



STATE OF NEW JERSEY

Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

TELECOMMUNICATIONS

IN THE MATTER OF THE INVESTIGATION)
REGARDING LOCAL EXCHANGE)
COMPETITION FOR TELECOMMUNICATIONS)
SERVICES)

ORDER APPROVING
REVISED GUIDELINES

DOCKET NO. TX95120631

IN THE MATTER OF THE BOARD'S)
INVESTIGATION REGARDING THE STATUS)
OF LOCAL EXCHANGE COMPETITION IN)
NEW JERSEY)

DOCKET NO. TX98010010

(SERVICE LIST ATTACHED)

BY THE BOARD:

Background

As part of its investigation into the Status of Local Competition, the New Jersey Board of Public Utilities (Board) established service quality measurements and standards with respect to services provided by Verizon New Jersey (VNJ) to other interconnecting telecommunications carriers. The Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56 (codified in scattered sections of 47 U.S.C. §§151 et seq.)(Act), and its implementing regulations, require VNJ (formerly known as Bell Atlantic-New Jersey, Inc.) to provide non-discriminatory access to interconnection, unbundled network elements and resale to new marketplace entrants that is at least equal in quality to that provided by the incumbent local exchange carrier (ILEC), in this instance, VNJ, itself. 47 U.S.C.A. §§251(c)(2)-(4); 47 C.F.R. §§51.201 et seq.; see also First Report and Order, I/M/O Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, FCC 96-325, (August 8, 1996) ¶¶ 224, 313, 970. The Federal Communications Commission (FCC) has recognized that such non-discriminatory support for competitive local exchange carriers (CLECs) is critical to the ultimate development of local competition. First Report and Order, ¶315.

Performance measurements and the data produced from these measurements provide evidence from which CLECs and state commissions can determine whether an ILEC is providing CLECs with support that is at least equivalent to the quality of support it provides to its own retail operation in accordance with its statutory obligations. That equivalence means providing operations support systems (OSS) functions¹ in “substantially the same time and manner” as those used by VNJ for its own customers or, where there is no retail analog, access

¹ The FCC has defined OSS as the “various systems, databases, and personnel used by incumbent LECs to provide service to their customers, and consistently has found that nondiscriminatory access to OSS is a prerequisite to the development of meaningful local competition”. I/M/O Application of Verizon New England Inc., et al., for Authorization to Provide In-Region, InterLATA Services in Massachusetts, CC Docket No. 01-9, FCC 01-130 (April 16, 2001) at ¶43.

sufficient to allow an efficient competitor a “meaningful opportunity to compete.” Memorandum Opinion and Order, In the Matter of Application of Bell South Corp., et al., for Provision of In-Region, InterLATA Services in Louisiana, CC Docket No. 98-121, FCC 98-271 (October 13, 1998), ¶ 87. The appropriate level of performance also has been characterized as “parity.” The term “parity” indicates non-discrimination measured by providing the same service as retail analogs, where they exist, or compliance with a benchmark standard where no retail analog is available. In addition, performance measurements and standards are necessary not only to verify that an ILEC currently is not discriminating against CLECs, but also to ensure that an ILEC will remain compliant with the Act in the future.

Following a lengthy series of Collaborative meetings aimed at resolving issues related to performance standards and measures, as noted above, on May 25, 2000, the Board adopted New Jersey Carrier-to-Carrier Guidelines, Performance Standards and Reports. See Order, In the Matter of the Investigation Regarding Local Exchange Competition for Telecommunications Services, Docket No. TX98010010 (July 13, 2000).

The Carrier-to-Carrier Guidelines (Guidelines) is a detailed document setting forth the specific functions to be performed and measured by VNJ, the specific data to be gathered and the specific standard to be applied for each function and measurement. The Guidelines are organized into eight general categories intended to cover essential services and related activities that VNJ will be providing to its wholesale telecommunications carrier customers in connection with the leasing of unbundled network elements, and the sale for resale of its telecommunications services. The eight categories of activity, and their definitions, are as follows:

- (1) Pre-ordering (PO);
- (2) Ordering (OR);
- (3) Provisioning (PR);
- (4) Maintenance and Repair (MR);
- (5) Network Performance (NP);
- (6) Billing (BI);
- (7) Operator Services and Databases (OD); and
- (8) General (GE).

Pre-ordering functions refer generally to customer representatives determining which end user service features are available to the wholesale customer, what new phone numbers to assign the customer and on what day a customer’s new line can be installed.

Ordering functions refer generally to sending the wholesale customer order to the location or system at which it is processed.

Provisioning functions refer generally to sending a confirmation message that the order is in the correct format and has been accepted.

Maintenance and Repair systems transmit trouble tickets from the wholesale customer service representative to the technicians who perform the maintenance.

Network Performance functions refer generally to ensuring that blocking does not occur on trunks, thereby preventing calls from being connected, and to collocation performance.

Billing functions refer generally to creating wholesale customer bills of record, tabulation of charges, preparation of bills for transmittal and ensuring that bills are complete, timely and accurate.

Operator Services and Databases refer generally to the timeliness in which calls to operators are answered and the timeliness and accuracy of updating databases used to provide operator services.

General refers to the non-discriminatory treatment of directory listings and activities relating to poles, conduits and rights-of-way.

For each listed activity, the functions to be measured are defined and the data to be collected is identified. Also, a standard for each function is specified either as an “absolute” measure (e.g., the number of seconds to perform an activity, or number of days or hours a function is available) or as “parity.” Parity is the most commonly specified standard because, as explained above, it is the essential legal requirement that VNJ must satisfy for many of its obligations under the Telecommunications Act of 1996. Absolute standards are specified in cases where, at this time, Board Staff and AT&T Communications of NJ, L.P (AT&T), Verizon New Jersey Inc. (VNJ), XO Communications f/k/a Nextlink (XO), the Division of the Ratepayer Advocate (RPA or Advocate), Sprint Communications Company (Sprint), Cablevision-Lightpath (CLI), MCI WorldCom (WorldCom) and the New Jersey Cable Telecommunications Association (CTA) (collectively, the Parties) have been unable to identify a comparable function that VNJ performs for itself or because VNJ currently cannot provide data comparing its performance for other carriers to performance for itself.

Many measurements in the Guidelines are broken down into sub-metrics and are further disaggregated by product and geography. For example, Metric PR-4 - Missed Appointments, measures the percentage of orders that are completed after the commitment date. PR-4 contains 15 sub-metrics measuring, for example, the percentage of missed appointments due to VNJ reasons, the percentage missed due to customer reasons, the percentage missed due to CLEC reasons, etc. In addition, results for the sub-metrics are disaggregated for specific products such as UNE Plain Old Telephone Service (POTS), Unbundled Network Element (UNE) 2 Wire Digital service, UNE 2 Wire x Digital Subscriber Line (xDSL), etc.

Procedural History

By Order dated July 13, 2000 in this Docket, and following an extensive series of collaborative meetings with the telecommunications industry and the Advocate, the Board first approved the Guidelines, as then proposed by Staff. By letter dated May 30, 2001, Staff distributed proposed updates to these Guidelines to incorporate the inclusion of Advanced Services and various other modifications. In this letter, Staff requested that formal comments be filed with the Board no later than June 22, 2001. By letter dated June 21, 2001, WorldCom submitted its comments. By letters dated June 22, 2001, AT&T and VNJ filed their respective comments. On July 3, 2001, a conference call was held among Staff and the commenters to discuss their various concerns.

Discussion

The first area of modifications proposed by Staff are intended to incorporate revisions to the existing metrics to measure VNJ's provision of 2 Wire xDSL Loops and 2 Wire xDSL line

sharing. The revisions affect the Ordering, Provisioning, Maintenance and Repair, and the Glossary sections of the existing Guidelines. These revisions encompass agreements that were reached by all parties that have participated in the New York Carrier-to-Carrier Working Group and agreement by some CLECs in other jurisdictions.

The remaining modifications proposed by Staff incorporate CLEC consensus items along with various clarifications that have arisen over the past year due to actual performance. These revisions include, among other things, the deletion of sub-metric PO-1-10 due to redundancy, the reduction of Service Order Processor downtime, and the modification or deletion of various exclusions. The positions of the Parties who commented on the modifications follow.

AT&T Position

1. Reports: AT&T proposed that the Board consider clarifying the manner in which the reports are provided to carriers, asserting that the opportunity to place reports on a website should not replace the provision of the reports on computer disks. AT&T argued that placing the reports solely on a website raises numerous concerns regarding privacy, protection of proprietary data, potential for limited access by the carriers and potential for data to be lost, destroyed or manipulated.

2. PO: AT&T commented that Footnote 1 which states: "The Retail Verizon transaction will reflect the equivalent CLEC transaction" has been added, but is unnecessary. AT&T contended that it is a truism of virtually all metrics that the same or similar CLEC and VNJ retail transactions should be measured. Moreover, without further definition, AT&T asserted that it is unclear what constitutes an "equivalent CLEC transaction" and, perhaps more importantly, who defines it. AT&T argued that neither VNJ, nor any carrier, can unilaterally develop such definitions. The explanation of this proposal illustrates this potential problem. AT&T asserts that the explanation in the proposal does not identify the specific transactions where multiple queries for a VNJ retail transaction are equivalent to a CLEC transaction. According to AT&T, this assumption cannot be universally made and, thus, will apparently be left to VNJ's discretion to make this determination. AT&T asserted that this approach invites the potential for abuse and inaccurate reporting. AT&T proposed that the Board reject this modification. AT&T noted that VNJ remains free to present to the Board and the parties specific transactions where such situations would occur, and once presented, the Technical Solutions Facilitations Team can consider such proposal.

3. OR-3 ("Percent Rejects"): AT&T noted that the numerator and denominator definitions contain parentheticals that appear to reflect computer code terminology that may become out-dated and inject potential ambiguity. AT&T suggested that this parenthetical information is unnecessary and can be deleted without changing the substance of the metric. AT&T recommended the Board make similar modifications to other metrics that contain similar parentheticals.

4. OR-5 ("% Flow Through"): In order to be consistent with the text of other metric exclusions, AT&T recommended that the following bullet point in the exclusion section be deleted: "Other exclusions as determined in accordance with the 'Note' following this metric."

5. Glossary: AT&T suggested that the new term "CLEC Aggregate" not be included in the glossary. Instead, AT&T recommended that all specific exclusions should be set forth in the specific metric, as appropriate.

6. Appendix C: AT&T stated that it cannot support the change to the exclusion PO-1-07 from the use of actual measurements until a clarification is provided.

7. Appendix K: A proposed modification adds the statement that “Holidays apply to work unit based on the state in which it is located.” AT&T noted that it is unclear how this statement affects New Jersey transactions. AT&T noted that, for instance, if certain New Jersey transactions were handled by a VNJ center in Massachusetts, then it appears that the Massachusetts’ holiday schedule, not New Jersey’s, would be applicable. AT&T stated its belief that the holiday schedule applicable to New Jersey transactions should be reflected in these Guidelines.

MCI WorldCom Position

WorldCom provided the following comments on the proposed revisions to PO-2, PR-1, PR-2, PR-3, PR-4, PR-5 and PR-9.

1. PO-2 (“OSS Interface Availability”): WorldCom stated that it would accept the proposed exclusion of scheduled interface outages so long as VNJ is required to provide reporting to the Board and the CLECs on the exclusion. WorldCom reasoned that this reporting would allow CLECs to make sure that the number of times VNJ reports that there were scheduled outages matches the number of times the CLECs were notified of such outages via the Change Management process in a given reporting period. WorldCom also requested language to clarify that, if notification time of the scheduled outage is inadequate, these troubles cannot be excluded.

2. PR-1 (“Average Interval Offered”): The performance standard for metrics PR-1-01 through 09 and Metric PR-1-12 is parity with the provision of VNJ retail services. However, the following proposed footnote would apply: “For Provisioning and Maintenance metrics, except as otherwise expressly stated in the Performance Standard section for a metric, (a) where the Performance Standard for UNE 2 Wire xDSL Loops is ‘Parity with Verizon Retail’, Verizon’s performance to CLECs for UNE 2 Wire xDSL Loops will be compared to Verizon’s performance for Retail 2 Wire xDSL Services; and (b) where the Performance Standard for UNE 2 Wire xDSL Line Sharing is ‘Parity with Verizon Retail’, Verizon’s performance to CLECs for UNE 2 Wire xDSL Line Sharing will be compared to Verizon’s performance for Retail 2 Wire xDSL Services.”

WorldCom commented that the footnote language as it exists does not support part (b) of the parity comparison contained in the proposed footnote. WorldCom argued that the average interval for xDSL Line Sharing would be less than that of providing an entire xDSL loop, if the proposed footnote is accepted. WorldCom stated its belief that the comparison proposed in the footnote is not appropriate. WorldCom requested that the Board incorporate into the New Jersey Carrier-to-Carrier Guidelines the existing Verizon New York DSL standard for line sharing, which is the better of: (a) parity with Verizon’s data affiliate; or (b) three days.

3. PR-2 (“Average Interval Completed”): WorldCom stated that it does not support the following proposed additions to the PR-2 Exclusions:

- “For 2 Wire Digital Services and 2 Wire xDSL Services:
 - Orders requiring loop qualification.
 - Orders missed due to facility reasons.”

WorldCom stated that the first exclusion would be acceptable only if it is reworded to say “Orders requiring *manual* loop qualification.” WorldCom reasoned that this is simply a clarification and should not be controversial, since electronic loop qualification should take only seconds and will not have a great impact on an interval that is measured in days.

The second exclusion, Orders missed due to facility reasons, is unacceptable to WorldCom. WorldCom asserted that VNJ should use CLEC forecasts to plan for facilities. WorldCom also disagreed with VNJ’s assertion that this is a CLEC consensus issue. WorldCom noted that although the New York Carrier-to-Carrier Working Group is discussing the issue, that discussion pertains to xDSL only and remains without consensus agreement at this time.

4. PR-3 (“Completed within Specified Number of Days”): WorldCom indicated that the proposed Note in the metric regarding cut-off time for receipt of orders is acceptable. However, WorldCom proposed that Verizon be required to state the cut-off time in that same note. WorldCom noted that when it performed a search for “cutoff” and “cut-off” within the Verizon Product Interval Guide on the Verizon website, the only result was a cut-off time of 3pm for “same day features.” WorldCom complained that no other reference to cut-off times was found.

In addition, WorldCom opposed the following proposed additions to PR-3 Exclusions:

- For 2 Wire Digital Services and 2 Wire xDSL Services:
 - Orders requiring loop qualification. (This exclusion does not apply to PR-3-11.)
 - Orders missed due to facility reasons.

As discussed above with regard to PR-2, WorldCom stated that the first exclusion would be acceptable only if it is reworded to say “Orders requiring *manual* loop qualification.” Once again, WorldCom reasoned that this is a simple clarification because electronic loop qualification should take only seconds and will not have a great impact on an interval that is measured in days.

As also discussed in the section on PR-2 above, the second exclusion is unacceptable to WorldCom. WorldCom argued that VNJ should use CLEC forecasts to plan for facilities. WorldCom also disagreed with VNJ’s assertion that this is a CLEC consensus issue. WorldCom observed that, although the issue is being discussed in the New York Carrier-to-Carrier Working Group, that discussion pertains to xDSL only and remains without consensus agreement at this time.

5. PR-4 & PR-5 (“Missed Appointments”; “Facility Missed Orders”): WorldCom noted its understanding that VNJ is clarifying its existing practice of counting the percentage of trunks missed, instead of counting whole orders for trunks, as explained in the definitions for these metrics. However, WorldCom stated that when only part of an order is completed, the entirety of the order is missed, especially as perceived by a customer. WorldCom noted that in the example of PR-4, “Missed Appointments”, VNJ may deliver the trunks for one-half of an order, but it will still have to make another appointment to deliver the rest. WorldCom argued that, whether it makes two appointments or one, the end result is that the service is not completely delivered on time. Regarding PR-5, “Facility Missed Orders”, WorldCom asserted that having service to some, but not all, facilities still means that the entirety of the order is missed. WorldCom contended that, although having partial service on time may reduce harm to the customer, there is no way to predict for which customers that will be the case. WorldCom

reasoned that if a customer is only able to function once the order is complete, it will not matter if they get a portion of the order on time and the remainder at some later date, because to that customer, the whole order is late. For these reasons, WorldCom recommended that trunks be reported by order and not by trunk for these measures.

6. PR-9 (“Hot Cuts”): WorldCom asserted that it would like VNJ to continue reporting PR-9-09. WorldCom observed that, even if VNJ currently has a policy of not requesting supplements and cancellations from CLECs on hot cut orders, this was a critical issue in the past and there is no guarantee that this will not become an issue again in the future. WorldCom stated its belief that if Verizon continues to report on this measure, CLECs can be assured the practice has not resumed.

Verizon New Jersey Inc. Position

VNJ asserted that the Carrier-to-Carrier (C2C) Guidelines include performance metrics of unprecedented number and complexity, which measure the activities of dozens of underlying operations support systems. VNJ noted that over time, underlying systems and processes are modified and improved, and experience has shown that metrics need correction and refinement. VNJ asserted that Verizon and the CLECs have accordingly agreed to changes in other jurisdictions and, as pointed out in the Staff letter requesting comments, many of the changes proposed to the New Jersey Guidelines have already been adopted or proposed in New York.

VNJ voiced its support for each of the proposed updates for the reasons stated in the matrix titled “Proposed Updates to New Jersey May 2000 C2C Guidelines,” which was also distributed by the Board on May 30, 2001. VNJ reasoned that these updates will ensure that the Guidelines continue to provide VNJ, the CLECs and the Board with an accurate measure of wholesale service performance.

Discussion and Findings

During a July 3, 2001 conference call between Staff and the interested Parties, resolution of the concerns was reached as follows:

- (1) VNJ will continue to file monthly reports on computer disks for an additional six months for those CLECs requesting such format. In addition, VNJ will immediately begin a test period of posting these reports on a website to determine the feasibility of discontinuing the provision of computer disks in the future. At the conclusion of the test period, VNJ shall submit the test period results for comments to the CLECs regarding the manner and format of future reports. Ultimately, the parties agreed that the nature of VNJ reports would be submitted for Board consideration;
- (2) the proposed Footnote 1 to metric PO-1 will be deleted as unnecessary;
- (3) the parenthetical appearing in the numerator and denominator of sub-metric OR-3 will be deleted;
- (4) the exclusion in OR-5-03 referencing the “Note” will be deleted;
- (5) the proposed inclusion of the term “CLEC Aggregate” will be deleted from the Glossary and incorporated into specific metric, as needed;

- (6) AT&T withdrew its criticism of Appendix C;
- (7) VNJ will modify the proposed Appendix K to reflect which holidays will affect New Jersey transactions;
- (8) Footnote number 27 has been modified to establish the proper comparison for the Provisioning and Maintenance metrics as “the better of Verizon Retail or Verizon’s data affiliate.

Having thoroughly reviewed Staff’s proposed modifications and the resolution reached by the parties, the Board FINDS that the revised standards and metrics contained in the October 2001 version of the Carrier-to-Carrier Guidelines are necessary and appropriate to the provision of operations support services to competing telecommunications carriers. Accordingly, the Board HEREBY ADOPTS the updated Carrier-to-Carrier Guidelines in their entirety, incorporating the standards and terms thereof into this Order as if they were set forth at length herein, effective November 1, 2001.

The Board DIRECTS Verizon New Jersey Inc. to incorporate the modifications discussed above and detailed in the comprehensive Carrier-to-Carrier Guidelines document of October 2001, on file with the Board effective November 1, 2001. VNJ shall report the results of the application of the Carrier-to-Carrier Guidelines, as modified, on December 26, 2001, and monthly thereafter.

Finally, the Board notes that the measurements and standards adopted in this proceeding shall supercede service quality performance measurements and standards applicable to VNJ previously approved by this Board.

DATED: 11/9/01

BOARD OF PUBLIC UTILITIES
BY:

(signed)
CONNIE O. HUGHES
PRESIDENT

(signed)
FREDERICK F. BUTLER
COMMISSIONER

(signed)
CAROL J. MURPHY
COMMISSIONER

ATTEST:

(signed)
FRANCES L. SMITH
SECRETARY