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July 16, 2001

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

> Re: Docket to Establish Generic Performance Measurements, Benchmarks and Enforcement Mechanisms for BellSouth Telecommunications, Inc.
> Docket No. 01-00193

Dear David:

Please find enclosed the original and thirteen copies of the Testimony of Thomas E. Allen of Covad Communications, Inc. in the above-captioned proceeding.

Sincerely,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:

Henry Walker

HW/nl
Attachment
c: Parties

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BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

IN RE: DOCKET TO ESTABLISH GENERIC PERFORMANCE MEASURES, BENCHMARKS AND ENFORCEMENT MECHANISMS FOR BELLSOUTH TELECOMMUNICATIONS, INC.
DOCKET NO. 01-00193

TESTIMONY OF THOMAS E. ALLEN OF
COVAD COMMUNICATIONS, INC.

JULY 16, 2001

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE: *Docket to Establish Generic Performance Measurements, Benchmarks and Enforcement Mechanisms for BellSouth Telecommunications, Inc.*
Docket No. 01-00193

TESTIMONY OF THOMAS E. ALLEN

1 Q. **What is your name and for whom are you employed?**

2 A. My name is Thomas E. Allen, and I am employed as Vice President of ILEC

3 Relations for Covad Communications Company ("Covad"). My business address

4 is 10 Glenlake Parkway, Suite 130, Atlanta, GA 30328.

5 Q. **What are your responsibilities as Vice President of ILEC Relations?**

6 A. As Vice President of ILEC Relations and External Affairs I have responsibility of

7 the regulatory and ILEC management for the BellSouth region.

8 Q. **Briefly describe your professional and educational background?**

9 A. I graduated from Emory University in 1976 with a BA in Political Science. I then

10 attended the University of Georgia where I graduated with a Master's Degree in

11 Public Administration, majoring in Public Finance in 1978. I began my career

12 with Southern Bell in the Residence Installation and Maintenance Department as

13 an Installation Foreman in Augusta, Georgia. My next assignment was as

14 Dispatch Supervisor for the Augusta District. I went into Customer Services

15 where I worked as a Business Office Manager and in various positions in the

16 Billing and Collection group in the Customer Services-HQ organization and the

17 Rates and Tariff - Regulatory group at Southern Bell headquarters. By 1990, this

18 group was incorporated into the BellSouth Regulatory Policy and Planning

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1		organization. I was a part of this group where I worked on Local Competition
2		planning until I left BellSouth in October of 1995.
3		After leaving BellSouth, I joined Intermedia Communications as
4		Divisional Vice President- Regulatory and External Affairs with all regulatory
5		responsibilities. In this role, I was also the lead negotiator of Interconnection
6		Agreements. In July 1997, I joined ICG Communications as Vice President of
7		Regulatory and External Affairs. Finally, I joined Covad Communications in
8		September 1999 as Vice President of ILEC Relations and External Affairs with
9		responsibility of the regulatory and ILEC management in the BellSouth region.
10	Q.	**Describe Covad's general business plan.**
11	A.	Covad is a competitive local exchange carrier that provides high-speed Internet
12		and network access utilizing digital subscriber line ("DSL") technology. Covad
13		offers DSL services through Internet service providers ("ISPs") to small and
14		medium sized businesses, home users, and directly to companies who use DSL to
15		enable their employees to connect with their businesses' internal computer
16		networks ("Local Area Networks") from their homes. Covad currently provides
17		its services across the United States in 81 of the top metropolitan statistical areas
18		("MSAs"), including Memphis and Nashville.
19	Q.	**What is the purpose of your testimony?**
20	A.	Covad's testimony focuses on several key metric necessary to insure that DSL
21		providers in Tennessee receive non discriminatory treatment. Furthermore, the
22		specific DSL metric proposed by the CLECs in this docket, together with the
23		reasonable analogs and benchmarks proposed, are necessary to insure that any

1		penalty plan implemented effectively captures and measures customer effecting
2		performance. Even BellSouth admits that CLECs know more about what effects
3		their customers than BellSouth does. As a result, the metrics the CLECs propose
4		should be adopted by the TRA.
5		As the Vice President of ILEC Relations, I spend a great deal of time in
6		my job ensuring that Covad's sole supplier, BellSouth, is able to meet the order
7		volume from Covad. Since our ISP partners cannot begin to bill their customers
8		until their DSL lines are working, their business plans naturally depend on the
9		speed with which Covad can deliver its product: a functional DSL line. In turn,
10		Covad's ability to meet customer expectations is completely dependent upon
11		BellSouth's timely performance. ILECs in Tennessee act as the sole supplier of
12		unbundled network elements to Covad in their respective territories in the state.
13		Therefore, their performance must be constantly monitored and financial
14		incentives should be in place to drive constant improvement.

15 **I.** **METRICS**

16   **A.**   **Loop Intervals**

17 **Q.** **What are reasonable loop delivery intervals for xDSL loops?**

18 **A.** BellSouth suggests that the appropriate loop delivery interval for xDSL loops is 7

19   business days for xDSL loops and 14 business days for loops that require

20   conditioning (P-4 Order Completion Interval). This is not the appropriate

21   benchmark for several reasons. First, as proposed, the Order Completion Interval

22   measures the time from delivery of a Firm Order Confirmation ("FOC") until a

23   completion notice is issued. This measurement fails to capture potentially 5-7

1   days that BellSouth thinks it should be allowed to perform Service Inquiry

2   process on the front end of an xDSL loop order.   Thus, BellSouth believes it

3   should actually be allowed **up to 14 business days** to provision an xDSL loop

4   (and **up to 21 business days** -- more than a month -- to provision an xDSL loop

5   that requires conditioning).   These intervals are too long to enable CLECs to

6   compete in Tennessee.

7   Covad proposes that BellSouth be allowed 3, 5, or 7 business days,

8   depending on volume, to deliver xDSL loops.   Given the rudimentary nature of

9   the work being done, these intervals are ample.   xDSL loops are nothing more

10   than plain copper voice loops, like BellSouth provisions every day in Tennessee.

11   In fact, BellSouth has provided DSL to over 303,000 customers through out its

12   region and expect to have 600,000 by the end of 2001.

13   ·   These enormous numbers demonstrate plainly that xDSL loops are

14   nothing more than simple voice grade copper loops.   One day the loop is being

15   used for voice service.   Then, BellSouth.net or a BellSouth Internet Service

16   Provider ("ISP") partner sells that customer DSL service to ride on top of the

17   voice loop. If BellSouth then loses the voice customer, and only DSL is provided

18   on the loop, it is still the same simple voice grade loop. It should be no different

19   when CLECs order a loop for xDSL service. The intervals proposed by Covad

20   provide sufficient time for BellSouth to provision an xDSL loop. Numerous other

21   state commissions have recognized the need for more streamlined loop delivery

22   processes and have required ILECs to provide them.   In Verizon territory,

23   including Pennsylvania, Maryland and Massachusetts, Verizon's performance is

1   measured based on the standard loop delivery interval set for all DS0 loops (this

2   category includes all xDSL type loops) -- six (6) business days from receipt of a

3   correct LSR. This means that unlike BellSouth, the firm order confirmation

4   (FOC) interval is included in the loop delivery interval. This interval is

5   significantly less than the previous interval of ten (10) business days that Verizon

6   originally proposed. Additionally, Covad has reached agreement with SBC for its

7   entire 13-state region regarding specific loop delivery intervals. Loop delivery

8   intervals for stand-alone xDSL loops is five (5) business days with no

9   conditioning and ten (10) business days with conditioning. In Texas, for example,

10   the state ordered performance measures require that SWBT to deliver loops in that

11   time frame or else face penalties. The loop delivery for line sharing is three (3)

12   business days with no conditioning and ten (10) business days with conditioning.

13   There is no reason for Tennessee consumers to get worse service than consumers

14   in Texas and New York.

15 **Q. Can you provide a couple of examples of where BellSouth failed to provision**

16   **the loop within the interval and the end user customer cancelled out of**

17   **frustration?**

18 A. Yes.   The first example I would like to discuss is for an end user located in

19   Hendersonville, Tennessee. The ADSL unbundled loop order was placed with

20   BellSouth on June 26, 2000 and the firm order confirmation (FOC) was received

21   on June 29, 2000 with a due date of July 12, 2000.   It should be noted that this

22   delivery date is **12 business days** after the FOC, far exceeding even BellSouth's

23   targeted 7 business date delivery.   Covad conducted testing on the loop using its

1   equipment and during joint acceptance testing to make sure that the loop has been

2   delivered on the due date. When Covad and BellSouth jointly tested this loop it

3   showed "open" in the central office, which means that BellSouth cross connection

4   from the BellSouth cable to the Covad point of termination has not been made. In

5   layman's terms, it means that the loop has not been delivered when our equipment

6   shows "open." To resolve the problem, the BellSouth technician attempts to get

7   in touch with the central office while Covad was on the phone. When he could

8   not do so, a call back was set for the next day. The next day, BellSouth

9   apparently fixed the problem in the central office and again tested with Covad,

10   only to isolate a problem with facilities. This loop order is placed into the

11   pending facilities queue. A few days later, Covad checks the Pending Facilities

12   list posted by BellSouth (a list of order numbers that have been put on indefinite

13   hold pending resolution of facilities problems), which states that a new F1 pair is

14   need. BellSouth provided no estimated due date.

15   On July 17, 2000, Covad received a new FOC with a due date of July 21,

16   2000. When Covad called to confirm the delivery date of July 21, 2000,

17   BellSouth informed Covad that it cannot meet the delivery date of July 21 and

18   that the loop order had been put back into pending facilities. On July 27, 2000

19   BellSouth requested that Covad perform a pre-test to insure that the loop was

20   finally provisioned. Although Covad never received a new FOC delivery date,

21   BellSouth stated that it is attempting to install the loop on July 28, 2000.

22   Unfortunately, the loop again failed the testing as a result of additional

23   facilities problems, apparently still located in the F1 pair. On July 28, 2000,

1		BellSouth put the loop order back on the pending facilities report with no
2		estimated due date. On August 8, 2000, Covad called BellSouth get a status on
3		the order. BellSouth indicated that Covad must issue a supplemental order
4		requesting a new due date for the loop. Covad issued a supplemental order with
5		BellSouth on August 10, 2000 requesting a due date of August 10, 2000. On
6		August 15, 2000 Covad received the new firm order confirmation with a due date
7		of August 17, 2000. Again, Covad rescheduled the delivery date with our end
8		user customer. On August 17, 2000, the customer waited at home for his loop
9		delivery and again the loop failed the cooperative tests. Covad opened a trouble
10		ticket with BellSouth, but by this time the customer was so frustrated, he canceled
11		the order.
12	Q.	**Why wouldn't these problems be adequately captured by BellSouth's**
13		**proposed metrics?**
14	A.	Several reasons. Even though Covad placed the order on June 26, 2000 and
15		BellSouth failed to install the loop by August 17, 2000, this interval would not be
16		captured in Order Completion Interval because the order was never successfully
17		provisioned. Even if BellSouth had finally gotten the working loop installed on
18		August 17, 2000, the duration of this loop delivery would not be captured in
19		Order Completion Interval because orders that are ultimately cancelled are
20		stripped out of the Order Completion Interval calculation. Moreover, every time
21		BellSouth requires Covad to supplement an order to change the due date, as they
22		did in this scenario, BellSouth excludes that order from Order Completion
23		Interval on the grounds that Covad requested a later due date so that should not be

1   counted against BellSouth. Finally, although BellSouth should have reported the

2   first missed delivery as a Missed Installation, once BellSouth fails that metric, it

3   has a free pass to miss multiple subsequent delivery dates, as it did in the case I

4   describe above.

5   It would appear that Total Cycle Time should capture this problem, but it

6   does not. First, this metric also excludes cancelled orders. Second, even if the

7   order had not ultimately been cancelled, it really would not matter.

8   Unfortunately, Total Cycle Time is only a diagnostic metric and never results in

9   penalties paid by BellSouth. Without attaching penalties to this type of behavior,

10   BellSouth has little incentive to improve.

11 Q.   **Can you provide another example of how poor performance effects Covad's**

12   **customers but would not be captured by the BellSouth metrics.**

13 A.   Yes. Take the example of a customer in Memphis, Tennessee. Covad issued the

14   order for the HDSL unbundled loop on March 21, 2001 and received the firm

15   order confirmation on March 26, 2001 with a due date of April 4, 2001. On April

16   4, 2001 Covad never received the call from BellSouth to cooperatively test the

17   loop. Covad ran several loop tests using its equipment in the central office and

18   the circuit showed open in the central office. This means that the BellSouth

19   provisioning process failed on many levels. First, BellSouth's own purported

20   testing did not identify a problem with the loop. Second, BellSouth did not follow

21   its process, which requires BellSouth to cooperatively test these loops with

22   Covad. As a result of the loop failing to be provisioned properly, Covad made

23   several calls to the Local Carrier Service Center ("LCSC") to find out the status of

8

1   the order and it was eventually discovered that BellSouth made an error when

2   issuing the service orders. Covad was told that the LCSC representative that

3   worked the order got information on two orders confused and therefore the orders

4   went into error status after the FOC was sent to Covad. On April 30, 2001

5   BellSouth finally issued a new FOC with an expedited due date of May 4, 2001.

6   On May 4, 2001, Covad and BellSouth cooperatively tested the loop and it was

7   discovered that there was no F2 pair available. The order was placed into pending

8   facilities status with no estimated due date. On May 14, 2001, the customer

9   cancelled the order because he was very upset about the delays and the fact that

10 Covad could not give him an estimated date when the facilities issue would be

11 cleared.

12 **Q.   Are examples like the ones you have just given captured by BellSouth in its**

13 **performance measurements?**

14 A.   Not at all. This is the major flaw with BellSouth's loop delivery measurements.

15 They only contain data for loops that actually were delivered and working. Real

16 problems like the ones discussed are ignored by BellSouth measures. And at the

17 same time Covad's reputation is damaged when customers are put through such

18 problems.

19 **Q.   How should the TRA address these problems?**

20 A.   First, the TRA must recognize that the metrics are only a baseline able to capture

21 some, but not all, types of discriminatory and inferior service. They are a good

22 first step, if the proper business rules, analogs and benchmarks and exclusions are

23 put in place. Second, CLECs are closer to the issues that effect their customers

1		everyday and, as a result, the TRA should adopt the metric proposed by CLECs.
2		Third, it is important to realize that even if the numbers produced by the metric
3		appear to reflect satisfactory performance there may be widespread problems that
4		allude capture by any set of performance metrics.

5 **B.** **Independent Loop Conditioning Metric**

6 **Q.** **Are there additional aspects of provisioning an xDSL capable loop that are**
7 **not captured and measured by BellSouth's SQM?**

8 A. Absolutely. ILECs, including BellSouth, regularly perform maintenance and
9 provisioning on their outside plant facilities, including placing and removing
10 certain devices from those loops, such as load coils and excessive bridged tap.
11 Since DSL technologies will not work in most instances on a loop that contains
12 filters, load coils, range extenders, repeaters, or excessive bridged tap, DSL
13 providers must have these loops conditioned before they will support DSL
14 services. In recent negotiations, BellSouth proposed that it be allowed up to 30
15 days to condition a loop. Now, BellSouth seems to agree with the Georgia
16 Commission that it can deliver conditioned loops in 14 business days. In other
17 words, BellSouth will deliver loops in whatever intervals are required by this
18 Commission.

19 Covad proposes an interval of five days for provisioning a conditioned
20 loop. BellSouth should be measured on how often it timely completed the
21 provisioning of these conditioning activities. Without a set benchmark for
22 performance and without measures, Covad cannot assure its customers of how
23 long it will take to deliver these loops. Without any such assurance, customer
24 dissatisfaction grows and Covad's ability to compete is severely restrained.

1   Q.   **Is this acceptable for competitors?**

2   A.   No.   From a customer satisfaction perspective, this is untenable for DSL

3   providers.   Customers demand information about when they will receive their

4   loops and they expect DSL providers to give them that information in a timely

5   manner. Customers grow weary of waiting for service to be delivered and

6   generally are dissatisfied by excuses about the length of time BellSouth takes to

7   perform simple conditioning work. BellSouth claims that conditioning activities

8   are included in its Order Completion Interval, and are measured in that way.

9   Because conditioning loops is a critical function for DSL providers, we believe a

10   separate measurement is the best way to ensure that BellSouth is performing this

11   work in a timely fashion.

12 Q.   **What do you propose as intervals for conditioning?**

13 A.   Covad proposes a separate measurement for loop conditioning with a benchmark

14   of five days in which that conditioning should be performed. This provides three

15   important benefits for DSL providers and thereby to Tennessee consumers. First,

16   it provides CLECs with a firm benchmark to rely upon when informing customers

17   of their loop installation date.   Second, it enables DSL providers to measure

18   whether BellSouth is meeting this commitment. Third, it gives this Authority an

19   opportunity to review BellSouth's performance of routine maintenance tasks

20   which BellSouth performs every day for BellSouth's own facilities and for

21   BellSouth's own retail customers as compared to BellSouth's performance of

22   these same tasks for CLECs. Indeed, loop conditioning should be one of the areas

23   in which this Authority can most accurately assess whether BellSouth's treatment

1   of competitors is non-discriminatory since the exact same work is routinely

2   conducted in BellSouth's outside plant for its own retail services.

3 **Q:**   **Why is the BellSouth SQM not sufficient to measure conditioning intervals?**

4 A.   BellSouth proposes that its Average Order Completion Interval ("OCI") will

5   capture the time it takes to condition a loop for xDSL service. This is incorrect.

6   When a CLEC request loop modification (conditioning), it must submit both a

7   Service Inquiry ("SI") and a Local Service Request ("LSR") to the Complex

8   Resale Support Group ("CRSG"). The LSR is held while the Service Inquiry is

9   sent to outside plant engineering. BellSouth's engineers then order a conditioning

10   job.   When that conditioning work is completed, outside plant engineering

11   informs the CRSG and the CRSG sends Covad's LSR to the LCSC.

12   Approximately 48 hours later, the LCSC issues a firm order confirmation to

13   Covad to establish a delivery date for Covad's conditioned loop.

14 **Q.**   **Has BellSouth changed its process for loop conditioning?**

15 A.   In several performance measurement hearings, BellSouth has testified that the

16   process I described above is the old process by which loops were conditioned.

17   BellSouth says they are implementing a new process in which the conditioning

18   work will actually be done after the FOC is issued -- meaning that BellSouth's

19   Order Completion Interval would capture the conditioning work. However, I

20   have seen no evidence that the new process is yet in place. As a result, the TRA

21   so establish a separate conditioning metric and interval to ensure that this

22   important work is captured.

1   **Q.**   **Have other state commissions required such measures on loop conditioning?**

2   A.   Yes. The Texas Commission took a similar approach in establishing performance

3   measurements and standards. xDSL loop delivery in Texas is actually defined as

4   loops with conditioning (benchmark of 10 business days) and loops without

5   conditioning (5 business days). Thus, if SWBT does not condition a loop on time,

6   that loop is not counted as delivered on time. Covad respectfully requests the

7   Authority similarly adopt a measurement and standard for timeliness of loop

8   conditioning. That measurement should be based on a five-day loop delivery and

9   BellSouth should be required to perform the necessary work 95% of the time.

10   Likewise, the New York Public Service Commission recently approved a

11   five business day loop delivery interval for Verizon. This new interval resulted,

12   in part, from Verizon's admission that its loop delivery processes were improving

13   and that it was able to decrease the interval from six days to five. In contrast, the

14   intervals proposed by BellSouth do not drive BellSouth toward process

15   improvements.

16   **C.**   <u>**Metric for Joint Acceptance Testing**</u>

17   **Q.**   **What is another crucial measurement that Covad must have that is currently**

18   **not a part of BellSouth's SQM?**

19   A.   Covad proposes a metric for Joint Acceptance Testing that captures the two

20   critical aspects of loop delivery: whether the loop is delivered on time and

21   whether it is working when delivered. The first will measure the percentage of

22   loops with which BellSouth engages in Joint Acceptance Testing. The second

23   will measure the percentage of loops that actually pass the Joint Acceptance

24   Testing on time. Essentially, Joint Acceptance Testing works as follows. The

13

1   BellSouth technician, having delivered the loop to the customer premise, calls a

2   Covad 1-800 number. Next, the BellSouth technician and Covad run a series of

3   tests on the loop to establish that it is functioning properly. Although it is not

4   foolproof, these series of tests can determine in most instances whether the loop

5   works at the time of installation. By measuring the percentage of loops that

6   BellSouth cooperatively tests with Covad, this Authority would create an

7   incentive for BellSouth to conduct this testing. We also recommend that

8   BellSouth measure the number of loops that passed the cooperative tests. By

9   doing so, this Authority can increase the number of loops that are functional when

10   provisioned. This new measure will allow Covad and other competitive carriers

11   to assess whether BellSouth and other ILECs are delivering a working loop on

12   time.

13   There are two crucial aspects to these measures. First, requiring ILECs to

14   engage in Joint Acceptance Testing increases the number of loops that are

15   working at the time they are delivered. Second, Joint Acceptance Testing

16   generally decreases costs for both the ILEC and for the CLEC, because problems

17   are identified during the provisioning phase, rather than arising as troubles in the

18   repair and maintenance phase. Furthermore, Joint Acceptance Testing is very

19   important to competitors as a customer service issue. Customers who are forced

20   to take days off from work to wait for their DSL loops to be delivered are

21   generally very unhappy when the loops delivered are not working. This has been

22   a serious issue in maintaining customer satisfaction for CLECs in Tennessee.

1   CLECs need to measure two things: full participation in Joint Acceptance

2   Testing, and the amount of loops that successfully pass the testing on time. A

3   customer is not nearly as interested in knowing that his or her loop was

4   provisioned on time, as he is in knowing that the loop was provisioned on time

5   and was functional when provisioned. BellSouth now agrees that it should

6   measure whether it participates in Joint Acceptance Testing. However, it is not

7   clear from the way BellSouth's metric is written that it will actually measure

8   whether the loop passes the testing. In order words, BellSouth could participate

9   in the testing and find there is a bad loop, but BellSouth would still score a "pass"

10   under BellSouth's metric. Moreover, BellSouth proposes no CLEC specific

11   penalties for failures of the Joint Acceptance Testing metric. For these reasons,

12   the CLEC proposed Joint Acceptance Metric should be adopted.

13   II.   **DISAGGREGATION**

14   **Q.   Are BellSouth's previous proposed measures adequately disaggregated?**

15   A.   No. Covad proposes that the Authority require BellSouth to provide a level of

16   disaggregation such that deficiencies in BellSouth's performance can be neither

17   masked nor ignored. Disaggregation should be required by DSL product,

18   maintenance and repair, query type and collocation category.

19   **Q.   Why is disaggregation important in obtaining accurate performance data?**

20   A.   Disaggregation is key to obtaining an accurate snapshot of BellSouth's

21   performance, as poor performance in particular areas can be masked when lumped

22   into one large report. This is particularly true of DSL loops. BellSouth's most

23   recent SQM does not disaggregate DSL loops, let alone by loop type like we

1		request. BellSouth tries to dismiss the CLECs' need for disaggregation by
2		suggesting that doing so would produce meaningless reports and that resale
3		products currently purchased by CLECs are adequately captured. Neither point
4		is persuasive. CLECs have not proposed specific disaggregation levels to put
5		BellSouth through the exercise of filing useless information. On the contrary,
6		what is requested is information which CLECs have learned is useful to monitor
7		BellSouth's performance.
8	**Q.**	**How would you propose that information regarding DSL be disaggregated?**
9	A.	By all loop types, namely: Unbundled ADSL, Unbundled HDSL, Unbundled
10		UCL (short and long), Unbundled UDC/IDSL, Unbundled xDSL loops and UCL-
11		Non-Designed and Line Shared Loops. Moreover, the levels of disaggregation
12		should cover all of the products CLECs purchase when there is large scale entry
13		in both the residential and business markets.
14		Sufficient disaggregation is also necessary given the rapidly evolving
15		nature of the telecommunications industry in Tennessee. One of the most
16		significant changes is the burgeoning growth of DSL technologies, an important
17		method of providing broadband services, including high speed Internet access. In
18		order for the Authority to track BellSouth's performance in the provisioning of
19		products required by DSL providers, BellSouth must measure and report the
20		elements specifically ordered by DSL providers. BellSouth must not be permitted
21		to combine reporting performance of its provisioning xDSL elements with its
22		performance in providing other elements not required by DSL providers. Thus, it
23		is essential for BellSouth to disaggregate its product offerings by loop types –

1		analog voice-grade loops, digital loops, ADSL loops, HDSL loops, UCLs, UCL-
2		ND, and UDC/IDSL compatible loops, as well as line sharing – as Covad
3		proposes.
4	Q.	**Why would disaggregated loop type information be helpful to Covad in**
5		**Tennessee?**
6	A.	As Covad has testified many times, Covad believes that all of BellSouth's xDSL
7		loop products are exactly the same facility: a plain copper loop, free of load coils,
8		excessive bridged tap, and other interferors. The only difference between the
9		loops is the artificial loop length restrictions placed on these loop products by
10		BellSouth. Likewise, BellSouth may have slightly different provisioning
11		procedures for its various xDSL loop products. By monitoring the performance
12		on loop delivery by loop type, Covad can in some cases adjust the type of loop
13		ordered to provide faster, more reliable service to customers. Over the course of
14		its business relationship with BellSouth, Covad has ordered and provided service
15		using the HDSL, ADSL, UCL and UDC/IDSL loops, as well as over line shared
16		loops. By reporting data of specific performance for each type of loop, Covad
17		may be able to capture additional efficiencies for its customers by altering the
18		type of loop it orders. Therefore, disaggregated information would be helpful to
19		Covad's business in Tennessee.
20	Q.	**Why is important for there to be disaggregation in reporting and in assigning**
21		**penalties?**
22	A.	Let me give you an example. BellSouth's has proposed in Florida and North
23		Carolina that it will report how it provisions of ISDN to retail compared to how it

1	provisions UDC/IDSL compatible loops to CLECs. The UDC/IDSL loop is
2	nothing more than an ISDN loop provisioned to insure that it will support a
3	certain type of DSL service. Covad uses these loops for about 30% of its orders,
4	since IDSL service is the only service that can be provided to customers who have
5	fiber-fed loops or to customers who live more than 18,000 from the central office.
6	BellSouth agrees that it should report whether it is provisioning these
7	identical loops at parity. However, when it comes to Tier I penalties, BellSouth
8	proposes that its performance provisioning IDSL loops be lumped together in the
9	category of UNE Loops and compared to Retail Residence and Business
10	Dispatch. Covad has experienced abysmal performance by BellSouth on IDSL
11	loops, but BellSouth's proposal for penalties ensures it will never have to pay
12	penalties as a result of that performance. By lumping a loop with a 10 business
13	days delivery interval together with SL1 loops that are delivered in 4 days,
14	BellSouth can hide a lot of poor performance through inappropriate aggregation
15	of results.

16   **III.   MINI-AUDITS**

17   **Q.   Does Covad believe mini-audits are necessary?**

18	A.	Yes. Covad needs mini-audits in order to verify that the penalty payments
19		BellSouth makes to CLECs are accurate. In Georgia, BellSouth began paying
20		penalties based on March 2001 data (the penalties were not actually paid until
21		May 15, 2001). Covad wished to compare its data for March 2001 to the data in
22		the BellSouth penalty reports. We were unable to find the BellSouth data used for
23		the penalties and wrote to BellSouth to learn how BellSouth had arrived at its

1   penalties conclusion.   BellSouth responded: "Because of the complexity

2   involved, BellSouth's SEEM plan that was adopted by the [Georgia] Commission

3   reflected that an independent auditing and accounting firm would review and

4   certify each year all Tier 1 and Tier 2 penalty payments had been paid correctly."

5   In other words, we could not check the calculations ourselves.

6   I believe more than 1 yearly audit needs to be done. CLECs want to know

7   that the data BellSouth is producing is accurate, and there is no way for a CLEC

8   to come to that conclusion by themselves, without an audit.

9   IV.   **ONCE PERFORMANCE PLAN IS IMPLEMENTED, A REASONABLE**
10   **PERIOD OF REVIEW IS NECESSARY TO VALIDATE THE RESULTS**

11   Q.   **Why is it important to have the Performance Plan in place for several**

12   **months before the TRA uses any of the data for 271 purposes?**

13   A.   Covad has had substantial problems understanding and comparing the data

14   presented in the BellSouth reports currently being issues in Georgia. It would

15   benefit both the TRA and CLECs to review at least a few months of data

16   produced under any performance measurements plan. This would enable us to

17   review the BellSouth data and compare it to internal data as well as to actual

18   experience. A plan that fails to capture or measure data appropriately certainly

19   cannot provide the Authority with a sufficient basis to evaluate whether BellSouth

20   has fully opened its local network to competition.

21   Q.   **Can you give a specific example?**

22   A.   Yes.   A good example is use of LENS in Georgia.   LENS is a web-based,

23   Graphical User Interface ("GUI").   Initially, BellSouth made LENS available to

24   CLECs only for address validation for orders. Eventually, however, BellSouth

1	added functionalities to LENS to permit pre-ordering and ordering functions.
2	Covad now uses LENS to conduct electronic loop makeup to determine if a
3	Covad customer's loop is qualified for Covad's DSL service and what speed
4	service may be available. This is a very important customer service issue. Covad
5	is also implementing use of LENS for ordering xDSL loops and line sharing.

6 **Q. Does LENS work properly?**

7 A. No. In Covad's experience, LENS is not functional an inordinate amount of time.

8 LENS outages have a continuing and detrimental effect of Covad's operations. In

9 April 2001, Covad's order administration unit reported a total of 295.3 hours of

10 lost production time due to the unavailability of LENS. At the same time,

11 however, BellSouth reported that LENS was available 99.86% of the time.

12 (BellSouth Monthly State Summary, p. 34). There is obviously some discrepancy

13 that needs to be worked out, and that takes time.

14 **Q. Do you have another example of a different metric?**

15 A. Yes. Again in Georgia, during the month of March 2001 Covad counted almost

16 twice as many completed orders as BellSouth reported in its report. When

17 questioned, BellSouth responded that they had excluded the remainder of the

18 orders for various reasons under the elaborate business rules that accompany the

19 Order Completion Interval metric, P-4. In other words, half of all of the Covad

20 orders completed in that month were excluded from the Order Completion

21 Interval calculated. Covad is presently engaged in the time consuming process of

22 reviewing each of those excluded orders, and determining if it was rightfully

23 excluded from the calculation. This takes time. Moreover, I believe it is valuable

1   for the Authority to know if a particular metric is conceived in such a way that

2   half of all of the successfully installed and completed orders were excluded from

3   a calculation of completion interval. This may mean that the metric or business

4   rules should be revised. At any rate, unless the performance plan is in place and

5   producing penalties for several months, neither Covad nor the TRA can

6   effectively evaluate the results of that plan.

7   **Q.**   **Does this conclude your testimony?**

8   A.   Yes.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been forwarded via facsimile or hand delivery, to the following on this the 16th day of July, 2001.

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