

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

Petition by DIECA Communications, Inc.)
d/b/a Covad Communications Company for)
Arbitration of Interconnection Rates, Terms,)
and Conditions and Related Arrangements)
with Verizon Florida Inc. Pursuant to)
Section 252(b) of the Telecommunications)
Act of 1996)

Docket No. 020960-TP

**DIRECT TESTIMONY OF
FAYE H. RAYNOR
ON BEHALF OF
VERIZON FLORIDA INC.**

SUBJECT: ISSUE NOS. 4, 13, 22, and 37

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1 and was instrumental in creating a single point of contact (“SPOC”) for
2 trouble reporting. In early 1998, I was assigned to the project of
3 developing, for GTE, ALEC performance measurements in support of the
4 Telecommunications Act of 1996. In September 2000, I was named to
5 my current position at Verizon.

6

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

8 A. The purpose of my testimony is to provide Verizon’s positions relative to
9 Issue Nos. 4, 13, 22, and 37 in this arbitration, insofar as those issues
10 relate to the performance measurements under which Verizon reports its
11 performance in Florida.

12

13 **Q. PLEASE DESCRIBE THE PERFORMANCE MEASUREMENTS UNDER**
14 **WHICH VERIZON CURRENTLY REPORTS ITS PERFORMANCE IN**
15 **FLORIDA.**

16 A. Verizon currently reports its performance in Florida under a set of
17 measurements established as a condition of the Federal Communications
18 Commission’s (“FCC”) approval of the Bell Atlantic-GTE merger. These
19 measurements were based on those adopted by the California Public
20 Utilities Commission (“CPUC”), through collaborative processes, for
21 reporting Verizon California’s performance. The merger conditions define
22 measurements and performance standards for the following categories:
23 Pre-Ordering, Ordering, Provisioning, Maintenance and Repair, Network
24 Performance, and Billing. These measurements have been updated from
25 time-to-time to reflect changes to the measurements approved by the

1 CPUC. A current version of the business rules for these measurements
2 can be found at http://128.11.40.241/perf_meas_ug/fcc.htm.

3

4 **Q. WHAT CONSEQUENCES DOES VERIZON FACE IF IT DOES NOT**
5 **MEET THOSE PERFORMANCE STANDARDS?**

6 A. As a condition for the FCC's approval of the Bell Atlantic-GTE merger,
7 Verizon is subject to a performance assurance plan, under which it must
8 make remedy payments to the United States Treasury when it misses the
9 performance standards established in the merger measurements.

10

11 **Q. HAS THIS COMMISSION ESTABLISHED ITS OWN PERFORMANCE**
12 **MEASUREMENTS FOR VERIZON?**

13 A. No. However, the Commission is currently considering the creation of
14 such measurements, as well as a performance assurance plan, in Docket
15 No. 000121C-TP. Staff submitted its proposed list of performance
16 measurements on November 15, 2002. The measurements that Staff
17 proposed are substantially the same as those that Verizon currently
18 reports under the conditions of the merger, although Staff proposed
19 certain additional measurements. Staff also recommended that the
20 Commission not establish a performance assurance plan at this time, but
21 that it consider the adoption of such a plan — which would include the
22 issue of whether it has authority to do so —during the six-month review.

23

24 Verizon filed its comments on Staff's proposal, as did ALECs, including
25 Covad. Staff's recommendation, in light of those comments, is currently

1 due on February 6, 2003. That recommendation is currently scheduled
2 for inclusion on the Commission's February 18, 2003 agenda. If the
3 Commission does adopt a performance assurance plan, it would displace
4 the plan established in the FCC's order approving the Bell Atlantic-GTE
5 merger.

6

7 **ISSUE NO. 4 — TIME FOR RESOLVING BILLING DISPUTES**

8

9 **Q. WHAT IS THE DISPUTE REGARDING THIS ISSUE?**

10 A. This issue pertains to how long a billing party should have, from the time
11 it receives a billing dispute, to provide the billed party with a statement of
12 its position on the claim and its resolution thereof. Covad has proposed
13 language that would require the billing party to acknowledge receipt of a
14 billing dispute within 2 business days and to provide its statement of
15 position within 30 calendar days after receiving the notice. Verizon's
16 position is that the appropriate standard for inclusion in an
17 interconnection agreement is that the parties shall use commercially
18 reasonable efforts to resolve billing disputes in a timely manner.

19

20 **Q. WHY DOES VERIZON OBJECT TO COVAD'S PROPOSAL?**

21 A. Covad has, in essence, proposed the inclusion of measurements of
22 Verizon's billing dispute resolution performance in its interconnection
23 agreement. However, Covad did not propose the adoption of such
24 measurements in its filing in Docket No. 000121C-TP. Therefore, if
25 Covad's proposal were adopted, these measurements would apply to

1 Verizon's interactions with Covad only. As this Commission has
2 generally recognized, measurements should be adopted on an industry-
3 wide basis, which ensures that the same standards apply to Verizon's
4 dealings with all ALECs. In addition, measurements adopted in an
5 interconnection agreement could not be easily modified through periodic
6 reviews, such as the review process Staff has proposed for the Florida
7 measurements.

8
9 In addition, Verizon objects to the substance of Covad's proposal. As
10 Staff has explained, performance measurements contain more than
11 performance standards — they must also “be documented in detail so
12 that it is clear what is being measured, how it is being measured, and
13 what is excluded from the measurement.” Staff Memorandum at 2,
14 Docket No. 000121C-TP (Fla. PSC filed Nov. 15, 2002). The language
15 that Covad has proposed does not contain any of that detail.

16
17 Where other Verizon companies report on their performance in resolving
18 billing disputes, the measurements have considerable detail. For
19 example, the measurements in those other states exclude billing disputes
20 that are submitted more than 60 calendar days after the date of the bill
21 containing the disputed charge. Older billing disputes — in Rhode Island,
22 disputes related to billing periods before December 1, 2001 — are also
23 excluded. Those measurements also define what it means for Verizon to
24 acknowledge and to resolve billing disputes. The measurements also
25 have a standard of 95% of claims acknowledged within 2 business days

1 and 95% of claims resolved within 28 calendar days after
2 acknowledgement. In contrast, Covad's proposed language appears to
3 require 100% performance. Further discussion of the reasons for
4 Verizon's objection to Covad's proposal on this issue can be found in the
5 direct testimony of Ronald J. Hansen.

6
7 **ISSUE NOS. 13 and 37 — TIME FOR RETURNING LSRCs**

8
9 **Q. WHAT IS THE DISPUTE REGARDING ISSUE NOS. 13 AND 38?**

10 A. These issues pertain to the intervals in which Verizon must return Local
11 Service Request Confirmations ("LSRCs") on Covad's orders. Verizon's
12 position is that the intervals for these confirmation notices should be set
13 in Docket No. 000121C-TP, where Staff has proposed to adopt the
14 intervals, business rules, and performance standards contained in the
15 similar measurements established as a condition of the FCC's approval
16 of the Bell Atlantic-GTE merger. Covad has proposed to establish
17 specific intervals in its interconnection agreement that differ from those
18 Staff has proposed.

19
20 **Q. WHAT ARE THE INTERVALS CONTAINED IN STAFF'S PROPOSAL?**

21 A. Staff's proposal, like the measurements under which Verizon currently
22 reports its performance in Florida, contains, in pertinent part, the following
23 intervals and performance standards:

1	<u>Fully Electronic / Flow Through Orders</u>	95% within 2 system hours
2	<u>Orders That Do Not Flow Through</u>	
3	UNE non-designed < 10 lines	95% within 24 clock hours
4	UNE designed < 10 lines	95% within 48 clock hours
5	UNE non-designed or	
6	designed >= 10 lines	95% within 72 clock hours

7 The business rules in Staff's proposal also contain a number of
8 exclusions, such as for non-business days and delays caused by
9 customer reasons.

10

11 **Q. HOW DOES COVAD'S PROPOSAL HERE COMPARE TO STAFF'S**
12 **PROPOSAL IN DOCKET NO. 000121C-TP?**

13 A. Covad's proposal here is very different. Covad has proposed that, for
14 stand-alone loops, LSRCs should be returned within 2 business hours for
15 all electronically pre-qualified local service requests for stand-alone loops
16 and line sharing orders, and within 24 hours for all local service requests
17 for stand-alone loops that are subject to manual pre-qualification.
18 Covad's proposal appears to require 100% of Verizon's LSRCs to be
19 returned in the intervals that Covad prefers, as compared to the 95% on-
20 time standard in Staff's proposal. Covad's proposal also does not
21 provide a longer interval for electronically pre-qualified orders that do not
22 flow through, which Staff's proposal does. Covad's proposal also does
23 not provide for longer intervals for orders of 10 or more lines, which
24 Staff's proposal does.

25

1 Q. DID COVAD PROPOSE THESE CHANGES IN DOCKET NO. 000121C-
2 TP?

3 A. No. Neither Covad nor any other ALEC suggested any changes to Staff's
4 proposal with respect to a measurement of LSRC timeliness. As with
5 Issue No. 4, discussed above, Covad is again seeking performance
6 measurements that are unique to it and that cannot easily be modified.

7

8 **ISSUE NO. 22 — INSTALLATION APPOINTMENTS**

9

10 Q. WHAT IS THE DISPUTE REGARDING ISSUE NO. 22?

11 A. This issue pertains to the appointment windows that are available for the
12 installation of loops for both retail and ALEC end-user customers. As part
13 of this issue, Covad has proposed that penalties should apply if Verizon
14 misses the appointment window. Verizon's position with respect to that
15 aspect of this issue is that any such penalties should be established
16 under industry-wide performance measurements and performance
17 assurance plans. Covad's position is that such penalties should be set
18 out in its interconnection agreement. Further discussion of this issue and
19 the reasons for Verizon's objection to Covad's proposal can be found in
20 the direct testimony of David J. Kelly and John White.

21

22 Q. HOW DO THE PERFORMANCE MEASUREMENTS AND
23 PERFORMANCE ASSURANCE PLANS ADDRESS THIS ISSUE?

24 A. Under the measurements that Verizon currently uses to report its
25 performance in Florida, the missed appointment performance

1 measurements exclude instances where a Verizon technician misses an
2 appointment because of reasons attributable to the ALEC or the ALEC's
3 end-user customer, such as where the technician cannot obtain access to
4 an ALEC's end-user customer's premises. The same is true of the
5 missed appointment measurements that Staff has proposed. In addition,
6 Verizon currently can be required to make remedy payments, based on
7 its performance on the missed appointment measurements, under the
8 performance assurance plan adopted as part of the conditions for the
9 FCC's approval of the Bell Atlantic-GTE merger. This Commission is
10 currently considering whether to adopt a performance assurance plan
11 that similarly would require remedy payments based on Verizon's
12 performance. As noted above, Staff's recommendation is that no such
13 remedy payments be adopted at this time, but that the issue be revisited
14 during the six-month review.

15

16 **Q. IS COVAD'S PROPOSAL CONSISTENT WITH THE CURRENT**
17 **TREATMENT OF THIS ISSUE?**

18 A. No. First, Covad's proposed language appears to require Verizon to pay
19 a penalty whenever it misses an appointment, no matter the cause.
20 Second, Covad has proposed, in effect, a remedy plan for itself, even
21 though Staff has proposed deferring the creation of such a plan at least
22 until the six-month review.

23

24 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

25 A. Yes.