

February 9, 2001

BY HAND

Joel H. Peck, Clerk
Document Control Center
State Corporation Commission
1300 East Main Street
Richmond, VA 23219

Ex Parte: In the matter of third-party testing of Operation Support Systems for Bell
Atlantic – Virginia, Inc.
Case No. PUC000035

Dear Mr. Peck,

Submitted herewith is an original and three (3) copies the Petition of AT&T
Communications of Virginia, Inc. to the Project Leader to Amend the KPMG Master Test
Plan. The Project Leader, Mr. Skirpan, and all interested parties have been served via
electronic mail.

Thank you for your attention to this matter.

Sincerely

CC: Service List – e-mail

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND**

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

**Ex Parte: In the matter of
third-party testing of
Operation Support Systems
for Bell Atlantic-Virginia, Inc.**

CASE NO. PUC000035

**PETITION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.
TO THE PROJECT LEADER
TO AMEND THE KPMG MASTER TEST PLAN**

AT&T respectfully requests that the Project Leader amend the KPMG Master Test Plan for the third party test of Verizon's OSS to include testing of the methods, procedures and OSS needed to support line splitting.¹ The FCC has recently clarified that Verizon is currently obligated to provide line splitting under its existing rules, and Verizon is in fact developing OSS for line splitting pursuant to a timetable ordered by the New York Public Service Commission ("NYPSC").

¹ "Line splitting" is the term commonly used to describe the use by a CLEC of both the voice and the high frequency spectrum of a loop obtained from an ILEC to provide combined voice and data services. The term also includes the situation where two CLECs join to provide services over a loop purchased from an ILEC, one CLEC providing the voice and the other the data service. The term is used to differentiate line splitting from "line sharing," which is indistinguishable from an engineering standpoint but in which the ILEC remains the voice services provider while a data carrier (either a CLEC or the ILEC's data affiliate) provides the data service over the high frequency spectrum of the loop.

The ground rules established for the third-party test in Virginia by the Project Leader call for the testing of all products required by the FCC or otherwise provided by Verizon. Moreover, the Commission has stated that an important objective of this testing program is to be a “laboratory to test, develop and implement solutions” to problems experienced by CLECs.²

Given that transaction testing in Virginia has not yet begun, there is an opportunity to include manual and limited electronic OSS for line splitting in the Virginia OSS testing program with little or no effect on projected timelines. That opportunity should be taken. In addition, the Commission should require testing of the full electronic capabilities of Verizon’s line splitting OSS when those capabilities become commercially available in October, pursuant to the timetable ordered by the NYPSC. The Project Leader should recommend to the Commission that KPMG’s contract be extended, if necessary, to conduct such a test and to report thereon.

I. Verizon is required to provide full line splitting capabilities under current FCC rules now, not some time in the future.

There is no question that Verizon not only is required to provide line splitting, but must demonstrate that line splitting is in fact available to competitors now. The FCC’s *Line Sharing Reconsideration Order* clarified the ILECs’ line splitting obligations and puts to rest any question regarding Verizon’s obligation under the Act and the FCC Rules to facilitate line splitting now, not later. The

² *Order Initiating Testing, Assigning Project Leader and Calling for Proposed Master Test Plan and Performance Standards to be Developed by KPMG Peat Marwick*, February 17, 2000 (“*Initiating Order*”) at 2.

FCC has explicitly ruled that ILECs such as Verizon “have a *current* obligation to provide competing carriers with the ability to engage in line splitting arrangements.”³ More specifically, the FCC ruled that ILECs:

must allow competitors to order line splitting *immediately, whether or not a fully electronic interface is in place*. Moreover, we expect Bell Operating Companies to demonstrate, in the context of section 271 applications, that they permit line splitting, by providing access to network elements necessary for competing carriers to provide line-split services.⁴

The FCC further held that “[m]ore generally, incumbent LECs are required to make all necessary network modifications to facilitate line splitting, including providing nondiscriminatory access to OSS necessary for pre-ordering, ordering, provisioning, maintenance and repair, and billing for loops used in line splitting arrangements. Thus, an incumbent LEC must perform central office work necessary to deliver unbundled loops and switching to competing carrier’s physically or virtually collocated splitter that is part of a line splitting arrangement.”⁵

The FCC also made it clear that an ILEC’s “obligation [to provide line splitting] extends to situations where a competing carrier seeks to provide combined voice and data services on the same loop, or where two competing carriers join to provide voice and data services through line splitting.”⁶ Moreover,

³ Federal Communications Commission, *In the Matter of Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket No. 98-147, Third Report and Order On Reconsideration, FCC 01-26, released January 19, 2001 (“*Line Sharing Reconsideration Order*”), at ¶ 18, emphasis supplied.

⁴ *Id.* at ¶ 20, footnote 36, citations omitted, emphasis supplied.

⁵ *Id.* at ¶ 20, footnote omitted.

⁶ *Id.* at ¶ 18.

the FCC ruled that “incumbent LECs have an obligation to permit competing carriers to engage in line splitting *using the UNE-platform* where the competing carrier purchases the entire loop and provides its own splitter,” using the same loop “that was part of the existing UNE-platform ... unless [that] loop ... is not capable of providing xDSL service.”⁷

The bottom line is that Verizon simply may not rely upon promises of nondiscriminatory line splitting performance some time in the indeterminate future to support its § 271 application in Virginia. Rather, it must demonstrate that its *current* OSS, whether mechanized or manual, will support line splitting in a commercially reasonable manner.

II. OSS for line splitting should be folded into the KPMG test in this proceeding.

The place to make the showing that will be required by the FCC -- and that is vital to competition in Virginia -- is in the third-party test to be conducted by KPMG in Virginia. First, the ground rules established for the KPMG test program call for the testing of all resale and UNE obligations of Verizon. As the Project Leader has ruled, “[w]hether a product or scenario is tested is dependent on whether Bell Atlantic is required to provide the product or service on a wholesale basis in the Commonwealth....Accordingly, I find that KPMG should be required to test only those products and services required by the FCC or are otherwise offered by Bell Atlantic.”⁸ There can be no question that line splitting falls

⁷ *Id.* at ¶ 19, emphasis supplied. The FCC deferred ruling on whether or not an ILEC has an obligation to own the splitter to another proceeding. *Id.* at ¶ 25.

⁸ *Project Leader Ruling Adopting Master Test Plan*, May 31, 2000, at 16-17.

squarely into the category of products and services that are required to be tested under the ground rules established for this proceeding.

Second, the Virginia Commission's *Initiating Order* clearly contemplated that the third-party testing program is not just a way for Verizon to get its § 271 ticket punched, but should be used as a means of testing, developing and implementing solutions to problems experienced by CLECs:

[I]t is our expectation that third-party testing of BA-VA's OSS will provide a "vehicle" to help clear the many ordering and provisioning obstacles allegedly faced by CLECs. Thus, the Commission regards the proposed third-party testing not just as a means for BA-VA to overcome a federal regulatory hurdle to achieve in-region long distance authority but also as a laboratory to test, develop, and implement solutions.⁹

The inclusion of line splitting in the KPMG third-party testing program will help to develop and implement line splitting OSS by Verizon that works in Virginia.

There is time to amend the Master Test Plan to include line splitting without unduly upsetting the testing process or timeline. The current testing schedule provides for testing to be concluded by the end of May 2001. However, transaction testing by KPMG has not yet begun, because Verizon repeatedly has asked that testing be deferred, most recently for a two-month period.¹⁰ It appears that there will be an additional slippage of at least two months in the transaction testing schedule. Therefore, there is time before transaction testing will conclude for KPMG, Verizon and interested parties to provide recommendations on precisely what aspects of, and how, line splitting will be

⁹ *Initiating Order* at 2.

tested and the metrics to be used in that testing, and for the Project Leader to rule on these issues.

III. Manual and limited electronic testing can and should be included in the current KPMG Master Test Plan.

Based on information provided by Verizon in New York responding to the NYPSC's orders requiring Verizon to implement OSS for line splitting, that OSS is still under development. Because Verizon is under a *current* obligation to provide line splitting, at a minimum KPMG should test the manual methods and procedures that Verizon will use to support line splitting pending full implementation of the relevant electronic OSS, and investigate the state of training of the Verizon personnel. As the FCC has ruled, ILECs "must allow competitors to order line splitting *immediately, whether or not a fully electronic interface is in place.*"¹¹

In addition, the Virginia Commission should capitalize upon the work being done in New York by testing the line splitting OSS capability that the NYPSC has required Verizon to provide. The FCC encouraged ILECs and CLECs to work together to establish simplified methods for supporting line splitting through state collaboratives, and it cited material AT&T had already proposed in support of that

¹⁰ Letter of John W. Knapp, Jr., Verizon, to Alexander F. Skirpan, Jr., Project Leader, State Corporation Commission, dated February 6, 2001.

¹¹ *Line Sharing Reconsideration Order* at ¶ 20, footnote 36, citations omitted, emphasis supplied.

work.¹² Such a collaborative has been active in New York under the aegis of the NYPSC, addressing both line sharing and line splitting issues.

The NYPSC required Verizon to provide line splitting in New York, and initially established March 2001 as the date by which Verizon would be required to implement new OSS to support line splitting.¹³ On reconsideration at the behest of Verizon, the NYPSC delayed (by two months) and bifurcated the implementation schedule, ruling that Verizon must provide “preliminary implementation of line splitting, for addition of data to an existing voice platform account,” not later than June 2001, with a release of the code to support this service not later than May 20, 2001.¹⁴ The NYPSC also ruled that “Verizon shall support full commercial availability of line splitting no later than October 2001.”¹⁵

¹² *Id.* at ¶ 21 and footnote 39. The FCC explicitly encouraged the use of state collaboratives to address issues such as the following: (1) availability of a *single* order to add DSL to UNE-P; (2) option to *forego loop qualification* where DSL already exists on the loop; (3) ability to use non-designed qualified loops; and (4) employing the *same number of cross-connections* and *length of tie pairs* for both line sharing and line splitting. The FCC also required that if a UNE-P carrier and the pre-existing line sharing data carrier can reach an operational understanding to work together if a customer chooses to terminate its ILEC voice service, they must cooperate to avoid customer service disruptions. Further, where no central office work would be required to make the change of voice providers (substituting a CLEC for the ILEC), the FCC expects “incumbent LECs to work with competing carriers to develop *streamlined* ordering processes for migrations between line sharing and line splitting that *avoid voice and data service disruption* and *make use of the existing xDSL-capable loop.*” *Id.* at ¶ 22, emphasis supplied.

¹³ *Proceeding on Motion of the Commission to Examine Issues Concerning the Provision of Digital Subscriber Line Services*, Case 00-C-0127, Opinion and Order Concerning Verizon’s Wholesale Provision of DSL Capabilities (October 31, 2000), at 17.

¹⁴ *Proceeding on Motion of the Commission to Examine Issues Concerning the Provision of Digital Subscriber Line Services*, Case 00-C-0127, Order Granting Clarification, Granting Reconsideration in Part and Denying Reconsideration in Part, and Adopting Schedule (January 29, 2001) at 11-12 and footnote 19.

¹⁵ *Id.* at 12.

Thus, as of May 20, 2001, Verizon is obligated to provide the code needed to implement the addition of xDSL services to an existing UNE-P customer line. That code should also be provided to KPMG for purposes of the Virginia third party test. Given the expected timelines of the Virginia OSS testing program, it would be reasonable for KPMG to include the testing of this limited electronic line splitting capability within the current testing regime.

IV. Testing of the full commercial availability of electronic line splitting OSS should follow the KPMG test of manual and limited electronic capabilities as soon as practicable.

Third-party testing of full commercial availability of electronic line splitting OSS – currently due in New York not later than October – should follow the KPMG test of Verizon’s manual and limited electronic OSS capabilities for line splitting as soon as practicable.

First, full electronic line splitting OSS capabilities should be tested regardless of the status of any Verizon § 271 application in Virginia, in keeping with the Commission’s objectives in this proceeding to “provide a ‘vehicle’ to help clear the many ordering and provisioning obstacles allegedly faced by CLECs.”¹⁶ There can be no assurance that any testing or commercial experience in New York or any other states will translate to acceptable performance of line splitting OSS in Virginia, in part because the legacy systems that the OSS must interface with differ between Verizon’s ex-NYNEX and ex-C&P territories. Moreover, testing in Virginia of the same line splitting OSS to be commercially implemented in New York not later than October, 2001, would be in furtherance of Verizon’s

¹⁶ *Initiating Order* at 2.

long overdue merger commitment and obligation to implement uniform OSS throughout the Bell Atlantic/NYNEX footprint.¹⁷

Second, the test of the full electronic capabilities of Verizon's line splitting OSS will in all events be critical to the Commission in making its recommendation on Verizon's compliance with the 14-point competitive checklist for in-region interLATA entry, because of the importance of xDSL and combined voice and xDSL services to the development of competition in the Commonwealth. The NYPSC was correct when it found that "denial of access to line splitting significantly impairs both the voice and the data CLECs' ability to offer services to customers; there is no comparable resource available outside the ILEC system."¹⁸ The FCC was also correct when it found that "the availability of line splitting will further speed the deployment of competition in the advanced services market," and is "especially attractive to residential and small business customers," and that line splitting "increases customer choice by making it possible for carriers to compete effectively with the combined voice and data

¹⁷ "Bell Atlantic-NYNEX must, within fifteen months, provide uniform interfaces for OSS functions throughout the Bell Atlantic-NYNEX region (including both a GUI-based or other comparable interface and an EDI-based or other comparable application to application interface), while continuing to provide to individual requesting carriers any interfaces agreed upon in preexisting interconnection agreements." Federal Communications Commission, *In the Applications of NYNEX Corporation, Transferor, and Bell Atlantic Corporation, Transferee, For Consent to Transfer Control of NYNEX Corporation and Its Subsidiaries*, File No. NSD-L-96-10, Memorandum Opinion and Order, released August 14, 1997, at ¶ 183.

¹⁸ *Proceeding on Motion of the Commission to Examine Issues Concerning the Provision of Digital Subscriber Line Services*, Case 00-C-0127, Opinion and Order Concerning Verizon's Wholesale Provision of DSL Capabilities (October 31, 2000), at 16.

services that are already available from incumbent LECs.”¹⁹ These pro-competitive imperatives apply to Virginia no less than to New York or any other states.

Under currently expected timelines (accounting for the two-month delay from current timelines that Verizon has asked for), the KPMG Report may issue by the end of August and the Project Leader’s Report to the Commission may follow as early as October. Verizon may be expected to apply for § 271 authority in Virginia sometime after the Project Leader’s Report (assuming, without conceding, that the Report will be favorable). Indeed, Verizon’s President and co-CEO, Ivan Seidenberg, represented at a January 8, 2001 Salomon Smith Barney presentation that Verizon’s application for Virginia interLATA authority would not occur until the year 2002.²⁰ Thus, testing of the full electronic capabilities of Verizon’s OSS for line splitting and a report thereon could be easily accomplished before the Commission is asked to make a recommendation on any Verizon § 271 application.

Consequently, the Project Leader should recommend to the Commission that, if necessary, the Commission extend the contract with KPMG to include the testing of Verizon’s full electronic line splitting OSS capabilities as developed in New York, even if that occurs after KPMG’s and the Project Leader’s currently scheduled reports to the Commission. An independent test of Verizon’s full electronic line splitting OSS capabilities will aid immensely the Commission’s

¹⁹ *Line Sharing Reconsideration Order* at ¶ 23, footnotes omitted.

²⁰ See slides at <http://investor.verizon.com/news/news.cgi?p=2001-1>

objective to “foster the development of competition in the provision of local exchange services” in Virginia,²¹ and will be critical to the Commission’s evaluation of Verizon’s compliance with the requirements of § 271.

WHEREFORE, AT&T respectfully requests that the KPMG Master Test Plan be amended to include testing of Verizon’s manual and limited electronic OSS capabilities for line splitting, as outlined above. AT&T further requests that the Project Leader recommend to the Commission that the contract with KPMG be extended, if necessary, to encompass testing of the full electronic capabilities of line splitting OSS that Verizon is required to implement in New York not later than October, 2001.

Respectfully submitted,

**AT&T COMMUNICATIONS
OF VIRGINIA, INC.**

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²¹ *Initiating Order* at 2.