

**VERIZON RESPONSE TO  
VA SCC KPMG EXCEPTION**

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| <b>Exception #:</b>            | 15   |
| <b>Component:</b>              | <b>KPMG Consulting observed that Verizon did not meet the retail parity performance results for installation quality of high capacity circuits.</b>                        |
| <b>Domain:</b>                 | M&R  |
| <b>Date Uncovered by KPMG:</b> | 01/09/02   |
| <b>Date VERIZON Received:</b>  | 01/09/02   |
| <b>Date VERIZON Responded:</b> | 01/17/02, 01/28/02   |
| <b>KPMG Summary Statement:</b> | <b>A higher trouble rate for newly installed circuits has the potential of putting the CLECs at a competitive disadvantage due to increased cost of providing service.</b> |
| <b>Verizon Response:</b>       | <b><u>01/28/02 Response to Exception</u></b><br>Verizon will respond to this exception by close of business on Thursday, January 31, 2002.                                 |