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October 20, 2014

*Via Electronic Filing*

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building, 2<sup>nd</sup> Floor  
400 North Street  
Harrisburg, PA 17120

Re: Joint Petition of Verizon Pennsylvania LLC and Verizon North LLC for Competitive Classification of All Retail Services in Certain Geographic Areas, and For a Waiver of Regulations For Competitive Services, Docket Nos. P-2014-2446303 and P-2014-2446304

Dear Secretary Chiavetta:

Pursuant to the October 9, 2014 Prehearing Conference Order of ALJ Joel H. Cheskis, please find enclosed the Prehearing Memorandum of AT&T for filing in the above-referenced matter.

Please contact me if you have any questions or concerns regarding this matter.

Very truly yours,

  
Michelle Painter

Enclosure

cc: Certificate of Service  
The Honorable Joel H. Cheskis, ALJ  
Mary E. Burgess, AT&T

**SERVICE LIST**

I hereby certify that I have this day caused a true copy of AT&T's Prehearing Memorandum to be served upon the parties of record in Docket Nos. P-2014-2446303 and P-2014-2446304 in accordance with the requirements of 52 Pa. Code Sections 1.54 and 1.55 in the manner and upon the parties listed below.

Dated in Chantilly, VA on October 20, 2014

**VIA FIRST CLASS MAIL**

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Michelle Painter



The Commission has worked over the years to develop a competitive telecommunications market in the Commonwealth, and Verizon's requested relief generally is consistent with that goal. However, the relief sought would be incomplete unless the Commission takes this opportunity to reform intrastate originating access charges. The FCC's reform of intrastate terminating access charges, and the New York Public Service Commission's recent decision to implement intrastate originating access charge reform, provide ample evidence to support removal of subsidies in the form of inflated charges for originating access at the intrastate level. The PUC has an opportunity to take a significant step into the future by granting Verizon's request for reclassification of certain services, and providing that it be accomplished in conjunction with intrastate originating access charge reform.

## **II. ISSUES AND WITNESSES**

The issues in this case should be fairly limited, and amenable to resolution on a reasonable timetable. There is already an extensive record before the Commission to support intrastate originating access charge reform. In fact, the primary issue of whether Verizon's intrastate access rates should be reduced, and by how much, has already been fully litigated before the Commission *twice*, and properly decided in the November 30, 2005 Recommended Decision in Docket No. C-20027195. At this juncture, including the issue of access charge reform in the instant proceeding would provide the most efficient means of bringing the issue to its logical conclusion.

AT&T intends to present testimony to confirm that the same changes in the market that prompted Verizon to request reclassification of certain services militate strongly and unequivocally in favor of reducing intrastate originating access charges to

their interstate levels, as has been accomplished in New Jersey, and approved by the PSC in New York. Given the passage of time, and the decline in Verizon's access volumes and revenues over the past several years, the evidence will show that there is no longer a need to phase in access reductions over an elongated period, but, rather, that Verizon's intrastate switched access rates and rate structure can be set at parity with its corresponding interstate rates and rates structure without delay, and with no adverse impact on Verizon's retail subscribers.

At this time, AT&T's witness is E. Christopher Nurse. Mr. Nurse's business address is 1120 20<sup>th</sup> Street, NW Washington, DC 20036. Mr. Nurse will testify regarding the issues in Verizon's pleading as well as the intrastate access issues discussed herein. AT&T reserves the right to add any additional witnesses depending on the scope of other parties' testimony.

### **III. SCHEDULE AND DISCOVERY**

Given the expedited schedule contemplated by the Commission, AT&T proposes that the following schedule be adopted:

November 3, 2014 – Direct Testimony of all Parties

November 10, 2014 – Reply Testimony of all Parties

November 19, 2014 – Hearings

December 16, 2014 – Main Briefs

January 16, 2015 – Reply Briefs

AT&T takes no position at this time on whether public input hearings are needed for this case.

AT&T does not object to Verizon's Petition for Protective Order.

AT&T recommends that the discovery time frames be modified to answers due within 10 days and objections due within 5 days.

**IV. SETTLEMENT**

AT&T is always willing to discuss settlement, and would be prepared to do so at any point in this proceeding. AT&T has extensive negotiating experience regarding these issues in Pennsylvania and elsewhere. However, at this time, the case should not be delayed or put on hold in order to discuss settlement.

**V. SERVICE ON AT&T**

AT&T will be represented in this case by the following counsel, who should be served with copies of all documents in this proceeding:

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## VI. CONCLUSION

AT&T submits that its proposed schedule should be adopted so that this case can move forward on a reasonable schedule that takes into account the Commission's stated objective to address Verizon's reclassification request on an expedited basis, as well as the extensive prior history of the issue of access charge reform before the Commission.

Respectfully submitted,



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Date: October 20, 2014