COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

IN THE MATTER OF THE INQUIRY		
INTO VERIZON VIRGINIA INC.'S	**)**	**Case No. PUC 20020046**
COMPLIANCE WITH THE	**)**	
CONDITIONS SET FORTH IN 47 U.S.C.	**)**	
271(c)	**)**	
	)	

REPLY MEASUREMENTS DECLARATION

ON BEHALF OF VERIZON VIRGINIA INC.

DECLARANTS:

Julie A. Canny

Marilyn C. DeVito

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REPLY MEASUREMENTS DECLARATION
ON BEHALF OF VERIZON VIRGINIA INC.

1. My name is Julie A. Canny. My credentials are stated in my original declaration, filed on March 15, 2002 in this proceeding ("Measurements Declaration").

2. My name is Marilyn C. DeVito. My credentials are stated in the Measurements Declaration.

I. PURPOSES OF REPLY DECLARATION

3. The purpose of this Reply Declaration is to respond to the testimony submitted by CLECs and Staff regarding wholesale measurement and PAP issues. Another purpose of this Reply Declaration is to provide Carrier to Carrier Reports ("C2C Reports") for the additional data months of February, March and April, 2002. See Attachment 407. As shown below, the Guidelines adopted by the Commission provide a comprehensive set of performance measures, standards and reports, which have been successfully implemented by Verizon VA. Reported results present a reliable and accurate picture of the quality of wholesale service. PAP issues are under consideration in Case No. PUC010226, and should be resolved there.

II. KPMG TESTING OF VERIZON VA'S MEASUREMENTS WAS COMPLETE AND COMPREHENSIVE.

4. AT&T attacks the adequacy of testing done by the Commission's consultant, KPMG Consulting ("KPMG").[1] In fact, however, the KPMG testing was complete and comprehensive. KPMG tested 126 metrics test points, and concluded that 123 were satisfied and the remaining three were not applicable. KPMG testing included: (1) documentation and distribution of metrics standards and definitions, and distribution of metrics reports; (2) collection and storage of raw retail and wholesale data used to calculate performance results; (3) replication of retail and wholesale reported performance results; (4) procedures used to replicate and convert raw performance data to produce reportable results; and (5) change control practices implemented to manage changes to the performance standards, metric definitions, and calculation of performance results. Similar KPMG testing was also done for regulators in the states of New York, Massachusetts and Pennsylvania, and the FCC relied on it in granting Verizon authority to provide competitive long distance service in those states.[2]

5. AT&T's claim that KPMG did not test "verification and ratification of metrics change control" is flatly incorrect.[3] KPMG states in its report that it performed 15 tests to evaluate overall policies and practices for managing changes to the metrics and communicating those changes to the Commission and the CLECs.[4] Furthermore, Verizon VA satisfied every one of the 15 test points.[5]

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[1] *See* AT&T Declaration of Robert J. Kirchberger, Mohammed K. Kamal and E. Christopher Nurse ("AT&T Panel Testimony"), pages 22, 26-27.

[2] NY 271 Approval Order ¶ 11, MA 271 Approval Order ¶ 46, PA 271 Approval Order

[3] AT&T Panel Testimony, page 22.

[4] KPMG Final Report, Section VIII, E., 1.0.

[5] KPMG Final Report, Section VIII, E.

6. AT&T is likewise wrong in asserting that KPMG failed to test adequately for accuracy of reported retail data. In fact, KPMG "evaluated the processes and systems used to capture Verizon VA retail and wholesale metrics for all domains."[6] PMR2 tested source systems for collection of raw data, and repositories for processed data, for both retail and wholesale.[7] PMR4 tested the process of extracting from raw data the processed data used to calculate performance results for both retail and wholesale.[8] And, PMR3 used raw or processed data to replicate performance results for both retail and wholesale.[9] Verizon VA satisfied every applicable test point in each of these areas. It is absurd to claim that KPMG's testing of reported retail data was inadequate. Indeed, this is virtually the same testing of retail data that was done to support long distance entry in New York, Massachusetts, and Pennsylvania.

7. AT&T's claim that KPMG testing was flawed because it failed to test the appropriateness of the retail analogs provided by the Guidelines is a red herring. The appropriateness of retail analogs is a matter that has been addressed in the development and adoption of the Guidelines. The Guidelines were developed in open collaborative sessions and ultimately approved by the Commission. Verizon VA applies retail analogs as prescribed by the Guidelines, and would seek modification of the Guidelines prior to implementing a retail analog other than that provided in the Guidelines. Moreover, Verizon VA uses the change control process to advise the Commission and the CLECs of implementation issues associated with retail analogs. Finally, consistent with consensus changes in New York, the version of the Guidelines filed by Verizon VA on February 22, 2002, includes a retail analog comparison table illustrating

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[6] KPMG Final Report, Section II, B., 7.0.

[7] KPMG Final Report, Section VIII, B.

[8] KPMG Final Report, Section VIII, D.

[9] KPMG Final Report, Section VIII, C.

the retail compare group for Provisioning and Maintenance metrics. AT&T filed no comments opposing this table in any respect.

8. AT&T's assertion that KPMG did not "require" or "evaluate compliance with" Metrics Business Rules is also irrelevant. Metrics Business Rules are not a 271 requirement, nor are they necessary for replication by a third party of performance results reported by Verizon VA. New Jersey is the only state where Metrics Business Rules have been developed, and they have not been required in any state where Verizon has received authority to provide competitive long distance service. Moreover, as AT&T has itself testified, in the New Jersey 271 process, KPMG did not even use the New Jersey Metrics Business Rules to replicate reported results.[10] More important, this Commission has already replicated performance results without using Metrics Business Rules and will continue to do so. The "rules of the road" for measurement of Verizon VA's wholesale service performance are stated in the Guidelines themselves, and KPMG testing shows -- and Commission replication will continue to ensure -- that Guidelines requirements are properly implemented by Verizon VA.

III. INDIVIDUAL PERFORMANCE MISSES ARE NOT A BAR TO ENTRY.

9. WorldCom cites the Carrier-to-Carrier Reports filed by Verizon VA for the months of November 2001 through January 2002, and asserts that "the great number of performance failures reported by Verizon contradicts Verizon's assertion that it provides nondiscriminatory service to CLECs."[11] The FCC has repeatedly concluded, however, that the

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[10] *See* AT&T Declaration of Mason Fawze, Robert J. Kirchberger and E. Christopher Nurse in NJ Docket No. TO01090541, dated October 19, 2001, page 23.

[11] *See* WorldCom Declaration of Margaret T. Pearce, ("Pearce Declaration"), para. 25.

Act does not require perfection and that the failure of individual performance measurements does not, in itself, warrant denial of a Section 271 application.[12]

10. The FCC has determined that Verizon is providing nondiscriminatory service in the states where the FCC has authorized Verizon to provide long distance service.[13] The FCC made this determination notwithstanding the fact that Verizon was not meeting all of the performance standards in any of those states. WorldCom is therefore incorrect in suggesting that failures to meet performance standards are bars to Verizon VA's entry into the competitive long distance market in Virginia.

11. The FCC has explained that:

> [P]arity and benchmark standards established by state commissions do not represent absolute maximum or minimum levels of performance necessary to satisfy the competitive checklist. . . . Ultimately, the determination of whether a BOC's performance meets the statutory requirements necessarily is a contextual decision based on the totality of the circumstances and information before the [FCC]. . .
>
> In sum, the [FCC] does not use performance measurements as a substitute for the 14-point competitive checklist. Rather it uses performance measures as valuable evidence with which to inform the judgment as to whether a BOC has complied with the checklist requirements. Although performance measurements add necessary objectivity and predictability to the review, they cannot wholly replace the [FCC's] own judgment as to whether a BOC has complied with the competitive checklist.[14]

12. Verizon VA submitted three months of performance data with the Measurements Declaration, and has since filed reports for the data months of February and March 2002. While Verizon VA cannot claim perfect performance -- although it strives to provide service at that

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[12] *See* Pennsylvania 271 Order, para. 77; New York Order, para. 60.

[13] *See* Pennsylvania 271 Order; New York 271 Order; Massachusetts 271 Order; Vermont 271 Order; Rhode Island 271 Order; Connecticut 271 Order.

[14] *See* Rhode Island 271 Order, App. D, paras. 8 and 10.

level -- the evidence submitted in this proceeding shows that, "based on the totality of the circumstances and information," it is meeting its obligations under Section 271.

IV. THE MEASUREMENTS INCLUDED IN THE GUIDELINES ARE APPROPRIATE.

13. Several carriers propose to modify the Guidelines by adding new metrics or revising existing metrics.[15] However, there are several reasons why the proposed modifications should not be considered here. First, on January 4, 2002, the Commission established on-going procedures to change metrics. The Commission specifically cited the Standards Subcommittee "as the most appropriate vehicle for the initial consideration of any proposed Virginia-specific metric change(s)."[16] Second, the FCC has not prescribed a set of metrics that are required by Section 271, and each version of the Guidelines that Verizon VA has and will use to report performance is sufficiently comprehensive to support a 271 application and provide information necessary to monitor performance after 271 authority is granted. Finally, even if these proposals were to be considered here -- and they should not for the reasons stated above -- they should be rejected as inappropriate and unnecessary.

14. There is no merit to Cavalier's assertion that a measure of performance in providing Yellow Pages listings should be included in the Guidelines.[17] The Verizon Yellow Pages are produced by a separate, unregulated Verizon subsidiary, and Yellow Pages

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[15] WorldCom asserts that Verizon VA has taken contradictory positions regarding adoption of OR-4-11. To clarify, Verizon VA's position is as follows: OR-4-11 is included in the Carrier to Carrier Guidelines submitted by Verizon VA on February 22, 2002. However, Verizon VA has opposed adoption of this metric in Virginia as detailed in its filing of February 22, 2002.

[16] Ex Parte: Establishment of Carrier Performance Standards for Verizon Virginia Inc., Case No. PUC010206, Order Establishing Carrier Performance Standards with Implementation Schedule and Ongoing Procedure to Change Metrics, dated January 4, 2002, page 17.

[17] *See* Panel Testimony of Cavalier Telephone, LLC ("Cavalier Panel Testimony"), pages 26-27.

performance metrics are not included in the Guidelines that have been adopted in any Verizon state.

15. Cavalier also contends that a metric should be added to the Guidelines to measure orders rejected for "no facilities ever."[18] No such metric has been included in Guidelines adopted in any Verizon state. Verizon VA is not required by the Act to build facilities to meet CLEC requests, and Cavalier's proposed metric is therefore meaningless as a measure of required wholesale performance.

16. Although it does not propose a specific modification, Covad complains that MR-5-01, % Repeat Reports within 30 Days, does not adequately capture the rate of repeat trouble reports.[19] In fact, however, MR-5-01 does measure the quality of Verizon VA's maintenance and repair service by measuring the percent of reported troubles cleared -- whether the initial disposition indicates a fault in Verizon VA's network or not -- which have an additional trouble reported within 30 days that is found to be in Verizon VA's network. To include troubles not found in Verizon VA's network in this measure, which is what Covad appears to suggest, would produce invalid results by wrongly including performance not within the control of Verizon VA.

17. Cox again proposes a substantial change to metric NP-1 that has already been rejected by the Commission. As noted above, this change should be proposed to the Standards Subcommittee if Cox chooses to raise it yet again.

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[18] *See* Cavalier Panel Testimony, page 34.

[19] *See* Testimony of Valerie Evans And Michael Clancy on behalf of Covad, ("Evans/Clancy Declaration"), para. 27.

V. METRICS FOR SPECIAL ACCESS SERVICES SHOULD NOT BE INCLUDED IN THE GUIDELINES.

18. WorldCom's request for metrics and a PAP including interstate and intrastate Special Access services should not be considered in this proceeding or, if considered here, should be rejected outright for the following reasons.[20]

19. The FCC has repeatedly held that Special Access service quality is not a 271 issue, and it has repeatedly rejected CLEC requests to include Special Access metrics in Carrier to Carrier Guidelines. In its order granting Verizon authority to provide competitive long distance service in New York, the FCC stated:

> We cannot accept the assertion by a number of [commenters] that the provision of special access should be considered for purposes of determining checklist compliance in this proceeding. . . . We do not believe that checklist compliance is intended to encompass the provision of tariffed interstate access services simply because these services use some of the same physical facilities as a checklist item. We have never considered the provision of interstate access services in the context of checklist compliance before.[21]

This holding was reiterated by the FCC in its order granting Verizon authority to provide long distance service in Massachusetts:

> [W]e do not consider Verizon's special access services performance. . . . Criticisms of Verizon's provisioning of special access service are not relevant to compliance with checklist item four. As we held in the *SWBT Texas* and *Bell Atlantic New York Orders*, we do not consider the provision of special access services pursuant to tariffs for purposes of determining checklist compliance.[22]

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[20] *See* WorldCom Declaration of Karen Furbish, ("Furbish Declaration"), paras. 5 and 6. It should be noted that states do not have jurisdiction over interstate Special Access services, which are subject to regulation by the Federal Communications Commission under Section 2(a) of the Communications Act of 1934.

[21] New York 271 Order, para. 340 (footnotes omitted).

[22] Massachusetts 271 Order, para. 156, n.489.

The FCC has accordingly rejected CLEC requests to include Special Access services metrics in a PAP.[23]

20. It would be particularly inappropriate to include Special Access services metrics in the Guidelines or in the PAP currently under consideration in Case No. PUC010226. Special Access services differ from the wholesale products included in the Guidelines and to be included in the PAP because Special Access services are not products offered to the CLECs for the purpose of providing local service. The New York Public Service Commission accordingly rejected requests by WorldCom and other parties to include Special Access services metrics in the New York Carrier to Carrier Guidelines.[24] Indeed, Special Access services metrics have not been included in the Guidelines or PAP in any state where Verizon has received authority to provide competitive long distance service.

21. To support its request for Special Access service metrics and penalties, WorldCom asserts that there was a decline in the quality of Special Access service in New York and Texas after 271 authority was granted.[25] However, WorldCom offers no evidence that any decline in Special Access service quality that may have occurred in those states was in any way related to the receipt of 271 authority. In fact, numerous carriers throughout the country experienced service issues in the provisioning of Special Access circuits at around the same time that Verizon New York and SBC Texas received 271 authority. Those issues arose from the dramatic, unprecedented increase in demand for special access services driven by internet usage

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[23] *See* New York 271 Order, para. 439 and n.1342.

[24] *See* Proceeding to Investigate Methods to Improve and Maintain High Quality Special Services Performance by Verizon New York Inc., NY PSC Case 00-C-2051.

[25] *See* Furbish Declaration, paras. 23 and 24.

and e-commerce and the carriers' inability to keep up with that demand.[26] WorldCom's focus on Verizon NY and SBC Texas is myopic in that it ignores the service issues of other carriers in other states. Its suggestion that declines in special access provisioning were somehow linked to receipt of 271 authority is completely lacking in factual support. So, too, is its suggestion that Special Access service quality will decline in Virginia after Verizon receives 271 authority.

22. Finally, as noted above, any proposal to modify the Guidelines or to include particular provisions in the PAP should be made using the processes and proceedings established by the Commission for those purposes. The Commission stated in its January 4 order that the Standards Subcommittee as the "most appropriate vehicle" for initial consideration of metrics changes, and the Commission has established a separate proceeding to consider a PAP.[27]

VI. THE ACT DOES NOT REQUIRE IMPLEMENTATION OF OSS PERFORMANCE METRICS AND A PAP BY THE FORMER GTE OPERATING COMPANY IN VIRGINIA.

23. AT&T contends that implementation of OSS metrics and a PAP by the former GTE operating company in Virginia should be required for authorization for Verizon to provide competitive long distance service in Virginia.[28] AT&T is wrong as a matter of law, and this claim should be rejected.

24. The Telecommunications Act of 1996 does not require Verizon VA to demonstrate checklist compliance for the former GTE operating company in order to obtain 271

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[26] *See, e.g., Network WorldFusion News*, "SBC Getting Poor Grades," November 27, 2000 discussing provisioning issues related to SBC unit Ameritech's Special Access services: "the demand for high speed internet services is exploding, that's for sure. We have seen demand for high-speed internet access go through the roof."

[27] *See*, Ex Parte: Establishment of Carrier Performance Standards for Verizon Virginia Inc., Case No. PUC010206, Order Establishing Carrier Performance Standards with Implementation Schedule and Ongoing Procedure to Change Metrics, dated January 4, 2002, p. 17.

[28] *See* Declaration of Robert J. Kirchberger, ("Kirchberger Declaration"), page 11.

authority in Virginia. Precisely this issue was considered by the FCC when Verizon applied for 271 authority in Pennsylvania. The FCC considered provisions of the Act and concluded:

> Section 271(c) establishes the checklist requirements that a BOC must meet in order to provide in-region interLATA services. Section 271(c) applies only to BOCs themselves, and not to BOC affiliates. . . . Although the former GTE operating company became an affiliate of Verizon as a result of the parent company merger, it is neither a BOC nor a successor or assign of Verizon. Thus, we find that Verizon is not required to show checklist compliance for GTE North, the former GTE LEC, to receive section 271 authorization for the state of Pennsylvania.[29]

The Commission should accordingly reject AT&T's attempts to apply metrics intended to show checklist compliance, and a PAP intended as evidence that 271 requirements will be met after long distance authority is granted, to the former GTE operating company.

VII. ISSUES RELATED TO THE PAP SHOULD BE CONSIDERED IN THE PAP PROCEEDING.

25. AT&T contends that the PAP should become effective before Verizon receives authority to provide long distance service in Virginia.[30] This issue has been briefed and is pending a decision in the proceeding established by the Commission to consider adoption of a PAP.[31] It would be inappropriate and wasteful to re-litigate the issue here.

26. AT&T argues that Verizon VA's request for a "ramp up" period for PAP purposes shows that authority to provide long distance service in Virginia is premature.[32]

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[29] Pennsylvania 271 Order, paras. 8 and 134 (footnotes omitted).

[30] *See* Kirchberger Declaration, page 2.

[31] *See* Ex Parte: Establishment of a Performance Assurance Plan for Verizon Virginia Inc, Case No. PUC010226, Comments Of Verizon Virginia Inc. On Performance Assurance Plan, dated April 26, 2002.

[32] *See* Kirchberger Declaration, page 3.

AT&T's argument is belied by the discussion of flow-through performance in the initial and reply OSS declarations.[33]

27. Staff's testimony suggests that the issue of whether Verizon VA should be required to submit revised performance reports should be addressed in the near future[34] Staff's issue should be considered in connection with the audit of the Virginia PAP. Specifically, the proposed consensus PAP requires the Commission to conduct an annual audit of Verizon VA's "data and reporting," with the first audit to be conducted six months after Verizon is authorized to provide competitive long distance service in Virginia. The first audit must include an examination of data reliability issues. In addition, Staff is required to replicate Verizon VA's reports for at least six months after the PAP becomes effective. Verizon VA proposes that Staff's issue be considered following the initial audit, when all parties will have more information concerning any reporting errors that may have occurred and their net impact on payments due under the PAP.

28. This concludes our Declaration.

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[33] *See, e.g.,* OSS Reply Declaration , Section IV.A Order Processing –Flow Through and OSS Declaration, paras. 74-86.

[34] *See* Pre-filed Testimony of Amy J. Gilmour, pages 4-5