cut**	**20**

MR	Maintenance & Repair		
1-01	Average Response Time - Create Trouble	5	
1-03	Average Response Time - Modify Trouble	5	
1-04	Average Response Time - Request Cancellation of Trouble	5	
1-06	Average Response Time - Test Trouble (POTS only)	5	
2-01	Network Trouble Report Rate – Specials	10	
2-02	Network Trouble Report Rate - Loop (POTS)	10	
3-01	% Missed Repair Appointments – Loop	20	
3-02	% Missed Repair Appointments - Central Office	5	
4-01	**Mean Time to Repair – Specials**	**20**	
4-02	**Mean Time to Repair - Loop Trouble**	**15**	
4-03	**Mean Time to Repair - CO Trouble**	**5**	
4-08	**% Out of Service > 24 Hours – POTS**	**20**	
4-08	% Out of Service > 24 Hours – Specials	10	
5-01	**% Repeat Reports w/in 30 days - POTS**	**15**	
5-01	**% Repeat Reports w/in 30 days - Specials**	**15**	
BI	Billing		
1-02	% DUF in 4 Business Days	10	
		606	

Table A-1-3: Interconnection - Mode of Entry Weights

OR-	Ordering	Weight	
1-12	% On Time Firm Order Confirmations	15	
1-13	% On Time Design Layout Record	10	
2-12	% On Time Trunk ASR Reject	10	
PR-	**Provisioning**		
4-01	**% Missed Appointment - VZ – Total**	**20**	
4-02	Average Delay Days – Total	10	
4-07	**% On Time Performance - LPN only**	**20**	
5-01	% Missed Appointment – Facilities	10	
5-02	% Orders Held for Facilities > 15 Days	10	
6-01	**% Installation Troubles w/in 30 Days**	**15**	
MR-	**Maintenance & Repair**		
4-01	**Mean Time to Repair – Total**	**20**	
5-01	% Repeat Reports w/in 30 Days	10	
NP-	**Network Performance**		
1-03	**# of Final Trunk Groups Blocked 2 Months**	**20**	
1-04	**# of Final Trunk Groups Blocked 3 Months**		
		170	

Table A-1-4: DSL - Mode of Entry Weights

PO	Pre-Ordering	Weight
1-06	**Facility Available/Loop Qualification-EDI**	**5**
1-06	**Facility Available/Loop Qualification-WEB GUI**	**5**
8-01	Average Response Time – Manual Loop Qualification	5
8-02	Average Response Time – Engineering Record Response	5
OR	**Ordering**	
1-04	% OT LSRC/ASRC – No Facility Check (Elec.-No Flow Through) - 2 Wire Digital	2
1-04	**% OT LSRC/ASRC – No Facility Check (Elec.-No Flow Through) - 2 WirexDSL**	**10**
1-04	**% OT LSRC/ASRC – No Facility Check (Elec.-No Flow Through) – Line Share**	**10**
1-06	% On Time LSRC/ASRC – Facility Check (Electronic) – 2 Wire Digital	2
1-06	% On Time LSRC/ASRC – Facility Check (Electronic) – 2 Wire xDSL	5
1-06	% On Time LSRC/ASRC – Facility Check (Electronic) – Line Share	5
2-04	% OT LSR/ASR Reject – No Facility Check (Elec.-No Flow Through)- 2 Wire Digital	2
2-04	**% OT LSR/ASR Reject – No Facility Check (Elec.-No Flow Through)- 2 Wire xDSL**	**10**
2-04	**% OT LSR/ASR Reject – No Facility Check (Elec.-No Flow Through)- Line Share**	**10**
2-06	% On Time LSR/ASR Reject – Facility Check (Electronic) – 2 Wire Digital	2
2-06	% On Time LSR/ASR Reject – Facility Check (Electronic) – 2 Wire xDSL	5
2-06	% On Time LSR/ASR Reject – Facility Check (Electronic) – Line Share	5
PR	**Provisioning**	
3-03	**% Completed w/in 3 Days (1-5 lines-Total)-Line Share**	**10**
3-10	**% Completed w/in 6 Days (1-5 lines-Total)-2WirexDSL**	**10**
4-02	Average Delay Days - Total – 2 Wire Digital	2
4-02	**Average Delay Days - Total – 2 WirexDSL**	**10**
4-02	**Average Delay Days - Total – Line Share**	**10**
4-04	% Missed Appointment - VZ – Dispatch – 2 Wire Digital	2
4-04	**% Missed Appointment - VZ – Dispatch – 2 WirexDSL**	**20**
4-04	% Missed Appointment - VZ – Dispatch - Line Share	5
4-05	**% Missed Appointment - VZ – No Dispatch - Line Share**	**20**
6-01	% Installation Troubles within 30 days - 2 Wire Digital	2
6-01	% Installation Troubles within 30 days – 2 Wire xDSL	10
6-01	% Installation Troubles within 30 days – Line Share	10
MR	**Maintenance & Repair**	
2-02	Network Trouble Report Rate –Loop - 2 Wire Digital	2
2-02	Network Trouble Report Rate - Loop – 2 Wire xDSL	5
2-02	Network Trouble Report Rate - Loop – Line Share	5
2-03	Network Trouble Report Rate - CO - 2 Wire Digital	2
2-03	Network Trouble Report Rat e - CO – 2 Wire xDSL	5
2-03	Network Trouble Report Rate - CO – Line Share	5
3-01	% Missed Repair Appointments - 2 Wire Digital	2
3-01	**% Missed Repair Appointments – 2 Wire xDSL**	**20**
3-01	**% Missed Repair Appointments – Line Share**	**20**
3-02	% Missed Repair Appointments - Central Office - 2 Wire Digital	2
3-02	% Missed Repair Appointments - Central Office – 2 Wire xDSL	10
3-02	% Missed Repair Appointments - Central Office – Line Share	10
4-02	Mean Time to Repair - Loop Trouble - 2 Wire Digital	2
4-02	**Mean Time to Repair - Loop Trouble – 2 WirexDSL**	**20**
4-02	**Mean Time to Repair - Loop Trouble – Line Share**	**20**
4-03	Mean Time to Repair - CO Trouble - 2 Wire Digital	2
4-03	Mean Time to Repair - CO Trouble – 2 Wire xDSL	10
4-03	Mean Time to Repair - CO Trouble – Line Share	10
5-01	% Repeat Reports w/in 30 days - 2 Wire Digital	2
5-01	**% Repeat Reports w/in 30 days – 2 WirexDSL**	**10**
5-01	**% Repeat Reports w/in 30 days – Line Share**	**10**
		373

2. **Mode of Entry: Dollars At Risk – $48,880,000**

	Resale	UNE	DSL	Trunks
Monthly	$543,111	$2,444,000	$543,111	$543,111
Annual	$6,517,333	$29,328,000	$6,517,333	$6,517,333

3. **Minimum and Maximum Bill Credit Tables:**

Table A-3-1: Resale

Table A-3-2: Unbundled Network Elements

Table A-3-3: Interconnection Trunks

Table A-3-4: DSL

Table A-3-1: Resale

- Maximum of $ 6,517,333 per year
- Maximum Credit Performance Score "X" = -0.67000
- Minimum threshold = -0.16922
- Mid-point between minimum and maximum = -0.41961

Score Range		Monthly Dollars:	
≤	And ³		
	-0.16922	$0	
-0.16922	-0.19558	$108,622	
-0.19558	-0.22193	$131,490	
-0.22193	-0.24829	$154,358	
-0.24829	-0.27465	$177,226	
-0.27465	-0.30100	$200,094	
-0.30100	-0.32736	$222,961	
-0.32736	-0.35372	$245,829	
-0.35372	-0.38007	$268,697	
-0.38007	-0.40643	$291,565	
-0.40643	-0.43279	$314,433	
-0.43279	-0.45915	$337,301	
-0.45915	-0.48550	$360,168	
-0.48550	-0.51186	$383,036	
-0.51186	-0.53822	$405,904	
-0.53822	-0.56457	$428,772	
-0.56457	-0.59093	$451,640	
-0.59093	-0.61729	$474,508	
-0.61729	-0.64364	$497,375	
-0.64364	-0.67000	$520,243	
-0.67000		$543,111	

Table A-3-2: Unbundled Network Elements

- Maximum of $ 29,328,000 per year
- Maximum Credit Performance Score "X" = -0.6700
- Minimum threshold = -0.17129
- Mid-point between minimum and maximum = -0.42065

Score Range		Monthly Dollars:	
$\leq$	And ^{3}		
	-0.17129	$0	
-0.17129	-0.19754	$488,800	
-0.19754	-0.22379	$591,705	
-0.22379	-0.25003	$694,611	
-0.25003	-0.27628	$797,516	
-0.27628	-0.30253	$900,421	
-0.30253	-0.32878	$1,003,326	
-0.32878	-0.35503	$1,106,232	
-0.35503	-0.38127	$1,209,137	
-0.38127	-0.40752	$1,312,042	
-0.40752	-0.43377	$1,414,947	
-0.43377	-0.46002	$1,517,853	
-0.46002	-0.48626	$1,620,758	
-0.48626	-0.51251	$1,723,663	
-0.51251	-0.53876	$1,826,568	
-0.53876	-0.56501	$1,929,474	
-0.56501	-0.59126	$2,032,379	
-0.59126	-0.61750	$2,135,284	
-0.61750	-0.64375	$2,238,189	
-0.64375	-0.67000	$2,341,095	
-0.67000		$2,444,000	

Table A-3-3: Interconnection Trunks

- Maximum of $ 6,517,333 per year
- Maximum Credit Performance Score "X" = -1.00000
- Minimum threshold = -0.31909
- Mid-point between minimum and maximum = -0.65955

Score Range		Monthly Dollars:		
≤	And ³			
	-0.31909	$0		
-0.31909	-0.37147	$108,622		
-0.37147	-0.42385	$142,044		
-0.42385	-0.47622	$175,467		
-0.47622	-0.52860	$208,889		
-0.52860	-0.58098	$242,311		
-0.58098	-0.63336	$275,733		
-0.63336	-0.68573	$309,156		
-0.68573	-0.73811	$342,578		
-0.73811	-0.79049	$376,000		
-0.79049	-0.84287	$409,422		
-0.84287	-0.89524	$442,844		
-0.89524	-0.94762	$476,267		
-0.94762	-1.00000	$509,689		
-1.00000		$543,111		

Table A-3-4: DSL

- Maximum of $ 6,517,333 per year
- Maximum Credit Performance Score "X" = -0.67000
- Minimum threshold = -0.19075
- Mid-point between minimum and maximum = -0.43353

Score Range		Monthly Dollars:		
≤	And ³			
	-0.19705	$0		
-0.19705	-0.22194	$108,622		
-0.22194	-0.24683	$131,490		
-0.24683	-0.27173	$154,358		
-0.27173	-0.29662	$177,226		
-0.29662	-0.32151	$200,094		
-0.32151	-0.34640	$222,961		
-0.34640	-0.37129	$245,829		
-0.37129	-0.39619	$268,697		
-0.39619	-0.42108	$291,565		
-0.42108	-0.44597	$314,433		
-0.44597	-0.47086	$337,301		
-0.47086	-0.49576	$360,168		
-0.49576	-0.52065	$383,036		
-0.52065	-0.54554	$405,904		
-0.54554	-0.57043	$428,772		
-0.57043	-0.59532	$451,640		
-0.59532	-0.62022	$474,508		
-0.62022	-0.64511	$497,375		
-0.64511	-0.67000	$520,243		
-0.67000		$543,111		

APPENDIX B

[DATE]

Table B 1: Critical Measures:

CR #	Metric	Verizon CRITICAL MEASURES	Resale $	UNE $	Trunks $	Collocation $	DSL $	Total $
		PRE-ORDERING						
1		**OSS Interface**	**108,642**	**241,427**			**77,601**	**427,670**
	PO-1-01	Customer Service Record – EDI	25,071	55,714				
	PO-1-01	Customer Service Record – CORBA	8,357	18,571				
	PO-1-01	Customer Service Record - WEB GUI	8,357	18,571				
	PO-1-06	Facility Availability (Loop Qualification) - EDI					38,801	
	PO-1-06	Facility Availability (Loop Qualification) - WEB GUI					38,801	
	PO-2-02	OSS Interface Availability - Prime - EDI	33,428	74,285				
	PO-2-02	OSS Interface Availability - Prime - CORBA	16,714	37,143				
	PO-2-02	OSS Interface Availability - Prime - WEB GUI	16,714	37,143				
		ORDERING						
2		**% On Time Ordering Notification**	**108,642**	**241,427**			**77,601**	**427,670**
	OR-1-02	% On Time LSRC - Flow Through - POTS - 2hrs	31,041	68,979				
	OR-1-04	% OT LSRC<10 Lines (Elec.-No Flow Through)-POTS	7,760	17,245				
	OR-1-04	% On Time LSRC <10 Lines (E) -2Wire xDSL					19,400	
	OR-1-04	% On Time LSRC <10 Lines (E) -DSL Line Share					19,400	
	OR-1-06	% OT LSRC >=10 Lines (Electronic) - POTS	7,760	17,245				
	OR-2-02	% On Time LSR Reject - Flow Through - POTS	23,280	51,734				
	OR-2-04	% OT LSR Rej.<10 lines (Elec.-No Flow Through)-POTS	7,760	17,245				
	OR-2-04	% OT LSRC Reject <10 Lines (E) -2Wire xDSL					19,400	
	OR-2-04	% OT LSRC Rej. <10 Lines (E) -DSL Line Share					19,400	
	OR-2-06	% On Time LSR Reject >= 10 Lines (Elec.) -POTS	7,760	17,245				
	OR-4-09	% SOP to Bill Completion Sent w/in 3 Bus. Days	23,280	51,734				
		PROVISIONING						
3		**% Completed**					**77,601**	**77,601**
	PR-3-03	% Comp. w/in 3 Days (1-5 lines) Tot.- Line Share					38,801	
	PR-3-10	% Comp. w/in 6 Days (1-5 lines) Tot.- 2Wire xDSL					38,801	
4a	PR-4-01	**% Missed Appointment - VZ - Total - EEL**		**241,427**				**241,427**
4b		**% Missed Appointment**	**108,642**	**241,427**	**237,654**		**77,601**	**665,324**
	PR-4-01	% Missed Appointment - VZ - Total - Specials	27,160	120,713				
	PR-4-01	% Missed Appointment - VZ - Total - Trunks			237,654			
	PR-4-02	Average Delay Days - Total - 2Wire xDSL					12,934	
	PR-4-02	Average Delay Days - Total - DSL Line Share					12,934	
	PR-4-04	% Missed Appointment - VZ - Total - Dispatch - POTS	27,160					
	PR-4-04	% Missed Appt. - VZ - Total - Dispatch - New Loops		120,713				
	PR-4-04	% Missed Appointment- Dispatch - 2Wire xDSL					25,867	
	PR-4-05	% Missed Appt. - VZ - Total - No Dispatch - POTS	54,321					
	PR-4-05	% Missed Appt. - No Disp. - DSL Line Share					25,867	
5	PR-4-05	**% Missed Appt. - VZ - No Disp.- Platform**		**241,427**				**241,427**
6		**Hot Cut Performance**		**482,853**				**482,853**
	PR-9-01	% OT - Hot Cut (adj. for missed appts. due to late LSRC)						
	PR-6-02	% Troubles within 7 Days - Hot Cut						
7	PR-4-07	**% On Time Performance - UNE LNP**			**237,654**			**237,654**
		MAINTENANCE						
8		**Missed Repair Appts.**					**77,601**	**77,601**
	MR-3-01	% Missed Repair Appt. (Loop) - 2Wire xDSL					38,801	

| | MR-3-01 | % Missed Repair Appt. (Loop) - DSL Line Share | | | | 38.801 | |

CR #	Metric	Verizon CRITICAL MEASURES	Resale $	UNE $	Trunks $	Collocation $	DSL $	Total $
9		**Mean Time To Repair**	**108,642**	**241,427**	**237,654**		**77,601**	**665,324**
	MR-4-01	Mean Time To Repair – Specials	36,214	80,476				
	MR-4-01	Mean Time To Repair – Trunks			237,654			
	MR-4-02	Mean Time To Repair - Loop – 2Wire xDSL					38,801	
	MR-4-02	Mean Time To Repair - Loop – Line Share					38,801	
	MR-4-02	Mean Time To Repair - Loop Trouble	27,160	60,357				
	MR-4-03	Mean Time To Repair - Central Office	9,053	20,119				
	MR-4-08	% Out Of Service > 24 Hours - POTS	36,214	80,476				
10		**% Repeat Reports within 30 Days**	**108,642**	**241,427**			**77,601**	**427,670**
	MR-5-01	% Repeat Reports w/in 30 Days - POTS	54,321	120,713				
	MR-5-01	% Repeat Reports w/in 30 Days - Specials	54,321	185,185				
	MR-5-01	% Repeat Reports w/in 30 Days - Total - 2Wire xDSL					38,801	
	MR-5-01	% Repeat Reports w/in 30 Days - Tot. - DSL Line Share					38,801	
		NETWORK PERFORMANCE						
11		**Final Trunk Groups Blocked**			**237,654**			**237,654**
	NP-1-03	Blocked 2 months			79,218			
	NP-1-04	Blocked 3 months			158,436			
12		**Collocation**				**190,123**		**190,123**
	NP-2-01/2	% On Time Response to Request for Collocation				29,026		
	NP-2-05/6	% On Time - Collocation				145,132		
	NP-2-07/8	Average Delay Days				15,965		
		Total Dollars at Risk - Monthly	**543,210**	**2,172,840**	**950,617**	**190,123**	**543,210**	**4,400,000**
		Total Dollars at Risk - Annually	**6,518,519**	**26,074,074**	**11,407,407**	**2,281,481**	**6,518,519**	**52,800,000**

All bill credits in this section are at risk each month. Any bill credits assigned to a submetric that has no activity or is under development will be divided proportionately among the submetrics in the respective critical measures.

Table B-2: Collocation – Critical Measure #12 Allocation Weights

NP-	Network Performance	Weight
2-01	**% OT Response to Request for Physical Collocation-New**	**10**
2-01	**% OT Response to Request for Physical Collocation-Augment**	**10**
2-02	**% OT Response to Request for Virtual Collocation-New**	**10**
2-02	**% OT Response to Request for Virtual Collocation-Augment**	**10**
2-05	**% On Time – Physical Location-New**	**20**
2-05	**% On Time – Physical Location-Augment**	**20**
2-06	**% On Time – Virtual Location-New**	**20**
2-06	**% On Time – Virtual Location-Augment**	**20**
2-07	**Average Delay Days – Physical –New**	**20**
2-07	**Average Delay Days – Physical –Augment**	**20**
2-08	**Average Delay Days – Virtual-New**	**20**
2-08	**Average Delay Days – Virtual-Augment**	**20**
		200

APPENDIX C

[DATE]

Performance Scores for Measures with Absolute Standards:

Metric #'s	Measure	0	-1	-2
PO-1 and MR-1 [1]	OSS Response Time Measures Excluding WEB GUI	≤ 4 second difference	> 4 and ≤ 6 second difference	> 6 second difference
PO-1 [2]	OSS Response Time Measures for WEB GUI	≤ 7 second difference	> 7 and ≤ 9 second difference	> 9 second difference
PO-2-02	OSS System Availability – Prime	≥ 99.5%	≥ 98 and < 99.5%	< 98%
See Table [3]	Metrics with 95% standards	≥ 95%	≥ 90 and < 95%	< 90%
PO-3	% Answered within 30 Seconds – Ordering & Repair	≥ 80%	≥ 75 and < 80%	< 75%
PR-4-04	% Missed Appointment - VZ – Dispatch - 2 Wire xDSL	≥ 5%	> 5% and ≤10%	> 10%
PR-6-02	Installation Troubles within 7 Days – Hot Cuts	≥ 2%	> 2% and ≤3%	> 3%
NP-2-07 NP-2-08	Collocation – Average Delay Days - New	≤ 6 Days	> 6 and ≤ 15 Days	> 15 Days
NP-2-07 NP-2-08	Collocation - Average Delay Days - Augment	≤ 3.5 Days	> 3.5 and ≤ 12.5 Days	> 12.5 Days
NP-1-03 NP-1-04	# of Final Trunk Groups Blocked for 2 and 3 Months	Final Interconnection Trunks meeting or exceeding blocking standard for one month	Any individual Final Interconnection Trunk group exceeding blocking standard for 2 months in a row	Any individual Final Interconnection Trunk group exceeding blocking standard for 3 months in a row

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[1]   Includes PO-1-01, PO-1-02, PO-1-03, PO-1-04, PO-1-05, PO-1-06, MR-1-01, MR-1-03, MR-1-04 and MR-1-06 for EDI and CORBA interfaces

[2]   Includes PO-1-01, PO-1-02, PO-1-03, PO-1-04, PO-1-05, PO-1-06 for the WEB GUI interface

[3]   The list of Metrics with a 95% Standard appears on the following page.

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Page 2

PR-6-02	% Installation Troubles reported within 7 Days – Hot Cut loop	≤ 2%	> 2 and ≤ 3%	> 3%

Example: If Verizon-VA were to perform at 97.0% for PO-2-02- OSS System Availability – Prime, in a month, then the performance score would be –2 for that measure.

Table C-1-1: Performance Metrics with 95% Performance Standard:

PO	**Pre-Ordering**
8-01	Average Response Time – Manual Loop Qualification
8-02	Average Response Time – Engineering Record Response
OR	**Ordering**
1-02	% On Time LSRC - Flow Through - POTS – 2hrs
1-04	% OT LSRC<10 Lines (Elec.-No Flow Through) – POTS
1-04	% OT LSRC<10 Lines (Elec.-No Flow Through) – Specials
1-04	% OT LSRC<10 Lines (Elec.-No Flow Through) - 2 Wire Digital
1-04	% OT LSRC<10 Lines (Elec.-No Flow Through) - 2 Wire xDSL
1-04	% OT LSRC<10 Lines (Elec.-No Flow Through) - Line Share
1-06	% On Time LSRC >=10 Lines (Electronic) – POTS
1-06	% On Time LSRC >=10 Lines (Electronic) – Specials
1-06	% On Time LSRC >=10 Lines (Electronic) – 2 Wire Digital
1-06	% On Time LSRC >=10 Lines (Electronic) – 2 Wire xDSL
1-06	% On Time LSRC >=10 Lines (Electronic) – Line Share
1-12	% On Time Firm Order Confirmations
1-13	% On Time Design Layout Record
2-02	% On Time LSR Reject - Flow Through – POTS
2-04	% OT LSR Rej.<10 lines (Elec.-No Flow Through) – POTS
2-04	% OT LSR Rej.<10 lines (Elec.-No Flow Through) – Specials
2-04	% OT LSR Rej.<10 lines (Elec.-No Flow Through) - 2 Wire Digital
2-04	% OT LSR Rej.<10 lines (Elec.-No Flow Through) - 2 Wire xDSL
2-04	% OT LSR Rej.<10 lines (Elec.-No Flow Through) - Line Share
2-06	% On Time LSR Reject >= 10 Lines (Electronic) – POTS
2-06	% On Time LSR Reject >= 10 Lines (Electronic) – Specials
2-06	% On Time LSR Reject >= 10 Lines (Electronic) - 2 Wire Digital
2-06	% On Time LSR Reject >= 10 Lines (Electronic) - 2 Wire xDSL
2-06	% On Time LSR Reject >= 10 Lines (Electronic) - Line Share
2-12	% On Time Trunk ASR Reject
4-09	% SOP to Bill Completion Notice Sent Within 3 Business Days
5-03	% Flow Through Achieved
PR	**Provisioning**
3-03	% Completed within 3 Days (1-5 lines) - Total - Line Share
3-10	% Completed within 6 Days (1-5 lines) - Total - 2 Wire xDSL
4-07	% On Time Performance - LNP only
6-02	% Installation Troubles Within 7 Days - Hot Cut
9-01	% On Time Performance - Hot Cut
BI	**Billing**
1-02	% DUF in 4 Business Days
NP	**Network Performance**
2-01	% OT Response to Request for Physical Collocation – New

**Table C-1-2: Allowable Misses for Small Sample Sizes for
Counted Variable Performance Measures with Absolute Standards on a CLEC Aggregate
Basis Only**

A.   Allowable Misses:

- If less than 20 items, find volume of items measured in Sample Size Column.
- If the number of misses falls under the Zero weight column, then the performance measure is given a weight of zero and not counted towards the total performance score.
- If the number of misses falls in the "0" column, a performance score of 0 is given the performance metric.
- If the number of misses falls into the "-1" column, the performance score for the metric I –1.
- If the number of misses falls into the –2 column, the performance score is –2.
- "NA" is not applicable

95% Standard:

Sample Size	Zero Weight	0	-1	-2
1	1	0	NA	NA
2	1	0	2	NA
3	1	0	2	3
4	1	0	2	3+
5	1	0	2	3+
6	1	0	2	3+
7	1	0	2	3+
8	1	0	2	3+
9	1	0	2	3+
10	1	0	2	3+
11	1	0	2	3+
12	1	0	2	3+
13	1	0	2	3+
14	1	0	2	3+
15	1	0	2	3+
16	1	0	2	3+
17	1	0	2	3+
18	1	0	2	3+
19	1	0	2	3+
20	NA	≤ 1	2	3+

B.   CLEC Exception Process

Each month each CLEC will have the right to challenge the allowable misses or

exclusions that Verizon-VA may exercise pursuant to the small sample size table for

performance measures with absolute standards. If a CLEC exercises this right, it must file a petition with the Commission demonstrating that the exclusion will have a significant impact on the operations of the CLEC's business and that Verizon-VA should not be allowed to exclude the event pursuant to the above table. Verizon-VA will have a right to respond to any such challenge by the CLEC. The Timeline for CLEC Exceptions will be the same as the Timeline for Verizon-VA Exceptions under the small sample size section in Appendix D. If a CLEC's Exception Petition is granted, the appropriate bill credits will be reflected on the CLEC's bill as soon as is practical.

APPENDIX D

[DATE]

STATISTICAL ANALYSIS

A.   Statistical Methodologies:

The Performance Assurance Plan uses statistical methodologies as one means to determine if "parity" exists, or if the wholesale service performance for CLECs is equivalent to the performance for Verizon-VA. For performance measures where "parity" is the standard and sufficient sample size exists, Verizon-VA will use the "modified Z statistic" proposed by a number of CLECs who are members of the Local Competitors User Group ("LCUG"). A Z or t score of below -1.645 provides a 95% confidence level that the variables are different, or that they come from different processes. The specific formulas are as follows:

Counted Variables:	Measured Variables: [1]
$$Z = \frac{P_{INC} - P_{CLEC}}{\sqrt{P_{INC}\left(1 - P_{INC}\right)\left(\dfrac{1}{n_{INC}} + \dfrac{1}{n_{CLEC}}\right)}}$$	$$t = \frac{\overline{X}_{INC} - \overline{X}_{CLEC}}{\sqrt{S^2{}_{INC}\left(\dfrac{1}{n_{INC}} + \dfrac{1}{n_{CLEC}}\right)}}$$

Note: If the metric is one where a higher mean or higher percentage signifies better
        performance, the proportions (counted variables) or means (measured variables) in the
        numerator of the statistical formulas should be reversed.

Definitions:
        Measured Variables are metrics of means or averages, such as mean time to repair, or
                average interval.
        Counted Variables are metrics of proportions, such as percent measures.

$\overline{X}$ is defined as the average performance or mean of the sample.

S is defined as the standard deviation.

n is defined as the sample size.

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[1]   For metrics where higher numbers indicate better performance, this equation is reversed. These
        include: % Completed w/in 5 days – (1-5 lines – No Dispatch and % Completed w/in 5 days (1-5
        lines – Dispatch)

p is defined as the proportion, for percentages 90% translates to a 0.90 proportion.

B.   Sample Size Requirements:

The standard Z or t statistic will be used for measures where "parity" is the standard, unless there is insufficient sample size. For measured variables, the minimum sample size for both the Verizon and the CLEC is 30.   For counted variables, both $n_{INC}p_{INC}(1-p_{INC})$ and $n_{CLEC}p_{CLEC}(1-p_{CLEC})$ must be greater than or equal to 5. When the sample size requirement is not met, Verizon-VA will do the following:

1.   If the performance for the CLEC is better than Verizon-VA's performance, no statistical analysis is required.

2.   If the performance is worse for the CLEC than Verizon-VA, Verizon-VA will use the t distribution or binomial (counted or measured) until such time as a permutation test can be run in an automated fashion. If the performance is worse for the CLEC than for the incumbent for a counted variable, the incumbent will utilize the hypergeometric distribution, where calculable in an automated fashion in a manner that is contained within, or directly linked to the performance reporting spreadsheets, to produce the same result as would be obtained from the permutation test.   The incumbent will provide monthly updates regarding its progress in automating the permutation test for measured variables and for automating the permutation test for counted variables in those instances where the test in not calculable in a manner tied to the performance reporting spreadsheets.

3.   If the t or binomial distribution show an "out of parity" result, Verizon will run the permutation test.

4.   If the permutation test shows an "out of parity" condition, Verizon-VA will perform a root cause analysis to determine cause. If the cause is the result of "clustering"   within   the   data,   Verizon-VA   will   provide   documentation

demonstrating that clustering caused the out of parity condition. The nature of the variables used in the performance measures is such that they do not meet the requirements 100% of the time for any statistical testing including the requirement that individual data points must be independent. The primary example of such non-independence is a cable failure. If a particular CLEC has fewer than 30 troubles and all are within the same cable failure with long duration, the performance will appear out of parity due to this clustering. However, for all troubles, including Verizon-VA troubles, within that individual event, the trouble duration is identical. Another example of clustering is if a CLEC has a small number of orders in a single location, with a facility problem. If this facility problem exists for all customers served by that cable and is longer than the average facility problem, the orders are not independent and clustering occurs. Finally, if root cause shows that the difference in performance is the result of CLEC behavior, Verizon-VA will identify such behavior and work with the respective CLEC on corrective action.

C. **Verizon Exceptions Process:**

1. A key frailty of using statistics to evaluate parity is that a key assumption about the data, necessary to use statistics, is faulty. As noted, one such assumption is that the data is independent. Events included in the performance measures of provisioning and maintenance of telecommunication services are not independent. The lack of independence is referred to as "clustering" of data. Clustering occurs when individual items (orders, troubles, *etc.*) are clustered together as one single event. This being the case, Verizon-VA will have the right to

file an exception to the performance scores in the Performance Assurance Plan if the following events occur:

a.) **Event Driven Clustering: Cable Failure:** If a significant proportion (more than 30%) of a CLEC's troubles are in a single cable failure, Verizon-VA may provide data demonstrating that all troubles within that failure, including Verizon-VA troubles were resolved in an equivalent manner. Verizon-VA also will provide the repair performance data with that cable failure performance excluded from the overall performance for both the CLEC and Verizon-VA. The remaining troubles will be compared according to normal statistical methodologies.

b.) **Location Driven Clustering: Facility Problems:** If a significant proportion (more than 30%) of a CLEC's missed installation orders and resulting delay days were due to an individual location with a significant facility problem, Verizon-VA will provide the data demonstrating that the orders were "clustered" in a single facility shortfall. Then, Verizon-VA will provide the provisioning performance with that data excluded. Additional location driven clustering may be demonstrated by disaggregating performance into smaller geographic areas.

c.) **Time Driven Clustering: Single Day Events:** If significant proportion (more than 30%) of CLEC activity, provisioning or maintenance, occur on a single day within a month, and that day represents an unusual amount of activity in a single day, Verizon-VA will provide the data demonstrating that the activity is on that day. Verizon-VA will compare that single day's

performance for the CLEC to Verizon-VA's own performance.   Then, Verizon will provide data with that day excluded from overall performance to demonstrate "parity."

d.) **CLEC Actions:** If performance for any measure is impacted by unusual CLEC behavior, the incumbent Verizon will bring such behavior to the attention of the CLEC to attempt resolution. Examples of CLEC behavior impacting performance results include order quality, causing excessive missed appointments, incorrect dispatch identification, resulting in excessive multiple dispatch and repeat reports, inappropriate X coding on orders, where extended due dates are desired, and delays in rescheduling appointments, when Verizon has missed an appointment. If such action negatively impacts performance, Verizon will provide appropriate detail documentation of the events and communication to the individual CLEC and the Commission.

2.   **Documentation:**

Verizon-VA will provide all details, ensuring protection of customer proprietary information, to the CLEC and Commission. Details include, individual trouble reports, and orders with analysis of Verizon-VA and CLEC performance. For cable failures, Verizon-VA will provide appropriate documentation detailing all other troubles associated with that cable failure.

3.   Timeline for Exceptions Process:

The following is an example illustrating the timeline for the Exception Process.

Action	Date
January Performance Reports	February 29th
Verizon Files Exceptions on January Performance	March 15th
CLEC and other interested parties Files Reply to Verizon Exceptions	April 1st
Commission Issues Ruling on Exceptions	April 15th
February Performance Reports	March 29th
March Performance Reports	April 29th
Credits Processed for January Performance	By May 1st

APPENDIX E

[DATE]

Mode of Entry Bill Credit Mechanism

The following are the steps that will be undertaken to determine whether Bill Credits are due to any CLECs for the MOE categories.

1.   For each MOE measure with a "parity" standard: Calculate Z or t score or perform permutation test (for small samples).[1]

2.   Convert Z, t or permutation equivalent score to performance score pursuant to the following table:

Statistical Score	Performance Score
£ -1.645	-2
< -0.8225 and > -1.645	-1
> -0.8225	0[2]

3.   For each MOE measure with an absolute standard: Determine Performance Score using performance range for the applicable measure. For small sample sizes, the small sample size table for measures with absolute standards is used. (*See* Appendix C.)

4.   If the Aggregate Total Performance Score for a MOE is greater than the minimum value allowable for the applicable MOE (*See* Minimum and Maximum Bill Credit Tables in Appendix A), no bill credits are due to the CLECs that received the particular MOE services in that month. If the value is equal to or less than a minimum value, CLECs will be paid Bill Credits pursuant to the Bill Credit Tables in Appendix A, which will be adjusted to reflect the monthly volumes or units being used by the CLECs.[3]

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[1]   When "no activity occurs" in a metric the performance measure and its weight will be excluded from performance score.

[2]   For report rate measures – regardless of z or t score – if absolute difference is less than 0.1%, the performance score is a 0.

[3]   The measurement units for UNEs and Resale are lines in service. For Interconnection, it is

(Continued . . .)

5.   The MOE Bill Credit Table reflects (1) the range of the aggregate performance scores from the minimum to maximum, (2) the monthly dollars attributable to each score, (3) the aggregate CLEC monthly volumes for the measure, and (4) the corresponding monthly rate what will be paid to each CLEC if Verizon-VA's performance is at that particular level. The individual CLEC's Bill Credit will be determined by multiplying the CLEC's monthly units in service by the applicable rate for the Aggregate MOE score.

6.   For example, assume the first two steps of the UNE Bill Credit Table were as follow:

Score	Mon. $	Mon. Vol.	Mon. Rate
-0.30253	$1,003,326	100,000	$10.03
-0.32878	$1,106,232	100,000	$11.06

Using the above Credit Table, if the Aggregate MOE score was -0.300 and a CLEC had 5,000 UNE lines (at the end of the month), it would entitled to a $50,150 Bill Credit ($10.03 X 5,000 = $50,150).

8.   The Domain Clustering Rule

The Mode of Entry measures are classified into four key domains: Pre-Order, Ordering, Provisioning and Maintenance. To ensure that competition is not negatively influenced by poor performance on measures in any one of these domains, a Domain Clustering Rule has been established under this Plan. The rule, which applies only to the UNE, Resale and DSL MOEs, enables the entire mode of entry performance score to be modified if 75% or more of the total

(. . . Continued)

minutes in use. For Collocation, it is collocation cages installed in the month.

weights for the measures in any of the domains is tripped. For the Pre-Order domain, this percentage is reduced to 66.7%. Under this rule, the lower of the overall MOE score or the Domain score will be used to determine whether any bill credits are due. The domain score will be calculated as follows: First, determine the % of weights tripped, *e.g.*, if a domain contained a number of metrics with a total weight of 80, and 65 of the 80 weights were tripped, the domain percentage would be 81.2%. Since this is greater than 75%, the domain clustering rule will apply,. Next, determine the difference between the minimum and maximum performance scores for the MOE, in which the domain appeared. For example, the minimum score for the UNE MOE is -0.17129 and the maximum score for the UNE MOE is -0.67000, therefore, the difference is -0.49871. This figure would be multiplied by the 81.2%. This equals -0.40495. This number (-0.40495) would be added to the minimum score and would result in a domain clustering score of -0.57624. If the MOE score were -0.388, the performance score for the MOE would be replaced with the domain clustering score of -0.57624 based on the Domain Clustering Rule.

APPENDIX F

[DATE]

Critical Measures Performance Scoring

A. The following steps would be taken to determine which CLECs would be entitled to Bill Credits pursuant to the Aggregate Rule, *i.e.,* when aggregate CLEC performance falls below standard for a critical measure.

1. Calculate the total dollars available for Bill Credits per critical measure per month.

An increment table will be developed for each critical measure to determine the Bill Credits available for unsatisfactory performance, *i.e.,* at or less than performance scores of -1. The tables will range from 50% of the maximum monthly amount, for a performance difference of less than 1% to 100% of the amount for performance differences of 10% and greater.[1] A sample table appears below for z and t and performance scores where the maximum monthly amount for the measure is $241,427.

Table F-1-1
Allocation of Dollars for Critical Measures
Measures with Statistical Evaluation Standards

Statistical Score		Performance	Increment	Dollars
From	To	Score		
	> -0.8225	0	0%	$0
≤ -0.8225	> -0.9048	-1.0	50%	$120,713
≤ -0.9048	> -0.9870	-1.1	55%	$132,785
≤ -0.9870	> -1.0693	-1.2	60%	$144,856
≤ -1.0693	> -1.1515	-1.3	65%	$156,927
≤ -1.1515	> -1.2338	-1.4	70%	$168,999
≤ -1.2338	> -1.3160	-1.5	75%	$181,070
≤ -1.3160	> -1.3983	-1.6	80%	$193,141
≤ -1.3983	> -1.4805	-1.7	85%	$205,213
≤ -1.4805	> -1.5628	-1,8	90%	$217,284
≤ -1.5628	> -1.6450	-1.9	95%	$229,355
≤ - 1.645		-2.0	100%	$241,427

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[1] For HOT Cut Performance, if either metric is below standard, the entire critical measure is treated as below standard.

Table F-1-2
Allocation of Dollars for Critical Measures
Measures with 95% Standards [2]

% Performance		Performance	Increment	Dollars
From	To	Score		
	≥ 95.0	0	0%	$0
< 95.0	≥ 94.5	-1.0	50%	$120,713
< 94.5	≥ 94.0	-1.1	55%	$132,785
< 94.0	≥ 93.5	-1.2	60%	$144,856
< 93.5	≥ 93.0	-1.3	65%	$156,927
< 93.0	≥ 92.5	-1.4	70%	$168,999
< 92.5	≥ 92.0	-1.5	75%	$181,070
< 92.0	≥ 91.5	-1.6	80%	$193,141
< 91.5	≥ 91.0	-1.7	85%	$205,213
< 91.0	≥ 90.5	-1,8	90%	$217,284
< 90.5	≥ 90.0	-1.9	95%	$229,355
< 90.0		-2.0	100%	$241,427

2.   The aggregate performance score would be used to determine the amount of Bill Credits available for CLECs who received unsatisfactory performance.

Pursuant to table F-1-1, $120,713 would be available if the aggregate z-score equaled -0.823 and the performance score equaled -1 [3]

3.   Determine which CLECs qualify for the market adjustment.

For measures where the statistical score is used, the cutoff point for qualification is Verizon-VA's score on the critical measure +/- one sampling error (based upon the Verizon-VA sampling error). Each CLEC's performance is compared to the cutoff point. Performance equal

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[2]   For Performance Measures with other % standards, the range of performance will be similarly distributed in 10 even increments.

[3]   When calculating a market adjustment for metrics that use absolute standards (generally a 95% standard) all CLECs at the -1 level or less would qualify. The calculation of the dollars is similar to the z-score method.

to or less than the cutoff qualifies for Bill Credits. For example, if Verizon-VA's performance score was .13 and the sampling error was .03, all CLECs with scores equal to or greater than .16 would qualify.

4.   Calculate the individual market adjustments for qualified CLECs.

     a.   Determine each CLEC's allocated weight. Multiply the CLEC's score on the measure by the volume of its service to be credited.

     b.   Determine each CLEC's weighted share. Aggregate the amounts from step "a" and divide each CLECs share by this total to determine each CLEC's weighted share.

     c.   Determine each CLEC's dollar share. Multiply the CLEC's weighted share by the total amount available for market adjustment.

B.   The following steps will be taken to determine whether any CLECs would be entitled to Bill Credits pursuant to the Individual Rule, i.e., for CLECs who receive a performance score $\leq$ -1 for two consecutive months:

1.   Determine if any CLECs qualify for Bill Credit Adjustment. CLECs qualify for a Bill Credit if they received a final score equal to or less then -.8225 for z and t scores or equal to or less than -1 for absolute scores on any of the measures included in the critical measurements for the applicable month.

2.   Determine each CLECs Bill Credit Adjustment base. The CLECs individual z or t or performance score is used as a starting point to determine the monthly amount available for bill credits to that CLEC.

3.   Calculate Bill Credit Adjustment to apply to the CLECs impacted. The monthly dollars available to the CLEC are converted to a rate assuming that 1/3 of the market would receive a Z or t-score of -

.8225 or less or a performance score of -1 or less. This rate is multiplied by the CLEC's volume (*e.g.,* lines in services) to determine the amount to be credit to the CLEC for that critical measure.

APPENDIX G

Draft 2/4/02

APPENDIX H

[DATE] Special Provisions

UNE Ordering Performance Measures:

Verizon-VA will provide an additional $1,303,417 in monthly bill credits for UNE Order Confirmation Performance based on four POTS metrics included in the MOE category. If on-time performance falls below 90% for any month, a credit of $325,833 for each metric missing the standard will be distributed like the bill credits under Critical Measures. Funding for these credits will be taken from funds that are unused in 6 previous months or from the current month. No new funds are available.

Draft 2/4/02

The metrics and standards are as follows:

Metric #	POTS Electronically Submitted	Threshold
OR-1-04	% On Time LSRC < 10 Lines	< 90%
OR-1-06	% On Time LSRC ≥ 10 Lines	< 90%
OR-2-04	% On Time Reject < 10 Lines	< 90%
OR-2-06	% On Time Reject ≥ 10 Lines	< 90%

Flow Through:

An additional $6.52 Million per year is available for flow through performance. Two performance measures for UNE from the Carrier to Carrier Performance Guidelines will be used to measure performance with the performance scores set forth below.

Metric #		Threshold
OR-5-01	% Flow Through – Total – UNE	≥ 80%
OR-5-03	% Flow Through – Achieved – UNE	≥ 95%

For each measure, the UNE scores will be combined and reviewed on a quarterly basis. If the combined score meets either target, no additional credits are due. If the combined score meets neither metric target for that quarter, then $1.63 million will be credited to all CLECs purchasing UNEs based on the number of lines in service. Lines in service will equal: UNE-P, UNE Loops, IOF, and EEL Loops. Performance will be measured for the first time under this measure upon Verizon-VA's entry into the InterLATA market. The prior three months will be examined to determine if bill credits are due.

The following table demonstrates the calculation of quarterly flow through performance:

Quarterly Flow Through Performance:

	Month 1	Month 2	Month 3	Quarter Total
Total Orders that Flow Through *UNE*	15000	18000	17000	50000
Total Orders Processed *UNE*	25000	21000	22000	68000
Total % Flow Through - UNE Combined for Quarter:				73.5%

Total Orders that Flow Through
          UNE

15000	18000	17000	50000

Total Orders Designed to Flow Through:
          UNE

18000	19000	18000	55000

Total % Achieved Flow Through – UNE Combined for Quarter:

90.9%

In this example, neither metric met the performance threshold, therefore, $1.63 million would have been credited to all CLECs purchasing UNEs.

Additional Hot Cut Loop Performance Measures:

An additional $l5.64 Million per year is available for Hot Cut Loop performance. This measure will be composed of two performance metrics: PR-9-01 – "% On Time - Hot Cut Loop" and PR-6-02 – "% Installation Troubles within 7 Days – Hot Cut Loop."[1] If either one of these thresholds is missed, additional bill credits will be distributed to the CLECs.

This measure has two tiers of performance standards. Tier I will be applied to a two month scenario, and Tier II will be applied to a one month scenario. The Tier I threshold is measured based on two consecutive months of performance, while the Tier II threshold is measured based on an individual month's performance. The performance thresholds are contained in the table below:

Metric #		Tier I Threshold	Tier II
PR-9-01	% On Time Hot Cut Loop[2]	< 90%	< 85%
PR-6-02	% Installation Troubles within 7 Days – Hot Cut Loop	≥ 3.00%	≥ 4.00%

---

[1] These two measures are also included in the Critical Measurements method, and additional bill credits may be due if Verizon-~~MA~~VA does not satisfy that Critical Measure.

[2] % On Time – Hot Cut Loop performance will be adjusted such that any missed appointment for customer reasons – due to late FOC will be counted as a miss.

Under Tier I, if Verizon-VA does not satisfy the above standards for two consecutive months, it will distribute $651,708 to the affected CLECs. Under Tier II, if Verizon-VA does not satisfy the above standards for a single month, it will distribute $1,303,417 to the affected CLECs. Below is an example of how this measure would work.

Example:

Metric #		Performance For Month 1	Performance for Month 2	Performance for Month 3	Performance for Month 4
PR-9-01	% On Time Hot Cut Loop	84%	91%	91%	91%
PR-6-02	% Installation Troubles within 7 Days – Hot Cut Loop	2%	3.5%	2%	3.5%
	Credit for the Month	$1,303,417	$651,708	$0	$0

In month 1, Verizon-VA did not satisfy the more stringent requirements of Tier II and $1,303,417 in bill credits would be due.

In month 2, Verizon-VA satisfied the performance standard under Tier II, but not the less severe standard under Tier I. Bill credits would be due, however, because Verizon-VA failed to meet the Tier I standard two months in a row. (Month 1 counts against Verizon-VA.)

In month 3 both the Tier I and II standards were met, Verizon-VA would owe nothing.

In month 4, the Tier I performance standard was not met, but no bill credits would be due since Tier I requires Verizon-VA to fail these performance standards two months in a row. Verizon-VA service in month 3 was satisfactory. Month 5 would determine whether bill credits would be due under either Tier I or Tier II.

ELECTRONIC DATA INTERFACE MEASURES

This Special Provision includes three measures to ensure that the Electronic Data Interface between Verizon-VA's operational support systems and the CLEC systems operate in a non-discriminatory fashion. An additional 11.73 million per annum in bill credits is available for these

three measures.

L. **% Missing Notifier Trouble Ticket PONS cleared within 3 Business Days**

Verizon-VA will provide an addition $651,667 in bill credits each month for a new measure "% Missing Notifier Trouble Ticket PONS Cleared Within 3 Business Days." If performance falls below 90% for any month on this measure, **or** more than 5% of the orders resubmitted by CLECs related to trouble tickets at Verizon-VA's request are rejected as duplicates, a credit of $651,667 will be allocated to all CLECs using the EDI interface based on the number of lines in service. Lines in service will equal: UNE-P, UNE Loops, IOF, EEL Loops and Resold Lines. Copies of the measures not contained in the Carrier to Carrier Guidelines (12/00 version) are attached. The measures and standards are as follows:

Measure #		Threshold
PO-9-01	% Missing Notifier Trouble Ticket PONS Cleared within 3 Bus. Days	< 90%
OR-3-02	% Resubmission Rejection	> 5%

M. **% SOP To Bill Completion Notice Sent Within 3 Business Days**

Verizon-VA will provide an additional $325,833 in bill credits each month for a new measure "% SOP to Bill Completion Notice Sent Within 3 Business Days." A copy of the measure is attached. If performance falls below 90% for any month, the bill credits will be allocated to all CLECs using the EDI interface based on the number of lines in service as defined above. The metric and standard is are follows:

Measure #		Threshold
OR-4-09	% SOP to Bill Completion Within 3 Business Days	< 90%

Function:
PO-9 Timeliness of Trouble Ticket Resolution
Definition:
The percent of EDI missing notifier trouble ticket PONS cleared within 3 business days from the day of receipt of the trouble ticket. The elapsed time begins with receipt at the Verizon Systems Support Help Desk of a trouble ticket for EDI missing notifiers (i.e., order acknowledgement, order confirmation, order rejection, work completion, and billing completion notices) with the PONS in questions enumerated with the appropriate identification. The ticket is considered cleared when Verizon has either requested the CLEC to resubmit the PON or communicated the current status of the PON and provided the delayed status notifier to the CLEC. Tickets received after 5 PM and trouble ticket clearances sent after 5PM will be considered effective on the following business day. Performance will be based on the time that the trouble ticket is received.
Exclusions:
• The PONs shall be considered to be timely cleared if Verizon provides the status notifier after 3 business days at the request of the CLEC or because of CLEC system capacity or availability may cause VZ to miss the 3 day target.   • Out of sequence notifiers. This type of ticket indicates that the CLEC has received one or more notifiers for a PON but not in the sequence expected.
Performance Standard:
90% threshold for Special Provisions
Report Dimensions:

Company:	Geography:
• CLEC aggregate	• State

Products	• EDI Notifier Trouble Tickets

Sub-Metrics	
PO-9-01	% Missing Notifier Trouble Ticket PONS Cleared within 3 Bus. Days

Calculation	Numerator	Denominator
	Number of EDI missing notifier trouble ticket PONS in denominator cleared within 3 business days after receipt.	Total number of EDI missing notifier trouble ticket PONS submitted.

Function:
OR-4 Timeliness of Completion Notification

Definition:
Resale & UNE combined: *Completion Notification Response Time:* The elapsed time between the actual order completion in the Service Order System (SOP) and the distribution of the billing completion notification. If multiple orders have been generated from a single CLEC/Reseller request, the measure is taken between completion of the last order associated with the request and the distribution of the completion notification.

Exclusions:
• VZ Test Orders • When the order completion time in the billing system cannot be determined, the order is excluded from the measurements, and the percentage of orders so excluded is reported each month. • From OR-4-09; Complex Resale Orders

Performance Standard:
OR-4-09: 90% threshold for Special Provision.

Report Dimensions OR-4 Completion Notification	
Company: • CLEC Aggregate • CLEC Specific	Geography: • State

Sub-Metrics	
OR-4-09	**% SOP to Bill Completion Within 3 Business Days**
Products	• EDI Orders

Calculation	Numerator	Denominator
	Total number orders in denominator for which billing completion notices (BCN) are time-stamped in Request Manager within 3 business days of SOP completion.	Number of SOP Completed Orders during the report period.

APPENDIX I

CHANGE CONTROL ASSURANCE PLAN

VERIZON - VIRGINIA

[Date]

TABLE OF CONTENTS

APPENDIX I-A – Change Control Measures

III.   INTRODUCTION

To ensure that Verizon Virginia ("Verizon-VA"), will execute the Change

Control process in an expeditious and non-discriminatory manner, Verizon-VA will

undertake the actions set forth in this Change Control Assurance Plan (the "C.C.A.P.")

after entry into the long distance market pursuant to Section 271 of the

Telecommunications Act of 1996. A total of $16.3 million in bill credits will be at risk to

CLECs if Verizon-VA provides unsatisfactory service for the four measures in this Plan.

IV.   THE CHANGE CONTROL MEASURES AND BILL CREDITS

The following measures are included in this Plan:

1.   PO-4-01:   % Change Management Notices Sent on Time;

2.   PO-4-03:   Change Management Notice Delay 8 plus Days;

3.   PO-6-01:   % Software Validation; and

4.   PO-7-04:   Delay Hours - Failed/Rejected Test Transactions - No

Workaround.

Attached hereto as Appendix A is a chart that provides the standards that will be

applied to each of the above measures and the total amount of bill credits associated with

each standard. If a performance measure is missed according to its standards, bill credits

will be paid to all CLECs purchasing Unbundled Network Elements ("UNEs") or resold

services. CLECs will receive bill credits on a prorated basis of the total credit determined

using Appendix A based on their lines in service. This Plan will use the same

mechanisms set forth in the Performance Assurance Plan for determining "lines in

service." (*See* P.A.P. Section II (C)(2))

Under this Change Control Assurance Plan, Verizon-VA will retain the right to withdraw any proposed software release prior to the item being put into final production. If Verizon-VA exercises this right, it will not be deemed to have violated the requirements set forth in PO-4-01, PO-4-03, PO-6-01 or PO-7-04 and will not be subject to the payment of bill credits under those measures.

The initial amount of annual bill credits for all CLECs will be $6.52 million under this Plan. If, however, the bill credits due to the CLECs under this Plan exceed $6.52 million in any year,[1] an additional amount of $9.78 million will be at risk from the bill credit amounts allocated to the Mode of Entry Categories in the Performance Assurance Plan. Thus, a total of $16.3 million will be available for bill credits for the Change Control measures. Bill credit payments for Change Control measures will be given priority over bill credits for the MOE categories.

The Commission will have the authority to reallocate the monthly distribution of bill credits between and among any provisions of the P.A.P. and the C.C.A.P. The Commission will give the Company 15 days notice prior to the beginning of the month in which the reallocation will occur. Any reallocation will be done pursuant to Commission order.

V.   **MONTHLY REPORTS**

Each month Verizon-VA will issue a report on its performance on the above measures to

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[1] The "year" will be measured from the first day of Verizon-~~MA~~VA's entry into the interLATA market.

each CLEC providing service in Virginia.[2] The reports will be CLEC specific and will indicate the scores on the measures, the aggregate amount of bill credits, if any, that Verizon-VA must provide pursuant to the standards set forth in Appendix I-A, and the specific amount of bill credits that will appear on the individual CLEC's bill. All CLECs with multiple bill accounts must inform Verizon-VA as to which of their accounts should receive any bill credits for the Change Control measures.

VI.   REVIEWS, UPDATES AND AUDITS

- Annual reviews and updates will occur under this Plan until the Commission determines otherwise. However, Verizon-VA, after consulting with Staff, may at any time recommend to the Commission modifications, additions, or deletions to the measures in this Plan or the bill credit allocations. CLECs and any other interested parties will be given an opportunity to provide comments on any recommendations. In addition, Staff will have the right from time to time, on 60-days notice to Verizon-VA, to conduct an audit of data reported in the monthly reports.[3]

VII.   EXCEPTION PROCESS

Verizon-VA will have the right to file a petition with the Commission seeking to have the standards contained in Appendix I-A waived or modified either for future or past periods. The Commission shall grant such a request if it determines that the application of one or more of the standards contained in Appendix I-A would not serve the public interest. The application of one or more parts of Appendix I-A would not serve the public interest if Verizon-VA could not, through any reasonable efforts, prevent results that do not satisfy the standards. Verizon-VA's petition

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[2] Verizon-MAVA's performance on the other Change Control metrics will be reported in the monthly C2C reports.

[3] Unlike the most of the measures in the P.A.P., the recording of data for each of the measures in this Plan will be done manually.

must include all information that demonstrates how the measure was missed. It shall also include a recalculation of the measure with the challenged information excluded from the calculations. CLECs and other interested parties will be given an opportunity to respond to any Verizon-VA petition for an Exception. In the event the Commission rules in Verizon-VA's favor, Verizon-VA will have the right to offset any paid bill credits against any future bill credits that may come due for either the Change Control measures or Performance Assurance Plan measures.

VIII. **TERM OF PLAN FOR THE CHANGE CONTROL PROCESS**

The Change Control Assurance Plan will have the same term as the Performance Assurance Plan. It will remain in effect, as modified from time to time by the Commission , until the Commission rescinds the Performance Assurance Plan or develops a replacement mechanism.

IX. **FULLY INTEGRATED DOCUMENT**

The terms and provisions of this Plan are submitted in their entirety to the Commission for approval. This Plan represents a fully integrated statement of the commitments Verizon-VA will undertake, including the payment of bill credits for unsatisfactory performance under the measures. It is not offered to the Commission for approval on a piecemeal basis.

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Change Control Performance Assurance Plan Measures

PO-4-01	**% Change Management Notices Sent on Time**		
	Performance Range (Notification and Confirmation for Types 3, 4 and 5 only)	≥ 95%	90 to 94.9
	Performance Credit	$0	$163,000
PO-4-03	**Change Management Notice Delay 8 plus Days** (Notification and Confirmation for		
	Performance Credit		$16,300 per
PO-6-01	**% Software Validation** (See Note 1)		
	Performance Range	≤ 5%	5.1 to 10%
	Performance Credit	$0	$65,200
PO-7-04	**Delay Hours – Failed/Rejected Test Transactions – No Workaround** (See Note 2		
	Performance Credit		$32,600 per
			Per Relea

Note 1:   Measured against releases
           pursuant to Change Notice Types
           3, 4 and 5.

Note 2: PO-7-04 applies to failed Test Deck items executed by Verizon-VA in
PO-6-01 and applies until all errors reported in PO-6-01 are fixed.

Special Provision - UNE Ordering

Month

		% On Time	Observations	Market Adj.
OR-1-04-3100	**% OT LSRC<10 Lines (Elec.-No Flow Through)-POTS**			
OR-1-06-3320	**% On Time LSRC >=10 Lines (Electronic) - POTS**			
OR-2-04-3320	**% OT LSR Rej.<10 lines (Elec.-No Flow Through)-POTS**			
OR-2-06-3320	**% On Time LSR Reject >= 10 Lines (Elec.) - POTS**			

Not enough $$'s in current month to fund market adjustment!! - check prior months

Total Market Adj.*

* For allocation, any UNE Ordering market adjustment is combined with the MOE UNE market adjustment allocation.

Special Provision - UNE Flow Through

| **PR-5-01-3000** | **% Flow Through - Total - POTS & Specials** | **OR-5-03-3112** | **% Flow Through - Achieved - POTS & Specials** |

Month	%	Observations		Month	%	Observations	
		Gross #	Flow-thru			Gross #	Flow-thru
Month - 1				**Month - 1**			
Month - 2				**Month - 2**			
Month - 3				**Month - 3**			
Overall				**Overall**			

Market Adjustment *

* For allocation, any Flow Though market adjustment is combined with the MOE UNE market adjustment allocation.

Special Provision - Hot Cut - Loop Performance

		% On Time Current Mo.	Observations	% On Time Prior Month	Observations
PR-9-01-3520	**% On Time Performance - Hot Cut**				

		%Troubles		%Troubles Prior Month	
PR-6-02-3520	**% Installation Troubles within 7 days - Hot Cut**				

Greater of - Tier I (2 mo) or Tier II (1mo)   **Total**

Market Adjustment *

* For allocation purposes, any Hot Cut market adjustment is combined with the Critical measure market adjustment allocation.

Special Provision - Electronic Data Interface Measures

		% On Time	Observations
PO-9-01	**% Missing Notifier Trouble Ticket PONS Cleared within 3 Bus. Days**		

		% Reject	Observations
OR-3-02	**% Resubmission Rejection**		

Market Adjustment

		% On Time	Observations	Market Adj.
OR-4-09	**% SOP to Bill Completion within 3 Business Days**			

Total Market Adj.*

* For allocation, any EDI market adjustment is allocated to all CLEC's using the EDI interface based on the number of lines in service.

Month

Change Control Assurance Plan

		% On Time	Observations	Mrkt Adj.
PO-4-01	**% Change Management Notices sent on Time** **(type 3,4,5)**			

	* Cumlative number of delay days greater than 8 standard	Delay Days*	Observations	
PO-4-03	**Change Management Notice Delay 8 plus Days** **(type 1-5)**			

		% Test Deck Wgt. Failure	Test Deck Wgt.
PO-6-01	**% Software Validation**		

	* Cumlative number of delay hours greater than 48 hour standard	Delay Hours*	Observations
PO-7-04	**Delay Hours - Failed/Rejected Test Deck Transactions** **Transactions failed, no workaround**		

Total Market Adjustment
Resale allocation
UNE allocation

Verizon Virginia

PAP/CCAP Market Adjustment Summary

Month

For demonstration purposes, metrics have been failed to show financial results.	Weighted Score	Market Adjustment

MODE OF ENTRY

Resale

Unbundled Network Elements

Trunks

Digital Subscriber Lines

Mode of Entry Total

#	CRITICAL MEASURES
1	OSS Interface
2	% On Time Ordering Notification
3	% Completed
4a	% Missed Appointment - VZ - Total - EEL
4b	% Missed Appointment
5	% Missed Appt. - VZ - No Disp.- Platform
6	Hot Cut Performance
7	% On Time Performance - UNE LNP
8	Missed Repair Appts.
9	Mean Time To Repair
10	% Repeat Reports within 30 Days
11	Final Trunk Groups Blocked
12	Collocation

Critical Measure Total

SPECIAL PROVISIONS

UNE Ordering

UNE Flow Through (Quarterly)

UNE Hot Cut Loop

EDI Measures

Special Provision Total

CHANGE CONTROL

Grand Total

Under the Plan, -1 performance scores are subject to adjustment based on the next two month's performance.

Verizon Virginia

PAP/CCAP Market Adjustment Summary

Month

For demonstration purposes, metrics have been failed to show financial results.	Weighted Score	Market Adjustment

MODE OF ENTRY

Resale

Unbundled Network Elements

Trunks

Digital Subscriber Lines

Mode of Entry Total

#	CRITICAL MEASURES
1	OSS Interface
2	% On Time Ordering Notification
3	% Completed
4a	% Missed Appointment - VZ - Total - EEL
4b	% Missed Appointment
5	% Missed Appt. - VZ - No Disp.- Platform
6	Hot Cut Performance
7	% On Time Performance - UNE LNP
8	Missed Repair Appts.
9	Mean Time To Repair
10	% Repeat Reports within 30 Days
11	Final Trunk Groups Blocked
12	Collocation

Critical Measure Total

SPECIAL PROVISIONS

UNE Ordering

UNE Flow Through (Quarterly)

UNE Hot Cut Loop

EDI Measures

Special Provision Total

CHANGE CONTROL

Grand Total

Under the Plan, -1 performance scores are subject to adjustment based on the next two month's performance.