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April 2, 2014

VIA ELECTRONIC FILING

Secretary Rosemary Chiavetta
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Core Communications, Inc. v. Verizon Pennsylvania, LLC
Docket No. C-2014-2406550

Dear Secretary Chiavetta:

Enclosed for filing please find the Reply to New Matter of Core Communications, Inc. in the above referenced matter. If you have any questions, please feel free to contact me.

Respectfully submitted,

STEVENS & LEE



Michael A. Gruin

Encl.

cc: Certificate of Service

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

CORE COMMUNICATIONS, INC.	:	
	:	
Complainant	:	
	:	
v.	:	Docket No. C-2014-2406550
	:	
VERIZON PENNSYLVANIA LLC	:	
	:	
Respondent	:	
	:	

**REPLY OF CORE COMMUNICATIONS, INC.
TO VERIZON'S NEW MATTER**

AND NOW, comes Core Communications, Inc. ("Core"), pursuant 52 Pa. Code § 5.63 and files this Reply to the New Matter of Verizon Pennsylvania, LLC ("Verizon") dated March 13, 2014 ("New Matter"). In support therefore, Core avers as follows:

INTRODUCTION

Verizon's New Matter raises nine (9) largely pro-forma affirmative defenses. Under the rules of pleading, only a simple affirmation or denial to Verizon's affirmative defenses is required. However, where Verizon has, in addition to stating a pro forma affirmative defense, also made specific allegations of fact, Core hereby answers and avers as set forth below.

ANSWER

1. Core states that Verizon is not permitted to incorporate by reference each and every allegation set forth in its Answer into its New Matter. Pursuant to 52 Pa. Code § 5.61 Verizon's Answer should respond to allegations set forth in Core's Complaint, while New Matter pursuant to 52 Pa. Code § 5.62 should be limited to "another material fact which is not merely a denial of the averments of the preceding pleading." To the extent Verizon is permitted

to incorporate by reference each and every allegation set forth in its Answer into its New Matter, such allegations are denied.

2. Denied. The Administrative Law Judge's Initial Decision in Docket No. C-2011-2253750 speaks for itself. By way of clarification, Core avers that the four-year statute of limitations generally applicable to contract claims under Pennsylvania law, 42 Pa.C.S.A. § 5525, applies to Core's claims in this case.

3. Denied. Core avers that Verizon has never billed Core for interconnection facilities pursuant to the interconnection agreement ("ICA") between Verizon and Core. Rather, Verizon bills Core pursuant to its state and federal access tariffs. Core has no similar claim against Verizon, either in this case or any other.

4. Denied. Core could not have filed its claim in this case in the litigation under Docket No. C-2011-2253750 because Core's claims were not ripe either in 2011, when Core filed its complaint in that matter, or in 2012, when Core amended that complaint. Core's claim in this case did not become ripe until the case at Docket No. C-2011-2253750 had substantially progressed through multiple rounds of extensive discovery and voluminous written testimony. Also, Core's claim in this case, for facilities charges issued pursuant to the ICA, are fundamentally different from Verizon's access tariff claims in Docket No. C-2011-2253750, and from any other claim in that case.

5. Denied. Core avers that it was not a party to the case to which Verizon refers, nor does that case involve the same issues present in this case.

6. Denied. Core avers that it is not a party to the case to which Verizon refers, nor does that case involve the same issues present in this case.

7. Denied. Core complied with the ICA's dispute resolution provisions; Verizon, by refusing to substantiate its disputes, failed to comply with those provisions.

8. Denied. Core's position with respect to Verizon's unlawful facilities billing, including Core's reasons for not paying those charges, is the subject of Docket No. C-2011-2253750. Core has consistently maintained those positions since at least 2002, and they are well-founded in the law, including the Supreme Court's 2011 decision in Talk Am., Inc. v. Michigan Bell Tel. Co., 131 S. Ct. 2254, 2255, 180 L. Ed. 2d 96 (2011), wherein the court confirmed Core's longstanding position that incumbent LECs should bill competitive LECs at cost-based TELRIC rates for interconnection facilities—not the much higher access rates set forth in incumbent LEC access tariffs. The Commission recently agreed with Core and relied on Talk America in resolving interconnection pricing and terms for a new ICA between Core and CenturyLink. Opinion & Order, Petition of Core Communications, Inc. for Arbitration of Interconnection Rates, Terms, and Conditions with The United Telephone Company of Pennsylvania d/b/a CenturyLink, Docket A-310922F7002, at 103-06 (Dec. 19, 2013). Core avers that Verizon never initiated any case to collect the “millions of dollars owed to Verizon PA” until Core sued Verizon on an unrelated claim. Core avers that Verizon, for its part, is withholding millions of dollars in intercarrier compensation charges Core lawfully billed Verizon and its Maryland and interexchange carrier (“IXC”) affiliates since 2011.

9. Denied. Verizon can point to no case in which Core's simple, straightforward claim for facilities charges billed pursuant to its ICA with Verizon has ever been litigated or could have theoretically been litigated. Core avers that Verizon's assertion that a company of its magnitude and resources has been unduly burdened by having to engage in one other lawsuit

with a small carrier of Core's size and resources (and one with its Virginia affiliate) is simply not credible.

PRAYER FOR RELIEF

WHEREFORE, Complainant Core Communications, Inc. respectfully requests that the Commission reject Verizon's New Matter and deny the affirmative defenses set forth therein:

Respectfully submitted,



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DATED: April 2, 2014

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

CORE COMMUNICATIONS, INC.
Complainant

v.

VERIZON PENNSYLVANIA LLC
Respondent

Docket No. C-2014-2406550

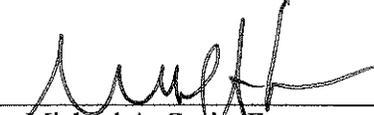
CERTIFICATION OF SERVICE

I hereby certify that I have this day served a true and correct copy of the enclosed Reply to New Matter upon the parties listed below, in accordance with the requirements of § 1.54 (relating to service by a party)

VIA EMAIL AND FIRST CLASS US MAIL

Suzan D. Paiva, Esq.
Verizon Pennsylvania, Inc.
1717 Arch Street, 3 East
Philadelphia PA 19103

April 2, 2014



Michael A. Gruin, Esq.