

July 11, 2001

OBSERVATION REPORT #19

Unbundled Switching and Transport Usage rates were incorrectly applied and billed to the KPMG Consulting CLEC on Verizon Virginia CABS bills.

Issue

During the course of executing the Functional Usage Evaluation test from May 21 through May 25, 2001, KPMG Consulting completed a variety of test calls including calls on UNE-P lines. KPMG Consulting examined the June 19 bills and observed inconsistencies in the rates between the expected results and the actual results.

Inconsistencies have been identified in the following rate categories:

- 1) Unbundled Transport per Mile
- 2) Unbundled Transport Fixed
- 3) Unbundled Tandem Switching
- 4) Automated 3rd Party Billed per Call
- 5) Automated Collect per Call

Exhibit 1: Expected versus Actual Rates

Category	Expected Rate	Actual Rate on CABS Bills
Unbundled Transport per Mile	0.000548	0.0000035
Unbundled Transport Fixed	0.000114	0.0001484
Unbundled Tandem Switching	0.000548	0.0009764
Automated 3 rd Party Billed per Call	0.010560	0.4781700
Automated Collect per Call	0.007920	0.3912300

In addition, KPMG Consulting could not evaluate the expected rate versus actual rate for Directory Assistance Call Completion as it is not reflected on Verizon's wholesale website.¹

¹ http://www.bellatlantic.com/tariffs_info/intra/index.htm

This observation report is for discussion purposes only and subject to change without notice.

Assessment

A CLEC's ability to accurately project revenue and operating expenses is based, in part, on accurate billings from the ILEC. Incorrect billing may distort financial planning as well as cause a CLEC to incur added costs to reconcile bills.