BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF THOMAS E. ALLEN

OF COVAD COMMUNICATIONS COMPANY

ON BEHALF OF

THE ALEC COALITION

DOCKET NO. 000121-TP

MARCH 1, 2001

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

A. My name is Tom Allen, and I am employed as Vice President of ILEC Relations for Covad Communications Company ("Covad"). My business address is 10 Glenlake Parkway, Suite 650 Atlanta, GA 30328.

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

A. As Vice President of ILEC Relations and External Affairs I have responsibility of the regulatory and ILEC management for the BellSouth region.

Q. Briefly describe your professional and educational background?

A. I graduated from Emory University in 1976 with a BA in Political Science. I then attended the University of Georgia where I graduated with a Master's Degree in Public Administration, majoring in Public Finance in 1978. I began my career with Southern Bell in the Residence Installation and Maintenance Department as an Installation Foreman in Augusta, Georgia. My next assignment was as Dispatch Supervisor for the Augusta District. I went into Customer Services where I worked as a Business Office Manager and in various positions in the Billing and Collection group in the Customer Services-HQ organization and the Rates and Tariff - Regulatory group at Southern Bell headquarters. By 1990, this group was incorporated into the BellSouth Regulatory Policy and Planning organization. I was a part of this group where I worked on Local Competition planning until I left BellSouth in October of 1995.

After leaving BellSouth, I joined Intermedia Communications as Divisional Vice President- Regulatory and External Affairs with all regulatory responsibilities. In this role, I was also the lead negotiator of Interconnection Agreements. In July 1997, I joined ICG Communications as Vice President of Regulatory and External Affairs. Finally, I joined Covad Communications in September 1999 as Vice President of ILEC Relations and External Affairs with responsibility of the regulatory and ILEC management in the BellSouth region.

Q. Describe Covad's general business plan.

A. Covad is a competitive local exchange carrier that provides high-speed Internet and network access utilizing digital subscriber line ("DSL") technology. Covad offers DSL services through Internet service providers ("ISPs") to small and medium sized businesses, home users, and directly to companies who use DSL to enable their employees to connect with their businesses' internal computer networks ("Local Area Networks") from their homes. Covad currently provides its services across the United States in 81 of the top metropolitan statistical areas ("MSAs"), including Orlando, Miami, Jacksonville, and Tampa.

Q. What is the purpose of your testimony?

A. Along with several other competitive carriers, Covad's testimony provides real world examples about how lack of adequate measurements affects a competitive carrier's business and how poor performance by BellSouth affects Florida consumers.

As the Vice President of ILEC Relations, I spend a great deal of time in my job ensuring that Covad's sole supplier, BellSouth, is able to meet the order volume from Covad. Since our ISP partners cannot begin to bill their customers until their DSL lines are working, their business plans naturally depend on the speed with which Covad can deliver its product: a functional DSL line. In turn, Covad's ability to meet customer expectations is completely dependent upon BellSouth's timely performance. Performance from our sole supplier is critical to Covad's ability to compete and to deliver service with any customer satisfaction. ILECs in Florida act as the sole supplier of unbundled network elements to Covad in their respective territories in the state. Therefore, their performance must be constantly monitored and financial incentives should be in place to drive constant improvement.

I. PROPOSED NEW MEASUREMENTS

Q. What additional measures or changes to the Strawman Proposal and BellSouth measures would you propose?[1]

A. Covad proposes additional measures for pre-ordering (access to loop makeup information both manually and electronically), joint acceptance, and loop conditioning completion intervals. We also ask that the Commission set appropriate

[1] **To compile my testimony, I have relied upon the deposition testimony of Paul Stallcup, including the exhibits. The Florida Public Service Commission's proposed Performance Assessment Plan, Exhibit A, (hereafter the "Strawman Proposal") indicates that the detailed business rules for the SQMs will be those adopted by Florida as Interim metrics for the purpose of OSS testing. I have relied upon the version of those SQMs posted on the Florida PSC, OSS testing website, which indicates those SQMs were last revised February 22, 2001. Since it is not clear exactly what BellSouth will be proposing in this docket, I rely on both the Florida SQM and testimony offered by BellSouth in Georgia to illustrate the difference between BellSouth's proposal and what ALECs believe is necessary to adequately measure performance.**

intervals for loop delivery that reflect the entire time from which an ALEC submits a correct and complete Local Service Request until BellSouth delivers a working xDSL loop. Furthermore, Covad believes that BellSouth data should be disaggregated by DSL loop type (including line sharing), that the appropriate analogs for DSL service is retail POTS services and that revisions to the business rules on Order Completion Interval are necessary to enable this Commission and Covad to adequately monitor BellSouth's performance on DSL loop provisioning. I will address each of these issues below.

1. Measurements for Loop Makeup Information

Q. What is loop makeup information and how is it used by Covad to improve service to customers in Florida?

A. Members of the ALEC Coalition use several different DSL technologies to provide the customer with optimal speed and price options based on the capabilities of the underlying facility. It is essential, therefore, that DSL providers have efficient access to accurate electronic information about relevant operational parameters regarding BellSouth constructed and maintained loop facilities. Thus, DSL providers need information on loop length, number and location of analog load coils, number and location of bridged taps, and the presence of a digital loop carrier ("DLC") (and the type of DLC) to be catalogued, inventoried, and made available directly to them through an automated database.

In the UNE Remand Order, the FCC made it clear that incumbent carriers such as BellSouth have an obligation to provide detailed loop makeup information

to ALECs. Notably, the FCC required that ALECs be provided with nondiscriminatory access to the detailed loop information that exists in BellSouth's back office systems and that is available to any BellSouth employee. The FCC recognized that access to loop makeup information is critical to enabling ALECs to qualify customers for DSL service and for insuring that ALECs can advise customers during the ordering process about whether and what speed of service will be available to them. Without such information, ALECs are at a huge competitive disadvantage to the incumbents.

More simply stated, loop information helps DSL providers sell the correct DSL product to the right customer. Without this pre-ordering information, DSL providers have to endure inordinate delay and frustration in obtaining service. This puts DSL wholesalers at a competitive disadvantage because ISPs that resell our services may also resell BellSouth services, where they experience no such delays.

There are two possible methods of accessing loop makeup information: manual and mechanized. The BellSouth SQM (as posted on the Florida OSS testing website, revised February 22, 2001) does not include a current measurement or standard for ALEC access, either manual or mechanized, to loop makeup information. The Florida Strawman proposal indicates that there will be a metric for loop makeup information average response time, but there are no business rules available to review on that proposed metric.

The Commission should measure both manual and electronic response to loop makeup inquiries. The ALEC Coalition is proposing that the Commission establish

today a benchmark of 72 hours 95% of the time for manual loop makeup information inquiries, and less than a minute at 98% of the time for mechanized inquiries. That is exceedingly generous when you think about how quickly ordinary consumers get electronic responses from electronic retailers or while conducting banking on line. Georgia recently adopted this metric and these benchmarks for response time.

Q. Why must the Commission measure both manual and electronic access to loop makeup information?

A. There are several reasons. First, an ALEC may not have the resources to build an electronic interface to access loop makeup information electronically. Thus, those ALECs will continue to be dependent on BellSouth performing manual loop makeup in an efficient and accurate manner. Second, BellSouth has admitted in testimony in Florida and elsewhere that detailed loop makeup information is not available electronically on all loops. Therefore, in some instances in which an ALEC does perform an electronic loop makeup inquiry, the information needed may not be available and therefore an ALEC will have to obtain a manual loop makeup from BellSouth. Third, BellSouth has admitted in testimony in Georgia that inaccurate data may be received as often at 10% of the time in utilizing the electronic loop makeup systems. When such information is received, and these inaccuracies are detected, Covad and other ALECs will be forced to obtain a manual loop makeup inquiry to determine if service can be provided to a particular customer.

Q. What is Covad experiencing today when attempting to obtain manual loop make up information?

A. BellSouth's product and services guide targets completion of a manual loop makeup inquiry at seven business days. Thus, competitors are required to wait well over a week to qualify a loop for service. A Florida customer could feasibly place an order with Covad on Monday, and not find out until the following Wednesday whether or what type of DSL service Covad can provide. Under the BellSouth proposed target interval, the ALEC would not learn about the loop makeup information until possibly seven business days later. This is not acceptable. BellSouth has offered no justification for such an unreasonably long interval for manual access to loop makeup information. Furthermore, BellSouth has admitted that it can obtain all the information needed on a loop from its Corporate Facilities Database, through MapViewer. Thus, even when the ALEC submits an order by manual processes, BellSouth uses an electronic system to get the information, either through LFACs or MapViewer. Thus, a manual loop makeup inquiry by a CLEC results in BellSouth performing an electronic search. This should take no longer than 3 days, which is generous considering the limited electronic work being performed.

The New York and Texas state commissions have previously adopted a standard similar to the one advocated by the ALEC Coalition. In addition, the Commission should order the ALEC Coalition proposal -- that BellSouth provide electronic access to loop makeup information 98% of the time within 1 minute. That exact performance measurement was recently ordered in Georgia.

Q. What is the effect on Florida consumers when BellSouth delays loop makeup information or when the information provided to Covad is inaccurate?

A. Quite simply, delays and the supply of inaccurate information lead to enormous customer dissatisfaction and frustration. Let me give you a couple of real life scenarios that explain why Covad is seeking performance measures regarding loop makeup.

When Covad is delayed in getting loop makeup information, Covad cannot inform its customers (the ISPs) or the end-users (the Florida consumers) what service can be provided on a particular loop. Imagine a scenario in which an ISP has successfully won a customer who wants SDSL service at a very high speed (like Covad's TeleSpeed 768 kbps service). This is very fast speed that is used by many businesses with heavy data traffic. The customer places an order and Covad immediately requests manual loop makeup information from BellSouth. A week and a half later that customer is informed that his loop is too long for the high speed service, and Covad can only provide him with a slower 144 kbps service. That customer is extremely dissatisfied, first because the news about his service is bad, but also because he's waited over a week and likely thought his service was on the way to being provisioned. In many instances, Covad loses that customer forever.

Equally frustrating is a situation a Covad customer recently experienced in Fort Lauderdale. That customer placed an order for Covad service, Covad performed an electronic loop makeup inquiry and determined, based on the information provided, that the customer could get ADSL over a line shared line to

his home. From the customer's perspective, this is the best choice since the line shared line is already in place, and will not require BellSouth to do any additional work in its outside plant. The cross connections necessary to provision a line shared line can be completed in a manner of minutes by a central office technician. Nonetheless, after repeated truck rolls on this order, Covad later learned from BellSouth that the loop makeup information was incorrect. There were load coils on the loop that had to be removed before this customer could receive ADSL service.

The delay in obtaining DSL obviously frustrated the customer, who ultimately cancelled his Covad order. Moreover, from Covad's perspective, Covad rolled several trucks on this order and incurred all the expense associated with those efforts, as a result of erroneous BellSouth information. Covad sunk those costs into a loop order, that was later cancelled, so that Covad has no chance of ever recovering the expenses it incurred.

For these reasons, BellSouth should be measured and penalties imposed based on timeliness of loop makeup information. It may also be appropriate in the future to create a way to measure the accuracy of reported information.

2. Percent xDSL Lines Cooperatively Tested – OP-9 through OP-14

Q. What is another crucial measurement that data ALECs such as Covad must have that is currently not a part of BellSouth's SQMs or the Strawman Proposal?

A. The ALEC Coalition proposes two measures involving Joint Acceptance Testing. The first will measure the percentage of loops with which BellSouth engages in Joint Acceptance Testing. The second will measure the percentage of loops that actually pass the Joint Acceptance Testing on time. Essentially, Joint Acceptance Testing works as follows. The BellSouth technician, having delivered the loop to the customer premise, calls a Covad 1-800 number. Next, the BellSouth technician and Covad run a series of tests on the loop to establish that it is functioning properly. Although it is not foolproof, these series of tests can determine in most instances whether the loop works at the time of installation. By measuring the percentage of loops that BellSouth cooperatively tests with Covad, this Commission would create an incentive for BellSouth to conduct this testing. The ALEC Proposal would also measure the number of loops that passed the cooperative tests. By doing so, this Commission can increase the number of loops that are functional when provisioned. This new measure will allow Covad and other competitive carriers to assess whether BellSouth and other ILECs are delivering a working loop on time.

There are two crucial aspects to these measures. First, requiring ILECs to engage in Joint Acceptance Testing increases the number of loops that are working at the time they are delivered. Second, Joint Acceptance Testing generally decreases costs for both the ILEC and for the ALEC, because problems are identified during the provisioning phase, rather than arising as troubles in the repair and maintenance phase. Furthermore, Joint Acceptance Testing is very important to competitors as a customer service issue. Customers who are forced to take days off from work to wait for their DSL loops to be delivered are generally very unhappy when the loops

delivered are not working. This has been a serious issue in maintaining customer satisfaction for ALECs in Florida.

For example, another end user in Ft. Lauderdale was recently scheduled to have his loop provisioned by BellSouth. Although BellSouth says that Joint Acceptance Testing is now part of its routine provisioning methods and procedures, BellSouth never called Covad to conduct the testing. The customer later reported to Covad that he had seen the BellSouth technicians working on the line. However, BellSouth never notified Covad that loop had been provisioned and Covad had not confirmed through Joint Acceptance Testing that the loop was functioning when delivered. BellSouth provided several additional pieces of inaccurate information to Covad, further delaying the provisioning of this loop. Ultimately, Covad scheduled a truck roll and completed the installation. Because of BellSouth's failure to jointly test this loop, and its failure to provide a completion notification, this Florida consumer's DSL service was delayed three weeks. Mandatory Joint Acceptance Testing would eliminate these problems. Georgia recently approved a measure requiring Joint Acceptance Testing.

ALECs need to measure two things: full participation in Joint Acceptance Testing, and the amount of loops that successfully pass the testing on time. A customer is not nearly as interested in knowing that his or her loop was provisioned on time, as he is in knowing that the loop was provisioned on time and was functional when provisioned. BellSouth suggested in Georgia an array of three different measurements that would supposedly provide ALECs with the same information as the new Joint Acceptance Testing measurements. These

measurements include: (1) Percent Missed Installation Appointments; (2) Average Completion Interval; and (3) Percent Provisioned Troubles within 30 days. From the perspective of ALECs, the measurement of both pieces (timeliness and functionality) is critical since both the timeliness of delivery and the functionality of the loop affect ALECs' ability to provide service to Florida consumers. That is, the measurement and standard are crucial in showing the serious and dramatic impact that BellSouth's poor performance has on ALECs' ability to provide competitive DSL services in Florida. BellSouth offers no such metric. Consequently, the Commission should adopt the Joint Acceptance Testing measurements as proposed by the ALEC Coalition.

3. Reasonable Loop Delivery Intervals for xDSL Loops

The Florida Strawman proposal suggests that the appropriate loop delivery intervals for xDSL loops is 7 business days for xDSL loops and 14 business days for loops that require conditioning (Order Completion Interval). This is not the appropriate benchmark for several reasons. First, as proposed, the Order Completion Interval measures the time from delivery of a Firm Order Confirmation ("FOC") until a completion notice is issued. This measurement fails to capture potentially 5-7 days that BellSouth thinks it should be allowed to perform Service Inquiry process on the front end of an xDSL loop order. Thus, BellSouth believes it should actually be allowed **up to 14 business days** to provision an xDSL loop (and **up to 21 business days** -- more than a month -- to provision an xDSL loop that requires conditioning). These intervals are too long to enable ALECs to compete in Florida.

The ALEC Coalition proposes that BellSouth be allowed 3, 5, or 7 business days, depending on volume, to deliver xDSL loops. Given the rudimentary nature of the work being done, these intervals are ample. xDSL loops are nothing more than plain copper voice loops, like BellSouth provisions every day in Florida. In fact, BellSouth has provided DSL to over 51,000 customers in Georgia using their existing phone lines to provision the service (through line sharing). Although we do not have access to similar data for Florida, the numbers of customers to whom BellSouth provides DSL on an existing phone has got to be huge. BellSouth has over 217,000 such customers region-wide and expects to have 600,000 by the end of 2001.

These enormous numbers demonstrate plainly that xDSL loops are nothing more than simple voice grade copper loops. One day the loop is being used for voice service. Then, BellSouth.net or a BellSouth Internet Service Provider ("ISP") partner sells that customer DSL service to ride on top of the voice loop. If BellSouth then loses the voice customer, and only DSL is provided on the loop, it is still the same simple voice grade loop. It should be no different when ALECs order a loop for xDSL service. The times proposed by the ALEC Coalition provide sufficient time for BellSouth to provision an xDSL loop. The Strawman Proposal intervals reward BellSouth for having inefficient processes, by failing to impose penalties until BellSouth takes over 14 business days to deliver a loop or over 21 business days to deliver a loop that requires conditioning. As discussed below, numerous other state commissions have recognized the need for more streamlined loop delivery processes and have required ILECs to provide them. There is no reason for Florida consumers to get worse service than consumers in Texas and New York.

4. Percent Completion of Timely Loop Modification/De-conditioning on xDSL Loops

Q. Are there additional aspects of provisioning an xDSL capable loop that are not captured and measured by BellSouth's SQMs or the Strawman Proposal?

A. Absolutely. ILECs, including BellSouth, regularly perform maintenance and provisioning on their outside plant facilities, including placing and removing certain devices from those loops, such as load coils and excessive bridged tap. Since DSL technologies will not work in most instances on a loop that contains filters, load coils, range extenders, repeaters, or excessive bridged tap, DSL providers must have these loops conditioned before they will support DSL services. In recent negotiations, BellSouth proposed that it be allowed up to 30 days to condition a loop.

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

Q. Is this acceptable for competitors?

A. No. From a customer satisfaction perspective, this is untenable for DSL providers. Customers demand information about when they will receive their loops and they expect DSL providers to give them that information in a timely manner. Customers grow weary of waiting for service to be delivered and generally are dissatisfied by excuses about the length of time BellSouth takes to perform simple conditioning

work. Although BellSouth refuses to set intervals for conditioning, SWBT in Texas conditions loops within ten business days.

BellSouth claims that conditioning activities are included in its Order Completion Interval, and are measured in that way. Because conditioning loops is a critical function for DSL providers, we believe a separate measurement is the best way to ensure that BellSouth is performing this work in a timely fashion.

Q. What do you propose as intervals for conditioning?

A. The ALEC Coalition proposes a separate measurement for loop conditioning with a benchmark of five days in which that conditioning should be performed. This provides three important benefits for DSL providers and thereby to Florida consumers. First, it provides ALECs with a firm benchmark to rely upon when informing customers of their loop installation date. Second, it enables DSL providers to measure whether BellSouth is meeting this commitment. Third, it gives this Commission an opportunity to review BellSouth's performance of routine maintenance tasks which BellSouth performs every day for BellSouth's own facilities and for BellSouth's own retail customers as compared to BellSouth's performance of these same tasks for ALECs. Indeed, loop conditioning should be one of the areas in which this Commission can most accurately assess whether BellSouth's treatment of competitors is non-discriminatory since the exact same work is routinely conducted in BellSouth's outside plant for its own retail services.

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

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

measurements and standards. xDSL loop delivery in Texas is actually defined as loops with conditioning (benchmark of 10 business days) and loops without conditioning (5 business days). Thus, if SWBT does not condition a loop on time, that loop is not counted as delivered on time. The ALEC Coalition respectfully requests the Commission similarly adopt a measurement and standard for timeliness of loop conditioning. That measurement should be based on a five-day loop delivery and BellSouth should be required to perform the necessary work 95% of the time.

Likewise, the New York Public Service Commission recently approved a five business day loop delivery interval for Verizon. This new interval resulted, in part, from Verizon's admission that its loop delivery processes were improving and that it was able to decrease the interval from six days to five. In contrast, the intervals proposed by BellSouth do not drive BellSouth toward process improvements.

II. ADDITIONAL IMPROVEMENT TO THE STRAWMAN PROPOSAL

1. ALECs Need More Disaggregation than the Strawman Requires

Q. Are either the Strawman or BellSouth's previous proposed measures adequately disaggregated?

A. No. The ALEC Coalition proposes that the Commission require BellSouth to provide a level of disaggregation such that deficiencies in BellSouth's performance can be neither masked nor ignored. Disaggregation should be required by DSL product, maintenance and repair, query type and collocation category.

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

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

as poor performance in particular areas can be masked when lumped into one large report. This is particularly true of DSL loops. BellSouth's most recent SQM does not disaggregate DSL loops, let alone by loop type like we request. BellSouth tries to dismiss the ALECs' need for disaggregation by suggesting that doing so would produce meaningless reports and that resale products *currently* purchased by ALECs are adequately captured. Neither point is persuasive. ALECs have not proposed specific disaggregation levels to put BellSouth through the exercise of filing useless information. On the contrary, what is requested is information which ALECs have learned is useful to monitor BellSouth's performance. For example, Covad currently monitors BellSouth reported performance on the Performance Measurement Application Platform (PMAP). It is difficult to use the information reported there for several reasons. First, BellSouth reports ALEC aggregate data for all unbundled loops, not for specifically DSL loops or more importantly by DSL loop type. Second, BellSouth compares its performance for Covad to retail DS1 performance, or to Retail Design performance, neither of which are analogous to xDSL service. The information currently provided by BellSouth is not sufficient to insure that BellSouth is not discriminating against Covad or DSL providers in Florida.

Q. How would you propose that information regarding DSL be disaggregated?

A. By all loop types, namely: Unbundled ADSL, Unbundled HDSL, Unbundled UCL (short and long), Unbundled UDC/IDSL, Unbundled xDSL loops (since BellSouth is planning to release yet another DSL loop product that must likewise be measured) and Line Shared Loops. Moreover, the levels of disaggregation should cover all of

the products ALECs purchase when there is large scale entry in both the residential and business markets.

Sufficient disaggregation is also necessary given the rapidly evolving nature of the telecommunications industry in Florida. One of the most significant changes is the burgeoning growth of DSL technologies, an important method of providing broadband services, including high speed Internet access. In order for the Commission to track BellSouth's performance in the provisioning of products required by DSL providers, BellSouth must measure and report the elements specifically ordered by DSL providers. BellSouth must not be permitted to combine reporting performance of its provisioning xDSL elements with its performance in providing other elements not required by DSL providers. Thus, it is essential for BellSouth to disaggregate its product offerings by loop types – analog voice-grade loops, digital loops, ADSL loops, HDSL loops, UCLs and xDSL loops, as well as line sharing – as the ALEC Coalition proposes. BellSouth's most recent SQM does not disaggregate DSL loops, let alone by loop type like we request.

Q. Why would disaggregated loop type information be helpful to Covad in Florida?

A. As Covad has testified many times, Covad believes that all of BellSouth's xDSL loop products are exactly the same facility: a plain copper loop, free of load coils, excessive bridged tap, and other interferors. The only difference between the loops is the artificial loop length restrictions placed on these loop products by BellSouth. Likewise, BellSouth may have slightly different provisioning procedures for its various xDSL loop products. By monitoring the performance on loop delivery by

loop type, Covad can in some cases adjust the type of loop ordered to provide faster, more reliable service to customers. Over the course of its business relationship with BellSouth, Covad has ordered and provided service using the HDSL, ADSL, UCL and UDC/IDSL loops, as well as over line shared loops. By reporting data of specific performance for each type of loop, Covad may be able to capture additional efficiencies for its customers by altering the type of loop it orders. Therefore, disaggregated information would be helpful to Covad's business in Florida.

2. Changes to the Order Completion Interval Measurement

Q. How is loop delivery measured in BellSouth's SQM?

A. It is very difficult to tell. From a customer's perspective, the length of time it takes from placing an order to getting that DSL order installed is the proper interval to measure. BellSouth proposes something fundamentally different. There are two key concepts in loop delivery. First, BellSouth must provision the loop on the date that loop is due. BellSouth provides this delivery date when it returns to Covad a firm order confirmation ("FOC"). This delivery due date is then known as the "FOC date." Second, and equally important, the loop that is delivered must function properly. BellSouth's SQM measures order completion interval from the date the FOC is provided to the date the completion notice is sent. This ignores the entire pre-ordering interval before a FOC is established. The BellSouth proposed measure also fails to penalize BellSouth for provisioning a loop that does not work.

Q. How would Covad improve on this?

A. The business rules associated with Order Completion Interval should be changed to measure the period of time from when an ALEC submits a complete and correct LSR until BellSouth participates in Joint Acceptance Testing with Covad and the loop passes the tests and is accepted by Covad. This will capture Covad's experience as a customer from the point at which it places an order with BellSouth until BellSouth successfully completes that order by provisioning a functional loop.

3. Retail Analogs for DSL

Q. What retail analog is appropriate for DSL loops?

A. DSL loops are plain copper, voice grade loops. Thus, the appropriate retail analog for stand alone xDSL loops (ADSL, HDSL, UCL, xDSL) is retail POTS service. For order completion intervals, Covad prefers that BellSouth be measured on a benchmark. This insures that Covad can tell its customers what level of service to expect and BellSouth has the appropriate incentives to provide that service. Historically, BellSouth has refused to set anything but a "target" date for loop delivery, and has refused in interconnection negotiations to establish an acceptable delivery interval. This issue is pending in Covad's Petition for Interconnection Arbitration with BellSouth. Irrespective of the interval that will become part of Covad's contract with BellSouth, penalties should be assessed based on the benchmarks set forth in the ALEC Proposal for Order Completion. For other provisioning and maintenance and repair measurements, the appropriate retail analog is retail POTS.

In Georgia, BellSouth proposed that DS1 loops were the appropriate analog for standalone DSL loops performance. In its current Florida SQM and in the Strawman Proposal, many aspects of BellSouth's performance for xDSL loops would be compared to what BellSouth does for Retail Design loops. Both analogs are incorrect. A DSL loop is no more complicated than a plain copper voice grade loop. In contrast, BellSouth Retail Design services encompass much more complex services, like Centrex/PBS Design, PBX Design, SynchorNet digital service, MegaLink, ISDN Service, interLATA dedicated services, and Custom Network Service Arrangements. Comparing xDSL service to Retail Design will mask unnecessary and unacceptable poor performance. Recognizing this, the Georgia Commission established "ADSL as provided to retail" as the analog for many measurements of performance on xDSL loops.

Thus, for measurements other than those for which we propose a benchmark, BellSouth's performance on xDSL loops should be compared to its retail POTS performance. For UNE Line Shared loops, the appropriate retail analog is BellSouth's retail ADSL (industrial/consumer) product. It is directly analogous to what Covad and other ALECs offer using a line shared loop.

Q. Why should penalties for poor performance be assessed against BellSouth and awarded to damaged ALECs?

A. Covad's customers have become increasingly frustrated by Covad's inability to obtain loops in a timely fashion from its sole supplier, BellSouth. As a result, these customers have begun to press Covad for assurance that it will provision loops within

a certain amount of time. They have suggested that if Covad fails to provision these loops in that amount of time, the price of Covad's service should be decreased or that some other penalty against Covad should be assessed.

In turn, Covad believes that its sole supplier, BellSouth, should face the same sort of pressures from its customer, Covad. These types of incentives, as well as the desire to deliver a quality product with customer satisfaction, drive daily process improvements inside Covad. In a competitive environment such as the one in which Covad operates, if Covad does not satisfy its customers, those customers may choose another DSL provider. Covad faces the possibility of that penalty everyday.

BellSouth's own reported data shows why penalties are necessary to drive better performance. BellSouth has reported the following for Covad for December 2000:

- 27% missed installation appointments
- Over 14 days to provision to an xDSL loop (counting only from BellSouth's issuance of a Firm Order Completion until BellSouth sends a completion notification -- this does not include the 5-7 business days required for the Service Inquiry process on xDSL loops)
- Average Held Order Interval of 36 days
- Average Jeopardy interval of 21 days
- 17% of Covad's orders placed in Jeopardy status
- More than 26% repeat troubles within 30 days

As the Commission can see, BellSouth's level of performance is inadequate to support Covad's business plan, which relies upon delivering high customer

satisfaction. We believe that imposing financial penalties on BellSouth for failure to perform is the only way to drive improvement.

Q. Does this conclude your testimony?

A. Yes.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Direct Testimony of Thomas E. Allen has been furnished by (*) Hand Delivery or U.S. Mail this 1st day of March, 2001:

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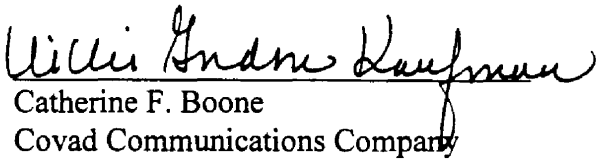

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