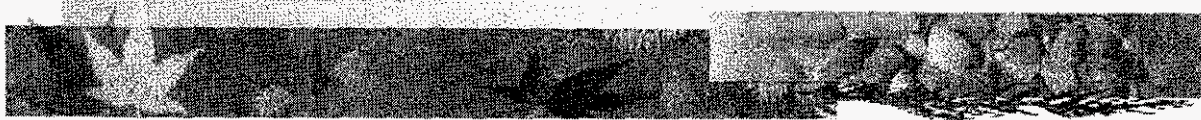


## Ruth Nettles

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**From:** Scobie, Teresa A (TERRY) [terry.scobie@verizon.com]  
**Sent:** Monday, March 02, 2009 4:47 PM  
**To:** Filings@psc.state.fl.us  
**Cc:** greg.follensbee@att.com; soniadaniels@att.com; gdiamond@covad.com; dkonuch@fcta.com; vkaufman@kagmlaw.com; Peter Dunbar; Carolyn Marek; Adam Teitzman; David Christian; De O'Roark; Demetria Clark; App, Frank (FRANK)  
**Subject:** Docket No. 000121C-TP - Verizon Florida LLC Response to PSC Inquiry  
**Attachments:** 000121 VZ FL Wholesale Metrics-Response to PSC Inquiry-3-2-09.pdf



The attached filing is submitted in Docket No. 000121C-TP on behalf of Verizon Florida LLC by

Dulaney L. O'Roark III  
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The attached document consists of a total of 14 pages - cover letter (1 page), Response (12 pages), and Certificate of Service (1 page).

**Terry Scobie**  
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DOCUMENT NUMBER-DATE

01677 MAR-28

FPSC-COMMISSION CLERK

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March 2, 2009 – **VIA ELECTRONIC MAIL**

Ann Cole, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Docket No. 000121C-TP  
Investigation into the establishment of operations support systems permanent performance measures for incumbent local exchange telecommunications companies. (VERIZON FLORIDA TRACK)

Dear Ms. Cole:

The attached is submitted for filing in the above-referenced matter in response to a Commission Staff inquiry dated January 30, 2009. If there are any questions regarding this filing, please contact me at (678) 259-1449.

Sincerely,

s/ Dulaney L. O'Roark III

Dulaney L. O'Roark III

tas

Enclosure

DOCUMENT NUMBER-DATE

01677 MAR-28

FPSC-COMMISSION CLERK

**VERIZON WHOLESALE METRICS**  
**RESPONSE TO FLORIDA PSC STAFF INQUIRY**

**March 2, 2009**

**OVERVIEW**

By letter dated January 30, 2009, Florida Commission Staff requested Verizon to address certain wholesale performance issues, both in general and with respect to performance measures OR-1 (FOC/LSC Notice Timeliness) and MR-2 (Customer Trouble Report Rate). Verizon has investigated the concerns raised in Staff's letter and reports on the results of that investigation below.

Verizon's investigation confirmed that Verizon's overall wholesale performance remains strong. When assessing that performance, total order volumes must be considered, not just the number of metrics that were met or missed. For example, during 2008 Verizon reported data for 20 sub metrics under OR-1, 8 of which concerned orders that flowed through electronically and 12 of which concerned orders that were processed manually. During the year, Verizon successfully processed FOCs electronically more than 96% of the time and its overall performance (for all electronically and manually processed orders combined) was almost 99%. An assessment of Verizon's performance based on the percentage of *metrics* met provides an inaccurate picture because it fails to take into account the percentage of *orders* Verizon successfully processed.

In the following discussion, Verizon's analysis focuses on the OR-1 (FOC/LSC Notice Timeliness) and MR-2 (Customer Trouble Report Rate) metrics of concern to Staff. It also addresses the related OR-2 (Reject Timeliness) and PO-3-02 (Center Responsiveness) metrics. These four metrics were primarily responsible for the increased number of metrics missed in 2008. Verizon will also address how transitioning work between its National Market Center (NMC) offices and how two IT system issues that occurred during 2008 contributed to the variance in performance for these metrics. Verizon will then summarize actions taken or planned to improve wholesale performance in 2009.

**NMC TRANSITION**

Verizon transferred work from its National Market Center (NMC) Coeur d'Alene, Idaho office to its East Coast centers<sup>1</sup> in June of 2008. The Coeur d'Alene NMC office, which had handled CLEC Local Service Requests (LSRs) for the Verizon West states (including Florida), used processes that had the effect of encouraging CLECs to request manual assistance more frequently than was the case with other NMC offices. For

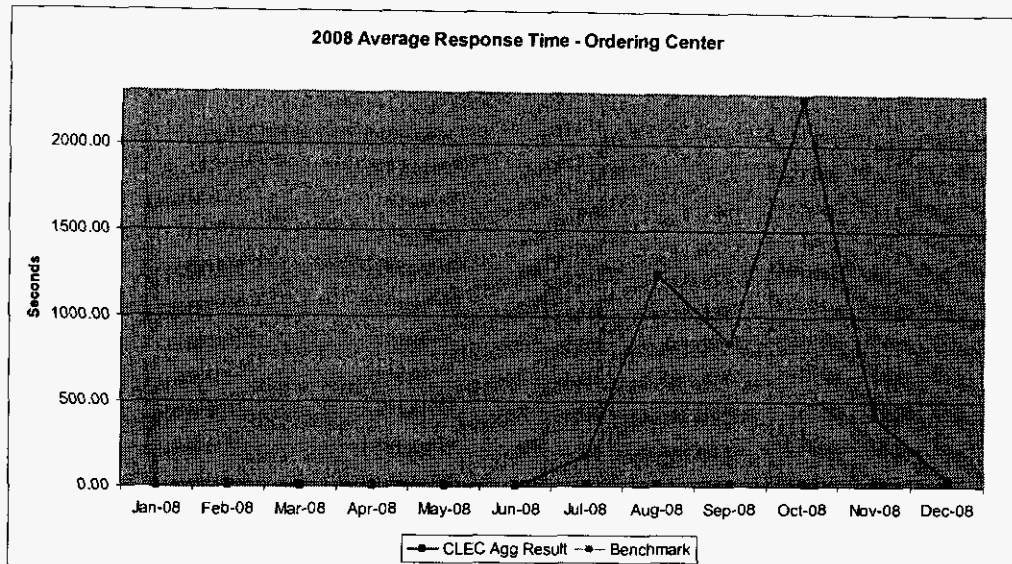
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<sup>1</sup> East Coast centers are located in Chesapeake, VA, Boston, MA and New York.

example, the Coeur d'Alene NMC office had "specialists" that often would respond to CLEC ordering questions by providing assistance at length with the order, rather than educating the representative on how to solve ordering problems by using the tools on the Verizon Partner Solution (VPS) web site. In addition, CLECs would contact a specialist to have the specialist coordinate the escalation and resolution of issues outside of the standard NMC processes.

In contrast, in the other NMC offices, Verizon and CLEC representatives have operated in accordance with Verizon's established ordering processes and procedures and CLECs have used the tools available on the VPS web site to assist with general order entry questions and/or to submit tickets electronically. Therefore orders processed through these offices have required less manual handling by both parties. The CLECs using these centers typically enter their own orders without assistance for a high proportion of their orders. These offices are staffed accordingly and are not set up to provide dedicated specialists or single points of contact for individual CLECs wanting training on how to submit an order. Instead, Verizon representatives are trained to direct CLECs to the web based tools if CLECs have questions on how to submit an order or to look up a system error reject code.

Shortly after the transition began, Verizon's NMC units that were now handling the calls for West states orders, and that had staffing and processes commensurate with those used for the Verizon East states, found that the volumes and duration of CLEC calls were substantially in excess of the volumes and duration that they had experienced in the past for the East states. As a result, call hold times increased dramatically as CLECs formerly handled by the Coeur d'Alene NMC office attempted to resolve multiple issues over the phone with an NMC representative instead of using available processes to quickly manage their issues, such as using Verizon's automated systems to enter electronic tickets or to refer to the Verizon Business Rules to investigate and fix their order entry errors. Verizon representatives were tied up answering calls and call responsiveness, as measured by the PO-3-02 metric, decreased, which started a domino effect on overall performance in the NMC, ultimately affecting the OR-1 and OR-2 metrics for manually handled orders. The increase in the PO-3-02 answer time metric can be seen in the following graph:



Verizon responded to the increase in orders requiring manual handling and the increase in call volume by increasing staff, conducting additional training for the representatives and making modifications to how incoming CLEC calls are processed in order to reduce long hold times and shorten call back times.

- **Staffing:** Verizon has increased headcount by 45 percent in the NMCs that handle West orders.
- **Training:** While the representatives were trained prior to the transition on the West systems, additional training has been ongoing since the transition to improve the skill level of Verizon's NMC representatives. On average, five representatives are being trained per week, with the training being divided into nine modules each covering an applicable subject. Verizon will cycle its entire workforce of NMC representatives through all nine modules.
- **Call Answering Process:** Verizon has modified the NMC call answering process twice since the transition to address CLEC concerns and declines in performance. In October of 2008, Verizon modified its call answering process to address the increase in call hold times. The new process was an immediate success and reduced call hold times significantly.

To reduce the long hold times CLECs were experiencing, and the fact that most were calling with multiple issues, Verizon introduced a call back process in which the Verizon representative would take the CLEC's information on the issue(s) and then have the issue(s) worked by an offline representative who could focus on research and resolution. A callback was given to the CLEC when the resolution was ready.

While this new process was successful in addressing issues with call hold times, some CLECs complained that the callback process was not working well. In response Verizon changed the call answering process a second time, effective February 1, 2009. CLECs can now call into the centers and if the CLEC's issue does not require extensive research, the Verizon representative will resolve the issue while on the phone with the CLEC. Complex issues that require investigation will continue to be worked off-line and a Verizon representative will call back with the resolution. The new process is expected to improve the call back response times because only the complex issues will be worked off-line.

However, in order for this rebalancing of workload at the centers to be successful, the West CLECs must call the NMC only for issues that cannot be resolved by the CLECs by using the information, tools and systems available to them on the Verizon website. CLECs must follow established business rules and procedures to answer questions on how to submit an order, fix an order entry error or submit an e-ticket to resolve non-service affecting issues.

- **CLEC Training:** Verizon has seen some evidence that the CLECs are working to improve their end of the process as well. Some CLECs have been working with Verizon to obtain the resources and coaching they need to better train their own customer service representatives to follow the established processes and procedures, which should result in an increase in error-free service orders such that CLECs and their customers can benefit from the systems in place that allow orders to flow-through on an automated basis for more timely and efficient processing.

## **SYSTEMS ISSUES**

Verizon experienced two systems issues, one pertaining to Jeopardy (JEP) notices and the second to orders for Designed/Non-Designed circuits, that affected the West region orders for some CLECs. The Verizon IT group implemented two fixes in the fall of 2008 and a third on February 21, 2009. These system issues affected NMC work load with increased call and ticket volumes and resulted in the need to shift resources from normal production activities. Verizon representatives worked overtime to ensure that orders affected by the system issues were provisioned with minimal, if any delay. Additionally, the NMC had to resend manually all system generated JEP notices that were sent to CLECs without any remarks and had to manually process hundreds of orders where JEP notices were sent via the system in error.

The systems issues did not affect performance on the more than 96% of total service orders that flowed through without any manual intervention. The impact on wholesale performance from these systems issues was limited to manually handled orders, which account for less than 4% of total order volume and are measured under the OR-1-04, 05 and 06 and OR-2-04, 05 and 06 sub metrics. Below is a summary of the system issues and a current status.

### **Inaccurate Jeopardy Notices:**

Order issues directly related to CLECs not receiving JEP notices came to Verizon's attention at the CLEC User Forum (CUF) meeting held on October 15, 2008. CLECs that participated on the CUF conference call stated that in some instances after the order due date passed, they were not issued a SAR (Service Activity Report) to show provisioning was completed and, in some cases of an out-of-service condition, had not received a JEP notice from Verizon alerting them to a problem or issue with their order.

Verizon's investigation revealed that system-generated JEP notices were issued but were not flowing from the back end systems to the CLECs. The system fallout was isolated to UNE orders in the Verizon West region. System fixes were implemented on October 25 and November 15 that resolved the JEP code issue. The NMC worked diligently with affected CLECs to manually resend JEP notices with remarks and to manually write orders to ensure the orders were provisioned with minimal, if any, delay. Information pertaining to these systems issues was communicated to the CLEC community in accordance with normal industry notifications and was discussed on the CUF conference call held on December 10, 2008.

### **Design/Non-Design Issue:**

At about the same time, some CLECs reported they were receiving multiple system generated JEP notices on certain PONs requesting they revise their order to be either a designed or non-designed loop. This type of JEP is usually issued post-FOC when, in the course of provisioning a circuit, the engineer determines certain records may be different from those generated by the automated pre-order entry systems. However, in this case, the CLEC would comply and resubmit the order as directed only to have that version subsequently rejected. While IT investigated the root cause, the NMC implemented a manual workaround, to preserve requested due dates when the problem occurs. This issue also was discussed with the CLEC community on the December 10, 2008 CUF conference call. An IT system fix was released on February 21, 2009 to resolve the issue. The NMC continues to monitor the situation post-release to ensure it has fixed the problem.

### **ANALYSIS OF METRICS**

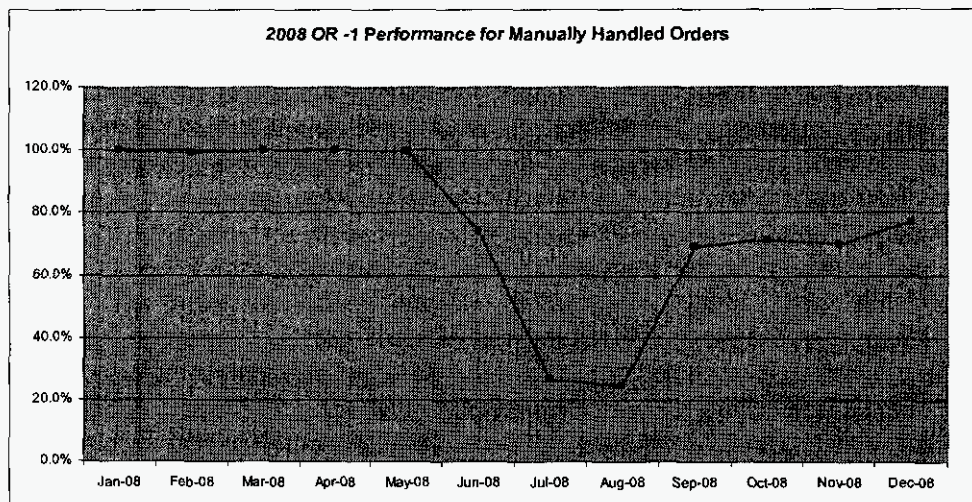
The results of Verizon's analysis of the OR-1 (FOC/LSC Notice Timeliness), the OR-2 (Reject Timeliness) and the MR-2 (Customer Trouble Report Rate) metrics are discussed in this section.

## Metric OR-1 Order Confirmation Timeliness

### Performance:

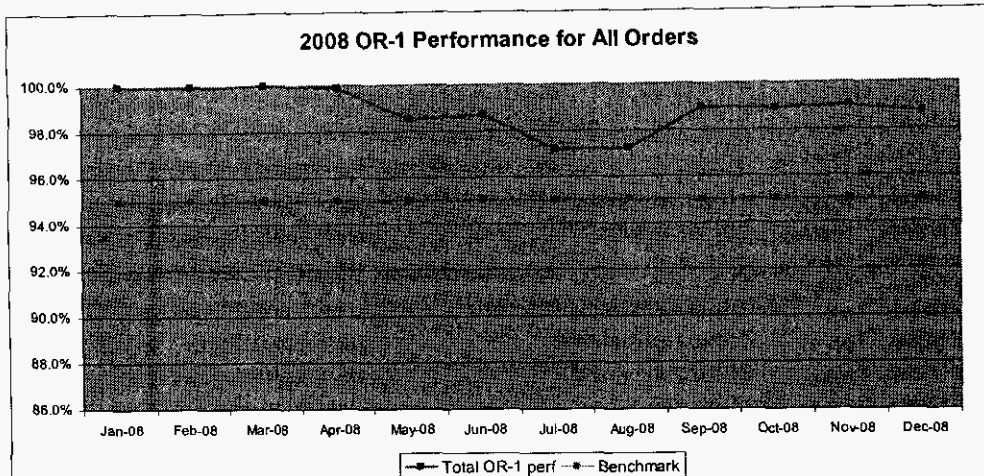
In reviewing performance for OR-1 metrics in Florida for 2008, declines in performance are only evident in measures of orders handled by manual processes (OR-1-04, OR-1-05 and OR-1-06), which include less than 4% of orders processed over the year. All measures of Verizon's automated wholesale ordering processes (OR-1-02), which handle over 96% of orders received, have shown performance levels above standard in every data month.

For the 12 measurements of manually handled ordering processes, Verizon's performance declined from meeting 60 of 65 opportunities in the first half of the year to meeting 10 of 59 opportunities in the second half of the year. Over the same 12 month period, the 8 measures of the automated flow through ordering process met the standard in all 96 opportunities. Progress has been made in turning performance measured by the manually handled order metrics around as can be see in the following chart:



Although there are 12 metrics tracking manually handled orders as compared to only 8 metrics tracking orders handled in an automated fashion, the manually handled orders represent only a small proportion of the total wholesale orders processed. For orders processed by Verizon in Florida during 2008, the twelve metrics for manually processed orders cover only about 12,000 orders (less than 4%) while the eight metrics for automated processing show performance for over 319,000 orders (over 96%). Total performance for the OR-1 category and the impact from manually handled orders can be seen in the graph below:





Thus, even though Verizon met 76.7% of on-time confirmations for manually handled OR-1 orders during 2008, Verizon provided on-time confirmations for 98.9% of all OR-1 orders placed during the year. In comparing overall Order Confirmation Timeliness over the year, metrics show 99.5% of all order confirmations were on time in the first half of the year, and 98.8% were on time in the second half. Both reflect exceptional performance, and show an actual decline of only 0.7% between the first half and last half of 2008.

**Root cause analysis for OR-1-04, OR-1-05 and OR-1-06 misses:**

Since all of the flow-through ordering metrics met the standard in every month of 2008, we investigated only the metrics relating to manually processed orders for root causes. As previously mentioned, Verizon closed its NMC office in Coeur d'Alene, Idaho and moved the work to its East Centers. The East Centers experienced some transitional variance in performance in July and August as they expanded to take on the additional workload.

A second contributing factor affecting performance results can be linked to an increase in the percentage of orders submitted improperly by CLECs in the second half of 2008 causing the reject rate for manually handled West orders to increase from 10.1% in June to 22.9% in December. CLECs requested assistance from the center in identifying and correcting their mistakes on those orders and this additional call and ticket volume affected the resources ordinarily dedicated to resolving CLEC issues.

A third contributing factor impacting performance results was an increase in Florida orders that required manual handling in the second half of the year. Orders for Resale POTS, UNE Loops, Resale Specials, UNE Transport/EELs, Interconnection Trunks and Stand Alone Directory Listings increased by over 20% (4,035 vs. 3,298) in the second half of the year. This increase is a function of product mix and the accuracy and completeness with which CLECs submit their orders, and is not in Verizon's control.

The additional volume of manually handled orders affected resources at the East Centers.

Finally, as previously discussed, systems issues affected East Center resources and the fallout affected this metric.

**Plans to improve OR-1-04, OR-1-05 and OR-1-06:**

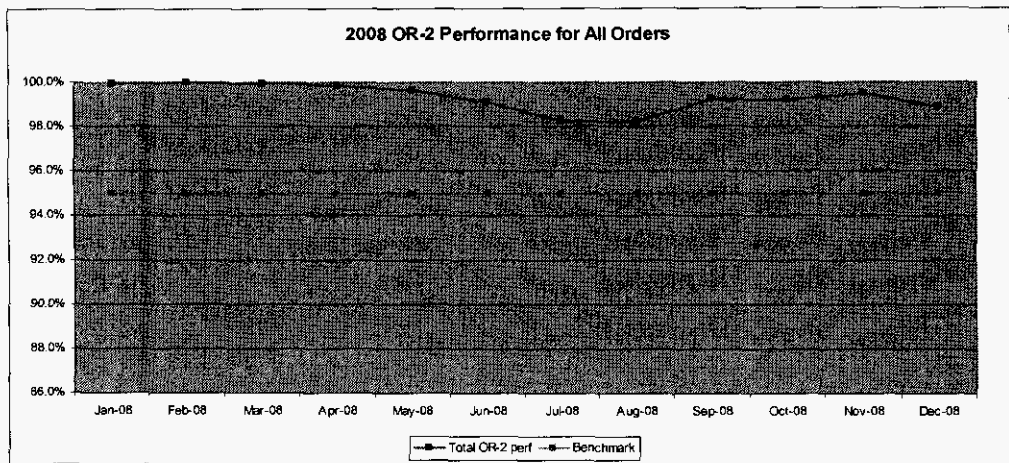
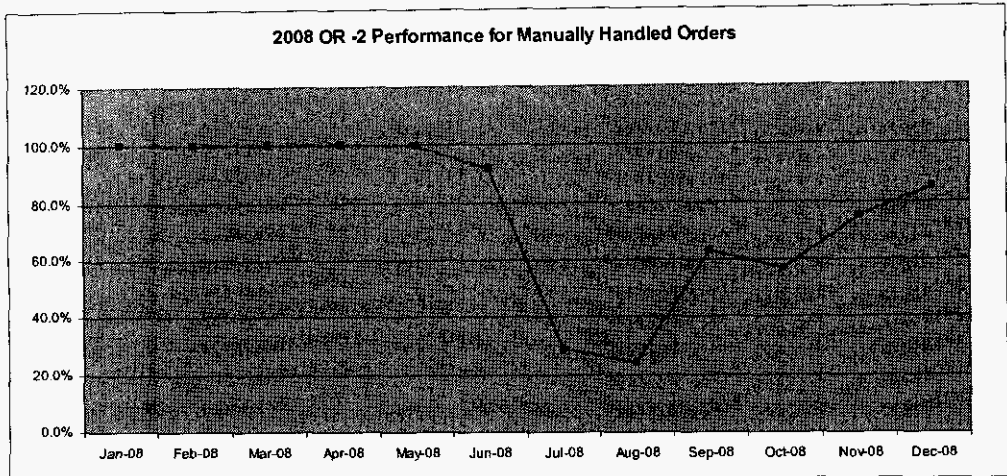
Plans to improve these sub metrics are summarized in the "Actions taken, ongoing or planned to improve overall performance" section that appears later in this document.

Performance for manually handled order metrics has been trending upward since August 2008 and expectations are that the benchmark will again be met in 2009 as CLECs formerly handled by the West Center become more familiar with how to use Verizon tools and resources found on the VPS website, business rules to investigate and clear order entry errors, submission of electronic tickets, escalation processes and order training modules.

**Metric OR-2 Reject Timeliness**

Declines in OR-2 performance are only evident in measures of orders handled by manual processes, which involved 2% of orders processed over the year. All measures of Verizon's automated wholesale ordering processes (OR-1-02), which handled over 98% of orders received, have shown performance levels above standard in every data month.

Thus, even though Verizon sent 78.4% of manually handled rejects included in OR-2 on time during 2008, Verizon sent 99.3% of all rejects in OR-2 on time during the year. The performance of the metrics for manually handled orders was influenced by the same factors (center transition, staffing training, systems issues and increases in order volume) that affected the OR-1 metrics and the recovery trend is similar as seen in the following graphs:



**Plans to improve OR-2-04, OR-2-05 and OR-2-06:**

Plans to improve these sub metrics are the same as for the OR-1 sub metrics and are summarized in the "Actions taken, ongoing or planned to improve overall performance" section that appears later in this document.

**Metric MR-2 Customer Trouble Report Rate**

**Recurring non-compliant performance of MR-2:**

The reported performance for 2008 shows Verizon missing the standard on 5 Customer Trouble Report Rate metrics for 42 of 60 opportunities over the 12 month period in question. The misses, unlike those for the ordering metrics above, are evenly distributed between the earlier and later halves of the year, with 21 misses in each half. The misses were spread across all 5 metrics.

## Root cause analysis for failures of MR-2:

A significant contributing factor to the reported lower performance levels for wholesale as compared to retail is in the process by which troubles are submitted. CLECs routinely submit more than one ticket on multi-line accounts, and sometimes as many as one for each line. On the retail side, Verizon only creates a single ticket on the main telephone number for all circuits affected by a single trouble. Verizon has found that this difference in the processes by which trouble tickets are created and counted is causing the CLEC trouble report rate often incorrectly to appear higher than the retail rate.

If an adjustment is made to remove all but one of the multiple CLEC tickets on multi-line accounts, which allows an accurate comparison of wholesale and retail trouble rates, the number of missed metrics would be reduced to 27 from the 42 shown on the reports. This would remove all 8 of the misses for the report rate for UNE Loop Non-Designed (MR-2-01-3555). This adjustment would also remove 7 of the 8 misses for the Resale POTS Business metric (MR-2-01-2110). This narrows the primary performance issues to UNE Loop xDSL and UNE Loop IDSL.

An in depth look at the xDSL metric results for 2008 shows that trouble reports are concentrated in two categories that include Network Terminating Facilities (Disposition Code 4)<sup>2</sup> and Outside Plant (Disposition Code 6) and when combined they account for over 70% of the trouble reports. Drilling down further, over 72% of the problems in the Network Terminating Facilities bucket are related to the Network Interface Device (NID) and buried or aerial drop issues. Over 42% of the Outside Plant issues are concentrated in the "change cable pairs" category.

There were 138 trouble reports for IDSL in 2008, which were distributed across disposition codes in a pattern similar to the 136 trouble reports logged for Verizon's ISDN BRI retail comparison product. However, because there are fewer IDSL circuits in service than ISDN BRI circuits, the ratio of trouble per line for IDSL is higher. Trouble reports are concentrated in three categories that include Network Terminating Facilities (Disposition Code 4), Outside Plant (Disposition Code 6) and Central Office (Disposition Code 12) and when combined they account for over 70% of the trouble reports. Over 68% of the IDSL circuits are design type special services circuits and Verizon is investigating to see whether this may be a contributing factor to the higher trouble rate.

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<sup>2</sup> Disposition Codes and Sub codes are classifications identifying portions of the network where faults are located and the final clearing when no faults are found. All trouble reports require a disposition code and disposition sub code to close/resolve the report. For found trouble, the disposition sub code identifies the specific section of the plant where the failure occurred.

## **Plans to improve MR-2 Performance:**

The bulk of the issues with the MR-2 metric can be corrected by addressing the handling of multi-line trouble tickets. Remaining issues with the IDSL and XDSL sub metrics are being investigated further.

- **Multi-Line Trouble Tickets:** Internally, Verizon has the opportunity to consolidate "extra" multiple reports such that they are reported as a single trouble to better correspond with the calculation of the retail result. This process appears not to be consistently followed within the various responsible groups. The DRC, EVRC and the Field-Tech quality trainers have all be resent a "Flash document" with instructions on how to handle multiple tickets if CLECs continue to send them in incorrectly.
- **DSL Trouble Tickets:** As mentioned above, Verizon has investigated the xDSL trouble reports and found that troubles are concentrated in the Network Terminating Facilities and Outside Plant disposition codes. Verizon will continue its investigation and determine if the trouble can be narrowed further. Also, IDSL troubles are being investigated to determine if the complex nature of the circuits is contributing to the higher trouble rate.

## **Actions taken, ongoing or planned to improve overall performance**

Verizon's standard operating procedure is to take corrective action as it becomes aware of issues and it has already taken the necessary steps to address the small subset of manually handled orders that affected performance metrics during the second half of 2008.

### **Actions taken:**

- IT fixes (3)
- NMC head count increased by 45%
- Additional training for representatives on all product sets
- Call answering process implemented in October 2008 to reduce long hold times
- Revision to call answering process in February 2009 to improve call back process
- Weekly calls with some CLECs to discuss and resolve ordering issues
- CLECs training their center representatives on established processes and procedures
- Formal issue on bi-monthly CUF calls to provide industry updates

**Ongoing/Planned:**

- CLECs training their center representatives on established processes and procedures
- Continue weekly calls with some CLECs
- Continue performance status on bi-monthly CUF calls
- Continue monitoring performance of metrics

**SUMMARY**

Verizon has investigated Staff's concerns with trends in Verizon's wholesale performance metrics during 2008 and found that Verizon's performance remains at exceedingly high levels when measured by overall volumes of orders processed. Although we understand the Commission is tracking Verizon's overall performance based on the percentage of metrics met, many sub metrics that contain low volumes of data are used in the overall performance calculation and can easily distract from and distort the broader picture of Verizon's success in providing high quality service to CLECs.

The OR-1, OR-2 and PO-3-02 metrics are primarily responsible for affecting the overall number of metrics met and this is directly related to NMC transition issues, system issues, an increase in the manual order reject rates, and an increase of overall order volume in Florida during the second half of 2008. When looked at from a broader perspective, Verizon achieved a 99% performance level when the sub metrics for automatic flow through and manually handled orders are combined for the OR-1 and OR-2 categories. Performance in the manually handled sub metric categories and in the PO-3-02 category has shown dramatic improvement from the low point in August of 2008 as seen by the upward trends in the graphs for these metrics.

Verizon has been proactive in dealing with issues as they have surfaced and will continue to work diligently to maintain the high level of orders processed successfully while continuing to improve in the few limited areas of manually handled orders that have affected the reporting metrics.

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of the foregoing were sent via electronic mail on March 2, 2009 to the following:

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s/ Dulaney L. O'Roark III