Exhibit No. ___ (JK-1T)

BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Joint Application of VERIZON COMMUNICATIONS INC., and MCI, INC. For Approval of Agreement and Plan of Merger	DOCKET NO. UT-050814

TESTIMONY OF

JASON KOENDERS

ON BEHALF OF

INTERVENOR INTEGRA TELECOM OF WASHINGTON, INC.

CONFIDENTIAL PER PROTECTIVE ORDER IN WUTC DOCKET NO. UT-050814

REDACTED PUBLIC VERSION

SEPTEMBER 9, 2005

Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

A. My name is Jason Koenders. I am the Vice President of Operations and Engineering for Integra Telecom of Washington, Inc. My business address is 20435 72nd Avenue South, Suite 150, Kent, WA 98032.

Q. WHAT ARE YOUR RESPONSIBILITIES?

A. As the Vice President of Operations and Engineering, I direct the technical operations and engineering groups for Integra's Washington operation. I am responsible for field service operations, service center operations, and sales engineering.

Q. WHAT IS YOUR BACKGROUND IN TELECOMMUNICATIONS?

A. I have been with Integra since 1998. Prior to becoming Vice President, I served as Director of Operations and Engineering with Integra for the Washington/Northwest Market. In my time with Integra, I have led several of Integra's growth initiatives in areas such as switch augments, installation, translations, planning and implementation of numerous new collocation sites. Before joining Integra, I held positions with CenturyTel, a telecommunications company headquartered in Monroe, Louisiana. I served in the United States Army from 1992 until 1996.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to describe for the Commission some of the wholesale service issues that Integra experiences in Washington and to suggest that the Commission require Verizon to comply with wholesale performance standards in order to protect competition in the wake of Verizon's merger with MCI.

Q. WILL YOU PLEASE EXPLAIN INTEGRA'S OPERATIONS IN WASHINGTON?

A. Integra is a local facilities-based telecommunications provider that focuses primarily on serving small and medium-sized businesses. In addition to Washington, Integra provides

service in Oregon, Minnesota, North Dakota, and Utah. Integra offers local dial tone, domestic and international long distance, high-speed Internet and data services, including digital subscriber line ("DSL"), voice messaging, and numerous ancillary services designed to support the needs of small and mid-sized companies.

As a facilities-based competitive local exchange carrier ("CLEC"), Integra owns and operates its own voice switches, data routers, transmission facilities and other equipment necessary to provide the highest level of communications services to our customers. In Washington, we have two class-5 voice switches and many data routers located in Kent that we use to serve our customers. In order to get the service from the end user to our switches and data routers, we own and maintain equipment that is collocated in certain incumbent local exchange carrier ("ILEC") central offices. The traffic is sent over the customer's loop, which Integra leases from the ILEC, to our collocated equipment in the customer's serving central office, transported to our switches and routers in Kent, and then delivered to the terminating carrier or customer.

Q. WHAT IS THE SIZE OF INTEGRA'S OPERATIONS IN WASHINGTON?

** **Begin confidential information per protective order in WUTC docket no. UT-050814:**

End confidential information. **

Integra differentiates itself from other carriers by staffing locally based customer care, technical, and account management professionals whose goal is to provide prompt and personalized client service and satisfaction. To that end, we employ 75 people in our Kent office. That number is up from 62 in October 2004, and we anticipate that we will continue to grow despite some obstacles to competition. (Overall, Integra employs over 600 people.) This is in contrast with the rest of the telecommunications industry, which generally has seen reductions in workforce over the last several years.

Q. WHAT WHOLESALE ISSUES DO YOU ADDRESS IN YOUR TESTIMONY?

A. Generally speaking, Integra experiences problems with Verizon's pre-ordering sales qualification tools and its provisioning systems and processes. Verizon simply does not provide information that is meaningful or complete enough to allow Integra to compete with Verizon in Washington as effectively as if such information was available. I would be happy to give you specific examples.

Q. FIRST, WILL YOU PLEASE PROVIDE SOME BACKGROUND ON THE PROCESS THAT INTEGRA FOLLOWS WHEN OBTAINING A CUSTOMER IN VERIZON TERRITORY?

A. Yes. When we sell to customers in Verizon's territory, we are largely selling to customers who use Verizon's network to receive telecommunications service. Since Verizon owns the local loop that serves the customer, which is sometimes referred to as the "last mile," we depend on Verizon to lease us the loop, as it is required to do under the Telecommunications Act of 1996, to get service to many of our customers. We then switch the traffic ourselves in our own central office in Kent.

In the sales process, we validate the services that are available for a potential customer by using Verizon's Wholesale Internet Service Engine ("WISE"). WISE is the wholesale interface between Integra and Verizon and is Integra's sole source of

information about Verizon's network. As Verizon describes it, WISE is "a means to access Verizon's background systems to obtain information." Exhibit ___ (JK-2) (Verizon response to data request 61). It allows authorized CLECs like Integra to access, among other things, Verizon's loop qualification, ordering, and trouble administration systems. Exhibit ___ (JK-2) (Verizon response to data request 109).

Before Integra signs a service agreement with a customer, Integra does an address validation using WISE. The address validation verifies the customer's address and identifies the Verizon central office that serves the customer. Integra also does a loop qualification using WISE. The loop qualification identifies the characteristics of the loop that serves the customer, including the distance that the loop travels from the serving central office and whether the loop is capable of providing digital subscriber line ("DSL") service to the customer.

Q. WHY DOES INTEGRA DO ADDRESS VALIDATIONS AND LOOP QUALIFICATIONS BEFORE AGREEING TO PROVIDE SERVICE TO A CUSTOMER?

A. The address validation and loop qualification are the tools that Integra uses to determine how Verizon's network is configured, what types of services Integra can provide to the particular customer, and how they should be ordered. For example, a POTS line delivered via a copper loop, which Integra calls a Basic Business Line, is available only within the footprint of the serving central office. Integra has equipment collocated in several of Verizon's central offices in order to provide this service. DSL service also can only be provided within the footprint of the serving central office, and the bandwidth that Integra can deliver to the customer depends on the distance of the customer's premises from the central office as well as the quality of the loop. For example, bridge taps and load coils have to be removed from a loop to provide DSL service, and the insertion loss

must be within accepted parameters. The address validation and loop qualifications tell us this information.

Importantly, the loop qualification also includes information about whether the customer is served by a remote terminal. (We call this being "behind a remote.") A remote terminal is essentially an extension of a central office switch that allows the communications signal from the central office to travel farther than it otherwise would be able to travel without significant degradation. Typically, Verizon uses integrated digital loop carrier ("IDLC") technology to serve its customers in its remotes. In IDLC, the equipment in a remote converts analog signals from many copper loops that extend from the customer's premises and terminate at the remote terminal into digital signals, multiplexes the signals and other signals from terminating copper loops, and transports them over a shared medium to the central office for switching and delivery to the terminating network. In our experience, Verizon usually uses fiber optic cable to transport the digital signals from the remote terminal to the central office and then uses copper loops to distribute the converted analog signal to customers' homes or businesses. Integra Exhibit ___ (JK-3) is a diagram of the provision of service using IDLC technology.

Q. WHY IS IT IMPORTANT TO KNOW WHETHER A CUSTOMER IS BEHIND A REMOTE?

A. The presence of a remote affects the kind of service that Integra can provide the customer as well as how long it takes to provide that service.

For example, Integra generally cannot provide DSL service to a customer who is served by a remote because DSL is a copper-based technology and the signal on a DLC loop is carried partly on fiber optic cable. Where there is no spare copper plant that bypasses the remote on which DSL can be provided (in Integra's experience, it is

extremely rare for Verizon to have such "straight copper"), Integra cannot provide DSL service without collocating a digital subscriber line access multiplexer ("DSLAM") in Verizon's remote. Therefore, because Integra as a practical matter cannot provide DSL service to customers who are served by a Verizon remote terminal, it is extremely important that Integra know whether a customer is served by a Verizon remote during the loop qualification phase of the sales process.

Additionally, to reach a customer who is served by a remote where Integra can provide POTS service, Verizon requires Integra and other CLECs to order a "designed" loop. The distinction between "designed" and "non-designed" loops, to use Verizon's terms, is significant. A "non-designed" loop is defined by Verizon as "voice grade analog or 'basic' DSL compatible loops which run from the last switch presence (whether host or remote) to an end user's location." A non-designed loop is one that "can be provisioned using standard network components maintained in inventory without specialized instructions for switch translations, routing, and service arrangements." Exhibit ___ (JK-2) (Verizon responses to data requests 57 and 60). Essentially, a "non-designed" loop does not go through a remote. Although Verizon does not have any standard provisioning intervals in Washington except for line sharing (Exhibit ___ (JK-2) (Verizon response to data request 82), which creates uncertainty in the provisioning of service to Washington end users, Integra's experience is that Verizon generally provisions "non-designed" loops to Integra in five business days.

A "designed" loop is provisioned across Verizon's fiber-fed remotes using universal digital loop carrier ("UDLC") technology that converts Integra's voice-grade service from analog to digital and back to analog across the transmission path. UDLC is different from IDLC in that IDLC is hard-wired into Verizon's switch, where UDLC uses channel bank facilities to facilitate the conversion from analog to digital and back to

analog. Exhibit ___ (JK-3) includes an illustration of the provision of service using UDLC technology. A "designed" loop is one that requires some engineering. Exhibit ___ (JK-2) (Verizon response to data request 96). In Integra's experience, Verizon considers every loop that serves a customer who is behind a remote without alternate copper available to be a "designed" loop. It also has been our experience that Verizon generally provisions "designed" loops to Integra in up to 15 business days. Therefore, for Integra to reach a customer who is served by a Verizon remote takes roughly an additional ten business days. That is why it is crucial to know at the time of pre-sales loop qualification whether a customer is served by a Verizon remote.

In contrast, Qwest does not require Integra to identify whether a loop is designed or non-designed. Even though Qwest also uses remotes in Washington, Qwest just provisions a loop, whether or not the customer is served by a remote, within the applicable wholesale interval. According to Qwest's Service Interval Guide, the intervals in Washington for DS0 or 2-wire voice-grade analog loops are 5 business days for 1 to 8 lines, 6 business days for 9 to 16 lines, 7 business days for 17 to 24 lines, and an individual case basis (ICB) for 25 or more lines.[1]

CLECs in the territory known as "Verizon East" also are not required to order loops as "designed" or "non-designed." Verizon simply completes the order regardless of whether the customer is served by a remote. Exhibit ___ (JK-2) (Verizon response to data request 57). Therefore, only CLECs in Verizon West bear the burden of determining

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[1] Retrieved from Qwest's Web site (http://www.qwest.com/wholesale/downloads/2005/050718/SIGInterconnectionV52.doc) on September 6, 2005.

whether a loop should be ordered as "designed" or "non-designed," causing a delay in the provisioning and increased burden on CLECs and their end users.

Q. DOES VERIZON USE MANY REMOTES IN WASHINGTON?

A. Yes. A significant area of the Verizon network in the territory that Verizon refers to as "Verizon West," which includes the state of Washington (Exhibit ___ (JK-2) (response to data request 16)), is served via remote terminals. ** **Begin confidential information per protective order in WUTC docket no. UT-050814:**

End confidential information. ** There is a significant presence of remotes in Verizon territory in Washington, so it is important that competitors are provided with accurate information about whether a particular customer is served by a remote.

Q. WHAT IS THE NEXT STEP IN THE ORDERING AND PROVISIONING PROCESS AFTER ADDRESS VALIDATION AND LOOP QUALIFICATION?

A. The address validation and loop qualification described above allow Integra to set customer expectations regarding the services Integra can provide, the rates that go with those services, and the expected time that Integra can begin providing those services. That information is dependent on the information that Integra receives from Verizon. Once Integra verifies the customer's address and checks the applicable loop qualification information, Integra then enters the order for the customer by submitting a local service request, or LSR, to Verizon. Integra enters the LSR for Verizon in WISE. Among other things, the LSR identifies whether the loop is "designed" or "non-designed." As described above, the distinction has a significant impact on when, and even whether,

Integra can provide service. Verizon does not determine whether a loop should be designed or non-designed when the order is entered. Instead, Verizon requires the CLEC to make that determination based on the information that Verizon provides in WISE and to identify whether the service is designed or non-designed on the LSR. Exhibit ___ (JK-2) (response to data request 56).

After Integra submits the LSR, Verizon issues a firm order commitment ("FOC"). In the FOC, Verizon verifies, among other things, that it has received Integra's order and that the loop facilities Integra has ordered are available. The FOC also provides a specific date on which Verizon will deliver the loops.

When Integra receives the FOC, it schedules various provisioning tasks. Those tasks include establishing a date with the customer on which service will be converted from Verizon to Integra, coordinating the service type and switch translations with the Integra central office, coordinating the port of the telephone number or numbers from Verizon or another carrier to Integra, and scheduling Integra field technicians and outside vendors hired by the customer. The FOC, therefore, is the starting point for the conversion and event coordination for Integra to supply service to a customer in Verizon territory.

Q. WHAT HAPPENS NEXT?

A. Ideally, the conversion goes smoothly and according to schedule and Integra is able to meet the customer's expectations. The Integra field technician will be able to identify the circuit provided by Verizon, test to see that the circuit is working, install the appropriate Integra equipment, and cross connect to the customer's network. The loop needs to be delivered and available to Integra's field service technician at the time identified in the FOC for Integra to successfully convert services.

Unfortunately, after submitting the LSR and receiving a FOC, Integra often receives a jeopardy notice from Verizon that indicates that Integra is either completely unable to provide service to the customer or the provision of service is delayed because of problems caused by Verizon.

Q. WHAT IS A JEOPARDY NOTICE?

A. Verizon issues a jeopardy notice when Verizon believes it will not be able to meet the date that it committed to providing Integra with the loop facility. Once we receive a jeopardy notice, we are unable to go through with the conversion as scheduled. The reasons for the jeopardy notice, or "jeop," may include: the data entry performed by the Integra provisioner was missing information or not formatted correctly in the WISE system; Verizon does not have the inventory or capacity for the requested facility; Verizon does not have the facility available; or the existing customer has Verizon features that will not allow for partial service conversion. If the jeopardy notice indicates there was a problem with Integra's data entry, Integra can fix the problem and re-enter the order. However, if the jeopardy notice indicates one of the other problems, Integra must either escalate within the Verizon escalations process to determine how to resolve the problem or cancel the order entirely.

Q. WHEN DOES VERIZON ISSUE JEOPARDY NOTICES TO INTEGRA?

A. Verizon usually does not issue a jeopardy notice to Integra until the day the conversion is scheduled to take place. Unfortunately, in our experience, Verizon almost always issues its jeopardy notices after it has given a FOC. In fact, Verizon admits that it issues a FOC – which provides a specific due date for services on which Integra and the customer depend – *before* it checks to see whether the requested facilities are available and issues a jeopardy notice if they are not available. Exhibit ___ (JK-2) (response to data request 106). So the information in Verizon's FOC is not always reliable. Since a firm order

commitment is a commitment to provide specific service on a particular date, Integra should receive either a FOC or a jeopardy notice after it sends an LSR; it should not receive a FOC that is followed up with a jeopardy notice at a later date, which usually is the date on which the customer expects to begin receiving service from Integra.

Integra generally gets reliable information from Qwest and does not have the problem of Qwest issuing jeopardy notices after committing to a due date, so it certainly is possible for an ILEC like Verizon to ensure that it has facilities available before it commits to providing service on a particular date.

Q. WHAT ARE THE MAIN REASONS WHY VERIZON REJECTS INTEGRA'S ORDERS?

A. Because we wanted to understand the main issues causing Verizon to reject our orders, we analyzed the monthly jeopardy reports we received from Verizon for April, May, and June 2005 and compared the reasons given for the jeopardy notices in those months with Integra's internal records. Although most of Integra's orders in this time period flowed through without being rejected by Verizon, Verizon issued jeopardy notices for roughly twelve percent of Integra's orders. Most of those jeopardy notices were the result of Verizon errors, not Integra errors. Exhibit ___ (JK-4) illustrates that between 56 and 61 percent of the jeopardies we received in April, May, and June were due to a Verizon problem.

The largest category of Verizon problems is data errors. From 27 to 42 percent of jeopardies in April, May, and June were attributable to wrong information in Verizon's WISE system. That is, WISE indicated that the customer was not served by a remote when, in fact, the customer was behind a remote, or vice versa. As explained above, it is crucial to have accurate information about remotes because Integra cannot provide DSL

service to a customer served by a remote, and it takes longer to provide POTS service to a customer served by a remote.

Exhibit ___ (JK-5C) includes two examples of loop qualifications that incorrectly indicated whether the customers were served by a remote. The key category is "Pair Gain/DLC Presence," which is the third line from the bottom of the first page of both examples. That category tells Integra whether the customer is served by a remote. In each example, the category is marked "N," meaning that there is no pair gain or DLC technology on the loops and that the loops should have been – and were – ordered "non-designed." In fact, the customers were served by a remote so the loops were supposed to have been ordered "designed." The orders were jeopardied because WISE contained wrong information about Verizon's network, and Integra was unable to provide DSL service to the customers even though they wanted it and WISE said we could provide it.

Another good example of the incorrect and inconsistent information in WISE is the Colony Office Building at 19019 36th Avenue West in Lynnwood. Integra had three potential customers in the building. According to WISE, the customers in suites C and E are served by a remote, but the customer in suite G – merely feet away from those customers – is not served by a remote. It is highly unlikely that one of the customers – but not all three of them – would be served by a Verizon remote where they are located on the same floor of the same building. Yet, WISE indicates that Integra could provide DSL service to one of them but not the others. Because the customers were only interested in a carrier that could provide both DSL and voice service, Integra did not provide service to them. This is just one example the kind of uncertainty that Integra has to deal with on a daily basis, which makes it difficult to compete effectively with Verizon.

Verizon knows that the information in WISE is often wrong and causes problems with Integra and other CLECs. In August 2005, Integra received a jeopardy notice for an order for a customer named Vinella Inc. The jeopardy report indicated the customer was served by a remote despite contradictory information in WISE that Integra relied on when selling services to the customer. Our provisioner, Kendra Lonning, escalated the order within the established escalation chain at Verizon and spoke with Michelle, a Verizon employee. Integra's notes, which were recorded simultaneously with the conversation and which are kept as a regular part of Integra's business, show that Verizon admitted the loop qualification and address validation were wrong and that the information in WISE "is not guaranteed and is only a tool for [Integra] to use." Exhibit ___ (JK-6C). We were unable to provide DSL service to the customer and Integra lost the sale of that service because of the faulty information in Verizon's database.

Q. WHAT OTHER PROBLEMS DOES INTEGRA HAVE WITH VERIZON'S WHOLESALE PERFORMANCE?

A. As you can see from Exhibit ___ (JK-4), the other substantial categories of Verizon errors are "No Loop at Cut" and "Work Load Issues." These categories involve the delivery of loops to Integra after Integra's order has been accepted. Between six and 18 percent of Integra's orders in Washington were jeopardied because Verizon did not deliver a working loop after Verizon had issued Integra a service activation report, which tells Integra that Verizon has delivered a working loop, or because of Verizon workforce issues that have nothing to do with Integra.

In addition to Verizon delivering loops that do not work, Verizon often does not inform Integra of the exact location of the delivered loop at the customer premises. Integra has found that Verizon's information about the demarcation point between Verizon's network and the customer's premises is often wrong, unavailable, or too vague

to be useful. Verizon also does not routinely tag a loop that it has delivered to allow Integra to locate it easily. Verizon imposes an extra charge for such tagging. Qwest routinely tags the loop for no charge.

It is important to note that Exhibit ___ (JK-4) includes accounts that ultimately were provisioned. It does not capture the services or accounts that were canceled as a result of the jeopardies. For example, it does not capture the accounts that the customers canceled because Integra was unable to provide DSL service despite information in WISE telling Integra it could provide DSL. It also does not capture the orders that customers canceled after being given a specific date for conversion only to be delayed because of wrong information in WISE.

Additionally, a jeopardy notice is not the only indicator that there are problems with Verizon's wholesale service. It is simply the most convenient way to measure and quantify problems. Integra experiences other difficulties with Verizon's wholesale performance that Integra works around using creative solutions that are not captured by the jeopardy reports.

Q. PLEASE PROVIDE AN EXAMPLE.

A. Verizon has engaged in a practice in Washington of providing certain unbundled network elements to Integra that are inferior to the elements used by Verizon to provide service to its own retail customers. When Integra sought to provide POTS service to nine different customers in Washington using channel bank facilities (universal digital loop carrier ordered as "designed" service) leased from Verizon, those customers reported that the telephones were not hanging up – the callers were reporting busy signals even though the phones were not in use. The Verizon wholesale product provided to Integra was unable to provide service comparable to the service Verizon provided over its own facilities.

Because Verizon's wholesale product was performing below industry standards and in an inferior manner, Integra was forced to order services under the resale attachment to its interconnection agreement.

Resale services cost more than unbundled network elements. Because the resold service utilizes the same products and equipment that Verizon itself uses to serve its retail customers, the faulty signaling problem was not an issue on resold services. The issue only exists on the equipment and products Verizon forces CLECs to use to serve customers on Verizon's network.

After Verizon provided the underlying services as resale utilizing the same integrated facilities that Verizon uses to service its own retail customers rather than the channel bank facilities that Verizon forces competitors like Integra to use, the disconnect problem did not occur.

Unfortunately, Integra was not able to convert all the customers to resale. Some of them decided to purchase service directly from Verizon after they began having the disconnect problem. Because of Verizon's provisioning of inferior elements to Integra, Integra either lost customers or likely suffered damage to its goodwill. Integra has filed a separate complaint against Verizon to resolve this dispute.

These instances do not show up on jeopardy reports because the orders were not jeopardied. Yet, they illustrate substantial problems that Integra has with Verizon's wholesale performance.

Q. ARE THERE ANY OTHER WHOLESALE ISSUES WITH VERIZON?

A. Yes. We are unable to get accurate information when we request it of Verizon. Because the presence of a remote terminal has such a great impact on Integra's ability to provide service, Integra asked Verizon for the addresses of all remote terminals in certain wire centers in Washington. More than a month later, Verizon voluntarily provided

information regarding the location of its remotes. Verizon provided the information pursuant to the confidentiality provision in the interconnection agreement between Integra and Verizon, so I cannot disclose the content of the information provided by Verizon.

However, Integra also asked for the addresses of remote terminals in certain wire centers in this proceeding, and Verizon provided the addresses in response to Integra's data requests. The information provided in response to Integra's data requests in this docket was more complete than the information provided by Verizon outside the context of a formal proceeding. Some of the remotes listed in Verizon's response to our data requests are not listed in Verizon's prior list. In Integra's experience, unless Verizon is legally compelled to provide information, it either does not provide the information, or it provides incomplete information, which hinders competition in Washington.

In contrast, Qwest has detailed information on its Web site regarding the specific location of its remotes and the number of lines served by them. This information is easily and quickly available to CLECs.

Q. DO THE PROBLEMS YOU'VE DESCRIBED AFFECT INTEGRA'S BUSINESS IN WASHINGTON?

A. Yes, Verizon's wholesale issues affect Integra greatly, but more importantly they have a direct impact on Washington consumers. Customers make their buying decisions based on the information provided them. When communicating about the kinds of service available and the timing of the provisioning of the service, Integra relies on Verizon for information about its network. When that information is wrong, the customer's expectations are not met and Integra may not be able to meet its value proposition. The inaccurate information in WISE has a specific and regular impact on Integra's business and its ability to compete in Verizon territory in Washington.

If the customer agreed to buy DSL service from Integra based on faulty Verizon information, and the customer is served by a remote, Integra would not be able to provide DSL service. The order would be canceled and the customer's expectations would be frustrated, harming Integra's good will and thwarting competition with Verizon.

Even if Integra is able to provide service, such as POTS service, Verizon's bad information has a concrete economic impact on the customer. Finding out that the customer is served by a remote after the order has been confirmed means that it will take longer to provision service. In fact, if Integra receives the jeopardy notice on the fifth day, it could take an additional fifteen business days to provide POTS service. This means that, instead of being provisioned basic telephone service in five business days, it actually may take twenty business days, or almost a full calendar month, for Integra to provide POTS service. ** **Begin confidential information per protective order in WUTC docket no. UT-050814:**

End confidential information. **

Needless to say, customers often are upset with the lengthy and unexpected delay caused by Verizon's wholesale issues, which they may attribute to Integra rather than to Verizon, to the point that some of them decide to cancel their service with Integra and obtain it from Verizon. Even if they stay with Integra, the customer may incur additional expense. They may have to pay outside vendors for their time even though the conversion did not occur and the vendor did no work, as well as for a second visit when the conversion does occur up to three weeks later. This often can be very expensive.

The delays also affect Integra. Integra must re-task its central office switch programming and reschedule its field technician. When Integra receives a jeopardy notice on the confirmed due date, the technician has already been scheduled, so that time

slot likely is wasted and cannot be reallocated, resulting in additional expense to Integra. Additionally, Verizon's failure to deliver a working loop also often results in increased time for the Integra technician to escalate and solve the problem, which has a cascading effect on subsequent appointments and may cause a delay for all customers that day.

Although I have provided specific examples of Integra's issues with Verizon's wholesale performance, the examples and numbers do not tell the whole story. When Integra cannot trust Verizon's information, it hinders Integra's desire to expand its competition in Verizon territory. Competition is much more vigorous in Qwest territory in Washington. Integra believes this is because Qwest's network information is more comprehensive than Verizon's and because there is more certainty regarding provisioning. Qwest does not require CLECs to order "designed" loops, and Qwest follows standard provisioning intervals that are posted and available to CLECs. Basically, we believe we are not competing on a level playing field with Verizon, and Verizon's poor wholesale performance reduces competition and harms end user choice in Washington.

Q. IS INTEGRA JUST COMPLAINING ABOUT VERIZON'S NETWORK DESIGN?

A. No. We are complaining about the fact that we often get wrong information from Verizon about its network and that Verizon often fails to perform at a level that is nondiscriminatory. We are competing, and we intend to continue to compete, with Verizon despite the design of its network. We just feel that we should be provided accurate information about Verizon's network and that Verizon should deliver services as promised so we can manage our customer's expectations and prevent unnecessary expense and delay.

Q. IS THIS JUST A DISPUTE BETWEEN INTEGRA AND VERIZON?

A. No, the issues I raise in my testimony apply across the industry in Verizon territory. They are relevant in this case because Verizon admits it will be a stronger competitor after its proposed merger with MCI and because MCI, a CLEC leader on ILEC wholesale service quality issues across the country, will no longer be speaking for CLECs.

Q. WHAT SHOULD THE COMMISSION DO?

A. If the Commission approves the proposed merger between Verizon and MCI, it should condition the approval on Verizon complying with enforceable wholesale service quality standards that include consequences for failing to satisfy the standards. Integra believes that enforceable wholesale service quality standards are necessary to remedy the problems that Verizon has with its wholesale performance, to ensure transparency in its wholesale transactions, and to prevent Verizon from backsliding on wholesale service quality if the Commission approves the merger.

Q. DOESN'T VERIZON ALREADY REPORT ON WHOLESALE SERVICE QUALITY?

A. Yes, but those reports are strictly voluntary. They involve standards that were established by the FCC as conditions to the Bell Atlantic/GTE merger that created Verizon. Verizon could stop doing the reports at its own discretion without suffering any regulatory penalties, and the Commission would be powerless to require Verizon to continue. Exhibit ___ (JK-2) (response to data request 79). This merger is the Commission's opportunity to ensure that Verizon is held accountable in its wholesale transactions, which will protect competition in Washington and therefore is in the public interest.

To be clear, Integra is not suggesting that the Commission "reinvent the wheel" by coming up with new wholesale service standards. Instead, the Commission should adopt enforceable conditions that require Verizon to report on its wholesale service quality in Washington and that include consequences for failing to meet the standards.

The Commission could require Verizon to report on the FCC standards that it currently voluntarily gathers and reports on, or the Commission could adopt the standards in the Joint Partial Settlement Agreement ("JPSA"), which Verizon describes as having been created in a collaborative in California. Verizon has stated that it will report on either the FCC or JPSA measurements. Exhibit ___ (JK-2) (response to data request 125). Exhibit ___ (JK-7) is a table compiled by Verizon that compares, at a high level, the FCC and JPSA standards. Overall, Integra believes the JPSA standards are more comprehensive because, among other things, they include DS1 loops in their reports whereas the FCC standards do not. Therefore, Integra suggests that the Commission adopt the JPSA standards as enforceable conditions to the merger if the Commission decides to approve the merger.

* * *

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, thank you.