

April 23, 2003

Mr. Joel H. Peck, Clerk
State Corporation Commission
Document Control Center
Post Office Box 2118
Richmond, Virginia 23216

Dear Mr. Peck:

Re: Case No. PUC-2001-00226

Enclosed for filing is the original and fifteen (15) copies of Verizon Virginia Inc.'s Reply Comments in the above-referenced case.

I have e-mailed, mailed or hand-delivered copies to the parties shown below. Thank you for bringing this matter to the attention of the Commission.

Very truly yours,

Enclosure

Copy to:
William Irby (letter only)
Kathleen A. Cummings
Service List

**BEFORE THE
STATE CORPORATION COMMISSION
OF THE COMMONWEALTH OF VIRGINIA**

Commonwealth of Virginia, ex rel. :
State Corporation Commission :
: **Case No. PUC-2001-00226**
Ex Parte: Establishment of a :
Performance Assurance Plan for :
Verizon Virginia Inc. :

**VERIZON VIRGINIA INC.'s
REPLY COMMENTS ON THE MARCH 7, 2003 REVISIONS TO THE VA PAP**

In accordance with the “Order of Amendment” issued by the Virginia State Corporation Commission (“Commission”) on March 12, 2003,¹ Verizon Virginia Inc. (“Verizon VA”) provides the following reply comments on the revisions to the “Performance Assurance Plan Verizon Virginia Inc.” (“VA PAP”) submitted by Verizon VA to the Commission on March 7, 2003. Subject to the changes noted below, the Commission should adopt the March 7, 2003 proposed revisions to the VA PAP. The Commission should also adopt the implementation schedule for these revisions proposed by Verizon VA.

I. The Commission Should Adopt the March 7, 2003 Proposed Revisions to the VA PAP, with an Appropriate Reallocation of the Amounts-at-Risk for UNE-Platform and UNE-Loop.

Apart from Verizon VA, only one party, the Commission’s Staff (“Staff”), has filed comments on the revisions to the VA PAP submitted by Verizon VA to the Commission. Staff raises two concerns with the proposed revisions.

¹ *Establishment of a Performance Assurance Plan for Verizon Virginia Inc., Order of Amendment*, Case No. PUC-2001-00226 (3/12/03).

A. The Dollars-at-Risk for UNE-Platform and UNE-Loop Can Appropriately Be Reallocated to More Closely Reflect CLEC Use of These UNEs in Virginia.

The March 7, 2003 proposed VA PAP, consistent with the January 24, 2003 NY PAP, allocates the \$38,661,333 in total annual dollars-at-risk for the UNE Modes of Entry as follows:

UNE-Platform:	\$31,632,000
UNE-Loop:	\$7,029,333

Thus, the March 7, 2003 proposed VA PAP allocates 82% of the UNE Mode of Entry total annual dollars-at-risk to UNE-Platform and 18% of the UNE Mode of Entry total annual dollars-at-risk to UNE-Loop.

Staff suggests that the allocation of the dollars-at-risk for UNE-Platform and UNE-Loop in the Mode of Entry section of the March 7, 2003 proposed VA PAP be revised so that no more than 60% of the UNE dollars-at-risk will be allocated to UNE-Platform.² A 60%/40% UNE-Platform/UNE-Loop split of the total annual UNE Mode of Entry dollars-at-risk would result in the following allocations:

UNE-Platform:	\$23,196,800
UNE-Loop:	\$15,464,533

Verizon VA does not object to this allocation of the total annual amounts-at-risk, since it more accurately reflects the predominance in Virginia of UNE-Loop as a CLEC mode of entry into the local telecommunications marketplace.³

² Staff Comments, at 4-5.

³ The February 2003 “Virginia Carrier-to-Carrier Guidelines” report shows that of the total number of UNE-Platform and UNE-Loop lines in service (276,302), about 34% of the lines are UNE-Platform (93,961) and 66% of the lines are UNE-Loop (182,341). See, “Maintenance-POTS Platform,” Metrics MR-2-02 and 03, “Number of Observations,” “All CLECs,” 93,961;

As an alternative, the Commission may wish to consider allocating the UNE Mode of Entry dollars-at-risk equally to UNE-Platform and UNE-Loop. A 50%/50% UNE-Platform/UNE-Loop split of the total annual UNE Mode of Entry dollars-at-risk would result in the following allocations:

UNE-Platform:	\$19,330,666.50
UNE-Loop:	\$19,330,666.50

Allocating the dollars-at-risk equally to the UNE-Platform Mode of Entry and the UNE-Loop Mode of Entry will mean that neither Mode of Entry will be preferred over the other by the PAP. Moreover, this allocation, when combined with the additional dollars-at-risk allocated to UNEs by the March 7, 2003 proposed VA PAP, would result in the total annual dollars-at-risk that would be available under the new VA PAP for UNE-Loop being nearly as large as the total annual dollars-at-risk that are effectively available under the existing VA PAP for UNE-Loop.⁴

and, "Maintenance-POTS Loop," Metrics MR-2-02 and 03, "Number of Observations," "All CLECs," 182,341.

It should be observed that if the total annual Mode of Entry amounts-at-risk set out in the March 7, 2003 proposed VA PAP for UNE-Platform and UNE-Loop change, conforming changes will need to be made to other affected UNE-Platform and UNE-Loop Mode of Entry portions of the VA PAP, such as Appendix A, Section 2, and Appendix A, Tables A-3-2 and A-3-3.

⁴ The October 1, 2002 VA PAP has total annual dollars-at-risk for the UNE Mode of Entry of \$31,632,000. With the current split of UNE-Platform and UNE-Loop lines being 66% UNE-Loop and 34% UNE-Platform, this would result in an effective annual amount at risk of \$20,877,120 for UNE-Loop and \$10,754,880 for UNE-Platform. A 50%/50% split of UNE Mode of Entry total annual dollars-at-risk will restore almost all of the Mode of Entry total annual dollars-at-risk that would be available to UNE-Loop under the October 1, 2002 VA PAP (\$19,330,666.50 under a 50%/50% split of the total annual dollars-at-risk in the March 7, 2003 VA PAP versus \$20,877,120 under the October 1, 2002 VA PAP), while also increasing the total annual dollars-at-risk that would be available to UNE-Platform (\$19,330,666.50 under a 50%/50% split of the total annual dollars-at-risk in the March 7, 2003 VA PAP versus \$10,754,880 under the October 1, 2002 VA PAP).

The Commission may also wish to consider reallocating the dollars-at-risk for UNE-Platform and UNE-Loop under the Critical Measures section of the March 7, 2003 proposed VA PAP. Like Mode of Entry, the March 7, 2003 proposed VA PAP allocates substantially more dollars-at-risk to UNE-Platform than it does to UNE-Loop. The March 7, 2003 proposed VA PAP allocates \$42,878,687 in total annual dollars-at-risk to UNE Critical Measures. 74% of the total annual dollars-at-risk for UNE Critical Measures, \$31,631,818, is allocated to UNE-Platform. Only 26% of the total annual dollars-at-risk for UNE Critical Measures, \$11,246,869, is allocated to UNE-Loop.

A 60%/40% UNE-Platform/UNE-Loop split of the total annual UNE Critical Measures dollars-at-risk would result in the following allocations:

UNE-Platform: \$25,727,212

UNE-Loop: \$17,151,475

A 50%/50% UNE-Platform/UNE-Loop split of the total annual UNE Critical Measures dollars-at-risk would result in the following allocations:

UNE-Platform: \$21,439,343.50

UNE-Loop: \$21,439,343.50⁵

As with Mode of Entry, allocating the dollars-at-risk equally to the UNE-Platform Critical Measures and the UNE-Loop Critical Measures will mean that neither category of Critical Measures will be preferred over the other by the VA PAP. Moreover, when this allocation is combined with the additional dollars-at-risk allocated to UNE Critical

⁵ It should be observed that if the total annual Critical Measures amounts-at-risk set out in the March 7, 2003 proposed VA PAP for UNE-Platform and UNE-Loop change, conforming changes will also need to be made to other affected UNE-Platform and UNE-Loop Critical Measures portions of the VA PAP, such as the monthly amounts-at-risk for each of the UNE-Platform and UNE-Loop Critical Measures (See, Appendix B of the VA PAP).

Measures by the March 7, 2003 proposed VA PAP, the result is that the total annual dollars-at-risk available for each category of UNE (UNE-Platform and UNE-Loop) are actually greater than the total annual dollars-at-risk that are effectively available to each category under the October 1, 2002 VA PAP.⁶

B. Statistical Issues Should Be Referred to the Performance Standards/Remedies Plans Subcommittee of the Collaborative Committee or to the Commission.

Staff also notes that Appendix D of the March 7, 2003 proposed VA PAP provides for certain statistical issues to be referred to the “Carrier Working Group,” although the Commission has not established a body of that name.⁷ Verizon VA does not object to replacing Appendix D references to the “Carrier Working Group” with references to the “Performance Standards/Remedies Plans Subcommittee of the Collaborative Committee.”

Alternatively, since as the Staff notes the Subcommittee is not currently set up with a sub-group of statistical experts, Verizon VA would not object to replacing Appendix D references to the “Carrier Working Group” with references to the “Commission.” Then, if statistical issues arise, the Commission can decide upon the best course for dealing with them.

⁶ The October 1, 2002 VA PAP has total annual dollars-at-risk for the UNE Critical Measures of \$28,118,519. With the current split of UNE-Platform and UNE-Loop lines being 66% UNE-Loop and 34% UNE-Platform, this would result in an effective total annual amount at risk of \$18,558,222.54 for UNE-Loop and \$9,560,296.46 for UNE-Platform.

⁷ Staff Comments, at 5-6.

II. Conclusion.

The Commission should adopt the revised VA PAP submitted by Verizon VA to the Commission on March 7, 2003, with the changes noted above, and the implementation schedule for the revised VA PAP proposed by Verizon VA.

Respectfully submitted,

Jennifer L. McClellan

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Telephone No. 804-772-1547

Attorney for
Verizon Virginia Inc.

Dated: April 23, 2003

CERTIFICATE OF SERVICE

I hereby certify that on this 23rd day of April, 2003, a copy of Verizon Virginia Inc.'s Reply Comments in Case No. PUC-2001-00226 was sent as stated below:

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State Corporation Commission
Office of the General Counsel
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(Hand-delivered)

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Performance Standards/Remedy Plans Subcommittee of the Collaborative
Committee
(E-Mail)

Jennifer L. McClellan