> Both Parties shall use either a DS-1 or DS-3 interface at the POI. **Upon mutual agreement, the Parties may use other types of interfaces**, such as STS-1, at the POI, when and where available.[73]

What is in dispute is the CLECs' refusal to recognize that certain traffic must go to intermediate hubs in Verizon VA's network. Pursuant to AT&T's and WorldCom's positions, when they order DS-3 facilities from Verizon VA, they do not want to order muxed DS-3 facilities to a Verizon VA central office designated as an intermediate hub location. Verizon Ex. 4 at 32. Instead, the CLECs want this traffic to go to any central office, even if the necessary multiplexing equipment to handle DS-3 to DS-1 multiplexing for multiple carriers does not exist at a particular central office. The National Exchange Carrier Association ("NECA") 4 tariff designates the Verizon VA intermediate hub locations as those central offices that are capable of breaking down -- or disaggregating -- a DS-3 facility into 28 individual DS-1s. Verizon Ex. at 32. An intermediate hub has the electronic digital cross-connect system capable of performing this function for multiple carriers and the necessary transport capable of carrying the DS-1 facilities to the locations the CLEC designates. Tr. at 2622-23.

Verizon VA's proposal, which requires this traffic to go to an intermediate hub, is consistent with the way an IXC orders multiplexed DS-3 facilities from Verizon VA. If an IXC orders such facilities, the traffic goes to the intermediate hubs identified in the NECA 4 tariff. Verizon VA merely expects AT&T and WorldCom, the CLECs, to act in a manner that is consistent with how AT&T and WorldCom, the IXCs, act.

Moreover, Verizon VA's position is consistent with the *Local Competition Order*, where in the *Local Competition Order*, the Commission required "incumbent LECs to offer DCS [digital cross connect system] capabilities in the same manner that they offer such capabilities to

[73] Verizon Ex. 83, Interconnection Attachment, § 5.2.1 (emphasis added).

IXCs."[74] This is exactly what Verizon VA proposes to do when it directs WorldCom and AT&T to the intermediate hubs designated in the NECA 4 Tariff.

Finally, in addition to complying with the Commission's specific requirements for offering digital cross connect systems in the same manner that Verizon VA offers such capabilities to IXCs, Verizon VA offered to construct for AT&T and WorldCom their own dedicated asynchronous DS-3 to DS-1 multiplexors at non-hub locations if AT&T and WorldCom compensate Verizon VA for these network modifications. This offer goes beyond what Verizon VA is required to do yet both CLECs appeared disinterested. Tr. at 2435, 2635. In any event, the Commission should adopt Verizon VA's proposed § 5.2.1 to AT&T and Verizon VA's proposed § 5.2.1 to WorldCom. Both proposals are consistent with applicable law and both proposals apply to IXCs and CLECs alike.

VI. ACCESS-RELATED ISSUES (V-2, IV-6)

Several of the CLECs' positions represent an attempt to circumvent established access product offerings and services. For instance, both AT&T and WorldCom want Verizon VA to provide them with transport facilities at UNE rates even when they order those facilities out of Verizon's access tariff. This is a recurring theme for AT&T because in addition to Issue V-2, AT&T wants the ability to purchase an access service from Verizon VA at UNE rates in Issues V-1 and V-8.[75] The Commission should not permit the CLECs to circumvent Verizon's tariffed access services.

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[74] *Local Competition Order* ¶ 444.

[75] Verizon addresses Issues V-1 and V-8 in the Intercarrier Compensation portion of its brief. As discussed more fully there, AT&T's proposed contract language in support of these issues should not be included in the interconnection agreement.

A. AT&T Should Not Be Permitted To Purchase Transport At UNE Rates When The Transport Is Purchased From Verizon's Access Tariff. (Issue V-2).

AT&T complains that Verizon VA is forcing it to purchase interconnection transport from Verizon's access tariffs. Tr. at 1002. That is not Verizon VA's proposal; AT&T has choices. As explained in Verizon VA's pre-filed direct testimony on non-mediation issues, AT&T may purchase UNE IOF from its collocation arrangement to its switch location. AT&T may also purchase transport from a third-party, self provision the transport, or purchase the transport from Verizon's access tariff. Verizon Ex. 4 at 30. But, if AT&T chooses to order transport out of the access tariff, then it should pay the appropriate access charges -- not UNE rates.

As AT&T admitted at the hearing, it merely wants the lowest available rate for transport, whether it is an access service or a UNE, as if they were interchangeable. Tr. at 1019-20. AT&T is not entitled, however, to purchase access services at UNE rates simply because Verizon VA's rates for transport purchased out of Verizon's access tariff are higher than the rates for UNE dedicated transport. If AT&T chooses the transport service from Verizon's access tariff, it can order that service but it must pay the appropriate rate.

Verizon VA's position on when AT&T may purchase transport at UNE rates and when it must pay access rates is consistent with, and supportive of, Verizon VA's VGRIP proposal. Under VGRIP, and as discussed above, in order for Verizon VA to request an AT&T IP at a Verizon VA tandem or end office, AT&T must have a collocation arrangement at that tandem or

end office. Thus, if AT&T were to purchase transport from Verizon VA for this traffic, AT&T could order this UNE IOF to connect its collocation space to its switch. Verizon Ex. 4 at 30.[76]

If AT&T is not ordering transport in connection with its collocation arrangement, then it is not entitled to UNE rates and must pay access. For example, if AT&T were to order UNE IOF from its switch directly into Verizon VA's switch, AT&T would be attempting to create a UNE combination consisting of an entrance facility (from AT&T's switch to the Verizon serving wire center), UNE IOF dedicated transport (between the Verizon serving wire center and the Verizon switch), possibly a multiplexer (which is not a UNE), and a switch port. Verizon VA has no obligation to create this new UNE combination, nor does AT&T have the right to receive it. There has been no "necessary and impair" analysis performed or satisfied. In fact, pursuant to the transport options AT&T has available to it -- self-provisioning, purchasing UNE IOF from Verizon VA at its collocation arrangement, and purchasing transport from a third-party -- AT&T is not "impaired" if it must purchase transport from Verizon's access tariff. Accordingly, the Commission should adopt Verizon VA's Exhibit A, § 1.A.II from Verizon VA's proposed interconnection agreement to AT&T in connection with Issue V-2.

B. The Commission Should Adopt Verizon VA's Proposed § 8 Of Its Interconnection Attachment Because This Provision Allows WorldCom To Purchase Access Toll Connecting Trunks From Verizon VA For The Transmission And Routing Of Exchange Access Traffic. (Issue IV-6).

As Verizon VA witness D'Amico explained at the hearing, when WorldCom asks Verizon VA for trunks that will connect WorldCom's customers to IXCs through Verizon VA's tandems, WorldCom is ordering access toll connecting trunks from Verizon VA. Tr. at 2506,

[76] AT&T witness Talbott's "cost analysis" on Verizon's VGRIP proposal in both his direct, AT&T Ex. 3 at 41-47, and rebuttal testimony, AT&T Ex. 8 at 25-29, did not accurately reflect VGRIP "costs" because he applied access rather than UNE rates for transport. He admitted at the hearing that his "cost analysis" would be wrong if he made this mistake. Tr. at 1001-04.

2419-21; *see* Verizon Ex. 85, Interconnection Attachment § 82. According to WorldCom witness Grieco's pre-filed direct testimony on mediation issues:

> Verizon demands that WorldCom pay for the use of their trunks to deliver traffic originating on WorldCom's network, and further asserts that the proper rate for this is that found in Verizon's access tariffs. This is utterly perplexing. **Each party must pay reciprocal compensation** for such traffic in accordance with the Commission's rules, of course, but a separate facilities charge is wholly unwarranted.

WorldCom Ex. 14 at 15-16 (emphasis added). WorldCom witness Grieco is mistaken. Reciprocal compensation traffic, *i.e.*, traffic subject to § 251(b)(5), does not route over these trunks. As Mr. D'Amico explained at the hearing, the traffic routed over Verizon's access toll connecting trunk groups is exchange access traffic. Tr. at 2420. These trunk groups connect WorldCom's customers from WorldCom's switch through Verizon VA's tandem to the IXC who subtends that tandem. Tr. 2420-21. Thus, not only is this exchange access traffic, Verizon VA is not terminating the call to its end user and reciprocal compensation does not apply. Verizon Ex. 26 at 18. Because the service Verizon VA is providing is an exchange access service, § 251(g) applies and Verizon VA is entitled to charge access rates.[77]

WorldCom witness Grieco also testified:

> Apparently, this proposal is tied into their VGRIPs proposal. Their assertion seems to be that because a meet point is not the Verizon designated IP, WorldCom must pay some additional charge.

WorldCom Ex. 14 at 15-16. Mr. Grieco is again mistaken. These trunks are not "tied into" Verizon VA's VGRIP proposal because these trunks carry exchange access between the WorldCom customer and an IXC. VGRIP would not apply to this scenario.

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[77] *See* 47 U.S.C. § 251(g); *CompTel v. Federal Communications Com'n,* 117 F.3d 1068, 1072 (8th Cir. 1997), *aff'd in part, rev'd in part, AT&T Corp. v. Iowa Utilities Bd.*, 525 U.S. 366 (1999); *ISP Remand Order* at ¶ 39.

Nowhere in WorldCom's contract proposal does it explain how Verizon VA is compensated for the service it provides to WorldCom when WorldCom orders access toll connecting trunks from Verizon VA. Nevertheless, in WorldCom's pre-filed direct testimony on mediation issues it asserts that whatever the compensation arrangement is, access charges should not apply. WorldCom's position is contrary to applicable law and is inconsistent with the way these trunks are ordered from Verizon VA on a daily basis. Accordingly, the Commission should adopt Verizon VA's proposed § 8 as it relates to access toll connecting trunks.

VII. WORLDCOM ISSUES (IV-2 through IV-5, IV-8, IV-11, IV-37, VI-1(A), and VI-1(C))

While each individual WorldCom issue cannot be neatly categorized, the Commission should note that certain themes keep recurring throughout these issues exclusive to WorldCom. As with WorldCom's, and for that matter AT&T's, mid-span meet contract proposal, WorldCom seeks contractually to bind Verizon VA to terms and conditions that Verizon VA could not, and should not, possibly meet. In many instances, WorldCom proposes very detailed language that would not allow the parties the flexibility needed to deal with the real world. In other instances, WorldCom's proposed language is too broad and vague. Some of WorldCom's proposed contract language also would improperly force Verizon VA to tailor its network to suit WorldCom's peculiar needs to the detriment of other carriers or to Verizon VA itself. For these reasons, for each of these issues exclusive to WorldCom, the Commission should reject WorldCom's proposals and adopt Verizon VA's proposed contract language.

A. The Commission Should Adopt Verizon VA's Proposed Language For Two-Way Trunking. (Issue IV-2).

WorldCom's contract language for two-way trunking closely resembles the language proposed by Verizon VA with a few minor differences. In fact, for the most part, WorldCom's

proposed language is Verizon VA's language. Tr. at 2392. The parties address several of the language differences in other substantive issues. For instance, the 240 trunks to the tandem limitation is dealt with in Issue I-4. Tr. at 2483. The compensation issue for two-way trunks with respect to WorldCom is addressed in two places: Issue I-1 and Issue IV-5. Finally, Issue III-4, the forecast issue and how it relates to two-way trunking, appeared to be resolved at the hearing between WorldCom and Verizon VA. Tr. at 2483-84.

The main disagreement between the parties with respect to Issue IV-2 is whether the parties need to reach mutual agreement on the terms and conditions relating to two-way trunking or whether, as WorldCom maintains, WorldCom can dictate those terms. Tr. at 2386-87. Verizon VA admits that WorldCom has the unilateral option to decide whether it wants to use one-way or two-way trunks for interconnection. Nevertheless, as with the mid-span meet issue, the parties must come to an understanding about the operational and engineering aspects of the two-way trunks between them. Tr. at 2386-87. This is because two-way trunks present operational issues for Verizon VA's own network and Verizon VA should have some say in how this impact is assessed and handled. Verizon VA's contract language in §§ 2.4 *et seq.* identifies those areas about which the parties need to discuss the operational issues and reach mutual agreement, and this is why Verizon VA's proposed language, which largely is the same as WorldCom's, should be adopted.

B. The Commission Should Reject WorldCom's Proposed Sections 1.1.6 *Et Seq.* Relating To Facilities Augmentation. (Issue IV-3).

In the words of Verizon VA witness Albert, WorldCom's proposed §§ 1.1.6 *et seq.* are "contractual overkill." Tr. at 2336. The overall topic of facilities augmentation is covered in those sections of the contract relating to Verizon VA's commitment to augment trunks and Verizon VA's commitment to avoid call blocking. Tr. at 2335-36. Because trunks ride facilities,

Verizon VA cannot augment trunks without having enough facilities in place. Thus, Verizon VA regularly augments facilities rendering the contract provisions proposed by WorldCom both overly broad and unnecessary. Tr. at 2337.

For example, WorldCom proposes inclusion of the following provision, Attachment IV § 1.1.6.3:

> The capacity of Interconnection facilities provided by each Party will be based on mutual forecasts and sound engineering practice, as agreed by the Parties during planning and forecast meetings. MCIm will determine the appropriate sizing for facilities based on these standards.

WorldCom proposed interconnection agreement, Attachment IV § 1.1.6.3. This provision runs counter to how Verizon VA engineers *its* network. If Verizon VA owns the equipment, Verizon VA is responsible for determining how "big" (the sizing) to make it and Verizon VA is responsible to ensure there is enough of this equipment available in Verizon VA's network in order to meet current demand. Tr. at 2339. Pursuant to WorldCom's proposal, however, WorldCom would decide for Verizon VA how big and how much of Verizon VA's equipment Verizon VA must install in Verizon VA's network. Nothing in the Act or in this Commission's rules require Verizon VA's competitor and customer to dictate to Verizon VA what Verizon VA should deploy in its network.

Furthermore, WorldCom's proposed § 1.1.6.4 of its Attachment IV is also both overly broad and vague. This provision provides:

> The Parties shall work cooperatively to ensure the adequacy of Interconnection facilities. The Parties shall augment existing facilities when the overall system facility is at fifty percent (50%) of capacity, or as otherwise agreed. Facilities will be augmented to ensure adequate facility capacity for at least two years of forecasted traffic.

WorldCom proposed interconnection agreement, Attachment IV § 1.1.6.4. WorldCom's overly broad proposal, providing additional facilities at 50% of capacity, would be administratively and

operationally impossible as well as unmanageable for Verizon VA. Verizon Ex. 26 at 5-6. According to Verizon VA witness Albert, if the Commission adopted this provision, which would require Verizon VA to relieve and provide more capacity for every single facility component in Verizon VA's network than what it currently does, then Verizon VA would provide a significantly better grade of service not only for WorldCom than it does for itself, but also for other CLECs. Tr. at 2338, 2345. WorldCom's proposed contract language also would force Verizon VA to build WorldCom a "superior" network.[78]

The WorldCom proposed language also seems to indicate that the facilities referenced in the language are "strictly and uniquely dedicated to WorldCom." Tr. at 2345. With interconnection, "facilities" are not dedicated to a particular carrier; they are commonly shared among different carriers. In addition, facilities are made up of different piece parts and are not a "singular item." Thus, it is virtually impossible for Verizon VA to simply augment a singular item specifically for WorldCom. *See* Tr. at 2354. Accordingly, the WorldCom proposed language contains requirements for Verizon VA that simply cannot be satisfied. Including such language would almost guarantee disagreements in the future.

Verizon VA's proposed contract language with respect to Issue IV-3 does not provide for "automatic" facilities augmentation, but does provide that Verizon VA and WorldCom will conduct joint planning meetings to reach agreement on various network implementation issues. Verizon Ex. 83, Interconnection Attachment §§ 2.4 and 13. In addition, other parts of the contract address augmentation, including Verizon VA's commitment to monitor trunk groups under its control and augment accordingly. Verizon Ex. 83, Interconnection Attachment § 5.2.4.

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[78] It should also be noted that, in the cost phase of this proceeding, WorldCom does not propose to allow Verizon VA to recover any of the costs WorldCom would determine Verizon VA should incur.

These provisions should satisfy WorldCom's concerns. Accordingly, the Commission should reject WorldCom's proposed contract language and adopt Verizon VA's proposed language for Issue IV-3.

C. WorldCom's Proposed Contract Language For Issue IV-4 Places An Onerous And Undue Burden On Verizon VA And Should Be Rejected. (Issue IV-4).

WorldCom's proposed contract language for Issue IV-4 as it relates to the exchange of environmental information is so broad that even on questions from the Commission, WorldCom witness Grieco admitted that it needed to be fixed:

> The language [WorldCom § 1.1.4.2, Attachment IV] probably is a little bit ambiguous. It could probably be cleaned up a little bit to imply more closely what we are looking for.
>
> * * *
>
> We didn't mean to imply we expect them to survey all ex-employees searching out information. So, that language [WorldCom § 1.1.4.2, Attachment IV] could be reworded to try to reemphasize that point.

Tr. at 2498-99.

The language is too broad because it imposes obligations on Verizon VA regarding any property at which Verizon VA has facilities, and because it deems information "available" to Verizon VA if it is in the possession of *former* employees, contractors, agents, and tenants, among other unrelated individuals. WorldCom also does not define what it means by "adverse environmental or other conditions." Potentially, this could include any hazardous condition that is totally irrelevant to Verizon VA's position as the ILEC.

WorldCom's proposed § 1.1.4.3 would also allow WorldCom to perform a site survey if WorldCom "deems" it necessary. For purposes of interconnection, if WorldCom is concerned about what is present at a Verizon VA central office it should ask Verizon VA if it has already performed a survey. Pursuant to OSHA guidelines, Verizon VA is normally required to identify

the location of any asbestos and can share this information with WorldCom. Verizon Ex. 26 at 9-10.

Not only is WorldCom's proposal too broad, it is also unnecessary. Verizon VA provides the relevant information that WorldCom seeks pursuant to its collocation tariffs. Verizon Ex. 26 at 10. Other than a collocation arrangement, WorldCom witness Grieco had trouble identifying other interconnection situations in which WorldCom would need this information. Additionally, WorldCom witness Grieco failed to identify one instance in which WorldCom was confronted with "adverse environmental or other conditions" in its interconnection arrangements with Verizon VA. Borrowing a phrase from Mr. Albert, including WorldCom's proposed §§ 1.1.4.2 through 1.1.4.4 would be "contractual overkill."

As such, the Commission should order inclusion of Verizon VA's proposed § 4 from its Interconnection Attachment. It satisfies the first part of WorldCom's Issue IV-4 by providing that once Verizon VA receives written notification from WorldCom of its stated desire to interconnect, Verizon VA will respond to WorldCom within ten days. Similarly, the Commission should reject WorldCom's proposed § 1.1.4 because it is either addressed in Verizon VA's proposal or the language is unnecessarily broad and vague.

D. The Commission Should Reject WorldCom's Proposed Contract Language For Issue IV-5 And Order Inclusion Of Verizon VA's Proposed Contract Language. (Issue IV-5).

The WorldCom statement of Issue IV-5 does not correspond to the contract language offered by WorldCom or WorldCom's representations at the hearing. According to WorldCom's issue statement for Issue IV-5, WorldCom asks:

> Should the Interconnection Agreement include a provision specifying that there will be no compensation between the Parties for use of the Interconnection facilities except in those cases where a Party may lease Interconnection facilities from the other?

The two contract provisions offered by WorldCom on Issue IV-5, however, really do not address the issue.

The first contract provision offered by WorldCom to support Issue IV-5 is § 1.1.6.6:

> Except in those cases in which one Party may lease Interconnection facilities from the other Party, there will be no compensation between the Parties for use of the Interconnection facilities.

WorldCom proposed interconnection agreement, Attachment IV, § 1.1.6.6. At the hearing, WorldCom stated that this provision was meant to apply to mid-span meets only. Tr. at 2504. Conspicuously absent from WorldCom's proposed contract language, however, is any reference to mid-span meets. If WorldCom meant to allocate costs for the mid-span meet by proposing this contract section, as its representations at the hearing would seem to indicate, then WorldCom should have no problem with Verizon VA's proposed contract language for Issue IV-5. Verizon VA's proposed §§ 3.2.1 *et seq.* make clear that each party is financially responsible for its own facilities at the mid-span meet.

Likewise, the second contract provision submitted by WorldCom in support of Issue IV-5 is wholly unrelated to mid-span meets. WorldCom proposed § 1.2.5 provides:

> Other than the reciprocal compensation arrangements set forth in this Agreement, neither Party may charge the other Party for the use of Local Interconnection Trunk Groups. As an example only, neither Party may charge the other Party, installation charges or monthly recurring charges for the use of Local Interconnection Trunk Groups.

WorldCom proposed interconnection agreement, Attachment IV § 1.2.5. A plain reading of WorldCom's proposed § 1.2.5 demonstrates that it is not limited to mid-span meets and does not really relate to WorldCom's statement of the issue.

In any event, when Verizon VA connects trunks into its switches, Verizon VA incurs nonrecurring trunk installation charges that are not recovered in the reciprocal compensation

usage rate. Verizon Ex. 9 at 16. Thus, the example provided by WorldCom in its proposed § 1.2.5 is inconsistent with the manner in which Verizon VA charges carriers for trunk installation. Verizon VA's proposed contract language, § 2.5 from its Interconnection Attachment, provides that the nonrecurring charge will be divided equally for the work done on Verizon VA's side of the WorldCom-IP. Tr. at 2411-12; Verizon Ex. 83, Interconnection Attachment § 2.5.[79] Without this provision, Verizon VA will be unable to recover its nonrecurring charges for the work it performs. Because Verizon VA's contract proposals either specifically address WorldCom's stated intent (the mid-span meet provision) or permit Verizon VA to recover appropriate nonrecurring charges for the work it performs, the Commission should order inclusion of Verizon VA's proposed §§ 3.2.1 *et seq.* and 2.5.

E. Because Verizon VA Cannot Identify or Track WorldCom Line Status Verification Requests If Sent Over Local Interconnection Trunks, The Commission Should Order Inclusion Of Verizon VA's Operator Services Trunking Arrangement, Directory Service Trunking Arrangements, and Line Status Verification Proposals. (Issue IV-8).

WorldCom's proposed OS/DA language is not acceptable. Pursuant to that language, when WorldCom does not purchase operator services from Verizon VA, and WorldCom requests Verizon VA to provide line status verification ("LSV") of loops maintained by Verizon VA, WorldCom would have the option to transmit this request using operator services codes published in the LERG. WorldCom proposed interconnection agreement, Attachment IV § 1.6.3. WorldCom's proposal is not practical. If WorldCom wants a Verizon VA operator to verify the status of subscriber lines maintained by Verizon VA, such requests need to be sent over inward dialing LSV trunks.

[79] Verizon's proposed § 2.5 also describes how the parties will recover their recurring and nonrecurring charges for two-way local interconnection trunks should the Commission adopt Verizon's VGRIP proposal. Verizon Ex. 83, Interconnection Attachment § 2.5.

If WorldCom were to send operator LSV requests from its operator platform over local interconnection trunks, the receiving Verizon VA operator services switch could not identify the call as a call originating from WorldCom. If this request was routed over a local interconnection trunk, it would be routed to a Verizon tandem switch. Then, based on the LERG code, the call would be directed to Verizon VA's operator switch without any identification of the originating carrier or call detail. Verizon Ex. 9 at 22. Accordingly, Verizon VA would not be able to identify or bill WorldCom for the LSV request if the request was sent over a local interconnection trunk. Tr. at 2311; Verizon Ex. 9 at 22. A LSV trunk ensures that a LSV request is delivered directly to the appropriate operator switch with the requisite information needed to bill and process the request.

In addition, as Mr. D'Amico testified at the hearing, WorldCom's proposed § 1.6.3 actually contradicts WorldCom's proposed § 6.4. WorldCom's proposed § 6.4, to which Verizon VA agreed, states:

> Each Party shall route LSV/VCI traffic inquiries over separate direct trunks (**and not local/intraLATA/interLATA trunks**) established between the Parties' respective operator bureaus. Each Party shall offer interconnection for LSV/VCI traffic at its Operator Services tandem office or other mutually agreed point in the LATA. Separate LSV/VCI trunks will be directed to the Operator Services tandem office designated by the receiving Party. The originating Party shall outpulse the appropriate NPA, ATC Code and Routing Code (operator code) to the receiving Party.

WorldCom proposed interconnection agreement, Attachment IV § 6.4 (emphasis added). Section 6.4 specifically precludes LSV inquiries from being routed over local trunks. Nevertheless, WorldCom's proposed § 1.6.3 allows WorldCom to route this LSV inquiry over local interconnection trunks: ". . . MCIm operators may request Verizon operators to provide [LSV] . . . over local interconnection trunks via the appropriate operator services code in the

LERG." WorldCom proposed interconnection agreement, Attachment IV § 1.6.3. To remedy this contradiction, Verizon VA struck the inconsistent language from WorldCom's § 1.6.3.

Verizon VA's proposed language regarding operator services trunking arrangements, directory service trunking arrangements, and line status verification requests appropriately deals with the billing issues and does not contradict other proposed language from Verizon VA. Com'n Ex. 1, Second Revised JDPL for Network Architecture Issue IV-8. Accordingly, Verizon VA believes it should be adopted.[80]

F. When Either Party Passes Calling Party Number ("CPN") Information On Less Than 90% Of Its Calls, The Receiving Party May Bill Access Rates For The Traffic That Is Passed Without CPN. (Issue IV-11).[81]

Verizon VA's proposed contract language for Issue IV-11 is fair to both parties. It provides reciprocal rights and has been agreed to by multiple carriers in Virginia -- including Cox. It is also consistent with several recent state commission proceedings. Consistent with WorldCom's representation at the hearing, the issue between WorldCom and Verizon VA is whether the receiving party should be permitted to bill access rates for traffic when the originating party passes CPN on less than 90% of its calls. Tr. at 2716. Verizon VA proposes that in that instance, the receiving party may bill access rates for the traffic that is passed without CPN. Tr. at 2717-18.

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[80] Verizon VA is no longer objecting to including this language in the interconnection agreement as opposed to having it appear in a separate OS/DA agreement. This language should not, however, appear in the network architecture portion of the agreement, but should appear in whatever section or attachment that deals generally with OS/DA issues.

[81] In Verizon's original proposal, Interconnection Attachment § 6 contained two terms, percentage interstate usage ("PIU") and percentage local usage ("PLU"), which do not appear in Verizon VA's current proposal. Due to changes in the law as a result of the Commission's *ISP Remand Order*, Verizon VA uses Traffic Factor 1 and Traffic Factor 2 in place of PIU and PLU. Nevertheless, these changes do not affect the outcome of this issue and are discussed in more detail in Verizon VA's Intercarrier Compensation portion of this brief.

Verizon VA's proposed § 6.1.3 provides:

> If the originating Party passes CPN on less than ninety percent (90%) of its calls and the originating Party chooses to combine Reciprocal Compensation Traffic and Toll Traffic on the same trunk group, the receiving Party shall bill the higher of it interstate Switched Exchange Access Service rates or its intrastate Switched Exchange Access Services rates for all traffic that is passed without CPN, unless the Parties agree that other rates should apply to such traffic.

Verizon Ex 83, Interconnection Attachment § 6.1.3. In Virginia, several carriers have agreed to Verizon VA's treatment of traffic when the originating carrier does not pass CPN a sufficient percentage of the time. Verizon Ex. 78. In fact, Cox agreed to the following provision with Verizon VA:

> If the originating Party passes CPN on less than ninety-five percent (95%) of its calls and the originating Party chooses to combine Local and Toll Traffic in the same trunk group, the terminating Party shall bill its interstate Switched Exchange Access Service rates for all traffic passed without CPN unless the Parties agree that such other rates should apply to such traffic.

Verizon Ex. C-2 to Verizon's Answer, § 5.6.1.2.

With respect to WorldCom, Verizon VA agreed to reduce the CPN percentage from 95% to 90% at the request of WorldCom. Verizon Ex. 26 at 20. Indeed, at the hearing, WorldCom witness Argenbright testified that WorldCom's billing people would have "signed off" on this threshold because he "assumed" they were "comfortable" with it. Tr. at 2737-38. Despite WorldCom's "comfort" with the 90% threshold, WorldCom still proposes substitute billing information in the event CPN is not passed. In light of WorldCom witness Argenbright's testimony, this substitute billing information should not be necessary and WorldCom's contract language in § 7.5 addressing this issue should not be adopted. Instead, Verizon VA's proposal for dealing with traffic when the originating party passes less than 90% CPN on its calls should be adopted.

Verizon VA's position with respect to CPN is consistent with several recent state commission decisions. In the *NY (AT&T/Verizon) Arbitration Order*, the New York PSC held that even though the parties demonstrated that the CPN issue was largely an academic debate because AT&T consistently provided CPN on most of its calls "should AT&T ever be unable to provide a reasonable explanation for why its CPN has dropped, Verizon's proposal for a 90% threshold should prevail."[82] The Massachusetts D.T.E. also found in favor of Verizon on this issue in a recent arbitration with Sprint.[83]

G. The Commission Should Adopt Verizon VA's Proposed Meet Point Billing Language. (Issue IV-37).

In his pre-filed direct and rebuttal testimony on mediation issues, WorldCom witness Argenbright identified four problems with Verizon VA's meet point billing proposal claiming that:

- Verizon VA's language is inconsistent with the Multiple Exchange Carrier Access Billing ("MECAB") published by the OBF;
- Verizon VA's time period for reporting errors was too long;
- Verizon VA failed to address the use of electronic means of transmitting 1101XX and 1150XX records; and
- Verizon VA failed to address carrier responsibility in the event records are lost.

WorldCom Ex. 24 at 14-15.

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[82] *NY (AT&T/Verizon) Arbitration Order* at 34.

[83] *See In re Sprint Communications Co., L.P.*, 2000 WL 33146677, Mass D.T.E. (rel. Dec. 11, 2000).

Verizon VA witness D'Amico stated at the hearing that Verizon VA has attempted to address the concerns raised by WorldCom by amending its proposal. Tr. at 2730. With respect to WorldCom's criticism regarding the MECAB, Verizon VA included the following provision:

> 9.1 MCIm and Verizon will establish Meet-Point Billing ("MPB") arrangements in order to provide a common transport option to Switched Access Services Customer via a Verizon access Tandem Switch **in accordance with** the Meet Point Billing guidelines contained in the OBF's MECAB and MECOD documents, except as modified herein, and as otherwise agreed to by the Parties, or, as appropriate, filed in the Parties' applicable tariffs . . .
>
> 9.5 Billing to IXCs for Switched Access Services jointly provided by the Parties via Meet Point Billing arrangements, will be done by the multiple bill/single tariff method. As described in MECAB, each Party will render a bill in accordance with its own tariff for that portion of the service it provides . . . .

Verizon Ex. 83, Interconnection Attachment §§ 9.1 and 9.5 (emphasis added). Verizon VA included the qualifying language because the MECAB and MECOD documents require the parties to reach mutual agreement on items not contained in them. Verizon Ex. 9 at 28.

Verizon VA's proposed § 9.12 addresses the second point raised by Mr. Argenbright. This provision provides:

> Errors may be discovered by MCIm, the IXC, or Verizon. MCIm and Verizon agree to make a good faith effort to provide the other Party with notification of any discovered errors **within two business days** after discovery but, not withstanding, no later than thirty (30) days. . . .

Verizon Ex. 83, Interconnection Attachment § 9.12 (emphasis added). Verizon VA particularly focused on the error reporting criticism offered by WorldCom by including the "two business days" language.

Verizon VA's proposed §§ 9.8 and 9.9 give the parties the flexibility to use electronic media when it becomes available. Currently, the MECAB does not address the electronic transmission of records. Verizon Ex. 74. When the MECAB does address it, or if the parties can

mutually agree on the format, Verizon VA leaves the door open for the parties to use this method.

In addressing WorldCom's last point, Verizon VA's proposed § 9.12 provides:

> In the event of a loss of data, the Parties agree to cooperate to reconstruct the lost data within 10 days after notification and if such reconstruction is not possible, to accept a reasonable estimate of the lost data . . . .

Verizon Ex. 83, Interconnection Attachment § 9.12. This provision promotes the timely recreation of lost data. Verizon Ex. 9 at 28. In addition, in Verizon VA's §§ 9.8 and 9.9, if usage data is lost or not exchanged, Verizon VA proposes that the parties work cooperatively to provide estimates to the other party to facilitate billing to the IXC.

Verizon VA's proposed meet point billing language addresses each concern raised by WorldCom. In addition, Verizon VA's proposals are consistent with the MECAB documents and the industry guidelines. As such, this Commission should order that the parties' adopt Verizon VA's meet point pilling language in their agreement.

H. The Commission Should Adopt Verizon VA's Proposed §§ 2.2 *Et Seq.* (Issue VI-1(A)).

Verizon VA's proposed §§ 2.2 *et seq.* really serve two purposes. First, they provide the parties with a short-hand reference to the different trunk groups addressed in their agreement. To the extent WorldCom and Verizon VA had a disagreement over this language, Verizon VA has addressed in response to Issues I-1, IV-2, IV-6, IV-8, and VI-1(C), the reasons why this agreement should address these trunk arrangements .

Second, §§ 2.2 *et seq.* also provide that the parties reach mutual agreement with respect to the deployment of one-way and two-way local interconnection trunk groups. Verizon VA recognizes that WorldCom may choose to use either one-way or two-way trunks at its discretion. Nevertheless, when WorldCom makes this choice, it must remember that WorldCom is using

Verizon VA's network. Ultimately, Verizon VA has overall management responsibility for its network and must ensure the operational integrity of that network for all carriers. Verizon Ex. 26 at 11. This is why Verizon VA and WorldCom must come to some understanding on the related terms and conditions for local interconnection trunks, whether those trunks are one-way trunks or two-way trunks. In short, WorldCom's right to interconnect does not translate into a unilateral right to choose different trunking arrangements without regard to the implications that choice has on Verizon VA's network. Verizon Ex. 26 at 11.

I. The Commission Should Adopt Verizon VA's Proposed Language For Toll Free Access Code Traffic. (Issue VI-1(C)).

As explained by Verizon VA witness D'Amico at the hearing, the problem WorldCom raises with respect to Verizon VA's toll free access code traffic proposal, Verizon VA's proposed §§ 10 *et seq.*, is not really a problem with Verizon VA's language. WorldCom has instead identified a problem that the entire industry faces. Tr. at 2451. As Verizon VA witness D'Amico explained, when a WorldCom customer originates a toll-free call, and WorldCom does the "database dip" -- to convert the toll-free number to a regular telephone number, or POTS number -- the call looks like a normal call to Verizon VA. WorldCom retains the billing record, and Verizon VA therefore does not know the identity of the toll-free service provider to which the call is going. Tr. at 2459-60. Verizon VA sends the call on but does not know which provider to bill because it does not have the originating record. Tr. at 2459. This is a technical problem; not one caused by contract language. Verizon VA's proposed contract language, however, provides a reasonable solution.

In this situation, WorldCom is transiting Verizon VA's network to get to the toll-free provider. Nonetheless, Verizon VA cannot bill the toll-free service provider for the services Verizon VA provides to it because it does not have the requisite billing information. Therefore,

Verizon VA looks to WorldCom for payment because Verizon VA knows that WorldCom sent Verizon VA the call. Because WorldCom knows who the toll-free provider is, it can bill that toll-free provider. Tr. at 2460. As Verizon VA witness D'Amico testified, this is not an "ideal situation" but it is necessary given the environment in which the parties operate today. Tr. at 2460-61, 2515-16. Accordingly, the Commission should adopt Verizon VA's proposed §§ 10 *et seq.*, particularly § 10.2, which attempts to address the industry-wide problem that exists.

VIII. CONCLUSION

The network architecture issues that the Commission must resolve are many, and most are technically complicated. Indeed, more hearing hours in the non-cost phase of this proceeding were devoted to these issues than any other. Verizon VA believes, however, that the resolution of these issues is simplified considerably by the application of two governing principles: (1) the CLECs are entitled to interconnect with Verizon VA's existing network, not one that is non-existent; and (2) the CLECs are responsible for the incremental costs caused by their interconnection decisions. Verizon VA's proposed contract language in dispute reflects these principles. The CLEC proposed language, in many instances, does not. Accordingly, Verizon VA asks the Commission to adopt its proposals on the disputed network architecture issues.