

ORIGINAL



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February 14, 2005

Via UPS Overnight Delivery  
James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

DOCKETED RECEIVED  
AUG 16 2005 FEB 14 2005

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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

DOCUMENT  
FOLDER

Dear Secretary McNulty:

This letter is in response to the OSBA's letter of February 9, 2005 regarding Verizon Pennsylvania Inc. and Verizon North Inc.'s compliance filing in this docket, and specifically Verizon Pennsylvania's proposed use of its PCO.

Verizon Pennsylvania and OSBA have had further discussions to devise a proposal to resolve the concerns raised in OSBA's letter. Verizon is hopeful that we will be able to develop a proposal that will be satisfactory to all parties. Verizon will inform the Commission as soon as possible if this matter can be resolved.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

*Julia A. Conover*  
Julia A. Conover

RJP

JAC/meb

Via Email and UPS Overnight Delivery  
cc: Cheryl Walker-Davis, Office of Special Assistants  
Bohdan, R. Pankiw, Law Bureau  
Robert A. Rosenthal, Bureau of Fixed Utility Services  
Attached Certificate of Service

147  
②

CERTIFICATE OF SERVICE

I, Julia A. Conover, hereby certify that I have this day served a copy of the Foregoing Letter of Verizon Pennsylvania Inc. and Verizon North Inc. , 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).

RECEIVED

Dated at Philadelphia, Pennsylvania, this 14<sup>th</sup> day of February, 2005.

FEB 14 2005

VIA E-MAIL AND UPS OVERNIGHT DELIVERY

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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Thomas, Thomas, Armstrong  
& Niesen  
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Joel Cheskis, Esquire  
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Counsel for MCI

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Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

Robert C. Barber, Esquire  
AT&T Communications of PA  
3033 Chain Bridge Road  
Oakton, VA 22185

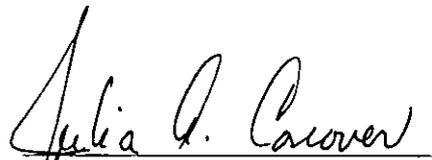
Steven C. Gray, Esquire  
Office of Small Business Advocate  
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Harrisburg, PA 17102

Alan Kohler, Esquire  
Daniel Clearfield, Esquire  
Wolf, Block, Schorr & Solis-Cohen  
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Zsuzanna Benedek, Esquire  
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United Telephone Company of PA  
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Harrisburg, PA 17101

Kathleen Misturak-Gingrich, Esquire  
Daley, Zucker & Gingrich, LLC  
1029 Scenery Drive  
Harrisburg, PA 17109

Kristin L. Smith, Esquire  
Qwest Communications Corporation  
1801 California Street, Suite 4900  
Denver, CO 80202



Julia A. Conover  
Attorney for Respondents  
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Verizon North Inc.  
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February 15, 2005

VIA HAND DELIVERY

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, Pennsylvania 17102

**DOCUMENT  
FOLDER**

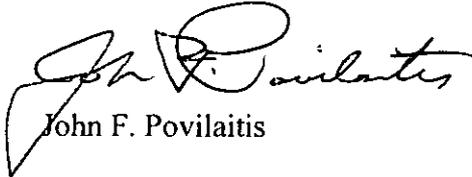
RECEIVED  
2005 FEB 15 PM 2:05  
SECRETARY'S BUREAU

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

Dear Secretary McNulty:

Enclosed please find an original and three (3) copies of Qwest Communications Corporation's Prehearing Memorandum in the above-captioned proceeding. Copies of this Prehearing Memorandum have been served in accordance with the attached Certificate of Service.

Very truly yours,

  
John F. Povilaitis

Enclosures  
JFP:ck

- c. The Honorable Cynthia W. Fordham (Overnight Mail)  
Certificate of Service

26

BEFORE THE  
PUBLIC UTILITY COMMISSION

AT&T Communications of Pennsylvania, Inc. :  
v. :  
Verizon North Inc. and Verizon Pennsylvania Inc. :

Docket No. C-20027195

**DOCKETED**  
APR 25 2005

**PREHEARING CONFERENCE MEMORANDUM  
OF QWEST COMMUNICATIONS CORPORATION**

**To The Honorable Cynthia W. Fordham:**

Pursuant to the Prehearing Order issued in the above matter, Qwest Communications Corporation ("Qwest") submits this Prehearing Conference Memorandum for purposes of the Prehearing Conference scheduled for Thursday, February 17, 2005 at 2:00 p.m. in Hearing Room #3 of the Commonwealth Keystone Building in Harrisburg, Pennsylvania and in any available hearing room at the Philadelphia State Office Building:

**I. Name and Address of Complainant's Attorneys:**

John F. Povilaitis  
Matthew A. Totino  
Ryan, Russell, Ogden & Seltzer LLP  
800 North Third Street, Suite 101  
Harrisburg, Pennsylvania 17102-2025  
Phone: (717) 236-7714  
Fax: (717) 236-7816  
[JPovilaitis@RyanRussell.com](mailto:JPovilaitis@RyanRussell.com)  
[MTotino@RyanRussell.com](mailto:MTotino@RyanRussell.com)

**DOCUMENT  
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2005 FEB 15 PM 2:05  
SECRETARY'S BUREAU

Pursuant to 52 Pa. Code § 1.55, please note that John F. Povilaitis, Esquire is authorized to accept service on behalf of Qwest in this matter and should be entered on the Pennsylvania Public Utility Commission's ("Commission") service list.

## **II. Procedural Background**

By Order entered on July 28, 2004 at the above-captioned docket, the Commission took the first step towards meaningful access charge reform in Pennsylvania by adopting the Petition for Resolution that was filed by Verizon Pennsylvania Inc. ("Verizon PA"), Verizon North Inc. ("Verizon North" and collectively, "Verizon"), the Office of Consumer Advocate and the Office of Small Business Advocate. The Commission essentially established parity between Verizon PA and Verizon North's existing Traffic Sensitive Access Charges and the Carrier Charge rate per minute without a significant rate increase on residential and business local exchange customers. The Commission viewed the Petition as phase one of access charge reform in Pennsylvania and remanded the matter back to the Office of Administrative Law Judge ("OALJ") for consideration of further access charge reform. For phase 1, access charges are expected to be reduced in Verizon PA's and Verizon North's territories in February, 2005. *See AT&T Communications of Pennsylvania, Inc. v. Verizon North, Inc.*, C-20027195 (Order entered January 18, 2005). By this same Order, the Commission has also directed that the remand occur in an expedient manner.

By Hearing Notice issued on February 4, 2005 in the above-captioned matter, the Commission scheduled a prehearing conference for Thursday, February 17, 2005 before Your Honor.

### **III. Statement of Issues**

Qwest submits the following summary of issues of concern in this proceeding:

- (1) As a subsequent and final step to the Phase I reductions, the intrastate switched access rates of Verizon PA and Verizon North should be brought to parity with Verizon's interstate access rates in a revenue-neutral manner with appropriate offsets for reductions.
- (2) Strong policy and business efficiency considerations continue to support the reduction of intrastate switched access charges to the level of interstate switched access charges.
- (3) As a policy matter, the Commission should continue to refrain from ordering flow-through of access charge reductions to customers, as part of access charge reductions, due to the competitive nature of the IXC market.
- (4) To reach these conclusions, the record from Phase I does not require supplementing with any further testimony or a hearing, but merely needs to be refreshed by Verizon with current number figures without further delay.

### **IV. Proposed Witnesses**

At this time, Qwest has not finalized its exact witness or witnesses or the subject matter of the testimony to be presented at hearing. The witnesses utilized by Qwest may vary and may be impacted by the issues other parties intend to raise in this case. Qwest will provide the identity of the witnesses to the presiding ALJ and all parties in the proceeding when such information is finalized.

### **V. Proposed Schedule**

Qwest is willing to work with the presiding ALJ and the other parties in the proceeding to establish a reasonable procedural schedule.

**VI. Settlement**

Qwest is willing to participate in any settlement or stipulation discussions with the other parties in the proceeding to narrow or eliminate issues in this proceeding.

Dated: February 15, 2005

Respectfully submitted,

  
\_\_\_\_\_  
John F. Povilaitis  
Matthew A. Totino  
RYAN, RUSSELL, OGDEN & SELTZER LLP  
800 North Third Street, Suite 101  
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[MTotino@RyanRussell.com](mailto:MTotino@RyanRussell.com)

Counsel for  
Qwest Communications Corporation

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of the foregoing document(s) in accordance with the requirements of 52 Pa. Code § 1.54 et seq. (relating to service by a participant).

VIA FIRST CLASS MAIL AND EMAIL

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[kgingrich@dzglaw.com](mailto:kgingrich@dzglaw.com)

Date: February 15, 2005

  
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Counsel for  
Qwest Communications Corporation

ORIGINAL



February 15, 2005

*Via Overnight Delivery*

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FEB 15 2005

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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

Dear Mr. McNulty:

Please find enclosed an original and three (3) copies of MCImetro Access Transmission Services, LLC's Prehearing Memorandum in the above referenced case.

Please contact me if you have any questions or concerns with this filing.

Very truly yours,

Michelle Painter

Enclosure

cc: The Honorable Cynthia W. Fordham (via e-mail and overnight delivery)  
Service List (as noted)

# ORIGINAL

## SERVICE LIST

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FEB 15 2005

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

I hereby certify that I have this day caused a true copy of MCI's Prehearing Memorandum to be served upon the parties of record in Docket No C-20027195 in accordance with the requirements of 52 Pa. Code Sections 1.52 and 1.54 in the manner and upon the parties listed below.

Dated in Ashburn, VA on February 15, 2005

### VIA E-MAIL AND OVERNIGHT DELIVERY

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Phone - 303.672.2820

  
Michelle Painter

**ORIGINAL**  
BEFORE THE

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FEB 15 2005

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**AT&T Communications of  
Pennsylvania, Inc.,**

v.

**Verizon North Inc.**

:  
:  
:  
:  
:  
:

**Docket No. C-20027195**

**DOCKETED**  
APR 25 2005

**PREHEARING MEMORANDUM OF  
MCImetro ACCESS TRANSMISSION SERVICES, LLC.**

In accordance with the February 14, 2005 Prehearing Order and 52 Pa. Code Section 5.222, MCImetro Access Transmission Services, LLC ("MCI")<sup>1</sup> submits this Prehearing Memorandum in the above-captioned matter.

**DOCUMENT  
FOLDER**

**I. INTRODUCTION**

On July 28, 2004, the Commission entered an Order that adopted a Joint Petition for Resolution filed by Verizon Pennsylvania, Inc. and Verizon North, Inc. (collectively "Verizon"), along with the Office of Consumer Advocate ("OCA") and Office of Small Business Advocate ("OSBA"). This Joint Petition led to some access reductions, primarily for Verizon North, Inc., but did not reduce Verizon's access rates to cost. The Commission therefore remanded the case back to the Administrative Law Judge ("ALJ") for further evidentiary hearings and a recommended decision on the need for further access reductions.

<sup>1</sup> Please note that the MCI entity involved in this matter should be changed from MCI WorldCom Network Services, Inc. to MCImetro Access Transmission Services, LLC.

The Commission noted, in particular, that the first phase of this case did not address “the possible elimination of the Carrier Charge and removal of all implicit subsidies from access charges” despite the fact that the Commission recognized the need to address such issues as far back as 1999.<sup>2</sup> The Commission further noted that “it has been this Commission’s policy to work toward the elimination of implicit subsidies that may exist in access charge rates.”<sup>3</sup>

## **II. ISSUES**

The Commission, in its July 2004 Order, remanded the case to address the following issues: “AT&T’s two-step access charge reduction proposal, the removal of all implicit subsidies from access charges, the reduction and possible elimination of the Carrier Charge.” Other issues to be discussed are issues related to mirroring interstate access charges and revenue neutral recovery of access reductions. Further, in its January 18, 2005 Opinion and Order, the Commission ordered the parties to address activity occurring at the FCC regarding access reform.

MCI intends to address all of these issues in this case.

## **III. WITNESSES**

MCI’s witness in this case will be Michael Pelcovits.

## **IV. REPRESENTATION**

The following counsel will represent MCI in this case:

Michelle Painter, Esquire  
MCI  
22001 Loudoun County Parkway  
Ashburn, VA 20147  
(703) 886-5973 -- telephone  
(703) 886-0633 -- facsimile  
[Michelle.Painter@mci.com](mailto:Michelle.Painter@mci.com)

---

<sup>2</sup> July 28, 2004 Order at pg. 16.

<sup>3</sup> *Id.* at 19.

**V. SCHEDULE**

MCI will cooperate with other parties to establish a mutually acceptable schedule.

**VI. OTHER ISSUES**

MCI will work with all parties in an effort to amicably resolve the issues in this matter.

If the case does proceed to hearings, MCI requests that the testimony be served via e-mail on the due dates, followed by overnight delivery for hard copies to all parties.

MCI requests that the discovery response times be shortened to ten (10) days. Objections to discovery should be served within seven (7) days, with Motions to Compel being filed within five (5) days of receiving objections. MCI requests that there be no deadline for discovery.

Respectfully Submitted,



Michelle Painter, Esq.  
MCI  
22001 Loudoun County Parkway  
Ashburn, VA 20147  
(703) 886-5973  
(703) 886-0633 – facsimile  
[Michelle.Painter@mci.com](mailto:Michelle.Painter@mci.com)

Dated: February 15, 2005

*Thomas, Thomas, Armstrong & Niesen*  
**ORIGINAL**  
*Attorneys and Counsellors at Law*

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FIRM (717) 255-7600  
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CHARLES E. THOMAS  
(1913 - 1998)

February 16, 2005

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
P. O. Box 3265  
Harrisburg, PA 17105-3265

**DOCUMENT  
FOLDER**

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

**BTL**

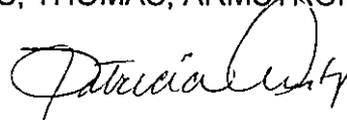
Dear Secretary McNulty:

Enclosed on behalf of the Rural Telephone Company Coalition are an original and three (3) copies of the Coalition's Prehearing Memorandum in the above captioned proceeding. Copies of this Prehearing Memorandum have been served in accordance with the attached Certificate of Service.

Very truly yours,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By

  
Patricia Armstrong

Enclosure

cc: Certificate of Service  
Honorable Cynthia W. Fordham (w/encl.)

F:\CLIENTS\Utility\Rural Company Coalition\USF Access II\letters\050216 Sec. McNulty.wpd

SECRETARY'S BUREAU

2005 FEB 16 PM 3:44

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Before The  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Administrative Law Judge  
Cynthia Williams Fordham, Presiding

RECEIVED  
2005 FEB 16 PM 3:45  
PA. UTILITY  
SECRETARY'S BUREAU

AT&T Communications of Pennsylvania, : Docket No. C-20027195  
Inc. :

v.

Verizon North Inc. :

**DOCKETED**  
APR 25 2005

PREHEARING MEMORANDUM  
OF  
THE RURAL TELEPHONE COMPANY COALITION

**DOCUMENT  
FOLDER**

In accordance with the Prehearing Order on Remand, dated February 14, 2005, The Rural Telephone Company Coalition ("RTCC")<sup>1</sup> submits this Prehearing Memorandum to the presiding officer, Judge Cynthia W. Fordham and to all other parties. On February 18, 2003, RTCC filed comments in response to the publication in the *Pennsylvania Bulletin* of the Joint Access Proposal submitted by Verizon Pennsylvania Inc. and Verizon North Inc. at A-310200F0002, *et al.*, P-00991648, *et al.* and C-20027195.

<sup>1</sup>ALLTEL Pennsylvania, Inc. ("ALLTEL"), Armstrong Telephone Company - PA, Armstrong Telephone Company-North, Bentleyville Communications Corporation, d/b/a The Bentleyville Telephone Company, Buffalo Valley Telephone Company ("Buffalo Valley"), Citizens Telephone Company of Kecksburg, Citizens Telecommunications Company of New York, Commonwealth Telephone Company ("Commonwealth"), Conestoga Telephone and Telegraph Company ("Conestoga"), Denver and Ephrata Telephone and Telegraph Company ("D&E"), Deposit Telephone Company, Frontier Communications of Breezewood, Inc., Frontier Communications of Canton, Inc., Frontier Communications of Lakewood, Inc., Frontier Communications of Oswayo River, Inc., Frontier Communications of Pennsylvania, Inc. ("Frontier PA"), The Hancock Telephone Company, Hickory Telephone Company, Ironton Telephone Company, Lackawaxen Telecommunications Services, Inc., Laurel Highland Telephone Company, Mahanoy & Mahantango Telephone Co., Marianna & Scenery Hill Telephone Company, The North-Eastern PA Telephone Company, North Penn Telephone Company, North Pittsburgh Telephone Company ("NPTC"), Palmerton Telephone Company, Pennsylvania Telephone Company, Pymatuning Independent Telephone Company, South Canaan Telephone Company, Sugar Valley Telephone Company, Venus Telephone Corporation, and Yukon-Waltz Telephone Company.

RTCC intends to participate in this proceeding but will primarily be monitoring the positions of other parties. Please serve all documents upon counsel for RTCC as follows:

Patricia Armstrong  
Thomas T. Niesen  
Regina L. Matz  
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rmatz@tlanlaw.com

The RTCC is not currently aware of any issues that it intends to raise. Only if matters or arguments are raised by other parties in the course of this litigation which impact the RTCC will RTCC be submitting any testimony. RTCC is willing to participate in any settlement discussion in this proceeding.

Respectfully submitted,



Patricia Armstrong  
Thomas T. Niesen  
Regina L. Matz

Attorneys for  
The Rural Telephone Company Coalition

THOMAS, THOMAS, ARMSTRONG & NIESEN  
212 Locust Street  
P. O. Box 9500  
Harrisburg, PA 17108-9500

DATE: February 16, 2005

Before The  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Administrative Law Judge  
Cynthia Williams Fordham, Presiding

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

**CERTIFICATE OF SERVICE**

I hereby certify that I have this 16<sup>th</sup> day of February, 2005, served a true and correct copy of the Prehearing Memorandum of The Rural Telephone Company Coalition, upon the persons and in the manner indicated below:

**VIA E-MAIL**

Honorable Cynthia Williams Fordham  
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Patricia Armstrong

COMMONWEALTH OF PENNSYLVANIA



FILE COPY

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Suite 1102, Commerce Building  
300 North Second Street  
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William R. Lloyd, Jr.  
Small Business Advocate

(717) 783-2525  
(717) 783-2831 (FAX)

February 16, 2005

E-mail and First Class Mail

Hon. Cynthia W. Fordham  
Administrative Law Judge  
Pa. Public Utility Commission  
Rm. 1302, Philadelphia State Office Bldg.  
1400 West Spring Garden Street  
Philadelphia, PA 19130

DOCUMENT  
FOLDER

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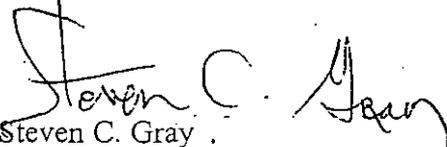
Re: **AT&T Communications of Pennsylvania, Inc. v.  
Verizon North, Inc. And Verizon Pennsylvania Inc.  
Docket No. C-20027195**

Dear Judge Fordham:

In accordance with your Prehearing Order on Remand dated February 14, 2005, I am enclosing a copy of the Prehearing Memorandum on behalf of the Office of Small Business Advocate.

As evidenced by the enclosed certificate of service, all parties have been served as indicated.

Sincerely,

  
Steven C. Gray  
Assistant Small Business Advocate

Enclosures

cc: James J. McNulty, Secretary  
(w/enclosures)  
Parties of Record  
Mr. Allen Buckalew

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

AT&T Communications of Pennsylvania, Inc. :  
v. :  
Verizon North, Inc. and Verizon Pennsylvania Inc. :

Docket No. C-20027195

**DOCKETED**  
OCT 07 2005

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OFFICE OF SMALL BUSINESS ADVOCATE  
PREHEARING MEMORANDUM

---

**DOCUMENT  
FOLDER**

I. INTRODUCTION

The Office of Small Business Advocate (OSBA) is authorized to represent the interests of small business consumers of utility services before the Pennsylvania Public Utility Commission pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§399.41 - 399.50 ("the Act"). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in this matter is Carol F. Pennington, Assistant Small Business Advocate. Please address all correspondence as follows:

Steven C. Gray, Esquire  
Assistant Small Business Advocate  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
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(717) 783-2525  
(717) 783-2831 (fax)  
[sgray@state.pa.us](mailto:sgray@state.pa.us)

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II. IDENTIFICATION OF WITNESSES AND TENTATIVE ISSUES

Assisting in the development and presentation of the OSBA's case in this proceeding will be:

Mr. Allen Buckalew  
J.W. Wilson & Associates, Inc.  
Rosslyn Plaza C- Suite 1104  
1601 North Kent Street  
Arlington, VA 22209  
(703) 243-1049  
(703) 243-3389 (fax)  
[abuca@aol.com](mailto:abuca@aol.com)

The OSBA will participate in the proceeding to assure that the interests of small business customers are adequately represented and protected.

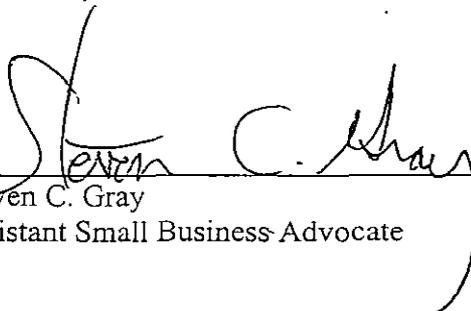
As appropriate and necessary, the OSBA will investigate and analyze the claims of all parties, setting forth the OSBA's positions through the presentation of testimony by its expert witness and via the cross-examination of witnesses appearing for other parties and via briefing of the issues that arise in this proceeding.

The OSBA reserves the right to pursue additional issues as they arise throughout the proceeding.

III. HEARING AND BRIEFING SCHEDULE

The OSBA will participate with the parties to arrive at a mutually acceptable schedule for the Administrative Law Judge's review.

Respectfully submitted,



Steven C. Gray  
Assistant Small Business Advocate

For:

William R. Lloyd, Jr.  
Small Business Advocate

Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101  
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(717) 783-2831 (fax)

Dated: February 16, 2005

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

CERTIFICATE OF SERVICE

I certify that I am serving a copy of the Prehearing Memorandum on behalf of the Office of Small Business Advocate by e-mail and first class mail upon the persons addressed below:

Hon. Cynthia W. Fordham  
Administrative Law Judge  
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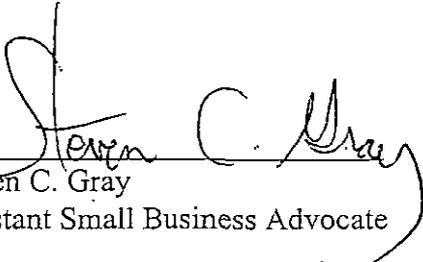
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Steven C. Gray  
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Date: February 16, 2005

Suzan DeBusk Paiva  
Assistant General Counsel

ORIGINAL



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February 16, 2005

Via UPS Overnight Delivery  
James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
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DOCUMENT  
FOLDER

RECEIVED

FEB 16 2005

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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

Dear Secretary McNulty:

Enclosed please find the original and three copies of the Prehearing Memorandum on Remand of Verizon Pennsylvania Inc. and Verizon North Inc., in reference to the above captioned matter.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

Suzan D. Paiva

SDP/meb

Via Email and UPS Overnight Delivery  
cc: Attached Certificate of Service

CERTIFICATE OF SERVICE

I, Suzan D. Paiva, hereby certify that I have this day served a copy of the Prehearing Memorandum on Remand of Verizon Pennsylvania Inc. and Verizon North Inc. , 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 16<sup>th</sup> day of February, 2005.

VIA E-MAIL AND UPS OVERNIGHT DELIVERY

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Thomas, Thomas, Armstrong  
& Niesen  
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FEB 16 2005

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SECRETARY'S BUREAU

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FEB 16 2005

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

AT&T COMMUNICATIONS OF PENNSYLVANIA, INC., v. VERIZON NORTH INC. Docket No. C-20027195

PREHEARING MEMORANDUM ON REMAND OF VERIZON PENNSYLVANIA INC. AND VERIZON NORTH INC.

Verizon Pennsylvania Inc. and Verizon North Inc. (collectively "Verizon") submit this Prehearing Memorandum for purposes of the prehearing conference scheduled for February 17, 2005.

DOCKETED SEP 30 2005

I. BACKGROUND

Following the Commission's approval of a revenue-neutral rate rebalancing that restructured and substantially reduced Verizon's access charges, the Commission remanded this proceeding to the Office of Administrative Law Judge "for the further development of the record and the issuance of a recommended decision concerning those policy issues and other access charge concerns that were raised by the IXCs in their Exceptions but which were not specifically resolved by a recommendation in this instant proceeding. These issues include, but are not limited to, AT&T's two-step access charge reduction proposal, the removal of all implicit subsidies from access charges, the reduction and possible elimination of the Carrier Charge." (7/28/04 Order at 17).

Since that remand was ordered, two issues of significance have occurred. First, the General Assembly enacted a new "Chapter 30," the statute that governs

1 The history of the proceeding is thoroughly detailed in the Prehearing Order on Remand and will not be repeated here.

telecommunications in Pennsylvania. Section 3017 of that new law provides that “[t]he commission may not require a local exchange telecommunications company to reduce access rates except on a revenue-neutral basis.” 66 Pa. C.S. § 3017. Any alterations to Verizon’s access rates that might result from this remand proceeding *must* comply with that statutory directive, and therefore must include a revenue-neutral increase to other rates to off-set any access reductions. To the extent that a challenge to revenue-neutrality was one of the exceptions raised by the IXC’s (particularly MCI), this issue has been resolved by the Legislature and is no longer subject to debate.

Second, as the Commission has already recognized, the FCC has embarked upon its own investigation of intercarrier compensation that may impact intrastate access charges and constrain the Commission’s actions on this remand. In a January 18, 2005 Order, the Commission specifically directed that this remand address the impact of the federal proceeding, as follows:

As noted by the OCA, there have been significant developments in the federal arena that may impact the remand proceeding. We are especially concerned about any impact that the proposed ICF proposal, if it is ultimately approved by the FCC, may have jurisdictionally on access charge regulation in Pennsylvania, our ability to further reduce or restructure intrastate access charges, and whether any FCC action may lead to a double recovery by the LECs in Pennsylvania in light of the remanded proceeding, and if the FCC permits intrastate access charges to be offset by increases to the federal SLC. Therefore, to the extent that any determination is made by the FCC that ultimately adopts the ICF proposal, or any other FCC action that is concluded prior to this remand proceeding that would assume authority over the intrastate access charges addressed in this proceeding, we shall direct the ALJ to expand the scope of this proceeding for the purpose of addressing the impact the FCC action may have on our jurisdictional responsibilities, as well as its relationship to the final recommended decision on access rates arising from this remand proceeding. (1/18/05 Order at 24).

This FCC proceeding has progressed since the Commission issued this order expanding the scope of the remand. Specifically, on February 10, 2005 the FCC voted to issue a Notice of Proposed Rulemaking on intercarrier compensation, directing interested parties to comment on seven comprehensive reform proposals submitted by the industry and others to alter the system of intercarrier compensation. The FCC's ultimate decision on these proposals may impact the very same intrastate intercarrier compensation (also known as access charges) that are at issue in this remand proceeding, and as this Commission recognized may alter or eliminate this Commission's authority to act in this area. The FCC issued a press release announcing its rulemaking, but the final order along with the schedule for resolution of the FCC case has not been made public yet. According to the Statement of FCC Commissioner Copps, however, "[i]ntercarrier compensation is a must-do item for this Commission this year. It should be our number one telecommunications priority."

Accordingly, there is an even greater likelihood that an FCC order impacting this proceeding may issue prior to the conclusion of this remand proceeding, as the Commission recognized would be possible. Verizon urges the Commission and the parties not to engage in duplicative efforts here that might be mooted by the FCC's proceeding.

## II. SERVICE LIST

Please include the following counsel for Verizon on the service list for this matter:

Julia A. Conover  
Suzan DeBusk Paiva  
Verizon  
1717 Arch Street, 32N  
Philadelphia, PA 19103  
Tel: 215-963-6001/6068  
Fax: 215-563-2658  
E-Mail: julia.a.conover@verizon.com  
suzan.d.paiva@verizon.com

## III. SCHEDULING

In light of the developments in the FCC intercarrier compensation proceeding and the likelihood, already recognized by the Commission, that the FCC's actions in that case will impact this proceeding, Verizon proposes that a schedule be established that includes a period of monitoring the FCC proceeding and allowing informal discovery and settlement discussions among the parties. Another prehearing conference should then be scheduled for a date certain to assess the need to set a formal litigation schedule. Verizon proposes the following dates:

February 17-June 16, 2005: period of informal discovery and settlement discussions

June 30, 2005: parties submit individual or joint reports on status of federal proceeding and any other issues of import to the case

July 2005: further prehearing conference scheduled

## IV. SETTLEMENT

Verizon remains amenable to participating in such discussions, to the extent feasible in light of the ongoing FCC proceeding.

## V. ISSUES

The issues to be resolved in this proceeding include:

1. The impact of the FCC's intercarrier compensation proceeding upon intrastate access charge regulation in Pennsylvania, including whether the Commission continues to have the ability and jurisdiction to further reduce or restructure intrastate access charges, and the need for any further restructuring in light of the FCC's efforts.

2. Whether Verizon's access rates should be further reduced beyond the substantial reductions already approved by the Commission's July 28, 2004 Order (which will already result in an annual savings for IXCs of over \$50 million), keeping in mind that any such reductions are statutorily required to be offset by revenue neutral increases to other rates.

## VI. WITNESSES

In light of Verizon's scheduling proposal, the identification of witnesses would be premature. However, in the event witnesses are required at this time, Verizon anticipates that it will present Janice A. Crandall on access-related issues. Verizon may also present a cost and/or policy witness, depending on the issues raised by the other parties. Verizon reserves the right to present additional witnesses or topics based on the issues raised by the other parties, or to withdraw or modify its designation of witnesses as necessary:

Respectfully submitted,

Date: February 16, 2005



Julia A. Conover  
Suzan DeBusk Paiva  
1717 Arch Street, 32N  
Philadelphia, PA 19103  
(215) 963-6068

Counsel for Verizon  
Pennsylvania Inc.



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
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February 16, 2005

05 FEB 18 AM 11:42

PA PUC

Administrative Law Judge Cynthia W. Fordham  
Philadelphia District Office  
Pennsylvania Public Utility Commission  
1302 State Office Building  
Broad & Spring Garden Streets  
Philadelphia, PA 19130

**DOCUMENT  
FOLDER**

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

Dear Judge Fordham:

Enclosed for filing please find an original and three (3) copies of the **Prehearing Memorandum** of the Office of Trial Staff (OTS) in the above-captioned proceeding.

Copies are being served on all active parties of record.

BTL

Sincerely,

Robert V. Eckenrod  
Prosecutor  
Office of Trial Staff

Enclosure

c: Parties of Record

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**DOCKETED**  
JUN 13 2005

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**PREHEARING MEMORANDUM  
OF THE  
OFFICE OF TRIAL STAFF**

---

**DOCUMENT  
FOLDER**

**TO THE HONORABLE CYNTHIA W. FORDHAM:**

In response to the Prehearing Order on Remand issued by Your Honor ("ALJ") on February 14, 2005 and 52 Pa. Code §5.224, the Office of Trial Staff ("OTS") submits this Prehearing Memorandum. The OTS prosecutor assigned to this proceeding is Robert V. Eckenrod.

Contact information is as follows:

By Mail: Robert V. Eckenrod  
Prosecutor  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

By e-mail: [roeckenrod@state.pa.us](mailto:roeckenrod@state.pa.us)

By Telephone: (717) 787-1976  
By FAX: (717) 772-2677

## I. ISSUES

The following list is a preliminary determination of potential issues that OTS seeks to address in this case. The list is as complete as can be made at this time, however, OTS reserves the right to address other issues, as it deems appropriate if any such relevant issues arise. The current listing of OTS potential issues are as follows:

1. The overall need for further access charge reductions,
2. *Proof that customers will benefit if access charges are reduced,*
3. The affect of rate rebalancing on residential and business local exchange rates,
4. Cost of service issues as they relate to local service and access charges,
5. Allocation of the cost of any access charge reductions to services other than residential and business local exchange service.

Most of the discussion of the issue raised by OTS will be supported by direct testimony of the OTS witness in his area of responsibility. However, there may be issues of Commission policy or legal interpretation that are not properly the subject of testimony; or there may be factual issues that are clear on the record and need not be supported by testimony. OTS reserves the right to dispense with testimony when, in its opinion, an issue can be adequately addressed in brief.

## II. WITNESSES

It is currently expected that OTS may call the following witness:

Joseph Kubas, Fixed Utility Valuation Engineer<sup>1</sup>

OTS reserves the right to call additional witnesses as is deemed necessary in the development of this proceeding. The above listing of witnesses is provided without analysis of the positions of all parties to this proceeding and without the benefit of complete discovery. All active parties will be notified of any additions to the OTS witness list.

### III. SCHEDULE

OTS is prepared to adopt a schedule that has been agreed to by all the active parties.

Respectfully submitted,



Robert V. Eckenrod  
Prosecutor

Office of Trial Staff  
Pennsylvania Public  
Utility Commission

Dated: February 16, 2004

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<sup>1</sup> The OTS witness may be reached at the same mailing and telephone locations as those provided earlier in this Prehearing Memorandum for Mr. Eckenrod.

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

AT&T Communications of PA, Inc. :  
 :  
v. : Docket No. C-20027195  
 :  
Verizon Pennsylvania, Inc. :

**CERTIFICATE OF SERVICE**

I hereby certify that I am serving the foregoing **Prehearing Memorandum**,  
dated February 16, 2005 either personally, by first class mail, electronic mail, express  
mail and/or by fax upon the persons listed below:

Suzan Debusk Paiva, Esquire  
Julia A. Conover, Esquire  
Verizon Pennsylvania, Inc.  
1717 Arch Street 32 NW  
Philadelphia, PA 19103

Robert C. Barber, Esquire  
AT&T Communications  
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Oakton, VA 22185

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800 North Third Street Suite 101  
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Regina L. Matz, Esquire  
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Barret C. Sheridan, Esquire  
Joel Cheskis, Esquire  
Shaun A. Sparks, Esquire  
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Harrisburg, PA 17101-1923

William R. Lloyd, Jr., Esquire  
Steven C. Gray, Esquire  
Office of Small Business Advocate  
Suite 1102 Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

Hon. Cynthia W. Fordham  
Pennsylvania Public Utility Commission  
1302 Philadelphia State Office Building  
1400 West Spring Garden Street  
Philadelphia, PA 19130



---

Robert V. Eckenrod  
Prosecutor

Dated: February 16, 2005  
Docket No. C-20027195

# OALJ Hearing Report

Please Check Those Blocks Which Apply

Docket No.:	C-20027195		YES	NO
Case Name:	AT&T Communications of PA, Inc. v. Verizon North Inc./Verizon Pennsylvania Inc.	Prehearing Held:	<input type="checkbox"/>	<input type="checkbox"/>
Location:	Harrisburg	Hearing Held:	<input type="checkbox"/>	<input type="checkbox"/>
Date:	Thursday, February 17, 2005	Testimony Taken:	<input type="checkbox"/>	<input type="checkbox"/>
ALJ:	Cynthia W. Fordham	Transcript Due:	<input type="checkbox"/>	<input type="checkbox"/>
Reporting Firm:	Sargents Court Reporting	Hearing Concluded:	<input type="checkbox"/>	<input type="checkbox"/>
		Further Hearing Needed:	<input type="checkbox"/>	<input type="checkbox"/>
		Estimated Add'l Days:		
		RECORD CLOSED:	<input type="checkbox"/>	<input type="checkbox"/>
		Briefs to be Filed:	<input type="checkbox"/>	<input type="checkbox"/>
		Bench Decision:	<input type="checkbox"/>	<input type="checkbox"/>
		REMARKS:		

DOCUMENT FOLDER

PLEASE PRINT CLEARLY - Incomplete Information may result in delay of processing.

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John F. Pavilaitis	Ryan Russell Cyber & IT Solutions PO Box Third St, Suite 10 City: Harrisburg State: PA Zip: 17102	Qwest Communications Corporation
Telephone: 717-236-7714	E-mail Address: <a href="mailto:Pavilaitis@RyanRussell.com">Pavilaitis@RyanRussell.com</a>	Fax Number: 717-236-7816
Robert V. Eckenrod	P.O. Box 3265 City: Harrisburg State: PA Zip: 17105	OTS
Telephone: 717-783-6155	E-mail Address: <a href="mailto:roeckenrod@state.pa.us">roeckenrod@state.pa.us</a>	Fax Number: 717-772-2677

Check this box if additional parties or attendees appear on back of form.

\_\_\_\_\_  
Reporter's Signature

**Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.**

Name and Telephone Number	Address	Who are you representing?
Joel Cheski's	555 Walnut St 5 <sup>th</sup> Floor, Forum Place	Office of Consumer Advocate
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Steven C. Gray	Suite 1102, Commerce Bldg 300 W. Second St.	ASBA
Telephone: (717) 783-2525	City: HBG State: PA Zip: 17101	Fax Number: (717) 783-2831
Alan Kohler Wolf, Block	212 Locust St., SFTS 300	ACT
Telephone:	City: HBU State: PA Zip: 17101	Fax Number: 717-237-7161
Telephone:	E-mail Address:	Fax Number:
Telephone:	E-mail Address:	Fax Number:
Telephone:	E-mail Address:	Fax Number:
Telephone:	E-mail Address:	Fax Number:
Telephone:	E-mail Address:	Fax Number:
Telephone:	E-mail Address:	Fax Number:
Telephone:	E-mail Address:	Fax Number:
Telephone:	E-mail Address:	Fax Number:
Telephone:	E-mail Address:	Fax Number:

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.

**OALJ Hearing Report**

Please  Check Those Blocks Which Apply

Docket No.:	C-20027195		YES	NO
Case Name:	AT&T Communications of PA, Inc. v. Verizon North, Inc/Verizon Pennsylvania Inc.	Prehearing Held:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Hearing Held:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Testimony Taken:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Transcript Due:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Hearing Concluded:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Location:	Philadelphia, PA	Further Hearing Needed:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date:	February 17, 2005	Estimated Add'l Days:		
ALJ:	Cynthia W. Fordham	RECORD CLOSED:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reporting Firm:	Argents Court Reporting Service, Inc.	DATE:		
		Briefs to be Filed:	<input type="checkbox"/>	<input type="checkbox"/>
		DATE:		
		Bench Decision:	<input type="checkbox"/>	<input type="checkbox"/>
		REMARKS:	Parties were given 30 days to talk settlement & engage in discovery - 2d prehearing conference to be scheduled	

**DOCUMENT FOLDER**

RECEIVED

05 MAR -2 PM 2:22

PA.P.U.C. SECRETARY'S BUREAU

PLEASE PRINT CLEARLY - Incomplete information may result in delay of processing.

Name and Telephone Number	Address	Who are you representing?
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Check this box if additional parties or attendees appear on back of form.

Reporter's Signature

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.

Name and Telephone Number	Address			Who are you representing?
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	City Harrisburg	State PA	Zip 17102-2025	
Telephone: (717) 236-7714	E-mail Address: jpovilaitis@ryanrussel.com		Fax Number: (717) 236-7816	
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Patricia Armstrong, Esquire	Thomas Thomas Armstrong + Niesen 212 Locust St, Suite 500 P.O. Box 9500			Rural Telephone Company Coalition
	City Harrisburg	State PA	Zip 17108-9500	
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	City	State	Zip	
Telephone:	E-mail Address:		Fax Number:	



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE

March 10, 2005

In Re: C-20027195

(SEE LETTER OF 2-4-05)

AT&T Communications of PA, Inc.  
v.  
Verizon North Inc.  
Verizon Pennsylvania Inc.

Verizon North's Intrastate Carrier Access Rates are unjust and unreasonable, and seek an immediate reduction to no more than the Rates charged by Verizon Pennsylvania.

Hearing Notice

This is to inform you that a hearing on the above-captioned case will be held as follows:

Type: Further Telephonic Pre-Hearing Conference  
ON REMAND

Date: Monday, March 21, 2005

Time: 10:00 a. m.

Location: In an available hearing room  
Philadelphia State Office Building  
Broad and Spring Garden Streets  
Philadelphia, Pennsylvania

Harrisburg FOR HARRISBURG PARTIES  
Hearing Room 2  
Plaza Level  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, Pennsylvania

**DOCKETED**  
APR 12 2005

**DOCUMENT  
FOLDER**

Presiding: Administrative Law Judge Cynthia W. Fordham  
1302 Philadelphia State Office Building  
1400 West Spring Garden Street  
Philadelphia, PA 19130  
Telephone: (215) 560-2105  
Fax: (215) 560-3133

COURT REPORTER WILL BE IN PHILADELPHIA WITH THE JUDGE.

*Attention: You may lose the case if you do not come to this hearing and present facts on the issues raised.*

If you intend to file exhibits, 2 copies of all hearing exhibits to be presented into evidence must be submitted to the reporter. An additional copy must be furnished to the Presiding Officer. A copy must also be provided to each party of record.

Individuals representing themselves do not need to be represented by an attorney. All others (corporation, partnership, association, trust or governmental agency or subdivision) must be represented by an attorney. An attorney representing you should file a Notice of Appearance before the scheduled hearing date.

If you are a person with a disability, and you wish to attend the hearing, we may be able to make arrangements for your special needs. Please call the scheduling office at the Public Utility Commission:

- Scheduling Office: (717) 787-1399.
- AT&T Relay Service number for persons who are deaf or hearing-impaired: 1-800-654-5988.

pc: Judge Fordham  
Ona Lester  
Beth Plantz  
Docket Section  
Calendar File

C-20027195

AT&T COMMUNICATIONS OF PA INC V. VERIZON NORTH INC AND VERIZON PENNSYLVANIA INC

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