

PROGRESS REPORT

March 22, 2012

To: Rosemary Chiavetta, Secretary

Re: Core Communications, Inc. v. Verizon Pennsylvania Inc.
Core Communications, Inc. v. Verizon North, LLC
Docket Nos. C-2011-2253750; C-2011-2253787; P-2011-2253650

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In your Secretarial Letter, dated January 31, 2012, you stated:

Based on the Mediator's representation that the Parties continued to exchange and evaluate information and discuss the issues on a regular basis, we will grant the Mediator's request and hereby extend the mediation period and stay to April 2, 2012. Because this is the third request for an extension of time, we shall require that the Mediator file a progress report with the Secretary on or before March 23, 2012. To help apprise the Commission of necessary information to conclude the case or grant any additional extensions, this report shall include a description of the resolved issues and the issues that remain outstanding. If a resolution is not reached by April 2, 2012, and if no further timely requests for extensions of time have been made, the stay automatically will be lifted and the Complaint proceedings shall be referred to OALJ for adjudication on an expedited basis.

With regard to attempts to achieve resolution, I note that, in addition to all the sessions I had with the parties, as well as all of the party to party conferences that took place prior to January 31, 2012, I had sessions with the parties thereafter on February 21, March 6, 14, 20, and 21, 2012. The parties have informed me that, in between sessions, they communicated with each other on a regular basis and their staffs of experts also communicated with each other in an attempt to analyze and resolve the technical aspects of the issues involved.

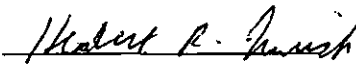
The parties and I appreciate the extensions of time that the Commission has granted for mediation. It has been my experience that it takes a lengthy period of time to reach resolution in the telecommunications industry. The complexity and intricacies of the matters involved, both factual and legal, seem to be exceedingly greater than in other utility fields. In such cases assigned to me, I have found that the time spent has resulted in resolution of the case. To be more specific, I will refer to three cases as examples.

In Verizon Pennsylvania Inc., et al. v. Penn Telecom, Inc.; C-20066987, twenty-six (26) sessions resulted in full settlement (Report of Mediator dated August 25, 2009). In Verizon

Pennsylvania Inc., et al. v. CTSI, LLC; C-20077332, thirteen (13) sessions resulted in full settlement (Report of Mediator dated May 21, 2009). In the consolidated cases of Pennsylvania Public Utility Commission and Pennsylvania Telephone Association v. Verizon North, LLC., R-2011-2234462 & C-2011-2237496 and Pennsylvania Public Utility Commission and Pennsylvania Telephone Association v. Verizon Pennsylvania Inc., R-2011-2234464 & C-2011-2237456, fourteen (14) sessions resulted in full settlement (complaints withdrawn on March 16, 2012).

In view of this experience, I followed a standard mediation principle in requesting extensions of time. This principle is that mediation should not be terminated when the parties desire to continue negotiations and when the negotiations are conducted in good faith. While the parties have acted in good faith in the instant case, and, indeed have resolved a number of minor issues, it appears to me, at this point, that this matter is no longer appropriate for mediation and that it would be more productive to refer it for adjudication. Therefore, this mediation is hereby terminated.

Respectfully submitted,


Herbert R. Nurick
March 22, 2012

cc: Robert F. Powelson, Chairman
John F. Coleman, Vice Chairman
Wayne E. Gardner, Commissioner
James H. Cawley, Commissioner
Pamela A. Witmer, Commissioner
Karen Oill Moury, Director of Operations
Charles E. Rainey, Chief ALJ
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