Exhibit No. ____ (JAC-1T)
Docket No. UT-050814
Witness: Julie A. Canny

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Joint Petition of	)	
Verizon Communications Inc. and MCI, Inc.	)	**Docket No. UT-050814**
for Approval of Agreement and Plan of Merger	)	

REBUTTAL TESTIMONY OF

JULIE A. CANNY

ON BEHALF OF

VERIZON COMMUNICATIONS INC. AND

MCI, INC.

REDACTED VERSION

October 6, 2005

Confidential per Protective Order in
WUTC Docket No. UT-050814

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

A. My name is Julie A. Canny. I am an Executive Director in Verizon's Wholesale Markets Organization. My business address is 500 Summit Lake Drive, Valhalla, NY 10595.

Q. WHAT ARE YOUR RESPONSIBILITIES?

A. I am responsible for developing and implementing Verizon's performance measurements and incentive plans for wholesale products and services. In this capacity I have become very familiar with Verizon's wholesale operations, including the Operational Support Systems ("OSS") that support these operations.

Q. WHAT IS YOUR BACKGROUND IN TELECOMMUNICATIONS?

A. I have over 25 years of experience in Telecommunications. I joined New England Telephone and Telegraph Company in 1980 and assumed my current position in 1995. Prior to my current assignment, I was Director of Quality for NYNEX, supporting all staff departments. Prior to that, I held a number of positions of increasing responsibility in Installation, Maintenance, and Construction & Engineering in Boston and New Hampshire. Before joining New England Telephone and Telegraph Company, I was a Senior Statistician at Liberty Mutual Insurance Company in Boston, Massachusetts, where I was responsible for the integrity of Workers Compensation experience filings to a variety of regulatory bodies.

Q. HAVE YOU TESTIFIED OR FILED TESTIMONY IN OTHER PROCEEDINGS?

A. Yes. I have provided testimony in proceedings in Connecticut, Delaware, the District of Columbia, Florida, Illinois, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, and Wisconsin, and in proceedings before the FCC.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. My testimony responds to the direct testimony of Integra witness Jason Koenders. He claims that Integra has problems with some of Verizon Northwest's wholesale provisioning systems and processes, and he recommends that the Commission adopt enforceable wholesale service quality standards. (Koenders at 20.)

In my testimony, I explain that (1) Integra's testimony has nothing to do with the parent company acquisition that is before the Commission in this docket; (2) Verizon has very good wholesale provisioning systems and processes and provides high quality service to hundreds of CLECs using these same systems and processes; (3) Verizon's actual wholesale performance in Washington, as measured by the Bell Atlantic-GTE FCC merger conditions service quality plan metrics, is excellent; and (4) Integra's claims that Verizon provides poor service are not based in fact. Finally, I explain that Verizon will agree to continue reporting the Bell Atlantic—GTE FCC merger conditions service quality plan metrics at least through December 31, 2007.

Q. ARE INTEGRA'S CLAIMS RELATED IN ANY WAY TO VERIZON'S ACQUISITION OF MCI?

A. Absolutely not. Verizon Northwest, the operating company that provides service in Washington, is not seeking to change its wholesale provisioning systems or processes in this docket, nor is it seeking to change its interconnection agreement with Integra. Also, in providing service to Integra and other CLECs, Verizon has been committed to meeting all of the service quality standards required by applicable law. Verizon's obligation to meet the wholesale service quality standards required by applicable law, and its commitment to doing so, will continue after the Verizon-MCI parent company transaction.

Furthermore, the alleged operational issues raised by Mr. Koenders existed before Verizon proposed to acquire MCI and whose resolution will not be affected by Verizon's acquisition of MCI. The issues that Mr. Koenders has raised are issues that should be addressed on a Verizon-to-Integra bilateral basis and do not present a reason for denying Verizon's (the parent company's) request for authority to acquire MCI. In any event, as I discuss below, these issues are now resolved.

In short, Integra's complaints have nothing to do with the parent company transaction that is before this Commission.

Q. BEFORE ADDRESSING INTEGRA'S SPECIFIC CLAIMS, PLEASE COMMENT GENERALLY ON VERIZON'S WHOLESALE SERVICE QUALITY PERFORMANCE IN WASHINGTON.

A. Verizon has been providing CLECs with excellent service quality. This is demonstrated by the performance data that Verizon has been voluntarily reporting under the Bell Atlantic-GTE FCC merger conditions service quality plan, which includes numerous service quality metrics. From January through August 2005, Verizon reported performance on 953 separate metrics with measured activity. Verizon met or exceeded the performance standard on nearly **[**BEGIN CONFIDENTIAL**] **** [**END CONFIDENTIAL**]** of the reported metrics.

Q. BEGINNING AT PAGE 11, LINE 5, OF HIS TESTIMONY, MR. KOENDERS TALKS ABOUT "JEOPARDIES." SO THAT WE CAN UNDERSTAND THIS ISSUE, PLEASE BRIEFLY EXPLAIN THE VERIZON ORDERING PROCESS AND DESCRIBE WHEN VERIZON ISSUES A JEOPARDY NOTICE.

A. When a Local Service Request (LSR) (an Integra order for service) is received by Verizon, Verizon reviews the LSR to ensure that it contains all of the data required for that type of order. If the LSR is not complete or fails basic edits, Verizon will send Integra a Reject notice that informs Integra of the action needed to correct the LSR. Integra can then submit a Supplemental LSR that corrects the LSR and puts the LSR back into the processing flow.

If the LSR is complete and passes Verizon's initial ordering edits, Verizon then sends the CLEC a Firm Order Confirmation (FOC) which identifies the due date and the services that will be provisioned.

Once the FOC is issued, Verizon then begins work to provision the order. This work includes assignment of facilities and for designed circuits would include engineering design as well as the central office wiring.

Jeopardies are usually identified during the final test and turn-up steps of provisioning service. For Designed Loops, on the day before the due date, Verizon conducts plant testing. This testing sometimes identifies issues with the circuit or facilities that cannot be fixed by the due date. Issues also may be identified on the due date itself, when the order is dispatched. For example, required equipment such as line cards or other appropriate facilities may not be available. Or, Integra may have requested a Non-Designed circuit when the customer is served by a Remote Switching Unit and a Designed circuit is required (or vice versa).

Other problems that can arise on the due date itself include Verizon finding that the scheduled workforce is not sufficient to handle both the urgent repairs which resulted from an overnight storm as well as installations due on that day. Or, Verizon technicians may not be able to gain access to the end user's premise. If Verizon believes that it will not be able to complete the order on the due date, it will issue a Jeopardy notice to Integra. If Verizon is able to complete an order, it issues a Service Activation Report (completion notice).

Q. IN YOUR PRECEDING ANSWER, YOU REFER TO A "REJECT" NOTICE AND A "JEOPARDY" NOTICE. SO THAT THE NOMENCLATURE IS

STRAIGHT, WHAT IS A "REJECT" NOTICE, WHAT IS A "JEOPARDY" NOTICE, AND HOW DO THEY DIFFER?

A. A "Reject" notice is a notice given by Verizon to a CLEC indicating that an order cannot be processed by Verizon. A "Reject" notice is issued after an order is received and before an order confirmation is issued. It indicates that there is a CLEC caused error in the order that prevents it from being processed. A "Jeopardy" notice is a notice given by Verizon to a CLEC indicating that an order cannot be completed by Verizon. A Jeopardy notice is issued by Verizon after an order is confirmed.

Q. WHAT PERCENTAGE OF INTEGRA'S ORDERS HAS RECEIVED REJECT NOTICES?

A. During the months of April through August 2005, Integra submitted **[**BEGIN CONFIDENTIAL**] ******* [**END CONFIDENTIAL**]** to Verizon for Washington. Of these **[**BEGIN CONFIDENTIAL**], ******** [**END CONFIDENTIAL**]** were subject to Reject notices due to Integra errors in the LSR. Again, these are Integra's errors, not Verizon's. Other CLECs in the Verizon West service area had a much lower Reject rate, collectively about 25%. During this same time period, Integra received **[**BEGIN CONFIDENTIAL**] ****** [**END CONFIDENTIAL**]** Firm Order Confirmation notices (FOCs). These orders then proceeded into the provisioning process.

Q. ON PAGE 12, BEGINNING AT LINE 14, ON PAGE 14, BEGINNING AT LINE 15, AND IN EXHIBIT JK-4, OF HIS TESTIMONY, MR. KOENDERS CLAIMS

THAT CERTAIN STATED PERCENTAGES OF INTEGRA'S ORDERS WERE SUBJECT TO JEOPARDY NOTICES. BASED ON THE DATA AVAILABLE TO VERIZON, WHAT PERCENTAGE OF INTEGRA'S ORDERS HAVE RECEIVED JEOPARDY NOTICES?

A. As is shown in the following table, from April through August 2005, in Washington, Integra received **[**BEGIN CONFIDENTIAL**]** ****** **[**END CONFIDENTIAL**]** Firm Order Confirmation Notices (FOCs). Integra received **[**BEGIN CONFIDENTIAL**]** **** **[**END CONFIDENTIAL**]** Jeopardy notices. This represents **[**BEGIN CONFIDENTIAL**]** ******* **[**END CONFIDENTIAL**]** of the confirmed orders during this period.

[BEGIN CONFIDENTIAL – ENTIRE TABLE**]**

Integra - Washington	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Apr-Aug Cumulative	% of Confirmed LSRs

[END CONFIDENTIAL**]**

Q. ON PAGE 12, LINE 16, MR. KOENDERS STATES THAT MOST OF THE JEOPARDY NOTICES WERE THE RESULT OF VERIZON ERRORS, NOT INTEGRA ERRORS. MR. KOENDERS ALSO STATES THAT FROM [BEGIN CONFIDENTIAL**] ******* [**END CONFIDENTIAL**] OF THE**

JEOPARDIES WERE DUE TO WRONG INFORMATION IN VERIZON'S SYSTEMS. ARE THESE STATEMENTS CORRECT?

A. No. Of the [****BEGIN CONFIDENTIAL**] **** [**END CONFIDENTIAL**]** Jeopardy notices that Integra received from April through August 2005, over half **[**BEGIN CONFIDENTIAL**] ***** [**END CONFIDENTIAL**]** were within Integra's area of responsibility. Approximately **[**BEGIN CONFIDENTIAL**] ***** [**END CONFIDENTIAL**]** of the Jeopardy notices **[**BEGIN CONFIDENTIAL**] **** [**END CONFIDENTIAL**]** were sent because the customer was not ready. This means that there were customer reasons for the Jeopardy notices, such as the Verizon technician not being able to enter the customer's premise to complete the work. It is up to Integra to take action through scheduling arrangements with its customers to ensure that the customer will allow access during the scheduled time. Almost **[**BEGIN CONFIDENTIAL**] ******** [**END CONFIDENTIAL**]** of the Jeopardy notices were sent because the information provided by Integra on the LSR, such as the service address, was not correct.

Q. ON PAGES 7 AND 8 OF HIS TESTIMONY, MR. KOENDERS DISCUSSES THE IMPORTANCE TO INTEGRA OF HAVING ACCESS TO LOOP QUALIFICATION INFORMATION THAT WILL ALLOW IT TO PROPERLY ORDER A LOOP AS "DESIGNED" OR "NON-DESIGNED." WHAT PERCENTAGE OF INTEGRA'S ORDERS WERE SUBJECT TO A JEOPARDY NOTICE BECAUSE THE LOOPS WERE NOT PROPERLY DESIGNATED AS "NON-DESIGNED" OR "DESIGNED"?

A. As is shown in the table, above, during the months of April through August, 2005, for Washington, Integra received **[**BEGIN CONFIDENTIAL**] **** [**END CONFIDENTIAL**]** Jeopardy notices as a result of selection of a non-designed circuit when a designed circuit was required or vice versa. This situation represented about **[**BEGIN CONFIDENTIAL**] ***** [**END CONFIDENTIAL**]** of all the Jeopardy notices received during this period. This means that only **[**BEGIN CONFIDENTIAL**] ****** [**END CONFIDENTIAL**]** of Integra's confirmed orders were impacted by the Design/Non-Design issue. As described below, Verizon is implementing enhancements to its loop qualification database to address this issue.

Q. BEGINNING ON PAGE 14, LINE 15, IN HIS TESTIMONY, MR. KOENDERS STATES THAT BETWEEN [BEGIN CONFIDENTIAL**] ********** [**END CONFIDENTIAL**] OF INTEGRA'S ORDERS RECEIVED A JEOPARDY NOTICE BECAUSE VERIZON FAILED TO DELIVER A WORKING LOOP OR DUE TO WORKLOAD ISSUES. IS THIS CORRECT?**

A. No. As shown in the table above, during the period from April 2005 through August 2005, the jeopardy notices sent to Integra as a result of facilities not available or workload scheduling issues were approximately **[**BEGIN CONFIDENTIAL**] *** [**END CONFIDENTIAL**]** of Integra's confirmed orders (**[**BEGIN CONFIDENTIAL**] **** [**END CONFIDENTIAL**]** for facility miss and **[**BEGIN CONFIDENTIAL**] ***** [**END CONFIDENTIAL**]** for workload miss).

Q. BEGINNING ON PAGE 11, LINE 19, IN HIS TESTIMONY, MR. KOENDERS STATES THAT VERIZON USUALLY DOES NOT ISSUE A JEOPARDY NOTICE UNTIL THE DAY AN ORDER IS DUE. IS THIS VERIZON'S PRACTICE AND, IF SO, WHY IS THIS VERIZON'S PRACTICE?

A. Yes. It is often the case that the Jeopardy notice is not issued until the day the order is due. This is because Verizon typically does not make a final determination that facilities and/or staff are not available to complete an order until the day the order is due.

Q. BEGINNING ON PAGE 11, LINE 21, IN HIS TESTIMONY, MR. KOENDERS STATES THAT VERIZON DOES NOT PERFORM A FACILITIES CHECK UNTIL AFTER AN ORDER IS CONFIRMED. IS THIS VERIZON'S PRACTICE AND, IF SO, WHY IS THIS VERIZON'S PRACTICE?

A. Yes, this is Verizon's practice. For DS0 loop orders for less than 10 lines, it is not Verizon's practice to perform a facilities availability check before issuing an order confirmation. This is because in most instances Verizon has an available loop and because performing a facilities check before issuing the order confirmation would unduly delay the issuance of the order confirmation. For instance, during the period from January to August 2005, **[**BEGIN CONFIDENTIAL**] **** [**END CONFIDENTIAL**]** of Verizon's LSR confirmations for CLECs in Washington were issued in less than two hours. Since a lack of facilities is a relatively rare occurrence (the table above shows that only 2.3% of Integra's confirmed LSRs were subject to a Jeopardy notice as a result of a lack of Verizon facilities), most CLECs prefer to have

prompt confirmation of an order rather than wait a period that might be up to 72 hours, while a facility check is performed, to receive confirmation of the order.

Q. BEGINNING ON PAGE 12, LINE 20, OF HIS TESTIMONY, MR. KOENDERS CLAIMS THAT A PORTION OF THE JEOPARDY NOTICES RECEIVED BY INTEGRA WERE ATTRIBUTABLE TO WRONG INFORMATION IN VERIZON'S SYSTEMS. IN PARTICULAR, HE CLAIMS THAT VERIZON'S SYSTEMS DID NOT ACCURATELY INDICATE WHETHER A CUSTOMER WAS SERVED BY A REMOTE TERMINAL. ARE THESE CLAIMS ACCURATE?

A. No. Integra's claims are based on a misunderstanding of the data available from Verizon's loop qualification database.

In order to determine whether a loop should be ordered as "Designed" or "Non-Designed," it was necessary for Integra to know whether the customer was served through a Remote Terminal. It was also necessary for Integra to know whether the customer was served by a Remote Switching Unit. A Designed Loop was needed if the customer's loop was provided through a Remote Terminal *or* if the customer was served through a Remote Switching Unit. A Non-Designed Loop could be used if the customer's loop was not provided through a Remote Terminal *and* the customer was not served through a Remote Switching Unit.

The Verizon loop qualification database has accurately provided Integra with the information needed to make the first needed determination, whether the customer's loop was provided through a Remote Terminal. In the past, though, the loop qualification database did not provide Integra with the information needed to make the second needed determination, whether the customer was served by a Remote Switching Unit.

Q. BEGINNING AT PAGE 6, LINE 3 OF HIS TESTIMONY, MR. KOENDERS DISCUSSES REMOTE TERMINALS AND THE NEED TO HAVE ACCURATE INFORMATION ABOUT WHETHER A LOOP IS PROVIDED THROUGH A REMOTE TERMINAL IN ORDER TO KNOW WHETHER THE LOOP MUST BE ORDERED AS "DESIGNED" OR "NON-DESIGNED." IS A REMOTE TERMINAL THE SAME THING AS A REMOTE SWITCHING UNIT AND, IF NOT, HOW DO THEY DIFFER?

A. A Remote Terminal and a Remote Switching Unit are not the same thing. A Remote Terminal is a facility that connects an individual copper loop to a facility that connects multiple loops to the central office serving the customer. Typically the facility that connects the Remote Terminal with the central office is a fiber optic facility. The Remote Terminal does not perform a switching function.

A Remote Switching Unit contains central office equipment and performs some switching functions. Remote Switching Units typically are housed in a Controlled Environmental Vault (CEV) or a small building. The customer's loop is connected to a frame in the Remote Switching Unit. The Remote Switching Unit is linked to a Host

Central Office switch through Verizon facilities. A Remote Switching Unit may share the same NXX codes as its Host Central Office switch, or may be assigned unique NXX codes.

A CLEC collocated at the Remote Switching Unit would need to order a Non-Designed Loop in order to serve a customer. However, if the CLEC was not collocated at the Remote Switching Unit, a Designed Loop would need to be ordered. Exhibit JAC-2 depicts a "Designed" DS0 Loop and a "Non-Designed" DS0 loop, respectively

As noted above, a Designed Loop is needed when a customer is served by a Remote Switching Unit and the CLEC is not collocated there. The Designed Loop provides a channel from the customer's premises through the Remote Switching Unit to the Host Central Office, where there is a connection to the CLEC's collocation arrangement in the Host Central Office.

This designed loop arrangement, by providing a channel from the customer's premises through a Remote Switching Unit to a CLEC collocation arrangement at a Host Central Office, permits CLECs who are collocated in a Host Central Office to serve customers who are served by the Remote Switching Units that subtend that Host Central Office while avoiding the need for the CLECs to collocate in each of the Remote Switching Units. While Verizon has provided this designed loop arrangement (providing a channel from the customer's premises through a Remote Switching Unit to a CLEC collocation

arrangement at a Host Central Office) in Washington, Verizon does not provide this designed loop arrangement in the Verizon East service area.

A Non-Designed loop can be used where the CLEC is collocated at the central office that serves the customer. In this case, the CLEC is able to obtain direct access to the loop at the central office serving the customer. There is no intervening central office and no need to provide facilities to transport communications between the central office serving the customer and another central office where the CLEC is collocated.

Q. IN THE PAST, WHAT INFORMATION HAS BEEN PROVIDED BY VERIZON ABOUT WHETHER A CUSTOMER'S LOOP WAS PROVIDED THROUGH A REMOTE TERMINAL AND ABOUT WHETHER A CUSTOMER WAS SERVED BY A REMOTE SWITCHING UNIT?

A. In the past, Verizon provided information about whether a customer's loop was provided through a Remote Terminal. However, Verizon did not provide information on whether a customer was served by a Remote Switching Unit. Because Verizon's Loop Qualification tool was intended to provide information about a loop between the local switch to which the loop is connected (which in the case of a loop served by a Remote Switching Unit would be the Remote Switching Unit) and the end user's address, the loop qualification database did not contain this information.

Q. IS THE LOOP QUALIFICATION INFORMATION PROVIDED TO CLECS THE SAME INFORMATION PROVIDED TO VERIZON RETAIL?

A. Yes, the Loop Qualification database information provided to CLECs is the same information provided to Verizon Retail to determine if a loop is qualified for DSL services. As with CLECs, the information in the database, such as existence of IDLC, is needed by Verizon to serve Verizon retail customers.

Q. WHAT STEPS HAS VERIZON TAKEN TO PROVIDE CLECS WITH INFORMATION ABOUT WHETHER A CUSTOMER IS SERVED BY A REMOTE SWITCHING UNIT?

A. On October 10, 2005, Verizon will introduce changes to its loop qualification information that will provide CLECs with information on whether a customer is served by a Remote Switching Unit. This will allow a CLEC to make the determination on whether a Designed or Non-Designed loop is needed.

Q. WHAT IS WISE?

A. The WISE (Wholesale Internet Service Engine) web application provides authorized Competitive Local Exchange Carriers (CLECs) access to Verizon systems (including Verizon operations support systems) that provide the Performance Measurement Reports, Pre-Order Transactions (such as Loop Qualification and Customer Service Records), Ordering, and Return Feeds (Local Response and Completion Notifications). The functions supported by WISE are used by all of the CLECs that do business in the Verizon West territory. On average, for the period January through August 2005, Verizon processed an average of over **[**BEGIN CONFIDENTIAL**] ***** [**END**

CONFIDENTIAL]** ordering transactions each month for service in Verizon West through the WISE system.

Q. HOW WOULD A CLEC REQUEST A CHANGE TO WISE OR A VERIZON OPERATIONAL SUPPORT SYSTEM (OSS)?

A. Verizon has a long established Change Management forum for CLECs to request changes to operational systems. At regular meetings, these proposals are discussed by the industry (Verizon and CLECs) and prioritized.

Between 15 and 25 CLECs participate in the Verizon West Change Management meetings, usually held each month. The methods and procedures for the Change Management process are available in a document on Verizon's Wholesale website at: http://www22.verizon.com/wholesale/local/cmp/documents/0,19226,,00.html

Q. WHEN AND HOW DID INTEGRA PRESENT THE ISSUE THAT IT WAS HAVING WITH THE LOOP QUALIFICATION INFORMATION IT WAS OBTAINING FROM VERIZON?

A. In early 2005, Integra approached Verizon's Regulatory team in Oregon threatening regulatory action if Verizon did not address some operational concerns. Verizon conducted a face-to-face meeting with Integra on March 16, 2005. It was at this meeting in Portland, Oregon that Verizon representatives first heard about Integra's issues associated with Loop Qualification and Designed/Non-Designed Loops.

Verizon found Integra's approach surprising because Integra was familiar with Verizon's Change Management process for operations support systems, through which Integra could have raised this issue at a much earlier date. Integra participated in the Change Management process in 2001 and 2002. However, it did not participate again until November 2004. Verizon has no record of any change request through the Change Management process from Integra for Loop Qualification or WISE since 2001.

Q. WHAT DID VERIZON DO NEXT?

A. Verizon analyzed Integra's jeopardy notices and found that 1.2% of Integra orders received a Jeopardy notice as a result of selection of a non-designed circuit when a designed circuit was required or vice versa. This was not due to the presence of an IDLC arrangement as surmised by Integra. It was because the customer was served by a Remote Switching Unit and Integra was not collocated at the Remote Switching Unit location. Verizon found that the loop qualification database, while accurate, did not contain the information that would enable Integra to know that the customer was served by a Remote Switching Unit and that therefore a Designed loop was required.

Q. WHAT HAS VERIZON DONE TO ADDRESS INTEGRA'S CONCERN?

A. Once Verizon completed its analysis of Integra's issue, Verizon began working on the steps necessary to add information to the loop qualification database on whether a customer was served by a Remote Switching Unit. Verizon Wholesale requested that the source database be modified to add additional fields of information that would enable a CLEC to know that the customer was served by a Remote Switching Unit. Verizon

notified CLECs on July 28, 2005 that Change Request C04-2443/391691 – T5 Enhance Loop Qualification Response to include Host CLLI information – would take place on October 10, 2005. Final notification of the change was sent out on August 26, 2005.

Q. DOES VERIZON BELIEVE THAT THIS SYSTEM CHANGE WILL CORRECT THE PROBLEM INTEGRA HAS RAISED WITH REGARD TO INTEGRA RECEIVING THE INFORMATION THAT IT NEEDS TO DETERMINE WHICH TYPE OF LOOP IT SHOULD ORDER—DESIGNED OR NON-DESIGNED?

A. Yes, with the additional information, a CLEC will be able to know that the customer is served by a Remote Switching Unit. If the CLEC is not collocated at the Remote Switching Unit, it will know that in order to serve the customer, it must order a Designed loop.

Q. WHAT ELSE HAS VERIZON DONE TO ASSIST INTEGRA WITH ITS ORDERING CONCERNS?

A. Verizon has assigned a single point of contact to assist Integra with day-to-day operational issues. This employee from the Verizon Coeur d'Alene NMC (National Market Center) has worked to assist Integra with preorder, ordering and provisioning issues.

Q. ON PAGE 13, LINE 14, OF HIS TESTIMONY, MR. KOENDERS STATES THAT AN EXAMPLE OF "INCORRECT AND INCONSISTENT INFORMATION IN WISE IS THE COLONY OFFICE BUILDING AT 19019 36TH AVENUE WEST IN

LYNNWOOD." WHAT DID VERIZON FIND IN ITS LOOP QUALIFICATION DATA BASE?

A. Verizon was not able to duplicate Integra's results. Exhibit JAC-3 provides the WISE response for the 3 examples mentioned by Integra. Verizon got the same response for all 3 locations.

Q. INTEGRA'S EXHIBIT JK-5C INCLUDES TWO CLAIMED EXAMPLES OF LOOP QUALIFICATIONS THAT INCORRECTLY INDICATED WHETHER THE CUSTOMERS WERE SERVED BY A REMOTE. WHAT DID VERIZON FIND ON THESE EXAMPLES?

A. As to the examples, Integra did not provide a specific house number in its address inquiry. The NE 95th ST address has 10 separate address ranges from 14500 - 19799 and the NE 74th ST address had 7 separate address ranges from 13300 - 28599. It appears that Integra did not provide information in its query that was sufficiently specific to obtain valid loop qualification information.

Q. ON PAGE 15, BEGINNING AT LINE 17, MR. KOENDER CLAIMS THAT VERIZON HAS PROVIDED CERTAIN UNBUNDLED NETWORK ELEMENTS TO INTEGRA THAT ARE INFERIOR TO THE ELEMENTS USED BY VERIZON TO PROVIDE SERVICE TO VERIZON'S OWN RETAIL CUSTOMERS. HE CITES AS AN EXAMPLE POTS SERVICE PROVIDED OVER CHANNEL BANKS AND CLAIMS THAT THE SERVICE DID NOT

ALLOW CUSTOMERS' TELEPHONES TO HANG UP (DISCONNECT) WHEN A CALL WAS COMPLETED. ARE THESE CLAIMS TRUE?

A. No, these claims are not true.[1] The problem experienced by Integra's customers was not caused by Verizon's channel banks, which are designed to meet industry standards, as established by the American National Standards Institute (ANSI). Rather, the problem experienced by Integra's customers was caused by their customer premises telephone equipment, which did not meet ANSI standards and therefore was not compatible for use with Verizon's channel bank equipment.

Q. CAN YOU EXPLAIN?

A. Yes. This problem arose where a customer was served by a Verizon Remote Switching Unit. When a customer is served by a Verizon Remote Switching Unit, the loop serving the customer runs from the customer's premises to the Remote Switching Unit. The Remote Switching Unit in turn is connected to a Verizon Host Central Office by fiber optic facilities. If Integra was collocated at the Remote Switching Unit where the customer's loop terminated, Integra could connect directly with the loop at the Remote Switching Unit and serve the customer. To allow Integra to avoid the need to collocate at each Verizon Remote Switching Unit subtending a Verizon Host Central Office, Verizon established an arrangement that would allow Integra to access a customer's loop at the Host Central Office. Under this arrangement, Verizon installed channel bank facilities to provide a channel to connect the loop to Integra's collocation arrangement at the Host

[1] Integra has raised this same disconnect issue in Docket UT-053038. Verizon NW denies Integra's allegations, and will address them in full in that docket. Although Verizon NW believes these claims are outside the scope of this proceeding, I briefly respond to them here and demonstrate that they are not valid.

Central Office. A diagram showing the network arrangement described above is set out in Exhibit JAC-2.

Q. WHAT CAUSED THE DISCONNECT PROBLEM FOR INTEGRA'S CUSTOMERS AND HOW COULD THIS PROBLEM BE CORRECTED?

A. The problem encountered by some Integra customers, that their line did not hang up (disconnect from the telephone network) when a call was completed, was caused by the customers' customer premises telephone equipment (CPE) not being technically compatible with Verizon's channel banks. The channel banks comply with ANSI standards, which are the applicable industry standards. The customers' CPE in these cases did not conform to the ANSI standards.

The customers' CPE required disconnect signaling on both the tip and ring sides of the line. The channel banks, though, in accordance with the ANSI standard, used disconnect signaling on only one side of the line (tip or ring). As a result, the CPE did not operate properly in conjunction with the channel banks.

In some cases, the CPE was able to be changed or upgraded to meet the ANSI standards and be compatible with Verizon's channel banks. In addition, Verizon, although it had no obligation to do so, asked its vendors about the availability of new plug in cards for the channel banks that would allow the customers' CPE to operate with the channel banks. However, although Verizon is using the most up to date card available, the vendors have not made available a card to solve this issue.

Integra could itself solve this problem by collocating at the Remote Switching Unit, giving it direct access to a customer's loop. Alternatively, Integra could provide the customer with CPE (or recommend that the customer obtain CPE from another vendor) that was compatible with the channel banks.

Q. WHY DIDN'T VERIZON'S RETAIL AND RESALE CUSTOMERS EXPERIENCE THE PROBLEM THAT INTEGRA'S UNE LOOP SERVED CUSTOMERS EXPERIENCED?

A. Verizon did not use as part of its retail or Resale service the D4 channel banks that were used to serve Integra, so the disconnect problem encountered by Integra's UNE loop served customers was not encountered by these customers when they were Verizon retail customers or served by Integra through resale of Verizon's retail service.

Q. BEGINNING ON PAGE 14, LINE 22, OF HIS TESTIMONY, MR. KOENDERS CLAIMS THAT VERIZON DOES NOT INFORM INTEGRA OF THE EXACT LOCATION OF A LOOP AT A CUSTOMER PREMISES. WHEN AND HOW DOES VERIZON PROVIDE CLECS WITH THE LOCATION OF LOOPS ONCE THE LOOPS HAVE BEEN INSTALLED?

A. Loop location information is provided in Verizon's Wholesale Provisioning Tracking System (WPTS). A demonstration of this functionality was provided to Integra at the March 16, 2005 meeting in Portland, Oregon. When a new loop is provisioned via a

dispatch and the CLEC requests tagging of the loop, Verizon field technicians attach a line tag with Circuit Identification (Ckt ID) information at the demarcation point.

Q. BEGINNING ON PAGE 20, LINE 6 OF HIS TESTIMONY, MR. KOENDERS CALLS ON THE COMMISSION TO ADOPT ENFORCEABLE WHOLESALE SERVICE QUALITY STANDARDS, SUCH AS THE NOW EXPIRED FCC STANDARDS, AS A CONDITION TO ITS APPROVAL OF VERIZON'S PROPOSED ACQUISITION OF MCI. PLEASE COMMENT.

A. The Commission should not require any condition. As noted above, Verizon is providing excellent service to the CLECs that operate in Washington, including Integra. The Verizon acquisition of MCI will not adversely affect this excellent service quality.

But this issue – indeed, all of Integra's testimony – is moot, because Verizon will agree to continue voluntarily reporting performance data under the now expired Bell Atlantic-GTE FCC merger conditions service quality plan metrics (as modified from time-to-time) (see, Attachment A-2b of the *Carrier-to-Carrier Performance Assurance Plan* in Appendix D, Attachment A of the Federal Communications Commission's order *In re Application of GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee, For Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License*, FCC 00-221, 15 FCC Rcd 14032 (Released June 16, 2000)) in Washington. Verizon reserves the right to modify these metrics from time-to-time, including, but not

limited to, deleting measurements for "delisted" UNEs, such as UNE Platform, Line Splitting and Line Sharing.

Use of the Bell Atlantic-GTE FCC merger conditions service quality plan metrics is a good approach because these metrics have been used by Verizon in Washington, as well as in some other states in the Verizon West service area, for more than four years. This will mean that a set of metrics that has proven useful for measuring Verizon's wholesale service quality performance will continue to be available in Washington.

Verizon is prepared to send a letter to all Washington CLECs indicating that Verizon will continue to provide service quality measurements in Washington under the Bell Atlantic-GTE FCC merger conditions service quality plan metrics (as such metrics have been or hereafter are modified by Verizon from time-to-time). Verizon will report these metrics at least until December 31, 2007.

These metrics will fully advise CLECs, both collectively and individually, as to the quality of service they are receiving from Verizon. If the quality of service a CLEC is receiving does not meet the standards required by applicable law or the CLEC's interconnection agreement with Verizon, the CLEC will have the remedies available to it under applicable law and its interconnection agreement.

Q. ON PAGE 14, BEGINNING AT LINE 15, MR. KOENDERS CLAIMS VERIZON ORDERS SOMETIMES ARE NOT INSTALLED ON TIME DUE TO VERIZON

ISSUES. WILL THESE MISSED INSTALLATION APPOINTMENTS BE MEASURED BY THE BELL ATLANTIC-GTE FCC MERGER CONDITION PERFORMANCE PLAN METRICS?

A. Yes. The metrics measure missed installation appointments.

Q. ON PAGE 21, LINES 8 AND 9 OF HIS TESTIMONY, MR. KOENDERS STATES THAT THE BELL ATLANTIC-GTE FCC MERGER CONDITION PERFORMANCE PLAN METRICS DO NOT INCLUDE DS1 LOOPS. IS THIS TRUE?

A. No. The Bell Atlantic-GTE FCC merger condition performance plan metrics include DS1 loops under the designed loop product.

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. First and foremost, Integra's claims about Verizon NW have nothing to do with the Verizon-MCI parent company transaction, and the Commission should not consider them. Second, most of the problems alleged by Integra were caused by Integra itself or were unrelated to Verizon. Third, although a very small percentage of Integra's orders were placed in jeopardy because Verizon's loop qualification system did not provide information on whether a customer is served by a Remote Switching Unit, Verizon will soon introduce changes to its loop qualification system to provide this information – i.e., Integra's claim is moot.

Finally, Verizon will continue to report the FCC performance measures, which is acceptable to Integra (see Koenders at 21). This commitment, coupled with the fact that Verizon has provided excellent quality service to CLECs and has established industry fora that allow CLECs to propose changes to Verizon's operations support systems, will ensure that CLECs will receive the services and quality of service that they need.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.