



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

IN REPLY PLEASE
REFER TO OUR FILE

FEBRUARY 8, 2002

A-310832 F7000

DANIEL E MONAGLE ESQUIRE
VERIZON-PENNSYLVANIA, INC.
1717 ARCH STREET - 32 NW
PHILADELPHIA PA 19103

DOCUMENT
FOLDER

Joint Petition of Verizon Pennsylvania, Inc., and IG2 Inc., for approval of a replacement Interconnection Agreement under Section 252 (e) of the Telecommunications Act of 1996.

To Whom It May Concern:

This is to advise you that an Opinion and Order has been adopted by the Commission in Public Meeting on February 7, 2002 in the above entitled proceeding.

An Opinion and Order has been enclosed for your records.

Very truly yours,

James J. McNulty
Secretary

DOCKETED

FEB 22 2002

Enclosure
Certified Mail
FG

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265

Public Meeting held February 7, 2002

Commissioners Present:

Glen R. Thomas, Chairman
Robert K. Bloom, Vice Chairman
Kim Pizzingrilli, Abstaining
Aaron Wilson, Jr.
Terrance J. Fitzpatrick

Joint Petition of Verizon Pennsylvania Inc.
and IG2 Inc. For Approval of a Replacement
Interconnection Agreement Under Sec-
tion 252(e) of the Telecommunications Act
of 1996

A-310832F7000

OPINION AND ORDER
DOCUMENT
FOLDER

DOCKETED
FEB 22 2002

BY THE COMMISSION:

Before the Commission for consideration is a Joint Petition filed by Verizon Pennsylvania Inc. (Verizon PA) and IG2 Inc. (IG2)¹ for approval of a Replacement Interconnection Agreement (Replacement Agreement), which replaces the Interconnection Agreement previously approved by this Commission by Order entered November 19, 1999. The Replacement Agreement was filed pursuant to the Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (codified as amended in scattered sections of Title 47, United States Code) (TA-96), including 47 U.S.C. §§251, 252, and 271, and the Commission's Opinion and Orders in *In Re: Implementation of the Telecommunications Act of 1996*, Docket No. M-00960799 (Order

¹ IG2 was formerly known as Computer Business Sciences, Inc. d/b/a CBS. This Commission acknowledged the name change by Secretarial Letter dated September 20, 2000, at Docket No. A-310832.

entered on June 3, 1996; Order on Reconsideration entered on September 9, 1996) (*Implementation Orders*).

History of the Proceeding

On November 23, 2001, Verizon PA and IG2 filed the Joint Petition seeking approval of the aforementioned Replacement Agreement that would provide for the interconnection of the two companies' networks and makes available to IG2 access to unbundled network elements, wholesale telecommunications services and ancillary services offered by Verizon PA.

The Commission published notice of the Joint Petition and the instant Replacement Agreement in the *Pennsylvania Bulletin* on December 8, 2001, advising that any interested parties could file comments within ten days. No comments have been received.

Discussion

A. Standard of Review

The Commission's standard of review of a negotiated interconnection agreement is set forth at 47 U.S.C. §252(e)(2), which provides, in pertinent part, that:

- (2) Grounds for rejection. The state Commission may only reject –
 - (A) an agreement (or any portion thereof) adopted by negotiation under subsection (a) if it finds –

- (i) the agreement (or portion thereof) discriminates against a telecommunications carrier not a party to the agreement; or
- (ii) the implementation of such agreement or portion is not consistent with the public interest, convenience and necessity

With these criteria in mind, we shall review the Replacement Agreement submitted by Verizon PA and IG2.

B. Timeliness of Filing

We note that the instant Replacement Agreement provides that the “Effective Date” is September 10, 2001. (Replacement Agreement, p. 1). We also note that a period of approximately two and one-half months has elapsed from the time Replacement Agreement was executed until it was submitted to the Commission for review. Neither TA-96 nor the Federal Communications Commission (FCC) rules interpreting TA-96 provide for the specific time in which the negotiated agreement is to be filed with the state commission. However, we have addressed our expectations regarding the proper time considerations to be observed with regard to negotiated agreements. (*See Implementation Order*, June 3, 1996, slip op., p. 33).²

² “The Act does not give any express guidance as to when agreements must be filed with the state commission. However, since the period for negotiations concludes on day 160, we conclude that an executed, negotiated interconnection agreement accompanied by a joint petition for adoption of the agreement shall be filed no later than thirty (30) days following the close of the negotiations phase or by day 190 following the request for interconnection.” (*Id.*).

We advise the Parties that failure to comply with our *Implementation Orders*, as well as this Order, could subject the Parties to civil penalties for violations under Section 3301 of the Public Utility Code, 66 Pa. C.S. §3301.

C. Summary of Terms

The Replacement Agreement sets forth the terms, conditions and prices under which Verizon PA and IG2 will offer and provide network interconnection services, reciprocal call termination, access to network elements, ancillary network services, and wholesale telecommunications services available for resale to each other within each Local Access and Transport Area (LATA) in which both Verizon PA and IG2 operate in Pennsylvania. (Joint Petition, p. 2, ¶4).

The key provisions of the Replacement Agreement, as summarized by the Parties provide for:

- (1) Reciprocal compensation for terminating local traffic at rates of \$.001723 or \$.002814 per minute of use, depending on where traffic is terminated on the Verizon PA and IG2 networks.
- (2) Unbundled loops – providing IG2 access to existing Verizon PA customers – based on a rate methodology specified in the Agreement.
- (3) Including IG2 customers' primary listings in the White Pages (two listings for each residence telephone number and one listing for each business telephone number) and Yellow Pages (one listing for each business telephone number) directories.
- (4) The resale of Verizon PA telecommunications services for a wholesale discount of 23.43% or 25.69% (depending upon whether IG2 provides its own operator services).

- (5) The continued provision of 911 services to all customers.
- (6) Performance standards for services provided by Verizon PA to IG2 equal to the level of service provided by Verizon PA to its own end-user customers and other telecommunications carriers.

(Joint Petition, pp. 2, ¶5).

Verizon PA and IG2 aver that the Replacement Agreement³ complies with the criteria identified in TA-96 at 47 U.S.C. §252(e)(2) quoted above, pursuant to which we must determine whether to accept or reject the Replacement Agreement. The Parties assert that the Replacement Agreement is not discriminatory and that the interconnection arrangements contained in the Replacement Agreement are available to any other telecommunications carrier under §252(i) of TA-96. Furthermore, the Parties note that other carriers are not bound by the terms of the Replacement Agreement and are free to pursue their own negotiated arrangements with Verizon PA. (Joint Petition, p. 3, ¶¶ 7-8).

D. Disposition

Having reviewed the Replacement Agreement, we shall approve it, finding that it satisfies the two-pronged criteria of Section 252(e) of TA-96. We shall minimize the potential for discrimination against other carriers not a party to the Replacement Agreement by providing here that our conditional approval of this Replacement Agreement shall not serve as precedent for agreements to be negotiated or arbitrated by other parties. This is consistent with our policy of encouraging settlements. (52 Pa. Code

³ It is noted that, regardless of the types of services covered by this Interconnection Agreement, it would be a violation of the Public Utility Code if the Applicant began offering services or assessing surcharges, to end users, for which it has not been authorized to provide and for which tariffs have not been authorized.

§5.231; *see also*, 52 Pa. Code §69.401, *et seq.*, relating to settlement guidelines, and our Statement of Policy relating to the Alternative Dispute Resolution Process, 52 Pa. Code §69.391, *et seq.*). On the basis of the foregoing, we find that the instant Replacement Agreement does not discriminate against a telecommunications carrier not a party to the negotiations.

TA-96 requires that the terms of the Replacement Agreement be made available for other parties to review (§252(h)). However, this availability is only for purposes of full disclosure of the terms and arrangements contained therein. The accessibility of the Replacement Agreement and its terms to other parties do not connote any intent that our approval will affect the status of negotiations between other parties. In this context, we will not require Verizon PA or IG2 to embody the terms of the Replacement Agreement in a filed tariff, but we will require that the Parties file the Replacement Agreement with this Commission. It shall be retained in the public file for inspection and copying consistent with the procedures relating to public access to documents.

With regard to the public interest element of this matter, we note that no negotiated interconnection agreement may affect those obligations of the telecommunications company in the areas of protection of public safety and welfare, service quality, and the rights of consumers. (*See, e.g.*, Section 253(b)). This is consistent with TA-96 and with Chapter 30 of the Public Utility Code, wherein service quality and standards, *i.e.*, universal service, 911, Enhanced 911, and Telecommunications Relay Service, are inherent obligations of the local exchange company, and continue unaffected by a negotiated Replacement Agreement. We have reviewed the Replacement Agreement's terms relating to 911 and E911 services and conclude that these provisions of the instant Replacement Agreement are consistent with the public interest. (Replacement Agreement pp. 109 - 110).

The initial expiration date of the Replacement Agreement between Verizon PA and IG2 is September 9, 2003. Thereafter, the Replacement Agreement shall continue in force and effect unless and until cancelled or terminated as provided in the Replacement Agreement. (Replacement Agreement, p. 1).

Conclusion

Based on the foregoing and pursuant to Section 252 of TA-96, *supra*, and our *Implementation Orders*, we will approve the Replacement Interconnection Agreement between Verizon PA and IG2 filed on November 23, 2001; **THEREFORE,**

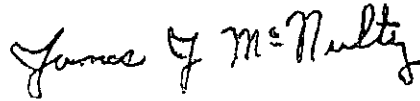
IT IS ORDERED:

1. That the Joint Petition of Verizon Pennsylvania Inc. and IG2, Inc. seeking the approval of a Replacement Interconnection Agreement filed on November 23, 2001, pursuant to the Telecommunications Act of 1996 and the Commission's Opinion and Orders in *In Re: Implementation of the Telecommunications Act of 1996*, Docket No. M-00960799 (Order entered on June 3, 1996; Order on Reconsideration entered on September 9, 1996), is hereby granted, consistent with this Opinion and Order.

2. That approval of the Replacement Interconnection Agreement shall not serve as binding precedent for negotiated or arbitrated agreements between non-parties to the instant Replacement Agreement.

3. That the Parties shall file a true and correct copy of the Replacement Interconnection Agreement with this Commission within thirty (30) days of the date of entry of this Opinion and Order.

BY THE COMMISSION,



James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: February 7, 2002

ORDER ENTERED: **FEB 08 2002**