

1 **ISSUE III-3**

2 *Does MCIW have the right to require interconnection via a Fiber Meet*
3 *Point arrangement, jointly engineered and operated as a SONET*
4 *Transmission System (SONET ring)? (Attachment IV, Section 1.1.2, 1.1.5-*
5 *1.1.5.2.8)*

6
7 **Q. Please summarize WorldCom's position on this issue.**

8 A. WorldCom has proposed the following section 1.1.2 of Attachment IV: "Verizon
9 shall provide Interconnection at any Technically Feasible point, by any Technically
10 Feasible means, including, but not limited to, a Fiber Meet, at one or more locations in
11 each LATA in which MCI originates local, intraLATA toll or Meet Point Switched
12 Access traffic and interconnects with Verizon." WorldCom has also proposed the
13 detailed specifications of a Fiber Meet interconnection at Sections 1.1.5-1.1.5.2.8.

14
15 **Q. Please describe the dispute that gives rise to this issue.**

16 A. Verizon has rejected this language, insisting that interconnection via a meet point
17 arrangement requires mutual agreement. Verizon's position allows it to exercise a veto
18 over this form of interconnection. As discussed below, Verizon does not have the right to
19 veto this technically feasible form of interconnection.

20
21 **Q. Please describe the interconnection architecture proposed by WorldCom.**

22 A. The interconnection architecture that WorldCom is proposing consists of a mid-
23 span fiber meet in which each company provides half of the fiber interconnection loop

1 and the electronics at its own end. This method of interconnection is depicted in the
2 previous diagram. This proposal is consistent with the FCCs Order discussing
3 interconnection methods.

4

5 **Q. What did the FCCs Order provide with regards to interconnection methods?**

6 A. Specifically, in its Order, the FCC discussed three methods of interconnection:
7 physical collocation, virtual collocation, and meet point interconnection (*Local*
8 *Competition Order* at Paragraph 553). Meet point arrangements are well known and are
9 commonly used by neighboring ILECs for the mutual exchange of traffic. This “meet
10 point arrangement” is what WorldCom refers to as a mid-span fiber meet arrangement in
11 this testimony.

12

13 **Q. What is a “meet point arrangement”?**

14 A. Under a typical "meet point arrangement," WorldCom and the ILEC would each
15 "build out" to a meet point. Under this type of arrangement the official "POI" - as we
16 have been using that term - is the point where the ILEC build out connects to the rest of
17 the ILEC network. The "limited build out" to the meet point is the financial
18 responsibility of each party and is part of what the FCC calls the "reasonable
19 accommodation of interconnection" (*Local Competition Order* at Paragraph 553).

1 **Q. Generally speaking, what would the obligations of the parties be under the**
2 **“meet point arrangement” proposed by WorldCom?**

3 A. Under this arrangement, WorldCom and Verizon would jointly provision the fiber
4 optic facilities that connect the two networks and equally share in the capital investment
5 of the mid-span (each pays for one half of the fibers, and each purchases its own Fiber
6 Optic Terminal at its own end), which means there is equal capital investment in the
7 diverse mid-span. Neither party would charge the other for the use of the interconnection
8 facility because it is built jointly. When using fiber optic facilities, the facilities do not
9 actually join at a "cross-connect point" but are part of a seamless fiber ring where there is
10 no physically obvious point denoting where ownership or responsibility for the facility
11 changes but instead the facilities are connected or terminated at the FOT. This is
12 essentially the method of interconnection to which WorldCom and Ameritech, Pacific
13 Bell, and SWBT have agreed. Thus, it certainly is technically feasible.

14
15 **Q. What is WorldCom’s position on how such an arrangement should be**
16 **engineered and operated?**

17 A. Where WorldCom and Verizon interconnect their networks pursuant to a mid-
18 span fiber meet, the interconnection should be jointly engineered and operated as a single
19 SONET transmission system. This form of meet point interconnection will benefit the
20 customers of both carriers by providing route diversity and allowing traffic to be rerouted
21 to one ring or the other in the event one of the rings is disabled. The SONET ring
22 architecture is technically feasible and provides value to both carriers and the customers
23 of both carriers. WorldCom has proposed that the minimum data hand-off rate of the

1 SONET transmission system must be OC-48, based on WorldCom and Verizon traffic
2 volume and forecasts. Any smaller size system would run out of capacity soon, and
3 require the parties to repeat all of the implementation steps, including purchasing,
4 installing, engineering, and grooming the system. This would be inefficient for both
5 companies.

6 The mid-span fiber meet proposed by WorldCom reflects the fact that the ILEC
7 and CLEC are co-carriers and that the customers of each party benefit from the
8 interconnection. The mid-span fiber meet reflects a sharing of costs which is appropriate
9 in the new competitive environment created by the Act. Each company bears its share of
10 the costs associated with the interconnection.

11

12 **Q. What is Verizon's position on this issue?**

13 A. Verizon believes that it has the right to refuse to interconnect in this manner.

14

15 **Q. What is WorldCom's response to Verizon's position on this issue?**

16 A. Verizon's position is incorrect for a number of reasons. First, the use of fiber ring
17 architectures are widely recognized as improving on the old hub-and-spoke architectures
18 because of the fiber rings' reliability and redundancy capabilities. Second, such
19 architectures allow the interconnecting carriers to share in the costs, capital as well as
20 operations and maintenance costs, of interconnecting facilities. Third, the shared nature
21 of the facilities permits both carriers to have constant visibility to usage over the facilities
22 so as to be able to augment the fiber or turn up additional trunk groups within the fiber.
23 Fourth, such an architecture permits both carriers to select and designate the most

1 appropriate buildings to house their FOTs rather than wasting scarce collocation space, or
2 other premium space in the Verizon end offices or tandem offices. Fifth, this form of
3 interconnection is technically feasible. Sixth, the FCC's regulations specifically provide
4 for this form of interconnection.

5
6 **Q. What do the FCCs regulations provide regarding interconnection**
7 **arrangements?**

8 A. WorldCom has the right pursuant to the Act, FCC regulations, and the Local
9 Competition Order to require any technically feasible method of interconnection,
10 including a Mid-Span Fiber Meet Point arrangement.

11 As an incumbent local exchange carrier, Verizon has the duty to provide
12 interconnection for the facilities and equipment of any requesting telecommunications
13 carrier at any technically feasible point. Telecommunications Act, Section 251

14 (c)(2)(B). The FCC's regulations on interconnection provide that:

15 Except as provided in paragraph (e) of this section
16 [concerning collocation], an incumbent LEC shall provide,
17 on terms and conditions that are just, reasonable, and
18 nondiscriminatory in accordance with the requirements of
19 this part, **any technically feasible method of obtaining**
20 **interconnection** or access to unbundled network elements
21 at a particular point upon a request by a
22 telecommunications carrier.

23 47 C.F.R. § 51.321(a). (Emphasis added.)

1 **Q. Is interconnection via a “meet point arrangement” or “mid-span fiber meet**
2 **arrangement” technically feasible?**

3 A. Yes it is. Indeed, WorldCom and various incumbent LECs currently interconnect
4 in this manner. The fact that this method of obtaining interconnection has been employed
5 successfully constitutes substantial evidence that such method is technically feasible. 47
6 C.F.R. § 51.321(c).

7
8 **Q. Has the FCC decided whether a “meet point arrangement” is a “technically**
9 **feasible” method of obtaining interconnection?**

10 A. Yes. The FCC has specifically found that one of the technically feasible methods
11 of obtaining interconnection is a meet point interconnection arrangement. 47 C.F.R §
12 51.321(b)(2). The FCC has held that “other methods of technically feasible
13 interconnection or access to incumbent LEC networks, such as meet point arrangements,
14 in addition to virtual and physical collocation, must be made available to new entrants
15 upon request.” Local Competition Order, ¶ 553. The FCC went on to note that “although
16 the creation of meet point arrangements may require some build out of facilities by the
17 incumbent LEC, we believe that such arrangements are within the scope of the
18 obligations imposed by sections 251(c)(2) and 251(c) (3).” *Id.* Not only has the FCC
19 concluded that ILECs such as Verizon must provide interconnection via meet point
20 arrangements, it has also concluded that ILECs are obligated to modify their facilities, if
21 necessary, to accommodate interconnection. Local Competition Order, ¶ 198. The FCC
22 has explained in this regard that:

1 For example, Congress intended to obligate the incumbent
2 to accommodate the new entrant's network architecture by
3 requiring the incumbent to provide interconnection "for the
4 facilities and equipment" of the new entrant. Consistent
5 with that intent, the incumbent must accept the novel use
6 of, and modification to, its network facilities to
7 accommodate the interconnector or to provide access to
8 unbundled elements.

9 *Id.* ¶ 202.

10 In sum, the interconnection method sought by WorldCom is a technically feasible
11 method of interconnection that is commonly used by telecommunications carriers.

12 Because it is technically feasible, WorldCom is entitled to a mid-span fiber meet point
13 interconnection, pursuant to the Act and the FCC's regulations.

14
15 **Q. What have other regulatory agencies said on this same issue?**

16 A. The Massachusetts Department of Telecommunications and Energy ("DTE") has
17 found in an arbitration raising the same issue that:

18 the Department finds that because a mid-span meet arrangement is
19 technically feasible, Verizon must provide
20 this method of interconnection to Media One and Greater Media.
21 Verizon cannot condition this type of interconnection, as it claims,
22 on the mutual agreement of the parties, or on the availability of
23 facilities. See *Id.* At ¶ 199.

1 *Petition of Media One, Inc. and New England Telephone and Telegraph, for arbitration,*
2 *D.T.E 99-42/43, 99-52 (Mass. DTE at 24), August 25, 1999.*

3

4 **Q. Can Verizon condition a “meet point interconnection arrangement” based**
5 **only on its consent?**

6 A. The Interconnection Agreement proposed by Verizon does not provide
7 WorldCom the right to interconnect via a mid-span fiber meet point arrangement, even
8 though FCC regulations specifically provide for this form of interconnection, upon
9 request. Instead, Verizon’s position provides for meet point interconnection only upon
10 “mutual agreement.” Of course, this provision permits Verizon to veto a mid-span meet
11 arrangement by simply not agreeing. As discussed above, Verizon cannot condition this
12 type of interconnection upon “mutual agreement.”

13 In order to facilitate contract formation following issuance of the arbitration order,
14 WorldCom requests that the Commission adopt the contract sections proposed by
15 WorldCom.

16

17 **Intercarrier Compensation Issues**

18 **Issue III-5**

19 *Should the Interconnection Agreement include terms specifying that rates for*
20 *transport and termination of Local Traffic must be symmetrical; specifying the*
21 *transport and termination rates to be applied, including rates for tandem*
22 *switching, transport to an end office, and end office switching; and specifying that*
23 *where WorldCom’s switch serves a geographic area comparable to the area*

1 *served by Verizon's tandem switch, WorldCom shall charge for tandem*
2 *switching? (Attachment I, Sections 4.2.1.3 - 4.2.1.4.2.1)*
3

4 **Q. What contract terms has WorldCom proposed on this issue?**

5 A. The terms proposed by WorldCom accurately reflect the rights and
6 responsibilities of the parties with respect to reciprocal compensation as set forth in the
7 Act and FCC regulations. Rates for reciprocal compensation must be symmetrical. 47
8 C.F.R. § 51.711(a). Moreover, where the switch of a carrier other than an incumbent
9 LEC serves a geographic area comparable to the area served by the incumbent LEC's
10 tandem switch, the rate to be charged by the CLEC is the incumbent LEC's tandem rate.
11 47 C.F.R. § 51.711(a)(3).
12

13 **Q. What is WorldCom's position on this issue?**

14 A. Verizon is required to pay reciprocal compensation at the tandem interconnection
15 rate to WorldCom because WorldCom's switches providing service in Virginia serve a
16 geographic area comparable to that served by Verizon tandem switches.
17

18 **Q. What does the Act require of the parties to a reciprocal compensation**
19 **arrangement as it relates to the terms of compensation for the transportation**
20 **and termination of telecommunications?**

21 A. Section 251(b)(5) of the Act imposes on each local exchange carrier "[t]he duty to
22 establish reciprocal compensation arrangements for the transport and termination of
23 telecommunications." Section 252(d)(2)(A) of the Act further provides as follows:

1 For the purposes of compliance by an incumbent local exchange carrier with
2 section 251(b)(5), a State commission shall not consider the terms and conditions
3 for reciprocal compensation to be just and reasonable unless –

4 (i) such terms and conditions provide for the mutual and reciprocal recovery
5 by each carrier of costs associated with the transport and termination on
6 each carrier's network facilities of calls that originate on the network
7 facilities of the other carrier; and

8 (ii) such terms and conditions determine such costs on the basis of a
9 reasonable approximation of the additional costs of terminating such calls.

10
11 **Q. Has the FCC determined what the proper level of compensation is for**
12 **transport and termination ?**

13 A. The FCC has addressed the level of compensation to be applied several times.
14 After establishing how reciprocal compensation rates would be determined for ILECs, the
15 FCC turned to the question of what rates should apply to CLECs. The FCC concluded in
16 Paragraph 1085 of the Local Competition Order that the ILECs' reciprocal compensation
17 rates should be adopted as the "presumptive proxy" for the CLEC's rates -- in other
18 words, the rates were required to be the same. The only exception to this rule arises
19 when a CLEC establishes that its transport and termination costs are higher than those of
20 the ILEC. Local Competition Order, ¶ 1089; FCC Rule 51.711(b).

21 The FCC stated the following in paragraph 1090 of the Local Competition Order:

22 We find that the "additional costs" incurred by a LEC when transporting and
23 terminating a call that originated on a competing carrier's network are likely to

1 vary depending on whether tandem switching is involved. We, therefore,
2 conclude that states may establish transport and termination rates in the arbitration
3 process that vary according to whether the traffic is routed through a tandem
4 switch or directly to the end-office switch. In such event, states shall also
5 consider whether new technologies (e.g., fiber ring or wireless networks) perform
6 functions similar to those performed by an incumbent LEC's tandem switch and
7 thus, whether some or all calls terminating on the new entrant's network should
8 be priced the same as the sum of transport and termination via the incumbent
9 LEC's tandem switch. *Where the interconnecting carrier's switch serves a*
10 *geographic area comparable to that served by the incumbent LEC's tandem*
11 *switch, the appropriate proxy for the interconnecting carrier's additional costs is*
12 *the LEC tandem interconnection rate.* (Emphasis added)

13 The FCC reached three conclusions. First, it is appropriate to establish an
14 additional rate for ILECs when they use a tandem switch in the transport and termination
15 of CLECs' local traffic. Second, states may consider whether some or all calls
16 terminated by a CLEC may be priced at that higher rate if the CLEC uses alternative
17 technologies or architectures to perform functions similar to those performed by the
18 ILEC's tandem switch. Third, the higher rate *must* be applied when the CLEC's switch
19 serves a geographic area comparable to that served by the ILEC's tandem switch. FCC
20 Rule 51.711(a) codified these principles as follows:

21 Rates for transport and termination of local telecommunications traffic shall be
22 symmetrical, except as provided in paragraphs (b) and (c) of this section. [These
23 exceptions do not apply here.]

1 (1) For purposes of this subpart, symmetrical rates are rates that a carrier
2 other than an incumbent LEC assesses upon an incumbent LEC for
3 transport and termination of local telecommunications traffic equal to
4 those that the incumbent LEC assesses upon the other carrier for the
5 same services.

6 (2) In cases where both parties are incumbent LECs, or neither party is an
7 incumbent LEC, a state commission shall establish the symmetrical
8 rates for transport and termination based on the larger carrier's
9 forward-looking costs.

10 (3) Where the switch of a carrier other than an incumbent LEC serves a
11 geographic area comparable to the area served by the incumbent
12 LEC's tandem switch, the appropriate rate for the carrier other than an
13 incumbent LEC is the incumbent LEC's tandem interconnection rate.

14 (Emphasis added)

15 The FCC could not have been clearer. The geographic comparability rule was
16 adopted without exception or qualification.

17 Finally, the FCC has addressed this issue again just recently. In Paragraph 105 of
18 the Intercarrier Compensation NPRM released on April 24, 2001, the FCC put to rest
19 claims by the ILECs that Rule 51.711 applies a two-prong test for entitlement to
20 compensation at the tandem interconnection rate:

21 In addition, section 51.711(a)(3) of the Commission's rules requires only that the
22 comparable geographic area test be met before carriers are entitled to the tandem
23 interconnection rate for local call termination. *Although there has been some*

1 *confusion stemming from additional language in the text of the Local Competition*
2 *Order regarding functional equivalency [¶1090], section 51.711(3) is clear in*
3 *requiring only a geographic area test. Therefore we confirm that a carrier*
4 *demonstrating that its switch serves "a geographic area comparable to that served*
5 *by the incumbent LEC's tandem switch" is entitled to the tandem interconnection*
6 *rate to terminate local telecommunications traffic on its network.. Intercarrier*
7 *Compensation NPRM, ¶ 105 (emphasis added).*

8
9 **Q. How does WorldCom's local network architecture compare to Verizon's?**

10 A. WorldCom's local network has a substantially different architecture than that of
11 Verizon, but provides, for interconnection purposes, the same capabilities and overall
12 functionality. ILEC networks, developed over many decades, employ an architecture
13 characterized by a large number of switches within a hierarchical system, with relatively
14 short copper based subscriber loops. By contrast, WorldCom's local network employs
15 state-of-the-art equipment and design principles based on the technology available today,
16 particularly optical fiber rings utilizing SONET transmission. In general, using this
17 transmission based architecture, it is possible for WorldCom to access a much larger
18 geographic area from a single switch than does the ILEC switch in the traditional copper
19 based architecture.

20 WorldCom's switches serve 11 Virginia rate centers which are also served by the
21 ILEC with its tandem and subtending end office architecture. Specifically, in providing
22 service to the Virginia rate centers in LATA 236, Verizon uses approximately 12 local /
23 access tandems and 62 end office switches to serve these same rate centers. WorldCom

1 uses just 2 switches in serving these 11 rate centers. WorldCom is able to serve such
2 large geographic areas via its extensive transport network and bears the costs of that
3 owned network. Thus, each one of WorldCom's switches in the Washington area, in
4 serving these Virginia rate centers, serves an area that is at the very least comparable to if
5 not greater than the service area of any of the 12 tandem switches used by Verizon in
6 serving this same area.

7

8

Issue IV-1

9 *How should third party transit traffic be routed and billed by the parties? (Attachment I,*
10 *sections 4.8.1-4.8.1.1; Attachment IV, section 1.2.1, 10.1).*

11

12 **Q. Please summarize WorldCom's position on this issue.**

13 A. WorldCom believes that transit traffic should be routed and billed in the most
14 efficient way possible for all LECs whether the jurisdiction of the call is local or
15 intraLATA toll.

16

17 **Q. Please describe the routing of transit traffic.**

18 A. WorldCom believes that, from a routing perspective, this traffic should be
19 exchanged over the same logical trunk group as all other local and intraLATA toll traffic.
20 This reduces the number of trunk groups needed for both companies, and keeps
21 translations simple for both companies. Typically, the volume of transit traffic does not
22 warrant its own trunk group to each tandem. Verizon and WorldCom are in agreement
23 that transit traffic can ride the Local Interconnection Trunk, although there is

1 disagreement over the extent to which Verizon will provide transit service. See Issue III-
2 1.

3

4 **Q. Please describe the dispute that gives rise to this issue as it relates to billing.**

5 A. WorldCom believes that, from a billing perspective, it is efficient to minimize the
6 number of bills and record exchange for transit traffic. It is best to illustrate via two call
7 flow examples.

8 First, if a call is originated from WorldCom, transited by Verizon, and terminated
9 to an independent LEC, WorldCom proposes that Verizon bill WorldCom for a transiting
10 charge, and the call termination charges as well. Verizon would then settle up with the
11 independent LEC, as they have done for years. The independent LEC would not have to
12 go through the network expense of separate trunk groups and billing expense for billing
13 this small volume of traffic from WorldCom, but obtains payment from Verizon, since
14 Verizon had billed WorldCom. All carriers along the route are compensated for their
15 piece of carrying the call. Second, in the reciprocal fashion, if a call is originated from an
16 independent LEC, transited through Verizon, and terminated to WorldCom, WorldCom
17 proposes that Verizon bill the independent for a transiting charge (if applicable), and that
18 WorldCom bill Verizon for terminating that call on the WorldCom network. Again,
19 Verizon would obtain payment from the independent LEC. This practice is consistent
20 with the Ordering and Billing Forum (OBF) Meet Point Billing Guidelines (single
21 bill/single tariff option). Again, this reduces the number of trunks groups, record
22 exchange, and number of bills (to render and to audit) for all carriers.

1 Verizon has opposed this billing arrangement. WorldCom requests that the
2 arrangement described herein be adopted by the Commission.

3
4 **Q. What language has WorldCom proposed to address the routing of third
5 party transit traffic ?**

6 A. WorldCom has proposed the following section of Attachment IV dealing with
7 routing of transit traffic:

8 1.2.1 The Parties will establish trunk groups to exchange local, intraLATA toll,
9 and transit traffic (referred to in this Attachment IV as “Local
10 Interconnection trunk Groups”).

11
12 **Q. What language has WorldCom proposed to address billing for third party
13 transit traffic ?**

14 A. WorldCom has proposed the following sections of Attachment I dealing with
15 billing for transit traffic:

16 4.8.1 For calls that transit Verizon’s network, whether they originate from MCI
17 and terminate to a third party LEC, CLEC or CMRS provider, or originate
18 from that third party and terminate to MCI, and transit Verizon’s
19 network, MCI may require Verizon to make arrangements directly with
20 that third party for any compensation owed in connection with such calls
21 on MCI’s behalf.

22 4.8.1.1 When MCI requires Verizon to make arrangements directly with
23 a third party LEC, CLEC or CMRS provider on MCI’s behalf,

1 Verizon shall compensate MCIIm for such calls terminating to
2 MCIIm using MCIIm's rates as described herein, and charge MCIIm
3 for such calls terminating to that third party as if such calls had
4 terminated in Verizon's network, using Verizon's rates as
5 described herein.

6
7 **Issue IV-2**

8 *Is Verizon obligated to provide and use two-way trunks that carry each*
9 *party's traffic? (Attachment IV, Sections 1.2.7.2, 1.3.6, 1.8-1.8.8)*

10
11 **Q. Please summarize WorldCom's position on this issue.**

12 A. WorldCom believes that Verizon is obligated to provide two-way trunking upon
13 request.

14
15 **Q. What contract language has WorldCom proposed on this issue?**

16 A. WorldCom has proposed the following section 1.2.7.2 of Attachment IV: "Unless
17 otherwise indicated in this Agreement, trunks will be provisioned as one-way or two-way
18 trunks as specified by MCIIm." WorldCom has also proposed detailed language
19 regarding the capabilities, ordering, forecasting, augmentation, and charges for the use of,
20 two-way trunks. Attachment IV, Sections 1.8-1.8.8.

1 **Q. Please describe the dispute that gives rise to this issue.**

2 A. Trunks can be one-way or two-way. Generally, two-way trunking is more
3 efficient than one-way trunking for traffic that flows in both directions (for example,
4 local, intraLATA interexchange (toll), and transit traffic), since, with two-way trunking,
5 fewer trunks are needed to establish the interconnection than are needed when ILECs
6 insist only on one-way trunking. Two-way trunking is also efficient in that it minimizes
7 the number of trunk ports needed for interconnection. The FCC has recognized the
8 benefits of two-way trunking by ordering ILECs to make it available upon a CLEC's
9 request (*Local Competition Order* at Paragraph 219).

10 Verizon believes that it has the right to deny a request for two-way trunks.
11 Verizon believes that the use of two-way trunks requires its agreement. Verizon has
12 suggested that even if trunks capable of operating in two directions are deployed, the
13 trunks will be operated in one direction only, unless Verizon agrees to their use as two-
14 way trunks. Verizon's position that it can use one-way trunks should be rejected because
15 FCC regulations require ILECs to provide and use two-way trunks if requested by a new
16 entrant. 47 CFR 51.305(f) provides that "If technically feasible, an incumbent LEC shall
17 provide two-way trunking upon request." If Verizon uses one-way trunks for its own
18 originating traffic it will effectively deny WorldCom the two-way trunks required by the
19 regulations. Also, if Verizon uses one-way trunks WorldCom is denied the efficiencies
20 inherent in two-way trunking, which the FCC regulations are intended to preserve for the
21 CLEC.

1 In order to facilitate contract formation following issuance of the arbitration order,
2 WorldCom requests that the Commission adopt the contract sections proposed by
3 WorldCom.

4 **Q. Does this conclude your testimony?**

5 **A. Yes, it does.**

1 **Exhibit A**

2 Excerpt from Verizon Contract Template Addressing Interconnection Points

3
4 **7. Reciprocal Compensation Arrangements – Pursuant to Section 251(b)(5)**

5 7.1 Local Traffic Reciprocal Compensation Interconnection Points.

6
7 7.1.1 Except as otherwise agreed by the Parties, the Interconnection
8 Points (“IPs”) from which **CLEC will provide transport and
9 termination of Local Traffic to its Customers (“**CLEC-IPs”)
10 shall be as follows:

11
12 7.1.1.1 For each LATA in which **CLEC requests to
13 interconnect with Verizon, except as otherwise agreed by the
14 Parties, **CLEC shall establish a **CLEC IP in each Verizon Rate
15 Center Area (or Exchange Area) where **CLEC chooses to assign
16 telephone numbers to its Customers. **CLEC shall establish such
17 **CLEC-IP consistent with the methods of interconnection and
18 interconnection trunking architectures that it will use pursuant to
19 Section 2 of this Attachment.

20 7.1.1.2 At any time that **CLEC establishes a Collocation site at
21 a Verizon End Office Wire Center in a LATA in which **CLEC is

1 interconnected or requesting interconnection with Verizon, either
2 Party may request in writing that such **CLEC Collocation site be
3 established as the **CLEC-IP for traffic originated by Verizon
4 Customers served by that End Office. Upon such request, the
5 Parties shall negotiate in good faith mutually acceptable
6 arrangements for the transition to such **CLEC-IP. If the Parties
7 have not reached agreement on such arrangements within thirty
8 (30) days, (a) either Party may pursue available dispute resolution
9 mechanisms; and, (b) **CLEC shall bill and Verizon shall pay the
10 lesser of the negotiated intercarrier compensation rate or the End
11 Office reciprocal compensation rate for the relevant traffic less
12 Verizon's transport rate, tandem switching rate (to the extent traffic
13 is tandem switched), and other costs (to the extent that Verizon
14 purchases such transport from **CLEC or a third party), from the
15 originating Verizon End Office to the receiving **CLEC-IP.

16 7.1.1.3 In any LATA where the Parties are already
17 interconnected prior to the effective date of this Agreement,
18 **CLEC may maintain existing IPs, except that Verizon may
19 request in writing to transition such **CLEC-IPs to the **CLEC-
20 IPs described in subsections 7.1.1.1 and 7.1.1.2, above. Upon such
21 request, the Parties shall negotiate a mutually satisfactory
22 arrangements for the transition to IPs that conform to subsections
23 7.1.1.1 and 7.1.1.2, above. If the Parties have not reached

1 agreement on such arrangements within thirty (30) days, (a) either
2 Party may pursue available dispute resolution mechanisms; and,
3 (b) **CLEC shall bill and Verizon shall pay only the lesser of the
4 negotiated intercarrier compensation rate or the End Office
5 reciprocal compensation rate for relevant traffic, less Verizon's
6 transport rate, tandem switching rate (to the extent traffic is tandem
7 switched), and other costs (to the extent that Verizon purchases
8 such transport from **CLEC or a third party), from Verizon's
9 originating End Office to the **CLEC IP.

10 7.1.2

11 Except as otherwise agreed by the Parties, the Interconnection
12 Points (“IPs”) from which Verizon will provide transport and termination of
13 Local Traffic to its Customers (“Verizon-IPs”) shall be as follows:

14 7.1.2.1 For Local Traffic delivered by **CLEC to the Verizon
15 Tandem subtended by the terminating End Office serving the
16 Verizon Customer, the Verizon-IP will be the Verizon Tandem
17 Wire Center.

18 7.1.2.2 For Local Traffic delivered by **CLEC to the Verizon
19 terminating End Office Wire Center serving the Verizon Customer,
20 the Verizon-IP will be Verizon End Office Wire Center.

1 7.1.3

Should either Party offer additional IPs to any
2 Telecommunications Carrier that is not a Party to this Agreement, the other Party
3 may elect to deliver traffic to such IPs for the NXXs or functionalities served by
4 those IPs. To the extent that any such **CLEC-IP is not located at a Collocation
5 site at a Verizon Tandem Wire Center or Verizon End Office Wire Center, then
6 **CLEC shall permit Verizon to establish physical Interconnection through
7 collocation or other operationally comparable arrangements acceptable to Verizon
8 at the **CLEC-IP, to the extent such physical Interconnection is technically
9 feasible.

10 7.1.4

Each Party is responsible for delivering its Local Traffic that is to
11 be terminated by the other Party to the other Party's relevant IP.

12
13 7.2

The Parties shall compensate each other for the transport and
14 termination of Local Traffic delivered to the terminating Party in accordance with Section
15 251(b)(5) of the Act at the rates stated in the Pricing Attachment. These rates are to be
16 applied at the **CLEC-IP for traffic delivered by Verizon for termination by **CLEC,
17 and at the Verizon-IP for traffic delivered by **CLEC for termination by Verizon.
18 Except as expressly specified in this Agreement, no additional charges shall apply for the
19 termination from the IP to the Customer of Local Traffic delivered to the Verizon-IP by
20 **CLEC or the **CLEC-IP by Verizon. When such Local Traffic is delivered over the
21 same trunks as Toll Traffic, any port or transport or other applicable access charges
22 related to the delivery of Toll Traffic from the IP to an end user shall be prorated to be
23 applied only to the Toll Traffic. The designation of traffic as Local Traffic for purposes

1 of Reciprocal Compensation shall be based on the actual originating and terminating
2 points of the complete end-to-end communication.

3

4

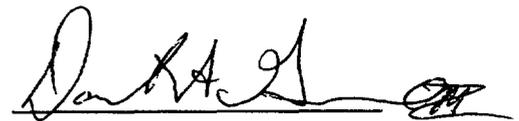
**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION**

In the Matter of)
Petition of WorldCom, Inc. Pursuant)
to Section 252(e)(5) of the)
Communications Act for Expedited)
Preemption of the Jurisdiction of the) CC Docket No. 00-218
Virginia State Corporation Commission)
Regarding Interconnection Disputes)
with Verizon-Virginia, Inc., and for)
Expedited Arbitration)

AFFIDAVIT OF DONATO GRIECO AND GARY BALL

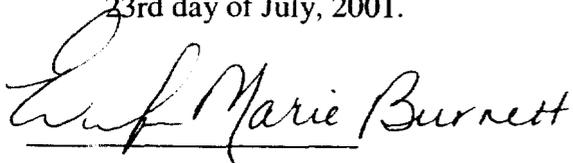
The undersigned, being of lawful age and duly sworn on oath, certifies the following:

I, Donato Grieco, declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.



Donato Grieco

Subscribed and Sworn to before me this
23rd day of July, 2001.



Notary Public

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION**

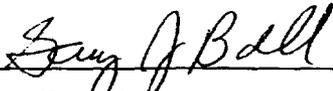
In the Matter of)
Petition of WorldCom, Inc. Pursuant)
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Regarding Interconnection Disputes)
with Verizon-Virginia, Inc., and for)
Expedited Arbitration)

CC Docket No. 00-218

AFFIDAVIT OF DONATO GRIECO AND GARY BALL

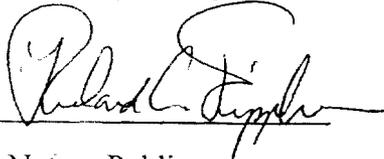
The undersigned, being of lawful age and duly sworn on oath, certifies the following:

I, Gary Ball, declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.



Gary Ball

Subscribed and Sworn to before me this
25th day of July, 2001.



Notary Public

Richard C. Fippen
Notary Public, State of New York
No. 4960295
Qualified in Westchester County
Commission Expires 12/18/01