

## VERIZON RESPONSE TO VA SCC KPMG EXCEPTION

**Exception #:** 15

**Component:** **KPMG Consulting observed that Verizon did not meet the retail parity performance results for installation quality of high capacity circuits.**

**Domain:** M&R

**Date Uncovered by KPMG:** 01/09/02

**Date VERIZON Received:** 01/09/02

**Date VERIZON Responded:** 02/07/02

**KPMG Summary Statement:** **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.**

**Verizon Response:** **02/07/02 Response to Exception**

Verizon concurs with KPMG labeling 12 of the 13 tickets as installation (I-code) troubles. The one (RS003826) which Verizon does not concur with, falls outside the 30-day interval in which installation troubles are measured. Without this ticket the I-code rate for the circuits included in the KPMG analysis would be 8.28% rather than 8.97%.

Verizon agrees that the PR-06-01-3200 metric for UNE special service circuit I-code rates, as reported on the carrier-to-carrier reports, indicates that the wholesale rate is higher than the retail rate. However, if two significant issues impacting the comparison are considered the difference narrows. These issues are:

1. Product Mix: UNE Specials are comprised of DS1 and DS3 level products only. These complex services are compared to an aggregate of Retail Special Services which is comprised primarily (87%) of DS0 level products. These DS0 level products are far less complex to provision. If we compare UNE performance to that of retail for a similar product mix (just the DS1 and DS3 orders), the retail results for the September through November 2001 period change from the reported .77% to 1.58%.
2. Retail Coding: Further review of retail trouble tickets reveals that there appears to be some remnants of an old process in which some retail troubles received within 30 days of a service order were incorrectly coded as an informational ticket. Such troubles are excluded from the PR6-01 metric. Therefore, there are retail troubles within 30 days of the installation that were not captured in the PR-6-01 metric. When these troubles are correctly counted as installation troubles for retail DS1 and DS3 orders, the retail "I" code rate would increase for the three-month period. This issue does not impact the wholesale performance because the process of closing orders to INF was only used on Retail orders.