

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission                    )  
On Its Own Motion                                )  
  ) Docket No. 01-0539  
Adoption of 83 Ill. Adm. Code 731            )

Rebuttal Testimony of

**JERRY HOLLAND**

On Behalf of Verizon North Inc. and  
Verizon South Inc.

July 16, 2002

**OFFICIAL FILE**

I.C.C. DOCKET NO. 01-0539  
Verizon Exhibit No. 6.0  
Witness Holland  
Date 7/24/02 Reporter Pw

1 **Q. Please state your name and business address.**

2 A. My name is Jerry Holland, and my business address is 600 Hidden Ridge, Irving, Texas  
3 75038.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Verizon Communications, as Vice President of Process Improvement.

6 **Q. What are the responsibilities of your current position?**

7 A. My responsibilities include centralized support of special and switched access operations  
8 for the entire Verizon footprint.

9 **Q. Please briefly summarize your educational background and business experience.**

10 A. My telecommunications career began in 1987 at Contel before joining GTE, where I held  
11 a variety of management level positions. My responsibilities in those various  
12 assignments included operations and billing for special and switched services, account  
13 management, consumer product management, operation support systems ("OSS")  
14 planning and implementation, CLEC negotiations, and carrier-to-carrier ("C2C") metrics  
15 collaborations and implementation. I earned a Bachelor's degree in Electrical  
16 Engineering Technology from West Virginia Tech and a Masters in Business  
17 Administrations from Indiana Wesleyan University.

18 **Q. Have you ever testified before the Illinois Commerce Commission ("Commission")**  
19 **before? And, if yes, what dockets?**

20 A. Yes. I testified before the Commission in the GTE/Bell Atlantic merger proceeding  
21 (Docket No. 98-0866).

22 **Q. What is the purpose of your Rebuttal Testimony?**

23 A. I am responding to the Direct Testimonies of the various wireless carriers (hereinafter  
24 “Wireless Coalition” or “Coalition”) and competitive local exchange carriers (“CLECs”)  
25 on the issue of special access services. Specifically, my testimony addresses how special  
26 access services are outside the scope of this proceeding, which is limited to establishing  
27 standards for wholesale services that correspond to basic local exchange services. My  
28 testimony also addresses the unsupported and unreasonable nature of both the Wireless  
29 Coalition’s Proposed Rule and WorldCom’s proposed Joint Competitive Industry  
30 (“JCIG”) metrics.

31 **Q. What is Verizon’s position regarding special access services in this rulemaking?**

32 A. As set forth in the Direct Testimony of Verizon witness Faye H. Raynor (Verizon  
33 Ex. 1.0, p. 10), it is Verizon’s position that this rulemaking should not address the issue  
34 of special access services. The underlying statute that gives rise to this rule in Section  
35 13-712 of the Illinois Public Utilities Act (the “Act”) is entitled “Basic local exchange  
36 service quality; customer credits.” Subsections (a) through (f) specifically address the  
37 provision of local exchange service. While I am not an attorney, the language of Section  
38 13-712 addresses the provision of basic local exchange service quality. Special access is  
39 an access service, ordered almost exclusively as an interstate service and, therefore, not a  
40 wholesale service under Section 13-712(g). Accordingly, the scope of this proceeding is  
41 limited to established standards for wholesale services that correspond to basic local  
42 exchange services.

43 Furthermore, it cannot be disputed that special access is primarily an interstate service.  
44 Indeed, the Federal Communications Commission (“FCC”) has issued a Notice of  
45 Proposed Rulemaking addressing special access services. Aside from the fact that special

46 access services are outside the scope of the instant rulemaking, the inclusion of special  
47 access services in this rulemaking has the potential of causing conflicts with the Federal  
48 rule that will be issued.

49 **Q. Does Verizon propose any amendments to Staff's Proposed Rule to reflect its**  
50 **position on special access services?**

51 A. Verizon proposes that the Rule should clearly reflect the Illinois legislature's intent to  
52 limit Section 13-712(g) to basic local exchange services. Consequently, as set forth in  
53 the Direct Testimony of Ms. Raynor (Verizon Ex. 1.0, p. 10), Staff's proposed definition  
54 of "Carrier to Carrier Wholesale Service Quality" should be modified as follows:

55 "Carrier to carrier wholesale service quality" means the level of  
56 quality of basic local exchange telecommunications services,  
57 measured pursuant to the Standards and Measures adopted in this  
58 Part, that one telecommunications carrier sells or provides to  
59 another telecommunications carrier for ultimate resale or  
60 repackaging and sale for the latter carrier's use in providing a  
61 telecommunications service to end users.

62 Verizon also proposes that the definition of "Wholesale Special Access" should be  
63 removed from Staff's Proposed Rule. As a primarily interstate service, the Commission  
64 should defer the imposition of any such standards to the FCC.

65 **Q. Is Verizon providing quality special access services?**

66 A. Yes. Verizon provides special access services at a very high level of service quality.  
67 This is evidenced by the fact that no party offered credible testimony that suggests  
68 otherwise.

69 **Q. Please comment, generally, on the testimonies of PrimeCo witness Lester M.**  
70 **Tsuyuki and VoiceStream witness Rajesh Tank.**

71 A. I would first note that PrimeCo witness Lester M. Tsuyuki testifies that Verizon provides  
72 PrimeCo with 14% of its special access services. (Wireless Coalition Ex. 1.0, p. 4).  
73 However, nowhere in Mr. Tsuyuki's testimony is there any mention of problems with  
74 Verizon's wholesale service. Each problem outlined in Mr. Tsuyuki's testimony relates  
75 to an Ameritech service quality issue.

76 Similarly, VoiceStream witness Rajesh Tank testifies that VoiceStream obtains special  
77 access services from Verizon. Although Mr. Tank's testimony contains numerous  
78 complaints regarding Ameritech service, no mention is made regarding the special access  
79 services provided by Verizon.

80 Indeed, the testimonies of Mr. Tsuyuki and Mr. Tank are consistent with Verizon's  
81 contention that Staff's Proposed Rule improperly addresses Ameritech service quality  
82 issues by imposing burdensome standards on carriers such as Verizon that are providing  
83 quality wholesale service and quality special access services. There is simply no  
84 justification set forth in these testimonies for the imposition of a burdensome set of rules  
85 on a carriers such as Verizon that is not experiencing service quality issues.

86 Additionally, in light of the fact that these testimonies only refer to Ameritech, it is  
87 incumbent upon the Commission to look for other alternatives in addressing these service  
88 quality issues. It is my understanding that PrimeCo previously filed a complaint against  
89 Ameritech relating to issues similar to those set forth in its testimony in the instant  
90 rulemaking. In my opinion, the complaint process is a better vehicle for addressing  
91 service quality issues relating to only one carrier. I believe it is inappropriate for the  
92 Commission to address issues relating to solely one carrier in a rule of general  
93 application.

94 **Q. Please comment on the Direct Testimonies of witnesses David Schmocker and**  
95 **Robert R. Jakubek of U.S. Cellular, Inc.**

96 A. Although these testimonies primarily concentrate on Ameritech's service quality, both of  
97 these witnesses make a completely unsubstantiated claim of problems with Verizon's  
98 wholesale service. These allegations lack credibility and are simply misleading. On the  
99 contrary, Verizon's wholesale services are provided at a very high level of quality to  
100 U.S. Cellular and other wireless carriers. Each witness also incorrectly defines the term  
101 FOC as Firm Order Commitment. The correct definition, as defined by Order and Billing  
102 Forum ("OBF"), and as recognized by Staff in their Proposed Rule, is Firm Order  
103 Confirmation. The OBF is the industry standard organization responsible for developing  
104 the guidelines used to order Special Access Services.

105 **Q. Mr. Schmocker states that Verizon did not meet the FOC installation time █% of**  
106 **the time (Wireless Coalition Ex. 5.0, pp. 7-9). Please comment.**

107 A. I must first note that Verizon's performance with respect to installations on or before the  
108 FOC date is excellent. For the time period between the period of January 2000 and June  
109 2002, Verizon achieved an average of █% for all special access circuits installed for  
110 wireless carriers in Illinois.

111 Mr. Schmocker testifies that between the years 2000 and 2002, Verizon did not install  
112 special access circuits on or before the FOC due date █% of the time. (Wireless  
113 Coalition Ex. 5.0, pp. 7-9). He further states that these installations went beyond the  
114 FOC date by a period of █ to █ days. In fact, Verizon has installed █ Special Access  
115 circuits for US Cellular between January 2000 and June 2002. Verizon and US Cellular  
116 completed █ of these installs on or before the FOC due date. Additionally, █ were

117 completed after the due date because of delays caused by US Cellular. Since Verizon's  
118 work was complete and was ready to install the service, these [REDACTED] circuits are considered  
119 completed on time. This type of situation is commonly referred to as "customer not  
120 ready" CNR. Attached to my testimony as Exhibit A is a schedule of each special access  
121 circuit installation for U.S. Cellular for the time period between January 2000 and June  
122 2002 with an explanation of the time installed in relation to the due date and the reason  
123 for not meeting the due date. Furthermore, in these instances where the FOC due date  
124 was not met, the delay averaged [REDACTED] days.

125 **Q. Mr. Jakubek testifies that between January 2001 to May 2002, U.S. Cellular**  
126 **experienced [REDACTED] outages on the [REDACTED] special access circuits provided by Verizon**  
127 **(Wireless Coalition Ex. 6.0, p. 5). Please comment.**

128 A. Mr. Jakubek's implication that there is something wrong with Verizon's performance is  
129 nonsense. His statement is disingenuous and misleading. In fact Mr. Jakubek's  
130 statements actually indicate that the opposite is true and Verizon's special access services  
131 are exceedingly reliable. Simple math verifies this fact: Over this period of [REDACTED] months  
132 that Mr. Jakubek references, each circuit is in service for a total of [REDACTED] hours  
133 ([REDACTED] months x 30 days x 24 hours). Multiplying this figure by the number of circuits ([REDACTED]),  
134 indicates that Verizon's special access circuits were in service for approximately [REDACTED]  
135 hours. If Verizon's U.S. Cellular's only experienced [REDACTED] hours of down-time, Verizon's  
136 special access circuits performed [REDACTED]% of the time ([REDACTED]). This is excellent  
137 performance by any standard. If one considers that some of this down time could be  
138 caused by U.S. Cellular's own equipment, this performance is even better. Mr. Jakubek's  
139 testimony actually proves Verizon's point—Verizon's special access services are  
140 provisioned at a very high level of quality and the standards proposed by the Coalition

141 are unnecessary. Attached to my testimony as Exhibit B is a schedule showing the  
142 troubles reported by US Cellular by month along with the clearing time associated with  
143 them.

144 **Q. Mr. Jakubek also testified that Verizon's average time to repair was ■ hours**  
145 **(Wireless Coalition Ex. 6.0, p. 10). Please comment.**

146 A. Mr. Jakubek calls this response time "significant," but neglects to inform the Commission  
147 that many of these circuits are located in rural areas where response times are inevitably  
148 higher due to the distances involved in reaching the affected circuit. In my experience,  
149 Verizon's performance is excellent under the circumstances. Mr. Jakubek provides no  
150 basis or explanation for his conclusion that Verizon's service response time is not  
151 adequate.

152 **Q. Is Wireless Coalition's Proposed Rule reasonable?**

153 A. No. Aside from the fact that special access services are outside the scope of this  
154 rulemaking, the Wireless Coalition's Proposed Rule is unreasonable and should be  
155 rejected. Most of the standards set forth in the Proposed Rule are arbitrary. None of the  
156 measures set forth in the Proposed Rule are supported by an explanation or basis for  
157 arriving at a particular threshold. As I explain further below, in almost every case the  
158 standards are unrealistic in their requirements.

159 **Q. Please explain why the measures set forth in the Wireless Coalition's Proposed rules**  
160 **are unrealistic and unreasonable.**

161 A. I would first like to note that the Coalition's Proposed Rule contains an extremely  
162 burdensome set of requirements. For example, the Coalition recommends 12 distinct  
163 measurement groups in its proposed Section 731.310. Considering all of the possible

164 sub-measures associated with these measurement groups, a carrier such as Verizon would  
165 be subject to ■ measures (12 measures x 4 service types (DS0, DS1, DS3, OC-n) x ■  
166 Carriers = ■). This is a very expensive requirement that is especially unjustified in the  
167 case of a carrier that is not experiencing service quality issues.

168 **Q. Please comment on the measures set forth in Section 731.310 of the Coalition's**  
169 **Proposed Rule.**

170 A. Many of the measures proposed by the Coalition in their proposed Section 731.310 are  
171 unreasonable and unsupported. For example, in measurement (d), the Coalition proposes  
172 that special access circuits be installed on or before the FOC Due Date 98% of the time.  
173 This measure leaves almost no room for issues that may legitimately arise in the  
174 provision of this type of service. The Coalition completely ignores the fact that these  
175 circuits are referred to as "special" is because of the complexity associated with them. In  
176 my experience, a 98% standard is unreasonable and almost impossible for any carrier to  
177 consistently meet. Additionally, nowhere in any of the Coalition's testimonies is this  
178 98% standard justified or supported. It is arbitrary and should be rejected as such. As  
179 stated above, between the period of January 2000 and June 2002, Verizon achieved an  
180 average of ■% for installation of special access circuits on or before the FOC date for  
181 wireless carriers in Illinois. For the sake of comparison, PrimeCo is alleging that  
182 Ameritech installs special access circuits only ■% of the time before or on the date  
183 specified in the FOC. I believe that Verizon's installation rate constitutes excellent  
184 performance and a stricter standard could not be met by Verizon.

185 The Coalition's proposed 98% standard is especially unreasonable in light of the fact that  
186 the Coalition's Proposed Rule calls for a rebate of all monies collected from the carrier

187 during the second month when it fails to make the standard two months in a row. This  
188 places a carrier in the precarious position of having to make refunds when an  
189 unreasonably strict standard is not met.

190 **Q. Are there other problems with the measures set forth in Section 731.310 of the**  
191 **Coalition's Proposed Rule?**

192 A. Yes. As I state above, many of the measures are unsupported an unreasonable:

- 193 • With respect to measurement (a), Verizon does not currently issue an "EC"  
194 notification. This requirement is not familiar to Verizon and it is my opinion that  
195 there is no reason for this measurement. Nowhere in the Coalition's testimony is  
196 this measurement explained or is a reason given for its inclusion.
- 197 • With respect to measurement (b), Verizon consistently returns FOCs within a  
198 specified time. However, as I state above, there are situations, where special  
199 access is indeed special and requires additional time. For example, meet-point  
200 circuits and site visits that can extend the interval beyond the 3/5 business days  
201 outlined in this measure. As such this standard is unreasonably strict.
- 202 • Measurement (c) (FOC/EC Past Due) is redundant in light of measurement (b)  
203 (FOC requirement).
- 204 • Measurement (h) (New Circuit Failure Rate) is redundant with measurement (g)  
205 failure rate. The Coalition does not provide a reason for measuring a new circuit  
206 separately.

207 **Q. Please comment generally on the testimony of Worldcom witness Karen K. Furbish.**

208 A. First, I would like to note that Ms. Furbish's testimony assumes that special access  
209 services are within the scope of this rulemaking. ~~As I state above, my layman's plain~~  
210 ~~reading of Section 13-712 of the Act indicates that the scope of this rulemaking is limited~~  
211 ~~to basic local exchange services. Ms. Furbish completely ignores this issue.~~

212 Second, Ms. Furbish complains of the "poor level of in-time performance provided by the  
213 large ILECs to competitors like WorldCom...." (WorldCom Ex. 1.0, page 11, line 241).

214 This general statement is a completely unsubstantiated and untrue with respect to

215 Verizon. On the contrary, as I state above, Verizon's Illinois special access performance  
216 is exceeding high in quality. As such, she has provided no basis for imposing  
217 burdensome special access standards on Verizon..

218 **Q. Please comment on the JCIG metrics referred to in Ms. Furbish's testimony.**

219 A. Ms. Furbish accurately characterizes JCIG as primarily a CLEC and IXC coalition. As  
220 such, its proposals are one-sided, burdensome, duplicative, and designed to maximize the  
221 potential for penalty payments. Those metrics would, in large part, be burdensome and  
222 costly to implement. Furthermore, Ms. Furbish does not provide any support for the  
223 numerous measures in the JCIG proposal. Nowhere does Ms. Furbish attempt to explain  
224 and justify her proposal.

225 **Q. Should the Commission even consider adopting the JCIG performance metrics**  
226 **proposed by WorldCom?**

227 A. ~~No. Special Access Services are not properly within the scope of this proceeding.~~  
228 Additionally, Verizon is providing high quality special access services in Illinois. A  
229 burdensome rule is simply not justified.

230 Additionally, these metrics would be burdensome and costly to implement because of  
231 their high level of disaggregation. If the JCIG proposal were adopted, Verizon would be  
232 required to report on over [REDACTED] measures every month.<sup>1</sup> Such disaggregation is extreme  
233 and unnecessary to ensure that the reports are meaningful and that quality service is  
234 maintained.

<sup>1</sup> The proposed JCIG metrics would require Verizon to report approximately [REDACTED] measures each month. This is estimated based on the JCIG proposal for 25 measurements (20 provisioning and 5 maintenance), disaggregated into up to 6 bandwidths (DS-O to OC-48), separated by Verizon/Verizon affiliates aggregate and CLEC/IXC aggregate ([REDACTED]), and separate reports by carrier (estimate of [REDACTED] in Illinois). This equates to the following calculation [(REDACTED)].

235 The proposed JCIG metrics are also burdensome because of the duplication involved.  
236 For example, the proposed FOC Receipt measure (JIP-SA-1) and the FOC Receipt Past  
237 Due measure (JIP-SA-2) are mirror images of each other. The same is true for the  
238 On-Time Performance to FOC Due Date (JIP-SA-4) and entire Days Late (JIP-SA-5)  
239 measures. Such duplication can be explained only by the CLEC's desire to maximize  
240 penalty payments from Verizon, since a miss on one of these measures inevitably would  
241 produce a miss on the other.

242 In addition, the one-sided nature of these metrics is evident throughout the document.  
243 For example, the On-Time Performance to FOC Due Date (JIP-SA-4) does not allow for  
244 performance problems resulting from forces beyond Verizon's control. This would  
245 include labor stoppages, tragedy, or other factors which can impair Verizon's  
246 performance through no fault of its own. That metric would also exclude from on-time  
247 performance those situations where Verizon is ready to install service but the carrier's  
248 end-user customer is unavailable or otherwise not ready. This is commonly referred to as  
249 "customer not ready" or "CNR" situations.<sup>2</sup> Under such circumstances, Verizon must be  
250 permitted to count its performance as "on-time" because it stands ready to perform, but it  
251 is prevented from doing so by circumstances outside its control. The JCIG metrics  
252 would, however, inappropriately decrease the number of "successful" installations by

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<sup>2</sup> A customer may not be ready to accept the special access service that it ordered for the following reasons: (1) necessary equipment that the customer planned to install or that third-party vendor was to install on behalf of the customer is not yet installed; (2) the customer ordered the service well in advance of their need and is not willing to accept the beginning of billing for the service; or (3) the customer has decided to cancel the order with Verizon, but had not yet notified Verizon.

253 excluding CNRs from on-time performance, thereby skewing the performance results so  
254 that Verizon misses the relevant metrics.<sup>3</sup>

255 The JCIG metrics proposal is also seriously flawed in other respects. For example, it  
256 improperly counts projects, which should be excluded from performance metrics because  
257 the large volume of orders involved frequently results in changes in the due date at the  
258 customer's request. The JCIG metrics also does not take into account the different  
259 product mixes and ordering processes used by carrier-customers and end users. The  
260 ordering process used to provide special access services provided to carrier customers  
261 and end-user customers differs in important respects because of the distinct needs and  
262 preferences of the respective customer groups.

263 In sum, WorldCom's proposal is unsupported, unnecessary and impractical.

264 **Q. Does this conclude your Rebuttal Testimony?**

265 **A. Yes.**

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<sup>3</sup> Likewise, the Entire Days Late metric (JIP-SA-5) would inaccurately reflect Verizon's performance because it does not consider factors outside Verizon's control that can delay rescheduling the due date. These include situations where the carrier is not ready for re-testing; the equipment vendor is not available; Verizon has to renegotiate access to the end user's premise; or the end user may request a new date beyond Verizon's normal intervals.



