

MCWHIRTER REEVES
ATTORNEYS AT LAW

ORIGINAL

TAMPA OFFICE:
400 NORTH TAMPA STREET, SUITE 2450
TAMPA, FLORIDA 33602
P. O. Box 3350 TAMPA, FL 33601-3350
(813) 224-0866 (813) 221-1854 FAX

PLEASE REPLY TO:
TALLAHASSEE

TALLAHASSEE OFFICE:
117 SOUTH GADSDEN
TALLAHASSEE, FLORIDA 32301
(850) 222-2525
(850) 222-5606 FAX

January 17, 2003

VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of Records and Reporting
Betty Easley Conference Center
4075 Esplanade Way
Tallahassee, Florida 32399-0870

RECEIVED
JAN 17 11:50
COMMISSION
CLERK

Re: Docket No.: 020960-TP

Dear Ms. Bayo:

On behalf of DIECA Communications, Inc. d/b/a Covad Communications Company (Covad), enclosed for filing and distribution are the original and 15 copies of the following:

- ◆ Joint Direct Testimony of Valerie Evans and Michael Clancy on behalf of Covad Communications Company.

Please acknowledge receipt of the above on the extra copy of each and return the stamped copies to me. Thank you for your assistance.

Sincerely,

Joe McGlothlin
Joseph A. McGlothlin

AUS	JAM/bae
CAF	Enclosure
CMP	Brown
COM	
CTR	orig. + 3
ECR	
GCL	1
OPC	
MMS	
SEC	4
OTH	

RECEIVED & FILED
L.V.N.
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER DATE
00553 JAN 17 03
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Arbitration of open issues
resulting from interconnection negotiations with
Verizon Florida, Inc. by DIECA Communications,
Inc. d/b/a Covad Communications Company.

Docket No.: 020960-TP
Filed: January 17, 2003

**JOINT DIRECT TESTIMONY OF VALERIE EVANS AND MICHAEL CLANCY
ON BEHALF OF COVAD COMMUNICATIONS, COMPANY**

David J. Chorzempa
Covad Communications Co.
227 West Monroe, 20th Floor
Chicago, IL 60606
(312) 596-8386
(312) 596-8666 (fax)
dchorzem@covad.com

William H. Weber
Covad Communications Co.
1230 Peachtree Street, N.E., 19th Floor
Atlanta, GA 30309
(404) 942-3494
(404) 942-3495 (fax)
wweber@covad.com

Anthony Hansel
Covad Communications Co
600 14th Street, NE, Suite 750
Washington, D.C 20005
(202) 220-0410
(202) 220-0401 (fax)
thansel@covad.com

Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman & Arnold, P.A.
117 South Gadsden Street
Tallahassee, Florida 32301
(850) 222-2525
(850) 222-5606 (fax)
vkaufman@mac-law.com

Attorneys for DIECA Communications, Inc.
d/b/a Covad Communications, Company

DOCUMENT NUMBER-DATE

00553 JAN 17 8

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC-SERVICE COMMISSION

In re: Petition for Arbitration of open issues
resulting from interconnection negotiations with
Verizon Florida, Inc. by DIECA Communications,
Inc. d/b/a Covad Communications Company.

Docket No.: 020960-TP
Filed: January 17, 2003

**JOINT DIRECT TESTIMONY OF VALERIE EVANS AND MICHAEL CLANCY
ON BEHALF OF COVAD COMMUNICATIONS, COMPANY**

David J. Chorzempa
Covad Communications Co.
227 West Monroe, 20th Floor
Chicago, IL 60606
(312) 596-8386
(312) 596-8666 (fax)
dchorzem@covad.com

William H. Weber
Covad Communications Co.
1230 Peachtree Street, N.E., 19th Floor
Atlanta, GA 30309
(404) 942-3494
(404) 942-3495 (fax)
wweber@covad.com

Anthony Hansel
Covad Communications Co.
600 14th Street, NE, Suite 750
Washington, D C. 20005
(202) 220-0410
(202) 220-0401 (fax)
thansel@covad.com

Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman & Arnold, P.A.
117 South Gadsden Street
Tallahassee, Florida 32301
(850) 222-2525
(850) 222-5606 (fax)
vkaufman@mac-law.com

Attorneys for DIECA Communications, Inc.
d/b/a Covad Communications, Company

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**In re: Petition for Arbitration of open issues
Resulting from interconnection negotiations with
Verizon Florida, Inc. by DIECA Communications,
Inc. d/b/a Covad Communications Company.**

**Docket No. 020960-TP
Filed: January 17, 2003**

**JOINT DIRECT TESTIMONY OF
VALERIE EVANS AND MICHAEL CLANCY
ON BEHALF OF
COVAD COMMUNICATIONS COMPANY**

TABLE OF CONTENTS

Issue	Description	Page
Issue: 2 and 9	2. Should the Parties have the unlimited right to assess previously unbilled charges for services rendered? 9. Should the anti-waiver provisions of the Agreement be implemented subject to the restriction that the Parties may not bill one another for services rendered more than one year prior to the current billing date?	3
Issue: 3	3. When a good faith dispute arises between the Parties, how should the claim be tracked and referenced?	8
Issue: 4 and 5	4. When the Billing Party disputes a claim filed by the Billed Party, how much time should the Billing Party have to provide a position and explanation thereof to the Billed Party? 5. When Verizon calculates the late payment charges due on disputed bills (where it ultimately prevails on the dispute), should it be permitted to assess the late payment charges for the amount of time exceeding thirty days that it took to provide Covad a substantive response to the dispute?	10
Issue: 8	8. Should Verizon be permitted unilaterally to terminate this Agreement for any exchanges or territory that it sells to another party?	14
Issues: 13, 32, 34 and 37	13. In what interval should Verizon be required to return Firm Order Commitments to Covad for pre-qualified Local Service Requests submitted mechanically and for Local Service Requests submitted manually? 32. What terms, conditions and intervals should apply to Verizon's manual loop qualification process? 34. In what interval should Verizon provision loops? 37. What should the interval be for Covad's line sharing Local Service Requests ("LSRs")?	15
Issues: 19, 24 and 25	19. Should Verizon be obligated to provide Covad nondiscriminatory access to UNEs and UNE combinations consistent with Applicable Law? 24. Should Verizon relieve loop capacity constraints for Covad to the same extent as it does so for its own customers? 25. Should Verizon provision Covad DS-1 loops with associated electronics needed for such loops to work, if it does so for its own end users?	19
Issue: 22	22. Should Verizon commit to an appointment window for installing loops and pay a penalty when it misses the window?	21

Issue: 23	23. What technical references should be used for the definition of the ISDN, ADSL and HDSL loops?	23
Issue: 27	27. Should the Agreement make clear that Covad has the right, under Applicable Law, to deploy services that either (1) fall under any of the loop type categories enumerated in the agreement (albeit not the one ordered) or (2) do not fall under any of loop type categories?	24
Issue: 29	29. Should Verizon maintain or repair loops it provides to Covad in accordance with minimum standards that are at least as stringent as either its own retail standards or those of the telecommunications industry in general?	25
Issue: 30 and 31	30. Should Verizon be obligated to cooperatively test loops it provides to Covad and what terms and conditions should apply to such testing? 31. Should the agreement obligate Verizon to ensure that Covad can locate the loops Verizon provisions?	27
Issue: 36	36. Should Verizon be obligated to provide "Line Partitioning" (i.e., Line Sharing where the customer receives voice services from a reseller of Verizon's services)?	32
Issue: 38	38. What interval should apply to collocation augmentations where a new splitter is to be installed?	34
Issue: 52	52. Should Verizon provide notice of tariff revisions and rate changes to Covad?	35
DARK FIBER ISSUES		
Issue: 41	Should Verizon provide Covad access to unterminated dark fiber as a UNE? Should the dark fiber UNE include unlit fiber optic cable that has not yet been terminated on a fiber patch panel at a pre-existing Verizon Accessible Terminal?	40
Issue: 42	Should Covad be permitted to access dark fiber in any technically feasible configuration consistent with Applicable Law?	40
Issue: 43	Should Verizon make available dark fiber that would require a cross connection between two strands of dark fiber in the same Verizon central office or splicing in order to provide a continuous dark fiber strand on a requested route? Should Covad be permitted to access dark fiber through intermediate central offices?	41
Issue: 44	Should Verizon be obligated to offer Dark Fiber Loops that terminate in buildings other than central offices?	41
Issue: 45	Should Covad be permitted to request that Verizon indicate the availability of dark fiber between any two points in a LATA without any regard to the number of dark fiber arrangements that must be spliced or cross connected together for Covad's desired route?	42
Issue: 46	Should Verizon provide Covad detailed dark fiber inventory information?	42

Issue: 47	Should Verizon's responses to field surveys requests provide critical information about the dark fiber in question that would allow Covad a meaningful opportunity to use it?	42
Issue: 48	Should Verizon be permitted to refuse to lease up to a maximum of 25% of the dark fiber in any given segment of Verizon's network?	43

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 A. The purpose of our joint direct testimony is to provide the factual basis for
3 DIECA Communications, Inc.'s, d/b/a Covad Communications Company,
4 ("Covad") position on those issues in this arbitration which are not purely
5 legal in nature. Because most of Covad's interactions with Verizon occur in
6 other states, many of the examples of problematic events occurred outside of
7 Florida and are included in our testimony for anecdotal purposes here.

8 **Q. Ms. Evans, please state your name, title and business address.**

9 A. My name is Valerie Evans, Vice President – Government and External Affairs
10 for Covad, located at 600 14th Street, N.W., Suite 750, Washington, D.C.
11 20005.

12 **Q. Ms. Evans, please describe your responsibilities at Covad.**

13 A. As Vice President – Government and External Affairs for Covad, I act as a
14 liaison between Covad's business personnel and Verizon. I am also
15 responsible for participating in various federal and state regulatory
16 proceedings, representing Covad.

17 **Q. Ms. Evans, please describe your career prior to joining Covad.**

18 A. Before joining Covad, I was employed by Verizon Communications for 13
19 years. After joining that company in 1985, I held various management
20 positions including Assistant Manager of Central Office Operations and
21 Manager of Installation, Maintenance and Dispatch Operations. In those
22 positions, I oversaw the installation and maintenance of services to retail

1 customers. Specifically, I supervised several groups that were responsible for
2 the physical end-to-end installation of facilities and the correction of any
3 defects or problems on the line. In 1994, I became Director of ISDN
4 Implementation. In that position, I established work practices to ensure
5 delivery of ISDN services to customers and to address ISDN facilities issues -
6 - issues very similar to those encountered in the DSL arena.

7 **Q. Ms. Evans, have you previously filed testimony in this proceeding?**

8 A. No.

9 **Q. Mr. Clancy, please state your name, title and business address.**

10 A. My name is Michael Clancy, Director of Government and External Affairs for
11 Covad, located at 15 Exchange Place, Suite 620, Jersey City, NJ 07302.

12 **Q. Mr. Clancy, please describe your responsibilities at Covad.**

13 A. As Director of Government and External Affairs for Covad, my
14 responsibilities include negotiating resolutions to business and collocation
15 disputes with Verizon; coordinating Operations, Product Development and
16 Engineering relations with Verizon; representing Covad in performance
17 assurance plan development with Verizon; and representing Covad at
18 regulatory and industry collaboratives and proceedings.

19 **Q. Mr. Clancy, please describe your career prior to joining Covad.**

20 A. Prior to my current position, I performed customer support and operations
21 functions for Covad's New York tri-state region. In particular, I was
22 responsible for building out Covad's network in New York and all other
23 operations activities. Prior to coming to Covad, I was employed by Verizon's

1 predecessor companies, in various network services, special services, and
2 engineering assignments, with increasing levels of responsibility, for over 27
3 years. My last assignment in Verizon New York was director of interoffice
4 facility provisioning and process management for the Bell Atlantic 14-state
5 footprint.

6 **Q. Mr. Clancy, have you previously filed testimony in this proceeding?**

7 A. No.

8 **Q. What role did each witness play in the preparation of this testimony?**

9 A Although both of us have reviewed and support this testimony in its entirety,
10 each of us assumed primary responsibility for specific segments of testimony
11 We each rely on the facts and analyses developed by the other in his or her
12 areas of primary responsibility Specifically:

- 13 • Ms. Evans is primarily responsible for the billing and operation
14 process issues.
- 15 • Mr. Clancy is primarily responsible for technical, engineering and
16 operations issues.

17 **ISSUES 2 AND 9:**

18 **Q. Should the parties have the unlimited right to assess previously unbilled**
19 **charges for services rendered?**

20 A. No. Back-billing should be limited to services rendered within one year of the
21 current billing date in order to provide some measure of certainty in the billing
22 relationship between the parties.

1 **Q. Should the anti-waiver provisions of the agreement be implemented**
2 **subject to the restriction that the parties may not bill one another for**
3 **services rendered more than one year prior to the current billing date?**

4 A. If Covad's position on Issue 2 is accepted, the waiver provisions of the
5 Agreement should be modified to take the one year limit on back-billing into
6 account

7 **Q. Can you please provide the factual basis for Covad's position on Issues 2**
8 **and 9?**

9 A. Verizon's ability to assess previously unbilled charges for services rendered
10 should be limited to services rendered within one year of the current billing
11 date. The time and expense necessary to resolve back-bills older than one
12 year as well as the difficulty of accounting for back-bills older than one year
13 cause a serious impediment to Covad's ability to manage its business
14 effectively.

15 **Q. Can you give this Commission an example of Verizon back-billing?**

16 A. Yes. Between the August 4, 2001 and September 4, 2001 billing
17 cycles, Verizon inexplicably added approximately one million one hundred
18 thousand dollars (\$1.1 million) for various unidentified back-billed charges
19 dating back to July 1, 2000. Incredibly, for a one million dollar back-bill,
20 Verizon did not set apart the charge as a "new" charge under the current
21 charges section of the bill. Rather, the charges showed up for the first time
22 under "Balance Due Information." Additionally, Verizon placed this back-bill

1 on a New York High Capacity Bill despite the fact that the back-bill was for
2 line sharing charges in numerous jurisdictions.

3 The detail regarding the \$1.1 million back-bill was limited to “Adjustment of
4 local switching charges loop/line sharing 7/1/00-6/30/01.” There was no
5 identification of the circuits being billed. After expending significant
6 resources over a period of 9 months to identify what the \$1.1 million in
7 charges were for, Covad determined, and Verizon agreed, that over \$358,000
8 of the back-bill – or more than 30% of the bill – were invalid charges.

9 To add insult to injury, during the period that Covad and Verizon were
10 resolving the claim, Verizon erroneously billed the \$1.1 million *again*. Covad
11 filed another claim for the second application of the \$1.1 million, while the
12 original claim for the \$1.1 million remained open. Despite repeated requests,
13 Verizon was unable to produce adequate supporting documentation until the
14 issue was escalated to Verizon’s Vice President

15 **Q. How does Verizon back-billing impact Covad?**

16 A. Allowing Verizon to back-bill without time limitations creates
17 significant problems for Covad. One, Covad is not the ultimate party to be
18 billed. As a wholesale provider, Covad may still have to pass these charges
19 through to its retail customer. Back billing a retail customer results in a loss
20 of goodwill and creates other potential problems.

21 Moreover, Covad’s officers must attest to the accuracy of financial statements

1 filed with the Securities and Exchange Commission (“SEC”). If Verizon is
2 able to back-bill Covad for material billing errors as old as six years out of
3 date – as Verizon proposes—then Covad may be faced with amending
4 multiple years of SEC filings to adjust for errors created by Verizon’s poor
5 billing practices.

6 What makes this interaction more burdensome is Verizon’s manual processes.
7 Verizon manually places charges on Covad’s bills and then provides a
8 spreadsheet as support for the charges. This method is excessively
9 troublesome for CLECs and prolongs an already lengthy and unreasonable
10 claims and dispute process.

11 For instance, on a New York February 2002 bill, Verizon back-billed Covad
12 for Line and Station Transfer (“LST”) charges amounting to \$12,173.35 and
13 \$9,064.86. A spreadsheet was sent to Covad by its Verizon account manager
14 asserting Verizon’s erroneous Line Station Transfer charges for the
15 \$12,173.35 amount. The spreadsheet extended over nine different states and
16 Covad never agreed to Verizon’s line and station transfer charge of \$169.52
17 nor had the New York Commission approved such a rate. In fact, in
18 December 2002 Verizon acknowledged that it had withdrawn such a charge in
19 New York as of December 2001. Nevertheless, this charge was manually
20 applied to a February 2002 invoice. Verizon never explained the charges
21 associated with the \$9,064.86 charge.

1 Verizon is not adequately updating its billing system to support new products.
2 When Verizon provides a new product, it does not create billing codes for
3 elements that will allow it to bill on a mechanized basis. As a result, Verizon
4 is manually processing invoices and spreadsheets, increasing human error and
5 greatly increasing the chance for incorrect billing. Further, once the billing is
6 mechanized, this is not effectively communicated through the Verizon
7 organization and the CLEC sometimes is doubled billed, on a manual and
8 mechanized basis. While Verizon recently stated in its OSS Reply
9 Declaration in the Virginia 271 proceeding that, as of January 2002, it had
10 ceased manually billing for rate elements that have not been mechanized.
11 Nevertheless, as outlined above, Verizon was still submitting manual bills for
12 LSTs in February 2002. Verizon has no requirement to change its policy and
13 may change, revoke or deviate from its own policy at anytime.¹

14 Covad receives thousands of bills from Verizon and other ILECs and carriers
15 monthly, which all have to be reconciled within the appropriate payment
16 period. It is Covad's desire to have these bills processed in a mechanized
17 fashion. When Verizon manually applies charges, Covad is required to invest
18 significant resources to investigate the legitimacy of the charges. This
19 negatively impacts Covad's ability to pay these charges in a timely fashion.

20 As discussed further under Issues 4 and 5, Covad receives a large volume of

¹ In the Matter of the Inquiry into Verizon Virginia Inc.'s Compliance with the Conditions Set Forth in 47 U.S.C. Section 271(c), OSS Reply Declaration on Behalf of Verizon Virginia Inc., Case No. PUC-2002-0046, pg. 69 (May 31, 2002).

1 bills and files over 1,300 billing disputes a year. Given the volume of Verizon
2 bills received by Covad on an annual basis, the volume of bills in dispute, and
3 the unreasonably lengthy claims process, it is clear that Covad's complaints
4 about Verizon billing represent material problems for Covad's business and
5 customer satisfaction.

6 **ISSUE 3:**

7 **Q. When a good faith dispute arises between the parties, how should the**
8 **claim be tracked and referenced?**

9 A. When a billed Party gives notice to the billing Party of a dispute regarding a
10 billed amount, the billing Party should assign a Claim Number to the dispute
11 for the purpose of allowing both Parties to reference the dispute quickly and
12 accurately in correspondence and other communications. Covad's claim
13 number should appear on all correspondence, bills, credits and other
14 documents related to a dispute.

15 **Q. Please explain the factual basis for Covad's position on Issue 3?**

16 A. When Covad submits a dispute to Verizon, Covad assigns its own
17 claim tracking number to the dispute. In fact, Verizon requires that Covad
18 assign its own claim number to the dispute. Verizon uses Covad's claim
19 number in an infrequent and haphazard manner. Verizon's failure to include
20 the claim number assigned to claims by Covad on all documents related to a
21 claim makes verifying the charges and resolving claims extremely difficult.

1 Although Verizon puts a claim number on some letters related to a dispute,
2 sometimes the claim number is Covad's and sometimes it is Verizon's. If it is
3 Verizon's claim number it is useless to Covad.

4 For instance, when issuing credits on the bills, Verizon does not always
5 reference the claim number. In fact, at times Verizon fails to reference any
6 claim number, neither Covad's nor its own, when issuing credits on a bill.

7 Across the spectrum of claims, credits and debits, Verizon is inconsistent on
8 whether they reference the claim number with the credit on the bill.

9 When Verizon puts an adjustment for late fees or tax claims on the bill they
10 will usually, but not always, provide Covad's claim number. However, if the
11 claim is for incorrect quantities or incorrect rates, the claim number is not
12 given with the credit. Verizon's practice of inconsistently using Covad's
13 tracking number makes verifying credits difficult. For example, if Verizon
14 charges Covad incorrectly for power, such as charging for two feeds instead
15 of one, Verizon will issue a credit for two feeds and a charge for one feed,
16 instead of just issuing one credit. Typically, the charge and credit cover more
17 than a one-month period (fractional charges). Therefore, Covad receives a
18 credit that has been combined and cannot -- absent Covad's original claim
19 number -- be searched for by the amount of the claim submitted

20 Edward Morton, Verizon's Vice President of Billing, has told Covad
21 numerous times that the new WCIT (Wholesale Claim and Inquiry Tracking)

1 system -- that will be implemented by the end of the second quarter 2003 --
2 will address this problem. Initially, Covad was informed that WCIT would be
3 implemented by the end of the first quarter 2003. More recently, Verizon has
4 pushed back this date to the second quarter of 2003. However, Verizon has
5 not proposed an interim resolution to this problem and, absent a contractual
6 obligation, Covad cannot be assured of any resolution to this problem

7 **ISSUES 4 AND 5:**

8 **Q. When the billing party disputes a claim filed by the billed party, how**
9 **much time should the billing party have to provide a position and**
10 **explanation thereof to the billed party?**

11 **A.** The Billing Party should provide its position and a supporting explanation
12 regarding a disputed bill within 30 days of receiving notice of the dispute.

13

14 **Q. When Verizon calculates the late payment charges due on disputed bills**
15 **(where it ultimately prevails on the dispute), should it be permitted to**
16 **assess the late payment charges for the amount of time exceeding thirty**
17 **days that it took to provide Covad a substantive response to the dispute?**

18 **A.** No. Late payment charges should not accrue for the time that Verizon takes
19 to address the dispute beyond thirty days. Any other outcome would mean
20 that Verizon could profit from a failure to timely resolve billing disputes.

21 **Q. Please explain the factual basis for Covad's position on Issue 4?**

1 A. In the past, Verizon has failed to respond to disputes filed by Covad or
2 responded at an unacceptably slow pace. With respect to UNE loops, there
3 have been numerous instances where Verizon has taken months to get back to
4 Covad after Covad filed a dispute. These delays apply to other services as
5 well. For example, Covad submitted claims and, as agreed to by the parties,
6 sent monthly spreadsheets for collocation claims. Verizon was supposed to
7 return the spreadsheet with the status of the claims within 30 days. However,
8 it took Verizon over six to eight months to get that back to Covad.

9 In the year 2002, Covad has filed over 1,300 billing claims with Verizon East.
10 In Covad's experience, it takes an average of 221 days to resolve a high
11 capacity access/transport claim, 95 days to resolve a resale/UNE claim, and 76
12 days to resolve a collocation claim in the Verizon East region. Covad still has
13 3 disputed billing claims open with Verizon since the year 2001. These
14 disputed charges total to more than \$100,000, yet Verizon has continued to
15 drag its feet in resolving them. In New York, Covad still has a billing claim
16 open with Verizon since April 2002. Covad even escalated these billing
17 disputes to Verizon's Vice President of billing, and Covad received
18 assurances that these disputes would be resolved by August 15, 2002.
19 Nonetheless, Verizon allowed the August 15 date to pass by without taking
20 any action on Covad's disputed charges. As a consequence, Covad is forced
21 to more closely monitor its bills and pursue expensive and time consuming
22 billing disputes, claims and queries

1 When asked to improve their responsiveness to claims in the Verizon West
2 region, Verizon started closing out claims within 24 hours by denying claims
3 without any investigation. Such a response is clearly unacceptable. The
4 Interconnection Agreement between Verizon and Covad must provide for
5 specific deadlines for the procedures used to resolve claims. When not clearly
6 set-out, Verizon has shown a willingness to play games with the claim
7 resolution procedures. Verizon also claims that billing metrics requiring
8 resolution of billing claims within 28 calendar days only apply to UNE loop
9 claims and do not apply to high capacity access/transport and collocation
10 claims.

11 As Covad recently explained in detail to Verizon, Verizon has been repeatedly
12 misapplying Covad payments to the wrong accounts, resulting in
13 underpayments in the accounts for which payment was intended, unnecessary
14 and unwarranted late fees for Covad, and raising the prospect of unwarranted
15 service disconnection by Verizon. Indeed, Covad has received multiple
16 disconnect notices for several billing account numbers for which Covad's
17 records indicate it has paid all amounts due in full. Verizon agreed that
18 Covad's accounts were correct and is adjusting their accounts accordingly.
19 Verizon's inability to correctly apply Covad's payments results in wasteful
20 efforts by both Verizon's and Covad's organizations to identify and resolve
21 unnecessary billing disputes. Furthermore, as Covad's experience illustrates,
22 these disputes are not isolated occurrences. Rather, Covad's experience

1 illustrates that Verizon's inability to bill competitors correctly is a problem
2 that is growing in scope and prevalence, reflecting a pattern of behavior that is
3 anticompetitive and discriminatory, whether by design or otherwise.

4 **Q. Please explain the factual basis for Covad's position on Issue 5?**

5 A. Once a claim has been acknowledged by Verizon, the late payment charges
6 associated with that claim should be suppressed until the claim is resolved.
7 Verizon's current practice results in numerous unnecessary claims. Currently,
8 Verizon is assessing Covad late payment charges on amounts that are in the
9 process of being disputed. Covad then files a dispute for those late payment
10 charges. The following month, Verizon will assess late payment charges on
11 the original disputed amount *as well as* the disputed late fee charges from the
12 prior month.

13 It can take months for a dispute to be resolved and Covad must file a dispute
14 each time a late payment charge is assessed in addition to the original dispute.
15 So, instead of having to file only one claim for a dispute, Covad ends up
16 having to file multiple claims to address the late payment charges, depending
17 on how long it can take to resolve the claim and issue a credit. Typically,
18 Covad gets charged a late fee for the disputed amount on the same invoice that
19 has the credit on it and therefore, Covad must, yet again, file one more claim
20 for late payment charges once the credit has been applied. All of this
21 unnecessary bureaucracy can be avoided easily by suspending late payment
22 charges until the underlying dispute is resolved.

1 **ISSUE 8:**

2 Q. **Should Verizon be permitted unilaterally to terminate this Agreement for**
3 **any exchanges or territory that it sells to another party?**

4 A. No. Verizon should not be permitted to terminate the Agreement unilaterally
5 for exchanges or other territory that it sells. Otherwise, Verizon will have no
6 incentive to avoid disrupting Covad's provision of services to its customers.
7 Covad's proposed contract language for this provision allows Verizon to
8 assign the Agreement to purchasers, thereby allowing for uninterrupted
9 service to Florida consumers.

10 Q. **Please explain the factual basis for Covad's position on Issue 8?**

11 A. In order to enter into and compete in the local exchange market throughout
12 Florida, Covad must be assured that if Verizon sells or otherwise transfers
13 operations in certain territories to a third-party, then such an event will not
14 alter or cast doubt on Covad's rights under the interconnection agreement, or
15 undermine Covad's ability to provide service to its residential and business
16 customers. If Verizon's contract language is adopted, Covad – and its
17 customers - will be unable to rely on continuous wholesale service pursuant to
18 the terms of a fully negotiated and arbitrated, and fully known,
19 interconnection agreement

20 Such an unforeseen and dramatic shift would be a devastating blow to Covad,
21 potentially negating and rendering obsolete Covad's capital investment in

1 equipment, software, and systems used in or for various exchanges. Covad
2 could potentially lose many customers and the associated revenue streams.
3 Moreover, Covad's extensive investments made in marketing efforts and the
4 development of customer good will would essentially be stranded.

5 Giving Verizon the option to terminate the Agreement upon sale or transfer
6 creates an unusual and non-mitigatable business risk that could cost Covad
7 millions of dollars.

8 **ISSUES 13, 32, 34 AND 37:**

9 **Q. In what interval should Verizon be required to return Firm Order**
10 **Commitments ("FOCs") to Covad for pre-qualified local service requests**
11 **submitted mechanically and for local service requests submitted**
12 **manually?**

13 A. Verizon should (a) return firm order commitments electronically within two
14 (2) business hours after receiving an LSR that has been pre-qualified
15 mechanically and within seventy-two (72) hours after receiving an LSR that is
16 subject to manual pre-qualification; and (b) return firm order commitments for
17 UNE DS1 loops within forty-eight (48) hours. The intervals proposed by
18 Covad are identical to those set forth in New York's current guidelines. Firm
19 Order Commitments ("FOCs") are critical to Covad's ability to provide its
20 customers with reasonable assurances regarding the provisioning of their
21 orders. Covad is not seeking to change the industry-wide performance
22 standards. Instead, Covad wants certain intervals that are of particular
23 importance to it included in its interconnection agreement. With respect to

1 line sharing, Verizon's current business target of provisioning loops within
2 three days is outdated and should be significantly shortened. None of the
3 benchmarks proposed by Covad are unreasonable given that they represent the
4 performance that Verizon is already providing to CLECs for these functions,
5 where states have initiated performance guidelines and these functions are
6 measured.

7 **Q. What terms, conditions and intervals should apply to Verizon's manual**
8 **loop qualification process?**

9 A. In instances when Verizon rejects a Covad mechanized loop qualification
10 query, Covad should be allowed to submit an "extended query" to Verizon at
11 no additional charge. Such a query could avoid the need for, and costs of,
12 manual loop qualification. Covad should be able to submit either an extended
13 query or a manual loop qualification request in instances when the Verizon
14 customer listing is defective, not just in cases where the Verizon database
15 does not contain a listing. Finally, Verizon should complete Covad's manual
16 loop qualification requests within one business day.

17 **Q. In what interval should Verizon provision loops?**

18 A. Verizon should provision loops within the shortest of either: (1) the interval
19 that Verizon provides itself; (2) the Commission-adopted interval; or (3) ten
20 business days for loops needing conditioning, five business days for stand-
21 alone loops not needing conditioning, and two business days for line shared

1 loops not needing conditioning. These intervals are reasonable and ensure
2 that Covad receives reasonable and nondiscriminatory access to UNE loops.

3 **Q. What should the interval be for Covad's line sharing Local Service**
4 **Requests ("LSRs")?**

5 A. If a loop is mechanically pre-qualified by Covad, Verizon should return a
6 Local Service Confirmations ("LSCs") formerly referred to as Firm Order
7 Confirmations ("FOCs") confirmation within two business hours for all
8 Covad LSRs. This interval is reasonable and would ensure that Covad is
9 provided reasonable and nondiscriminatory access to Verizon's OSS.

10 **Q. Please provide the factual basis for Covad's position on Issues 13, 32, 34**
11 **and 37?**

12 A. Firm Order Commitments ("FOCs") are critical to Covad's ability to provide
13 its customers with reasonable assurances regarding the provisioning of their
14 orders. A FOC from Verizon confirms that Verizon will deliver what Covad
15 requested and allows Covad to inform a customer that the service they
16 requested will be delivered. A FOC date is also critical for the provisioning
17 process of stand-alone loops. It identifies the date Verizon will schedule its
18 technician to perform installation work at the end user's address. The end
19 user is required to provide access to their premises, and potentially to
20 negotiate access to shared facilities, where Verizon's terminal is located, at
21 their premises. Providing a FOC within a single day facilitates Covad's ability
22 to contact the end user, and assure they will be available. This capability

1 assists in resolving one of the remaining inefficiencies that remain in the
2 provisioning process: “No Access” to the end user’s premises for the Verizon
3 technician. If the end user is not able to provide access on the originally
4 scheduled FOC date, Covad can communicate with the end user and get back
5 to Verizon to reschedule the FOC. The efficiency gained by such an
6 improvement will provide significant savings to Verizon and Covad -- as well
7 as significantly improving the customer experience.

8 With respect to line sharing, Verizon’s current business target of provisioning
9 loops within three days is outdated and should be significantly shortened. If
10 Verizon is claiming that it provides good performance on loop provisioning
11 intervals, then it should be the goal of the Commission to continually seek to
12 raise the bar and have the intervals shortened in order to bring advanced
13 services to Florida consumers more quickly.

14 This concept was explored by the new York DSL Collaborative and in
15 Technical Conferences related to New York Case 00-C-0127 in July and
16 August 2000. The participants discussed starting the Line Sharing interval at
17 three days and revisiting the interval to progressively reduce it; first to two
18 days and possibly to a single day. This was based upon the significant
19 difference in the amount of work required to deliver a line shared service
20 rather than a stand-alone service.

21 For line sharing, the loop already exists and is working since the voice line is

1 in service. Covad has become aware that the Hot-Cut process calls for all the
2 pre-wiring to be complete within two days. Since the cross-wiring and
3 assignment requirements for line sharing are less than those required for Hot
4 Cuts, and there is no coordination requirement, Verizon should recognize
5 these facts and reduce the line sharing interval to two days. Notably,
6 BellSouth, where the splitter is ILEC-owned and requires an additional
7 assignment step, has reduced the line sharing provisioning interval to two
8 days.

9 **ISSUES 19, 24 AND 25:**

10 **Q. Should Verizon be obligated to provide Covad nondiscriminatory access**
11 **to UNEs and UNE combinations consistent with Applicable Law?**

12 A. Yes. Verizon should provide Covad UNEs and UNE combinations in
13 instances when Verizon would provide such UNE or UNE combinations to
14 itself. Pursuant to Section 251(c)(3) of the Act, and applicable FCC rules,
15 Verizon is obligated to provide Covad access to UNEs and UNE combinations
16 on just, reasonable, and nondiscriminatory terms. As the FCC itself has
17 found, Section 251(c)(3)'s requirement that incumbents provide CLECs
18 "nondiscriminatory access" to UNEs requires that incumbents provide CLECs
19 access to UNEs that is "equal-in-quality" to that which the incumbent
20 provides itself. *Local Competition Order*, ¶ 312; 47 C.F.R. § 51.311(b).
21 Indeed, the United States Supreme Court has affirmed the fact that Section
22 251(c)(3) obligates incumbents to provide requesting carriers combinations

1 that it provides to itself. *Verizon Communications v. FCC*, 535 U.S. ___, __
2 (2002) (“otherwise, an entrant would not enjoy true ‘nondiscriminatory
3 access’” pursuant to section 251(c)(3)). As the FCC has found, the same
4 reasoning requires that incumbents provide requesting carriers UNEs in
5 situations where the incumbent would provide the UNE to a requesting retail
6 customer as part of a retail service offering. Verizon’s proposed language
7 would unduly restrict Covad’s access to network elements and combinations
8 that Verizon ordinarily provides to itself when offering retail services.
9 Verizon should provide Covad UNEs and UNE combinations in accordance
10 with Applicable Law. Verizon cannot limit Covad to those UNEs
11 combinations that are already set forth in Verizon tariffs.

12 **Q. Should Verizon relieve loop capacity constraints for Covad to the same**
13 **extent as it does so for its own customers?**

14 A Consistent with the nondiscrimination provisions of the Act, the Agreement
15 should obligate Verizon to relieve capacity constraints in the loop network to
16 provide loops to the same extent and on the same rates, terms and conditions
17 that it does for its own customers.

18 **Q. Should Verizon provision Covad DS-1 loops with associated electronics**
19 **needed for such loops to work, if it does so for its own end users?**

20 A Yes. Verizon should provision Covad DS-1 loops with associated electronics
21 for such loops to work, at no additional charge, in instances when such
22 electronics are not already in place, if it does so for its own end users.

1 **Q. What is Covad’s factual basis for the position it is taking in this**
2 **arbitration on Issues 19, 24 and 25?**

3 A. Covad is losing customers because Verizon’s unlawful “no facilities” policy
4 results in order cancellations and order rejections. Verizon’s policy has
5 caused and continues to cause Verizon to reject Covad’s UNE DS-1 loop
6 orders unlawfully. For instance, in New York, as of July 15, 2002, 38% of
7 Covad’s UNE DS-1 orders were cancelled or rejected because of Verizon’s
8 determination that there were “no facilities.” Covad met with Verizon to
9 explore the reasons for Verizon’s rejection of several Covad UNE DS-1 loop
10 orders. In the course of that meeting, Covad discovered circumstances in
11 which Verizon’s practice was to refuse to provision loops to Covad.
12 Specifically, Covad discovered that Verizon was rejecting Covad’s orders
13 where provisioning the loop would require the addition of doubler cases,
14 central office shelf space, repeaters, or other equipment to the loop. Verizon,
15 however, does not reject orders for itself where provisioning the loop would
16 require the addition of doubler cases, central office shelf space, repeaters, or
17 other equipment to the loop.

18 **ISSUE 22:**

19 **Q. Should Verizon commit to an appointment window for installing loops**
20 **and pay a penalty when it misses the window?**

21 A. Yes. Like any vendor, Verizon should be obligated to provide its customer
22 (Covad) a commercially reasonable three-hour appointment window when it

1 will deliver the product (loop). Verizon should waive the nonrecurring
2 dispatch charges when it fails to meet this committed timeframe. If Verizon
3 misses additional appointment windows for that same end-user, Verizon
4 should pay Covad a missed appointment fee equivalent to the Verizon non-
5 recurring dispatch charge.

6 **Q. What is the factual basis for Covad's position on Issue 22?**

7 A. Verizon should be obligated to provide its customer (Covad) a commercially
8 reasonable appointment window when it will deliver the product (the loop).
9 Verizon should be required to provide Covad with either a morning ("AM") or
10 afternoon ("PM") appointment window.

11 Verizon provides morning or afternoon appointments for its retail operations.
12 By clarifying the time that the customer needs to be available, AM or PM
13 appointment windows would make a contribution toward limiting the number
14 of Verizon dispatches that result in "no access" situations, *i.e.*, those situations
15 where Verizon cannot gain access to the end user's premises to complete the
16 installation "No access" is a problem because it causes a significant delay in
17 service installation. Covad's customers have to stay home more than one time
18 for Verizon to complete its installation, which makes Covad's customers
19 frustrated and unhappy. Subsequent appointments are often at least a week
20 later than the original date, thus, adding more delay. In some instances, end
21 users report that they were indeed home when Verizon reported the no access.
22 This puts us in a "he-said, she-said" situation with our customers. Also,

1 Covad incurs a financial penalty from the ILEC for each no access situation
2 and for the processing to generate the new date. Covad has every incentive,
3 therefore, to reduce the no access problem. While Covad has been successful
4 in reducing no access, limiting the appointment time can further reduce no
5 access situations.

6 Covad and Verizon have used the AM and PM appointment window structure
7 in the past to help resolve technician meet problems. In the past, Verizon and
8 Covad had difficulties successfully scheduling technician meets to resolve
9 ongoing trouble reports. Verizon and Covad decided to schedule these as the
10 first job in the morning or the first job after the lunch break. As a result of the
11 AM/PM scheduling, the number of meetings where the appointments were
12 met significantly increased such that this is no longer considered a problem.
13 When the same issue arose in Verizon West, this solution, developed in
14 Verizon East, was employed. Technician meet scheduling is no longer an
15 issue for Operations in Verizon or in Covad. There is no reason why
16 narrowing the appointment window for our customers will not also have a
17 similarly positive result.

18 **ISSUE 23:**

19 **Q. What technical references should be used for the definition of the ISDN,**
20 **ADSL and HDSL loops?**

1 A. The Agreement should refer to industry ANSI standards and not to Verizon's
2 internal (and unilaterally changeable) technical references.

3 **Q. What is Covad's factual basis for its position on Issue 23?**

4 A. Covad has requested that Verizon utilize only industry ANSI standards in the
5 agreement rather than Verizon Technical Reference 72575 (TR 72575) for
6 ISDN, ADSL and HDSL loops. Covad's position is based on the notion that
7 in an industry where it is routine for carriers to operate in multiple-states and
8 in a variety of ILEC territories, use of national industry standards are the best
9 means of defining technical terms for purposes of an interconnection
10 agreement. Verizon's preference for the applicability of its own in-house
11 definitions of these terms (Verizon Technical Reference 72575), in addition to
12 ANSI standards, should be rejected as it merely creates potential for confusion
13 and mis-interpretation of each parties' respective rights under the Agreement.
14 Moreover, Verizon's use of in-house definitions, which it may unilaterally
15 revise and change, creates the potential for conflicts between Verizon's
16 interpretations of general, widely used terms such as ISDN, ADSL and HDSL
17 loops, and generally accepted industry-wide definitions. The Agreement
18 should only incorporate industry definitions found in ANSI standards for these
19 technical terms.

20 **ISSUE 27:**

21 **Q. Should the Agreement make clear that Covad has the right, under**
22 **Applicable Law, to deploy services that either (1) fall under any of the**
23 **loop type categories enumerated in the Agreement (albeit not the one**

1 **ordered) or (2) do not fall under any of loop type categories?**

2 A Yes. Covad anticipates that spectrum management law is likely to change
3 during the term of the Agreement as a result of proposed industry proposals
4 presently before the FCC, and agreed to by both Covad and Verizon. (*See*
5 NRIC V FG3 Recommendation #7: Exchange of spectrum management
6 information between loop owners, service providers and equipment vendors
7 (dated Nov. 27, 2001)).

8 Given that current rules and regulations will inevitably change, Covad's
9 reference to Applicable Law is appropriate and ensures that that the
10 Agreement comports with any changes in law that may occur in the future.
11 Moreover, Verizon's contention that Covad must use the BFR process is
12 entirely unreasonable and burdensome.

13 **ISSUE 29:**

14 **Q. Should Verizon maintain or repair loops it provides to Covad in**
15 **accordance with minimum standards that are at least as stringent as**
16 **either its own retail standards or those of the telecommunications**
17 **industry in general?**

18 A. Yes. Verizon should be obligated to maintain or repair loops using standards
19 that are at least as stringent as the standards it uses in maintaining or repairing
20 the same or comparable loops for itself or, in the alternative, applicable
21 industry standards for maintaining or repairing such loops. End users expect

1 and are entitled to receive the quality of service that they pay for and are
2 promised. Verizon's promise to provision industry standard loops pursuant to
3 FCC rules and the Interconnection Agreement rings hollow unless Verizon
4 explicitly promises to provision and maintain in accordance with industry
5 standards. Lacking such promise, Verizon could immediately degrade the
6 quality of the loop below industry standards. Covad has experienced incidents
7 where Verizon evidently changed the underlying facility make-up of UNE
8 Loops that had been provisioned by Covad, and delivered to an end user
9 providing a particular quality of service. Following Verizon maintenance
10 activity, on that loop or an adjacent loop in the terminal, the quality of service
11 delivered to the end user materially declined. Verizon is proposing to be
12 permitted to unilaterally change the characteristics of a service, even to the
13 point where the service no longer behaves in accordance with industry
14 standards, immediately after provisioning a loop. Covad and other CLECs
15 would experience the loss of customer good will due to Verizon's refusal to
16 maintain loops in accordance with industry standards.

17 By failing to maintain loops to industry standard levels, Verizon limits the
18 services that competitors can provide and hampers its competitors' ability to
19 commit to service level agreements with customers. Such behavior limits one
20 of the effects of competition, i.e., improvement of service quality. Without
21 compliance with minimum industry standards, consumers will be deprived of
22 meaningful competition. For the same reasons Verizon is required to

1 provision industry standard loops, it should also be required to maintain
2 industry standards. Most importantly, Covad pays a monthly recurring charge
3 to Verizon to maintain each loop in the condition it was ordered.

4 **ISSUE 30 AND 31:**

5 **Q. Should Verizon be obligated to cooperatively test loops it provides to**
6 **Covad and what terms and conditions should apply to such testing?**

7 A. Yes. Cooperative testing assists in the timely and efficient provisioning of
8 functioning loops. Verizon should conduct cooperative testing at no
9 additional charge until it can demonstrate that it can consistently deliver
10 working loops to Covad. Covad's proposed language provides specific terms
11 and conditions concerning how the Parties currently conduct cooperative
12 testing and should continue to do so under the Agreement, including, but not
13 limited to, the following:

14 (i) when Verizon should conduct cooperative testing (i.e., Where Verizon
15 determines a dispatch is required to provision a loop).

16 (ii) what such testing should entail.

17 (iii) how the Parties should coordinate such testing. (Verizon will call
18 Covad with the technician on the line to perform the test and Covad
19 will within 15 minutes begin testing with the technician, while testing
20 will take no longer than 15 minutes.)

1 (iv) what happens if the Verizon technician performing testing is unable to
2 contact a Covad employee. (the Verizon technician will test the loop
3 to ensure it meets the requirements of the Agreement, provide the
4 reason he/she was unable to contact Covad, and later engage in a joint
5 “one way” test with Covad whereby a Verizon employee will call
6 Covad and stay on the line while Covad tests the loop remotely using
7 its equipment to which the loop is connected.)

8 (v) escalation procedures.

9 (vi) procedures if the acceptance test fails loop continuity testing; and

10 (vii) that Verizon should not bill Covad for loop repairs when the repair
11 results from a Verizon problem.

12 **Q. Should the Agreement obligate Verizon to ensure that Covad can locate**
13 **the loops Verizon provisions?**

14 A. Yes. Verizon should be obligated to tell Covad where it has provisioned a
15 loop. For large office buildings, Verizon will usually provision a loop in the
16 termination room, in which all the loops serving that building are terminated
17 In situations where Verizon sends a technician to provision a loop, Verizon
18 must “tag” the provisioned loop to allow Covad to find the newly provisioned
19 loop, as opposed to having to search through a virtual bird’s nest of wires. In
20 cases in which Verizon provisions a loop without sending a technician,

1 Verizon must provide Covad sufficient information to allow Covad to locate
2 the circuit being provisioned.

3 **Q. In addition to the difficulties in locating provisioned loops in large**
4 **buildings, what are the factual bases for Covad's position on Issues 30**
5 **and 31?**

6 A. Significantly, the cooperative testing methods and procedures as provided in
7 Covad's proposed contract language were established, for the most part, in the
8 New York DSL Collaborative, were further refined during the Massachusetts
9 271 proceeding between Covad, Verizon and the Massachusetts DTE.
10 Furthermore, they have been employed by Verizon, not only with Covad, but
11 also with other CLECs, as part of Verizon's provisioning and maintenance
12 processes for stand-alone UNE loops.

13 The only refinement in the process Covad seeks is that Verizon's technician
14 use Covad's Interactive Voice Response Unit (IVR) while the Verizon
15 technician is performing intermediate tests to either isolate trouble or assure
16 loop continuity. The IVR is an automated way for Verizon to ensure it is
17 delivering a working loop. Verizon technicians can access Covad's IVR
18 through a toll free number. The IVR provides the Verizon technician access
19 to Covad's test head in the collocation arrangement. This is similar to the
20 testing Verizon performs on its retail lines. If Verizon takes advantage of
21 using the IVR, when Verizon's technician contacts Covad for joint acceptance
22 testing, the testing should not be delayed due to defects on the loop. It is

1 during the joint acceptance call to Covad's toll free number that Covad will
2 test to assure that the loop can properly function, accept it, and receive
3 demarcation information from Verizon. Covad makes this request because it
4 is more efficient for both companies and their respective technicians to
5 communicate while the testing is being performed and cooperatively work
6 together to ensure that newly ordered stand alone loops provisioned by
7 Verizon are properly provisioned, and to provide information so Covad
8 understands where to pick up the loop to connect Covad's service. When this
9 testing was not being performed, Verizon's performance in provisioning loops
10 was abysmal. Furthermore, this call will not be time consuming because
11 Covad's proposed language limits the duration of the call to 15 minutes. The
12 industry determined it is prudent to spend 15 minutes, to prevent potentially
13 spending even more time later if it is found that the loop was not correctly
14 provisioned.

15 Utilization of the IVR along with cooperative testing has proven to increase
16 the amount of loops successfully provisioned or repaired by Verizon. Covad's
17 proposed refinement to the cooperative testing process is intended to improve
18 efficiency and increase quality. Before implementing and using the IVR
19 process, Verizon's technicians would attempt to cooperatively test loops with
20 Covad only to determine that the loop was not meeting specifications. As a
21 result of utilizing the IVR process, Verizon's technicians have been able to
22 accurately detect and repair loops prior to calling Covad to cooperatively test

1 a loop. This has significantly reduced the number of incidents where a
2 Verizon technician must perform necessary troubleshooting after an initial
3 cooperative testing call. This directly improves the process by only requiring
4 one cooperative testing call, rather than multiple tests. Such testing is needed
5 (a) when Verizon newly provisions a loop because many of the loops that
6 Verizon provides to Covad are at an unacceptable level of quality and (b) after
7 Verizon maintains or repairs a loop because without such testing, trouble
8 tickets are closed prematurely and, as a result, the trouble remains on the loop
9 and another ticket needs to be opened.

10 In addition to the above, it is imperative that Verizon be on the phone with a
11 Covad employee to provide the test from the correct location. In order for a
12 cooperative test to be valid, the Verizon field technician must be at the
13 customer's network interface device ("NID"), also referred to as a
14 demarcation point, the terminating point of the loop at the customer's
15 premises. Only from the NID can the technician test the loop all the way back
16 to the central office. If the technician, for example, tests the loop from a cross
17 box rather than the NID, the technician is testing only the portion of that loop
18 between the cross box and the central office and is not testing the portion of
19 the loop between the cross box and the NID. This is an incomplete test
20 because if there was a problem in the portion of the loop not tested, it would
21 not be revealed during cooperative testing and could show up after that
22 portion is connected, which in some instances, has occurred after the loop was

1 cooperatively tested. Without cooperative testing, this fact would be
2 unknown

3 Relatedly, since Covad dispatches its own technician to complete xDSL
4 installation after the loop is cooperatively tested, Verizon should also be
5 required to label, or “tag”, all circuits at the demarcation point. The need for
6 this process is that the Covad technician (i) knows that Verizon has terminated
7 the loop at the customer’s premises and (ii) knows where the loop is located.
8 For instance, a loop may be terminated on a pole or in a basement of a multi-
9 dwelling unit instead of to the customer’s premises. Verizon has a policy of
10 not building out to the end-user on UNE loops if no facility from the building
11 terminal to the end user premise is available. If Verizon does not complete this
12 activity, a CLEC will not be able to provide voice or data service. The CLEC
13 will not be able to locate the UNE pair in the multi-pair terminal, or similarly
14 in a common space with multiple terminations. Tagging a loop is a practice
15 that has been followed for several generations in telephone operations. To not
16 commit to do something that is recognized as prudently effective is to display
17 an unwillingness to be responsible. Verizon tags loops for itself, particularly
18 when circuits are provisioned to vendors.

19 Verizon agrees that cooperative testing can identify service-affecting issues
20 with loops before they are provisioned.

21 ISSUE 36:

1 **Q. Should Verizon be obligated to provide “Line Partitioning” (i.e., Line**
2 **Sharing where the customer receives voice services from a reseller of**
3 **Verizon’s services)?**

4 A Yes. Verizon should be obligated to offer a form of line sharing, called Line
5 Partitioning, where end users receive voice services from a reseller of Verizon
6 local services. There is no reason to deny competitive DSL service to end
7 users who chose to purchase local voice services from a reseller, rather than
8 Verizon.

9 **Q. What is the factual basis for Covad’s position that Verizon should be**
10 **obligated to provide Line Partitioning?**

11 A. Covad has lost significant volumes of orders because of Verizon’s
12 unreasonable, discriminatory, and anti-competitive policy. The impact of
13 these lost sales on Covad has been hard felt. Verizon’s policy has been to the
14 detriment of Florida consumers seeking competitive alternatives and is
15 blatantly anti-competitive because it has done its job of significantly impeding
16 competition, both in the voice and in the DSL markets. Verizon’s
17 discriminatory treatment of resellers is currently affecting many of the
18 requests for service that Covad is receiving in Florida and could potentially
19 increase as consumers move to competitive alternatives.

20 From a technical perspective, Verizon's denial of providing access to the
21 HFPL on resold voice lines is baseless. Verizon offers resold DSL over resold
22 voice lines to its resale customers. To provision this, Verizon must write an

1 order to cross connect the office equipment that provides dial tone for the
2 voice service, to the splitter termination for the Verizon DSLAM. This
3 requires the same work functions be performed that would be performed to
4 write an order to direct a central office technician to perform a similar cross
5 connection to wire the exact same office equipment to a different termination
6 that would be a CLEC splitter termination. The exact same work function to
7 provision resold DSL would be executed to provision Line Sharing on a resold
8 line that Covad refers to as "Line Partitioning." This work function is the
9 same work function to provision Line Sharing, the addition of retail DSL to
10 retail voice, or Line Splitting. There is no technical reason to not permit the
11 execution of this work function. Not permitting this work function does limit
12 consumer choice and the business partnership selection available to Verizon
13 voice resellers. Both markets are artificially limited to the monopoly provider
14 - Verizon. There is no technical reason to disallow the sharing of resold voice
15 lines, or the migration of Line Shared loops to resold voice and HFPL DSL, or
16 the migration of Line Splitting to resold voice and HFPL DSL.

17 **ISSUE 38:**

18 **Q. What interval should apply to collocation augmentations where a new**
19 **splitter is to be installed?**

20 A. Verizon should provision such augmentation in 45 days. This interval is
21 reasonable and would ensure that Covad is provided reasonable and
22 nondiscriminatory access to UNEs.

1 **Q. What is Covad's basis for asking for 45 days?**

2 A. In New York, the Commission ordered Verizon and CLECs, including Covad,
3 to jointly resolve this issue. In a collaborative setting, these companies
4 determined that certain types of augments can be accomplished in 45 business
5 days, rather than 76 business days. As a consequence, the New York State
6 Commission ordered adoption of the agreement. The Massachusetts DTE
7 subsequently ordered the same resolution.

8 Verizon and a number of CLECs have been negotiating the standardization of
9 collocation intervals, augments and initial collocation, across the entire
10 Verizon footprint – including Florida. It is currently delayed due to internal
11 issues of one of the CLECs – not Covad.

12 The initial document, agreed to in NY and adopted in NY and MA, has been
13 amended as a result of the footprint wide negotiation, adding more flexibility
14 for CLECs. What Covad wants is the agreement offered in the broader
15 negotiation.

16 **ISSUE 52:**

17 **Q. Should Verizon provide notice of tariff revisions and rate changes to**
18 **Covad?**

19 A. Yes. The prices that Covad pays Verizon for UNEs are among the most
20 important aspects of this Agreement. Verizon typically uses tariff filings as a
21 vehicle for changing UNE rates under its interconnection agreement. It is
22 vital for Covad's business to receive sufficient notice of rate changes to its

1 interconnection agreement. Covad does not receive sufficient notice through
2 mere tariff changes that effectively change or add rates in Appendix A and
3 expends tremendous resources trying to monitor such changes. Notably, the
4 public notice that Verizon does provide is insufficient because it is usually
5 sent out in a complex tariff after the rates become effective.

6 Verizon should provide meaningful notification that it is planning to make a
7 rate change and also update the Appendix on an informational basis when the
8 Commission issues new rates and/or Verizon files new tariffed rates that
9 supercede the rates currently in the Appendix. Without sufficient notification,
10 both Covad, and other CLECs, will continue to face difficulties when trying to
11 verify, reconcile, and compare charges on the bill to the products and services
12 it has ordered. For instance, Covad spent over 9 months and numerous
13 meetings and conference calls with Verizon in an attempt to get Verizon to
14 identify how it determined the charges it manually applied to a New York bill
15 for Line Shared loops. Verizon was unable to produce adequate supporting
16 documentation until Covad issued repeated requests and the issue was
17 escalated to Vice President level. One of the factors that impacted the
18 extended resolution interval was Verizon's inability to identify the applicable
19 source for each of the charges, which were a combination of state commission
20 decisions, Interconnection Amendments, and Interconnection Arbitration
21 awards. Clearly, notifying Covad of new rates and providing updated
22 Appendices would benefit both parties

1 In addition, Verizon manually charged Covad for Line and Station Transfers
2 on a February 2002 New York bill. Subsequently, after numerous requests,
3 Verizon provided a spreadsheet itemizing only 60% of the charges. To date,
4 Covad has had continuous discussions with Verizon attempting to identify the
5 source of Verizon's charges. After ten months of discussions, Verizon
6 provided a chart identifying that the charges were based on an internal cost
7 study, rather than on Commission approved rates. Clearly, Covad has no
8 insight into Verizon's rate application process. 100% of Verizon's charges in
9 New York were inaccurate. In fact, Verizon's own chart indicated that its
10 New York charges should have been withdrawn in December 2001.
11 Nevertheless, up to December 2002, Verizon incorrectly maintained that its
12 charges were effective rates. This problem could have been easily rectified
13 had Verizon provided Covad with an updated Pricing Appendix.

14 Very often when State Commission decisions are made effective, Verizon
15 then produces a rate sheet that usually does not match from state to state.
16 Therefore, it is very difficult to identify the elements and their associated
17 rates. As noted above, it is clear that Verizon's billing people are no better at
18 tracking and identifying the numerous elements and their associated rates.

19 Verizon's billing organization is not connected to the Regulatory organization
20 and is very often not informed of rate changes in a timely fashion. For
21 instance, Covad has been trying to identify Verizon's rate source for
22 electronic loop extensions for over six months. By its own admission,

1 Verizon on a conference call, stated that it was unable to identify why the
2 rates were changed and when those changes were implemented in its billing
3 system. By implementing a process whereby Verizon's regulatory
4 organization would be required to modify Covad's Interconnection
5 Agreement, Verizon's billing organization would also receive the same
6 information at the same time and would then update the billing systems. This
7 would significantly reduce the numerous claims Covad submits in order to get
8 the billing rates corrected and refunds for the overcharges and associated late
9 fees. It is Covad's understanding that Verizon's billing tables are already
10 maintained in its systems on a CLEC-by-CLEC basis. Therefore, it should not
11 be unreasonably burdensome for Verizon to follow Covad's proposal.

12 When Verizon notifies the industry of proposed tariff filings, it references the
13 tariff, but does not always disclose the specific change. Covad is on the
14 Industry Change Notification list, and has not received notification every time
15 a tariff has been changed. The notification process is not flawless. Having a
16 commitment to notify a party to an agreement, when the other party to the
17 agreement has a desire to change the agreement, seems reasonable. Most
18 businesses operate that way.

19 Additionally, the rate elements and their descriptions differ from state to state,
20 jurisdiction to jurisdiction, and do not specifically map to the elements
21 described in Appendix A. This forces Covad to discern how the rate changes
22 will be applied by Verizon relative to Appendix A. This is an inefficient

1 process that increases the possibility of misunderstanding between the parties
2 in this business relationship.

3 If Verizon forwarded the proposed changes to Covad, Covad would have
4 notice of the proposed change and can be responsible to either challenge the
5 change, or accede to the change. Certainly, by putting the change in the
6 context of the original agreement, i.e., Appendix A, Covad would have the
7 opportunity to at least understand the change and its relationship in the context
8 of the agreement. This would have the impact of eliminating unnecessary
9 disputes generated from a lack of understanding.

10 Given this, there is no reason why Verizon cannot send out a revised
11 Appendix A attached. Outside of pushing unnecessary administrative burdens
12 and costs on Covad that are associated with reconciling rates, there is no good
13 reason for Verizon to withhold providing that updated information to Covad
14 or CLECs in general. Covad relies heavily upon the UNE rates set-forth in
15 Appendix A when establishing end user rates for the services it will offer and
16 for billing verification. However, because Verizon's tariff is formatted in an
17 entirely different manner when compared to Appendix A to reflect newly
18 tariffed rates that are set out in a tariff filing can be an extremely difficult and
19 time consuming process and sometimes nearly impossible. As an example,
20 Verizon will often price new services in accordance with a similar service and
21 the CLEC will be unaware of the appropriate rate. Such an effort is
22 unnecessary and could be avoided entirely if Verizon provided an updated

1 Appendix A to Covad each time Verizon revised it.

2 **DARK FIBER ISSUES**

3 **ISSUE: 41**

4 **Q. Should Verizon provide Covad access to unterminated dark fiber as a**
5 **UNE? Should the dark fiber UNE include unlit fiber optic cable that has**
6 **not yet been terminated on a fiber patch panel at a pre-existing Verizon**
7 **Accessible Terminal?**

8 A. The Agreement should clarify that Verizon's obligation to provide UNE dark
9 fiber applies regardless of whether any or all fiber(s) on the route(s) requested
10 by Covad are terminated. The FCC's definition of dark fiber includes both
11 terminated and unterminated dark fiber. Fiber facilities still constitute an
12 uninterrupted pathway between locations in Verizon's network whether or not
13 the ends of that pathway are attached to a fiber distribution interface ("FDI"),
14 light guided cross connect ("LGX") panel, or other facility at those locations.
15 Moreover, the termination of fiber is a simple and speedy task.
16 Verizon's termination requirement, if allowed to stand as an impediment to
17 access, would allow Verizon to unilaterally protect every strand of spare fiber
18 in its network from use by a competitor by simply leaving the fiber
19 unterminated until Verizon wants to use the facility.

20 **ISSUE: 42**

21 **Q. Should Covad be permitted to access dark fiber in any technically**
22 **feasible configuration consistent with Applicable Law?**

1 A. Yes. Covad should be able to access dark fiber at any technically feasible
2 point, which is the only criterion that Congress adopted for determining where
3 carriers may access the incumbent's network. Verizon's attempt to limit
4 access to dark fiber at central offices and via three defined products would
5 diminish Covad's rights to dark fiber under Applicable Law.

6 **ISSUE: 43**

7 **Q. Should Verizon make available dark fiber that would require a cross**
8 **connection between two strands of dark fiber in the same Verizon central**
9 **office or splicing in order to provide a continuous dark fiber strand on a**
10 **requested route? Should Covad be permitted to access dark fiber through**
11 **intermediate central offices?**

12 A. The Agreement should clarify that Verizon's obligation to provide UNE dark
13 fiber includes the duty to provide any and all of the fibers on any route
14 requested by Covad regardless of whether individual segments of fiber must
15 be spliced or cross connected to provide continuity end to end. Verizon
16 should be required to splice because Verizon splices fiber for itself when
17 provisioning service for its own customers and affiliates. In addition,
18 according to usual engineering practices for carriers, two dark fiber strands in
19 a central office can be completed by cross-connecting them with a jumper.
20 Again, this procedure is simple and speedy

21 **ISSUE: 44**

22 **Q. Should Verizon be obligated to offer Dark Fiber Loops that terminate in**
23 **buildings other than central offices?**

1 A. Yes. Covad should be able to access Dark Fiber Loops whether they
2 terminate in a Central Office or other buildings effectively serving the same
3 functions as Central Offices for the Dark Fiber loop.

4 **ISSUE: 45**

5 **Q. Should Covad be permitted to request that Verizon indicate the**
6 **availability of dark fiber between any two points in a LATA without any**
7 **regard to the number of dark fiber arrangements that must be spliced or**
8 **cross connected together for Covad's desired route?**

9 A. It is unreasonable, burdensome and discriminatory for Verizon to require that
10 Covad submit separate requests for each leg of a fiber route.

11 **ISSUE: 46**

12 **Q. Should Verizon provide Covad detailed dark fiber inventory**
13 **information?**

14 A. Yes. In order to meaningfully utilize dark fiber, Covad must be able to know
15 where and how much dark fiber exists in the network in order to develop its
16 business and network plans, evaluate competitive customer opportunities, and
17 otherwise utilize dark fiber as a component of a network build-out strategy.
18 Covad only asks that it be provided the same detailed information that
19 Verizon itself possesses and uses.

20 **ISSUE: 47**

21 **Q. Should Verizon's responses to field surveys requests provide critical**
22 **information about the dark fiber in question that would allow Covad a**
23 **meaningful opportunity to use it?**

1 A. Verizon should be required to provide certain critical information about dark
2 fiber via a response to a field survey request that allows Covad a meaningful
3 opportunity to use Dark Fiber. Covad pays Verizon a nonrecurring charge to
4 perform field surveys and should receive critical fiber specifications,
5 including whether the fiber is dual window construction, the numerical
6 aperture of the fiber; and the maximum attenuation of the fiber. Based on
7 Covad's experience, unless specific types of data are explicitly listed and
8 described in an agreement or commission order, Verizon will simply deny
9 access to that data.

10 **ISSUE: 48**

11 **Q. Should Verizon be permitted to refuse to lease up to a maximum of 25%**
12 **of the dark fiber in any given segment of Verizon's network?**

13 A. No. Verizon should not be able to take away Covad's ability to obtain dark
14 fiber in a manner that will enable Covad to compete. Moreover, Covad is
15 concerned with its ability to verify the accuracy of Verizon's reporting and
16 method of calculation with respect to a 25% limit on dark fiber. While
17 Verizon asserts that Covad's concern is unfounded on the ground that the
18 calculation as applied to a "24-strand cable" is "neither complex nor subject to
19 interpretation", Covad's experience with Verizon is that if there can be any
20 interpretation, Verizon will take advantage of that opportunity to discriminate
21 against Covad. The reality of fiber routes is rarely as simple as Verizon's
22 example. For instance, are all 24 strands in Verizon's example dark? If the
23 strand is spliced to a larger cable, do the "available strands" under Verizon's

1 policy go up or stay the same? If the strand is spliced to a smaller cable, do
2 the “available strands” under Verizon’s policy go down or stay the same?
3 Does the capacity of the strands and/or cables play a part in the calculation?
4 If there are three or fewer dark strands on any portion of a route, are there no
5 available dark fibers under this policy? These are just a few examples of
6 room for interpretation that form the basis of Covad’s concerns with
7 Verizon’s reporting and method of calculation under such a policy.

8 **Q. Are there any additional facts underlying Covad’s position on these Dark**
9 **Fiber Issues?**

10 A. Yes. To date, in over 30 applications for Dark Fiber submitted to Verizon,
11 each at a cost of \$150, Verizon responded that there were no available
12 facilities. In short, Verizon’s stonewalling tactics have been 100% successful
13 at denying Covad access to its dark fiber.

14 **Q. Does that conclude your testimony at this time?**

15 A. Yes, it does.

CERTIFICATE OF SERVICE


I HEREBY CERTIFY that a true and correct copy of the foregoing Joint Direct Testimony of Valerie Evans and Michael Clancy on Behalf of Covad Communications Company has been provided by (*) hand delivery or (**) Federal Express this 17th day of January 2003 to the following:

(*) Beth Keating
Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

(*) David Christian
Verizon Florida, Inc.
106 East College Avenue, Suite 810
Tallahassee, Florida 32301

(**) Kimberly Caswell
Vice President and General Counsel
Verizon Communications
201 North Franklin Street
Tampa, Florida 33601-0100

(**) Steven H. Hartmann
Verizon Communications, Inc.
1320 House Road, 8th Floor
Arlington, Virginia 22201


Vicki Gordon Kaufman

