

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17105-3265**

Core Communications, Inc.

**PUBLIC MEETING: October 4, 2018
2406550-OSA**

v.

Verizon Pennsylvania LLC

Docket No. C-2014-2406550

STATEMENT OF VICE CHAIRMAN ANDREW G. PLACE

Before us for disposition are the Exceptions of Core Communications, Inc. (Core), to the Initial Decision (I.D.) of Administrative Law Judge (ALJ) Susan D. Colwell, as well as the Reply Exceptions submitted by Verizon Pennsylvania LLC (Verizon PA or Verizon). This is a rather controversial proceeding involving complex legal and technical issues of intercarrier compensation and wholesale interconnection between Core, a competitive local exchange carrier (CLEC), and Verizon PA, an incumbent local exchange carrier (ILEC).

My statement is limited to the issue of compensation that is due to Core for the use of tandem trunk ports that are dedicated for Verizon PA's use.¹ The compensation relating to the trunk ports constitutes the bulk of the amount in dispute in this proceeding. However, although I believe that Core is entitled to compensation for the use of its tandem trunk ports by Verizon, the total amount is governed by the Commission's ruling that established and modified applicable unbundled network element (UNE) rates for such ports, appropriate billing parameters, and applicable interest.

I am not persuaded by Verizon PA's arguments that Core's charges for the use of its tandem trunk ports is subsumed within the overall traffic-sensitive per minute of use (MOU) intercarrier compensation rate that Verizon PA pays Core for the termination of Verizon's traffic at Core's network facilities. As Core's testimony indicated, the tandem trunk ports at issue are not traffic sensitive.² Thus, the corresponding and appropriate compensation for these ports involves the recovery of non-traffic sensitive costs.³

The evidentiary record indicates that Verizon did not provide sufficient and convincing explanations that such non-traffic sensitive tandem trunk port costs and rates are included and subsumed in the traffic-sensitive intercarrier compensation that Verizon pays Core. Nor was Verizon able to convincingly demonstrate that the appropriate port charges at issue were included and somehow subsumed in Verizon's calculation addressing "the Commission's 2004 TELRIC [total element long-run incremental cost] [Tandem] Reciprocal Compensation rate of \$0.002439/MOU."⁴ I believe that Core was able to show that Verizon's approach was flawed and its demonstrative "rate table and diagram" were "not consistent with [Verizon PA's] 2001 [TELRIC] Cost Study."⁵ Similarly, Verizon's testimony did not explain whether "end office trunk port costs were included in the

¹ Core M.B. at 9; Core St. 1.0 at 12.

² Tr. 20-21.

³ A non-traffic sensitive Dedicated Trunk Port – Tandem monthly recurring rate of \$71.48 was included in the Commission's 2004 *Compliance Order* that dealt with Verizon PA's UNE rates. *Generic Investigation Re Verizon Pennsylvania Inc.'s Unbundled Network Element Rates*, Docket No. R-00016683, Compliance Order entered July 16, 2004, Recurring Rate Summary – Final Rates, p. 4 of 7.

⁴ Core M.B. at 12 (non-proprietary information). See also Core Cross Exh. 2 (non-proprietary); and Tr. 110-113.

⁵ Core M.B. at 12 (non-proprietary information). See also Core M.B. at 12 (proprietary part); Core Proprietary Cross Exh. 4; Tr. 116-117 (with references to Core Proprietary Cross Exh. 4).

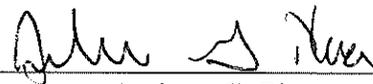
Commission's 2004 End Office Reciprocal Compensation Rate."⁶ Furthermore, I am not persuaded by Verizon PA's arguments that Core cannot impose charges for the use of the tandem trunk ports because Verizon itself does not impose the same charges on Core for the handling of local traffic. Verizon acknowledges that it imposes such charges for the termination of interexchange traffic.⁷

In my opinion the argument that Core cannot charge a tandem trunk port rate for the termination of Verizon traffic because such a rate "does not appear in a Core tariff and is not Core's otherwise generally available rate"⁸ is equally unconvincing. First, acceptance of this argument can mean that Core provides and will have to provide network functionalities and elements, such as the tandem trunk ports that are dedicated for the termination of Verizon PA traffic, without recovering its corresponding non-traffic sensitive costs. Second, as Core explains, the applicable interconnection agreement permits Core to "simply bill Verizon at any generally available rate, not to exceed Verizon's."⁹ The applicable Verizon PA UNE rate for tandem trunk ports is such a generally available rate.

I do not agree with Core's use of the \$214.57 per month rate level that it applied for the billing of the tandem port charges to Verizon. Verizon PA is correct in its argument that the applicable rate is \$71.48 because it was effectively modified by the Commission in 2004 at the conclusion of its generic proceeding involving Verizon PA's UNE rates.¹⁰ There is no question that this UNE rate modification applies to the applicable interconnection agreement between Core and Verizon PA. Furthermore, the correct application of the \$71.48 monthly rate would require actual and appropriate billing parameters, and a corresponding and substantial downward adjustment of Core's monetary claim in this proceeding.

Because I believe that Core was entitled to appropriate compensation for the use of its tandem trunk ports, I respectfully dissent on this matter.

Dated: October 4, 2018



Andrew G. Place
Vice Chairman

⁶ Core M.B. at 13 (non-proprietary information); and Tr. 123 (proprietary record).

⁷ Verizon PA M.B. at 19-20 and n. 23.

⁸ Verizon PA M.B. at 19.

⁹ Core MB at 19 (non-proprietary information); Core R.B. at 6.

¹⁰ Verizon PA M.B. at 21-22. *See also* n. 3 *supra*.