

February 23, 2001

Performance Assurance Plan Compliance Order, D.T.E. 99-271

To All Participants to D.T.E. 99-271:

On January 30, 2001, Verizon New England, Inc. d/b/a/ Verizon Massachusetts (“Verizon”) filed with the Department of Telecommunications and Energy (“Department”) proposed revisions to the Performance Assurance Plan (“PAP” or “Plan”) in accordance with earlier Department directives. In response to a Department request for comments, several participants submitted filings on February 9, 2001 that were critical of several provisions of Verizon’s proposal. Verizon responded to these commenters on February 16, 2001. Finally, on February 16, 2001, the Department sought additional information from Verizon, which it provided on February 21, 2001.

Upon review of the comments filed in February and our previous PAP Orders, we agree with Verizon that: (1) the Department has already considered and addressed at least one of the arguments raised by a commenter;<sup>1</sup> (2) Verizon acted in a timely fashion to implement a new reporting requirement (*i.e.*, the Achieved Flow Through metric); and (3) Verizon’s suggested time line for resolving waiver disputes for Massachusetts is comparable to that provided for in New York and, if we determine it is appropriate, we have the discretion to accelerate this time line. Consequently, we determine that one issue raised by commenters is ripe for consideration in this Order: whether Verizon’s revised PAP adequately increases the amount of bill credits available under the PAP to account for new digital subscriber line metrics. See PAP Clarification and Reconsideration Order at 6. We conclude that it does.

The information that Verizon presented recently to the Department and participants demonstrates that Verizon’s proposal appropriately increases the amount of available bill credits so that the percentage of its net return at risk under the PAP remains identical between Massachusetts and New York.<sup>2</sup> Moreover, this information clearly shows that Verizon allocated this increase among the

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<sup>1</sup> See *e.g.*, WorldCom, Inc.’s Comments at 2; Order on Motions for Clarification and Reconsideration of the Performance Assurance Plan, D.T.E. 99-71, at 12-13 (November 21, 2000) (finding that the performance credits available to carriers in Massachusetts under the Consolidated Arbitrations are greater than those available to carriers in New York through contract remedies) (further citation omitted) (“PAP Clarification and Reconsideration Order”).

<sup>2</sup> See Verizon’s February 21, 2001 response to the Department’s February 16, 2001 question,  
(continued...)

various PAP categories to maintain, on a percentage basis, equivalence between the Massachusetts and New York Plans. Accordingly, we find that Verizon's proposed revisions comply with our PAP Clarification and Reconsideration Order and, therefore, we approve Verizon's January 30, 2001 revised PAP.

By Order of the Department,

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James Connelly, Chairman

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W. Robert Keating, Commissioner

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Paul B. Vasington, Commissioner

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Eugene J. Sullivan, Jr., Commissioner

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Deirdre K. Manning, Commissioner

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<sup>2</sup>(...continued)

Attach. 2, D.T.E. 99-271 (indicating that the total amount at risk in both states equals just under 39.4 percent of Verizon's total net return, using Automated Reporting Management Information System data).