COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

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

DECLARATION OF MARGARET T. PEARCE ON BEHALF OF WORLDCOM, INC.

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DECLARATION OF MARGARET T. PEARCE

1. My name is Margaret T. Pearce. I am a performance measurements and remedies Subject Matter Expert for WorldCom, Inc.'s ("WorldCom") National Carrier Management and Initiatives organization. I am responsible for performance measurements and remedies advocacy, primarily in the Verizon region.

2. I have held several positions since joining WorldCom (then MCI) and my background includes experience in provisioning, circuit design, traffic engineering, strategic accounts implementation, and systems testing and training. Before joining WorldCom in 1994, I was a provisioner at Cable & Wireless, Inc. I received a Bachelor of Arts in History from Tufts University in 1988.

3. The purpose of my declaration is to comment on Verizon Virginia's ("Verizon" or "VZ-VA") Performance Reports and information contained in

the Declaration of Julie A. Canny and Marilyn C. DeVito on behalf of Verizon ("Measurements Declaration").[1]

4. Verizon's application for Section 271 relief purports to rely on its performance as reported in accordance with the Virginia Carrier to Carrier Guidelines ("VA Guidelines") as adopted on August 11, 2000 in Case No. PUC000035.[2] These performance reports are intended to provide clear indications that Verizon is providing service that will enable local competition to flourish and protect against future declines in service by providing the basis for payments to competitors when Verizon's performance is insufficient.

5. WorldCom found many examples of Verizon's poor performance in critical areas when it performed an analysis of the performance measurements reports Verizon provided in its filing.[3] These reports covered the months of November and December 2001 and January 2002. Verizon reported failures to meet the standards on a wide range of performance measurements. Areas of failure included Ordering, Provisioning, Maintenance & Repair and Billing and are prevalent with regard to both Resale and UNE products.

6. In an effort to gain a general understanding of Verizon's overall compliance with the VA Guidelines, WorldCom analyzed Verizon's performance on all measurements that have a standard for performance. WorldCom found that out of all the reported measurements that had an existing standard, Verizon

[1] WorldCom also addresses portions of the OSS Declaration as well as the Checklist Declaration where performance measures and standards are referenced.

[2] Beginning with the February 2002 data month Verizon will report performance under guidelines adopted by the Commission on January 4, 2002 in Case No. PUC010206. These guidelines are substantially the same as the guidelines adopted in Case No. PUC000035.

[3] Verizon Virginia Inc. Section 271 Filing – March 15, 2002, Measurements Declaration, Attachments 401 - 406.

failed to meet the standard for at least one month on 26% of them. Further, for the same measurements, Verizon failed to meet the standard during *all three months* for 10% of them.[4]

7. In its declarations, Verizon attempts to portray itself as providing nondiscriminatory service to competitors by making sweeping generalizations regarding its performance. However, a closer look reveals that such statements often mask poor performance by averaging it with good performance or by simply ignoring it and concentrating only on those areas where it has met the standard. Below, WorldCom provides detailed information from Verizon's own reports to support this contention. While WorldCom will address several of the critical measures that Verizon missed during November and December 2001 and January 2002, this declaration does not address each and every problem with Verizon's performance.

8. Verizon notes, in its various declarations, that some measurements are slated to be eliminated, modified, or replaced in the future. However, this does not reduce the importance or relevance of the *existing* measurements and the performance reported on them during the months of November and December 2001 and January 2002. The existing measurements were in effect and deemed valid during these months and they must be given credence as they relate to Verizon's Section 271 application. If Verizon wishes to have performance on measurements reported after January 2002 count as part of

[4] WorldCom did not include in its calculations those measurements that reported no activity for all three months.

their application, it can refile the application once those measurements are implemented and have generated performance reports.

9. On several occasions Verizon notes that it provided better service to CLECs than to its own retail customers. A typical example can be found in the Checklist Declaration where Verizon proclaims, "Attachment 401 of the Measurements Declaration shows that Verizon VA met or exceeded the parity performance standard for every POTS PAP metric from November through January."[5] Since Verizon is not required to provide superior performance to CLECs, such performance is not relevant to Verizon's 271 application. Nor should such performance be weighed against Verizon's poor performance to CLECs in an attempt to offset it. Exceeding one standard does not make up for failing another. What is relevant is whether Verizon is meeting a given standard or not, because that is what illustrates whether it is providing nondiscriminatory service to CLECs as required by the Telecommunications Act of 1996 ("Act").

10. An example of Verizon's use of generalities to mask poor performance in certain areas can be seen in its discussion of UNE ordering. Verizon carefully explained its performance on confirmation and reject timeliness when it stated, "Verizon VA's on-time performance exceeded 95% *overall* for UNE orders collectively and across *most* of the order type subcategories."[6] By averaging all its scores for the confirmation and reject timeliness measurements (OR-1 and OR-2), Verizon was able to avoid mentioning the

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[5] Id. at Checklist Declaration, page 143.
[6] Id. at OSS Declaration, page 42. (emphasis added)

specific measurements where it failed to meet the standard. This type of behavior is one of the very reasons CLECs propose numerous disaggregations in performance reporting. Disaggregation, if correctly implemented, can prevent this kind of masking of poor performance. For example, Verizon failed to meet the standard in all three months for OR-1-04 Percent On Time LSRC < 6 Lines – DS1 – Electronic – No Flow-Through; the closest it came to the 95% standard was 40.15% in November.[7] Likewise, Verizon failed to meet the 95% standard for OR-1-08 Percent On Time LSRC < 6 Lines – DS1 – Fax for all three months[8] and for OR-2-04 Percent On Time LSR Reject < 6 Lines – Electronic – No Flow Through for all three months.[9] Orders that are placed manually or in a non-flow-through environment are no less important to those CLECs and their customers than orders sent electronically. By averaging its failing scores with its higher passing scores, Verizon is able to ignore what is a clearly defined area of poor performance.

11. Verizon states that "Verizon VA's overall performance demonstrates that, even when measured using longer intervals than required by the C2C Guidelines, it meets the requirements for timely PCNs."[10] Again, this is a sweeping statement that bears scrutiny. Upon closer scrutiny, WorldCom found that Verizon's statement is simply not true and data provided from the special study on completion notifiers proves it. Verizon provides the results of the special study within its OSS Declaration as well as in Attachment 406

[7] Id. at Attachment 405, page 143.
[8] Id. at page 147.
[9] Id. at page 149.
[10] Id. at OSS Declaration, page 52.

to its Measurements Declaration. While Verizon did meet the measurement standard sometimes in the special study, it provided several scores that were clearly below the standard. For example, Verizon reports in regard to OR-4-10 Percent SOP to Provisioning Completion within 2 Business Days, "For UNE, the special study results also show strong performance with November at 90.14%, December at 91.76%, January at 95.00% and February at 97.49%."[11] Since the standard for this measurement is 95%, Verizon clearly failed to meet the standard for November and December. In regard to OR-4-05 Work Completion Notice - Percent On Time, Verizon stated in its OSS Declaration that the standard was 97% for November, December, and January and 95% for February. Verizon reports that the special study "shows that Verizon VA's performance for resale in November was 91.05%, in December was 91.68%, in January was 94.49% and in February was 97.30%."[12] These scores prove that VZ-VA failed to meet the OR-4-5 performance standard for all but February. These examples dispute Verizon's statement that "it meets the requirements for timely PCNs,"[13] since they show that Verizon failed to meet the performance standard consistently for OR-4-05 and OR-4-10.

12. WorldCom also noted an apparent contradiction in Verizon's 271 filing regarding revisions to the VA Guidelines. Verizon notes, "In October 2001, the New York PSC approved the elimination of all of the then-existing OR-4 measurements — with the exception of OR-4-11, which has been revised — and created new measurements addressing provisioning and billing

[11] Id. at page 50.
[12] Id. at page 49.

completion notifiers for orders submitted over the Netlink EDI system."[14] OR-4-11, which was the only OR-4 measurement retained in New York, is Percent Completed Orders with Neither a PCN nor BCN Sent and would be an addition to the VA Guidelines if adopted. WorldCom supports the adoption in Virginia of all the OR-4 additions, deletions, and modifications from New York. Verizon, however, has provided testimony in this proceeding that contradicts its comments filed with the Commission in PUC 2001-0206. In its Measurements Declaration Verizon states the following with respect to OR-4-11: "Consistent with the New York PSC order, Verizon VA has proposed in the revised Guidelines filed on February 22, 2002, the revised OR-4-11, has added two new submetrics: OR-4-16 - Percent Provisioning Completion Notifiers sent within one (1) Business Day; and OR-4-17 - Percent Billing Completion Notifiers sent within two (2) Business Days and has eliminated all remaining OR-4 submetrics."[15] This statement would seem to indicate that Verizon has proposed revised Guidelines at the Commission *supporting* the adoption of the OR-4-11 measurement as adopted in New York. Actually, the reverse is true. Contrary to the statement in its declaration referenced above, Verizon has filed objections with the Commission to adopting OR-4-11, as well as OR-10, PON Notifier Exception Resolution Timeliness, which measures how long it takes Verizon to resolve missing notifiers.[16] Further, if

[13] Id. at page 52.
[14] Verizon Virginia Inc. Section 271 Filing – March 15, 2002, Declaration of Julie S. Canney and Marilyn C. DeVito, page 28.
[15] Id. at page 28-29.
[16] Verizon Virginia Inc.'s Comments On Its Proposed Revisions to the VA Guidelines, pages 3-8.

the Commission does adopt OR-4-11 and OR-10, Verizon has asked that the standards be weakened so as to render them ineffective.[17]

13. Although it was decided in New York to eliminate some existing completion notifier measurements in favor of others, until this occurs in Virginia it is still important to take note of performance on the measurements that *currently* exist. For example, OR-4-02 Completion Notice - Percent On Time is still a valid measurement until OR-4-16 Percent Provisioning Completion Notifiers Sent Within 1 Business Day and OR-4-17 Percent Billing Completion Notifiers Sent Within 2 Business Days replace it. Verizon failed to meet the 97% standard for the OR-4-02 measurement during all three reported months.[18] Verizon also failed to meet the parity standard for OR-4-06 Average Duration – Work Completion – SOP to Bill Completion and OR-4-07 Percent SOP to Bill Completion >= 5 Business Days in November, December, and January.[19] The fact that these measurements will eventually be eliminated does not negate their validity for the months of November and December 2001 and January 2002 when they were in effect.

14. Flow through measures are especially important to CLECs because the more types of orders that flow through the more efficiently orders can be handled by all parties, Verizon included. CLECs lose time when Verizon has to input their orders manually by retyping them. In contrast, Verizon gets to skip this manual step with their own retail orders because they are typed into its systems once internally.

[17] Id.
[18] Id. at Attachment 405, pages 59 and 152.

15. Since OR-5-03 is the only flow through measure that has a standard at this time, it is particularly discouraging that Verizon has failed this metric consistently according to the reports provided in this proceeding. OR-5-03 Percent Flow Through - Achieved measures the percentage of orders that are designed to flow through and actually do flow through. Because Verizon has designed its system to process these orders without manual intervention, this should be an easy measurement to pass. However, VZ-VA failed it for three months in a row for both Resale and UNE orders. Performance on the UNE side is dismal: the best performance in three months was 73.42% of 20,057 observations; meaning 5,331 orders did not flow through. For the remaining months, the result was 69.71% in December (6,616 orders out of 21,845 did not flow through) and 62.41% in January (7,704 orders out of 20,495 did not flow through.) This last set of figures for January 2002 represents a disturbing downward trend in flow through for UNE's.[20] The closest Verizon came to the 95% standard was 91.89% in December for Resale Specials. Considering that there were 8,547 observations in December, this means that 693 orders that were designed to flow through did not. The scores for the other two reported months for Resale Specials were November at 84.51% (1,641 orders out of 10,599 did not flow through) and January at 89.95% (1,026 out of 10,216 orders did not flow through.)[21] While Verizon may argue that CLEC error contributes to its failure to flow through some orders, the OR-5-03

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[19] Id. at pages 60, 61, 153, and 154.
[20] Id. at page 156.
[21] Id. at page 63.

measurement clearly excludes “Orders with CLEC input errors in violation of published business rules”[22]

16. While Verizon has essentially 100% flow through, CLECs are suffering through these anti competitive and discriminatory percentages. Verizon must be required to show at least some level of improvement in achieved flow through before being granted 271 authority.

17. Verizon must also be required to improve the percentage of total flow through. Although there is no standard in the measure, the reports provided indicate that the flow through fluctuates between 45% and 54% for UNE (ordering)[23] and between 72% and 79% for Resale (ordering).[24] Again, compared with Verizon’s 100% internal orders requiring no manual intervention, it is obvious how discriminatory and anticompetitive these numbers are.

18. Verizon Virginia correctly reports that it has met and exceeded the standard for BI-1-02, Percent DUF in 4 Business Days and BI-2-01 Timeliness of Carrier Bill. However, it did not perform so well in regard to Billing Accuracy. VZ-VA states that the Billing Accuracy measurements will be revised as of February 2002: BI-3-1 Percent Billing Adjustments – Including Charges Adjusted Due to PCDs and BI-3-3 Percent Billing Adjustments – Excluding Charges Adjusted Due to PCDs will be eliminated. In their place will be new BI-3-1 Percent Billing Adjustments – Dollars Adjusted and BI-3-

[22] January 22, 2002 Compliance Filing Virginia Carrier-to-Carrier Guidelines Performance Standards and Reports, page 37.
[23] Attachment 405 at page 155.
[24] Id at page 62.

2 Percent Billing Adjustments – Number of Adjustments. However, in their 271 filing, Verizon has only provided reports for November 2001 through January 2002, which contain the old BI-3-1 and BI-3-3 measurements. While BI-3-1 has no standard, Verizon clearly failed to meet the parity standard for BI-3-3 in December and January.[25] January's score was particularly bad, with CLECs adjustments of 7.58% versus just 1.04% for Verizon's own retail customers. Since BI-3-3 is the only billing *accuracy* measurement with a standard provided in the 271 filing, and since it was deemed sufficient enough to be reported in the past, it should be given full weight when judging VZ-VA's billing accuracy performance.

19. For Checklist item "UNE Loops Provisioning Performance," Verizon would have us believe that their "overall UNE Loop performance has been good."[26] Once again, however, Verizon only provides part of the picture, in reporting their passing scores for Missed Appointments measurements. There are a great many measurements besides Missed Appointments that go into determining Provisioning performance. Among them are several measurements that Verizon failed to meet the standard for, including: PR-1-01 Average Interval Offered – Total No Dispatch – Hot Cut Loop; PR-2-01 Average Interval Completed – Total No Dispatch – Hot Cut Loop; PR-3-01 Percent Completed in 1 Day (1-5 Lines – No Dispatch); and PR-6-01 Percent Installation Troubles reported within 30 Days – Loop. Verizon failed to meet the parity standard for these measurements for all three months. Furthermore,

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[25] Verizon Virginia Inc. Section 271 Filing – March 15, 2002, Attachment 405, page 27-28.
[26] Id. at Checklist Declaration, page 54.

Verizon reported several failures in UNE provisioning performance beyond loop provisioning. Verizon failed to meet the parity standard for all three months for the following UNE Provisioning measurements: PR-1-01 Average Interval Offered – Total No Dispatch – Platform and PR-2-01 Average Interval Completed – Total No Dispatch – PlatformFor still other measurements, VZ-VA missed the standard for one or two months: PR-2-03 Average Interval Completed – Dispatch (1-5 Lines) – Loop; PR-3-02 Percent Completed in 2 Days (1-5 Lines – No Dispatch); PR-3-03 Percent Completed in 3 Days (1-5 Lines – No Dispatch); PR-3-04 Percent Completed in 1 Day (1-5 Lines – Dispatch); PR-3-05 Percent Completed in 2 Days (1-5 Lines – Dispatch); PR-3-07 Percent Completed in 4 Days (1-5 Lines – Total); PR-3-08 Percent Completed in 5 Days (1-5 Lines – No Dispatch); PR-3-10 Percent Completed in 6 Days (1-5 Lines – Total); PR-4-02 Average Delay Days – Total; and PR-6-02 Percent Installation Troubles Reported within 7 Days - Loop [27] While it is important that Verizon has a good record for not missing appointments, it is equally important to complete orders on time. No one is going to remember that a technician was on time if the service itself is provisioned late.

20. Though Verizon focused on POTS in their statement, it is important to recognize its performance on the measurements for UNE Provisioning for Complex Services – 2 Wire Digital and 2 Wire xDSL. In those reports, Verizon again fails to meet the standard for a significant number of measurements. In fact, Verizon reports a failing score during at least one

[27] Id. at Attachment 405, pages 160-177.

month for 10 out of 37 such measurements; i.e., for more than one-fourth of the UNE Provisioning measurements for Complex Services – 2 Wire digital and 2 Wire xDSL. For eight of those misses, Verizon missed the standard for at least two months. The measurements Verizon missed for either two or three months are as follows: PR-1-02 Average Interval Offered – Total Dispatch; PR-2-02 Average Interval Completed – Total Dispatch; PR-3-10 Percent Completed within 6 Days (1-5 Lines) Total; PR-5-01 Percent Missed Appointment – Verizon – Facilities; PR-6-01 Percent Installation Troubles Reported within 30 Days; PR-1-01 Average Interval Offered – Total No Dispatch; PR-2-01 Average Interval Completed – Total No Dispatch; and PR-2-02 Average Interval Completed – Total Dispatch.[28]

21. Verizon also failed to meet the performance standard for 2 out of 4 disconnect measurements, for all three months. Disconnect orders are especially important because when they are completed, billing for the particular circuit(s) is terminated. Customers will blame the CLEC if billing continues after the requested disconnect date, even if it is because Verizon has not disconnected service nor issued a Billing Completion Notice. Particularly disturbing is that while Verizon passed the Dispatch Disconnect measurements it did not meet the standard for Non-Dispatch Disconnects. It is only logical that a non-dispatch disconnect measurement should be easier to meet than a dispatch measurement, since a technician does not have to

[28] Id. at pages 178-191.

dispatch out to the customer site in order to disconnect service. And yet those are the orders for which Verizon did not make a passing grade.[29]

22. Furthermore, Verizon has demonstrated poor performance on several of the Resale POTS provisioning measurements. VZ-VA failed to meet the parity standard for November, December and January for the following: PR-3-01 Percent Completed in 1 Day (1-5 Lines – No Dispatch); PR-3-02 Percent Completed in 2 Days (1-5 Lines – No Dispatch); PR-6-01 Percent Installation Troubles Reported Within 30 Days; PR-6-02 Percent Installation Troubles Reported Within 7 Days; PR-1-01 Average Interval Offered – Total No Dispatch (POTS Residence); and PR-2-01 Average Interval Completed – Total No Dispatch (POTS Residence). Verizon failed the standard for one or two months for the following: PR-3-03 Percent Completed in 3 Days (1-5 Lines – No Dispatch); PR-4-02 Average Delay Days – Total; PR-1-01 Average Interval Offered – Total No Dispatch (POTS Business); and PR-2-01 Average Interval Completed – Total No Dispatch (POTS Business.)[38]

23. With regard to Maintenance and Repair measurements, Verizon claims that it "also provides maintenance and repair for UNE loops on a nondiscriminatory basis, consistently meeting or exceeding the parity standard for the majority of maintenance and repair performance measurements. For example, Verizon VA's performance in November 2001 through January 2002, as measured by MR-2-02 'Network Trouble Report Rate – Loop' (*i.e.,* outside plant troubles) was better than retail: .65% loop and .21% UNE-P compared with .77% retail.

[29] Id. at pages 192-193.
[38] Id. at pages 67-79.

See Measurements Declaration, Attachment 401."[30] However, Verizon fails to mention that the data it quotes applies to UNE POTS Loops *only*; for UNE Complex Services – 2 Wire Digital *and* UNE Complex Services – 2 Wire xDSL, Verizon failed to meet the parity standard during all three months.[31] Verizon failed to meet the parity standard for 3 months for the comparable Special Services measurement; namely, MR-2-01 Network Trouble Report Rate.[32] Similarly, Verizon makes the following claim: "A review of other maintenance and repair measurements for the November 2001 through January 2002 time period demonstrates that Verizon VA provided timely POTS repair service to the CLECs in parity with retail service. Verizon VA's UNE POTS performance, as measured by 'Mean Time to Repair Total' (MR-4-01), and 'Percentage Cleared (all troubles) within 24 Hours' (MR-4-04) was better than retail for both UNE POTS loops and UNE-P in the November 2001 through January 2002 time period."[33] VZ-VA carefully describes their good performance with regard to POTS loops and UNE-P. This is important because for both of these measurements, Verizon failed to meet the standard in January for UNE Complex Services – 2 Wire Digital.[34] It also failed comparable measurements for Central Office, i.e. MR-4-03 Mean Time to Repair – Central Office Trouble – Loop[35] and for Special Services, i.e. MR-4-04 Percent Cleared (all troubles) within 24 Hours,[36] for all three months. The

[30] Id. at Checklist Declaration, page 55.
[31] Id. at Attachment 405, pages 218 and 224.
[32] Id. at page 230.
[33] Id. at Checklist Declaration, page 56.
[34] Id. at Attachment 405, page 221.
[35] Id. at page 214.
[36] Id. at Attachment 404, Part 2, page 2.

same scenario is true of MR-4-08 Percent Out of Service > 24 Hours. While Verizon points out its passing grade for POTS loops and UNE-P,[37] it neglects to mention its failure to meet the standard in January for the exact same measurement where UNE Complex Services are concerned. (There is no such comparable measurement for Central Office.) In addition, VZ-VA failed in January for Complex Services for MR-4-08 Percent Out of Service > 24 Hours.[38] Also, VZ-VA failed to meet the parity standard for POTS Loops on MR-4-07 Percent Out of Service > 12 Hours - Loop in November and January.[39] Verizon fails for at least one month on each of the OR-4-07 and OR-4-08 measurements when disaggregated to the Special Services category.[40]

24. Regarding Directory Assistance measurements, Verizon states that "Verizon VA performs updates to the DA database for CLEC customers with a high degree of accuracy," emphasizing the high percentage scores it reached for November and January.[41] However, VZ-VA fails to mention that for the month of December, it does not reach the parity standard when compared with service provided to Verizon's retail customers. In December, CLEC accuracy was 98.5% as compared to Verizon retail's 100%. With volumes of 200 for each Verizon retail and CLEC customers, the difference in performance is three accuracy errors for CLECs compared with zero for Verizon. Verizon

[37] Id. at Checklist Declaration, page 56.
[38] Id. at Attachment 405, page 222.
[39] Id. at page 215.
[40] Id. at Attachment 405, page 231.
[41] Id. at Checklist Declaration, page 105.

has scored very well on the CLEC side of the house; however, it scored better on accuracy when servicing its own customers.

25. WorldCom believes that the great number of performance failures reported by Verizon contradicts Verizon's assertion that it provides nondiscriminatory service to CLECs. Moreover, it is clear that Verizon is not providing wholesale service as required by the Act.

26. This concludes my declaration on behalf of WorldCom.