ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of Requirements Arising From Federal Communications Commission's Triennial UNE Review: Local Circuit Switching For Mass Market Customers	)))))	Docket No. 030851-TP

SURREBUTTAL PANEL TESTIMONY
(HOT CUT PROCESS AND SCALABILITY)

MEMBERS OF THE PANEL:
JULIE A. CANNY
CARLEEN A. GRAY
MARYELLEN T. LANGSTINE
THOMAS MAGUIRE
JAMES L. MCLAUGHLIN
MICHAEL A. NAWROCKI
LARRY G. RICHTER

ON BEHALF OF VERIZON FLORIDA INC.

JANUARY 28, 2004

AUS ___
CAF ___
CMP ___
COM 5+1
CTR ___
ECR ___
GCL 1
OPC ___
MMS 1
SEC 1
OTH ___

I. INTRODUCTION

Q. WHAT IS THE PURPOSE OF THIS TESTIMONY?

A. This surrebuttal testimony is submitted by Verizon Florida Inc. ("Verizon") in response to the January 7, 2004 rebuttal testimony of AT&T, MCI and Supra concerning batch hot cuts in the above-captioned case. In their rebuttal testimony, both MCI and Supra praise aspects of Verizon's batch proposal, as discussed in more detail below. In addition, AT&T, MCI, and Supra direct most of their criticism at the batch process proposed by Bellsouth, rather than Verizon. (*See, e.g.*, AT&T Van de Water Rebuttal at 2-4; MCI Lichtenberg Rebuttal at 1-11.) To the extent CLECs have contended that Verizon's proposed batch cut process has shortcomings, many such allegations simply rehash arguments that Verizon has already addressed at length in its Direct and Rebuttal Panel testimony. We nevertheless, address these criticisms of the Verizon batch cut process below.

Q. WHO IS SPONSORING THIS TESTIMONY?

A. This testimony is submitted by the witness panel that sponsored Verizon's initial and rebuttal testimony, with the addition of a new panel member, Julie A. Canny. Ms. Canny is Verizon's Executive Director – Metrics Policy and Planning in Wholesale Markets. As was true of Verizon's initial testimony, while all members of the panel have reviewed and agree with this testimony in its entirety, each panel member assumed primary responsibility for specific segments of the testimony. Each panel member relies on the facts and analyses developed by the other panel members in their areas of primary responsibility.

The panel members have the same general areas of primary responsibility as were described in the initial testimony. In addition, Ms. Canny has primary responsibility for issues related to metrics.

Q. PLEASE SUMMARIZE MS. CANNY'S EDUCATION, BACKGROUND, AND EXPERIENCE.

A. Ms. Canny received a Bachelor of Science degree in Mathematical Economics and Management from Simmons College in 1977; and a Master of Business Administration degree, with a concentration in Finance, from Babson College in 1980.

She is currently responsible for developing the performance measurements and performance assurance plans for wholesale products and services provided to CLECs and resellers by Verizon and its local operating company affiliates in other states. She has been a participant in the New York Carrier Working Group ("NYCWG") since its inception in 1997.

Ms. Canny has had 23 years of experience in the telecommunications industry. She assumed her present position in July 2000 after the merger of Bell Atlantic and GTE. She had similar responsibilities for NYNEX between 1995 and the 1997 (when NYNEX merged with Bell Atlantic), and for Bell Atlantic between 1997 and 2000. From 1989 to 1995, she was Director of Quality for NYNEX, supporting all staff departments. In that function, she was involved with the implementation of quality processes and, in particular, the development of performance measurements for business purposes. From 1985 to 1989, she

held positions of increasing responsibility in Installation, Maintenance, and Construction Engineering in Boston and New Hampshire. From 1980 to 1985, she held various positions in Planning and Budgeting. Before joining New England Telephone and Telegraph Company in 1980, she was Senior Statistician at Liberty Mutual Insurance Company, where she was responsible for the integrity of Workers Compensation experience filings with various regulatory bodies.

Ms. Canny has testified before state commissions in California, Connecticut, Delaware, the District of Columbia, Maine, Massachusetts, Maryland, New Hampshire, New Jersey, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia and Wisconsin. She has testified in proceedings related to § 271 of the Telecommunications Act of 1996 in all Verizon-East states and at the FCC. She has also provided testimony at numerous arbitration hearings with respect to performance measures and remedies.

II. OPERATIONAL CONCERNS

A. Lack of CLEC Control

Q. AT&T ALLEGES THAT CLECS HAVE "NO CONTROL OVER . . . THE 'UNE-P' LIKE' SERVICE ARRANGEMENT" THAT VERIZON WILL OFFER AS PART OF ITS BATCH PROCESS. (AT&T VAN DE WATER REBUTTAL AT 4.) DO YOU AGREE WITH THIS CHARACTERIZATION?

A. No. It is true that CLECs will not be able to make changes while the batch order is pending against the line, but this same situation exists today for all

pending Verizon wholesale and retail service orders, to prevent provisioning issues that may arise if two orders overlap. CLECs will nevertheless have multiple opportunities to make changes. If the provisioning of the UNE-P-like order is complete and the CLEC has not issued the batch LSR, the CLEC may issue a change order against the "UNE-P- like" line. In addition, on the "UNE-P- like" migration LSR, the CLEC can add or change features on the line with an "as specified" migration. However, given the short period of time between the initial order and the batch cut, CLECs should not ordinarily need to issue change orders.

Q. AT&T COMPLAINS THAT UNDER VERIZON'S BATCH HOT CUT PROPOSAL, IT WILL BE UNABLE "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." (AT&T VAN DE WATER REBUTTAL AT 4.) WHAT IS YOUR RESPONSE?

A. AT&T's concern is groundless. Verizon's batch process will provide CLECs with the same information through Verizon's Wholesale Provisioning Tracking System ("WPTS") that they receive today as part of the basic and large job processes. Thus, the CLECs will still be able to monitor the hot cut between the cutover of the loop and the activation of the number at the Number Portability Administration Center ("NPAC").

It is important to note that the CLECs have repeatedly praised WPTS for its ability to provide information about the hot cut process. In its rebuttal

testimony, Supra notes that Verizon has "taken advantage of existing automated processes and the Internet to improve the conversion process from beginning to end, reduced out of service time, add enhancements and reduce overall cost to the CLEC." Supra Neptune Rebuttal at 10. In addition, during a November 17, 2003 batch hot cuts workshop held by the California Commission, MCI representative Sherry Lichtenberg identified WPTS as "a very robust system from my perspective," admitting that "one of the recommendations we made to SBC in the Ohio collaboratives was that they look at WPTS." Ms. Lichtenberg further stated that "we're moving our folks onto WPTS because we do believe that . . . the less you have to send email or faxes or phone calls, the better that we can manage this process, particularly in seeing the status of that cut rather than waiting for jeopardy notifications." California Public Utility Commission Rulemaking 95-04-03 and Investigation 95-04-044, Collaborative Workshop On Batch Hot Cut Processes (Nov. 17, 2003), Tr. 2411-12. Moreover, during a workshop held by this Commission on October 28, 2003, when asked what MCI would like to see in a batch hot cut process, an MCI witness stated: "MCI would certainly like to see BellSouth take [a] look at WPTS system and see how they could implement something similar." TRO Hot Cut Workshop (Oct. 28, 2003) (quotations transcribed from audio tape). Similarly, in a recent filing with the Colorado Public Utilities Commission, MCI recommended that "Qwest should develop an electronically bonded and on-line system for communicating with CLECs similar to the Verizon [WPTS]." MCI's Response to Qwest's Proposal for Region-Wide Batch Loop Conversion Process" (Colo. PUC Docket No. 03I-485T) (Nov. 18, 2003), at 10 (footnote omitted). (In the footnote, MCI added a boilerplate disclaimer indicating that its reference to

WPTS "does not mean that MCI considers that system in its presently identified status to be ideal or acceptable to MCI.")

Finally, Verizon is currently exploring methods to deliver this information directly to CLECs' OSS, which would further enhance their ability to monitor the period between the cutover of the loop and the activation of the port.

Q. AT&T ALSO ASSERTS THAT VERIZON'S BATCH PROCESS WILL LEAVE CLECS UNABLE TO "CONTROL THE TIME OF DAY, AND DAY OF WEEK, THAT CUSTOMER'S SERVICE WILL BE INTERRUPTED . . . BY A HOT CUT." (AT&T VAN DE WATER REBUTTAL AT 4.) DO YOU AGREE?

A. No. First, the proposed batch process is just one of a menu of scalable hot cut processes that Verizon is offering to CLECs. If a CLEC feels the need to control the precise time of day and day of week that the cutover occurs, it may avail itself of the Basic or Large Job processes, rather than the Batch process. In addition, even under the Batch process, a CLEC is not kept in the dark as to the scheduling of the cutover, as Verizon explained in its Direct Panel Testimony. To the contrary, Verizon will notify CLECs of the cutover date for a request six days prior to performance of the actual batch cut. CLECs will then be required to give Verizon a sign-off (*i.e.*, a "go/no-go" indication) through WPTS three days prior to the scheduled cut-over date. *See* Verizon's Direct Panel Testimony at 30. The sign-off will verify that there is dial tone on the CLEC facility that will be used to serve the customer. Moreover,

throughout the Batch process, CLECs can monitor the progress of their order through WPTS.

Q. AT&T ALSO COMPLAINS THAT UNDER VERIZON'S BATCH PROPOSAL "CLECS LACK CONTROL OVER THE SEQUENCE IN WHICH THE LINES OF A MULTI-LINE ORDER ARE CUT." (AT&T VAN DE WATER REBUTTAL AT 4.) IS SUCH CONTROL NEEDED?

A. No. AT&T fails to explain this concern in any detail and it is unclear why AT&T would need or want to control the *sequence* of cutovers within a batch hot cut order. While the proposed batch hot cut process does not allow CLECs to control the sequence in which lines of a multi-line order are cut, a CLEC who wished to do so could simply request the Basic or Large Job processes. As discussed in Verizon's Direct Panel Testimony, both the Basic and Large Job hot cut processes are capable of handling a large volume of customer hot cut orders and scalable to meet the increased demand for hot cuts that would result from the elimination of UNE-P.

B. Testing and Metrics

1. Testing

Q. AT&T ASSERTS THAT BATCH CUT "OPERATIONAL PROCESSES, METHODS AND PROCEDURES" HAVE NOT BEEN "DEFINED, DOCUMENTED OR TESTED." (AT&T VAN DE WATER REBUTTAL AT 4). IN ADDITION, AT&T COMPLAINS THAT "THERE IS NO EXPERIENCE OF 'LIVE PRODUCTION' OPERATIONS" FOR THE PROPOSED BATCH PROCESS "IN A REAL WORLD

ENVIRONMENT." (AT&T VAN DE WATER REBUTTAL AT 4.) ARE THESE VALID CRITICISMS?

A. No. The proposed batch process incorporates many aspects of Verizon's existing hot cut processes, such as the Project hot cut process. Verizon has successfully performed thousands of hot cuts using its existing ISO-certified processes. Therefore, it is inaccurate to suggest that "[n]o operational processes, methods and procedures, or system messages" for Verizon's proposed batch hot cut process "have been defined, documented or tested." Years of real-world experience performing the constituent parts that make up the Batch process amply demonstrate Verizon's ability to implement the Batch process.

Q. AT&T IMPLIES THAT VERIZON'S PROPOSED BATCH CUT PROCESS MUST BE VOLUME TESTED BEFORE IT CAN BE APPROVED. (AT&T VAN DE WATER REBUTTAL AT 4.) DO YOU AGREE?

A. No. One issue that is being examined in this case is whether Verizon can handle the volume of hot cut orders that would be expected in a post-UNE-P environment. Verizon has addressed that question through the in-depth scalability analysis included in its initial testimony, which is based on a sophisticated force-load model ("FLM"). We do not agree, however, that the Commission must or should address the scalability issue through "volume testing" of the new batch hot cut process or, for that matter, of the existing basic and large Job processes.

Q. WHY NOT?

A. The *TRO* does not contemplate volume testing of Verizon's batch hot cut processes. The FCC rules require the Commission either to approve a batch hot cut process, or to show why the current hot cut process is sufficient. In other words, the Commission does not have the option of delaying its approval of the process indefinitely while volume testing takes place. *See* 47 C.F.R. § 51.319(d)(2)(ii).

Moreover, Verizon's proposed batch hot cut process is not yet in place on a commercial basis (nor is it required to be). Additional OSS support for the process is now being developed. This fact necessarily limits the time that can be devoted to large volume testing of the process before the end of the nine-month deadline.

Q. DOES THIS MEAN THE COMMISSION AND THE PARTIES WILL BE STUCK WITH ANY LIMITATIONS OR FLAWS IN THE BATCH HOT CUT PROCESS THAT ARE DISCOVERED AFTER A PERIOD OF COMMERCIAL USE?

A. Not at all. Verizon is confident that the careful development of the process, the experience gained during the trial period, and the intensive scrutiny that is being given to the process in this proceeding, make it unlikely that any important aspect of the process will escape the Commission's attention. Furthermore, as Verizon and the CLECs gain real production experience, Verizon will work with the CLECs to ensure that the process works well and will make modifications that may be needed.

It should be emphasized that, as noted above, most of the "piece parts" of the batch hot cut process already exist and are already being utilized in other contexts in commercial volumes. For example, WPTS currently has the ability to identify and count hot cut orders on a central-office-by-central-office basis. This is essentially the accumulation or "batching" process described in our initial testimony. WPTS is also a proven communication tool, utilized by many CLECs across the nation. In addition, Verizon already activates ports for itself on winback orders, and, therefore, it has significant experience managing the port activations offered as part of the batch hot cut process. Finally, Verizon central office forces currently manage projects for a number of CLECs across the country; thus, Verizon is also experienced with the management of "batch" migrations themselves.

Q. ARE THERE ANY OTHER CONSIDERATIONS THAT BEAR ON THE FEASIBILITY AND DESIRABILITY OF VOLUME TESTING OF VERIZON'S PROPOSED BATCH HOT CUT PROCESS?

A. Yes. Hot cut volume testing would be costly, difficult to manage logistically, and ultimately of minimal practical benefit either to Verizon, the CLECs, or the Commission.

Q. WHY WOULD HOT CUT VOLUME TESTS BE COSTLY?

A. Among other things, in order to perform hot cut volume tests, Verizon undoubtedly would be forced to create hundreds of test accounts and arrange for the use of collocation space at the central offices so that connectivity can be

established at the Verizon MDF and switch. Hot cut volume testing, therefore, would be costly for both Verizon and the CLECs.

Q. WHY WOULD HOT CUT VOLUME TESTING BE LOGISTICALLY DIFFICULT?

A. Hot cut volume testing would require a high level of CLEC cooperation, and it would be very difficult to coordinate this assistance with Verizon's resources. It would also be very difficult to create test orders using Verizon's existing systems. Moreover, Verizon would have to hire and train large numbers of people to perform and manage the hot cut testing, who would be needed only for the duration of the test. These sorts of logistical problems make volume testing impractical.

Q. PLEASE EXPLAIN YOUR STATEMENT THAT THE RESULTS OF HOT CUT VOLUME TESTING WOULD BE OF MINIMAL PRACTICAL BENEFIT.

A. A hot cut volume test would be of minimal practical benefit because of the extreme artificiality of the testing environment. A test would be most reliable and effective when the testing environment is as close to "real life" as possible and the test participants do not know that the test is being conducted. But it would be virtually impossible to create a blind hot cut volume test.

In short, given Verizon's past experience with volume hot cuts, and the managerial and staffing issues associated with organizing a hot cut volume test, as well as the very short timetable that would be imposed for such a test, the reliability of a hot cut volume test at this point in time would be questionable.

The substantial costs and logistical difficulties to be shouldered by Verizon and the CLECs would certainly outweigh any utility of a hot cut volume test.

Q. HAS HOT CUT VOLUME TESTING BEEN REQUIRED IN THE PAST UNDER SIMILAR CIRCUMSTANCES?

A. No. In the Section 271 proceedings, state commissions retained KPMG to conduct OSS testing. These states included New York, Massachusetts, Rhode Island, Pennsylvania, New Jersey, and Virginia. No hot cut volume testing was performed in any of these states. Moreover, in its publicly filed reports, KPMG concluded that for certain processes, including those that involved "provisioning of large volumes of test transactions that would exceed the manual capacity of [Verizon's state] work center . . . it was not practical to simulate certain order types, troubles, and processes in a test situation." State of New York Dept. of Public Service, Bell Atlantic OSS Evaluation Project, KPMG's Final Report at II-7 (Aug. 6, 1999), *available at* http://www.dps.state.ny.us/tel271.htm; *see also, e.g.,* Virginia State Corporation Commission, Verizon Virginia, Inc. OSS Evaluation Project, KPMG's Final Report at II-16 (April 15, 2002), *available at* http://www.state.va.us/scc/division/puc/osskpmg_final.htm. Hot cuts were among the transactions KPMG and the state commissions declined to volume test.

Q. WILL VERIZON CONDUCT A TRIAL OF ITS PROPOSED BATCH HOT CUT PROCESS?

A. Yes. Through this trial Verizon will be able to confirm that it is capable of activating the line ports on behalf of the CLECs — the one step of the batch hot cut process that will be relatively new — and that the process otherwise performs as expected.

2. Metrics

Q. AT&T CRITICIZES VERIZON'S BATCH PROPOSAL CLAIMING IT LACKS "METRICS AND PENALTIES THAT WOULD ENSURE A VERIZON COMMITMENT TO THE PROCESS IT PROPOSES." (AT&T VAN DE WATER REBUTTAL AT 5.) IS THAT A VALID CRITICISM?

A. No. As an initial matter, nothing in the *TRO* requires that performance metrics be established for batch hot cuts or addressed in this proceeding. In a document otherwise full of very explicit and mandatory directives to the states, this omission is quite telling. With respect to the adoption of metrics for batch hot cut processes, the TRO merely says that:

> Specifically, state commissions ***may*** require that incumbents comply with an average completion interval metric, including any further disaggregation of ***existing*** loop performance metrics (*i.e.*, quality or maintenance and repair metrics) for provisioning of high volumes of loops.

TRO ¶ 489 (emphasis added).

In any event, the first step to creating metrics is to establish a documented process upon which measures can be based. We note that AT&T

itself has expressed agreement with this approach at a collaborative workshop in California. There, Mr. Hoffman, speaking on behalf of AT&T, stated: "Of course, you can't put the cart before the horse because you really need to have a clearly defined process before you can look at what the metrics are going to be." *See* November 17, 2003 Transcript at 2457. This is the method used to create the current hot cut metrics. A specific proposal, with detailed definitions, exclusions and performance standards, has not been created at this time for Verizon's proposed batch hot cut process. We do know the key areas of measurements and can build upon existing Carrier-to-Carrier Metrics. It may be possible to modify existing metrics or the C2C glossary to address some concerns. While current metrics do not completely address all the scenarios that Verizon has recommended in its initial testimony, workable and effective metrics cannot be established until the batch hot cut process is actually being utilized. Evaluating hypothetical scenarios is simply not an efficient way to proceed. While one or more high level metrics could be developed quickly, detailed descriptions and appropriate exclusions need to be carefully worked out so that all parties understand exactly what procedures are being measured and reported. These steps must be sufficiently documented to avoid confusion down the road. The work of defining the metric should be performed by the JPSA Collaborative once the batch hot cut process has been finalized.

Q. HOW IS THE ESTABLISHMENT OF METRICS FOR BATCH HOT CUTS BEING ADDRESSED IN CALIFORNIA?

A. This is still an open issue in California. On January 23, 2004, the parties to the California *TRO* proceeding briefed the question of when and where

performance standards for batch hot cuts should be addressed. Verizon has advocated that a batch hot cut process be adopted by the California Commission before metrics issues are addressed. California Public Utility Commission Rulemaking 95-04-03 and Investigation 95-04-044, Panel Testimony of Verizon California Inc. on Behalf on Hot Cut Processes and Scalability, at 41 (Nov. 7, 2003). AT&T agrees with this position. California Public Utility Commission Rulemaking 95-04-03 and Investigation 95-04-044, Comments of AT&T Communications of California, Inc. on Issue Concerning Performance Measurements for the Batch Hot Cut Process, at 3-4. With respect to where the issues should be addressed, Verizon has urged the California Commission to permit metrics issues to be considered in the ongoing Joint Partial Settlement Agreement ("JPSA") discussions; AT&T, by contrast, has advocated consideration of the issue as part of the *TRO* docket. The California ALJ has not yet ruled on the parties' briefs.

Q. IF PERFORMANCE MEASURES FOR BATCH HOT CUTS ARE ADOPTED BY THE CALIFORNIA JPSA, WILL THIS COMMISSION HAVE AN OPPORTUNITY TO REVIEW THEM BEFORE THEY ARE IMPLEMENTED IN FLORIDA?

A. Under the Commission's June 25, 2003 Order Approving Stipulation On The Verizon Performance Measurement Plan, new or modified performance measures adopted by the California JPSA "flow through" to Florida unless a party files an objection with this Commission. Order, *In Re: Investigation Into The Establishment Of Operations Support Systems Permanent Performance Measures For Incumbent Local Exchange Telecommunications Companies*,

Docket No. 000121C-TP, Order No. PSC-03-0761-PAA-TP ("JPSA Order"). As the Commission has explained:

> The parties agree that the review process in California will consider and satisfactorily resolve such issues. In the event that it does not, any party can apply to the Florida Public Service Commission for resolution, as defined in the stipulation.
>
> Accordingly, while the Commission by this Order approves the stipulated agreement between and among the parties, it neither cedes jurisdiction nor abrogates any responsibility that we may have to review any change which may be proposed for the state of Florida as a result of changes which may arise in the California plan.
>
> JPSA Order at 4 (emphasis added).

III. COSTS

A. Verizon's Cost Model

Q. PLEASE RESPOND TO AT&T'S ARGUMENT THAT VERIZON'S COST STUDIES "LIKELY REFLECT COSTING METHODOLOGIES THAT ARE NOT TELRIC BASED." (AT&T VAN DE WATER REBUTTAL AT 29.)

A. As explained in Verizon's Direct Panel Testimony, Verizon's cost study is TELRIC-complaint and forward-looking. Verizon employed a statistically valid survey of workers that actually perform the relevant activities to determine current work times. In addition, Verizon's Cost Study takes into

account Forward-Looking Adjustment Factors ("FLAF") to account for expected increases in efficiency and improvements in processes. The Cost Model reflects the efficiencies that Verizon can reasonably be expected to achieve, given the uncertainties and complexities that Verizon faces; therefore, Verizon's approach is appropriately forward-looking and long-run.

Q. DO YOU AGREE WITH AT&T'S CLAIM THAT VERIZON HAS "NOT SHOWN THEY CAN IMPLEMENT A LOW COST BATCH PROVISIONING PROCESS?" (AT&T VAN DE WATER REBUTTAL AT 27.)

A. No. As noted above, Verizon's proposed batch process complies with TELRIC and employs processes and systems such as WPTS to reduce costs and provide for a more efficient process. This fact has also been noted in the testimony of other CLECs. For example, in its rebuttal testimony, Supra notes that Verizon has "taken advantage of existing automated processes and the Internet to . . . reduce overall cost to the CLEC." (Supra Neptune Rebuttal at 10).

IV. SCALABILITY

Q. AT&T ALLEGES THAT VERIZON'S BATCH HOT CUT PROCESS IS NOT SCALABLE BECAUSE IT REQUIRES MANUAL WORK. (AT&T VAN DE WATER REBUTTAL AT 26.) IS THAT CORRECT?

A. No. Verizon's Force-Load Model ("FLM") considered the fact that performing hot cuts requires manual work in determining that Verizon's proposed process is, in fact, scalable. The work times used in the scalability analysis were based

on estimates of actual hot cut work times, which reflect all necessary manual processing steps.

Q. AT&T ALLEGES THAT VERIZON'S FORCE LOAD MODEL IS DEFICIENT BECAUSE IT ALLEGEDLY "ASSUMES A RELATIVELY EVEN DISTRIBUTION OF EMBEDDED BASE MIGRATIONS" DESPITE THE FACT THAT THESE CONVERSIONS WILL ALLEGEDLY "BE 'BACK-LOADED' AT THE END OF THE SCHEDULE." (AT&T VAN DE WATER REBUTTAL AT 26.) IS THIS CORRECT?

A. No. Several factors led Verizon to assume a uniform, pro-rata conversion (on an access line basis) of each 1/3 of the embedded customer base within the time made available for that conversion by the FCC's rules. See Testimony of William E. Taylor on Behalf of Verizon Florida (Dec. 4, 2003). First, under 47 C.F.R. § 51.319(d)(2)(iv), CLECs must place orders to migrate 1/3 of the customers in the embedded base from UNE-P by 13 months from the date the Commission finds no impairment, half of the remainder (i.e., a second 1/3 of the customers comprising the embedded base) 20 months from that date, and all of the final remainder (i.e., the last 1/3 of the customers) by 27 months from that date. Second, the assumption of uniform conversion is a reasonable middle ground that recognizes the CLECs incentives to fill capacity on their switches as soon as possible and their conflicting incentive to postpone incurring the non-recurring costs of collocation and hot cuts. *See* Taylor Direct at 9. Finally, this assumption recognizes the fact that the detailed schedule of migration is subject to negotiation and Commission approval, a process that

will likely give weight to the operational advantages of a pro rata conversion. *See id.* at 10.

Q. AT&T ARGUES THAT SPACE LIMITATIONS AT THE FRAME WILL PREVENT VERIZON FROM BEING ABLE TO HANDLE INCREASED HOT CUT DEMAND SIMPLY BY INCREASING ITS WORK FORCE. (AT&T VAN DE WATER REBUTTAL AT 26.) DO YOU AGREE THAT PHYSICAL SPACE LIMITATIONS WILL MAKE IT IMPOSSIBLE FOR VERIZON TO SCALE UP ITS WORK FORCE TO THE NECESSARY EXTENT?

A. No. As Verizon has made clear in both its Direct and Rebuttal Panel testimony, work space issues will not prevent Verizon from being able to handle increased hot cut demand. Verizon's frame managers are experienced at adjusting work schedules to meet changing demand for hot cuts. In addition, because the batch hot cut process significantly reduces Verizon/CLEC coordination requirements, the batch process will allow Verizon to spread cutover work over an entire 24-hour period, rather than limiting it to one or two work shifts. In addition, even where the Batch process is not utilized, pre-wiring activities can be done outside of normal work hours.

Q. AT&T ALLEGES THAT VERIZON HAS FAILED TO ADDRESS "VERIZON'S CAPABILITY TO SUPPORT THE ADDITIONAL REQUIREMENTS THAT WOULD BE PLACED ON ITS COLLOCATION APPLICATION AND IMPLEMENTATION PROCESSES THAT A NON-UNE-P ENVIRONMENT WOULD

CREATE" OR THE IMPACT OF THE SHIFT IN TRAFFIC OFF OF VERIZON'S LOCAL SWITCH NETWORK ONTO THE TANDEM TRANSPORT NETWORK. (AT&T VAN DE WATER REBUTTAL AT 32). IS THIS A VALID CRITICISM OF VERIZON'S PROPOSAL?

A. No. These questions are irrelevant to the issue of whether Verizon has proposed a batch process that satisfies the requirements outlined by the FCC. These issues would only be relevant in a potential deployment case. However, as noted in the Direct and Rebuttal Testimony of Verizon Witness Orville D. Fulp, Verizon does not intend to advance a potential deployment case in this nine month proceeding.

V. THE BATCH HOT CUT PROCESS

A. CLEC-TO-CLEC UNE-L MIGRATIONS

Q. AT&T ASSERTS THAT VERIZON'S BATCH CUT PROCESS MUST HANDLE CLEC-TO-CLEC MIGRATIONS (AT&T VAN DE WATER REBUTTAL AT 4.) WHAT IS YOUR REACTION?

A. As Verizon indicated in its Direct and Rebuttal Panel testimony, Verizon's basic hot cut process as well as the large job hot cut process can be utilized for all types of hot cuts, whether Verizon retail to UNE-L, resale to UNE-L, UNE-P to UNE-L, or UNE-L to UNE-L. *See* Verizon Direct Panel Testimony at 20-21, 28; Verizon Rebuttal Panel Testimony at 18-19. In addition, CLEC UNE-P to CLEC UNE-L orders can be provisioned using Verizon's proposed batch hot cut process.

Q. CAN THE BATCH PROCESS BE USED FOR CLEC UNE-L TO CLEC UNE-L MIGRATIONS?

A. Though the batch hot cut process is capable of handling CLEC UNE-L to CLEC UNE-L migrations, Verizon has chosen not to make it available for such migrations because of the reluctance of a "losing" CLEC to coordinate with a "winning" CLEC. *See* Rebuttal Panel Testimony at 19. In the batch hot cut process, Verizon (rather than the CLEC) must submit the final number porting notification to NPAC. This process works for migrations to UNE-L from UNE-P, resale, or Verizon retail, because Verizon submits a porting trigger order to NPAC, while the UNE-L provider (*i.e.*, the new local service provider) creates the initial porting notification with NPAC. In a CLEC UNE-L to CLEC UNE-L migration, however, the trigger order would have to be created by the losing local service provider, not Verizon. If Verizon were responsible for submitting the porting notification, it would not be able to determine whether the porting trigger order had in fact been submitted and the port was ready to be activated. As a result, customers could be left without service. To ensure that CLEC UNE-L to CLEC UNE-L migrations do not undermine continuity of service, these migrations are not included in the batch process.

B. LINE SPLITTING ARRANGEMENTS

Q. AT&T ASSERTS THAT VERIZON SHOULD IMPLEMENT A BATCH CUT PROCESS TO MIGRATE LINE SPLITTING ARRANGEMENTS. (AT&T VAN DE WATER REBUTTAL AT 5.) IS THAT CORRECT?

A. No. In the *TRO*, the FCC ruled that Line Splitting migration issues should be addressed as part of the Change Management process, not the Nine-Month *TRO*

Case. The FCC's discussion of specific batch hot cut requirements clearly shows that it intended to exclude line splitting migrations from these proceedings. Nor do these proceedings apply to line sharing. In line sharing, Verizon is supplying the voice service to the end user and another carrier is providing the data service to the end user on all line sharing arrangements in Florida. As a result, the elimination of unbundled local circuit switching would have no effect on the provision of voice (or data) service, because Verizon would simply continue to provide voice service using its own local circuit switch. Thus, there would be no need for a hot cut. For this reason, these comments focus on line splitting rather than line sharing arrangements. (In addition, the *TRO* ends the obligation of ILECs to offer new line sharing arrangements after a three-year transition. *See TRO* ¶¶ 255-269.) The *TRO* defines the batch hot cut process as a means to migrate "mass market" customers served by Verizon-provided loops from *one local circuit switch to another.* For example, FCC Rule 51.319(d)(ii)(A) directs state commissions to establish a process for "migrating lines served by one carrier's local *circuit switch* to lines served by another carrier's local *circuit switch*") (emphasis added). 47 C.F.R. § 51.319(d)(ii)(A) (emphasis added). *See also* 47 C.F.R. § 51.319(d)(ii) (defining "batch cut process" as a process to migrate loops "from one carrier's local *circuit switch* to another carrier's local *circuit switch*") (emphasis added). But DSL service, whether provided over line splitting or line sharing arrangements, does ***not*** rely on circuit switching. Thus, the FCC's definition of a batch hot cut does not include the movement of data from one carrier to another.

Q. DOES THE *TRO* IDENTIFY THE PROPER FORUM FOR ADDRESSING ISSUES RELATING TO LINE SPLITTING?

A. Yes. The FCC "encourage[d] incumbent LECs and competitors to use existing state commission collaboratives and Change Management processes to address OSS modifications that are necessary to support line splitting," not the Nine-Month case addressing a batch process. *TRO* ¶ 252. Given the FCC's clear statements on this issue, other state commissions have declined to address line splitting arrangements in their *TRO* batch hot cut proceeding. The Arizona Commission specifically rejected the CLECs' claim that line splitting migration issues should be addressed in the *TRO* batch cut case because "the FCC's Triennial Review Order did not require line splitting to be addressed in the nine-month docket." *See* Arizona Corporation Commission, Procedural Order, *ILEC Unbundling Obligations As a Result of the Federal Triennial Review Order*, Docket No. T-00000A-03-0369, at 5-6 (Ariz. Corp. Comm'n Nov. 6, 2003); *id.* at 7 ("IT IS FURTHER ORDERED that line splitting will not be addressed in this docket."). Similarly, in Oregon, the ALJ hearing the nine-month *TRO* cases refused the request of Covad, AT&T, and other CLECs to add line splitting to the list of issues to be considered in that docket. The ALJ ruled against the CLECs because "Paragraph 252 of the TRO clearly contemplates that OSS modifications necessary to support line splitting will be considered primarily in processes *other than the nine-month mass market proceeding*." Ruling, Disposition: Final Issues List Adopted, *In the Matter of the Investigation To Determine, Pursuant to the Order of the Federal Communications Commission, Whether Impairment Exists in Particular Markets If Local Circuit Switching for Mass Market Customers Is No Longer*

Available As an Unbundled Network Element, Docket UM 1100, at 6 (Or. Pub. Utils. Comm'n filed Nov. 14, 2003) (emphasis added). Litigation of these issues in the nine-month *TRO* proceeding is unnecessary and will only circumvent and undermine the business-to-business Change Management process.

Q. WHY IS THE CHANGE MANAGEMENT PROCESS THE BEST FORUM FOR RESOLVING ISSUES SURROUNDING LINE SPLITTING MIGRATIONS?

A. Because issues relating to line splitting will significantly affect both Verizon's and the CLECs' OSS, Verizon's Change Management process, a forum specifically designed for handling these types of business-to-business issues, is far better suited than this *TRO* proceeding to resolve effectively and expeditiously the technical and operational issues concerning customer migrations involving both voice and data. The FCC has repeatedly approved Verizon's Change Management process in Section 271 proceedings, determining that Verizon's Change Management process "provides an efficient competitor with a meaningful opportunity to compete." *See, e.g., New York 271 Order* at 111-112. Verizon and the CLECs jointly developed the OSS Change Management process for managing changes to Verizon systems and processes. As part of the Change Management process, Verizon meets with interested CLECs once a month to discuss new change requests, the status of existing requests, and CLEC priorities.

Q. IS IT NECESSARY TO DEVELOP A BATCH HOT CUT PROCESS FOR LINE SPLITTING ARRANGEMENTS?

A. No. As noted in Verizon's January 7, 2004 Rebuttal Panel Testimony there are no line splitting and only a minimal number of line sharing arrangements in place in Verizon's service areas in Florida. Verizon Rebuttal Panel Testimony on Batch Hot Cuts, at 18 (Jan. 7, 2004). Thus, it is not necessary, and indeed makes no sense, to have a *bulk* process for line splitting arrangements in the Florida.

C. IDLC

Q. AT&T CLAIMS THAT VERIZON'S BATCH HOT CUT PROCESS MUST INCLUDE LOOPS PROVISIONED ON IDLC. (AT&T VAN DE WATER REBUTTAL AT 4.) WHAT IS YOUR REACTION?

A. Verizon's Direct and Rebuttal Panel Testimony demonstrate that IDLC loops cannot be handled through the large job or the proposed batch hot cut processes because there is no technically feasible, practicable means of obtaining access to individual voice-grade loops at the central office when such loops are provisioned over an IDLC system. *See, e.g.*, Verizon Direct Panel Testimony at 9-12. This does not mean that there is no "bulk" method for migrating such loops. As explained in our Direct Panel Testimony, each of Verizon's three hot cut processes (basic, large job, and batch) is capable of handling large volumes of lines *(i.e.*, "bulk" orders). *See* Verizon Direct Panel Testimony at Part II. As explained in Verizon's Rebuttal Panel Testimony hot cuts for IDLC loops can simply be submitted through the Basic Hot Cut process. In addition, if an IDLC loop is encountered in the context of a Large Job, Verizon is willing to

accommodate the CLEC by modifying its procedures to create a Basic Hot Cut order for such a loop, and attempt to cut it over within the time frame of the Large Job from which it was excluded.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.