1 Again, the two categories are the tandems
2 and the end offices, but there's multiple switches
3 that fall into those two categories.
4 MS. SCHMIDT: Sure. What I would like to
5 do if I could is go up to the white board here and
6 draw a few diagrams, and I'm going to use colored
7 pens. And the diagram you see there we have
8 Xeroxed it so everyone can have their own copy and
9 draw on it however they like. You could either
10 draw what I'm drawing or something else.
11 What I'm going to do is I'm going to
12 diagram a few call flows here, and what I'm going
13 to try to do is represent in many cases Verizon's
14 obligations, financial obligations with the black
15 magic marker and AT&T's with the red magic marker.
16 The first scenario is going to be a
17 Verizon call from a Verizon customer in city A, so
18 I'm going to go like this. This is the originating
19 call.
20 We have an AT&T IP at the Verizon end
21 office. I will step aside as soon as I finish
22 this. So you have the AT&T IP at the Verizon end

1 office.

2 And the Verizon POI would also be at the

3 end office.

4 And then we have--I guess that's how I

5 want to go at this point. The AT&T IP is a

6 location where Verizon is required to deliver its

7 traffic. So, you take the black line and we bring

8 it up to there at the Verizon end office. Since

9 the IP is located there, that means according to

10 Verizon's proposal that AT&T has to pick up that

11 traffic and take it to the terminating customer,

12 which is over here. The call terminates here.

13 And what we will say for purposes of this

14 hypo is that AT&T is going to purchase facilities

15 from another carrier because it has an obligation

16 to take it from here to here, so it starts at the

17 end office associated with the originating caller,

18 brings it here, and then completes the call there.

19 Now, according to Verizon's proposal,

20 Verizon would pay recip comp end office rate for

21 that piece there.

22 So, that kind of depicts the first part of

1 the call.

2 Now, I just want to give you two a chance

3 to indicate whether that accurately reflects your

4 proposal, given the circumstances that I described,

5 that the AT&T IP is here, and the Verizon POI is

6 there. Does that reflect your proposal?

7 MR. D'AMICO: I would just have one

8 comment. That's assuming that AT&T has a

9 co-location arrangement in that end office. If

10 they did not, then the AT&T IP would be at the

11 Verizon tandem.

12 MS. SCHMIDT: That's right. So, we are

13 assuming that one of the circumstances is that AT&T

14 has a co-lo there, and you requested that you can

15 use the AT&T co-los, so that's correct. That's

16 kind of the first scenario, and I will move on to

17 another one.

18 Now, I'm going to do the reverse. We are

19 going to have AT&T originating the call in city A

20 to Verizon, a Verizon customer in city A, so you

21 got call originates here, terminates here.

22 Let's see. We have got the Verizon IP

1 located at the Verizon end office.

2 And the AT&T POI is also there.

3 Okay. So, in terms of AT&T's

4 responsibility, it has to deliver the calls to the

5 AT&T POI, so it basically goes through here like

6 this.

7 So, this is AT&T's responsibility to get

8 it here. And then Verizon terminates the call to

9 the Verizon customer, and AT&T pays Verizon the end

10 office rate, end office recip comp rate from there

11 to there.

12 Verizon witnesses, does that accurately

13 reflect your proposal, given the hypothetical as I

14 set it up?

15 MR. D'AMICO: Yes.

16 MS. SCHMIDT: Okay. Just two more.

17 Now, we're going to have a call

18 originating Verizon city A and terminating to an

19 AT&T customer in city B.

20 So originates here, terminates here, and

21 we have an AT&T IP here, once again at the end

22 office, Verizon POI is here.

1 Now, in this case, Verizon has
2 responsibility to deliver to the AT&T IP, which is
3 right here. Then AT&T has the responsibility to
4 get the traffic from here to here.
5 In this case, I will ask you two this
6 question: In this case, AT&T would like to lease
7 facilities from Verizon from the AT&T IP to the
8 CLEC switch.
9 Is it able to do that and under what
10 circumstances?
11 MR. D'AMICO: There is a co-location
12 arrangement at the Verizon end office?
13 MS. SCHMIDT: Right.
14 MR. D'AMICO: AT&T could order a UNE IOF
15 from that co-location arrangement back to their
16 switch.
17 MS. SCHMIDT: Okay. So, does it go
18 through the tandem?
19 MR. ALBERT: It might and it might not.
20 MS. SCHMIDT: Well, for purposes of this,
21 it doesn't really matter because we are just trying
22 to show the financial responsibility.

1 So, what you've got is Verizon in black
2 here, that's their financial responsibility to get
3 it to the AT&T IP, and then AT&T leases facilities
4 on UNE IOF because they have a co-location here.
5 Otherwise, they couldn't, according to Verizon's
6 proposals, I think, so they lease UNE IOF from the
7 AT&T IP, to the CLEC switch, and then they bring it
8 down onto their network and they terminate it to
9 the customer in city B.
10 Now, under these circumstances, Verizon
11 would pay recip comp to AT&T, at the end office
12 rate? So that would be for terminating the call
13 from here to here; is that correct?
14 MR. D'AMICO: Well, that's interesting
15 because I think that's an issue on another one of
16 the panels. Should Verizon pay AT&T the tandem
17 rate or the end office rate, and it's our position
18 that if the AT&T switch performs the tandem
19 function, then we would pay the tandem rate. If it
20 performing an end office function, we would pay end
21 office, but that's like another--
22 MS. SCHMIDT: That's another story.

1 MR. D'AMICO: Right. So, you could say
2 tandem and/or end office rate depending on--
3 MS. SCHMIDT: But your proposal in this
4 case really is that for a CLEC--for switches like
5 AT&T's switch hierarchies like AT&T's, it's
6 appropriate not to pay the tandem rate but to pay
7 the end office rate or something less, which we
8 will get to later; isn't that correct?
9 MR. D'AMICO: Well, without getting too
10 deeply into that issue, there's talk whether or not
11 the AT&T switch serves the end office--so, I
12 wouldn't say that's tied to the GRIP proposal.
13 That's really tied to that other issue.
14 MS. SCHMIDT: I understand.
15 MR. D'AMICO: So, we would pay based on
16 the outcome of that issue either the tandem or the
17 end office rate.
18 MS. SCHMIDT: All right. But whatever it
19 is, we will talk about that later, you would pay
20 recip comp to AT&T?
21 MR. D'AMICO: Yes.
22 MS. FARROBA: Where is the points that

1 recip comp is, from where to where in that
2 scenario?
3 MS. SCHMIDT: Well, it's my understanding
4 of Verizon's proposal is this is AT&T's
5 responsibility, and that--
6 MR. DYGERT: "This" being from the Verizon
7 end office?
8 MS. SCHMIDT: Yes, which is also the AT&T
9 IP to the CLEC switch to the terminating end
10 office, and then Verizon would pay AT&T the recip
11 comp rate to terminate that call to the customer
12 from the end office to the CLEC customer; is that
13 correct?
14 MR. D'AMICO: Yes.
15 MS. PREISS: What about the transport
16 between the CLEC switch in the top half of the
17 countries--that's Verizon--wait, now I'm very
18 confused. That's the Verizon end office down
19 there? Who is paying the transport between the
20 CLEC switch and the Verizon end office at the
21 bottom?
22 MR. D'AMICO: AT&T is. Verizon will drop

1 it off at the IP, the AT&T IP, and then beyond that
2 point to get it to the AT&T customer, recip comp
3 would take care of that.
4 MS. PREISS: Okay, that's my question. Is
5 Verizon paying recip comp that includes the
6 transport between those switches?
7 MR. D'AMICO: The recip comp is a rete
8 that is symmetrical to the rate that we filed in
9 Virginia, so that's all we proposed to pay, and so,
10 therefore, you could say that covers that. Does
11 that make sense?
12 MS. PREISS: No.
13 MS. FARROBA: What point to what point?
14 MR. D'AMICO: From the Verizon end office
15 up in city A is where Verizon's financial
16 responsibility is going to stop. As far as our
17 obligation of transport. And then from that point
18 on, AT&T is going to get it back to their customer,
19 and so we are going to pay them recip comp, and
20 again whether that's a tandem rate or the end
21 office rate is kind of addressing that other issue.
22 And that is going to recover that link from A to B,

1 if you will, from the Verizon end office to that
2 CLEC customer.
3 MS. FARROBA: Okay. Well, then, if it's
4 at the tandem rate, where is the recip comp going
5 to be paid? From the first Verizon end office all
6 the way to the CLEC customer?
7 MR. D'AMICO: Yes.
8 MS. FARROBA: Okay. And if it's at the
9 end office rate, the recip comp is going to be from
10 the--oops, I didn't make it clear. If it was
11 tandem rate, then it would be the Verizon end
12 office in city A all the way to the CLEC customer?
13 Verizon would pay for recip comp?
14 MR. D'AMICO: Yes.
15 MS. FARROBA: Okay. And then if it was
16 the end office rate, it would be the Verizon end
17 office between in city B between there and the
18 customer?
19 MR. D'AMICO: I think the answer would be
20 the same, whether it's the tandem rate or the end
21 office rate. In other words, it's still going to
22 cover the same distance. It's just a matter of

1 what's the applicable recip comp rate. Is it the
2 tandem rate or the end office rate.
3 MS. PREISS: That doesn't make any sense
4 to me. I thought the tandem rate is tandem
5 switching plus transport plus end office switching.
6 In which case if Verizon is paying the tandem rate,
7 then AT&T is being compensated for some of the
8 transport to get to that Verizon end office in city
9 B. If Verizon is only paying the end office rate,
10 then Verizon is not paying for any of the transport
11 once the traffic leaves the Verizon end office in
12 city A, so that's what I'm trying to find out.
13 Does Verizon pay reciprocal compensation
14 that covers any of the transport costs that AT&T
15 incurs either from the Verizon end office in city A
16 to the AT&T switch in city A, and I gather the
17 answer there is no, or from the CLEC switch in city
18 A to the Verizon end office in city B? And that's
19 the part that I don't think has been answered yet,
20 or I just missed it.
21 MR. D'AMICO: I guess the best way to
22 answer would be that is if Verizon is paying the

1 end office rate, then it is only paying to get it
2 to the Verizon end office, and that AT&T is doing
3 termination.
4 MS. FARROBA: I'm sorry, to get it to the
5 Verizon end office--
6 MR. D'AMICO: Where the AT&T IP is.
7 MS. PREISS: But you can't answer whether
8 or not in this circumstance Verizon would pay the
9 end office or the tandem switching, tandem recip
10 comp rate?
11 MR. D'AMICO: Well, based on that other
12 issue, if the CLEC switch serves customers in the
13 same geographic area, in the functionalities and
14 has customers, then Verizon would pay the tandem
15 rate. So, I guess, if they actually had a customer
16 in that other location, and they were doing a
17 tandem functionality, then Verizon would pay the
18 tandem rate.
19 MS. PREISS: In that other location being
20 where?
21 MR. D'AMICO: In city B.
22 MS. PREISS: If Verizon had a customer

1 both in city A and in city B?

2 MR. D'AMICO: No, just in city B because

3 they're taking it from their switch to that

4 customer in city B, and so I guess the thought

5 process is Verizon's tandem would normally serve

6 city B, AT&T is getting that traffic to city B, and

7 they're performing that same function, even though

8 there may not be the distinction between the

9 Verizon network of a tandem switch.

10 MS. SCHMIDT: One final chart.

11 Okay, this next one is going to be a call

12 from an AT&T customer in city A to a Verizon

13 customer in city B. So, the call originates here.

14 The Verizon IP is down here. That's where

15 AT&T has to deliver the call.

16 And so AT&T's responsibility is to take it

17 this way, and if they have facilities, they could

18 bring it right down this way. Then Verizon takes

19 it from the end office and delivers it to the

20 customer.

21 So, in this case, AT&T's responsibilities

22 are represented in red, and then they pay the end

1 office rate--

2 MR. STANLEY: Could you just, I'm

3 imagining reading the record, and since none of

4 this is going to be in evidence, it would be

5 impossible. So, if you want this reflected in the

6 record, could you say what you mean by "down here"

7 and just trace us through, distinguish between city

8 A, city B, what "here" is.

9 MS. SCHMIDT: Yeah. I apologize for that.

10 One thing I could do is replicate because

11 I do have what I'm drawing up here, and I could

12 replicate that for everyone, and we could mark them

13 as exhibits. It might make the record cleaner.

14 But I will--

15 MS. PREISS: But you still need to talk

16 about it because you already had all these

17 questions and later on you would give us exhibits

18 and you aren't referencing exhibit numbers now as

19 you're talking so we are just going to be--to be

20 able to match up your pictures which now you raised

21 with the text, so if you could refer to CLEC

22 customer A and city A or what have you, it would be

1 a lot easier.

2 MS. SCHMIDT: All right.

3 So, in this scenario, we have a CLEC

4 customer in city A that's originating the call. We

5 have to a Verizon customer in city B, so this is

6 the termination point, the Verizon customer city B.

7 Verizon IP is at the end office, Verizon end

8 office, and is serving the called party.

9 So, AT&T's responsibilities begin with the

10 CLEC customer in city A that goes to the CLEC

11 switch, and then we will assume for purposes of

12 this hypothetical that AT&T has facilities from the

13 CLEC switch in city A to Verizon's end office

14 switch in city B. So, AT&T's responsibilities are

15 to take the traffic down to that Verizon end office

16 that's serving the terminating customer in city B.

17 And then AT&T would pay Verizon

18 termination to take the call from the Verizon end

19 office to a Verizon customer.

20 Do the Verizon witnesses agree that this

21 is consistent with their proposal?

22 MR. D'AMICO: Yes. I mean, that's--there

1 is another option as well, and I don't want to
2 complicate things, but the other alternative would
3 be that's where end office trunking to that Verizon
4 end office in city B, but the other option could be
5 if the volumes were less than a DS1, that AT&T
6 could send it to the Verizon tandem in city A and
7 pay the tandem rate and then Verizon would carry it
8 down to its customer in city B. Just another, you
9 know--that's when you get into the tandem versus
10 the end office rate.
11 MS. SCHMIDT: Okay. I'm done with the
12 pictures now.
13 Just to clarify for a moment, in terms of
14 marking these call flows as exhibits, would the
15 Commission want us to do that?
16 MR. DYGERT: Yeah, I think that it would
17 be helpful, and I'm cautiously optimistic that the
18 transcript will be clear based on when you changed
19 from one diagram to the next.
20 MR. KEFFER: There were four of them that
21 she went through, and I think the transcript will
22 be clear as to where one started, stopped, and

1 where the next one picked up. But we marked them
2 for identification as the next four AT&T exhibit
3 numbers, and we will replicate them. While our
4 chart isn't as nearly as nice as Mr. Albert's
5 handiwork, we will replicate them and have them
6 available tomorrow.
7 MR. DYGERT: 31 through 34.
8 MS. SCHMIDT: I would like to move on to
9 another subject. The GRIP and VGRIP proposals.
10 MR. EDWARDS: Could I ask one clarifying
11 questions of those four, on the four charts, is the
12 assumption on all of those charts that none are
13 intra-LATA calls? Intra-LATA toll calls?
14 MS. SCHMIDT: Are you saying inter-LATA?
15 MR. EDWARDS: Intra-LATA toll calls.
16 MS. SCHMIDT: No, they would be local
17 calls.
18 MR. EDWARDS: That was the underlying
19 assumption on all of them?
20 MS. SCHMIDT: Yes.
21 MR. STANLEY: And just so I'm clear, city
22 A and city B are both within the same local calling

1 area?

2 MS. SCHMIDT: How about if you don't mind,

3 if I ask the Verizon witnesses that if the

4 scenarios that were described would only work if

5 the calls were within the local calling area city A

6 and city B in the local calling areas?

7 MR. DYGERT: I'm concerned that if we

8 start going back to that without better diagrams,

9 things are going to become increasingly confusing.

10 I think what might work best, if you want to

11 conduct more examination on this set of diagrams

12 based on the network configurations that you've

13 laid out here is if we could--if you could actually

14 draw out on different versions of this diagram what

15 exactly it is you want to talk with the witnesses

16 about because I'm concerned if we go back and now

17 do local calling area and intra-LATA toll and other

18 things like that, we are going to get to the point

19 that the transcript becomes worthless to us later

20 on.

21 MS. PREISS: I would really like to get

22 the answer to this question, though. Maybe without

1 reference to the pictures, does your answer, to the
2 Verizon witnesses, do your answers change if these
3 calls are--if city A and city B are not within the
4 same local calling area?
5 MR. D'AMICO: If they're not within the
6 local calling area, that's what VGRIP is all about,
7 to kind of balance that situation. To be honest
8 with you, when we were discussing it, I assumed
9 that city B was some far distance away, and city A
10 was not--it wasn't a local call between A and B.
11 MS. PREISS: Okay, thank you.
12 MS. FARROBA: One thing we could do
13 tomorrow is like Mr. Dygert suggests, which is once
14 we have diagrams in hand again, since I don't think
15 we are going to be through with this panel by the
16 end of today, I guess we can go back over the
17 diagrams and see if we need to walk through these
18 one more time tomorrow, we could do that, but it
19 might be--that might give everybody a chance to
20 look at the diagrams again and make sure that we
21 are all clear on what everybody--what Verizon's
22 position is on the various different scenarios.

1 MS. SCHMIDT: Okay. I will move on to
2 another topic. In your testimony, you referenced a
3 GRIP proposal and a compromised VGRIP proposal. I
4 would like to mark for identification
5 AT&T's--Verizon's response to AT&T X-VII for
6 identification. This would be AT&T Exhibit 35, I
7 believe.
8 (AT&T Exhibit No. 35 was
9 marked for identification.)
10 MS. SCHMIDT: Now, in this response,
11 Verizon indicates that the language in Sections
12 4.1.3.2 and 4.1.3.4 represent Verizon's VGRIP
13 proposal; is that correct?
14 MR. D'AMICO: Yes.
15 MS. SCHMIDT: So, what I'm trying to
16 understand is, do we have--that is, was AT&T given
17 language that represents Verizon's GRIP proposal?
18 MR. D'AMICO: I think in the early parts
19 of negotiations, GRIP was probably discussed.
20 MS. SCHMIDT: Okay. But the ICA language
21 that Verizon filed as part of its petition and
22 that's referenced in this response represents the

1 VGRIP proposal; is that correct?

2 MR. D'AMICO: Yes.

3 MS. SCHMIDT: Okay.

4 Do you agree that new market entrants

5 generally experience different traffic growth

6 patterns than those by an experienced ILEC with a

7 mature network?

8 MR. ALBERT: What do you mean by

9 "different"?

10 MS. SCHMIDT: Not the same.

11 MR. ALBERT: Help me out here.

12 MS. SCHMIDT: Would it be fair to say that

13 new market entrant versus more spiky growth traffic

14 patterns than those experienced by an ILEC? In

15 other words, the growth goes up and down to a

16 greater extent than a mature network would

17 experience?

18 MR. ALBERT: My experience is I have seen

19 it go up a lot more. I haven't seen the down.

20 MS. SCHMIDT: Right. But it could do go

21 down, couldn't it?

22 MR. ALBERT: It hasn't yet.

1 MS. SCHMIDT: You're talking about CLEC
2 traffic patterns?
3 MR. ALBERT: CLEC traffic or CLEC trunks.
4 MS. SCHMIDT: Just to be clear, we are
5 talking about individual CLEC, not CLECs in
6 combination. An individual CLEC entering the
7 market could see its traffic growth patterns be
8 very spiky; that is, go up and down more so than an
9 ILEC that has a mature network. Would you agree
10 with that?
11 MR. ALBERT: Only to the degree that I
12 have seen very few downs.
13 MS. SCHMIDT: Okay.
14 MR. ALBERT: Large swings in the upward
15 direction of traffic and lines.
16 MS. SCHMIDT: Okay. Would you agree that
17 all carriers can experience a single spike in
18 traffic on a particular day or week that's not
19 necessarily representative of the carriers' average
20 traffic levels?
21 MR. ALBERT: Yes.
22 MS. SCHMIDT: Now, if you could look at

1 your language that's set forth in 4.2.8.
2 Is it not correct that according to this
3 language a single spike in traffic above the one
4 DS1 level could require AT&T to establish direct
5 trunks?
6 MR. ALBERT: I would say usually not. And
7 we are still here talking about traffic volume over
8 the course of a month.
9 MS. SCHMIDT: But the language says one
10 DS1 at any time, does it not?
11 MR. ALBERT: I think we are using that
12 synonymously with the 200,000 minutes of us, which
13 is a monthly figure.
14 MS. SCHMIDT: I understand, but it does
15 say and/or there, doesn't it?
16 MR. ALBERT: When I'll say when we're
17 talking about a DS1, it's based on a monthly
18 traffic study.
19 MS. SCHMIDT: That would be what Verizon's
20 proposal is, even though the language perhaps
21 suggests something different?
22 MR. ALBERT: I mean, this DS1 would be for

1 a month's worth of traffic volume.

2 Maybe you're reading this differently than

3 what it meant to me.

4 MS. SCHMIDT: Yes, okay.

5 MR. ALBERT: But we would basically take

6 the calling volumes, take the utilization in a

7 month.

8 MS. SCHMIDT: So, it would be like an

9 average for the month?

10 MR. ALBERT: Yes.

11 Really, the 200,000 minutes of use is what

12 we work off of, and that--it's not the average but

13 it's the actual of what the total would be during

14 that particular month.

15 MS. SCHMIDT: Now, the DS1 threshold that

16 you're proposing for direct trunking was

17 established, I believe you stated in your direct

18 testimony, sometime in the late eighties; is that

19 correct?

20 MR. ALBERT: Yeah, that's when we first

21 had it. I guess when we first had it, first number

22 I remember seeing was like around 22 trunks as

1 being the threshold. That was in the late
2 eighties. That progressively went down over time.
3 The last time we did a study on it, the last number
4 I remembered seeing was the early nineties and it
5 was down to about 12, and then at that point since
6 we build trunks in building blocks of DS1, in
7 building blocks of 24, at that point it became moot
8 to really do any further studies with it. We used
9 it as the design criteria within our own network
10 ever since.
11 MS. SCHMIDT: So, this DS1 threshold is
12 basically the same threshold that you are proposing
13 for tandem transit traffic, is it not? I mean,
14 they are both DS1s.
15 MR. ALBERT: That's correct.
16 MS. SCHMIDT: They are both based on the
17 same study or--well, there isn't a study, is there,
18 specifically that you could provide?
19 MR. ALBERT: When we went back to answer
20 the interrogatory, we couldn't find it from that
21 period of time. Now we've used it for so long it's
22 kind of like breathing.

1 MS. SCHMIDT: So you don't have any
2 documentation that describes what the assumptions
3 were when the thresholds was established?
4 MR. ALBERT: No. Like I said, The last
5 study I saw was in the early nineties, and we went
6 back to find them, and we couldn't.
7 MS. SCHMIDT: Okay.
8 Now, in Verizon's traffic between a
9 particular AT&T end office and an AT&T IP which
10 happens to be located at a Verizon tandem exceeds
11 the DS1 level of traffic, does Verizon have the
12 obligation to direct trunk that traffic to AT&T's
13 end office?
14 MR. ALBERT: Are you asking rather than
15 going through an AT&T tandem would we build a trunk
16 group directly to an AT&T end office?
17 MS. SCHMIDT: I'm asking whether you have
18 the obligation in your language, in your proposed
19 language, is there a requirement that Verizon take
20 their traffic off the Verizon tandem when their
21 traffic to a particular AT&T end office exceeds the
22 DS1 level.

1 MR. ALBERT: I think that's what we
2 propose. That's what we are talking about.
3 MS. SCHMIDT: Well, take a look at the
4 Section 4.2.8. It's actually the last sentence of
5 that paragraph I'm trying to understand. It says,
6 for purposes of this paragraph, which is the
7 paragraph that deals with the DS1 threshold,
8 Verizon shall satisfy its end office trunking
9 obligations by handing off traffic to an AT&T IP.
10 So, my question is, when an AT&T IP
11 happens to be a Verizon tandem, and Verizon's
12 traffic exceeds the DS1 level, does Verizon have an
13 obligation to take that traffic off the tandem?
14 MR. ALBERT: I'm sorry, I'm quite not
15 following your question. This is talking about a
16 POI where the wires meet.
17 MR. D'AMICO: I think what this is saying
18 is first of all, it's reciprocal because in the
19 beginning it says the originating party and
20 terminating party, and then it says, I guess,
21 because again Verizon has this clean structure of a
22 tandem and an end office whereas AT&T kind has this

1 tandem end office thing.

2 So, I think the last sentence that you

3 read is trying to say is that because Verizon is

4 not sure if there is a tandem or an end office that

5 we are connecting to, if the threshold is from a

6 DS1 from a particular Verizon end office, we are

7 going to put a direct trunk from that Verizon end

8 office to the AT&T IP as opposed to tandem routing

9 that through our can. That's trying to clarify the

10 fact that an AT&T switch is kind of a chameleon.

11 MS. SCHMIDT: I'm sorry, I'm a little

12 confused. A Verizon tandem can be an AT&T IP;

13 right?

14 MR. D'AMICO: AT&T's IP can be at the

15 Verizon tandem. I'm not sure. It's just

16 semantics.

17 In other words, the AT&T IP is at a

18 co-location arrangement at the Verizon tandem.

19 Verizon could have trunks from the tandem, Verizon

20 tandem switch right into that co-location

21 arrangement.

22 Then if for some reason traffic from a

1 particular end office that subtends that Verizon
2 tandem was greater than a DS1, then Verizon would
3 no longer route that traffic through the tandem to
4 that co-location cage or co-location arrangement in
5 the tandem. It would then just put a direct trunk
6 from the Verizon end office into that AT&T IP. And
7 that's what that language is saying, that there
8 weren't two things that Verizon could go to. It
9 still goes to the AT&T IP.
10 MS. SCHMIDT: If it's at an end office?
11 MR. D'AMICO: If it's greater than a DS1,
12 you are going to put in direct end office trunking
13 versus if it's not, then we are going to use tandem
14 trunking.
15 MS. PREISS: If the AT&T IP is at the
16 Verizon tandem, and there is more--greater than DS1
17 level of traffic from a particular Verizon end
18 office, is the difference simply that you're no
19 longer switching the traffic through the Verizon
20 tandem?
21 MR. D'AMICO: Exactly.
22 MS. PREISS: Okay.

1 MS. SCHMIDT: I'm moving on to the
2 mid-span meet issue now.
3 Now, I know we don't agree on whether
4 mutual agreement is required for mid-span meet
5 interconnection, so when I ask you this next
6 question, put aside for a moment the mid-span meet
7 method of interconnection and answer the question
8 for all the other types of interconnection, and
9 then we will talk about mid-span.
10 So, isn't it true that for all other
11 methods of interconnection, other than mid-span, an
12 ILEC can assert that a particular point of
13 interconnection is not technically feasible, and in
14 that way they can challenge the CLEC's selection of
15 that particular point?
16 MR. D'AMICO: I think in the contract we
17 try and outline general types of interconnection,
18 points of interconnection. It could be at a
19 co-location arrangement. It could be at a third
20 party, and so--and then we say, or we could enter
21 into a mid-span meet.
22 So, we have tried to lay out basically the

1 common types, an entrance versus a co-lo versus a
2 third party arrangement.
3 MS. SCHMIDT: Right. So, for all those
4 types that you listed, except for mid-span for a
5 moment, is it not true that if AT&T selects one of
6 those other methods at a particular location that
7 Verizon feels is not technically feasible, they
8 basically can reject that selection and say, no, we
9 are not going to interconnect at that point because
10 it's not technically feasible. I mean, you have
11 the right to do that, don't you?
12 MR. D'AMICO: Again, I think the common
13 types that we've identified, we've seen that they
14 are technically feasible, so we've listed them. If
15 you kind of go outside that box, then I guess we
16 would have to look at that situation. That's why
17 we came up with sort of the standards, the common
18 types, and then mid-span.
19 MS. SCHMIDT: So, if you go outside the
20 boxes, some other type that we can't even identify
21 at this point, you still have the right to say
22 you're not going to interconnect because that

1 particular method or location is not technically
2 feasible. That's your right under the law, isn't
3 it?
4 MR. D'AMICO: If it's not technically
5 feasible, I'm not sure how you could do it, whether
6 there's a law there or not. If you can't do it,
7 you can't do it.
8 MS. SCHMIDT: So, you would agree that you
9 have the right to reject it, then, wouldn't you?
10 MR. D'AMICO: Right. We would not be able
11 to do it.
12 MS. SCHMIDT: Right. Now, that right to
13 reject it is not really the same as requiring
14 mutual agreement, is it? I mean, you have the
15 right to reject, but that doesn't necessarily mean
16 you have a right to mutually agree to every type of
17 interconnection method. Aren't those two different
18 things?
19 MR. D'AMICO: Again, the common types that
20 we've listed doesn't require a mutual agreement.
21 Either party could ask for that. For a mid-span,
22 we are saying we do need mutual agreement because

1 as Don stated earlier, there's a lot of variables,
2 so the parties have to mutually agree to it.
3 So, if it's something that is not
4 identified, then I would say that both parties will
5 have to look at it and mutually agree to doing it.
6 MS. SCHMIDT: I would like to look at a
7 portion of the paragraph that you quoted on page 15
8 of your rebuttal testimony, which is marked as
9 Verizon Exhibit 18, I believe.
10 MR. D'AMICO: Is that rebuttal at
11 nonmediation?
12 MS. SCHMIDT: Yes.
13 MR. D'AMICO: Page 18 did you say?
14 MS. SCHMIDT: No, 15.
15 Now, this quote that appears on page 15,
16 lines 11 through 16, involves a discussion about
17 the distance that the ILEC should be required to
18 build out to accommodate mid-span interconnection;
19 correct?
20 MR. ALBERT: Yes.
21 MS. SCHMIDT: Would you agree that the
22 principle that's set forth in this quote is that

1 the ILEC is required to build out to the extent
2 that the buildout amounts to a reasonable
3 accommodation of interconnection, which are really
4 the last five words of the quote?
5 MR. ALBERT: Yeah. I mean, that's what it
6 says.
7 MS. SCHMIDT: So, you would agree, then?
8 MR. ALBERT: Well, I'm not familiar with
9 all the law and stuff, not being a lawyer, but
10 yeah, I thought we were generally on the hook to
11 have to build these, and there was a limitation for
12 when is a buildout too big.
13 MS. SCHMIDT: Right. When is it
14 reasonable, when is it not reasonable.
15 MR. ALBERT: Um-hmm. That was my rough
16 understanding of it.
17 MS. SCHMIDT: On page 15, lines 20 through
18 23 of the same exhibit, your rebuttal testimony,
19 which is Exhibit Verizon 18, you state that if a
20 CLEC is given the right to select where to
21 establish the mid-span, Verizon would not reap the
22 benefits of that arrangement.

1 Isn't that correct?

2 MR. ALBERT: Yeah, we say unilaterally, so

3 I guess what I thought we were getting at there is

4 there are some cases where the point that will be

5 picked, there might be no benefit to us.

6 If you want to go off in the middle of the

7 cornfield nowhere where we had facilities, if it

8 wasn't a route that we would use, then it's

9 possible in that particular case that building of

10 facilities would have no benefit or be more

11 inefficient, more expensive.

12 MS. SCHMIDT: So, in that particular

13 circumstance that you just described, you would

14 argue that that's not a reasonable accommodation of

15 interconnection; correct?

16 MR. ALBERT: It would depend, if we are

17 talking minor dollars, if we get paid for it, I

18 guess, it's okay.

19 MS. SCHMIDT: It depends on the

20 circumstances?

21 MR. ALBERT: I think a number of these

22 would depend on the individual circumstances of the

1 specific case that was involved. I think there are
2 some points that could be selected for the mid-span
3 meet to occur, where it would just in total mean
4 additional cost to us. And there are some other
5 points that could be selected where there would be
6 a benefit and efficiency to both parties for that
7 particular point.
8 MS. SCHMIDT: Okay. Just a few more
9 questions.
10 On page 27 of your direct testimony,
11 network architecture nonmediation issues, which is
12 Verizon Exhibit 4, specifically around line 18, you
13 talk about a construction integral of 120 days for
14 a mid-span, and you propose that once the parties
15 have signed an MOU; is that correct?
16 MR. ALBERT: Yeah, with the MOU really
17 being the definition of all the technical details
18 that we would need in order to begin construction.
19 MS. SCHMIDT: Now, have you proposed a
20 time frame within which the parties must sign the
21 MOU?
22 MR. ALBERT: No.

1 MS. SCHMIDT: Therefore, the total time
2 from the date when a mid-span is requested by the a
3 CLEC until the date that the mid-span is active is
4 really not set forth anywhere in the agreement;
5 isn't that correct? Because the MOU is open-ended.
6 MR. ALBERT: Yeah, I guess hypothetically
7 what you could get into, is if there was a
8 particular issue when there was a hangup and the
9 parties didn't agree to it, then there is a dispute
10 resolution piece of the interconnection agreements.
11 That starts to get into the legalities, so I'm not
12 familiar with it. But if there was a disagreement
13 over a technical detail that would preclude being
14 able to go forward to building it, I think the
15 dispute resolution process could be used for
16 resolving that problem.
17 When that was resolved, then those details
18 would then square, then you could roll forward with
19 the implementation.
20 MS. SCHMIDT: Now, is this proposal on the
21 MOU issue for a mid-span, is that similar to a
22 proposal that Verizon made in Massachusetts in a

1 Media One arbitration?

2 MR. ALBERT: I don't remember. That was

3 me and that was you.

4 MS. SCHMIDT: I remember.

5 MR. ALBERT: And I know we had an awful

6 lot of work that we did relative to the time frames

7 relative to what the starting points were, so how

8 similar-similar this is to what we were doing in

9 Massachusetts, I really just can't recall.

10 MS. SCHMIDT: Do you remember the

11 resolution of the issue?

12 MR. ALBERT: Just in broad terms.

13 MS. SCHMIDT: Isn't it correct that

14 Verizon's proposal was rejected? If you don't

15 remember, that's fine.

16 MR. ALBERT: Yeah, no. No, there was a

17 ruling that was more in Media One's favor. But I

18 just can't recall the particulars--I can't recall

19 particulars of what was ruled on, and I can't

20 recall the movement in the iterations we went

21 through as we were negotiating because there was a

22 fair amount of that.

1 We got it narrowed down a good bit, but
2 then we still wound up getting a ruling on it.
3 MS. SCHMIDT: Thank you. I have no
4 further questions of this subpanel.
5 MR. DYGERT: Cox.
6 CROSS-EXAMINATION
7 MR. HARRINGTON: In the interest of time,
8 we are going to distribute all the exhibits for
9 issue I together, and then when we have exhibits
10 for other issues, we will distribute them together.
11 One consequence of this method of
12 distribution which I will mention now is that it
13 may not be referred to in their number order when
14 we get to the cross questions. But these exhibits
15 we designated Cox Exhibits Number 3 through 7.
16 MR. DYGERT: Before Cox continues, let me
17 ask of AT&T whether they want to have their
18 Exhibit 35 admitted into evidence here. Which that
19 was the one relating to--Verizon's response on AT&T
20 question 10-7, I believe.
21 MS. SCHMIDT: Yes, AT&T would request that
22 that response be marked, be accepted into evidence

1 as AT&T Exhibit 35.

2 MR. EDWARDS: No objection.

3 MR. DYGERT: Great. Thank you. It's

4 received into evidence.

5 (AT&T Exhibit No. 35 was

6 admitted into evidence.)

7 MR. HARRINGTON: I believe everybody has

8 copies of these, and I believe these were

9 distributed to Verizon last night, but I'm not sure

10 what time they got there. I will not promise to

11 have only a few questions, but I will try to go

12 quickly.

13 I would like to start by making sure that

14 we are all working from the same general premises

15 about what provisions we are talking about here, so

16 I'm going to ask you a few questions about

17 Verizon's proposal for Cox's Interconnection

18 Agreement, and I'm going to start with issue I and

19 I will tell you when I move to two, three and four.

20 On issue I, Verizon has not proposed VGRIP

21 to Cox; is that correct?

22 MR. D'AMICO: It's not in this particular

1 language--

2 MR. HARRINGTON: In this proceeding,

3 Verizon is not providing VGRIPs to Cox.

4 MR. EDWARDS: Mr. Harrington, let him

5 answer the question.

6 MR. D'AMICO: We don't have specific VGRIP

7 language in this document. However, again, we are

8 dealing with kinds of snapshots in time of the

9 negotiation process, and Verizon, if it may or may

10 not have offered VGRIP, does not have a problem

11 with saying that's our proposal for Cox.

12 MR. HARRINGTON: I guess what I'm trying

13 to do for purpose of cross-examination, I

14 understand we are not talking about VGRIP. We'll

15 only be talking about GRIP; is that fair?

16 MR. D'AMICO: I would say we could talk

17 about VGRIP because GRIP kind of--we've already put

18 VGRIP in our testimony, and it's a compromised

19 proposal. I guess we could talk about GRIP if you

20 want to, but that is just going to get us further

21 down the road.

22 MR. HARRINGTON: I guess what I'm asking