

External Affairs



2000 Interstate Park Drive, Suite 101
Montgomery, AL 36109

Phone 334.277.1585

July 3, 2001

J

Walter Thomas, Jr., Secretary
Alabama Public Service Commission
Post Office Box 991
Montgomery, AL 36101-0991

RE: Revised Universal Service Funding Plan for 2001 and 2002

Dear Mr. Thomas:

Per John Garner's request in a letter dated June 15, 2001 Verizon submits its revised Universal Service Fund (USF) infrastructure expenditure plan for 2001 as well as its USF Plan for 2002.

As the attached plan for 2001 explains, there is not sufficient time remaining in 2001 to fully execute Verizon's plan for 2001 infrastructure improvements. As such, Verizon will spend \$.5 million of the \$3.6 total during 2001. We will spend the remaining \$3.1 million earmarked for 2001 in 2002. 2001 since there is not enough time to complete the installation of those additional infrastructure improvements. The 2002 USF Plan will be engineered and construction will begin on January 1, 2002, assuming the Commission approves the 2002 USF plan.

I trust this revised infrastructure expenditure plan satisfied all the concerns raised in Mr. Garner's June 15 letter. Should you have questions regarding this information, I can be reached at 334/277-1585.

Sincerely,

William C. Hanchey, Jr.
AVP Regulatory and Government Affairs

WCHJr/ats

aft

VERIZON ALABAMA

**Application of Federal Support Towards Infrastructure Improvements
Additional Supplemental Funds 2001**

Below is an infrastructure improvement, which will be added to our initial 2001 application:

	<u>Capital</u> ^N	<u>Expen</u>
(1) Replace Asynchronous Fiber Terminals	\$3,601,000	\$ 0
Subtotals	<u>\$3,601,000</u>	<u>\$ 0</u>
TOTAL COST	\$3,601,000	

(1) Replace Asynchronous Fiber Terminals:

The asynchronous fiber terminals in the rural areas will be replaced with SNET based fiber terminals capable of transporting clear channel B8ZS signaling. This capability will allow Verizon to preposition for broadband services and provide the backbone infrastructure for rural development.

Exchanges that may benefit from this project are:

Hackleburg	Hamilton	Haleyville	Berry
Bayou La Batre	Irvington	Grand Bay	Heflin
Winfield	Ethelsville	Fayette	Wedowee
Sulligent	Detroit	Falkville	Woodland
Fowl River	Jemison	Banks	Lecta
Massey	Oden Ridge	Wicksburg	Panola
Notasulga	Abbeville	Geneva	Wadley
Morrison's X-Roads	Louisville	Hartford	Mentone
Headland	Kinston	Newton	Brilliant
Newville	New Brockton	Echo	Thorsby
Opp	Samson	Slocomb	Ariton

Please note that this application totals an additional \$3,601,000 for 2001 and is being submitted at the request of the Alabama Public Service Commission on June 29, 2001. Due to lead times associated with switching equipment and manpower availability, it will be impossible to complete the installation of this infrastructure improvement by the end of 2001. This initiative can be started this year when funding is provided but will not be completed until 2002. If the actual allotment from USF funds varies from the estimated \$9,854,000 in 2001, adjustments will be made to the asynchronous fiber terminal replacement project. The total cost to replace 100% of the asynchronous terminals throughout the state is estimated to be \$4,315,000. The remaining terminals will be submitted on the 2002 application.

VERIZON Alabama

Application of Federal Support Towards Infrastructure Improvements 2002

The specific infrastructure improvements are divided into 7 projects:

	<u>Capital</u>	<u>Expense</u>
(1) Interoffice Facility Routes	\$1,662,184	
(2) Buried Air Core Cable Replacement	\$2,374,202	
(3) Fiber to Remotes	\$1,423,641	
(4) Deployment of Technicians to Rural Areas		\$442,420
(5) Replace Asynchronous Fiber Terminals	\$ 714,000	
(6) Service Improvements	\$2,027,443	
(7) CNID Card Placement	<u>\$1,210,481</u>	
Subtotals	\$9,411,951	\$442,420
TOTAL COST	<u>\$9,854,371</u>	

(1) Interoffice Facilities (IOF) Routes:

Interoffice route diversity allows for the re-directing of all voice and data traffic (i.e. message, local, EAS, long distance) to prevent any downtime or call blockage problems due to damaged cable or equipment failures. This builds protection into the network for all voice and data traffic and insures completion of the messages.

The following routes will be targeted for route diversity:

Verizon - Other ILEC Wadley/Roanoke
(Point to point fiber)

Verizon - Verizon Routes
Sulligent/Winfield

Exchanges that will benefit from this project:

Wadley	Sulligent	Morrison's Crossroads
Wedowee	Winfield	Fayette
Woodland	Guin	Ashland
Delta	Detroit	Vernon
Lineville		

VERIZON Alabama

Application of Federal Support Towards Infrastructure Improvements 2002

(2) Buried Air Core Cable Replacement

Air core cable is old generation, local feeder cable that is not jelly filled. This allows moisture and water to penetrate the cable and cause increased trouble conditions (i.e. bad signaling, unusable cable pairs for local services). This program will replace air core cable with jelly filled cable, which improves local facility conditions by improving transmission quality and facility availability, and reducing trouble reports.

Exchanges to benefit from this project are:

Haleyville Hamilton

Ozark Irvington

(3) Fiber To Remotes

This program replaces the existing copper facilities with fiber optic cable between several host and remote central offices. This improves the network performance between the host and the remote reducing blocked calls, service outages, as well as providing the capability to introduce new services.

Exchanges to benefit from this project are:

Lincoln Bayou La Batre

Skyline Samson

Double Springs Jemison

Kinston Slocomb

VERIZON Alabama

**Application of Federal Support Towards Infrastructure Improvements
2002**

(4) Deployment of Technicians to Rural Areas

Deploy technicians to rural areas to improve service intervals for¹ both installation and repair activities. This initiative will continue to support the technicians deployed under the 2000 plan.

Exchanges to benefit with this project are:

Clio	Pine Hill	Ashland tri-county area
Coffeetown	Samson	Pell City tri-county area
Elba	Brundidge	Bayou La Batre
Fort Rucker	Newton	Enterprise area
Echo	Geneva	Tallasse area

(5) Replace Asynchronous Fiber Terminals

The asynchronous fiber terminals in the rural areas will be replaced with SONET based fiber terminals capable of transporting clear channel B8ZS signaling. This capability will allow Verizon to preposition for broadband services and provide the backbone infrastructure for rural development. This initiative completes the replacement of the asynchronous terminal project started with the 2001 USF funds.

Exchanges to benefit from this project are:

Hackleburg	Hamilton	Haleyville	Berry
Bayou La Batre	Irvington	Grand Bay	Heflin
Winfield	Ethelsville	Fayette	Wedowee
Sulligent	Detroit	Falkville	
Woodland			
Fowl River	Jemison	Banks	Lecta
Massey	Oden Ridge	Wicksburg	Panola
Notasulga	Abbeville	Geneva	Wadley
Morrison's X-Roads	Louisville	Hartford	Mentone
Headland	Kinston	Newton	Brilliant
Newville	New Brockton	Echo	Thorsby
Opp	Samson	Slocomb	Ariton

VERIZON Alabama

Application of Federal Support Towards Infrastructure Improvements 2002

(6) Service Improvements

The service improvements identified involve replacing obsolete DLC systems that are currently working in very slow growth areas that would normally not be considered for replacement until they were exhausted. The other area of service improvement involves an area that is very expensive to serve where we have no facilities. The plan is to preposition facilities in this area in order to meet anticipated growth where in the past, exchange boundaries were changed and customers given to other ILECs.

Exchanges to benefit from this project are:

Andalusia

Ashland

(7) CNID Card Placement

Many of the remotes in our rural areas are not 100% CNID capable. If a customer desires CNID, very often the service does not work and requires a trouble ticket to dispatch a technician. Cards are switched from line to line depending on the request. This initiative will install cards in our rural remotes where the activity is high resulting in improved customer satisfaction.

Areas to benefit from this project are:

Ashland area

Trussville area

Grand Bay area