Agenda Date: 9/27/19
Agenda Item: 4A

STATE OF NEW JERSEY

Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

OFFICE OF CABLE TELEVISION
AND TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF VERIZON NEW JERSEY INC. TO DELETE CERTAIN MEASUREMENTS AND STANDARDS FROM THE NEW JERSEY CARRIER TO CARRIER GUIDELINES AND THE NEW JERSEY INCENTIVE PLAN	)))))	ORDER Docket. No. TO19020271

Parties of Record:

Richard C. Fipphen, Esq., Associate General Counsel, Verizon New Jersey Inc.
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

BACKGROUND:

Pursuant to the 1996 Federal Telecommunications Act ("Act"), 47 USC 151, et seq., Incumbent Local Exchange Carriers ("ILECs") such as Verizon New Jersey ("Verizon" or "Company") are required to provide non-discriminatory access to interconnection, unbundled network elements ("UNEs") and resale to interconnecting Competitive Local Exchange Carriers ("CLECs") that is at least equal in quality to that provided to the ILEC itself. As part of its investigation into the status of local competition and the implementation of the Act, on May 25, 2000, the Board adopted New Jersey Carrier-to-Carrier ("C2C") Guidelines, Performance Standards and Reports.[1] The C2C Guidelines are a detailed document of specific functions to be performed and measured by Verizon, outlining the specific data to be gathered and the standard to be applied for each function and measurement. The Guidelines are organized into general categories and are intended to cover essential service and related activities that Verizon provides to CLECs.

By Order dated January 10, 2002, the Board adopted an Incentive Plan ("IP") which, among other things, incorporated performance measures and standards based upon the Guidelines and set forth the provisions regarding incentive credits to be provided by Verizon to CLECs if

---

1 I/M/O the Investigation Regarding Local Exchange Competition for Telecommunications Services, docket no. TX95120631, and I/M/O the Board's Investigation Regarding the Status of Local Exchange Competition in New Jersey, docket no. TX98010010 (order dated July 13, 2000).

Verizon's performance does not meet the applicable standards.[2] Pursuant to the plan, Verizon submits monthly C2C reports and IP reports to CLECs and the Board, detailing its performance under the metrics.

On December 13, 2004, the Board issued an Order incorporating revisions to the Guidelines and IP, which included setting forth the process to be used for any changes to the C2C Guidelines and the IP going forward.[3] Under this process, Verizon is required to submit to Staff any proposed Guideline modifications for comment by interested parties and consideration in New Jersey.

On December 11, 2018, Verizon petitioned the Board to delete four of the standards or measurements contained in the C2C Guidelines Performance Standards and Reports and the IP. Specifically, Verizon requested the removal of the following metrics:

1) NP-6-01-5000 - NXX Updates - measures the percentage of NXX[4] updates that were installed in Verizon's switches before the prescribed effective date;
2) OD-3-01-1020 - % Directory Assistance Update Accuracy - measures the accuracy of directory assistance updates completed during the reporting period;
3) GE-1-01-1000 - % of Directory Listing Verification Reports Furnished On-Time - measures the percentage of directory listing verification reports transmitted on or before the due date, and;
4) GE-3-01-1000 - % of BFR Responses Furnished On-Time - measures the percentage of bona fide requests ("BFRs") for access UNEs for which Verizon provided a timely response.

Verizon claims the aforementioned metrics are no longer necessary in today's competitive environment and do not serve their original intended purpose.

In support of its position, the Company argues that NP-6-01-5000 - NXX Updates, which measures the percentage of NXX updates that were installed before the prescribed effective date, should be removed from the Guidelines because its results are statistically invalid due to consistently having either a very small sample size or no data to measure.

Verizon also requested that metric OD-3-01-1020 be removed, which measures the percentage of Directory Assistance database update accuracy including service order accuracy. The Company explains in its Petition that any directory update order that a CLEC sends to Verizon is compared to the Directory Assistance database following completion of the update by Verizon. Under the metric, an update is completed without error if the Directory Assistance database

---

[2] I/M/O the Investigation Regarding Local Exchange Competition for Telecommunications Services, Docket No. TX95120631, and I/M/O the Board's Investigation Regarding the Status of Local Exchange Competition in New Jersey, docket no. TX98010010 (order dated January 10, 2002).

[3] I/M/O the Comprehensive Review of the Monthly Performance Reports and the Associated Incentive Plan Reports filed by Verizon New Jersey Inc., Docket No. TX02090665 (order dated December 13, 2004 at p. 19). See, Carrier-to-Carrier Guidelines Performance Standards and Reports, *Verizon Reports*, New Jersey Appendix Q, Changes to the Carrier-to-Carrier Guidelines Performance Standards and Reports, Version 18.0. The C2C Guidelines and IP are the product of a collaborative effort of CLECs through the New York Carrier Working Group ("CWG"), and covers Verizon's services primarily in the Northeastern states.

[4] NXX is used to refer to three-digit code that forms the second part of a 10 digit North American phone number (digits 4-6). This is also known as the "central office code" or "exchange".

accurately reflects the new listing, listing deletion or modification that was submitted by the CLEC. Verizon indicates it has met or exceeded the standard every month since July 2015, and has only missed it in four instances in the aggregate level from 2005 through the present. Verizon requests this removal from the Guidelines and IP because it believes that the metric "no longer makes sense in today's competitive environment . . . [where] customers have a myriad of alternatives to obtain a telephone number other than calling directory assistance", and "it is no longer needed to protect the interests of CLECs".[5]

Regarding the GE-1-01-1000 metric, which measures the percentage of directory listing verification reports furnished on time, Verizon explained that for purposes of this metric, the due date for a directory listing verification report is deemed to be the date which is 30 business days prior to the close out date for the directory. Verizon states that it has met this metric at the CLEC-specific level every month except for three isolated instances in 2008. Similar to OD-3-01-1020, Verizon also argues that this metric is no longer relevant in today's competitive market, citing to previous Board decisions which granted Verizon a limited waiver of the Board's rules requiring printed telephone directories in New Jersey.[6]

With respect to the GE-3-01-1000 metric, which measures the percentage of BFRs for access to UNEs for which Verizon provided a timely response, the due date is deemed to be the due date specific in the CLEC's interconnection agreement with Verizon. Verizon argues that the metric should be removed because it has never been used for its stated purpose, as most CLECs use Access Service Requests ("ASRs"), rather than BFRs to place service orders.

In its review of the Petition, Board Staff sought information from Verizon regarding the status of these metrics in other states. Verizon responded that the four metrics that Verizon is requesting to be removed from the C2C Guidelines are specific to New Jersey and have never existed in any other state where they operate. The Company noted that the non-existence of the metrics in other states support Verizon's claim that these metrics are antiquated or unworkable to the point that other jurisdictions did not deem the metrics useful enough to include them in their guidelines.

Board Staff also sought information from Verizon on each specific metric below as follows:

NP-6-01-5000
In response to Staff's request for additional information on the lack of data for the NP-6-01-5000 metric, Verizon stated that the amount of data has always been consistently low and invalid.

OD-3-01-1020
Regarding the failure to meet the OD-3-01-1020 metric, Verizon stated that the failure that occurred in 2015 was isolated and caused by internal system upgrades which prevented Verizon from completing the directory assistance update as submitted. On the relationship between OD-3-01-1020, which measures the percentage of Directory Assistance Update Accuracy, and the Company's continued obligation to publish a telephone directory listing, Verizon noted that Metric OD-3-01 does not have a relationship to telephone directories

---

[5] Petition filed in this matter, p. 2-3.
[6] I/M/O Verizon New Jersey's Petition for Waiver of N.J.A.C. Regulations 14:10-1A.5 Subsections (a) and (b) Pertaining to the Publishing and Distribution of Telephone Directories, Docket No. TO10040255 (order dated September 22, 2010); and I/M/O Verizon New Jersey's Petition for Waiver of N.J.A.C. Regulations 14:10-1A.4 Subsections (a) and (b) Pertaining to the Publishing and Distribution of Telephone Directories, Docket No. TW16080752 (order dated December 12, 2016);

because it measures whether the Directory Assistance Database is updated correctly with changes submitted by CLECs. According to the Company, the process to update the Directory Assistance database and the process to update directory listings contained in the telephone directory are separate and distinct.

GE-1-01-1000
In regards to the GE-1-01 metric which measures the timeliness by which directory listings (listings in the telephone directory) are made, Verizon noted that an additional metric exists, OR-6-04 % Accuracy – Directory Listings, which measures the accuracy of directory listings and Verizon is not seeking removal of this metric. The Company added that deletion of any of the metrics in Verizon's petition will not affect the underlying processes which are currently being measured. Those processes, according to the Company, will continue.

GE-3-01-1000
Lastly, in support of the deletion of GE-3-01-1000, which measures the percentage of BFRs for access to UNEs for which Verizon provided a timely response, the Company reiterated that the metric has never been utilized by any carrier. Consequently, the Company argues, there is no valid reason to maintain a metric which measures a process that is not used.

COMMENTS RECEIVED

As part of the review process, in an effort to assist in determining the effect of the requested deletion of specific metrics, all New Jersey CLECs and the New Jersey Division of Rate Counsel ("Rate Counsel") were served copies of the petition. Comments were received from Rate Counsel on March 8, 2019, and from one CLEC, AT&T, on March 15, 2019. Reply comments were filed by Verizon on March 25, 2019.

Rate Counsel's Comments

Rate Counsel argued that the metrics which Verizon seeks to remove were "imposed to guard against discriminatory practices and ensure increase in competition for CLECs." With respect to the individual metrics, Rate Counsel noted that "Verizon's request to remove NP-6-01-5000 NXX Updates was based on results from 2005 to the fourth quarter of 2017 which yielded statistically invalid data or simply yielded no data, and that while Rate Counsel would not oppose removing this metric, they recommended that the Board require Verizon to confirm the results of this measurement through the fourth quarter of 2018.

However, Rate Counsel believes that public interest and customer value remains in the Company's continued monitoring of timely and error free directory updates, such as required by the OD-3-01-1020 metric. While Rate Counsel recommends denial of Verizon's request to delete this metric, they suggest that the Board may add flexibility to the monitoring by reducing the reporting time period to semi-annual or annual rather than quarterly to continue to protect CLECs and consumers.

In regards to GE-1-01-1000, Rate Counsel asserted that "although the Board has permitted a phase out of the hard copy printing of white page directories, Verizon's obligation to provide hard copy directories to customers upon request remains. Therefore, public interest continues to require reporting on this measurement."[7] However, Rate Counsel added, the Board could show flexibility by allowing semi-annual or annual reporting to protect both CLECs and consumers.

[7] Comments of Rate Counsel filed in this matter, dated March 8, 2019 at p.6

In its comments on GE-3-01-1000, Rate Counsel noted that a telecommunications company's ability to own or access dark fiber is fundamental to effectively compete and provide evolving service offerings to customers in today's changing telecommunications market. Reporting on the metrics ensures a level playing field and promotes competition. Because CLECs are more apt to use ASRs to order UNEs, Rate Counsel requests that a new metric be added requiring the monitoring and reporting of CLEC ASRs.

AT&T's Comments

In its comments, AT&T noted that it has no objection to the relief requested by Verizon in its Petition and agreed with Verizon that the four metrics which are the subject of this Petition are antiquated and unnecessary in today's competitive environment. AT&T submitted that on metric NP-6 01-5000 -- NXX Updates, Verizon has an economic incentive to install the NXXs in their switches as quickly as possible so that traffic can compete over their network and generate revenue. Thus, there is no need for a metric to compel quick performance.

AT&T also supported the removal of metric OD-3-O1-1020 – (% Directory Assistance Database Update Accuracy) since there has been a dramatic decline in directory assistance calls, as consumers avail themselves of phone number information available on the internet, rendering the directory assistance database increasingly less meaningful.

Concerning GE-1-O1-1000 – (Directory Listing Verification Reports), AT&T noted that consumers rely less and less on carrier telephone directories and instead similarly utilize the internet to locate phone numbers. Moreover, if Verizon or another carrier misses the critical date and a business listing is not included in the directory, it is likely that it would have to issue a credit. Therefore, it concludes that the economic incentive is sufficient to drive performance and the metric is no longer necessary.

AT&T also avers that since the BFR process is not being utilized by CLECs, AT&T has no concerns with the elimination of this unnecessary metric GE-3-O1-1000 — BFR Responses Furnished on Time.

Verizon's Reply Comments

Verizon opposed Rate Counsel's proposal on OD-3-01-1020– (% Directory Assistance Update Accuracy) and its suggestion that the Board provide Verizon with additional flexibility by reducing the reporting periods. Verizon emphasized that the metric is not needed to protect customers because two other metrics, OR-6-01 (% Service Order Accuracy) and OR-6-04 (% Accuracy – Directory Listing), already measure the processing of directory listing orders and the accuracy of directory listings respectively. Verizon is not seeking removal of either OR-6-01 or OR-6-04.

Also, Verizon opposed Rate Counsel's proposal on GE-1-01-1000 – (% of Directory Listing Verification Reports Furnished On-Time) because reducing the frequency of reporting does nothing to alleviate Verizon's burden and instead produces additional costs and efforts to change its programming, practices and procedures.

Verizon also disputed Rate Counsel's proposal to add an additional metric to monitor ASRs should the Board grant the removal of GE-3-01-1000 – (% of BFR Responses Furnished On-

Time) and stated that Verizon's performance regarding processing of ASRs is already measured in several other metrics.

DISCUSSION

Verizon reported that the four metrics it is requesting to be removed from the New Jersey C2C guidelines do not exist in any other states. C2C metrics in New Jersey are meant to guard against discriminatory practices and ensure increased competition for CLECs. Verizon has argued that NP-6-01-5000 - NXX Updates, has never provided an appropriate sample size to produce a metric of any value.

According to AT&T, because the metric has never produced statistically valid results, deleting it would have no significant impacts on CLEC business transactions. AT&T added that Verizon has an economic incentive to install the NXXs in their switches as quickly as possible so that traffic can complete over their network and generate revenue. Thus, there is no need for a metric to compel performance. Rate Counsel does not oppose removing this metric; however, Rate Counsel would like the 2018 results published in order to compare recent results. The Board agrees that there is no reason to maintain a metric with no significant measurable results. Therefore, the metric may be removed with no adverse effects on carriers that rely on the underlying NXX.

Next, Verizon submitted that Metric OD-3-01-1020, which measures the accuracy of Directory Assistance Database updates, should be deleted since Directory Assistance is now a competitive service and volumes have dropped by more than 98 percent. AT&T supported the removal on the same argument as the Company. However, Rate Counsel believes that there remains public interest and customer value in the Company's continued monitoring to ensure that directory updates are completed without error and in a timely fashion. Alternatively, Rate Counsel recommends that the Board reduce the frequency of the reporting. However, Verizon in its response, also stated that reducing the frequency of reporting does nothing to alleviate Verizon's burden and instead produces additional costs and efforts to change its programming, practices and procedures and, therefore should be rejected.

The Board notes that Verizon has consistently met the standard for this metric, which is only measured in New Jersey. While the Board concurs with Rate Counsel's contention that directory updates should be completed in a timely fashion without error, Verizon's history does not indicate any widespread discrepancies with the accuracy or timeliness of the updates to the database. Additionally, while the Board understands Rate Counsel's concerns, asking the Company to continue to report on or change the frequency of reporting for a service that the Board has previously recognized as being competitive because of clear alternatives serves little public interest. While that may not be the case for all competitive services, we note that all CLECs in the state were provided with a copy of the petition and an opportunity to comment and only one CLEC – AT&T – submitted comments, which did not oppose the removal of this metric. No CLECs objected to the deletion of this metric.

Third, on the GE-1-01-1000 metric, Verizon claimed it had met this metric at the CLEC-specific level every month except for three isolated instances in 2008, and like OD-3-01-1020, this metric is no longer relevant. Verizon cited the Board order that granted a limited waiver to the requirement for print directories in New Jersey as support of the Board's relief and flexibility. AT&T noted that consumers rely less and less on carrier telephone directories and instead utilize the internet to locate phone numbers. Moreover, if Verizon or another carrier misses the critical date and a business listing is not included in the directory, it is likely that it would have to issue a credit. AT&T suggested that the economic incentive is sufficient to drive performance making the metric not necessary.

As noted above, no CLECs objected to the deletion of this metric, thereby supporting the contentions of Verizon and AT&T that, for CLECs, there does not appear to be a widespread issue with inaccurate listings.

Lastly, on the GE-3-01-1000 metric, related to the percentage of BFRs response furnished on time, Verizon requests the metric be deleted because it has never been used for its stated purpose as most CLECs use ASRs to order products such as dark fiber. Because the BFR process is not being utilized by CLECs, AT&T has no concerns with the elimination of this metric. Rate Counsel agrees that it should be deleted, but requests that an additional metric for ASRs be added.

In response to Rate Counsel's request for an additional metric, Verizon noted in its reply that Verizon's performance regarding processing of ASRs is already measured in several other metrics. Therefore, the Board agrees with Verizon that CLECs are not using BFRs to order non-standard UNEs because they have other means to do so and it is unnecessary to add a new metric which is measured elsewhere. Accordingly, there is no valid reason to keep a metric which measures a process that is not utilized.

Based on a thorough review of the record and the comments provided by the interested parties, the Board **HEREBY GRANTS** Verizon's request to remove the aforementioned metrics, numbered 1 through 4, as indicated above, in their entirety, from the C2C Guidelines and the IP.

This Order shall become effective on October 7, 2019.

DATED: 9\27\19

BOARD OF PUBLIC UTILITIES
BY:

JOSEPH L. FIORDALISO
PRESIDENT

MARY-ANNA HOLDEN
COMMISSIONER

DIANNE SOLOMON
COMMISSIONER

UPENDRA J. CHIVUKULA
COMMISSIONER

ROBERT M. GORDON
COMMISSIONER

ATTEST: Aida Camacho-Welch
AIDA CAMACHO-WELCH
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities

IN THE MATTER OF THE PETITION OF VERIZON NEW JERSEY INC. TO DELETE CERTAIN MEASUREMENTS AND STANDARDS FROM THE NEW JERSEY CARRIER TO CARRIER GUIDELINES AND THE NEW JERSEY INCENTIVE PLAN

BPU DOCKET No. TO19020271

SERVICE LIST

Richard C. Fipphen, Esq.
Associate General Counsel
Verizon
140 West Street, 7th Fl
New York, NY 10007-2109
richard.fipphen@verizon.com

Ava-Marie Madeam
Vice President
Verizon
172 W. State Street
Trenton, NJ 08608-1104
Avamarie.p.madeam@verizon.com

Sylvia Del Vecchio, Esq.
Manager, State Government Relations
Verizon
9 Gates Avenue – 2nd Floor
Montclair, NJ 07042-3399
Sylvia.l.del.vecchio@core.verizon.com

Stefanie A. Brand, Esq., Director
Maria Novas-Ruis, Esq.
Division of Rate Counsel
Post Office Box 003
Trenton, NJ 08625-0003
sbrand@rpa.nj.gov
mnovas-ruis@rpa.nj.gov

Joseph Monaghan
AT&T Legal Department
One AT&T Way, Room 3A166
Bedminster, New Jersey
Jm242x@att.com

Board of Public Utilities
44 South Clinton Avenue
Post Office Box 350
Trenton, NJ 08625-0350

Lawanda Gilbert, Director
Office of Cable Television and
and Telecommunications
Lawanda.gilbert@bpu.nj.gov

Harold Bond
Bureau Chief
Office of Cable Television and
and Telecommunications
Harold.bond@bpu.nj.gov

Carol Artale, Esq.
Deputy Chief Counsel
Carol.artale@bpu.nj.gov

Patricia Krogman, Esq.
Deputy Attorney General
Department of Law & Public Safety
Division of Law
Post Office Box 45029
Newark, NJ 07101-45029
Patricia.Krogman@law.njoag.gov

NEW JERSEY CARRIER TO CARRIER GUIDELINES AND REPORTS
E-MAIL SERVICE LIST

aida.camacho@bpu.nj.gov
al mayerhoff@nyigc.com
alfredwest@xchangetele.com
bflynn@xtel.net
butler@eot.net
case.gary@xo.com
charlenebrown@att.com
dedicated@monmouth.com
eblanco70@aol.com
elizabeth murray@cable.comcast.com
emcgraw@att.com
fahearn@bcm-tel.com
fonteix@att.com
gcookman@granitenet.com
gegi.leeger@xo.com
ifajerman@dnetit.com
jared. welch@accesspointinc.com
jbrown@vcomsolutions.com
jkoppy@nos.com
jkuhns@broadviewnet.com
j meyer@riker.com
joe.kahl@rcn.net
jwest@linesystems.com
kmcdine@verizon.net
loriann.burke@xo.com
margaret.blackburne@rcn.net
michele.thomas@t-mobile.com
michelle.painter@sprint.com
rnnovas-ruiz@rpa.state.nj.us
pbulloch@mettel.net
peggy.rubino@paetec.com
qtelephone@aol.com
regulatory@bullseyetelecom.com
rick.heck@spectrotel.com
sheree.suter@level3.com
smartcomm2002@yahoo.com
smendez@mcgrawcom.net
thalatinkid@aol.com
thomas.chu@bpu.state.nj.us
tnkovalchick@pplweb.com
tradesite l@aol.com
windstream. WholesaleCost@windstream.com