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December 12, 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 Public Version of the Main Brief of Core Communications, Inc. in the above-referenced matter. The Proprietary Version of the Brief is being submitted via Federal Express Overnight delivery. A copy of this document has been served upon the parties of record in accordance with the attached Certificate of Service.

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

Respectfully submitted,

STEVENS & LEE



Michael A. Gruin

Encl.

cc: Honorable Susan Colwell, Administrative Law Judge
Certificate of Service

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First Report & Order, *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, 11 F.C.C. Rcd. 15499 (1996).....17, n.3

Britex Waste Co. v. Nathan Schwab & Sons, 139 Pa. Super. 474,12 A.2d 473 (1940).....23, n.5

Pursuant to the Scheduling Order in the above-captioned case, Core Communications, Inc. (“Core”), by its attorneys Stevens & Lee, hereby files its Main Brief.

I. Statement of the Case

This case involves unpaid charges for telecommunications facility services Core provided, and continues to provide, to Verizon Pennsylvania LLC (“Verizon”) pursuant to the Interconnection Agreement (“ICA”) between the parties,¹ which governs the terms of physical interconnection of networks and the exchange of traffic between the parties. These unpaid charges are for services which enable Verizon to deliver its originating interconnection traffic from the “Point of Interconnection” to the “Interconnection Point” (as the ICA defines those terms) on Core’s network in each of the LATAs in which the parties interconnect.

A. Procedural Background

On February 18, 2014, Core filed a formal Complaint with the Commission against Verizon in this matter.

On March 13, 2014, Verizon filed its Answer, New Matter and Preliminary Objections (“POs”) to Core's Complaint.

On March 24, 2014, Core filed its Answer to Verizon’s POs.

By Notice issued April 10, 2014, this matter was assigned to Administrative Law Judge (“ALJ”) Susan D. Colwell.

By Order issued May 5, 2014, the presiding ALJ denied Verizon’s POs.

A preliminary conference was held on June 12, 2014.

On June 13, 2014, the presiding ALJ issued a Scheduling Order, providing for written testimony, oral surrejoinder, evidentiary hearings and briefs.

¹ The ICA was admitted into the record in this case as **Stipulated Joint Exhibit One. Tr.**, at 137:2-15.

On July 11, 2014, Core served **Core Statement 1.0 (Direct Testimony of Bret L. Mingo)**, with **Core Exhibits A – J**.

On August 28, 2014, Verizon served **Verizon Statement 1.0 (Rebuttal Testimony of Charles A. Bando)**, with **Verizon Exhibits A – H**, and **Verizon Statement 2.0 (Rebuttal Testimony of Peter J. D’Amico)**, with **Verizon Exhibits 1 – 8**.

On September 25, 2014, Core served **Core Statement 2.0 (Surrebuttal Testimony of Bret L. Mingo)**, with **Core Exhibits K – R**.

On October 15, 2014, Verizon served **Verizon Statement 1.1 (Rejoinder Testimony of Charles A. Bando)**, with **Verizon Exhibits I – L**, and **Verizon Statement 2.1 (Rejoinder Testimony of Peter J. D’Amico)**, with **Verizon Exhibit 9**.

An evidentiary hearing in this matter was held on October 21, 2014. At this hearing Core provided the oral surrejoinder testimony of Bret L. Mingo, including introduction of **Core Exhibit S**. All of the pre-served written testimony and exhibits were admitted into the record, except that, upon Verizon’s oral motion, **Core Exhibit M** was not admitted. Each witness was cross-examined, and **Core Cross Exhibits 2 – 7**, and **Verizon Cross Exhibit 1**, were admitted into the record. Finally, the ICA between Core and Verizon was admitted into the record as **Stipulated Joint Exhibit One**.

Pursuant to the June 13 Scheduling Order, Parties were instructed to file Main Briefs on December 12, 2014 and Reply Briefs on January 12, 2014.

B. Statement of the Facts

Core has established the following interconnection points (“IPs”) on its network in Pennsylvania for termination of traffic from Verizon:

- LATA 226 (Capital): Core’s Harrisburg Switch

- LATA 228 (Philadelphia): Core’s Philadelphia Switch
- LATA 230 (Altoona): Core’s Altoona Switch
- LATA 232 (Northeast): Core’s Wilkes-Barre Switch
- LATA 234 (Pittsburgh): Core’s Pittsburgh Switch

Core Statement 1.0 (Mingo Direct), at 2-3 and 6-7. Meanwhile, the parties have mutually established one point of interconnection (“POI”) in each LATA. The POI is located either (1) at a Verizon-owned and operated equipment stationed within the same building as Core’s switch; or (2) at a Verizon central office some distance from the building in which Core’s switch is stationed. *Id.*, at 5-6; and **Figure BLM-1 (IP/POI Chart)**.

Core provides Verizon with the physical telecommunications facilities necessary for Verizon to deliver its originating traffic from the POI on Verizon’s network to the IP on Core’s network in each of the aforementioned LATAs. These facilities include Core-owned and operated telecommunications and related equipment (including space, power, heating and air conditioning therefor) as well as conduit, optical fiber, rights-of-way and fiber-optic transport equipment. **Core Stmt. 1.0**, at 8-11; *and see*, **Figures BLM-2 (IP/POI Diagram) and BLM-3 (IP/POI Diagram—Philadelphia)**.

Core bills Verizon for the facilities that are dedicated to handle incoming interconnection traffic from Verizon. Core reviews access service requests (“ASRs”) Verizon submits to Core to establish the commence date for billing each element, as well as the individual elements to be billed. Core then applied the ICA’s TELRIC rates to each element billed. **Core Stmt. 1.0**, at 12-13. Core began billing Verizon for facilities in 2012, and currently issues new bills to Verizon each calendar month. **Core Exhibit H (Open Balance Report)**. The total amount due Core for

facilities in Pennsylvania was \$4,288,813.76 as of July, 2014, of which Verizon has paid Core exactly \$0.00. *Id.* The amount due grows by \$66,626.93 with each passing month. *Id.*

Verizon first responded to Core's facilities invoices in April, 2012, a period of almost three months following Core's transmittal of the initial invoices. **Core Stmt. 1.0**, at 13. On April 13, 2012, Verizon issued a letter to Core disputing the facilities invoices in their entirety.

Verizon stated:

Verizon has reviewed these billings and determined that they appear to be in error. Core does not provide Verizon with the services for which it has rendered these bills. Verizon is unaware of any basis upon which Core would be entitled to bill (nor Verizon required to pay) these charges. Please provide any documentation, including contract language or tariff provisions, that would substantiate the subject billings. *Id.*, at 13-14; and **Exh. I (Dispute Correspondence)**

On May 8, 2012, Core responded to Verizon's dispute by email, stating:

As to the facilities bills, you should be aware that Verizon used and uses substantial facilities in Core and CoreTel entity offices in Maryland, New York, Pennsylvania and Virginia. We have the ASRs Verizon used to order these facilities, as does Verizon.

Nevertheless, I will compile an inventory of the facilities Verizon uses (which is more than Verizon has ever done for us) to facilitate your bill review and payment. In the meantime, your disputes are denied, with the understanding that you may raise specific challenges once you have the inventory. **Core Stmt. 1.0**, at 14; and **Exh. I**.

Following this email, Core compiled the referenced inventory and transmitted an up-to-date version of that inventory with each subsequent monthly bill to Verizon. **Core Stmt. 1.0**, at 14.

Verizon never responded to Core's May 8 email nor did it ever provide any comments relative to the inventory Core compiled. Instead, Verizon began to issue standardized monthly bill dispute letters, which stated, as the reason for its continuing non-payment: "Invalid Back Billing." *Id.*

On September 20, 2012, Core responded to this standardized dispute language by email, stating: “No facilities dispute for PA Facilities...” and “Dispute Issue Code states “Invalid Back Billing”, but all of the invoices listed are current charges.” Core admonished that “Your response in regards to these items is greatly appreciated.” *Id.*; and **Exh. I.**

Hearing nothing from Verizon, on November 5, 2012, Core issued a follow-up email, stating “I still don’t have any Verizon dispute on file for VA & PA facilities bills. ‘Invalid Back Billing’ just doesn’t make sense for current bills.” Core further stated:

These facilities bills are for Core interconnection facilities Verizon uses to deliver its traffic to Core and the rates and terms are in the ICAs for each state. The specific facilities used are documented in the spreadsheet I send with each bill.

Core warned Verizon: “These accounts have gone unpaid for many months and are moving to collection. So, if you have disputes please forward ASAP.” **Core Stmt. 1.0**, at 14-15; and **Exh. I.**

On November 7, 2012, Verizon sent Core an email once again disputing the facilities charges in their entirety (without any particular reason stated), and demanded that Core “Please provide contractual documentation to substantiate these charges.” **Core Stmt. 1.0**, at 15; and **Exh. I.**

On November 9, 2012 Core sent Verizon by email relevant excerpts from the ICA to support the facilities bills. *Id.*

Verizon never responded to the ICA excerpts Core forwarded. Verizon continues to dispute and withhold 100% of the billed facilities charges, and issues standardized monthly dispute letters which, again, simply dispute that charges without stating any specific basis, and demanding “contractual documentation to substantiate these charges.” **Core Stmt. 1.0**, at 15. Based on Verizon’s intransigence, Core filed its Complaint in this matter. *Id.*

II. Argument

Verizon ordered and used various Core facilities in order to deliver its interconnection traffic to Core pursuant to the ICA, including trunk ports, multiplexing, dedicated transport and entrance facilities. Core billed Verizon at the TELRIC rates applicable to each facility service listed in the ICA's price schedule. Verizon disputed Core's bills, and Core fulfilled all of the ICA's billing dispute resolution provisions prior to filing its complaint in this matter. The Commission should quite simply require Verizon to pay Core's bills for services rendered and which continue to be rendered, especially since Core (unlike Verizon) has applied the cost-based rates set forth in the ICA.

A. Verizon Ordered and Used Core's Facilities for Interconnection

Core provisioned certain interconnection facilities for Verizon's use, in response to access service requests ("ASRs") Verizon transmitted to Core. **Core Stmt. 1.0 (Mingo Direct)**, at 12; **Core Exhs. B and E (Sample Verizon ASRs)**; **Core Exhs. C and F (Sample Core firm order confirmations or "FOCs")**; and **Core Exhs. D and G (Sample Verizon confirmation ASRs)**. Core dedicates these facilities to Verizon's use; no other carrier or customer uses them. **Core Stmt. 1.0**, at 12. Verizon uses Core's facilities to deliver Verizon's originating interconnection traffic to Core's network in Pennsylvania. **Core Stmt. 1.0**, at 4-5, and 12-13. Core billed Verizon for these interconnection services, **Core Stmt. 1.0**, at 12-13, resulting in a total amount due in the amount of \$4,288,813, as of July 11, 2014. **Core Stmt. 1.0**, at 12 and **Core Exh. H. (Open Balance Report)**. The total amount due increases by \$66,626 with each passing month. **Core Exh. H.**

Verizon disputed 100% of Core's bills, and never paid Core a dime for any of the invoiced services. **Core Stmt. 1.0**, at 15. Verizon contests the fact that the ASRs it sent Core

constituted orders for service, arguing instead that the ASRs were Verizon orders to Verizon's own provisioning system, and copies of these internal ASRs were sent to Core simply as a "heads up" that Verizon would be reconfiguring its own network. **Verizon Stmt. 1.0 (Bando Rebuttal)**, at 14. ("Verizon provided Core with copies of ASRs reflecting Verizon's own self-provisioning orders... so that Core could be aware... and prepare to receive that traffic.").

Verizon's characterization of the ASRs is not consistent with the relevant provisions of the ICA, which are as follows:

The ICA, Part B ("Definitions") provides:

Access Service Request" (ASR) means the industry standard forms and supporting documentation used for ordering Access Services. The ASR may be used to order trunking and facilities between [Core] and [Verizon] for local interconnection.

The ICA, Attachment IV (Interconnection), provides:

4.3 Trunk Servicing

4.3.1 Orders between the Parties to establish, add, change or disconnect trunks shall be processed by use of an Access Service Request ("ASR"), or another industry standard eventually adopted to replace the ASR for local service ordering.

4.3.2 As discussed in this Agreement, both Parties will manage the capacity of their Local Interconnection Trunk Groups. [Verizon] will issue an ASR to [Core] to trigger changes [Verizon] desires to the [Verizon] Local Interconnection Trunk Groups based on [Verizon]'s capacity assessment. [Core] will issue an ASR to [Verizon] to trigger changes [Core] desires to the [Core] Local Interconnection Trunk Groups based on [Core]'s capacity assessment.

Based on these provisions, the ICA clearly contemplates that either or both parties will submit ASRs to *each other* to establish interconnection trunks. There is nothing in the ICA about one party submitting ASRs to itself. *See, ICA, Attachment IV* (no reference to self-provisioning whatsoever); *and see, Tr.*, at 87:24-88:9. (**Bando Cross**)(admitting that he could

not identify any part of the ICA that addresses using ASRs for self-provisioning). Part B of the ICA defines “Access Service Request” as “the industry standard forms and supporting documentation used for ordering Access Services” and states that “[t]he ASR may be used to order trunking and facilities between [Core] and [Verizon] for local interconnection.” That definition is not limited to Core placing orders to Verizon, but if that were not clear enough, ICA Attachment IV, § 4.3.1 states: “*Orders between the Parties* to establish, add, change or disconnect trunks shall be processed by use of an Access Service Request (“ASR”), or another industry standard eventually adopted to replace the ASR for local service ordering,” and § 4.3.2 states: “[Verizon] will issue an ASR to [Core] to trigger changes [Verizon] desires to the [Verizon] Local Interconnection Trunk Groups based on [Verizon’s] capacity assessment.”

Quite simply, Verizon submits ASRs to Core because Verizon needs Core to deploy facilities necessary for interconnection between Verizon and Core. **Core Stmt. 2.0**, at 2. As the ICA contemplates, the purpose of the ASR is for one carrier to order trunks—and the facilities needed to support those trunks—from another carrier. This purpose is borne out in the ASRs themselves. For example, Verizon ASRs to Core typically contain a field for “BILLCON,” or billing contact field, which is the name and address of a Verizon point of contact to which Core sends its bill. **Core Exh. N (sample ASR from Verizon to Core)**. In the case of the sample ASR, the billing contact is Mr. Bando. *Id.* Verizon ASRs also typically contain a “TSC” or “two-six code” field, which identifies a specific trunk group between Verizon’s POI and Core’s switch IP, and identifies Core’s switch IP by its eight-digit common language location identifier (“CLLI”) code in the field called “CSL.” **Core Stmt. 2.0**, at 5; and **Core Exh. N**. In the sample ASR, the trunk group is AA171857, which connects Verizon’s Market Street Tandem switch to Core’s switch at 401 N. Broad Street, Philadelphia. *Id.* Finally, in the “REMARKS” field of the

ASR, Verizon describes the pertinent interconnection project in plain English. In the sample ASR, Verizon's REMARKS state "PLEASE CREATE NEW GROUP WITH 288 TRUNKS TO PHLAPAMK92T GROUP ON NEW DS3." *Id.*

B. Verizon Beached the ICA by Refusing to Compensate Core for Trunk Ports

Tandem trunk ports are receptacles on the periphery of a switch that connect the switch to an incoming trunk. **Core Stmt. 1.0 (Mingo Direct)**, at 10; *and see*, **Core Stmt. 1.0, Figures BLM-2 (IP/POI Diagram) and BLM-3 (IP/POI Diagram—Philadelphia)**. There is no dispute that Core provided tandem trunk ports to Verizon, or that Verizon used them. *Id.*; and **Core Stmt. 2.0**, at 15. Nor is there any debate that the trunk ports were necessary to enable interconnection between the parties. **Core Stmt. 1.0**, at 10; and **Core Stmt. 2.0 (Mingo Surrebuttal)**, at 13. Nor does Verizon ever claim that it self-provisioned the trunk ports for which Core billed.

Verizon ordered trunk ports by requesting that Core provision, per each ASR, a certain number of trunks on an established trunk group designated by a unique "two-six" code. **Core Stmt. 1.0**, at 12-13. Every trunk necessarily includes two ports—one on either end of the trunk. *Id.*, at 10. In cases where Verizon provides the trunk port on the originating side, Core must provide a corresponding port on the terminating side, in order to complete the trunk. *Id.* The trunk ports Core bills to Verizon are dedicated to Verizon's sole use. **Core Stmt. 2.0**, at 14. These dedicated trunk ports reside on the "ingress side" of Core tandem, and connect only to Verizon's switch. **Tr.**, at 17:14 through 18:2 (**Mingo Oral Surrejoinder**). Furthermore, Verizon bills Core for dedicated trunk ports when Core orders trunks to deliver its traffic to Verizon. **Core Stmt. 2.0**, at 15; and **Proprietary Exh. Q (Spreadsheet of Verizon charges to Core for multiplexing and trunk ports)**.

The ICA permits Core to bill Verizon for trunk ports. The relevant provisions of the ICA are as follows:

The ICA, Attachment IV (Interconnection) provides:

2.2.1 [T]he originating carrier shall pay the terminating carrier for the Transport and Termination of local traffic. The following compensation elements shall apply:

2.2.1.1 “Transport,” which includes the transmission of Local Traffic from the POI to the terminating carrier’s IPs, and any necessary Tandem Switching, and any necessary transport between the terminating carrier’s access Tandem Office and the terminating carrier’s End Office Switch that directly serves the called end user.

* * *

2.4.2 When Local Traffic from [Verizon] is terminating on [Core]’s network through the POI, [Verizon] shall pay [Core] transport charges from the POI to the [Core] Switch for Dedicated Transport. This transport charge shall not exceed [Verizon]’s equivalent charge. [Verizon] shall also pay a charge symmetrical to its own charges to [Core] for Tandem Switching, Tandem Office to End Office transport, and End Office termination, provided that the [Core] Switch covers an area comparable to the [Verizon] access Tandem Office serving the same area. If the area covered by the [Core] Switch is comparable instead to the area of an End Office, [Verizon] shall not pay the charges for Tandem Switching or Tandem Office to End Office transport.

The ICA, Part B (Definitions) provides:

“Tandem Switching” is as defined in Attachment III, Section 14.

The ICA, Attachment III (Network Elements) provides:

Section 14. Tandem Switching

14.1 Definition:

14.1.1 Tandem Switching includes trunk-connect facilities, the basic switching function of connecting trunks to trunks, and the functions that are centralized in tandem switches. Tandem Switching creates a temporary transmission path between

interoffice trunks that are interconnected at a [Verizon] access tandem switch for the purpose of routing a call or calls.

ICA, Appendix 2, Section III (“Unbundled Switching”) includes both a “Tandem Switching Usage” rate of \$0.000795 per MOU (Item III.B.) and a “Trunk Ports—Tandem” rate of \$214.57 per month recurring charge (Item III.D.).

Tandem trunk ports, which connect the incoming trunks to the switch, **Core Stmt. 1.0**, at 10, are the “trunk-connect facilities” referenced in the ICA’s definition of “Tandem Switching,” and the pricing for them is set forth in the ICA, Appendix 2, Section III, which includes a separate and independent monthly recurring rate for “Trunk Ports—Tandem.” The fact that the ICA’s pricing schedule also provides for “Tandem Switching Usage” means that tandem switching usage and tandem trunk ports are distinct elements, the former being billed on a monthly recurring basis, and the latter on a per-minute usage basis. Accordingly, per the ICA, tandem trunk ports are not subsumed within the tandem reciprocal compensation rate.

Verizon argues that tandem trunk ports were subsumed in the per-minute tandem switching rate in the Commission’s 2004 TELRIC Compliance Order² and memorialized in Verizon’s Pa. P.U.C. Tariff No. 216. **Verizon Stmt. 2.0 (D’Amico Rebuttal)**, at 9-10 (“Verizon’s port charges are embedded in its Reciprocal Compensation Rates.”) and 15; *and see*, **Verizon Exh. 5 (Verizon tariff excerpts)** and **Verizon Stmt. 2.1 (D’Amico Rejoinder)**, at 7-8 (“the costs of the Tandem Ports for which Core seeks to bill Verizon are included in the Verizon [2001] cost study as part of its Reciprocal Compensation rate”); *and see*, **Core Exh. P (Verizon Response to Core Interrogatory III-7)**(including a diagram and table of Reciprocal Compensation rate elements and referencing Verizon’s 2001 Reciprocal Compensation Cost Study). As an initial matter, the ICA has never been amended to incorporate the pricing in the

² **Core Cross Exh. 7** (Compliance Order, *Generic Investigation Re Verizon Pennsylvania Inc. ’s Unbundled Network Element Rates*, Pa. P.U.C. Docket R-00016683 (July 16, 2004)).

Commission's 2004 Compliance Order or in any Verizon tariff. But even if the 2004 TELRIC prices were somehow incorporated into the ICA, Mr. D'Amico's testimony, rate table and diagram, relating to trunk ports and reciprocal compensation, do not withstand scrutiny.

Mr. D'Amico testified that he could demonstrate that tandem trunk ports were included in the Commission's 2004 TELRIC Reciprocal Compensation rate of \$0.002439/MOU by showing that "the individual rate elements add up" to that rate, if one adopts his analysis as set forth in the diagram and rate table. However, there are several fatal flaws with this "proof."

First, the 2001 Reciprocal Compensation Cost Study Methodology referenced by Mr. D'Amico to support his theory of inclusion *****BEGIN PROPRIETARY*****

*****END PROPRIETARY*****

Second, Mr. D'Amico's rate table and diagram are not consistent with the 2001 Cost Study. The 2001 Cost Study used an average IOF mileage of *****BEGIN PROPRIETARY*****.

*****END PROPRIETARY*****

Third, Mr. D’Amico admitted that the 2001 Cost Study indicated an independent End Office Shared Trunk Port component, whereas his diagram did not. *Compare*, **Core Proprietary Cross Exh. 5 (Verizon Pennsylvania End Office and Tandem Reciprocal Compensation)**, at 3d page (“Meet Point B – Termination at Tandem) to, **Core Cross Exh. P** (diagram); *and see*, **Proprietary Tr.**, at 119:20-120:5.

Fourth, Mr. D’Amico admitted that the 2001 Cost Study identified two common tandem trunk ports and one common end office trunk port, whereas his diagram included two common tandem trunk ports and no common end office trunk port. *Compare*, **Core Proprietary Cross Exh. 5** (“Meet Point B – Termination at Tandem) to **Core Cross Exh. P** (diagram); *and see*, **Proprietary Tr.**, at 123:13-25.

Other than an unsubstantiated reference to “this process in all of our other states,” Mr. D’Amico could not explain how end office trunk port costs were included in the Commission’s 2004 End Office Reciprocal Compensation Rate of \$0.00987/MOU. **Tr.**, at 123:2-13.

Ultimately, the Commission’s 2004 Compliance Order—just like the ICA’s pricing schedule—includes separate and independent rates for (1) tandem and end office trunk ports; and (2) tandem and end office reciprocal compensation. **Core Cross Exh. 7**, at 19-20. Mr. D’Amico’s argument that trunk port costs were somehow subsumed into reciprocal compensation simply does not add up.

C. Verizon Beached the ICA by Refusing to Compensate Core for Multiplexing

Multiplexing is the disaggregation of telecommunications channels on a trunk. **Core Stmt. 1.0 (Mingo Direct)**, at 10. In this case, Core disaggregated each incoming DS3 channel from Verizon into 28 DS1 channels and then into 672 individual DS0 channels. *Id.* Verizon never contests the facts that Core provided multiplexing to Verizon, that Verizon used it, or that this multiplexing was necessary to enable interconnection. **Core Stmt. 1.0**, at 10-11; **Core Stmt. 2.0 (Mingo Surrebuttall)**, at 15 *and see*, **Core Stmt. 1.0, Figures BLM-2 (IP/POI Diagram) and BLM-3 (IP/POI Diagram—Philadelphia)**. Nor does Verizon ever claim that it self-provisioned multiplexing.

The ICA permits Core to bill Verizon for multiplexing. The relevant provisions of the ICA are as follows:

The ICA, Attachment IV (Interconnection) provides:

2.2.1 [T]he originating carrier shall pay the terminating carrier for the Transport and Termination of local traffic. The following compensation elements shall apply:

2.2.1.1 “Transport,” which includes the transmission of Local Traffic from the POI to the terminating carrier’s IPs, and any necessary Tandem Switching, and any necessary transport between the terminating carrier’s access Tandem Office and the terminating carrier’s End Office Switch that directly serves the called end user.

* * *

2.4.2 When Local Traffic from [Verizon] is terminating on [Core]’s network through the POI, [Verizon] shall pay [Core] transport charges from the POI to the [Core] Switch for Dedicated Transport. This transport charge shall not exceed [Verizon]’s equivalent charge. [Verizon] shall also pay a charge symmetrical to its own charges to [Core] for Tandem Switching, Tandem Office to End Office transport, and End Office termination, provided that the [Core] Switch covers an area comparable to the [Verizon] access Tandem Office serving the same area. If the area covered by the [Core] Switch is comparable instead to the area of an End

Office, [Verizon] shall not pay the charges for Tandem Switching or Tandem Office to End Office transport.

ICA, Part B provides:

“Dedicated Transport” is as defined in Attachment III, Section 10.

ICA, Attachment III (“Network Elements”), Section 10 provides:

10.1.1 Dedicated Transport is an interoffice transmission path of a fixed capacity between [Core] designated locations to which [Core] is granted exclusive use. Such locations may include [Verizon] Central Offices, other telecommunication Carrier locations, subscriber premises, or other mutually agreed locations. Dedicated Transport is depicted below in Figure 2.

10.1.2 [Verizon] shall offer Dedicated Transport as a circuit (e.g., DS0 (voice grade), DS1, STS1 (when available) and DS3) dedicated to [Core].

10.1.3 When Dedicated Transport is provided as a circuit, it will have available (as appropriate):

10.1.3.1 Optional multiplexing functionality;

10.2.4 [Verizon] shall offer DCS and multiplexing, both together with and separately from Dedicated Transport.

ICA, Appendix 2, provides pricing for multiplexing at Item II.C.—DS-3 to DS-1

Multiplexing: \$242.57/month recurring charge.

Taken together, these provisions of the ICA provide that Verizon shall pay Core for “Dedicated Transport,” which is defined to include multiplexing as an optional feature of the transport, or, on a standalone basis. In this case, Core provided Verizon with multiplexing in conjunction with transport (in the Philadelphia LATA) and on a standalone basis (in all other LATAs). **Core Stmt. 1.0, Figures BLM-2 (IP/POI Diagram) and BLM-3 (IP/POI Diagram—Philadelphia).** Notably, Verizon bills Core for multiplexing when Core orders trunks to deliver

its traffic to Verizon. **Core Stmt. 2.0**, at 15; and **Proprietary Exh. Q** (spreadsheet showing Verizon charges to Core for multiplexing and trunk ports).

D. Verizon Beached the ICA by Refusing to Compensate Core for Dedicated Transport and Entrance Facilities

Dedicated transport and entrance facilities are charges that apply to the transport of interconnection traffic from a point on the originating carrier's network to a point on the terminating carrier's network. **Core Stmt. 1.0 (Mingo Direct)**, at 11. Dedicated transport charges apply to a wide range of transport scenarios, while entrance facilities apply specifically to transport which provides an entry point into a carrier's network. *Id.* Core provided dedicated transport and entrance facilities to Verizon, and Verizon used them. *Id.* The transport facilities carry Verizon's interconnection traffic to Core. *Id.*, and see, **Core Stmt. 1.0, Figure BLM-3 (IP/POI Diagram—Philadelphia)**.

The ICA permits Core to bill Verizon for dedicated transport and entrance facilities. The relevant provisions of the ICA are as follows:

The ICA, Attachment IV (Interconnection), § 1.2.2 provides:

The Party delivering traffic to the other Party's IP(s) shall do so by purchasing from the other Party transport between the POI(s) and the IP(s), if necessary.

The ICA, Att. IV, § 1.2.1.1 defines "Interconnection Point" or "IP" as:

[T]he switching, Wire Center, or other similar network node in a Party's network at which such Party accepts Local Traffic from the other Party... [Core] IPs include any [Core] Switch, for the delivery of traffic terminated to numbers served out of that Switch.

The ICA, Att. IV, § 1.2.1.2 defines "Point of Interconnection" or "POI" as:

[T]he physical point that establishes the technical interface, the test point, and the operational responsibility hand-off between the Parties for the Local Interconnection of their networks. Unless otherwise mutually agreed, [Core] will be responsible for

engineering and maintaining its network on its side of the POI and [Verizon] will be responsible for engineering and maintaining its network on its side of the POI.

The ICA, Att. IV, § 2.4.2 provides:

When Local Traffic from [Verizon] is terminating on [Core]'s network through the POI, [Verizon] shall pay [Core] transport charges from the POI to the [Core] Switch for Dedicated Transport. This transport charge shall not exceed [Verizon]'s equivalent charge.

The ICA, Appendix 2, Item II.A. (“Dedicated Transport”) provides for a DS-3 monthly recurring charge of \$489.55 and a per mile monthly recurring charge of \$16.94.

The ICA, Appendix 2, Item II.C. (“Entrance Facilities”) provides for a DS-3 Channel Termination monthly recurring charge of \$975.90.

These ICA provisions are fully consistent with the FCC’s guidance on the issue of pricing for interconnection facilities.³

Core only bills Verizon for dedicated transport and entrance facilities in the Philadelphia LATA. **Core Stmt. 1.0**, at 9; and **Exhibit A** (sample invoice). Core established an OC-12 fiber optic ring transport system in Philadelphia, which supports multiple DS3s carrying Verizon traffic to Core’s switch in Philadelphia. **Core Stmt. 1.0**, at 9; *and*, **Figure BLM-3**.

Verizon contests the fact that the Dedicated Transport Core provided in Philadelphia is “necessary” per the ICA, Att. IV, § 1.2.2. **Verizon Stmt. 2.0 (D’Amico Rebuttal)**, at 20 (“in the

³ The FCC has found that “[I]n establishing the rates for transmission facilities that are dedicated to the transmission of traffic between two networks, state commissions should be guided by the default price level we are adopting for the unbundled element of dedicated transport.²⁵⁴¹ For such dedicated transport, we can envision several scenarios involving a local carrier that provides transmission facilities (the “providing carrier”) and another local carrier with which it inter connects (the “interconnecting carrier”). The amount an interconnecting carrier pays for dedicated transport is to be proportional to its relative use of the dedicated facility. For example, if the providing carrier provides one-way trunks that the interconnecting carrier uses exclusively for sending terminating traffic to the providing carrier, then the interconnecting carrier is to pay the *16028 providing carrier a rate that recovers the full forward-looking economic cost of those trunks. *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, 11 F.C.C. Rcd. 15499, 16027-28, ¶ 1062 (1996). This excerpt was admitted into the record as **Core Exh. K**.

Philadelphia LATA, Verizon had the facilities in place to carry its traffic all the way to the building housing Core's switch. Thus, it was not 'necessary' for Verizon to purchase transport [from Core]." This argument is pure fantasy. There is no dispute that Verizon actually uses Core's facilities to get its traffic to Core's switch in Philadelphia. **Core Stmt. 2.0**, at 13.

Furthermore, ICA Attachment IV, Section 2.4.2 clearly makes Verizon responsible for transport between the POI and Core's switch IP, without the qualifying term "necessary." Indeed, the only reasonable reading of the term "necessary," as it appears in Att. IV, § 1.2.2 is that, if the POI and the IP are in the same place, then no transport is "necessary." **Core Stmt. 2.0**, at 12.

However the term is construed, the transport Core provides Verizon in Philadelphia is "necessary" because, but for Core's fiber-optic transport facility, there is no other transport facility that connects Core's IP (switch) at 401 N. Broad Street, 4th Floor, to the POI in Verizon's Race Street central office. **Core Stmt. 2.0**, at 16-17. True, Verizon *used to* use its own transport facility to connect to Core's former switch location at 401 N. Broad Street, 9th Floor, but that facility simply does not connect to Core's *current* switch location. **Core Stmt. 2.0**, at 16. And true, Core *used to* maintain connections between the Ninth Floor and the Fourth Floor. **Tr.**, at 61:20-62:18. But nothing in the ICA required Core to continue taking *Verizon's traffic* to Core's own IP.

E. The Rates Core May Bill Verizon For Services Provided Pursuant to the ICA Are Set Forth In the ICA

The ICA, Appendix 2 ("Detailed Schedule Of Itemized Charges") sets forth the rates applicable to the elements Core billed to Verizon, including trunk ports, multiplexing, dedicated transport and entrance facilities. **Stipulated Joint Exhibit One (ICA)**, Appendix 2, at 2 (dedicated transport), 3 (entrance facilities and multiplexing) and 6 (trunk ports).

Most of the specific rates in Appendix 2 appear in section A thereto, entitled “[Verizon Services, Facilities and Arrangements].” However the Appendix 2, Item B.V provides that Core may mirror those same Verizon rates:

All Other CORE Services Available to [Verizon] for Purposes of Effectuating Local Exchange Competition—Available at CORE’s tariffed or otherwise generally available rates, not to exceed [Verizon] rates for equivalent services available to CORE.”

All of the services for which Core billed Verizon effectuate local exchange competition, by supporting the flow of interconnection traffic from Verizon to Core. **Core Stmt. 1.0 (Mingo Direct)**, at 9-13. Core made these ICA rates available to Verizon quite simply by billing Verizon for the services at the applicable ICA rates. **Core Stmt. 1.0**, at 12-13; and **Exhibit A (sample invoice)**. Those rates are Core’s generally available rates for interconnection services. **Core Stmt. 2.0**, at 7, 16 and 19.

Verizon argues Core may not charge *any* rate for *any* of these services because Core has no tariff on file for them. **Verizon Stmt. 2.0 (D’Amico Rebuttal)**, at 13. But the ICA does not require Core to have a *tariff*. It explicitly states that Core may simply bill Verizon at any generally available rate, not to exceed Verizon’s. This is expansive, not restrictive language. Verizon is trying to create a technical tariffing requirement which does not exist, and thereby escape liability for facilities it clearly uses.

F. The Rates in the ICA Were Never “Replaced” by The Commission’s 2004 Rate Order Pursuant to ¶ 2 of Appendix 2

Verizon contends that the ICA was automatically updated to include the TELRIC rates Verizon filed, in the form of a revision to its P.U.C. Tariff No. 216, to comply with the Commission’s 2004 Compliance Order. **Verizon Stmt. 2.0 (D’Amico Rebuttal)**, at 15-16 and **Verizon Exh. 5** (Verizon tariff excerpts).

There is no basis for this contention in the ICA.

The ICA, Appendix 2, Note 1 provides:

The rates and charges set forth in Exhibit A shall apply until such time as they are replaced by new rates as may be approved or allowed into effect by the Commission from time to time pursuant to the FCC Regulations, subject to a stay or other order issued by any court of competent jurisdiction.

The ICA, Part A, § 1.3 provides:

The Parties acknowledge that some of the services, facilities and arrangements provided pursuant to this Agreement are or will be available under and subject to the terms of the federal or state Tariffs of the Party providing them. To the extent that a Tariff of a Party applies to any service, facility or arrangement provided pursuant to this Agreement, the following shall apply:

1.3.1 The rates and charges set forth in Attachment I shall remain fixed for the term of this Agreement or until superseded by such rates (whether interim or permanent) as may be applied by the Commission, notwithstanding that either of such rates may be different from those set forth in any effective, pending or future Tariff of the providing Party, (including any changes or modifications to any such Tariff--or any new Tariff--filed after the Effective Date of this Agreement); provided, however, this Section 1.3.1 shall remain subject to Section 1.3.3.

1.3.2 This Agreement and any applicable Tariffs of either Party shall be construed whenever possible to avoid any conflict between them. The fact that a condition, term, right or obligation appears in the Agreement and not in a Tariff, or in a Tariff but not in the Agreement, shall not be interpreted as, or deemed grounds for finding, a conflict for the purposes of this Section 1.3.

1.3.3 Any change or modification to any Tariff (including any Tariff filed after the Effective Date hereof) filed by either Party that materially and adversely impacts the provision or receipt of services hereunder or which materially and adversely alters the terms hereof shall only be effective against the other Party to the extent permitted by: (i) that Party's written consent; or (ii) an affirmative order of the Commission. Each Party shall file any required Tariff revisions, modifications or amendments in order to comply with Applicable Law and to continue performance of this Agreement in a lawful manner.

The ICA, Part A, § 36 provides:

Section 36. Amendments and Modifications

36.1 No provision of this Agreement shall be deemed waived, amended or modified by either Party unless such a waiver, amendment or modification is in writing, dated, and signed by both Parties.

Verizon never asked Core for its “written consent” to adopt the rates in Verizon’s Tariff No. 216 (whether in 2004 or at any other time); and Core never gave that consent. The Commission’s 2004 Compliance Order was not “an affirmative order of the Commission” which changed or modified the ICA’s pricing per ICA, Pt. A, § 1.3. The Order scarcely mentions ICAs,⁴ much less requires amendment of any particular ICA.

G. Core Billed Verizon Pursuant to the ICA and Attempted to Resolve Verizon’s Disputes Prior to Filing

Prior to bringing its complaint in this case, Core fully complied with the ICA’s dispute resolution and billing dispute provisions. The relevant provisions of the ICA are as follows:

The ICA, Attachment VIII, § 3.1.8.3. states:

Although it is the intent of each Party as a providing Party to submit timely and accurate bills, failure by a providing Party to present bills to a purchasing Party in a timely or accurate manner shall not constitute a breach or default of this Agreement, or a waiver of a right of payment of the incurred charges, by the providing Party.

The ICA, Part A, Section 24 states:

Section 24. Dispute Resolution Procedures

⁴ The order’s only reference to interconnection agreements encourages *negotiation* of changes to ICAs that reflect new regulatory requirements. Compliance Order, at 23 (“As the regulatory landscape changes, the Commission urges carriers to continue efforts to negotiate interconnection agreements that will govern their business relationship. In these matters, negotiation is clearly superior to litigation and the parties are encouraged in the strongest possible terms to reach agreements that will help provide additional stability to the market.”). Verizon never sought to negotiate the pricing changes it now presents as a *fait accompli*.

24.1 In the event the Commission retains continuing jurisdiction to implement and enforce the terms and conditions of this Agreement, the Parties agree that any dispute arising out of or relating to this Agreement that the Parties themselves cannot resolve, may be submitted to the Commission for resolution. The Parties agree to seek expedited resolution by the Commission, pursuant to applicable procedures established by the Commission. During the Commission proceeding, each Party shall continue to perform its obligations under this Agreement; provided, however that neither Party shall be required to act in any unlawful fashion. This provision shall not preclude the Parties from seeking relief available in any other forum.

The ICA, Attachment VIII states:

3.1.9 Billing Dispute

3.1.9.1 Subject to and without waiver of any of the providing Party's rights under Section 21.3 of Part A of this Agreement, each Party agrees to notify the other Party upon the discovery of a billing dispute. In the event of a billing dispute, the Parties will endeavor to resolve the dispute within sixty (60) days of the Bill Date on which such disputed charges appear. Resolution of the dispute is expected to occur at the first level of management resulting in a recommendation for settlement of the dispute and closure of a specific billing period. If the issues are not resolved within the allotted time frame, the following resolution procedure will begin:

3.1.9.1.1 If the dispute is not resolved within sixty (60) days of the Bill Date, the dispute will be escalated to the second level of management for each of the respective Parties for resolution.

3.1.9.1.2 If the dispute is not resolved within ninety (90) days of the Bill Date, the dispute will be escalated to the third level of management for each of the respective Parties for resolution.

3.1.9.1.3 If the dispute is not resolved within one hundred and twenty (120) days of the Bill Date, the dispute will be resolved in accordance with the dispute resolution procedures set forth in Part A of this Agreement.

3.1.9.2 Upon resolution of the dispute, the relevant Party shall pay all amounts determined to have been due in accordance with Section 21.3 of Part A.

Verizon argues that all of Core’s charges are invalid, because Core did not issue them sooner. **Verizon Stmt. 1.1 (Bando Rejoinder)**, at 2. But the ICA, Att. VIII, § 3.1.8.3 explicitly sanctions backbilling. As a practical matter, Core has attempted to resolve the issue of Verizon’s facilities bills to Core for years, intending that, once those bills were settled, the methodology for Core to bill Verizon would be clear. **Tr.**, at 12:24-13:16 (**Mingo Oral Surrejoinder**); and 51:8-52:24 (Mingo Cross). That resolution never happened, so Core eventually went ahead and issued its bills in a forthright fashion and to the best of its ability. *Id.*

Resolution of Verizon’s facilities bills to Core would have been helpful because as Verizon itself admits, the charges for which Core may bill Verizon cannot exceed the rates Verizon charges Core for equivalent services. ICA, App. 2, Item B.V (providing: “[a]ll Other CORE Services Available to [Verizon] for Purposes of Effectuating Local Exchange Competition—Available at CORE’s tariffed or otherwise generally available rates, not to exceed [Verizon] rates for equivalent services available to CORE.,” *and see*, **Verizon Stmt. 2.1 (D’Amico Rejoinder)**, at 6 (“Verizon does not bill Tandem Port charges in conjunction with the termination of local traffic... Verizon has not charged the rate Core has charged (or any rate, for that matter) for the “equivalent service” because Verizon’s port costs are embedded in its Reciprocal Compensation rates. Therefore, Verizon’s rate for “equivalent services” is zero.”).

Verizon argues that the ICA’s billing dispute procedures must be followed to their conclusion before a party may bring a complaint before the Commission. At the outset, the ICA does not establish such a condition precedent, i.e., where the claim is that one party’s contractual duty is conditioned on the other party’s performance of a different obligation.⁵

⁵ *Britex Waste Co. v. Nathan Schwab & Sons*, 139 Pa. Super. 474,483-84, 12 A.2d 473,478 (1940)(“Where an act or event mentioned in a contract is not expressly made a condition precedent, it will not be so construed unless such clearly appears to be the intention of the parties. In case of doubt as to whether words create a promise or an express condition, they are to be interpreted as creating a promise.”).

Even assuming, however, that the ICA makes following the dispute resolution process through to its end a condition precedent to the right to bring a complaint, Core fully complied with the 120 window for billing disputes set forth in ICA, Att. VIII, § 3.1.9.1.3. There can be no question that Verizon’s disputes, quite simply, were “not resolved within one hundred and twenty (120) days of the Bill Date.” *Id.* Accordingly, Verizon disputes were subject to “the dispute resolution procedures set forth in Part A of this Agreement,” *id.*, which provides that “any dispute arising out of or relating to this Agreement that the Parties themselves cannot resolve, may be submitted to the Commission for resolution.” ICA, Pt. A, § 24. That is precisely what Core did. Indeed, Core waited 600+ days from the date of Verizon’s initial dispute (never mind the much earlier Bill Date of Core’s initial bill), before bringing its complaint to the Commission. **Core Stmt. 1.0 (Mingo Direct)**, at 16.

Furthermore, it was Core—not Verizon—which “endeavor[ed] to resolve the dispute[s]” that are the subject matter of this case in compliance with ICA, Att. VIII, § 3.1.9.1. When it received Verizon’s initial disputes, Core reached out to Verizon and attempted to resolve them. **Core Stmt. 1.0**, at 13-15; **Exhibit I** (disputes correspondence); and **Core Stmt. 2.0 (Mingo Surrebuttal)**, at 8. When Verizon asked for documentation to support Core’s bills, Core supplied the requested documentation. **Core Stmt. 1.0**, at 15; and **Exhibit I** (Email dated Nov. 9, 2012 from Core to Verizon, attaching the requested contractual documentation). Verizon never responded to this documentation, instead preferring to issue the same form letters it had issued previously. **Core Stmt. 1.0**, at 15; and **Core Stmt. 2.0**, at 8. Core immediately escalated Verizon’s disputes to the highest levels. **Core Stmt. 1.0**, at 16; and **Core Stmt. 2.0**, at 8. Verizon apparently reviewed Core’s bills through a panel of high-ranking executives, **Core Exh. J (Verizon Response to Core Int. I-2)**, yet never responded to the documentation Core provided.

Core warned Verizon that it intended to pursue collections, but Verizon never responded. **Core Stmt. 1.0**, at 15.

Verizon argues that it received Core's response, reviewed the ICA provisions Core specified, and determined that none of them applied. **Verizon Stmt. 1.1 (Bando Rejoinder)**, at 5-6. Thus, Verizon says, it simply continued to send Core form letters asking for ICA provisions. *Id.* None of these contentions is supported by the record. It defies logic to say that, after asking for ICA provisions, and getting them, one can review them and without notifying the other party, conclude that they don't apply, then ask once more for ICA provisions as if none had ever been sent in the first place.

H. The Altoona Amendment Does Not Bar Core's Claim for Altoona Facilities

Contrary to Verizon's assertion, **Verizon Stmt. 2.0 (D'Amico Rebuttal)**, at 28-29, Amendment No. 1 to the ICA, ("the Altoona Amendment"), does not bar the facilities charges Core billed Verizon with respect to the Altoona LATA. First, the term "payment," as it appears in Altoona Amendment, § 1.b, **Verizon Exh. 1, (ICA excerpts)**(Amendment No.1 is the last in a series of excerpts), at 2, clearly relates to "performance metrics... or similar obligations," which were established to track Verizon's compliance with the "271 Checklist" for long-distance authority, and which are not at issue here. **Core Stmt. 2.0 (Mingo Surrebuttal)**, at 19. Second, Core only billed Verizon in Altoona for trunk ports and multiplexing, neither of which is "transport" as set forth in Altoona Amendment, § 1.d. Third, the Altoona Amendment is specifically premised on the understanding that "Core's switch is located... at 1215 16th Street, Altoona, Pennsylvania." Altoona Amendment, at § 1.a. However, in 2007, Core moved its switch from 1215 16th Street to 1315 13th Street, Altoona. **Core Stmt. 2.0**, at 20. Core installed and now maintains aerial cabling between and connecting the old location, where Verizon's mux

remains, and the new location of Core's switch/IP. *Id.* The fundamental premises of the Altoona Amendment no longer apply.

I. Core's Damages are \$3,964,096 Through July, 2014, Plus Additional Monthly Recurring Fees and Associated Interest Through the Date of Judgment

Core billed Verizon a total of \$4,288,813, as of July 11, 2014. **Core Stmt. 1.0 (Mingo Direct)**, at 12 and **Core Exh. H (Open Balance Report)**. The total amount due increases by \$66,626 with each passing month. **Core Exh. H**.

Of this total amount due as of July, 2014, \$324,717 is associated with the Erie LATA and is therefore attributable to Verizon North, LLC not Verizon Pennsylvania, LLC, which is the respondent named in this case. **Core Stmt. 2.0 (Mingo Surrebuttal)**, at 11; *and see*, **Verizon Stmt. 1.0 (Bando Rebuttal)**, at 20. Accordingly, Core's total damages due from Verizon in this case is \$3,964,096 (which is \$4,288,813 - \$324,717) as of July 11, 2014, including all charges billed through the invoice dated July 1, 2014. **Core Exh. H**.

In addition, Core continues to bill Verizon at a static amount of \$66,626.93 per month. **Core Exh. H; and, Verizon Stmt. 1.0 (Bando Rebuttal)**, at 6 and note 3. Of this monthly amount, \$6707.67 is attributable to Erie charges. **Verizon Exh. H (Tabulation of Monthly Charges for Erie)**(\$6706.67 is the sum of the 7 line items billed for Erie in the August 2014 invoice). Therefore, in addition to the total amount due through the July 1, 2014 invoice, Verizon owes Core \$59,919.26 (which is \$66,626.93 - \$6706.67) per month, continuing through to the date of judgment in this case.

In addition, Verizon owes Core interest as set forth in the ICA, to be calculated through the date of judgment in this case.

The ICA, Part A, provides:

21.3 Billing Disputes.

21.3.1 If a billing dispute arises concerning any charges billed pursuant to this Agreement by a providing Party to a purchasing Party, payments withheld or paid pending settlement of the dispute shall be subject to interest at the rate set forth in [Verizon]'s interstate access tariff.

21.3.2 If the purchasing Party pays the bill in full by the payment due date and later initiates a billing dispute pursuant to Attachment VIII, Section 3.1.9, interest will apply as follows:

21.3.2.1 If the billing dispute is resolved in favor of the purchasing Party, the purchasing Party shall receive a credit from the providing Party. This credit will be an amount equal to the disputed amount, plus interest at the rate set forth in [Verizon]'s interstate access tariff. This amount will apply from the date of the purchasing Party's payment through the date on which the purchasing Party receives payment of the disputed amount and accrued interest from the providing Party.

21.3.2.2 If the dispute is resolved in favor of the providing Party, neither a late payment charge nor an interest charge is applicable.

21.3.3 If the purchasing Party withholds payment on the bill (in full or in part) and initiates a billing dispute pursuant to Attachment VIII, Section 3.1.9, interest will apply as follows:

21.3.3.1 If the billing dispute is resolved in favor of the providing Party, the purchasing Party shall pay the providing Party a payment equal to the amount withheld by the purchasing Party, plus interest at the rate set forth in [Verizon]'s interstate access tariff. This amount will apply from the payment due date through the date on which the providing Party receives payment of the disputed amount and accrued interest from the purchasing Party.

Therefore, per the ICA, Att. VIII, § 21.3.3.1, Verizon owes Core all amounts withheld by Verizon, plus interest to be applied through the date on which the Commission requires Verizon to pay.

III. Proposed Findings of Fact

1. Complainant Core is a competitive local exchange carrier (“CLEC”) providing telecommunications services to customers in Pennsylvania.

2. Respondent Verizon is an incumbent local exchange carrier (“ILEC”) operating in Pennsylvania.

3. Core and Verizon are parties to an Interconnection Agreement (“ICA”) having an effective date of March 31, 2000. **Stipulated Joint Exhibit 1.**

4. Verizon ordered and used interconnection facilities provided by Core, including trunk ports, multiplexing, dedicated transport and entrance facilities, in order to deliver interconnection traffic to Core.

5. Core billed Verizon for the interconnection facilities at the rates set forth in the ICA.

6. Core billed Verizon \$3,964,096 for interconnection facilities through the invoice dated July 1, 2014.

7. Core currently bills Verizon \$59,919.26 per month for interconnection facilities, pending any change in the facilities Verizon uses.

8. Verizon did not pay Core for any of the interconnection facilities.

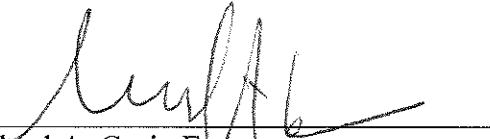
IV. Proposed Conclusions of Law

1. The Commission has jurisdiction over this matter pursuant to 66 Pa. C.S. § 331.
2. The Commission also has jurisdiction over this dispute pursuant to the Communications Act of 1934, 47 U.S.C. § 151, et seq., as amended by the Telecommunications Act of 1996, 47 U.S.C. § 251, et seq.
3. The ICA provides that any dispute that the parties cannot resolve may be submitted to the Commission for resolution. ICA, Part A, § 24.
4. Core provided interconnection facilities to Verizon pursuant to the ICA.
5. Core billed Verizon for interconnection facilities pursuant to the ICA.
6. Core complied with the ICA's billing dispute resolution provisions prior to filing its complaint in this matter.
7. Verizon owes Core \$3,964,096 pursuant to the ICA for interconnection facilities Core billed through the invoice dated July 1, 2014.
8. Verizon owes Core \$59,919.26 per month pursuant to the ICA for interconnection facilities, pending any change in the facilities it uses.
9. Verizon owes Core interest pursuant to the ICA, to be calculated through the date of judgment in this matter.

V. Conclusion

For all the foregoing reasons, Core respectfully requests that the Commission grant Core the relief requested herein.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael A. Gruin", written over a horizontal line.

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December 12, 2014

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

CORE COMMUNICATIONS, INC.
Complainant

v.

VERIZON PENNSYLVANIA LLC
Respondent

Docket No. C-2014-2406550

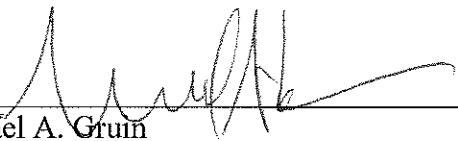
CERTIFICATION OF SERVICE

I hereby certify that I have this day served by First Class U.S. Mail and Electronic Mail a true and correct copy of the foregoing Initial Brief upon the parties listed below, in accordance with the requirements of § 1.54 (relating to service by a party)

VIA ELECTRONIC MAIL AND FIRST CLASS US MAIL

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December 12, 2014



Michael A. Grun