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March 4, 2005

Via Overnight Delivery and Facsimile

Jeffrey A. Masoner
Vice President Interconnection Services
Verizon Wholesale Markets
600 Hidden Ridge
HQEWMNOTICES
Irving, Texas 75038

Re: Triennial Review Remand Order Change of Law Negotiations

Dear Mr. Masoner:

Covad Communications Company and DIECA Communications Inc. (collectively, "Covad") are writing this letter, related to a number of states,¹ in response to the Federal Communications Commission's ("FCC") Triennial Review Remand Order ("TRRO"). As you know, the FCC's TRRO becomes effective on March 11, 2005. Unfortunately, Verizon's various communications concerning the significance of this date to Covad's right to place orders in certain Central Offices ("COs") for DS-1 loops and dedicated transport have not been entirely clear. We want to take this opportunity to respond to your TRRO letters dated February 10, 2005 and March 2, 2005, to clarify Covad's contractual rights, and to continue the negotiation process necessary to implement appropriate changes to the Verizon-Covad Interconnection Agreements ("IAs") arising from the TRRO. As the TRRO contemplates, Covad is committed to moving this process forward expeditiously.

The Verizon-Covad IAs contain change-of-law clauses specifically designed to create an orderly process for the negotiation of modifications to the IAs made necessary

¹ This letter covers the following states: California, Connecticut, Delaware, the District of Columbia, Florida, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania (regions formerly Bell Atlantic and GTE), Rhode Island, Texas, Virginia (regions formerly Bell Atlantic and GTE), and Washington.

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when the laws and regulations governing our relationship have changed. The TRRO rule changes affecting the availability of high cap loops and interoffice transport take effect on March 11, thus triggering the procedures provided for in the change-of-law clauses as of that date.

Despite clear contractual change of law provisions, and the equally clear language in Paragraph 233 of the TRRO— your February 10, 2005 and March 2, 2005 letters suggest that Verizon intends to unilaterally implement changes in ordering processes and/or changes in the availability of UNEs as of the March 11 date. Any such unilateral implementation of changes in ordering processes and/or the availability of UNEs would constitute a clear breach of our IAs. While we hope that Verizon intends to honor its contractual obligations, Covad will take all actions necessary to enforce its contractual rights in the event of unilateral action.

Given the extremely short time period prior to March 11, we ask that Verizon confirm in writing by March 8, 2005 that

- 1) No changes in ordering processes will be implemented on March 11, 2005, including without limitation, any requirement of a self certification as described in Paragraph 234 of the TRRO, and that all such changes in ordering processes shall be implemented only at such time as the change of law process described in the Verizon-Covad IAs has resulted in appropriate amendments to the IAs, and
- 2) No changes in the availability of UNEs affected by the TRRO will be implemented on March 11, 2005, and that all such changes in availability of UNEs affected by the TRRO ordering processes shall be implemented only at such time the change of law process described in the Verizon-Covad IAs have resulted in appropriate amendments to the IA.

This letter shall also constitute written notice that Covad is not required to provide any self certification contemplated by Paragraph 234 of the TRRO commencing March 11, 2005, and shall only be required to provide such a self certification following amendment of the IAs. In the event that Verizon unilaterally requires any form of self certification as of March 11, 2005, Covad shall supply such self certification based on its continued entitlement to access to UNEs under its IAs pending completion of change of law amendments, irrespective of the form of self certification unilaterally specified by Verizon. Such self certification shall be without prejudice to any of Covad's contractual rights. Covad will consider any rejection of orders based upon unilateral self certification or other order processing requirements to be clear and willful breaches of the IA, and shall seek damages for any lost orders, harm to customer relationships or other adverse consequences.

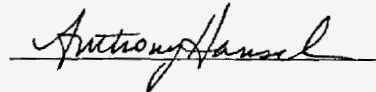
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In the event that Verizon intends to require any form of self certification or other changes in ordering processes, notwithstanding Covad's contractual right to a continuation of existing ordering processes pursuant to the IA, we request that Verizon specify any such changes in writing by March 8, 2005. Any changes to the ordering process by Verizon must follow the proper procedures, such as Change Management, prior to being implemented by Verizon.

With respect to any self certification requirements that may be the subject of change of law negotiations, we note that on February 18, 2005, Verizon published a list of COs where it believes certain network elements have been "delisted" as UNEs under §§251 and 252 of the Telecommunications Act of 1996. In order to conduct a reasonably diligent inquiry into the appropriateness of this list in light of the guidelines and definitions set out in the TRRO, we have asked our account team to provide us with the information described in the Enclosure. This information is solely in the possession of Verizon. To date we have not received the information, but we are hopeful that you will provide it to us expeditiously so that we can consider this information in our change-of-law negotiations. With regard to these negotiations, we are preparing a template containing the language necessary to implement the TRRO. We will forward this to you next week.

Thank you for your prompt attention to these important matters. Please do not hesitate to contact me with any questions that you might have.

Sincerely yours,



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Enclosure

On February 18, 2005, Verizon submitted a CLLI code list to the Federal Communications Commission (FCC) identifying Central Offices (COs) that Verizon asserts meet certain criteria set out in the Triennial Review Remand Order (TRRO). In order to assist Covad in conducting a reasonably diligent inquiry into these COs as described in Paragraph 234 of the TRRO, please provide Covad with the following information regarding the methodologies used to create the list. All of the information requested below is solely in the control of Verizon and cannot be obtained by Covad without Verizon's assistance.

I. Business Lines

1. Please provide a breakdown of the total number of business access lines Verizon reported for each wire center, by wire center CLLI code, according to the following categories: business analog switched access lines counted under ARMIS 43-08, business digital switched access line equivalents counted under ARMIS 43-08, business Centrex extensions counted under ARMIS 43-08, Centrex trunks counted under ARMIS 43-08, PBX trunks counted under ARMIS 43-08, business UNE DS0, DS1 and DS3 loops not in combination with other network elements, and business UNE DS0, DS1 and DS3 loops provided in combination with other network elements.
2. Please describe, in reasonable detail, the criteria applied to determine which lines were appropriate to include as business lines on the list provided to the FCC on February 18, 2005. Additionally, please supply the following information with respect to the criteria identified:
 - A. The source of the data or information used to determine whether a particular business line fulfilled the applicable criteria.
 - B. When the data or information used to determine whether a particular business line fulfilled the applicable criteria was gathered.
3. Please identify any criteria applied to determine which lines were appropriate to include as business lines on the CLLI list provided to the FCC on February 18, 2005 that were different from the criteria used to create the list Verizon provided to the FCC on December 7, 2004.
4. If applicable given the information requested above, what steps did Verizon take to confirm that high-capacity facilities (or some portion of high-capacity facilities) included in the business access line counts were used to provide switched-access services?
5. Were any dedicated or shared transport facilities counted as business lines?
 - A. If so, why?

- B. If so, please identify each wire center, by CLLI code, for which dedicated or shared transport facilities were counted as business lines and the number of business lines counted as a result.
6. Were any lines connecting Verizon facilities to Internet Service Providers counted as business lines?
- A. If so, why?
- B. If so, please identify each wire center, by CLLI code, for which lines connecting Verizon facilities to Internet Service Providers were counted as business lines and the number of business lines counted as a result.
7. Were any UNE loops ordered by Covad counted as business lines?
- A. If so, why?
- B. If so, please identify each wire center, by CLLI code, for which UNE loops ordered by Covad were counted as business lines and the number of business lines counted as a result.
8. Were any lines serving your subsidiaries or affiliates counted as business lines?
- A. If so, why?
- B. If so, please identify each wire center, by CLLI code, for which lines serving your subsidiaries or affiliates counted as business lines and the number of business lines counted as a result.
9. Were any data loops (e.g. xDSL-capable loops, T-1 loops, etc.) or portions of data loops not providing switched services counted as business lines?
- A. If so, why?
- B. If so, please identify each wire center, by CLLI code, for which data loops or portions of data loops not providing switched services were counted as business lines and the number of business lines counted as a result.
10. If not covered by the information Verizon provided in response to Question 8, was bandwidth on channelized high capacity loops that was not being used for voice service counted as business lines?
- A. If so, why?

KELLEY
DRYE

Andrea P. Edmonds
Attorney-at-Law

Dear Secretary:

The Commission was copied on the attached letter from Covad to Verizon. Please contact Andrea Edmonds at 703-918-2380 if you have any questions.

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