ISSUE IV-129: Definitions

WorldCom: Should the Interconnection Agreement contain a "Part B" that provides definitions of certain capitalized terms and words used throughout the Interconnection Agreement?

A. OVERVIEW

In response to a Record Request, the Parties have submitted a list of disputed definitions. The significance of the defined terms generally have been addressed by the Parties in the testimony and argument concerning the competing proposals to which each Party's defined terms relate.

C. VERIZON VA'S CONTRACT PROPOSALS

See Verizon VA proposed WorldCom contract, Glossary Attachment.

ISSUE VI-1(N): Assurance of Payment
ISSUE VI-1(Q): Insurance

Verizon: Issue VI-1(N) - Whether Verizon VA may demand assurances of payment from CLECs for amounts due or to become due?

Issue VI-1(Q) - Whether Verizon VA may require CLECs to maintain sufficient levels of insurance during the life of the agreement and for a reasonable period thereafter?

A. OVERVIEW

Not every CLEC that opts into this interconnection agreement may be as financially sound as WorldCom. Therefore, Verizon VA must protect itself against the risk of nonpayment and lack of insurance. This protection is akin to that which Verizon VA may require, under its retail tariffs, of its own end user customers that are not creditworthy (*e.g.*, a security deposit), and that which Verizon VA may ask of any vendor that performs work on its premises (*i.e.*, adequate insurance).[5]

B. DISCUSSION

In order to alleviate WorldCom's concerns on these issues, Verizon VA, in its pre-filed testimony, proposed compromises to its earlier positions. With respect to Issue VI-1(N), Verizon VA offered to sign a letter which states that, as of the effective date of the interconnection agreement, Verizon VA is aware of no circumstances, such as those described in § 6.2 of the General Terms and Conditions of Verizon's proposed contract, that would necessitate any assurance of payment from WorldCom.[6] With respect to Issue VI-1(Q), Verizon VA proposed a 100 million dollar minimum net worth clause that would allow WorldCom to be self-insured so

[5] The fact that tariffs contain insurance provisions does not negate the need for § 21 of Verizon VA's proposed interconnection agreement. Tariffs address specific subject matters, while § 21 addresses the broader risks of interconnection between the Parties.

[6] AT&T and Verizon have agreed to such an arrangement.

long as it had such net worth. These compromise offers provide Verizon VA with only a modicum of protection from entities whose creditworthiness is questionable, and do not require even this minimal protection from financial heavyweights such as WorldCom.

In fact, the Commission has concluded that "LECs are justified in requiring . . .interconnectors to carry a reasonable amount of liability insurance coverage." *In the Matter of Local Exchange Carriers' Rates, Terms, and Conditions for Expanded Interconnection Through Physical Collocation for Special Access and Switched Transport, Second Report and Order*, rel. June 13, 1997 at ¶ 345 ("Second Report"). The Commission explained its conclusion as follows:

> [D]ue to the unique circumstances posed by physical collocation, we find that it is not unreasonable for LECs to require interconnectors to maintain a reasonable amount of general liability and excess liability insurance coverage to protect against occurrences that may potentially arise out of the physical collocation arrangement. * * * We find that the presence of interconnectors in the LECs' central office adds additional risk to the LECs' property and operations because the LECs do not have control over the interconnectors' equipment or the personnel that operate the equipment. In the absence of such control, we find that it is not unreasonable for LECs to require general liability insurance to protect against property damages to the LECs' equipment, personal injury to the LECs' employees, and losses to the LECs' customers because of service interruptions caused by interconnectors.

Id.

Thus, as a matter of law, Verizon VA could demand that WorldCom maintain certain levels of insurance. Verizon VA has, nonetheless, offered to permit WorldCom to self-insure, as long as WorldCom's net worth is at least $100 million. Verizon VA's concerns with these issues

are legitimate.[7] Moreover, acceptance of the terms proposed by Verizon VA would impose absolutely no hardship or inconvenience on WorldCom. As such, Verizon VA urges the Commission to adopt the Verizon VA proposed language.

C. VERIZON VA'S CONTRACT PROPOSALS

1. Issue VI-1(N): *See* Verizon VA proposed WorldCom contract, §§ 6 - 6.9, and related definitions.

2. Issue VI-(Q): *See* Verizon VA proposed WorldCom contract, §§ 21 - 21.7, and related definitions.

[7] Verizon VA has not conducted a formal risk assessment regarding the increased exposure to Verizon VA caused by the presence of CLECs' equipment or people on Verizon VA property. Rather, Verizon VA has used as a benchmark historical losses of $15,000,000 (fire caused by a contractor's employee) and $10,000,000 (equipment loss-caused by a fire in a piece of equipment much like a collocator would employ).

ISSUE VI-1(O): Default

Verizon: Whether either Party should have a right to suspend provision of services under the interconnection agreement in the event of a default left uncured for 30 days?

A. OVERVIEW

The purpose of Verizon VA's default language is to ensure that Verizon VA is not required to continue providing service indefinitely to a CLEC who refuses to pay.

B. DISCUSSION

Issue VI-1(O), like Issues VI-1(N) and (Q), concerns not so much WorldCom, but less financially stable CLECs that may adopt this agreement in the future.

Verizon VA's proposed § 12 provides that where either party fails to make a payment required by the interconnection agreement and such failure or breach continues for 30 days after written notice, the non-defaulting party may (a) suspend the provision of any or all services under the Parties' agreement or (b) cancel the Parties' agreement and terminate the provision of all services under the agreement. In response to WorldCom's concerns, Verizon VA has made it clear that material breaches of the agreement do not include bona fide billing disputes. Verizon Ex. 13 at 38 Nonetheless, WorldCom persists in its position.

Verizon VA requests that the Commission recognize that Verizon VA cannot be placed in the untenable position of having to continue to provide service indefinitely to a CLEC who refuses to pay. Thus, Verizon VA must have the right to suspend services for which a CLEC refuses to pay undisputed amounts, after adequate notice to both the CLEC and the state commission.[8] Verizon VA's proposed language provides Verizon VA with appropriate

[8] Again, bona fide billing disputes would be explicitly excluded from the ambit of a "payment default." Verizon Ex. at 38.

protection for CLECs that opt into this agreement yet places no hardship on WorldCom. As such, Verizon VA's language should be adopted.

C. VERIZON VA'S CONTRACT PROPOSALS

See Verizon VA proposed WorldCom contract, General Terms and Conditions, § 12 and related definitions. As an alternative, Verizon VA offered to WorldCom the language it agreed to with AT&T. *See* Verizon proposed AT&T contract §§ 22.4 and 22.5 (quoted at p. 49 of the General Terms and Conditions JDPL).

ISSUE VI-1(P): Discontinuance of Service by CLEC

Verizon: Whether Verizon VA may require WorldCom to send advance notice of actual or pending discontinuance of service to Verizon VA, the CLEC's end user customers and the appropriate state commission.

A. OVERVIEW

When CLECs abandon their customers the burden to maintain local service inevitably falls on the ILECs. The language proposed by Verizon VA in § 13 of its proposed contract with WorldCom is the minimum step necessary to minimize loss of service to end-users, give advance warning to the state commission, and protect Verizon VA.

B. DISCUSSION

Section 13 provides that a CLEC must send written notice of its actual or impending discontinuance of service to Verizon VA, the appropriate state commission, and each of its customers. Verizon VA intends this proposal to minimize the disruption of service to end-users, as well as to give Verizon VA sufficient advance warning to respond to the increased demands that will be placed on its employees and facilities. The intent is not, as WorldCom suggests, to help Verizon VA acquire new customers.

Again, Verizon VA is not concerned only with WorldCom, but with all CLECs in all states where this agreement may be adopted. As the Commission is well aware, CLECs discontinue service for a variety of reasons on a regular basis. Although not necessarily appropriate in a competitive environment, state commissions often look to the ILEC to continue service until customers change carriers. In the case of bankrupt carriers, the ILEC bears not only costs of the often unrecoverable amount that the CLEC is in default, but also the continuing cost of providing service to the end users until they change carriers. Verizon VA's proposal that the CLECs give their customers, Verizon, and the state commission notice of impending

discontinuance of service is more than reasonable.[9] Verizon VA requests that the Commission adopt § 13 of its proposed contract with WorldCom.

C. VERIZON VA'S CONTRACT PROPOSALS

See Verizon VA proposed WorldCom contract, General Terms and Conditions, §§ 13 - 13.4 and related definitions.

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[9] The Virginia Commission is in the process of developing procedures to address this issue. Nonetheless, this contract provision remains necessary to address the eventuality of a CLEC opting-in to the Parties' agreement and going out of business before the Virginia Commission has completed its regulatory process, or a CLEC in another state opting-in to this agreement.

Virginia, like many states, has a regulation that requires commission approval of carrier requests to cease providing services. *See* 20 VAC 4-180(7). Such states tend to address CLEC discontinuance of service on an *ad hoc* basis. *See e.g., In re: Investigation of Provision of Service of PICUS Communications of Virginia, Inc.*, Order Terminating Investigation, Virginia State Corporation Commission Case No. PUC000325 (February 15, 2001); *Petition of CTSI, Inc. of West Virginia for Permission to Abandon Certificate of Public Convenience and Necessity, Terminate Service and Cancel Effective Tariff,* Commission Order, West Virginia Public Service Commission Case No. 01-0613-T-X (September 26, 2001). A few states have detailed regulations that require satisfaction of specific obligations before a carrier can cease to provide service. Those obligations typically include 30 to 60 days of notice to end user customers and the refund of all customer deposits. *See e.g.,* 170 IAC 7-6-1 (Indiana); Substantive Rules Applicable to Telecommunications Providers § 26.113 (Texas); PUC Rule 1304.03(c) and (d) (New Hampshire); Pub. Util. Code § 2889.3 (California). Verizon VA's proposal in Issue VI-1(P) is consistent with all of these states' approaches.

ISSUE VI-1(R): References

Verizon: Verizon VA's reference provision is intended to clarify the Parties' intent regarding references made in the Interconnection Agreement.

A. OVERVIEW

This dispute over this issue involves whether the references in the interconnection agreement to "Tariff, agreement, technical or other document" refer to documents frozen as of the effective date of the Parties' interconnection agreement or to dynamic documents that continue to evolve.

B. DISCUSSION

The remaining dispute over § 35.2 is whether the terms of any tariff, policy or handbook referred to in the agreement must be frozen as of the effective date of the agreement. Verizon VA maintains that these documents must be treated in the interconnection agreement as they are in real life: dynamic documents that evolve in conjunction with changes in the marketplace and applicable law. WorldCom, on the other hand, argues that dynamic references introduce uncertainty into the interconnection agreement. WorldCom also complains that the language allows Verizon VA to change unilaterally the interconnection agreement by changing internal policies and procedures.[10]

WorldCom's proposal to replace the "as amended and supplemented" language with "as of the effective date of the interconnection agreement" leads to undesirable results. First, "freezing" the documents referred to in the interconnection agreement as of the agreement's

[10] At the hearing, the Staff requested that Verizon VA identify the documents referred to in its proposed interconnection agreement with WorldCom. Attachment A hereto is a chart containing any contract language that refers to other documents. The Staff also inquired into the role played by CLECs in changing internal Verizon documents. While Verizon ultimately decides its internal policies and procedures, CLECs do have the opportunity, through the change management processes and collaboratives, to comment on policies and procedures that affect them.

effective date could quickly lead to parts of the agreement becoming outdated. It is inevitable that, over the three year life of the Verizon VA/WorldCom interconnection agreement, these documents will change as the market, technology and applicable law changes. The Parties cannot have an interconnection agreement that simply ignores these changes. Second, neither Verizon VA nor WorldCom has authority to ignore changes to documents, such as technical manuals and tariffs, promulgated by state commissions or third party vendors. Rather, the interconnection agreement must provide for the incorporation of such changes. Finally, requiring the Parties to negotiate an amendment to the interconnection agreement to memorialize every change in every referenced document is ponderous and inefficient.

Contrary to WorldCom's suggestion, Verizon VA's proposal does not allow it to make indiscriminate, unilateral changes to referenced documents. WorldCom, like other CLECs, is an active participant in the change management process that affects changes to many internal Verizon policies and practices. As a matter of practice, Verizon VA raises proposed changes to policies and practices that affect CLECs in the change management process and actively seeks CLEC input. Similarly, WorldCom, or any other affected CLEC, may voice its opposition to the appropriate state commission when faced with a proposed tariff change.

For these reasons, the Commission should reject WorldCom's proposed modification and adopt these sections in their original form.

C. VERIZON VA'S CONTRACT PROPOSALS

See Verizon VA proposed WorldCom contract, General Terms and Conditions, § 35.2, and related definitions.

Documents referred to in Verizon VA's proposed Interconnection Agreement with WorldCom
3.10 "4-Wire 56 kbps Loop" is a 4-wire Loop that provides a transmission path that is suitable for the transport of digital data at a synchronous rate of 56 kbps in opposite directions on such Loop simultaneously. A 4-Wire 56 kbps Loop consists of two pairs of non-loaded copper wires with no intermediate electronics or it consists of universal digital loop carrier with 56 kbps DDS dataport transport capability. Verizon shall provide 4-Wire 56 kbps Loops to **CLEC in accordance with, and subject to, the technical specifications set forth in **Verizon Technical Reference TR72575**, Issue 2, as revised from time-to-time. 3.11 "DS-3 Loops" will support the transmission of isochronous bipolar serial data at a rate of 44.736 Mbps or the equivalent of 28 DS-1 channels. The DS-3 Loop includes the electronics necessary to provide the DS-3 transmission rate. A DS-3 Loop will only be provided where the electronics are at the requested installation date currently available for the requested loop. Verizon will not install new electronics. DS-3 specifications are referenced in **Verizon's TR72575** as revised from time to time). 3.17.1.2 **CLEC shall request Analog 2W Loops for coordinated cutover from Verizon by delivering to Verizon a valid electronic Local Service Request ("LSR"). Verizon agrees to accept from **CLEC the date and time for the conversion designated on the LSR ("Scheduled Conversion Time"), provided that such designation is within the regularly scheduled operating hours of the Verizon Regional CLEC Control Center ("RCCC") and subject to the availability of Verizon's work force. In the event that Verizon's work force is not available, **CLEC and Verizon shall mutually agree on a New Conversion Time, as defined below. **CLEC shall designate the Scheduled Conversion Time subject to Verizon standard provisioning intervals as stated in the **Verizon CLEC Handbook**, as may be revised from time to time. Within three (3) business days of Verizon's receipt of such valid LSR, or as otherwise required by Applicable Law, Verizon shall provide **CLEC the scheduled due date for conversion of the Analog 2W Loops covered by such LSR. 4.4 Verizon Information. Upon request by **CLEC, Verizon shall make available to **CLEC the following information to the extent that Verizon provides such information to its own business offices a directory list of relevant NXX codes, directory and "**Customer Guide**" close dates, publishing data, and Yellow Pages headings. Verizon also will make available to **CLEC, upon written request, a copy of **Verizon's alphabetical listings standards and specifications manual**. 4.7 Indemnification. ****CLEC shall adhere to all practices, standards, and ethical requirements established by Verizon** with regard to listings. By providing Verizon with Listing Information, **CLEC warrants to Verizon that **CLEC has the right to provide such Listing Information to Verizon on behalf of its Customers. **CLEC shall make commercially reasonable efforts to ensure that any business or person to be listed is authorized and has the right (a) to provide the product or service offered, and (b) to use any personal or corporate name, trade name, trademark, service mark or language used in the listing. **CLEC agrees to release, defend, hold harmless and indemnify Verizon from and against any and all claims, losses, damages, suits, or other actions, or any liability whatsoever, suffered, made, instituted, or asserted by any person arising out of Verizon's publication or dissemination of the Listing Information as provided by **CLEC hereunder. 4.9 Service Information Pages. Verizon shall include all **CLEC NXX codes associated with the geographic areas to which each directory pertains, to the extent it does so for Verizon's own NXX codes, in any lists of such codes that are contained in the general reference portion of each directory. **CLEC's NXX codes shall appear in such lists in the same manner as Verizon's NXX information. In addition, when **CLEC is authorized to, and is offering, local service to Customers located within the geographic area covered by a specific directory, at **CLEC's request, Verizon shall include, at no charge, in the "**Customer Guide**" or comparable section of the applicable alphabetical directories, **CLEC's critical contact information for **CLEC's installation, repair and Customer service, as provided by **CLEC, and such other essential local service oriented information as is agreed to in writing by the Parties. Such critical contact information shall appear alphabetically by local exchange carrier and in accordance with **Verizon's generally applicable policies**. **CLEC shall be responsible for providing the necessary information to Verizon by the applicable close date for each affected directory. 5.2 **CLEC may request that Verizon reactivate (if available) an unused drop and NID, install a new drop and NID if no

drop and NID are available or provide **CLEC with access to a drop and NID that, at the time of **CLEC's request, Verizon is using to provide service to the Customer (as such term is hereinafter defined). New drops will be installed in accordance with **Verizon's standard procedures**. In some cases this may result in **CLEC being responsible for the cost of installing the drop.

7.1 As applicable consistent with the provision of the relevant services or functions by a Party under this Agreement, each Party may audit **the other Party's books, records and documents** for the purpose of evaluating the accuracy of the other Party's bills and performance reports rendered under this Agreement.

7.2 In addition to the audits described in Section 7.1, each Party may audit **the other Party's books, records and documents** for the purpose of evaluating compliance with CPNI where the audited Party has access to CPNI in the custody of the auditing Party pursuant to this Agreement.

7.5 Each Party shall cooperate fully in any audits required hereunder, providing reasonable access to any and all employees, **books, records and documents,** reasonably necessary to assess the accuracy of the audited Party's bills or performance reports, or compliance with CPNI obligations, as appropriate.

7.6 Audits shall be performed at the auditing Party's expense, provided that there shall be no charge for reasonable access to the **audited Party's employees, books, records and documents necessary** to conduct the audits provided for hereunder.

8.4.5 ****CLEC shall comply with all practices and procedures established by Verizon** for access to and use of Verizon OSS Facilities (including, but not limited to, **Verizon practices and procedures** with regard to security and use of access and user identification codes).

8.4.6 **All practices and procedures for access to and use of Verizon OSS** Facilities, and all access and user identification codes for Verizon OSS Facilities: (a) shall remain the property of Verizon; (b) shall be used by **CLEC only in connection with **CLEC's use of Verizon OSS Facilities permitted by this Section 8; (c) shall be treated by **CLEC as Confidential Information of Verizon pursuant to Section 10 of the Agreement; and, (d) shall be destroyed or returned by **CLEC to Verizon upon the earlier of request by Verizon or the expiration or termination of the Agreement.

10.2 **CLEC's use of telephone numbers shall be subject to Applicable Law the rules of the North American Numbering Council and the North American Numbering Plan Administrator, the applicable provisions of this Agreement (including, but not limited to, this Section 10), **and Verizon's practices and procedures for use and assignment of telephone numbers**, as amended from time-to-time.

11.1011.10. The following publications describe the practices, procedures and specifications generally utilized by Verizon for signaling purposes and are listed herein to assist the Parties in meeting their respective Interconnection responsibilities related to Signaling:
11.10.111.10.1. Telcordia Generic Requirements, GR-905-CORE, Issue 1, March, 1995, and subsequent issues and amendments; and
11.10.211.10.2. Where applicable, **Verizon Supplement Common Channel Signaling Network Interface Specification (Verizon-905**).

13.3 Forecasting Requirements for Trunk Provisioning.
Within ninety (90) days of executing this Agreement, **CLEC shall provide Verizon a two (2) year traffic forecast. This initial forecast will provide the amount of traffic to be delivered to and from Verizon over each of the Local Interconnection Trunk groups over the next eight (8) quarters. The forecast shall be updated and provided to Verizon on an as-needed basis but no less frequently than semiannually. All forecasts shall comply with the **Verizon CLEC Interconnection Trunking Forecast Guide** and shall include, at a minimum, Access Carrier Terminal Location ("ACTL"), traffic type (~~Local~~ Reciprocal Compensation Traffic/Measured Internet Traffic, /Toll Traffic, Operator Services, 911, etc.), code (identifies trunk group), A location/Z location (CLLI codes for **CLEC-IPs and Verizon-IPs), interface type (e.g., DS1), and trunks in service each year (cumulative).

14.1.1 Each Party acknowledges that its offices in Verizon's former Bell Atlantic territory are 100% LNP capable in the Commonwealth of Virginia. In areas where either Party has not deployed LNP in all offices, the Parties shall negotiate terms for

Interim Number Portability ("INP") in accordance with rules and regulations prescribed from time to time by the FCC and the Commission, **and the Parties respective company procedures.**

26.1 Cooperation. The Parties will work cooperatively in a commercially reasonable manner to install and maintain a reliable network. **CLEC and Verizon will exchange appropriate information (e.g., network information, maintenance contact numbers, **escalation procedures**, and information required to comply with requirements of law enforcement and national security agencies) to achieve this desired reliability. In addition, the Parties will work cooperatively in a commercially reasonable manner to apply sound network management principles to alleviate or to prevent traffic congestion and to minimize fraud associated with third number billed calls, calling card calls, and other services related to this Agreement.

26.4 Outage Repair Standard. In the event of an outage or trouble in any Service being provided by a Party hereunder, the Providing Party will follow **Verizon's standard procedures** for isolating and clearing the outage or trouble.

35. References
35.1 All references to Sections, Appendices and Exhibits shall be deemed to be references to Sections, Appendices and Exhibits of this Agreement unless the context shall otherwise require.
35.2 Unless the context shall otherwise require, any reference to a Tariff, agreement, technical or other document (**including Verizon or third party guides, practices or handbooks**), or provision of Applicable Law, is to such Tariff, agreement, document, or provision of Applicable Law, as amended and supplemented from time to time (and, in the case of a Tariff or provision of Applicable Law, to any successor Tariff or provision).

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IX. BUSINESS PROCESS

Six Business Process issues remain unresolved:

- Issue I-8 Electronic Monitoring of OSS Usage
- Issue IV-56 Membership in NCTDE
- Issue IV-74 Billing Procedures
- Issues IV-7 and 79 911
- Issue IV-97 Customer Proprietary Network Information

Issue IV-97 is indistinguishable from Issue I-8, as both involve Verizon VA's electronic monitoring of CLECs' use of its OSS. Issue I-11, a General Terms and Conditions issue regarding termination of OSS access, is also closely tied to Issues I-8 and IV-97. As a result, Issue I-11 will be addressed herein.

These OSS-related issues, along with the NCTDE issue, serve to highlight the Petitioners' determination to seek preferential treatment, above and beyond that which applicable law provides or other CLECs receive. While recognizing Verizon VA's obligation to preserve the integrity of its OSS systems for all CLECs, the Petitioners oppose Verizon VA's practice of real-time monitoring of the volume of OSS usage. Similarly, WorldCom urges the Commission to order Verizon VA to join a voluntary organization, the NCTDE, so that WorldCom might gain access to customer payment histories not made available to CLECs generally. The Commission should reject these proposals and rule that the Petitioners, like all CLECs, are entitled to nondiscriminatory treatment, not preferential treatment, on business process matters.

Issue I-8 **Electronic Monitoring of OSS Usage**

Issue I-11 **Termination of OSS Access**

Issue IV-97 **Customer Proprietary Network Information**

AT&T: Issue I-11: May Verizon summarily terminate AT&T's access to OSS for AT&T's alleged failure to cure its breach of obligations concerning access to [OSS] per Schedule 11.6?

Cox: Issue I-8: VZ-VA may not monitor or audit Cox's access to and use of customer proprietary network information made available to Cox through the interconnection agreement.

Issue I-11: Verizon may not summarily terminate Cox's access to OSS for Cox's alleged failure to cure its breach of Schedule 11.7 or Sections 1.5 or 1.6.

WorldCom: Issue I-8: May Verizon monitor WorldCom's access to and use of customer proprietary network information made available to WorldCom?

Issue I-11: May Verizon summarily and unilaterally terminate WorldCom's access to the OSS unbundled network element?

Issue IV-97: Should the Interconnection Agreement contain a provision governing the parties' responsibilities with respect to confidential information? Specifically, should the Interconnection Agreement contain a provision that (1) defines the term confidential information; (2) specifies a method for identifying and designating confidential information; (3) states the obligations imposed upon the recipient of confidential information under the Interconnection Agreement; (4) provides for limited disclosure to third parties in certain circumstances; (5) limits reproduction of confidential information; (6) sets forth procedures for return of confidential information, loss of such information, and unauthorized disclosure; (7) provides certain exceptions from the confidentiality obligations imposed by the provision in the case, for example, of information publicly available or legally compelled disclosure; (8) provides for survival of confidentiality obligations following expiration, cancellation or termination; (9) makes clear that disclosure to a Party does not affect property rights in the information; (10) provides for equitable relief, including injunctive relief and specific performance, for a breach of confidentiality; (11) makes clear that it provides additional confidentiality protections to those existing under Applicable Law; (12) sets forth obligations with respect to access, use, or disclosure of Customer Proprietary Network Information (CPNI) or other customer information; and (13) makes clear that it does not limit the rights of either Party with respect to its own subscriber information?

A. OVERVIEW

As WorldCom witness Sherry Lichtenberg so succinctly explained, "without access to OSS, there is no way to place an order or support a customer." Tr. 2017. Because this is true for all CLECs, not just WorldCom, Verizon VA's obligation to protect the integrity of its OSS is of paramount concern to all involved. Verizon VA does so, on a real time basis, by monitoring electronically, on a person-by-person basis, the volume of use of individual users of Verizon VA's web GUI - the "human" OSS interface mechanism.[1]

These three interrelated issues, I-8, IV-97 and I-11, represent attempts by the CLECs to gain OSS access for themselves on terms more favorable than those afforded other Verizon VA customers. Indeed, the preferential treatment sought by the Petitioners could well come at the expense of hundreds of other CLECs, CMRS providers, and IXC carriers who rely just as heavily on Verizon VA's OSS.

B. DISCUSSION

As phrased, Issues I-8 and IV-97 address Verizon VA's right to monitor electronically the CLECs' access to Customer Proprietary Network Information ("CPNI"). As Verizon VA has explained, however, Verizon VA does not monitor the content of a CLEC's OSS searches. Tr. 2546-47; Verizon VA Ex. 10 at 3; Verizon VA Ex. 20 at 2-3. Rather, Verizon VA monitors the

[1] The web GUI allows individual users to access Verizon VA's OSS from computer terminals, much like an individual would access Internet sites from his or her personal computer. Tr. 2020, 2023. In contrast, Verizon VA's Electronic Data Interface ("EDI") allows CLECs to access the OSS using application-to-application technology (*i.e.*, robotic searches). Tr. 2024.

volume of searches attributed to individual users of the web GUI.[2] Tr. 2549, 2551. Verizon VA does so to prevent the type of individual user abuse that could lead to a general slowdown or shutdown of the web GUI. Tr. 2551.

Issue I-11 involves Verizon VA's necessary reservation of the right to terminate a party's access to OSS if, after ten days, the party refuses to stop its misuse of the OSS. Aside from deliberate action, there is no reason why a party found to be in violation of the OSS access rules applicable to all web GUI users could not correct its nonconforming practice within ten days.

1. Verizon VA Has A Right And An Obligation To Monitor OSS Usage On A Real Time Basis.

The hundreds of CLECs, CMRS providers and IXCs with whom Verizon interconnects all rely on uninterrupted access to Verizon's OSS. Larger CLECs, like WorldCom, tend to access the OSS via the EDI. Tr. at 2015 (WorldCom conducts "99% of our ordering and preordering using EDI."). Smaller CLECs tend to rely more heavily on the web GUI, as it allows a person who "sits down at a terminal and initiates the transaction or the communication" to access Verizon VA's OSS. Tr. 2020, 2023.

As explained at the hearing, Verizon VA's electronic monitoring focuses on the web GUI, not the EDI. Tr. 2547. In fact, Verizon VA only "monitors the EDI to make sure that [its] servers and systems have the capacity to process the transactions that the CLECs were sending in." Tr. 2589. Verizon VA does not monitor the EDI on an individual user basis, because it "expects large transaction volumes [on the EDI]." Tr. 2589.

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[2] Verizon VA assigns to each person authorized to use its web GUI a user identification number. Each time an individual user initiates a web GUI search, his or her user identification number is associated with that search. *See* Tr. 2541, 2551.

The web GUI, on the other hand, is not designed to handle such high volumes of transactions. Tr. 2024. Rather, as WorldCom and Cox acknowledged, using a robot[3] to access the web GUI could severely impair, if not shut down, the web GUI's availability for all CLECs. Tr. 2024-25. Verizon VA has a statutory duty to maintain the system integrity of its OSS for the nondiscriminatory benefit of all users. 47 U.S.C. §§ 222 and 251. Electronic monitoring of the volume of web GUI use on an individual user basis is the only real time means available to Verizon VA to satisfy this duty.

As Verizon VA has explained, its monitoring efforts are designed to detect extraordinary volumes of use that could not be attributable to a human being manually accessing the web GUI through a single computer terminal. Tr. 2568. Since each individual user is assigned a user identification, Verizon VA knows approximately how many transactions, or "hits," per minute each user initiates. Thus, if Verizon VA sees a single user making tens of thousands of transactions in an 8 hour period, it knows that a "robot" is responsible for the hits, not an individual human.[4] Verizon VA Ex. 20 at 3-4. As Cox witness Dr. Collins pointed out, "it is highly unlikely that human interfaces could ever match the speed of utilization of the robot." Tr. 2027.

Through electronic monitoring, Verizon VA can identify and confront promptly any offending individual user, thereby preserving the availability of the web GUI for all other end users. As Verizon VA testified, this is a very real problem that Verizon VA has encountered in

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[3] The term "robot" refers to any form of computerized or mechanized dialing equipment used to interface with the web GUI at speeds or levels in excess of those of which a human is capable.

[4] By way of contrast, an overall increase in the aggregate web GUI usage of all of a CLEC's individual users, such as might take place at the start of a new marketing campaign, would not generate any concern on the part of Verizon VA. Tr. 2558-59.

the past. Tr. 2020. Even WorldCom reluctantly acknowledged that Verizon VA "has an obligation to provide nondiscriminatory access to all those CLECs," Tr. 2018, and that Verizon VA's "obligation to maintain OSS access for all CLECs includes a duty to minimize or avoid wherever possible system shutdowns or system impairment." Tr. 2021. In fact, WorldCom witness Lichtenberg went so far as to state that, "**all CLECs who use the Web GUI ... would benefit from a system by which problems are identified and resolved as promptly as possible**." Tr. 2021-22. Verizon VA could not agree more.

2. Audits Are An Ineffective Substitute For Electronic Monitoring.

Rather than acknowledge the obvious need for real time monitoring of the OSS, Cox and WorldCom argue that audits would address sufficiently Verizon VA's concerns. Tr. 2038; WorldCom Ex. 2 at 5; WorldCom Ex. 18 at 2-3. When asked about audits, however, WorldCom's witness professed ignorance regarding the length of time required for audits and admitted that WorldCom had no actual experience with audits. Tr. 2039.

In fact, the general audit language agreed to by the Parties limits the frequency and timing of audits. Verizon's proposed WorldCom contract § 7; Verizon's proposed AT&T contract § 28.10. Assuming OSS usage could be audited under these provisions, such audits would require advance notice and some period of time to conduct. Obviously, if the web GUI begins to slow down as a result of the improper use of robots, no one's interests would be served by Verizon VA placing the offending CLEC on notice that, at some mutually agreeable date in the future, Verizon VA would conduct an audit of its OSS usage. Those that rely on web GUI access to Verizon VA's OSS have a right to demand that, in such instances, Verizon VA act promptly to preserve the integrity of the system. Tr. 2021-22. An audit simply will not accomplish that goal.

3. If, After Notice And A 10 Day Opportunity To Cure, A CLEC Misusing The OSS Refuses To Correct Its Nonconforming Practices, Verizon VA Must Have The Right To Terminate Its OSS Access.

Under Verizon VA's proposed language, if it discovers that a CLEC is misusing the OSS or CPNI, it will place the offending CLEC on notice of the problem and give the CLEC at least ten days in which to correct its nonconforming practices. Verizon's proposed WorldCom contract, Additional Services Attachment § 8.6.1; Verizon's proposed AT&T contract, Schedule 11, § 5.1; Verizon's proposed Cox contract § 18.4.4. CLECs refusing to do so will be suspended from access to and use of the OSS. *Id.*

At the hearing, Verizon VA described the types of breaches that could result in termination of OSS access as those involving "serious interference with [Verizon's] OSS [such] that either no other CLEC could use it, or [Verizon VA's] back-end systems would have to be seriously impaired, such as the loss of database records." Tr. 2570. Verizon VA witness Maryellen Langstine added, however, that she was aware of no incident of OSS violation that a CLEC had been unable to cure within ten days. Tr. 2586, 2590. To the contrary, when breaches have occurred in the past, Verizon VA has been able to restore the normal response time of the web GUI by disabling the offending individual user. Tr. 2585. Moreover, once notified of the problem, the responsible CLECs have been willing and able to correct the problem in far less than ten days. Tr. 2585-86.[5]

In summary, the Petitioners, as they must, acknowledge the significance of Verizon VA's obligation to all OSS users to safeguard CPNI and maintain the uninterrupted performance of the

[5] Improper use by a single user of the web GUI has never resulted in the termination of the sponsoring CLEC's access. Tr. 2586, 2590. Further, identifying a single-user problem with the web GUI has never resulted in suspension of the sponsoring CLEC's use of the EDI. *Id.*

OSS. Verizon VA can satisfy those obligations in only one way: real time electronic monitoring.

C. VERIZON VA'S CONTRACT PROPOSALS

1. *See* Verizon VA proposed WorldCom contract, Additional Services Attachment, §§ 8.4-8.7, and related definitions.
2. *See* Verizon VA proposed AT&T contract, §§ 18.3.4, 18.3.5, 28.5, Schedule 11 § 5.1 and related definitions.
3. *See* Verizon VA proposed Cox contract, §§ 18.4.4 and Schedule 11.7, and related definitions.

Issue IV-56 **Participation In The National Consumers Telecommunications Data Exchange**

WorldCom: Should the Interconnection Agreement contain provisions requiring Verizon to participate in the National Consumers Telecommunications Data Exchange ("NCTDE") for exchange of information on subscribers' payment history?

A. OVERVIEW

The NCTDE is a voluntary organization of telecommunications carriers that provides to its members information concerning the unpaid accounts of new subscribers. Verizon VA Ex. 10 at 3; Verizon VA Ex. 27 at 4-5. Those that choose to participate pay a membership fee and per-transaction charges for each use of the NCTDE database, including both final account and new connect orders. Verizon VA Ex. 27 at 9-10.

Verizon VA has made the business decision not to participate in NCTDE. Remarkably, WorldCom asks the Commission to force Verizon VA to participate in this voluntary organization. There is no basis for this demand.

B. DISCUSSION

Verizon VA should not be required to provide a CLEC with subscriber payment histories or to participate in some organization for that purpose. While WorldCom suggests that the Commission should issue such an order here, it can cite to no legal authority to support that position. This is, quite simply, yet another attempt by WorldCom to minimize its business risks at Verizon VA's expense.

As a result of its experience in the former GTE territories, Verizon VA has made a business decision not to participate in the NCTDE. In part, this decision was based on the choice to avoid the costs involved with the system design and infrastructure modifications necessary for participation in the NCTDE data exchange. Instead, Verizon VA will rely on its own database

containing information about unpaid accounts, supplemented as necessary by outside credit reporting agencies. Verizon VA Ex. 10 at 6; Verizon VA Ex. 27 at 6. WorldCom is free to do the same. Verizon VA Ex. 10 at 4, Verizon VA Ex. 27 at 5.

WorldCom does not, and cannot, suggest that without Verizon VA's participation in NCTDE it will be unable to obtain credit histories of potential customers.[6] To the contrary, WorldCom may use the same sources that Verizon and other businesses use to obtain credit information about potential customers. WorldCom has such information regarding its own long distance customers. Verizon VA is not a credit reporting agency and does not wish to take on the legal obligations and liabilities involved with that line of business.

If WorldCom decides that participating in NCTDE is beneficial, it is free to do so itself. It does not need Verizon VA to stand in its place. Indeed, Verizon VA has that same right to decide that participation is not beneficial, and it has done so. There is no basis for WorldCom compelling Verizon VA to participate in this voluntary organization.

C. VERIZON VA'S CONTRACT PROPOSALS

Verizon VA has offered a modified version of the first sentence of WorldCom's proposed § 2.1.4.1: "Neither Party shall refuse to migrate one of its Customers to receive service from the other Party (including disconnecting its Customer from service and porting its Customer's telephone number(s)) on the basis of its Customer owing it unpaid amounts."

Verizon VA opposes inclusion of the remaining portions of WorldCom's proposed Attachment VII, § 2.1.

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[6] As WorldCom concedes, payment history information is not necessary to provision service to new customers. Tr. 1952.

Issue IV-74 **Billing Procedures**

WorldCom: Should the Interconnection Agreement set forth the requirements for interim and standard billing, and collocation billing arrangements between the parties?

A. OVERVIEW

This issue appears close to resolution. In an effort to address WorldCom's concern that paper bills are unmanageable, Verizon VA has offered to provide WorldCom, on a trial basis in Virginia, a BOS-BDT formatted electronic bill at no charge. During the trial, the BOS-BDT bill would serve as the instrument from which WorldCom would audit, pay and dispute charges for UNE-P services and network elements. The BOS-BDT formatted bill would become the bill of record for WorldCom at the same time Verizon VA designates it as being available for election as the bill of record in Virginia generally.

B. DISCUSSION

Independent of its efforts to settle this issue with WorldCom, Verizon VA continues to work toward making a BOS-BDT formatted bill available to all CLECs in Virginia. Doing so involves not a single act but a process. An immediate change, in the manner contemplated by WorldCom, would preclude Verizon VA from taking the steps necessary to ensure that its billing methods remain accurate. Tr. 2602-03.

Currently, Verizon VA will provide an electronic bill in the format chosen by a CLEC from a list of available options. Verizon VA Ex. 27 at 8. Bills for access services and certain wholesale services billed from the CABS system (*e.g.*, IOF, Collocation) are available in BOS BDT format. *Id.* Moreover, Verizon VA is in the process of conducting a trial of BOS BDT formatted bills from its expressTRAK system for other wholesale services (*e.g.*, resale, UNE). *Id.* Verizon VA intends to report to the industry through the change management process the results of this trial. Tr. 2608.

For now, the "bill of record" for Verizon VA remains the paper bill. After BOS BDT formatted bills produced by the expressTRAK system have been thoroughly reviewed in the quality assurance process, Verizon VA will offer CLECs, including WorldCom, the option to designate BOS BDT formatted bills as the bill of record. Tr. 2608; Verizon VA Ex. 27 at 8-9. Notice of effective dates for this election will be made through the change management process. Tr. 2608.

Verizon VA should not be required to change its practice of using a paper bill as the bill of record until it is reasonably certain that the BOS-BDT formatted bill does not affect adversely the accuracy of the billing process. WorldCom's apparent fear that Verizon VA will deliberately stall the conversion to an electronic billing format is unsupported. To the contrary, Verizon VA is also anxious to maximize its use of electronic billing. Tr. 2602. No party's interests are served, however, by prematurely implementing an electronic billing format prior to completing the necessary quality assurance measures.

C. VERIZON VA'S CONTRACT PROPOSALS

Verizon VA's latest proposal to WorldCom is in the record as Verizon VA Exhibit 58.

Issue IV-7 **911/E-911**

Issue IV-79 **911/E-911**

WorldCom: Issue IV-7: Should the Interconnection Agreement include detailed terms to facilitate the prompt, reliable, and efficient Interconnection of MCIm's systems to Verizon VA's 911/E911 platforms, including the establishment of dedicated trunks from MCIm's Central Office to each Verizon VA 911/E911 selective router (i.e., 911 Tandem Office) that serves the areas in which MCIm provides Exchange Service, with the necessary CAMA signaling, ANI delivery and TTY/TDD capability; availability of diverse means of delivering 911 calls to minimize the likelihood of Central Office isolation due to cable cuts or other equipment failures; the routing of WorldCom's customer 911/E911 calls, including ANIs to the appropriate PSAP; Verizon VA's provision of CLLI codes for each selective router server area, the 10-digit number of each PSAP, associated addresses, and network meet points; provisions for the overflow of 911/E911 traffic to the Operator Services platform and the 10 digit overlay/alternate number used by each local PSAP; the provision by Verizon VA of information describing the rate center boundaries served by each selective router; technical specifications for network interface, database loading and maintenance; terms governing the immediate restoration of 911 service and the responsibilities of each party therefore; terms providing for correction of ALI discrepancies, identification of special 911 routing arrangements, and identification of special operator-assisted requirements to support 911?

Issue IV-79: Should the Interconnection Agreement contain provisions regarding 911 and E911 requirements?

A. OVERVIEW

Coming into the hearings, it appeared that the only dispute remaining with this issue was whether Verizon VA should provide WorldCom with the ten digit Public Safety Answering Points ("PSAP") alternate routing codes, rather than have WorldCom obtain the codes themselves from the PSAP Coordinators. At the hearing, however, it became apparent that the Parties had not reached an agreement on the appropriate contract language. After several days of direct discussions between the Verizon VA witness and the WorldCom witness, Verizon VA offered WorldCom a revised proposal that addressed the concerns raised by WorldCom in mediation, as well as other modifications proposed by WorldCom during the later discussions. *See* Verizon VA Ex. 60. To date, WorldCom has not responded to the Verizon VA proposal.

B. DISCUSSION

Verizon VA and WorldCom agree that the interconnection agreement should contain terms to facilitate the prompt, reliable, and efficient interconnection of WorldCom's system to Verizon VA's 911/E-911 platforms. What WorldCom fails to appreciate is that Verizon interconnects with thousands of CLECs across the country that share these very same concerns. As a result, and in the interest of public safety, Verizon has drafted a uniform 911 Attachment that it seeks to include in every interconnection agreement. That template formed the basis of Verizon VA's initial proposal to WorldCom.

In mediation, WorldCom raised three concerns: 1) that it be allowed to use CAMA signaling, 2) that Verizon VA provide it with CLLI codes by selective router/tandem, and 3) that Verizon VA provide geographic information for its 911 tandems. WorldCom Ex. 35 at 2. Verizon VA agreed to these proposals and, in its most recent offer to WorldCom, modified its 911 Attachment to reflect these agreements. *See* Verizon VA Ex. 60.

Verizon VA cannot, however, agree with WorldCom's proposal that Verizon VA maintain a list of PSAP Codes for WorldCom and notify WorldCom whenever any changes or updates occur. First, Verizon VA does not use these 10 digit codes as an alternate routing scheme in Virginia. Tr. 2656. Rather, Verizon VA has primary and secondary 911 routing through its 911 tandems and tertiary 911 routing through its TOPS switch. Tr. 2656-57. Second, as WorldCom witness Ariel Sigua reluctantly conceded, the ten digit codes are available to WorldCom directly from the PSAP Coordinators. Tr. 2662-63. In other words, WorldCom can obtain and update the codes from precisely the same source that Verizon VA would have to rely upon to do so.

Nor can Verizon VA allow WorldCom to pass 911 traffic through the Verizon VA TOPS switch, as only customers who subscribe to the Verizon VA operator services product may access that switch. Tr. 2657. If Verizon VA were to allow WorldCom to route 911 trunks through Verizon VA's TOPS switch, neither Verizon VA nor the 911 governing bodies would be able to prevent WorldCom, or any other CLEC with such an agreement, from putting other types of traffic through that switch. Tr. 2659. Rather, CLECs connected in that manner could freely use the TOPS switch as a 911 overflow. This could interfere with the system capacity loads and already stretched staffing demands. *Id.*

Verizon administers literally thousands of interconnection agreements with CLECs, all of which address 911 routing. Public safety must remain the overriding concern when deciding this issue, and Verizon VA stands in a far better position to administer this vital service when the terms of the agreement are relatively uniform. That fact, complimented by the fact that Verizon VA modified its initial proposal to address the concerns raised in the mediation session and subsequent discussions, leaves no reason why the Commission should not adopt Verizon VA's proposed language.

C. VERIZON VA'S CONTRACT PROPOSALS

Verizon VA's latest proposal to WorldCom is in the record as Verizon VA Exhibit 60.