

**BEFORE THE**  
**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**IN THE MATTER OF THE CONTINUED )**  
**COSTING AND PRICING OF UNBUNDLED ) DOCKET NO. UT-003013**  
**NETWORK ELEMENTS, TRANSPORT, ) PART B**  
**TERMINATION, AND RESALE )**

**PART B**  
**2nd SUPPLEMENTAL DIRECT TESTIMONY**  
**OF**  
**R. KIRK LEE**  
**SENIOR MARKETING MANAGER**  
**ON BEHALF OF**  
**VERIZON NORTHWEST INC.**

**SUBJECT: UNE-P/LINE SPLITTING ARRANGEMENTS**

**JANUARY 8, 2001**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is R. Kirk Lee. My business address is 600 Hidden Ridge, Irving, Texas 75038.

3

4 **Q. ARE YOU THE SAME R. KIRK LEE WHO PREVIOUSLY SUBMITTED**  
5 **DIRECT, SUPPLEMENTAL DIRECT, AND RESPONSIVE DIRECT**  
6 **TESTIMONY ON BEHALF OF VERIZON NORTHWEST IN PART B OF THIS**  
7 **PROCEEDING?**

8 A. Yes, I am.

9

10 **Q. WHAT IS THE PURPOSE OF YOUR 2ND SUPPLEMENTAL DIRECT**  
11 **TESTIMONY?**

12 A. The purpose of my testimony is to update the Commission on Verizon's efforts to develop  
13 a consensus means by which it will facilitate the provision of line splitting by  
14 Competitive Local Exchange Carriers ("CLECs").<sup>1</sup> This testimony updates my  
15 Supplemental Direct testimony to reflect changes to Verizon's Line Splitting Service  
16 Descriptions that have occurred since that testimony was originally filed on October 19,  
17 2000. These revised service descriptions form the basis for the line splitting cost study  
18 filed today and sponsored by Verizon witness Larry Richter.

19

20 **Q. PLEASE SUMMARIZE VERIZON'S POSITION ON THE PROVISION OF LINE**

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<sup>1</sup>Collectively, the term CLEC includes both carriers providing voice services (Voice Local Exchange Carriers or VLECs), and carriers providing data (i.e., xDSL) services (Data Local Exchange Carriers or DLECs).

1           **SPLITTING.**

2    A.     Since line splitting is not an unbundled network element, the Commission can not order  
3           Verizon to "provide" line splitting unless the necessary and impair standard for UNEs has  
4           been met, which it has not. Rather, line splitting refers to a situation in which one CLEC  
5           is providing voice services to an end user while a DLEC, which could be the same CLEC,  
6           is providing data services to the that same end user over the high frequency portion of the  
7           same loop. The FCC has stated that while Incumbent Local Exchange Carriers ("ILECs")  
8           are not compelled to "provide" line splitting as a UNE, they must "permit" it.<sup>2</sup> Verizon  
9           has committed to permitting line splitting by facilitating CLECs' and DLECs' efforts to  
10          split an unbundled loop using a CLEC or DLEC provided splitter. Verizon has been  
11          working with CLECs and DLECs to develop the details of how this will be accomplished  
12          - - mainly in the "New York Collaborative" (the "Collaborative"). Verizon urges the  
13          Washington Commission to allow this process to be completed before taking any action  
14          in Washington.

15

16    **Q.     WHY HAVE VERIZON'S LINE SPLITTING SERVICE DESCRIPTIONS BEEN**  
17           **MODIFIED?**

18    A.     As I mentioned in my Part B Supplemental Direct Testimony and above, Verizon has  
19           been active in exploring the technical and operational issues surrounding line splitting  
20           with CLECs in the state of New York. These ongoing collaborative discussions with  
21           CLECs in New York are intended to ultimately provide final service definitions and

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<sup>2</sup>See FCC Order approving SBC's Texas Inter-LATA Application, CC Docket No. 00-65,

1 answers for many of the issues. In the collaborative effort, Verizon is examining what it  
2 would take, from an operations and OSS perspective, to facilitate line splitting and is  
3 trying to determine specifically what the CLECs want, so that it can roll out a  
4 standardized service offering nationwide. The Collaborative has been productive and the  
5 meetings have resulted in changes to the original service description document, Exhibit  
6 RKL-3, which was attached to my Supplemental Direct Testimony. Attached to this  
7 testimony is a Revised Exhibit RKL-3, which reflects the current results of the  
8 Collaborative through the December 21, 2000 meeting.

9  
10 In addition, Exhibit RKL-5 contains three diagrams, two of which support the revised  
11 service descriptions.

12  
13 **Q. PLEASE PROVIDE A BRIEF EXPLANATION OF THESE THREE NEW**  
14 **DIAGRAMS.**

15 A. Diagram No. 1 is a depiction of how VLECs and DLECs can both provide services over  
16 the same line, utilizing existing FCC defined UNEs. This scenario is currently available  
17 today and does not require system modifications on the part of Verizon to enable it. It is  
18 also provided to show that the Commission does not need to immediately address line  
19 splitting issues because there are legitimate alternatives already available to CLECs  
20 today. Diagram No. 2 is a potential line splitting scenario where there is an existing  
21 DLEC on a Verizon voice customer line, and the voice customer subsequently migrates to

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released June 30, 2000, ¶330.

1 a VLEC. Diagram No. 3 is a potential line splitting scenario where a VLEC currently  
2 using UNE-P subsequently adds a DLEC to the line to provide data to the end user. In  
3 both line splitting scenarios, the voice and data services can be provided by the same or  
4 different competitive carriers.

5  
6 **Q. WHAT ARE THE MAJOR CHANGES THAT ARE REFLECTED IN THE**  
7 **REVISED SERVICE DESCRIPTION COMPARED TO THE ORIGINAL? WHY**  
8 **WERE THEY MADE?**

9 A. Following is a description of seven significant changes that have been made to the service  
10 description for line splitting resulting from discussions at the Collaborative:

11  
12 A) There were three scenarios in the original version that have been collapsed into two.

13 The original three were:

- 14 1) A Verizon voice customer is converted to a competitive voice provider  
15 and a separate DLEC for data service.  
16  
17 2) An existing Verizon voice customer with a DLEC provided DSL moves to  
18 a competitive voice provider and wishes to retain the same DLEC  
19 provided data service.  
20  
21 3) An existing UNE P customer wishes to add data service.

22  
23 Scenario one was collapsed into scenario three with the realization as the discussions  
24 progressed that when a Verizon voice customer converts to a VLEC it becomes  
25 UNE-P and then the DLEC is added for data. The parties all came to recognize that  
26 in line splitting (as in line sharing) the data could not be added until the voice service

1 was already in place. Only scenario two and three are discussed at the Collaborative  
2 now and these two scenarios appear to be satisfactory to all parties.

3  
4 B) There were discussions regarding three permutations in the original but now only  
5 two remain. The original three were:

6 1) The VLEC is in control.

7  
8 2) The DLEC is acting on behalf of the VLEC.

9  
10 3) Both the VLEC and DLEC control their portions of the line.

11  
12 Permutation one and two remain for development today. However, permutation  
13 three was eliminated due to potential inconsistencies with FCC rules.

14  
15 C) Initially, Verizon requested the CLECs to convert the UNE-P account to a loop and  
16 port account since the introduction of the splitter breaks the UNE Platform into a  
17 loop, a port, and a splitter. Because the VLECs claimed that they could not order a  
18 loop and that this would be a burden for them, Verizon has agreed to take on the  
19 additional OSS development work necessary to enable the VLEC to order line  
20 splitting using existing UNE-P forms. Verizon will then convert the UNE-P account  
21 into separate loop and port records reflecting a splitter arrangement, which is required  
22 for inventory and maintenance of the data service.

23  
24 D) Initially, all orders for voice and data were to be placed by the VLEC; the DLEC

1 would then interface with the VLEC and not Verizon. The CLECs found it too  
2 burdensome to set up that communications stream on each order. The VLECs and  
3 DLECs wanted to provide for either entity to order the addition of data to an  
4 established voice circuit. Verizon accommodated this request, offering to accept  
5 orders for line splitting from either the VLEC or the DLEC.

6  
7 E) Initially, Verizon requested that the DLEC, when acting on behalf of the VLEC, use  
8 the VLEC's Alternate Exchange Carrier Name ("AECN") and identifiers in order for  
9 Verizon to recognize the VLEC as the owner of the line and bill the VLEC for all  
10 interactions. The DLECs indicated that this would be too confusing for their ordering  
11 center employees (when to use their own AECN and when to use the VLEC AECN,  
12 or multiple VLEC AECNs). Verizon's solution allows the DLEC to issue the Local  
13 Service Request ("LSR") to add data to an existing VLEC circuit using its own  
14 AECN. However, the DLEC must also enter the VLEC AECN in the Local Service  
15 Provider ("LSP") field to acknowledge the VLEC's authorization to add the data.  
16 The CLEC community in New York has accepted this solution.

17  
18 F) Initially, disconnects for data were to be conducted by the DLEC using the AECN of  
19 the VLEC. Now the DLEC will utilize its own AECN. However, the DLEC must  
20 also enter the VLEC AECN in the LSP field to acknowledge the VLEC's  
21 authorization. In addition, Verizon will also accept repair tickets when issued by  
22 either the VLEC or the DLEC. The VLEC will be expected to report the trouble on

1 the telephone number with the associated circuit identification number in remarks on  
2 the ticket. The DLEC will be expected to report the trouble on the circuit  
3 identification number with the associated telephone number in the remarks field.  
4

5 G) Scenario 2 (Line sharing customer migrates to CLEC voice), Alternative 2,  
6 Permutation 2 has been dropped. This section described how the DLEC could order  
7 the conversion of a line sharing arrangement to a line splitting arrangement as an  
8 agent for the VLEC. This section has been removed from the document as both the  
9 VLECs and DLECs agreed that only the VLEC should be authorized to convert this  
10 arrangement to an alternate voice provider. Retention of the data provider will  
11 require the VLEC to enter the DLEC AECN in the LSP field of the LSR to affirm an  
12 established business relationship.  
13

14 **Q. NOW THAT THESE CHANGES HAVE BEEN MADE, IS VERIZON'S LINE**  
15 **SPLITTING SERVICE DESCRIPTION FINALIZED AND READY FOR**  
16 **IMPLEMENTATION?**

17 A. No. As indicated in Revised Exhibit RKL-3, the line splitting service offering is a work-  
18 in-progress and for discussion purposes only. The Collaborative continues to meet  
19 regularly<sup>3</sup> and will do so until all issues are resolved. As a result, I expect there to be  
20 ongoing changes to this document. While the service descriptions are close to being

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<sup>3</sup>The NY Collaborative is currently meeting on a weekly basis via conference call. The NYPSC posts the agendas and minutes for the Collaborative on its DSL Proceeding web page at <http://www.dps.state.ny.us/dslproced.html>.



1 finalized, they are not reflective of a final product that could be implemented today. Even  
2 the agreed-to changes described above could be subject to further modification. Once the  
3 service descriptions are finalized, a significant effort will still be required by Verizon to  
4 translate them to formal business requirements that trigger the required OSS systems  
5 modifications, as well as the associated development of the methods and procedures,  
6 training, and other implementation activities. The CLECs will also need to develop their  
7 business rules, and make the required systems and related changes to their interfaces. In  
8 addition, Verizon plans to establish a pilot for line splitting to test the ordering and  
9 provisioning processes and to work through any problems that may be encountered.

10  
11 **Q. GIVEN THE EVENTS THAT MUST OCCUR FIRST, IN WHAT TIMEFRAME**  
12 **WILL VERIZON BE ABLE TO IMPLEMENT LINE SPLITTING IN**  
13 **WASHINGTON?**

14 A. At this time, it is too early in the service development process to be able to estimate when  
15 it can be implemented. The draft service description reflects only what has been  
16 discussed to date in the Collaborative, not what Verizon will ultimately implement.  
17 When it is complete, the final service description will drive system changes and,  
18 certainly, system impacts will be a big driver of the implementation date. System  
19 changes can often take months to complete because of a backlog of other regulatory  
20 mandated activity that must be implemented first. Not knowing what system changes  
21 must be made at this point makes it difficult to plan a timeline for implementation,

1           however, Verizon is initially targeting its line splitting related systems release for October  
2           2001.

3

4   **Q.   HAVE OTHER STATE COMMISSIONS ADDRESSED THE TIMELINE FOR**  
5   **IMPLEMENTING LINE SPLITTING?**

6   A.   Yes. The New York Public Service Commission, which is also a participant in the NY  
7   Collaborative, recently issued a Line Sharing Order wherein it also discussed the rollout  
8   of line splitting. As an active member of the Collaborative team, the NYPSC appears to  
9   understand the complex nature of line splitting and recognizes the ongoing efforts of the  
10   Collaborative to resolve issues. The New York PSC ordered Verizon to implement line  
11   splitting capabilities "as soon as practicable."<sup>4</sup>

12

13   **Q.   HOW DO YOU RECOMMEND LINE SPLITTING, AS IT RELATES TO**  
14   **VERIZON NW, BE HANDLED IN THIS PROCEEDING?**

15   A.   Until the Collaborative process has run its course, a definitive line splitting service  
16   proposal cannot be offered in Washington and other states. The purpose of the  
17   Collaborative is to come up with an agreed upon service description that Verizon can  
18   offer nationwide. Most, if not all, of the major CLECs that are in this proceeding are the  
19   same ones that are involved in the NY Collaborative. It would be counter-productive to  
20   have product design going on simultaneously in both proceedings, which could ultimately  
21   lead to different product designs. A lot of work has been done already. Washington

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<sup>4</sup>NY PSC Case No. 00-C-0127, Opinion No. 00-12, Page 17. Issued and Effective 10/31/00.

1 should take advantage of the work that has been done and not create something different.  
2 The Commission should recognize that there are outstanding issues and follow the lead of  
3 the NY PSC. If a Commission Order on line splitting is deemed to be necessary, it  
4 should only reflect that Verizon be required to permit line splitting as soon as practicable.

5  
6 Although Verizon has submitted a cost study for line splitting in this proceeding because  
7 it has been ordered to by the Commission, it has had to do so without full knowledge of  
8 what the final product will look like. As a result, by necessity the study had to  
9 incorporate cost proxies and, in some cases, placeholders for anticipated activities. The  
10 Commission should recognize that Verizon's line splitting product is a work-in-progress  
11 and that the cost study submitted does not reflect the final product. Costing and pricing  
12 decisions should be deferred until a clearer picture of line splitting has evolved.

13  
14 Further, as I indicated in my Supplemental Direct Testimony, the FCC is re-examining  
15 the line splitting issues but has yet to make a decision. It would be unwise from a public  
16 policy perspective to pre-judge potential FCC actions and implement a line splitting  
17 product that may be materially different.

18  
19 **Q. DOES THIS CONCLUDE YOUR 2ND SUPPLEMENTAL DIRECT**  
20 **TESTIMONY?**

21 A. Yes.