

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

IN THE MATTER OF THE INQUIRY)
INTO VERIZON VIRGINIA INC.'S)
COMPLIANCE WITH THE CONDITIONS) **Case No. PUC 2002-0046**
SET FORTH IN 47 U.S.C. § 271 (c))

**SUPPLEMENTAL OSS DECLARATION
ON BEHALF OF VERIZON VIRGINIA INC.**

DECLARANTS:

Kathleen McLean

Jonathan Smith

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1. My name is Kathleen McLean. My business address is 1320 North Courthouse Road, Arlington, Virginia. I am employed by Verizon Services Corp. as Senior Vice President, OSS Policy and Performance Assurance within the Information Technology organization. My responsibilities include assuring the implementation of Operations Support Systems (“OSS”) capabilities and system performance measures consistent with Section 271 of the Telecommunications Act of 1996 and other legal and regulatory obligations. My responsibilities and background were set forth in the OSS Declaration filed on March 15, 2002, in this Docket (“OSS Declaration”).

2. My name is Jonathan Smith. My business address is 1095 Avenue of the Americas, New York, New York. I am employed by Verizon Services Corp. as an Executive Director in the Local Interconnection Billing and Wholesale Billing Support organization. In this position I am responsible for the receipt, review and payment of invoices from CLECs for Local Interconnection Traffic and Facilities as well as support

for the Wholesale Billing and Collections organization. My responsibilities and background were set forth in the OSS Declaration.

I. PURPOSES OF SUPPLEMENTAL DECLARATION

3. The first purpose of this Supplemental Declaration is to provide additional information about the electronic billing that is offered to CLECs by Verizon Virginia Inc. (“Verizon VA”) for Transport, Resale, UNE and UNE-P products billed out of express TRAK and CABS.¹ As explained in Verizon VA’s initial OSS Declaration, the bills that Verizon VA renders to CLECs for wholesale products and services are available in both paper and electronic format.² The electronic billing format that is provided by Verizon VA is an industry-standard format that is consistent with Telcordia’s CABS Billing Output Specification (“BOS”) Bill Data Tape (“BDT”).³ This Supplemental Declaration provides additional evidence that Verizon VA provides the BOS BDT in a timely and accurate manner.

4. The second purpose of this Supplemental Declaration is to respond to claims about the BOS BDT that are made by two CLECs in testimony filed in this proceeding on May 3, 2002.⁴ As shown below, their claims are either moot or without merit.

¹ See Preliminary Order on Verizon Virginia Inc.’s Compliance with the Conditions set forth in 47 U.S.C. Section 271(c) and Order Amending Reporting Requirements on Third-Party Testing of Operation Support Systems, entered in Case Nos. PUC020046 and PUC000035, dated March 20, 2002, p. 8.

² Billing is discussed in paragraphs 130-141 of the OSS Declaration.

³ The BOS BDT is specifically discussed in paragraphs 140-141 of the OSS Declaration.

⁴ See AT&T Declaration of Robert J. Kirchberger, Mohammed K. Kamal, and E. Christopher Nurse (“AT&T Declaration”); Cox Virginia Telecom Inc., Direct Testimony of Ms. Michelle Gee (“Cox Gee Declaration”) and Direct Testimony of Ms. Mary Clarke (“Cox Clarke Declaration”). Additional billing claims raised by CLECs, which are not related to the BOS BDT, will be considered in an OSS reply declaration to be filed on May 31, 2002.

II. PROVIDING THE BOS BDT

5. BOS BDT bills have been available to CLECs in Virginia since November 2001 for UNE Loop customers and December 2001 for Resale and UNE Platform customers. Verizon VA currently provides approximately 1,100 wholesale bills to 90 CLECs in Virginia, and 70 of those bills are provided in the BOS BDT format to 39 CLECs. Verizon VA now offers CLECs in Virginia the option of electing to treat the BOS BDT as their “bill of record.” The “bill of record” is the official bill that is relied on -- by both Verizon VA and the CLECs -- for payment of amounts due and for submitting claims for disputed amounts. Although the paper bill has historically been the “bill of record,” Verizon VA has advised CLECs through the Change Management Process that they may designate the BOS BDT as their “bill of record” for bill periods beginning June 1, 2002. See Attachment 315.

III. ENSURING THE QUALITY OF THE BOS BDT

6. As stated in the initial OSS Declaration, Verizon has implemented a BOS BDT Quality Review and Adjustment Process to ensure that the BOS BDT bill balances internally and that it matches the paper bill before it is released to a CLEC. This process was introduced in Virginia with the December 1, 2001 bill cycle, and substantial portions of the process are now performed on an automated basis. A flow diagram of the process was provided as Attachment 311 to the initial OSS Declaration.

7. Where they are necessary to balance the BOS BDT internally, or to match the paper bill, adjustments in the form of balancing records are inserted into the BOS BDT. Balancing records are inserted in the Other Charges and Credits section of the BOS BDT, and are identified by phrase codes. The review and adjustment process, and a description

of the phrase codes used on the balancing records, were published to CLECs through Change Management on December 1, 2001.

8. It should be noted that the amount of the balancing records inserted into BOS BDT bills in Virginia is extremely small. As reported in the OSS Declaration, the amount of balancing records inserted was less than one percent of the total current charges in both January and February 2002. The amount continues to be low, remaining at less than one percent in March and April 2002.

9. BOS BDT bills are provided to CLECs on a timely basis. During the months of January through April 2002, Verizon VA reconciled and transmitted more than 99% of the BOS BDT bills to CLECs within 10 business days.

10. In summary, the BOS BDT bill complies with industry standards and provides CLECs with a readable, auditable and accurate wholesale electronic bill on a timely basis.

IV. Independent Examination of the BOS BDT

11. The Commission's consultant, KPMG Consulting ("KPMG"), has verified Verizon VA's ability to provide nondiscriminatory billing to CLECs.⁵ KPMG's testing included both billing procedures and actual bills generated.⁶ KPMG evaluated 75 test points for the Billing domain, and concluded that Verizon VA had satisfied each test point.⁷ In particular, KPMG reviewed Verizon VA's ability to deliver timely and

⁵ KPMG submitted its final report on April 15, 2002 ("KPMG Final Report"), which is available on the Commission's website at <http://www.state.va.us/scd/division/puc/oss.htm>. KPMG's testing is discussed in the OSS Declaration in paragraphs 29-40 and 136-138.

⁶ See KPMG Final Report, Section VII.C. Test Results: Bill Production and Distribution – Process Evaluation (PPR14) and E. Test Results: Functional Carrier Bill Evaluation (TVV9).

⁷ See KPMG Final Report, Section II.B.6.0 and Section VII.

accurate bills to CLECs.⁸ KPMG used the “bill of record” in its testing, which was then Verizon VA’s paper bill. KPMG examined the content and timeliness of delivery of bills received by the KPMG Consulting CLEC, examining Resale, UNE and UNE-P accounts to determine whether Verizon VA accurately billed usage charges, monthly recurring charges, and non-recurring charges via the paper bill. Verizon VA satisfied every test point established by KPMG.⁹

12. Building upon the KPMG evaluation conducted for the Commission, Verizon VA engaged PricewaterhouseCoopers LLP (“PwC”) to conduct an attestation examination of certain assertions regarding the BOS BDT. An attestation examination is “one in which the client engages a practitioner to issue a written communication that expresses a conclusion about the reliability of a written assertion that is the responsibility of another party.”¹⁰ PwC conducted three sequential examinations, covering three sets of assertions by Verizon VA regarding BOS BDT bills. PwC’s examinations were performed using actual CLEC bills.

13. The first set of assertions stated that, with certain exceptions, the BOS BDT contains specified summarization points (or detail to derive them) and billing elements available on the paper bill (Assertion 1); has the same dollar value as the paper bill for those summarization points and billing elements (Assertion 2); contains a sufficient level of detail for a third party to recalculate specific billing elements (Assertion 3); and contains billing records that are internally consistent according to

⁸ See KPMG Final Report, Section VII.E. Test Results: Functional Carrier Bill Evaluation (TVV9).

⁹ See KPMG Final Report, Section VII.E. Test Results: Functional Carrier Bill Evaluation (TVV9).

¹⁰ See paragraph 13 of the Declaration of PwC on behalf of Verizon Virginia Inc. (“PwC Declaration”), which is filed simultaneously with this Supplemental Declaration.

specified criteria (Assertion 4). In addition, PwC examined Verizon VA's assertions that, for the bill periods from December 16, 2001 to January 15, 2002, the absolute value of the adjustments inserted into the BOS BDT bills was 0.0028% (Assertion 5), and Verizon had transmitted the BOS BDT bills to the CLECs in a timely manner (Assertion 6). PwC found that all of these assertions were fairly stated in all material respects.

14. Exceptions identified to Assertions 1, 2, and 3 in the first set of assertions were primarily display and formatting issues that did not affect the accuracy of the bill.¹¹ Despite the fact that these exceptions did not impact the accuracy of the bill, Verizon nevertheless undertook several system enhancements to eliminate these exceptions, and asked PwC to conduct subsequent examinations to demonstrate that all exceptions (other than the one for insertion of balancing records) were eliminated. There were no exceptions to Assertion 4 in the first set of assertions.

15. Accordingly, the second set of assertions examined by PwC included Assertions 1 through 4 from the first set, with specific exceptions eliminated. PwC found that assertions in the second set were also fairly stated in all material respects.

16. The third set of assertions examined by PwC included Assertions 1 through 4, but all remaining exceptions stated in the second set of assertions had been eliminated (other than the exception for insertion of balancing records). PwC found that assertions in the third set were fairly stated in all material respects.

¹¹ The following display and formatting items were addressed: Properly mapping and supplying detailed record types of certain call plans; supplying certain record type details for discount plans; populating certain fields on the BOS BDT as on the paper, such as from and through dates on the Other Charges and Credits section of the BOS BDT; properly identifying circuits in the appropriate locations; properly identifying universal service order codes ("USOCs"); properly allocating taxes between state and local tax; and properly identifying the end office ID on the total unbundled usage records. None of these issues would have affected the accuracy of the BOS BDT.

17. The PwC Declaration includes the three sets of assertions, a summary of the Attestation Standards of the American Institute of Certified Public Accountants that were applied by PwC, a description of work done by PwC to evaluate each set of assertions, and PwC's reports concluding that each set of assertions was fairly stated in all material respects at the time that the examination of each set of assertions was performed.

18. Assertion 1 stated that, with certain exceptions, Verizon VA's BOS BDT was consistent with the Telcordia industry standard; was implemented according to a plan of record adopted by Verizon VA; and contained the summarization points (or detail to derive the summarization points) and billing elements available on the paper bill. Although the first set of assertions included seven exceptions to Assertion 1 and the second set included four exceptions, Verizon VA took action to resolve and eliminate each of these exceptions. As a result, in the third set of assertions, there were no exceptions stated to Assertion 1. PwC concluded in its third examination that the final version of Assertion 1, which included no exceptions, was fairly stated in all material respects.¹²

19. Assertion 2 stated that, with certain exceptions, the BOS BDT had the same dollar value as the paper bill for the summarization points and billing elements referenced in Assertion 1. Although the first and second sets of assertions included two exceptions to Assertion 2, as a result of action taken by Verizon VA to resolve and eliminate exceptions, only one exception to Assertion 2 was stated in the third set of assertions. The only exception to the third and final version of Assertion 2 was the

balancing records inserted as part of the Quality Review and Adjustment Process described above (which did not, however, result in a difference between the total dollar value stated in the BOS BDT and the paper bill and which, as noted above amounted to less than one percent of charges on the bills). PwC concluded in its third examination that the final version of Assertion 2, which contained only this balancing records exception, was fairly stated in all material respects.¹³

20. Assertion 3 stated that, with certain exceptions, the BOS BDT contained a sufficient level of detail for a third party to recalculate specific elements contained in the BOS BDT. Although the first set of assertions included six exceptions to Assertion 3, and the second set of assertions included three exceptions, as a result of action taken by Verizon VA to resolve and eliminate exceptions, only one exception to Assertion 3 was stated in the third set of assertions. The only exception to the third and final version of Assertion 3 was the balancing records inserted as part of the Quality Review and Adjustment Process. PwC concluded in its third examination that the final version of Assertion 3, which contained only this balancing records exception, was fairly stated in all material respects.¹⁴

21. Assertion 4 stated that the detailed billing records contained within the BOS BDT were internally consistent in accordance with specified criteria. No exceptions were stated to Assertion 4 in any of the three sets of assertions. In each of its three examinations, PwC concluded that Assertion 4 was fairly stated in all material respects.¹⁵

¹² See PwC Declaration, Section III.C., Attachment 3.

¹³ See PwC Declaration, Section III.C., Attachment 3.

¹⁴ See PwC Declaration, Section III.C., Attachment 3.

¹⁵ See PwC Declaration, Section III.C., Attachment 3.

22. Assertion 5, which was included in the first set of assertions, concerned balancing records inserted by Verizon VA. Assertion 5 stated that, for bill periods from December 16, 2001 to January 15, 2002, Verizon VA reconciled 39 BOS BDT bills for 24 CLECs to the CLECs' corresponding paper bills, and that the absolute value of the adjustments made to the BOS BDT bills to balance to the paper bills was 0.0028% of the total current charges on the paper bills.¹⁶ Assertion 6, which was also included in the first set of assertions, concerned timeliness of transmission of the BOS BDT. Assertion 6 stated that, for bill periods from December 16, 2001 to January 15, 2002, Verizon VA reconciled and transmitted to CLECs a total of 39 BOS BDT files, all of which were transmitted within a 10 business day standard. No exceptions were stated to Assertions 5 and 6, and PwC concluded that Assertions 5 and 6 were fairly stated in all material respects.¹⁷

V. CLEC CLAIMS

23. In its testimony submitted on May 3, 2002, AT&T complains that Verizon VA does not offer a BOS BDT version of the wholesale bill as the bill of record and that the BOS BDT bill has not been tested.¹⁸ As stated above, CLECs doing business in Virginia now have the option to elect to treat the BOS BDT as the bill of record. AT&T's claim regarding the bill of record is therefore moot.

¹⁶ By absolute value, we mean that if one adjustment added \$1,000 to a bill, and a second adjustment subtracted \$1,500 from a bill, we counted a total of \$2,500 in adjustments – not the net of \$500.

¹⁷ See PwC Declaration, Section III.C., Attachment 3.

¹⁸ AT&T Declaration of Robert J. Kirchberger, Mohammed K. Kamal, and E. Christopher Nurse, p. 23-25.

Moreover, no additional “testing” of the BOS BDT bill is necessary. First, Verizon VA has been successfully providing BOS BDT bills to CLECs doing business in Virginia for months. Second, PwC has examined **actual** CLEC bills in an attestation examination, not test bills. KPMG's report confirms the quality of the paper bill and PwC's report confirms the comparability of the paper to the BOS BDT; therefore, the quality of the BDT is also confirmed. AT&T's disparagement of the testing done for the Commission by KPMG, and AT&T's claim that the PwC examination is of “dubious probative worth”¹⁹ is self-serving and disingenuous in light of the fact that the Federal Communications Commission has found that this combination of third party confirmations provided relevant and valuable evidence.²⁰ KPMG acted as a consultant to the Pennsylvania Commission, and performed tests in Pennsylvania similar to those performed for the Virginia Commission. PwC was previously engaged by Verizon to consider assertions relating to the BOS BDT bills rendered to CLECs operating in Pennsylvania, which are similar to the assertions it examined for Virginia. A KPMG report, and a PwC declaration similar to that prepared by PwC in this Docket, were filed with the FCC to support Verizon's application for authority to provide competitive long distance service in Pennsylvania, which was subsequently granted by the FCC.²¹ In fact, the KPMG Final Report prepared for the Virginia Commission, and the PwC examination

¹⁹ AT&T Declaration, p. 25.

²⁰ *Application of Verizon Pennsylvania Inc., Verizon Long Distance, Verizon Enterprise Solutions, Verizon Global Networks Inc., and Verizon Select Services Inc. for Authorization to Provide In-Region, InterLATA Services in Pennsylvania*, Memorandum Opinion and Order, CC Docket No. 01-138 Adopted and Released September 19, 2001 (“*PA Approval Order*”), paras. 33 and 38.

²¹ *PA Approval Order*.

results filed in this Docket, show that the BOS BDT bill is complete, accurate and timely.

24. Cox complains that it receives 75 separate bills for wholesale services from Verizon and suggests that these bills should be consolidated onto one electronic bill.²² Further, Cox recommends that Verizon make a “sortable” electronic bill available at no additional cost to CLECs.²³ Cox’s recommendations are simply not reasonable. Wholesale Telecommunications bills, by their very nature, are already very complex. Combining everything that a CLEC may purchase onto a single bill is not advisable and has not been requested by any other CLEC in any of the states in which Verizon does business.

25. The manner in which Cox is billed is consistent with Verizon’s wholesale billing practices. Verizon provides for wholesale billing, by state, using Summary Bill Master Accounts (“SBMs”). An SBM includes charges billed to a single CLEC identification code, and wholesale products of the same product type (e.g., UNE Loop, UNE platform, UNE IOF, UNE listings, Resale, etc.) and same class of service (i.e., Residence or Business). Accordingly, most CLECs doing business with Verizon have multiple SBMs.

26. This concludes our Declaration

²² Cox Gee Declaration, p. 6.

²³ Cox Clarke Declaration, p. 4.

I swear, or verify, that the foregoing is true and correct to the best of my knowledge, information and belief.

Executed on _____, 2002

Kathleen McLean

I swear, or verify, that the foregoing is true and correct to the best of my knowledge, information and belief.

Executed on _____, 2002

Jonathan Smith