STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on September 20, 2006

COMMISSIONERS PRESENT:

William M. Flynn, Chairman
Patricia L. Acampora
Maureen F. Harris
Robert E. Curry, Jr.
Cheryl A. Buley

CASE 99-C-0949 - Petition filed by Bell Atlantic-New York for Approval of a Performance Assurance Plan and Change Control Assurance Plan, filed in C 97-C-0271.

ORDER AMENDING PERFORMANCE ASSURANCE PLAN

(Issued and Effective September 25, 2006)

BY THE COMMISSION:

INTRODUCTION

In November 1999, the Commission adopted the Performance Assurance Plan and Change Control Assurance Plan (PAP or Plan).[1] The PAP is a wholesale performance enhancement mechanism designed to ensure that Verizon New York Inc. (Verizon) maintains market opening performance consistent with its obligations under Section 271 of the Telecommunications Act.[2]

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[1] Case 99-C-0949, Petition filed by Bell Atlantic-New York for Approval of a Performance Assurance Plan, in 97-C-0271, Order Adopting the Amended Performance Assurance Plan and Amended Change Control Plan (issued November 3, 1999).

[2] Application of Bell Atlantic-New York for Authorization Under Section 271 of the Communications Act to Provide In-Region InterLATA Service in the State of New York, Memorandum, Opinion and Order, CC Docket No. 99-295 (issued December 22, 1999).

Broadly stated, the PAP currently consists of four categories: (1) the Mode of Entry (MOE) category that measures performance on an industry wide basis with respect to each of the methods by which competitors enter the local exchange market, (2) the Critical Measures (CM) category that measures performance in the areas that are collectively most important to foster competition, (3) the Change Control Assurance Plan (CCAP) category that measures performance in changes implemented pursuant to Verizon's operations support system (OSS), and (4) the Special Provisions (SP) category that makes market adjustments to address specific performance areas that warrant particular attention. Each category is assessed through a group of metrics. Substandard performance in any performance area could result in market adjustments, i.e., bill credits, to some or all competitors.

Amendments have been made to the PAP pursuant to annual reviews and other Commission mandates.[3] The annual review process subjects all aspects of the Plan to change. The last annual review was concluded in January 2003.[4] Subsequent annual reviews were delayed or postponed due to developments at the federal level regarding Verizon's wholesale service obligations.[5]

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[3] Case 99-C-0949, *Supra*, Order Granting Modification of December 15, 2000 Order (issued May 8, 2001); Order Amending Performance Assurance Plan (issued January 24, 2003); and, Order Establishing Modifications to the Performance Assurance Plan and Change Control Assurance Plan for Hot Cut Measurements and Standards (issued March 17, 2005).

[4] See January 2003 PAP Order.

[5] See In the Matter of Unbundled Access to Network Elements, CC Docket Nos. 01-338 and 96-98 (released August 21, 2003)(TRO), rev'd and vacated in part, United States Telecom Ass'n v. Fed. Communications Comm'n, 359 F.3d 554 (D.C. Cir. 2004); In the Matter of Unbundled Access to Network Elements, WC Docket No. 04-313, CC Docket No. 01-338 (released February 4, 2005) (TRRO).

By Notice dated May 4, 2005, the Commission initiated this annual review consistent with the process guidelines set forth in our January 2003 PAP Order and sought comments from various parties to determine what modifications should be made to the Plan.[6]

The parties' initial comments and replies were received on June 6 and July 6, 2005, and are summarized below. Thereafter, department staff (staff) engaged Verizon in discussions and, after several months, developed a staff Proposal for changes to the PAP (Proposal). The Commission, by Notice dated May 24, 2006, provided a forum for interested parties to question any aspect of the Proposal and provide additional comments.[7] The technical conference was conducted on June 7, 2006, and comments and replies were received on July 12 and July 20, 2006.[8]

DEVELOPMENT OF PROPOSED CHANGES

Initial Comments and Replies

Prior to the development of the Proposal, initial comments and replies were received from Verizon and seven competitive local exchange carriers (CLECs). Six CLECs submitted comments jointly - AT&T Communications of New York, Inc. (AT&T), BridgeCom International, Inc. (BridgeCom), Broadview Networks, Inc. (Broadview), Covad Communications Company (Covad), Metropolitan Telecommunications (MetTel), and

[6] Case 99-C-0949, Notice Inviting Comments (issued May 4, 2005).

[7] Case 99-C-0949, Notice of Technical Conference and Solicitation of Comments (issued May 24, 2006).

[8] Notice of the Commission's annual review was provided in SAPA 99-C-0949SA13, published on or about April 13, 2005. No comments in response to the SAPA Notice were received.

MCI, Inc. (MCI)(the Joint CLECs).[9] Conversent Communications of New York, LLC (Conversent) submitted comments individually.

The parties generally agreed the PAP should be revised to incorporate the Commission's changes to the metrics in the Carrier-to-Carrier Guidelines (C2C Guidelines) reflecting certain wholesale developments at the federal level, and that changes in the state of telecommunications competition in New York justified significantly revising and simplifying the Plan. However, Verizon and the CLECs sharply disagreed as to the impact of competitive changes on the PAP and how the Plan should specifically be amended.

Verizon argued that the intermodal competition it now faces underscores a greater incentive for it to provide high quality wholesale and retail services. Verizon went so far as to question the necessity of continuing the PAP. However, in the alternative, Verizon proposed a substantial reduction in the overall amount of dollars at risk (currently $293 million per annum) under the Plan. Verizon also proposed various revisions to the PAP's structure and metrics, the elimination of the provision under which CLECs receive bill credits under the Plan and their respective interconnection agreements (ICAs), statistical methodology improvements, and changes to the waiver and exception provisions to allow waiver petitions for parity measures. Finally, Verizon proposed numerous administrative changes that it claimed would make the PAP more consistent and easier to comprehend.

The Joint CLECs suggested that the PAP be more aligned with the New Jersey Incentive Plan (NJ Plan), which they claimed

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[9] In early 2006, Verizon acquired MCI. See Case 05-C-0237, Joint Petition of Verizon Communications Inc. and MCI, Inc. for a Declaratory Ruling Disclaiming Jurisdiction Over or in the Alternative for Approval of Agreement and Plan of Merger, Order Asserting Jurisdiction and Approving Merger Subject to Conditions (issued November 22, 2005).

is superior to the New York Plan in many respects. However, the Joint CLECs also made various suggestions should the current PAP be retained. These included reallocating (but not reducing) the amount of dollars at risk, increasing the SP thresholds for hot cuts, and increasing the statute of limitations for CLEC challenges to Verizon's report of its performance from two years to six years. The Joint CLECs also requested more involvement in the PAP discussions that now just involve staff and Verizon.[10]

Conversent expressed concern that Verizon is not complying with the Commission's February 2005 Order directing Verizon to adhere with the Federal Communications Commission's (FCC) requirement that it must perform routine network modifications needed to make high capacity loops available as unbundled network elements (UNEs).[11] Routine network modifications are those activities Verizon regularly undertakes for its own customers. As a result, Conversent proposed that the PAP be revised to ensure Verizon does in fact comply with this requirement. Conversent also proposed a reallocation of bill credits and a revision of weights assigned to performance scores. Based on purported poor performance by Verizon, Conversent further proposed the addition of certain metrics related to the installation and repair of high capacity and digital subscriber loops (xDSL) to the PAP's CM category as well the addition of SP metrics for high capacity loops.

In their replies, the Joint CLECs challenged Verizon's claims about the level of facilities-based competition in New

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[10] This request has previously been considered and denied and there is no new issue that warrants altering our determination. See January 2003 PAP Order at p.9.

[11] Case 04-C-0314, Petition of Verizon New York Inc. for Consolidated Arbitration to Implement Changes in Unbundled Network Element Provisions in Light of the Triennial Review Order, Order Directing Routine Network Modifications (issued February 10, 2005).

York and its actual impact on Verizon. They generally opposed most of the specific changes suggested by Verizon. Regarding Verizon's proposed substantial reduction of dollars at risk, the Joint CLECs pointed out that due to the effects of inflation, the maximum dollars at risk in real dollars has actually decreased since the PAP's inception. Conversent argued the dollars at risk should be increased to account for the increased market power potentially created by the mergers of Verizon/MCI and Southwestern Bell Company (SBC)/AT&T. The Joint CLECs further pointed out that the request to eliminate the provision whereby CLECs can receive bill credits under the PAP and their ICAs had already been reviewed and rejected by the Commission.[12] Regarding the proposed administrative changes, the CLECs agreed the PAP should be easier to understand and administer, but felt Verizon had not detailed the changes sufficiently and they expressed concern that when Verizon reveals the specifics, the changes might not be administrative at all.

Verizon, in reply, maintained that the NJ Plan was inappropriate for New York because it was adopted when competition was less vigorous and has not recently been updated. Additionally, the NJ Plan employs a fundamentally different philosophy than the New York Plan, includes a number of provisions that do not comport with the New York Plan and contains provisions that are the result of a settlement in New Jersey that have no relevance to New York. Verizon also responded that the Joint CLECs' proposal related to hot cuts vastly overstated the amount of hot cuts that Verizon could be expected to perform in the coming months. Regarding the statute

[12] We agree and again see no new issue that warrants altering our determination. See Case 01-C-0095, Joint Petition of AT&T Communications of New York, Inc., TCG New York Inc. and ACC Telecom Corp. Pursuant to Section 252(c) of the Telecommunications Act of 1996 for Arbitration to Establish an Interconnection Agreement with Verizon New York Inc., Order on Rehearing at p. 2 (issued December 5, 2001).

of limitations, Verizon asserted that the idea was raised and previously rejected by the Commission during the last annual review and the Joint CLECs provided no reasons to modify that decision.[13] Finally, Verizon challenged Conversent's claim that Verizon provided poor performance on the installation and repair of high capacity loops. Verizon reaffirmed that it is wrong to conclude that it would ignore its copper network as it deploys fiber since it is engaged in an intense struggle with many competitors that is forcing Verizon to provide excellent service on all of its loops.

Staff PAP Proposal

The Proposal seeks to realign the PAP, and its at risk dollars, to reflect Verizon's wholesale market obligations going forward and to implement structural and methodological changes designed to simplify the Plan.[14] The Proposal attempts to make these changes in a penalty neutral manner because Verizon's performance under the Plan over the past few years has, for the most part, been acceptable.

The Proposal considers the initial comments and replies received in June and July 2005, as well as subsequent discussions with Verizon. The Proposal does not consider the discussions at the recently held technical conference and subsequent comments and replies. Those discussions and comments are considered herein.

Specifically, the Proposal incorporates changes to the C2C Guidelines previously adopted by the Commission that include the removal of line sharing, line splitting and unbundled network element platform (UNE-P) metrics and transactions and

[13] We agree and see no new issue that warrants altering our determination. See January 2003 PAP Order at p. 4.

[14] A copy of the Proposal is available on the Commission web site at http://www.dps.state.ny.us/Case_99C0949.htm.

the Billing Completeness (BI-9) metric.[15] The Proposal provides for a general reduction of overall at risk dollars from $293 million to $99 million. In addition, the Proposal:

- Modifies the MOE groupings from five to three: Resale, Loop-based and Trunks.
- Modifies the scoring methodology to eliminate the "-1" recapture provision.
- Modifies the calculation of "-1" and "-2" scoring for metrics measured against a parity standard.
- Modifies the dead-band calculation in the MOE category for metrics measured against a benchmark standard.
- Reduces the number of CM metrics.
- Modifies the scoring methodology for the CM individual rule.
- Eliminates the SP and CCAP categories (but retains certain metrics in CM).
- Incorporates and assigns at risk dollars for the first time to the BI-9 metric in the CM category.
- Allocates more at risk dollars to UNE-Specials in the CM category.

The Proposal also modifies the waiver/exception provision in Section II.J of the current Plan by providing criteria for the filing of petitions based on extraordinary events or random variation. It incorporates administrative and other changes that reformat the monthly PAP report to ASCII to facilitate data review, maintains staff's ability to audit the PAP and replicate performance reporting, maintains Verizon's

[15] Case 97-C-0139, Proceeding on Motion of the Commission to Review Service Quality Standards for Telephone Companies, Order Establishing Modifications to the Inter-Carrier Service Quality Guidelines (issued April 15, 2005 and December 1, 2005).

Wholesale Quality Assurance Program (WQAP) and its annual reporting to staff, and streamlines, organizes and corrects duplicative and/or confusing language in the Plan.

Technical Conference and Additional
Comments and Replies

On June 7, 2006, a technical conference was conducted at the Commission's Albany office and was attended by Verizon and a number of CLEC representatives. The purpose of the conference was to provide the CLECs a forum to ask questions regarding the Proposal. Subsequently, comments and replies were filed with the Commission on July 12 and 20, 2006.

Comments were received from Verizon and AT&T, Covad, Time Warner Telcom (TWTC), Cavalier Business Communications (Cavalier) and One Communications (Conversent),[16] this time individually, and Broadview and XO Communications Services, Inc. (XO), jointly.

With the exception of AT&T, the CLECs strongly objected to the reduction of overall at risk dollars and contended the reduction is not justified in light of forward-looking market realities. In essence, these CLECs argued that in a post TRRO world, a considerable portion of at risk dollars should be reallocated from UNE-P and xDSL to loops and resale. In addition, Covad, Conversent and Broadview and XO stated that the Proposal evidences a technological bias toward narrowband voice services rather than services that support broadband

[16] Conversent, Choice One Communications of New York, Inc. and CTC Communications Corp. merged to form One Communications. See Case 06-C-0433, Joint Petition of CTC Communications Group, Inc., CTC Communications Corp., Lightship Telcom, LLC, Choice One Communications Inc. and Conversent Communications of New York, Inc. for Approval of a Change of Ownership of an Authorized Telecommunications Provider in Connection with a Merger Transaction and a Request for Authority to Provide Security in Connection with Financing, Untitled Order (issued May 18, 2006).

loops, and urged the Commission to reallocate more dollars to that end.

Moreover, the CLECs, again with the exception of AT&T, suggested that certain metric deletions or modifications in the Proposal should not be adopted. Specifically, TWTC, Covad, Conversent and Broadview and XO contended that the Proposal fails to adequately consider market trends by enumerating metrics in the MOE and CM categories important to CLECs. These CLECs provided further input on what additional metrics should be included in those particular categories. These CLECs also suggested that the Proposal fails to attach sufficient weights and penalties to those metrics.

Finally, AT&T and Broadview and XO disagreed with the proposed scoring methodology, modifications to the dead-bands and changes in how staff audits the PAP. With regard to the scoring methodology, AT&T objected to the elimination of the "-1" recapture provision and stated it is unnecessary and results in a more complicated PAP.

Conversely, Verizon generally supported the Proposal as reasonable and reflective of marketplace realities. And while it did not object to the elimination of the "-1" recapture provision, Verizon maintained that if the Commission decides to eliminate that methodology, it should also adopt the other changes in the Proposal so that a balanced Plan is realized.

Reply comments were received from Verizon, AT&T, Covad and Broadview and XO. AT&T reiterated that the Proposal fails to achieve the purported simplification it set out to accomplish. Covad repeated its concern that the Proposal demonstrates an inherent bias towards narrowband services. Covad stated that because Verizon is focused on deploying fiber, the legacy copper market will be left with insufficient attention and resources. Therefore, the PAP needs to be responsive to the movements of the wireline marketplace.

Finally, Broadview and XO submitted that attempts to simplify the Plan should not dilute Verizon's incentives to satisfy a particular metric. In addition, Broadview and XO reiterated their concern that the Plan must reflect market realities going forward and opposed the removal of SP and CCAP categories. Finally, Broadview and XO also called for the modification and addition of certain metrics.

Verizon reiterated that the Proposal is reasonable and reflective of marketplace realities, simplifies the administration of the PAP, and will ensure that Verizon does not backslide on its performance to the CLECs. In addition, Verizon stated that no further changes to the metrics, weights or at risk dollars is justified, the MOE dead-bands should not be eliminated, staff audits are unnecessary and the CCAP and SP categories are antiquated and, therefore, should be eliminated.

ANALYSIS OF PROPOSED CHANGES

Incorporation of C2C Modifications

Wholesale service quality performance in New York is measured and reported pursuant to the C2C Guidelines which were developed in Case 97-C-0139. In that case, the Carrier Working Group (CWG), which includes staff and the major incumbent and CLEC companies operating in New York, works collaboratively to develop and modify metrics and make recommendations to the Commission to amend the C2C Guidelines. The PAP incorporates a subset of C2C metrics deemed necessary to maintain nondiscriminatory wholesale service quality.

Since the PAP was last modified, there have been amendments to metrics in the C2C Guidelines that are used in the PAP. Most notably, in December 2005, pursuant to the FCC's TRO/TRRO decisions, the Commission approved the elimination of Verizon's obligation to measure and report performance on transactions involving line sharing, line splitting and UNE-P products.[17]

No parties object to the removal of measuring line sharing, line splitting and UNE-P product transactions and associated metrics from the PAP.

Discussion

Because we no longer require Verizon to report performance on transactions involving UNE-P, line splitting and line sharing products for C2C purposes, it is reasonable to no longer require that they be subject to bill credits under the PAP.

Normally, C2C changes to an established PAP metric flow through to the Plan. But the incorporation of the TRO/TRRO changes will result in a profound impact on the overall structure of the Plan that goes far beyond simple metric modification. Specifically, product segments are being removed from the Plan that will affect the overall structure of the MOE and CM categories, the consideration of sample sizes, and the overall at risk dollars.

Incorporation of the December 2005 C2C modifications involving the removal of line sharing, line splitting and UNE-P products and associated transactions are adopted consistent with the Proposal and this Order.

Reduction of Overall
at Risk Dollars

The Proposal provides for an overall reduction in the amount of at risk dollars from $293 million (including doubling) to $99 million.

The majority of CLECs oppose any reduction in the overall amount. They claim that the reduction does not accurately reflect marketplace realities. Conversent claims

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[17] Case 97-C-0139, *Supra* at p. 7 (issued December 1, 2005).

that simply because the Commission found New York's residential telephone market open to competition does not mean it should relax its efforts to ensure that other markets, i.e., business, remain open. Conversent submits that the only meaningful competition to the incumbent LECs in the small business market continues to be from wireline competitors dependent on the incumbents' bottleneck facilities. Covad and Broadview and XO echo Conversent's claims. They agree that the proposed reduction is unsupportable and at odds with marketplace realities going forward.

Verizon disagrees with the CLECs' position that the reduction in overall at risk dollars is unsupportable, fails to account for marketplace realities, and will prevent Verizon from backsliding. Verizon further argues that the reduction is justified because the Proposal provides a rational basis for the reduction due to 1) the elimination of UNE-P and xDSL products and metrics and 2) the absence of any claimed poor performance from Verizon on those services continuing to be measured under the Plan. Moreover, Verizon claims that the various factors the Commission relied upon in 1999 to establish the original amount of at risk dollars no longer applies and a review of the FCC's Order approving Verizon's Section 271 application demonstrates that no amount of dollars would be necessary if that test were applied today.

Discussion

The overall at risk dollars represents the amount necessary to reasonably ensure that Verizon continues to offer nondiscriminatory wholesale service to competitors. The current amount was established over six years ago and does not reflect the telecommunications market in New York today. With the incorporation of the TRO/TRRO changes and the emergence of intermodal competition, the number of lines covered by the PAP has been substantially reduced and the amount of overall bill credits should likewise be adjusted downward. However, because we find that the markets are dynamic and there remains some uncertainty in the business market associated with recent mergers and acquisitions, we will depart from the Proposal and provide for an increase in the overall amount consistent with the discussion herein.

Initially, we agree that the Proposal's reduction in the overall dollars is justified based on the reduction of UNE-based products and lines due to the TRO/TRRO changes and the evolving competitive marketplace. Specifically, the TRRO concluded that access to switching was no longer necessary for CLECs to enter the mass market.[18] This conclusion is consistent with our finding in the Competition III case,[19] that competition in the telephone market has developed and competitors are using their own facilities to compete with Verizon. The decrease in overall at risk dollars reasonably reflects the decrease in Verizon's UNE revenue. Verizon's UNE revenue has dropped approximately 65% as of June 2006 (from its high in November 2004).[20] Adjusting the PAP's total at risk dollars by approximately 65% is consistent with the drop in UNE revenue.

Changes in the telecommunications market also underscore a need to reduce the overall amount in the Plan. The PAP is intended to reflect Verizon's current wholesale service

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[18] UNEs, and in particular UNE-P, was an important vehicle for facilitating competitive entry in the residential market where over 2 million UNE-P lines were used to serve that market. See generally, C2C Performance Reports, Case 97-C-0139.

[19] Case 05-C-0616, Proceeding on Motion of the Commission to Examine Issues Related to the Transition to Intermodal Competition in the Provision of Telecommunications Services, Statement of Policy on Further Steps Toward Competition in the Intermodal Telecommunications Market and Order Allowing Rate Filings (issued April 11, 2006).

[20] Verizon's CB12 PSUM financial reports and UNE related revenue Account 5240.

obligations, and, in the face of increased intermodal competition, Verizon claims that it has more of an incentive to provide high levels of retail and wholesale services. When competitors can bypass the ILECs' facilities, these facilities are no longer critical for entrance to the mass market and the ILECs' incentives are substantially modified as they seek to keep traffic on its network. Market pressure on Verizon from emerging cable voice offerings, together with voice over internet protocol (VoIP) and wireless, should provide that additional incentive.

We disagree with those CLECs that suggest that no reduction in the overall amount is justified in light of marketplace realities and future migrations and the emergence of new UNE-Loop (UNE-L) and resale lines. To the contrary, a review of UNE-L and resale lines shows they have not grown significantly since the conclusion of the TRRO transition period on March 11, 2006. In fact, the trend is just the opposite, a decrease in the number of CLEC lines in both modes.[21] Moreover, we do not agree with the CLECs who argue that a reduction in overall at risk dollars will lead to backsliding. The Proposal attempts to allocate at risk dollars consistent with the penalties under the current Plan for the remaining products. The net effect of those penalties should be roughly the same. However, should performance by Verizon necessitate reallocation of additional dollars, we have the ability to do so on 15 days notice if such a situation warrants.

Nevertheless, any reduction in the overall amount of at risk dollars needs to be balanced against a continued

[21] See Case 97-C-0139, *supra*, UNE-Loops leased by CLECs fell from a peak of 384,048 at the end of September 2005 to 351,358 at the end of June 2006 according to C2C data reports. Resale lines in service fell from a peak of 176,086 at the end of August 2005 to 116,390 at the end of June 2006 according to the C2C data reports.

assessment of whether liability under the PAP will accrue at meaningful and significant levels when performance standards are missed. The proposed reduction is being made in the face of uncertainty as to how the markets will evolve over the next few years. For example, if the increased concentration from market developments like the Verizon/MCI and SBC/AT&T mergers eventually demonstrates that greater reliance on Verizon's network elements is required, we may need to increase the scope of the PAP in terms of dollars.

Accordingly, we find that the Proposal to decrease the overall at risk amount is justified by the decrease in the number of lines covered by the PAP and Verizon's decrease in UNE revenue as well as the emergence of intermodal competition. We do, however, provide for an additional $24 million to be added to that amount which is currently allocated to the SP category (eliminated *infra*) to be held in reserve over the next two years subject to further review. In other words, Verizon will only be exposed to some or all of the additional $24 million if the Commission expressly decides to call upon that amount to increase Verizon's exposure in certain performance areas. We believe that the dollars at risk in the Proposal in conjunction with this additional $24 million are substantial and should deter any potential discrimination.

We, therefore, adopt the Proposal together with the changes discussed in this Order.

Modification to the MOE Category

The MOE section of the Plan is designed to measure Verizon’s overall Section 271 performance in the general product groups CLECs use to obtain facilities from Verizon to support the services that they offer in the local exchange market. Within each wholesale product group, performance scores for individual metrics are weighted and tallied to produce an overall score for that group. Bill credits are due CLECs when the minimum threshold for a group is exceeded.

The CLECs generally object to the reduction of overall at risk dollars that includes a reduced amount devoted to the MOE. Covad criticizes the weighting of metrics in the MOE and comments that, historically, a technological bias exists in the PAP that is carried forward in the Proposal which places more emphasis on narrowband products. Broadview and XO also state that the Proposal fails to reflect an expected increase in the use of UNE-L and Resale. They would reallocate existing at risk MOE dollars to increase UNE-L and Resale by $30 million and $25 million, respectively, before doubling. Broadview and XO also suggest an error is present in the weighting used in the proposed Loop-based group.

Verizon supports the Proposal. Verizon states that the three modes capture the needs of the current marketplace and that the level of at risk dollars allocated to each MOE is appropriate, especially when the continued decline in CLEC and Verizon retail lines, due to intermodal competition, is considered.

In reply, the CLECs reiterate that the existing level of at risk dollars in the MOE should not be reduced as a result of eliminating UNE-P, line sharing and line splitting MOE metrics, but rather be reallocated to the remaining MOE metrics. Covad disagrees with Verizon's assertion that the proposed MOE grouping captures the needs of the marketplace and suggests that a separate Specials or Broadband MOE be created to include DSL and T1 lines. Broadview and XO similarly oppose the weighting of DS1 and DS3 lines as only a fraction of the weighting assigned to UNE-L.

Discussion

To reflect the removal of UNE-P, line sharing and line splitting products from PAP performance measurements, the

Proposal includes a change to the structure of the MOE and a reduction of bill credits for the remaining MOE groupings (the revised MOE metrics and weights is included herein as Attachment B). The Proposal eliminates the existing UNE-P category and combines UNE-L and the remaining xDSL performances into a new Loop-based MOE group. To reflect the elimination of UNE-P, line sharing and line splitting products, the Proposal also reduces the overall at risk MOE penalties by $50 million.[22] The Proposal maintains the doubling provision (for consecutive MOE failures), and allocates penalties to the MOE groupings as follows:

- Loop-based - $15 million ($30 million with doubling).
- Resale - $5 million ($10 million with doubling).
- Trunks - $5 million ($10 million with doubling).

Covad suggests that the potential growth in VoIP and other new broadband products requiring xDSL elements supports the establishment of a separate MOE grouping, combining DSL and Specials products. However, as Verizon demonstrates, the use of these products has been constant over the last five years and has shown a recent decline in the last year. Given the significant reduction in DSL lines subject to performance measurement since the last PAP review, it is no longer appropriate for xDSL to continue to be a stand-alone MOE group. The grouping of xDSL products with other Loop-based UNEs is also reasonable because they depend on similar functions in Verizon's OSS.

We do, however, make certain adjustments to the Proposal. We adjust PR 6-01: Installation Troubles Reported

[22] The current PAP allocates $45 million to the UNE-P grouping and $10 million to the DSL grouping. The Proposal eliminates the $45 million dedicated to UNE-P and moves half of the $10 million dedicated to DSL to the remaining DSL metrics, now in the Loop-Based MOE.

within 30 Days (2-Wire xDSL) as recommended by Covad (and supported by Verizon) that increases the weighting for xDSL products to 10, which is equivalent to the weighting of UNE-L for that metric. In addition, as the CLECs and Verizon point out, we adjust for the inclusion of MR 5-01:% Repeat Reports within 30 Days (2-Wire xDSL) with an assigned weighting of 2, which was inadvertently omitted from the Proposal for the Loop-based MOE.

Therefore, we adopt the Proposal's modifications to the MOE category consistent with the changes in this Order.

Modification to
the CM Category

The PAP includes stand-alone CM metrics that measure Verizon’s service performance in areas important for the CLECs to compete in the local exchange market. Should Verizon miss an applicable performance standard for even one of those metrics, all eligible CLECs are entitled to bill credits. The metrics include benchmark and parity measures and are analyzed at both the aggregate and the individual CLEC level of performance. Each month, one-twelfth of the annual amount assigned to each CM metric is available for bill credits.

Similar to its criticism of the weighting of metrics within the MOE groups, Covad objects to the Proposal's allocation of at risk dollars claiming that the Proposal devalues the significance of broadband in the market. It claims that UNE-L is weighted five-times more than DS1 and DS3 loops and also objects to the weighting of 2-Wire Digital Resale lines equal to xDSL Loops. Covad believes the Proposal fails to address trends in the small to medium-sized business markets that suggest an increased reliance on broadband services.

Conversent also suggests that more dollars be allocated to metrics associated with broadband products. It objects to the elimination of metrics associated with Average

Delay Days (PR 4-02), Installation Troubles within 30 Days (PR 6-01), Open Orders in Hold Status (PR 8-01), and certain metrics in the Maintenance Domain.[23] Conversent further suggests that the allocation of at risk dollars to certain metrics associated with DS1, DS3 and xDSL Loops in the Proposal should be increased.[24]

The only specific comment offered by AT&T is in support of the inclusion of the BI-9 metric.

Broadview and XO contend that UNE-L and Resale continue to be important to CLEC business plans and object to the adoption of modifications that delete any associated metrics or reduce at risk dollars allocated to those metrics. They also object to the elimination of metrics including Wholesale Provisioning Tracking System (WPTS) Availability (PO 2-02), On-Time Provisioning Completion Notices (OR 4-16) and Average Delay Days (PR 4-02) in the Provisioning domain, metrics associated with Missed Repair Appointments (MR 3-01) and Repeat Reports (MR 5-01) in the Maintenance Domain, and the removal of metrics associated with Billing Claims (BI 3-04 and 3-05). They claim that elimination of these metrics will reduce Verizon's incentive to ensure CLEC control of leased loops and a competitively neutral level of service. Broadview and XO also suggest that: metrics associated with Mean Time to Repair (MR 4-02) for Resale and UNE-L products should be added to the Proposal; metrics for % Out of Service (MR 4-06 for UNE Specials) not be eliminated, but rather the at risk dollar allocation be tripled; and, that the proposed at risk dollar

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[23] These include: MR 3-01: Missed Repair Appointments, MR 4-04: % Cleared Troubles, and MR 5-01: % Repeat Reports.

[24] These metrics include PR 4-01: % Missed Appointments (DS1 & DS3), PR 4-14: % Completed On-time (xDSL), and MR 4-01: Mean Time to Repair (DS1 & DS3, Resale).

allocation for metrics associated with % Out of Service > 24 Hours (MR 4-08) be doubled.

TWTC suggests that the PAP include metrics measuring performance on orders associated with directory services exclusively.[25] It recommends that such a metric(s) be added to the Plan and assigned at risk dollars.

Verizon offers general support for the reduction in the number of CM metrics, pointing out that the reduction puts more at risk on metrics deemed necessary for CLECs to compete. Verizon also supports increasing at risk dollars to metrics dedicated to Specials products and the inclusion of the BI-9 metric. Verizon disagrees with the suggested emphasis on broadband capable UNEs. It suggests that it provides excellent service to this UNE segment and that potential losses to intermodal competitors are a better incentive for it to continue to provide excellent service. Verizon also points out that the Proposal actually increases at risk dollars to metrics associated with DS1 and DS3 UNEs. In many instances, Verizon points to the low volumes of transactions, where the CLECs recommend retention of such metrics. Verizon believes that the Proposal provides an appropriate array of metrics and associated dollars that are aligned with Verizon's future wholesale market obligation. Verizon also objects to TWTC's recommendation for a directory listing metric because new metrics should first be evaluated and developed in the C2C proceeding.

Discussion

The Proposal reduces the number of CM individual metrics from 115 to 44 (a comparison of the current and proposed CM metrics and penalties is included herein as Attachment A). The Proposal also reduces the annual at risk dollars allocated

[25] TWTC makes note of a similar metric, PR 4-07: % On-time Performance - LNP, measuring provisioning of local number portability orders, which is included in the Proposal.

to CM from $99 Million to $49 Million. While the Proposal results in a reduction in the amount of CM metrics and at risk dollar allocations, the Proposal does increase at risk dollars for CM metrics associated with UNE Specials (from $3 million to $6.45 million) and includes for the first time, a BI-9 metric and allocates $3.68 million in bill credits.

We believe that a reduction of overall at risk dollars assigned to the CM category is appropriate as UNE products, i.e., UNE-P, decline. In other words, the amount of dollars left for metrics that do not pertain to UNE-P and line sharing is roughly the same.

Further, with the loss of both CLEC and Verizon retail lines to intermodal carriers and the emergence of non-UNE wholesale options, we recognize that it is difficult to select metrics that will be important to all types of CLECs going forward. It is no surprise that CLECs support their company's business model when it comes to what products need protection under the Plan. The Proposal attempts to forecast the wholesale market. The modifications appropriately include a greater emphasis on Special circuits (DS1 & DS3), consistent with the conclusions reached in the Verizon/MCI Merger and the Competition III proceedings.[26] The Proposal also incorporates the inclusion of the BI-9 metric, a matter of concern for several years, with significant bill credits allocated to it.

However, based upon the comments, we will expand the Proposal's CM category to include certain metrics deemed relevant by the CLECs going forward, and the overall bill credits shall be adjusted accordingly (an increase of $2.21 million):

[26] See Case 05-C-0616, *supra*.

Adjustments to CM Proposal		
Metric	Product	Adjustment
PO 2-02: OSS Availability	WPTS	Retain, allocate $294,300 in additional annual bill credits.
PR 4-04: % Missed Appointment	UNE-L New	Double proposed allocation to reflect $1.47 million in annual bill credits.
PR 6-01: % Installation Troubles within 30 Days	2-Wire xDSL	Retain, allocate $294,300 in additional annual bill credits.
MR 3-01: % Missed Repair Appointment	Resale-Bus. Resale-Res. UNE-L 2-Wire xDSL	Retain, allocate $294,300 in additional annual bill credits to both UNE-L and 2-Wire xDSL, allocate $147,150 in additional annual bill credits to both Resale-Bus. and Resale-Res.

We decline, however, to reopen the current phase of this annual review, as suggested by some of the CLECs, to reevaluate the selection of CM metrics. We believe the adjustments made herein reflect the issues.

Finally, with regard to the recommendation for a metric on directory listing transactions, we conclude that this issue should be directed to the C2C proceeding for further review and development.

Therefore, the Proposal's CM category is adopted consistent with the changes in this Order.

Elimination of the SP and CCAP Categories and the Domain Clustering Provision

In addition to the modifications resulting from the C2C changes, the Proposal also eliminates current PAP categories; the SP and the CCAP, and the Domain Clustering provision. The SP category underscores market adjustments to specific performance areas where Verizon has or may exhibit poor performance and the CCAP category measures how Verizon manages changes to its OSS. The Domain Clustering provision is a mechanism that is triggered when 75% of the weight of any of the domains (Pre-Order, Order, Provisioning and Maintenance) in the MOE category are tripped. When this occurs, an overlay will be applied to guard against a continued concentration of failures within the domains.

Broadview and XO submit that there is now more of a need to retain the SP category because the remaining products being measured in that category will not be distorted or influenced by out-going PAP products. In addition, Broadview and XO submit that the reason for eliminating the CCAP category, no past bill credits, is without merit. Broadview and XO argue that Verizon's Change Control process is flawed because of Post Release problems. Therefore, the metrics need to be redesigned to examine these flawed areas.

Verizon contends that because the Commission has stated that the SP category is for metrics with a history of poor performance and/or for metrics that require additional incentives, the concerns regarding hot cuts, flow-through and UNE ordering, which prompted the Commission to include these in SP, no longer exist. Verizon states that it has provided CLECs with excellent service in these areas and the Proposal properly eliminates this category. Further, Verizon contends the Commission adopted the CCAP to allow for close monitoring of its Change Control process and to ensure that Verizon provides adequate notice, promotes coordination, and discloses necessary information to the CLECs to implement such changes. The Commission adopted the CCAP at a time when the parties had relatively little experience with the Change Control process, and, according to Verizon, that is no longer the case. Verizon argues that there is a well-established Change Management Process collaborative that has worked effectively in resolving OSS issues. Moreover, Verizon states that it has only been required to provide bill credits pursuant to CCAP once, in February 2000, shortly after the CCAP was first adopted. Therefore, Verizon has evidenced its commitment to provide good service.

Finally, as it relates to the Domain Clustering provision, Verizon submits that this provision is an unnecessary complication that has never been triggered since the adoption of the Plan. No other party provided comments on this provision.

Discussion

The Proposal eliminates the SP and CCAP categories and the Domain Clustering provision. According to the Proposal, these are antiquated mechanisms that are no longer necessary. Their elimination will simplify the PAP. Moreover, historically, the SP and CCAP categories and the Domain Clustering provision have not triggered bill credits due to performance failures.

The CLECs argue that the SP category remains necessary and will yield clearer results now that other products have been eliminated from the SP category. However, the CLECs fail to provide a valid justification for retaining the SP category in the context of a forward-looking environment. The mere ability to more clearly identify results does not justify the continued existence of the SP category. The Proposal acknowledges that Verizon has either provided good performance or there is little or no activity in the areas covered by the SP category - hot cuts, flow through and UNE ordering. We also agree that the reasons for developing the SP category no longer exist. Those areas that historically warranted inclusion into the SP category no longer warrant specific attention. Moreover, the Proposal mitigates any impact in eliminating this category by regrouping certain metrics into the CM category.

Similarly, the need for the CCAP category no longer exists. As Verizon correctly points out, the CCAP category was developed at a time when implementing changes through Change Control was relatively new and additional incentive was required. There is now a well developed mechanism to address problems in Change Control – the Change Control Management

Process collaborative. In addition, Verizon has demonstrated adequate performance in this area as well. Further, the Proposal mitigates any concerns in eliminating the CCAP category by also including important metrics in the CM category.

Finally, as it relates to the Domain Clustering provision, no party objects to the removal of this overly complicated provision. We believe its removal will go a long way in simplifying the Plan.

We therefore find that SP and CCAP categories should be eliminated from the Plan as well as the Domain Clustering provision consistent with the Proposal.

Elimination of the
"-1" Recapture Provision

The "-1" recapture provision provides Verizon an opportunity to avoid bill credits and rectify poor performance in a given month by providing adequate performance the following two months. In both the MOE and CM categories, one month's "-1" level performance is erased following two consecutive months of adequate service.

As AT&T points out the Proposal's elimination of the "-1" recapture provision necessitates a series of offsetting changes. Specifically, AT&T notes that the elimination of the "-1" recapture provision: (1) modifies the "-1" and "-2" scoring for parity metrics, (2) modifies the dead-band calculations, (3) modifies the initial MOE credits, and (4) modifies the individual rule. AT&T argues that this complex change is unnecessary and unwarranted given that "there is nothing in this proceeding that demonstrates the net effect of all of the proposed changes." AT&T also complains that parties have not been able to analyze changes since only staff and Verizon have access to the confidential data necessary to run the proposed model.[27]

A number of parties note that if the goal is to merely eliminate the duplication of initial and final reports, this could be done by "simply employing the immediately preceding two months, rather than the following two months' reports" as is done in the Vermont PAP, in administering the recapture rule. They caution that simplification of the Plan should not be at the expense of making it more difficult for Verizon to fail a particular metric. Broadview and XO suggest the use of the Kolmogorov-Smirnov (K-S) Test as an alternative method for simplifying the PAP and make the scoring system more simple, accurate and understandable.[28]

Further, XO and Broadview state that the PAP should not reward or exonerate Verizon for improving service after it has failed. Rather, the Plan should penalize Verizon for falling below the acceptable performance level regardless of subsequent improvement.

Verizon notes that the K-S Test is being examined in the C2C proceeding consistent with a prior Commission Order in that docket. Specifically, Verizon notes that the Commission held that the K-S Test might be a useful tool for exploratory data analysis. The Commission did not, however, accept the recommendation that the K-S Test be used as a substitute for the Permutation Test.

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[27] We note that AT&T could have modeled the effect of the "-1" recapture removal on the MOE and CM aggregate penalties given publicly available data and the spreadsheet model posted on the Commission's web site.

[28] The K-S Test is a proposed alternative statistical test to the Permutation Test which is currently used in the C2C Guidelines and the Plan.

Moreover, while Verizon expresses concern about the Proposal by stating "[A]s Verizon noted in its Comments, it has certain reservations about the elimination of the -1 Recapture provision," it concedes that the elimination of the "-1" recapture will simplify the administration of the Plan.

Discussion

Elimination of the "-1" recapture provision will simplify the Plan and create additional incentive for Verizon to provide adequate service. Moreover, its removal is tied to changes in the z-scores, dead-bands[29] and the scaling of MOE bill credits. The "-1" recapture effectively reduces Verizon's risk of paying bill credits for actual poor performance. To offset the effect of eliminating the "-1" recapture, the Proposal provides for more stringent z-scores which reduces the risk that Verizon is penalized due to random events. This in turn warrants a tightening of the dead-band thresholds to maintain a similar confidence level for triggering the MOE bill credits. The tightening of the dead-bands subjects Verizon to more immediate penalties which led staff to propose a more gradual phase-in of bill credits.

As it relates to simplification, removal of the "-1" recapture provision obviates the need to continually recalculate prior performance credits. From an incentive standpoint, removal of the "-1" recapture provision prevents the reversal of penalties for actual poor performance because Verizon can no longer look to the following two months to correct its substandard performance. With no second bite at the apple, the

[29] The MOE's dead-bands trigger the point at which Verizon begins paying bill credits. Each MOE score is based upon a weighted combination of the individual performance scores of the metrics contained in that MOE. The thresholds reflect the point along the possible range of MOE scores at which there is 95% confidence that the MOE score is not the result of random variation.

incentive to perform consistently at or above the standard is obvious; without the ability of reversal actual inadequate performance is otherwise subject to bill credits.

For example, according to the most recently available calendar year, the following benchmark[30] metrics would not have been reversed if the "-1" recapture provision did not exist:

Month & Year and Metric #	Metric Name	CLEC Performance	C2C Benchmark Standard
Jan 2006 NP-2-01/2	% OT Response to Request for Collocation – Total	94.87%	95% on time
Oct 2005 PO-2-02-6030	OSS Interface Availability – Prime - CORBA	99.39%	>=99.5%
Sep 2005 PO-2-02-6010	OSS Interface Availability – Prime - WPTS	99.31%	>= 99.5%
Aug 2005 OR-5-03-3112	% Flow-Through Achieved-UNE POTS Loop	93.43%	95% flow through
Jul 2005 PO-2-02-6030	OSS Interface Availability – Prime - CORBA	99.42%	>= 99.5%
Jul 2005 PO-2-02-6080	OSS Interface Availability – Prime – Web GUI	99.18%	>=99.5%
Jul 2005 OR-1-06-1200	% OT LSRC/ASRC - Facil Ck(E -No FT) – All Specials - UNE/Resale	94.64%	95% within 72 Hours
Jun 2005 OR-2-04-1200	% OT LSR Rej - No Facil Ck (Elec.- No FT) – UNE/Resale	93.46%	95% within 24 Hours
May 2005 OR-1-04-2320	% OT LSRC - No Facility Check - POTS/Pre-Qual Cmplx	93.52%	95% within 24 Hours
May 2005 OR-2-04-2320	% OT LSR Rej - No Facility Check - POTS/Pre-Qual Cmplx	94.26%	95% within 24 Hours

Some CLECs suggest that we adopt a backward looking approach to the "-1" recapture provision similar to the Vermont Plan. In other words, look to the prior two months when there is substandard performance in a given month. This approach undermines the incentive created by the removal of the "-1" recapture provision. By using this approach Verizon could be induced to relax its performance towards the end of a month if a look back indicates that it achieved acceptable performance standards the prior two months. The Proposal provides the incentive that Verizon perform well over the entire twelve-month period so as to avoid below C2C standard performance.

[30] The difference between benchmark and parity metrics is that benchmark metrics do not have a Verizon retail comparison and parity metrics do.

Several CLECs correctly state that removal of the "-1" recapture provision leads to offsetting adjustments to maintain the certainty, i.e., confidence level, required before a bill credit is triggered. However, they incorrectly suggest that this change "mandates ignoring all occurrences with a lesser level of confidence regardless of the often very real competitive impact." In fact, the thresholds for benchmark "-1" scores are not changing. A "-1" for benchmark already reflects the C2C standard. More importantly, for a benchmark metric, a "-1" score reflecting a failure of the C2C standard, will no longer be subject to the uncertainty of reversal going forward. Verizon will remain subject to the larger penalties if performance worsens to the "-2" level under the Proposal.

Verizon's hesitation about the Proposal is unwarranted given the Proposal's new language: "[R]ecognizing that C2C service quality data may be influenced by factors beyond Verizon’s control, Verizon may file Exception or Waiver petitions with the Commission seeking to have the monthly service quality results modified on three generic grounds."[31]

Finally, we agree that it is premature to discuss the adoption of the K-S Test. That procedure for statistical testing is currently undergoing a mandated year long review in the C2C proceeding. We look forward to the CWG's recommendations at its conclusion.

The elimination of the "-1" recapture provision is adopted consistent with the Proposal.

Modification of "-1" and "-2"
Z-Score Calculations for
Metrics with Parity Standards

The z-score thresholds are used to determine if performance is below standard on parity metrics.

[31] Proposal at p. 38.

XO and Broadview argue that the Proposal redefines the z-scores from "-2" to "-1", and adds two additional groups "-3" and "-4". Changing the z-scores, according to XO and Broadview provides less incentive for Verizon to improve performance. Moreover, these CLECs submit that the changes do not provide a clearer or more explicit measurement of service, but does increase the complexity of the PAP.

Verizon points out that the elimination of the "-1" recapture is inextricably intertwined with the change in the z-scores and you cannot have one without the other, unless you jeopardize the penalty neutral balance achieved in the Proposal.

Discussion

This scoring change is reasonable given the consistency, simplification and incentives it provides to the Plan in concert with the removal of "-1" recapture. There is greater statistical certainty associated with the movement of each individual parity metric's threshold from -0.8225 to -1.645 for the "-1" level. Further, to achieve the 95% overall statistical confidence levels originally intended for the penalty provisions of the PAP, the Proposal balances the elimination of the "-1" recapture provision with the movement of the "-1" z-score threshold for parity metrics from -0.8225 to -1.645 and moves the "-2" z-score cut-off from -1.645 to -3.29.[32] This sets the "-1" threshold at the C2C standard and requires a higher confidence level, i.e., greater than %95, that a statistical difference in performance actually occurs for a "-2" performance score. The current PAP never quite achieved the 95% level of confidence required by the C2C standards and the

[32] According to Appendix K of the C2C Guidelines, parity is defined in terms of a z-score worse than -1.645. "A Z score of less than or equal to –1.645 occurs at most 5% of the time under the null hypothesis that the CLEC mean is at least equal to or better than the ILEC mean." Appendix K, VZEAST200604-NY200512Version 11.0 at p. 70-71.

remainder of the PAP's statistical provisions.[33] Removal of the "-1" provision ensures achievement of the 95% confidence level objective.[34]

The Joint commentors and AT&T fail to acknowledge that "-2s" and "-3s" will likely occur under this alternative hypothesis of actual poor performance. Moreover, XO and Broadview fail to recognize that the change in z-score thresholds results in the parity metrics being measured against the C2C standard set at -1.645. This ensures that Verizon is not being penalized for performance that meets the C2C standard.

Therefore, the changes in the z-score calculations are adopted consistent with the Proposal.

Modifications to MOE
Dead-Band Thresholds and
Initial Credit Amount

In the current PAP, the MOE dead-bands[35] are less stringent than the Proposal's and the MOE's initial penalties start at 20% of the total amount of dollars at risk rather than the Proposal's 10%.

XO and Broadview argue that the thresholds in the Proposal have been increased, providing more certainty that penalties are warranted, at the expense of making it much more

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[33] See FCC's Memorandum, Opinion and Order, CC Docket 99-295 at Appendix B, p. 8, fn 41 "[T]he plan also provides for performance scores of –1, which represent a confidence level of 79 percent. The adjustment used in the plan of erasing a –1 if followed by zeros in two following months effectively raises the confidence level to 90 percent for –1's that are not erased." Bell Atlantic Dowell/Canny Decl. at paras. 128-29, and Attach. C, App. E at 1.

[34] See November 1999 PAP Order at p 16.

[35] In the PAP, dead-band thresholds refer to the level of MOE scoring that triggers a penalty. Calculation of the dead-bands ensures that the score reflects actual poor performance and is not triggered by random variation.

difficult for Verizon to trip the thresholds. XO and Broadview also suggest that dead-bands are not needed to address uncertainty. They submit that it is not random variation, but rather, theoretical inaccuracies that are causing uncertainties and impact the quality of the data reported. They argue that Verizon should bear the cost of improving its data, instead of accounting for it with dead-bands. In addition, these commentors argue that no dead-bands would be needed if the PAP used benchmark measurements throughout.

Verizon notes that the proposed modification of the dead-band threshold calculation recognizes that random variation affects Verizon’s performance for both parity and benchmark metrics in the absence of the "-1" recapture provision. Verizon also argues that the proposed dead-band thresholds are more stringent than the current dead-bands, exposing Verizon to a greater level of risk. Thus, Verizon indicates that the proposed change in the MOE start point from 20% to 10% of the bill credits at risk is a reasonable offset to the more difficult dead-band thresholds included in the Proposal.

Discussion

In an effort to maintain penalty neutrality between the current Plan and the Proposal in connection with staff's streamlining efforts, the Proposal balances the tightening of the dead-band thresholds associated with the elimination of the "-1" recapture by decreasing the dollars paid when the thresholds are initially triggered in the MOE. The Proposal expands the MOE triggering threshold to allow for the possibility that "-1" and "-2" performance scores on benchmark metrics could arise due to random variation.[36]

[36] Random variation could cause performance scores to fail despite no actual poor performance by Verizon.

As indicated, removal of the "-1" recapture provision will no longer allow Verizon to manage the risk of randomly poor performance on benchmark measures. However, the new dead-band thresholds are more stringent than the current thresholds, regardless of the additional recognition for random variation on benchmark metrics. Given this added financial risk, i.e., the likelihood that penalties paid for actual poor performance are greater given the new thresholds, it is reasonable to begin the payments at 10% instead of at 20% of the maximum amount. The proposed MOE thresholds also result in a better balancing of Type I and Type 2 errors.[37]

XO and Broadview's arguments primarily relate to the process of metric measurements and standards and not to the setting of the MOE scoring methodology. These types of arguments should initially be raised in the CWG which is charged with addressing these concerns.

Therefore, we adopt the modifications to the dead-band MOE thresholds consistent with the Proposal.

Modifications to the CM Individual Rule

The individual rule guards against a single CLEC receiving poor performance even though in the aggregate, CLECs receive adequate performance. Consequently, no CLEC can be singled out for targeted discrimination.

XO and Broadview infer that because Verizon is unlikely to advocate for the payment of higher penalties, the MOE dead-band penalties and individual rule penalties must, at the very least, neutralize the higher penalties that would result from changes to the "-1" scoring methodology.

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[37] A Type 1 error is a finding that discrimination exists when in fact there is none. A Type 2 error is not detecting discrimination when in fact it has occurred. See November 1999 PAP Order at p. 15.

AT&T objects that insufficient data is available to test the effects of the changes on individual CLECs. Covad believes that a simpler collaborative solution can be achieved to address Verizon's suggested market comparison problem. Verizon suggests that the individual rule is unfair since it measures regional and niche CLEC market performance against Verizon’s statewide aggregate performance.

Discussion

The Proposal maintains the CM individual rule that credits individual CLECs for poor service, when aggregate CLEC performance is good. The Proposal modifies the rule to trigger credits on a single month’s performance instead of two consecutive months’ performance, but only when "-3" performance levels are reached.[38]

The twelve-month analysis indicates that the individual rule will remain effective. The Proposal recognizes that Verizon is more likely to be penalized for poor performance when it actually provides inferior service as opposed to when a recorded measurement is due to random variation. The twelve-month analysis of actual performance utilizing the Proposal's methodology on the individual rule shows that Verizon would pay slightly more in penalties inclusive of all PAP penalties. Accordingly, while Broadview and XO are correct that Verizon would pay less individual rule credits under the most recent year (a good performing year), we note, that in 2001, a year with relatively poor performance, Verizon would have paid a

[38] For benchmark metrics, the individual rule will be triggered by a "-3" score assuming the aggregate performance meets the "-1" standard. For parity metrics, the individual rule will be triggered by a z-score less than the "-3" standard of -4.935 for CLEC specific performance assuming the aggregate performance meets the "-1" standard of -1.645.

significant amount in individual rule penalties if 2001 was evaluated under the Proposal.[39]

Moreover, although CLECs are only able to access their own CLEC specific data, the 12 month analysis of actual results indicates that the proposed changes to the individual rule will produce a similar level of payments to CLECs as compared to those in the current Plan.

Therefore, the individual rule will be maintained consistent with the Proposal.

Additional Changes
to the Plan

The Proposal reflects the following additional revisions:

- Reformats the PAP Report to ASCII.[40]
- Modifies the WQAP provision.
- Modifies the Audit provision.
- Modifies the waiver/exception provision.

No party opposes reformatting the PAP to ASCII and modifying the waiver/exception and the WQAP provisions. Broadview and XO oppose the modifications to the Audit provision because they feel CLECs do not have the resources available to audit selected provisions of the PAP and, thus, staff should retain that function. Additional, they maintain CLECs cannot

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[39] In 2001, 23% of the CLEC aggregate z-scores for basic services reported under the C2C Guidelines were worse than the -4.935 individual rule thresholds in the Proposal, indicating the likelihood of many qualifying individual CLEC z-scores.

[40] ASCII is the acronym for the American Standard Code for Information Interchange and is a code for representing English characters as numbers, with each character assigned a number from zero to 127.

audit all of Verizon's PAP calculations because individual CLECs only receive their respective data.

Verizon argues the modified Audit provision is reasonable and provides sufficient mechanisms for staff and the CLECs to initiate audits. Verizon also notes the its reporting is reviewed regularly pursuant to the provisions of the WQAP and the Commission will continue to have that general statutory power to conduct audits.[41]

Discussion

No party opposes reformatting the PAP to ASCII or modifying the waiver/exception and the WQAP provisions. These changes will simplify or better explain the Plan and, therefore, they are adopted.

The CLEC concerns regarding the proposed changes to the Audit provision are misplaced. In fact, the modifications revise the PAP to reflect the role staff actually played in monitoring the PAP over the last few years. At the beginning of the PAP, it was recognized that staff would need to be more involved in metric replication and the PAP provided for such. However, the intent was that CLECs, and not staff, would perform the primary replication role. Under the proposed Audit provision, staff can perform any necessary audits.

The Proposal's modifications to the Audit provision are also adopted.

Verizon's Administrative
and Miscellaneous Changes
and Implementation Concerns

Verizon suggests several administrative and miscellaneous changes that are intended to make the Plan more understandable and easier to read. Verizon submits that these changes do not affect the methodologies and substantive nature of the Plan in any way. Verizon does, however, raise

[41] Public Service Law (PSL) §96(6).

implementation concerns with regard to when the various changes in the Proposal, should they be approved by the Commission, can go into effect.

Certain CLECs object to the administrative and miscellaneous changes on the ground that they have not been given an opportunity to review and analyze them.

Discussion

Because these various administrative and miscellaneous changes do not affect the Plan substantively, and because the various CLECs have had ample time to review and comment on these changes and have not raised any substantive objections to date, we will accept Verizon's administrative and miscellaneous changes. They should be reviewed and incorporated during the compliance phase of this proceeding with one exception. We reject Verizon's proposal regarding the MOE metric NP-1-03 (Trunks Blocked 2 months).[42]

As it relates to Verizon's implementation concerns, we believe timing and other related scheduling issues should be addressed during the compliance phase of this proceeding and Verizon is directed to work with staff in this regard consistent with this Order. However, because we will need to monitor performance for an additional two months necessary to close out the current PAP's "-1s" to "0s" provision, Verizon should undertake parallel scoring under the current and new Plan for two months following final implementation.

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[42] NP-1-03 and NP-1-04 are intertwined in that they measure different intervals relating to the same trunk blockages. Verizon is correct in pointing out that a C2C standard only exists for NP-1-04 (trunks blocked 3 months) It would be preferable to include a NP-1-05 with an interval worse than the C2C standard, e.g., trunks blocked 4 months, but absent such a metric, and given the continued desire to increase penalties as trunk blockages become more severe, we will retain the current PAP's two metric handling of trunk blockages.

CONCLUSION

We believe that the Proposal as modified herein will ensure that Verizon provides nondiscriminatory wholesale service. Therefore, the Proposal, as modified by this Order, is adopted.

The Commission orders:

1. Verizon New York Inc.'s amended Performance Assurance Plan set forth in the Proposal posted on the Commission's web site, as modified by this Order, is adopted and Verizon New York Inc. is directed to file an original and 10 copies of its amended Performance Assurance Plan within 30 days of the issuance of this Order with Jaclyn A. Brilling, Secretary to the Commission, New York State Public Service Commission, 3 Empire State Plaza, Albany, New York 12223-1350. Verizon New York Inc. shall also post a copy of same to the company's web site and provide electronic copies by e-mail to all the parties on the Case 99-C-0949 Active Party List.

2. Any party wishing to comment on Verizon New York Inc.'s compliance filing shall do so by filing an original and 10 copies of their comments within 15 days after Verizon New York Inc. files its amended Performance Assurance Plan with the Secretary to the Commission.

3. Verizon New York Inc. is directed to work with staff in implementing changes and making the amended Performance Assurance Plan operational by January 1, 2007.

4. Within 90 days of the issuance of this Order, Verizon New York Inc. is directed to work with staff and file original and 10 copies of an updated version of its Wholesale Quality Assurance Plan with the Secretary to the Commission.

5. The deadlines provided for in this Order may be extended as the Secretary may require.

6. This proceeding is continued.

By the Commission

(SIGNED) JACLYN A. BRILLING
Secretary

ATTACHMENTS

Attachment A: Comparison of Current and Proposed Critical Metrics and Weights.

Attachment B: Proposed MOE Metrics and Weights.

PAP Critical Measures		Product	Monthly Dollars At Risk 2005 PAP	Staff Proposal	Adjusted 2006 PAP
Various	**UNE Platform - Total**	**UNE Platform**	**$3,750,000**	$0	$0
Various	**Line Share/Line Splitting**	**Lineshare/ Line Splt**	**$376,165**	$0	$0
Pre-Ordering					
PO-1-06-6020	Mechanized Loop Qualification - EDI	EDI	$34,722	$0	$0
PO-1-06-6030	Mechanized Loop Qualification - CORBA	CORBA	$34,722	$0	$0
PO-1-06-6050	Mechanized Loop Qualification - Web GUI	WEB GUI	$34,722	$0	$0
PO-2-02-6010	OSS Interface Availability - Prime - WPTS	WPTS	$55,556	$0	$24,525
PO-2-02-6020	OSS Interface Availability - Prime - EDI	EDI	$159,723	$61,311	$61,311
PO-2-02-6030	OSS Interface Availability - Prime - CORBA	CORBA	$55,556	$0	$0
PO-2-02-6080	OSS Interface Availability - Prime - Web GUI	WEB GUI	$159,723	$61,311	$61,311
PO-4-01-6660	% Change Management Notices Sent on Time		$0	$122,623	$122,623
Ordering					
OR-1-02-2320	% On Time LSRC -Flow Through	Resale	$138,889	$122,623	$122,623
OR-1-02-3331	% On Time LSRC -Flow Through	UNE Loop	$185,185	$122,623	$122,623
OR-1-04-1200	%OT LSRC-No Fac Ck(E-No FT)-All Spcls-UNE/Rsl	UNE/Resale Specials	$13,587	$0	$0
OR-1-04-1341	%OT LSRC-No Fac Ck(E-No FT)-2Wdig-UNE/Rsl	2 Wire Dig/UNE/Rsl	$23,148	$0	$0
OR-1-04-2320	% On Time LSRC/ASRC - No Facility Check (Electronic - No Flow Througl	Resale POTS/Pre-qualified Complex	$0	$61,311	$61,311
OR-1-04-3331	% On Time LSRC/ASRC - No Facility Check (Electronic - No Flow Througl	UNE Loop/Pre-qualified Complex/LNP	$0	$61,311	$61,311
OR-1-04-3342	%OT LSRC-No Fac Ck(E-No FT)-2W xDSL Loops	2 Wire xDSL Loop	$57,870	$0	$0
OR-1-06-1200	%OT LSRC/ASRC-Fac Ck(E-No FT)-All Spcls-UNE/Rsl	UNE/Resale Specials	$13,587	$0	$0
OR-1-06-3211	% On Time LSRC/ASRC - Facility Check (Electronic - No Flow-through)	UNE Specials DS1	$0	$24,525	$24,525
OR-1-06-3331	% On Time LSRC/ASRC - Facility Check (Electronic - No Flow-through)	UNE Loop/Pre-qualified Complex/LNP	$0	$61,311	$61,311
OR-1-12-5020	% On Time FOC	Trunks	$50,000	$61,311	$61,311
OR-1-13-5000	% On Time Design Layout Record	Trunks	$100,000	$122,623	$122,623
OR-1-19-5020	% OT Resp. -Req. for Inbound Aug. (<=192)	Trunks	$50,000	$0	$0
OR-2-04-1200	% OT LSR Rej-No Fac Ck(E-No FT)-UNE/Resale	UNE/Resale Specials	$6,793	$24,525	$24,525
OR-2-04-1341	% On Time LSR/ASR Reject - No Facility Check (Electronic - No Flow-thro	2 Wire Dig/UNE/Rsl	$23,148	$0	$0
OR-2-04-3342	% On Time LSR/ASR Reject - No Facility Check (Electronic - No Flow-thro	2 Wire xDSL Loop	$23,148	$0	$0
OR-2-06-1200	%OT LSR/ASR Rej-Fac Ck (Elec) –UNE/Resale	UNE/Resale Specials	$6,793	$24,525	$24,525
OR-4-16-1000	% On Time PCN - 1 Bus. Day	UNE/Resale	$106,481	$0	$0
OR-10-01-1000	% PON Exceptions Resolved w/in 3 Bus Days	UNE/Resale	$14,368	$0	$0
OR-10-02-1000	% PON Exceptions Resolved w/in 10 Bus Days	UNE/Resale	$5,747	$0	$0
Provisioning					
PR-3-01-2100	% Completed in 1 Day (1-5 lines No Disp.)	Resale	$16,026	$0	$0
PR-4-01-1210	% Missed Appointment -VZ -DSO –UNE/Resale	UNE/Resale DS0	$6,793	$24,525	$24,525
PR-4-01-1211	% Missed Appointmment -VZ -DS1 -UNE/Resale	UNE/Resale DS1	$6,793	$24,525	$24,525
PR-4-01-1213	% Missed Appointmment -VZ -DS3 -UNE/Resale	UNE/Resale DS3	$6,793	$24,525	$24,525
PR-4-01-1214	% Missed Appointmment -VZ -Other -UNE/Resale	UNE/Resale Spec. Oth	$6,793	$0	$0
PR-4-01-3510	% Missed Appointment - VZ - Total - EEL	EEL	$13,587	$0	$0
PR-4-01-3530	% Missed Appointment - VZ - Total - IOF	IOF	$13,587	$24,525	$24,525
PR-4-02-1200	Average Delay Days - Total -UNE/Resale	UNE/Resale Specials	$6,793	$24,525	$24,525
PR-4-02-1341	Average Delay Days - Total - 2W Digital	2 Wire Dig/UNE/Rsl	$5,020	$0	$0
PR-4-02-2100	Average Delay Days - Total	Resale	$48,077	$0	$0
PR-4-02-3112	Average Delay Days - Total	UNE Loop	$31,746	$0	$0
PR-4-02-3510	Average Delay Days - Total - 2W xDSL Loop	2 Wire xDSL Loop	$25,100	$0	$0
PR-4-02-3510	Average Delay Days - Total – EEL	EEL	$6,793	$0	$0
PR-4-02-3530	Average Delay Days - IOF	IOF	$6,793	$61,311	$61,311
PR-4-04-1341	% Missed Appts - Disp - 2W Digital UNE/Resale	2 Wire Dig/UNE/Rsl	$5,020	$24,525	$24,525
PR-4-04-2100	% Missed Appointments –Dispatch	Resale	$32,051	$122,623	$122,623
PR-4-04-3113	% Missed Appointments –Dispatch	UNE Loop- new	$126,984	$61,311	$122,622
PR-4-05-1341	% Missed Appt -No Disp -2W Digital -UNE/Resale	2 Wire Dig/UNE/Rsl	$5,020	$0	$0
PR-4-05-2100	% Missed Appointments - No Dispatch	Resale	$64,103	$245,245	$245,245
PR-4-07-3540	% On Time Performance - LNP	LNP	$200,000	$245,245	$245,245
PR-4-14-3342	% Completed On Time - 2W xDSL Loops	2 Wire xDSL Loop	$25,100	$24,525	$24,525
PR-4-15-5000	% On Time Provisioning – Trunks	Trunks	$133,333	$245,245	$245,245
PR-5-01-1200	% Missed Appointment - Facilities –UNE/Resale	UNE/Resale Specials	$27,174	$61,311	$61,311
PR-5-02-1200	% Orders Held for Facilities > 15 days -UNE/Resale	UNE/Resale Specials	$27,174	$61,311	$61,311
PR-6-01-1200	% Installation Troubles within 30 days -UNE/Resale	UNE/Resale Specials	$13,587	$61,311	$61,311

PAP Critical Measures		Product	Monthly	Dollars At Risk	
PR-6-01-1341	% Install Trbls w/in 30 Days -2W Digital Loop -UNE/Resale	2 Wire Dig/UNE/Rsl	$5,020	$0	$0
PR-6-01-2100	% Installation Troubles w/in 30 Days	Resale	$48,077	$183,934	$183,934
PR-6-01-3113	% Installation Troubles w/in 30 Days	UNE Loop- new	$63,492	$122,623	$122,623
PR-6-01-3342	% Install Trbls w/in 30 Days -2W xDSL Loops	2 Wire xDSL Loop	$37,651	$0	$24,525
PR-6-01-5000	% Installation Troubles w/in 30 Days	Trunks	$66,667	$0	$0
PR-6-02-3520	% Installation Troubles w/in 7 days-Loop-Basic Hot Cut Basic	Hot Cut	$63,492	$245,245	$245,245
PR-6-02-3523	% Installation Troubles w/in 7 days-Loop-Large Job Hot Cut Larg Job	Hot Cut	$126,984	$122,623	$122,623
PR-6-02-3525	% Installation Troubles w/in 7 days-Loop-Batch Hot Cut Batch	Hot Cut	$31,746	$0	$0
PR-8-01-1200	Open Orders in Hold Status>30 Days-UNE/Resale	UNE/Resale Specials	$6,793	$0	$0
PR-8-01-3510	Open Orders in a Hold Status >30 Days -EEL	EEL	$2,717	$0	$0
PR-8-01-3530	Open Orders in a Hold Status >30 Days -IOF	IOF	$2,717	$0	$0
PR-9-01-3520	% On Time Performance-Loop-Basic Hot Cut Basic	Hot Cut	$63,492	$245,245	$245,245
PR-9-01-3523	% On Time Performance-Loop-Large Job Hot Cut Larg Job	Hot Cut	$126,984	$122,623	$122,623
PR-9-01-3525	% On Time Performance-Loop-Batch Hot Cut Batch	Hot Cut	$31,746	$0	$0
Maintenance					
MR-3-01-1341	% Missed Repr Appt -Loop-2W Digtl-UNE/Resale	2 Wire Dig/UNE/Rsl	$9,058	$0	$0
MR-3-01-2110	% Missed Repair Appointments - Loop - Bus.	Resale Bus	$52,083	$0	$12,263
MR-3-01-2120	% Missed Repair Appointments - Loop - Res.	Resale Res.	$52,083	$0	$12,263
MR-3-01-3112	% Missed Repair Appointments - Loop	UNE Loop	$88,889	$0	$24,525
MR-3-01-3342	% Missed Repr Appt -Loop -2W xDSL Loops	2 Wire xDSL Loop	$22,645	$0	$24,525
MR-4-01-1216	Mean Time to Repair - nonDS0 & DS0 -UNE/Resale	UNE/Resale DS0/nonDS0	$6,793	$24,525	$24,525
MR-4-01-1217	Mean Time to Repair - DS1 & DS3 -UNE/Resale	UNE/Resale DS1/DS3	$6,793	$24,525	$24,525
MR-4-04-1341	% Cleared(all trbls) w/in 24hrs-2W Dig-UNE/Resale	2 Wire Dig/UNE/Rsl	$9,058	$0	$0
MR-4-04-3342	% Cleared (all trbls) w/in 24hrs-2W xDSL Loops	2 Wire xDSL Loop	$22,645	$0	$0
MR-4-06-1216	% Out of Service>4 Hrs - nonDS0 & DS0 -UNE/Resale	UNE/Resale DS0/nonDS0	$6,793	$0	$0
MR-4-06-1217	% Out of Service > 4 Hours - DS1 & DS3 -UNE/Resale	UNE/Resale DS1/DS3	$6,793	$0	$0
MR-4-08-1216	%Out of Service>24 Hrs - nonDS0 & DS0 -UNE/Resale	UNE/Resale DS0/nonDS0	$6,793	$24,525	$24,525
MR-4-08-1217	% Out of Service > 24 Hours - DS1 & DS3 -UNE/Resale	UNE/Resale DS1/DS3	$6,793	$24,525	$24,525
MR-4-08-2110	%Out of Service >24Hrs. - Bus.	Resale Bus	$26,042	$61,311	$61,311
MR-4-08-2120	%Out of Service >24Hrs. - Res.	Resale Res.	$26,042	$61,311	$61,311
MR-4-08-3112	%Out of Service >24Hrs. - Total	UNE Loop	$44,444	$122,623	$122,623
MR-4-08-5000	%Out of Service >24Hrs. - Total	Trunks	$66,667	$0	$0
MR-5-01-1200	% Repeat Reports w/in 30 days -UNE/Resale	UNE/Resale Specials	$13,587	$0	$0
MR-5-01-1341	% Repeat Reports w/in 30 Days-2w Digital-UNE/Resale	2 Wire Dig/UNE/Rsl	$9,058	$0	$0
MR-5-01-2100	% Repeat Reports within 30 Days	Resale	$52,083	$0	$0
MR-5-01-3112	% Repeat Reports within 30 Days	UNE Loop	$88,889	$0	$0
MR-5-01-3342	% Repeat Reports w/in 30 Days -2W xDSL Loops	2 Wire xDSL Loop	$45,290	$0	$0
MR-5-01-5000	% Repeat Reports within 30 Days	Trunks	$133,333	$0	$0
Network Performance					
NP-1-04-5000	Final Trunk Groups Blocked	Trunks	$200,000	$122,623	$122,623
NP-2-01/2	% OT Response to Request for Collocation - Total	Collocation	$23,810	$0	$0
NP-2-05/6	% On Time - Physical Collocation - Total	Collocation	$95,238	$0	$0
NP-2-07/8	Average Delay Days - Total	Collocation	$47,619	$0	$0
Billing					
BI-3-04-1000	% CLEC Billing Claims Acknwldgd w/ 2 Bus Days	UNE/Resale	$5,747	$0	$0
BI-3-05-1000	%CLEC Billng Claims Rslvd w/in 28 Cal. Days after Ack.	UNE/Resale	$57,471	$0	$0
BI-9-01-1000	% Billing Completeness in Twelve Billing Cycles	UNE/Resale	$0	$306,557	$306,557
		Month Total	$8,250,000	$4,083,339	$4,267,275
		Annual Total	$99,000,000	$49,000,000	$51,207,232

Perf. Score	Wgt.	Wgtd. Score	Metric #	Metric Description	Product
-134	325	-2	**MOE-LOOP**	**Loop Based Mode of Entry Totals**	
-2	2	-0.012	PO-1-01-6020	Average Response Time - Customer Service Record (CSR)	EDI
-2	2	-0.012	PO-1-01-6030	Average Response Time - Customer Service Record (CSR)	CORBA
-2	5	-0.031	PO-1-01-6050	Average Response Time - Customer Service Record (CSR)	WEB GUI/LSI/W
-2	2	-0.012	PO-1-03-6020	Average Response Time - Address Validation	EDI
-2	2	-0.012	PO-1-03-6030	Average Response Time - Address Validation	CORBA
-2	5	-0.031	PO-1-03-6050	Average Response Time - Address Validation	WEB GUI/LSI/W
-2	2	-0.012	PO-1-06-6020	Average Response Time - Mechanized Loop Qualification - xDSL	EDI
-2	2	-0.012	PO-1-06-6050	Average Response Time - Mechanized Loop Qualification - xDSL	WEB GUI/LSI/W
-2	5	-0.031	PO-2-02-6010	OSS Interface Availability - Prime-Time	WPTS
-2	5	-0.031	PO-2-02-6020	OSS Interface Availability - Prime Time	EDI
-2	5	-0.031	PO-2-02-6030	OSS Interface Availability - Prime Time	CORBA
-2	5	-0.031	PO-2-02-6080	OSS Interface Availability - Prime Time	Web GUI
-2	2	-0.012	PO-8-01-6000	% On Time - Manual Loop Qualification	Systems Metrics
-2	10	-0.062	OR-1-02-3331	% On Time LSRC - Flow-through	UNE-L/Pre-qual Complx/LNP
-2	5	-0.031	OR-1-04-3331	% On Time LSRC/ASRC - No Facil Chk (Electr. No Flow-through)	UNE-L/Pre-qual Complx/LNP
-2	5	-0.031	OR-1-06-3331	% On Time LSRC/ASRC - Facil Chk (Electr. No Flow-through)	UNE-L/Pre-qual Complx/LNP
-2	5	-0.031	OR-2-02-3331	% On Time LSR Reject - Flow-through	UNE-L/Pre-qual Complx/LNP
-2	5	-0.031	OR-2-04-3331	% On Time LSR/ASR Rej - No Facil Chk (Electr. No Flow-through)	UNE-L/Pre-qual Complx/LNP
-2	2	-0.012	OR-2-04-3341	% On Time LSR/ASR Rej - No Facil Chk (Electr. No Flow-through)	UNE 2W Digital
-2	2	-0.012	OR-2-04-3342	% On Time LSR/ASR Rej - No Facil Chk (Electr. No Flow-through)	UNE 2W xDSL Loops
-2	2	-0.012	OR-2-06-3331	% On Time LSR/ASR Rej - Facil Chk (Electr. No Flow-through)	UNE-L/Pre-qual Complx/LNP
-2	2	-0.012	OR-2-06-3341	% On Time LSR/ASR Rej - Facil Chk (Electr. No Flow-through)	UNE 2W Digital
-2	5	-0.031	OR-4-16-1000	% Provisioning Comp. Notifiers sent - 1 Business Day	Resale/UNE (EDI)
-2	5	-0.031	OR-5-03-3112	% Flow Through Achieved	UNE-L
-2	5	-0.031	OR-6-03-3331	% Accuracy - LSRC	UNE-L/Complex/LNP
-2	5	-0.031	PR-3-10-3342	% Completed in six (6) Days one (1) to five (5) Lines - Total	UNE 2W xDSL Loops
-2	10	-0.062	PR-4-02-3112	Average Delay Days - Total	UNE-L
-2	2	-0.012	PR-4-02-3341	Average Delay Days - Total	UNE 2W Digital
-2	5	-0.031	PR-4-02-3342	Average Delay Days - Total	UNE 2W xDSL Loops
-2	5	-0.031	PR-4-04-3113	% Missed Appointment - Verizon - Dispatch	UNE-L New
-2	2	-0.012	PR-4-04-1341	% Missed Appointment - Verizon - Dispatch	Resale/UNE 2W Digital
-2	2	-0.012	PR-4-05-3341	% Missed Appointment - Verizon - No Dispatch	UNE 2W Digital
-2	2	-0.012	PR-4-14-3342	% Completed On Time - 2-Wire xDSL	UNE 2W xDSL Loops
-2	5	-0.031	PR-5-01-3112	% Missed Appointment - Verizon - Facilities	UNE-L
-2	5	-0.031	PR-5-02-3112	% Orders Held for Facilities > 15 Days	UNE-L
-2	10	-0.062	PR-6-01-3113	% Installation Troubles reported within 30 Days	UNE-L New
-2	2	-0.012	PR-6-01-3341	% Installation Troubles reported within 30 Days	UNE 2W Digital
-2	5	-0.031	PR-6-01-3342	% Installation Troubles reported within 30 Days	UNE 2W xDSL Loops
-2	20	-0.123	PR-6-02-3520	% Installation Troubles reported within seven (7) Days	UNE-L Basic HC
-2	10	-0.062	PR-6-02-3523	% Installation Troubles reported within seven (7) Days	UNE-L Large Job HC
-2	2	-0.012	PR-8-01-3341	Percent Open Orders in a Hold Status > 30 Days	UNE 2W Digital
-2	5	-0.031	PR-8-01-3342	Percent Open Orders in a Hold Status > 30 Days	UNE 2W xDSL Loops
-2	20	-0.123	PR-9-01-3520	% On Time Performance - Hot Cut	UNE-L Basic HC
-2	10	-0.062	PR-9-01-3523	% On Time Performance - Hot Cut	UNE-L Large Job HC
-2	10	-0.062	PR-9-08-3533	Average Duration of Hot Cut Installation Troubles	UNE-L Total HC
-2	2	-0.012	MR-1-01-6050	Average Response Time - Create Trouble	LSI-TA
-2	10	-0.062	MR-3-01-3112	% Missed Repair Appointment - Loop	UNE-L
-2	2	-0.012	MR-3-01-3341	% Missed Repair Appointment - Loop	UNE 2W Digital
-2	5	-0.031	MR-3-01-3342	% Missed Repair Appointment - Loop	UNE 2W xDSL Loops
-2	10	-0.062	MR-3-02-3112	% Missed Repair Appointment - Central Office	UNE-L
-2	2	-0.012	MR-3-02-3341	% Missed Repair Appointment - Central Office	UNE 2W Digital
-2	5	-0.031	MR-3-02-3342	% Missed Repair Appointment - Central Office	UNE 2W xDSL Loops
-2	5	-0.031	MR-4-02-3112	Mean Time To Repair - Loop Trouble	UNE-L

Mode Of Entry Metrics & Weights

Perf. Score	Wgt.	Wgtd. Score	Metric #	Metric Description	Product
-2	2	-0.012	MR-4-02-3341	Mean Time To Repair - Loop Trouble	UNE 2W Digital
-2	2	-0.012	MR-4-02-3342	Mean Time To Repair - Loop Trouble	UNE 2W xDSL Loops
-2	5	-0.031	MR-4-03-3112	Mean Time To Repair - Central Office Trouble	UNE-L
-2	2	-0.012	MR-4-03-3341	Mean Time To Repair - Central Office Trouble	UNE 2W Digital
-2	2	-0.012	MR-4-03-3342	Mean Time To Repair - Central Office Trouble	UNE 2W xDSL Loops
-2	2	-0.012	MR-4-04-3341	% Cleared (all troubles) within 24 Hours	UNE 2W Digital
-2	2	-0.012	MR-4-04-3342	% Cleared (all troubles) within 24 Hours	UNE 2W xDSL Loops
-2	5	-0.031	MR-4-07-3112	% Out of Service > 12 Hours	UNE-L
-2	2	-0.012	MR-4-07-3341	% Out of Service > 12 Hours	UNE 2W Digital
-2	2	-0.012	MR-4-07-3342	% Out of Service > 12 Hours	UNE 2W xDSL Loops
-2	10	-0.062	MR-4-08-3112	% Out of Service > 24 Hours	UNE-L
-2	10	-0.062	MR-5-01-3112	% Repeat Reports within 30 Days	UNE-L
-2	2	-0.012	MR-5-01-3341	% Repeat Reports within 30 Days	UNE 2W Digital
-2	2	-0.012	MR-5-01-3342	% Repeat Reports within 30 Days	UNE 2W xDSL Loops

Mode Of Entry Metrics & Weights

Perf. Score	Wgt.	Wgtd. Score	Metric #	Metric Description	Product
-74	241	-2.000	**MOE-Resale**	**Resale Mode of Entry Totals**	
-2	2	-0.017	PO-1-01-6020	Average Response Time - Customer Service Record (CSR)	EDI
-2	2	-0.017	PO-1-01-6050	Average Response Time - Customer Service Record (CSR)	WEB GUI/LSI/W
-2	2	-0.017	PO-1-03-6020	Average Response Time - Address Validation	EDI
-2	2	-0.017	PO-1-03-6050	Average Response Time - Address Validation	WEB GUI/LSI/W
-2	5	-0.041	PO-2-02-6020	OSS Interface Availability - Prime Time	EDI
-2	5	-0.041	PO-2-02-6080	OSS Interface Availability - Prime Time	Web GUI
-2	10	-0.083	OR-1-02-2320	% On Time LSRC - Flow-through	Resale POTS/Pre-qual Complx
-2	5	-0.041	OR-1-04-2320	% On Time LSRC/ASRC - No Facil Chk (Electr. No Flow-through)	Resale POTS/Pre-qual Complx
-2	5	-0.041	OR-2-02-2320	% On Time LSR Reject - Flow-through	Resale POTS/Pre-qual Complx
-2	2	-0.017	OR-2-04-2320	% On Time LSR/ASR Rej - No Facil Chk (Electr. No Flow-through)	Resale POTS/Pre-qual Complx
-2	2	-0.017	OR-2-06-2320	% On Time LSR/ASR Rej - Facil Chk (Electr. No Flow-through)	Resale POTS/Pre-qual Complx
-2	5	-0.041	OR-4-16-1000	% Provisioning Comp. Notifiers sent - 1 Business Day	Resale/UNE (EDI)
-2	10	-0.083	OR-5-03-2000	% Flow Through Achieved	Resale
-2	10	-0.083	OR-6-03-2000	% Accuracy - LSRC	Resale
-2	5	-0.041	PR-3-01-2100	% Completed in 1 Day - one (1) to five (5) Lines - No Dispatch	Resale POTS
-2	15	-0.124	PR-4-02-2100	Average Delay Days - Total	Resale POTS
-2	10	-0.083	PR-4-04-2100	% Missed Appointment - Verizon - Dispatch	Resale POTS
-2	20	-0.166	PR-4-05-2100	% Missed Appointment - Verizon - No Dispatch	Resale POTS
-2	5	-0.041	PR-5-01-2100	% Missed Appointment - Verizon - Facilities	Resale POTS
-2	5	-0.041	PR-5-02-2100	% Orders Held for Facilities > 15 Days	Resale POTS
-2	15	-0.124	PR-6-01-2100	% Installation Troubles reported within 30 Days	Resale POTS
-2	2	-0.017	MR-1-01-6050	Average Response Time - Create Trouble	LSI-TA
-2	2	-0.017	MR-1-06-6050	Average Response Time - Test Trouble (POTS Only)	LSI-TA
-2	10	-0.083	MR-3-01-2110	% Missed Repair Appointment - Loop	Resale POTS Bus
-2	10	-0.083	MR-3-01-2120	% Missed Repair Appointment - Loop	Resale POTS Res
-2	10	-0.083	MR-3-02-2110	% Missed Repair Appointment - Central Office	Resale POTS Bus
-2	10	-0.083	MR-3-02-2120	% Missed Repair Appointment - Central Office	Resale POTS Res
-2	5	-0.041	MR-4-02-2110	Mean Time To Repair - Loop Trouble	Resale POTS Bus
-2	5	-0.041	MR-4-02-2120	Mean Time To Repair - Loop Trouble	Resale POTS Res
-2	5	-0.041	MR-4-03-2110	Mean Time To Repair - Central Office Trouble	Resale POTS Bus
-2	5	-0.041	MR-4-03-2120	Mean Time To Repair - Central Office Trouble	Resale POTS Res
-2	5	-0.041	MR-4-07-2110	% Out of Service > 12 Hours	Resale POTS - Bus
-2	5	-0.041	MR-4-07-2120	% Out of Service > 12 Hours	Resale POTS - Res
-2	5	-0.041	MR-4-08-2110	% Out of Service > 24 Hours	Resale POTS Bus
-2	5	-0.041	MR-4-08-2120	% Out of Service > 24 Hours	Resale POTS Res
-2	10	-0.083	MR-5-01-2100	% Repeat Reports within 30 Days	Resale POTS
-2	5	-0.041	BI-1-02-1000	% DUF in four (4) Business Days	Resale & UNE

2006 Performance Assurance Plan - Verizon NY

Mode Of Entry Metrics & Weights

Perf. Score	Wgt.	Wgtd. Score	Metric #	Metric Description	Product
-35	140	-1.964	**MOE-Trunks**	**Trunks Mode of Entry Totals**	
-2	5	-0.071	OR-1-12-5020	% On Time FOC	Interconnect Trunks(<=192 Forecast)
-2	10	-0.143	OR-1-13-5000	% On Time Design Layout Record (DLR)	Interconnect Trunks
-2	5	-0.071	OR-1-19-5020	% On Time Response - Request for Inbound Augment Trunks	VZ Inbound Aug Trunks(<=192)
-2	5	-0.071	OR-2-12-5020	% On Time Trunk ASR Reject	Interconnect. Trunks
-2	20	-0.286	PR-4-07-3540	% On Time Performance - LNP Only	UNE LNP
-2	20	-0.286	PR-4-15-5000	% On Time Provisioning - Trunks	Interconnect Trunks
-2	5	-0.071	PR-5-01-5000	% Missed Appointment - Verizon - Facilities	Interconnect Trunks
-2	5	-0.071	PR-5-02-5000	% Orders Held for Facilities > 15 Days	Interconnect Trunks
-2	10	-0.143	PR-6-01-5000	% Installation Troubles reported within 30 Days	Interconnect Trunks
-2	5	-0.071	PR-8-01-5000	Percent Open Orders in a Hold Status > 30 Days	Interconnect Trunks
-2	5	-0.071	MR-4-01-5000	Mean Time To Repair - Total	Interconnect Trunks
-2	5	-0.071	MR-4-05-5000	% Out of Service > 2 Hours	Interconnect Trunks
-2	5	-0.071	MR-4-06-5000	% Out of Service > 4 Hours	Interconnect Trunks
-2	5	-0.071	MR-4-07-5000	% Out of Service > 12 Hours	Interconnect Trunks
-2	5	-0.071	MR-4-08-5000	% Out of Service > 24 Hours	Interconnect Trunks
-2	10	-0.143	MR-5-01-5000	% Repeat Reports within 30 Days	Interconnect Trunks
-1	5	-0.036	NP-1-03-5000	# of Final Trunk Groups Blocked 2 months	CLEC Trunks
-2	10	-0.143	NP-1-04-5000	# of Final Trunk Groups Blocked 3 months	CLEC Trunks