

January 24, 2002

EXCEPTION #5 DISPOSITION REPORT

On November 27, 2001, KPMG Consulting issued Exception #5, which indicated that “Migrate as-specified to UNE-P” orders did not flow through as expected. Verizon responded that a backend system edit had prevented the orders from flowing through and that a system fix would be implemented on December 15, 2001.

KPMG Consulting conducted retest activities after the system fix was implemented on December 15, 2001 and orders did not flow through as expected. Additionally, KPMG Consulting conducted a retest on scenarios outlined in Observation #13 and found that these orders also did not flow through as expected.

Subsequently, on December 28, 2001, KPMG Consulting updated Exception #5 with orders from the retests of Exception #5 and Observation #13 that did not flow through as expected. Verizon responded that a newly uncovered system condition had caused the orders to fall to manual processing. Verizon also indicated that the condition had been corrected by a system fix implemented on January 4, 2002.

KPMG Consulting conducted another retest and found that “Migrate as-specified to UNE-P” orders submitted subsequent to the system fix on January 4, 2002 did flow through as expected.

KPMG Consulting does not have additional analysis to conduct and considers this exception closed as of January 24, 2002.