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February 8, 2016

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 and C-2011-2253787**

Dear Secretary Chiavetta:

Enclosed for filing please find the Reply Exceptions of Core Communications, Inc., in response to the Exceptions of Verizon to the Supplemental Initial Decision in the above-referenced matter. Copies of Core's Reply Exceptions have 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

Enclosures

cc: Certificate of Service
Administrative Law Judge Susan Colwell (via email and First Class U.S. Mail)
The Office of Special Assistants w/encl. (via email and First Class U.S. Mail)

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

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Exceptions, at 1. This assertion by Verizon is incorrect because the S.I.D clearly did recognize that Core is entitled to collect switched access charges for toll calls received from Verizon, because Core provides the physical facilities to deliver calls to the receiving party. Specifically, the S.I.D., at 28, found:

The CoreTel VA case found that the CoreTel tariff provided that CoreTel was entitled to assess switching charges only when it provides the facilities to deliver the calls to the receiving party. As Core points out, in the present case, it has those facilities in Pennsylvania, and consequently, the CoreTel VA case does not bar its right to bill for this service here.

Although Verizon “disagrees” with the conclusion, it does not lodge a formal exception in compliance with the Commission’s rules. Verizon Exceptions, at 1 and note 5. Despite fainthearted language to the contrary, in note 5, Verizon has indeed “waived” its right to contest the S.I.D.’s finding on this point. Pursuant to 52 Pa. Code § 5.533(b), “[e]ach exception must be numbered and identify the finding of fact or conclusion of law to which exception is taken and cite relevant pages of the decision. Supporting reasons for the exceptions shall follow each specific exception.” Verizon’s footnote reference to “not waiving” its arguments in opposition to the S.I.D.’s finding on this point does not qualify as an Exception under the Commission’s regulations. Therefore, Verizon has indeed waived its right to contest the S.I.D.’s finding that Core provides the physical facility in Pennsylvania, pursuant to 52 Pa. Code §5.533(b).

Indeed, Verizon simply glosses over the S.I.D.’s key conclusion (on page 28) that **Core does, in fact, provide the facilities** to deliver the calls to its customers consistent with the FCC’s guidance in the *VOIP Symmetry Order*. Verizon Exceptions, at 1 and note 5. To the extent that Verizon’s Exceptions rely solely on the S.I.D.’s technical and evidentiary objections to Core’ Switched Access Claim¹, Core has addressed those issues in its Exceptions, in which Core demonstrated that it provides end office switching and carrier common line consistent with the *VOIP Symmetry Order* and

¹ See, S.I.D., at 31 (“Core has not provided credible evidence to support this [switched access] claim, and it is dismissed.”),

other applicable precedent. *See*, Core Exceptions, at 21-22, Core Main Brief on Remand, at 15-20; Core Reply Brief on Remand, at 11-14.

To the extent that Verizon would still argue that Core does not provide the physical facilities to deliver the calls to end users, such an argument must fail. In Pennsylvania, Core unquestionably “provide[s] the call intelligence associated with call set-up, supervision and management,”² which is the touchstone of end office switching established by the *VOIP Symmetry Order*. No matter whether Core’s customer is an ISP or CSC, Core switches the call to the appropriate destination³ and is therefore entitled to end office switching compensation. Indeed, the switching functionality that Core provides in Pennsylvania was the subject of specific Commission findings in a previous case and subsequent appeal.⁴ Core’s tariffs, which were updated immediately following promulgation of the *ICC Transformation Order*, clearly and unequivocally reference and incorporate the VOIP Symmetry Rule, 47 C.F.R. § 51.913, as it applies to end office switching and other switched access rate elements.⁵

² *VOIP Symmetry Order*, 30 F.C.C. Rcd. 1587, ¶ 29.

³ Core Stmt. 1.0, at 5:4 through 7:2 (describing functions performed by Core’s switches, to include TDM switching, packet switching, session initiation protocol (“SIP”) support and SS7 signaling); *and see*, Proprietary Exhibit BLM-1 (Network/Call Flow Diagrams)(describing Core’s switches’ handling of calls coming from Verizon). Exhibit BLM-1 is attached to Core’s Main Brief on Remand, at Tab I.

⁴ *In Re Core Commc’ns, Inc.*, A-310922F0002AMA, 2006 WL 3523755, at *13 (Dec. 4, 2006)(“Core... uses a self-provision[ed] switch, or switch equivalent, for service”); *and, Rural Tel. Co. Coal. v. Pub. Util. Comm’n*, 941 A.2d 751, 757 (Pa. Commw. Ct. 2008)(“The record reflects that Core has installed switches in Altoona, Harrisburg, Philadelphia and Wilkes-Barre. Core’s transmission path service originates and terminates dial-up calls... to Core’s switch facilities located in Pennsylvania. From that point, Core hands the calls off to the ISP. Core contends, and the Commission agreed, that the use of some, but not all, of one’s own facilities (in this case switches and a transmission path) makes a CLEC a facilities-based carrier.”).

⁵ Core Communications, Inc. PA P.U.C. Tariff No. 4, (Tab D to Core’s Main Brief on Remand), Supplement No. 2, Original Sheet No. 52.37 (Effective February 11, 2012)(“In the absence of an interconnection agreement between Customer and Company that provides otherwise, Customer shall compensate Company for Switched Access Service as set forth in this Tariff for any traffic that falls within the scope of “toll VoIP-PSTN traffic” (as that term is discussed in FCC Item No. 11-161 (rel. November 18, 2011) and 47 U.S.C. § 51.913(a)), at the interstate switched access rates for the state of Pennsylvania as set forth in section 5.6 of this tariff (Intrastate Switched Access Tariff PA PUC No. 4). Customer shall be entitled to assess and collect Switched Access Charges for toll VoIP-PSTN traffic from Customer to the full extent permitted under applicable law, including the functions described in FCC Item No. 11-161 and 47 C.F.R. § 51.913(b)); *and*, Core Communications, Inc. FCC Tariff No. 3, (Tab G to Core’s Main Brief on Remand), 5th Revised Page No. 13 (Effective March 27, 2012)(“Switched Access Service includes, but is not limited to, the functional equivalent of the incumbent local exchange carrier interstate exchange access services typically associated with following

Core also, in addition to call intelligence, “own[s] or control[s] the transmission path over which the call is finally transmitted to the end user,”⁶ which the FCC has identified as the more traditional, pre-*VOIP Symmetry Rule*, test for end office switching. Core delivers calls to its ISP and CSC customers (which are “end users” for telecommunications purposes) over hard-wired connections to their collocated servers within Core’s central office switch sites.⁷ Verizon does not contest this fact.⁸ With respect to Core’s services in Verizon territory, the Commission found in 2006 that Core hands off the calls to its ISP customers and thereby provides the “transmission path.”⁹ While this hand-off may not correlate precisely to an incumbent’s copper POTS line, as Verizon argues, that is not the relevant standard. Core controls the physical hand-off, consistent with the definitions of “end user” and “terminations in the end office of end user lines” as set forth in Core’s switched access and local exchange services tariffs.¹⁰ To be clear, the ISP or CSC is the “end user”

rate elements: carrier common line (originating); carrier common line (terminating); local end office switching; interconnection charge; information surcharge; tandem switched transport termination; tandem switched transport facility (per mile); tandem switching; common transport multiplexing; and common trunk port. Consistent with 47 C.F.R. § 61.26(a)(3)(ii), Switched Access Services includes the termination of interexchange telecommunications traffic to any retail end user, either directly or via contractual or other arrangements with an affiliated or unaffiliated provider of interconnected VoIP service, as defined in 47 U.S.C. § 153(25), or a non-interconnected VoIP service, as defined in 47 U.S.C. § 153(36), that does not itself seek to collect reciprocal compensation charges prescribed by this subpart for that traffic, regardless of the specific functions provided or facilities used.”

⁶ *VOIP Symmetry Order*, 30 F.C.C. Rcd. 1587, ¶ 31.

⁷ See, **Proprietary** Exhibit BLM-1 (Network/Call Flow Diagrams), (Second diagram depicts transmission lines connecting Core’s Lucent APXs to Core’s LAN switches to Managed Modems and Collocated Voice Customers).

⁸ Verizon Reply Brief, at 42 (“[A]s Core explained at hearing, it terminates traffic to pieces of equipment...”). In fact, all telecommunications are terminated to “pieces of equipment.” While the specific equipment to which Core terminates calls are more comparable to a large business or government PBX system than to a residential handset, Core nevertheless terminates calls to customer premise equipment, just like any traditional carrier.

⁹ *Rural Tel. Co. Coal. v. Pub. Util. Comm’n*, 941 A.2d 751, 757 (Pa. Commw. Ct. 2008).

¹⁰ Core Communications, Inc. Pa. P.U.C. Tariff No. 4, (Tabs B through D to Core’s Main Brief on Remand), Original Sheet No. 7 (defining “End User” as any “entity... which subscribes to intrastate service provided by an Exchange Carrier”), Original Sheet No. 44 (“Switched Access Service is available when... terminating calls... to an end user which subscribes to [Core’s] Local Exchange Services.”); and Original Sheet No. 48 (“The End Office Switching cost category establishes the charges related to the use of end office switching equipment, the terminations in the end office of end user lines, the terminations of calls at Company Intercept Operators or recordings, the Signaling Transfer Point (STP) costs, and the SS7 signaling function between the end office and the STP.”); Core Communications, Inc. FCC Tariff No. 2, (Tabs E through G to Core’s Main Brief on Remand), Original Page No. 7 (defining “Company End User” as any “entity that subscribes to or otherwise uses the local exchange services of the Company.”); Original Page No. 42 (“Switched Access Service is available when... terminating calls... to an End User which subscribes to the Company’s Local Exchange Services.”); and Original Page No. 42 (The End Office Switching rate category establishes the charges related to the use of end office switching equipment, the terminations in the end office of end user lines, the terminations of calls at Company Intercept Operators or recordings, the Signaling Transfer Point (STP) costs, and the SS7 signaling function between the end office and the STP.”); and, Core Communications, Inc. Pa. P.U.C. Tariff No. 1, (Tab

which interfaces with Core via IP-enabled customer provided equipment (“CPE”),¹¹ and the “line” is the physical connection between Core’s switch and the ISP’s or CSC’s server. Accordingly, with respect to ISP and CSC traffic, Core provides end office switching both under the new, VOIP model (call intelligence) and the old TDM model (physical connection).

Contrary to Verizon’s other characterizations of the S.I.D. in its Introduction, it is **not** clear, as Verizon alleges, that the S.I.D. “confirms that Core has overcharged Verizon for terminating traffic originated by third parties and must refund those overcharges.” Verizon Exceptions, at 2. The S.I.D. is far from clear on this point. In fact, the S.I.D. appears to reject Verizon’s refund claim at the same time it rejects Core’s claim to switched access rerating. The S.I.D. says:

Core may keep the payments that Verizon submitted on uncontested bills which were made at the appropriate rate, i.e., \$0.0007/MOU for switched access billing, but is otherwise entitled to no remedy.” S.I.D., at p. 31 (emphasis added).

As set forth at length in Core’s Exceptions, there is simply no evidentiary or legal basis to support a conclusion that Core “overcharged” Verizon for terminating traffic originated by third parties. See Core Exceptions to S.I.D., at 6-15.

With respect to Verizon’s characterization of the S.I.D. as “highlighting the need to bring this case to a swift conclusion”, Core agrees with Verizon that this case should be brought to a “swift conclusion” based on the ICAs and applicable, binding law such as the *Talk America* case, and the *VOIP Symmetry* Rule and Order. But Core adds that the companion case between Core and Verizon at Docket C-2014-2406550 similarly needs to be brought to a swift conclusion. Verizon fails to

H to Core’s Main Brief on Remand), Supp. No. 18 (“Local Exchange Services”), 1st Revised Sheet No. 81.1 (Effective: June 18, 2009)(Superport Services)(a VOIP customer “must collocate its equipment for the purpose of interfacing with Superport service...”).

¹¹ Verizon’s novel argument, presented for the first time in its Reply Brief on Remand, at 7, that Core cannot collect switched access charges because it provides modem rental as part of a “managed modem” service to its ISP customers, has no basis in the law or in policy. There is nothing unusual or untoward about a telecommunication provider renting Customer Premises Equipment to its customers, particularly, high-volume customers with specialized needs. Further, the entire debate that unfolded in the *VOIP Symmetry Order* was whether certain CLECs provided sufficient facilities to merit switched access compensation. Here, Verizon argues, inexplicably, that Core provides too many facilities.

recognize that the current status quo is not “unfair” to Verizon, at 2, because Verizon has withheld far more than it has paid Core, and far more than Core owes Verizon. In this case, Verizon owes Core for unpaid switched access charges since 2010; whereas Core owes Verizon, at most and, despite the fact there is no record evidence on the matter, for facilities at the TELRIC rates in the ICA. As for Verizon’s complaint that Core has not escrowed disputed funds, Verizon Exceptions, at 2, the record is bereft of any showing that Verizon has escrowed any funds, either for the charges at issue in this case, or in Docket C-2014-2406550, in which Core demonstrated entitlement to significant sums from Verizon for the use of Core’s facilities at TELRIC rates. The fact is that Verizon has already insured itself against any reasonable risk of loss by refusing to pay Core any intercarrier compensation (interstate access, for example) other than that which the Commission specifically ordered Verizon to pay.¹²

In 2011, the Commission correctly found that Verizon’s decision to cease paying intercarrier compensation to Core was made in bad faith and ordered Verizon to resume those payments; and more recently, the Commission denied Verizon’s desperate attempt to short-circuit those directives before both parties’ respective obligations could be thoroughly resolved consistent with applicable federal law. While Core appreciates and shares Verizon’s desire for a speedy resolution of the issues, Verizon seems to willfully deny the fact that it owes Core, not the other way round. Core urges the Commission to move with deliberate speed to craft an order which will survive the inevitable Verizon appeal.

¹² Core Stmt. 2.0, at 4. (stating that Verizon’s IXC affiliates have withheld over \$1,000,000 in interstate switched access from Core since the beginning of 2011.)

II. REPLY TO VERIZON EXCEPTIONS

Reply to Verizon Exception No. 1. (Related to Verizon's Claim for a Refund of Past Intercarrier Compensation Bills)

Core agrees with the statement in Verizon's Exceptions, at 3-4, that the original I.D.'s finding that Core owes Verizon a refund of \$1 million was not supported by substantial evidence. Core does not owe Verizon \$1 million or \$2.7 million or any other amount for a reciprocal compensation refund. The Commission correctly found in 2011 that Verizon's disputes were issued in bad faith, and nothing in the record has proven any of the various theories Verizon has concocted since then. The evidence, including Verizon's own records, shows that, if anything, **Core has underbilled Verizon** for the total minutes that Verizon sent to Core over the years. *See*, Core Exceptions to S.I.D., at 16. In fact, the S.I.D., at 31, concludes that "Core may keep the payments that Verizon submitted on uncontested bills which were made at the appropriate rate...."

Verizon in fact, owes Core no less than \$2,168,706.12 for the period from 2009 through June 2012 for switched access services because many of the minutes that were billed as reciprocal compensation are actually toll calls.¹³ Even if some small refund is due, based on the tiny EMI percentages that can be tied to the LITG traffic for which Core billed Verizon, that refund can simply be offset against the much greater amounts Verizon owes Core, or, deducted from amounts due in the future, pursuant to Verizon PA ICA, Part A § 23.4. As set forth above in the Reply to Verizon's Introduction to Exceptions, the S.I.D. correctly noted that **Verizon**, not Core, is the party that needs pay Core's usage bills in accordance with the ICAs and applicable tariffs. S.I.D., at 34, Ordering ¶¶ 4 and 5. Verizon failed to except to this finding and therefore waives its rights to contest it.

Verizon's assertion that "the record supports a full refund of \$2,725,140 for the January 2008 to June 2012 time frame, plus 35% of amounts Verizon has paid to Core from June 2012 through the

¹³ *See*, Core Reply Brief on Remand, at 15-16 and Appendix I; *and*, Core Statement 1.0 (Direct Testimony of Bret L. Mingo), at 32-33 and 35; and Exhibit BLM-5.

date of the Commission's final order...,” Verizon Exceptions, at 3 and note 6, is simply and demonstrably wrong, for all of the reasons outlined in Core's original Reply Brief, at 26-38, and Exceptions to the original I.D., at 7-17.

Reply to Verizon Exception No. 2 (Related to Verizon's Claim for Payment of Verizon Invoices)

Verizon excepts to the S.I.D.'s finding, at 28 and 32, that Verizon should rebill its usage invoices to Core at the same \$0.0007/MOU rate that the S.I.D. awards to Core for its usage invoices to Verizon. Verizon Exceptions, at 4-6. While Core's primary position is that it is entitled to switched access tariff rates for toll traffic (ISP and VOIP) that Verizon sends to Core over the LITGs,¹⁴ if the Commission accepts the S.I.D.'s uniform application of the \$0.0007/MOU rate to Core's usage bills, then it should uniformly apply that same rate to Verizon's usage bills, too.¹⁵

The S.I.D. is, in this hypothetical scenario, consistent with the *ISP Remand Order's* mirroring rule as well as the *VOIP Symmetry Rule*. The “mirroring’ rule ensures that incumbent LECs will pay the same rates for ISP-bound traffic that they receive for section 251(b)(5) traffic;”¹⁶ and the *VOIP Symmetry Rule* ensures that “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.”¹⁷ Both rules apply here inasmuch as, during the period of record, Verizon's traffic to Core was ISP-bound (with some VOIP); Core's traffic to Verizon was VOIP; and VOIP traffic was subject to

¹⁴ Core Main Brief on Remand, at pp. 13-19.

¹⁵ Verizon concedes that *AT&T v. Core*, which imposed the \$0.0007 rate on ISP-bound traffic, was limited to locally-dialed ISP-bound traffic and “has no bearing on... interexchange voice traffic.” Verizon Exceptions, at 5; *and see*, Core Exceptions, at 20-21.

¹⁶ *In Re Implementation of Local Competition Provisions in Telecommunications Act of 1996*, 16 F.C.C. Rcd. 9151, 9194, ¶ 89 (2001).

¹⁷ *VOIP Symmetry Order*, 30 F.C.C. Rcd. 1587, ¶ 5; *citing*, *ICC Transformation Order*, 26 F.C.C. Rcd. 17663, 18007, at ¶ 942.

section 251(b)(5).¹⁸ Both rules limit Verizon to recovering from Core for VOIP traffic at the same rate as Verizon pays Core for ISP-bound and VOIP traffic. This result is not strictly in line with federal law (because the *ISP Remand Order* only applies to locally-dialed traffic), nevertheless, a prospective, uniform application of \$0.0007/MOU to all traffic in both directions would at least be a fair and reasonable resolution of a seemingly intractable problem.¹⁹

Aside from the problem of disparate rates, Verizon claim for intercarrier compensation remains rife with evidentiary and contractual defects and inconsistencies. Although Verizon claims \$93,000 in “reciprocal compensation and switched access services provided by Verizon,” Verizon Exceptions, at 5, Verizon admits that this figure would only amount to “\$17,000” if Verizon had rated the calls properly at the FCC’s \$0.0007/MOU mirroring rate.” Verizon’s Main Brief, at 26. Further, Verizon has not produced *a single CDR* or other record to support one minute of the traffic it has billed to Core,²⁰ despite its complaint that Core did not always keep “AMA” records relative to Verizon’s traffic. Nor does Verizon explain, anywhere in its testimony or briefs, how it calculated the amounts it alleges are due, nor how it ensured that Core was not billed for third-party carrier transit traffic. As with its facilities invoices, Verizon has completely failed to carry its burden of proof, and asks the Commission to accept Verizon’s witnesses’ carefully prepared summaries of Verizon’s own invoices at face value and without scrutiny.

Further, Verizon readily admits that it billed Core for 100% of the minutes Core sent Verizon over the LITGs, even though Verizon states that all of those minutes are VOIP minutes that originated on a third-party’s network.²¹ While it is Core’s primary position that each party may bill

¹⁸ *ICC Transformation Order*, 26 F.C.C. Rcd. 17663, 18007, at ¶ 933 (“We bring all VoIP-PSTN traffic within the section 251(b)(5) framework”).

¹⁹ By noting that the S.I.D.’s findings on the mirroring issue could serve as a workable resolution to various issues between the parties, Core does not in any way waive or limit its rights to appeal such a finding on legal grounds.

²⁰ Core Reply Brief, at 25.

²¹ Verizon Exceptions, at 4 (“This traffic... is not from numbers assigned to Core.”). The Commission has found that a CLEC may act as an intermediary between a VOIP carrier partner and the public switched telephone network, handling traffic exchange and intercarrier compensation on behalf of the VOIP carrier, consistent with the public interest

for any traffic received on the LITGs (under the ICA, whether those minutes are “VOIP” or “third-party” is irrelevant), the Commission should note that Verizon is speaking out of both sides of its mouth. Verizon says none of the traffic that Core sends to Verizon has an originating number “assigned to Core,” and argues that 100% of the traffic is wholesale VOIP. Applying Verizon’s logic about the originating telephone number, Verizon may not bill Core unless the calls that Verizon received originated from a Core telephone number.²² Under Verizon’s logic about tariffing charges for VOIP, Verizon may not bill Core unless Verizon’s tariffs incorporate specific language that unambiguously incorporates the FCC’s VOIP-PSTN traffic regime.²³

Verizon complains that Core “use[s] its non-Core originated VoIP traffic to manipulate the FCC’s 3:1 ratio” to its advantage, Verizon Exceptions, at 6 and n. 9, but offers no legal or factual basis for this conclusion. The record clearly shows that Verizon billed Core for all of the “non-Core originated” traffic Core sent Verizon, including, presumably, local traffic. Yet having billed Core for every minute Core passed over the LITGs, Verizon offers no legal basis to conclude that these minutes should not count for purposes of the 3:1 ratio.²⁴ Verizon made these calculations, if at all, under its own volition and with the benefit of full disclosure about the VOIP nature of Core’s voice traffic. For many years, Core did not send any traffic to Verizon, and, therefore, pursuant to the 3:1 ratio, received no compensation (other than the ISP-bound rate of \$0.0007/MOU) for the voice minutes it was terminating for Verizon. Core tried to rectify this issue, by identifying the actual

and the pro-competitive policies of the Telecommunications Act of 1996. *See generally, In Re Sprint Commc'ns Co. L.P.*, Pa. P.U.C. Docket Nos. A-310183F0002AMA, A-310183F0002AMB and A-310183F0002AMC 101 Pa. P.U.C. 895, 2006 WL 3675279 (Pa.P.U.C.)(Dec. 1, 2006).

²² Verizon Initial Post-Hearing Brief, at 28-29 (“Verizon found that 35% of the MOUs for which Core billed Verizon actually originated from telephone numbers for which Verizon was not the local service provider at the time of the call (meaning that another carrier, not Verizon, was responsible for compensating Core....”).

²³ Verizon Main Brief on Remand (“[the] general rule does not apply when a carrier attempts to bill for functions not described in its tariffs.”). Core demonstrated in its Reply Brief on Remand, at 13-14, that Verizon’s tariffs do not specify any compensation due for termination of VOIP traffic.

²⁴ Nothing in the *ISP Remand Order* suggests that a VOIP minute should not count for purposes of the 3:1 ratio.

traffic which was voice and which was ISP with Verizon, way back in 2010, but Verizon refused to cooperate.²⁵

Core agrees with Verizon's request for "clear guidance on the applicable rates for... any [] type of bill that is subject to a post-order validation process..." Verizon Exceptions, at 6. Core respectfully submits that this guidance should be succinct, clear and even-handed. Specifically, the Commission should direct as follows:

1. The parties should bill one another for transport facilities associated with the LITGs at the TELRIC rates set forth in the ICA, consistent with Verizon PA ICA, Att. IV, §§ 1.1, 1.2.2, 2.4.1 and 2.4.2.

2. The parties should bill one another the appropriate reciprocal compensation, intrastate access or interstate access rate (based on CPN) for all traffic usage that passes over the LITGs, consistent with Verizon PA ICA, Att. IV, § 7.3.

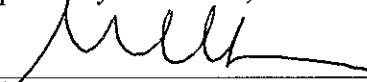
3. Verizon should adhere to its duty to mirror rates consistent with *ISP Remand Order*, ¶ 89.

4. Should the Commission determine that Core may not bill Verizon for traffic that originated with a third-party carrier, as identified by an originating telephone number that does not belong to Verizon, the same rule should apply to Verizon, so that Verizon may not bill Core for third-party traffic, as identified by an originating telephone number that does not belong to Core.

²⁵ Core's attempts to reach an understanding with Verizon about compensation for voice traffic and operation of the 3:1 ratio are catalogued in Core Statement 1.0 (Direct Testimony of Bret L. Mingo), at 19-21.

WHEREFORE, for all of the foregoing reasons, Core respectfully requests that the Commission rule in Core's favor on Counts I-III of its Amended Complaint, and dismiss Verizon's Counterclaims in their entirety.

Respectfully submitted,



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Counsel for Core Communications, Inc.

**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 :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the enclosed Reply Exceptions to Supplemental Initial Decision upon the parties listed below, in accordance with the requirements of § 1.54 (relating to service by a party)

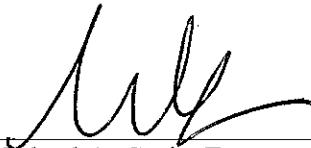
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February 8, 2016



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