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PARTS OF CASE PREVIOUSLY MICROFILMED @

- REEL 9725, BLIP 4

= REEL 9902, BLIP 51 (CONFIDENTIAL)

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Vice President and General Counsel

January 25, 2006

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

A-310838

Re: **RESALE EQUIVALENT RATE OFFER;
TERMINATION NOTICE PURSUANT TO 52 PA. CODE § 63.304**

I am writing regarding transitional UNE-P arrangements that your company still has in Pennsylvania. The purpose of this letter is three-fold. First, Verizon wishes to offer to your company one final opportunity to continue receiving services with respect to the subject lines — but on the terms set forth herein (including, without limitation, by your agreement to pay the rates described herein for these lines pending their conversion to resale). Second, if your company does not accept such offer (in accordance with all of the terms set forth herein), this letter serves as notice that Verizon intends to cease providing service for these lines on or at any time after March 11, 2006. **Third, if your company does not accept the foregoing offer (in accordance with all of the terms set forth herein), this letter constitutes your formal termination notice pursuant to 52 Pa Code § 63.304.**

As I am sure you are aware, on February 4, 2005, the Federal Communications Commission ("FCC") eliminated the availability of DS0 Mass Market Local Circuit Switching¹ as a UNE available pursuant to 47 U.S.C. § 251(c)(3) and established a 12-month transition period during which CLECs could not add new UNE-P arrangements that have DS0 Mass Market Local Circuit Switching as a component ("Discontinued Mass Market UNE-P"), as well as set a surcharge on the embedded base of UNE-P arrangements during the transition period. *See generally* Order on Remand, *In the Matter of Unbundled Access to Network Elements; Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, WC Docket No. 04-313; CC Docket No. 01-338 (Rel. February 4, 2005) ("*TRRO Remand Order*"). The FCC expected CLECs to use this transition period to "migrate" their "embedded base of

¹ As used herein, the term "DS0 Mass Market Local Circuit Switching" shall have the meaning ascribed in the *TRO Remand Order* and, in accordance with the Pennsylvania PUC's order dated June 10, 2005 (the "PUC Order") shall include DS0 switching that is subject to the FCC's Four Line Carve-Out ("*Four Line Carve-Out Switching*") to the extent that your company still has any UNE-P arrangements that include Four Line Carve-Out Switching that have not been discontinued and/or converted to alternative arrangements (the foregoing being subject to, and without waiver of, any rights Verizon may have with respect to Four Line Carve-Out Switching pursuant to previous notices of discontinuance or otherwise).

unbundled local circuit switching used to serve mass market customers to an alternative service arrangement," and "require[d]" CLECs "to submit the necessary orders to convert their mass market customers to an alternative service arrangement within twelve months of the effective date" of the *TRRO Remand Order* ¶¶ 226-27. The last day of this transition period is March 10, 2006.

Throughout the course of the transition period, Verizon has continued to provide CLECs with training and assistance to ensure a smooth transition to alternative arrangements. In addition, Verizon has repeatedly reminded your company of its obligations, reiterated Verizon's willingness to work cooperatively during this transition, and asked your company to provide Verizon with direction regarding its conversion plans. In addition to contacts by account managers, Verizon has previously sent you two formal notices regarding the transition period. In the second of these formal notices, which Verizon sent on April 22, 2005, Verizon requested that you contact your account manager by May 15, 2005 and communicate your plans for converting these Discontinued Mass Market UNE-P lines. To date, you still have not provided an adequate response to these requests or migrated your Discontinued Mass Market UNE-P arrangements to alternative services.

Most CLECs have taken the steps required of them by the FCC, and accordingly, as of this late date, the vast majority of Discontinued Mass Market UNE-P arrangements have already been transitioned to other arrangements. Some carriers have converted their Discontinued Mass Market UNE-P lines to resale, others have converted these lines to UNE-L, and a great many CLECs have entered into commercial agreements with Verizon to obtain a UNE-P replacement product.

However, because you have failed to follow an FCC requirement to make alternative arrangements for your company's existing Discontinued Mass Market UNE-P lines, by this letter Verizon provides **termination notice** to your company pursuant to the requirements of 52 Pa. Code § 63.304 that Verizon will cease to provide service and will **disconnect any remaining Discontinued Mass Market UNE-P service to your company on or at any time after March 11, 2006**. In light of this termination notice, 52 Pa. Code § 63.306 requires you, among other obligations, to **file with the PUC in the next ten calendar days an abandonment plan**. Pursuant to 52 Pa. Code § 63.304, a copy of this termination notice is being provided to the Secretary of the PUC, the PUC's Bureau of Consumer Services, and the PUC's Law Bureau.

As Verizon has indicated throughout the transition period, it does not wish to disrupt end user service unnecessarily and Verizon has repeatedly attempted to reach an appropriate resolution with your company before the end of the termination period. Unfortunately, your company has been unwilling to cooperate.

In order to avoid the possibility of the discontinuation of service to those end-users, your company must **acknowledge in writing, by countersigning this letter below and returning it to Verizon as described below, that it agrees to all of the terms set forth in this letter, including, without limitation, as set forth in paragraphs 1 through 5 below (which collectively may hereinafter be referred to as the "Surcharge/Conversion Option"):**

(1) Your company agrees to continue the Discontinued Mass Market UNE-P arrangements on and after March 11, 2006 at rates consistent with the equivalent resale rate established by the PUC. These rates will be effectuated by application of the surcharges set forth in the chart below, which increase the existing port rate element as necessary to achieve a rate substantially equivalent to the PUC-approved resale rate.

(2) Verizon, with 30 days advance notice, may elect to formally convert your remaining Discontinued Mass Market UNE-P arrangements to the equivalent resale arrangements under Section 251(c)(4) at any time on or after March 11, 2006, and your company shall promptly pay Verizon's standard charges associated with such conversions.

(3) If your company provides this countersigned letter to Verizon on or before February 3, 2006, Verizon will notify the PUC that your company and Verizon have reached a resolution that allows Verizon to withdraw its notice of termination. If you are interested in this resolution, please have a duly authorized representative of your company countersign this letter below and return this formal written acceptance to Verizon (for receipt by Verizon no later than February 3, 2006) at the following address: Manager – Contract Management, Verizon Wholesale Markets, 600 Hidden Ridge, HQEWMNOTICES-CM, Irving, TX 75038, fax: 972-719-1519, email: contract.management@verizon.com. Also provide a copy to me via e-mail at William.b.petersen@verizon.com or fax: 215-563-2658.

(4) In the event your company responds as required above to indicate its agreement to the Surcharge/Conversion Option, (a) the surcharges may be billed retroactively as necessary to apply them effective as of March 11, 2006, and (b) Verizon reserves the right to disconnect the subject arrangements if your company fails to pay the agreed rates or to cooperate with any formal conversion to resale arrangements. (For the avoidance of any doubt, from and after March 11, 2006 – and even prior to any formal conversion to resale -- Discontinued Mass Market UNE-P arrangements shall not constitute nor be regarded as UNEs for any purpose.)

(5) The applicable surcharges for Pennsylvania are as follows:

<u>ILEC</u>	<u>UNE Density Zone</u>	<u>Surcharge</u>
VZ PA	1	\$15.14
VZ PA	2	\$11.81
VZ PA	3	\$ 9.79
VZ PA	4	\$.32
PA North	3	\$ 0.47
PA North	4	\$ 0.00

If you do not wish to accept this arrangement, which Verizon is offering at its sole discretion, your company may of course terminate any Discontinued Mass Market UNE-P arrangements through existing disconnect processes.

You are strongly encouraged to complete activities associated with formally converting your Discontinued Mass Market UNE-P arrangements to resale or securing other alternative service arrangements as quickly as possible, in order to meet the FCC's mandatory transitional deadline.

FAILURE TO RESPOND AS SET FORTH IN THIS LETTER MAY RESULT IN DISCONNECTION OF SERVICE.

Very truly yours,



William B. Petersen

cc: Secretary, Pennsylvania Public Utility Commission
Bureau of Consumer Services, Pennsylvania Public Utility Commission
Law Bureau, Pennsylvania Public Utility Commission

Reviewed and countersigned to indicate agreement with the terms of this letter, including, without limitation, the terms of the Surcharge/Conversion Option set forth above:

(PRINT CLEC NAME)

(SIGNATURE)

(PRINT NAME OF SIGNATOR)

(PRINT TITLE OF SIGNATOR)

END