Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		bill each other the average mileage of all end offices subtending the applicable Verizon tandem office. **4.2.1.4.1.2 Where MCIm's Switch serves a geographic area comparable to the area served by Verizon's tandem Switch, MCIm shall also charge Verizon for tandem switching in accordance with this Section.** **4.2.1.4.2 Termination – compensation for the switching of Local Traffic at the terminating Party's end office Switch, or equivalent facility provided by MCIm.** **4.2.1.4.2.1 The rate for local switching is set forth in Table 1 of this Attachment I.**	**adopted as the "presumptive proxy" for the CLEC's rates -- in other words, the rates were required to be the same.** **The FCC stated the following in paragraph 1090 of the Local Competition Order:** **"We find that the "additional costs" incurred by a LEC when transporting and terminating a call that originated on a competing carrier's network are likely to vary depending on whether tandem switching is involved. We, therefore, conclude that states may establish transport and termination rates in the arbitration process that vary according to whether the traffic is routed through a tandem switch or directly to the end-office switch. In such event, states shall also consider whether new technologies (e.g., fiber ring or wireless networks) perform functions similar to those performed by an incumbent LEC's tandem switch and thus, whether some or all calls terminating on the new entrant's network should be priced the same as the sum of transport and termination via the incumbent LEC's tandem switch. *Where the interconnecting carrier's switch serves a geographic area comparable to that served by the incumbent LEC's tandem switch, the appropriate proxy for the interconnecting carrier's additional costs is the LEC tandem interconnection rate."* (Emphasis added)** **The FCC reached three conclusions. First, it is appropriate to establish an additional rate for ILECs when they use a tandem switch in the transport and termination of CLECs' local traffic. Second, states may consider whether some or all calls terminated by a CLEC may be priced at that higher rate if the CLEC uses alternative technologies or architectures**	*specifically addressed in this Section 5.7 shall be as provided elsewhere in this Agreement, or, if not so provided, as required by the Tariffs of the Party transporting and/or terminating the traffic.* *5.7.2 Nothing in this Agreement shall be construed to limit either Party's ability to designate the areas within which that Party's Customers may make calls which that Party rates as "local" in its Customer Tariffs.* *5.7.3 The Parties shall compensate each other for the transport and termination of Local Traffic in a symmetrical manner at the rates provided in the Detailed Schedule of Itemized Charges (Exhibit A hereto), as may be amended from time to time in accordance with Exhibit A and Section 20 or, if not set forth therein, in the applicable Tariff(s) of the terminating Party, as the case may be. These rates are to be applied at the AT&T-IP for traffic delivered by Verizon, and at the Verizon-IP for traffic delivered by AT&T. Except as expressly specified in this Agreement, no additional charges, including port or transport charges, shall apply*	August 17, 2001, at pp. 25-28.

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			to perform functions similar to those performed by the ILEC's tandem switch. Third, the higher rate *must* be applied when the CLEC's switch serves a geographic area comparable to that served by the ILEC's tandem switch. FCC Rule 51.711(a) codified these principles as follows: **Rates for transport and termination of local telecommunications traffic shall be symmetrical, except as provided in paragraphs (b) and (c) of this section. [These exceptions do not apply here.]** **For purposes of this subpart, symmetrical rates are rates that a carrier other than an incumbent LEC assesses upon an incumbent LEC for transport and termination of local telecommunications traffic equal to those that the incumbent LEC assesses upon the other carrier for the same services.** **In cases where both parties are incumbent LECs, or neither party is an incumbent LEC, a state commission shall establish the symmetrical rates for transport and termination based on the larger carrier's forward-looking costs.** **Where the switch of a carrier other than an incumbent LEC serves a geographic area comparable to the area served by the incumbent LEC's tandem switch, the appropriate rate for the carrier other than an incumbent LEC is the incumbent LEC's tandem interconnection rate.** **The FCC could not have been clearer. The geographic comparability rule was adopted without exception or qualification.** **Finally, the FCC has addressed this issue again just**	*for the termination of Local Traffic delivered to the Verizon-IP or the AT&T-IP by the other Party. When Local Traffic is terminated over the same trunks as Toll Traffic, any port or transport or other applicable access charges related to the delivery of Toll Traffic from the IP to an end user shall be prorated to be applied only to the Toll Traffic. The designation of traffic as Local or Non-Local Traffic for purposes of Reciprocal Compensation shall be based on the actual originating and terminating points of the complete end-to-end communication.* *5.7.4 No Reciprocal Compensation shall apply to Internet Traffic. If the amount of traffic (excluding Toll Traffic) that Verizon delivers to AT&T exceeds twice the amount of traffic that AT&T delivers to Verizon as Local Traffic ("2:1 ratio"), then the amount of traffic that Verizon delivers to AT&T in excess of such 2:1 ratio shall be presumed to be Internet Traffic and shall not be subject to Reciprocal Compensation.* *5.7.5 Transport and termination of the following types of traffic shall not be*	

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			recently. In Paragraph 105 of the Intercarrier Compensation NPRM released on April 24, 2001, the FCC put to rest claims by the ILECs that Rule 51.711 applies a two-prong test for entitlement to compensation at the tandem interconnection rate: **"In addition, section 51.711(a)(3) of the Commission's rules requires only that the comparable geographic area test be met before carriers are entitled to the tandem interconnection rate for local call termination. *Although there has been some confusion stemming from additional language in the text of the Local Competition Order regarding functional equivalency* [¶1090], section 51.711(3) is clear in requiring only a geographic area test. Therefore we confirm that a carrier demonstrating that its switch serves "a geographic area comparable to that served by the incumbent LEC's tandem switch" is entitled to the tandem interconnection rate to terminate local telecommunications traffic on its network." Intercarrier Compensation NPRM, ¶ 105 (emphasis added).** **WorldCom's local network has a substantially different architecture than that of Verizon, but provides, for interconnection purposes, the same capabilities and overall functionality. ILEC networks, developed over many decades, employ an architecture characterized by a large number of switches within a hierarchical system, with relatively short copper based subscriber loops. By contrast, WorldCom's local network employs state-of-the-art equipment and design principles based on the technology available today, particularly optical fiber rings utilizing SONET transmission. In general, using this transmission based architecture, it is**	*subject to the Reciprocal Compensation arrangements set forth in this Section 5.7, but instead shall be treated as described or referenced below:* *5.7.5.1 No Reciprocal Compensation shall apply to special access, private line, or any other traffic that is not switched by the terminating Party.* *5.7.5.2 IntraLATA intrastate alternate-billed calls (e.g., collect, calling card, and third-party billed calls originated or authorized by the Parties' respective Customers in Virginia) shall be treated in accordance with an arrangement mutually agreed to by the Parties.* *5.7.5.3 Switched Exchange Access Service and InterLATA or IntraLATA Toll Traffic shall continue to be governed by the terms and conditions of the applicable federal and state Tariffs and, where applicable, by a Meet-Point Billing arrangement in accordance with Section 6.3.* *5.7.5.3.1 At such time that the Parties reach agreement upon a mutually acceptable settlement process, the originating Party will receive a credit for reciprocal compensation in*	

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			possible for WorldCom to access a much larger geographic area from a single switch than does the ILEC switch in the traditional copper based architecture. (Grieco/Ball Direct, 7/31, at 75). **WorldCom's switches serve 11 Virginia rate centers which are also served by the ILEC with its tandem and subtending end office architecture. Specifically, in providing service to the Virginia rate centers in LATA 236, Verizon uses approximately 12 local / access tandems and 62 end office switches to serve these same rate centers. WorldCom uses just 2 switches in serving these 11 rate centers. WorldCom is able to serve such large geographic areas via its extensive transport network and bears the costs of that owned network. Thus, each one of WorldCom's switches in the Washington area, in serving these Virginia rate centers, serves an area that is at the very least comparable to if not greater than the service area of any of the 12 tandem switches used by Verizon in serving this same area. (Grieco/Ball Direct, 7/31, at 75).** **Verizon continues to ignore the requirements established by the Commission and argues positions that the Commission has already rejected:** ➢ **"If a CLEC's network and services are such that its costs are lower, the CLEC's compensation should be lower."** ➢ **"[I]f interconnection is such that CLEC traffic is not routed through a tandem, then the CLEC should not receive a tandem-switched rate."** ➢ **"CLECs should be required to demonstrate actual <u>functional</u> and geographic comparability for each of their switches, and should not receive tandem switching rates**	*those instances:* *(i) where IntraLATA 8YY Toll Traffic calls are translated by the originating Party prior to delivery by that Party of such traffic to the terminating Party, and* *(ii) where the terminating Party bills the originating Party Reciprocal Compensation in error for such IntraLATA 8YY Toll Traffic; and* *(iii) where the originating Party provides appropriate records to the terminating Party to substantiate each request for credit.* *Subsequent to the Effective Date of this Agreement, the Parties shall negotiate a mutually acceptable settlement process for reciprocal compensation credits in accordance with this Section 5.7.7.3.1.* *5.7.6 Each Party reserves the right to audit all Traffic, up to a maximum of two audits per calendar year, to ensure that proper rates are being applied appropriately, provided, however, that either Party shall have the right to conduct additional audit(s) if the preceding audit disclosed material errors or discrepancies. Each Party agrees to provide the necessary Traffic data in*	

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			unless each switch actually serves a geographically disperse <u>customer base</u>." **These positions are not consistent with FCC rules that govern this issue and are not supportable.** **A CLEC's costs to transport and terminate traffic on its network are not relevant with regard to determining whether the CLEC is to be compensated at an end office rate or tandem rate. As outlined in the July 31 Direct Testimony, the FCC, in its Local Competition Order at paragraph 1085, concluded that the ILEC's reciprocal compensation rates should be adopted as the "presumptive proxy" for the CLEC's rates. The only exception to this is when a CLEC wants to establish that its transport and termination costs are <u>higher</u> than those of the ILEC. (Grieco/Ball Rebuttal, 8/17, at 47).** **The FCC anticipated that a CLEC's costs could be lower than the costs of the ILEC. At paragraph 1086 of the Local Competition Order the FCC states, "CLECs would have the correct incentives to minimize their costs because their termination revenues would not vary directly with changes in their costs."** **Contrary to Verizon's assertion, a CLEC's costs do not have any bearing on the level of reciprocal compensation that is appropriate for a CLEC's transport and termination activities. (Id.)** **A CLEC is not required to deploy a tandem network architecture with subtending end offices in order to qualify for tandem level reciprocal compensation.** **The FCC recognized that CLECs most likely would**	*conjunction with any such audit in a timely manner. Except as otherwise provided herein, audits shall be conducted pursuant to Section 28.10.*	

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			not be deploying the same network architecture as the ILECs. It is this recognition that is embodied in FCC Rule 51.711(a)(3) which states: **Where the switch of a carrier other than an incumbent LEC serves a geographic area comparable to the area served by the incumbent LEC's tandem switch, the appropriate rate for the carrier other than an incumbent LEC is the incumbent LEC's tandem interconnection rate.** **This provision would not be needed if in fact the FCC had intended that a CLEC must deploy a tandem with subtending end offices. Verizon's attempt to impose this requirement is simply an attempt to force a CLEC competitor to mirror the Verizon network architecture. Such a result would not encourage new entrants to deploy the most efficient network. (Grieco/Ball Rebuttal, 8/17, at 48).** **Contrary to Verizon's position a CLEC's switch need not perform tandem switch functions <u>and</u> serve a geographic comparable area in order to be compensated at the tandem level.** **As stated above, FCC Rule 51.711 requires that a CLEC's be compensated at the tandem rate level if its switch serves a geographic area comparable to that served by the ILEC's tandem switch. A functionality test is appropriate only in the event that a CLEC's switch does not serve a geographic area comparable to the ILEC's tandem switch. Verizon's two-prong test (functionality <u>and</u> geographic comparability) is inconsistent with FCC rules and has been explicitly rejected by the Commission in the Intercarrier Compensation NPRM, para. 105. (Grieco/Ball Rebuttal, 8/17, at 48-49).**		

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Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
			Contrary to Verizon's assertions, a CLEC switch need not serve a geographically dispersed customer base in order to qualify for tandem rates. **§ 51.711(a)(3) requires that the CLEC's switch serve "a geographic area comparable to the incumbent LEC's tandem switch." There is no requirement for the CLEC to have a "geographically dispersed customer base." A review of a CLEC's customer base may provide insight into its marketing and sales success, but does not demonstrate the service area of a CLEC's switch. (Grieco/Ball Rebuttal, 8/17, at 49).** **If a CLEC has established network facilities and opened NPA/NXXs which allow end users within rate centers to originate and terminate local exchange service, such rate centers would be considered within the physical or geographic reach of the CLEC's network regardless of the number of customers the CLEC has been able to attract. (Grieco/Ball Rebuttal, 8/17, at 50).** **WorldCom looks to four methods of placement and/or leasing of facilities to expand their geographic service areas:** **1)establishment of a collocation arrangement within an ILEC wire center and the provision of transport facilities between the collocation arrangement and the CLEC switch;** **2)establishment of a local node which establishes a physical point on the fiber transport facilities that allows customer access to local switched services;** **3)extension of the fiber network (also potentially a component of the previous two options); and** **4)the purchase of enhanced extended links (EELs), as part of the CLEC's leased network, which are used to reach geographic areas where the CLEC's**		

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			physical network does not currently reach. **It is important to note that, due to the CLEC's choice of network architecture, placement of a new switch is not considered in conjunction with expanding the geographic reach of the local network. The reason for this is that the cost of placing a new switch to expand geographic reach is cost prohibitive relative to the deployment of additional fiber. Accordingly any requirement to have multiple switches as evidence of a "geographically comparable" network is not only inconsistent with the FCC's rules but fails to recognize the differences in network architectures. (Grieco/Ball Rebuttal, 8/17, at 50).** **While a CLEC is always balancing demand with network reach, there is no guarantee that the CLEC will be successful in gaining market share from the entrenched monopolist incumbent. As the discussion above indicates, a CLEC must make an investment in its network <u>prior</u> to being able to serve customers. (Grieco/Ball Rebuttal, 8/17, at 51).** **A review of the rate centers the CLEC has opened by activating associated NPA-NXXs, which will be served by the CLEC's switch establishes the reach of that network.** **Again, the CLEC's network must be considered with regard to the question of geographic comparability, not a test of the CLEC's marketing success. (Grieco/Ball Rebuttal, 8/17, at 51-52).** **The current rules do not support Verizon's position. If a CLEC's switch serves a geographic area comparable to that served by the ILEC's tandem switch, the CLEC is to be compensated at the tandem rate. There is no need for tandem functionality to be**		

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			demonstrated in the event the switch serves a comparable geographic area. Further, Verizon's proposal that a CLEC serve a particular customer base must be rejected as this too is unsupported by the rules. A CLEC must not be required to gain market share from the ILEC in order to qualify for the tandem rate. (Grieco/Ball Rebuttal, 8/17, at 52). *AT&T asserts that it is justified in charging the applicable tandem switch service rate for the termination of Verizon's traffic on AT&T's network. Verizon disagrees and asserts that, "to the extent local traffic does not pass through a CLEC tandem, the CLEC should not receive the higher tandem-switched rate but, rather, should receive the lower end-office rate for traffic routed directly to the CLEC's end-office." Verizon Response at 64; Also see, Verizon Direct InterCarrier Compensation Testimony Non-Mediated Issues at 25.* *The FCC regulations recognize that there may be parity between a competitive carrier's end office switch and an ILEC tandem switch. They provide that when AT&T's switches provide comparable geographical coverage to Verizon's tandem switches, the tandem rate should apply to traffic terminated to those AT&T switches. The specific regulation, set forth in, 47 C.F.R. § 51.711 (a)(3), provides: "Where the switch of a carrier other than an incumbent LEC serves a geographic area comparable to the area served by the incumbent LEC's tandem switch, the appropriate rate for the carrier other than an incumbent LEC is the incumbent LEC's tandem interconnection rate."* *The FCC has specifically addressed this regulation several times and each time it has clearly supported AT&T's position. First, in the Local Competition Order,*		

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			the FCC stated: "We find that the "additional costs" incurred by a LEC when transporting and terminating a call that originated on a competing carrier's network are likely to vary depending on whether tandem switching is involved. We, therefore, conclude that states may establish transport and termination rates in the arbitration process that vary according to whether the traffic is routed through a tandem switch or directly to the end-office switch. In such event, states shall also consider whether new technologies (e.g., fiber ring or wireless networks) perform functions similar to those performed by an incumbent LEC's tandem switch and thus, whether some or all calls terminating on the new entrant's network should be priced the same as the sum of transport and termination via the incumbent LEC's tandem switch. Where the interconnecting carrier's switch serves a geographic area comparable to that served by the incumbent LEC's tandem switch, the appropriate proxy for the interconnecting carrier's additional costs is the LEC tandem interconnection rate." Local Competition Order at ¶1090 (emphasis added). *Despite this statement in the Local Competition Order, there still remained some controversy as to whether it was necessary to also examine the functionality of a CLEC switch as well as its geographic coverage when determining whether a CLEC was entitled to the tandem rate. The FCC recently laid this controversy to rest in two recent pronouncements. The first is in its Intercarrier Compensation NPRM. In this NPRM the Commission stated: "In addition, section 51.711(a)(3) of the Commission's rules requires only that the comparable geographic area test be met before carriers are entitled to the tandem interconnection rate for local call termination. Although there has been some confusion stemming from additional language in the text*		

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			of the Local Competition Order regarding functional equivalency, section 51.711(a)(3) is clear in requiring only a geographic area test. Therefore, we confirm that a carrier demonstrating that its switch serves "a geographic area comparable to that served by the incumbent LEC's tandem switch" is entitled to the tandem interconnection rate to terminate local telecommunications traffic on its network." InterCarrier Compensation NPRM at ¶105. The Commission also reiterated this clarification in a May 9, 2001 letter relating to a Sprint PCS request on this same issue. In that letter the Commission cited the above quoted statement in the NPRM and affirmed that the geographic comparability test is the only applicable rule. Letter from Thomas J. Sugrue, Chief, Wireless Telecommunications Bureau of the FCC, and Dorothy T. Attwood, Chief, Common Carrier Bureau of the FCC, to Charles McKee, Senior Attorney. Sprint PCS (May 9, 2001). *In addition to these FCC decisions, the U.S. Court of Appeals for the Ninth Circuit also recently addressed the issue, reversing a ruling by the State of Washington Utilities and Transportation Commission (which had been affirmed by the U.S. District Court for the Western District of Washington) to find that AT&T Wireless must be compensated the tandem rate because its switches serve a comparable geographic area to U.S. West's tandem switches. U.S. West Communications, Inc v. Washington Utilities and Transportation Commission, AT&T Wireless Services, Inc., CV-97-05686-BJR, No. 98-36013 (July 3, 2001). The Court cited both the Local Competition Order and the Commission's May 9, 2001 letter ruling. These decisions all clearly support AT&T's position that the sole test for determining entitlement to the tandem rate is comparable geographic coverage. Functionality of the switch is*		

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			irrelevant. *Verizon asserts that the comparable geographic coverage test requires that a CLEC switch actually serve a comparable geographic area rather than whether the switches are capable of servicing comparable area. Verizon is wrong on this point, and it cites nothing that actually supports its position. It claims, on page 66 of its Response, that a Texas PUC decision supports its position on this issue. But a review of the cited passage makes clear that the Texas decision was focusing on the tandem functionality test that is not applicable.*[1] *Thus, the decision is not on point. There is a decision actually on point, however, and it supports AT&T's position on this issue, not Verizon's. The Michigan Public Service Commission examined the issue of the geographic comparability test in a MediaOne/Ameritech Arbitration. Petition of MediaOne Telecommunications of Michigan, Inc/ for Arbitration Pursuant to Section 252(b) of the Federal Telecommunications Act of 1996 to Establish an Interconnection Agreement with Ameritech Michigan, Michigan Public Service Commission, Case No. U-12198, Opinion and Order, (March 3, 2000) ("MediaOne Order"). There the arbitration panel concluded that MediaOne had failed to demonstrate that its network currently serves a geographic area comparable to SBC-Ameritech's in Michigan. MediaOne Order at 15. The Commission reversed the panel's decision and applied the geographic comparability standard in the manner proposed by AT&T. Id. at 18. That is, if a switch is capable of serving a geographic area comparable to the ILEC's switch, the CLEC is entitled to the tandem reciprocal compensation rate.* *In addition, the notion that a CLEC must achieve a*		

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			certain volume and density of customers in order to be "actually serving a given area" is, by its nature, completely arbitrary. If a CLEC has only a single customer in a certain area, that CLEC incurs costs to terminate Verizon traffic directed to that customer. Rule 51.711(a)(3) provides a proxy for the additional costs a CLEC incurs to terminate Verizon's traffic to that single customer where the CLEC network (switch and distribution facilities) is designed to serve an area comparable to an ILEC tandem switch. Any threshold number of customers greater than one, which Verizon would propose, would necessarily be an arbitrary number. *Verizon also proposes a new rule that it claims the Commission should apply when a CLEC's network employs a single-tier interconnection structure, even if a CLEC meets the geographic comparability standard. Verizon states that the Commission should apply this rule in the interest of fairness – so that Verizon, just like the CLECs can take advantage of a lower end office rate. Verizon Direct InterCarrier Compensation Testimony Non-Mediated Issues at 28. Specifically, this rule would require CLECs to charge Verizon the average rate charged by Verizon VA to the CLEC for call termination during the previous calendar quarter. Id. at 28-29.* *First, Verizon is once again missing the point. Rule 51.711(a)(3) was created to provide a proxy for the additional costs a CLEC incurs in terminating Verizon's traffic where the CLEC network (switch and distribution facilities) is designed to serve an area comparable to an ILEC tandem switch. The issue is not whether Verizon has an option to pay less for reciprocal compensation. The issue is whether Verizon should be required to compensate CLECs for the costs they incur in*		

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			terminating Verizon's traffic. The answer is yes, and Rule 51.711(a)(3) has established the proxy to be used to enable CLECs to recover these costs. *Second, the proposal bears absolutely no relationship to the costs incurred by the CLEC for terminating Verizon's traffic, and Verizon has provided not a scintilla of evidence that it does. A proxy, by its very nature, is supposed to provide an approximation of costs. This does not. Since the parties have agreed to one-way trunks, there is absolutely no relationship between the ratio of traffic that is terminated at Verizon's tandems and end offices, to the costs incurred by the CLECs for terminating Verizon's traffic. The average rate simply reflects the costs incurred by Verizon to terminate the CLECs traffic. These average costs are driven by the CLECs choices about where to interconnect – they have nothing to do with where Verizon's traffic is delivered to the CLEC and the resultant costs incurred by the CLEC to terminate that traffic. Talbott Rebuttal Non-Mediated Issues at 64. In summary, Verizon's proposal on its face cannot be an accurate proxy of a CLECs termination costs and Verizon has provided no evidence or reasoning as to why it is preferable to the established proxy in set forth in Rule 51.711(a)(3). Thus, the Commission should reject Verizon's proposed new rule and apply the geographic comparability standard as proposed by AT&T.* *Applying the geographic comparability standard to the facts in this proceeding, it is clear that AT&T's switches meet the standard, and that AT&T should receive the tandem reciprocal compensation rate when AT&T terminates Verizon's traffic. Specifically, the record indicates that AT&T offers local exchange service in Virginia utilizing three separate networks. One network*		

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			is operated on behalf of AT&T Communications of Virginia, Inc. ("AT&T Comm").[2] *A second network is operated on behalf of TCG Virginia, Inc. and ACC National Telecom Corp. ("TCG").*[3] *A third network is operated on behalf of MediaOne of Virginia and MediaOne Telecommunications of Virginia, Inc. ("MediaOne").*[4] *Their local service networks provide entirely distinct services and products to distinct classes of customers and are not integrated in any way. For this reason, each network should be judged independently for purposes of determining whether such network meets the standard under 47 C.F.R. § 51.711 (A)(3).* *AT&T submitted maps that demonstrate that the geographic area covered by each AT&T switch is comparable to the area covered by Verizon's tandem switches. The first map, Exhibit DLT-8a provides the number of switches AT&T Comm currently operates in Virginia on a LATA by LATA basis. It is important to note that in some cases, the AT&T switch serving a LATA is not physically located in the LATA. The second map, Exhibit DLT-8b shows the number of switches TCG currently operates in Virginia on a LATA by LATA basis. As with AT&T's switches, it is important to note that in some cases, the TCG switch serving a LATA is not physically located in the LATA. The third map, Exhibit DLT-8c shows the switch MediaOne currently operates in Virginia in the Richmond LATA. Finally, Exhibit DLT-8d shows the number of tandem switches Verizon Virginia currently operates in Virginia on a LATA by LATA basis. When maps 8a, 8b, 8c and 8d are superimposed over each other, it demonstrates that each and every AT&T, TCG and MediaOne switch covers a comparable or greater geographic area as that covered by the corresponding Verizon tandem switch.*[5] *Accordingly, AT&T should receive the tandem*		

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			reciprocal compensation rate for terminating Verizon's traffic. _____ *1 In the case cited by Verizon, the Texas PUC stated "...to receive reciprocal compensation for performing tandem functions (emphasis supplied) the CLEC must demonstrate that it is actually serving the ILEC tandem area using tandem like functionality, instead of just demonstrating the capability to serve the comparable geographic area. In making this functionality determination. . ." Proceeding to Examine Reciprocal Compensation Pursuant to Section 252 of the Federal Telecommunications Act of 1996, Arbitration Award, Texas PUC at 28-29 (July 2000) (Emphasis supplied).* *2 AT&T Comm has deployed 4ESS switches, which function primarily as long distance switches, and 5ESS switches, which act as adjuncts to the 4ESS switches. AT&T Comm has the ability to connect virtually any qualifying local exchange customer in Virginia to one of these switches through dedicated access services offered by AT&T or another access provider. Id. at 105.* *3 TCG provides local exchange services using Class 5 switches. TCG is able to connect virtually any customer in a LATA to the TCG switch serving that LATA either through (1) TCG's own facilities built to the customer premises, (2) UNE loops provisioned through collocation in Verizon end offices, or (3) using dedicated high-capacity facilities (in special access services or combinations of UNEs*		

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			purchased from Verizon). Id. at 106. *4 MediaOne provides local exchange services using a Class 5 switch and is able to connect virtually any customer in its cable TV franchise area. Id.* *5 Statewide and LATA-specific maps were created by using data contained in the Local Exchange Routing Guide (LERG). The LERG, produced by Telcordia Technologies, contains routing data that supports the current local exchange network configuration within the North American Numbering Plan (NANP) as well as identifying reported planned changes in the network. The LERG data in conjunction with MapInfo V-4.1.1.2, a commercial mapping software package, was used to prepare the state-wide and LATA-specific maps.*		
IV-35 [Linked to Issue I-5]	**Should the ICA contain a provision that states that reciprocal compensation for the exchange of Local Traffic shall be paid?**	**Attachment I, Sections 4.2 through 4.2.1.4.2.1.** **4.2 Compensation for the Termination of Local Traffic** **4.2.1 Reciprocal Compensation for Local Traffic** **4.2.1.1 Reciprocal Compensation for the exchange of Local Traffic is set forth in Table 1 of this Attachment and shall be assessed on a per minute-of-use basis for the transport and termination of such traffic.** **4.2.1.2 The provisions of this**	**This provision is necessary because it implements sections 251(b)(5) and 252(d)(2) of the Act, which requires the parties to provide reciprocal compensation for the exchange of non-ISP local traffic. The current interconnection agreement contains a similar provision. See 8/17 Argenbright Direct at 29, 31.** **Consistent with this Commission's recent order regarding traffic to internet service providers, WorldCom is willing to modify section 4.2.1.2 to make clear that traffic to internet service providers is not local traffic for reciprocal compensation; however, traffic to information service providers should still be included. See id. at 30-31.** **Verizon appears to agree that a provision regarding reciprocal compensation is needed, but has proposed competing language. Verizon's language is**	**See I-5 language.**	See I-5.

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		Section [4.2] apply to reciprocal compensation for transport and termination of Local Traffic. Local Traffic is traffic originated by one Party and directed to the NPA-NXX-XXXX of a LERG-registered end office of the other Party within a Local Calling Area and any extended service area, as defined by the Commission. Local Traffic includes traffic directed to information service providers. **4.2.1.3 Rates for transport and termination of Local Traffic must be symmetrical. For the purposes of this Section [4.2], symmetrical means that the rates MCIm charges Verizon for the transport and termination of Local Traffic equals the rates Verizon charges MCIm for the same services.** **4.2.1.4 The Parties shall bill each other the following rates for the transport and termination of Local Traffic.** **4.2.1.4.1 Transport (where used) – compensation for the transmission and any necessary tandem switching of Local Traffic.**	**inadequate, and improperly defines internet traffic in relation to a "2:1 ratio." See id. at 31-32.** **Verizon has not submitted testimony addressing the merits of this issue, and WorldCom's proposed language should be adopted. See 9/5 Argenbright Rebuttal at 22-23.**		

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		4.2.1.4.1.1 The rate for common transport is set forth in Table 1 of this Attachment I. For the purposes of this Section [4.2], both Parties shall bill each other the average mileage of all end offices subtending the applicable Verizon tandem office. **4.2.1.4.1.2 Where MCIm's Switch serves a geographic area comparable to the area served by Verizon's tandem Switch, MCIm shall also charge Verizon for tandem switching in accordance with this Section.** **4.2.1.4.2 Termination – compensation for the switching of Local Traffic at the terminating Party's end office Switch, or equivalent facility provided by MCIm.** **4.2.1.4.2.1 The rate for local switching is set forth in Table 1 of this Attachment I.**			
V-8	*Issue V.8* ***Competitive Tandem Service*** *Should the contract terms relating to the Parties' joint provision of terminating meet point traffic to an IXC customer be reciprocal, regardless of which Party provides the tandem switching function? Put another*		*This Issue is addressed in the Direct Testimony of David L. Talbott at 112-118, and in the Rebuttal Testimony of David L. Talbott at 59-61. It is closely related to Issue V.1, which is addressed in the Direct Testimony of David L. Talbott at 66-70, and in the Rebuttal Testimony of David L. Talbott at 46-48.* *The issue centers on the rates, terms and conditions that*	AT&T: § 6.0 6.0 TRANSMISSION AND ROUTING OF EXCHANGE ACCESS TRAFFIC PURSUANT TO 251(C)(2) 6.1 Scope of Traffic Section 6 prescribes parameters	In this issue, AT&T appears to be arguing that it should be allowed to provide competitive tandem access service to an IXC, and then interconnect with a Verizon access tandem. Although such an arrangement is permissible under Verizon's Access Tariffs, it is not

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	way, should the contract terms make clear that AT&T and Verizon are peer local exchange carriers and should not bill one another for meet point traffic?		*should apply between Verizon and AT&T when AT&T provides a competitive tandem service to IXCs, where the IXC is AT&T's customer and AT&T carries the IXC's traffic from a point on the AT&T network and delivers it to multiple Verizon end offices. It is the reciprocal of current "meet point" billing arrangements, where, for example, the ILEC provides the tandem service to deliver IXC traffic to CLEC customers.* *Meet point traffic is traffic between an IXC and a LEC that is routed through another LEC's tandem switch. Under a meet point arrangement, the IXC is the joint customer of the two LECs that collectively provide the exchange access service. The most common meet point arrangement found today is IXC traffic that is routed through an ILEC tandem to a CLEC or ITC local customer. Verizon asserts that this is the only legitimate arrangement for meet point traffic. AT&T has advocated that AT&T and Verizon are peer LECs and that IXC traffic routed though an AT&T tandem to Verizon's local customer is also meet point traffic and the same terms should apply. Verizon does not recognize AT&T as a peer in this arrangement.* *AT&T would offer competitive tandem service in Virginia to each Verizon end office where AT&T has established a direct connection. A direct connection could be established though an AT&T collocation arrangement, a third-party collocation arrangement, or if the Commission adopts AT&T's position under Issue V-1, via UNE dedicated transport. AT&T would configure its local network switches to tandem route the IXC traffic via direct end office Feature Group D trunks ordered from Verizon between the applicable Verizon end offices and the subscribing IXC switch. AT&T would either provide the facilities between these two*	for certain trunks to be established over the Interconnections specified in Section 4 for the transmission and routing of traffic between AT&T Telephone Exchange Service Customers and Interexchange Carriers ("Access Toll Connecting Trunks"), in any case where AT&T elects to have its End Office Switch subtend a Verizon Tandem. This includes casually-dialed (10XXX and 101XXXX) traffic. 6.2 Trunk Group Architecture and Traffic Routing 6.2.1 AT&T shall establish Access Toll Connecting Trunks pursuant to applicable access tariffs by which it will provide tandem-transported Switched Exchange Access Services to Interexchange Carriers to enable such Interexchange Carriers to originate and terminate traffic to and from AT&T's Customers. 6.2.2 Access Toll Connecting Trunks shall be used solely for the transmission and routing of Exchange Access to allow AT&T's Customers to connect to or be connected to the interexchange trunks of any Interexchange Carrier which is connected to a Verizon access tandem. 6.2.3 Except as provided in	a meet-point arrangement between two LECs. Rather, it is clear that AT&T seeks to obtain access services at UNE rates. See Direct Testimony of Steven J. Pitterle and Pete D'Amico, dated July 31, 2001, at pp. 13-22; and Rebuttal Testimony of Steven J. Pitterle and Pete D'Amico, dated August 17, 2001, at pp. 17-24.

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			switches or would lease the facilities from third parties or from Verizon. With respect to those Verizon end offices for which AT&T has no collocation arrangement, the subscribing IXC would have to route traffic that would otherwise go directly to that end office through Verizon's access tandem. This limitation on the service is necessary to enable the subscribing IXC to avoid paying two tandem switching functions (one to AT&T and one to Verizon). *Whether or not the terms for competitive tandem service is labeled "meet point" is less important to AT&T than having acceptable interconnection terms for competitive tandem service in the AT&T-Verizon interconnection agreement. Accordingly, AT&T will accept a separate contract section addressing competitive tandem services, provided that the contract terms are consistent with AT&T's rights under the law and allow AT&T to efficiently offer competitive tandem service.* *AT&T modified its position in several ways in the Direct Testimony of David Talbott and has provided some revised language on the issue which is set forth in Exhibit DLT-9 and this JDPL. The modifications reflect AT&T's concession to not treat its provision of competitive tandem service in the same manner as meet point traffic. The changes, however, still reflect AT&T's position that the terms and conditions relating to competitive tandem service should recognize that AT&T and Verizon are co-carriers in the provision of this service.* *As part of the concession to not treat the traffic AT&T delivers to Verizon as "meet point" traffic, AT&T has changed its original position that when AT&T provides this service, the Parties would not bill each other, but would bill the customer directly. AT&T's new position*	Section 6.2.5, the Access Toll Connecting Trunks shall be two-way trunks. Such trunks shall connect the End Office AT&T utilizes to provide Telephone Exchange Service and Switched Exchange Access to its Customers in a given LATA to the Tandem Verizon utilizes to provide Exchange Access in such LATA. 6.2.4 If AT&T chooses to subtend a Verizon access Tandem, then AT&T's NPA/NXX must be assigned by AT&T to subtend the same Verizon access Tandem that a Verizon NPA/NXX serving the same Rate Center subtends as identified in the LERG. 6.2.5 The Untranslated 8YY Access Toll Connecting Trunks will be established by AT&T as a one-way trunk to enable AT&T to deliver untranslated 8YY traffic to Verizon's designated access Tandem in the LATA. 6.3 Meet Point Billing Arrangements 6.3.1 AT&T and Verizon will establish Meet-Point Billing ("MPB") arrangements in order to provide a common transport option to Switched Exchange Access Services Customers via a Verizon access Tandem Switch	

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			is that Verizon may bill AT&T for the function or functions it provides. That is, AT&T will agree to pay Verizon for the end office switching, and any dedicated transport as applicable, provided by Verizon. This new position should relieve Verizon's concern stated in its Answer on the related Issue V-I that AT&T has not "relieved Verizon of any of its cost functions." Verizon Response at 53. With this new proposal Verizon will be fully compensated for its functions associated with the AT&T service. The rates for such switching and any other facilities used by AT&T should be UNE rates rather than exchange access rates. Given that Verizon will be compensated for all of the functions it provides, revenue sharing would not be appropriate.[1] *Verizon's claim that technical problems associated with a loss of CIC code billing detail arise when originating traffic is switched via two tandems – the Verizon's tandem strips the CIC code from the initial address message, therefore the AT&T tandem would not receive the necessary billing detail – is unfounded. Verizon is creating a technical issue where none exists. Because it is uneconomical to have IXC traffic routed through both a Verizon tandem and an AT&T tandem, AT&T offers competitive tandem service only where a direct connection exists between the AT&T switch and a Verizon end office. Verizon's end office switch is capable of sending the CIC code to AT&T's tandem. In its exchange access tariff, Verizon offers an option associated with its Feature Group D trunks called Carrier Identification Parameter (CIP). CIP provides for the delivery of the IXC customer's carrier identification code (CIC) or the CIC designated by the origination of the call in the initial address message of the common channel signaling protocol. CIP is required to serve multiple IXC customers on a single trunk group. CIP is typically used where a large IXC*	in accordance with the Meet?Point Billing guidelines contained in the OBF's MECAB and MECOD documents, except as modified herein, and Verizon's applicable Tariffs. The arrangements described in this Section 6 are intended to be used to provide Switched Exchange Access Service that originates and/or terminates on Telephone Exchange Service that is provided by either Party, where the transport component of the Switched Exchange Access Service is routed through a Tandem Switch that is provided by Verizon. 6.3.2 In each LATA, the Parties shall establish MPB arrangements between the applicable Rating Point/Verizon serving Wire Center combinations. 6.3.3 Interconnection for the MPB arrangement shall occur at the Verizon access tandems in the LATA, unless otherwise agreed to by the Parties. 6.3.4 AT&T and Verizon will use reasonable efforts, individually and collectively, to maintain provisions in their respective state access Tariffs, and/or provisions within the National Exchange Carrier Association ("NECA") Tariff	

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			wholesales its interexchange service to IXC resellers. AT&T (the CLEC in this case) requires CIP to offer competitive tandem service to multiple IXCs. Verizon should be required to provide CIP to AT&T, when and where it is requested, under the terms of the interconnection agreement. *If the Commission adopted Verizon's proposal, future competition for exchange access services would basically be foreclosed. Verizon will have no incentive to establish properly equipped FG-D trunks for competitive tandem service unless the terms for the arrangement are spelled out in the interconnection agreement and are enforceable. Thus, the smaller IXCs will continue to be placed at a competitive disadvantage since they will have no viable alternative service to purchase. Moreover, the absence of any significant competition in the exchange access service market also will adversely affect the Commission's access reform policies since the Commission indicated it was relying on competition to drive access rate levels towards costs. First Report and Order, Access Charge Reform, 12 FCC Rcd 15982 (1996) ¶¶ 258-284. A decision for Verizon on this issue will assure that there will be little market driven movement in the level of access rates.* ——— *1 AT&T's Petition set forth AT&T's proposal to share the revenues based on the MECAB/MECOD guidelines. AT&T's new proposal is that the revenues not be shared.*	No. 4, or any successor Tariff sufficient to reflect the MPB arrangements established pursuant to this Agreement. 6.3.5 In general, there are four alternative Meet-Point Billing arrangements possible, which are: Single Bill/Single Tariff, Multiple Bill/Single Tariff, Multiple Bill/Multiple Tariff and Single Bill/Multiple Tariff, as outlined in the OBF MECAB Guidelines. Each Party shall implement the Multiple Bill/Single Tariff or Multiple Bill/Multiple Tariff option, as appropriate, in order to bill an IXC for the portion of the jointly provided Telecommunications Service provided by that Party. Alternatively, in former Bell Atlantic service areas, upon agreement of the Parties, each Party may use the New York State Access Pool on its behalf to implement Single Bill/Multiple Tariff or Single Bill/Single Tariff option, as appropriate, in order to bill an IXC for the portion of the jointly provided telecommunications service provided by each Party. 6.3.6 The rate elements to be billed by each Party shall be as set forth in that Party's applicable Tariffs. The actual rate values for each Party's	

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				affected Switched Exchange Access Service rate element shall be the rates contained in that Party's own effective federal and state access Tariffs, or other document that contains the terms under which that Party's access services are offered. The MPB billing percentages for each Routing Point/Verizon serving Wire Center combination shall be calculated in accordance with the formula set forth in Section 6.3.15. 6.3.7 Each Party shall provide the other Party with the billing name, billing address, and Carrier Identification Code ("CIC") of the IXC, and identification of the IXC's serving Wire Center in order to comply with the MPB notification process as outlined in the MECAB document via facsimile or such other media as the Parties may agree to. 6.3.8 Verizon shall provide AT&T with the Switched Access Detail Usage Data (EMI category 1101XX records) on magnetic tape or via such other media as the Parties may agree to, no later than ten (10) business days after the date the usage occurred. 6.3.9 AT&T shall provide	

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				Verizon with the Switched Access Summary Usage Data (EMI category 1150XX records) on magnetic tape or via such other media as the Parties may agree, no later than ten (10) business days after the date of its rendering of the bill to the relevant IXC, which bill shall be rendered no less frequently than monthly. 6.3.10 All usage data to be provided pursuant to Subsections 6.3.8 and 6.3.9 above shall be sent to the following addresses: To AT&T: 300 North Point Parkway FLOC217MO1 Alpharetta Georgia, 30005 ATTN: AC&R Access Bill To Verizon: New York Access Billing c/o ACM Inc. 120 Erie Blvd. Schenectady, NY 12305 ATTN: Mark Ferri Facsimile: (518) 374-7511 Either Party may change its address for receiving usage data by notifying the other Party in writing pursuant to Section 28.12 . 6.3.11 Each Party shall coordinate and exchange the	

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				billing account reference ("BAR") and billing account cross reference ("BACR") numbers or Operating Company Number ("OCN"), as appropriate, for the MPB arrangements described in this Section 6. Each Party shall notify the other if the level of billing or other BAR/BACR elements change, resulting in a new BAR/BACR number, or if the OCN changes. 6.3.12 Each Party agrees to provide the other Party with notification of any errors it discovers in MPB data within 30 calendar days of the receipt of the original data. The other Party shall attempt to correct the error and resubmit the data within ten (10) business days of the notification. In the event the errors cannot be corrected within such ten (10) business day period, the erroneous data will be considered lost. In the event of a loss of data, whether due to uncorrectable errors or otherwise, both Parties shall cooperate to reconstruct the lost data and, if such reconstruction is not possible, shall accept a reasonable estimate of the lost data based upon prior usage data, and a payment based on such estimated amount shall be	

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				made. 6.3.13 Either Party may request a review or audit of the various components of access recording up to a maximum of two (2) audits per calendar year. All costs associated with each review and audit shall be borne by the requesting Party. Such review or audit shall be conducted subject to Section 28.10 of this Agreement and during regular business hours. A Party may conduct additional audits, at its expense, upon the other Party's consent, which consent shall not be unreasonably withheld. 6.3.14 Except as may otherwise be set forth in Section 6.3.12 above, nothing contained in this Section 6.3 shall create any liability for damages, losses, claims, costs, injuries, expenses or other liabilities whatsoever on the part of either Party (other than as may be set forth in MECAB or in any applicable Tariff subject to the limitations on liability set forth in this Agreement). 6.3.15 MPB will apply for all traffic bearing the 500, 900, toll free service access code (e.g., 800/888/877) (to the extent provided by an IXC) or any other non-geographic NPA	

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				which may be designated for such traffic in the future. In the event AT&T determines to offer Telephone Exchange Services in another LATA in Virginia in which Verizon operates an access Tandem Switch, Verizon shall permit and enable AT&T to subtend the Verizon access Tandem Switch(es) designated for the Verizon End Offices in the area where the AT&T Rating Point(s) associated with the NPA?NXX(s) to/from which the Switched Exchange Access Services are homed. The MPB billing percentages for each Routing Point/Verizon Serving Wire Center combination shall be calculated according to the following formula: a / (a + b) = AT&T Billing Percentage and b / (a + b) = Verizon Billing Percentage where: a = the airline mileage between the AT&T Routing Point and the actual point of interconnection for the MPB arrangement; and b = the airline mileage between the Verizon serving Wire Center and the actual point of interconnection for the MPB arrangement. 6.3.16 AT&T shall inform	

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				Verizon of each LATA in which it intends to offer Telephone Exchange Services and its calculation of the billing percentages which should apply for such arrangement. Within ten (10) business days of AT&T's delivery of notice to Verizon, Verizon and AT&T shall confirm the Routing Point/Verizon serving Wire Center combination and billing percentages. 6.4 Toll Free Service Access Code (e.g., 800/888/877) Traffic The following terms shall apply when either Party delivers toll free service access code (8YY) calls to the other Party for completion. For the purposes of this Section 6, the terms "translated" and "untranslated" refer to those toll free service access code calls that have been queried ("translated") or have not been queried ("untranslated") to an 8YY database. 6.4.1 When AT&T delivers translated 8YY calls to Verizon for completion (a) to an IXC, AT&T shall: (i) provide an appropriate MPB record in EMI format to Verizon for processing and Meet Point Billing in accordance with	

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				Section 6.3 above; and (ii) bill the IXC the appropriate AT&T query charge associated with the call. (b) as an IntraLATA call to Verizon or another LEC that is a toll free service access code service provider in the LATA: (i) AT&T shall provide an appropriate copy record in EMI format to the toll free service access code service provider; and (ii) AT&T shall assess to the toll free service access code service provider AT&T's Intrastate Access Service tariffed Switched Exchange Access Service switching charges or Reciprocal Compensation charges, as applicable, and the AT&T query charge; and (iii) Verizon shall assess applicable Tandem Transit Service charges and associated passthrough charges to AT&T in accordance with Section 7.2. 6.4.2 When Verizon delivers translated 8YY calls originated by Verizon's or another LEC's Customers to AT&T for completion and when Verizon performs the query and where the queried call is an IntraLATA call handed off to AT&T in its capacity as a toll free service access code service provider,	

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				(i) Verizon shall bill AT&T the Verizon query charge associated with the call as specified in Exhibit A; and (ii) Verizon shall provide an appropriate EMI record to AT&T; and (iii) Verizon shall bill AT&T Verizon's Intrastate Tariffed FGD Switched Exchange Access charges or Reciprocal Compensation charges, as applicable. 6.4.3 When AT&T delivers untranslated 8YY calls originated by AT&T's Customers to Verizon for completion to an IXC, : (i) Verizon will query the call and route the call to the appropriate IXC; and (ii) Verizon shall provide an appropriate EMI record to AT&T to facilitate billing to the IXC; and (iii) Verizon shall bill the IXC the Verizon query charge associated with the call and any other applicable charges. 6.4.4 When the untranslated 8YY call is an IntraLATA call routed to Verizon or another LEC that is a toll free service access code service provider in the LATA: (i) Verizon will query the call and route the call to the	

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				appropriate LEC toll free service access code service provider. (ii) Verizon shall provide an appropriate EMI record to AT&T to facilitate billing to the LEC toll free service access code service provider (iii) Verizon shall bill the LEC toll free service access code service provider the query charge associated with the call and any other applicable Verizon charges. 6.4.5 Verizon will query untranslated toll free service access code calls before routing them to AT&T.	
VII-8	*Issue VII-8* ***Transport Rates*** *Should AT&T be permitted to pay the end office rate for delivery to Verizon's tandem, and thereby avoid paying its fair share of transport costs by failing to pay that tandem rate?*		*Verizon claims that AT&T should not be permitted to pay the end office rate for devilry of traffic to Verizon's tandem. Verizon Direct Intercarrier Compensation Testimony Non-Mediated Issues at 22. AT&T agrees to pay the tandem interconnection rate when AT&T routes its traffic through Verizon's tandem. However, AT&T does not agree to pay the tandem rate when AT&T routes traffic to Verizon via direct end office trunks. Clearly, the end office rate should apply in that situation. It is difficult to tell from Verizon's testimony, but it appears that Verizon is asserting that if AT&T establishes a POI at a Verizon serving wire center and then orders transport from such POI to another Verizon serving wire center where AT&T's traffic would terminate (e.g., on direct end office trunks), that AT&T should compensate Verizon for the transport between the POI and the terminating Verizon end office. Talbott Rebuttal Testimony Non-Mediated Issues at 66.* *Although AT&T agrees that compensation is due*	AT&T: See § 5.7 above.	The party originating a local call should pay reciprocal compensation at a tandem rate or end office rate, depending upon where the call is delivered to the receiving party. Section 251(b)(5) of the Act clearly calls for reciprocal compensation based upon "the transport and termination of telecommunications." See Direct Testimony of Steven J. Pitterle and Pete D'Amico, dated July 31, 2001, at pp. 22-25.

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			Verizon, the appropriate compensation to Verizon would include charges for the transport between the POI and the terminating Verizon end office at the UNE interoffice facility rate, not at the per minute tandem transport rate. Id. If AT&T were to compensate Verizon at the per minute tandem rate, where the distant Verizon switch is an end office, Verizon would be over compensated because Verizon would be recovering tandem switching costs even though it was not providing AT&T with any tandem switching in the described arrangement. Id. at 67. *AT&T's proposal is consistent with FCC rules that permit AT&T to establish a single POI in the LATA. That single POI may be used to establish trunks between the AT&T switch and any Verizon switch in the LATA. In such a situation Verizon would provide AT&T transport between AT&T's POI and each Verizon switch to which AT&T orders trunks. Id.* *Although it is not entirely clear, it appears that Verizon may agree with AT&T on this issue. To resolve the issue, AT&T proposed the following language in its Rebuttal Testimony (AT&T's revised language is in upper case type).* *5.7.4 AT&T will pay VZ the approved rate for termination of Local Traffic at the Tandem Office rate (including both transport and End Office termination) for Local Traffic AT&T delivers to VZ via tandem trunks, and AT&T will pay VZ the approved rate for End Office termination for Local Traffic AT&T delivers to VZ via end office trunks. VZ will pay AT&T the approved Tandem Office rate set forth in Exhibit A for Local Traffic VZ delivers to AT&T. IN ADDITION TO THE FOREGOING, WHERE EITHER PARTY DELIVERS TRAFFIC TO THE OTHER PARTY AT A*		

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			POI LOCATION THAT IS DISTANT FROM THE TERMINATING SWITCH, THE PARTY DELIVERING THE TRAFFIC TO THAT LOCATION WILL PAY THE OTHER PARTY THAT PARTY'S APPROVED DEDICATED TRANSPORT RATE FOR THE DISTANCE BETWEEN THE POI AND TERMINATING SWITCH.		
VII-9	Should reciprocal compensation apply to special access, private line, or any other traffic that is not switched by the terminating party?	***RESOLVED***	***RESOLVED***	***RESOLVED***	***RESOLVED***

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