

October 29, 2004

Honorable Jaclyn A. Brillig
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12220

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105-3265

Dear Secretary Brillig and Secretary McNulty:

The undersigned companies have experienced significant customer-impacting problems with Verizon's operational support systems, and are writing to request formal commission intervention to both correct the immediate problems and review the circumstances underlying the problems.

Over the weekend of October 16 and 17, 2004, Verizon performed a scheduled system release and replaced its former LSI (order and pre-order GUI) with a new one. Almost immediately thereafter, CLECs experienced problems,¹ including but not limited to:

- Inability to access the new LSI
- Inability to issue changes to orders that had been submitted via the old LSI
- Missing or long-delayed notifiers, on orders submitted in both LSI and EDI
- Rejected orders for invalid due date on orders which were submitted with a valid due date which had passed by the time Verizon's systems processed the order
- Invalid rejects, including critical orders to restore service that had been suspended for non-payment

While the CLECs appreciate the attention that Verizon is now giving to these system problems, we are concerned about the pace of the identification and correction of the problems. Many CLECs were unable to open trouble tickets at the WCCC because of long hold times, constant busy signals on the WCCC number, or the refusal of the representatives at the WCCC to open tickets. CLECs were told that the problems were on their side, or were isolated to only that CLEC, or were not systems issues. Verizon did not issue any industry-wide notice until the morning of October 20, 2004. That notice characterized the problems as "multiple CLECs experiencing loss of functionality with LSI processing all transactions," but was rated only a severity 3. The first bulletin acknowledging problems with EDI did not come until October 22, 2004. This was also a severity 3. Only when the CLECs got together to compare notes did the extent of the problems become clear. On October 26, at the request of the CLEC community,

¹ Many of the CLECs have had problems that began somewhat before or after the release weekend, which may or may not be related to the release.

Verizon "upgraded" the severity level in the bulletins to a severity 2. Given the inability of many CLECs to access the LSI at all, at least for some periods of time, this should have been labeled and treated as a severity 1.

In a conference call held at the CLECs request on October 22, 2004 (the first of many on these issues), Verizon indicated that the system problems also impacted its retail side. However, Verizon did not respond to CLEC questions regarding the extent of the retail problems or possible work-arounds that may have had been implemented for the retail operation. CLECs did report anecdotal information about customers calling Verizon retail and being offered better due dates than the CLECs, with their limited access to flawed wholesale systems, could provide.

Verizon's actions in response to the system problems, particularly in the days immediately following the release, raise troubling questions about the level of attention focused on restoring the ability of CLECs to serve their customers. Verizon's management, up to the senior vice president level, has assured the CLEC community that these issues have their full attention. Nevertheless, many of the same problems identified in the days after the release persist or have recurred since Verizon instituted what it stated was a fix to the problems. Therefore, the undersigned CLECs are requesting formal commission intervention. Specifically, the CLECs ask that the commissions:

1. Oversee Verizon's efforts to fully restore the capabilities of its systems for all CLECs, and ensure that the systems are operational as quickly as possible;
2. Ensure that Verizon appropriately identifies and communicates the severity of the OSS problems and timely informs the Commission and the CLEC user community of its progress to correct the failures;
3. Ensure that the old LSI remains available to CLECs until the new LSI has been fully tested in both test and production environments by an adequate number of CLECs;
4. Oversee a comprehensive post mortem on the system problems once they are resolved, including an assessment of the testing process prior to release, a review of any LSI beta test results to see if problems were uncovered at that time, an assessment of the beta test process for adequacy in light of subsequent problems, and a review of the steps Verizon took to respond to CLEC reports of problems;
5. Conduct a thorough review of Verizon's actions on both the wholesale and retail sides, to assess the relative impacts of the system problems on each and determine if and how Verizon retail was able to work around the system problems in a manner not available to the CLECs;
6. Review the designation of the problems as Severity 3 to ensure that this incorrect designation had no impact on either the level of attention given to the problems or any penalties that would be assessed to Verizon under state performance metrics. Also, review Verizon's closure of trouble tickets, and refusal to open trouble tickets, and ensure that any inappropriate actions are reflected in the metric reports and penalty payments.

We appreciate your attention to this matter. If you have any questions regarding any of the issues presented above, please contact any of the undersigned.

Sincerely,

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