

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

IN THE MATTER OF THE INQUIRY)
INTO VERIZON VIRGINIA INC.'S)
COMPLIANCE WITH THE CONDITIONS) **Case No. PUC02_____**
SET FORTH IN 47 U.S.C. § 271 (c))

**DECLARATION OF ROBERT W. WOLTZ, JR.
ON BEHALF OF VERIZON VIRGINIA INC.**

**PUBLIC VERSION
THIS DOCUMENT CONTAINS INFORMATION
PROPRIETARY TO CLECS**

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DECLARATION OF ROBERT W. WOLTZ, JR.

I. Introduction and Summary of Testimony

1. My name is Robert W. Woltz, Jr. I am the President of Verizon Virginia Inc. (“Verizon VA”). In that position, I oversee all aspects of Verizon VA’s telecommunications business within the Commonwealth of Virginia, including regulatory, financial, and operational matters. I am also responsible for monitoring the competitive environment and business opportunities for local exchange service within the state. My business address is 600 E. Main St., 11th floor, Richmond, Virginia, 23219.

2. I began my career with what was then known as the C&P Telephone Company of Virginia in 1971 in the Traffic Department and had a number of assignments with increasing responsibility in Network Services, Human Resources, Public Communications and Marketing Operations. My assignments have also included responsibility for operations in Virginia, West Virginia, Maryland and Washington, D.C. With the formation of Bell Atlantic in 1984, my regional responsibilities expanded to include Pennsylvania, New Jersey and Delaware. After spending a year with Bell

Atlantic International in Oslo, Norway, I returned to Virginia in January 1992. I was named Vice President – External Affairs for Bell Atlantic-Virginia in 1993 and assumed my current position in January 2000. I received a Bachelor of Science degree in mathematics from Hampden-Sydney College in 1971.

3. In this Declaration, I will provide an overview of competition in the local exchange market in Virginia and will demonstrate that the local market in Virginia is irreversibly open.¹ Competitive local exchange carriers (“CLECs”) are providing local service to business and residence customers throughout the state, using all modes of competitive entry. CLECs are reselling Verizon VA’s services, using unbundled network elements (“UNEs”), including the UNE Platform (“UNE-P”), provided by Verizon VA, and providing service over their own facilities. Verizon VA is providing CLECs with all 14 items of the Competitive Checklist of the Telecommunications Act of 1996 (“Act”).

II. The Virginia Local Market is Competitive

4. As of December 31, 2001, more than 200 CLECs have been authorized to provide local exchange service in Virginia,² and this Commission has approved approximately 190 interconnection agreements, with an additional 30 agreements pending approval. Of these agreements, approximately 130 are for facilities-based service and approximately 70 are for resale only. Verizon VA estimates that there are more than 60 active CLECs in the state.³

¹ For a detailed examination of the state of local competition in Virginia, see *Local Competition in Virginia* (Attachment 101). For a detailed examination of each of the individual checklist items, see the *Checklist Declaration*.

² References to “Virginia” mean “Verizon’s territory in Virginia formerly served by Bell Atlantic.”

³ See List of Active CLECs (Attachment 201 to Checklist Declaration). This list was developed by identifying CLECs that currently have in-service UNEs, resale lines, interconnection trunks, listings in the E911 database or WP directories, or ported numbers.

5. CLECs have captured a significant share of the Virginia local wireline telephone service market. As of December 2001, competitors are serving approximately 673,000 lines in Virginia, including approximately 571,000 lines served over their own facilities, at least 8,200 lines served using UNE Platforms, and approximately 94,100 lines served through resale.⁴ These figures suggest that, as of December 2001, competitors are serving at least 16% of the total local exchange access line market in Verizon VA's service territory.⁵ This is a conservative estimate, based solely on E911 listings for facilities-based CLECs. In counting each E911 listing as a single line, Verizon VA is no doubt underestimating the actual amount of CLEC competition, since a single E911 CLEC listing could well represent many additional CLEC lines, particularly for a business customer. This estimate also excludes the competitive impact of cable modems, which are increasingly being substituted for second lines used for Internet dial-up access. When second lines are lost to cable modem substitution, however, the cable modems do not show up in CLEC access line counts or market shares. In addition, Verizon VA's estimate does not include CLEC special access lines.

6. CLECs are serving both Virginia business and residential customers. Based on E911 listings, CLECs are serving at least 395,000 business lines using their own facilities, 2,400 business lines using the UNE Platform, and 64,500 business lines through resale. The E911 listings further demonstrate that CLECs are providing service to 176,000 residential lines on a facilities-basis, 5,800 residential customers using the UNE Platform, and are reselling an additional 29,600 residential lines. Once again, the

⁴ These figures exclude any resale lines provided for Verizon Ave.

⁵ As of December 2001, Verizon VA serves approximately 3.5 million retail access lines (not including resale lines, UNE Platforms sold to CLECs, and Verizon VA official lines).

competitive impact of these residential competitive lines is almost certainly understated because the total does not take into account the lines replaced by cable modems.

7. Competition in the Virginia local exchange market is geographically dispersed over every area code in Verizon VA's territory. As of December 2001, CLECs have approximately 640 existing in-service collocation arrangements,⁶ which together give these competitors access to approximately 87% of the access lines served by Verizon VA.

8. During the past two years, the level of competitive activity has increased dramatically. Between December 1999 and December 2001, the average number of minutes of traffic exchanged with CLECs on a monthly basis increased by more than 275%, the number of interconnection trunks provided by Verizon VA to CLECs increased by more than 235%, the number of loops increased by more than 1655%, and the quantity of numbers ported has increased by more than 520%. In the past year alone, UNE-Platforms provided by Verizon VA increased by more than 610%.

9. A significant number of carriers are either individually or collectively providing predominately facilities-based service to residential and business customers in Virginia. Those carriers include the following:

10. **Adelphia Business Solutions** provides integrated communications services, including local voice, to business customers. As of December 2001, Adelphia serves approximately **[begin Adelphia proprietary] ***** [end Adelphia proprietary]** business lines in Virginia wholly or partially over facilities it has deployed itself, including in all cases its own local switches. Adelphia also serves approximately **[begin Adelphia proprietary] ***** [end Adelphia proprietary]** business lines on a resale

basis. Adelphia has ported approximately [begin Adelphia proprietary] ***** [end Adelphia proprietary] numbers and has obtained NXX codes and telephone number blocks representing a total of 594,000 telephone numbers in Virginia.

11. **AT&T Communications** is one of the largest facilities-based CLECs in the U.S. and is also one of the largest cable operators in Virginia. As of December 2001, AT&T serves at least [begin AT&T proprietary] ***** [end AT&T proprietary] lines in Virginia either wholly or partially over facilities it has deployed itself, including in all cases its own local switches. This includes approximately [begin AT&T proprietary] ***** [end AT&T proprietary] residential lines that AT&T serves over its own cable network. In addition, AT&T provides service to approximately [begin AT&T proprietary] ***** [end AT&T proprietary] business lines through UNE platforms. AT&T has ported approximately [begin AT&T proprietary] ***** [end AT&T proprietary] numbers and is using approximately [begin AT&T proprietary] ***** [end AT&T proprietary] unbundled analog loops in Virginia. AT&T has obtained NXX codes and telephone number blocks representing a total of 484,000 numbers in Virginia.

12. **Cavalier Telephone** is the largest facilities-based CLEC in Virginia and provides predominately facilities-based service to both business and a significant number of residence customers. As of December 2001, Cavalier provides facilities-based service to at least [begin Cavalier proprietary] ***** [end Cavalier proprietary] lines in Virginia. This includes at least [begin Cavalier proprietary] ***** [end Cavalier proprietary] business and approximately [begin Cavalier proprietary] ***** [end Cavalier proprietary] residential lines. Cavalier has ported approximately [begin

⁶ These figures exclude any collocation arrangements provided for Verizon Advanced Data Inc.

Cavalier proprietary] *** [end Cavalier proprietary]** numbers and is using approximately **[begin Cavalier proprietary] ***** [end Cavalier proprietary]** unbundled analog loops. Cavalier has obtained NXX codes and telephone number blocks representing a total of 215,000 numbers in Virginia.

13. **Comcast** is the third largest cable company in the U.S. As of December 2001, Comcast provides facilities-based service to at least **[begin Comcast proprietary] ***** [end Comcast proprietary]** lines in Virginia. This includes at least **[begin Comcast proprietary] ***** [end Comcast proprietary]** business and approximately **[begin Comcast proprietary] ***** [end Comcast proprietary]** residential lines. Comcast has ported approximately **[begin Comcast proprietary] ***** [end Comcast proprietary]** numbers in Virginia and is using approximately **[begin Comcast proprietary] ***** [end Comcast proprietary]** unbundled analog loops. Comcast has obtained NXX codes and telephone number blocks representing a total of 80,000 numbers in Virginia.

14. **Cox Communications** provides service to both business and residential customers. As of December 2001, Cox provides facilities-based service to at least **[begin Cox proprietary] ***** [end Cox proprietary]** lines in Virginia. This includes at least **[begin Cox proprietary] ***** [end Cox proprietary]** business and approximately **[begin Cox proprietary] ***** [end Cox proprietary]** residential lines. In addition, Cox provides service to approximately **[begin Cox proprietary] ***** [end Cox proprietary]** business lines through resale. As of the end of December 2001, Cox has ported approximately **[begin Cox proprietary] ***** [end Cox proprietary]** numbers in Virginia and is using approximately **[begin Cox proprietary] ***** [end Cox**

proprietary] unbundled analog loops. Cox has obtained NXX codes and telephone number blocks representing a total of 178,000 numbers in Virginia.

15. **KMC Telecom** is a fiber-based integrated communications provider, offering voice, data, and network applications services. As of December 2001, KMC provides service to at least **[begin KMC proprietary] ***** [end KMC proprietary]** lines in Virginia either wholly or partially over facilities it has deployed itself, including in all cases its own local switches. This includes at least **[begin KMC proprietary] ***** [end KMC proprietary]** business and approximately **[begin KMC proprietary] ***** [end KMC proprietary]** residential lines. KMC also provides service to approximately **[begin KMC proprietary] ***** [end KMC proprietary]** business lines using resale. KMC has ported approximately **[begin KMC proprietary] ***** [end KMC proprietary]** numbers and is using approximately **[begin KMC proprietary] ***** [end KMC proprietary]** unbundled analog loops. KMC has obtained NXX codes and telephone number blocks representing a total of 447,000 numbers in Verizon VA serving territory.

16. **WorldCom** is a large facilities-based CLEC provider of service to business customers. As of December 2001, WorldCom provides facilities-based service to at least **[begin WorldCom proprietary] ***** [end WorldCom proprietary]** business lines in Virginia. In addition, WorldCom provides service to approximately **[begin WorldCom proprietary] ***** [end WorldCom proprietary]** business lines through resale. WorldCom has ported approximately **[begin WorldCom proprietary] ***** [end WorldCom proprietary]** numbers in Virginia and is using approximately **[begin WorldCom proprietary] ***** [end WorldCom proprietary]** unbundled

analog loops. WorldCom has obtained NXX codes and telephone number blocks representing a total of 300,000 numbers in Virginia.

17. **XO Communications** is a nationwide provider of services to business customers. As of December 2001, XO serves at least **[begin XO proprietary] ***** [end XO proprietary]** business lines in Virginia on a facilities basis. XO has ported approximately **[begin XO proprietary] ***** [end XO proprietary]** numbers in Virginia and is using approximately **[begin XO proprietary] ***** [end XO proprietary]** unbundled analog loops.

18. The foregoing carriers are examples of facilities-based carriers providing local service in Virginia. As of December 2001, Verizon VA was providing trunks to more than 30 carriers, porting numbers for approximately 25 carriers, and providing loops (standalone and platform) to more than 25 carriers. These facilities-based carriers are in addition to the approximately 50 resellers of Verizon VA's local services.

19. There is also competition in Virginia for data traffic. Adelphia, AT&T, Cox, and Comcast are among the companies that provide high-speed Internet access through cable modem service. Other CLECs, such as Cavalier, Covad, and Network Access Solutions offer DSL services and, as of December 2001, Verizon VA was providing carriers approximately 20,000 unbundled xDSL and ISDN loops.

20. The presence of these competitors, which are individually and/or collectively providing predominately facilities-based service in Virginia, together with other carriers that are providing a wide range of services to a substantial number of local customers, conclusively demonstrates that both business and residential competition

exists in the local market in Virginia and that the requirements of section 271(c)(1)(A) are satisfied.

21. This concludes my Declaration.