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July 11, 2011

**Via Electronic Filing**

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

Re: AT&T Communications of Pennsylvania, LLC  
v. Verizon North LLC and Verizon Pennsylvania Inc.  
Docket No. C-20027195

Dear Secretary Chiavetta:

Enclosed please find the Petition to Reopen the Record, being filed by Verizon Pennsylvania Inc. and Verizon North LLC (collectively, "Verizon") in the above captioned matter.

If you have any questions, please feel free to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Suzan D. Paiva", with a stylized flourish at the end.

Suzan D. Paiva

SDP/slb

**VIA E-Mail and First Class U.S. Mail**  
cc: The Honorable Cynthia W. Fordham  
Attached Certificate of Service

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of Verizon's Petition to Reopen the Record, upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (related to service by a participant) and 1.55 (related to service upon attorneys).

Dated at Philadelphia, Pennsylvania, this 11<sup>th</sup> day of July, 2011.

**VIA E-MAIL and FIRST CLASS U.S. MAIL**

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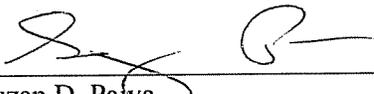
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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>AT&amp;T Communications of Pennsylvania, LLC</b>	:	
	:	
	:	
v.	:	<b>Docket No. C-20027195</b>
	:	
<b>Verizon Pennsylvania Inc. and Verizon North LLC.</b>	:	

**PETITION TO REOPEN THE RECORD**

Pursuant to 52 Pa. Code § 5.571, Verizon Pennsylvania Inc. (“Verizon PA”) and Verizon North LLC (“Verizon North”) (together “Verizon”) petition to reopen the record in this proceeding for the purpose of taking additional evidence and to immediately suspend the briefing schedule pending disposition of this petition.

At its June 30, 2011 public meeting the Commission voted unanimously to adopt a decision in the *Investigation Regarding Intrastate Access Charges and IntraLATA Toll Rates of Rural Carriers and the Pennsylvania Universal Service Fund*, Docket No. I-00040105 (Order pending). Because this landmark order will, for the first time, provide the Commission’s view on many of the complex and disputed policy and legal questions relating to access pricing that are also at issue in this case, “conditions of fact or law have so changed” and “the public interest requires” the reopening of the record for the limited purpose of providing evidence regarding the impact of the decisions in the RLEC access investigation on this matter. In support of this Petition Verizon states as follows:

1. At the prehearing conference in this case on December 8, 2010, it was recognized that the Commission had before it ripe for decision the record and recommendation in the RLEC access investigation at Docket I-00040105, in which the

Commission was expected to address for the first time many of the most fundamental questions of access pricing law and policy that are also at issue in this case.

2. Because no party could state with certainty when the Commission would decide the RLEC access investigation, the presiding officer determined in this case to proceed with a schedule for the submission of pre-filed testimony and a hearing for cross-examination. She noted on the record, however, that “if the Commission acts” in the RLEC case “and we need to change things, I’ll be flexible with that,” and recognized that “we might have to change the dates we have in the schedule if that happens.” (Tr. 12/8/10 at 63).

3. Pursuant to the schedule adopted at that prehearing conference, written testimony was submitted and a hearing occurred on June 14 and 15, 2011. The record closed on June 17, 2011 pursuant to the presiding officer’s Prehearing Order # 6 on Remand. Main Briefs are currently due July 22, 2011 and reply briefs are due August 12, 2011. No recommended decision has yet been issued by the presiding officer in this phase of the proceeding.

4. At its public meeting on June 30, 2011, the Commission voted 5-0 to adopt a proposed opinion and order resolving the RLEC access investigation at Docket No. I-00040105. While to Verizon’s knowledge the order has not yet been entered, Chairman Powelson and Commissioner Gardner issued Statements on June 30, 2011 providing some insight into the decision. According to the Chairman, “[t]oday the Commission is undertaking a major action to rebalance the intrastate carrier access charges of Pennsylvania’s rural local exchange telephone companies . . . that will forever change the telecommunications landscape in the Commonwealth.” (Powelson St. at 1). The

Statements of Chairman Powelson and Commissioner Gardner provided the following substantive summary of the decision:

- RLECs to reduce their traffic sensitive access rates (e.g., switching and transport) to interstate levels, but not to reduce their carrier charge (“CC”) to the interstate level (which is \$0).
- RLECs must reduce the CC not to exceed \$2.50. The Chairman explained that “[t]his Commission . . . has a long history of requiring competitive carriers that use local exchange company networks to contribute to the joint and common costs associated with maintaining those networks, which is reflected in allowing the \$2.50 CC.” (Powelson St. at 3).
- The revenue lost through access reductions is to be rebalanced through revenue-neutral increases to basic local service rates phased in over a period of four years, up to a residential affordability benchmark of \$23.
- The state Universal Service Fund (“USF”) will not be used as a source of revenue to replace the access revenue, and will not change in size due to this decision, but the Commission will open a rulemaking to evaluate reforms to the existing USF

5. Verizon expects the Commission’s formal order to be lengthy and to explain in more detail what it is requiring and the reasons for accepting and rejecting the competing factual and policy arguments made in that case. Because many if not all of those factual and policy arguments also arise in the present proceeding, the presiding officer and Commission will benefit from supplemental testimony addressing how the final order in that proceeding should inform the outcome here. While the nature of such additional testimony will of course depend on the details of the order, among the factual issues Verizon will explore in testimony are how the switched access rates the Commission has deemed just and reasonable for the RLECs compare both with Verizon’s current switched access rates and with the ones proposed by Sprint and AT&T.

6. Pursuant to 52 Pa. Code § 5.571(a). “[a]t any time after the record is closed but before a final decision is issued, a party may file a petition to reopen the proceeding

for the purpose of taking additional evidence.” The record may be reopened for the reception of further evidence “if there is reason to believe that conditions of fact or law have so changed as to require, or that the public interest requires, the reopening of the proceeding.” 52 Pa. Code § 5.571(d).

7. Because a recommended decision has not yet been issued in this phase of the case, “[t]he presiding officer may reopen the record,” and Commission action is not required. 52 Pa. Code § 5.571(d)(1).

8. Verizon respectfully submits that in light of the Commission’s decision in the RLEC case, “conditions of fact or law have so changed as to require” and “the public interest requires” a limited reopening of the record in this case. The record in this case will be more useful to the Commission, and the resulting recommended decision more relevant and focused, if the parties are provided with a limited opportunity to submit supplemental testimony addressing new facts and policy issues in this case resulting from the Commission’s decision of the various relevant and disputed issues in the RLEC access investigation.

9. Because Main Briefs are currently due on July 22<sup>nd</sup>, the briefing schedule should be suspended and new dates scheduled following the submission of the supplemental testimony. The Presiding Officer and Commission will benefit from such an extended briefing schedule because it will enable the parties to fully review the order issued in the RLEC proceeding and ensure that the Commission’s guidance therein is fully incorporated into the briefing.

10. The Commission did not set any particular deadline for a recommended decision in this case. Providing for an orderly process at this stage of the proceeding to

account for and address the Commission's RLEC order will result in a more efficient process and a more useful record to present to the Commission for decision.

WHEREFORE, Verizon respectfully requests:

- (1) That the briefing schedule be immediately suspended so that the parties do not have to expend resources preparing Main Briefs currently due July 22, 2011, until the presiding officer determines procedurally how the issuance of the RLEC access decision will be addressed in this record;
- (2) That the record be reopened to provide for additional testimony limited solely to factual or policy issues not already addressed in the record that any party wishes the Commission to consider in light of the RLEC access decision. Specifically, all parties should be permitted the opportunity to submit direct testimony on a date certain, with one round of rebuttal by any party. Dates should be established once the RLEC order is entered, along with a date for a hearing for cross-examination (unless waived by all parties) and a new briefing schedule to follow.
- (3) That a telephonic prehearing conference be scheduled following entry of the Commission's order in the RLEC access investigation to establish dates for the above-described activities.

  
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Date: July 11, 2011

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