

STEVENS & LEE
LAWYERS & CONSULTANTS

17 North Second Street
16th Floor
Harrisburg, PA 17101
(717) 234-1090 Fax (717) 234-1099
www.stevenslee.com

Direct Dial: (717) 255-7365
Email: mag@stevenslee.com
Direct Fax: (610) 988-0852

June 12, 2015

VIA ELECTRONIC FILING

Secretary Rosemary Chiavetta
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, PA 17105-3265

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

Dear Secretary Chiavetta:

Enclosed for filing please find the Answer of Core Communications, Inc. In Opposition to the Petition for Partial Reconsideration filed by Verizon Pennsylvania LLC and Verizon North LLC in the above referenced matter. A copy of this document has been served upon the parties of record in accordance with the attached Certificate of Service.

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

Sincerely,

STEVENS & LEE


Michael A. Gruin

Encl.

cc: Certificate of Service
Hon. Gladys M. Brown, Chairman
Hon. John F. Coleman, Jr., Vice-Chairman
Hon. James H. Cawley, Commissioner

Philadelphia • Reading • Valley Forge • Lehigh Valley • Harrisburg • Lancaster • Scranton
Wilkes-Barre • Princeton • New York • Wilmington

A PROFESSIONAL CORPORATION

STEVENS & LEE
LAWYERS & CONSULTANTS

Secretary Chiavetta
June 12, 2015
Page 2

Hon. Pamela A. Witmer, Commissioner
Hon. Robert F. Powelson, Commissioner
Cheryl Walker Davis, Director, Office of Special Assistants
Administrative Law Judge Susan Colwell

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**ANSWER OF CORE COMMUNICATIONS, INC. IN OPPOSITION TO
VERIZON'S PETITION FOR PARTIAL CONSIDERATION**

AND NOW, comes Core Communications, Inc. ("Core"), pursuant to Pursuant to 52 Pa. Code § 5.572(e), and files this Answer in Opposition to the Petition for Partial Reconsideration ("Petition") filed by Respondents Verizon Pennsylvania, LLC and Verizon North, LLC. ("Verizon"). In support therefore, Core avers as follows:

INTRODUCTION

Verizon's Petition for Partial Reconsideration is procedurally flawed, improperly includes allegations that are not supported by record evidence, and distorts and mischaracterizes the evidence that is actually in the record. Core strongly disputes Verizon's characterizations of the dealings between the parties and the legal rulings referenced in Verizon's Petition. Furthermore, while claiming to rely on "equity" as the primary basis for its Petition, a fair review of the entirety of the dealings between Core and Verizon clearly does not justify allowing Verizon to cease compensating Core for the traffic that Verizon sends to Core's network, which is what Verizon is requesting. While couched as a Petition for Reconsideration, Verizon fails to

even reference the Commission's well-established *Duick* standard for reconsidering Final Orders, much less meet that standard.

The fact is that the Commission's September 23, 2011 Order (referred to by Verizon as the "*Payment Order*") in Docket P-2011-2253650 simply maintained the long-standing status quo between the parties, pending the outcome of the litigation. The circumstances which justified the issuance of the *Payment Order* have not changed. The parties continue to dispute the amount of compensation owed by Verizon to Core for the traffic that Verizon sends to Core's network. Verizon believes it has overpaid Core, while Core believes Verizon has underpaid. Verizon continues to improperly send Core bills at unlawful switched and special access rates, and has still not sent Core a single bill which reflects the ICA's TELRIC rates applicable to Verizon's facilities. To the extent that Verizon believes that new facts warrant a modification to the Commission's Order, those facts should be presented by Verizon in an orderly manner during the remand rather than being tacked on to a Petition for Reconsideration.

The Commission should recognize Verizon's disingenuous "escrow" proposal for what it is – a reformulated attempt by Verizon to achieve what it set out to do in 2011, which is shut-down Core's network in Pennsylvania. It goes without saying that Verizon's escrow proposal would have no financial impact on Verizon, but requiring Core to continue terminating Verizon's traffic without being able to utilize the reciprocal compensation paid by Verizon for that traffic would place Core in a financial position that would likely require Core to shut-down its network in Pennsylvania, and discontinue provision of service to dial-up "Internet of last resort" providers in rural Pennsylvania.

Verizon's escrow proposal would place Core in the same untenable position in which Verizon placed Core in July 2011, when the Commission stepped in and ordered the parties to

maintain the status quo. The fact that the underlying disputes between the parties remain unresolved does not warrant a reversal by the Commission's status quo directive. With its Order issued on May 28, 2015, the Commission recognized that the underlying dispute needed to be brought to a conclusion in an expedited fashion. Core is fully prepared to supplement the record during remand as directed by the Commission and provide the Commission with all of the information needed to fully and finally resolve this matter. There simply is no justification for changing the status quo between the parties now, just because the Commission has requested a final, limited, and expedited supplement to the record.

Finally, because of Verizon's attempts to introduce extra-record evidence and allegations into this proceeding under the pretense of an "equitable" argument, the Commission should recognize that it cannot resolve the disputes between the parties in this case without considering the disputes between the parties in the parallel case at Docket No. C-2014-2406550.¹ To the extent that the Commission wishes to balance the equities in resolving the instant proceeding, the Commission needs to consider all of the open disputes between the parties in doing so. To that end, Core is filing, concurrent with this Answer, a Motion for Consolidation to request that the Commission consider and resolve both the instant case and the case at Docket No. C-2014-2406550, simultaneously.

I. Introduction and Background

1. It is important to remember that this dispute began when Verizon and its affiliates abruptly stopped paying Core and its affiliates' reciprocal compensation invoices in Maryland, New York, Pennsylvania and Virginia, which it had paid without dispute for years. In

¹ This case, styled *Core Communications, Inc. v. Verizon Pennsylvania LLC*, Pa. P.U.C. Docket No. C-2014-2406550, involves interconnection facilities that Core provides to Verizon pursuant to the ICA, and is currently before the Commission on Exceptions.

explanation, Verizon simply stated that “the traffic billed... is not in fact compensable to Core as reciprocal compensation traffic.” Core Amended Complaint (Apr. 16, 2012), ¶ 39.

2. Verizon did not invoke the dispute provisions of the relevant interconnection agreements with Core before its sudden cessation of payment. *Id.*, ¶¶ 40-41.

3. Core filed its original Complaint and Petition for Interim Emergency Order on July 22, 2011. Core asked the Commission to order Verizon to pay its outstanding Pennsylvania intercarrier compensation invoices, since it had no valid dispute pending.

4. A hearing was held before ALJ Susan D. Colwell on July 29, 2011. At this hearing, Verizon had an opportunity to present a witness to explain its alleged “disputes” relative to Core’s intercarrier compensation invoices, but Verizon chose not to do so.

5. On August 3, 2011, ALJ Colwell issued an Order denying Core’s Petition, and certified the question of whether the relief Core sought was appropriate to the Commission.

6. On August 4, 2011, ALJ Colwell ordered the parties to exchange call detail records (“CDRs”) with respect to Pennsylvania traffic terminating on each party’s network.

7. Verizon filed its New Matter and Counterclaim Seeking Affirmative Relief (“Verizon New Matter”) on August 16, 2011. In it, Verizon finally revealed its position relative to Core’s traffic to Verizon as well as its own traffic bound for Core.

8. With respect to Verizon’s traffic to Core, Verizon alleged that essentially all of the calls Verizon sent Core were directed to just a handful of telephone numbers on Core’s network, leading Verizon to the conclusion that Core was self-generating “terminating minutes solely for the purpose of inflating reciprocal compensation.” Verizon New Matter, at ¶ 115.

9. The parties exchanged call detail records (CDRs) on or about August 19, 2011. Core sent Verizon CDRs for Maryland, Pennsylvania, New York and Virginia, while Verizon

sent Core CDRs for Pennsylvania only. The CDRs conclusively demonstrated that Verizon's allegation that essentially all of the calls Verizon sent were directed to just a handful of telephone numbers, and its resulting conclusion that Core was self-generating terminating minutes, was incorrect and had no basis in fact.

10. On September 23, 2011, the Commission issued an Opinion and Order in Docket No. P-2011-2253650 granting Core the relief sought in its Petition ("*Material Question Order*").

11. The Commission found that "Verizon's failure to pay has an adverse financial impact on Core... This adverse financial impact, in turn, threatens Core's ability to provide reasonably continuous service to its customers." *Material Question Order*, at 14.

12. The Commission further found that "Verizon has instituted what amounts to a "self-help" remedy by unilaterally deciding to withhold payment to Core for the traffic at issue *without providing a factual or legal basis for such unilateral action*. Verizon's conduct appears to violate the spirit, if not the letter, of the Commission-approved ICAs between the Parties. A violation of the ICAs in turn would constitute a violation of the Telecommunications Act of 1996. 47 U.S.C. §§ 251 and 252." *Material Question Order*, at 16 (emphasis added).

13. The Commission ordered that "within five business days of the entry of this Opinion and Order, Verizon Pennsylvania Inc. and Verizon North LLC shall pay the May and June 2011 invoices issued by Core Communications, Inc. in the same ratio by which Verizon Pennsylvania Inc. and Verizon North LLC previously paid invoices issued by Core Communications, Inc." and that "beginning with the July 2011 invoice and continuing through the completion of this proceeding, Verizon Pennsylvania Inc. and Verizon North LLC shall make timely monthly payments to Core Communications, Inc. in the same ratio by which Verizon

Pennsylvania Inc. and Verizon North LLC previously paid invoices issued by Core Communications, Inc.” *Material Question Order*, at 20 (ordering paragraphs 3 & 4).

14. Since then, Verizon has continued to pay Core’s invoices at the FCC’s mirroring rate of \$0.0007/MOU, or at the ICA’s TELRIC rate. However, Verizon has continued to withhold payment of *all forms of intercarrier compensation not covered by the Commission’s order*, including Core’s charges for switched access and interconnection facilities.

15. Administrative Law Judge (ALJ) Susan D. Colwell, issued the Initial Decision (“I.D”) in this case on July 11, 2013. Core and Verizon both file Exceptions and Replies to Exceptions to the Initial Decision.

16. On May 28, 2015, the Commission issued an Order (“*Remand Order*”) which remanded this proceeding to the Office of Administrative Law Judge for further deliberation on the Federal Communications Commission’s February 11, 2015 Declaratory Ruling, *In the Matter of Connect Am. Fund*, 30 F.C.C. Rcd. 1587 (2015) (“*VoIP Symmetry Order*”). The Commission directed further proceedings to be held on an expedited basis so that the FCC’s *VoIP Symmetry Order*, at a minimum, may be reviewed to determine its impact on the intercarrier compensation issues in the instant proceeding. *Remand Order*, pp. 11-12 (Ordering ¶¶ 3 & 4).

17. On June 2, 2015, Verizon filed its Petition for Reconsideration.

II. Legal Standards For Reconsideration

18. Section 703(g) of the Public Utility Code, 66 Pa. C.S.A § 703(g), authorizes the Commission to reopen the record in a proceeding to clarify or reconsider a prior Order.

19. Section 5.572 of the Commission’s regulations, 52 Pa. Code § 5.572, sets forth the procedure for seeking clarification or reconsideration of an Order.

20. The well-established standards for granting reconsideration or clarification of a prior Commission Order are set forth in *Duick v. PG&W*, 56 Pa. P.U.C. 553 (1982)(“*Duick*”):

A petition for reconsideration, under the provisions of 66 Pa. C.S. §703(g), may properly raise any matters designed to convince the commission that it should exercise its discretion under this code section to rescind or amend a prior order in whole or in part.....What we expect to see raised in such petitions are new and novel arguments, not previously heard, or considerations which appear to have been overlooked or not addressed by the commission. Absent such matters being presented, we consider it unlikely that a party will succeed in persuading us that our initial decision on a matter or issue was either unwise or in error.(*Duick*, at 59).

21. The standard for reconsideration is meant to permit a party to point out information that is already in the record that the Commission may have overlooked or did not address. Verizon, however, has abused the reconsideration process by attempting to add information to the record outside of the normal evidentiary hearing process, to essentially preempt the remand of this case.

22. Verizon never addresses or meets the *Duick* standard for reconsideration.² Verizon raises no “new or novel argument[.]”. Instead, it simply asks the Commission to take up once again matters that the Commission, apparently with significant difficulty, just resolved. Ironically, Verizon complains that the Commission is taking too long to resolve this case, yet, the practical effect of its petition is to further complicate final resolution. Instead of simply proceeding with the Commission-ordered remand of limited scope, Verizon’s petition actually expands the universe of issues, asking the Commission to consider, for example, extra-record events occurring between the parties’ affiliates in Virginia.

² To the extent Verizon’s filing can be read as a petition for rescission or amendment, such a drastic remedy cannot be granted without an evidentiary hearing to establish the factual basis therefore.

III. Argument

A. Verizon's Monthly Payments to Core Represent the Absolute Minimum Owed by Verizon

23. Verizon's Petition focuses on the amount of reciprocal compensation that Verizon has been paying to Core each month pursuant to the Payment Order, and argues that it would be inequitable for this payment mandate to continue. The key underpinning of Verizon's argument is that Core is not entitled to receive even the minimal monthly amount it has been receiving (according to Verizon, roughly \$40,000 per month).

24. Verizon is paying Core for traffic delivered by Verizon to Core's network in Pennsylvania, either at the low, cost-based TELRIC reciprocal compensation rate or at the even lower rate of \$0.0007 per-minute. This is fully consistent with the ICA, Attachment IV, § 7.3, which requires the terminating party to bill the originating party for "each minute" of traffic. Core Main Brief, at 9-10. Verizon only pays this amount because it was ordered to do so by the Commission, after unilaterally ceasing all payment to Core in Pennsylvania and elsewhere.

25. What distinguishes the reciprocal compensation bills that are the subject of the *Payment Order* is that, unlike any of the other bills in this case or the related case involving Core's interconnection facilities, Docket No. C-2014-2406550, Verizon actually paid Core's reciprocal compensation bills for many years, prior to the events leading up to this case. It was Verizon's sudden and unexplained refusal to pay those reciprocal compensation bills – in their entirety – that upset the status quo and precipitated this case and a host of related proceedings before the Commission and elsewhere.

26. Further, although Verizon does pay Core's reciprocal compensation bills each month, it continues to deny any payment whatsoever on Core's switched access³ and interconnection facilities⁴ bills in Pennsylvania, even as it demands payment for the same services pursuant to the same ICA. Through its interexchange carrier (IXC) affiliates, Verizon also refuses to pay 100% of the amounts Core bills for switched access.⁵ Verizon has never paid any Core invoice for LEC switched access or facilities, and stopped paying Core for IXC switched access in 2010.

27. Verizon continues to argue that "Core is overcharging Verizon", but as explained by Core in its Briefs and Exceptions, the methodology used by Verizon to justify its "overbilling" claim is based solely and completely on Verizon's "LNP Lookup theory", which is completely contrary to the ICA between the parties.⁶

28. Core demonstrated that the LNP Lookup methodology was flawed in multiple respects. These flaws were discussed at length in Core's Exceptions, at 10-11; Core M. Br., at 25-27; Core R. Br., at 26-31; Core Stmt. 1.0, at 31-32; Core Stmt. 3.0, at 62-66; and Core Stmt. 4.0, at 5-9.

29. Furthermore, as explained in Core's Exceptions, at pages 15-16, Verizon's own data demonstrated that Verizon was sending Core more minutes than Core was billing each month.

³ The total amount due from the Verizon LECs to Core for switched access is \$3,100,684.89. **Tab A (Schedule of LEC Switched Access Amounts Due).**

⁴ The total amount due from the Verizon LECs to Core for interconnection facilities is \$5,021,709.99. **Tab B (Schedule of Interconnection Facilities Amounts Due).**

⁵ The total amount due from the Verizon IXCs to Core for switched access is \$2,626,388.80. **Tab C (Schedule of IXC Switched Access Amounts Due).**

⁶ The LNP Lookup Methodology, which appears nowhere in the ICA or any FCC or Commission rule or regulation, is entirely Verizon's creation, as explained in Verizon's Exceptions, p. 10.

30. Verizon had the burden of proving that it had been overcharged by Core, and utterly failed to do so. Verizon's allegations about over-billing and double-billing completely crumbled as this case proceeded, to the point where Verizon's witnesses admitted that they could not point to any instance of overbilling, or quantify the extent of the alleged overbilling. *See* Core Exceptions at pp. 10-13, N.T. 527-38 and Core Cross Exhibit 13.

31. Verizon's Petition, at p. 1, belittles "the narrow issue of Core's attempt to back-bill switched access on traffic allegedly terminated for VoIP providers." In reality, Core was content to bill Verizon at relatively low TELRIC reciprocal compensation rates, and to be compensated at the even-lower rate of \$0.0007, for many years. It was only Verizon's manufactured "dispute" of 100% of Core's intercarrier compensation bills that prompted Core to analyze the traffic Verizon was sending over the local trunks more closely. That analysis revealed that some of Verizon's traffic, rated as per ICA, Attachment IV, § 7.3, by NPA-NXX, was switched access. Core Main Brief, at 12-15. After accounting for traffic for which Verizon had sent Core an EMI record (a step which the ICA does not require), Core rendered back-bills, as the ICA explicitly permits. ICA § 23.4. The total amount due for this switched access traffic as of the close of the record was \$2,532,143.22. As of today, that amount has grown to \$3,100,684.89. Tab A (Schedule of LEC Switched Access Amounts Due).⁷ Core will demonstrate, on remand, that this amount is due, consistent with, and indeed required by, the FCC's *ICC Transformation Order*, the *VoIP Symmetry Order*, Core's tariffs and Commission precedent.

⁷ Core has acknowledged that any amounts Verizon paid for these same minutes of use ("MOUs") at local rates should be deducted from this claim.

32. Core has definitively proven that Verizon has been drastically underpaying Core, and that much of the traffic that Verizon has sent and continues to send Core is properly rated as toll traffic that entitles Core, per the ICA, to switched access rates well in excess of \$.0007.⁸

33. Core has proven that Verizon should have been paying Core switched access rates for a large portion of the traffic that Verizon has been sending to Core, and the *VoIP Symmetry Order* has confirmed Core's position.

34. Core's claim for its access back-billing was fully backed by detailed call records and by the terms of the ICA, as summarized in its Exceptions at pages 17-22.

35. Core submitted evidence and testimony to support its claim for \$2,532,143 in unpaid access charges, as of August 23, 2012. Core has continued to bill Verizon access charges in accordance with its tariffs, and Verizon continues to refuse to pay Core any of its access charges.

36. Verizon's main defense to Core's claim for switched access has been rejected by the FCC in the *VoIP symmetry Order*. Verizon had argued that "[t]he functions that Core performs for a call flowing from Verizon to Core are not the traditional functions that would be provided by a local exchange carrier carrying a long distance call to one of its local exchange customers,"⁹ such that Verizon owes Core nothing for switched access to its network.

37. Rejecting Verizon's narrowly literal approach, the FCC found in the *VOIP Symmetry Order* that:

The record indicates that competitive LECs and their over-the-top VoIP partners undoubtedly provide the call intelligence associated with call set-up, supervision and management. Numerous filings detail the call control functions provided

⁸ Under the ICA, "back-billing of any underpayments" is specifically permitted. ICA, § 23.4 ("The audited Party shall promptly correct any error that is revealed in a billing audit, including back-billing of any underpayments and making a refund, in the form of a billing credit, of any over-payments.").

⁹ Verizon Initial Brief, at 52-53 (Jan. 23, 2013).

when delivering calls, including over-the-top VoIP calls. Accordingly, we find that, under the VoIP symmetry rule, the call control functions provided jointly by a competitive LEC and its over-the-top VoIP partner are the functional equivalent of end-office switching.¹⁰

38. Core's interstate and intrastate switched access tariffs explicitly incorporate the *VoIP Symmetry Rule*, and entitle Core to bill Verizon switched access for the end office switching function that Core provided to Verizon.¹¹

39. In addition, Verizon's IXC affiliates have refused to pay anything for the traffic that they send to Core's network.¹² Core calculates that this represents another \$2,626,388.80 that Verizon has refused to pay to Core.¹³ To this day, Verizon is the only major national IXC that withholds 100% of intercarrier compensation from Core, rather than utilizing the pay-and-dispute procedures common to IXC-LEC relations.

40. Far from being an "inequitable situation", the roughly \$40,000 that Verizon has been ordered to pay to Core each month represents only a fraction of the actual amount that Verizon owes to Core. The *Payment Order* maintained the status quo between the parties that stood from 2004-2011, but it is now clear that the status quo was badly skewed in Verizon's favor, so contrary to Verizon's argument, maintaining that status quo will not harm Verizon in any way.

41. Core is willing to continue making due with the minimal "status quo" payments ordered by the *Payment Order* while the remand is concluded, because it is expected that the remand can be concluded in an expedited fashion.

¹⁰ *VoIP Symmetry Order*, ¶ 29.

¹¹ Core's Exceptions, at 19-20 & n. 38 and 46.

¹² Core Stmt. 2.0, at 4-5

¹³ **Tab C (Schedule of IXC Switched Access Amounts Due).**

B. Verizon Continues to Unlawfully Demand Access Rates for Interconnection Facilities & Traffic

42. Verizon's Petition argues that the *Payment Order* is one-sided, because it does not require Core to make switched and special access payments to Verizon for interconnection facilities, and switched access payments for usage. Verizon estimates that its bills to Core amount to a whopping \$182,958 per month, according to Attachment D to its Petition. Verizon also claims, at 4, that Core consumes \$93,000 in switched access usage per month – more than double the amount Verizon states that it pays Core each month. To put these figures in context, the Commission should take note that, as of the close of the record, Verizon's *entire* switched access claim was \$93,000. Initial Decision, at 10 (¶ 31).

43. First, unlike Core's reciprocal compensation bills, which Verizon paid for years prior to 2011, Core has always disputed Verizon's access bills, since at least 2003. Core Main Brief, at 18-19.

44. Second, Verizon's argument on this point is disingenuous and improperly raised at this point in the proceeding. Verizon's Attachment D is not in the record in the case and therefore Core has not had the ability to seek discovery about it or cross-examine Verizon's witness about it. The Attachment has not been authenticated or corroborated, and cannot be considered by the Commission.

45. This is not a mere "technical" objection to Attachment D. The fact is that Verizon's billings to Core have been demonstrated to be unreliable and artificial.¹⁴ During this proceeding, Verizon's witness were unable to explain how Verizon's bills to Core were calculated. Verizon admitted that it does not store any records relating to its intercarrier

¹⁴ Verizon's billing practices have also come under scrutiny recently at the federal level. *See*, <https://www.fcc.gov/document/verizon-sprint-pay-158m-settle-illegal-billing-investigations-0>.

compensation bills to Core for more than five (5) days, and refused on numerous occasions to provide call detail records (CDRs) to support even one month's worth of billings.¹⁵ Verizon was also unable to submit any testimony supporting anything other than the existence of a claimed balance due—no explanation of how, when or by whom the putative services were ordered, nor that in fact they were provisioned or used. In fact, Verizon was unable to actually introduce any of its reciprocal compensation, special access or switched access bills into evidence, and its designated witness was unable to authenticate any of Verizon's billings, stating that "I don't think that I looked at Core's bills specifically, you know, access bills, you know."¹⁶ When asked to identify the last Core bill that he reviewed, Verizon's witness again stated that "I don't think I've looked at their actual bills."¹⁷

46. Therefore, without any authentication or discovery, it is impossible for Core, or the Commission, to know what services comprise Verizon's monthly "wholesale" facilities bills.

47. Verizon should be billing Core for interconnection facilities at the rates set forth in the ICA. But as explained by Core at length in its Briefs and Exceptions, Verizon continues to bill these local interconnection services at special and switched access rates rather than TELRIC rates. As such, Verizon's billings violate the Act, the ICAs and this Commission's precedent.

48. As set forth in Core's Exceptions, at pages 26-34, federal law, Supreme Court precedent and the plain terms of the ICA dictate that Verizon is not permitted to bill Core access rates for these interconnection facilities. Accordingly, there is no justification whatsoever to require Core to pay Verizon unlawful rates for interconnection.

¹⁵ Core Statement 2.0 (Direct Testimony of Christopher F. Van de Verg, Esq.), at 10. It is indicative of Verizon's advocacy in this case that it castigates Core for withholding CDRs for a few weeks (in an attempt to bargain for mutual exchange), when Verizon has never produced CDRs that support its bills to Core.

¹⁶ Tr., 495 (Verizon Witness D'Amico)

¹⁷ Tr., 497 (D'Amico)

49. Verizon's alternative argument is that Core should pay Verizon TELRIC rates for these interconnection facilities, and pay Verizon for the undisputed portion of its bills.

50. There are two major problems with Verizon's alternative argument: 1) Core is unable to pay Verizon a TELRIC bill that Verizon has never issued, and 2) because of the technical issues associated with Verizon's facilities there is no portion of Verizon's bills that Core is not disputing.

51. As explained in Core's Exceptions at pages 34-35, Verizon has *never submitted a TELRIC bill to Core*.¹⁸ Indeed, Core would have relished receiving a TELRIC bill for local interconnection services, as mandated by the Act. Verizon's failure to do so has crippled Core's ability to price outbound services in any rational or predictable way.¹⁹

52. Verizon had every opportunity to re-rate its facilities bills **on the record**, but for reasons unknown to Core, chose not to do so. This is an issue that can be properly addressed in an orderly fashion during the remand rather than through a Petition for Reconsideration.

53. With respect to the second point, it is unclear to Core what portion of Verizon's bills are being claimed to be "undisputed" by Core. Core continues to dispute the entirety of Verizon's facilities bills, and will continue to do so until Verizon issues bills which reflect a properly substantiated TELRIC rate.

54. Verizon's switched access bills are assuredly not "undisputed." Verizon conveniently overlooks the fact that Core does dispute its switched access bills on multiple grounds, including: (1) Verizon never provided any CDRs to support its billings; Core Main Brief, at 10, Core Reply Brief, at 25; and (2) Verizon only pays Core at the rates established in the *ISP Remand Order*, but expects Core to pay switched access rates for usage. Core Main

¹⁸ Tr., 492 (Verizon witness Peter D'Amico).

¹⁹ *MilleniaNet*, at 9, 12.

Brief, pp. 15-17; Core Reply Brief, p. 25. *Also see*, Core Exceptions, pp. 25-26 (Exception # 6). Furthermore, on remand, Core will demonstrate that Verizon's access billings run afoul of the *VoIP Symmetry Rule*,²⁰ which limits the rates Verizon may bill for VoIP traffic to the rates that it pays for VoIP traffic. Finally, Core has disputed all of Verizon's switched access bills through the ordinary commercial channels Verizon makes available to CLECs.

C. Vacating the Payment Order Would Reward Verizon's Bad Faith

55. The record developed in this case shows that the Commission made the correct decision in 2011 when it ordered Verizon to resume making monthly minimum payments to Core under the *Payment Order*. The record in this case has demonstrated Verizon's bad faith and unclean hands.

56. In June of 2011 Verizon abruptly ceased paying intercarrier compensation on all of the traffic that it sent to Core in Pennsylvania, and repeatedly asserted that "none of the traffic was in fact compensable". Verizon did not dispute a percentage of Core's bills, or raise a specific concern about the calculation of invoices or the rating of traffic. Rather, Verizon boldly declared that none of billed traffic was compensable, and that Core's entire invoice was "invalid".²¹

57. The record in this case unequivocally shows that Verizon *had no data or analysis whatsoever* to support its "100% non-compensable" assertion in 2011, and that it scrambled to develop a theory to support its claims only after litigation was commenced.

²⁰ *In the Matter of Connect Am. Fund*, 26 F.C.C. Rcd. 17663, 18007 (2011) ("ICC Trans Order") ("We agree with concerns raised by NCTA and find it appropriate to adopt a symmetrical framework for VoIP-PSTN traffic, under which providers that benefit from lower VoIP-PSTN rates when their end-user customers' traffic is terminated to other providers' end-user customers also are restricted to charging the lower VoIP-PSTN rates when other providers' traffic is terminated to their end-user customers. We thus decline to adopt an asymmetric approach that would apply VoIP-specific rates for only IP-originated or only IP-terminated traffic, as some commenters propose.").

²¹ *See*, Core Statement 1.0 (Direct Testimony of Bret Mingo), and Exhibit BLM-4.

As outlined at length in Core's Briefs and Exceptions, the record is clear that:

- Core fully substantiated its billings to Verizon. Core R.Br., at 25-42.
- Core billed in exact accordance with the terms of the ICAs. *Id.*, at 25-27, 30.
- Core billed Verizon the exact same way that Verizon billed Core. *Id.*, at 29-30.
- Verizon had no legitimate basis in July, 2011 to claim that 100% of the traffic that it sent to Core was non-compensable. *Id.*, at 43-47. See also N.T. 517.
- Verizon *knew* that its claim of non-compensability was bogus, based on information Verizon had on July 19, 2011. *Id.*, at 43-47. See generally, Joint Motion of Verizon and Core for Admission of Late Filed Exhibits (Mar. 4, 2013).
- Verizon continued to submit verified pleadings and sworn testimony throughout the case which maintained the clearly erroneous position that all of the traffic was non-compensable. *Id.*, at, 43-47.
- Verizon's justification for withholding payment to Core changed multiple times throughout this proceeding. *Id.*, at 43-47.
- Verizon's *post-hoc* conclusions about potential "overbilling" by Core were based on grossly erroneous assumptions that were unequivocally disproven at the hearing. Core M.Br., at 25-27 and R.Br., at 26-33.
- Verizon's witnesses admitted that Verizon had not even reviewed any records related to the traffic Verizon sent Core before asserting that it was all non-compensable. N.T., at 507-509.
- Verizon's witnesses acknowledged that there was no valid basis to claim that all of the Verizon traffic sent to Core was non-compensable. N.T. at 517-525.

58. The Commission should not reward Verizon's bad faith by allowing Verizon to cease paying the minimal amounts that Verizon has been ordered to pay to day, when the record shows that Verizon very likely will owe Core a considerably larger sum at the conclusion of the proceeding.

59. Verizon continues to send Core millions of minutes of usage per month, and it is expected that Verizon will continue to do so during the remand phase of this hearing. The

\$40,000 per month the Verizon is paying to Core represents only a fraction of the amount that Verizon should be paying to Core.

60. Core's current financial condition is largely the result of Verizon and its affiliates' refusal to pay Core for traffic delivered to Core's network. Verizon well knows that Core cannot afford to put \$93,000 into escrow each month. Allowing Verizon to withhold the \$40,000 per month that it now pays, or precluding Core from utilizing this amount to operate its network will almost certainly require Core to shut-down its network in Pennsylvania – which is Verizon's overriding goal in this and other proceedings. Such a result is not equitable and not in the public interest, when the case is so close to a final resolution following the expedited remand of the proceeding.

D. Events in Virginia Provide No Basis For Reconsideration

61. Contrary to Verizon's bald assertion, Core's Virginia affiliate, CoreTel Virginia, LLC, did not declare bankruptcy rather than pay the judgment entered in the Virginia case. Rather, Verizon refused to acknowledge that it was already withholding compensation due CoreTel Virginia in order to satisfy the judgment, and Verizon threatened to terminate the ICA with CoreTel Virginia if it did not pay amounts that were not due.

62. In fact, of today, Verizon has withheld an undisputed amount of \$93,000 in compensation from CoreTel towards satisfaction of the net judgment of \$125,000 in Verizon's favor, leaving roughly \$32,000 due as of the date of this filing. Verizon withholds roughly \$16,000 in compensation from CoreTel Virginia each month, so that it will have collected the entire amount of the net judgment within two months from now.

63. The bankruptcy was precipitated by Verizon's intransigence and threat to terminate the ICA, which would have put CoreTel Virginia out of business and eliminated the

possibility of *any* repayment. If the Virginia experience has any bearing on the matters before the Commission, it is that Verizon will say and do anything it can to put Core and its affiliates out of business. That is Verizon's primary objective in this and every other proceeding involving Core. Denying Core compensation due, and demanding unlawful compensation from Core, are simply the means to that end.

64. In the Virginia case, Verizon's \$1,000,000+ switched and special access facilities claim was reduced to \$227,000 in principal TELRIC charges by the court on remand.²² CoreTel Virginia appealed that ruling because the actual amount due is \$71,000—less than 10% of what Verizon billed.²³

65. Indeed, Verizon complained to the courts that, if it were ordered to charge TELRIC only for interconnection, it stood to lose “tens of millions of dollars” in access billings it routinely foists on competitors.²⁴ Given that intercarrier compensation for per-minute switching usage is on a fast track to zero, Verizon's motive in asserting inflated special access rates for interconnection facilities is crystal clear: it can beat down smaller competitors by ruining their books, frustrating investment and driving them into bankruptcy.

66. Verizon claims, on page 7 of its Petition, that the I.D reached “all the same conclusions on all common substantive factual and legal matters” as the Fourth Circuit. This is an egregious misstatement of the facts and the law.

²² To be sure, CoreTel Virginia has appealed the court's entry of judgment in this amount as erroneous on several fronts. The case is docketed at the U.S. Court of Appeals for the Fourth Circuit as *CoreTel Virginia, LLC v. Verizon Virginia LLC et al.*, Case No. 15-1008.

²³ The background of the Virginia case, and CoreTel Virginia's positions therein, are set forth in CoreTel Virginia's Brief of Appellant (March 2, 2015) in U.S.C.A.(4) Case No. 15-1008, Doc. 17.

²⁴ Verizon Virginia Petition for Reconsideration, *CoreTel Virginia, LLC v. Verizon Virginia LLC et al.*, Case No. 13-1765, Doc. 47 (May 27, 2014), at 1-2 (“The panel majority's decision threatens to upend the long-settled course of performance under those dozens of contracts, as Verizon's counterparties may seek to take advantage of this decision to seek tens of millions of dollars in refunds and to reduce their payments to Verizon prospectively.”).

67. The Fourth Circuit found, with respect to “the principal dispute” in the case,²⁵ that Verizon’s switched and special access bills for interconnection were bogus.²⁶ There is no way to square Verizon’s position in this case with the Fourth Circuit’s ruling on Verizon Virginia’s interconnection charges.

68. While it is true that the Fourth Circuit agreed with Verizon on the third-party traffic issue, the ICAs in that case dictated the result, by explicitly excluding “third-party traffic”²⁷ from the scope of reciprocal compensation. No such language appears in the ICAs at issue before the Commission. Further, the court never reached and never approved of Verizon’s non-contractual “LERG/LNP” methodology for determining so-called “third-party traffic.”

E. Verizon’ Escrow Proposal Is Not Equitable

69. For Verizon, escrowing amounts billed by Core is an insignificant task, due to Verizon’s mammoth size and cash flow. Conversely, if Core were required to escrow and not utilize the revenue it receives from Verizon for the use of its network, Core’s ability to maintain its network in Pennsylvania would be jeopardized.

70. It also must be recognized that Core only bills Verizon at ICA TELRIC rates or lower, with the exception of switched access traffic. Verizon, on the other hand, bills Core at much higher tariffed switched and special access rates even though it is not permitted to do so under the ICA. No competitor can afford to operate when the incumbent is permitted to exact higher rates for the same services.

71. Neither Core nor any other competitor should be required to escrow amounts for Verizon’s unlawful access bills. Indeed, it is evident that Verizon purposefully uses access

²⁵ *CoreTel Virginia, LLC v. Verizon Virginia, LLC*, 752 F.3d 364, 375 (4th Cir. 2014).

²⁶ *Id.*, at 371 (“[W]e find the language of the ICA sufficiently clear to establish that Verizon must offer entrance facilities at TELRIC for interconnection”).

²⁷ *Id.*, at 373.

billing as a club to beat down its smaller competitors, including Core. This is yet another way that Verizon abuses its dominant position in the Pennsylvania LEC marketplace. On remand, Core intends to demonstrate that Verizon engages in other unlawful, anti-competitive, and anti-consumer behavior, such as blocking local calls without justification.

72. Prior to 2011, there was a status quo between the parties. It was Verizon's sudden refusal to pay *any* reciprocal compensation that led to the current impasse. Verizon had no justification for its actions, just a "suspicion" that Core was actually generating traffic to itself, which was quickly disproven. Verizon has since embarked on a quest to find new retroactive justifications for its actions. Meanwhile, Verizon has yet to produce a single CDR to support its own billings.

73. Core's disputes, meanwhile, date back to 2003, and they have been ratified by the Supreme Court and the Fourth Circuit.

74. Verizon's implication that Core has no incentive to settle (p. 10) is disingenuous, as Verizon itself seems intent on compounding the litigation in this case, through the filing of its Petition, opening up yet another aspect of the case for the Commission to address. Unlike Verizon, Core's entire business plan is on hold while these issues are resolved. For Verizon, this case is an opportunity to kill wholesale competition, even as it enjoys the fruits of deregulation at the retail level.²⁸

75. Furthermore, Verizon has provided no legal basis which authorizes the Commission to order escrow of amounts claimed by Verizon under its FCC tariffs.

²⁸ *Joint Petition of Verizon Pennsylvania LLC and Verizon North LLC for Competitive Classification of All Retail Services in Certain Geographic Areas and for a Waiver of Regulations for Competitive Services*, Docket Nos. P-2014-2446303 and P-2014-2446304 (Order entered June 1, 2015)

76. Finally, as set forth in more detail in Core's Motion for Consolidation, the dealings (and disputes) between Core and Verizon must be viewed in their entirety if an equitable resolution is to be reached.

77. While Verizon complains that Core is withholding payment on Verizon's interconnection facilities bills, the fact is that Verizon is unquestionably withholding payment on 100% of Core's interconnection facilities bills. Indeed, Verizon does not now pay, nor has it ever paid, any of Core's Pennsylvania facilities or switched access bills.

78. In order to arrive at a result in these cases that is both equitable, as well as legal, the Commission should consider the cases, and the competing claims for compensation, in tandem. Verizon suggests repeatedly that the Commission consider *Verizon's* charges only, and ignore Core's charges, but such a one-sided approach is the opposite of "equitable."²⁹

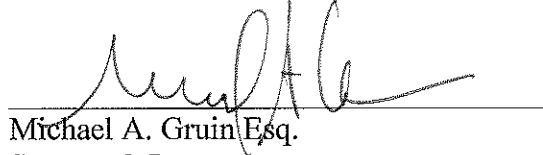
²⁹ *Pennsylvania Human Relations Comm'n v. Uniontown Area Sch. Dist.*, 455 Pa. 52, 65, 313 A.2d 156, 163 (1973), quoting *Keyes v. Sch. Dist. No. 1, Denver, Colo.*, 413 U.S. 189, 226, 93 S. Ct. 2686, 2706, 37 L. Ed. 2d 548 (1973) ("Neglect of either the obligation or the interests destroys the even-handed spirit with which equitable remedies must be approached."). *Dastgheib v. Genentech, Inc.*, 457 F. Supp. 2d 536, 544 (E.D. Pa. 2006) ("In its broadest sense, equity and equitable principles are synonymous with notions of justice, fairness, and even handed dealings.").

PRAYER FOR RELIEF

WHEREFORE, Complainant Core Communications, Inc. respectfully requests that the Commission enter an Order:

- A. Denying Verizon's Petition; and
- B. Granting such other relief as the Commission may deem appropriate.

Respectfully submitted,



Michael A. Gruin Esq.
Stevens & Lee
Attorney ID No.: 78625
17 N. 2nd St.
16th Floor
Harrisburg, PA 17101
Tel. (717) 255-7365
mag@stevenslee.com

*Counsel for Complainant Core
Communications, Inc.*

June 12, 2015

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

CORE COMMUNICATIONS, INC.
Complainant

v.

VERIZON PENNSYLVANIA INC.
and

VERIZON NORTH, LLC
Respondents

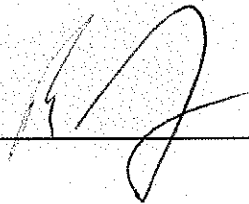
Docket No. C-2011-2253750
Docket No. C-2011-2253787

VERIFICATION

I, Bret Mingo, President of Core Communications, Inc., verify that the statements and the factual allegations contained in the foregoing Answer to Petition are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that false statements herein are made subject to the penalties of 18 Pa. C.S. §4904, relating to unsworn falsifications to authorities.

6/12/15

Date



Core Communications, Inc.
Customer Open Balance
All Transactions

OCN-92XX - Verizon LEC PA

Type	Date	Num	Memo	Due Date	Open Balance	Amount
Invoice	01/23/2012	2161-OCN		02/22/2012	2,123.73	2,123.73
Invoice	01/23/2012	2162-OCN		02/22/2012	5,767.84	5,767.84
Invoice	01/23/2012	2163-OCN		02/22/2012	5,496.27	5,496.27
Invoice	01/23/2012	2164-OCN		02/22/2012	9,897.89	9,897.89
Invoice	01/23/2012	2165-OCN		02/22/2012	12,773.91	12,773.91
Invoice	01/23/2012	2166-OCN		02/22/2012	13,342.21	13,342.21
Invoice	01/23/2012	2167-OCN		02/22/2012	14,962.45	14,962.45
Invoice	01/23/2012	2168-OCN		02/22/2012	14,097.62	14,097.62
Invoice	01/23/2012	2169-OCN		02/22/2012	14,206.08	14,206.08
Invoice	01/23/2012	2170-OCN		02/22/2012	13,472.23	13,472.23
Invoice	01/23/2012	2171-OCN		02/22/2012	14,381.58	14,381.58
Invoice	01/23/2012	2172-OCN		02/22/2012	18,596.84	18,596.84
Invoice	01/23/2012	2173-OCN		02/22/2012	17,584.87	17,584.87
Invoice	01/23/2012	2174-OCN		02/22/2012	19,849.53	19,849.53
Invoice	01/23/2012	2175-OCN		02/22/2012	22,126.02	22,126.02
Invoice	01/23/2012	2176-OCN		02/22/2012	18,315.09	18,315.09
Invoice	01/23/2012	2177-OCN		02/22/2012	17,386.73	17,386.73
Invoice	01/23/2012	2178-OCN		02/22/2012	18,421.59	18,421.59
Invoice	01/23/2012	2179-OCN		02/22/2012	17,688.97	17,688.97
Invoice	01/23/2012	2180-OCN		02/22/2012	17,232.60	17,232.60
Invoice	01/23/2012	2181-OCN		02/22/2012	31,591.57	31,591.57
Invoice	01/23/2012	2182-OCN		02/22/2012	36,294.27	36,294.27
Invoice	01/23/2012	2183-OCN		02/22/2012	35,826.86	35,826.86
Invoice	01/23/2012	2184-OCN		02/22/2012	58,127.31	58,127.31
Invoice	01/23/2012	2185-OCN		02/22/2012	71,718.50	71,718.50
Invoice	01/23/2012	2186-OCN		02/22/2012	108,311.90	108,311.90
Invoice	01/23/2012	2187-OCN		02/22/2012	144,182.01	144,182.01
Invoice	01/23/2012	2188-OCN		02/22/2012	157,249.59	157,249.59
Invoice	01/23/2012	2189-OCN		02/22/2012	190,382.79	190,382.79
Invoice	01/23/2012	2190-OCN		02/22/2012	180,363.04	180,363.04
Invoice	01/23/2012	2191-OCN		02/22/2012	193,494.16	193,494.16
Invoice	01/23/2012	2192-OCN		02/22/2012	163,230.16	163,230.16
Invoice	01/23/2012	2193-OCN		02/22/2012	111,013.19	111,013.19
Invoice	01/23/2012	2194-OCN		02/22/2012	97,387.35	97,387.35
Invoice	01/23/2012	2195-OCN		02/22/2012	109,570.33	109,570.33
Invoice	02/15/2012	2277-OCN		03/16/2012	117,566.73	117,566.73
Invoice	03/15/2012	2278-OCN		04/14/2012	107,886.34	107,886.34
Invoice	04/15/2012	2424-OCN		05/16/2012	118,587.06	118,587.06
Invoice	05/15/2012	2503-OCN		06/14/2012	96,518.83	96,518.83
Invoice	06/15/2012	2588-OCN		07/15/2012	60,776.33	60,776.33
Invoice	07/15/2012	2664-OCN		08/14/2012	54,340.85	54,340.85
Invoice	08/15/2012	3263-OCN		09/14/2012	37,815.55	37,815.55
Invoice	09/15/2012	3265-OCN		10/15/2012	38,769.59	38,769.59
Invoice	10/15/2012	3270-OCN		11/14/2012	45,157.77	45,157.77
Invoice	11/15/2012	3272-OCN		12/15/2012	34,352.08	34,352.08
Invoice	12/15/2012	3274-OCN		01/14/2013	34,340.10	34,340.10
Invoice	01/15/2013	3363-OCN		02/14/2013	35,912.95	35,912.95
Invoice	02/15/2013	3354-OCN		03/17/2013	39,532.05	39,532.05
Invoice	03/15/2013	3443-OCN		04/14/2013	13,419.23	13,419.23
Invoice	04/15/2013	3529-OCN		05/15/2013	14,716.24	14,716.24
Invoice	05/15/2013	3615-OCN		06/14/2013	15,910.77	15,910.77
Invoice	06/15/2013	3623-OCN		07/15/2013	17,040.27	17,040.27
Invoice	07/15/2013	3625-OCN		08/14/2013	18,661.36	18,661.36
Invoice	08/15/2013	3627-OCN		09/14/2013	17,090.64	17,090.64
Invoice	09/15/2013	3629-OCN		10/15/2013	18,645.13	18,645.13
Invoice	10/15/2013	3631-OCN		11/14/2013	22,674.68	22,674.68
Invoice	11/15/2013	3634-OCN		12/15/2013	22,219.48	22,219.48
Invoice	12/15/2013	3637-OCN		01/14/2014	17,654.74	17,654.74
Invoice	01/15/2014	3640-OCN		02/14/2014	11,230.28	11,230.28
Invoice	02/15/2014	3645		03/17/2014	10,907.23	10,907.23
Invoice	03/15/2014	3672-OCN		04/14/2014	8,766.32	8,766.32
Invoice	04/15/2014	3677-OCN		05/15/2014	9,011.89	9,011.89
Invoice	05/15/2014	3682-OCN		06/14/2014	7,555.69	7,555.69
Invoice	06/15/2014	3684-OCN		07/15/2014	7,168.15	7,168.15
Invoice	07/15/2014	3685-OCN		08/14/2014	7,853.84	7,853.84
Invoice	08/15/2014	3686-OCN		09/14/2014	6,632.46	6,632.46
Invoice	08/15/2014	3687-OCN		10/15/2014	6,137.68	6,137.68

Core Communications, Inc.
Customer Open Balance
 All Transactions

Tab A

Type	Date	Num	Memo	Due Date	Open Balance	Amount
Invoice	10/15/2014	3688-OCN		11/14/2014	5,607.04	5,607.04
Invoice	11/15/2014	3689-OCN		12/15/2014	8,118.34	8,118.34
Invoice	12/15/2014	3693-OCN		01/14/2015	4,845.04	4,845.04
Invoice	01/15/2015	3694-OCN		02/14/2015	4,899.14	4,899.14
Invoice	02/15/2015	3696-OCN		03/17/2015	5,735.80	5,735.80
Invoice	03/15/2015	3697-OCN		04/14/2015	6,546.88	6,546.88
Invoice	04/15/2015	3698-OCN		05/15/2015	7,007.37	7,007.37
Invoice	05/15/2015	3699-OCN		06/14/2015	6,605.89	6,605.89
					<u>3,100,684.89</u>	<u>3,100,684.89</u>
					<u>3,100,684.89</u>	<u>3,100,684.89</u>

Total OCN-92XX - Verizon LEC PA

TOTAL

Core Communications, Inc.
Customer Open Balance
All Transactions

OCN-92XX - Verizon LEC PA

Type	Date	Num	Memo	Due Date	Open Balance	Amount
Invoice	01/26/2012	2232		02/25/2012	3,153.41	3,153.41
Invoice	01/26/2012	2233		02/25/2012	3,153.41	3,153.41
Invoice	01/26/2012	2234		02/25/2012	3,153.41	3,153.41
Invoice	01/26/2012	2235		02/25/2012	31,532.65	31,532.65
Invoice	01/26/2012	2236		02/25/2012	39,686.31	39,686.31
Invoice	01/26/2012	2237		02/25/2012	45,265.13	45,265.13
Invoice	01/26/2012	2238		02/25/2012	45,265.13	45,265.13
Invoice	01/26/2012	2239		02/25/2012	45,265.13	45,265.13
Invoice	01/26/2012	2240		02/25/2012	45,265.13	45,265.13
Invoice	01/26/2012	2241		02/25/2012	45,265.13	45,265.13
Invoice	01/26/2012	2242		02/25/2012	45,265.13	45,265.13
Invoice	01/26/2012	2243		02/25/2012	45,265.13	45,265.13
Invoice	01/26/2012	2244		02/25/2012	45,265.13	45,265.13
Invoice	01/26/2012	2245		02/25/2012	47,410.83	47,410.83
Invoice	01/26/2012	2246		02/25/2012	47,410.83	47,410.83
Invoice	01/26/2012	2247		02/25/2012	47,410.83	47,410.83
Invoice	01/26/2012	2248		02/25/2012	47,410.83	47,410.83
Invoice	01/26/2012	2249		02/25/2012	47,410.83	47,410.83
Invoice	01/26/2012	2250		02/25/2012	47,410.83	47,410.83
Invoice	01/26/2012	2251		02/25/2012	47,410.83	47,410.83
Invoice	01/26/2012	2252		02/25/2012	47,410.83	47,410.83
Invoice	01/26/2012	2253		02/25/2012	54,277.07	54,277.07
Invoice	01/26/2012	2254		02/25/2012	54,277.07	54,277.07
Invoice	01/26/2012	2255		02/25/2012	55,135.35	55,135.35
Invoice	01/26/2012	2256		02/25/2012	55,135.35	55,135.35
Invoice	01/26/2012	2257		02/25/2012	55,135.35	55,135.35
Invoice	01/26/2012	2258		02/25/2012	55,135.35	55,135.35
Invoice	01/26/2012	2259		02/25/2012	57,281.05	57,281.05
Invoice	01/26/2012	2260		02/25/2012	59,426.75	59,426.75
Invoice	01/26/2012	2261		02/25/2012	59,426.75	59,426.75
Invoice	01/26/2012	2262		02/25/2012	59,426.75	59,426.75
Invoice	01/26/2012	2263		02/25/2012	61,572.45	61,572.45
Invoice	01/27/2012	2265		02/28/2012	61,572.45	61,572.45
Invoice	01/27/2012	2266		02/28/2012	61,572.45	61,572.45
Invoice	01/27/2012	2267		02/28/2012	71,228.10	71,228.10
Invoice	01/27/2012	2268		02/28/2012	71,228.10	71,228.10
Invoice	01/27/2012	2269		02/28/2012	71,228.10	71,228.10
Invoice	02/15/2012	2270		03/16/2012	71,228.10	71,228.10
Invoice	02/15/2012	2271		03/16/2012	71,228.10	71,228.10
Invoice	02/15/2012	2272		03/16/2012	71,228.10	71,228.10
Invoice	02/15/2012	2273		03/16/2012	71,228.10	71,228.10
Invoice	02/15/2012	2274		03/16/2012	71,228.10	71,228.10
Invoice	02/15/2012	2275		03/16/2012	71,228.10	71,228.10
Invoice	02/15/2012	2276		03/16/2012	71,228.10	71,228.10
Invoice	03/01/2012	2344		03/31/2012	71,228.10	71,228.10
Invoice	04/01/2012	2014		05/01/2012	71,228.10	71,228.10
Invoice	05/01/2012	2432		05/31/2012	71,228.10	71,228.10
Invoice	06/01/2012	2509		07/01/2012	71,228.10	71,228.10
Invoice	07/01/2012	2665		07/31/2012	71,228.10	71,228.10
Invoice	08/01/2012	2676		08/31/2012	71,228.10	71,228.10
Invoice	08/01/2012	2761		10/01/2012	71,228.10	71,228.10
Invoice	10/01/2012	2848		10/31/2012	71,228.10	71,228.10
Invoice	11/01/2012	2934		12/01/2012	71,228.10	71,228.10
Invoice	01/01/2013	3169		01/31/2013	71,228.10	71,228.10
Invoice	01/01/2013	3275		01/31/2013	71,228.10	71,228.10
Invoice	01/01/2013	2532		01/31/2013	10,475.24	10,475.24
Invoice	02/01/2013	3262		03/03/2013	38,115.73	38,115.73
Invoice	03/01/2013	3364		03/31/2013	31,212.61	31,212.61
Invoice	04/01/2013	3450		05/01/2013	31,212.61	31,212.61
Invoice	05/01/2013	3536		05/31/2013	31,212.61	31,212.61
Invoice	06/01/2013	3622		07/01/2013	31,212.61	31,212.61
Invoice	06/01/2013	2531		07/01/2013	532.98	532.98
Invoice	07/01/2013	3624		07/31/2013	32,714.60	32,714.60
Invoice	08/01/2013	3626		08/31/2013	32,714.60	32,714.60
Invoice	08/01/2013	3628		10/01/2013	32,714.60	32,714.60
Invoice	10/01/2013	3630		10/31/2013	32,714.60	32,714.60
Invoice	11/01/2013	3632		12/01/2013	32,714.60	32,714.60

Core Communications, Inc.
Customer Open Balance
All Transactions

Tab B

Type	Date	Num	Memo	Due Date	Open Balance	Amount
Invoice	12/01/2013	3635		12/31/2013	32,714.60	32,714.60
Invoice	01/01/2014	3638		01/31/2014	32,714.60	32,714.60
Invoice	01/15/2014	3641		02/14/2014	418,824.43	418,824.43
Invoice	02/01/2014	3642		03/03/2014	66,626.93	66,626.93
Invoice	03/01/2014	3659		03/31/2014	66,626.93	66,626.93
Invoice	04/01/2014	3671		05/01/2014	66,626.93	66,626.93
Invoice	05/01/2014	3673		05/31/2014	66,626.93	66,626.93
Invoice	06/01/2014	3674		07/01/2014	66,626.93	66,626.93
Invoice	07/01/2014	3675		07/31/2014	66,626.93	66,626.93
Invoice	08/01/2014	3676		08/31/2014	66,626.93	66,626.93
Invoice	09/01/2014	3677		10/01/2014	66,626.93	66,626.93
Invoice	10/01/2014	3678		10/31/2014	66,626.93	66,626.93
Invoice	11/01/2014	3679		12/01/2014	66,626.93	66,626.93
Invoice	12/01/2014	3680		12/31/2014	66,626.93	66,626.93
Invoice	01/01/2015	3681		01/31/2015	66,626.93	66,626.93
Invoice	02/01/2015	3682		03/03/2015	66,626.93	66,626.93
Invoice	03/01/2015	3683		03/31/2015	66,626.93	66,626.93
Invoice	04/01/2015	3684		05/01/2015	66,626.93	66,626.93
Invoice	05/01/2015	3685		05/31/2015	66,626.93	66,626.93
Invoice	06/01/2015	3687		07/01/2015	66,626.93	66,626.93
					<u>5,021,709.99</u>	<u>5,021,709.99</u>
					<u>5,021,709.99</u>	<u>5,021,709.99</u>

Total OCN-92XX - Verizon LEC PA

TOTAL

Schedule of IXC Switched Access Due

Tab C

Verizon IXC CIC	Open Balance as of 6/6/15	
183	\$	42,275.64
222	\$	414,059.96
440	\$	196,714.97
555	\$	1,592,993.70
5393	\$	21,516.59
6963	\$	358,827.94
TOTAL OPEN BALANCE	\$	2,626,388.80

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

CORE COMMUNICATIONS, INC. :
Complainant :
:

v. :

Docket No. C-2011-2253750
Docket No. C-2011-2253787

VERIZON PENNSYLVANIA INC. :
and :

VERIZON NORTH, LLC. :
Respondents :

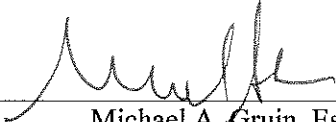
CERTIFICATION OF SERVICE

I hereby certify that I have this day served by Electronic Mail and Federal Express Overnight Delivery a true and correct copy of the foregoing Answer to Petition upon the parties listed below, in accordance with the requirements of § 1.54 (relating to service by a party)

VIA ELECTRONIC MAIL AND FEDERAL EXPRESS OVERNIGHT

Suzan D. Paiva, Esq.
Verizon Pennsylvania, Inc.
1717 Arch Street, 3 East
Philadelphia PA 19103

June 12, 2015



Michael A. Gruin, Esq.