Exhibit ____

BEFORE THE VIRGINIA STATE CORPORATION COMMISSION

In The Matter of Verizon Virginia Inc.	)	
	)	Case No. PUC020046
To Verify Compliance with the Conditions Set Forth in 47 U.S.C.§ 271(c)	)	

PANEL TESTIMONY OF

Martin W. Clift, Jr.

Larry Sims

Patti Connelly

Matt Ashenden

Amy Webb

Gary Timm

on behalf of CAVALIER TELEPHONE, LLC

May 3, 2002

Q. What are the names, responsibilities and professional backgrounds of the panel witnesses providing testimony for Cavalier Telephone Mid-Atlantic, LLC?

A. My name is Martin W. Clift, Jr. My business address is 2134 W. Laburnum Ave., Richmond, VA. I am employed by Cavalier Telephone, LLC, as Vice President of Regulatory Affairs. In particular I am the principal point of contact between Cavalier and Verizon on all interconnection matters, including all contractual or tariff activities associated with collocation, interoffice trunking, unbundled network elements (UNEs), outside plant conduit and pole attachments, dark fiber, and reciprocal compensation. I have been with Cavalier in that capacity for two years. From the period 1994 through 1998 I was Director of Regulatory Affairs for the Midwest and Northeast Regions for US Signal in Grand Rapids, Michigan, which was later merged into Brooks Fiber, Inc. and then into WorldCom, Inc. While at Brooks I had a similar role in its interconnection relationship with Ameritech in the Midwest and Bell Atlantic (now Verizon) in the Northeast. Prior to 1994, I was employed by the Southern New England Telephone Company and General Telephone for approximately 24 years. At those companies I held a variety of positions associated with interconnection and inter-company relations.

A. My name is Larry Sims and my business address is 2134 West Laburnum Avenue, Richmond, Virginia 23227. I am Vice President for Engineering and Operations for Cavalier Telephone, LLC. My formal job responsibilities are to supervise all engineering and operations functions for Cavalier. My day-to-day job responsibilities include not just normal engineering and operations functions, but also

management of numerous daily escalations of operational issues with Verizon, meeting with customers whose telephone service has been disconnected or otherwise disrupted, and trying to reestablish telephone service or resolve problems caused by Verizon. I worked for 30 years in various staff and operational positions at Bell Atlantic, previously known as Chesapeake & Potomac Telephone Company and now known as Verizon.

A. My name is Patti Connelly. I am currently the Director of Cavalier's Call Center. I am responsible for managing both the Assignment and Customer Care departments. I joined Cavalier in February 1999 as the Customer Care Manger, where I established the Customer Care department, implemented all processes and procedures for that department. In October 2000, I became the Manager of the Assignment Department, where I supervised the assignment of Verizon facilities to Cavalier. In November 2001, I became the acting Director of Cavalier's Call Center and was permanently placed in that position in February 2002. Prior to joining Cavalier, I worked at Phone Michigan, a Michigan-based CLEC, from December 1996 to January 1999 in a number of positions, including, Customer Care Team Leader, Business Analyst and Due Date Supervisor. Prior to joining Phone Michigan, I worked in the cable television industry in customer service related positions.

A. My name is Matt Ashenden. My business address is 2134 West Laburnum Ave. Richmond, Virginia. I am the Director of Engineering for Cavalier Telephone, LLC and I am responsible for overseeing the design and implementation of the Cavalier Telephone network. I have been so employed for almost three years. Before that I was a consultant for a number of years and worked in the telecommunications

department at Virginia Power for thirteen years. I have a degree in electrical engineering from the West Virginia Institute of Technology.

A. My name is Amy Webb. My business address is 2134 West Laburnum Ave. Richmond, Virginia. I am the Provisioning and Repair Manager for Cavalier Telephone. I am responsible for coordinating all conversions with Verizon for customers. I am also responsible for all repairs. I have worked in this capacity for three years. Before that I was a call center manager with AETNA U.S. Health Care responsible for managing the call center and the telecom center.

A. My name is Gary Timm. I am Chief Technical Officer for Cavalier. I started my career at GTE Corporation in 1971. During the 20 years I spent at GTE, I held several technical positions, including chief technical advisor for GTE's Class 5 Switching Systems. In that capacity I was manager of state transmissions systems and manager of GTE's nationwide network operations center. In 1993, I accepted the position of Director of Operations for City Signal and subsequently US Signal, both based in Grand Rapids, Michigan. In this position, I was responsible for all aspects of operations including network and switch installation and maintenance. I also served as General Manager of City Signal Fiber Services and was in charge of all technical operations for an early competitive local exchange carrier (CLEC), Phone Michigan, including switching, transmission and network installation. While at Phone Michigan I submitted testimony before the Michigan Public Service Commission in a similar case, Case U-11735, as this proceeding that addressed non-discriminatory loop access.

Q. Can you summarize the purpose and intent of your testimony?

A. Verizon's Section 271 filing in Virginia posits that Verizon's systems, policies and practices provide competitors with nondiscriminatory access to unbundled network elements and access to other associated services, all as required under Section 271's fourteen-point checklist. Based on Cavalier's two and a half years of direct experience, and under current conditions, Verizon's filing is a complete misrepresentation of the facts as they presently exist in Virginia. Our testimony will demonstrate that:

- Verizon fails Checklist Item 1 because it does not provide interconnection services in accordance with law. This is shown by Verizon's discriminatory and illegal application of its GRIPs policies and practices and in its discriminatory treatment of Cavalier in collocation arrangements;
- Verizon fails Checklist Item 2 because it does not provide nondiscriminatory access to network elements ("UNEs") in accordance with law, and this failure is reflected in many insidious and debilitating ways, most notably in the broken and error prone OSS systems foisted upon competitors. Verizon also denies competitors access to UNEs in more overt ways, such as its broken process for publishing the directory listings of the CLEC customer, its refusal to provision UNE DS-1 high capacity loops, its blockage of DSL loops over 18,000 feet, and its refusals to allow unbundled access to millions of customers serviced over IDLC loops;
- Verizon fails Checklist Item 3 because it does not provide nondiscriminatory access to its poles, ducts, conduits and rights-of-way upon just and reasonable

rates and terms and this is reflected in the abusive make ready processes foisted upon Cavalier;

- Verizon fails Checklist Item 4 because it does not provide Cavalier with local loop transmission from the central office to the customer's premises unbundled from local switching when Verizon has never fulfilled a Cavalier order for UNE dark fiber as a local loop from its central offices to the customer premises.
- Verizon fails Checklist Item 7 because it does not provide nondiscriminatory access to 911 and E911 services as reflected in its refusal to recognize and compensate CLECs for the CLEC's contributions to this system;
- Verizon fails Checklist Item 8 because it does not provide white pages directory listings for the CLECs customers when the CLECs customers routinely do not show up in the listings; and
- Verizon fails Checklist Item 13 because it does not provide reciprocal compensation arrangements in accordance with law when Verizon charges CLECs for the transport of calls coming from the CLEC but refuses to pay for the transport of its own calls carried over the facilities of the CLEC.

Our testimony will elaborate on these failings. These failings force us to incur excessive and unjust costs to fixes and "work-arounds"of Verizon's problems. These failings impact our operations, our customers, and our business. These failings show a far more dismal picture concerning the state of the development of competition than what is presented in Verizon's application for long distance authority. Our testimony will dispel the basic fallacy presented by Verizon in this proceeding that all is well in the competitive marketplace in Virginia. Cavalier's testimony is intended to give the

Virginia Commission a sense of what is really going on in Virginia, as it prepares its consultive report for the FCC in this proceeding. Cavalier is convinced that what Verizon has presented in this application is a fiction and a make believe version of the reality of the tortured relationship that CLECs must put up with in order to obtain just, reasonable and nondiscriminatory access to basic Verizon wholesale services. Cavalier's testimony will dispel the myth that Verizon has enacted policies and procedures designed to treat CLECs fairly, as contemplated in this competitive checklist. When examined under scrutiny it will become clear that this emperor has no clothes. With this as a short introduction, we will present our testimony in the order of the checklist non-compliance alluded to above.

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Q. Checklist Item 1 requires Verizon to provide interconnection in accordance with the requirements of the Telecommunications Act. Is this happening?

A. No. Verizon does not provide interconnection arrangements to CLECs so as to arrange for the interconnection points that provide for proper arrangements for transport, and Verizon treats CLECs unfairly and does not provide fair terms for access to collocate in its central offices.

Q. Can you start with the transport matter?

A. In order to interconnect with Verizon, CLECs must physically connect their networks at a point that is technically feasible. At that point the traffic of the originating party must ride over the network of the receiving party in order to complete the call. As a result, Verizon routinely orders transport services over Cavalier's network to complete and terminate Verizon originated calls but refuses to

compensate Cavalier for this service. At the same time Verizon insists that Cavalier compensate Verizon for the transport of Cavalier originated traffic.

Q. Do you mean that Verizon orders transport services over Cavalier's owned and operated network facilities but does not pay Cavalier for the use of Cavalier's network?

A. Exactly. As shown on the billing summary attached as Exhibit 1, beginning in February 2002 Verizon has stopped paying for Cavalier's transport services altogether.

Q. Did Verizon pay for these services in the past?

A. Verizon used to pay for these services in full and without any dispute, as shown by the billing summary attached as Exhibit 1. In fact, Verizon paid for the transport of its traffic over Cavalier's network for the first six months of Cavalier service with no dispute.

Q. Then what happened?

A. Verizon unilaterally decided it did not want to continue to pay Cavalier for these services, and so Verizon then began a long free ride that continues to this day, first by reducing the payments drastically for the next year and a half, then by ceasing all payments.

Q. Why is Verizon doing this?

A. Verizon has a strategy that is designed to manipulate the rules for interconnecting networks and paying reciprocal compensation so as to drive up the costs to competitors. One way is a strategy to force competitors to build networks to Verizon's end offices to physically interconnect with Verizon's network, and then

insist that that is where Verizon's financial responsibility ends and the competitor's financial responsibility begins. This is Verizon's Geographically Relevant Interconnection strategy ("GRIPs"). Verizon's intent in this scheme is to force the competitor to incur the costs to build and then doubly incur the costs to give Verizon a free ride over the point where the networks are physically interconnected. Verizon will insist that its Interconnection Point is the point where Verizon may wash its hands from any financial responsibility for the further transport of its traffic. This represents a distortion from what the law requires at the physical points of interconnection and the use of each others network.

Q. What is wrong with that approach?

A. Under long standing practice in the industry, and under applicable rules of the FCC, Verizon, as the originating carrier, is financially responsible for arranging for the transport of its traffic to an end user, either through building its own facilities or leasing the capacity of another carrier, such as Cavalier. Verizon wants to avoid these obligations.

Q. What about when Cavalier wants to have its traffic transported over Verizon's network?

A. Cavalier orders these same transport services from Verizon, is billed by Verizon, and Verizon demands payment for the same services that it refuses to compensate Cavalier for.

Q. This sounds like Verizon wants the best of both worlds to avoid payment for its traffic but to demand payment when others request to use their facilities?

A. Exactly.

Q. Are transport arrangements addressed in your interconnection agreement and is Verizon acting contrary to these provisions?

A. Cavalier has filed a complaint with the Commission charging that Verizon's refusal to pay for this transport service is a breach of our interconnection agreement. Under this agreement, Cavalier's interconnection point is defined as its switches in Virginia, and further, Verizon's transport obligations are to pay Cavalier for this transport service over Cavalier's network back to its (Cavalier's) switches. Verizon refuses to do so.

Q. Is this just a Cavalier problem or are there greater competitive impacts at issue?

A. This is not just a Verizon/Cavalier problem. Verizon's position is contrary to basic "originator pays" principles at the core of interconnecting networks under the Telecommunications Act. All competitors are harmed by such distorted policies and practices. Also, if Cavalier loses its complaint we will have no choice but to terminate Verizon's use of Cavalier's facilities and insist that Verizon arrange alternate transport of its traffic. This will moat certainly cause massive disruptions to current interconnection arrangements involving all competitive carriers.

Q. **In order for Cavalier to interconnect with Verizon Cavalier must have nondiscriminatory access to Verizon's central offices so as to collocate Cavalier's equipment with Verizon's. Does Verizon allow fair access to its collocation offices?**

A. No. Cavalier experiences serious problems with collocating in Verizon's central offices?

Q. Can you elaborate?

A. Cavalier suffers a wide range of problems with collocating in Verizon's central offices. They have included excessive costs for initial collocation sites, excessive wait times for collocation sites, misrepresenting the availability of collocation space, excessive power charges, unjustified power charges, excessive collocation augment charges, excessive collocation augment waiting periods, unreasonable restrictions on the use of cell phones, unreasonable restrictions on minor details like the use of tie wraps, inadequate access to collocated equipment, and discriminatory and harassing treatment.

Q. What is the problem with the charges for initial collocation sites?

A. Verizon wanted to charge Cavalier as much as $400,000 for "space preparation" for a single 10-foot by 10-foot space in a central office. Later, Verizon dropped the charge to a uniform $47,686.20, but Cavalier only had to pay a third of that amount for the same Verizon collocation space in Pennsylvania. Another type of collocation offered by Verizon, called "secure collocation open physical environment" or "SCOPE," is similarly overpriced.

Q. What was the problem with the excessive wait times for collocation sites?

A. Verizon took an extremely long time to make collocation space available to Cavalier. Verizon made Cavalier wait for as long as 600 days for space in at least one central office. Cavalier was forced to wait for over 600 days for space in Midlothian and over 330 days for Pemberton, as shown in the emails attached as Exhibit 2. Further, Verizon never made space available before the expiration of its "interval" for providing such space. That made no sense, because Verizon's process involved

preparing a selected amount of space in a central office and then parceling it out to several competitors like Cavalier. Because other competitors would request space at different times from Cavalier, it seemed virtually impossible to me that the space would absolutely never be ready before the expiration of a defined interval after Cavalier's request. It just did not make sense, and it appeared that Verizon was simply refusing to allow Cavalier into the space before the maximum possible lapse of time, even if the space itself was ready and available.

Q. Why would Verizon misrepresent the availability of collocation space?

A. Sometimes, Verizon said that no space was available in a particular central office or set of central offices. When Cavalier requested and participated in a tour of the central office(s) in question, to verify this assertion, it appeared that space was available, and Verizon would then permit Cavalier to collocation in such central office(s).

Q. Can you provide some examples?

A. No.

Q. Why not?

A. Verizon required Cavalier to sign non-disclosure agreement before participating in the tours. Even though the tours were arranged in advance, the non-disclosure agreements were presented on the morning of the tour. That first happened in northern Virginia, and because Cavalier's personnel had already traveled to northern Virginia, they did not want to waste the trip and therefore signed the agreement.

Q. Did Verizon have a legitimate interest in protecting information gathered during these tours?

A. Not in our opinion Verizon apparently did not require Staff of the Virginia State Corporation Commission to sign such agreements when they participated in Cavalier's visits, so we concluded that Verizon was not trying to participate confidential information, but was instead trying to limit Cavalier's ability to complain about Verizon's misrepresentations about collocation space.

Q. What do you mean by excessive power charges?

A. Cavalier must draw some power to operate the equipment that it has collocated in Verizon's central offices. Verizon grossly overcharges for this power. According to Cavalier's calculations, I believe that Verizon charges, for power at Cavalier's collocation sites, at least 5-10 times the commercial rate for power. It amounts to hundreds of thousands of dollars per month for central offices where Cavalier has relatively small amounts of equipment.

Q. What do you mean by unjustified power charges?

A. Verizon starts charging Cavalier for power in collocation sites even before Cavalier starts drawing power or formally accepts the space from Verizon. Verizon

also charges Cavalier for redundant capacity that Cavalier must maintain on a second circuit, even though Cavalier cannot draw that amount of power without risking failure of its equipment. As an example, if Cavalier has collocated two pieces of equipment that require a total of 30 amps of equipment, Cavalier may order a 30-amp A circuit and a 30-amp B circuit, and run one piece of equipment on each circuit, but wire them so that either piece of equipment will cut over to the other circuit if its primary source of power fails. Thus, even though Cavalier will never draw more than 30 amps of current, Verizon charges Cavalier for 60 amps. Redundant power arrangements are an industry standard, so Verizon's practice in this regard is completely unjustified.

Q. Why do you complain about excessive augment charges?

A. It costs $2500 just for Cavalier to apply to add equipment to a central office, such as another 1000 cross-connects or 12 fiber termination panels. On top of that, Verizon charges excessive amounts to implement these types of augments, both by imposing excessive limitations on the contractors that can perform work and by imposing charges just for the privilege of placing certain equipment in a central office.

Q. Why is there a problem with excessive wait periods for augments?

A. It should not take the same time period to create a new collocation as it does to minor things to it, yet Verizon holds to a 76 business day (106 calendar days) time period for both as reflected in the state tariff language attached as Exhibit 3. Despite this requirement, Verizon still took an average of 163 calendar days for new collocation spaces and 126 calendar days for augments as per data in the monthly

Status Report sent to us by Verizon. See exhibit 3. It simply does not take the 120 days or more, as Verizon requires, to install a few fiber termination panels or cross-connects, or to make other simple additions to equipment in a central office. I believe that Verizon simply imposes these delays to make it difficult or impossible for Cavalier to add dark fiber segments, or to add cross-connects to reach more customers, or to achieve other such goals.

Q. Why do you think Verizon imposes unreasonable limitations on cell phone use?

A. Verizon prohibits Cavalier technicians from using cell phones within Verizon central offices. However, even though Cavalier uses much of the same type of equipment in its switch sites that Cavalier maintains in its central offices, Verizon technicians freely use cell phones in Cavalier switch sites, with no harm to any equipment. To me, the "no cell phones" rule is just another way for Verizon to add unnecessary delay, expense, and complication to everyday tasks.

Q. What are tie wraps and why are they a problem?

A. Tie wraps are plastic strips that mechanically tighten to hold together the cords on electronic components that you buy at stores like Circuit City. There are many wires in the equipment installed by Cavalier in Verizon's central offices, and the manufacturer usually holds bundles of them together with tie wraps. Verizon does not allow the quick and easy use of tie wraps, but instead requires an intricate, time-consuming, and—ultimately—much more expensive "lacing" together of the wires with string. Verizon claims that tie wraps can leave dangerous, sharp edges, but in my experience that can be easily avoided by properly clipping off the ends. Verizon

uses tie wraps with no concern about safety in customer locations. To me, the "no tie wraps" rule, like the "no cell phones" rule, is yet another way for Verizon to add unnecessary delay, expense, and complication to everyday tasks, and to preserve ancient union tasks. This problem and Cavalier's frustration with the excess costs and time associated with this process are shown in Exhibit 4. This exhibit shows a reference to the interconnection agreement which states Verizon's interval for collocation will be 76 business days (106 Calendar days).

Q. Why do you claim that Verizon discriminates against Cavalier or harasses Cavalier?

A. There are other examples beyond cell phones and tie wraps. For example, at one point, Verizon arbitrarily changed its mind about whether welded or bolted equipment racks were preferred, and threatened to require Cavalier to change out scores of equipment racks. Similarly, Verizon recently required some arbitrary changes in the arrangement of equipment rack feet in several central offices in eastern Virginia. Notably, those same requirements were never mentioned for central offices in central or northern Virginia, because they were not truly related to any valid safety or engineering concerns. Verizon also has instituted restrictive access policies that make it difficult for Cavalier to access its collocation space in Virginia. Attached as Exhibit 5 is an email showing the correspondence and the requested spreadsheet outlining the access problems. Other episodes have been more colorful, such as the central office manager in eastern Virginia who climbed onto a Cavalier equipment rack and shook it with both arms and feet like Tarzan, trying to demonstrate the

rack's frailty by subjecting it to stresses and strains that it was not designed to withstand (but did withstand).

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Q. Checklist Item 2 requires Verizon to provide nondiscriminatory access to network elements in accordance with the Telecommunications Act. Is this happening?

A. No. Verizon effectively denies Cavalier with access to UNEs in many ways, some more direct than others but all equally effective in restricting or outright forbidding Cavalier's access to the last mile loops that a facilities-based CLEC requires in order to service its customers. Some of the direct denials are the failed directory listings processes, the refusals to provision unbundled DS-1 loops, and the denial of access to customers behind an integrated digital loop carrier ("IDLC"). Equally troubling are the constant breakdowns and failures of Verizon's OSS processes that are critical to Cavalier's ability to place orders with Verizon to provision access to the local loops under the control of Verizon.

Q. Before we get to the specifics of these flaws, isn't it true that Verizon's OSS system passed the KPMG test?

A. It apparently has.

Q. Why do you say apparently?

A. Cavalier did not participate in the KPMG test, and therefore cannot judge whether or not the test "passed". Our testimony is not based on the KPMG test, but is reflective of over two and one half years of experience in dealing with the Verizon machinery, they call OSS.

Q. Why didn't Cavalier participate in this test?

A. After trying to participate early on, in the summer of 2001, we determined rather quickly that the KPMG test would not be productive. It became apparent to us that regardless of what they looked at, or regardless of what we brought to their attention, KPMG was going "pass" Verizon whether or not Cavalier participated in the test. Initially, KPMG was on-site and conducted several interviews with our key personnel, but after several meetings with them, and after discussing our problems with KPMG we determined that further participation would be a waste of our time. We therefore notified Mr. Alexander F. Skirpan, the Hearing Examiner assigned in case PUC 000035 that it was no longer participating in the test. A copy of the letter submitted to KPMG and Mr. Skirpan is attached, as Exhibit 6.

Q. Why do you say that KPMG cannot fix system deficiencies?

A. KPMG tested the current Verizon OSS system, as is. As we understand KPMG's role, if it finds system flaws, when the results are less than acceptable, it cannot report that that system is broken, nor can it recommend changes to the system. It can only report results from testing the current process. If the results are unacceptable, it can only say "do better," it can not really report when a process is truly broken, and needs a major overhaul.

Q. Why is that such a bad thing?

A. That is not necessarily a bad thing. They are testing a current OSS process, and can report on that process. But that is not what is needed. We have numerous examples where the current OSS system is broken, and needs to be fixed. The production process is materially flawed, and just doing a "better job" will not really

fix the problem. Testing a flawed process seemed like a waste of time to us. Cavalier felt that it could be more successful in pursuing its own remedies through normal business and regulatory channels.

Q. Do you have any examples?

A. Yes. When Cavalier was in the process of verifying its directory listings the problems encountered using Verizon's flawed processes were explained to Cavalier told KPMG about all of the errors that it was experiencing in the Hampton Roads and Richmond directory listings. KPMG appeared to be interested, but was not helpful in getting a timely resolution. A resolution was needed due to the closing date of the publication of these phone books.

Q. Did KPMG ever give Cavalier an indication that it would fix these problems?

A. They indicated that they would report the problems. This would be addressed to the extent the problem fell within the confines of the test, but if the event fell outside the test, KPMG could not help us. Cavalier's issues are outside the boundaries of the test.

Q. So you believe that they are many things broken with the current system, where a fix is just not doing a "better job"?

A. Yes, let me give you one good example. Verizon is failing to meet checklist item (viii). Its directory input process does not meet this checklist item. It is fraught with problems.

Q. What is that?

A. The processes used to input and verify Directory listings; for white and yellow pages.

Q. Please explain.

A. The processes in place to verify directory listings are a fundamentally flawed. KPMG can test the OSS process for inputting directory listings until it is blue in the face, but it cannot fix the fundamental flaw.

Q. What is that?

A. Verizon places the responsibility of verifying ***their inputs*** upon Cavalier. Cavalier is held accountable for verifying and fixing the Verizon mistakes in their own internal processes. Cavalier has been forced to dedicate a staff of six full time employees who devote their time exclusively, at great cost to Cavalier, to check and verify the Verizon inputs that are Verizon's responsibility.

Q. Cavalier has to verify and fix Verizon errors?

A. Yes, that is true.

Q. How does this happen?

A. The OSS process requires that Cavalier obtain a directory listing report, termed a Line Verification Report (LVR). Normally, Cavalier is provided this report only 30 days before a given Directory goes to the printer. However, Cavalier's review of the LVR's routinely uncover huge numbers of errors, sometimes in the 50% range of all customer listings. Thus, Cavalier is left with no choice but to double check the data that was initially submitted to Verizon as making its way through the internal Verizon processes without falling out somewhere along the way.

Q. Does Verizon do any verification on its own that the Cavalier listings make their way to the LVR?

A. No, and that is the problem. It is Cavalier's responsibility to obtain directory information from its customers, and input that information correctly into the Verizon OSS system. Cavalier receives a confirmation that its order was accepted. But when it gets the LVR verification report, and the listing does not show up, or the listing is in error, that means the book will be published with the error.

Q. What does this do to your operations?

A. This is a serious and troubling matter. Under the current OSS process, the closing of a Directory is a nightmare to a small start-up company like Cavalier that relies so heavily on its customer relations. Cavalier has roughly 50,000 or so listings in its major markets of Richmond and Hampton Roads. Cavalier is literally left with chasing thousands and thousands of last minute corrections, and then scurrying with Verizon at the last minute to have these listings corrected. Even then and even after assurances from Verizon that the corrections were made the listings may not make it to the Directory.

Q. Do you have concrete examples?

A. Yes, the recent turmoil over the Hampton Roads and Richmond Directory closing is documented in several letters included as Exhibit 7. The letters indicate that Cavalier has literally thousands of listings that fall out of Verizon's OSS. If not for Cavalier expending its own resources to correct Verizon's input errors the situation could have been disastrous for these customers, and the Commission. It is just plain wrong that Cavalier has to expend thousands of its own dollars and

devote its precious resources to doing Verizon's job. That is not an indication that Verizon's directory listings process is working.

Q. Exhibit 7 shows that Cavalier first informed Verizon of the Richmond Directory errors on July 24, 2001, in a letter to Lydia Pulley. That Exhibit also shows that Cavalier again reiterated the number of errors and serious nature of the listing process in a August 22, 2001 letter to Ken Rank. Did Verizon respond to those letters?

A. No.

Q. Has Verizon even refuted Cavalier's data?

A. No.

Q. Did these errors get corrected?

A. There was the proverbial last minute fire drill to get the errors fixed. This activity incurred in spite of threats by Verizon to close the Richmond book prematurely?

Q. So even with these thousands of errors, Verizon threatened to close the Richmond Directory?

A. Steve Spencer of Verizon sent Cavalier a letter on September 7, 2001, attached as Exhibit 8 stating that the book was scheduled to close on September 14th, but would extend the date one week to September 21st, on the condition that Cavalier worked "at a constant pace." Exhibit 9 shows an email from Mr. Clift to Steve Spencer expressing Cavalier's frustration with having to devote so much of Cavalier's resources on this problem.

Q. It sounds like Verizon was doing you a favor?

A. You are forgetting that Cavalier was fixing ***Verizon errors***. We were doing them a huge favor to begin with. So we were flabbergasted when this letter arrived, and responded with an email reminder to that effect (Exhibit 9). Verizon was working on a directive from the VSCC to keep the book opened until the errors had been corrected.

Q. So Cavalier corrected the error and the Richmond book was published error free?

A. Not exactly. On December 31, 2001 Cavalier submitted a letter and supporting documents showing an analysis of the Richmond Directory errors, attached as Exhibit 10. As of that date, we had counted thirty-six (36) errors; with thirty-one (31) attributable to Verizon. The tally of the Verizon errors was:

Verizon Richmond Directory Errors
White Page – Yellow Page Discrepancy – 12
No Listing – 7
Incorrect Address/Other – 6
Non Published Discrepancy – 6

Q. What transpired after that letter was published?

A. On January 28, 2002 Cavalier submitted an updated report to the VSCC. By that date the number of errors had risen to fifty-one. Mr. Steve Bradley of the VSCC requested that Verizon do a root-cause analysis of the problems**.** On March 1, 2002 Verizon submitted a letter and their supporting analysis, attached as Exhibit 11.

Q. What were those results?

A. Of the fifty-one errors, Verizon acknowledged that more than half (26) were Verizon mistakes, attributable to "human error." That letter goes on to state that Cavalier should have caught ***their*** errors, prior to production.

Q. Does Verizon offer a fix to this process?

A. No.

Q. Does Verizon offer to revamp the process?

A. No.

Q. Then what does Verizon recommend?

A. That they simply are going to do a better job. They have instituted a "Quality Review Team" to review the listings.

Q. Did Verizon apologize for the number of Cavalier customers whose listing was messed up due to their negligence?

A. No.

Q. Did they offer to make amends for their mistakes?

A. No.

Q. Have they offered to help defray Cavalier's cost for fixing their errors?

A. No.

Q. So Verizon simply says "tough"?

A. Yes. Cavalier and our customers are given inferior and shoddy treatment and Verizon continues to show little or no concern towards fixing this fundamental flaw in its systems and processes.

Q. Did you look at the Verizon root-cause analysis?

A. Yes. We found errors in their root cause analysis. We found thirty-four errors in the Richmond Directory attributable to Verizon. Verizon had only counted twenty-six errors.

Q. So based upon your analysis between the point where Cavalier submits its Directory listing to Verizon, the listing falls out, correct?

A. Yes. The listing disappears in the internal Verizon OSS system. Cavalier does all that it can using the tools available, and still errors occur.

Q. Besides the LVR does Cavalier have any other tools available to verify listings?

A. No it does not. Listings simply fall out of the tail end and Cavalier has no means to test and verify the data.

Q. And does Verizon have any internal edits to help verify that the data submitted by Cavalier makes its way to the directory listing's database?

A. Based upon the quantity of errors that Cavalier uncovered, apparently not.

Q. Why do you think that listings fall out at the tail end of Verizon OSS process?

A. We do not know for sure. We do know that the Verizon OSS process for Directory listings involves multiple manual entry steps, and this is where we suspect that the errors occur.

Q. Are these issues just related to Cavalier?

A. No they are not. At a DA workshop conducted on March 28, 2002, attended by Verizon, the VSCC staff, and other CLEC's these same issues were raised. A copy of the questions resulting from this meeting is attached as Exhibit 12.

Q. So other CLEC's at this meeting complained about the loopholes in the directory input process?

A. Yes.

Q. What did Verizon say about that?

A. Verizon's response might as well have been to go pound sand. They listened and offered no solutions and seemed doubtful that there really is any problem at all. From our perspective it seems as if Verizon would rather avoid this issue altogether.

Q. If this is such a fundamental problem tied to Verizon's OSS, these errors should have been captured in the current KPMG test, shouldn't they?

A. No. KPMG's OSS only tested whether the LVR was "sent" on time. There was no attempt to analyze if there were errors in the data listed, and there was no attempt to analyze the error rate to CLECs in the final publication; in other words, there is no "test" that determines whether even the information in the LVR (even after corrections by the CLEC) actually make it to the phone book. In short, KPMG only looked at the front end of the process and not the critical tail end final product.

Q. I notice in your summary of the Richmond Directory error summary that there are some business white page listings did not appear in the yellow page. I also noticed that some listing appeared in the yellow pages and not in the white pages. How does this happen?

A. Cavalier gets a report of what is suppose to be published in the white pages, but there is absolutely no verification report that shows what is supposed to be produced for the yellow pages.

Q. This sounds like a major flaw in the Directory OSS process.

A. It is. We are totally at Verizon's mercy to produce an accurate listing in the yellow pages. It is totally out of Cavalier's control.

Q. But you have indicated that there are instances where a business listing appears in the yellow pages, but not in the white pages, correct?

A. Yes.

Q. So this problem is just not isolated to the yellow pages, am I correct?

A. Yes.

Q. So if a business listing is not in white or yellow pages, then that would be a serious consequence for that business, is that correct?

A. The answer to that is self-evident. I do not believe that anyone would argue that telephone access is not critical to any business. Most businesses count that people can reach them, through an accurate directory listings.

Q. Did Verizon make any amends for their errors in these yellow page listings?

A. No.

Q. How is this situation reflected in the KPMG test?

A. It is not. This is another good example of why the KPMG test cannot be relied upon by the Commission as the comprehensive test that Verizon claims in its filing. The fact remains that this test does not address these serious directory listings problems that flow from Verizon's flawed OSS. KPMG could only work within the confines of the test as defined by the Commission; it cannot step out of that box.

Q. Is there a performance metric that handles this situation?

A. No there is not.

Q. So there is no recourse for Cavalier if the listings get messed up?

A. That is correct. The Directories get published. Customer's listings are incorrect, and there is no remedy whatsoever.

Q. Is Verizon concerned? Have they offered to help Cavalier and its customers out of their predicament?

A. Quite bluntly, no. They have offered nothing to Cavalier or its customers for these errors. They have not even indicated that they are sorry. Cavalier's customers are thus routinely mistreated, and naturally the customer blames Cavalier, its service provider, for a problem that has nothing to do with Cavalier in the first place. Verizon does not even offer any form of contact with Cavalier or its customers to handle these situations.

Q. If Verizon is providing non-discriminatory directory listings, then Verizon itself is in the same predicament. It has no recourse for its customers as well. Is that correct?

A. It is Cavalier's understanding that if a Verizon customer is omitted from the yellow pages, that there are special Verizon yellow page customer service contacts to deal with the situation. The matter gets turned over to Verizon Yellow Pages, and that organization handles the customer issues. That organization has numerous goodies to handle customer issues, including enhanced and/or free advertising. Regardless of the final disposition, the Verizon retail folks have an avenue to resolve customer listing issues.

Q. Has this been offered to Cavalier?

A. No it has not. Worse, Verizon's yellow page personnel, instead of helping Cavalier, actually makes matters worse.

Q. How is that?

A. We have evidence that Verizon's own marketing activities tell customers that if they sign up with Cavalier that they will loose their free listing.

Q. Can you elaborate further?

A. When a Cavalier customer calls Verizon concerning these yellow page errors, Verizon's employees use the opportunity to scare the customer into going back to Verizon by misrepresenting that if the customer stays with Cavalier there is no guarantee that his/her information will appear in the yellow pages. The only logical explanation for such actions is to undermine Cavalier and to "win back" customers on its retail side. Regardless of the motive, the net result is the same and constitutes an abuse of the yellow page listings process. In a letter submitted to Lydia Pulley, dated July 23, 2001, Cavalier notified Verizon of such inappropriate marketing tactics, attached as Exhibit 13. As this letter points out, Cavalier's customer reported to Cavalier that Verizon was telling the customer that his listing would not even appear in the yellow pages.

Q. What was Verizon's response to your letter?

A. Surface level inquiries were made but as far as we know there was not follow up to address this problem. Cavalier's concerns were basically ignored.

Q. Do you think that this was an isolated instance?

A. We get reports from our sales support group that the Verizon sales folks try to scare Cavalier customers through disinformation. Attached as Exhibit 14 are

emails from April 2002 showing that Verizon sales representatives are calling Cavalier customers with incorrect directory listings information that can only scare customers who are trying to change carriers.

Q. You have discussed the lack of access to a functional directory listings process as one example of a direct denial of nondiscriminatory access to Verizon's unbundled loops. Are there other examples of a direct denial of access to UNE loops that you are aware of?

A. Yes, Verizon just recently changed their policy for provisioning UNE T1's. This change enables Verizon to discriminate in favor of their retail customers.

Q. Please describe?

A. In late May 2001; CT noticed that its UNE T1 orders were not being provisioned. Orders were starting to be rejected due to "no facilities". Previously, from"August 1999 t" May 2001, over a twenty month period, Cavalier had ordered UNE T1's without this problem. Verizon indicated in a July 24, 2001 memo to Cavalier, that it would no longer provision UNE T1's if they required new electronics.

Q. What prompted this change in Verizon's policy?

A. Incredibly, Verizon claims that this is not a *change* in its policy. Rather, Verizon admits that it did not *enforce* this policy previously. Subsequent to the July 24 memo, Verizon indicated that they would provision new DS1's provided that the service was o'dered under its Special Access tariff. So, Cavalier would submit orders as UNE's, if no facilities are available' it would resubmit the order as Special Access. When the new service is delivered Cavalier is to *resubmit* the order again as a UNE, since the facilities are now available.

Q. How has this worked in practice, can you elaborate?

A. Of course, doing this three step process is extremely time consuming and throws out of whack significantly the ability of Cavalier to obtain these loops in a timely manner, if at all. For example, as of April 5, 2002 Cavalier has attempted to process 456 UNE DS1 orders. Forty six (46) orders are in process (order has been submitted; waiting for firm order confirmation) for UNE provisioning. That leaves 410 orders as completed as either UNE or Special Access. Of this amount 159 UNE orders, or 39%, have been rejected, as shown in Exhibit 45. Prior to Verizon's changed policy, these 39% of orders, involving actual customers, would have been provisioned for Cavalier. Cavalier has thus been denied with access to almost half of the primarily business customers that seek Cavalier's service. Verizon, of course, is ready, willing and able to service these customers without delay.

Q. For those remaining customers that you still are able to obtain, despite the three step process, can you describe the timing issue further?

A. Yes. The effect of following this procedure has been to inflate customer installation times from 18 days to 54 days. In addition, to these customer delays, Cavalier must pay a Special Access non-recurring charge of approximately $500 (?); along with a recurring fee up to $500 (?). Not only is the customer penalized through longer installation intervals, but Cavalier bears an additional cost burden through the inflated charges.

Q. Does Verizon itself face these delays?

A. No they do not. A Verizon simple T1 installation on the average does not take 54 days or almost two full months. Verizon will deliver this product to its customers in a matter of days.

Q. Did Cavalier point out this problem to KPMG during its testing?

A. Yes. At the time KPMG was visiting Cavalier and conducting interviews, Cavalier began noticing that its UNE orders for T1's were not being processed. After processing T1 orders since August 1999, without any significant issues over available facilities, orders all of a sudden began being rejected in May 2001 for "no facilities". This was because Verizon had instituted a new policy of denying UNE T1 service under the veil of "no-facilities. This is discussed in greater detail below, but the point is that we brought this issue to KPMG but to our knowledge it was not addressed as part of their testing.

Q. Are there other areas where Cavalier is outright denied access to customers serviced over Verizon's loops on "no facilities" reasons?

A. Yes, there are other circumstances as well, notably in the DSL market. Verizon has successfully sealed off Cavalier's provisioning of DSL services to customers beyond 18,000 feet, despite the fact that Cavalier's advanced technology is capable of providing this service to customers who are further out that 18,000 feet.

Q. How have they done that?

A. They are simply not processing our orders.

Q. For what reason?

A. Despite our repeated efforts for over a year, Verizon refuses to provide Cavalier with DSL terms in an interconnection agreement that is compliant with the Bell Atlantic/GTE merger conditions imposed by the FCC.

Q. What are these conditions?

A. Verizon is required to provision DSL services at prices approved by a state commission, and if those prices are not approved, at prices subject to true up. The exact language is shown on Exhibit 15. Cavalier has been trying for over a year to get an amendment to its interconnection agreement for DSL services in Virginia, but Verizon has not submitted an amendment with terms providing for a true up. A letter, attached as Exhibit 16, was submitted to Jeff Masoner of Verizon on August 15, 2001, with revised interconnection amendments in concert with the FCC's merger condition

Q. What was Verizon's response?

A. They did not respond. There was a subsequent conference call with Verizon, and Verizon committed to send a new agreement with true-up provisions, but did not do so. Cavalier recently requested the VSCC help, as shown in a letter dated March 14, 2002, and attached as Exhibit 17, but has been unable to obtain further relief or assistance.

Q. Why is this the case?

A. The DSL pricing rates were not approved the VSCC. Verizon has, in our view, invented its own rates, and seeks to impose charges of over $2000 per line for DSL conditioning charges beyond 18,000 feet. Cavalier believes that these prices are abusive in view of what other states charge who have looked at this matter

closer. For example, in Maryland there are virtually no charges for DSL line conditioning over 18,000 feet. Furthermore, if those charges are imposed, they must be subject to true-up, per the merger conditions.

Q. So Verizon has effectively shut down Cavalier's ability to provide DSL services over 18,000 feet?

A. Yes.

Q. Has Verizon shut down other Cavalier services as well on the grounds that there are "no facilities"?

A. Yes. If Verizon serves a customer via Integrated Digital Loop Carrier Systems (IDLC), the customer will have little chance to switch to Cavalier as their carrier of choice. And, if Verizon does provision the service to such a customer that service will be noticeably inferior to the services that Verizon provides its same customer serviced over that IDLC system.

Q. Why do you say this?

A. Everyday we are forced to void, or cancel, customer orders due to a "no facilities" determination by Verizon related to this IDLC situation. For example, our records reveal that Cavalier had to cancel 844 customer orders for the period January through March 2002. For 2001, the total voided orders were 2413 as indicated on Exhibit 18.

Q. Are orders cancelled for reasons as well?

A. Orders can be cancelled for "no copper" as well, and while we keep track of these voided orders, Verizon does not report this information to the Commission. Attached as Exhibit 19 which is a summary Cavalier prepared for the month of March 2002

which shows the number of hot cuts, number of loops and lines delayed because of Verizon *and the number of loops cancelled due to no facilities on the day scheduled for the installation*. As that exhibit shows, for just that month, Cavalier had to cancel 138 orders on the date that service was scheduled to be activated when Verizon informed Cavalier *on that date* that there no facilities for this month. Because these business and residential orders had to be cancelled *on the day of the installation*, this guaranteed maximum disruption to the customer, and Cavalier's reputation and ability to deliver the product it promises to deliver was seriously affected. This would translate to thousands of orders similarly affected each year.

Q. These cancelled orders are for the date of the installation for "no facilities," do you have evidence showing other orders that had to be cancelled or voided before the date of installation?

A. Yes. Attached as Exhibit 20 is first quarter 2002 summary and supporting data of all "no facilities" orders cancelled. As this Exhibit reveals, for just this quarter, Cavalier was forced to cancel 1715 orders.

Q. Are you saying these voided orders are not captured in the performance metrics?

A. Yes. PR 3-05-02 and 03 captures "no facilities" that are being held for eventual facilities. When an order is rejected for "no facilities ever" this voided order is not reflected in the metrics and is therefore not reported. As far as the metrics were concerned, all the staff time and resources devoted to ordering service for that customer, not to mention the inability of that customer to have choice, is off the radar.

Q. How does the IDLC issue affect Cavalier and its potential to service Virginia customers?

A. Customers call Cavalier in good faith trying to get our service. Cavalier processes orders in good faith on behalf of the customer, only to find subsequently that the orders cannot be processed. Cavalier then has to call the customer back and inform them that its service is unavailable. To put it bluntly, Cavalier looks downright stupid for taking a customers order, processing the order and then calling the customer back at or near the time the customer expects service only to say "sorry, but the systems do not allow us to provide you service." When this happens, the customer loses confidence with Cavalier, and surely this reputation is passed along. This problem is compounded because Verizon will not tell Cavalier at the time the order is placed, in real time, whether or not the order can be provisioned or not. Since Cavalier does not know this, and since Cavalier would like to instill confidence with its customers, who no doubt will not take Cavalier service if Cavalier itself is not sure if we can do it, the net result is poor treatment of Cavalier by Verizon, and this naturally impacts the customers as well.

Q. Does Verizon play this game with its own customers?

A. Of course not. Verizon does not run into an IDLC problem with its own customers. They simply service all customers who request services, and they do so in a matter of days. If facilities are not available they build them. And they build them at no additional charges, and upon information and belief, routinely

waive any extra installation charges, so in essence they favor their customers. That is not what we would call nondiscriminatory access to customers.

Q. How pervasive is this IDLC situation in Virginia?

A. Based on testimony in a prior Virginia case, it appears that approximately 22% of Verizon's loops are served on IDLC. It is Cavalier's understanding that this percentage is growing. Moreover, on a wire center basis that number could be materially higher. If one drives around new subdivision, one can see ILEC cabinets stationed in these new residential developments. Given the fact that IDLC will likely be in place for all the homes in this subdivision it is more than likely that virtually all of these potential customers will be excluded from choosing Cavalier. If one takes Bethia as an example, a wire center that experienced unprecedented growth in residential lines, those new subdivisions are served via IDLC. That wire center has relatively new loops and its customers would be therefore be excluded from Cavalier.

Q. Has Cavalier attempted to talk to Verizon about this issue?

A. Yes, in July 2000 we met with Don Albert from Verizon to discuss the problem. As a result of that meeting Verizon presented the attached critique, shown on Exhibit Exhibit 21. In summary, the report acknowledged that the hairpin solution was technically possible, but that legacy operational systems were not developed to support it. Therefore, their conclusion was that it was not cost/justifiable.

Q. Do you agree with Verizon's position?

A. Cavalier not only disagrees but has conducted its own multiple switch hosting trial. Through this trial Cavalier used a Fugitsu IDLC subtending a CavTel DMS 500 switch and added T1 links with a little programming and were able to port numbers

between the switches with a few software commands. Cavalier picked this configuration because it involved multiple switch vendors. In short, it was easily accomplished.

Q. So it is technically feasible to serve customers behind an IDLC with this solution.

A. Yes.

Q. If Cavalier runs into an IDLC situation, not all orders are cancelled?

A. That is true. PR 3-05 shows that there will be a few orders being held for provisioning. The options Verizon employs may lead to a customer being placed on a "Universal" digital loop carrier (UDLC). Under this "solution" an additional two analog-to-digital or digital to analog conversions are involved.

Q. Why doesn't Verizon provision all the IDLC customers this way?

A. Verizon will say that a manual intervention is necessary with manual wiring, raising costs and is cost prohibitive to provision all customers that way. But even it is provisioned this way, UDLC has other problems.

Q. Such as?

A. Dial up modem speeds get cut in half. A UDLC has an extra analog to digital conversion card, with slows up modem speeds. So, when a customer gets this option his/her internet connection will be dramatically slower. Naturally, Customers who experience this loss usually cancel their service and go back to Verizon. So this winds up being an inferior product that has little value to either Cavalier or its potential customers.

Q. So, it sounds like your saying with IDLC Cavalier plays a guessing game of a) whether it can provide service at all, and b) even if it can, there is a chance that the service will be degraded?

A. That is true. Thousands of customers have already been adversely affected. It is a big issue for Virginians because IDLC is so widely deployed.

Q. How many Cavalier customers have been adversely impacted by IDLC?

A. As mentioned previously Cavalier tallies each month the number of customers who cannot be served because of "no-facilities." We noted that there were 844 customers that had voided orders for the 1st quarter of 2002 (see Exhibit 20). For 2001 the total number of voided Cavalier customer orders due to no facilities was 2,413 (see Exhibit 18).

Q. So, this is not an insignificant number?

A. No it is not. These are real individuals that have been denied Cavalier service.

Q. Is there anyway that these customers can get service?

A. Sometimes, but only through extraordinary efforts. If those customers are savvy and persistent, they can get Cavalier service through a couple of different avenues.

Q. Please elaborate.

A. One approach is to have Cavalier escalate the matter through Verizon. Over the past two and one half years, we have had successes with that approach at least several dozen times. The other approach is to have the customers file a complaint with the VSCC. We have 28 instances of customers taking their concerns to the VSCC. Seven of those customers eventually received Cavalier service.

Q. So if one lodges a sufficiently vociferous protest to VSCC, the issue of no facilities may be suddenly resolved.

A. That is what the evidence shows.

Q. So when Verizon says that there are no facilities, then is that answer reliable?

A. No. Cavalier and its customers cannot rely on a system that provides facilities miraculously to only those customers who complain the loudest. This calls into question the veracity of the responses that Cavalier receives for the vast numbers of other orders that are placed and rejected for these "no facilities" reasons.

Q. But Verizon makes representations that customers can be served via copper or UDLC, correct?

A. Correct.

Q. Does that response have limitations?

A. Yes, there is only so much copper available. As market share might grow for Cavalier in any given area, copper will run out quickly. One neighbor may be able to be taken off IDLC and put on copper, but another neighbor may not because the other neighbor is using the spare copper facility.

Q. Have they made any representations in this filing that there could be limitations on customers behind an IDLC choosing Cavalier or any other competitor?

A. No. This important denial of fair access to Verizon's customers serviced over its existing loops is not even mentioned in their application.

Q. So nowhere in the Verizon documents supporting this application is there mention that Verizon IDLC deployment in Virginia would have a significant impact upon competitive choice??

A. Yes that is true.

Q. But the fact remains that a large segment of Virginians will not be able to choose a facilities-based competitive carrier like Cavalier due to the no-facilities issue. Is that true?

A. Considering that almost a quarter of all Virginia residents in Verizon's service territory are behind an IDLC, we estimate that figure to be very large, perhaps as much a one million.

Q. <u>One million</u> Virginians may be deprived of competitive services; like Cavalier?

A. That is true. Verizon has deployed IDLC to almost a quarter of all Virginians. As shown on Exhibit 18, 2413 Virginians were denied this choice last year.

Q. And this is not mentioned at all in Verizon's pleadings?

A. No, it is not mentioned.

Q. When you place your initial orders, does Cavalier have an ability to test Verizon's systems to see if a customer really is blocked by an IDLC or whether the customer really should be denied service?

A. Verizon uses its own LFACs system to evaluate the facilities available to provide service to a particular customer, but Verizon has refused to provide Cavalier with effective access to that system.

Q. Does Verizon's have access to these tools when their customers place orders?

A. They do not need to know. Verizon itself does not run into IDLC, "no-facilities" issues.

Q. Are there other examples of processing errors that result in damage to your customer relations and lead to discriminatory treatment?

A. Yes. When a customer takes Cavalier service but continues to get billed by Verizon there is a Verizon system breakdown whereby Verizon does not inform its retail billing people to stop sending these bills. This "double billing" occurs when a Verizon customer switches its service to Cavalier, but continues to get billed by Verizon for long periods after the switchover. It has been a big problem for Cavalier over the past two years. We have had hundreds of examples. Mr. Clift's email log since July 1999 alone has 258 email messages just about this one problem.

Q. But a simple call to the billing inquiry number on the Verizon bills fixes that; does it not?

A. No it does not.

Q. Do you know why?

A. No. In August of 2000 William Irby of the VSCC directed Verizon in a memo to start answering customer concerns. Verizon responded that the problems would be completely eliminated in the next few months. These correspondence are attached as Exhibit 22.

Q. Did that fix the problem?

A. No it did not.

Q. What did Verizon do about it?

A. They set up a special group called the "double billing team" to address these concerns. When a Cavalier customer complains to Cavalier about getting double billed, Cavalier is to call the double billing team to get the problem resolved.

Q. Has this resolved the problem?

A. It has helped but it has not solved the problem. Sometimes there are situations which Verizon retail says that the charges are legitimate. Therefore, the double billing team cannot help. In this situation, the customer comes to us seeking help. They are at a loss, because they switched their service to Cavalier, but still get billed by Verizon. Customers still today cannot simply call Verizon to have their problem fixed. Customers have tried, but the Verizon retail folks, cannot seem to help, and more important, are disinterested in solving the problem. Attached as Exhibit 23 are some recent examples in emails of customer complaints who continue to receive bills from Verizon after switching service to Cavalier.

Q. KPMG's test would suggest that Verizon's current OSS systems provide functional and nondiscriminatory access to CLECs. Do you agree?

A. No. Cavalier has been dealing with a variety of problems for several years. We have already raised several of these OSS related problems, such as the directory listings process flaws. There are numerous other daily breakdowns in Verizon's OSS that force Cavalier to incur extra costs and inordinate staff time to fix Verizon problems. These problems have had a pronounced adverse impact upon Cavalier. Cavalier wastes considerable time chasing down incomplete and inaccurate information from Verizon. There is a general lack of system access to critical customer service affecting information, and a general lack of

responsiveness of Verizon to Cavalier customer concerns. Cavalier's business and operations are harmed by these failings, and its customers are adversely impacted as well.

Q. Why is this so relevant to this proceeding?

A. For a CLEC to operate effectively, access to Verizon's OSS is critical to provision the customers service to a CLEC when the customer is on a Verizon loop. Cavalier is provided with Verizon's current version of its web based geographical user interface or "GUI." This OSS system is replete with errors, flaws and other deficiencies that effectively deny Cavalier with reasonable access to these interface systems in a workable way.

Q. Can you elaborate?

A. As with the directory ordering process, Cavalier continuously has to chase down incomplete and inaccurate ***Verizon*** supplied data. Cavalier wastes time and money chasing Verizon's own data, which it either does not have or is in error. As a result Cavalier cannot process orders until Verizon's information or errors are corrected. Thes orders get stalled in the process. Orders are "queried" and sit in limbo, until Cavalier ***manually*** chases down the information. Sometimes this information is simply unavailable, and Cavalier processes orders on a trial and error basis, until the order clears. Many times, Cavalier must give up the customer on its own or the customer gets tired of waiting and cancels.

Q. Are you suggesting that Verizon has set the specification for its own OSS system, that requires its own data, but when you access that data; it is wrong?

A. It is even worse than that. We cannot even get our hands on the data.

Q. Can you be more specific?

We have specific information regarding a host of issues. We present them one by one. All of these problems share a common theme: The data and information is in Verizon's hands, the systems are of their design, Cavalier must pull its hair out to uncover the Verizon generated problem and press continuously for a fix. Meanwhile, Cavalier must incur extra costs and staff time to get to the bottom of these problems. The problems change over time, but at present can be summarized as:

a.) Multiple and incomplete FOC's

b.) Circuits Not Found

c.) Missing ALI Codes

d.) Indiscriminate Jeopardy Notices

e.) Missing BTN Codes

Q. Would you please briefly describe the problems and the effects of these problems upon Cavalier?

A. Here is what we are talking about:

"Multiple FOC's" - the GUI provide" information'o" –ny given order with respect to the status of that order as it moves through the various stages of entry to installation. However, when Verizon returns a firm order confirmation many times several, as many as fifteen or more FOCs are sent back for the *same* order. Each entry has to be opened individually and checked because the critical information may be on one FOC but not on others. Which is the correct one? That is the question and the frustration that Cavalier must go through each time this happens. There is no summary location on the document or where all updated information resides. The

opening and verification of multiple entries is wasteful and time consuming. Each entry may take up to one minute for verification. Some orders have had up to 15 to 20 multiple entries. This therefore could add as much as 15 minutes to just check the status of any given order. This problem continually occurs daily. With hundreds of loops installed daily, this added time in counter-productive. The problem and some idea of the frequency is shown on Exhibit 24. This exhibit shows the cover sheet of multiple FOCs received for the same date and time and attached documentation. Exhibit 25 show additional examples of multiple FOC cover sheets.

"Circuits Not Found" – with our existing customer base, orders have to be placed with Verizon for service changes; outside moves (a move to a new location), and for disconnects. An example of the error message Cavalier receives is attached as Exhibit 26. In these circumstances, the initial circuit information supplied by Verizon is either subsequently omitted or changed by Verizon. Thus, when Cavalier attempts to process an order for these customers, the order is queried (rejected) by Verizon. Emails showing Cavaliers frustration and request for Verizon assistance are attached as Exhibit 27. Cavalier must then submit spreadsheets to investigate and ultimately resolve this Verizon issue. A copy of such a spreadsheet is attached as Exhibit 28.

"Missing ALI Codes" – Cavalier converted to a new ordering format in February 2001, "LSOG 4". Prior to that conversion Cavalier was using "LSOG 3." For Directory and Directory Assistance orders, LSOG 4 required that a new field be populated that was not required in LSOG 3. That new field required that Cavalier populate an "ALI" code for every order. An ALI code is a code assigned by Verizon

that identifies the actual access line for directory listings purposes, and is particularly important in one location with many numbers assigned. It is a Verizon code using Verizon assigned nomenclature. Cavalier does not have this information, and is not provided this information off the GUI at the relevant time when the order is placed initially. The order is rejected, and Cavalier has to request the Verizon ALI code in order to do Verizon's job to add the Verizon code back into the Order. Attached as Exhibit 29 is a Verizon query stating ALI code incorrect and the highlighted spreadsheet code from Verizon showing that is the code to used. So we got a query using their code provided on their spreadsheet that is returned with an error. Beyond the self-evident admission that this is an indication of a problem in the system to force Cavalier to do Verizon's job, the information on the spreadsheets is itself many times wrong, which only compounds the problem. Thousands of orders are affected, as reflected in the thousands of directory listings errors reflected in the LVR process described above.

In addition, Verizon claims that the ALI code is provided on the CSR. Pulling the CSR does not work. First, a CSR is not pulled for every residential customer. Second, the ALI code information on the CSR is not standardized. Third, pulling the CSR is a time consuming process. To pull a CSR may take up to one minute. With literally thousands of orders to process, this activity is extremely wasteful and overburdensome and costly. Attached as Exhibit 30 is a summary of Cavalier's problems and emails to Verizon and responses reflecting this recent failure in Verizon's systems. Attached as Exhibit 31 is another spreadsheet from Verizon to

Cavalier with hundreds of listings identified incorrectly and taken from Verizon's information.

"Jeopardy Notices" – after on FOC is obtained for any order, installation for that order can still be stopped for a variety of reasons, solely at Verizon's discretion. Verizon indiscriminately reclassifies an order as in jeopardy. Installation for that order is stopped, cold, and in many instances is stopped altogether. Many times the jeopardy notice will appear amongst several other FOCs that show the order can be provisioned. Which one is the accurate version? This is the guessing game that Cavalier must go through. An example of these multiple FOCs with jeopardy notice is attached as exhibit 32 (good FOC, followed by 7 jeap. Notices, followed by FOC). Exhibit 33 is an example of a notice sent after confirmation and provisioning complete that looks like a good FOC but is a jeaporday notice in reality. This is problematic for Cavalier for two reasons:

First, all of Cavalier's internal systems and its communications with its customers are dramatically affected. Cavalier initially begins the installation process based upon its receipt of an FOC. After the FOC is obtained, the customer is contacted and service installation is setup. Now when a jeopardy notice is received, and in most instances, received on the day of installation, the installation is stopped. Cavalier must then inform the customer of the delay. This naturally has an adverse effect upon the customer, and a material affect upon a business customer. Furthermore, this has a material affect upon Cavalier's business reputation, since Cavalier is blamed for not delivering the service. If the jeopardy is referred to an engineering problem, Cavalier

must ride Verizon to make sure the order gets finished. We often find out that there is a working port problem that is noticed on the jeaporday notice; we have to re-run the process to address this, many times only to find out that this wasn't the problem after all. Exhibit 34 provides numerous examples of this Verizon flaw in its systems.

"Missing BTN numbers/RSID Errors" When the Cavalier order is entered into the GUI, Verizon has two systems at work on its end, a legacy system and a newer "Express Trak" system. Originally, all of Cavalier's orders went through the Legacy system. In these original orders, Cavalier had to place a BTN number on the order. This is a billing telephone number assigned by Verizon that is supposed to be specific to the CLEC so that any changes to the number (disconnect, moves, etc.) can be tracked. At some point after the original Cavalier customer order was provisioned Verizon began converting its CLEC data to its Express Trak system. However, it has become clear that during the conversion process the BTN number was not converted accurately by Verizon. Thus, when Cavalier puts in a new order to change the original status of the number (disconnect, move, etc) a query or rejection is kicked back saying "request RSID/AECN tel # does not equal SID." This means that Verizon thinks that another CLEC owns the BTN number. Cavalier has done nothing to change this, and yet gets this rejection for hundreds of orders in the last few months. Cavalier has sent Verizon repeated notices and emails about this problem asking for a correction, and these examples are attached as Exhibit 35. Once again, Cavalier has to devote excess time, money and resources towards

identifying, and fixing Verizon's flawed systems. For a time Verizon wanted Cavalier to make up a new trouble ticket for each batch of problems.

What impacts do these problems have on Cavalier?

A. These issues are very disruptive to Cavalier's operations, its customers and the ability of Cavalier to grow its business. At the core, these problems impact Cavalier's efforts to provide high quality telephone service. They disrupt Cavalier's installation processes, by adding time, energy, and resources just to provide basis services to customers. It is a major barrier to competition and competitive entry. In the eyes of its customers, Cavalier gets a black eye, because these issues jeopardize its ability to provide high quality telephone service. Cavalier has had to engage a variety of "work around" processes to track down missing information that should have been supplied by Verizon. These are just a few of the examples of the shortcomings of a deficient Verizon OSS that Cavalier is laboring under at the present.

Q. Have you brought these issues to Verizon?

A. Yes. Numerous calls, emails, and correspondence has transpired over the last two years. We started to bring these matters to the attention of Verizon when we started running into the directory problems for the Richmond Directory. Meetings with Verizon go back as far as July 13, 2001 on the ALI code issue. We also met with Verizon and the VSCC staff on October 15, 2001 about these subjects. Verizon responded by way of an Email from Ken Rank saying that Verizon was working on this problem. This is attached as Exhibit 36. But, as of today these problems are still unresolved.

Q. Did they do anything about it? What has Verizon done to correct these shortcomings?

A. Very little in fact. We have yet to see any material efforts to fix these recurring and systematic problems. Verizon may listen, and perhaps throw out some band-aids, but no material fixes have been instituted.

Q. Is this problem addressed in the KPMG test or in Verizon's metrics?

A. No they are not. Under the current metrics Verizon at any time can raise its hand and call for a "do over." In other words, Verizon can stop and start the installation clock at will, regardless if the stoppage is valid or not. Measurement only occurs when Verizon wants to start the clock. For instance, if Verizon queries an order for "circuits not found," and the query is really attributable to a shortcoming on Verizon's end, then this Verizon error is not captured in the metrics as a missed order. None of the back-and-forth searching for the missing codes referred to above will be found in the metrics, but the adverse to Cavalier is just as real.

Q. Besides of the customary emails and escalations to Verizon, is anything else being done?

A. The latest reaction we get from Verizon is to pursue these Verizon system problems through their "change control" procedures.

Q. Does this process accomplish anything?

A. Not that we have seen. As an example, this latest procedure appears more designed to defer problems than to correct them. For example, on March 28, 2002 the VSCC conducted a working meeting with Verizon to go over the

directory issues, discussed previously in this testimony. At that meeting, Steve Goodman of NTELOS raised the issue directory listing orders not flowing through due to a missing or ALI code, the same problem raised in out testimony above. Other general processing problems were discussed as well. As the discussion progressed Verizon's representatives ended the dialogue by suggesting that a "change control" request would be appropriate to address this problem. There was a clear inference that Verizon had an internal formal process to deal with these issues, and that CLEC's could not raise this problem until that process had been resorted to first.

Q. What did Cavalier do?

A. We took Verizon's advice, and issued change control requests for this problem.

Q. How many change control requests did you issue?

A. We issued one change control request for each of the problems listed above. A copy of our change control requests and recent status regarding these matters is shown as Exhibit 37. For each of the problems, change control numbers from 2469 to 2475 have been issued consecutively.

Q. So you did exactly what Verizon said to do?

A. Yes.

Q. Then Verizon has then at least acknowledged the problems?

A. Well, not exactly.

Q. What do you mean by that?

A. The change control personnel at Verizon told us that our issues do not belong in change control. They told us to work the issues through the respective Verizon

organizations, such as NMCC and TISOC. In other words, instead of addressing the problems, another Verizon group sought to pass the buck to another organization.

Q. So Verizon told you to go to change control and then change control did not consider your request.

A. Yes.

Q. **Do you believe that Verizon was misinformed?**

A. We would like to believe that, but after more than two years of experience we cannot help but think that what is really going on is a concerted effort to sidestep real problems confronting their relationship with CLEC's.

Q. Do you have other examples to lead you to this belief?

A. Yes, Verizon has a so-called Competitive Users Forum ("CUF") purportedly designed to address these kinds of problems. This working group was formerly known as the "BAUG" (Bell Atlantic Users Group).

Q. Do you have confidence that this group is providing effective solutions to these types of problems?

A. No. Verizon hosts CUF meetings several times a year. At these meeting a CLEC may submit issues for resolution. The issues are discussed. Verizon listens and diligently takes notes about the problem, but the problems usually do not get resolved. Verizon may acknowledge the problem, but this appears to be more of a paper pushing exercise to Cavalier, and this is apparent from a review of the notes of these meetings, attached as Exhibit 38. As these examples show, there is discussion, and promises to look at problems, but the same problems brought to

these meetings last year keep cropping up today. Cavalier has lost faith in Verizon's commitment to fix real problems.

Q. If Cavalier has these outstanding issues, is Cavalier protected from abuses from Verizon through the metrics?

A. No. The Circuits not found issue, the ALI code issue, and the multiple confirmation issues are not part of the metrics. This activity and the extra work is placed on Cavalier. No metric deals with these problems and the excess time and resources that Cavalier incurs.

Q. But the metrics do provide some protection for Cavalier against abuse?

A. They would if they were correct, but based upon our review of certain key input data, the metrics supplied by Verizon must be viewed with suspicion.

Q. Can you be more specific?

A. Yes. Below is a chart that compares the results of PR-5-01. PR–5-01 is the metric for "Facility Missed Orders". What is shown is the number of missed appointments for loop facilities. The chart compares Verizon data and Cavalier data.

Month	**Cavalier**	**Verizon**
March 2001	**269**	**10**
February 2002	**213**	**11**
January 2002	**362**	**10**
December 2001	**187**	**2**

Q. What does that chart tell you?

A. That the Verizon data is woefully incomplete.

Q. What is the source of this data?

A. Every month we tally the number of orders that are voided. One of the categories is orders voided for no facilities. The numbers in the chart show the tally for the 1st quarter of 2002. A full listing of these voided orders is shown as Exhibit 20.

Q. How you found other flaws in other metrics?

A. Yes. PR – 6-01 looks at % installation troubles reported within 30 days. The February 2002 report, notes that Verizon observed 6656 trouble tickets. Our data shows that there were 2,880 trouble tickets for February. Again their data is way off. The Cavalier data is shown in Exhibit 39. In that exhibit, all trouble codes opened during February 2002 are shown in the middle column.

Q. Anything else?

A. The February report also shows that 2,377 hot cuts were observed for PR 9-01. Our total lines installed for February was 8,208. About 80% of our installations are hot cuts, that would bring the comparative number down to 6566. About times higher than Verizon observed.

Q. Anything else?

A. PR 9-01 for February also reports observations of 2,377 hot cuts. PR–6-02 reports 3,083 installation troubles for loops. Again, this is more than 3000 less than Cavalier's data reveals for that month alone.

Q. So based upon this data every loop installed was reported for trouble?

A. Worse than that. The calculation is 1.29 troubles for every installed loop.

Q. Is Verizon service that bad?

Q. It is bad, but not that bad.

Q. So what are your conclusions about the metrics reported by Verizon?

A. Cavalier frequently encounters serious deficiencies in Verizon's service, but we do not believe the magnitude of those deficiencies rises to the level indicated by this particular metric.

Q. Moving to the subject of UNE prices, would you agree that the prices Verizon charges for UNE loops is in compliance with the requirement to provide nondiscriminatory access to loops, again in Checklist 2?

A. No. Verizon discriminates against Cavalier with respect to its UNE prices by wire center and this is yet another example of noncompliance with Checklist Item

Q. Please elaborate.

A. There has been a material cost change in providing services in one (and perhaps other) wire centers in Virginia. Verizon refuses to recognize these significant demographic changes that reflect lower costs. For example, Bethia, a suburb of Richmond, is the fastest growing community in the Richmond metropolitan area. It is classified in cost grouping 3, which means that its loop rate is $29.40. Cavalier petitioned the VSCC to reclassify the wire center into group 1 or 2, given the obvious changed circumstances that no longer justify a higher "rural" based price scheme. Verizon opposed Cavalier and petitioned to have the Cavalier petition dismissed. The VSCC dismissed the petition, stating that it was reluctant to deal with the problem, and requested that Cavalier pursue this request privately through renegotiation of its interconnection agreement.

Q. Has Cavalier requested that renegotiation of its interconnection agreement?

A. Yes we have. Renegotiation was requested on March 6, 2002, in a letter to Jeff Masoner at Verizon (see Exhibit 40). Verizon acknowledged Cavalier's request on March 13. In addition, Cavalier requested that the Bethia issue go straight to arbitration, without waiting for the termination of the 135 day clock. If accepted Cavalier could immediately commence activities to bring the Bethia issue to closure.

Q. Has Verizon accepted Cavalier's request?

A. No.

Q. Why do you think that this is discriminatory?

A. Several newspaper articles have been published about the growth in Bethia (see Exhibit 41). On Sunday, April 7, another feature article appeared in the Richmond Times-Dispatch about the growth in residential and businesses along what is considered in town as the "Hull Street Corridor." Those articles state that this area is the fastest growing area in the city. As represented, the County has authorized construction of over 10,000 new homes in this area, beyond the thousands of new homes that have been constructed since Verizon last updated it cost study before the VSCC. It is simple math. The cost per loop is based upon a cost numerator divided by the number of access lines. If access lines have grown 25,000; from 5,000, that is a 500% increase. Even accounting for double-digit inflation the numerator of the equation has not grown by 500%. So through simple math, delta numerator over a 500% delta denominator will result in a reduction in the cost per line. So with all of this growth, Verizon's costs are going down, but Verizon continues to charge

Cavalier and other CLECs as if its costs were still high in a rural density zone 3 area. This is pure fiction, and hurts CLECs in two direct ways. First, there is a measurable overcharge to the CLECs that significantly raises the cost to do business, even assuming it is still possible for the CLEC to go into a Density 3 zone. Second, Verizon keeps the cost savings for itself and effectively forecloses new competitors from entry. That is a plain discriminatory arrangement that cannot meet the standards of Checklist 2 compliance.

Q. Are there any other examples where Verizon does not provide you with nondiscriminatory access to UNEs?

A. Yes. Verizon is required to provide unbundled access to UNE dark fiber. There are two problems. First the process is designed to thwart reasonable access to Verizon's, and as a result Cavalier cannot construct its fiber network in the manner that would best fit Cavalier's facilities based network. This delays Cavalier's competitive entry and forces Cavalier to incur excess costs in order to maintain connectivity on other circuits in order to service its customers.

Q. Can you be more specific?

A. Verizon's inquiry process is the means for identifying available dark fiber. It is akin to shooting blindly in the dark. Here's how it works in practice. Dark fiber is used to connect one central office to others so as to provide necessary transport of traffic in between these CO's. When a CLEC wants to connect up between certain COs, instead of submitting a request for just this desired path, Verizon requires the CLEC to submit multiple inquiries for every possible combination of connectivity for all COs in that region without providing any reference or data on existing and

available facilities. They were required to offer fiber maps, but our efforts to obtain them proved to be very expensive, timely and the information turned out to be insufficient because the maps were not provided in a network overview, but were only provided on a CO by CO basis. This is comparable with asking for a map of a state's roads and being told to obtain maps of each town and city and then trying to piece them all together where each map is very expensive. There is no overview "map" that guides the CLEC showing an overview of where the existing fiber travels. We find it hard to believe that Verizon treats its own inquiries in such a difficult fashion. Surely Verizon has the overview of its own network, but refuses to make this available to CLECs.

Q. How many inquiries have you made?

A. We have submitted 305 inquiries in Northern Virginia to connect 22 existing COs.

Q. Of those 305 what was the success ratio?

A. We obtained positive results on 34% of the inquiries.

Q. What happens when you do get positive responses on the dark fiber inquiries?

A. One would expect that the CLEC would then be able to place an order for the dark fiber. However, that is not the case. Instead, Verizon will not let us order the fiber until we get CFA or port assignments in the end point collocation office. The problem this creates is that by the time we obtain the CFA's from Verizon, using there standard 113 day interval, and return to pick up the dark fiber we have ordered we have been told that sorry, the dark fiber is no longer available.

Q. Have you tried to arrange for a better process with Verizon?

A. Yes, and we were told to first order the CFAs and then submit the dark fiber inquires.

Q. What is wrong with that approach?

A. As just described, Cavalier has no way of knowing up front if there exists dark fiber available for the specific COs it seeks to connect, so this amounts to a catch 22 or circular game that leads to nowhere. Attached as Exhibit 42 are summaries and emails outlining Cavalier's frustration with this extended process.

Q. Has Cavalier complained to the regulators about this?

A. Cavalier complained to the FCC and met with Verizon but this did not lead to any solution or changes. A copy of the minutes are attached as Exhibit 43. Instead Verizon has been working with Cavalier to address these problems in other states but will not do anything about this process in Virginia. Attached are emails showing Verizon's views on this matter.

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Q. Verizon is required to provide local loop transmission from the central office to the customer premise (Checklist Item 4). Is that happening?

A. No. Again, Verizon is obligated to provide unbundled dark fiber loop transmission from its COs to the customer premises. In every case where we have applied for customer dark fiber it is rejected as "not available." For example, Cavalier sought this dark fiber loop for a customer in northern Virginia. Verizon responded with "no fiber available." Then, based on a field visit it was determined that there was fiber available. We contacted them again and reported what we saw, and they responded that a field survey would be needed, which took seven months,

and Cavalier needed to pay for the survey of Verizon's records. The result was no fiber.

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Q. Verizon is also required to provide nondiscriminatory access to 911 and E911 services (Checklist 7). Is this happening?

A. No. Verizon does not recognize Cavalier contribution to the provisioning of 911 services, and its right under its state tariffs for compensation.

Q. Can you be more specific?

A. Cavalier provides 911 services. It has a tariff on file with the VSCC that describes its services. In general, Cavalier is entitled to recover its costs for providing this service from the local governments and counties. Cavalier bills these agencies for its services. Verizon on the other hand bills these agencies too. The agencies get two bills, with the sum greater than they paid before. The government agencies do not like this.

Q. So, if all (100%) subscribers in a county switched to Cavalier, the counties would still get a bill from Verizon as though it was still the provider and that bill would be unaffected?

A. Yes. That is what Mr. Walter Campbell of Verizon represented at a meeting with the Chesterfield county officials attended by Verizon on _____. Mr. Campbell blamed the increased cost to the counties upon the presence of competition. Mr. Campbell went on further to state that even though the CLEC's increase their market share, Verizon's costs would not be reduced, and the counties would have to pay more for their 911 services.

Q. Did Verizon even agree that some of its costs would be reduced?

A. No.

Q. How is action in non-compliance with checklist (vii)?

A. Verizon is not recognizing Cavalier rights as a competitor to offer services, and receive compensation for them. Verizon gets paid, but Cavalier does not. That is not non-discriminatory treatment.

Q. So Cavalier is not getting paid?

A. No it is not. Verizon's has effectively scared the city and county government officials into not paying Cavalier. Cavalier is not receiving its due revenues from the counties. The reason is attributable Verizon' scare tactics. At no instance that Cavalier is aware of has Verizon reduced its charges to the counties for 911, even though its line counts have been reduced. The counties thus pay Verizon and stiff Cavalier.

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Q. Verizon is required to provide nondiscriminatory access to its poles, ducts, conduits and rights-of-way in accordance with the Telecommunications Act (Checklist 3). Is this happening?

A. No. Cavalier has serious problems with Verizon's provision of poles, conduits, and rights-of-way as reflected in the emails to Verizon attached as Exhibit 44.

Q. **What was the source of those problems?**

A. They consist largely of problems with the cost for make-ready work on poles, the time required to perform make-ready work on poles, the time required to grant or deny applications for permits to attach to poles, the refusal to allow third-party

contractors to move Verizon's attachments, discriminatory "legacy" practices regarding poles, and inaccurate and problematic billing practices.

Q. What is make-ready work and why are make-ready costs a problem?

A. Make-ready work is the work required to shift other attachments on a pole to make room for a new attachment. Most frequently, it involves moving a cable up or down six or twelve inches on a utility pole. Verizon has overstaffed and overworked every task. If a minor adjustment to Verizon's own facilities was needed, Verizon insisted on performing a full-blown "engineering" analysis and insisted on performing its own make-ready work, separate and apart from the make-ready work performed to adjust the attachments of other parties, such as cable television or other competitive local exchange carriers.

Q. What is the problem with the time required to perform make-ready work on poles?

A. Verizon insists upon performing any make-ready work on its own schedule, and the urgency of a particular task does not matter. This means that work could drag out for months or even as long as a year. To a competitive local exchange carrier like Cavalier, those types of delays mean lost time to get into the market and therefore lost business opportunities. Also, because Cavalier planned a phased roll-out in central, then eastern, then northern Virginia, delays in central Virginia were compounded and delayed the deployment of Cavalier's other fiber-optic networks.

Q. What was the problem with delays in accepting or denying permit applications?

A. FCC regulations require Verizon to grant or deny a request for pole attachment within 45 days. Verizon wrongly interprets that rule to mean only that it must "acknowledge receipt" of the application within 45 days, and that it can take as long as it wants to grant or deny the application. That attitude defeats the entire purpose of the FCC's rule and, again, delays Cavalier's network deployment.

Q. Why is work by third-party contractors important?

A. All or nearly all of the entities with attachments on utility poles—including Verizon, the electric utilities, and competitive local exchange carriers like Cavalier—rely on contractors to perform at least some of the work on those pole attachments. The work is too sporadic for any one utility to maintain a full-time staff that is fully occupied yet always ready to respond to upward spikes in the amount of work that needs to be performed. Even though all of these entities rely on contractors to perform at least some of their pole attachment work, Verizon refuses to allow Cavalier to employ third-party contractors to do a single sweep through a stretch of poles, moving all attachments by the necessary amount. Instead, Verizon insists upon allowing its own personnel or its own designated contractor to perform any make-ready work needed to move or adjust Verizon's attachment on its own poles or on the poles of other parties like electric utilities. This issue also came up between Cavalier and an electric utility, the only other major pole owner with whom Cavalier deals throughout Virginia. Even when Cavalier was able to work out a workable procedure with the electric utility, and all of the other entities that were involved appeared ready to accept this improved procedure, Verizon was the lone hold-out and prevented implementation of an improved procedure.

Q. What do you mean by a problem with "legacy" practices?

A. As an historical accident, Verizon has the right to be the bottommost attacher on many poles. Therefore, if the minimum clearance for fiber-optic cable to be mounted above the street is 18 feet, and Verizon is attached at 24 feet, with no space available for Cavalier or another competitor to attach above Verizon, Verizon requires Cavalier or the other competitor to move Verizon down and attach above Verizon, rather than simply allowing Cavalier or another competitor to attach below Verizon. I do not know of any valid engineering or safety reason for this practice, and to my knowledge the only conceivable reason for it is to drive up the costs for other parties to build fiber-optic networks. Nevertheless, Verizon insists upon enshrining this "rule" in its contractual agreements with other pole owners, primarily in its "joint use" agreements with electric utilities.

Q. What do you mean by problematic and inaccurate billing practices?

A. Verizon issues meaninglessly obscure bills to Cavalier for use of its poles and its underground conduit. Every six months, when Cavalier receives one of these bills, it must request a spreadsheet from Verizon correlating each billing item with a permit number. Cavalier's personnel must then manually correlate each permit number with Cavalier's own permit applications to determine whether each itemized charge is valid. For the last two to three bills, Cavalier was able to verify only about $200,000 out of the $300,000 that Verizon billed Cavalier for each six-month period. Whether Cavalier disputes these bills as a whole, or whether it presents Verizon with an itemized list validating or disputing each item, Verizon does not respond to Cavalier. For two bills that Cavalier disputed generally, Verizon sent the matter to collections.

When Cavalier provided the collections agent with an itemized listing of whether charges were accepted or disputed, and if disputed, the reason for the dispute, the collections agent was unable to obtain a response from Verizon regarding whether Cavalier's offer of payment would be accepted. Eventually, I believe that Cavalier was able to reach a settlement in principle with Verizon regarding two of these bills, but only as part of a broader set of negotiations. However, the problem continues with current bills, and Cavalier does not believe that Verizon is justified in refusing to provide bills in a reasonable format.

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Q. Verizon is also required to provide white pages directory listings for CLEC customers (Checklist 8). Is this happening?

A. No. Much of the problem in obtaining listings for Cavalier's customers is wrapped up in the directory listings process failures described above. Accordingly, our testimony may be incorporated into this matter as well since the net result is a failure to adequately provide for directory listings.

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Q. Finally, Verizon is required to provide for reciprocal compensation arrangements in accordance with the requirements of the Telecommunications Act (Checklist Item 13). Is this happening?

A. No. Again, as pointed out in our testimony related to interconnection and reciprocal compensation for transport above, Verizon believes it may avoid paying for the transport of its own traffic carried over the network of the CLEC by instituting its GRIP policies. Under this Verizon created regime, Verizon has made up a

definition for what it calls the "Interconnection Point (IP)." According to Verizon, the IP is the point where Verizon no longer has financial responsibility for the payment of the transport of its traffic, regardless of the fact that Verizon is using the network facilities and transport facilities of the CLEC to complete the further transport of that Verizon traffic. This is a basic distortion of the requirement that Verizon, as the originator of the traffic, is financially obligated for its traffic, just as a CLEC is financially obligated to arrange for the transport of its traffic over Verizon's network. In this latter situation, Verizon charges the CLEC for the transport of the CLEC's traffic, but refuses to pay when the situation is reversed. In this way, Verizon seeks to avoid its obligation to comply with the reciprocal compensation arrangements and to unfairly shift the financial burdens on the CLEC. This is not in compliance with this checklist item.

Q. Does this conclude you testimony?

A. Yes. This concludes our testimony, however it is important to highlight that the problems that Cavalier encounters with Verizon are both endemic and so constantly shifting, particularly as Verizon shifts its position to reflect any new data that Cavalier presents. Getting a straight answer out of Verizon is like trying to nail Jello to the wall. Therefore, for all the reasons provided in this testimony, Cavalier feels compelled to reserve the right to present further information as it comes in. Because the Commission has emphasized that this is not a "formal" proceeding, Cavalier does not expect that the presentation of further testimony or data should be barred from the Commission's consideration.