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June 2, 2015

**Via Electronic Filing**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

Re: Core Communications, Inc.  
v. Verizon Pennsylvania Inc. and Verizon North LLC;  
Docket Nos. C-2011-2253750, C-2011-2253787 and P-2011-2253650

Dear Secretary Chiavetta:

Enclosed please find Verizon's Petition for Partial Reconsideration, filed on behalf of Verizon Pennsylvania LLC and Verizon North LLC (collectively, "Verizon") in the above captioned matter.

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

Very truly yours,

A handwritten signature in blue ink, appearing to read "Suzan D. Paiva".

Suzan D. Paiva

SDP/slb

**Via E-Mail and Federal Express**  
cc: The Honorable Susan D. Colwell  
Cheryl Walker Davis, Office of Special Assistants  
Attached Certificate of Service

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of Verizon's Petition for Partial Reconsideration, upon the parties listed below, in accordance with the requirements of §1.54 (relating to service by a party) and 1.55 (related to service upon attorneys).

Dated at Philadelphia, Pennsylvania, this 2<sup>nd</sup> day of June, 2015.

**Via E-Mail and Federal Express**

Michael A Guin, Esquire  
Stevens & Lee  
17 North Second St., 16<sup>th</sup> Fl.  
Harrisburg, PA 17101



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Attorney for Verizon

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>CORE COMMUNICATIONS, INC.,</b>	:	
	:	
<b>Complainant,</b>	:	
	:	
v.	:	<b>Docket No. C-2011-2253750</b>
	:	<b>Docket No. C-2011-2253787 and</b>
	:	<b>Docket No. P-2011-2253650</b>
<b>VERIZON PENNSYLVANIA INC.</b>	:	
<b>and VERIZON NORTH LLC,</b>	:	
	:	
<b>Respondents.</b>	:	

**VERIZON’S PETITION FOR PARTIAL RECONSIDERATION**

Verizon<sup>1</sup> respectfully requests that the Commission reconsider one aspect of its order entered May 28, 2015 (“*Remand Order*”). Verizon does not ask the Commission to reconsider the limited remand to consider a recent FCC order, although that order relates only to the narrow issue of Core’s<sup>2</sup> attempt to back-bill switched access on traffic allegedly terminated for VoIP providers and closer consideration will show that it does not change the Initial Decision’s (“ID”) correct conclusion to reject those bills.<sup>3</sup> But while the ALJ considers that remand, the Commission must change the inequitable payment arrangements in place for the last three and half years.

With still further delay in this nearly four year old case, the Commission should vacate or alter the order entered September 23, 2011 (“*Payment Order*”), which has required Verizon to pay disputed Core invoices – subject to true-up – pending completion of this litigation while Core continues to withhold *all* payment for facilities and services it obtains from Verizon.<sup>4</sup>

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<sup>1</sup> Verizon Pennsylvania LLC (“Verizon PA”) and Verizon North LLC (“Verizon North”) (together, “Verizon”).

<sup>2</sup> Core Communications, Inc. (“Core”).

<sup>3</sup> See Verizon’s February 26, 2015 letter filing.

<sup>4</sup> Verizon requests reconsideration of the *Remand Order* pursuant to 52 Pa. Code § 5.572(a), and/or rescission or amendment of the *Payment Order* pursuant to 52 Pa. Code § 5.572(d) and 66 Pa. C.S. § 703(g).

Since October 1, 2011, Verizon has paid Core over \$2 million under the *Payment Order*. Over the same period, Core has withheld *all* payment on nearly \$5 million in Verizon wholesale charges. Core has not only withheld payment on the facilities bills at issue in this case, but has even refused to pay \$1.2 million in intercarrier compensation and other charges *that Core does not dispute it owes*. The *Remand Order* acknowledges this pattern of non-payment by Core, observing that “Core has not paid any bills that Verizon has issued to Core for the facilities that Core has leased from Verizon,” even though Core’s challenge to Verizon’s facilities charges is that “it is entitled to pay such bills at Total Element Long-Run Incremental Cost (TELRIC) rates, and not at the tariffed special access rates at which Verizon has issued these bills.”<sup>5</sup> The *Remand Order* further notes that “in addition to failing to pay for the use of Verizon’s facilities, Core has also failed to pay any bills Verizon has issued for reciprocal compensation, switched access, or directory listing services.”<sup>6</sup> While recognizing that Core continues to pay *nothing* toward the facilities bills – not even the TELRIC rates it says apply – and additionally withholds all payment on Verizon’s undisputed intercarrier compensation and other bills, the *Remand Order* failed to take any measure to remedy this unfair situation. This one-sided money flow created by the Commission cannot continue.

Absent reconsideration, this unfair and one-sided payment mandate will linger through the indefinite period of time it will take to complete the remand and render a final decision in this case. This situation would continue even though the ALJ found that, for years, Core has been improperly overcharging Verizon for terminating other parties’ traffic and improperly withholding payment for facilities and services provided by Verizon, and recommended that the outcome of this case be a multi-million dollar payment from Core to Verizon. As the dissenting

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<sup>5</sup> *Remand Order* at 4-5. Core also argues that facilities provisioned in the past did not function properly. *Id.*

<sup>6</sup> *Remand Order* at 5.

Commissioners' Joint Statement noted,<sup>7</sup> this “unfair scenario where one party can withhold payment, while the other party cannot ... perpetuates what amounts to unequal treatment of the parties and an arbitrary practice,” especially given that the interconnection agreements authorize Verizon to withhold payment of disputed amounts.<sup>8</sup> The *Payment Order* effectively requires Verizon to subsidize Core's business during the pendency of the litigation in two ways: by paying Core's inflated bills and by providing Core with free wholesale service (since the payment obligation is not mutual).

This inequitable situation likely will not be remedied when this litigation finally ends. Core admits that it has not escrowed anything towards an eventual judgment against it.<sup>9</sup> In May of 2015, when Verizon's Virginia affiliates sought to collect the judgment resulting from the federal litigation of similar issues in that state, Core's Virginia affiliate filed for Chapter 11 bankruptcy rather than paying.<sup>10</sup> That Virginia affiliate's balance sheet (filed May 22, 2015) indicates a significant financial interrelationship with the Core affiliate in this case, as well as with the ultimate corporate parent of both entities.<sup>11</sup>

The Commission should reconsider and modify the *Remand Order* to vacate the one-sided payment obligations currently imposed on Verizon (so that *both parties* can withhold payment), or at minimum, to require *both parties* to pay *into escrow* for the remainder of this case. Even if the Commission does not require Core to escrow payment for the facilities bills at issue here (although it should, since even Core concedes that at least TELRIC rates apply), it

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<sup>7</sup> “Joint Statement of Robert F. Powelson and John F. Coleman” (May 7, 2015) (“Joint Stmt.”) at 2.

<sup>8</sup> Joint Stmt. at 2; 4; ID at 38.

<sup>9</sup> Hearing Transcript (“Tr.”) at 258; *see also* ID at 38.

<sup>10</sup> *See In re CoreTel Virginia LLC*, U.S. Bankruptcy Court for the District of Maryland, Case No. 15-16717 (filed May 8, 2015), a true and correct copy of which is attached as **Attachment A**.

<sup>11</sup> *See* “CoreTel Virginia, LLC Balance Sheet as of May 21, 2015,” *In re CoreTel Virginia LLC*, U.S. Bankruptcy Court for the District of Maryland, Case No. 15-16717 (filed May 22, 2015), a true and correct copy of which is attached as **Attachment B**.

should, at a minimum, require Core to escrow the approximately \$93,000 a month it owes Verizon for *undisputed* monthly switched access, collocation and other wholesale charges that Core nonetheless refuses to pay.<sup>12</sup> In turn, Verizon would escrow the payments on Core's intercarrier compensation bills that it currently makes under the *Payment Order*. Any other result would be arbitrary, capricious, and only "prolong what is an unfair situation."<sup>13</sup>

In support of this petition, Verizon states:

## **I. BACKGROUND**

1. In 2011, disputes arose between Core and Verizon over the validity of Core's billings to Verizon for terminating large volumes of predominantly dial-up internet traffic,<sup>14</sup> and Core's long-standing failure to pay Verizon's bills for termination of outbound traffic from Core, as well as for trunks leased from Verizon to carry Core's traffic to the public switched telephone network and directory listing services.

2. Matters came to a head in mid-2011, when Verizon began to suspect that Core's intercarrier compensation bills were highly inflated and Core refused repeated requests to provide the call records needed to validate its bills. Verizon disputed Core's invoices and withheld a small payment – an action the ID confirmed was "consistent with a reasonable reading" of the parties' interconnection agreements,<sup>15</sup> as the Joint Statement agreed.<sup>16</sup>

3. Rather than provide the requested records and engage in the dispute resolution

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<sup>12</sup> As discussed below, Core has neither disputed these charges, nor filed exceptions to the ID's finding that Core owes Verizon these amounts.

<sup>13</sup> Joint Stmt. at 2.

<sup>14</sup> Verizon had been paying for this traffic at the FCC's \$0.0007/minute ISP-bound traffic rate, which the Commission reaffirmed in a complaint proceeding Core brought against AT&T. *See generally*, "Opinion and Order on Reconsideration," *Core Communications, Inc. v. AT&T Communications of Pennsylvania, LLC and TCG Pittsburg, Inc.*, Docket Nos. C-2009-210186 and C-2009-2108239 (August 15, 2013) ("*Core/AT&T Reconsideration Order*").

<sup>15</sup> ID at 38.

<sup>16</sup> Joint Statement at 2.

process required by the parties' interconnection agreements, Core bypassed dispute resolution, immediately filed a complaint, and petitioned this Commission for an emergency order directing Verizon to resume paying Core's intercarrier compensation invoices pending the resolution of the parties' underlying substantive disputes.

4. Over Verizon's strong objections, and overruling the presiding officer's August 3, 2011 order denying Core's petition, the Commission issued the *Payment Order*, directing Verizon to pay Core's invoices on an ongoing basis at the FCC's \$0.0007 rate, regardless of their validity (which Verizon disputed) and "subject to refund" should Verizon prevail on the merits.<sup>17</sup>

5. The Commission granted this extraordinary relief based on Core's claims that its financial condition was so precarious that it would have to shut down parts of its network if Verizon missed even one monthly payment, and on the express and critical condition that the amounts the Commission required Verizon to pay Core were "subject to refund" should Verizon prevail on the merits. In that nearly four year old order, the Commission directed that the case be litigated "on an expedited basis."

6. After entry of the *Payment Order* (and with the benefit of the guaranteed revenue stream it provided), Core amended its complaint to add new issues that increased the complexity of this case and the time required for litigation. These new issues included Core's attempt retroactively to rebill traffic for which Verizon had already paid reciprocal compensation at higher switched access rates, and arguing that the entire *ISP Remand Order* rate regime should be invalidated retroactively.<sup>18</sup>

7. When the Commission entered the *Payment Order*, it likely believed this was a fairly straightforward billing dispute that would be back before the Commission quickly for a

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<sup>17</sup> *Payment Order* at 20 (Ordering ¶ 4).

<sup>18</sup> See Core's April 16, 2012 Amended Complaint at Count II (¶¶ 107-119) and Count III (¶¶ 120-129).

decision on the merits. As the Dissenting Commissioners observed, “[a]t the time the emergency relief was issued . . . we did not contemplate that the case would have dragged on as long as it has.” Joint Statement at 2. But nearly four years later, the case still has not been decided on the merits, and the required remand – which neither party even requested – will delay a decision even longer.

8. Verizon has complied with the *Payment Order* for the past three and a half years, paying Core over \$2 million and counting since the entry of the order. Verizon’s payments to Core for the period October 2011 through April 2015 are shown in verified **Attachment C** hereto. Yet during the same period – and indeed, dating to the inception of the parties’ interconnection agreements more than a decade ago – Core has not paid *any* of Verizon’s bills for the facilities and services Core has continued to use. These are many of the same services for which Verizon has sought to compel payment in its Counterclaim in this case, and for which the ID held Core must pay.

9. As detailed in verified **Attachment D** to this petition, since the entry of the *Payment Order*, Verizon has provided Core approximately \$5 million in various wholesale services, all of which remains unpaid. Even removing partially-disputed special access charges from the total<sup>19</sup> leaves unpaid charges of \$1.2 million for undisputed switched access, collocation and directory listing charges that have accrued during the pendency of the *Payment Order*. Core has withheld all payment for those charges even though it offered the ALJ no excuse for its refusal and did not except to the ID’s finding that it should pay them.<sup>20</sup>

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<sup>19</sup> One of the issues Core raises in this case is the appropriate rate to be applied for facilities it obtains from Verizon. For the reasons detailed in its pleadings, Verizon charges special access rates. But even if lower TELRIC rates were found to apply, Core has not even paid at those rates. Rather, Core has paid and continues to pay Verizon *nothing*. Regardless of the outcome of the Commission’s decision on this issue, Core is not entitled to free facilities from Verizon.

<sup>20</sup> ID at 53 (“Core breached the ICAs by failing to pay Verizon’s bills for . . . traffic termination and directory

10. The *Payment Order* removed any incentive for Core to settle, since it requires Verizon to pay Core's bills indefinitely and without regard to their validity, while permitting Core to continue to use Verizon's network and services without paying anything (even though the provisions of the parties' interconnection agreements governing payment and disputes are bilateral and apply equally to Core). This is the best of both worlds for Core, as it effectively requires Verizon to subsidize Core's business for as long as this seemingly endless litigation continues.

11. The parties had a full opportunity to litigate the substance of their claims and counter-claims through discovery, multiple rounds of pre-filed testimony, an evidentiary hearing that included cross-examination, three rounds of post-hearing briefs, and several submissions of supplemental legal authority.

12. The ID reached the same conclusions on all common substantive factual and legal matters as a federal district court in Virginia and the Fourth Circuit Court of Appeals following review of a separately-developed record in a case involving analogous claims raised by affiliates of the parties.<sup>21</sup> If adopted without modification, the ID's decision on the various disputed issues would require Core to pay Verizon millions of dollars, plus interest at the rates set forth in the interconnection agreements.<sup>22</sup>

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listings"); *id* at 56 ("Core's failure to pay Verizon's switched access invoices violates 66 Pa. C.S. § 3017(b)").

<sup>21</sup> *CoreTel Virginia, LLC v. Verizon Virginia LLC et al.*, 2013 U.S. Dist. LEXIS 58649 (E.D. Va. April 22, 2013), *rev'd in part, remanded*, 752 F.3d 364 (4<sup>th</sup> Cir. 2014), *judgment entered on remand*, 2014 U.S. Dist. LEXIS 166879 (E.D. Va. December 2, 2014) ("*VA District Court Decision*"); *CoreTel Virginia, LLC v. Verizon Virginia LLC et al.*, 752 F.3d 364 (4<sup>th</sup> Cir. 2014) ("*VA Fourth Circuit Decision*"). Verizon's June 16, 2014 letter to the Commission distinguished the Fourth Circuit's findings on the applicable rate for entrance facilities based on differences in the language of the Virginia and Pennsylvania interconnection agreements. Verizon's letter also pointed out that many of the facilities subject to the disputed past charges were not § 251(c)(2) local interconnection facilities, but rather were used by Core's Virginia affiliate to route traffic to or from the networks of third-party long-distance carriers.

<sup>22</sup> The agreements require Core to pay 18% interest on amounts due to Verizon North, and 9% interest on amounts due to Verizon PA, as the ID confirmed. ID at 55-56. In addition, the Commission has authority to impose late payment charges. *See Core/AT&T Reconsideration Order* at 22-25.

## II. THE COMMISSION SHOULD VACATE OR MODIFY THE *PAYMENT ORDER*.

13. As the Joint Statement urged, the Commission should reconsider and modify the *Remand Order* to include as a condition of the remand that the *Payment Order* be vacated or altered. As noted above, since the entry of the *Payment Order* in 2011, Verizon has been forced to pay Core over \$2 million, which includes overcharges that it may not be able to recover in the true-up that was a critical condition of that order.<sup>23</sup> Meanwhile, in addition to the millions of dollars the ID found Core should pay Verizon based on the substantive disputes as of the record close date, Core has amassed nearly \$5 million in unpaid bills for Verizon wholesale services since entry of the *Payment Order*.

14. Now that the Commission has the benefit of a fully-developed record demonstrating Core's sizeable liability, maintaining the one-sided payment obligation imposed on Verizon nearly four years ago is arbitrary, capricious and fundamentally unfair. The Commission should grant reconsideration and amend the *Remand Order* to vacate the one-sided payment requirements of the *Payment Order*.

15. In the alternative, the Commission should alter the *Remand Order* to require *both parties* to make disputed payments *into escrow*, with the escrowed funds to be distributed once the Commission rules on the merits of the disputes. Requiring Core to escrow the switched access, collocation and other undisputed charges it refuses to pay each month and allowing Verizon to escrow its own payments would be an improvement over maintaining the *status quo*, because it would at least partially remedy the unfairness of the current payment situation on a prospective basis, and staunch the losses Verizon is likely to suffer at the conclusion of this proceeding if Core cannot pay what it owes. Verizon's Virginia affiliates spent over three years

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<sup>23</sup> *Remand Order* at 3, FN 2.

litigating the same issues all the way to the Fourth Circuit Court of Appeals, only to have Core's Virginia affiliate file for bankruptcy when the time came to pay the judgment against it.

16. If there ever was justification for the "harsh and extraordinary remedy"<sup>24</sup> granted in the *Payment Order*, it is long gone. In 2011, the Commission approved Core's request for extraordinary relief because it found that Core had established the four prerequisites set forth in 52 Pa. Code § 3.6(b). However, the Commission explicitly recognized that injunctive relief was inappropriate if Core failed to establish even one of the four requisite prongs.<sup>25</sup>

17. An analysis under the facts as they are known today requires a different result. There can be no serious claim that Core's "right to relief is clear" in light of the evidentiary record developed since 2011, the ID's conclusion that Core owes Verizon many millions of dollars, and the decisions of two federal courts that addressed analogous issues in Virginia.

18. Today, at bare minimum, the public interest requires the Commission to ensure the availability of some funds to pay an eventual judgment by imposing *bilateral* payment obligations under which *both* parties would make disputed payments *into escrow*. Currently, Verizon pays Core an average of \$40,000 per month<sup>26</sup> in reciprocal compensation as directed by the *Payment Order*, while Core pays Verizon *nothing* on Verizon's bills for wholesale services provided to Core, which average about \$180,000 per month. Verified Attachments C and D. Of that monthly amount, over half (\$93,000) is for switched access, collocation and other wholesale services that are unaffected by Core's challenge to Verizon's facilities rates, and for which Core

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<sup>24</sup> *Patriot-News Co. v. Empowerment Team of the Harrisburg Sch. Dist. Mbrs.*, 763 A.2d 539 (Pa. Commw. Ct. 2000).

<sup>25</sup> *Payment Order* at 8. The four prongs are: (a) the petitioner's right to relief is clear; (b) the need for relief is immediate; (c) the injury would be irreparable if relief is not granted; and (d) the relief requested is not injurious to the public interest. See 52 Pa. Code § 3.6(b).

<sup>26</sup> This is the average of Verizon's monthly payments to Core over the past six months (November 2014-April 2015). See Verified Attachment C.

neither disputed its payment obligations, nor filed exceptions to the ALJ's finding that it must pay them. Verified Attachment D, p. 2.

19. Since the interconnection agreement provisions that govern are bilateral, either *neither* party should pay, or *both* parties should pay. Given that the agreements permit the withholding of disputed payments, as the ID and Joint Statement found,<sup>27</sup> simply vacating the payment arrangement and allowing Verizon to withhold payment would be one way to restore some fairness to this situation.

20. Alternatively, the Commission could require *both* parties to make their payments *into escrow* to preserve these amounts for use in satisfying any ultimate payment order resulting from the Commission's decision on the merits. The Commission has found that requiring a surety bond or payment into escrow is a reasonable way to provide security pending resolution of the merits of a wholesale billing dispute, noting that an escrow requirement "is completely neutral to the eventual outcome of the case."<sup>28</sup> In fact, Core itself has asked the Commission to make other carriers pay disputed charges into escrow pending litigation to ensure that funds were available to pay Core's claims at the end of the case.<sup>29</sup> There is no excuse for Core not to escrow at least the \$93,000 per month in *undisputed* charges that it nonetheless refuses to pay. And given the huge debt to Verizon that Core has accrued during the pendency of this litigation – including more than a million dollars in undisputed charges – as well as the ID's findings that

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<sup>27</sup> ID at 38; Joint Stmt. at 2.

<sup>28</sup> *Palmerton Telephone Company; v. Global NAPs South, Inc.*, Docket No. C-2009-2093336, 2009 Pa. PUC LEXIS 1190 (Opinion and Order entered April 16, 2009). See also *Buffalo-Lake Erie Wireless Systems Co., LLC Petition for Emergency Order*, Docket No. P-2009-2150008, 2010 Pa. PUC LEXIS 507 (Opinion and Order entered January 14, 2010); *Level 3 Communications, LLC v. Marianna & Scenery Hill Telephone Co.*, Docket No. C-20028114 (Opinion and Order entered August 8, 2002). The Commission later vacated the Level 3 escrow requirement, but only because it found that it lacked jurisdiction over the interstate traffic in dispute. *Level 3 Communications, LLC v. Marianna & Scenery Hill Telephone Co.*, Docket No. C-20028114, 2002 Pa. PUC LEXIS 50 (Opinion and Order entered January 7, 2003).

<sup>29</sup> *Joint Application of EarthLink, Inc. etc., for Approval of the Transfer of Indirect Control*, Docket No. A-2011-2218761, 2011 Pa. PUC LEXIS 2091 (Opinion and Order entered March 31, 2011).

Core is overcharging Verizon, the Commission should also permit Verizon to escrow its payments rather than paying them directly to Core.

**A. Core’s Right to Relief Is Not Clear Now (If It Ever Was).**

21. In 2011, the Commission determined that Core’s “right to relief is clear,” citing *T.W. Phillips Gas and Oil v. Peoples Natural Gas*, 492 A.2d 776 (Pa. Cmwlth. 1985) for the proposition that at that early stage of the litigation, Core did not have to establish conclusively that it would prevail on the merits, but only that it had raised a “substantial legal question.”<sup>30</sup>

22. However, in *T.W. Philips*, the Commonwealth Court explained that the existence of a “substantial legal question” satisfies the “clear right to relief” prong *only* “if all other criteria of a preliminary injunction are met.”<sup>31</sup> As discussed below, the other criteria of a preliminary injunction are not satisfied here, so the existence of a “substantial legal question” alone does not justify maintaining a one-sided payment obligation that requires Verizon to pay Core’s disputed invoices while Core refuses to pay Verizon *anything* (even undisputed amounts).

23. The “substantial legal question” that the Commission found justified emergency relief was whether the parties’ interconnection agreements allowed Verizon to “unilaterally cease all payments to Core for intercarrier compensation.”<sup>32</sup> Those contract terms are *bilateral*. As such, if the “spirit, if not the letter” of the contracts requires Verizon to pay Core pending litigation, then the same reasoning likewise requires Core to pay Verizon’s bills.<sup>33</sup> Either *both* parties should be required to pay, or *neither* should be required to pay pending litigation. The current, one-sided state of affairs is inconsistent with the bilateral nature of the interconnection agreement provisions on which the Commission relied.

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<sup>30</sup> *Payment Order* at 8.

<sup>31</sup> *T.W. Phillips, supra*, 492 A.2d 776 at 781.

<sup>32</sup> *Payment Order* at 12.

<sup>33</sup> *Payment Order* at 16.

24. Moreover, Core cannot continue to maintain that its “right to relief” on the ultimate merits of the case is “clear” where the presiding officer in this case and two federal courts presiding over an analogous case involving Core’s and Verizon’s Virginia affiliates have examined the facts and the law relating to the parties’ disputes and rejected Core’s arguments on their merits.<sup>34</sup> All have determined that Core is overcharging Verizon,<sup>35</sup> is wrongfully withholding payment of Verizon’s bills, and owes payment to Verizon for past billing misconduct and improper withholding. That three impartial tribunals have independently ruled against Core entities after a thorough review of the merits on analogous claims precludes the Commission from concluding that Core’s “right to relief is clear” today. If anything, *Verizon’s* right to relief on the merits is clear, requiring rescission of the *Payment Order* since one of the four prongs of 52 Pa. Code § 3.6(b) is no longer met (if it ever was).

25. If the Commission nonetheless concludes that ongoing payments are still appropriate, it should at least reconsider and modify the *Remand Order* to require Core to pay Verizon’s bills as well (since the interconnection agreements’ provisions apply equally to Core), and direct that *both* parties to make their payments *into escrow* to ensure that Verizon will be able to recover at least a small portion of what Core owes when Verizon prevails at the end of the litigation. Even if the Commission allows Core to continue to withhold all payment for the use of Verizon’s facilities – despite Core’s admission that no less than TELRIC rates apply – at bare minimum, it should require Core to pay the over \$90,000 in monthly undisputed switched access and collocation bills into escrow.

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<sup>34</sup> The Joint Statement suggests that at least two Commissioners agree with respect to the merits of Core’s case here.

<sup>35</sup> Even Core concedes, in theory, that it must “credit back to Verizon” amounts billed for third party traffic, although it disputes the magnitude of the overbilling. Reply of Core Communications, Inc. to Verizon’s Exceptions (September 16, 2013) (“Core REX”) at 11.

**B. The Evidence Regarding Core's Financial Condition Supports Reconsideration.**

26. In the *Payment Order*, the Commission recognized that that Core's irreparable harm argument was only a claim for monetary damages, and noted that "[g]enerally monetary losses alone will not support a finding of irreparable harm" because "monetary losses can be compensated by an award of monetary damages."<sup>36</sup> But the Commission relied on Core's assertions that it was in extreme, imminent and extraordinary financial distress and would have to shut down its business immediately if Verizon missed even one monthly payment, and ultimately found that Core had rebutted the strong presumption that "monetary losses alone will not support a finding of irreparable harm."<sup>37</sup> The Commission credited the same testimony of Core's dire financial condition as being sufficient to show that Core's "need for relief is immediate."<sup>38</sup>

27. As discussed below, more recent evidence of Core's financial condition is contradictory and leads to one of two conclusions: (1) either Core's financial picture continues to be poor, casting serious doubt on whether Core will ever be able to refund the amounts Verizon is being required to overpay under the emergency order, much less the other amounts owed to Verizon (as Mr. Mingo testified at the December 2012 hearing in this case, and as suggested by

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<sup>36</sup> *Payment Order* at 15.

<sup>37</sup> *Payment Order* at 15-16.

<sup>38</sup> *Payment Order* at 14. Core claimed that its financial situation was so precarious that if it did not receive a payment of approximately \$75,000 from Verizon, it would be "without sufficient funds to maintain the full extent of its Pennsylvania operations" and would be forced to "take drastic actions to stay in business, including laying off Pennsylvania employees [and] closing some or all of its Pennsylvania facilities." Petition ¶ 21 and accompanying Affidavit of Bret Mingo ("Mingo Aff.") at ¶¶ 30-31. According to Core, "with Verizon's reciprocal compensation payments, Core is profitable, but without the payments Core loses money. Each monthly invoice that Verizon does not pay will push Core further toward non-profitability, and potentially, insolvency." Mingo Aff. ¶ 35. Verizon contended that these self-serving arguments were not enough to justify disregarding the longstanding rule that monetary damages are insufficient to justify an injunction, and that Core's annual financial reports to this Commission painted a much rosier picture of Core's financial state, but the Commission disagreed.

the recent bankruptcy filing of Core’s Virginia affiliate); or (2) Core’s financial picture has improved considerably and any argument that it faces insolvency is mere speculation (as Core and this Commission’s Law Bureau argued to the United States District Court for the Eastern District of Pennsylvania in 2013). Either of these conclusions requires reconsideration of the *Remand Order* to modify the current payment arrangements.

28. If Core’s financial condition continues to be precarious, then equity (the basis for ordering injunctive relief) cannot countenance requiring Verizon to continue to pay Core every month when Core will be unable refund amounts it will owe at the conclusion of the case – particularly not when the ID found that the very bills that the order forces Verizon to pay each month are erroneous and overstated and must be corrected, and where Core is refusing to pay even undisputed Verizon charges. By requiring Verizon to pay Core’s inflated bills while allowing it to evade paying for using Verizon’s wholesale services to run its business, the Commission is unfairly forcing Verizon to subsidize Core.

29. If, on the other hand, Core’s financial condition has improved since December 2012 such that Core is no longer on the self-pronounced brink of insolvency – as both Core and the Commission assured a federal court in September 2013<sup>39</sup> – then the Commission should reconsider and modify the *Remand Order* to dissolve the payment obligations of the *Payment Order* because monetary losses alone do not support a finding of irreparable harm or justify maintaining the extraordinary remedy of injunctive relief.

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<sup>39</sup> This Commission’s Law Bureau stated that Core’s 2012 annual financial report showed \$3.7 million of annual revenue and that Core had a C+ credit rating – “a far cry [from] establishing some allegation of insolvency or lack of operating revenue” – and argued that “Core is solvent and has ongoing revenues” and “[t]here is no demonstration that Core is insolvent or that its assets are in danger of depletion.” See September 10, 2013 “Pennsylvania Public Utility Commission Response to Plaintiffs’ Motion for Preliminary Injunction” in *AT&T Corporation, et al. v. Core Communications, Inc. et al.*, Case No. 12-7157 MAM (E.D. Pa.; Philadelphia Division) (“PUC’s AT&T Brief”).

**C. Failing to Vacate the One-Sided *Payment Order* Would Harm the Public Interest.**

30. The Commission found that “the relief requested is in the public interest and consistent with our practice that disfavors carriers from engaging in ‘self-help’ to unilaterally resolve intercarrier compensation disputes,” and therefore concluded that “there would be no injury to the public by granting Core’s Petition.”<sup>40</sup>

31. If it is in the public interest to enjoin “self-help” even when the governing contracts permit the withholding of disputed payments (as the ID and Joint Statement found,<sup>41</sup> and as even the *Payment Order* recognized in acknowledging that the “letter” of the interconnection agreements did not require payment of disputed amounts<sup>42</sup>), then it is most certainly not in the public interest to allow one party to engage in self-help while forcing the other party to pay disputed amounts. The contract terms governing the relationship between Verizon and Core are bilateral. At minimum, the public interest requires that any payment directive also be bilateral.

32. The public interest requires the Commission to reconsider its *Remand Order* and either vacate the payment requirements of the *Payment Order* altogether, or amend them to require *both* Core and Verizon to pay disputed amounts *into escrow*, so that funds to pay an eventual judgment will be preserved and the “subject to refund” language in the Commission’s order will have some meaning. Allowing the “unfair scenario where one party can withhold payment, while the other cannot” to continue is certainly not in the public interest.

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<sup>40</sup> *Payment Order* at 18.

<sup>41</sup> ID at 38; Joint Stmt. at 2.

<sup>42</sup> *Payment Order* at 16.

## CONCLUSION

33. For the foregoing reasons, Verizon respectfully requests that the Commission reconsider and amend the *Remand Order* to include a condition rescinding the requirements of the *Payment Order*, or alternatively, altering the payment requirement so that *both* parties pay disputed amounts *into escrow* pending resolution on the merits. Under this alternative, Verizon would pay the amounts it has been paying to Core each month (averaging \$40,000 per month) into an interest-bearing escrow account approved by the Commission, and likewise, Core would pay at least the \$93,000 in monthly undisputed switched access and collocation charges, plus whatever additional amount toward the facilities bills that the Commission deems appropriate, into an interest-bearing escrow account approved by the Commission. At the conclusion of the case, the Commission will determine how the proceeds of the accounts are to be distributed.

Respectfully submitted,



Suzan D. Paiva, I.D. No. 53853  
Verizon  
1717 Arch Street, 3<sup>rd</sup> Floor  
Philadelphia, PA 19103  
Phone: (215) 466-4755  
[Suzan.D.Paiva@verizon.com](mailto:Suzan.D.Paiva@verizon.com)

Deborah L. Kuhn, *Pro Hac Vice*  
Verizon  
205 N. Michigan Avenue, 7<sup>th</sup> Floor  
Chicago, IL 60601  
Phone: (312) 894-2354  
[Deborah.Kuhn@verizon.com](mailto:Deborah.Kuhn@verizon.com)

*Counsel for Verizon Pennsylvania LLC  
and Verizon North LLC*

Dated: June 2, 2015

# **Attachment A**

B1 (Official Form 1)(04/13)

<b>United States Bankruptcy Court District of Maryland</b>		<b>Voluntary Petition</b>
Name of Debtor (if individual, enter Last, First, Middle): <b>CoreTel Virginia LLC</b>		Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):		All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN)/Complete EIN (if more than one, state all) <b>52-2264244</b>		Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all)
Street Address of Debtor (No. and Street, City, and State): <b>209 West Street, Suite 302 Annapolis, MD</b> <div style="text-align: right;">ZIP Code <b>21401</b></div>		Street Address of Joint Debtor (No. and Street, City, and State): <div style="text-align: right;">ZIP Code</div>
County of Residence or of the Principal Place of Business: <b>Anne Arundel</b>		County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address): <div style="text-align: right;">ZIP Code</div>		Mailing Address of Joint Debtor (if different from street address): <div style="text-align: right;">ZIP Code</div>
Location of Principal Assets of Business Debtor (if different from street address above): <b>209 West Street, Suite 302 Annapolis, MD 21401</b>		
<b>Type of Debtor</b> (Form of Organization) (Check one box) <input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)	<b>Nature of Business</b> (Check one box) <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other	<b>Chapter of Bankruptcy Code Under Which the Petition is Filed</b> (Check one box) <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13  <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding
<b>Chapter 15 Debtors</b> Country of debtor's center of main interests:  Each country in which a foreign proceeding by, regarding, or against debtor is pending:	<b>Tax-Exempt Entity</b> (Check box, if applicable) <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).	<b>Nature of Debts</b> (Check one box) <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts.
<b>Filing Fee</b> (Check one box) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A. <input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.		<b>Chapter 11 Debtors</b> Check one box: <input checked="" type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D). Check if: <input checked="" type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,490,925 (amount subject to adjustment on 4/01/16 and every three years thereafter). Check all applicable boxes: <input type="checkbox"/> A plan is being filed with this petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
<b>Statistical/Administrative Information</b> <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.		THIS SPACE IS FOR COURT USE ONLY
<b>Estimated Number of Creditors</b> <input checked="" type="checkbox"/> 1-49 <input type="checkbox"/> 50-99 <input type="checkbox"/> 100-199 <input type="checkbox"/> 200-999 <input type="checkbox"/> 1,000-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-25,000 <input type="checkbox"/> 25,001-50,000 <input type="checkbox"/> 50,001-100,000 <input type="checkbox"/> OVER 100,000		
<b>Estimated Assets</b> <input checked="" type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion		
<b>Estimated Liabilities</b> <input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input checked="" type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion		

<p><b>Voluntary Petition</b> <i>(This page must be completed and filed in every case)</i></p>	<p>Name of Debtor(s): <b>CoreTel Virginia LLC</b></p>
<p><b>All Prior Bankruptcy Cases Filed Within Last 8 Years</b> (If more than two, attach additional sheet)</p>	
<p>Location Where Filed: <b>- None -</b></p>	<p>Case Number: _____ Date Filed: _____</p>
<p>Location Where Filed: _____</p>	<p>Case Number: _____ Date Filed: _____</p>
<p><b>Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor</b> (If more than one, attach additional sheet)</p>	
<p>Name of Debtor: <b>- None -</b></p>	<p>Case Number: _____ Date Filed: _____</p>
<p>District: _____</p>	<p>Relationship: _____ Judge: _____</p>
<p style="text-align: center;"><b>Exhibit A</b></p> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)</p> <p><input type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>	<p style="text-align: center;"><b>Exhibit B</b></p> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts.)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. §342(b).</p> <p><b>X</b> _____ Signature of Attorney for Debtor(s) (Date)</p>
<p><b>Exhibit C</b></p> <p>Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?</p> <p><input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition. <input checked="" type="checkbox"/> No.</p>	
<p><b>Exhibit D</b></p> <p>(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)</p> <p><input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition.</p> <p>If this is a joint petition: <input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.</p>	
<p><b>Information Regarding the Debtor - Venue</b> (Check any applicable box)</p> <p><input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.</p> <p><input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.</p> <p><input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.</p>	
<p><b>Certification by a Debtor Who Resides as a Tenant of Residential Property</b> (Check all applicable boxes)</p> <p><input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)</p> <p style="text-align: center;">_____ (Name of landlord that obtained judgment)</p> <p style="text-align: center;">_____ (Address of landlord)</p> <p><input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and</p> <p><input type="checkbox"/> Debtor has included with this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.</p> <p><input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).</p>	

**Voluntary Petition**

*(This page must be completed and filed in every case)*

Name of Debtor(s):  
**CoreTel Virginia LLC**

**Signatures**

**Signature(s) of Debtor(s) (Individual/Joint)**

I declare under penalty of perjury that the information provided in this petition is true and correct.  
[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.  
[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. §342(b).  
  
I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X \_\_\_\_\_  
Signature of Debtor

X \_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Telephone Number (If not represented by attorney)

\_\_\_\_\_  
Date

**Signature of a Foreign Representative**

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

- I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. §1515 are attached.
- Pursuant to 11 U.S.C. §1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X \_\_\_\_\_  
Signature of Foreign Representative

\_\_\_\_\_  
Printed Name of Foreign Representative

\_\_\_\_\_  
Date

**Signature of Attorney\***

X **/s/ Gregory P. Johnson, Esquire**  
Signature of Attorney for Debtor(s)

**Gregory P. Johnson, Esquire 09747**  
Printed Name of Attorney for Debtor(s)

**Offit Kurman, P.A.**  
Firm Name  
**4800 Montgomery Lane, 9th Floor**  
**Bethesda, MD 20814-3465**

\_\_\_\_\_  
Address

**Email: gjohnson@offitkurman.com**

**240-507-1700 Fax: 240-507-1735**

\_\_\_\_\_  
Telephone Number

**May 8, 2015**  
Date

\*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

**Signature of Non-Attorney Bankruptcy Petition Preparer**

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

\_\_\_\_\_  
Printed Name and title, if any, of Bankruptcy Petition Preparer

\_\_\_\_\_  
Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer).(Required by 11 U.S.C. § 110.)

\_\_\_\_\_  
Address

X \_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

*A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. §110; 18 U.S.C. §156.*

**Signature of Debtor (Corporation/Partnership)**

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X **/s/ Bret Mingo**  
Signature of Authorized Individual

**Bret Mingo**  
Printed Name of Authorized Individual

**President**  
Title of Authorized Individual

**May 8, 2015**  
Date

\_\_\_\_\_  
Date

B4 (Official Form 4) (12/07)

**United States Bankruptcy Court  
District of Maryland**

In re CoreTel Virginia LLC

Debtor(s)

Case No.

Chapter 11

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	<i>Amount of claim [if secured, also state value of security]</i>
<b>Equinix, Inc 4252 Solutions Center Chicago, IL 60677</b>	<b>Equinix, Inc 4252 Solutions Center Chicago, IL 60677</b>			<b>49,878.52</b>
<b>Level 3 1025 Eldorado Blvd. Broomfield, CO 80021</b>	<b>Level 3 1025 Eldorado Blvd. Broomfield, CO 80021</b>			<b>1.00</b>
<b>Verizon CABS PO Box 4832 Trenton, NJ 08650</b>	<b>Verizon CABS PO Box 4832 Trenton, NJ 08650</b>			<b>120,598.82</b>
<b>Verizon CABS PO Box 4832 Trenton, NJ 08650</b>	<b>Verizon CABS PO Box 4832 Trenton, NJ 08650</b>			<b>16,541.38</b>
<b>Verizon CABS PO Box 4832 Trenton, NJ 08650</b>	<b>Verizon CABS PO Box 4832 Trenton, NJ 08650</b>			<b>13,971.06</b>
<b>Verizon CABS PO Box 4832 Trenton, NJ 08650</b>	<b>Verizon CABS PO Box 4832 Trenton, NJ 08650</b>			<b>518,116.03</b>
<b>Verizon CABS PO Box 4832 Trenton, NJ 08650</b>	<b>Verizon CABS PO Box 4832 Trenton, NJ 08650</b>			<b>310,515.65</b>
<b>Verizon CABS PO Box 4832 Trenton, NJ 08650</b>	<b>Verizon CABS PO Box 4832 Trenton, NJ 08650</b>			<b>290,770.42</b>
<b>Verizon CABS PO Box 4832 Trenton, NJ 08650</b>	<b>Verizon CABS PO Box 4832 Trenton, NJ 08650</b>			<b>272,238.81</b>
<b>Verizon CABS PO Box 4832 Trenton, NJ 08650</b>	<b>Verizon CABS PO Box 4832 Trenton, NJ 08650</b>			<b>190,651.40</b>

B4 (Official Form 4) (12/07) - Cont.  
 In re CoreTel Virginia LLC

Case No. \_\_\_\_\_

Debtor(s) \_\_\_\_\_

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**  
 (Continuation Sheet)

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	<i>Amount of claim [if secured, also state value of security]</i>

**DECLARATION UNDER PENALTY OF PERJURY  
 ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, the President of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date May 8, 2015

Signature /s/ Bret Mingo  
**Bret Mingo**  
**President**

*Penalty for making a false statement or concealing property:* Fine of up to \$500,000 or imprisonment for up to 5 years or both. 18 U.S.C. §§ 152 and 3571.

B6 Declaration (Official Form 6 - Declaration). (12/07)

**United States Bankruptcy Court  
District of Maryland**

In re CoreTel Virginia LLC

Debtor(s)

Case No. \_\_\_\_\_

Chapter 11

**DECLARATION CONCERNING DEBTOR'S SCHEDULES**

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I, the President of the corporation named as debtor in this case, declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of 13 sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Date May 8, 2015

Signature /s/ Bret Mingo

**Bret Mingo  
President**

*Penalty for making a false statement or concealing property:* Fine of up to \$500,000 or imprisonment for up to 5 years or both.  
18 U.S.C. §§ 152 and 3571.

**United States Bankruptcy Court  
District of Maryland**

In re **CoreTel Virginia LLC**

Debtor(s)

Case No.  
Chapter

**11**

**VERIFICATION OF CREDITOR MATRIX**

I, the President of the corporation named as the debtor in this case, hereby verify that the attached list of creditors is true and correct to the best of my knowledge.

Date: **May 8, 2015**

**/s/ Bret Mingo**

**Bret Mingo/President**  
Signer/Title

Equinix, Inc  
4252 Solutions Center  
Chicago, IL 60677

Level 3  
1025 Eldorado Blvd.  
Broomfield, CO 80021

Verizon CABS  
PO Box 4832  
Trenton, NJ 08650

# **Attachment B**

12:52 PM  
05/21/15  
Cash Basis

**CoreTel Virginia, LLC**  
**Balance Sheet**  
As of May 21, 2015

	<u>May 21, 15</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Chevy Chase Bank	2,975.98
<b>Total Checking/Savings</b>	<u>2,975.98</u>
<b>Accounts Receivable</b>	
1200 · Accounts Receivable	141.22
<b>Total Accounts Receivable</b>	<u>141.22</u>
<b>Other Current Assets</b>	
DO NOT USE - Due to/from NY	30,183.27
1299 · AR - contra (acct's use)	-141.22
<b>Total Other Current Assets</b>	<u>30,042.05</u>
<b>Total Current Assets</b>	<u>33,159.25</u>
<b>TOTAL ASSETS</b>	<u><u>33,159.25</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
Due To/From Core Comm	-286,576.77
Due To/From CoreTel Comm	-2,557,972.78
<b>Total Other Current Liabilities</b>	<u>-2,844,549.55</u>
<b>Total Current Liabilities</b>	<u>-2,844,549.55</u>
<b>Total Liabilities</b>	-2,844,549.55
<b>Equity</b>	
3100 · Distributions	-600.00
Paid-in-Capital	100.00
3900 · Retained Earnings	2,858,244.11
Net Income	19,964.69
<b>Total Equity</b>	<u>2,877,708.80</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>33,159.25</u></u>

# **Attachment C**

**Verizon Petition for Reconsideration  
Attachment C**

**Verizon Pennsylvania LLC Payments to Core Communications, Inc.  
Under PUC 9/23/11 Payment Order**

<b>Invoice Year</b>	<b>Invoice Date</b>	<b>Payment Amount</b>
2011	9/30/2011	\$ 61,472.28
2011	10/31/2011	\$ 58,089.19
2011	11/30/2011	\$ 52,212.89
2011	12/31/2011	\$ 55,157.36
2012	1/31/2012	\$ 56,070.25
2012	2/29/2012	\$ 49,477.46
2012	3/31/2012	\$ 44,529.21
2012	4/30/2012	\$ 52,604.93
2012	5/31/2012	\$ 54,666.79
2012	6/29/2012	\$ 17,295.40
2012	6/30/2012	\$ 40,460.35
2012	7/31/2012	\$ 57,448.38
2012	8/31/2012	\$ 44,172.03
2012	9/30/2012	\$ 55,036.28
2012	10/31/2012	\$ 49,311.48
2012	11/30/2012	\$ 52,555.30
2012	12/31/2012	\$ 37,423.57
2013	1/31/2013	\$ 35,143.70
2013	2/28/2013	\$ 37,243.89
2013	3/31/2013	\$ 36,022.42
2013	5/1/2013	\$ 31,703.89
2013	5/31/2013	\$ 30,975.39
2013	7/1/2013	\$ 36,220.71
2013	8/1/2013	\$ 35,371.46
2013	9/1/2013	\$ 36,498.14
2013	9/30/2013	\$ 39,010.26
2013	10/31/2013	\$ 40,817.19
2013	11/30/2013	\$ 41,045.24
2013	12/31/2013	\$ 42,937.13
2014	1/31/2014	\$ 44,873.54
2014	2/28/2014	\$ 38,152.48
2014	3/31/2014	\$ 31,002.53
2014	4/30/2014	\$ 27,704.01
2014	5/31/2014	\$ 30,546.02
2014	6/30/2014	\$ 47,924.19
2014	7/31/2014	\$ 42,998.79
2014	8/31/2014	\$ 40,132.73
2014	9/30/2014	\$ 37,777.54
2014	10/31/2014	\$ 42,999.85
2014	11/30/2014	\$ 38,025.06
2014	12/31/2014	\$ 51,123.71
2015	1/31/2015	\$ 29,058.33
2015	2/28/2015	\$ 27,696.69
2015	3/31/2015	\$ 49,326.32
2015	4/30/2015	\$ 42,355.60
		<hr/>
		\$ 1,902,669.96

**Verizon Petition for Reconsideration  
Attachment C**

**Verizon North LLC Payments to Core Communications, Inc.  
Under PUC 9/23/11 Payment Order**

<b>Invoice Year</b>	<b>Invoice Date</b>	<b>Payment Amount</b>
2011	9/30/2011	\$ 8,544.19
2011	10/31/2011	\$ 9,096.76
2011	11/30/2011	\$ 7,373.41
2011	12/31/2011	\$ 6,629.69
2012	1/31/2012	\$ 6,544.94
2012	2/29/2012	\$ 5,898.22
2012	3/31/2012	\$ 5,491.81
2012	4/30/2012	\$ 5,469.60
2012	5/31/2012	\$ 4,813.23
2012	6/30/2012	\$ 4,535.53
2012	7/31/2012	\$ 4,453.34
2012	8/31/2012	\$ 4,306.38
2012	9/30/2012	\$ 4,075.19
2012	10/31/2012	\$ 3,958.19
2012	11/30/2012	\$ 3,718.78
2012	12/31/2012	\$ 3,665.16
2013	1/31/2013	\$ 3,594.11
2013	2/28/2013	\$ 3,339.23
2013	3/31/2013	\$ 3,578.84
2013	5/1/2013	\$ 3,012.14
2013	5/31/2013	\$ 2,735.96
2013	7/1/2013	\$ 2,666.92
2013	8/1/2013	\$ 2,816.33
2013	9/1/2013	\$ 2,934.14
2013	9/30/2013	\$ 2,761.90
2013	10/31/2013	\$ 2,982.41
2013	11/30/2013	\$ 2,935.88
2013	12/31/2013	\$ 3,086.27
2014	1/31/2014	\$ 2,861.13
2014	2/28/2014	\$ 2,414.42
2014	3/31/2014	\$ 2,514.20
2014	4/30/2014	\$ 2,290.46
2014	5/31/2014	\$ 2,146.22
2014	6/30/2014	\$ 1,909.50
2014	7/31/2014	\$ 1,893.90
2014	8/31/2014	\$ 1,761.82
2014	9/30/2014	\$ 1,692.02
2014	10/31/2014	\$ 1,625.04
2014	11/30/2014	\$ 1,624.75
2014	12/31/2014	\$ 1,540.85
2015	1/31/2015	\$ 1,621.40
2015	2/28/2015	\$ 1,383.70
2015	3/31/2015	\$ 1,499.05
2015	4/30/2015	\$ 1,316.03
		\$ 155,113.04

**GRAND TOTAL Sep 2011-Apr 2015 \$ 2,057,783.00**

# **Attachment D**

**Verizon Petition for Reconsideration  
Attachment D**

**Combined Verizon Pennsylvania LLC and Verizon North LLC Unpaid Billing to  
Core Communications, Inc. for Pennsylvania  
September 2011-April/May 2015**

<b>Sum of Total Due</b>		
<b>Product Group</b>	<b>Ban</b>	<b>PA</b>
Access	215K990059866	\$15,439.02
	412M551200044	\$8,848.75
<b>Access Total</b>		<b>\$24,287.77</b>
Colocation	215K440101691	\$46,419.16
	412K440048595	\$12,056.95
<b>Colocation Total</b>		<b>\$58,476.11</b>
Special Access	215M110590680	\$898,763.15
	215M110750019	\$15,110.59
	412M110256252	\$242,339.75
	412M110341031	\$4,183.69
	570M110013275	\$1,209,235.41
	717M110321338	\$443,812.69
	814M110006202	\$899,485.34
	814M110130640	\$18,323.07
<b>Special Access Total</b>		<b>\$3,731,253.69</b>
Switched Access	215Y130200086	\$333,807.43
	412Y130153065	\$80,987.38
	570Y130001017	\$333,691.70
	717Y130122070	\$98,110.05
	814Y130000230	\$235,214.75
<b>Switched Access Total</b>		<b>\$1,081,811.31</b>
UNE	7171191132999	\$68,106.66
	814V101036999	\$1,236.55
	814V201034999	\$42.54
	814V301032999	\$1,529.19
<b>UNE Total</b>		<b>\$70,914.94</b>
<b>Grand Total</b>		<b>\$4,966,743.82</b>

**Verizon Petition for Reconsideration  
Attachment D**

**One Month Combined Verizon Pennsylvania and Verizon North Billing to Core**

<b>State</b>	<b>Product Group</b>	<b>Ban</b>	<b>Last Bill Date</b>	<b>Current Invoiced Amount</b>
PA	Access	412M551200044	20150413	212.34
PA	Colocation	215K440101691	20150502	1,180.94
PA	Colocation	412K440048595	20150502	571.65
				1,752.59
PA	Special Access	215M110590680	20150507	473.32
PA	Special Access	215M110590680	20150507	21,150.25
PA	Special Access	412M110256252	20150507	5,192.73
PA	Special Access	570M110013275	20150507	28,375.99
PA	Special Access	717M110321338	20150504	11,174.58
PA	Special Access	814M110006202	20150410	23,113.95
				89,480.82
PA	Switched Access	215Y130200086	20150505	8,593.05
PA	Switched Access	215Y130200086	20150505	30,188.89
PA	Switched Access	412Y130153065	20150507	9,342.04
PA	Switched Access	570Y130001017	20150425	16,131.95
PA	Switched Access	717Y130122070	20150505	14,663.65
PA	Switched Access	814Y130000230	20150423	10,654.32
				89,573.90
PA	UNE	7171191132999	20150428	1,828.39
PA	UNE	814V101036999	20150428	39.49
PA	UNE	814V201034999	20150428	18.41
PA	UNE	814V301032999	20150428	52.42
				1,938.71

**Total 182,958.36**

**VERIFICATION**

I, Dustin Fisher, state that I am Supervisor of Financial Operations for Verizon, and that as such I am authorized to make this verification on behalf of Verizon Pennsylvania LLC and Verizon North LLC ("Verizon"). I have reviewed Attachment C to Verizon's Petition for Partial Reconsideration of the Commission's May 28, 2015 Order and verify that the facts contained therein are true to the best of my knowledge, information and belief. I understand that the statements herein are made subject to the penalties of 18 Pa. C. S. § 4904, relating to unsworn falsification to authorities.

Date: June 1, 2015

A handwritten signature in black ink, appearing to read 'Dustin Fisher', with a long horizontal flourish extending to the right.

**VERIFICATION**

I, Jennifer Carroll, state that I am Manager, Comp Finance

for Verizon, and that as such I am authorized to make this verification on behalf of Verizon Pennsylvania LLC and Verizon North LLC ("Verizon"). I have reviewed Attachment D to Verizon's Petition for Partial Reconsideration of the Commission's May 28, 2015 Order and verify that the facts contained therein are true to the best of my knowledge, information and belief. I understand that the statements herein are made subject to the penalties of 18 Pa. C. S. § 4904, relating to unsworn falsification to authorities.

Date: June 1, 2015



Jennifer Carroll