Issue IV-1 (Transit Traffic)

The Commission should accept WorldCom's proposal that, with respect to transit traffic, Verizon make arrangements with the transiting parties for compensation owed for call termination. This arrangement is currently being used in Georgia, see WorldCom Exh. 52, Response to Record Request at 4, and will minimize the number of bills and record exchange for transit traffic. WorldCom's proposal also makes efficient use of Verizon's existing billing arrangements, and is consistent with industry guidelines. The language should therefore be included in the interconnection agreement.

First, WorldCom's proposal reduces the number of trunk groups, record exchange, and bills (to render and to audit) for all carriers. WorldCom Exh. 3, Direct Test. of D. Grieco and G. Ball at 77. Pursuant to WorldCom's proposal, if a call is originated from WorldCom, transited by Verizon, and terminated to an independent LEC, Verizon will bill WorldCom for a transiting charge as well as the call termination charges, and Verizon will then settle up with the independent LEC. Verizon has used this approach for several years. See id. In this scenario, the independent LEC would not be required to incur the network expense of separate trunk groups or the cost of billing this small volume of traffic from WorldCom, but would instead obtain payment from Verizon, because Verizon had billed WorldCom. This approach ensures that all carriers along the route are compensated for the portion of the call that they have carried. WorldCom's proposal also provides that, if a call is originated from an independent LEC, transited through Verizon, and terminated to WorldCom, Verizon will bill the independent for a transiting charge, and WorldCom will bill Verizon for terminating that call on the WorldCom network. Again, Verizon would obtain payment from the

independent LEC. This practice is consistent with the Ordering and Billing Forum (OBF) Meet Point Billing Guidelines (single bill/single tariff option), and reduces the number of trunk groups, record exchanges, and bills for all carriers. See WorldCom Exh. 3, Direct Test. of D. Grieco and G. Ball at 77.

WorldCom's proposal also makes efficient use of Verizon's existing billing arrangements with the carriers involved. It does not add to the number of bills which Verizon must issue because Verizon is already billing the originating carrier for traffic which it exchanges with Verizon. Tr. 10/17/01 at 2196, 2199 (Grieco, WorldCom). Because Verizon is exchanging traffic with both transiting carriers, and sending them reciprocal compensation bills, WorldCom's proposal simply means that transit traffic will be included on those bills, rather than removed. In fact, billing reciprocal compensation to the originating carrier and transmitting the proceeds to the terminating carrier, requires less effort than excluding the reciprocal compensation charge from the bill, because the latter would require Verizon to affirmatively remove the traffic from the bills. Tr. 10/17/01 at 2200-2201 (Grieco, WorldCom).

Finally, WorldCom's proposal would not make Verizon responsible for paying the terminating carrier if the originating carrier fails to provide reciprocal compensation. In that situation, the originating carrier, not Verizon, would ultimately be responsible for the reciprocal compensation. WorldCom Exh. 52, Response to Record Requests, at 4.

In sum, the Commission should adopt WorldCom's proposed language on this issue.

Issue IV-2 (Two-Way Trunking)

The Commission should order the inclusion of WorldCom's proposed contract language regarding two-way trunking, which implements the regulatory requirement that "[i]f technically feasible, an incumbent LEC shall provide two-way trunking upon request." 47 C.F.R. § 51.305(f). Although Verizon initially asserted that WorldCom did not have the right to specify whether the parties use one-way or two-way trunks, Verizon conceded during the hearing that WorldCom does have that right, and agreed to WorldCom's proposed section 1.2.7.2, which states, "Unless otherwise indicated in this Agreement, trunks will be provisioned as one-way or two-way trunks as specified by MCIm." Tr. 10/17/01 at 2388 (D. Albert, Verizon). Therefore, the remaining dispute between the parties concerns the final paragraph of WorldCom's proposed language, which addresses the compensation for two-way trunk facilities.[30] For the reasons set forth below, the Commission should resolve this issue in WorldCom's favor.

The disputed portion of WorldCom's proposed contract establishes a method that would allow the parties to share the cost of the facilities. This method of allocating the cost of two-way trunks is consistent with the guidelines this Commission provided in paragraph 1062 of the Local Competition Order. In contrast, Verizon's competing language, section 2.5, requires WorldCom to always pay for facilities, and would not require Verizon to pay anything for facilities, even though the facilities are used to carry both parties' traffic. This position is unfair, unfounded in law, and anticompetitive;

[30] Although Verizon still includes contradictory language in the JDPL (section 2.2.3), Verizon's agreement with WorldCom's language appears to obviate the need for that section of Verizon's language.

Verizon has not cited any legal authority to support its position, and WorldCom is not aware of any.

Moreover, Verizon's language should be rejected because it includes issues that should not be addressed in this section of the interconnection agreement. For example, Verizon's proposed language incorporates its GRIPs proposal, which is being addressed in connection with Issue I-1. As Verizon has conceded, there is nothing unique about two-way trunking that requires the Commission to address the GRIPs proposal separately in this context. Tr. 10/17/01 at 2400 (P. D'Amico, Verizon). In addition, in section 2.4.8 Verizon proposes language dealing with trunk augmentation, which has been addressed in agreed-to language between WorldCom and Verizon. Verizon's proposed section 2.4.8 conflicts with that language, and is unnecessary.

Issue IV-3 (Facility Augmentation)

The interconnection agreement should contain language that addresses the sizing and structure of interconnection facilities, and should provide detail regarding facilities augmentation. Verizon's proposed language only addresses trunk augmentation, and does not specifically address facility augmentation, Tr. 10/17/01 at 2333 (D. Albert, Verizon), and Verizon objects to the inclusion of any language addressing facility augmentation. Tr. 10/17/01 at 2336 (D. Albert, Verizon). As explained below, it is important to include facilities augmentation provisions in the agreement, and WorldCom's proposed language should be adopted.

Although Verizon and WorldCom have proposed competing language in Issue IV-7 regarding the sizing and structure of trunk groups, facilities are different from trunks and thus the terms that address trunk augmentation do not apply to facilities. As explained in WorldCom's testimony, "[i]nterconnection facilities are the media by which interconnection between the parties' networks is established ... [and] are the physical wires, fibers, cables, etc. interconnecting WorldCom's and Verizon's networks." WorldCom Exh. 14, Direct Test. of D. Grieco at 6-7. It is important to establish the terms and conditions applicable to facilities because if facilities are inadequately sized or structured, Verizon will refuse to provision trunks requested by WorldCom, claiming "no facilities available." Id. at 7.

WorldCom's proposed language requires the parties to install efficient and reliable interconnection arrangements, sized to meet the mutual forecasts and sound engineering practices agreed to by the parties during planning and forecasting meetings. This language is reasonable and reflects current practice between WorldCom and

Verizon.[31] Indeed, facilities are sized according to forecasts because "there is no other basis for accurately estimating the size of interconnection facilities that may be required between the parties' networks." Id. at 8.

WorldCom's proposed language also requires the parties to augment facilities when the overall system facility is at 50% of capacity, or as otherwise agreed, and provides that facilities should be augmented to ensure adequate facility capacity for at least two years of forecasted traffic. In addition, WorldCom has proposed language requiring the parties to complete the construction of relief facilities within two months or sooner, if exhaustion is imminent. This language is necessary in order to ensure that there will be always be sufficient interconnection facilities over which to provision interconnection trunk groups between the parties' networks. As explained in WorldCom's testimony, "if facilities exhaust, no additional trunk groups can be provisioned. This would result in the blockage of any further traffic between the parties' networks." Id. Verizon's objection to this language is inconsistent with the Act and regulations that require Verizon to interconnect with WorldCom at any technically feasible point requested by WorldCom, and to modify its facilities to the extent necessary to accommodate such interconnection. See 47 U.S.C. § 251(c)(2)-(3); 47 C.F.R. § 51.305; Local Competition Order ¶ 198.

Finally, WorldCom has proposed that there should be no charge from one party to the other for use of interconnection facilities, unless a Party leases interconnection

[31] Bell South has agreed to language similar to that proposed by WorldCom. See WorldCom Exh. 52 at 4-5 (citing language agreed to between WorldCom and BellSouth). A significant difference is that WorldCom and BellSouth there agreed to augment facilities when they were 75%-85% used, rather than the 50% trigger proposed by WorldCom in this case. While WorldCom would accept the same higher trigger with Verizon that it accepted from BellSouth, Verizon has refused any trigger at all.

facilities from the other. This provision clarifies that the parties will not charge each other for interconnection trunk groups provisioned over interconnection facilities, and is consistent with the principle that where the parties each bear 50% of the cost of interconnection facilities, such as in a mid-span fiber meet architecture, no charges should apply for use of that joint facility. See WorldCom Exh. 14, Direct Test. of D. Grieco at 9. The exception is intended to address those circumstances where the cost of the interconnection facility is not evenly shared between the parties. In those cases where the parties do not interconnect using a joint facility, a party could lease facilities from the other, and would pay for its use of the other party's interconnection facility. See id.

Verizon has failed to propose any competing language that actually addresses the issue raised by WorldCom (i.e., facility augmentation), but has instead offered several criticisms of WorldCom's language. Specifically, Verizon contends that 1) the language is too broad, Tr. 10/17/01 at 2337 (D. Albert, Verizon); 2) the language is too narrow, Tr. 10/17/01 at 2342 (D. Albert, Verizon); 3) the language is too vague, Tr. 10/17/01 at 2338 (D. Albert, Verizon); 4) the language gives WorldCom the right to dictate Verizon's network design, Tr. 10/17/01 at 2340 (D. Albert, Verizon); and 5) the language requires the parties to augment to have sufficient facilities for two years. Id. The first three criticisms are obviously contradictory; Verizon would prefer to have no language at all, but objects to WorldCom's language because it is broad, narrow, and vague. For the reasons set forth below, the remaining criticisms are equally lacking in merit.

Although Verizon complains that WorldCom's language allows WorldCom to dictate Verizon's network design, WorldCom's language gives WorldCom and Verizon the same rights. Specifically, WorldCom establishes an objective criterion (50% facility

exhaust) to trigger augmentation, and imposes a mutual requirement on the parties to augment facilities when the trigger is reached. Indeed, WorldCom is mentioned in only one place in the language, where it says that WorldCom "will determine the appropriate sizing based on these standards." It is sensible to expect that WorldCom will determine the size of the facilities needed because facility capacity needs are driven by trunk group sizes and the parties have agreed that WorldCom will provide all trunk forecasting (for both parties).

Verizon's objection to WorldCom's proposed requirement that the parties augment facilities to last for two years is equally unsound. Verizon has not asserted that this period is too short or too long, or that it harms Verizon in any way, but merely claims that some facilities will last longer and some will exhaust sooner. As explained above, facilities are sized according to trunking needs, and the parties have agreed that trunk forecasts will be for two years. It would not make sense to forecast trunk requirements for two years, yet insist on having only enough facilities to last for one year; at least two years' worth of facilities should be available. There is no reason for the parties to expend the engineering and construction resources more frequently than necessary, and if sufficient facilities are not available, WorldCom's switch installation can be delayed by months. Tr. 10/17/01 at 2363 (D. Grieco, WorldCom). Thus, Verizon's reluctance to include the WorldCom language prevents competition.

In sum, the Commission should order the inclusion of WorldCom's proposed Attachment IV, Sections 1.1.6-1.1.6.6.

Issue IV-4 (Interconnection Interval)

The parties agree that the only open aspect of this issue concerns Verizon's provision of environmental information to WorldCom. Tr. 10/17/01 at 2404 (J. Edwards, Verizon). Specifically, WorldCom has proposed that Verizon provide WorldCom with any available information regarding adverse environmental conditions at a point of interconnection or the interconnection route, and would authorize WorldCom to perform any site surveys necessary to confirm the suitability of a particular site for interconnection. In addition, WorldCom's proposed language provides that if environmental contamination or other conditions complicate interconnection, Verizon shall notify WorldCom of any available alternative routes. Although Verizon has agreed to provide MCIm environmental information, it has proposed no language addressing this issue. Tr. 10/17/01 at 2401 (D. Albert, Verizon). For the reasons set forth below, the Commission should adopt WorldCom's proposed contract language.

WorldCom's proposed language serves important safety interests that impact the health, safety and welfare of both carriers' employees. See WorldCom Exh. 14, Direct Test. of D. Grieco at 11. The language also ensures that WorldCom will possess the same environmental information that is available to Verizon, and will have the same ability to survey a site or use alternative routes. See id. at 11-12. The language is consistent with Verizon's obligation under 47 U.S.C. § 251(c)(2) to provide, for the facilities of any requesting carrier, interconnection with Verizon's network at any technically feasible point, at least in quality to that Verizon provides itself, and with Verizon's obligation under 47 C.F.R. § 51.305(f) to provide information about Verizon's facilities sufficient to allow WorldCom to achieve interconnection. Verizon previously

provided WorldCom with this information pursuant to the 1997 interconnection agreement between MCI and Bell Atlantic, and there is no rational reason for Verizon to refuse to continue to do so. See id. at 12.

Verizon's suggestion that this issue is addressed adequately in its collocation tariffs is incorrect. Verizon has not explained how its collocation tariffs address situations where WorldCom uses Verizon's poles, ducts, conduits, and rights of way. For example, WorldCom may have to access a Verizon manhole if WorldCom's facilities occupy Verizon's ducts, and Verizon may be aware of an environmental hazard in that manhole. In such a situation, WorldCom would want Verizon to apprise WorldCom of that hazard. This scenario has nothing to do with collocation.

Verizon's remaining objections reflect a misunderstanding of WorldCom's proposed language. Verizon's continued assertion that WorldCom's proposed language should be rejected because the inspection could be for any purpose, even if not related to an environmental condition, makes little sense. At mediation, WorldCom modified its proposal to make clear that the inspection would only be in response to a Verizon report of environmental hazard. This should satisfy Verizon's concerns, and there is no reason for Verizon to continue to raise this objection. In addition, Verizon's assertion that WorldCom's language would hold Verizon responsible for knowing information that a former employee had, regardless of Verizon's relationship with the former employee and regardless of whether that employee ever reported the information, ignores the fact that WorldCom has made clear that it "seeks only that information which is in Verizon's control." WorldCom Exh. 29, Rebuttal Test. of D. Grieco at 13.

In sum, the Commission should order the inclusion of WorldCom's proposed language regarding the reporting of environmental information.

Issue IV-5 (Compensation For Interconnection Facilities)

The Commission should order the inclusion of WorldCom's proposed Attachment IV sections 1.1.6.6 and 1.25, which specify that there will be no compensation between the parties for use of the interconnection facilities except in those cases where a party may least interconnection facilities from the other. WorldCom has modified its proposed section 1.1.6.6 to address the concern that Verizon raised during the hearing, and that language should therefore be unobjectionable. WorldCom's proposed section 1.25 is reasonable, and should also be included in the interconnection agreement.

Verizon's counsel stated in the hearing that Verizon would agree to WorldCom's section 1.1.6.6 if it were clear that it only applied to mid-span meets. In order to clarify WorldCom's proposal, WorldCom has modified 1.1.6.6 to read as follows (new language in bold typeface):

> 1.1.6.6 **For mid-span meets**, 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.

This clarification should resolve the dispute over this portion of WorldCom's proposed language.

The Commission should reject Verizon's proposal to charge a non-recurring trunk charge for connecting trunks to its switch, and should instead order inclusion of WorldCom's proposed section 1.2.5. Because each party is financially responsible for the network on its side of the point of interconnection, and Verizon agrees that the trunk connection is always on its side of the point of interconnection, Tr. 10/17/01 at 2408-2410 (P. D'Amico, Verizon), Verizon has no right to charge WorldCom for this trunk connection. Instead, the costs for trunk connections should be included in the reciprocal

compensation (switching) rate. Nonetheless, Verizon refuses to pay WorldCom for connecting trunks at WorldCom's switch. In addition, Verizon seeks to charge WorldCom for connecting one-half the trunks in a two-way trunk group, without regard to the actual percentage of two-way trunks used by WorldCom to originate traffic. Id. at 2411-2412. This proposal is illogical and contrary to the cost allocation principles established in the Local Competition Order. See, e.g., 47 C.F.R. § 51.507.

Moreover, it makes no sense for Verizon to charge WorldCom for connecting trunks to Verizon's switch, and for WorldCom not to be allowed to charge for connecting trunks to WorldCom's switch. Whenever a trunk is connected between the parties, there always is a connection at each party's switch. Even a one-way trunk requires a port in both the originating and terminating switch. If the carriers are allowed to charge for trunk connections, those charges should be related to the ratio of trunks used for the paying party's originating traffic.

Issue IV-6 (Meet Point Trunking)

The interconnection agreement should contain detailed terms addressing meet point trunking arrangements for the joint provisioning of switched access services. WorldCom has proposed such language in Sections 1.4-1.4.7 of Attachment IV. At the hearings, Verizon retracted its initial criticism of WorldCom's proposed language for this issue, but then raised a new issue regarding the pricing for facilities used to carry access traffic. Tr. 10/17/01 at 2416 (P. D'Amico, Verizon). Specifically, Verizon maintains that WorldCom must purchase special access trunks from Verizon for completion of WorldCom customer originated toll traffic, but indicates that WorldCom may avoid the access charges by connecting directly with interexchange carriers ("IXCs"). See id. As explained below, Verizon's arguments are meritless.

It would be inappropriate to allow Verizon to dictate the services that IXCs must purchase or where they must purchase them. LECs offer access services to IXCs via the LECs' access tariffs, and should not be given the power to tell the IXCs which of those tariffed services they may purchase. Indeed, Verizon's own witness admitted he was not certain that an ILEC even possesses the right to tell an interexchange carrier how the interexchange carrier obtains access services. Id. at 2423 (D'Amico, Verizon). Similarly, WorldCom offers such services through its access tariffs, and cannot require IXCs (such as AT&T) to connect directly with WorldCom and avoid the Verizon tandem. If an IXC tells WorldCom that it will purchase switched access services from WorldCom through Verizon's tandem, WorldCom is in no position to dictate to the IXC that it must instead purchase dedicated switched access services directly to WorldCom's switch. That choice is solely in the discretion of the IXC.

Further, CLECs are free to use unbundled network elements to provide any telecommunications service, including exchange access service, and Verizon cannot lawfully restrict WorldCom's use of dedicated transport to provide access services to IXCs. Although Verizon does not take a clear position on the issue, Verizon appears to suggest that WorldCom may not purchase unbundled dedicated transport from Verizon in order to provide access services to IXCs. Tr. 10/17/01 at 2417. ILECs such as Verizon have an obligation to provide unbundled network elements, including dedicated transport, in order for CLECs to provide any telecommunications service. 47 U.S.C. § 251(c)(3). Moreover, ILECs are prohibited from imposing "limitations, restrictions, or requirements on requests for, or the use of, unbundled network elements that would impair the ability of a requesting telecommunications carrier to offer a telecommunications service in the manner the requesting telecommunications carrier intends." 47 C.F.R. § 51.309(a). These provisions plainly prevent Verizon from denying WorldCom the ability to purchase unbundled dedicated transport for use in this manner.

Issue IV-8 (OS/DA Trunking)

The interconnection agreement should contain language that sets forth Operator Services and Directory Assistance ("OS/DA") trunking arrangements. The Act provides that operator services and directory assistance are components of dialing parity, and they are therefore proper subjects of an interconnection agreement. 47 U.S.C. § 251(b)(3). In addition, operator services and directory assistance are defined by the FCC as unbundled network elements under certain circumstances that must be provided pursuant to 47 U.S.C. 251(c)(3). There is no justification for requiring that OS/DA trunking be put in a separate agreement. To do so would be to require the parties to have multiple interconnection agreements in the same state, leading to unnecessary administrative burdens. If contract terms addressing this matter are not adopted by the Commission now, while the Commission is exercising jurisdiction over this arbitration, there will be, at best, a significant delay in putting contract terms in place.[32] Verizon's own witness admitted that if the OS/DA trunking language is not included in the interconnection agreement, WorldCom would have no opportunity to resolve disputes regarding the contract language outside this arbitration. Tr. 10/17/01 at 2323 (P. D'Amico, Verizon). Indeed, the history of this proceeding suggests that it may be impossible to establish contract terms once the Commission's involvement in this proceeding ends. If the arbitration ends, and the Commission has not adopted contract language, Verizon will have little incentive to agree to terms.

[32] Verizon's suggestion is that the parties negotiate terms outside the context of the ICA and this arbitration. Given the two years which have elapsed since WorldCom began the negotiation process with Verizon, this proposal only adds to what already amounts to an unreasonable delay. It is apparent that development of agreed to language could take a very long time, assuming Verizon would even agree to any language absent Commission involvement.

Verizon's position on this issue is unclear. WorldCom understood Verizon's initial position on this issue to be a refusal to include language in the Interconnection Agreement pertaining to trunking for operator services and directory assistance. But, when directly asked if that were the case, Verizon witness D'Amico did not say that Verizon is refusing to include such language in the interconnection agreement. Tr. 10/17/01 at 2303 (P. D'Amico, Verizon). Indeed, Verizon's counsel stated at the hearing that WorldCom's proposed 1.6.1 (pertaining to establishing trunk groups for operator services) and WorldCom's proposed 1.7.1 (pertaining to establishing trunk groups for directory assistance) were agreed to by Verizon. Tr. 10/17/01 at 2310 (J. Edwards, Verizon). In the latest version of the JDPL, however, Verizon included the following statement before these, and other sections of WorldCom proposed language to which Verizon has agreed, "(to be inserted in a separate Attachment to this Interconnection Agreement or in a separate agreement between the Parties, as appropriate)." WorldCom is left, therefore, not knowing what Verizon's position is with regard to including OS/DA trunking language in the interconnection agreement.

Turning to the substantive language associated with this issue, Verizon's counsel stated at the hearing that the only sections of WorldCom's proposed language with which Verizon disagrees are the last phrase of WorldCom's section 1.6.2, and all of WorldCom's 1.6.4 and 1.7.2. Tr. 10/17/01 at 2310 (J. Edwards, Verizon). In the JDPL, Verizon now includes in its language the identical wording contained in WorldCom's 1.7.2, so it appears that Verizon has agreed to that language as well. That leaves all of Worldcom's 1.6.4, and the portion of WorldCom's 1.6.2 printed below in bold typeface, as the only WorldCom language for this issue with which Verizon disagrees:

> 1.6.2 Where MCIm purchases Operator Services from Verizon, Verizon operators will verify MCIm End User loops that are provisioned or maintained by Verizon. Where MCIm does not purchase Operator services from Verizon, verification of loops provisioned or maintained by Verizon, and such requests will be transmitted via inward trunks established pursuant to Section [6] below, **or over local interconnection trunks via the appropriate operator services code in the LERG.**
>
> **1.6.4 If MCIm does not purchase Operator Services from Verizon, the Parties shall exchange Busy Line Verify/Busy Line Verify Interrupt (BLV/BLVI) inquires between operator bureaus over Local Interconnection Trunk Groups using network-routable codes published in the LERG.**

Verizon witness D'Amico agreed that Verizon informed WorldCom during the mediation that Verizon would allow WorldCom to use the operator services codes in the LERG. Tr. 10/17/01 at 2314 (P. D'Amico, Verizon). It appears, therefore, that Verizon has accepted all of WorldCom's proposed language for this issue, and that Verizon agrees to the concept embodied in the one possible exception to that agreement (i.e., WorldCom's use of network routable codes to reach Verizon's operators). Verizon has neither proposed alternative language to incorporate that concept, nor criticized WorldCom's. Instead, Verizon insists that WorldCom establish separate trunks to Verizon's operator center, even though WorldCom is not purchasing Operator Services from Verizon in the scenario addressed by Section 1.6.4.

Verizon's objection to the portion of WorldCom's proposed section 1.6.2 that allows WorldCom to use local interconnection trunks is unreasonable. Verizon does not claim that there is any technical infeasibility in WorldCom's proposal. Indeed, Verizon admits that WorldCom can use the network routable codes, as discussed above. Thus, Verizon's proposal that WorldCom be required to put in separate trunks appears to be nothing more than an anticompetitive attempt to increase WorldCom's costs.

Issue IV-11 (Usage Measurement)

The interconnection agreement should contain detailed terms addressing usage management. WorldCom's proposed usage measurement language primarily addresses the determination of a call's jurisdiction, which determines which intercarrier compensation rates and methodologies apply; that is, if calls are local, reciprocal compensation rates apply, and if calls are toll, so that access rates apply. The parties agree that they should primarily rely on calling party number ("CPN") to determine call jurisdiction, and that they should strive to pass CPN on 90% of the calls they exchange. The parties' dispute concerns what should be done if CPN is passed on fewer than 90% of the calls. As explained below, this dispute should be resolved in WorldCom's favor.

WorldCom proposes that the parties use the percent local usage information ("PLU") and other factors to determine jurisdiction when CPN is not passed. WorldCom's proposal is consistent with the industry practice of utilizing estimates when the carriers have been unable to record the traffic. See WorldCom Exh. 8, Direct Test. of M. Argenbright at 10. Verizon admits that it currently lacks the ability to use CPN to determine if a call is local, so it relies on percent local usage ("PLU") factors provided by WorldCom to determine how much traffic originated by WorldCom is subject to reciprocal compensation. Tr. 10/18/01 at 2714 (P. D'Amico, Verizon). Thus, WorldCom has simply proposed that the parties use the same factors that Verizon already uses to to determine call jurisdiction.

Rather than relying on a reasonable estimate of the jurisdiction of the traffic, Verizon has proposed that it be allowed to charge access rates for all traffic below the CPN threshold, regardless of the jurisdiction of the call. Tr. 10/18/01 at 2717 (P.

D'Amico, Verizon).[33] This proposal "allows [Verizon] to reap a financial windfall" because "the presumption that all traffic is access is inconsistent with reality, and therefore allow Verizon to collect charges well in excess of those that should have applied to the traffic." WorldCom Exh. 8, Direct Test. of M. Argenbright at 10. Further, given that Verizon does not currently use the CPN to determine jurisdiction in the first place, Verizon should be indifferent to whether CPN is passed. Moreover, Verizon proposes charging the higher of the intrastate access rate and the interstate access rate, despite the fact that Verizon's proposal is only for intrastate traffic. Id. at 2715. Verizon's proposal appears to be nothing more than an attempt to charge the highest possible rates for a chunk of traffic to which reciprocal compensation rates should apply, and should be rejected by this Commission.

Further, Verizon's proposal punishes WorldCom for circumstances beyond WorldCom's control. Verizon has admitted that WorldCom has no control over the lack of CPN passed when business customers use older customer premise equipment ("CPE") that prevents CPN passage. Tr. 10/17/01 at 2718-19. Verizon also admits that WorldCom currently only serves business customers in Virginia and therefore has a higher percentage of customers using such CPE than Verizon. Id. at 2718-2719. Further, Verizon has indicated that its true concern is that an unscrupulous CLEC might provide fictitious factors in an effort to avoid paying access charges, and admitted that it does not believe WorldCom would do this. Id. at 2725-2726. WorldCom cannot control the

[33] WorldCom's proposal is the far more reasonable approach of assuming that traffic which does not carry the CPN is either toll or local traffic in the same proportion as is traffic which did carry the CPN. WorldCom Exh. 24 at 5.

actions of these unidentified unscrupulous CLECs, and should not be penalized for the actions that they might take.

Because Verizon has failed to present any persuasive reasons to reject WorldCom's proposed language, the Commission should order inclusion of WorldCom's usage measurement provisions in the interconnection agreement.

Issue IV-37 (Meet Point Billing)

The interconnection agreement should contain terms addressing meet point billing arrangements, and should ensure that Meet Point Billing will be performed in accordance with the Ordering and Billing Forum's ("OBF") guidelines and that the parties will charge IXCs in accordance with each party's respective switched access tariffs, using the multiple bill/single tariff method specified in the OBF's MECAB document. As a result of the hearings and negotiations, the parties are now proposing identical or similar language on this issue.[34] The few differences that remain should be resolved in WorldCom's favor.

First, the Commission should reject Verizon's proposal that data be provided on magnetic tape. WorldCom proposes that data be provided on cartridge, and Verizon has not explained why it could not provide the data on the medium requested by WorldCom. Because WorldCom will be making use of the data, Verizon should provide it in a format convenient to WorldCom that is not a burden on Verizon to produce. Verizon has not indicated that producing a cartridge would be a burden, and the Commission should therefore adopt WorldCom's proposed language.

Second, the Commission should adopt WorldCom's proposal the party responsible for supplying the records (WorldCom or Verizon) be liable for missing records. The party responsible for supplying the records has complete control over the

[34] Verizon sent WorldCom comments on WorldCom's language for this issue, either accepting WorldCom's language or specifying what was not acceptable about it. WorldCom modified its language for each point that Verizon said was not acceptable, generally using the very words that Verizon said were missing. At the hearing, Verizon announced that it had incorporated that revised WorldCom language into the JDPL. Tr. 10/18/01 at 2728 (J. Edwards, Verizon). WorldCom has inserted its revised language into the JDPL.

entire record creating and transmitting functions, and the party receiving the records has no control over these functions. It is logical that the party with control over the activity should be responsible for omissions in that activity, and WorldCom's proposal should therefore be accepted.

Finally, the agreement's general audit language should be used to govern meet point billing. There is no reason to create separate auditing provisions for meet point billing because the general terms and conditions section's auditing language adequately addresses the parties' auditing rights. Therefore, the Commission should accept WorldCom's language.

Issue VI-1(A) (Trunk Types)

At the outset, the general premise behind Verizon's "VI-1" issues is inconsistent with this Commission's procedural rulings in this arbitration. Verizon's statement of the issue for all Roman numeral VI issues is "To The Extent That WorldCom Has Failed To Raise A Dispute Regarding A Provision In Verizon's Proposed Interconnection Agreement, Should The Commission Order Inclusion Of That Language In the Resulting Interconnection Agreement?" Verizon essentially argues that if WorldCom does not affirmatively raises an issue with a section of Verizon's proposed agreement, the Commission should order inclusion of that section in the parties' interconnection agreement. By raising this argument, Verizon is effectively asserting that its template serve as a default mechanism. This is directly contrary to the Arbitrator's clear instruction "not to include in its statement of issues the question of whether to start with Verizon's or WorldCom's preferred document," Letter Ruling, March 2, 2001, and should therefore be rejected.

Verizon has failed to provide persuasive evidence that the interconnection agreement should include its proposed language regarding trunk types. Because Verizon is, in effect, a counter-petitioner with respect to this issue, it carries the burden of proving its case. Nonetheless, Verizon filed no direct testimony on this issue, and Verizon's rebuttal testimony merely criticized WorldCom's language without addressing Verizon's own language at all. Verizon also failed to cross examine WorldCom's witness on this issue. In short, Verizon has not introduced a shred of evidence to support its position on this issue; its language should therefore be rejected.

In contrast, WorldCom did file direct testimony, describing in several instances why the trunk type language proposed by Verizon is not acceptable, and explaining the merits of WorldCom's proposed contract language. See WorldCom Exh. 14, Direct Test. of D. Grieco. The WorldCom language proposes various trunk groups including 911, OS/DA, Local Interconnection trunks and other trunk groups. See WorldCom Exh. 29, Rebuttal Test. of D. Grieco at 18. Given the absence of any evidence that Verizon's proposed arrangement is reasonable,[35] the WorldCom proposal should be accepted.

Even if Verizon had presented testimony to support its position, its language would be objectionable because it improperly insists on mutual agreement regarding the type of trunk (one-way or two-way) that will be deployed. As explained in WorldCom's testimony, the law allows WorldCom to decide how best to manage its network. See WorldCom Exh. 14, Direct Test. of D. Grieco at 20. 47 C.F.R. § 51.305(a)(2) requires Verizon to provide for interconnection at any technically feasible point in the network. Thus WorldCom, as the new entrant, is permitted to select the point of interconnection at any location in Verizon's network where it is technically feasible to interconnect networks and exchange traffic. See, e.g., Local Competition Order ¶ 220 n.464. Moreover, "technically feasible" refers solely to technical or operational concerns, rather than economic, space or site considerations. See id. ¶ 198. Therefore, given that both one-way or two-way trunks are technically feasible, WorldCom is entitled to determine the functionality of the trunks. See id. ¶ 219; 47 C.F.R. § 51.307(f).

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[35] Verizon admits that Verizon specifies no trunk types that have not either been agreed to or that are part of another issue in this case. Tr. 10/17/01 at 2425-2426 (J. Edwards, Verizon). Its language is therefore unnecessary.

Issue VI-1(B) (Transmission And Routing Of Telephone Exchange Traffic)

The Commission should reject Verizon's proposed language regarding the transmission and routing of telephone exchange access services traffic, and its proposal to limit the switch interface to a DS1or DS3 level. The parties have reached agreement regarding section 5.2.2 and 5.2.3, they have agreed to cover 5.2.4 in a separate section, they are in agreement on 5.2.6, and they have agreed to delete 5.2.7. Tr. 10/17/01 at 2447-2448 (J. Edwards, Verizon). Therefore, the only language remaining in dispute is Verizon's proposed 5.2.1.

Verizon's proposed section 5.2.1 is objectionable because it is ambiguous and it appears to relieve Verizon of the obligation to provide a form of interconnection that is technically feasible. Although Verizon admits that this issue has nothing to do with the facility interface, Verizon's proposed contract language does not make that clear. Tr. 10/17/01 at 2438-2439 (D. Albert, Verizon). Given that Verizon took the opposite position in mediation, WorldCom is concerned that the language is ambiguous and could lead later to unnecessary disputes. Further, Verizon's attempt to restrict WorldCom's use of multiplexing to offices listed as intermediate hubs in the NECA 4 tariff is inconsistent with Verizon's legal obligation to provide CLECs technically feasible forms of interconnection. 47 C.F.R. § 51.305. Verizon admits that it performs multiplexing for itself at offices other than those listed as intermediate hubs, Tr. 10/18/01 at 2632 (D. Albert, Verizon), and this fact (paired with Verizon's proposal that it do the same for CLECs for a fee) demonstrates that the arrangement is technically feasible. Verizon is therefore legally required to provide multiplexing, and its attempt to avoid that duty is unlawful.

Issue VI-1(C) (Toll Free Traffic)

The Commission should accept WorldCom's proposed modifications to Verizon's proposed language regarding toll free service access code traffic. As a result of negotiations and the parties' testimony,[36] the parties have significantly narrowed this dispute. Specifically, Verizon objects to WorldCom's proposal to include the language indicated in bold to Verizon's proposed contract terms:

> Verizon shall assess applicable Tandem Transit Service charges and associated pass through charges to **toll free service access code service provider** when Verizon delivers toll free service access code calls that have been queried to an "800" database, originated by Verizon's or another LEC's Customers, to MCIm. ..."

For the reasons set forth below, WorldCom's proposed modification is appropriate and should be included in the interconnection agreement.

At the outset it should be noted that the language proposed by Verizon and the testimony of Verizon's witness are not consistent. The language above appears to concern toll free calls originated by Verizon and delivered to WorldCom. Verizon's testimony appears to concern toll free calls originated by WorldCom and delivered to Verizon. Tr. 10/17/01 at 2451-2467 (P. D'Amico, Verizon). This brief will address the interpretation of the language given by Verizon witness D'Amico at the hearing.

Although Verizon's proposed language on this issue is not clear on its face, at the hearings Verizon's witnesses interpreted the language to apply to the narrow circumstance when a WorldCom customer dials an intraLATA-only toll free number

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[36] In its testimony, WorldCom suggested certain changes to the language proposed by Verizon for this issue. WorldCom Exh. 14 at 27-28. Verizon accepted all of the changes proposed by WorldCom except for two. Verizon Exh. 9 at 30. Verizon later accepted one of those changes (dealing with reciprocal compensation). Tr. 10/17/01 at 2450, 2468 (P. D'Amico, Verizon).

provided by a third party LEC. Specifically, Verizon indicated that it proposes to impose access charges on WorldCom for toll free calls originated by WorldCom and delivered to Verizon, and clarified that this language applies only to intraLATA toll free numbers. Tr. 10/17/01 at 2453 (D'Amico, Verizon). Verizon further clarified that this language applies only when Verizon is not the intraLATA toll free service provider. Id. at 2461. Finally, Verizon states that the language applies only when a third party LEC in the LATA provides the toll free service. Id. at 2465. Verizon wants to charge WorldCom the access for these calls because, according to Verizon, the third party LEC may not put its carrier identification code ("CIC") in the service management system ("SMS"), the database used by the industry to store toll free number routing information. Thus, according to Verizon, Verizon has no way of identifying the third party LEC who is the toll free service provider who ought to be charged the access.

There simply is no justification for Verizon's attempt to charge WorldCom access for services WorldCom does not receive. This is especially true when, by Verizon's own admission, Verizon has as much, if not more, information about the identity of the toll free service provider than WorldCom does. Verizon does not explain how it proposes to charge access, a tariffed service, to WorldCom when WorldCom is not buying any access services. Verizon also does not explain how it is that WorldCom knows who the third party LEC is, when Verizon does not. Finally, Verizon asserts that the third party LEC will be the LEC to which Verizon terminates the call. Id. Given that Verizon will know the identity of the carrier to which it terminates the call, Verizon should be able to bill that third party LEC for the access charges.