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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint and request for emergency relief) Docket No. 070691-TP
against Verizon Florida LLC for anticompetitive)
behavior in violation of Sections 364.01(4), 364.3381,)
and 364.10, F.S., and for failure to facilitate transfer)
of customers' numbers to Bright House Networks)
Information Services (Florida), LLC and its affiliate,)
Bright House Networks, LLC)

In re: Complaint and request for emergency relief) Docket No. 080036-TP
against Verizon Florida LLC for anticompetitive)
behavior in violation of Sections 364.01(4), 364.3381,)
and 364.10, F.S., and for failure to facilitate transfer)
of customers' numbers to Comcast Phone of)
Florida, LLC d/b/a Comcast Digital Phone)

DIRECT TESTIMONY OF PATRICK J. STEVENS
ON BEHALF OF VERIZON FLORIDA LLC

REDACTED

MAY 30, 2008

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1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Patrick J. Stevens. My business address is One Verizon
3 Way, Basking Ridge, New Jersey.

4
5 **Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR POSITION?**

6 A. I have been employed by affiliates of Verizon Communications Inc. (and
7 its predecessors) since 1973. I am the Director – Systems Management
8 National Automation & Process Support in Verizon Partner Solutions,
9 and my responsibilities include development of Methods and
10 Procedures and automated ordering capabilities for the National Market
11 Centers in processing Local Service Requests (“LSRs”), including LSRs
12 related to Local Number Portability (“LNP”).

13
14 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

15 A. The purpose of my testimony is to describe the LNP and service
16 cancellation process when an alternate network service provider
17 persuades an end user to move his or her voice service off the Verizon
18 network and to port the telephone number. I also describe the process
19 that Verizon uses to inform the other provider when a customer accepts
20 a Verizon retention offer. (In my testimony, I use “Verizon” as shorthand
21 for Verizon Florida LLC.) My testimony relates to Issues 1-4 in this
22 case.

23
24 **Q. WHAT IS LNP?**

25 A. LNP is defined as the ability of end users to retain their telephone

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1 numbers when they switch service providers. See 47 C.F.R. § 52.21(f).
2 Section 251(b)(2) of the Communications Act directs each local
3 exchange carrier “to provide, to the extent technically feasible, number
4 portability in accordance with requirements prescribed by the
5 Commission.” 47 U.S.C. § 251(b)(2). The Commission has delegated
6 certain authority over number portability issues to NANC. See 47 C.F.R.
7 §§ 52.11, 52.21-52.26.

8

9 **Q. IN GENERAL, WHAT ACTION MUST VERIZON TAKE WHEN ONE**
10 **OF ITS CUSTOMERS DECIDES TO SWITCH VOICE SERVICE TO A**
11 **FACILITIES-BASED PROVIDER?**

12 A. On receipt of a valid LSR from a new service provider, two things must
13 happen that involve the old provider. First, the customer’s voice service
14 must be canceled. Second, if the customer so chooses, the telephone
15 number must be ported by the new network service provider. When
16 local number portability was developed and implemented, customers
17 could have been required to contact the old service provider directly to
18 cancel service. Instead, as I discuss below, under process flows
19 developed by the industry, the new service provider submits a single
20 request on behalf of the customer that serves as both the customer’s
21 retail service cancellation request and notice that the telephone number
22 is being ported.

23

24 **Q. DOES VERIZON USE AN INDUSTRY-STANDARD PROCESS TO**
25 **PORT NUMBERS?**

1 A. Yes. Verizon has developed an internal process that enables the
2 porting of numbers in a timely manner when a Verizon customer
3 chooses to switch to another provider's network and retain his or her
4 number. This process conforms to the industry-standard process and
5 flows that were designed by NANC. I will describe this process in detail
6 below.

7

8 **Q. HOW DOES THE LNP PROCESS START?**

9 A. Verizon's involvement in the LNP process begins when the provider to
10 which the customer intends to switch service (the "new provider")
11 submits an LSR to Verizon Partner Solutions that communicates the
12 customer's desire to port his or her telephone number to the new
13 provider. The LSR form that Verizon uses is recommended by the Local
14 Service Ordering and Provisioning Committee of the ATIS Ordering and
15 Billing Forum ("OBF"). The LSR is used for a variety of carrier-to-carrier
16 transactions involving local service – for example, an LSR can also be
17 used to order wholesale services for resale or unbundled network
18 elements.

19

20 **Q. WHAT INFORMATION MUST BE INCLUDED IN AN LNP-ONLY LSR?**

21 A. The LSR requires the service provider that is submitting the request to
22 identify itself, to give its order a unique Purchase Order Number
23 ("PON"), to designate the type of transaction desired, and to indicate the
24 date for the termination of Verizon's retail service. The LSR also
25 includes information about the retail customer, including the customer's

1 name, location, Verizon retail account number, and desired treatment of
2 the telephone number listing. And the LSR describes the nature of the
3 desired number port – that is, whether it includes one or more numbers.
4

5 **Q. IS THE NEW PROVIDER REQUIRED TO REPRESENT THAT THE**
6 **CUSTOMER HAS AUTHORIZED THE NEW CARRIER TO REQUEST**
7 **THE NUMBER PORT AND RETAIL SERVICE DISCONNECT?**

8 A. Yes. The LSR contains a field for Agency Authorization Status, which
9 must contain a “Y” to indicate that the new provider has authorization to
10 act on the customer’s behalf. That authorization allows the new provider
11 to inform the customer’s current provider (in this case, Verizon), on the
12 customer’s behalf, of the intended number port and retail service
13 disconnect.
14

15 **Q. DOES VERIZON CHARGE THE NEW CARRIER FOR PROCESSING**
16 **AN LNP-ONLY LSR OR FOR PERFORMING ITS ROLE IN THE LNP**
17 **PROCESS?**

18 A. No. Ordinarily, when a carrier submits an LSR for purposes of ordering
19 a service or facility from Verizon, there is a charge associated with
20 processing the LSR (in addition to whatever charges are imposed for the
21 service). In the case of LNP-only LSRs, however, Verizon does not
22 impose any charge either for its role in the LNP process or for
23 processing the LSR. A charge is imposed in connection with an LNP-
24 only LSR only if the service provider submitting the request seeks
25 special treatment – for example, an expedited order. In such a case, the

1 charge is imposed for expediting, not for either the port or processing
2 the LSR.

3

4 **Q. WHAT PROCEDURES DOES VERIZON FOLLOW WHEN**
5 **PROCESSING AN LSR?**

6 A. Each LNP transaction must be processed in accordance with Verizon's
7 business rules. Those rules are fully compliant with the process flows
8 and requirements for specific field entries recommended by the North
9 American Numbering Council in 1997 and adopted by the FCC (see
10 Second Report and Order, *Telephone Number Portability*, 12 FCC Rcd
11 12281 (1997)) and with the updated recommendations adopted in 2003
12 (on which the FCC has never acted) and the current recommendation of
13 the LNPA Working Group (approved by NANC awaiting FCC
14 endorsement). Verizon's business rules also are compliant with the
15 ATIS Local Service Migration Guidelines, issued April 2, 2007.

16

17 **Q. WHAT DOES VERIZON DO AFTER IT RECEIVES AN LNP-ONLY**
18 **LSR?**

19 A. After receiving an LNP-only LSR, Verizon confirms that the field entries
20 on the LSR provide valid information sufficient to accomplish the port.
21 After that is accomplished, an internal retail order is created in Verizon's
22 Service Order Processing ("SOP") system to fulfill the request. The
23 SOP system both coordinates communication with the requesting
24 service provider and ensures that the proper orders are issued to
25 accomplish the work processes needed to fulfill the request.

1 **Q. WHAT HAPPENS AFTER THE INTERNAL SERVICE ORDER IS**
2 **ISSUED?**

3 A. Once the internal retail service order is issued, Verizon's automated
4 systems send the new provider a Local Service Request Confirmation
5 ("LSRC"; also known as a Firm Order Confirmation, or "FOC") that
6 contains information specific to the individual request. (The system that
7 generates the LSRC is known as SIGS in Florida.) The LSRC includes,
8 among other items, the PON provided by the new provider on the LSR,
9 the Service Order Number(s) on the internal Verizon order, and the date
10 Verizon is committed to perform the work disconnecting the existing
11 Verizon-provided service.

12

13 **Q. DOES VERIZON USE AN AUTOMATED PROCESS FOR LNP-ONLY**
14 **LSRS?**

15 A. Yes. Verizon confirms more than 90 percent of LNP-only LSRs in an
16 automated "flow-through" fashion, with no human intervention, typically
17 within minutes. A small percentage of LSRs are rejected or queried
18 back to the provider that submitted them if they contain a material error
19 or a discrepancy from Verizon's records. For those LSRs that do not
20 flow through, Verizon sends an LSRC to the provider that submitted the
21 LSR within 24 hours. There are a variety of reasons an order may not
22 be processed on a flow-through basis, such as complexity of an account
23 or a feature on the line that may not have flow-through rules associated
24 with it. In any event, the content and format of the order is identical
25 whether or not the order flows through.

1 **Q. MUST SERVICE DISCONNECTION BE COORDINATED WITH**
2 **NUMBER PORTING?**

3 A. Yes. When a customer migrates from one provider to another, it is
4 important that the retail service being provided by the old service
5 provider be terminated contemporaneously with the establishment of
6 new service. This ensures that the customer is not left without service
7 for any significant period of time and does not wind up being required to
8 pay two providers for duplicative service.

9

10 **Q. DOES THE LNP-ONLY LSR SERVE AS A REQUEST FOR SERVICE**
11 **DISCONNECTION?**

12 A. Yes. The NANC process flows make clear that, when a new service
13 provider submits an LNP request, the old service provider (here,
14 Verizon) must treat that request as a request for disconnection of the
15 customer's retail service. Thus, when a Verizon customer wishes to
16 switch his or her voice service (and number) to a cable incumbent, it is
17 almost always the new service provider, acting on the customer's behalf,
18 that transmits in the form of the LSR, on the customer's behalf, the
19 request to disconnect the customer's retail service on a specified date.

20

21 **Q. HOW DO VERIZON'S SYSTEMS PREPARE TO DISCONNECT THE**
22 **CUSTOMER'S SERVICE?**

23 A. As I already have explained, when Verizon receives an LNP-only LSR,
24 an internal retail service order is generated that is then transmitted to
25 the appropriate downstream Operations Support Systems ("OSS"). The

1 specific service order that is generated in such cases requires a
2 "disconnect" of Verizon's existing retail line and end user account. It is
3 identical to the order that would be issued had the end user called to
4 terminate his or her service, except for the additional entries that are
5 required to facilitate the actual porting of the telephone number to the
6 new provider. The disconnect order is automatically populated from
7 information contained in Verizon's systems as well as additional
8 information provided by the new provider on the LSR. This information
9 includes the date the port will take place. (If a customer chooses to port
10 out only some of his or her existing numbers, the process is more
11 complicated, because the customer may maintain service with Verizon.
12 For purposes of this testimony, I will assume that the customer is porting
13 out all of his or her numbers.)

14
15 **Q. WHAT STEPS MUST THE NEW PROVIDER TAKE TO PREPARE**
16 **FOR THE CUSTOMER'S MIGRATION OF SERVICE?**

17 A. According to the NANC process flows, after submitting the LSR to
18 Verizon, the new provider uses its Service Order Administration ("SOA")
19 interface to the Number Portability Administration Center ("NPAC") to
20 send a "create message" that is used to enter a pending subscription
21 record with the necessary routing data for the number to be ported. The
22 new provider also performs any necessary work on its own network to
23 turn up the customer's service.

24
25

1 **Q. WHAT WORK STEPS DOES THE DISCONNECT ORDER TRIGGER**
2 **FOR VERIZON?**

3 A. The disconnect order triggers three key work steps for Verizon. The first
4 step involves a number of different activities that I will describe now.
5 One is the scheduling of a retail disconnect on the requested due date.
6 This instruction is transmitted to the Verizon switch serving the customer
7 (referred to in the LNP context as the “donor” switch) through the
8 appropriate OSS. Based on that instruction, Verizon would remove the
9 translation from the switch as it applies to the telephone number and
10 then remove the number from the switch entirely. Verizon also would
11 physically disconnect the wire serving the customer from the frame in
12 the central office; the loop would then be placed into inventory so it
13 could be used if necessary to serve another customer. A service order
14 is used to deliver information to the E911 database to unlock the
15 customer’s record so that it can be modified by the new carrier. If the
16 LSR communicated any change to the customer’s directory listing, that
17 change would be implemented. And, after service is disconnected, the
18 billing systems are informed to cease billing for service and to generate
19 a final bill for the customer.

20
21 **Q. WHAT IS THE SECOND WORK STEP?**

22 A. The second step is the establishment of what is known as a “10-digit
23 trigger” in the donor switch. The purpose of the trigger is to prevent
24 misrouting of certain calls made to the customer in the short interval
25 after the number has been ported but before the disconnection of the

1 customer's old retail service has been completed. During that interval,
2 the software "translations" in the donor switch will still reflect the
3 assignment of the customer's number to that switch. Most calls made to
4 the customer after the port takes place will generate a "query" to the
5 appropriate LNP routing database; in those cases, the response to the
6 query will ensure that the call is correctly routed to the new service
7 provider's network. However, calls to the customer that originate in the
8 donor switch itself are not queried; instead, the donor switch would route
9 the call, pursuant to the translations still resident in that switch, to the
10 customer's "old" line. In order to avoid misrouting in such cases, the 10-
11 digit trigger is established in the switch. The trigger is a software
12 instruction that directs the switch to initiate a routing database query in
13 response to calls to the customer. Once the disconnect is completed
14 and the translations for the customer's old service are removed from the
15 donor switch, this query will be initiated without the need for a special
16 trigger, and the trigger can be removed.

17

18 **Q. WHAT IS THE 10-DIGIT TRIGGER?**

19 A. The 10-digit trigger is essentially a simple, convenient, and reliable way
20 of closing the very narrow call-routing "loophole" described above. As
21 an alternative to the use of a 10-digit trigger, the providers can arrange
22 closely to coordinate the disconnection of the old retail service, the
23 establishment of the new retail service, and the number port. For this
24 reason, although the use of 10-digit triggers is routine in the industry, it
25 is not required by the NANC process flows, which permit coordinated

1 migration as an alternative.

2

3 **Q. WHAT IS THE THIRD WORK STEP?**

4 A. The third step taken by Verizon in number ports is the confirmation of
5 the pending subscription record previously created by the new provider
6 in the NPAC database. Like the establishment of a trigger, this step is
7 not required for the number to port successfully and is not required by
8 the NANC process flows. It is essentially a precautionary measure to
9 ensure that numbers do not port out incorrectly as a result of an error by
10 the new service provider. Verizon sends an "Old Provider Create
11 Message," which simply serves as confirmation for the Create Message
12 submitted by the new service provider. If no such message is
13 submitted, the new service provider can nevertheless cause the number
14 to port.

15

16 **Q. WHAT ACTIVITIES OCCUR ON THE DUE DATE?**

17 A. On the due date, the new provider *activates* the port that it previously
18 *established* in the NPAC database (by transmitting an appropriate
19 instruction through its SOA interface with NPAC), and NPAC broadcasts
20 the new routing instructions for the ported number to all subtending
21 providers. Although the two extra steps described above – the
22 establishment of a 10-digit trigger and the confirmation of the pending
23 subscription record – are appropriate and important steps that serve the
24 interests of end users in seamless and accurate number porting, they
25 are not physically necessary for the completion of the port. The port will

1 occur as long as the port activation and the broadcast of the new routing
2 instructions take place on the due date. The NANC process flows
3 reflect the old service provider's participation, and Verizon does in fact
4 participate in the process to ensure a smooth customer transition. But, if
5 Verizon took no action, the new service provider could still cause the
6 number to port to the new service provider.

7

8 **Q. DOES SERVICE DISCONNECTION DEPEND ON WHETHER THE**
9 **NEW PROVIDER EFFECTS THE NUMBER PORT?**

10 A. No. Verizon's disconnect of the customer is not dependent on the new
11 service provider's effecting the number port by sending a port activation
12 to NPAC. Because the new service provider has requested
13 disconnection of Verizon service on a certain date on behalf of Verizon's
14 retail customer, the service will disconnect at 11:59 pm on the date
15 designated by the new service provider, whether or not the new service
16 provider has effected the number port. If the new service provider failed
17 to effect the change of service for whatever reason and failed to cancel
18 the original request to cancel service, the customer would simply lose
19 telephone service.

20

21 **Q. WHAT INTERVAL DOES VERIZON USE TO PROCESS LNP**
22 **REQUESTS?**

23 A. Verizon processes LNP requests within the industry-standard interval of
24 three business days from receipt of a valid LSR (absent a contrary
25 request from the new service provider). However, in Verizon's

1 experience, only a minority of LNP orders have a requested interval of
2 three business days. For example, in 2007, only XXXX% of the LNP
3 orders submitted by Bright House and XXXX% of the LNP orders
4 submitted by Comcast requested an interval of 3 or fewer days. Cable
5 companies often ask for extended periods to allow them to complete the
6 necessary physical work at the customer's premises.

7

8 **Q. DOES VERIZON PUT THE TRIGGER IN PLACE ON TIME FOR LNP**
9 **ORDERS?**

10 A. Yes. Verizon uses a process that puts the trigger in place for LNP
11 orders upon the issuance of the internal retail order. Using this process,
12 the trigger is established within 24 hours from the time the internal retail
13 order is issued.

14

15 **Q. DOES VERIZON HAVE A RETAIL PROCESS THAT IT USES TO**
16 **MAKE RETENTION MARKETING OFFERS TO CUSTOMERS?**

17 A. Yes. Verizon uses disconnect orders received by its retail organization
18 to generate a lead list for retention marketing offers. This process is
19 described in the Direct Testimony of Bette Smith.

20

21 **Q. WHEN A CUSTOMER ACCEPTS VERIZON'S RETENTION**
22 **MARKETING OFFER, HOW DOES VERIZON INFORM THE OTHER**
23 **CARRIER THAT VERIZON HAS RETAINED THE CUSTOMER?**

24 A. After the retention order verification process is complete, Verizon
25 cancels the internal service order relating to the port request and

1 Verizon's systems issue a "jeopardy notice" to the provider that
2 submitted the port request. This notice informs the provider that it is no
3 longer the customer's agent. Specifically, Jeopardy Code 1P is sent to
4 the provider with a remark stating: "LNP cancelled at request of End
5 User."

6

7 **Q. DOES THE INCREASING NUMBER OF JEOPARDY NOTICES SENT**
8 **TO THE CABLE COMPANIES IN RECENT MONTHS INDICATE ANY**
9 **DEFICIENCY IN VERIZON'S LNP PROCESSES OR**
10 **PERFORMANCE?**

11 A. No. That companies have received an increased number of LNP
12 jeopardy notices from Verizon since the retention program has begun
13 demonstrates only that Verizon has retained customers who otherwise
14 would have migrated to those companies. That is exactly what one
15 would expect as a result of the implementation of an effective retention
16 program. It does not indicate any failure on Verizon's part to comply
17 with obligations imposed by the porting process.

18

19 **Q. WHAT ELSE DOES VERIZON DO ASIDE FROM ISSUING A**
20 **JEOPARDY NOTICE?**

21 A. Verizon puts the competing provider's port request "into conflict" by
22 sending a conflict code to NPAC pending receipt of the cancellation
23 order. Verizon sends a Conflict Code 50 to the NPAC. This informs
24 NPAC that Verizon is expecting the competing provider to comply with
25 the customer's wishes to cancel the port and remain with Verizon. That

1 conflict code cannot be overridden by the competing provider. If the
2 conflict code were not issued, the competing provider could attempt to
3 override the customer's decision to remain with Verizon by attempting to
4 proceed with the port. Use of a conflict code therefore ensures that the
5 customer's wish to remain with Verizon will be honored. If the new
6 service provider persuades the customer to switch after all – for
7 example, by improving its offer to the customer – it can either seek
8 resolution of the conflict code or, what is much more common, submit a
9 new LSR.

10

11 **Q. DOES VERIZON DELAY PORTING NUMBERS TO ENGAGE IN THE**
12 **RETENTION MARKETING PROGRAM?**

13 A. No. In 2007, Verizon completed the steps outlined above for XXXXX%
14 of Bright House's and XXXXX% of Comcast's stand-alone porting
15 requests on the requested due date.

16

17 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

18 A. Yes.

19

20

21

22

23

24

25