Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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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 Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc., and for Expedited Arbitration	)	CC Docket No. 00-218
In the Matter of Petition of Cox Virginia Telecom, Inc., etc.	)	CC Docket No. 00-249
In the Matter of Petition of AT&T Communications of Virginia Inc., etc.	)	CC Docket No. 00-251

VERIZON VA'S DIRECT TESTIMONY ON MEDIATION ISSUES
(CATEGORIES I AND III THROUGH VII)

MISCELLANEOUS ISSUES

- CHRISTOS T. ANTONIOU
- MICHAEL A. DALY
- STEVEN J. PITTERLE

AUGUST 17, 2001

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1 **I. WITNESS BACKGROUND**

2 **A. CHRISTOS T. ANTONIOU**

3 **Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.**

4 A. My name is Christos T. Antoniou and my business address is 1320 N. Court

5 House Road, 8th Floor, Arlington, Virginia 22201.

6

7 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

8 A. I am employed as an attorney by Verizon Services Corp. ("Verizon"). I assumed

9 my current position in May 1998.

10

11 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**

12 **EXPERIENCE IN THE TELECOMMUNICATIONS INDUSTRY.**

13 A. My educational background and experience in the telecommunications industry is

14 described in detail at Exhibit Misc-1. As highlighted therein, prior to joining

15 Verizon, I was a corporate attorney at Skadden, Arps, Slate, Meagher & Flom

16 LLP, and at Milbank, Tweed, Hadley & McCloy, focusing on project finance and

17 other corporate issues. I received a J.D.. from Yale Law School in 1992 and a

18 B.S. from the United States Military Academy at West Point in 1984. Prior to

19 practicing law, I served as an officer in the United States Army.

20

21 **Q. PLEASE STATE IN GENERAL TERMS YOUR RESPONSIBILITIES.**

22 A. My principal areas of responsibility are negotiating, arbitrating and litigating

23 contractual arrangements and disputes under the Telecommunications Act of

1996, and providing legal advice to Verizon's product managers for interconnection and related matters.

B. MICHAEL A. DALY

Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.

A. My name is Michael A. Daly and my business address is 2107 Wilson Boulevard, 11th Floor, Arlington, Virginia.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Verizon Services Group ("Verizon"), Wholesale Markets, which is the Verizon business unit responsible for serving resellers and other competitive local exchange carriers ("CLECs"). I am a director in the Interconnection Services group responsible for contract negotiations. I assumed my current position in February, 1997.

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE IN THE TELECOMMUNICATIONS INDUSTRY.

A. My educational background and experience in the telecommunications industry is described in detail at Exhibit Misc-1. As highlighted therein, during my twenty-two year career with Verizon and its predecessor companies, I have held a variety of positions with increasing levels of responsibility in Sales, Marketing, Product Management and Interconnection Services.

Q. PLEASE STATE IN GENERAL TERMS YOUR RESPONSIBILITIES.

A. My principal responsibility is to direct a team of negotiators representing Verizon in the course of interconnection negotiations with CLECs pursuant to Sections 251 and 252 of the Telecommunications Act of 1996. I have specific accountability for negotiations with AT&T. I also oversee the interconnection negotiations with Commercial Mobile Radio Service ("CMRS") carriers as well as manage a team of people responsible for the processing of requests for negotiations.

C. STEVEN J. PITTERLE

Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.

A. My name is Steven J. Pitterle and my business address is 600 Hidden Ridge Drive, Irving, Texas, 75038.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Verizon Services Group ("Verizon") as Director -- Negotiations.

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE IN THE TELECOMMUNICATIONS INDUSTRY.

A. My educational background and experience in the telecommunications industry is described in detail at Exhibit Misc-1. As highlighted therein, during my thirty-one year career with Verizon and its predecessor companies, I have held a variety of position with increasing levels of responsibility in Engineering, Service, Regulatory Affairs, intraLATA Compensation Administrator, Interexchange

Account Manager for the former GTE North, and Wisconsin Director-External Affairs.

Q. PLEASE STATE IN GENERAL TERMS YOUR RESPONSIBILITIES.

A. My principal responsibility is to oversee Verizon's competitive local exchange carrier ("CLEC") interconnection negotiation activities, as specified by Sections 251 and 252 of the Telecommunications Act of 1996, for defined areas within Verizon. I am also involved in the development of policies pertaining to interconnection matters.

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF THIS DIRECT TESTIMONY?

A. This direct testimony addresses 3 miscellaneous mediation issues:

- Issue VI-1(Y)--Alternate Billed Calls
- Issue VI-1(AA)--Information Services Traffic
- Issue VII-27--Resolved Issues

On each of these issues, we explain Verizon VA's position and why we believe it should be adopted.

Q. THERE ARE MORE THAN 3 MISCELLANEOUS ISSUES. HOW ARE THE REST BEING HANDLED?

A. Issues VI-1(Z), VI-1(BB), and VII-26 have been resolved. We are addressing Issue V-15--Sales of Exchanges in our General Terms and Conditions testimony

in conjunction with Issue VII-17--Transfer of Telephone Operations. The remaining miscellaneous issues--VII-23, VII-24, and VII-25--are being addressed by the Pricing Terms and Conditions Panel.

III. ALTERNATE BILLED CALLS (Issue VI-1(Y))

Q. PLEASE SUMMARIZE THE LANGUAGE VERIZON VA HAS PROPOSED ADDRESSING ALTERNATE BILLED CALLS.

A. Section 1.1 of the Additional Services Attachment to Verizon VA's proposed interconnection agreement provides that the parties will engage in settlements of intraLATA, intrastate, alternate-billed calls (*e.g.*, collect, calling card, and third-party billed calls) originated or authorized by their respective customers in accordance with an arrangement mutually agreed to by the parties.

Q. DOES WORLDCOM OBJECT TO VERIZON VA'S PROPOSED LANGUAGE?

A. WorldCom does not object to Verizon VA's proposed language assuming addition of the following language: "Pending establishment of a mutually agreed to arrangement, the Parties understand that the end user and not either Party is responsible for payment of alternate billed calls for the intraLATA intrastate calls they make or accept."

IV. INFORMATION SERVICES TRAFFIC (Issue VI-1(AA))

Q. PLEASE SUMMARIZE VERIZON VA'S POSITION WITH RESPECT TO ITS PROPOSED LANGUAGE ADDRESSING INFORMATION SERVICES TRAFFIC.

A. Section 5 of the Additional Services Attachment to Verizon VA's proposed interconnection agreement addresses the parties' respective responsibilities regarding the terms and conditions for the exchange of information services traffic. As we understand it, telecommunications carriers in Virginia are not permitted to provide the services that result in the traffic addressed in Section 5. Nevertheless, Verizon VA believes its proposed Section 5 is appropriate for inclusion in the parties' interconnection agreement to provide for circumstances in which the agreement that results from this arbitration is adopted for use in a state where the information services traffic addressed in Section 5 is an issue or, alternatively, to the extent that the services that result in such traffic become permitted in Virginia in the future.

Specifically, Verizon VA proposes:

> 5.1 For purposes of this Section 5, Voice Information Services and Voice Information Services Traffic refer to switched voice traffic, delivered to information service providers who offer recorded voice announcement information or open vocal discussion programs to the general public. Voice Information Services Traffic does not include any form of Internet Traffic. Voice Information Services Traffic also does not include 555 traffic or similar traffic with AIN service interfaces, which traffic shall be subject to separate arrangements between the Parties. Voice Information services Traffic is not subject to Reciprocal Compensation as Local Traffic under the Interconnection Attachment.

5.2 If a **CLEC Customer is served by resold Verizon Telecommunications Service or a Verizon Local Switching UNE, subject to any call blocking feature used by **CLEC, to the extent reasonably feasible, Verizon will route Voice Information Services Traffic originating from such Service or UNE to the Voice Information Service platform. For such Voice Information Services Traffic, unless **CLEC has entered into an arrangement with Verizon to bill and collect Voice Information Services provider charges from **CLEC's Customers, **CLEC shall pay to Verizon without discount the Voice Information Services provider charges. **CLEC shall pay Verizon such charges in full regardless of whether or not it collects such charges from its own Customers.

5.3 **CLEC shall have the option to route Voice Information Services Traffic that originates on its own network to the appropriate Voice Information Services platform(s) connected to Verizon's network. In the event **CLEC exercises such option, **CLEC will establish, at its own expense, a dedicated trunk group to the Verizon Voice Information Service serving switch. This trunk group will be utilized to allow **CLEC to route Voice Information Services Traffic originated on its network to Verizon. For such Voice Information Services Traffic, unless **CLEC has entered into an arrangement with Verizon to bill and collect Voice Information Services provider charges from **CLEC's Customers, **CLEC shall pay to Verizon without discount the Voice Information Services provider charges. **CLEC shall pay Verizon such charges in full regardless of whether or not it collects such charges from its own Customers.

5.4 **CLEC shall pay Verizon such charges in full regardless of whether or not it collects charges for such calls from its own Customers.

5.5 For variable rated Voice Information Services Traffic (e.g., NXX 550, 540, 976, 970, 940, as applicable) from **CLEC Customers served by resold Verizon Telecommunications Services or a Verizon Local Switching Network Element, **CLEC shall either (a) pay to Verizon without discount the Voice Information Services provider charges, or (b) enter into an arrangement with Verizon to bill and collect Voice Information Services provider charges from **CLEC's Customers.

5.6 Either Party may request the other Party provide the requesting Party with non discriminatory access to the other party's information services platform, where such platform exists.

> If either Party makes such a request, the Parties shall enter into a mutually acceptable written agreement for such access.
>
> 5.7 In the event **CLEC exercises such option, **CLEC will establish, at its own expense, a dedicated trunk group to the Verizon Information Service serving switch. This trunk group will be utilized to allow **CLEC to route information services traffic originated on its network to Verizon.

Verizon VA's proposed language is reasonable and applies non-discriminatorily to all CLECs.

Q. WHAT IS THE MAIN DISPUTE BETWEEN VERIZON VA AND WORLDCOM WITH RESPECT TO VERIZON VA'S PROPOSED SECTION 5 OF THE ADDITIONAL SERVICES ATTACHMENT?

A. The main dispute between Verizon VA and WorldCom appears to relate to the question of which carrier must bear the financial risk that the appropriate charges to the WorldCom local end-user will be uncollected. In this circumstance (*i.e.* in which WorldCom has the relationship with the end-user rather than Verizon VA), it is appropriate for WorldCom to bear the financial risk of the uncollectable charges incurred as a result of WorldCom's end-user obtaining access to the Voice Information Service provider.

V. RESOLVED ISSUES (Issue VII-27)

Q. WHAT IS THE ISSUE REGARDING RESOLVED ISSUES?

A. At the time Verizon VA first reviewed AT&T's proposed interconnection agreement in this arbitration proceeding, it appeared that AT&T had included or failed to include contract language to which Verizon VA and AT&T had already

agreed. Prior to the mediation, Verizon VA and AT&T had reached agreement with respect to the discrepancies in each of the contract provisions listed in Issue VII-27 except as to §§ 6.3.12, 6.4, 20.2, and 28.9.5. As a result of the mediation, Verizon VA and AT&T have resolved any disagreement with respect to §§ 6.3.12, 20.2, and 28.9.5. The parties continue to discuss § 6.4 but have yet been unable to come to closure.

Q. WHAT DOES VERIZON VA PROPOSE WITH RESPECT TO § 6.4?

A. The Parties have narrowed their disagreement to two subsections in Section 6.4: Subsection 6.4.1(b)(iii) and Subsection 6.4.2(iii) as identified in Verizon's proposed contract. The disagreement for each centers around language proposed by Verizon but AT&T objects to such language. For subsection 6.4.1(b)(iii), Verizon has proposed language in those cases where AT&T sends a translated IntraLATA 8YY call which transits Verizon's network for completion by another LEC. This is an example of tandem transit traffic, where traffic originated on one carrier's network (AT&T) is routed to another LEC's network via Verizon's tandem for termination by that third party LEC. In this case, Verizon is providing transit services to AT&T and should be compensated for such services (See Issues III-1 and III-2).

For subsection 6.4.2(iii), AT&T disagrees with Verizon's proposal of contract language regarding appropriate charges for translated 8YY calls sent to AT&T for completion in its capacity as a toll free service access code service provider.

1 Based on the end points of the translated IntraLATA 8YY call, it could be either
2 inter-exchange or intra-exchange. The Parties already agree that reciprocal
3 compensation charges could apply, i.e., an intra-exchange call. However, AT&T
4 disagrees with Verizon's proposal to include language regarding applicable
5 switched access charges, i.e., applicable for inter-exchange calls. Verizon is not
6 certain why AT&T disagrees with its proposal other than AT&T's attempt to have
7 reciprocal compensation apply to all forms of intraLATA toll traffic such as
8 intraLATA 8YY calls. Such a desire is clearly an attempt by AT&T to avoid
9 legally authorized access charges and is expected to be part of the resolution of
10 Issues I-5 as restated by the Parties or I-6.
11
12 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**
13 A. Yes.
14

Declaration of Christos T. Antoniou

I declare under penalty of perjury that I have reviewed the foregoing testimony and confirmed that it is true and correct.

Executed this 17th day of August, 2001.

Christos T. Antoniou

Declaration of Michael A. Daly

I declare under penalty of perjury that I have reviewed the foregoing panel testimony and that those sections as to which I testified are true and correct.

Executed this 17th day of August, 2001.

Michael A. Daly

Declaration of Steven J. Pitterle

I declare under penalty of perjury that I have reviewed the foregoing panel testimony and that those sections as to which I testified are true and correct.

Executed this 17th day of August, 2001.

Samuel M. Jones
On behalf of
Steven J. Pitterle

CURRICULUM VITAE FOR MISCELLANEOUS PANELISTS

I. CHRISTOS T. ANTONIOU

Mr. Antoniou earned his Bachelor of Science degree from the United State Military Academy at West Point in 1984. In 1992, he received his Juris Doctorate from Yale Law School. Mr. Antoniou has served as an attorney at Verizon for the past three years. His primary areas of responsibility are negotiating, arbitrating and litigating contractual arrangements and disputes under the Telecommunications Act of 1996, and providing legal advice to Verizon's product managers for interconnection and related matters. Prior to joining Verizon, Mr. Antoniou was a corporate attorney at Skadden, Arps, Slate, Meagher & Flom LLP, and at Milbank, Tweed, Hadley & McCloy, in each case at their Washington, D.C. offices, focusing on project finance and other corporate issues. In addition to practicing law, Mr. Antoniou was an officer in the United States Army.

II. MICHAEL A. DALY

Mr. Daly earned his Bachelor of Science in Marketing from the University of Maryland in 1977. In 1994, he received his Executive Masters of Science in Engineering, Technology Management from the University of Pennsylvania. Mr. Daly has over 22 years of telecommunications experience with Verizon and the former Bell Atlantic. He began his carrier with Bell Atlantic in 1979 in various sales and marketing assignments. In his tenure with Verizon, Mr. Daly has held an assortment of positions with increasing levels of responsibility, including Account Manager for a major IXC customer, Product Manager for Special Access Products, Director of Resale Services and Director of Negotiations and Interconnection Policy. In 2000, Mr. Daly assumed his current position as Director of Negotiations for the Verizon Wholesale Markets Group. In his current position, Mr. Daly oversees negotiation teams for

Interconnection, UNEs and Resale as mandated by the Act and leads a negotiations team in all aspects of negotiations with AT&T across the Verizon footprint.

III. STEVEN J. PITTERLE

Mr. Pitterle earned his Bachelor of Science Degree in Mathematics in 1970 from the University of Wisconsin at Madison. He has over 31 years experience in the Telecommunications Industry beginning in 1970 with General Telephone Company as an Engineering Assistant in the Outside Plant Engineering Department. From 1970 through 1979, Mr. Pitterle held several positions in the Engineering Department until he transferred to the Service Department. In 1980, Mr. Pitterle joined the Regulatory Affairs Department in Wisconsin as Tariff Administrator and later became Manager of Regulatory Affairs. Over the course of his tenure with the former Verizon entities, Mr. Pitterle has held a variety of positions with increasing levels of responsibility including Compensation Coordinator for intraLATA compensation, Interexchange Account Manager for the former GTE North and State Director-External Affairs in Wisconsin. In June 1977, Mr. Pitterle transferred to Irving, Texas where he now serves as Negotiations Director.