

Anthony E. Gay
Regulatory Counsel
Law Department



ORIGINAL

Verizon Pennsylvania Inc.
171 Arch Street, 32NW
Philadelphia, PA 19103

May 21, 2002

Tel: (215) 963-6023
Fax: (215) 563-2658
Anthony.E.Gay@Verizon.com

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

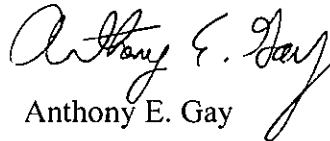
Re: Petition of US LEC of Pennsylvania, Inc. for
Arbitration with Verizon Pennsylvania Inc. Pursuant to
Section 252(b) of the Telecommunications Act of 1996
Docket No. A-310814F7000

Dear Secretary McNulty:

Enclosed, for filing with the Commission, is an original and three copies of the Response of Verizon Pennsylvania Inc. to Petition for Arbitration Filed by US LEC of Pennsylvania Inc., in the above-captioned matter.

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

Sincerely yours,


Anthony E. Gay

AEG/slb
Enc.

Via Overnight Express Mail
cc: Honorable Louis G. Cocheres
Attached Certificate of Service

RECEIVED

MAY 21 2002

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DOCUMENT
FOLDER

50

CERTIFICATE OF SERVICE

I, Anthony E. Gay, Esq., hereby certify that I have this day served a true copy of the Response of Verizon Pennsylvania Inc. to Petition for Arbitration Filed by US LEC of Pennsylvania 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 21st day of May, 2002.

VIA UPS OVERNIGHT DELIVERY

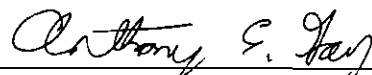
Linda C. Smith, Esquire
Dilworth Paxson LLP
305 North Front Street
Suite 403
Harrisburg, PA 17101-1236

Charles F. Hoffman, Esquire
PA Public Utility Commission
Office of Trial Staff
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Irwin A. Popowsky, Esquire
Office of Consumer Advocate
Forum Place, 5th Floor
555 Walnut Street
Harrisburg, PA 17101-1923

Carol F. Pennington, Esquire
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Robin F. Cohn
Michael L. Shor
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007



Anthony E. Gay, Esquire
VERIZON PENNSYLVANIA INC
1717 Arch Street, 32NW
Philadelphia, PA 19103
(215) 963-6023

RECEIVED
MAY 21 2002
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

In Re: Petition of US LEC of Pennsylvania : Docket No. A-310814F7000
Inc. for Arbitration with Verizon Pennsylvania :
Inc. Pursuant to Section 252(b) of the :
Telecommunications Act of 1996 :

**RESPONSE OF VERIZON PENNSYLVANIA INC.
TO PETITION FOR ARBITRATION FILED BY
US LEC OF PENNSYLVANIA INC.**

Verizon Pennsylvania Inc. ("Verizon"), by counsel and pursuant to 47 U.S.C. § 252(b)(3) submits this Response to the Petition for Arbitration of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the "Petition" or "US LEC Petition") filed by US LEC of Pennsylvania Inc. ("US LEC") on April 26, 2002.

PARTIES

- Petitioner US LEC is a certificated local exchange carrier providing facilities-based services in competition with Verizon in various locations throughout Pennsylvania.¹ US LEC's official business address is Three Morrocroft Centre, 6801 Morrison Boulevard, Charlotte, North Carolina 28211.*
- Verizon admits the allegations in Paragraph 1 on information and belief.

DOCUMENT
FOLDER

DOCKETED
JUN 01 2002

RECEIVED
MAY 21 2002
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

¹ *Application of US LEC of Pennsylvania, Inc., for Approval to Offer, Render, Furnish, or Supply Telecommunications Services as a Competitive Local Exchange Carrier to the Public in the Commonwealth of Pennsylvania, Docket No. A-310814F0002 (Pa. PUC Aug. 17, 1999).*

2. *The names, addresses, and contact numbers of US LEC's representatives for purposes of this proceeding are as follows:*

*Wanda G. Montano
US LEC CORP.
6801 Morrison Blvd.
Charlotte, NC 28211
(704) 319-1074 (telephone)
(704) 602-1074 (facsimile)
wmontano@uslec.com*

*Linda C. Smith
DILWORTH PAXSON LLP
305 N. Front Street,
Suite 403
Harrisburg, PA 17101-1236
(717) 236-4812 (telephone)
(717) 236-7811 (facsimile)
lsmith@dilworthlaw.com*

*Richard M. Rindler
Robin F. Cohn
Michael L. Shor
SWIDLER BERLIN SHEREFF
FRIEDMAN, LLP
3000 K Street, NW
Washington, DC 20007
(202) 424-7500 (telephone)
(202) 424-7645 (facsimile)
mlshor@swidlaw.com*

2. The allegations in paragraph 2 do not require a response.
3. *Respondent Verizon is an incumbent provider of local exchange services within portions of Pennsylvania. Verizon's offices are located at 1320 North Court House Road, Arlington, Virginia, 22201. Verizon is, and at all relevant times has been an "incumbent local exchange carrier" ("ILEC") under the terms of the Act. Verizon Pennsylvania Inc. is, and at all relevant times has been a "Bell Operating Company" under the terms of the Act.*
3. Verizon admits the allegations in paragraph 3 of the Petition, except that Verizon's offices are located at 1717 Arch Street, Philadelphia, PA 19103.
4. *The name, address and contact number for Verizon's legal representative during the negotiations with US LEC is as follows:*

*Gregory M. Romano, Esq.
1515 North Courthouse Road
Suite 500
Arlington, Va. 22201
(703) 351-3125 (telephone)
(703) 351-3659 (facsimile)
gregory.m.romano@verizon.com*

4. Verizon admits the allegations in paragraph 4.

5. *In addition, the name, address and contact number for Verizon's known representative for Pennsylvania legal matters generally is as follows:*

*Julia A. Conover, Esq.
Verizon-Pennsylvania, Inc.
1717 Arch Street, 32nd Floor
Philadelphia, Pa. 19103
(215) 963-6001 (telephone)
julia.a.conover@verizon.com*

5. Verizon admits the allegations in Paragraph 5.

JURISDICTION

6. *The Commission has jurisdiction over US LEC's Petition pursuant to Section 252 of the Act.² Under the Act, parties to a negotiation for interconnection, access to unbundled network elements, or resale of service within a particular state have a right to petition the state commission for arbitration of any open issues whenever negotiations between them fail to yield an agreement. 47 U.S.C. § 252(b). Under Section 252(b)(1) of the Act, the request for arbitration of the state commission may be made at any time during the period from the 135th day to the 160th day (inclusive) after the date on which the incumbent LEC receives a request for negotiations under Section 251 of the Act. A copy of the letter memorializing the date upon which the parties agreed negotiations for an interconnection agreement with Verizon began in Pennsylvania is attached hereto as Exhibit A. This Petition is timely filed within 160 days of that date.*
6. Verizon admits the allegations in paragraph 6, agrees that the Commission has jurisdiction over this arbitration pursuant to 47 U.S.C. § 252, and agrees that this Petition was timely filed.

NEGOTIATIONS

7. *Negotiation of the US LEC/Verizon interconnection agreement for Pennsylvania commenced on November 17, 2001. Working through changes suggested by US LEC to Verizon's template interconnection agreement, the parties have been able to resolve the vast majority of issues raised during the negotiations. Notwithstanding these good faith negotiations, however, US LEC and Verizon have been unable to come to agreement on all terms. The issues that US LEC believes are unresolved are addressed in the Statement of Unresolved Issues found below.*

² See Opinion and Order, *Implementation of the Telecommunications Act of 1996*, Docket No. M-00960799 (Pa. PUC May 23, 1996).

7. Verizon admits the allegations in paragraph 7.
8. *A draft of the interconnection agreement reflecting the parties' negotiations to date is attached hereto as Exhibit B. The draft consists of Verizon's template agreement with the following revisions: agreed-upon language is shown in normal type, while deletions that US LEC proposes to make are reflected in ~~strike-through~~ text and additions that US LEC proposes to make are shown in underlined text. During the pendency of this arbitration, US LEC will continue to negotiate in good faith with Verizon in an effort to resolve disputed issues and will notify the Commission if and when arbitration of certain issues is no longer necessary.*
8. Verizon admits that the draft interconnection agreement accurately reflects the current state of the parties' negotiations except that the parties have now agreed to language in Interconnection Attachment, Section 12.4 (Issue 7) and General Terms and Conditions, Section 9.3 (Issue 10). Verizon will also continue to negotiate in good faith with US LEC to resolve disputed issues during the pendency of these proceedings.

STATEMENT OF RESOLVED ISSUES

9. *The parties have resolved all issues and negotiated contract language to govern their relationship with respect to all items except for those identified below as unresolved issues. These negotiated portions of the Agreement are included in Exhibit B.*
9. Verizon admits the allegations in Paragraph 9.

STATEMENT OF UNRESOLVED ISSUES

Issue 1: (Glossary, Section 2.45; Interconnection Attachment, Sections 7.1.1.1, 7.1.1.1.1, 7.1.1.2, 7.1.1.3)

Issue: Is US LEC permitted to select a single Interconnection Point ("IP") per Local Access and Transport Area ("LATA"), to select the interconnection method, and to require Verizon to bear the financial responsibility to deliver its originating traffic to the IP chosen by US LEC?

US LEC position: Yes. Under federal law, US LEC has the right to choose a single IP per LATA and any technically feasible method of interconnection and Verizon has

an obligation to deliver its originating traffic to the IP selected by US LEC.

Verizon's Alleged
Position:

No. US LEC should be required to establish, or transition its existing architecture to, a US LEC-IP for receipt of Verizon-originated traffic by establishing a collocation arrangement at each Verizon Tandem where US LEC assigns telephone numbers to its customers. If US LEC fails to establish such an IP, Verizon should pay US LEC the applicable reciprocal compensation rate less Verizon's transport rate, tandem switching rate, and any other costs assessed by US LEC or third parties for transport purchased by Verizon.

Verizon's Actual Position:

Although US LEC is entitled to select a single physical point of interconnection in each LATA, it must bear a fair share of the costs of whatever interconnection architecture it chooses.

US LEC's proposed interconnection agreement language is contrary to federal law and to this Commission's decisions with respect to interconnection. Under US LEC's proposal, it would not only have the right to determine where Verizon and US LEC will *physically interconnect*, but it would also be able to transfer virtually all the costs of its interconnection choices onto Verizon. US LEC would have Verizon subsidize its interconnection choices by requiring Verizon to incur the expense of hauling the traffic outside of a local calling area and to pay US LEC reciprocal compensation for the transport and termination of that traffic. Such subsidization impedes, rather than enhances, true competition. Verizon's VGRIP proposal provides a more equitable allocation of those costs, by requiring US LEC to bear a portion of the costs caused as a result of its interconnection decisions.

When a Verizon customer calls a CLEC customer in a given local calling area, Verizon may nonetheless be required to transport that call *outside* the local calling area

before it reaches the CLEC customer. For example, although US LEC's switch in Philadelphia is its POI in the Philadelphia LATA, US LEC can obtain NPA-NXX codes throughout the LATA that serve local calling areas as many as 50 or more miles away from that switch. Thus, if a Verizon customer in Allentown called her neighbor, who is a US LEC customer, Verizon would bear the costs of transporting that call to Philadelphia. In addition, under US LEC's proposal, Verizon would also pay US LEC reciprocal compensation for this traffic, thereby more than fully compensating US LEC for any costs it arguably incurs. However, if that same Verizon customer in Allentown placed a call to an end user located in Philadelphia, then Verizon would charge its customer originating toll charges, in order to cover the costs of transporting the call. If US LEC wishes to serve customers in a local calling area from a switch located far outside that area, that is its business decision. Verizon, however, should not be required to bear the costs of that decision, which transforms a call between neighbors into a toll call for which Verizon receives no compensation.

Matters are made far worse if a CLEC has assigned NPA-NXX codes to end users with no physical presence in the local calling areas associated with those telephone numbers, because that CLEC does not bear the costs of transporting the call from the distant switch back to the local calling area.³ Although US LEC states that, consistent with this Commission's directive, it currently does not assign telephone numbers in this fashion, it claims that it should be able to do so. *See* US LEC Petition at 17 n.21.⁴ If a

³ This arrangement would be especially appealing to customers who wanted only to receive calls from the distant local calling area, but had no reason to make calls to that distant local calling area.

⁴ Moreover, there is no guarantee that other carriers, who could adopt the terms of this agreement under section 252(i), would not attempt to flout this Commission's rules, and

CLEC engages in such “virtual” NXX assignment, then when that CLEC received a call that Verizon has transported to the CLEC’s distant switch, the CLEC would not transport the call back to the local calling area, but instead would transport that call a very short distance, normally handing it off to a customer that is collocated at, or located nearby, that switch. In this way, that CLEC would not bear any of the costs that it has caused, and would have its interconnection decisions further subsidized by Verizon. It would enable the CLEC’s customers to receive toll calls at Verizon’s expense.

In contrast, under Verizon’s VGRIP proposal, CLECs must bear some of the costs imposed by their chosen point or points of interconnection. The VGRIP proposal distinguishes between the POI — the “physical location where the one Party’s facilities physically interconnect with the other Party’s facilities for the purpose of exchanging traffic,” Agreement, Glossary, § 2.66 — and the IP — “the point at which a Party who receives Reciprocal Compensation Traffic from the other Party assesses Reciprocal Compensation charges for the further transport and termination of that Reciprocal Compensation Traffic,” *id.* § 2.45.⁵ Under the VGRIP proposal, the POI and the IP may be at the same physical location, but they need not be.

there is no way for Verizon to know that a CLEC has assigned NXX codes to customers who are not located in the calling area associated with that number. The question of the proper treatment of such “virtual” NXX codes is addressed below in Issue 6.

⁵ Although US LEC purports (Petition at 5) to “be consistent with Verizon’s terms” when it “uses the term IP instead of POI,” US LEC has actually proposed to change the definition of IP so that it has the same meaning as POI. See US LEC’s Proposed Glossary § 2.45 (IP “means the switching, Wire Center, or similar network node in a Party’s network at which such Party accepts Local Traffic from the other Party”).

The VGRIP proposal allows the CLEC to choose the location of its POI and provides three options for the establishment of IPs. First, if US LEC accepted Verizon's originated traffic at a collocation site at a Verizon tandem wire center in a multi-tandem LATA, US LEC could designate that site as an IP. *See* Agreement, Interconnection Attachment, § 7.1.1.1. Although this IP might be outside the local calling area for some of the traffic delivered to that point, pursuant to VGRIP, Verizon will absorb the costs of transporting the call from the local calling area to that tandem, which is a significant *compromise for Verizon*. Second, if US LEC decided to collocate at a Verizon end office wire center, Verizon may request that this collocation site serve as the IP for the local calling area where that end office is located. *See id.* § 7.1.1.2. Under both options, once Verizon delivers originating traffic to the IP, US LEC would become financially responsible for delivering this traffic to its switch, whether by purchasing transport from Verizon or a third party, or by self-provisioning the transport.

Third, if US LEC chooses not to establish an IP at either of the above locations, the end office serving the Verizon customer who places the call acts as a virtual IP, as though US LEC had elected to establish a collocation site at that location (even though US LEC would have incurred none of the costs of doing so). *See id.* § 7.1.1.3. Any reciprocal compensation due to US LEC for this call would be reduced by the transport and switching costs Verizon incurs in transporting this traffic from the virtual IP to the POI.

In all three scenarios, US LEC may locate its POI(s) at any technically feasible point on Verizon's network in the LATA. US LEC also has choices as to where its IPs are located. However, US LEC must bear a portion, but not all, of the costs that are

attributable to its decisions about where to locate its POI(s). For these reasons, the VGRIP proposal provides an appropriate balance between the right of CLECs to choose their physical point(s) of interconnection and the need to prevent CLECs from requiring Verizon to subsidize those choices. Indeed, as the Federal Communications Commission (“FCC”) found in related circumstances, permitting a CLEC to recover its costs from an ILEC — rather than from the CLEC’s own end users — does not enhance the competitive environment, but instead results in “market distortions” as the costs of a CLEC’s inefficient decisions are borne by Verizon and the CLEC has no incentive to make optimal investment decisions.⁶

This Commission has recently resolved a similar dispute in arbitrating an interconnection agreement between Verizon and Sprint, rejecting the very type of cost-shifting that USLEC advocates. In that decision, the Commission specifically recognized that, under federal law, “CLECs that choose a technically feasible but expensive interconnection point must bear the costs of that interconnection.”⁷ Although the Commission permitted Sprint to retain its existing IPs — which, it noted, “are located close to Verizon’s tandems,” generally within two miles — the Commission required Sprint to establish “additional interconnection locations” within a LATA once traffic

⁶ Order on Remand and Report and Order, *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, 16 FCC Rcd 9151, 9182-83, ¶ 69 (2001) (“*ISP Remand Order*”), remanded, *WorldCom, Inc. v. FCC*, No. 01-1218 (D.C. Cir. May 3, 2002). Although the D.C. Circuit remanded the *ISP Remand Order* to permit the FCC to clarify its reasoning, it left the order in place as governing federal law. See *WorldCom, Inc. v. FCC*, No. 01-1218, slip op. at 5 (D.C. Cir. May 3, 2002).

⁷ Opinion and Order, *Petition of Sprint Communication Company, L.P. for an Arbitration Award of Interconnection Rates, Terms and Conditions Pursuant to 47 U.S.C. § 252(b) and Related Arrangements with Verizon Pennsylvania, Inc.*, at 55 n.37, A-310183F0002 (Pa. PUC Oct. 12, 2001) (“*Sprint Arbitration Order*”).

reaches specified volume levels and to establish any new IPs within 5 miles of Verizon's tandem. *Id.* at 52-53, 55-56 & n.38. If Sprint does not wish to establish a physical POI to serve as its IP, a virtual IP will be created, which is similar to Verizon's VGRIP proposal. *See* Verizon-Sprint Agreement Interconnection § 1.2.3.1.3.6. The Commission noted that these features "would assist in alleviating the unreasonable transport costs that Verizon must pay today under other interconnection agreements." *Id.* at 56.⁸

In 1997, the Commission found that a CLEC network with only one point of interconnection per LATA would be "both expensive and inefficient" and would require Verizon to send a CLEC's traffic "to one central point, solely for [the CLEC's] convenience."⁹ Although the Third Circuit recently overturned this Commission's ruling that required the CLEC to establish multiple POIs per LATA, it expressly found that this Commission should "consider shifting costs" to a CLEC that selects a technically feasible POI that "prove[s] more expensive to Verizon." *MCI Telecomms. Corp. v. Bell Atlantic-Pa.*, 271 F.3d 491, 518 (3d Cir. 2001) (citing *Local Competition Order*, 11 FCC Red at

⁸ Verizon respectfully submits that the cutoff mark selected — equivalent to the amount of traffic carried over a DS-3 facility — will be of limited utility in preventing CLECs from requiring Verizon to bear the vast majority of the costs incurred by CLECs' chosen POIs. First, for those CLECs that will never have traffic volumes that exceed the 8.9 million minute per month threshold, Verizon will never be compensated for the costs it incurs in transporting traffic outside the local calling area to the CLECs' POIs. Second, those CLECs that do have traffic volumes in excess of the threshold may be induced to engage in inefficient network reconfiguration in order to divert traffic and, thereby, to ensure that its traffic volumes remain under the threshold and that Verizon continues to bear full responsibility for the transport costs that result from the CLECs' decisions as to where to locate their POIs.

⁹ Opinion and Order, *Joint Application of Bell Atlantic-Pennsylvania, Inc. and MCImetro Access Transmission Services, Inc., for Approval of an Interconnection Agreement Under Section 252(e) of the Telecommunications Act*, at 11, A-310236F0002 (Pa. PUC Aug. 28, 1997) ("*MCImetro Arbitration Order*").

15603, ¶ 209).¹⁰ US LEC's proposed interconnection agreement language is inconsistent with this Commission's conclusions, in the *Sprint Arbitration Order* and in the *MCImetro Arbitration Order*, as to the proper allocation of financial responsibility for a CLEC's choice of POI.

The FCC and numerous other state commissions have agreed that it is appropriate to require CLECs to bear the costs that their choice of POI(s) imposes on an ILEC. In the *Local Competition Order*, the FCC held that "a requesting carrier that wishes a 'technically feasible' but expensive interconnection would, pursuant to section 252(d)(1), be required to bear the cost of that interconnection, including a reasonable profit." *Local Competition Order*, 11 FCC Rcd at 15603, ¶ 199 (emphasis added). The FCC explained further that, "because competing carriers *must usually compensate incumbent LECs for the additional costs incurred* by providing interconnection, competitors have an incentive to make economically efficient decisions about where to interconnect." *Id.* at 15608, ¶ 209 (emphasis added). Similarly, in approving Verizon's Section 271 application in Pennsylvania, the FCC found that Verizon's GRIP proposal,¹¹ which "permits carriers to *physically* interconnect at a single point of interconnection (POI)," but "distinguish[es]

¹⁰ First Report and Order, *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, 11 FCC Rcd 15499 ("Local Competition Order"), modified on recon., 11 FCC Rcd 13042 (1996), vacated in part, *Iowa Utils. Bd. v. FCC*, 120 F.3d 753 (8th Cir. 1997), *aff'd in part, rev'd in part sub nom. AT&T Corp. v. Iowa Utils. Bd.*, 525 U.S. 366 (1999), *decision on remand, Iowa Utils Bd. v. FCC*, 219 F.3d 744 (8th Cir. 2000), *aff'd in part, rev'd in part sub nom. Verizon Communications Inc. v. FCC*, No. 00-511, 2002 U.S. LEXIS 3559 (May 13, 2002).

¹¹ The VGRIP proposal that Verizon offered US LEC is a compromise from Verizon's GRIP proposal, which required CLECs to establish physical POIs or virtual IPs in each local calling area in a LATA. Under VGRIP, a CLEC can create an IP at a collocation site at Verizon's tandem, and Verizon will therefore bear a portion of the cost of transporting a local call to a CLEC switch located outside of a local calling area.

between the physical POI and the point at which Verizon and an interconnecting competitive LEC are responsible for the cost of interconnection facilities,” “complies with the clear requirement of our rules.” *Pennsylvania Order*, 16 FCC Rcd at 17474-75, ¶ 100.¹² The FCC also rejected claims that “Verizon’s policies in regard to the financial responsibility for interconnection facilities fail to comply with its obligations under the Act.” *Id.*

Other state commissions have also found it reasonable and consistent with federal law to distinguish between CLECs’ right to select a physical point of interconnection and the allocation of the financial responsibility for those choices. For example, the South Carolina Public Service Commission recently held that “[r]equiring AT&T to pay for the costs of its interconnection choices to offset the costs imposed by those interconnection choices on BellSouth is the fair and equitable solution.”¹³ That Commission further explained that, because “AT&T’s interconnection choices require[] the transport of local calls from one local calling area to another local calling area where AT&T’s POI is located”, “AT&T has contributed to the need and costs of these facilities” and therefore “should pay for use of the facilities.”¹⁴ The North Carolina Utilities Commission likewise found that “it is equitable and in the public interest” to require AT&T “to compensate BellSouth for, or otherwise be responsible for, transport beyond the local

¹² Memorandum Opinion and Order, *Application of Verizon Pennsylvania Inc., et al. for Authorization To Provide In-Region, InterLATA Services in Pennsylvania*, 16 FCC Rcd 17419 (2001).

¹³ Order on Arbitration, *Petition of AT&T Communications of the Southern States, Inc., for Arbitration of Certain Terms and Conditions of a Proposed Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to 47 U.S.C. Section 252*, Docket No. 2000-527-C, at 24 (S.C. PSC Jan. 30, 2001).

¹⁴ *Id.*

calling area,” when AT&T elects to “interconnect[] at points within the LATA but outside of BellSouth’s local calling area from which traffic originates.”¹⁵ State commissions in Florida and Ohio have reached similar decisions.¹⁶

US LEC raises a number of objections to Verizon’s VGRIP proposal, none of which has merit.

First, US LEC suggests that its interconnection proposal is similar to one adopted by the Commission in arbitrating an agreement between Verizon and Focal.¹⁷ However, US LEC concedes (Petition at 7 n.7), as it must, that the Focal arbitration is “not

¹⁵ See Recommended Arbitration Order, *Arbitration of Interconnection Agreement Between AT&T Communications of the Southern States, Inc., and TCG of the Carolinas, Inc., and BellSouth Telecommunications, Inc., Pursuant to the Telecommunications Act of 1996*, Docket Nos. P-140, Sub 73 & P-646, Sub 7, at 15 (N.C. Utils. Comm’n Mar. 9, 2001) (“*N.C. Arbitration Order*”), *aff’d*, Order Ruling on Objections and Requiring the Filing of the Composite Agreement, Docket Nos. P-140, Sub 73 & P-646, Sub 7, at 5 (N.C. Utils. Comm’n June 19, 2001).

¹⁶ See Final Order on Arbitration, *Petition of Sprint Communications Company Limited Partnership for Arbitration of Certain Unresolved Terms and Conditions of a Proposed Renewal of Current Interconnection Agreement with BellSouth Telecommunications, Inc.*, Docket No. 000-828-TP, Order No. PSC-01-1095-FOF-TP (Fla. PSC May 8, 2001); Arbitration Award, *Petition of Global NAPs, Inc. for Arbitration of Interconnection Rates, Terms, and Conditions and Related Arrangements with United Telephone Company of Ohio dba Sprint, et al.*, Case No. 01-2811-TP-ARB, *et al.*, at 3-5 (Ohio PUC May 9, 2002).

¹⁷ See US LEC Petition at 7 n.7; Opinion and Order, *Petition of Focal Communications Corporation of Pennsylvania For Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Bell Atlantic-Pennsylvania*, A-310630F0002 (Pa. PUC Aug. 17, 2000) (“*Focal Arbitration Order*”). Contrary to US LEC’s claims, the Verizon-Focal agreement differed from US LEC’s proposed language, as it required Focal to “make reasonable best efforts to establish an IP at a Collocation node in [a Verizon] End Office” when specified traffic volumes are exchanged between the two carriers at that end office. Verizon-Focal Agreement § 4.2.3.2. It is also noteworthy that Focal has since terminated that agreement and, in its place, adopted the terms of the agreement between Verizon and Level 3, which contains the VGRIP language that Verizon has proposed here. See Verizon-Level 3 Agreement § 4.2.4.1

dispositive of the result” here. As explained above, VGRIP satisfies this Commission’s criteria in the *Focal Arbitration Order*, because it permits US LEC “to deliver traffic terminating on an incumbent LEC’s network at any technically feasible point” and does not require US LEC to build additional POIs to serve as IPs. *Focal Arbitration Order* at 42, 44. Furthermore, Verizon respectfully submits that the *Focal Arbitration Order* is inconsistent with both the earlier *MCImetro Arbitration Order* and the later *Sprint Arbitration Order* — as well as with the Third Circuit’s recent decision — all of which recognize that CLECs should be required to bear the costs of selecting a technically feasible, but expensive POI.

Second, US LEC contends that, under the FCC’s rules, “there is no distinction between the physical connection of the Parties’ networks and the demarcation of financial responsibility.” US LEC Petition at 5. This is simply untrue. As noted above, in the *Local Competition Order*, the FCC clearly distinguished between the two in recognizing that “a requesting carrier that wishes a ‘technically feasible’ but expensive interconnection” point would “be required to bear the cost of that interconnection.” *Local Competition Order*, 11 FCC Rcd at 15603, ¶ 199. Furthermore, in approving Verizon’s section 271 application in Pennsylvania, the Commission expressly rejected claims that Verizon’s GRIP proposal, which distinguished between the POI (physical connection) and IP (demarcation of financial responsibility), failed to comply with the FCC’s rules. *See Pennsylvania Order*, 16 FCC Rcd at 17474-75, ¶ 100. Verizon’s VGRIP proposal likewise complies with those rules, as US LEC may select one POI per

LATA, at any technically feasible location, as long as it bears the cost of that interconnection through the establishment of multiple IPs.¹⁸

Third, US LEC asserts that requiring it to bear any of the costs of transporting traffic to its chosen POI is inconsistent with Rule 51.703(b). *See* US LEC Petition at 8-9; 47 C.F.R. § 51.703(b). That section provides that one LEC may not assess charges on another carrier for traffic that originates on the LEC's network. However, under VGRIP, Verizon is charging the CLEC as a transport vendor, not as an originating carrier, which is consistent with section 51.703(b). Furthermore, US LEC's claim that this section prohibits VGRIP is inconsistent with the FCC's clear statement that a CLEC that chooses a technically feasible, but expensive POI is responsible for the costs imposed on the ILEC by the decision. *See Local Competition Order*, 11 FCC Rcd at 15603, ¶ 199; *see also id.* ¶ 209. In light of those statements, the North Carolina Utilities Commission rejected the argument that US LEC raises here, concluding that section 51.703(b) was not intended to protect CLECs from bearing the costs of their interconnection decisions.¹⁹ Finally, in a recent Notice of Proposed Rulemaking, the FCC noted that US LEC's interpretation of section 51.703(b) "may lead to the deployment of inefficient or duplicative networks" by "forcing the [ILEC] to provision extra transport" and sought

¹⁸ US LEC's suggestion (Petition at 6) that it is entitled to designate any "technically feasible" IP is likewise contrary to the FCC's statements in the *Local Competition Order* and the *Pennsylvania Order*. Further, US LEC selectively quotes (Petition at 7) from the Third Circuit's recent decision in *MCI Telecommunications*. As noted above, although that Court held that a CLEC may choose only one POI (*not* IP) per LATA, subject to the constraint of technical feasibility, it expressly found that the Pennsylvania commission should "consider shifting costs" to a CLEC that selects a technically feasible POI that "prove[s] more expensive to Verizon." *MCI Telecomms.*, 271 F.3d at 518.

¹⁹ *N.C. Arbitration Order* at 14.

comment on national rules to govern the allocation of costs when an ILEC is required to transport calls to a CLEC's POI that is outside the local calling area.²⁰

Fourth, US LEC contends that Verizon's proposed language requires it to alter its network architecture and to transition to collocation arrangements on 30 days' notice. *See* US LEC Petition at 9-10. US LEC misreads the relevant provisions of the agreement. As explained above, Verizon's VGRIP proposal gives US LEC the right to retain its current network architecture — where it accepts Verizon's originating traffic at a single POI per LATA — as long as it assumes financial responsibility for that traffic at Verizon's end offices through the establishment of virtual IPs. Notably, US LEC does not point to any specific language in the proposed agreement that would enable Verizon to force US LEC to establish collocation arrangements.

Fifth, US LEC asserts that the third option under VGRIP — where it takes financial responsibility for traffic at virtual IPs as if it were collocated at Verizon's end offices — penalizes US LEC for refusing to establish additional physical POIs. *See* US LEC Petition at 10. As noted above, this Commission, along with numerous state

²⁰ *See* Notice of Proposed Rulemaking, *Developing a Unified Intercarrier Compensation Regime*, 16 FCC Rcd 9610, 9650-52, ¶¶ 112-114 (Apr. 27, 2001). US LEC (Petition at 8-9) quotes from the FCC's *TSR Wireless Order*, suggesting that this order compels the adoption of its proposal here. *See* Memorandum Opinion and Order, *TSR Wireless, LLC v. US West Communications, Inc.*, File Nos. E-98, *et al.*, FCC 00-194 (rel. June 21, 2000) ("*TSR Wireless Order*"). This is not true. In the *TSR Wireless Order*, the Commission held that a call that originates and terminates in the same major trading area ("MTA"), or the wireless carrier's local calling area, is subject to the Commission's reciprocal compensation rules. The *TSR Wireless Order*, therefore, did not squarely address the issue of whether CLECs must be financially responsible for the interconnection costs imposed by their interconnection decisions. *See* ¶ 1. In any event, the VGRIP proposal is consistent with the *TSR Wireless Order* because it provides that Verizon will be financially responsible for delivering its traffic to an IP located within the local calling area or to a tandem located outside the local calling area, just as the LECs in

commissions and federal courts, has found this option is not a penalty, and instead provides a reasonable allocation of the costs resulting from a CLEC's decision not to invest in the facilities necessary to establish multiple physical POIs.

Issue 2: (Interconnection Attachment, Section 7.1.1.2)

Issue: Should Verizon be permitted to force US LEC to designate its collocation site at a Verizon end office as the US LEC-IP where Verizon will deliver its traffic?

US LEC position: No. Under the Act, US LEC has the right to determine where the IP(s) will be established, and as stated in Issue 1, US LEC's switch serves as US LEC's IP in the same manner as Verizon's switches serve as Verizon's IPs.

Verizon's Alleged Position: Yes.

Verizon's Actual Position: Under Verizon's proposal, US LEC would not be forced to designate a collocation site at a Verizon end office as an IP. However, if US LEC, which is not currently collocated in any Verizon end office, chooses to establish such a collocation arrangement but not to designate the collocation site as an IP, it should nonetheless become financially responsible for traffic at that point, through the establishment of a virtual IP at that end office.

This issue is based on US LEC's misreading of Verizon's proposed section 7.1.1.2. Although Verizon may request that a US LEC collocation site at a Verizon end office serve as the IP for the local calling area where that end office is located, US LEC may refuse to allow Verizon to deliver originating traffic to that collocation site. If it

the *TSR Wireless Order* were financially and physically obligated to deliver the LEC-originated traffic to a point within the MTA.

does so, however, that end office will be treated as a virtual IP, as though US LEC had constructed the facilities necessary for the delivery of traffic by Verizon at that point.²¹

Under the correct reading of this section, it is clear there is no merit to US LEC's assertion (Petition at 11) that it could be required to duplicate Verizon's network or otherwise alter its chosen network structure. Furthermore, for the reasons discussed above, requiring US LEC to bear some of the costs of its refusal to accept Verizon's originating traffic at a collocation site is perfectly reasonable.

Finally, US LEC has no standing to dispute this provision. Section 7.1.1.2 applies only when a CLEC elects to collocate in a Verizon end office. US LEC states here that it "does not currently collocate with Verizon." US LEC Petition at 9. US LEC has recently informed the North Carolina Utilities Commission that collocation is not part of its network architecture and that it does not currently collocate with Verizon in any state.²² There is no reason for the Commission to entertain US LEC's claims with respect to this provision when US LEC has not shown that section 7.1.1.2 will affect it in any way.

²¹ US LEC (Petition at 11) repeats its mistaken claim that it has the right to select its IPs subject only to the requirement of technical feasibility. *See supra* note 18.

²² *See* Direct Testimony of Frank R. Hoffmann, Jr., *Petition of US LEC of North Carolina, Inc. for Arbitration with Verizon South, Inc. Pursuant to 47 U.S.C. § 252(b) of the Communications Act of 1996, as Amended by the Telecommunications Act of 1996*, Docket No. P-561, Sub 19, at 8 (N.C. Utils. Comm'n filed Apr. 12, 2002).

Issue 3: (Glossary, Section 2.75; Additional Services Attachment, Section 5.1; Interconnection Attachment, Section 7.3.7).

Issue: Is US LEC entitled to reciprocal compensation for terminating “Voice Information Services” traffic?

US LEC position: Yes. The traffic that Verizon now seeks to define as Voice Information Services Traffic fits completely the definition of Reciprocal Compensation Traffic that is eligible for reciprocal compensation.

Verizon’s Alleged Position: No.

Verizon’s Actual Position: No. “Voice Information Services” traffic is defined to include only traffic that is not subject to reciprocal compensation under current law.

Under current law, reciprocal compensation does not apply to “interstate or intrastate exchange access, information access, or exchange services for such access.” 47 C.F.R. § 51.701(b)(1). Both parties have agreed to language that tracks that rule precisely: the proposed agreement excludes “interstate or intrastate Exchange Access, Information Access, or exchange services for Exchange Access or Information Access.” In addition, to avoid later disputes, Verizon’s proposed agreement identifies seven specific types of telecommunications traffic that are subject to that general exclusion. US LEC takes issue with only one – “Voice Information Services” traffic – but, as that term is defined in the proposed agreement, such traffic is not subject to reciprocal compensation.

As the FCC made clear in the *ISP Remand Order*, reciprocal compensation does not apply to “traffic destined for an information service provider” because such traffic falls into the category of “information access.” *ISP Remand Order*, 16 FCC Rcd at 9171,

¶ 44.²³ The FCC further held that “Congress’s reference to ‘information access’ in section 251(g) was intended to incorporate the meaning of the phrase ‘information access’ as used in the AT&T Consent Decree” set forth in *United States v. AT&T*.²⁴ The Consent Decree defined “information access” as “the provision of specialized exchange telecommunications services . . . in connection with the origination, termination, transmission, switching, forwarding or routing of telecommunications traffic to or from the facilities of a provider of information services.”²⁵ This definition includes origination, termination, transmission, switching, forwarding and routing of the type of intrastate information services at issue in this arbitration. The fact that the information at issue is voice information, rather than electronic data, is simply beside the point.

Nor should such traffic be subject to a reciprocal compensation scheme. Like ISP-bound traffic, information services traffic is exclusively one-way, and the same opportunity for regulatory arbitrage described by the FCC in its Order exists when carriers recover the cost of terminating traffic from originating carriers rather than from their own voice information service provider customers.²⁶ Moreover, providers of pay-

²³ As noted above, although the D.C. Circuit Court of Appeals remanded the *ISP Remand Order* to the FCC, the court explicitly declined to vacate the order, which thus remains binding federal law. *See supra note 6; see also* Memorandum Opinion and Order, *Joint Application of BellSouth Corporation, et al., for Provision of In-Region, InterLATA Services in Georgia and Louisiana*, CC Docket 02-35, FCC 02-147, ¶ 272 (rel. May 15, 2002) (rules adopted in the *ISP Remand Order* “remain in effect”).

²⁴ *See ISP Remand Order*, 16 FCC Rcd at 9171, ¶ 44 (citing *United States v. AT&T*, 552 F. Supp. 131, 196, 229 (D.D.C. 1982)).

²⁵ *See ISP Remand Order*, 16 FCC Rcd at 9171, ¶ 44.

²⁶ *See ISP Remand Order*, 16 FCC Rcd at 9181-82, ¶ 68 (describing the inaccurate price signals inherent in a calling party’s network pays regime, giving carriers “the incentive to seek out customers, including but not limited to ISPs, with high volumes of incoming traffic”).

per-call information services typically recover fees from Verizon's end-user customers in exchange for the services they provide. The fees that the service provider assesses for the call should include the costs of transport and termination. There is no reason why Verizon should have to subsidize information services calls by paying those costs out of its own pocket. Indeed, it is Verizon who should be compensated for providing access to its network for delivery of such pay-per-call information services traffic to US LEC's information service provider customers.

Issue 4: (Additional Services Attachment, Section 5.3)

Issue: Should US LEC be required to provide dedicated trunking at its own expense for Voice Information Service traffic that originates on its network for delivery to Voice Information Service providers served by Verizon?

US LEC position: No.

Verizon's Alleged Position: Yes.

Verizon's Actual Position: Yes.

At issue here is the arrangement that should apply in situations where Verizon serves information services providers that are connected to Verizon's network using 556 or 976 numbers. Those particular "NXX" codes are accessible throughout the LATA without a toll charge to the originating caller. When Verizon end-users call those numbers, Verizon may bill those end-users on behalf of the information service provider. If a CLEC end-user calls such a number, the CLEC must pay Verizon for all amounts due to the information service provider. Thus, if the CLEC chooses to send traffic to Verizon's information services platform (all CLECs have the option not to), then it must

either bill and collect from its own end users under contract with Verizon, or bear the charges. For that reason, Verizon must be able to block access to such numbers; moreover, Verizon also wants to ensure that it does not bill reciprocal compensation for such traffic, since it is already compensated for termination of such calls. Separate trunking is essential to ensure that traffic from CLEC end users to information service providers served by Verizon remains subject to adequate controls.

Accordingly, the Commission should adopt Verizon's proposed language.

Issue 5: (Glossary, Section 2.56; Interconnection Attachment, Sections 2.1.2, 8.5.2, and 8.5.3)

Issue: Should the term "terminating party" or the term "receiving party" be employed for purposes of traffic measurement and billing over interconnection trunks.

US LEC position: The term "terminating party" should be utilized, consistent with the plain language of Section 251(b)(5) and other sections of the Agreement.

Verizon's Alleged Position: The term "receiving party" should be utilized.

Verizon's Actual Position: The term "receiving party" is more accurate and should be used.

US LEC's insistence on litigating this issue has nothing to do with vindicating any of its substantive rights under the 1996 Act, nor even anything to do with clarifying the parties' obligations. Instead, US LEC's position appears to be an effort to refight old battles over the payment of reciprocal compensation on Internet-bound traffic, perhaps with an eye toward gaining an advantage in some future skirmish. The Commission should not indulge US LEC's gamesmanship.

The FCC's original reciprocal compensation regulations provided that carriers were required to pay reciprocal compensation only on "local traffic," defined as traffic that "originates and terminates within a local service area." 47 C.F.R. § 51.701(b)(1). As this Commission is aware, disputes soon arose over whether Internet-bound traffic "terminates" at the ISP's premises or whether it "terminates" at the distant website that is the end-point of the Internet-bound communication. In its 1999 *ISP Declaratory Ruling*, the FCC concluded that calls to ISPs do not terminate at the ISP's local server, but instead "continue to the ultimate destination or destinations, specifically at a[n] Internet website that is often located in another state." Declaratory Ruling in CC Docket No. 96-98 and Notice of Proposed Rulemaking in CC Docket No. 99-68, *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, 14 FCC Rcd 3689, 3697, ¶ 12 (1999) ("1999 *ISP Declaratory Ruling*"), vacated, *Bell Atlantic Tel. Cos. v. FCC*, 206 F.3d 1 (2000). For this reason, among others, the FCC determined that ISP-bound traffic was not subject to reciprocal compensation under its existing rules. That determination was subsequently vacated by the D.C. Circuit Court of Appeals.

After remand, the FCC determined that its use of the term "local traffic" to define parties' reciprocal compensation obligations under section 251(b)(5) had "created unnecessary ambiguities" and it abandoned its former approach. *ISP Remand Order*, 16 FCC Rcd at 9173, ¶ 46. Accordingly, under present law, the question whether traffic "terminates" at the ISP's premises does not govern parties' obligations under section 251(b)(5) and the FCC's implementing rules. At the same time, because existing contracts continue to reflect the language of prior law, the question where traffic "terminates" remains an issue that both parties may continue to litigate.

Verizon agrees with the FCC's conclusion that Internet-bound traffic does not terminate at the ISP's premises – if it did, then the calling party would never be able to communicate with the Internet at all. But the Commission need not agree with Verizon to find that Verizon's proposed language is reasonable. Whether or not Internet-bound traffic terminates at the ISP, there can be no doubt that such traffic is received by the carrier serving the ISP for delivery to the ISP. Accordingly, there can be no dispute that the term "receiving party" accurately and unambiguously describes the carrier receiving the traffic at issue. That language is used consistently and clearly throughout the proposed agreement, and US LEC does not even claim that it finds the language confusing. Nor can it be claimed that Verizon has attempted to gain any collateral advantage by using this terminology. Verizon uses the same neutral term – receiving party – to describe the carrier receiving both reciprocal compensation traffic and Measured Internet Traffic. US LEC is pursuing an empty dispute over terminology in the hopes of gaining a litigation advantage elsewhere. The Commission should adopt Verizon's proposed language.

Issue 6: (Glossary, Section 2.56; Interconnection Attachment, Section 7.2)

Issue: (A) Should the parties be obligated to compensate each other for calls to numbers with NXX codes associated with the same local calling area?
(B) Should Verizon be able to charge originating access to US LEC on calls going to a particular NXX code if the customer assigned the NXX is located outside of the local calling area associated with that NXX code?

US LEC position: (A) The determination of whether a call is rated as local or toll for billing purposes is based upon the NXX of the originating and terminating numbers.

This practice must be maintained such that calls between an originating and terminating NXX, associated with the same local calling area, should continue to be rated as local. Under any scenario, Verizon is responsible to bring traffic originated on its network to the US LEC-IP. The associated cost to Verizon does not change based upon the location of US LEC's customers;

(B) Verizon should not be allowed to charge US LEC originating access for calls to an NXX code if the customer assigned that NXX is located outside of the local calling area to which that NXX is assigned.

Verizon's Alleged
Position:

(A) Verizon should be allowed to revise the industry practice of comparing the NXX codes of the calling and the called party in order to rate a call as local or toll;

(B) Furthermore, Verizon should be allowed to impose originating access charges on a call going to an NXX code if the customer assigned that code is located outside of the local calling area associated with that NXX code.

Verizon's Actual Position:

A) Reciprocal compensation does not apply to interexchange traffic, defined by reference to the actual originating and terminating points of the complete end-to-end communication;

(B) Intrastate and interstate access charges are governed by the parties' tariffs.

The disagreement between the parties here is whether the determination that a given call is subject to inter-carrier compensation should be based on the originating and terminating points of the complete end-to-end communication, or whether such compensation should be based on the NPA-NXX of the called party. Under this Commission's rules, there should be no difference: the Commission's "*MFS II* directive . . . requires assignment of . . . customers' telephone numbers with NXX codes that

correspond to the rate centers in which the customers' premises are physically located."²⁷ As long as a carrier complies with this directive, if a called party's NXX code is associated with the same local calling area as the calling party, the called party must be physically located in the same local calling area as the calling party, and the two parties' language are equivalent.

The Commission should adopt Verizon's proposed language – not US LEC's – for two basic reasons. First, US LEC's language invites carriers to attempt to circumvent this Commission's *MFS II* directive by mis-assigning NXX codes surreptitiously. In past proceedings, this Commission has suggested that incumbent carriers could bring complaints against a carrier suspected to be in violation of the Commission's rules.²⁸

Figuratively speaking, however, it makes more sense to keep the wallet locked up than to leave it out on a table unattended and then to try to catch someone who walks off with it.²⁹

²⁷ See Opinion and Order, *Petition of Focal Communications Corporation of Pennsylvania for Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement With Bell Atlantic-Pennsylvania, Inc.*, Docket No. A-310630F0002, at 11 (Pa. PUC Jan. 24, 2001) (citing *MFS II Order*).

²⁸ *Id.*

²⁹ There is no way for a carrier to know that an interconnecting carrier has assigned NXX codes to customers who are not located in the calling area associated with that number, and such scams can be a major source of regulatory arbitrage and distortion in the local communications markets. To cite a related example, BellSouth Telecommunications, Inc. brought a complaint against US LEC in 1998 alleging that US LEC had improperly invoiced BellSouth for millions of dollars of reciprocal compensation payments. Order Denying Reciprocal Compensation, *BellSouth Telecommunications, Inc. v. US LEC of North Carolina, Inc.*, Docket No. P-561, Sub 10 (N.C. Utils. Comm'n Mar. 31, 2000). The NCUC found that US LEC and an ISP partner had established connections on the BellSouth network solely for the purpose of generating reciprocal compensation minutes of use. One of the ISP's "customers" was Charlie Horse Farm, a horse boarding business. The ISP "installed a router and four [primary rate ISDN lines] in the horse barn so that it could establish 92 connections at one time, and originated connections from the

Second, and more fundamentally, if the difference between the parties were ever to be a material difference – and US LEC asserts that “it should be able to” assign NXX codes without regard to the physical location of its customer (Petition at 19) – Verizon’s language, not US LEC’s, is consistent with binding federal law. The parties’ difference on this issue really implicates the question whether *interexchange* traffic is subject to reciprocal compensation when the calling party and the called party are assigned NPA-NXX codes associated with the same local calling area. Again, if US LEC’s real concern were not with securing compensation for interexchange traffic, it would have no objection to Verizon’s proposed language. And the FCC’s rules directly address this disagreement: interexchange traffic is not subject to reciprocal compensation.

The FCC’s rules have always made clear that reciprocal compensation under 47 U.S.C. § 251(b)(5) “do[es] not apply to the transport and termination of interstate or intrastate interexchange traffic.” *Local Competition Order*, 11 FCC Rcd at 16013, ¶ 1034. The FCC confirmed that result in its April 2001 *ISP Remand Order*, in which it held that reciprocal compensation does not apply to “interstate or intrastate exchange

horse barn to a terminating router for approximately one year. The owner of the horse barn testified that he never accessed or attempted to access [the ISP’s] network.” The NCUC found that US LEC and its partner “took active steps to not reveal their reciprocal compensation plan to BellSouth” and observed that “[i]t took a certain amount of time before the entire picture became clear to the parties who would be responsible for the payment or non-payment of reciprocal compensation, or for raising objections with US LEC regarding whether payment of reciprocal compensation for the traffic was appropriate.” This Commission granted BellSouth’s complaint; one commissioner Pittman characterized US LEC’s conduct as “perhaps even criminal.”

Here, US LEC has stated that it “does not currently assign telephone numbers to customers that have no physical presence in the local calling area associated with the telephone number.” Petition at 17 n.21. There is, however, no guarantee that other carriers would be as scrupulous in their adherence to the rules as US LEC has claimed to be, and the terms of this agreement will be subject to adoption by any carrier under section 252(i).

access, information access or exchange services for such access.” 47 C.F.R.

§ 51.701(b)(1). The FCC has made clear that this exclusion covers all interexchange communications: whenever a LEC provides service “in order to connect calls *that travel to points – both interstate and intrastate – beyond the local exchange,*” it is providing an access service. *ISP Remand Order*, 16 FCC Rcd at 9168, ¶ 37 (emphasis added).

“Congress excluded all such access traffic from the purview of section 251(b)(5).” *Id.* (emphasis added).

“Virtual FX” traffic – that is traffic sent to a “Virtual NXX” – is, by definition, interexchange traffic. A “Virtual NXX” is an exchange code assigned to end users physically located in exchanges other than the one to which the code was assigned. Such a service would be valuable to customers that expect to receive a high volume of incoming calls from ILEC customers within the exchange of that NXX, because the CLEC’s “Virtual NXX” arrangement allows such calls to be made without the imposition of a toll charge on the calling party. In one arrangement (illegal in Pennsylvania), a CLEC assigns an ISP that is collocated with its switch telephone numbers in every local calling area within a broad geographic area – a LATA, or an entire state, for example. The ISP would then be able to offer all of its subscribers a locally rated access number without having to establish more than a single physical presence in that geographic area. If the ISP had been assigned an NXX associated with the calling area in which it is actually located, many of those calls would be rated as toll calls.

Verizon has two fundamental objections to these sorts of arrangements. First, as described above (*see* Issue 1), US LEC is seeking to require Verizon to accept financial responsibility for transporting traffic to a single point in the LATA, designated for US

LEC's convenience. In the case of interexchange traffic, if US LEC assigns NXX codes on a geographically relevant basis, Verizon can at least collect the toll charges due on such traffic from its end-users, because the call will be rated as a toll call. But if US LEC assigns a virtual NXX corresponding to the caller's local calling area even though the called party is collocated with US LEC's switch in another exchange – as in the ISP example above – Verizon is required to transport the traffic across the LATA and is deprived of the compensation ordinarily associated with the call.³⁰ US LEC charges its customers for virtual FX service while Verizon does almost all the work and bears the bulk of the costs. That is entirely unfair.

US LEC not only attempts to force Verizon to bear an unfair share of the costs of these calls, US LEC even attempts to require Verizon to pay US LEC intercarrier compensation on such calls, even though Verizon generally receives no incremental revenue and is instead deprived of toll charges which would ordinarily apply. By contrast, US LEC *does* receive compensation for such calling arrangements from its customer, and is thus seeking double recovery for the same call.

As noted above, that result is simply inconsistent with the FCC's binding regulations; for that reason alone, it is unlawful. US LEC's claim that NPA-NXX assignments should govern inter-carrier compensation is also contrary to decades of industry practice and sound regulatory policy. Before the widespread introduction of local competition following the adoption of the 1996 Act, the most important type of inter-carrier compensation were the access charges that interLATA long distance carriers paid to local telephone companies. Such inter-carrier compensation has always been

³⁰ That concern can be alleviated, but only if the Commission adopts Verizon's VGRIPs

governed by the actual originating and terminating points of the end-to-end call, not the NPA-NXX of the calling and called party.

For example, AT&T has offered customers interLATA FX service, described by the FCC as one “which connects a subscriber ordinarily served by a local (or “home”) end office to a distant (or “foreign”) end office through a dedicated line from the subscriber’s premises to the home end office, and then to the distant end office.”

Memorandum Opinion and Order, *AT&T Corp. v. Bell Atlantic-Pennsylvania*, 14 FCC Rcd 556, 587, ¶ 71 (1998) (“*AT&T v. BA-PA*”), *recon. denied*, 15 FCC Rcd 7467 (2000).

Using such an arrangement, an airline with a reservation office in Atlanta could provide customers in Philadelphia a locally rated number, but all calls would still be routed to Atlanta. The FCC ruled, in that situation, that AT&T was required to pay access charges for the Philadelphia end of that call – even though the call was locally rated for the caller, AT&T was still using access service to complete an interLATA call to the called party.

Id. at 590, ¶ 80. The fact that the calling party and the called party were assigned NPA-NXX’s in the same local calling area was totally irrelevant to the proper treatment of the call for inter-carrier compensation purposes.³¹ To cite another example, when an interexchange carrier (“IXC”) uses “Feature Group A” access to gain access to the local exchange, the caller first dials a seven-digit access number to reach the IXC, and then dials a password and the called party’s area code and number to complete the call.

proposal, which ensures that each party bears an appropriate share of such transport costs.

³¹ US LEC’s proposed language places absolutely no restriction on the location of the end-user to which the NPA-NXX is assigned. Accordingly, the end-user could be in York, Pennsylvania; New York, New York, or York, England. US LEC would demand reciprocal compensation for all such calls.

Notwithstanding this dialing sequence, the service the LEC provides is considered *interstate* access service, not a separate local call, and the IXC must pay access charges.

Not only is US LEC's proposal contrary to law and industry practice, it is likewise inconsistent with sound regulatory policy, because US LEC and its customer do not bear the costs of an arrangement designed for their benefit. Traditionally, the basic local exchange charge has covered the cost of service *within the exchange*. If a user wishes to make a call outside the end-user's local calling area, the end-user must generally pay a toll charge, which the LEC either keeps (if it is providing the interexchange service) or receives a part of in the form of access charges. Some dialing arrangements – such as toll free 800 numbers – allow the calling party to make an interexchange call without incurring the toll charges that would normally apply. But the LEC continues to be compensated for providing access to the local exchange – in the case of 800 numbers, through access charges.

In the case of Virtual FX traffic, US LEC wants to offer its customers the benefit of access to a foreign exchange without the necessity of deploying any facilities serving customers in that exchange. US LEC should not be able to take money *away* from the subscribers in the local exchange rather than *contribute* to the support of the local exchange in this circumstance. Otherwise, Verizon and its subscribers would, in effect, be required to sponsor US LEC's provision of Virtual FX services to US LEC's subscribers. That results turns basic principles of telecommunications regulation on their head.

Notably, the issue whether US LEC would be subject to access charges if it were even permitted to establish Virtual FX arrangements is not before the Commission in this

proceeding. That issue is governed by Verizon's access tariff; indeed, US LEC has agreed to contract language embodying that result. *See* Agreement, Interconnection Attachment, § 8.2. The *only* issue is whether such traffic would be subject to reciprocal compensation (or Measured Internet compensation). For the reasons set forth above, it is not and should not be.

Several state commissions have rejected CLECs' efforts to obtain reciprocal compensation on Virtual NXX traffic, or restricted their ability to establish such service arrangements altogether. The Florida Commission, for example, recently confirmed that virtual NXX or "VFX" traffic is not subject to reciprocal compensation because it does not physically terminate in the same local calling area in which it originates.³² That Commission squarely held that compensation for traffic depends on the end points of the call – that is, where it physically originates and terminates – not on "the NPA/NXXs assigned to the calling and called parties."³³ The Staff recommended, and the Florida Commission agreed, that "calls to virtual NXX customers located outside of the local calling area to which the NPA/NXX is assigned are not local calls for purposes of reciprocal compensation."³⁴

The Maine Public Utility Commission ordered a CLEC, Brooks Fiber, to return 54 NXX codes (*i.e.*, 540,000 telephone numbers) which it was using in a "Virtual NXX" capacity and rejected Brooks' proposed "Virtual NXX" service. The Commission found

³² *See* Staff Memorandum, *Investigation into Appropriate Methods to Compensate Carriers for Exchange Carriers for Exchange of Traffic Subject to Section 251 of the Telecommunications Act of 1996*, Docket No. 000075-TP, Issue 15 at 68, 71, 96 (Florida PUC Nov. 21, 2001) ("Reciprocal Compensation Recommendation"), approved at Florida PUC Agenda Conference (Dec. 5, 2001).

³³ *Id.* at 88-92; Florida PUC Agenda Conference Approval, Issue 15 (Dec. 5, 2001).

³⁴ Reciprocal Compensation Recommendation at 94.

that Brooks had no facilities deployed in any of the locations to which the 54 NXX codes were nominally assigned. As such, it rejected Brooks' arguments that it was using the codes to provide local service, and concluded that Brooks' activities had "nothing to do with local competition."³⁵ It found that Brooks' "extravagant" use of the 54 codes "solely for the rating of interexchange traffic" was patently unreasonable from the standpoint of number conservation.³⁶ The Commission further observed that Brooks' likely reason for attempting to implement an "FX-like" service, instead of a permissible 800 or equivalent service, was Brooks' "hope that it might avoid paying Bell Atlantic for the interexchange transport service provided by Bell Atlantic."³⁷

The vast majority of other state commissions to consider this issue also have held that reciprocal compensation does not apply to virtual NXX traffic because it does not physically originate and terminate in the same local calling area. These state commissions include those in Connecticut,³⁸ Illinois,³⁹ Texas,⁴⁰ South Carolina,⁴¹ Tennessee,⁴² Georgia,⁴³ and Missouri.⁴⁴

³⁵ Order Requiring Reclamation of NXX Codes and Disapproving Proposed Service, *Investigation into Use of Central Office Codes (NXXs) by New England Fiber Comm., LLC d/b/a/ Brooks Fiber, etc.*, Docket Nos. 98-758 and 99-593, at 13, Tab 1 (Maine PUC June 30, 2000).

³⁶ *Id.* at 16.

³⁷ *Id.* at 12.

³⁸ Draft Decision, *DPUC Investigation of the Payment of Mutual Compensation for Local Calls Carried Over Foreign Exchange Service Facilities*, Docket No. 01-01-29, at unnumbered page 21 (Conn. Dept. of Pub. Util. Control Mar. 19, 2001) ("The purpose of mutual compensation is to compensate the carrier for the cost of terminating a local call and since these calls are not local, they will not be eligible for mutual compensation.") (emphasis added).

³⁹ Arbitration Decision, *TDS Metrocom, Inc., Petition for Arbitration of Interconnection Rates, Terms, and Conditions and Related Arrangements with Illinois Bell Telephone Co. d/b/a Ameritech-Illinois Pursuant to Section 252(b) of the Telecommunications Act of 1996*, Docket No. 01-0338, at 48 (Ill. Comm. Comm'n Aug. 8, 2001); Arbitration

US LEC's claim that the FCC's decision in *TSR Wireless* provides any support for its position here is plainly incorrect. That decision merely ruled that incumbent LECs could not charge paging carriers for existing facilities used to deliver local traffic generated on the LEC's network to the paging carrier's switch. The FCC did not rule that any non-local traffic would be subject to reciprocal compensation, nor did it address any issues related to network architecture. Moreover, the question of whether the traffic at

Decision, *Level 3 Communications, Inc. Petition for Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Illinois Bell Telephone Company d/b/a Ameritech Illinois*, Docket No. 00-0332 (Ill. Comm. Comm'n Aug. 30, 2001) ("FX traffic does not originate and terminate in the same local rate center and therefore, as a matter of law, cannot be subject to reciprocal compensation.").

⁴⁰ Revised Arbitration Award, *Proceeding to Examine Reciprocal Compensation Pursuant to Section 252 of the Federal Telecommunications Act of 1996*, Docket No. 21982, at 18 (Tex. PUC Aug. 31, 2000) (finding FX-type traffic "not eligible for reciprocal compensation" to the extent it does not terminate within a mandatory local calling scope).

⁴¹ Order on Arbitration, *Petition of Adelpia Business Solutions of South Carolina, Inc. for Arbitration of an Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to Section 252(b) of the Communications Act of 1934, as Amended by the Telecommunications Act of 1996*, Docket No. 2000-516-C, at 7 (S.C. PSC Jan. 16, 2001) ("Applying the FCC's rules to the factual situation in the record before this Commission regarding this issue of 'virtual NXX,' this Commission concludes that reciprocal compensation is not due to calls placed to 'virtual NXX' numbers as the calls do not terminate within the same local calling area in which the call originated.").

⁴² Interim Order of Arbitration Award, *Petition for Arbitration of the Interconnection Agreement Between BellSouth Telecommunications, Inc. and Intermedia Communications, Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996*, Docket No. 99-00948, at 42-44 (Tenn. Regulatory Util. Comm'n June 25, 2001).

⁴³ Final Order, *Generic Proceeding of Point of Interconnection and Virtual FX Issues*, Docket No. 13542-U, at 10-12 (Ga. PSC July 23, 2001) ("The Commission finds that reciprocal compensation is not due for Virtual FX traffic.").

⁴⁴ Arbitration Order, *Application of AT&T Communications of the Southwest, Inc., TCG St. Louis, Inc., and TCG Kansas City, Inc., for Compulsory Arbitration of Unresolved Issues With Southwestern Bell Telephone Company Pursuant to Section 252(b) of the Telecommunications Act of 1996*, Case No. TO-2001-455, at 31 (Mo. PSC June 7, 2001) (finding VFX traffic "not be classified as a local call").

issue in *TSR Wireless* was interexchange traffic did not arise because, under the FCC's rules, traffic between CMRS providers and LECs is subject to reciprocal compensation so long as it originates and terminates *within the same Major Trading Area*, an area encompassing many exchanges. See 47 C.F.R. § 51.701(b)(2).

Issue 7: (Interconnection Attachment, Section 12.4)

Issue: Should Verizon be obligated to act as the transit carrier for US LEC and other third party local exchange carriers?

US LEC position: Verizon is compensated for the provision of transit service from the carrier serving the originating party and should be obligated to provide nondiscriminatory transit service to US LEC just as it does for other carriers. Verizon has no right to condition the provision of transit service on the existence of a contract (between US LEC and another carrier) to which Verizon is not a party.

Verizon's Alleged Position: Verizon will discontinue transit service unless US LEC has negotiated traffic exchange agreements with third party carriers and provided Verizon notice of such agreements.

Verizon's Actual Position:

The parties have settled this issue.

Issue 8: (Interconnection Attachment, Sections 8.1 and 8.1.1; General Terms and Conditions, Section 50.2)

Issue: What compensation framework should govern the parties' exchange and termination of ISP-bound traffic in the event the FCC's Internet Order is vacated or reversed on appeal?

US LEC position: In the event the Internet Order is vacated or reversed on appeal, the parties should continue to compensate each other at the rates set forth in the FCC's Internet Order, but waive any other terms and conditions of that Order (e.g., the growth caps and new market restrictions).

Verizon's Alleged Position: In the event the Internet Order is vacated or reversed on appeal, the parties should have to negotiate and, if necessary, arbitrate a new compensation framework.

Verizon's Actual Position: The parties' obligations are governed by federal law.

The *ISP Remand Order* has been remanded by the D.C. Circuit Court of Appeals but continues in effect pending further FCC proceedings. If past history is any indication, those proceedings are likely to be prolonged, so the rules adopted in the *ISP Remand Order* are likely to remain the law of the land for some time. To be sure, no one can anticipate with certainty what additional steps the FCC may take on remand. Such uncertainty is regrettable, but it is also inevitable. And Verizon simply will not agree to pay any compensation for ISP-bound traffic not strictly required by federal law, which governs the issue. Accordingly, if there is a subsequent change of law on this point, the parties' obligations will conform to that change.

US LEC's proposed provision – which deals with the possible outcome of the court challenge to the *ISP Remand Order* – has thus been overtaken by events; moreover, the proposed terms, if applied, would lead to the wrong result. As noted, although the D.C. Circuit remanded the *ISP Remand Order* for additional explanation, it explicitly decided that the order should continue to govern parties' obligations. Accordingly, US LEC continues to be subject to growth caps and all other provisions of the *ISP Remand*

Order rules under governing federal law. Yet, under US LEC's proposed provision the FCC's "growth cap and new market provisions" in the *ISP Remand Order* would be eliminated, contrary to governing federal law. That result is simply inconsistent with the explicit determination of the D.C. Circuit that the *ISP Remand Order* would remain in effect pending further proceedings on remand.

Because US LEC's proposed language has no basis in law, this Commission should reject it; the parties' obligations should simply conform to those imposed by federal law.

Issue 9: (Pricing Attachment, Section 1.5)

Issue: Should Verizon be permitted to change its non-tariffed charges during the term of the agreement, or must such charges remain fixed for the entire term?

US LEC position: Although tariffed charges may change during the term of the agreement due to changes in applicable tariffs, non-tariffed charges must remain fixed for the term of the agreement.

Verizon's Alleged Position: Both tariffed rates and non-tariffed rates may be changed whenever Verizon alters its existing rates or adds new tariffed rate elements or services.

Verizon's Actual Position: Applicable tariff charges take precedence over charges set out in the agreement; regulatory decisions modifying applicable charges should be incorporated into the agreement.

In negotiating the present agreement, Verizon has attempted to conform all of the agreement's terms to the requirements of applicable law. This principle applies with respect to pricing in particular: the rates set forth in the agreement are either based on generally applicable tariffs or reflect this Commission's rate-setting under section 252(d)

of the Communications Act. In general, the pricing provisions of Verizon's agreements within a particular state are uniform, reflecting the generally applicable rates set by regulators in appropriate adversary proceedings.

For this reason, it is both fair and appropriate that, if the generally applicable charges for a particular service change, the charges under the agreement should change along with them. The principle that the charges for services provided to CLECs should be non-discriminatory is deeply embedded both in the history of telecommunications regulation and in the 1996 Act in particular: federal law specifically requires that charges for interconnection unbundled network elements, services offered for resale, and collocation must be "just, reasonable, and *nondiscriminatory*." 47 U.S.C. § 251(c)(2), (3), (4), (6) (emphasis added); *see also id.* § 252(d)(1). By providing that applicable tariffs and other charges that are mandated or approved by the FCC or this Commission should supersede any charges set forth in the agreement, Verizon's proposed language gives effect to the letter and the spirit of these non-discrimination provisions. Otherwise, a carrier may be at a permanent advantage by the mere fortuity of when the carrier executed the governing interconnection agreement.

US LEC claims that Verizon's proposed language would give Verizon "unbridled discretion to modify its rates at will." Petition at 27. This is nonsense. Verizon is not free to modify its generally applicable charges unilaterally. Those charges will change in one of two ways. Either Verizon will publicly file a tariff with the appropriate state or federal commission – tariffs that do not go into effect until interested parties have had an opportunity to raise a challenge to them – in which case US LEC will have every opportunity to participate in the process of agency review. Or the industry or some

segment of it will participate in a generic ratemaking proceeding of some other type; again, in that circumstance, US LEC would presumably be able to participate in the proceedings and ensure that such new rates are just, reasonable, and in conformance with applicable law.

Accordingly, US LEC has no legitimate reason to resist Verizon's proposed language, and Verizon has every reason to be concerned about arbitrage. So long as the rates contained in the interconnection agreement place a CLEC at an advantage, it will exploit those rates, but if a new generally applicable rate is lower, the CLEC will likely claim that it is entitled to purchase service out of the tariff, notwithstanding the existence of an agreement. In this way, a CLEC hopes to gain the benefit of rate reductions without facing any risk that other charges will increase under applicable law.

Faced with a comparable problem, the New York Public Service Commission ruled that "it is better to allow the new agreement between AT&T and Verizon to absorb tariff amendment and changes that are intended to implement substantial telecommunications policy initiatives than to freeze it at its inception."⁴⁵ The PSC noted that "the tariff process promote[s] comparable interconnections for competitive carries and unbundled access on similar terms" and that "[t]he tariff process permits ample opportunity for interested persons to participate and seek changes (or even rejection) of proposed tariffs before they become effective."⁴⁶ The same reasoning argues in favor of adopting Verizon's proposed language here.

⁴⁵ Order Resolving Arbitration Issues, *Joint Petition of AT&T Communications of New York, Inc., TCG New York Inc. and ACC Telecom Corp. Pursuant to Section 252(b) of the Telecommunications Act of 1996 for Arbitration to Establish an Interconnection Agreement with Verizon New York Inc.*, Case 01-C-0095, at 5 (N.Y. PSC July 26, 2001).

⁴⁶ *Id.* at 4.

Issue 10: (General Terms and Conditions, Section 9.3)

Issue: (A) Should the time period during which a party may dispute charges be limited to sixty (60) days from the invoice date, or should a party be permitted to dispute charges for an indefinite period?; and
(B) May an entire class of charges be disputed at once, or must each charge be disputed separately?

US LEC position: The time period during which a party may dispute any charges should be no longer than sixty (60) days from the invoice date, and each item must be disputed separately per bill cycle.

Verizon's Alleged Position: Parties may dispute a charge for an indefinite and unlimited time period, and an entire class of charges may be disputed at once.

Verizon's Actual Position:

The parties have settled this issue.

Issue 11: (General Terms and Conditions, Section 21)

Issue: Should Verizon's proposed insurance requirements be adjusted to coverage levels that are consistent with the insurance that US LEC currently maintains?

US LEC position: Yes.

Verizon's Alleged Position: No.

Verizon's Actual Position:

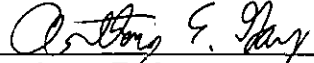
US LEC should be required to maintain a commercially reasonable level of insurance.

US LEC does not challenge the principle that the agreement should impose a commercially reasonable level of insurance; it simply disputes what that level should be.

The parties' differences are relatively narrow, and the insurance premiums at stake hardly merit US LEC's insistence on litigating the issue. For Verizon, which deals with dozens if not hundreds of CLECs, the principle that CLECs must carry adequate insurance is an important one. And the levels that US LEC has proposed are not adequate.

In particular, US LEC has proposed slashing the level of general commercial liability and commercial motor vehicle liability coverage in half, from \$2,000,000 to \$1,000,000. But even *individuals* frequently carry insurance above this level. And US LEC's proposal for employer's liability insurance – \$100,000 per incident, \$500,000 for the policy – is wholly insufficient. This is an area of increasing exposure, and the \$2,000,000 level proposed by Verizon is reasonable. The Commission should accordingly adopt Verizon's position on this issue.

Respectfully submitted,



Anthony E. Gay
Verizon Pennsylvania Inc.
1717 Arch Street, 32N
Philadelphia, PA 19103
(215) 963-6023

Julia A. Conover
Verizon Pennsylvania Inc.

Of Counsel

Aaron M. Panner
Scott H. Angstreich
Kellogg, Huber, Hansen, Todd & Evans, P.L.L.C.
1615 M Street, N.W., Suite 400
Washington, D.C. 20036
(202) 326-7900

May 21, 2002

Attorneys for Verizon Pennsylvania Inc.

DILWORTH PAXSON LLP

LAW OFFICES

June 7, 2002

BY OVERNIGHT MAIL AND ELECTRONIC MAIL

Julia Conover, Esq.
Bell Atlantic-Pennsylvania, Inc.
1717 Arch Street, 32 NW
Philadelphia, PA 19103

DOCUMENT FOLIO

Re: In Re: Petition of US LEC of Pennsylvania Inc. for Arbitration with Verizon Pennsylvania Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996; Docket No. A-310814F7000

Dear Ms. Conover:

Enclosed please find US LEC of Pennsylvania Inc's first set of discovery requests to Verizon Pennsylvania Inc., in the above-captioned proceeding.

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

Sincerely,



Linda C. Smith
Counsel for US LEC of Pennsylvania Inc.

cc: Hon. Louis Cocheres (cover letter and service list only)
James J. McNulty, Secretary (cover letter and service list only)
Aaron M. Panner
Wanda Montano
Michael L. Shor
Service List

305 N. FRONT STREET • SUITE 403 • HARRISBURG PA 17101-1236
(717) 236-4812 • FAX (717) 236-7811 • www.dilworthlaw.com

RECEIVED
2002 JUN 10 AM 9:29
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below via electronic and overnight mail.

Julia A. Conover, Esquire
Verizon Pennsylvania, Inc.
1717 Arch Street 32 NW
Philadelphia, PA 19103
Phone (215) 963-6001
Fax (215) 563-2058
E-mail julia.a.conover@verizon.com

Anthony E. Gay
Verizon Pennsylvania, Inc.
1717 Arch Street, 32N
Philadelphia, PA 19103
Phone (215) 963-6023
anthony.e.gay@verizon.com

Aaron M. Panner
Scott H. Angstreich
Kellogg, Huber, Hansen, Todd & Evans, P.L.L.C.
1615 M Street, N.W., Suite 400
Washington, D.C. 20026
(202) 326-7900

DOCKETED
JUL 12 2002

2002 JUN 10 AM 9:29
SECRETARY'S BUREAU

RECEIVED

DOCUMENT FOLDER


Linda C. Smith

Dated: June 7, 2002

KELLOGG, HUBER, HANSEN, TODD & EVANS P.L.L.C.

SUMNER SQUARE
1615 M STREET, N.W.
SUITE 400

WASHINGTON, D.C. 20036-3209

(202) 326-7900

FACSIMILE:
(202) 326-7999

ORIGINAL

RECEIVED

June 12, 2002

JUN 12 2002

Via Overnight Express Mail

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: Petition of US LEC of Pennsylvania, Inc. for
Arbitration with Verizon Pennsylvania Inc. Pursuant to
Section 252(b) of the Telecommunications Act of 1996
Docket No. A-310814F7000

DOCUMENT

Dear Secretary McNulty:

Enclosed is Verizon Pennsylvania Inc.'s Objections to US LEC of Pennsylvania, Inc.'s First Set of Discovery Requests, in the above-captioned matter.

Verizon will continue to work in good faith with US LEC in an effort to resolve disputes over the scope of the discovery requests and files these objections now in accordance with the procedural schedule set forth in the Prehearing Order No. 2.

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

Sincerely yours,



Aaron M. Panner

Enc.

cc: Honorable Louis G. Cocheres
Attached Certificate of Service

73

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Petition of US LEC of Pennsylvania, Inc. for
Arbitration with Verizon Pennsylvania Inc.
Pursuant to Section 252(b) of the
Telecommunications Act of 1996

Docket No: A-310814F7000

DOCKETED
JUN 19 2002

DOCUMENT

**VERIZON PENNSYLVANIA INC.'S OBJECTIONS TO
US LEC OF PENNSYLVANIA, INC.'S FIRST SET OF DISCOVERY REQUESTS**

Pursuant to 52 Pa. Code §§ 5.342, 5.349, and 5.5350, and the Prehearing Order No. 2, Verizon Pennsylvania Inc. ("Verizon") hereby objects to US LEC of Pennsylvania, Inc.'s ("US LEC") First Set of Discovery Requests (filed June 7, 2002).

INTRODUCTION AND SUMMARY

Almost without exception, US LEC's discovery requests must be denied for a fundamental reason: they are not "relevant to the subject matter involved in the pending action." 52 Pa. Code § 5.321(c). US LEC has identified no disputed issues of fact in this proceeding and has made no effort to consult with Verizon as to what facts are disputed (despite its pre-hearing commitment to do so). There are only eight inter-related issues pending between the parties. Yet US LEC has served a total of 100 requests for admission, interrogatories, and document requests, with additional sub-parts to many of the requests. Virtually none of these requests seeks information that is relevant to the issues in this proceeding which are, as US LEC has acknowledged, issues of law and policy. Moreover, US LEC's data requests are extraordinarily burdensome. US LEC seeks information regarding Verizon's interactions with every CLEC operating in Pennsylvania for the past three-and-a-half years or longer; seeks information that is fully available to US LEC – prominently including the terms of Verizon's tariffed services; or

RECEIVED

JUN 12 2002

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

simply engages in legal argument. To the extent that US LEC has a legitimate need for information in Verizon's possession concerning a disputed issue of fact – relating for example to arguments raised by Verizon's witnesses – Verizon is fully prepared to provide such information in good faith. But US LEC has frankly abused the discovery process by making no effort to tailor its requests in the first instance or to comply with this Commission's rules.

Under governing law, US LEC may seek discovery only as to matters that are “relevant to the subject matter involved in the pending action.” *Id.* US LEC has requested that the Commission arbitrate a dispute regarding the parties' interconnection agreement under 47 U.S.C. § 252(b). That section requires this Commission to “limit its consideration . . . to the issues set forth in the petition and in the response” and to resolve such issues pursuant to “the requirements of section 251.” *Id.* § 252(b)(4), (c)(1). Therefore, this Commission is called upon to reach determinations as to the requirements of federal law and to establish interconnection terms and conditions that implement those requirements.

Yet only a handful of the 100 requests are designed to elicit information pertinent to the application of federal law in this proceeding. Instead, a substantial number of US LEC's requests seek discovery into voluntary agreements between Verizon and other CLECs, even though such agreements may be reached “without regard to the standards set forth . . . in section 251” (*id.* § 252(a)(1)) and even though all such agreements are “available for public inspection” (*id.* § 252(h)).¹ Others relate to issues that were raised in neither US LEC's petition for arbitration nor Verizon's response and, therefore, are outside the scope of this arbitration altogether. *See id.* § 252(b)(4). Still others seek discovery into Verizon's beliefs about whether

¹ Moreover, if US LEC believed that any CLEC in Pennsylvania has the right to establish interconnection architecture that is consistent with US LEC's position, US LEC would have no reason to arbitrate this issue, but could simply adopt the desired terms under 47 U.S.C. § 252(i).

certain rates satisfy the provisions of the 1996 Act and the FCC's regulations implementing those provisions. Not only is Verizon's belief irrelevant to the question of the appropriate interpretation of federal law, but US LEC, again, did not challenge the appropriateness of those rates, which were established by this Commission. And many of US LEC's requests seek *discovery concerning Verizon's services – all of which are offered pursuant to publicly filed tariffs – or other business practices and arrangements that can have no relevance to the contested issues in this proceeding.*

Requiring Verizon to respond to each of these requests would “cause unreasonable . . . burden or expense” and “[w]ould require the making of an unreasonable investigation.” 52 Pa. Code § 5.361(a)(2), (4). For example, US LEC would require Verizon to provide a minute catalogue of virtually every interconnection arrangement between Verizon and any CLEC in this Commonwealth, and to “provide copies of all product descriptions and marketing materials associated with” a variety of Verizon's service offerings. Even if any of this material bore on any contested issue in this proceeding – and it does not – to produce such material in the limited time available for discovery would be virtually impossible. Accordingly, Verizon objects, for these reasons and as set forth below, to Requests for Admission No. 1 through 10 and 12, and Interrogatories No. 2 through 88, which should be denied in their entirety.

I. OBJECTIONS TO INSTRUCTIONS

Instruction N: Verizon objects to the designation of “January 1, 1999 to the present” as the period covered by these interrogatories. The January 1, 1999, start date is arbitrary, requires unduly burdensome investigations by Verizon, and is not related to the subject matter of this proceeding.

II. SPECIFIC OBJECTIONS TO REQUESTS FOR ADMISSION

Verizon objects to the specific Requests for Admission as follows:

Issues One and Two

Requests for Admission No. 1-5

1. Please admit that Verizon currently delivers its originated traffic to a single US LEC-IP per LATA in (a) the Pittsburgh (234) LATA and (b) the Philadelphia (228) LATA. If you do not so admit, please explain the reasons for your denial.
2. Please admit that US LEC's single IP in (a) the Pittsburgh (234) LATA and (b) the Philadelphia (228) LATA, is located at US LEC's switch. If you do not so admit, please explain the reasons for your denial.
3. Please admit that Verizon is currently financially responsible for the facilities used to deliver its originated traffic to the single US LEC-IP in (a) the Pittsburgh (234) LATA and (b) the Philadelphia (228) LATA. If you do not so admit, please explain the reasons for your denial.
4. Please admit that US LEC currently delivers its originated traffic to Verizon-IPs located at each Verizon access tandem in (a) the Pittsburgh (234) LATA and (b) the Philadelphia (228) LATA. If you do not so admit, please explain the reasons for your denial.
5. Please admit that US LEC is currently financially responsible for the facilities used to deliver its originated traffic to each Verizon access tandem in (a) the Pittsburgh (234) LATA and (b) the Philadelphia (228) LATA. If you do not so admit, please explain the reasons for your denial.

Objection to Requests for Admission No. 1-5

Verizon objects to these requests for admission, which are vague and ambiguous, insofar as US LEC has not clearly defined the following terms and phrases: "US LEC-IP," "Verizon-IP," and "financially responsible for the facilities used." Verizon further objects to these requests for admission on the ground that they are not relevant to the subject matter of this proceeding. In the issues it has designated as 1 and 2, US LEC has sought arbitration with respect to whether, under federal law, it is entitled to select only a single interconnection point ("IP") per LATA. The parties' existing interconnection architecture is not relevant to the question whether federal law

affords US LEC the right that it claims with regard to the selection of IPs. Finally, Verizon's position on these matters is well set forth in its response to US LEC's petition for arbitration and in its pre-filed testimony.

Request for Admission No. 6

Please provide a diagram of the network interconnection architecture currently in use by Verizon and US LEC in (a) the Pittsburgh (234) LATA and (b) the Philadelphia (228) LATA, as such architecture is understood by Verizon. Please include in the diagram the locations of the POIs, IPs, types of trunks (one-way or two-way, local or meet point, etc.), ownership of facilities, size and type of the facility, and financial responsibility for facilities.

Objections to Request for Admission No. 6

Verizon objects to this request for admission which, in fact, is a request for a document, namely a "diagram of the network interconnection architecture currently in use by Verizon and US LEC." To the extent that Verizon does not maintain this information in the format requested, it would be unduly burdensome to require Verizon to create such a map, especially as much of the information is already in US LEC's possession.

Requests for Admission No. 7-8

7. Please admit that shifting the US LEC-IP from US LEC's switch to a Verizon tandem would shift financial responsibility for delivering Verizon-originated traffic from Verizon to US LEC. If you do not so admit, please explain the reasons for your denial.

8. Please admit that shifting the US LEC-IP from US LEC's switch to a Verizon end office would shift financial responsibility for delivering Verizon-originated traffic from Verizon to US LEC. If you do not so admit, please explain the reasons for your denial.

Objection to Requests for Admission No. 7-8

Verizon objects to these requests for admission, which are vague and ambiguous, insofar as US LEC has not clearly defined the following term and phrase: "US LEC-IP" "shift financial responsibility." Verizon further objects to these requests for admission on the ground that they are not relevant to the subject matter of this proceeding. In the issues it has designated as 1 and

2, US LEC has sought arbitration with respect to whether, under federal law, it is entitled to select only a single interconnection point (“IP”) per LATA. The parties’ existing allocation of financial responsibility is not relevant to the question whether federal law affords US LEC the right that it claims with regard to the selection of IPs. Finally, Verizon’s position on these matters is well set forth in its response to US LEC’s petition for arbitration and in its pre-filed testimony.

Request for Admission No. 9

Please admit that if a CLEC wishes to maintain a 60% utilization per trunk, then the CLEC will be unable to meet that utilization threshold in a particular wire center when it first begins to serve customers in that wire center serving area if its Interconnection Point is located at that wire center.

Objection to Request for Admission No. 9

Verizon objects to this request for admission because it is not relevant to the subject matter of this proceeding. As explained above, this Commission is required to “limit its consideration . . . to the issues set forth in the petition [for arbitration] and in the response.” 47 U.S.C. § 252(b)(4). In its petition for arbitration, US LEC did not challenge the provisions of the proposed interconnection agreement pertaining to trunk utilization, nor did Verizon raise any issues with respect to trunk utilization in its response. Moreover, this request calls for information outside the possession or control of Verizon, namely, the business plans of unidentified CLECs that “first begin[] to serve customers in [a] wire center serving area.”

Request for Admission No. 10

Please admit that, using the calculation in Verizon-proposed Section 7.1.1.1.1 of the agreement, it is possible that the “offset” to US LEC’s terminating reciprocal compensation charges will exceed US LEC’s charges and that US LEC will owe Verizon money. If you do not so admit, please explain the reasons for your denial.

Objection to Request for Admission No. 10

Verizon objects to this request for admission on the ground that it is not relevant to the subject matter of this proceeding. In the issues it has designated as 1 and 2, US LEC has sought arbitration with respect to whether, under federal law, it is entitled to select only a single interconnection point (“IP”) per LATA. Hypothetical possibilities under Verizon’s proposed section 7.1.1.1.1 are not relevant to the question whether federal law affords US LEC the right that it claims with regard to the selection of IPs.

Request for Admission No. 12

Please admit that Verizon does not provision collocation arrangements within thirty (30) days of an application by a CLEC for establishment of a collocation arrangement. If you do not so admit, please explain the reasons for your denial.

Objection to Request for Admission No. 12

Verizon objects to this request for admission on the ground that it is not relevant to the subject matter of this proceeding. As explained above, this Commission is required to “limit its consideration . . . to the issues set forth in the petition [for arbitration] and in the response.” 47 U.S.C. § 252(b)(4). In its petition for arbitration, US LEC did not challenge Verizon’s collocation intervals, nor did Verizon raise any issues with respect to collocation intervals in its response. In addition, Verizon objects to this request for admission on the ground that it seeks information already in US LEC’s possession or otherwise publicly available through Verizon’s tariffs.

III. SPECIFIC OBJECTIONS TO INTERROGATORIES

Verizon objects to the specific Interrogatories as follows:

Issues One and Two

Interrogatory No. 2

Please identify and explain the factors Verizon analyzes when determining how, where, and when to establish an Interconnection Point or Point of Interconnection with a CLEC.

Objection to Interrogatory No. 2

Verizon objects to this interrogatory, because it is not relevant to the subject matter involved in this proceeding. In the issues it has designated as 1 and 2, US LEC has sought arbitration with respect to whether, under federal law, it is entitled to select only a single interconnection point (“IP”) per LATA, where an IP is defined as the point at which financial responsibility for the transport of traffic is transferred from Verizon to US LEC. Whatever factors Verizon employs when determining its IPs or points of interconnection (“POIs”) — the physical points at which the two carriers’ networks are connected, which may be same as the IPs, but need not be — with a CLEC are not relevant to that question. They do not address the requirements of federal law with respect to US LEC’s alleged right to require Verizon to bear the costs of transporting traffic outside of local calling areas.

Interrogatories No. 3-5

3. Please identify and explain the factors Verizon analyzes when determining how, where and when to request that a CLEC establish an Interconnection Point at a Verizon Tandem.

4. Please identify and explain the factors Verizon analyzes when determining how, where and when to request that a CLEC establish an Interconnection Point at a Wire Center other than a Tandem.

5. Please identify and explain the factors Verizon analyzes when determining how, where and when to request that a CLEC establish an Interconnection Point at a collocation arrangement the CLEC has established at a Verizon premise.

Objection to Interrogatories No. 3-5

Verizon objects to these three interrogatories because they are not relevant to the subject matter involved in this proceeding. The question at issue is whether, under federal law, US LEC is entitled to select a single IP per LATA and, thereby, to require Verizon to bear the costs of transporting traffic outside of local calling areas. Whatever factors Verizon employs when determining whether to request that a CLEC establish an IP at any of the above-listed locations are not relevant to that question.

In addition, Verizon objects to these three interrogatories because they are vague and ambiguous in that they are not tied to the particular language of an interconnection agreement between Verizon and a CLEC, which would govern Verizon's rights to request that a particular CLEC establish an IP at any of the above-listed locations.

Interrogatories No. 6-9

6. Please provide all cost studies and other documentation in your possession, custody or control relating to an analysis of Verizon's purported cost of originating traffic based upon the location of Interconnection Points or Points of Interconnection with CLECs.

7. Please provide all cost studies and other documents in your possession, custody or control relating to an analysis of Verizon's purported costs based upon a single Interconnection Point or Point of Interconnection per LATA with a CLEC.

8. Please provide all cost studies and other documents in your possession, custody or control relating to an analysis of Verizon's purported costs based upon establishing an Interconnection Point or Point of Interconnection with a CLEC in each Verizon local calling area in a LATA.

9. Please provide all traffic studies, cost studies, network planning, and other documents in your possession, custody or control relating to an analysis of Verizon's purported costs of delivering Verizon's originating local traffic to US LEC's IP at its switch in (a) the Pittsburgh (234) LATA and (b) the Philadelphia (228) LATA.

Objection to Interrogatories No. 6-9

Verizon objects to Interrogatories No. 7-9 because they are each duplicative of Interrogatory No. 6, which requests "all cost studies and other documentation in your possession,

custody or control relating to an analysis of Verizon's purported costs of originating traffic based upon the location of Interconnection Points or Points of Interconnection with CLECs."

Interrogatories No. 7 through 9 simply specify the type of other documentation requested, the location of the interconnection points or points of interconnection, and the identity of the CLEC. As a result, any information responsive to these three interrogatories will already have been provided in response to Interrogatory No. 6.

In addition, Verizon objects to all four of these interrogatories because they are overly broad and unduly burdensome. Each applies to a period of more than three-and-a-half years with respect to every CLEC that operated in Pennsylvania during that time. Even if limited to a shorter time period and to Verizon, these interrogatories would still be overly broad in scope and therefore unduly burdensome given the number of CLECs that operate in Pennsylvania.

Interrogatories No. 10-12

10. Please state whether Verizon has ever requested that a CLEC designate a Verizon tandem (access or local) as the Interconnection Point or Point of Interconnection for delivery of CLEC originated traffic to Verizon. If so, please state how many times (separating access and local tandems) and with how many CLECs Verizon has made such a designation and state the number of times where a CLEC has acceded to Verizon's request.

11. Please state whether Verizon has ever requested that a CLEC designate a Verizon end office as the Interconnection Point or Point of Interconnection for delivery of CLEC originated traffic to Verizon. If so, please state how many times and with how many CLECs Verizon has made such a designation.

12. Please state whether Verizon has ever requested that a CLEC designate a CLEC's collocation arrangement at a Verizon Premise as the Interconnection Point or Point of Interconnection for delivery of Verizon originated traffic to a CLEC. If so, please state how many times and with how many CLECs Verizon has made such a designation.

Objection to Interrogatories No. 10-12

Verizon objects to these three interrogatories because they are not relevant to the subject matter involved in this proceeding. Whether Verizon has ever requested that a CLEC designate

any of the above-listed locations as a POI or an IP is irrelevant to the question whether, under federal law, US LEC is entitled to select a single IP per LATA and, thereby, to require Verizon to bear the costs of transporting traffic outside of local calling areas.

In addition, Verizon objects to all three of these interrogatories because they are overly broad and unduly burdensome. These interrogatories are not limited in time and apply to every CLEC that has ever operated in Pennsylvania. Even if limited to a shorter time period and to Verizon, these interrogatories would still be overly broad in scope and therefore unduly burdensome given the number of CLECs that operate in Pennsylvania.

Interrogatory No. 13

Please state whether Verizon or a CLEC has ever designated the CLEC's switch as the Interconnection Point or Point of Interconnection for delivery of Verizon originated traffic to the CLEC. If so, please state how many times and with how many CLECs such a designation has been made.

Objection to Interrogatory No. 13

Verizon objects to this interrogatory because it is not relevant to the subject matter involved in this proceeding. Whether Verizon or a CLEC has ever designated a CLEC's switch as a POI or an IP is irrelevant to the question whether, under federal law, US LEC is entitled to select a single IP per LATA and, thereby, to require Verizon to bear the costs of transporting traffic outside of local calling areas.

In addition, Verizon objects to this interrogatory because it is overly broad and unduly burdensome. The interrogatory is not limited in time and applies to every CLEC that has ever operated in Pennsylvania. Even if limited to a shorter time period and to Verizon, these interrogatories would still be overly broad in scope and therefore unduly burdensome given the number of CLECs that operate in Pennsylvania.

Interrogatories No. 14-15

14. Please state whether Verizon has ever executed an interconnection agreement with any CLEC in which Verizon has expressly agreed to establish Interconnection Points or Points of Interconnection for Verizon-originated traffic at a CLEC's switch. If so, please state how many agreements and with how many CLECs such a designation has been made and provide a copy of the relevant portion of each such agreement. The time period covered by this Interrogatory is January 1, 1996, to and including the present.

15. Please state whether Verizon has ever agreed with any CLEC that Verizon would be responsible for establishing and maintaining facilities at its own expense on its side of the Interconnection Point selected by the CLEC. If so, please state how many times and with how many CLECs such an agreement has been made.

Objection to Interrogatories No. 14-15

Verizon objects to these two interrogatories because they are not relevant to the subject matter involved in this proceeding. As explained above, parties are entitled to negotiate interconnection agreements "without regard" to the requirements of federal law. 47 U.S.C. § 252(a)(1). Therefore, whether Verizon has ever reached the agreements described above with any CLEC is irrelevant to the question whether, under federal law, US LEC is entitled to select a single IP per LATA and, thereby, to require Verizon to bear the costs of transporting traffic outside of local calling areas. Verizon also objects to these interrogatories to the extent that they request publicly available information, namely, approved interconnection agreements between Verizon and CLECs operating in Pennsylvania, which are required to be maintained on file with this Commission.

In addition, Verizon objects to these interrogatories because they are overly broad and unduly burdensome. Interrogatory No. 14 covers a period of six-and-a-half years, while Interrogatory No. 15 is not limited in time. Both interrogatories apply to every CLEC that has ever operated in Pennsylvania. Even if limited to a shorter time period and to Verizon, these interrogatories would still be overly broad in scope and therefore unduly burdensome given the number of CLECs that operate in Pennsylvania.

Interrogatories No. 16-17

16. Please identify and explain the factors Verizon analyzes when determining whether a trunk and/or dedicated transport is efficiently utilized when that trunk and/or dedicated transport is (a) between two Verizon end offices; (b) between a Verizon end office and a Verizon tandem; (c) between a Verizon end office and a CLEC end office; (d) between a Verizon tandem and a CLEC end office.

17. Please state the utilization level that Verizon believes is efficient from a network planning perspective for each of the trunks and dedicated facility categories listed in DR 16.

Objection to Interrogatories No. 16-17

Verizon objects to these two interrogatories because they are not relevant to the subject matter involved in this proceeding. In its petition for arbitration, US LEC did not raise any challenges with respect to trunk utilization, nor did Verizon raise any issues with respect to trunk utilization in its response.

Interrogatories No. 18-22

18. Please state how many Verizon Tandems (access and local) are located in (a) the Pittsburgh (234) LATA and (b) the Philadelphia (228) LATA, and provide the name, CLLI Code, V&H coordinates and street address of each Tandem.

19. Please state how many Verizon local calling areas are located in (a) the Pittsburgh (234) LATA and (b) the Philadelphia (228) LATA, and provide a map of each area showing the name and describing the boundaries of each such area.

20. Please state how many Verizon end offices are located in (a) the Pittsburgh (234) LATA and (b) the Philadelphia (228) LATA, and provide the name, CLLI Code, V&H coordinates and street address of each end office.

21. Please state the average distance between each Verizon Tandem switch in (a) the Pittsburgh (234) LATA and (b) the Philadelphia (228) LATA, and the Verizon end offices that subtend that Tandem and provide support explaining your calculation, including a map to scale delineating those distances.

22. Please state the average distance between the Verizon end office(s) and (a) US LEC's switch located at V&H coordinates 05619/02187 (CLLI PITBPAMADS1) in the Pittsburgh (234) LATA and (b) US LEC's switch located at V&H coordinates 05250/01461 (CLLI PHLAPAFGDSG) in the Philadelphia (228) LATA, and provide support explaining your calculation, including a map to scale delineating those distances.

Objection to Interrogatories No. 18-22

Verizon objects to these five interrogatories on the ground that all of this information is either already in the possession of US LEC or is available to US LEC from other sources, such as the Local Exchange Routing Guide (which gives, among other things, the location of Verizon's end offices and tandem switches and the CLLI codes) and Verizon's publicly filed tariffs (which identify Verizon's local calling areas). Verizon objects to Interrogatories No. 21 and 22 on the grounds that they call for a calculation that US LEC can perform itself. In addition, Verizon objects to Interrogatories No. 19, 21, and 22 to the extent they require the creation of a map. Verizon does not maintain this information in the format requested, and it would be unduly burdensome to require Verizon to create such maps.

Interrogatories No. 23-26

23. Please explain how Verizon proposes to inform US LEC of the amount and application of any "other costs (to the extent Verizon purchases such transport from ... a third party)" that must be included in the Verizon-proposed calculation in Section 7.1.1.1.1.

24. Using the rates in Appendix A of the proposed agreement, and assuming (a) that US LEC maintains its IP at its switches — (located at V&H coordinates 05619/02187 [CLLI PITBPAMADS1] in the Pittsburgh (234) LATA and located at V&H coordinates 05250/01461 [CLLI PHLAPAFGDSG] in the Philadelphia (228) LATA) — and assuming (b) that Verizon originates (x) 100, (y) 1,000, or (z) 100,000 minutes of local traffic a month from each Verizon end office to US LEC in each LATA, please calculate the amount by which Verizon proposes to reduce US LEC's reciprocal compensation rate under the Verizon-proposed calculation defined in Section 7.1.1.1.1 of the Interconnection Attachment. Please explain each step in your calculation and provide documentation supporting your calculation.

25. Please explain why Verizon's proposed contract language in Section 7.1.1.1 of the Interconnection Attachment only includes collocation as the method of establishing the US LEC-IP, when Section 2.1.3 gives US LEC the right to use methods other than collocation. Please provide all documentation supporting your response.

26. Please identify and explain the financial, technical, or other reasons why US LEC could not meet its VGRIP obligation by establishing its IP through a means other than collocation (e.g., entrance facility, mid-span meet, etc.). Please provide all documentation supporting your response.

Objection to Interrogatories No. 23-26

Verizon objects to these interrogatories on the ground that they do not seek discovery of information relevant to the subject matter in dispute. The interrogatories involve purely legal questions of the proper interpretation of the proposed agreement. US LEC has been free to raise questions about interpretation of proposed language throughout the negotiation process, and matters of interpretation may also be addressed in the parties' briefs.

Interrogatories No. 27-37

27. Please state whether Verizon charges, or has charged, any CLEC or any other LEC for interconnection trunks or dedicated facilities between the Verizon end office originating the local traffic and the CLEC's/LEC's Interconnection Point ("IP") or Point of Interconnection ("POI") (as those terms are defined in Verizon's various interconnection agreements) if (a) Verizon provides the facility between the Verizon end office and the CLEC's/LEC's Interconnection Point or Point of Interconnection or (b) a third-party provides the facility between the Verizon end office and the CLEC's/LEC's Interconnection Point or Point of Interconnection.

28. If the answer to either (a) and/or (b) of DR 27 is yes, please list the type and amount of each charge imposed on each CLEC/LEC, including USOC.

29. Please state whether Verizon charges, or has charged, any CLEC or any other LEC for interconnection trunks or dedicated facilities between the Verizon end office originating the local traffic and any other point on Verizon's network.

30. If the answer to DR 29 is yes, please list the type and amount of each charge imposed on each CLEC/LEC, including USOC.

31. If the answer to DR 29 is yes, please identify the points between which each charge for the interconnection trunks or dedicated facilities applied (*e.g.*, between the Verizon end office and a Verizon Access Tandem, between the Verizon end office and a Verizon Local Tandem, between the Verizon Tandem and a CLEC's/LEC's switch).

32. Please state whether Verizon charges, or has charged, any CLEC or any other LEC for common transport between the Verizon end office originating the local traffic and the CLEC's/LEC's Interconnection Point or Point of Interconnection.

33. If the answer to DR 32 is yes, please list the type and amount of each charge imposed on each CLEC/LEC, including USOC.

34. Please state whether Verizon charges, or has charged, any CLEC or any other LEC for common transport between the Verizon end office originating the local traffic and any other point on Verizon's network.

35. If the answer to DR 34 is yes, please list the type and amount of each charge imposed on each CLEC/LEC, including USOC.

36. If the answer to DR 34 is yes, please identify the points between which common transport charges applied (*e.g.*, between the Verizon end office and a Verizon Access Tandem, between the Verizon end office and a Verizon Local Tandem).

37. Please state whether the charges identified in Verizon-proposed Section 7.1.1.1.1 of the Interconnection Attachment and in DR 27, 29, 32, and 34 appear in any Verizon tariffs and, if so, state the name and number of each tariff and the tariff section in which the charges appear.

Objection to Interrogatories No. 27-37

Verizon objects to these 11 interrogatories because they are not relevant to the subject matter involved in this proceeding. Whether Verizon has ever charged a CLEC or another LEC for the facilities or the transport identified in these interrogatories is irrelevant to the question whether, under federal law, US LEC is entitled to select a single IP per LATA and, thereby, to require Verizon to bear the costs of transporting traffic outside of local calling areas. Similarly, the amounts of any such charges, the Uniform Service Order Code (“USOC”) for the charges, the points between which such charges applied, and whether such charges appear in tariffs as opposed to some other document are all irrelevant to the legal question at issue here.

In addition, Verizon objects to all 11 of these interrogatories because they are overly broad and unduly burdensome. Each applies to a period of more than three-and-a-half years with respect to every CLEC and LEC that operated in Pennsylvania during that time. Even if limited to a shorter time period and to Verizon, these interrogatories would still be overly broad in scope and therefore unduly burdensome given the number of CLECs that operate in Pennsylvania.

Interrogatories No. 38-40

38. Please produce all studies, study results, calculations, work papers, assumptions, models, spreadsheets, or data bases that were used by you to develop the charges identified in Verizon-proposed Section 7.1.1.1.1 of the Interconnection Attachment and in DR 27, 29, 32, and 34, including any and all instructions for any responsive databases

or models. To the extent available, you are requested to produce these materials in a usable PC-based format.

39. Please state whether Verizon believes the charges identified in Verizon-proposed Section 7.1.1.1.1 of the Interconnection Attachment and in response to DR 27, 29, 32, and 34 comply with a Total Element Long Run Incremental Cost methodology adopted by the Federal Communications Commission and/or the Commission. If the answer is yes, please provide a detailed explanation of your reasoning and provide all documentation supporting your assertion.

40. Please state whether Verizon believes the charges identified in Verizon-proposed Section 7.1.1.1.1 of the Interconnection Attachment and in response to DR 27, 29, 32, and 34 comply with the pricing standards of section 252(d) of the Act. If the answer is yes, please provide a detailed explanation of your reasoning and provide all documentation supporting your assertion.

Objection to Interrogatories No. 38-40

Verizon objects to these interrogatories because they are not relevant to the subject matter of this proceeding. As explained above, this Commission is required to “limit its consideration . . . to the issues set forth in the petition [for arbitration] and in the response.” 47 U.S.C. § 252(b)(4). In its petition for arbitration, US LEC did not challenge any of the rates referenced in the above interrogatories, nor did Verizon raise any issues with respect to those rates in its response. In any event, Verizon objects to Interrogatories No. 39 and 40 because they seek information regarding Verizon’s “belie[f]” as to whether the referenced rates satisfy the requirements of the Act or the FCC’s regulations. Verizon’s subjective beliefs on these matters is irrelevant to the question of the appropriate interpretation of federal law.

Issues Three and Four

Interrogatories No. 41-42

41. Does Verizon bill any 800 service providers directly for services provided by Verizon or any other LEC?

42. If the answer to DR 41 is affirmative, please identify all such 800 service providers that receive direct billing from Verizon. If this billing is provided for traffic carried by any other LEC, please identify that LEC.

Objection to Interrogatories No. 41-42

Verizon objects to these interrogatories because they do not seek information relevant to any issue in dispute in this proceeding. There is no contested issue related to 800 number traffic. Verizon also objects to these interrogatories on the ground that they are vague and ambiguous because US LEC has not defined “800 service providers.”

Interrogatories No. 43-44

43. Does Verizon consider a “chatline” to be a Voice Information Service?

44. Does Verizon consider any service in which the calling party is not billed any charges in addition to its local exchange service charge a Voice Information Service? If so, please provide examples of the types of such services.

Objection to Interrogatories No. 43-44

Verizon objects to these interrogatories on the ground that they do not seek discovery of information relevant to the subject matter in dispute. The interrogatories involve purely legal questions of the proper interpretation of the proposed agreement. US LEC has been free to raise questions about interpretation of proposed language throughout the negotiation process, and matters of interpretation may also be addressed in the parties’ briefs.

Interrogatories No. 45-46

45. Does Verizon have the capability to distinguish Voice Information Service traffic from other local traffic?

46. If your response to DR 45 is affirmative, please state the process by which you distinguish such traffic, state how long that process has been in place and identify all studies you have undertaken to determine the accuracy of the process.

Objection to Interrogatories No. 45-46

Verizon objects to these interrogatories because they do not seek information relevant to any subject matter in dispute. The FCC has established binding regulations governing the

parties' inter-carrier compensation obligations; the parties' dispute involves the meaning of those binding requirements of federal law. US LEC has presented no issue in its petition related to operational implementation of these requirements.

Interrogatories No. 47-48

47. Have you ever billed or received reciprocal compensation for calls received from CLECs for termination to your customers who offer Voice Information Services? Please explain your answer.

48. If the response to DR 47 is yes, please describe each occurrence, including: (a) the name of the carrier billed or paying the reciprocal compensation; (b) the amount of reciprocal compensation billed and/or paid; and (c) identify and include a copy of the interconnection agreement and/or arrangement under which such reciprocal compensation was billed and/or paid.

Objection to Interrogatories No. 47-48

Verizon objects to these interrogatories because they do not seek information relevant to any subject matter in dispute. The FCC has established binding regulations governing the parties' intercarrier compensation obligations; the parties' dispute involves the meaning of those binding requirements of federal law. Verizon also objects to Interrogatory No. 48 on the grounds that it is unduly burdensome.

Issue Five

Interrogatories No. 49-53

49. Do you contend that "receiving" traffic is different than "terminating" traffic for the purposes of assessing reciprocal compensation? Please provide the factual and legal basis for your contention.

50. Do you contend that traffic can be "received" but not terminated? Please provide the factual and legal basis for your contention.

51. Please provide a definition of "receiving" traffic, and provide the factual and legal basis for that definition.

52. Do you contend that there is a difference between a "receiving" party and a "terminating" party with respect to a particular call?

53. If your answer to DR 52 is yes, please explain the basis for the difference and provide the factual and/or legal basis for the difference.

Objection to Interrogatories No. 49-53

Verizon objects to these interrogatories on the ground that they do not seek discovery of information relevant to the subject matter in dispute. The interrogatories involve purely legal questions of the proper interpretation of the proposed agreement. US LEC has been free to raise questions about interpretation of proposed language throughout the negotiation process, and matters of interpretation may also be addressed in the parties' briefs. In particular, US LEC has never claimed any confusion concerning the meaning of the word "receiving."

Issue Six

Interrogatory No. 54

54. Please provide a technical description of how your FX service is provided to customers in Pennsylvania, including diagrams and descriptions of any ancillary features (e.g., collocation of customer equipment).

Objection to Interrogatory No. 54

Verizon objects to this interrogatory because it is not relevant to any subject matter in dispute. The manner in which Verizon provides FX service is irrelevant to the question of the parties' responsibility for payment of intercarrier compensation for interexchange traffic.

Interrogatories No. 55-56

55. Please explain how you rate each of the following types of traffic originated by or terminated to your FX customers, and provide all documentation supporting your answer:

- (a) A call placed by a Verizon end user to a Verizon FX customer where the NXX code of the dialed number (FX customer) and the NXX code of the calling party's number are assigned to the same local calling area, but the FX customer is not physically located within that local calling area.
- (b) A call placed by a Verizon FX customer to a Verizon end user where the NXX code of the dialed number and the NXX code of the calling party's number (FX

customer) are assigned to the same local calling area, but the FX customer is not physically located in that local calling area.

- (c) A call placed by a Verizon end user to a Verizon FX customer where the NXX code of the dialed number (FX customer) is assigned to a local calling area within the same local access transport area ("LATA") as the calling party, but not assigned to the same local calling area as the calling party, and where the FX customer is physically located in the same local calling area as the calling party.
- (d) A call placed by a Verizon FX customer to a Verizon end user where the NXX code of the dialed number is assigned to a local calling area within the same LATA, but not within the same local calling area, as the NXX code assigned to the FX customer, and where the FX customer is physically located in the same local calling area as the called party.
- (e) A call carried by an interexchange carrier and terminated to a Verizon FX customer.

56. Please explain how you bill each end user (or IXC) for each of the types of traffic identified in DR 55, and provide all documentation supporting your answer.

Objection to Interrogatories No. 55-56

Verizon objects to these interrogatories because they are not relevant to any subject matter in dispute. The manner in which Verizon bills end-users or IXCs for calls to Verizon FX customers is irrelevant to the legal issue of the parties' responsibility for payment of intercarrier compensation for interexchange traffic. Verizon also objects to these interrogatories in that they request information available through Verizon's publicly filed tariffs.

Interrogatory No. 57

57. Please explain how you account (for separations or other regulatory purposes) for each of the types of traffic identified in DR 55, and provide all documentation supporting your answer.

Objection to Interrogatory No. 57

Verizon objects to this interrogatory because it is not relevant to any subject matter in dispute. The manner in which Verizon keeps its accounts is irrelevant to the question of the parties' responsibility for payment of intercarrier compensation for interexchange traffic.

Verizon also objects to this interrogatory because it is vague, overly broad, and unduly burdensome.

Interrogatory No. 58

58. Please identify the number of customers in the Pittsburgh and Philadelphia LATAs who subscribe to or purchase your FX service.

Objection to Interrogatory No. 58

Verizon objects to this interrogatory because it is not relevant to any subject matter in dispute. The number of FX customers that Verizon has is irrelevant to the question of the parties' responsibility for payment of intercarrier compensation for interexchange traffic. Verizon also objects to this interrogatory to the extent it seeks information not kept in the ordinary course of Verizon's business.

Interrogatories No. 59-60

59. Have you ever billed or received reciprocal compensation for calls received from customers of CLECs or other LECs for termination to your FX customers located in Pennsylvania? Please explain your answer.

60. Are there any circumstances in which Verizon has been billed and/or paid access charges to the originating carrier for a call originated by another carrier and terminating to a Verizon FX customer? If so, please describe all circumstances under which such an obligation arose.

Objection to Interrogatories No. 59-60

Verizon objects to these interrogatories because they are not relevant to any subject matter in dispute, which is the legal question of the parties' responsibility for payment of intercarrier compensation for interexchange traffic.

Interrogatories No. 61-75

61. Please state whether you offer any FX-Like Service; *e.g.*, do you currently offer any services or products to your customers, other than your FX service, under which a customer can obtain a telephone number with an "NXX" associated with a local calling area that is different from the local calling area in which the customer has a physical presence?

62. Please state whether you provide "Internet Protocol Routing Service" in Pennsylvania.
63. Please state whether you provide "Single Number Service-Primary Rate Interface," Hub-PRI service, SNS-PRI service, or their functional equivalents, in Pennsylvania.
64. Please state whether you provide in Pennsylvania any service, apart from 1-8YY service, by which an Internet service provider can use a single number for all of its customers within a LATA to reach it to obtain Internet access and not incur toll charges.
65. Is "1-500" service available to ISPs in Pennsylvania?
66. If the answer to DRs 61, 62, 63, 64 or 65 is yes, please state the name of each such service, identify the tariff where the product is described, provide copies of all product descriptions and marketing materials associated with each service offering and state the number of customers in the Pittsburgh and Philadelphia LATAs who purchase each FX-like service.
67. For the purposes of this and DRs 68, 69, 70, 71, 72 and 73, "FX-Like Services" means those services identified in response to DRs 61, 62, 63, 64 or 65. Please provide the current effective and canceled tariff pages for the FX-Like Services identified in your response to the preceding DR for the time period covered by these Discovery Requests.
68. With respect to each of the FX-Like Services, please explain how you rate traffic originated by or terminated to customers, and provide all documentation supporting your answer. Your answer should specifically address each of the types of traffic identified in DR 55, with the name of the appropriate FX-Like Service substituted for "FX" in each of the traffic descriptions.
69. With respect to each of the FX-Like Services, please explain how you bill traffic originated by or terminated to customers, and provide all documentation supporting your answer. Your answer should specifically address each of the types of traffic identified in DR 55, with the name of the appropriate FX-Like Service substituted for "FX" in each of the traffic descriptions.
70. With respect to each of the FX-Like Services, please explain how you account for traffic originated by or terminated to customers, and provide all documentation supporting your answer. Your answer should specifically address each of the types of traffic identified in DR 55, with the name of the appropriate FX-Like Service substituted for "FX" in each of the traffic descriptions.
71. Please provide a technical description of how the FX-Like Services are provided to customers, including diagrams and descriptions of any ancillary features (e.g., collocation of customer equipment).
72. Please identify all rates, including but not limited to tariffs (include the USOC), ICB/individual case-base tariffs or contracts that are or could be charged to customers purchasing each of the FX-Like Services.

73. Please identify the number of customers in Pittsburgh and Philadelphia LATAs who subscribe to or purchase each of the FX-Like Services.

74. Have you ever billed or received reciprocal compensation for calls received from customers of CLECs or other LECs for termination to your customers who have purchased or subscribed to FX-Like Services? Please explain your answer.

75. If the response to DR 74 is yes, please describe each occurrence, including: (a) the name of the carrier billed or paying the reciprocal compensation; (b) the amount of reciprocal compensation billed and/or paid; and (c) identify and include a copy of the interconnection agreement and/or arrangement under which such reciprocal compensation was billed and/or paid.

Objection to Interrogatories No. 61-75

Verizon objects to these interrogatories for the same reason Verizon objects to Interrogatories No. 54-60: because they are not relevant to any subject matter in dispute. The manner in which Verizon does or does not provide FX-Like service is irrelevant to the question of the parties' responsibility for payment of intercarrier compensation for interexchange traffic. The manner in which Verizon does or does not bill end-users or IXCs for calls to Verizon FX-Like customers is irrelevant to the legal issue of the parties' responsibility for payment of intercarrier compensation for interexchange traffic. The manner in which Verizon keeps its accounts is irrelevant to the question of the parties' responsibility for payment of intercarrier compensation for interexchange traffic. Verizon objects to Interrogatories No. 61-69 because they request information available through Verizon's publicly filed tariffs. Verizon objects to Interrogatory No. 73 to the extent it seeks information not kept in the ordinary course of Verizon's business. Verizon objects to Interrogatory No. 75 because it is vague, overly broad, and unduly burdensome.

Interrogatories No. 76-77

76. For any of the FX-Like Services identified in response to DRs 61, 62, 63, 64 or 65, has Verizon ever assigned or does Verizon currently assign telephone numbers to customers who are physically located in a different local calling area than the local calling area with which the assigned NXX is associated? If yes, please explain.

77. For any of the FX-Like Services identified in response to DRs 61, 62, 63, 64 or 65, has Verizon ever assigned or does Verizon currently assign telephone numbers to customers who are physically located in a different LATA than the LATA with which the assigned NXX is associated? If yes, please explain.

Objection to Interrogatories No. 76-77

Verizon objects to these interrogatories because they are not relevant to any subject matter in dispute. The number assignment policies of this Commission, and their application, are not at issue in this proceeding. Moreover, the manner in which telephone numbers are assigned is irrelevant to the legal issue of the parties' responsibility for payment of intercarrier compensation for interexchange traffic. Verizon also objects to these interrogatories in that they request information available through Verizon's publicly filed tariffs.

Interrogatory No. 78-82

78. Do you contend that you incur higher costs to deliver a call to a CLEC's customer where the customer is physically located in a different rate center than the rate center associated with such NXX code?

79. If the answer to DR 78 is yes, please produce any documents, including but not limited to cost studies, which support your contention.

80. Please state whether your costs of originating locally-dialed calls from your customers to US LEC customers having line numbers assigned to the same NPA-NXX code vary depending on the physical location of those customers.

81. If the response to DR 80 is yes, please: (i) identify with specificity the costs that vary and the extent to which they vary; (ii) identify with specificity the costs incurred to originate calls to those US LEC customers physically located inside the local calling area of the calling party; (iii) identify with specificity the costs incurred to originate calls to those US LEC customers physically located outside the local calling area of the calling party; and (iv) provide all documentation, including any cost studies, supporting the specific contention that the costs in originating locally-dialed calls vary depending upon where US LEC's customer is located.

82. Do you contend that you must deliver a call placed by your end user to a CLEC customer assigned to a particular NXX to different locations or over different routes depending on whether the CLEC customer is physically located within or without the rate center associated with that NXX code? If your answer is yes, please explain the factual and legal basis for your contention.

Objection to Interrogatories No. 78-82

Verizon objects to these interrogatories because they are not relevant to any subject matter in dispute. The costs associated with delivery of traffic and the routing of such traffic are irrelevant to the legal issue of the parties' responsibility for payment of intercarrier compensation for interexchange traffic. Verizon also objects to Interrogatory No. 81 in that it is unduly burdensome.

Interrogatories No. 83-88

83. Has Verizon developed a process by which it can separate or identify traffic as FX or FX-Like Services traffic from all other locally dialed traffic?

84. If the answer to DR 83 is yes, please provide a description of that process, and copies of all documents and workpapers related to the development and accuracy of that process.

85. Would implementing a process to separate FX or FX-Like Services traffic from all other locally dialed traffic require Verizon, US LEC, and other LECs to implement a new billing system to rate such traffic for purposes of intercarrier compensation?

86. If the answer to DR 85 is yes, what does Verizon project the cost of implementing such a billing system to be?

87. Please provide any cost studies, or documents which support your answer to DR 86.

88. Would a new billing system by which FX or FX-Like Services traffic is separated from all other locally dialed traffic require Verizon, US LEC, and other LECs to examine every call, every month, on a line-by-line basis to determine whether the call is being delivered to a customer not physically located in the same rate center as the originating customer? Please explain your answer.

Objection to Interrogatories No. 83-88

Verizon objects to these interrogatories because they do not seek information relevant to any subject matter in dispute. The FCC has established binding regulations governing the parties' intercarrier compensation obligations; the parties' dispute involves the meaning of those binding requirements of federal law. US LEC has presented no issue in its petition related to operational implementation of these requirements. Verizon further objects to Interrogatory No. 85 in that it is vague and does not appear to seek discoverable information.

Respectfully submitted,



Anthony Gay
Verizon Pennsylvania Inc.
1717 Arch Street, 32 NW
Philadelphia, PA 19103
(215) 963-6001
julia.a.conover@verizon.com
anthony.e.gay@verizon.com
suzan.d.paiva@verizon.com

Aaron M. Panner
Scott H. Angstreich
Kellogg, Huber, Hansen,
Todd & Evans, P.L.L.C.
1615 M Street, N.W., Suite 400
Washington, DC 20036
(202) 326-7921
apanner@khhte.com
sangstreich@khhte.com

Counsel for Verizon Pennsylvania Inc.

Julia A. Conover
Verizon Pennsylvania Inc.

Of Counsel

CERTIFICATE OF SERVICE

I, Aaron M. Panner, hereby certify that I have this day served a true copy of Verizon Pennsylvania Inc.'s Objections to US LEC of Pennsylvania, Inc.'s First Set of Discovery Requests, in the matter of Petition of US LEC of Pennsylvania Inc. for Arbitration with Verizon Pennsylvania Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996, 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).

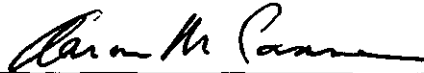
Dated at Washington, D.C., this 12th day of June 2002.

VIA E-MAIL AND FEDERAL EXPRESS OVERNIGHT DELIVERY

Michael L. Shor
Robin F. Cohn
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007

Linda C. Smith, Esquire
Dilworth Paxson LLP
305 North Front Street
Suite 403
Harrisburg, PA 17101-1236

RECEIVED
JUN 12 2002
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU



Aaron M. Panner
Counsel for Verizon Pennsylvania Inc.

DILWORTH PAXSON ~~RECEIVED~~

LAW OFFICES

DIRECT DIAL NUMBER:
(717) 236-4812

**FAIR
COPY**

2002 JUN 14 AM 10:06
Linda C. Smith
smithlc@dilworthlaw.com
SECRETARY'S BUREAU

June 12, 2002

**VIA FEDERAL EXPRESS AND
ELECTRONIC MAIL**

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

DLG

DOCKETED
JUL 29 2002

**RE: In Re: Petition of US LEC of Pennsylvania, Inc. for Arbitration with
Verizon-Pennsylvania, Inc. Pursuant to Section 252(b) of the
Telecommunications Act of 1996
Docket No. A-310814F7000**

~~DOCUMENT~~

Dear Ms. Conover:

Enclosed please find the Objections of US LEC to Verizon Pennsylvania's First Set of Combined Interrogatories and Document Request.

Please call myself or Michael Shor if you have any questions.

Very truly yours,



Linda C. Smith

LCS/sw

cc: Honorable Louis G. Cocheres (cover letter only)
Secretary James P. McNulty (cover letter only)
Attached Certificate of Service

Enclosure

305 N. FRONT STREET • SUITE 403 • HARRISBURG PA 17101-1236
(717) 236-4812 • FAX (717) 236-7811 • www.dilworthlaw.com

17869-1

PHILADELPHIA PA

MEDIA PA

CHERRY HILL NJ

TURNERSVILLE NJ

WILMINGTON DE

DILWORTH PAXSON LLP
LAW OFFICES

ORIGINAL

DIRECT DIAL NUMBER:
717-236-4812

DLTG smithlc@dilworthlaw.com

June 12, 2002

Secretary James P. McNulty
PA PUC
P.O. Box 3265
Commonwealth Keystone Building
Harrisburg, PA 17101-3265

DOCUMENT

RECEIVED

JUN 12 2002

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

RE: Petition of US LEC of Pennsylvania Inc. for Arbitration with Verizon
Pennsylvania Inc. Pursuant to Section 252(b) of the Telecommunications Act of
1996; Docket No. A-310814F7000

Dear Secretary McNulty:

In accordance with 52 Pa. Code §5.343 (d)(1), please find four copies (one for time stamp) of the Objections of US LEC to Verizon Pennsylvania's First Set of Combined Interrogatories and Document Requests served on Verizon. The Objections are attached to a cover letter sent to Verizon, and a Certificate of Service evidencing service by electronic means and overnight mail. A copy is being provided to the Administrative Law Judge as well.

A copy of this letter and its attachments is being provided to the participants.

Please note that the cover letter to Ms. Conover inadvertently indicated that you and the ALJ were receiving a copy of the cover letter only.

Very truly yours,

Linda C. Smith

Linda C. Smith

74

DILWORTH PAXSON LLP

LAW OFFICES

DIRECT DIAL NUMBER:

(717) 236-4812

Linda C. Smith

smithlc@dilworthlaw.com

June 12, 2002

**VIA FEDERAL EXPRESS AND
ELECTRONIC MAIL**

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

**RE: In Re: Petition of US LEC of Pennsylvania, Inc. for Arbitration with
Verizon-Pennsylvania, Inc. Pursuant to Section 252(b) of the
Telecommunications Act of 1996
Docket No. A-310814F7000**

Dear Ms. Conover:

Enclosed please find the Objections of US LEC to Verizon Pennsylvania's First Set of Combined Interrogatories and Document Request.

Please call myself or Michael Shor if you have any questions.

Very truly yours,



Linda C. Smith

LCS/sw

cc: Honorable Louis G. Cocheres (cover letter only)

Secretary James P. McNulty (cover letter only)

Attached Certificate of Service

Enclosure

RECEIVED

JUN 12 2002

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of)
US LEC of Pennsylvania Inc. For Arbitration)
With Verizon Pennsylvania, Inc. Pursuant)
to Section 252(b) of the Communications)
Act of 1934, as amended by the)
Telecommunications Act of 1996)

Docket No. A-310814F7000

DOCKETED

JUL 29 2002

**US LEC OF PENNSYLVANIA INC.'S OBJECTIONS TO
VERIZON PENNSYLVANIA INC.'S FIRST SET OF COMBINED
INTERROGATORIES AND DOCUMENT REQUESTS TO
US LEC OF PENNSYLVANIA, INC.**

DOCUMENT

US LEC of Pennsylvania Inc. ("US LEC"), by its undersigned counsel, and pursuant to 52 Pa. Code § 5.342 and Prehearing Order No. 2, hereby submits the following objections to Verizon Pennsylvania Inc.'s ("Verizon") First Set of Combined Interrogatories and Document Requests to US LEC (the "Combined Requests").

GENERAL OBJECTIONS

US LEC makes these General Objections to the Combined Requests and incorporates each of the General Objections into its specific objections to each Request.

1. US LEC objects to the Combined Requests to the extent that the responses called for exceed that required by any order of the Pennsylvania Public Utilities Commission ("Commission"), any regulation or rule of the Commission, or the applicable rules of practice and procedure.
2. US LEC objects to the Combined Requests to the extent that they seek information that is privileged or otherwise exempt from discovery, including but not limited to documents or information protected by the attorney-client privilege, the work-product doctrine, or the trade-secrets doctrine.
3. US LEC will make a reasonable effort to respond to each and every Request as US LEC understands and interprets such Request. If Verizon should assert an interpretation of any Request that differs from US LEC's, US LEC reserves the right to supplement or amend its objections. US LEC further reserves the right to

produce responsive documents or information received after the date of its Response.

4. US LEC expressly reserves and does not waive any and all objections it may have to the admissibility, authenticity or relevancy of the responses produced pursuant to the Combined Requests.

OBJECTIONS TO VERIZON'S COMBINED REQUESTS

Many of the specific objections that US LEC makes are applicable to several of Verizon's Combined Requests. For this reason, US LEC provides the following definitions of those objections and, where applicable, repeats only the defined term in stating their specific objections.

1. Relevance: the Request is not relevant to any specific claims, defenses, issues or questions presented in this proceeding and is not reasonably calculated to lead to the discovery of data relevant to resolution of these issues.

2. Unduly Burdensome: the request is unduly burdensome in that providing the requested data (i) would require an unreasonable expenditure of time and resources to search for documents or information, (ii) is cumulative and/or has only a limited likelihood of leading to the discovery of data relevant to resolution of the specific issue and either (a) the value of providing the data is outweighed by the burden of production or (b) Verizon can obtain the data through publicly available information.

3. Overly Broad: the request seeks a general category of information within which only certain portions of the information are reasonably related to the subject matter of this proceeding.

4. Vague and Ambiguous: the request is vague and ambiguous in that it does not describe the data sought with particularity or fails to convey with reasonable clarity what is being requested and, as such, US LEC cannot reasonably determine the intended meaning, scope or limits of Verizon's Request.

5. Commercially Sensitive, Proprietary, and Confidential: the requested data relates to issues, matters, or materials that contain proprietary, confidential, and/or trade secret information which would cause competitive harm to US LEC if disclosed.

6. Calls for a legal conclusion: the request calls for a conclusion of law.

OBJECTIONS TO SPECIFIC REQUESTS

3. With respect to the statement at page 21 of Ms. Montano's testimony that "US LEC does not currently utilize 'virtual NXX' service in Pennsylvania," please identify: (a) each NXX code that has been assigned to US LEC in Pennsylvania, (b) the local calling area associated with that NXX code, (c) whether that NXX code is in the same local calling area as a US LEC switch, and (d) the physical location of all US LEC end-user customers that have been assigned telephone numbers within that NXX code.

Objection: US LEC objects to Request No. 3 on the grounds of *Relevance*, that it is *Vague and Ambiguous* and seeks discovery of *Commercially Sensitive, Proprietary, and Confidential* information. First, with respect to item (a) it is unclear whether Verizon seeks information as to only those NXX codes that were formally assigned to US LEC or, in addition, NXX codes that were ported to US LEC. Secondly, with respect to item (c), it is not relevant whether the NXX code is in the same local calling area as a US LEC switch; US LEC's switch serves a wide geographic area covering numerous local calling areas. Finally, with respect to item (d), the specific physical location of US LEC's customers is commercially sensitive, proprietary and confidential information, nor is it relevant to this proceeding. Subject to, and without waiving the foregoing objection, US LEC will identify all NXX codes that it utilizes in Pennsylvania, identify the local calling areas associated with those codes and will indicate whether customers assigned NXX codes are physically located in the calling area associated with the NXX code.

4. With respect to the statement at page 5 of Mr. Hoffman's testimony that "US LEC takes advantage of decreased transport costs to provide service over a large area with a single switch," please identify the percentage of Verizon-originated traffic in Pennsylvania that US LEC delivers to US LEC end-user customers that are (a) collocated at US LEC's facilities; (b) located within 5 miles of a US LEC switch; and (c) located outside the local calling area in which a US LEC switch is located.

Objection: US LEC objects to Request No. 4 on the ground that the location of US LEC's customers is *Commercially Sensitive, Proprietary, and Confidential* information. Additionally, US LEC objects to Request No. 4 on the ground that it is *Unduly Burdensome*. US LEC does not maintain traffic records in a manner that would permit it to state the percentage of Verizon-originated traffic that is terminated to customers by geographic location.

5. With respect to the statement at page 16 of Mr. Hoffman's testimony that Verizon's costs associated with a single CLEC-IP per LATA may be "minimal" because, for example, "there may be only a *de minimis* traffic volume exchange for that local calling area, and the distance between the local calling area and the CLEC-IP may be minimal," please identify, with respect to each local calling area associated with each NXX code assigned to US LEC in Pennsylvania, (a) the distance between that local calling area and US LEC's switch serving that NXX code, and (b) the average monthly volume of Verizon-originated traffic from each local calling area that US LEC delivered to any US LEC customer.

Objection: US LEC objects to Request No. 5 on the grounds that is *Vague and Ambiguous* and *Unduly Burdensome*. With respect to item (a), it is unclear how US LEC is to measure the distance from a "local calling area" to US LEC's switch. By nature, a calling area encompasses an infinite number of geographic points, each of which will be a different distance from US LEC's switch. Secondly, with respect to item (b), US LEC objects on the ground that it is *Unduly Burdensome*. US LEC does not maintain traffic records in a manner that would permit it to determine the information requested.

Respectfully submitted,



Linda C. Smith
DILWORTH PAXSON LLP
305 N. Front Street
Suite 403
Harrisburg, PA 17101-1236
(717) 236-4812 (telephone)
(717) 236-7811 (facsimile)
lsmith@dilworthlaw.com

Richard M. Rindler
Michael L. Shor
Robin Cohn
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
(202) 424-7775 (telephone)
(202) 424-7645 (facsimile)
mlshor@swidlaw.com

Dated: June 12, 2002

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below via electronic and overnight mail.

Julia A. Conover, Esquire
Verizon Pennsylvania, Inc.
1717 Arch Street 32 NW
Philadelphia, PA 19103
Phone (215) 963-6001
Fax (215) 563-2058
E-mail julia.a.conover@verizon.com

Anthony E. Gay
Verizon Pennsylvania, Inc.
1717 Arch Street, 32N
Philadelphia, PA 19103
Phone (215) 963-6023
anthony.e.gay@verizon.com

Aaron M. Panner
Scott H. Angstreich
Kellogg, Huber, Hansen, Todd & Evans, P.L.L.C.
1615 M Street, N.W., Suite 400
Washington, D.C. 20026
(202) 326-7900

Gregory M. Romano, Esq.
1515 North Courthouse Road
Suite 500
Arlington, VA 22201
Phone (703) 351-3125
Fax (703) 351-3659
E-mail gregorv.m.romano@verizon.com


Linda C. Smith

Dated: June 12, 2002

DILWORTH PAXSON RECEIVED

LAW OFFICES

2002 JUN 26 AM 9:29

DIRECT DIAL NUMBER:

717-236-4812

SECRETARY
smithlc@dilworthlaw.com
BUREAU

June 25, 2002

KUP

Julia A. Conover
Vice President and General Counsel
Verizon Pennsylvania Inc.
1717 Arch Street, 32 - NW
Philadelphia, PA 19103

DOCUMENT FOLDER

RE: Petition of US LEC of Pennsylvania Inc. for Arbitration with Verizon Pennsylvania Inc. Pursuant to Section 252(b) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996; Docket No. A-310814F7000.

Dear Ms. Conover:

Enclosed please find US LEC of Pennsylvania Inc.'s Responses to Verizon Pennsylvania Inc's First Set of Combined Interrogatories and Document Requests.

Very truly yours,



Linda C. Smith

cc Secretary McNulty
ALJ Cocheres

305 N. FRONT STREET • SUITE 403 • HARRISBURG PA 17101-1236
(717) 236-4812 • FAX (717) 236-7811 • www.dilworthlaw.com

CERTIFICATE OF SERVICE

I hereby certify that on the 25th day of June, 2002, true and correct copies of the foregoing document were served upon the parties listed below via electronic and overnight mail.

Julia A. Conover, Esquire
Verizon Pennsylvania, Inc.
1717 Arch Street 32 NW
Philadelphia, PA 19103
Phone (215) 963-6001
Fax (215) 563-2058
julia.a.conover@verizon.com

DOCKETED
JUL 12 2002

Anthony E. Gay
Verizon Pennsylvania, Inc.
1717 Arch Street, 32N
Philadelphia, PA 19103
Phone (215) 963-6023
anthony.e.gay@verizon.com

DOCUMENT FILED

Aaron M. Panner
Scott H. Angstreich
Kellogg, Huber, Hansen, Todd & Evans, P.L.L.C.
1615 M Street, N.W., Suite 400
Washington, D.C. 20026
(202) 326-7900
apanner@khhte.com


Linda C. Smith

KELLOGG, HUBER, HANSEN, TODD & EVANS, P.L.L.C.

SUMNER SQUARE
1615 M STREET, N.W.
SUITE 400
WASHINGTON, D.C. 20036-3209

(202) 326-7900

FACSIMILE:
(202) 326-7999

RECEIVED

JUN 25 2002

June 25, 2002

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

VIA FEDERAL EXPRESS AND ELECTRONIC MAIL

Linda C. Smith, Esquire
Dilworth Paxson LLP
305 North Front Street
Suite 403
Harrisburg, PA 17101-1236

DOCUMENT FOLDED

Re: In Re.: Petition of US LEC of Pennsylvania Inc. for Arbitration with Verizon Pennsylvania Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996; Docket No. A-310814F7000

Dear Ms. Smith:

Please find enclosed Verizon Pennsylvania Inc.'s Responses to US LEC of Pennsylvania, Inc.'s First Set of Discovery Requests in the above-captioned proceeding.

Thank you for your assistance. If you have any questions, please call me at 202-326-7959.

Sincerely,



Scott H. Angstreich

cc: Service List
Hon. Louis Cocheres (cover letter and service list only)
James J. McNulty, Secretary (cover letter and service list only)

CERTIFICATE OF SERVICE

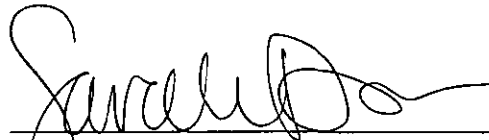
I hereby certify that, on this 25th day of June 2002, I caused copies of Verizon Pennsylvania Inc.'s Responses to US LEC of Pennsylvania, Inc.'s First Set of Discovery Requests to be served by electronic and overnight mail on the following parties:

US LEC of Pennsylvania, Inc.

Michael L. Shor
Robin F. Cohn
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007

Linda C. Smith, Esquire
Dilworth Paxson LLP
305 North Front Street
Suite 403
Harrisburg, PA 17101-1236

DOCKETED
JUL 12 2002



Sarah E. Dean

RECEIVED

JUN 25 2002

DOCUMENT FOLDER

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

KELLOGG, HUBER, HANSEN, TODD & EVANS, P.L.L.C.

SUMNER SQUARE
1615 M STREET, N.W.
SUITE 400

WASHINGTON, D.C. 20036-3209

(202) 326-7900

FACSIMILE:

(202) 326-7999

RECEIVED

JUL 03 2002

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

July 3, 2002

DOCUMENT FOLDER

VIA FEDERAL EXPRESS AND ELECTRONIC MAIL

Linda C. Smith, Esquire
Dilworth Paxson LLP
305 North Front Street
Suite 403
Harrisburg, PA 17101-1236

Re: In Re.: Petition of US LEC of Pennsylvania Inc. for Arbitration with Verizon Pennsylvania Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996; Docket No. A-310814F7000

Dear Ms. Smith:

Please find enclosed Verizon Pennsylvania Inc.'s Supplemental Responses to US LEC of Pennsylvania, Inc.'s First Set of Discovery Requests in the above-captioned proceeding.

Thank you for your assistance. If you have any questions, please call me at 202-326-7921.

Sincerely,



Aaron M. Panner

cc: Service List
Hon. Louis Cocheres (cover letter and service list only)
James J. McNulty, Secretary (cover letter and service list only)

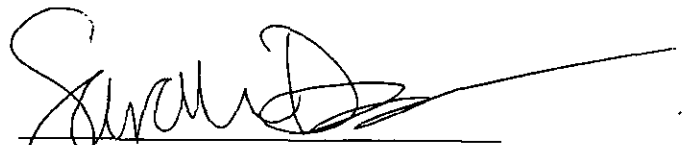
CERTIFICATE OF SERVICE

I hereby certify that, on this 3rd day of July 2002, I caused copies of Verizon Pennsylvania Inc.'s First Supplemental Responses to US LEC of Pennsylvania, Inc.'s First Set of Discovery Requests to be served on the following parties by electronic mail and hand-delivery (indicated by an asterisk) or overnight mail on the following parties

US LEC of Pennsylvania, Inc.

*Michael L. Shor
*Robin F. Cohn
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007

Linda C. Smith, Esquire
Dilworth Paxson LLP
305 North Front Street
Suite 403
Harrisburg, PA 17101-1236



Sarah E. Dean

DOCKETED
JUL 12 2002

DOCUMENT FOR

DILWORTH PAXSON LLP

LAW OFFICES

2002 JUL 10 AM 9:47

DIRECT DIAL NUMBER:
(717) 236-4812

SECRETARY'S BUREAU

Linda C. Smith
smithlc@dilworthlaw.com

July 9, 2002

VIA HAND DELIVERY

Administrative Law Judge Louis G. Cocheres
Pennsylvania Public Utility Commission
2nd Floor West
Commonwealth Keystone Building
Harrisburg, PA 17120

DOCUMENT

SRB

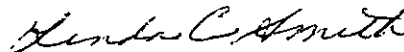
**RE: In Re: Petition of US LEC of Pennsylvania, Inc. for Arbitration with
Verizon-Pennsylvania, Inc. Pursuant to Section 252(b) of the
Telecommunications Act of 1996
Docket No. A-310814F7000**

Dear Administrative Law Judge Cocheres:

Enclosed please find two copies of the Rebuttal Testimony of Frank R. Hoffman, Jr. US LEC St. 1.1 and the Rebuttal Testimony of Wanda G. Montano US LEC St. 2.1 in the above-referenced case.

Copies have been served on the parties listed on the attached certificate of service.

Very truly yours,



Linda C. Smith

LCS/sw
Enclosure

cc: Secretary James P. McNulty (w/o enclosure)
Wanda G. Montano (w/enclosure)

17869-1

305 N. FRONT STREET • SUITE 403 • HARRISBURG PA 17101-1236
(717) 236-4812 • FAX (717) 236-7811 • www.dilworthlaw.com

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below via electronic and overnight mail.

Julia A. Conover, Esquire
Verizon Pennsylvania, Inc.
1717 Arch Street 32 NW
Philadelphia, PA 19103
Phone (215) 963-6001
Fax (215) 563-2058
E-mail julia.a.conover@verizon.com

Anthony E. Gay
Verizon Pennsylvania, Inc.
1717 Arch Street, 32N
Philadelphia, PA 19103
Phone (215) 963-6023
anthony.e.gay@verizon.com

Aaron M. Panner
Scott H. Angstreich
Kellogg, Huber, Hansen, Todd & Evans, P.L.L.C.
1615 M Street, N.W., Suite 400
Washington, D.C. 20026
(202) 326-7900
apanner@khhte.com

Gregory M. Romano, Esq.
1515 North Courthouse Road
Suite 500
Arlington, VA 22201
Phone (703) 351-3125
Fax (703) 351-3659
E-mail gregory.m.romano@verizon.com

DOCKETED
SEP 05 2002
DOCUMENT

Linda C. Smith
Linda C. Smith

Dated: July 9, 2002

OALJ Hearing Report

Please Check Those Blocks Which Apply

Docket No.:	A-31084F700- A-310814F700C	YES	NO
Case Name:	US LEC of Pennsylvania, Inc.	Prehearing Held:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
		Hearing Held:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
		Testimony Taken:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
		Transcript Due:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
		Hearing Concluded:	<input type="checkbox"/> YES <input type="checkbox"/> NO <i>see below</i>
Location:	HBG	Further Hearing Needed:	<input type="checkbox"/> YES <input type="checkbox"/> NO
Date:	July 17, 2002	Estimated Add'l Days:	<i>see below</i>
ALJ:	Louis G. Cocheres	RECORD CLOSED:	<input type="checkbox"/> YES <input type="checkbox"/> NO
Reporting Firm:	Sargents Court Reporting	DATE:	<i>see below</i>
		Briefs to be Filed:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
		DATE:	
		Bench Decision:	<input type="checkbox"/> YES <input type="checkbox"/> NO
		REMARKS:	<i>The parties will schedule a conference call to conclude the case</i>

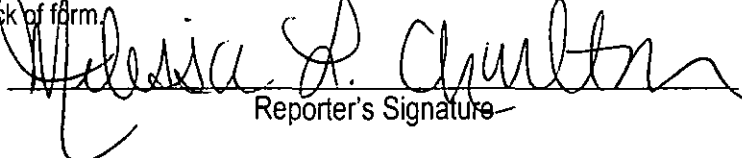
DOCKETED
AUG 15 2002
DOCUMENT

RECEIVED
 2002 JUL 26 AM 11:30
 PA P.U.C.
 SECRETARY'S OFFICE

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

Name and Telephone Number	Address	Who are you representing?
Suzan D. Paiva Telephone: 215-963-6065	1717 Arch St 32N City: Phila State: PA Zip: 19103	Verizon Fax Number: 215-563-2655
Aaron M. Panner Telephone: (202) 326-7921	1615 M Street, NW Suite 400 City: Washington State: DC Zip: 20036	Verizon Fax Number: (202) 326-7979
Linda C. Smith Dilworth Paxson LLP Telephone: 717-236-4812	305 N. Front St. Suite 403 City: Harrisburg State: PA Zip: 17101	US LEC Fax Number:

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?
Michael L. Shor Tamar E. Finn	Swidler Berlin Shereff Friedman 3000 K Street, N.W.			US LEC of Pennsylvania, Inc
Telephone: 202-424-7775	City WASHINGTON	State DC	Zip 20007	E-mail Address: MLShor@swidlaw.com Fax Number: (202) 424-7645
Telephone:	City			E-mail Address:
Telephone:	City			E-mail Address:
Telephone:	City			E-mail Address:
Telephone:	City			E-mail Address:
Telephone:	City			E-mail Address:
Telephone:	City			E-mail Address:
Telephone:	City			E-mail Address:

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.:	A-31084F7000 A-310814F7000	<i>conference</i>	YES	NO
		Prehearing Held:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Case Name:	US LEC of Pennsylvania, Inc.	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"/>
		<i>conference</i> ← Hearing Concluded:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Location:	HBG	Further Hearing Needed:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Estimated Add'l Days:		
Date:	July 23, 2002			
		RECORD CLOSED:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ALJ:	Louis G. Cocheres	DATE:	<i>see below</i>	
		Briefs to be Filed:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Reporting Firm:	Commonwealth Reporting	DATE:		
		Bench Decision:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
RECEIVED 2002 JUL 26 11:10:29 PA P.U.C. SECRETARY'S BUREAU		DOCKETED		
		SEP 03 2002		
		DOCUMENT		
REMARKS: <i>The record has been held open for certain late-filed exhibits. The briefing schedule is in the Prehearing Order.</i>				

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

Name and Telephone Number	Address	Who are you representing?
Aaron M. Panner Telephone: 202-326-7921	1615 M Street, NW Suite 400 City: Washington State: DC Zip: 20036	Verizon
Michael L. Shor Tamar E. Finn Telephone: 202-424-7775	Swidler Berlin Shereff Friedman 3000 K Street, N.W. City: Washington State: DC Zip: 20007	US LEC of PA, Inc
	City State Zip	SRB
Telephone:	E-mail Address:	Fax Number:

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.