

January 25, 2002

EXCEPTION #11 DISPOSITION REPORT

On December 10, 2001, KPMG Consulting issued Exception #11, which indicated that Verizon did not meet the standard as stated in the Virginia Carrier-to-Carrier Guidelines Performance Standards and Reports, dated August 11, 2000, for Provisioning Completion Messages (PCM). According to Metric OR-4-05,¹ Work Completion Notice – % On Time, CLECs should receive 97% of all PCMs by noon of the next business day after Service Order Processor (SOP) completion.

Between December 4, 2001 and December 31, 2001, KPMG Consulting received an additional 144 PCMs that were not accounted for in the exception. A total of 1251 PCMs were received, with 1175 (93.92%) received within the standard.

Verizon's response to Exception #11, dated December 14, 2001, stated that post-completion errors were caused by a backend system not correctly processing completion triggers. Verizon explained that the system condition was due to a normally scheduled code release on November 3, 2001. The condition was detected internally by Verizon and corrected on November 14, 2001.

KPMG Consulting recognizes the condition as an isolated incident and, therefore, removed the PCMs received during the abnormal condition period from the PCM timeliness analysis. Excluding the PCMs received between November 3, 2001 and November 14, 2001, 929 (96.67%) of the total 961 PCMs received fell within the required period, thus not meeting the 97% standard. KPMG Consulting has conducted a statistical analysis and determined that 96.67% is not significantly different from the 97% standard.

KPMG Consulting does not have additional analysis to conduct and considers this exception closed as of January 25, 2002.

¹ Virginia Carrier-to-Carrier Guidelines Performance Standards and Reports, dated August 11, 2000.