BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission triennial UNE review: Local Circuit Switching for Mass Market Customers.	))))	Docket No. 030851-TP

SURREBUTTAL TESTIMONY OF

RICHARD J. WALSH

ON BEHALF OF
AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC

JANUARY 28, 2004

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Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is Richard J. Walsh and my business address is 3577 Conroy Road, Orlando Florida, 32839.

Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES AS WELL AS YOUR EXPERIENCE IN THE TELECOMMUNICATIONS INDUSTRY.

A. I am presently providing consulting services to AT&T as a Technical Analyst. I've been hired by AT&T to provide assistance in understanding the various options available as part of the examination of the hot cut process, and related costs of performing loop migrations on a batch basis.

My experience in the telecommunications industry and more specifically with service provisioning spans the past thirty years, where I have held various non-management and management positions with New England Telephone, NYNEX, and Bellcore. This includes time spent since 1997 as a consultant to major telecommunications firms in the areas of business process engineering, project management, workflow analysis, and non-recurring costs.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to respond to Verizon's claim that CLECs had not specifically addressed the Verizon batch proposal. This testimony:

1) Describes and explains the substantial operational flaws inherent in Verizon's Batch Hot Cut Proposal.

2) Refutes Verizon's claims that the Batch process will satisfy the FCC Triennial Review Order's ("TRO") hot cut operational requirements.

3) Provides the Commission with AT&T's recommended changes to Verizon's "Large Job" or "Project" hot cut process for its use in ordering the implementation of a batch hot cut process for Verizon in Florida.

I am adopting the following portions of Mr. Van De Water's testimony:

- From Mr. Van de Water's direct testimony, beginning on page 30 at line 8 through page 32 at line 13.
- From Mr. Van de Water's rebuttal testimony, 1) beginning on page 4 at line 3 through page 5 at line 11, 2) page 6, lines 26 and 27, 3) page 10, lines 1-7, 4) page 13, lines 1-5, 5) page 17, lines 3-14, and 6) beginning on page 25 at line 16 through page 27 at line 5.

Q. HAVE YOU RELIED ON OTHER TESTIMONY IN ADDRESSING VERIZON'S BATCH CUT PROPOSAL?

A. Yes. Verizon's Florida BHC proposal is very similar to the proposal it filed in New York. This is not surprising. It makes sense for incumbent carriers, as they have in the past, to implement company wide wholesale service, practices, policies and operations support systems. This is not only more efficient for the incumbent, but also for the Competitive Local Exchange Carriers ("CLECs") who can develop their own systems to address only a single set of Verizon requirements and guidelines rather than different systems for each Verizon state.

Q. ARE YOU FAMILIAR WITH THE PREPARATION OF AT&T'S NEW YORK TESTIMONY?

A. Yes. I jointly prepared and sponsored the AT&T Panel initial and reply testimony addressing the hot cut process components and costs, and I am familiar with the findings and conclusions of the other AT&T witnesses.

SECTION I: ANALYSIS OF VERIZON'S PROPOSED BATCH HOT CUT PROCESS

Q. DOES THE BATCH HOT CUT PROCESS PROPOSED BY VERIZON PROVIDE ANY ADVANTAGES OVER VERIZON'S EXISTING OR PROPOSED LARGE JOB PROCESS?

A. No. For any carrier that expects to have reasonable volumes, Verizon's Batch hot cut process provides no advantages over its Large Job ("Project") process. To the contrary, the Batch process presents serious disadvantages not presented by the Project process. AT&T is not willing to use the Batch Hot cut process as proposed. AT&T would prefer to continue using the Basic process where it does not have the requisite volumes and the Project process where it has the requisite volumes. Indeed, from an operational perspective, those are the only options that AT&T realistically can use.

Q. BEFORE DISCUSSING THEM IN DETAIL, PLEASE HIGHLIGHT THE MAJOR PROBLEMS UNIQUE TO THE BATCH HOT CUT PROCESS.

A. The major problems with Verizon's proposed Batch hot cut process are as follows:

- It deprives CLECs of control over our end-user customer's experience in three essential respects:
    - Inability to permit customers to make changes to their account for up to over seven weeks;
    - Inability to control the time of day, and day of week, that customer's service will be interrupted – and put at risk for greater interruption – by a hot cut;
    - Inability to monitor the quality of the cut during the critical period between the cutover of the loop and the activation of the number port at NPAC.
- No operational processes, methods and procedures, or system messages have been defined, documented, tested or operationalized;
- There is no experience of "live production" operations in a real world environment;
- There is no control over, and complete uncertainty with respect to the cost of the "UNE-P like" service arrangement required to use the batch process for new customers;
- There is a total lack of CLEC control over the sequence in which the lines of a multi-line order are cut;
- The lack of pre-wiring and dial-tone checks gives Verizon no "margin of error" if something goes wrong on the day of the cut;
- There is no provision at all for handling IDLC loops within the Batch process.)
- There is no provision for handling CLEC-to-CLEC migrations; and
- Lack of metrics and penalties that would ensure a Verizon commitment to the process it proposes.

Q. YOU STATED THAT THE BATCH PROCESS LIMITS THE ABILITY OF CLECS TO PERMIT CUSTOMERS TO MAKE CHANGES TO THEIR ACCOUNT FOR A PERIOD OF UP TO OVER SEVEN WEEKS. PLEASE EXPLAIN THIS AND WHY IT IS A PROBLEM.

A. I understand that in the Batch process Verizon will place a customer on a "UNE-P like" arrangement for a period of time. As first proposed, that period could be up to seven weeks.[1] During this initial holding period when the customer is on such an arrangement, an order would be pending against the customer's account to move that customer's line to a UNE-L arrangement and, as a result, no service changes would be permitted until the pending order is either cleared or cancelled.

It is AT&T's experience that the initial two to three months after a customer initiates services with a CLEC is the most critical period for the CLEC to establish credibility with its new customer. It is during this period that new customers evaluate their new carrier most carefully. Stated succinctly, first impressions are important. During this period, customers are most likely to leave in response to any problems they experience in their service. It is also common during this period that the customer will seek to alter their service, as it finds new features that it does – or does not – want. Hence, the number of change orders submitted by customers in the first weeks after initiating service is quite high. Verizon proposes to prevent CLECs from processing customer change orders during this period. The holding period before conversion to UNE-L creates a potential problem for every new customer during this critical initial period: new customers will be unable to make changes to their account; they will be unable to add or remove lines, modify features or to do something as simple and common

[1] Verizon Initial Panel Testimony, page 29.

as a PIC change to switch long-distance carriers.[2] They will not understand why they cannot do so, and they will blame their new carrier for failing to fulfill what, for them, seem perfectly reasonable commercial requests. This puts CLECs at a significant competitive disadvantage if they must warn prospective customers that after sign-up they will be unable to make a change to their phone service for a period of up to more than seven weeks. (Indeed, I cannot be confident of the 35 day business maximum that Verizon now states will apply because Verizon has proposed no metrics or penalties for failure to meet its stated maximum.)

Q. WHY CAN'T THE CLEC CANCEL THE PENDING UNE-L "ORDER", MAKE THE CHANGES TO THE CUSTOMERS ACCOUNT, AND THEN SUBMIT A NEW UNE-L "ORDER"?

A. While it may be technically possible to do that, it is not commercially feasible. Verizon's practice is to charge CLECs each time an order is made and then cancelled. Such "make work" activities circle back to the same position also adds internal administrative costs to the CLEC's cost structure. But it is worse than that. Every time a CLEC submits a UNE-L order to Verizon, it sets in motion a series of events in Verizon's OSS that can be difficult to control. For example, a "disconnect" order for the UNE-P arrangement is automatically generated. If the UNE-L order is cancelled in order to make changes to the account, there is the risk that the disconnect order associated with the now cancelled UNE-L order will not be caught and the customer could lose service altogether. While this should not happen if everything is working correctly, it is AT&T's experience – based on

[2] Verizon Panel Testimony, p. 33.

thousands of hot cuts – that everything does not always work correctly. I have observed numerous occasions when disconnect orders are not caught in time and customers lose their service. Given the many more thousands of hot cuts that would be experienced in a world without UNE-P, I are quite sure that the incidence of customer outages will go up, perhaps significantly, if CLECs must cancel UNE-L orders each time one of their customers ask for a change on their account within the initial holding period.

Q. ARE THERE OTHER PROBLEMS ASSOCIATED WITH THIS HOLDING PERIOD?

A. Yes. Verizon has a very aggressive win back program. It is no secret, and Verizon is surely aware, that customers are most likely to find dissatisfaction with their new carrier in the first few months. I am concerned that Verizon will aggressively market to our new customers at a time when our ability to make changes to their account is difficult, expensive, and potentially service disrupting. Verizon could use this holding period in anticompetitive ways.

Q. YOU STATED THAT THE BATCH PROCESS ELIMINATES THE ABILITY OF A CLEC TO CONTROL THE TIME OF DAY, AND DAY OF WEEK, THAT A CUSTOMER'S SERVICE WILL BE INTERRUPTED – AND PUT AT RISK FOR GREATER INTERRUPTION – BY A HOT CUT. PLEASE EXPLAIN.

A. At the time of the hot cut, a customers' service is at its most vulnerable. This is precisely the time that their service is interrupted, and at risk for significant interruption if anything goes wrong. CLECs need to have as much control as possible over both the timing and the duration of the out-of-service condition.

The customer's service is impacted in two different ways as part of a hot cut: (1) loss of dial tone and the concomitant ability to make and receive calls ("complete out-of-service condition"); and (2) loss of the ability to receive calls ("partial out-of-service condition"). In the first case, dial tone is lost because the customer's loop is disconnected from the Verizon switch and some period of time passes before it is reconnected to the CLEC switch. In the second, even when dial tone is reestablished on the customer's line from the CLEC switch, there can be a partial out-of-service condition because calls directed to the customer's number will not be completed until there is a local number portability "activate" order sent by the CLEC to NPAC to direct all calls bound for the ported number to the CLEC switch. In addition, for Verizon's intra-switch calls to be completed, Verizon must have established "ten digit triggers" in its own switch.

Under Verizon's Batch process, CLECs lose all control over the timing and duration of the complete out-of-service condition. With respect to timing, CLECs do not know at what point in the day Verizon will disconnect the loop from its switch and take the customer out of service. Indeed, CLECs will not even be able to control the day of the week on which the cut will occur, a necessary requirement for some customers. In short, CLECs cannot arrange with Verizon for the specific needs of a customer under the Batch hot cut process.

Generally, residential customers prefer the complete out-of-service condition to occur during the day, while businesses prefer evenings. Different businesses, however, have different needs. Businesses, such as pizza shops, for example, prefer early daytime periods for their complete out-of-service condition.

Moreover, different residential customers have different needs as well. For example, people who work out of their homes do not want the cuts to take place during the day. Marketing to and acquiring new customers is an expensive and difficult operation. It requires attention to detail and individual customer needs.

It is not commercially feasible to solicit new customers without the ability to accommodate their needs during the transition. With respect to duration, under Verizon's Batch process, CLECs will have no way to know when the hot cuts will begin and how long its customers are out of service, since Verizon's process does not provide for notice to the CLEC as to when the cut begins and when it ends. AT&T cannot be responsive to its customers' calls asking when the out of service condition will begin if it doesn't know when it will begin. AT&T cannot be responsive to customer calls complaining of out-of-service conditions when it does not know at any point in time what Verizon is doing to its customers' service.

Q. YOU STATED ABOVE THAT UNDER VERIZON'S BATCH PROCESS CLECS HAVE NO ABILITY TO MONITOR THE QUALITY OF THE CUT DURING THE CRITICAL PERIOD BETWEEN THE CUTOVER OF THE LOOP AND THE ACTIVATION OF THE NUMBER PORT AT NPAC. PLEASE EXPLAIN WHAT YOU MEAN.

A. Under Verizon's Batch process, CLECs will lose control over when the ported number gets activated in the NPAC database. In its initial testimony, Verizon states:

> The cutover process will differ in one very significant way from the current Large Job process. As a condition of utilizing the batch process, CLECs would be required to authorize Verizon to submit the final number-port activation order to NPAC in place of the

> CLEC. This will virtually eliminate the need for coordination with the CLEC at the time of the cutover. In order to facilitate this process, the CLEC will be required to include in its DD-minus-3 sign-off a verification that it has created a port order in the NPAC database for Verizon to activate on the due date.[3]

Only after the number port is activated in the NPAC database is the CLEC's new customer able to receive telephone calls. During that interim period, CLECs' customers' can make calls but they will not receive calls, thus resulting in a partial out-of-service condition. Yet, in order to use Verizon's batch process, the CLEC would have to cede all control over when, *i.e.*, how long after the loop itself is cutover, the number port is activated at NPAC. CLECs will be completely at the mercy of their principal competitor to ensure that their customers' service is not compromised. Given that Verizon's incentives are perverse, such an arrangement is completely unacceptable to AT&T.[4]

Q. ARE THERE OTHER SERVICE QUALITY PROBLEMS THAT ARISE FROM CLECS' LOSS OF CONTROL OVER THE NOTIFICATION OF NPAC?

A. Yes. CLECs also will lose the ability to test for connectivity after the line is cut and before the number port is activated at NPAC. If there is no connectivity, this is the point at which a "throwback" may occur. If the process proceeds to number port activation, it becomes extremely difficult to restore service. Once the number port has been activated, the restoration process becomes more complex,

[3] Verizon Initial Panel Testimony, pp. 30-31.

[4] It is not necessary to assume that Verizon will have anticompetitive motives to sabotage the cut deliberately. Verizon simply has no economic incentive to staff, train and manage its operations to ensure that no delays occur at this stage. Any profit maximizing firm will deploy resources where they produce the best return for the firm. Taking resources away from other activities to ensure that there are no delays in providing service to the customers of competitors is not something that Verizon has an incentive to do.

involves more "moving parts" and restoration of service can take days instead of minutes. As a result, the costs to the CLEC, both in internal resources and in damage to its reputation, are significant. The costs to the customer are obvious.

This is not a trivial matter. Despite the testing for dial tone two days prior to the date of the cut, AT&T does experience lack of connectivity immediately following the cut. Under the current process, when Verizon notifies the CLEC that the cut has happened so that the CLEC can activate the number port, it also provides the CLEC with an opportunity to test for connectivity immediately, which in turn provides critical valuable minutes to resolve problems in a prompt and expeditious manner if they are on the CLEC side. In the absence of the CLECs' participation at this stage, more throwbacks will occur and – because they will occur after number port activation – will result in extended and costly service interruptions. This aspect of the Batch process alone is sufficient to make it unacceptable to AT&T.

Indeed, it is hard to understand the benefit of such a proposal given the negatives it creates for CLECs and the fact that it does little to reduce Verizon's burdens. Because, under Verizon's proposal, Verizon will notify NPAC following the cut instead of notifying the CLEC, little is gained. An automated notification system between Verizon and the CLECs should allow the CLEC to retain control over the NPAC notification process without manual intervention on Verizon's part or associated costs.

Q. IN YOUR LIST OF CRITICISMS OF THE VERIZON BATCH PROCESS, YOU EMPHASIZED THE CLEC'S LACK OF CONTROL. PLEASE EXPLAIN WHY THIS IS AN IMPORTANT CONCERN.

A. CLECs are retail service providers. As such, AT&T's relationship to its customers is paramount. It is critical that it be able to control as much as possible of its customers' experience. Any time a third party is involved, AT&T loses that control, and is at risk. When Verizon inserts itself into the relationship with AT&T's customers and their service, AT&T has everything to lose if things do not go right because the customer will blame its new carrier for any failure in the migration process.

Verizon's Batch hot cut process runs counter to this central principle of AT&T's business. AT&T has not asked Verizon to take control over its customers' experience. In proposing this process, Verizon is not offering a better process nor is Verizon offering a process that AT&T would utilize. Moreover, eliminating the ability of CLECs to control the experience of their new customers means that the Verizon's proposed process will not benefit customers.

Q. YOU STATED ABOVE THAT ONE OF YOUR MAIN CONCERNS WITH THE BATCH PROCESS IS THAT NO OPERATIONAL PROCESSES, METHODS AND PROCEDURES, OR SYSTEM MESSAGES HAVE BEEN DEFINED, DOCUMENTED, TESTED OR OPERATIONALIZED. PLEASE EXPLAIN.

A. Any complex process involving the exchange of information and the coordination of tasks between two operating entities requires clearly defined language and agreed upon methods of communication. This means that every step of the process must be agreed on, including when messages are required between the entities, how they will be delivered and the details of the message content.

Verizon's batch cut proposal fails to offer any of the specificity that is required to know whether and how this process will work in the real world. There is not sufficient information to determine what CLECs will need to do and, therefore, what internal costs it will impose on them and what impacts it will have on their administrative structure. A few simple examples will illustrate this problem:

- By what method and manner do CLECs place a batch hot cut order (e.g., what date does the CLEC put on the initial order regarding the timing of the Batch cut and the LNP?);
- How do CLECs find, or "see", in WPTS that a particular order is part of a "Batch" with specific schedule information;
- What is the system message (e.g., how is it delivered and where should CLECs look for it), to notify CLECs that a particular order has been scheduled for cutover on a particular day as part of a Batch;
- How do CLECs respond to the system message notifying them that an order has been scheduled, that is, how do CLECs accept or decline;
- What happens to the order if the CLEC declines and/or elects to change the date of the cutover?

Q. WHAT TYPE OF TESTING DOES AT&T RECOMMEND?

A. As described in the direct testimony Mr. Van De Water, once the Commission approved batch hot cut process is designed it could be subjected to pre-implementation testing. This pre-implementation testing would include third party monitoring of Verizon's migration of significant numbers of its own retail customers from a direct connection of the customer's line to the Verizon switch

over to another Verizon switch connected via collocated transport equipment located in the original central office.

Q. YOU ALSO STATED THAT THERE HAS BEEN NO EXPERIENCE OF "LIVE PRODUCTION" OPERATIONS IN A REAL WORLD ENVIRONMENT. WHAT DID YOU MEAN BY THAT?

A. No process requiring complex interplay between two different entities can be developed in the abstract. Even after the details of the process have been thought through (i.e., defined, documented, tested and trialed in operation), it still must be utilized in a real world environment for some period of time before, it can confidently be relied upon. Certainly, it would be irresponsible to place the fate of hundreds of thousands of customers in the hands of a process that had never been utilized on the scale required in a post UNE-P world, until such a process had been demonstrated to work in that kind of environment.

Q. YOU STATED ABOVE THAT LACK OF CONTROL OVER, AND UNCERTAINTY WITH REGARD TO, THE "UNE-P LIKE" ARRANGEMENT IS A REAL PROBLEM. CAN YOU PLEASE EXPLAIN?

A. Yes. The Batch process can be used for new customers only if a CLEC can acquire the customer before the date of the cutover. This is because the date of the cutover to the CLEC switch is unknown – and in the control of Verizon – at the time the customer initially agrees to become a CLEC customer. Customers will not wait indefinite periods of time for their new service arrangement. Under Verizon's Batch process, CLECs will, therefore, acquire the customer on a UNE-P or "UNE-P like" service arrangement. If this Commission finds that there is no

impairment without Verizon-provided switching in a geographic area, part of the cost of acquiring the customer under the Batch process will be the cost of the "UNE-P like" arrangement. Verizon stated in its initial panel testimony that "subject to subsequent review by the Company" it would charge rates currently applicable to UNE-P.[5]

The problem for CLECs is that they do not know what this potentially important cost of using the Batch process will be in the future. In response to interrogatories in New York, Verizon was unwilling to provide us with a date by which it would "review" and presumably determine a more permanent rate. Moreover, it did not identify any requirements that it believes would limit its discretion in determining this component of the cost of a Batch hot cut.

CLECs are, therefore, left with no certainty regarding the ultimate cost to them of using the batch hot cut process, except the near certainty that at some point in the future ***it will cost more than TELRIC to purchase everything that is required to use the process.***

Q. YOU ALSO STATED ABOVE THAT LACK OF CLEC CONTROL OVER THE SEQUENCE IN WHICH THE LINES OF A MULTI-LINE ORDER ARE CUT IS A PROBLEM. PLEASE EXPLAIN.

A. Business customers with more than one line often have established features that require all lines to be working together. A "hunting" feature is a prime example of such an arrangement. In these cases, a call to any one of a customer's lines will be redirected to a free line if the called line is busy.

[5] Verizon Initial Panel Testimony p. 32.

In certain situations, the hunting feature could be compromised or disabled by a hot cut occurring as part of a Batch process. Some multi-line customers with the hunting feature may have added lines over a long period of time. Lines added recently may connect to the MDF at entirely different places on the frame than lines added earlier on. When implementing a Batch hot cut, Verizon's technicians will likely move down the frame cutting lines over in the order in which they appear on the frame. This could result in some lines of the multi-line customer being cutover well before other lines. The effect would be to disable or compromise the hunting feature during the time that some, but not all, of the lines have been cut.[6] This is another example of problems that can occur when CLECs do not have the ability to control the timing of the cut and when Verizon elects to cut lines according to placement on the frame rather than by customer order.

Q. YOU REFERRED TO THE FACT THAT THERE COULD BE PROBLEMS CAUSED BY VERIZON'S FAILURE TO PRE-WIRE THE MDF AND TO CONDUCT A DIAL TONE CHECK IN A BATCH HOT CUT PROCESS. PLEASE EXPLAIN.

A. Under the Batch process, Verizon will wire on the day of the cut. There is no pre-wiring. I have serious concerns about the consequence to the customers' service of Verizon not doing the pre-wiring work and dial tone check ahead of time. AT&T's concern is that Verizon has left itself no cushion, or margin of error, if problems are encountered at the frame during the day of the hot cut. I am not

[6] Under Verizon's batch process, the duration between the first line cut and the last line cut could be as long as 24 hours since Verizon proposes to do batch hot cuts without an appointed hour within a day. Verizon could, under its proposal, start a cut just after midnight on one shift and finish the batch just before midnight of the next day and still consider (thus report) its performance as "on time" even though this is a day long outage from the customer's perspective.

concerned about the CLECs' ability to deliver dial tone so much as I am concerned about the ability of Verizon to manage for unexpected contingencies that could affect its ability to do the work on the day of the cut, such as weather emergencies, unexpectedly high absenteeism, or an unusually high incidence of problem cuts in a particular central office on a particular day. Moreover, Verizon has provided no evidence that it is capable of managing and minimizing the risks created by the removal of these quality checks.

Q. YOU STATED ABOVE THAT THE FAILURE OF THE BATCH PROCESS TO INCLUDE THE HANDLING OF IDLC LOOPS IS A PROBLEM. PLEASE EXPLAIN.

A. According to the Verizon Force Model filed in this docket, many of its central offices have a high percentage of IDLC. The batch process, by design, excludes all such customers. Moreover, to the extent that CLECs are successful in obtaining market share, the percentage of remaining Verizon customers on IDLC will increase, because Verizon will be constantly moving CLEC customers off of IDLC in order to hot cut them and putting them on analogue copper freed up by moving Verizon's customers onto IDLC. The Batch hot cut process, therefore, by design, will exclude an increasing percentage of the end-users to whom CLECs will be marketing.

This is a problem for our business that the FCC recognized in the TRO. In that decision the FCC stated:

> [W]e require incumbent LECs to provide requesting carriers access to a transmission path over hybrid loops served by Integrated DLC systems. I recognize that in most cases this will be either through a spare copper facility or through the availability of

> Universal DLC systems. Nonetheless even if neither of these options is available, incumbent LECs must present requesting carriers a technically feasible method of unbundled access.[7]

Offering a process for hot cutting volumes of customers in a post UNE-P world that does not even include the ability to hot cut IDLC loops is not a process that provides any method of unbundled access, much less, a "technically feasible method of unbundled access." A solution must be developed that allows the CLEC customer served on an IDLC loop to remain on UNE-P indefinitely or provides additional UDLC or copper loops in order to permit the migration of IDLC loops in a larger group (project or batch), individually in a Basic hot cut process, or in an appropriately defined Batch process.

Q. ON PAGE 27 OF ITS INITIAL PANEL TESTIMONY, VERIZON INDICATES THAT IN A NEW YORK WORKSHOP, CLECS AGREED TO PROCESS CHANGES FOR IDLC LOOPS, INCLUDING THEIR EXCLUSION FROM THE LARGE JOB OR PROECT PROCESS. DID AT&T AGREE?

A. No. As described above, AT&T believes that ILECs must permit the migration of IDLC loops. Further, to address the operational and economic concerns of the individual hot cut process, IDLC must be included in any "batch" process ordered by this Commission.

Q. **YOU ALSO STATED ABOVE THAT THE FAILURE OF THE BATCH PROCESS TO INCLUDE THE HANDLING OF CLEC-TO-CLEC MIGRATIONS IS A PROBLEM. PLEASE EXPLAIN.**

A. There are two problems. First, the FCC's TRO specifically requires that the Batch process address CLEC-to-CLEC migrations.[8] Second, as CLEC market

[7] TRO, at para. 297.

share increases, CLECs will increasingly be marketing to the customers of other CLECs, many of which will, in a post UNE-P environment, be competing using Verizon loops. If Verizon's inherent monopoly advantages are eventually eliminated, then there is no reason to expect that Verizon will enjoy a predominant position in the market. Thus, to the extent that a Batch hot cut process ***could***[9] eliminate Verizon's inherent monopoly advantage so that CLEC market share increases, Verizon's batch process paradoxically becomes unavailable, as the majority of migrations will become CLEC-to-CLEC migrations. The failure to provide an efficient, low cost process for CLEC-to-CLEC migrations is a real concern to AT&T.

Q. DOES THE BATCH PROCESS REFLECT ANY OF THE OPERATIONAL ENHANCEMENTS AND INCREASED EFFICIENCIES DESIRED BY CLECS?

A. The CLEC requested process enhancements are conspicuous for their absence in this proposal. While Verizon's testimony indicates a couple of minor modifications to its Basic and Project processes that it claims were made at the request of CLECs at the technical workshops, it does not even make such a claim with respect to the Batch process. Nor is Verizon able to explain any real benefit for the CLECs beyond the claim that it permits CLECs that cannot use the Project process to participate. [10] The process appears to have been developed by Verizon

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[8] TRO, at para. 478.

[9] As I have testified above, I do not believe that the process proposed by Verizon can do so at all.

[10] *See*, Verizon Initial Panel Testimony, p. 33, where Verizon makes the conclusory, unsupported claim that "[t]he batch process would greatly reduce the need for CLEC personnel to become involved in the hot cut process, thus reducing the 'internal' CLEC costs associated with hot cuts." If Verizon were truly interested in reducing the need for CLEC personnel time, it would implement the automation enhancements that the CLECs have requested.

for its own purposes, without significant, and perhaps without any, input from CLECs.

Q. WHY DO YOU SAY THAT IT DOES NOT REFLECT INPUT FROM CLECS?

A. CLECS have been describing their needs for months in the technical workshops in New York. While not the only item sought, one of the most important is the ***reduction of manual work*** and ***increased automation*** relating to the many management, administrative and communication activities that take place both between CLECs and Verizon and between or among the various Verizon workgroups as part of a coordinated hot cut. CLECs want the manual work activity reduced or eliminated. For example, CLECs have said that they want Verizon's Service Order Processor to process their LSRs automatically and respond to CLECs through a dedicated interface with information in an electronic format that can flow directly into CLEC systems. This will eliminate the need for CLECs to dedicate personnel to access Verizon's WPTS system, refresh the screen continuously for updates, and manually update its internal systems. CLECs have asked Verizon to eliminate unnecessary designed fall-out, which requires Verizon to devote manual effort to create internal service orders. A constant theme of CLEC requests has been the request to "push-out" information electronically to CLECs at each stage of the process so that CLECs can assume the responsibility (and manual effort, if necessary, instead of Verizon) for ensuring that the orders in Verizon's systems are correctly populated and flowing through to completion as contemplated. CLECs have noted the costs and potential

for delays or errors associated with Verizon's use of manual processes in the RCCC for assigning work and have proposed the implementation of automated systems to perform those tasks. CLECs have noted the importance of all workgroups at both Verizon and the CLECs to know when order statuses change and the resulting need of a WPTS type system to allow both Verizon workgroups and CLECs the ability to enter status changes and receive status change notifications automatically. Currently, CLECs are unable to enter status change notifications into the system nor do they receive status change notifications from Verizon automatically. CLECs have asked for the coordination of due date activities to be handled electronically using WPTS, not for their elimination, as proposed by Verizon in the Batch process.

I mention only some of our recommendations here to illustrate the conspicuous absence of a response to CLEC needs in Verizon's proposed Batch process. In fact, AT&T does not want Verizon's Batch process. AT&T prefers the Project Process (and the Basic Process where appropriate) with the automation described above and in the Section II of my testimony.

Q. VERIZON CLAIMS THAT ITS PROPOSED PROCESSES SATISFY THE TRO REQUIREMENTS. DO YOU BELIEVE THAT VERIZON'S PROCESSES CAN SATISFY THE TRO REQUIREMENTS WITHOUT IMPLEMENTING THE ENHANCEMENTS THAT YOU RECOMMEND?

A. No. The TRO directs state commissions "within nine months of the effective date of this Order, to approve and implement a batch cut migration process — a seamless, low-cost process for transferring large volumes of mass market

customers."[11] While it is doubtful that in the real world any process that depends upon manual re-wiring of every line for every change of carrier can be either low cost or seamless, without the process enhancements that I recommend to automate as much of the process as possible, it is certain that neither the goal of "seamless" nor the goal of "low cost" can be realized. I emphasize that the only way that a process that is inherently manual at the MDF can even begin to approach "seamless" (and I doubt that the CO wiring requirements will ever permit the process to be seamless in the way competitive markets require, such as the long distance market) is to ***automate every aspect of the process that can be automated.*** AT&T's proposal attempts to do that. The omission of virtually every automation enhancement that CLECs have recommended from Verizon's proposed hot cut processes makes them hopelessly susceptible at virtually every stage to human error, confusion and delay. Verizon has not proposed a hot cut process that is seamless. Finally, so that there is no misunderstanding, I reiterate that, while implementation of the automation and all other recommendations that I proposed is a necessary condition for achieving a seamless and low-cost process, it is not a sufficient condition. Real world implementation and testing (using Verizon's customers as subjects) are essential and, if – as I believe will be the case – real experience demonstrates that our recommended process is not seamless or low cost at high volumes due to the inherent limitations of the manual central office wiring work, then no hot cut process can be found to satisfy the

[11] TRO, ¶ 423.

TRO requirements, and other options must be pursued. As the FCC stated in the TRO,

> [W]e decline to require ELP [Electronic Loop Provisioning] at this time, although we may reexamine AT&T's proposal if hot cut processes are not, in fact, sufficient to handle necessary volumes.[12]

SECTION II. AT&T'S RECOMMENDATIONS FOR IMPROVING THE "LARGE JOB" OR "PROJECT" HOT CUT PROCESS

Q. PLEASE DESCRIBE YOUR RECOMMENDATIONS FOR IMPROVING VERIZON'S CURRENT "LARGE JOB" HOT CUT ("PROJECT") PROCESS.

A. AT&T recommends specific improvements that will make the existing, intensely manual Verizon "large job" hot cut process substantially more efficient in an environment where UNE-P remains available. Adopting these recommendations will lower all parties' costs, reduce delays and errors in processing "large job" hot cuts, and minimize service disruptions to customers.

Q. PLEASE SUMMARIZE THE MAIN IMPROVEMENTS THAT AT&T RECOMMENDS.

A. The main improvements that fall into four categories.

- First, I recommend modifying and in some cases eliminating the capacity constraints that Verizon imposes on the process. If applicable in Florida, these constraints include the one-cage-per-CLEC-per-central office constraint, which I shall abbreviate as the "one cage" constraint, as well as the manager area and geographic area limits imposed by Verizon.

[12] TRO, at para. 491.

- Second, the "large job" hot cut process should involve fewer manual — and often unnecessary — steps and should instead incorporate greater automation of order entry, order processing, and communication of information concerning the order status for "large job" and individual hot cuts. This can be achieved through improved usage of WPTS from the beginning to the end of the "large job" hot cut process. This improved usage should include enhancing WPTS so that it electronically "pushes out" information to CLECs (i.e., automatically sends out updates from WPTS) without any manual action being performed to electronically flow through and automatically update CLEC systems as soon as new information appears in WPTS.
- Third, Verizon should notify CLECs regarding completion of individual loop migrations within a "large job." This notification should occur with all reasonable speed and in a manner that facilitates quick CLEC post-cutover activity completion, such as activation of line number portability ("LNP") to ensure that CLEC customers can begin receiving incoming calls as soon as possible. Therefore, based on our recommendations, Verizon should provide notification through the enhanced WPTS after each batch of 20 loops is migrated and the notification should flow through to CLEC systems and trigger appropriate CLEC actions. This recommendation assumes that there is no degradation in the intervals between the actual cutover time and the notification by WPTS that a cutover has been completed.

- Fourth, Verizon should modify the procedures used to migrate from one CLEC to another CLEC via UNE-L in a manner that is at parity with the process for migrating a CLEC UNE-L customer back to Verizon.

Q. PLEASE DESCRIBE YOUR RECOMMENDATIONS TO ELIMINATE VERIZON'S CAPACITY CONSTRAINTS ON BULK HOT CUTS.

A. Following are Verizon's constraints in New York. To the extent they exist in Florida, they should be eliminated by this Commission. First, Verizon's one-cage constraint should be eliminated because it unreasonably delays the execution of "large job" hot cuts. The constraint bars a CLEC, or groups of CLECs, with multiple collocation cages in a central office from aggregating lines across cages in a "large job" hot cut project. This has the potential to delay the period of time required for a CLEC to reach the minimum number of lines necessary for Verizon to perform a "large job" hot cut and can also cause Verizon to take multiple nights to execute projects when one night might well suffice.

The one-cage constraint can also delay when *other* CLECs may have their "large job" hot cuts executed. These Verizon-imposed delays on "large job" hot cuts are in no way justified by any efficiency gains. As I noted earlier, while the one-cage constraint may make the pre-wiring phase of the process *a bit* easier, this is of minimal importance in light of the fact that all the cutovers occur on the same frame or set of frames in a given central office. The minimal efficiency gain in the pre-wiring phase simply does not warrant the delays caused by the one-cage constraint.

Q. ARE THERE ANY OTHER VERIZON-IMPOSED CONSTRAINTS ON "LARGE JOB" HOT CUTS THAT SHOULD BE CORRECTED?

A. If the Commission were to restrict the availability of UNE-P in reliance on the ability of CLECs to serve the mass market in any parts of the Verizon territory, it may well become necessary to increase Verizon's 150-line per day maximum on the number of lines that can be hot cut that AT&T in practice experienced with Verizon. Insofar as migrations from UNE-P to UNE-L service become more common, the demand for "large job" hot cuts will increase exponentially and it will prove impossible for Verizon to satisfy that demand unless the maximum is raised.

Similarly, it will become necessary to alter Verizon's geographic and management area constraints on "large job" hot cuts, by raising the number of central offices per manager's area and per Verizon-defined geographic area within which projects may be executed on a given night.

Q. YOUR SECOND RECOMMENDATION CONCERNS IMPROVING THE "LARGE JOB" HOT CUT PROCESS, PARTICULARLY BY INCORPORATING GREATER AUTOMATION. HOW IS YOUR TESTIMONY ORGANIZED TO ADDRESS THIS RECOMMENDATION?

A. I will follow the "large job" hot cut process in chronological order, from CLEC Order Placement to Due Date Cutover Activities. As I proceed, I will focus on how specific phases of the process can and should incorporate greater automation.

Q. BEFORE PROVIDING DETAILS, CAN YOU SUMMARIZE THE GREATER AUTOMATION THAT YOU RECOMMEND?

A. Yes. AT&T recommends enhanced usage of WPTS. WPTS can serve both as an interface for communications between Verizon and CLECs and as a mechanism for relaying orders and information from one Verizon work center to another.

Q. HOW SHOULD A CLEC INITIATE A "LARGE JOB" HOT CUT REQUEST TO VERIZON?

A. The order entry process should incorporate WPTS. Instead of the current practice of placing a phone call to Verizon's National Marketing Center (NMC), a CLEC should input directly into WPTS the scope of the project it wants Verizon to perform. This includes identifying the central office in which the project is to take place, the number of lines that are to be cut over, and the date when the CLEC would like the cutovers to take place. All of this information should be submitted to Verizon via WPTS. WPTS should then automatically notify Verizon downstream provisioning work centers and systems regarding the project and its scope.

Q. HOW SHOULD THIS REQUEST BE INITIALLY PROCESSED?

A. The initial processing should also involve communication through WPTS. The NMC will assign a project identification code (ID) to the request. The NMC should then determine the availability of Verizon resources to execute the project. Rather than having to call various Verizon departments to determine resource availability, the NMC should be able to consult Verizon's Work Force Administration ("WFA") OSS for this information. That is, Verizon's downstream OSSs should contain up-to-date information as to the status of other

work activities and Verizon resources so that the NMC can determine resource availability with minimal effort.

Resources permitting, the NMC can schedule and confirm with the CLEC via WPTS the "large job" hot cut project date requested by the CLEC. If resources constraints do not permit the CLEC requested date, the next closest date should be made available. The NMC should input this due date, along with the project identification into WPTS, which will communicate the project information to the CLEC via an "electronic push."

Q. WHAT DO YOU MEAN BY "ELECTRONIC PUSH" OF THE PROJECT INFORMATION?

A. An "electronic push" of information is a system enhancement that will provide the CLEC with real-time electronic updates in a user friendly format of the status for all project items, without requiring dedicated CLEC personnel to continuously re-access the Verizon's WPTS system, refresh the screen continuously for updates, and manually update its internal systems. Instead, Verizon's WPTS should "push" changes of information electronically to the CLEC, whose systems will receive the new information and forward it to relevant CLEC personnel.

Q. AFTER THE DUE DATE HAS BEEN ESTABLISHED, HOW SHOULD SERVICE ORDERS BE GENERATED?

A. To a large extent, service orders should be generated as they are now. The first step will remain CLEC issuance of EDI LSRs that reference the due date and the "large job" hot cut project identification. Once these are sent over to Verizon,

Verizon's Service Order Processor ("SOP") should process them automatically, without requiring dedicated CLEC personnel to access Verizon's WPTS system, refresh the screen continuously for updates, and manually update its internal systems. The LSRs will fall into two categories.

The vast majority of the LSRs should be unproblematic and simply flow through Verizon's systems and generate internal service orders.

However, some LSRs will not flow through due to circumstances beyond the CLEC's control. LSRs will fall out due to Verizon-imposed constraints on automated processing. For example, Verizon's OSS in New York is not designed to handle LSRs involving more than twenty lines. Therefore, LSRs involving more than twenty lines fall out for manual processing and validation. This will not be a sustainable limitation in any case where the scale of UNE-L orders significantly increases. Verizon should be required to improve the flow through rate by making system enhancements to make orders eligible for flow through and by insuring that its downstream systems are available for the processing of these orders.

Q. WHAT SYSTEM MODIFICATIONS DO YOU RECOMMEND TO IMPROVE THE METHOD FOR ASSIGNING WORK DURING EXECUTION OF THE "LARGE JOB" HOT CUT?

A. The work assignment phase of the "large job" hot cut process consists of giving various workgroups — including CLEC workgroups, which have a role to play in the "large job" hot cut process — task instructions and the detailed information they need to complete their tasks. As noted previously, at present the RCCC

plays a large role here. The RCCC is responsible for manual creation of work assignments and project administration. This includes the RCCC's role in manually entering project information into WPTS and manually distributing spreadsheets containing project details to workgroups. The RCCC's role can and should be greatly diminished, since these work assignment functions lend themselves to much greater automation. Automation can be applied both in initial work assignments and in work assignment modifications that arise in response to information communicated through enhanced usage of WPTS.

Q. PLEASE DESCRIBE AUTOMATION IN THE GENERATION OF WORK ASSIGNMENTS UNDER YOUR PROPOSED PROCESS.

A. Based upon the information included in the CLEC's LSR and Verizon's internal service orders, Verizon's OSS should automatically populate into WPTS the information for each line cut in a project after service orders have been created. Verizon's current OSS has the intelligence to determine what work needs to be assigned and to whom. The OSS will then automatically assign system resources to the project, and notify the RCCC of any trouble in making such assignments. Here, the RCCC Technician must assist the OSS by manually resolving such troubles, but the automation involved where there are no troubles constitutes a big efficiency gain over the present reliance on the RCCC.

Q. WHY IS IT CRITICAL TO HAVE ACCESS TO PROJECT AND ITEM STATUS CHANGES DURING THE "LARGE JOB" HOT CUT PROCESS?

A. Each labor group that is part of the "large job" hot cut process (including the CLEC) needs to know when order statuses change, because this information is

central to managing the "large job" hot cut process. Today, Verizon's OSS allow only its labor groups this visibility. Status changes should be entered into WPTS so that they may be automatically communicated both to Verizon and to CLECs workgroups. This means that CLECs as well as Verizon should be able to input updated information into WPTS. These automated updates are quick and reliable and lead to quick and reliable responses. Armed with up-to-date information, the Verizon and CLEC workgroups can respond quickly and appropriately to changes in status.

Q. MUST WPTS BE IMPROVED TO PERFORM THIS COMMUNICATIONS FUNCTION?

A. Yes. SOP and WPTS should communicate with each other. Data from SOP concerning project item information should be automatically imported into WPTS so that interested parties, including the CLEC, can stay on top of project details and respond appropriately to developing problems.

As I have already indicated, moreover, WPTS should further be improved so that updated information is electronically pushed out toward CLECs. That is, Verizon should modify WPTS so that Verizon can communicate with CLECs system-to-system.

WPTS should electronically send out updated information to CLECs as soon as the information is received, and it should send out this information in such a fashion as to trigger automatic responses by CLECs. For instance, when Verizon performs dial-tone checks and finds there is "no dial-tone" from the CLEC side, the CLEC has 24 hours to resolve a WPTS "no dial-tone" notification from the

Verizon. If WPTS is able to push information to the CLEC system, the CLEC can immediately respond, rather than relying on dedicated personnel monitoring and searching for changes in WPTS to "catch" this notification.

WPTS should also have indicators for jeopardies and/or incomplete order status so that such information gets automatically communicated to CLECs as it is received. Upon receipt of automated notifications through WPTS, a CLEC can take suitable action to complete its internal work on the project hot cut or initiate action by the correct Verizon department(s), as required.

Q. PLEASE SUMMARIZE THE BENEFITS THAT WILL RESULT FROM THE IMPROVEMENTS TO THE "LARGE JOB" HOT CUT PROCESS THAT YOU HAVE JUST RECOMMENDED.

A. Greater automation in updating CLECs and Verizon workgroups as to project and item status will eliminate unnecessary procedures and costs, reduce the errors that attend manual processes, and increase the efficiency of the "large job" hot cut process. As a result, Verizon will be able to perform not only more efficiently, but Verizon should also be able to manage larger and more frequent "large job" hot cuts.

Q. ARE THERE ANY CURRENT STEPS IN THE PRE-WIRING PHASE THAT YOU RECOMMEND ELIMINATING?

A. Yes. At present, in New York Verizon performs Mechanized Loop Testing ("MLT") to check for line problems before lines are pre-wired for cutover. This check is redundant. First, if any line problems affect a customer's service, the customer will alert the CLEC provider of local service. So, the CLEC will

already know if a problem exists. Second, Verizon should be aware of any other problems, since it performance MLTs as part of its routine preventative maintenance programs. If, however, Verizon insists on performing one, no charge for this should be passed on to CLECs.

Q. WHAT CHANGES TO DUE DATE CUTOVER ACTIVITIES DO YOU RECOMMEND?

A. If WPTS communications is properly designed and operated, it is unnecessary for Verizon to contact the CLEC for final authorization prior to commencing the actual migration. Rather, the CLEC should communicate its readiness for actual migration by inputting this information into WPTS, which will push this information out to Verizon. After making the necessary final checks, such as ensuring that all lines in the project are fully provisioned and ready for cutover, the CLEC can update WPTS directly, indicating to Verizon that it should commence cutover activities pursuant to the lines associated with the "large job" hot cut. Final authorization communication can thus occur electronically, without RCCC involvement.

Similarly, Verizon's frame technicians should be given access to WPTS so that they can update the system with project completions on a real time basis, thereby eliminating redundant calls to the RCCC for WPTS updates. Clearly, it is not efficient or necessary to relay information from one work group to another via telephone, when the technician who performs the task has the ability to electronically update the system that will notify the relevant Verizon and CLEC workgroups simultaneously. Again, quality measures and controls should be in

place to ensure that there are no unnecessary delays between the actual cutover activity and the WPTS update to the CLEC.

Q. DO YOU RECOMMEND ANY OTHER CHANGES IN DUE DATE CUTOVER ACTIVITIES?

A. I recommend, in the next sub-section, that CLECs receive faster and more efficient notification of completed cutovers.

Q. WHAT SYSTEM MODIFICATIONS DO YOU RECOMMEND FOR THE DUE DATE CUTOVER ACTIVITIES THAT OCCUR AT THE END OF THE "LARGE JOB" HOT CUT PROCESS?

A. A line that has been migrated from UNE-P to UNE-L service does not become fully operational until the CLEC has activated local number portability on that line. Therefore, in order to minimize service disruptions to customers, a CLEC should receive real time notification of completed cutovers. A CLEC should not have to wait for the frame technician to complete a set of 20 cutovers and then place a phone call to the RCCC, who in turn must contact the CLEC as is currently the case. In lieu of this inefficient process, frame technicians should be given access to WPTS either through hand-held devices or through WPTS terminals placed in strategic locations in the frame area. In this way, the frame technicians can update the system in real time as they perform their cutover work. Once notified, WPTS should automatically push this data to the CLECs and other downstream internal systems. This would allow the CLEC systems to automatically activate the local number portability transaction, ensuring the CLEC customer service disruptions are held to a minimum time interval.

Q. WHAT ARE THE BENEFITS OF THE MORE EFFICIENT NOTIFICATION PROCEDURE JUST DESCRIBED?

A. The more efficient notification procedure I recommend minimizes the time when customers cannot receive calls. The procedure also speeds up a CLEC's service verification process. A CLEC receiving more efficient notification will be able to ascertain problems arising from cutovers more quickly, and therefore be able to act more quickly to resolve them.

Q. PLEASE PROVIDE A DESCRIPTION OF THE SPECIFIC BENEFITS TO CLECS OF THE PROPOSED SYSTEM AND PROCESS IMPROVEMENTS TO THE "LARGE JOB" HOT CUT PROCESS.

A. Every CLEC must be able to represent itself to customers as a credible telecommunications carrier that can deliver quality services at affordable (and cost effective) prices. As such, in a wholesale environment where part of the network upon which CLECs must rely is owned, operated and maintained by another entity, it is extremely important to manage interactions by implementing efficient and automated workflows. Procedures that minimize manual processing and interaction between and among the telecommunications industry and that maximizes automated system-to-system communications, reduces service disruptions that occur in today's highly manual hot cut process. The "large job" hot cut process recommendations discussed above, represent an environment in which CLECs will benefit greatly by knowing the exact progress of individual project items as well as by being automatically alerted through electronic, user-

friendly system interfaces to conditions that impact the customer as well as the provider of local service.

Q. WOULD IMPLEMENTATION OF YOUR RECOMMENDATIONS BENEFIT VERIZON?

A. Yes. Verizon would experience significantly reduced labor expenses and error rates associated with the "large job" hot cut process.

Q. ARE THERE ANY OTHER POINTS THAT YOU WOULD LIKE TO MAKE REGARDING THE PROPOSED "LARGE JOB" HOT CUT PROCESS AND ITS IMPROVEMENTS OVER THE CURRENT PROCESS?

A. Yes, one final comment. The changes I have proposed can materially improve the existing hot cut process and reduce its costs. But its value is limited to scale of current operations. To the degree that even the enhanced version of the current process, described here, involves manual steps, it delays the completion of "large job" hot cuts and increases the possibility of error. Such a process will never be readily capable of handling the vastly increased volume of hot cuts that would become necessary if CLECs were required and commercially capable of competing with Verizon in the mass market, offering UNE-L service. A hot cut process that utilizes an electronic means of migrating loops between and among carriers is the only solution for this future environment.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.