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June 25, 2012

Via Electronic Filing

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

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

Dear Secretary Chiavetta:

Enclosed please find Verizon's Reply to Core's New Matter to Verizon's Counterclaims, being filed on behalf of Verizon Pennsylvania Inc. and Verizon North LLC in the above captioned matter.

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

Very truly yours,

A handwritten signature in blue ink, appearing to read "Suzan D. Paiva".

Suzan D. Paiva

SDP/slb

Via E-Mail and Federal Express
cc: The Honorable Susan D. Colwell

Via E-Mail and First Class U.S. Mail
cc: Attached Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of Verizon's Reply to Core's New Matter to Verizon's Counterclaims, upon the parties listed below, in accordance with the requirements of §1.54 (relating to service by a party) and 1.55 (related to service upon attorneys).

Dated at Philadelphia, Pennsylvania, this 25th day of June, 2012.

Via E-Mail and First Class Mail

Michael A Gruin, Esquire
Stevens & Lee
17 North Second St., 16th Fl.
Harrisburg, PA 17101

Renardo Hicks (via e-mail only)
R. L. Hicks & Associates
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Attorney for Verizon

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Core Communications, Inc.,	:	
	:	
Complainant,	:	
	:	
v.	:	Docket No. C-2011-2253750
	:	Docket No. C-2011-2253787
Verizon Pennsylvania Inc. and	:	
Verizon North LLC,	:	
Respondents.	:	

**REPLY OF VERIZON PENNSYLVANIA INC. AND VERIZON NORTH LLC
TO CORE’S NEW MATTER TO VERIZON’S COUNTERCLAIMS**

Pursuant to 52 Pa. Code §§ 5.62 and 5.63, Verizon Pennsylvania Inc. (“Verizon PA”) and Verizon North LLC (“Verizon North”) (collectively, “Verizon”), hereby reply to the New Matter to Verizon’s Counterclaims (“New Matter”) filed by Core Communications, Inc. (“Core”) on June 5, 2012.

INTRODUCTION

Core’s New Matter incorporates the same baseless allegations that Core made in response to Verizon’s Motion for Order Imposing Bilateral Payment Obligations. The Commission should disregard Core’s decision to hurl invective regarding unrelated events in other states and Verizon affiliates not parties to this proceeding and recognize that Core is simply attempting to prolong its long-standing use of Verizon’s network without payment.

RESPONSE TO CORE'S NEW MATTER

254. Admitted in part; denied in part. Verizon admits that the Commission entered an Opinion and Order in Docket No. P-2011-2253650 on September 23, 2011 (the “*Material Question Order*”), and states that the *Material Question Order* speaks for itself. Verizon admits that a Maryland affiliate is involved in ongoing litigation with Core in Maryland but denies that the Commission has any jurisdiction over that affiliate or those issues. Verizon denies the remaining allegations of Paragraph 254 of Core’s New Matter.

255. Admitted in part; denied in part. Verizon admits that the Commission entered the *Material Question Order* and states that the *Material Question Order* speaks for itself. Verizon admits that Paragraph 255 of Core’s New Matter quotes excerpts from Paragraph 135 of Verizon’s New Matter, but denies that it is a full recitation and states that Paragraph 135 of Verizon’s New Matter speaks for itself. Verizon denies the remaining allegations of Paragraph 255 of Core’s New Matter.

256. Denied. Responding further, Verizon states that the quoted language does not appear in Paragraph 115 of Verizon’s New Matter.

257. Admitted in part; denied in part. Verizon admits that Paragraph 257 of Core’s New Matter quotes excerpts from Paragraph 201 of Verizon’s New Matter, but denies that it is a full recitation and states that Paragraph 201 of Verizon’s New Matter speaks for itself. Verizon denies the remaining allegations of Paragraph 257 of Core’s New Matter.

258. Admitted in part; denied in part. Verizon admits that it did not include post-hearing legal arguments in its New Matter, and admits that it has not yet had the benefit of receiving Core’s responses to Verizon’s discovery. Verizon denies the remaining allegations of Paragraph 258 of Core’s New Matter.

259. To the extent that Paragraph 259 of Core’s New Matter contains legal conclusions, no response is required. To the extent that that Paragraph 259 of Core’s New Matter requires a response, Verizon denies the allegations.

260. Denied.

261. Admitted in part; denied in part. Verizon admits that Paragraph 261 of Core’s New Matter quotes excerpts from 47 U.S.C. § 251(c)(2), but denies that it is a full recitation and states that the statute speaks for itself. To the extent that Paragraph 261 contains legal conclusions, no response is required.

262. Admitted in part; denied in part. Verizon admits that Paragraph 262 of Core’s New Matter quotes excerpts from 47 U.S.C. § 252(d)(1), but denies that it is a full recitation and states that the statute speaks for itself.

263. Admitted in part; denied in part. Verizon admits that Paragraph 263 of Core’s New Matter quotes excerpts from the U.S. Supreme Court’s *Talk America* decision,¹ but denies that it is a full recitation and states that the *Talk America* decision speaks for itself.

264. Admitted in part; denied in part. Verizon admits that Paragraph 264 of Core’s New Matter quotes excerpts from the parties’ interconnection agreements (“ICAs”), but denies that it is a full recitation and states that the ICAs speak for themselves.

265. Admitted in part; denied in part. Verizon admits that Verizon PA applied for and received authority to provide long distance services in Pennsylvania, and states that it is in full compliance with all associated obligations. Verizon North did not require Section 271 approval. Verizon admits that Paragraph 265 of Core’s New Matter quotes excerpts from 47 U.S.C. §

¹ *Talk America, Inc. v. Michigan Bell Tel. Co.*, 131 S. Ct. 2254 (2011).

271(c)(2)(B)(i), but denies that it is a full recitation and states that the statute speaks for itself. To the extent that Paragraph 265 contains legal conclusions, no response is required.

266. Admitted in part; denied in part. Verizon admits that Paragraph 266 of Core's New Matter quotes an excerpt from the Verizon PA/Core ICA, but denies that it is a full recitation and states that the ICA speaks for itself. To the extent that Paragraph 266 of Core's New Matter contains legal conclusions, no response is required. Verizon denies the remaining allegations of Paragraph 266 of Core's New Matter.

267. Denied.

268. Denied. Responding further, Verizon states that Core has occasionally propounded general theories as to why it claims Verizon's billings are flawed, but it has never attached those theories to any particular billings or explained them with any specificity.

269. Denied.

270. Denied. Responding further, Verizon states that it has billed Core at rates in accordance with the ICAs and applicable law. To the extent that Paragraph 270 of Core's New Matter contains legal conclusions, no response is required. Verizon denies the remaining allegations of Paragraph 270 of Core's New Matter.

271. Admitted in part; denied in part. Verizon admits that Paragraph 166 of Verizon's Counterclaims references the FCC's *TRRO Order*,² and states that Paragraph 166 of Verizon's Counterclaims and the FCC's *TRRO Order* speak for themselves. To the extent that Paragraph 271 of Core's New Matter contains legal conclusions, no response is required. Verizon denies the remaining allegations of Paragraph 271 of Core's New Matter.

² Order on Remand, *In the Matter of Unbundled Access to Network Elements, Review of Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, 20 FCC Rcd 2533 (February 4, 2005).

272. To the extent that Paragraph 272 of Core’s New Matter contains legal conclusions, no response is required. To the extent that that Paragraph 272 of Core’s New Matter requires a response, Verizon denies the allegations.

273. To the extent that Paragraph 273 of Core’s New Matter contains legal conclusions, no response is required. To the extent that that Paragraph 273 of Core’s New Matter requires a response, Verizon denies the allegations.

274. To the extent that Paragraph 274 of Core’s New Matter contains legal conclusions, no response is required. To the extent that that Paragraph 274 of Core’s New Matter requires a response, Verizon denies the allegations.

275. Admitted in part; denied in part. Verizon admits that Core’s purported disputes – to the extent they are discernible – are not limited to pricing, but denies that Core has properly disputed Verizon’s invoices or that what Core characterizes as “billing disputes” are valid. Verizon denies the remaining allegations of Paragraph 275 of Core’s New Matter.

276. Admitted in part; denied in part. Verizon admits that Paragraph 276 of Core’s New Matter quotes excerpts from the parties’ ICAs, but denies that it is a full recitation and states that the ICAs speak for themselves. To the extent that Paragraph 276 of Core’s New Matter contains legal conclusions, no response is required. Verizon denies the remaining allegations of Paragraph 276 of Core’s New Matter.

277. Admitted in part; denied in part. Verizon admits that it provisioned the types of trunks that Core ordered, which, until recently, were multi-frequency (“MF”) trunks. Responding further, Verizon states that, as described in Paragraph 200 of its Counterclaims, Core historically and generally has used MF trunking rather than Signaling System 7 (“SS7”) trunks in interconnecting with Verizon, even though SS7 signaling allows carriers to assess the nature of

intercarrier traffic, including call volumes, the calling party number, and the called party number, and is vital to combatting fraudulent traffic, “phantom” traffic, and “traffic pumping.” Core is one of the very rare carriers that has historically used MF trunking for the vast majority of its operations, making Verizon dependent on Core to validate the traffic terminated by Core. Verizon is unaware of any advantage to Core of using MF trunking over SS7 trunking except to mask call detail. Verizon admits that Core has not paid Verizon’s invoices for MF trunks, but denies that Core has properly disputed Verizon’s invoices or that what Core characterizes as billing “disputes” are valid. Verizon lacks knowledge or information sufficient to form a belief as to the truth of Core’s allegations regarding its motivation for disconnecting the MF trunks it ordered from Verizon. Verizon denies the remaining allegations of Paragraph 277 of Core’s New Matter, and specifically denies that MF trunks are technologically capable of transmitting Calling Party Numbers (“CPN”).

278. To the extent that Paragraph 278 of Core’s New Matter contains legal conclusions, no response is required. To the extent that that Paragraph 278 of Core’s New Matter requires a response, Verizon denies the allegations.

279. Admitted in part; denied in part. Verizon admits that Paragraph 279 of Core’s New Matter quotes excerpts from the parties’ ICAs, but denies that it is a full recitation and states that the ICAs speak for themselves. To the extent that Paragraph 279 of Core’s New Matter contains legal conclusions, no response is required. Verizon denies the remaining allegations of Paragraph 279 of Core’s New Matter.

280. Admitted in part; denied in part. Verizon admits that in or around 2009, Core began placing orders for SS7 trunking. Verizon denies the remaining allegations of Paragraph 280 of Core’s New Matter.

281. To the extent that Paragraph 281 of Core's New Matter contains legal conclusions, no response is required. To the extent that that Paragraph 281 of Core's New Matter requires a response, Verizon denies the allegations. Responding further, Verizon denies that it fails to segregate traffic that originates from Verizon's customers onto appropriate trunk groups. Verizon denies that it has any control over the segregation and delivery of third party-originated traffic over specific trunk groups when Verizon acts as a transit provider.

282. Admitted in part; denied in part. Verizon admits that Paragraph 282 of Core's New Matter quotes excerpts from the parties' ICAs, but denies that it is a full recitation and states that the ICAs speak for themselves. To the extent that Paragraph 282 of Core's New Matter contains legal conclusions, no response is required. Verizon denies the remaining allegations of Paragraph 282 of Core's New Matter. Responding further, Verizon states that when acting as a transit provider, it provides the terminating carrier with call detail records to allow the terminating carrier to bill the originating party properly. Verizon follows normal SS7 signaling rules, and CPN, if provided by the originating carrier, is passed in the SS7 signaling stream to the terminating carrier.

283. Verizon denies that it is technologically possible to transmit CIC for the terminating side of a call, or to transmit OCN (which is not a recorded parameter and is not passed in the signaling stream), when using SS7 signaling or any other known signaling technology. Responding further, Verizon states that when acting as a transit provider, it provides the terminating carrier with call detail records to allow the terminating carrier to bill the originating party properly. Verizon follows normal SS7 signaling rules, and CPN, if provided by the originating carrier, is passed in the SS7 signaling stream to the terminating carrier.

284. To the extent that Paragraph 284 of Core's New Matter contains legal conclusions, no response is required. To the extent that that Paragraph 284 of Core's New Matter requires a response, Verizon denies the allegations.

285. To the extent that Paragraph 285 of Core's New Matter contains legal conclusions, no response is required. To the extent that that Paragraph 285 of Core's New Matter requires a response, Verizon denies the allegations.

286. Denied.

RESPONSES TO CORE'S ADDITIONAL AFFIRMATIVE DEFENSES

287. This Paragraph contains legal conclusions to which no response is required. To the extent that that it requires a response, Verizon denies the allegations.

288. This Paragraph contains legal conclusions to which no response is required. To the extent that that it requires a response, Verizon denies the allegations.

289. This Paragraph contains legal conclusions to which no response is required. To the extent that that it requires a response, Verizon denies the allegations.

290. This Paragraph contains legal conclusions to which no response is required. To the extent that that it requires a response, Verizon denies the allegations.

291. This Paragraph contains legal conclusions to which no response is required. To the extent that that it requires a response, Verizon denies the allegations.

292. This Paragraph contains legal conclusions to which no response is required. To the extent that that it requires a response, Verizon denies the allegations.

293. This Paragraph contains legal conclusions to which no response is required. To the extent that that it requires a response, Verizon denies the allegations.

294. This Paragraph contains legal conclusions to which no response is required. To the extent that that it requires a response, Verizon denies the allegations.

295. This Paragraph contains legal conclusions to which no response is required. To the extent that that it requires a response, Verizon denies the allegations.

WHEREFORE, Verizon respectfully requests that the Commission dismiss Core's New Matter.

Respectfully submitted,



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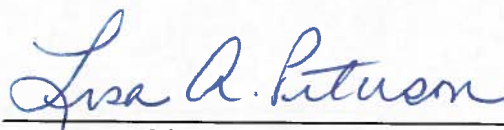
*Counsel for Verizon Pennsylvania Inc.
and Verizon North LLC*

Dated: June 25, 2012

VERIFICATION

I, Lisa A. Peterson, state that I am Senior Staff Consultant Product Management/Product Development for Verizon, and that as such I am authorized to make this verification on behalf of Verizon Pennsylvania Inc. and Verizon North LLC ("Verizon"). I have reviewed the Reply of Verizon Pennsylvania Inc. and Verizon North LLC to Core's New Matter to Verizon's Counterclaims, and verify that the facts contained therein are true to the best of my knowledge, information and belief. I understand that the statements herein are made subject to the penalties of 18 Pa. C. S. § 4904, relating to unsworn falsification to authorities.

Date: June 20, 2012

A handwritten signature in blue ink that reads "Lisa A. Peterson". The signature is written in a cursive style and is positioned above a horizontal line.

Lisa A. Peterson