



1717 Arch Street, 32NW Philadelphia, PA 19103

Tel: (215) 963-6004 Fax: (215) 563-2658

Daniel.Monagle@Verizon.com

December 20, 2004

VIA UPS OVERNIGHT

James J. McNulty, Secretary Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street, 2nd Floor Harrisburg, PA 17120

DOCUMENT FOLDER RECEIVED

DEC 2 0 2004

PA PUBLIC UTILITY COMMISSION

SECRETARY'S BUREAU

RE: Joint Filing of

Verizon Pennsylvania Inc. and OLCR, Inc.

for Approval of an Interconection Agreement By Means of Adoption

Under Section 252(i) of the Telecommunications Act of 1996

Dkt. No. A-311314 F7000

Dear Mr. McNulty:

Pursuant to your letter of December 6, 2004 in the above-captioned matter, enclosed is a true and correct signed copy of the parties' Interconnection Agreement, which is embodied in a letter of adoption, between the parties; that Agreement by adoption was approved by Order dated October 28, 2004. In addition, enclosed please find an electronic copy of the Agreement, in .pdf format. A copy of this cover letter also is being furnished to Ms. Bobbi Lathrop in the Office of Special Assistants.

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

Very truly yours,

Daniel E. Monagle

DEM/slb

Enclosures: Agreement

Diskette

Via UPS Overnight

cc: Ms. Bobbi Lathrop (cover letter only)

Tracy Bogans, President, OLCR, Inc. (cover letter only)

2

John C. Peterson, Director Contract Performance and Administration Wholesale Markets



Wholesale Markets 600 Hidden Ridge, HQE03D52 P.O. Box 152092 Irving, TX 75038

Phone 972-718-5988
Fax 972-719-1519
john.c.peterson@verizon.com

April 21, 2004

Tracy Bogans
President
OLCR, Inc.
1000 First Avenue, 1st Floor, Suite 104
King of Prussia, PA 19406



Re: Requested Adoption Under Section 252(i) of the TA96

DOCUMENT FOLDER

Dear Tracy:

Verizon Pennsylvania Inc, f/k/a Bell Atlantic – Pennsylvania, Inc. ("Verizon"), a Pennsylvania corporation, with principal place of business at 1717 Arch Street, Philadelphia, Pennsylvania 19103, has received your letter stating that, under Section 252(i) of the Telecommunications Act of 1996 (the "Act"), OLCR, Inc. ("OLCR"), a Pennsylvania corporation, with principal place of business at 1000 First Avenue, 1st Floor, Suite 104, King of Prussia, Pennsylvania 19406, wishes to adopt the terms of the Interconnection Agreement between Z-Tel Communications Inc. ("Z-Tel") and Verizon that was approved by the Pennsylvania Public Utility Commission (the "Commission") as an effective agreement in the Commonwealth of Pennsylvania, as such agreement exists on the date hereof after giving effect to operation of law (the "Terms"). I understand OLCR has a copy of the Terms. Please note the following with respect to OLCR's adoption of the Terms.

- 1. By OLCR's countersignature on this letter, OLCR hereby represents and agrees to the following five points:
 - (A) OLCR adopts (and agrees to be bound by) the Terms of the Z-Tel/Verizon agreement for interconnection as it is in effect on the date hereof after giving effect to operation of law, and in applying the Terms, agrees that OLCR shall

be substituted in place of Z-Tel Communications Inc. and Z-Tel in the Terms wherever appropriate.

- (B) For avoidance of doubt, adoption of the Terms does not include adoption of any provision imposing an unbundling obligation on Verizon that no longer applies under the Report and Order and Order on Remand (FCC 03-36) released by the Federal Communications Commission ("FCC") on August 21, 2003 in CC Docket Nos. 01-338, 96-98, 98-147 ("Triennial Review Order"), or that is otherwise not required by both 47 U.S.C. Section 251(c)(3) and 47 C.F.R. Part 51. Moreover, Verizon, on February 26, 2004, filed a petition at the Pennsylvania Public Utility Commission to arbitrate amendments to interconnection agreements (including the Terms) with respect to the Triennial Review Order ("TRO Arbitration"). Once the Commission issues an effective order approving an amendment with respect to the Triennial Review Order in the TRO Arbitration (an "Approved Amendment"): 1) the terms of such Approved Amendment shall be deemed to amend this adoption effective on the effective date of such Commission order, 2) OLCR agrees to be bound by the terms of such Approved Amendment effective on the effective date of such Commission order, and 3) Verizon and OLCR shall execute an amendment to this adoption to memorialize that this adoption is amended by the terms of such Approved Amendment effective on the effective date of such Commission order; provided, however, failure by either party to do so shall not be cited as a basis for contesting the effectiveness of the provisions in 1) and 2) above.
- Notice to OLCR and Verizon as may be required under the Terms shall be (C) provided as follows:

To: OLCR. Inc.

Attention: Tracy Bogans

1000 First Avenue, 1st Floor, Ste. 104

King of Prussia, PA 19406

Telephone Number: 866-660-7712 Facsimile Number: 866-660-8719 Internet Address: clec@olcr.com

To Verizon:

Director-Contract Performance & Administration Verizon Wholesale Markets 600 Hidden Ridge **HQEWMNOTICES**

Irving, TX 75038

Telephone Number: 972-718-5988 Facsimile Number: 972-719-1519

Internet Address: wmnotices@verizon.com

with a copy to:

Vice President and Associate General Counsel Verizon Wholesale Markets 1515 N. Court House Road Suite 500 Arlington, VA 22201

Facsimile: 703-351-3664

- (D) OLCR represents and warrants that it is a certified provider of local telecommunications service in the Commonwealth of Pennsylvania, and that its adoption of the Terms will cover services in Verizon Pennsylvania's service territory in the Commonwealth of Pennsylvania only.
- (E) In the event an interconnection agreement between Verizon and OLCR is currently in effect in the former Bell Atlantic service territory within the Commonwealth of Pennsylvania (the "Original ICA"), this adoption shall be an amendment and restatement of the operating terms and conditions of the Original ICA, and shall replace in their entirety the terms of the Original ICA. This adoption is not intended to be, nor shall it be construed to create, a novation or accord and satisfaction with respect to the Original ICA. Any outstanding payment obligations of the parties that were incurred but not fully performed under the Original ICA shall constitute payment obligations of the parties under this adoption.
- (F) Verizon's standard pricing schedule for interconnection agreements in the Commonwealth of Pennsylvania (as such schedule may be amended from time to time) (attached as Appendix 1 hereto) shall apply to OLCR's adoption of the Terms. OLCR should note that the aforementioned pricing schedule may contain rates for certain services the terms for which are not included in the Terms or that are otherwise not part of this adoption, and may include phrases or wording not identical to those utilized in the Terms. In an effort to expedite the adoption process, Verizon has not deleted such rates from the pricing schedule or attempted to customize the wording in the pricing schedule to match the Terms. However, the inclusion of such rates in no way obligates Verizon to provide the subject services and in no way waives Verizon's rights, and the use of slightly different wording or phrasing in the pricing schedule does not alter the obligations and rights set forth in the Terms.
- 2. OLCR's adoption of the Z-Tel Terms shall become effective on May 5, 2004. Verizon shall file this adoption letter with the Commission promptly upon receipt of an original of this letter countersigned by an authorized officer of OLCR. The term and termination provisions of the Z-Tel/Verizon agreement shall govern OLCR's adoption of the Terms.

- 3. As the Terms are being adopted by you pursuant to your statutory rights under section 252(i), Verizon does not provide the Terms to you as either a voluntary or negotiated agreement. The filing and performance by Verizon of the Terms does not in any way constitute a waiver by Verizon of any position as to the Terms or a portion thereof, nor does it constitute a waiver by Verizon of all rights and remedies it may have to seek review of the Terms, or to seek review in any way of any provisions included in these Terms as a result of OLCR's 252(i) election.
- 4. Nothing herein shall be construed as or is intended to be a concession or admission by Verizon that any provision in the Terms complies with the rights and duties imposed by the Act, the decisions of the FCC and the Commissions, the decisions of the courts, or other law, and Verizon expressly reserves its full right to assert and pursue claims arising from or related to the Terms.
- 5. Verizon reserves the right to deny OLCR's adoption and/or application of the Terms, in whole or in part, at any time:
 - (a) when the costs of providing the Terms to OLCR are greater than the costs of providing them to Z-Tel;
 - (b) if the provision of the Terms to OLCR is not technically feasible; and/or
 - (c) to the extent that Verizon otherwise is not required to make the Terms available to OLCR under applicable law.
- 6. For avoidance of doubt, please note that adoption of the Terms will not result in reciprocal compensation payments for Internet traffic. Verizon has always taken the position that reciprocal compensation was not due to be paid for Internet traffic under section 251(b)(5) of the Act. Verizon's position that reciprocal compensation is not to be paid for Internet traffic was confirmed by the FCC in the Order on Remand and Report and Order adopted on April 18, 2001 ("FCC Internet Order"), which held that Internet traffic constitutes "information access" outside the scope of the reciprocal compensation obligations set forth in section 251(b)(5) of the Act. Accordingly, any compensation to be paid for Internet traffic will be handled pursuant to the terms of the FCC Internet Order, not pursuant to adoption of the Terms. Moreover, in light of the FCC Internet Order, even if the Terms include provisions invoking an intercarrier compensation mechanism for Internet traffic, any reasonable amount of time

Order on Remand and Report and Order, In the Matters of: Implementation of the Local Competition Provisions in the Telecommunications Act of 1996 and Intercarrier Compensation for ISP-Bound Traffic, CC Docket No. 99-68 (rel. April 27, 2001) ("FCC Remand Order") ¶44, remanded, WorldCom, Inc. v. FCC, No. 01-1218 (D.C. Cir. May 3, 2002). Although the D.C. Circuit remanded the FCC Remand Order to permit the FCC to clarify its reasoning, it left the order in place as governing federal law. See WorldCom, Inc. v. FCC, No. 01-1218, slip op. at 5 (D.C. Cir. May 3, 2002).

² For your convenience, an industry letter distributed by Verizon explaining its plans to implement the FCC Internet Order can be viewed at Verizon's Customer Support Website at URL www.verizon.com/wise (select Verizon East Customer Support, Business Resources, Customer Documentation, Resources, Industry Letters, CLEC, May 21, 2001 Order on Remand).

permitted for adopting such provisions has expired under the FCC's rules implementing section 252(i) of the Act. ³ In fact, the FCC Internet Order made clear that carriers may not adopt provisions of an existing interconnection agreement to the extent that such provisions provide compensation for Internet traffic.⁴

- 7. Should OLCR attempt to apply the Terms in a manner that conflicts with paragraphs 3-6 above, Verizon reserves its rights to seek appropriate legal and/or equitable relief.
- 8. In the event that a voluntary or involuntary petition has been or is in the future filed against OLCR under bankruptcy or insolvency laws, or any law relating to the relief of debtors, readjustment of indebtedness, debtor reorganization or composition or extension of debt (any such proceeding, an "Insolvency Proceeding"), then: (i) all rights of Verizon under such laws, including, without limitation, all rights of Verizon under 11 U.S.C. § 366, shall be preserved, and OLCR's adoption of the Verizon Terms shall in no way impair such rights of Verizon; and (ii) all rights of OLCR resulting from OLCR's adoption of the Verizon terms shall be subject to and modified by any Stipulations and Orders entered in the Insolvency Proceeding, including, without limitation, any Stipulation or Order providing adequate assurance of payment to Verizon pursuant to 11 U.S.C. § 366.

³ See, e.g., 47 C.F.R. Section 51.809(c).

⁴ FCC Internet Order ¶ 82.

SIGNATURE PAGE

Please arrange for a duly authorized representative of OLCR to sign this letter in the space provided below and return it to Verizon.

Sincerely,

VERIZON PENNSYLVANIA INC.

John C. Peterson, Director

Contract Performance and Administration

Wholesale Markets

(DATE)

Reviewed and countersigned as to points A, B, C, D, E and F of paragraph 1:

OLCR, Inc.

Tracy Bogans

Presidem

c: K.Robertson - Verizon

APPENDIX 11

VERIZON PENNSYLVANIA and OLCR V1.6

A. INTERCONNECTION²

Service or Element Description ³ :	Recurring Charges:	Non-Recurring Charge:
	•	
I. Reciprocal Compensation Traffic Termination ⁴		
Reciprocal Compensation Traffic End Office	\$.001723/MOU	Not Applicable
Rate		, -
Reciprocal Compensation Traffic Tandem Rate		
•	\$.002814/MOU	Not Applicable

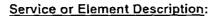
In the event this Appendix 1 refers to a service that is not available under the Terms, the Terms shall control. Nothing in this Appendix 1 shall be deemed to require Verizon to provide a service that the Terms do not require Verizon to provide.

All rates and charges specified herein are pertaining to the Interconnection Provisions of the Terms.

Unless a citation is provided to a generally applicable Verizon tariff, all listed rates and services are available only to OLCR when purchasing these services for use in the provision of Telephone Exchange Service, and apply only to Reciprocal Compensation Traffic and local Ancillary Traffic. Verizon rates and services for use by OLCR in the carriage of Toll Traffic shall be subject to Verizon's tariffs for Exchange Access Service. Adherence to these limitations is subject to a reasonable periodic audit by Verizon.

As applied to wholesale discount rates, unbundled Network Elements or call transport and/or termination of Reciprocal Compensation Traffic purchased for the provision of Telephone Exchange Service or Exchange Access, the rates and charges set forth in Appendix 1 shall apply until such time as they are replaced by new rates as may be approved or allowed into effect by the Commission from time to time pursuant to the FCC Regulations, subject to a stay or other order issued by any court of competent jurisdiction.

See the last page regarding measurement and calculation of Reciprocal Compensation Traffic termination charges.



II. Entrance Facilities and Transport for Interconnection

A. Entrance facilities, and transport, as appropriate, for Interconnection at Verizon End Office, Tandem Office, or other Point of Interconnection

Recurring Charges:

Per interstate [Verizon FCC 1 Sec. 6 access tariff for Feature Group D service as amended from time to time

Per intrastate [Verizon PA PUC. - PA - No. 302 Sec. 6] access tariff for Feature Group D service as amended from time to time

Non-Recurring Charge:

Per interstate [Verizon FCC 1 Sec. 6] access tariff for Feature Group D service as amended from time to time

Per intrastate (Verizon PA PUC. - PA - No. 302 Sec. 6] access tariff for Feature Group D service as amended from time to time

III. Exchange Access Service

Interstate

Intrastate

Per Verizon FCC tariff number 1, as amended from time to time Per Verizon tariff number 302, as amended from

Recurring Charges:

Non-Recurring Charge:

IV. End Point Fiber Meet

To be charged in accordance with the requirements of the Interconnection Provisions of the Terms.

V. Tandem Transit arrangements for Reciprocal Compensation Traffic between OLCR and carriers other than Verizon that subtend a Verizon Tandem Switch. (Not applicable to Toll Traffic when Meet Point Billing Arrangement applies; Separate trunks required for IXC subtending trunks)

Tandem Switching

\$.000795/MOU

Per Section II. above, as applicable

Switched Transport

\$.000144/MOU

Transit Service Billing Fee

\$.00003/MOU/Mile
Five (5) percent of the Tandem Switching charges

Transit Service Trunking Charge

and the Tandem-Switched Transport charges assessed during the billing period for traffic exchanged with the relevant third party carrier. The rate for Dedicated DS1 Meet Point B (Tandem) trunk port, as set forth in the Verizon FCC Interstate Tariff No. 1 for the relevant third party carrier.

B. UNBUNDLED NETWORK ELEMENTS⁵ Service or Element Description:

I. Dedicated Transport⁶

II. Common Transport

III. Digital Cross-Connect System

IV. Entrance Facilities

V. Unbundled Switching?

VI. Unbundled Loops

Recurring Charges:

Non-Recurring

Charge:

As applicable per Verizon PA PUC 216 as amended from time to time.

As applicable per Verizon PA PUC 216 as amended from time to time.

As applicable per Verizon PA PUC 216 as

amended from time to time.

As applicable per Verizon PA PUC 216 as amended from time to time.

As applicable per Verizon PA PUC 216 as

amended from time to time.

With the exception of 2 Wire HDSL, SDSL and IDSL, as applicable per Verizon PA PUC 216 as amended from time to time.

All rates and charges specified herein are pertaining to the Network Elements Provisions of the Terms.

Venzon's proposed UNEs, UNE combinations, and UNE pricing methodology reflect the FCC's current rules. Verizon does not agree that UNE prices must be based solely on forward-looking costs, and Verizon reserves the right to seek to change its UNE offerings and UNE prices if the FCC's rules are vacated or modified by the FCC or by a final, non-appealable judicial decision.

In addition to the recurring and non-recurring rates set forth herein for unbundled switching elements, Verizon may levy upon purchaser of such elements any access charges (or portion thereof) permitted by Applicable Laws.

2 Wire ADSL compatible Loops 2 Wire HDSL compatible Loops 2 Wire SDSL compatible Loops 2 Wire IDSL compatible Loops

Recurring Charges:

Density Cell:

1 - \$10.25/Month

2 - \$11.00/Month

3 - \$14.00/Month

4 - \$16.75/Month

Non-Recurring

Charge:

Service Order: \$1.06 Installation:

If premises visit not required - \$3.01 initial and each additional loop; Not Applicable if existing loop & port together

If premises visit required - \$67.66, initial loop; \$22.86, additional loop

Disconnect: \$1.34 per loop

Cooperative Testing, per loop-\$0.00

Engineering query, \$0.00

Engineering Work Order, \$0.00

Manual Pre-Qualification, per loop \$0.00

•		•
VII. Intrastate Collocation	As Applicable Per Verizon PA PUC No. 218 as amended from time to time	
VIII. Line Sharing	As applicable per Verizon PA PUC 216 and PA PUC 218 as amended from time to time.	
IX. Line Splitting	Rates for Line Splitting are as set forth in Verizon's PA PUC No. 216 Tariff as amended from time to time.	
X. EEL	As applicable per Verizon PA PUC 216 as amended from time to time.	
XI. UNE Platform Conversion	As applicable per Verizon PA PUC 216 as amended from time to time	
XII. DARK FIBER Records Review, per inquiry Records Review with Reservation, per inquiry Dark Fiber – IOF Verizon C.O. to Verizon C.O	•	\$116.16 TBD
Service Order		\$55.22
Serving Wire Center ("SWC") Charge/SWC/Pair IOF Mileage/Pair/mile	\$5.33	\$42.59
IOF Mileage Installation Charge/Pair Expedited Handling	\$51.77	\$204.94 \$94.34
Intermediate Office Routing Verizon C.O. to CLEC C.O. Service Order SWC Charge/SWC/Pair Channel Termination Charge/CLEC C.O. Expedited Handling	TBD \$5.33 \$53.69	TBD \$55.22 \$42.59 \$353.23 \$94.34
•	•	4 ,
Dark Fiber - LOOP Service Order		\$55.22
SWC Charge/SWC/Pair	\$5.33	\$38.53
Loop Charge/Pair		
Rate Group A1	\$34.70	\$566.97
Rate Group A2	\$64.06 \$66.70	\$566.97
Rate Group B1 Rate Group B2	\$93.79 \$119.26	\$566.97 \$566.97
Expedited Handling		\$317.43
Dark Fiber Sub-Loop	TBD TBD As applicable per Verizon PA PUC 216 as amended from time to time.	
XIII. UNBUNDLED SUBLOOP ARRANGEMENT (USLA)	amended nom une to	, usite.

XIV.Unbundled Feeder Sub-Loop (UFSE)

XV.Unbundled Drop Sub-Element (UDSE)

Recurring Charges:

Non-Recurring

<u>Charge:</u>

As applicable per Verizon PA PUC 216 as amended from time to time.

As applicable per Verizon PA PUC 216 as amended from time to time.

Recurring Charges:

Non-Recurring

Charge:

XVI, Signaling and Databases

As applicable per Verizon PA PUC 216 as

amended from time to time.

XVII. Network Interface Device (NID)

Except as below for NID-to-NID as applicable per Verizon PA PUC 216 as amended from time to

tima

NID - 2 Wire per NID/month - NID-to-NID

\$0.64

NID - 4 Wire per NID/month - NID-to-NID

\$0.64

C. RESALE⁸

I. Wholesale Discount for Resale of Retail Telecommunications Services⁹

Resale of retail services if OLCR provides own

operator services platform

25.69% (Inclusive of PA gross receipts tax)

Resale of retail services if OLCR uses Verizon operator services platform

23.43% (Inclusive of PA gross receipts tax)

D. OPERATIONS SUPPORT SYSTEM

As applicable per Verizon PA PUC 216 as amended from time to time.

Access pass-through to number portability

E. 911/E911

*

purchaser

Transport

Data Entry and Maintenance

Per section B. above. No Charge

All rates and charges specified herein are pertaining to the Resale Provisions of the Terms.

Excludes telecommunications services designed primarily for wholesale, such as switched and special exchange access service, and, subject to the provisions of the Resale Provisions of the Terms, the following additional arrangements that are not subject to resale: limited duration (90 days or less) promotional offerings, public coin telephone service, and technical and market trials. Taxes shall be collected and remitted by the reseller and Verizon in accordance with legal requirements and as agreed between the Parties. Surcharges (e.g., 911, telecommunications relay service, universal service fund) shall be collected by the reseller and either remitted to the recipient agency or NECA, or passed through to Verizon for remittance to the recipient agency or NECA, as appropriate and agreed between the Parties. End user common line charges shall be collected by the reseller and remitted to Verizon.

Recurring Charges:

Non-Recurring Charge:

F. TIME AND MATERIALS

As applicable per Verizon PA PUC 216 as amended from time to time.

G. CUSTOMIZED ROUTING

As applicable per Verizon PA PUC 216 as amended from time to time.

H. DIRECTORY LISTINGS & BOOKS

Primary Listing (on initial UNE service order). For Not Applicable each residence telephone number, two (2) listings in the White Page directory are provided. For each business telephone number listed (except numbers of Centrex or Centrex-like services or indialing service station lines) one (1) listing is provided in the White Page Directory and one (1) listing in the Yellow Page directory of the type provided to Verizon-PA end user business customers for which no specific charge applies.

Not Applicable Not Applicable

Other Tariffed Listing Services (For listings ordered in excess of the primary listings provided or other listing types, or listings ordered at a time other than initial UNE service order, or listings ordered not associated with a UNE service order.)

Retail rates apply. For retail rates see Verizon-PA Tariff No. 1 sec. 5.B.

Books & delivery (annual home area directories only)

No charge for normal numbers of books delivered to end users; bulk deliveries to OLCR per separate arrangement



RECIPROCAL COMPENSATION TRAFFIC TERMINATION RATES

- A. Charges by Verizon
 - (a) Reciprocal Compensation Traffic Tandem Rate.
 - (b) Reciprocal Compensation Traffic End Office Rate.
- B. Charges by OLCR
- Single-tiered interconnection structure:

OLCR's rates for the termination of Verizon's Reciprocal Compensation Traffic under the single-tiered interconnection structure shall be recalculated once each year on each anniversary of the Effective Date (the "Rate Determination Date"). The methodology for recalculating the rates is as follows:

Tandem Minutes = Total minutes of use of Reciprocal Compensation Traffic billed to OLCR at the Reciprocal Compensation Traffic Tandem Rate for most recent billed quarter.

End Office Minutes = Total minutes of use Reciprocal Compensation Traffic billed to OLCR at the Reciprocal Compensation Traffic End Office Rate for most recent billed quarter.

Total Minutes = Total minutes of use of Reciprocal Compensation Traffic delivered by OLCR to Verizon for most recent billed quarter.

OLCR Charge at the OLCR-POI =

(<u>Tandem Minutes x</u> Tandem Rate) + (<u>End Office Minutes x</u> End Office Rate)

Total Minutes

For the first year after the Effective Date, the OLCR charge shall be calculated based on the traffic data of the quarter immediately preceding such Effective Date, or if no such traffic exists, on the proportion of Reciprocal Compensation Traffic termination trunks to Verizon End Offices and to Verizon Tandems.

- 2. Multiple-tiered interconnection structure (if offered by OLCR to any carrier)
 - (a) Reciprocal Compensation Traffic to OLCR Tandem: Tandem Rate
 - (b) Reciprocal Compensation Traffic to terminating OLCR End Office/node: End Office Rate
- C. Miscellaneous Notes
- 1. The OLCR termination rate under the single-tiered interconnection structure set forth above is intended to be a Reciprocal Compensation Traffic termination rate for Interconnection to the OLCR within each LATA that is reciprocal and equal to the actual rates that will be charged by Verizon to OLCR under the two-tiered Reciprocal Compensation Traffic termination rate structure described above that will apply after the first anniversary of the Effective Date.