a CLEC request."[221] But that claim only confuses the time required to process a change with the effective date of the change. As far as AT&T is concerned, Verizon can take as much time as it wants to process the billing change, so long as it gets the effective date right. That is no different than the way Verizon does business with its own end user customers. Verizon routinely defers working customer disconnect orders on their due date (as a workload management tool) but nevertheless renders billing based on the scheduled completion date of the order. Verizon's 30-day billing effectiveness date proves that there is no essential link between the billing date and the actual conversion.

Sub Issue III.7.c Should AT&T be bound by termination liability provisions in Verizon's contracts or tariffs if it converts a service purchased pursuant to such contract or tariff to UNEs or UNE Combinations?

On brief, Verizon continues to wave the termination liability provisions of its special access tariff as if that were a magic wand that, if waved vigorously enough, will make this issue disappear. That is pure nonsense. Verizon cannot hide behind its tariffs as an answer to AT&T's reasonable request that termination liabilities for past special access term plans be waived if the special access configurations are converted to equivalent UNE combinations such as EELs. Contrary to Verizon's claim that this is "not a contractual matter,"[222] one of the basic purposes of interconnection agreements is to supplement and/or supplant the terms of tariffs that might otherwise apply. Indeed, § 2.3 of the interconnection agreement language of the AT&T/Verizon agreement provides that in the event of a conflict between the terms and conditions of a tariff and the interconnection agreement, the interconnection agreement prevails:

---

221 Verizon Initial Brief at UNE-19.

> [T]o the extent any provision of this Agreement and an applicable Tariff cannot be reasonably construed or interpreted to avoid conflict, the provision contained in this Agreement (including without limitation its Attachments, Exhibits and Schedules) shall prevail.

Thus, it is no answer to complain, as Verizon does, that "AT&T is asking this Commission to nullify the express terms of Verizon VA's FCC Tariff No. 1."[223] Such modifications to tariff terms and conditions are contemplated by this interconnection agreement, and are reasonable because the existing tariff provisions result in inappropriate termination liabilities under the circumstances of special access to EEL conversions.

Verizon also continues to claim that the Commission has somehow blessed Verizon's stubborn insistence that the termination liabilities should be applied in full force, notwithstanding that five years of legal challenges by Verizon and other ILECs denied AT&T the ability to make practical use of special access-to-EEL conversions, from the time of the passage of the Act until now, and beyond now until the Commission decides the applicability of the interim use restrictions.

Verizon's cites are off the mark. First, it cites the *UNE Remand Order*, where the Commission stated that "any substitution of unbundled network elements for special access would require the requesting carrier to pay any *appropriate* termination penalties under volume or term contracts."[224] This simply proves that the issue of termination liabilities is ripe for resolution rather than that it has been resolved. The question is what constitutes "appropriate" termination penalties. Verizon's circular answer is to point to

---

222 Verizon Initial Brief at UNE-26.

223 Verizon Initial Brief at UNE-24.

224 *UNE Remand Order* at footnote 985, emphasis supplied. Verizon Initial Brief at UNE-20.

the provisions of its tariff. But a termination liability scheme that ensures that Verizon retains the full revenues it expected from its monopoly special access services is not "appropriate" where in fact AT&T had little practical choice but to use special access rather than EELs.

Second, Verizon cites to the *Pennsylvania § 271 Order* for the proposition that the Commission "has *upheld* Verizon's termination liability provisions."[225] The Commission did no such thing, because those rules were not under scrutiny in a tariff proceeding. The Commission simply *observed*, contrary to the assertions of some commenters in that proceeding, that its current rules do not *require* the waiver of termination liabilities by ILECs. Conversely, the rules do not require the mindless application of termination liabilities either, particularly if such treatment is inconsistent with that afforded to other customers of the incumbent.

Verizon also resurrects the claim that this arbitration "is not the proper forum to challenge ... termination liabilities."[226] But as AT&T made abundantly clear, assuming AT&T will have unconstrained access in the future to new EELs and their equivalent, AT&T is seeking redress of artificially constrained choices it was required to make in the past rather than protection from mistaken decisions made in the future.[227] The revised contract language submitted by AT&T clearly reflects this temporal limitation.[228]

---

225 Verizon Initial Brief at UNE-21, emphasis supplied.

226 Verizon Initial Brief at UNE-24.

227 Tr. at 219, 227-8, 231-2 and 254-5. In this regard, Verizon egregiously mischaracterizes the words of AT&T counsel when it claims that counsel conceded that termination liabilities properly apply in these circumstances. *See* Verizon Initial Brief at UNE-21, n. 27. Mr. Keffer was addressing future purchases of special access in an environment of free choice, not the current circumstances that forced AT&T to bring this issue before the Commission for arbitration.

228 AT&T's Response to Record Request, October 9, 2001.

AT&T is not seeking anything more than what Verizon itself offers its wholesale and retail customers. AT&T has provided ample and uncontroverted evidence that where non-CLEC contracts or term plans are involved, Verizon is far more liberal in allowing customers to avoid or minimize termination liabilities. To take just one example, Verizon admits that for other customers "[t]ermination liability is not applicable if Verizon initiates a rate decrease for service purchased pursuant to a discount pricing plan."[229] That is precisely the circumstance here. EELs, and similar UNE combinations, are largely lower priced alternatives to existing wholesale carrier services – essentially a billing change, as Verizon has conceded.[230] As such they represent a rate decrease for services purchased pursuant to a discount pricing plan. All AT&T is attempting to do is optimize its network, no less than any other Verizon customer that finds a better or less expensive way to obtain the same functionality, and for whom Verizon would limit or waive termination liability. If, indeed, AT&T were to be treated like Verizon's other customers, then the termination liabilities should not be enforced. That is the relief that AT&T seeks in this arbitration.

Issue III.8 Access to UNEs Is Verizon obligated to provide access to UNEs and UNE combinations (such as enhanced extended links and sub-loops) at any technically feasible point on its network, not limited to points at which AT&T collocates on Verizon's premises?

This issue is the same as Issue III.11. Please refer to AT&T's discussion of this issue, *infra.*

229 AT&T Exhibit 21 at (E)(ii).

230 Verizon Initial Brief at UNE-19.

Issue III-9 Under the FCC's Rules as currently in effect, must Verizon provide to AT&T unbundled local switching UNEs in all instances except where AT&T individually provides four or more access lines to an individual customer at a specific single customer premises (served from density zone 1 offices, as of 1/1/99, in the top 50 MSAs as identified in the FCC's UNE Remand Order)?

Verizon completely misses the point of the Commission's impairment analysis that led to the 4-line exception for the provision of unbundled local switching ("ULS"). Verizon correctly begins by stating that the "underpinning of the four or more line exemption is that the customer has competitive alternatives to local switching within the requisite MSA."[231] But then it veers off on a tangent, by asserting that this means that if a customer has a total of four or more lines within a LATA – regardless of the number of customer locations or the breadth of their dispersal -- then that customer may not be served by a CLEC using the ULS UNE. The fact is that customers with multiple smaller locations within an MSA will not have competitive options under Verizon's interpretation of the rule, because absent the availability of the ULS UNE the costs and operational barriers for a CLEC to serve small customers scattered throughout a LATA are prohibitive.[232]

In the Commission's impairment analysis it was customer locations, not customer identity, was the primary consideration in the Commission's crafting of the current 4-line exception. The Commission sought "to adopt a rule that serves as a reasonable proxy for when competitors are indeed impaired in their ability to provide services they seek to

---

231 Verizon Initial Brief at UNE-36.

232 With the possible exception of sales – a rather minor part of total cost -- there are no cost or operational efficiencies that are realized by a competitor that serves multiple small customer sites scattered throughout a LATA.

offer."[233] At no point of its impairment analysis did the Commission consider aggregations of a customer's locations in order to reach the 4-line limit.

In contrast to the ILECs' ubiquitous networks of switches that the ILECs have developed over many years at ratepayer expense, CLECs typically have one -- and certainly not more than a few -- switches in a LATA. Because of this, a CLEC typically must backhaul every loop it seeks to serve from the ILEC office to its own switching center, incurring significant costs in terms of facilities, non-recurring charges and coordination of work. This makes the economics of serving a small single customer location, much less a group of widely scattered small locations of a single customer, prohibitive.

In order to overcome the cost and difficulty of establishing a backhaul network for CLEC customers, the availability of enhanced extended loops ("EELs") to multiplex traffic onto high capacity facilities to the CLEC switch becomes important. But an EEL connects the CLEC switch to a specific ILEC LSO, and an EEL is economic only if it can be fully utilized to serve a customer (or customers) located in the specific LSO to which the EEL is connected. Thus, a customer's loops in one LSO do not help the economics of serving that customer through another LSO.

The Commission recognized these basic facts of CLEC economics when it made the availability of the 4-line ULS exception dependent upon the availability of EELs. The Commission noted that "[t]he EEL allows requesting carriers to serve a customer by extending a customer's loop from the end office serving the customer to a different end

---

[233] *UNE Remand Order* at ¶ 276.

office in which the competitor is already collocated."[234] In noting the EEL interplay with the ULS restriction, the Commission stated that "[i]f the EEL is available and a requesting carrier seeks to serve a high volume business, the incumbent LEC can provision the high capacity loop and connect directly to a requesting carrier's collocation cage."[235]

The fact is that a CLEC cannot efficiently use an EEL (or even its own facilities) to serve a large number of small locations or a small subset of lines at a single large customer location, or even a single modest sized customer at a large MTE.[236] Verizon's assertion that unit costs are the same because of the aggregation of customers[237] totally ignores that CLECs, unlike a monopolist incumbent, do not have a large base of customers to start with, do not have the customer loops terminated directly in their central offices, and do not have ubiquitous switches. A CLEC would be required to haul the traffic to its switch, located elsewhere, which can only be done economically from each collocation if there is sufficient traffic to multiplex to a DS1 or higher level facility.[238] Thus, an important consideration of the ULS limitation must be the number of lines a CLEC serves for a single customer at a single location, which is what the Commission's impairment analysis did.

Verizon's interpretation of the ULS limitation has serious consequences for competition in Virginia. There are many businesses that have multiple locations with

---

234 *UNE Remand Order* at ¶ 288.

235 *Id.* at ¶ 298.

236 Tr. at 165-7.

237 Verizon Initial Brief at UNE-38-9, citing Mr. Gansert's testimony.

238 Tr. at 167, 172-73, testimony of Mr. Pfau.

fewer than four lines per location – convenience stores, gas stations and franchised fast food emporiums, to name a few. If a business has 50 outlets in the Washington D.C. MSA, for example, with two lines per outlet, Verizon would claim that this is a 100-line customer that no CLEC could serve using the ULS UNE, even though the 50 locations are in 50 different towns and cities in the LATA.[239] Thus, competitive options would be foreclosed for this customer – and the many customers like it -- because it would uneconomic for a CLEC to connect any of those 50 locations to the CLEC's own switch.[240] This is clearly not what the Commission had in mind when it did its impairment analysis and crafted the 4-line exception to ULS availability as a UNE.

Also, when Verizon invokes the ULS exception in a market, it should not be permitted to raise the prices of critical UNEs without reasonable advance notice. Aside from complaining about it, Verizon has not shown why AT&T's proposal of a 180-day notice period is "clearly excessive."[241] The Verizon proposal of 30-days notice is patently inadequate for a change of economics as fundamental as could be caused by the invocation of the ULS exemption, which would have dramatic potential impact on CLEC future market entry. The Commission recognized that CLECs require a stable business operating environment in order to attract investment capital.[242] Yet Verizon, under its proposed language, would be able to change the entire economics of prospective market

---

239 Indeed, Verizon admitted that it would apply the limitation to a customer with locations outside the LATA, were it not for the limitations of Verizon's billing system (Tr. at 184, testimony of Ms. Gilligan).

240 The fact that such customers may do their telecom purchases from a headquarters or main business office (Verizon Initial Brief at UNE-37) is irrelevant. The fact is that a CLEC would be in no position to bid for this customer, because it could not economically serve the customer if it had to pay "market based" – that is, monopoly – rates for the ULS.

241 Verizon Initial Brief at UNE-40.

242 *UNE Remand Order* at ¶¶ 9, 105, 114, and 150.

entry on just 30 days notice. The fact that tariff changes can be made on 30-day notice is no answer, because avenues are available to customers to challenge an unconscionable tariff rate increase and have it suspended in the meantime. No such avenues exist here.

Likewise, "market based" ULS pricing must not be applied to the existing base of customers or those UNEs ordered before the exemption is exercised by Verizon until the prices would otherwise be subject to change.[243] For the CLEC, it would change the basic cost structure for the embedded base of customers already served by the CLEC if the CLEC were required to pay "market based" rates for the ULS instead of cost based rates. That rate increase would make the CLEC's rates to the customer non-competitive, thereby depriving the customer of a competitive alternative. A customer that grows past the 4-line limitation at a location should not be penalized by being required to change its local service provider for the first three lines.

Finally, remaining unaddressed in Verizon's Brief is Verizon's view that the provision of EELs (when the 4-line ULS exception is invoked by Verizon) is subject to the "safe harbors" provisions of the Commission's rules on the conversion of special access to EELs.[244] The Commission, however, has directed that EELs be provided in any instance where Verizon chooses to exercise its prerogative to take advantage of the ULS limitation. There is nothing in the Commission's rule that allows Verizon to restrict the availability of the EEL combination only when the safe harbor conditions are met. Connecting an LSO to a CLEC switch is a clear example of employing a UNE for local

---

243 Prices would otherwise be subject to change at the time of renegotiation and replacement of the current contract (unless, of course there is mutual agreement to change).

244 Tr. at 1535, testimony of Mr. Antoniou.

service. The Commission should make clear that the use restrictions currently applicable to special access conversions to EELs are not relevant to EELs made available because of the ILEC's invocation of the 4-line ULS exception.

Issue III.8 - Access to UNEs - Is Verizon obligated to provide access to UNEs and UNE combinations (such as enhanced extended links and sub-loops) at any technically feasible point on its network, not limited to points at which AT&T collocates on Verizon's premises?

Issue III.11 - MDU Subloop - How should Verizon provide full and non-discriminatory access to all subloop elements at any technically feasible points in order to be consistent with the UNE Remand Order?

AT&T's initial brief pointed out that, in order to compete for end users in Multiple Dwelling Units (MDUs) and Multi-Tenant Environments (MTEs), a full range of access to the subloop element is important. AT&T demonstrated that its proposed contract terms facilitate such access and identify, in language that is precise and consistent with the UNE Remand Order, appropriate methods of access to subloops.[245] Finally, AT&T also showed how Verizon essentially obfuscates the issue by maintaining its willingness to provide access to MDUs and MTEs even as it insists on contract terms that impose restrictive and cost-imposing conditions.

Verizon's brief predictably repeats its profession of compliance with the UNE Remand Order's requirement to permit access at technically feasible points and its defense of Verizon's vague or restrictive contract language that effectively limits such access. It also erroneously characterizes AT&T's position as demanding that Verizon VA allow interconnection on the network side of the demarcation point.[246] And it

---

245 *See* AT&T's Initial Brief at 132-38; *see also* Proposed Schedule 11.2.14 at § 4.6.2.3 - .6.

246 Verizon Initial Brief at UNE-43.

maintains that Verizon "recognizes that collocation is not the exclusive method of access to UNEs"[247] but rather than clarifying when collocation is not required, it simply suggests that the BFR process is adequate and available for alternative methods of access, and that AT&T has not shown that it has ever been aggrieved by that process.

While most of these issues have been adequately addressed by AT&T in its brief and testimony, two points merit brief additional discussion.

A. AT&T is entitled to access on-premises wiring that Verizon owns without having to interconnect on the network side of the demarcation point.

Verizon argues that because AT&T wants to be able to perform the work of re-terminating on-premises wiring to its own loop facilities, as other Commissions have found feasible and pro-competitive,[248] AT&T seeks access to the network side of the demarcation point and that such access creates unacceptable risks to network security and operational performance. Contrary to Verizon's assertions, AT&T seeks only to be able to connect its facilities to the on-premises wiring in all MTEs, including those where Verizon owns or controls the inside wire. That is not a demand for network-side access; it is simply the access to which AT&T is entitled.

Verizon concedes, as it must, that it does own some inside wire[249] and that AT&T is entitled to access to it, but dismisses as "largely irrelevant"[250] the absence of Verizon procedures for such access. Those largely irrelevant concerns, however, apply to 100% of the situations in which CLECs need access, because in all other situations, the

---

247 *Id.* at UNE-30.

248 *See* AT&T Initial Brief at 134, n. 448.

249 Verizon Initial Brief at UNE-44, n. 5.

250 *Id.* at UNE-44.

customer's inside wire is accessible at the MPOE. Verizon's reliance on its CLEC handbook as the definitive statement of the appropriate methods for CLECs to gain access to on premises wiring is misplaced. Verizon witness Rousey had to concede that it is not even complete,[251] and it still describes the need for the dispatch of a Verizon technician even though Verizon itself acknowledges such intervention is not required.[252] Finally, Verizon's claim that it works with CLECs to determine the most effective means of access, and that that process is not contentious, is belied by the record. As demonstrated by AT&T Exhibit 24, Cox found it necessary in 1999 to file a formal complaint in order to gain such access. Verizon protests that this petition concerns not access to inside wiring but the reconfiguration of Verizon's existing network wiring. This proves too much: AT&T Exhibit 24 is precisely what Verizon says it isn't, since the "network wiring" that Cox wanted reconfigured was the very inside wiring that Verizon says constitutes part of its network.

Permitting AT&T to perform its own cross connections to on-premises wiring will not permit AT&T to access the network side of the demarcation point. The Commission direct that AT&T's contract terms permitting such access to MTEs be adopted.

---

251 Tr. at 317 (acknowledging the absence of procedures for interconnection through a stand-alone NID).

252 Tr. at 315-16.

B. Verizon's requirement of collocation as a precondition to CLEC access to subloops or on-premises wiring is unreasonable, unnecessary, and anti-competitive.

Verizon maintains that with a few limited exceptions "to the extent a CLEC wishes to access UNEs at a Verizon VA premises, collocation is required."[253] Other methods require the submission of a Bona Fide Request for access without collocation. As AT&T demonstrated in its initial brief,[254] applying such a requirement on order to access subloops at MDUs or MTEs imposes unnecessary and unreasonable burdens and costs on CLECs. And it ignores the fact that such facilities are third party, not Verizon, premises. The practical effect of Verizon's position, if it is sustained, will be the foreclosure of CLEC access to the on-premises wiring of MDUs or MTEs where Verizon owns such wiring. The Commission should prevent such a result by directing that AT&T's contract terms be adopted.

Issue III.12 – Dark Fiber - Does Verizon have the obligation to make unused transmission media (*i.e.*, spare conductors) available to AT&T and, if so, how is that obligation fulfilled?

Two aspects of this issue deserve a brief reply. Verizon continues to argue that because it allegedly does not "reserve" fiber for its own use, CLECs should not be permitted to reserve (or "hoard" or "warehouse" or whatever other pejorative term it might choose to employ) Verizon's inventory, since such a policy would be

253 Verizon Initial Brief at UNE-28.

254 AT&T Initial Brief at 135-37.

discriminatory.[255] But AT&T demonstrated at the hearing and in its brief that, unless some appropriate and limited reservation process exists for CLECs, Verizon's opportunity for discrimination remains unchecked, not because of what it maintains its policies are but because of its restrictive definition of dark fiber. If Verizon – and only Verizon – can access dark fiber that is not terminated, but is simply "stubbed,"[256] the fact that Verizon has a policy of not reserving dark fiber[257] except for maintenance and order fulfillment is no assurance to CLECs, since Verizon need not reserve for its own use that fiber which it defines as not being available to CLECs in the first place. As Verizon witness Gansert put it, the stubbed fibers are "not available [to CLECs] because they're not terminated. That's exactly the point ..."[258] Those stubbed fibers would, however, be available to Verizon, and AT&T simply seeks some limited rights to reserve dark fiber so that it would be able to meet its own or its customer needs, as Verizon can.

Similarly, AT&T seeks to be able to interconnect at points other than Verizon's limited set of accessible terminals, including at splice points containing the un-terminated stubs that Verizon acknowledges are left spare and unused.[259] Verizon maintains that allowing CLECs to interconnect at such points could seriously jeopardize the integrity of its network.[260] But that is where Verizon itself would perform the splicing were it to utilize the stubbed fiber for its own purposes. Moreover, as noted at the hearing and in

---

255 Verizon Initial Brief at UNE-58.

256 *See* Tr. at 386-87 (Verizon witness Gansert).

257 That policy seems to have come about on the eve of the hearing; *see* AT&T Initial Brief at 139 and n. 466.

258 Tr. at 387.

259 *See* Tr. at 391.

260 Verizon Initial Brief at UNE-61.

AT&T's Initial Brief,[261] the Massachusetts Department of Telecommunications and Energy specifically required Verizon to include in its tariff the ability of CLECs to access dark fiber at existing splice points. Since Verizon's own witnesses admitted both that it is technically feasible to do so and that Verizon would itself serve a customer in that manner, CLEC access at splice points as AT&T proposes also should be included in the contract.

Issue V.3 & V.4.a UNE-P Routing and Billing Should reciprocal compensation provisions apply between AT&T and Verizon for all traffic originating from UNE-P customers of AT&T and terminating to other retail customers in the same LATA, and for all traffic terminating to AT&T UNE-P customers originated by other retail customers in the same LATA?

Other than gratuitously savaging AT&T's witness by mischaracterizing Mr. Kirchberger's testimony,[262] Verizon contributes nothing new to the argument in its Brief.[263] It continues to ignore what is the central element of AT&T's position – namely, that AT&T should not be put in the untenable position of negotiating one half of a reciprocal compensation regime with third-party carriers that exchange traffic with AT&T's customers that are provisioned through UNE-Ps obtained from Verizon. As AT&T explained, its proposal is simply that Verizon should treat UNE-P-based calls to

---

261 See AT&T Initial Brief at p. 140.

262 Verizon Initial Brief at UNE-113.

263 As the Staff recognized, and contrary to Verizon's accusations on Brief, Mr. Kirchberger accurately described the call scenario compensation schemes for calls in both directions between an AT&T UNE-P customer and a Verizon customer. It just took several rounds of questioning by the Staff to get the Verizon witness on the same page. Tr. at 541.

and from third-party carriers as its own traffic for the purpose of setting reciprocal compensation obligations, which would reduce costs and increase efficiencies for both AT&T and Verizon.[264]

Contrary to Verizon's assertion, AT&T is not seeking to avoid payments or deprive Verizon of revenue for the use of Verizon's network.[265] In the case of calls from AT&T's UNE-P customers to third-party carrier customers, AT&T agrees that Verizon would bill AT&T originating switching, transport and terminating switching UNE charges. Verizon's witness testified that these charges would recover all of Verizon's costs, including the terminating Reciprocal Compensation charges that the third-party carrier would bill Verizon under this scenario.[266]

However, this compensation scenario is predicated on the reciprocal scenario that for calls in the opposite direction (calls from third-party carrier customers to AT&T UNE-P customers) AT&T would not be billed terminating switching and transport UNE charges by Verizon for terminating the third-party carrier customer calls. Instead of Verizon billing such charges to AT&T, it would bill the third-party carrier Reciprocal Compensation charges as if Verizon had itself terminated the call and keep the proceeds.[267] The Reciprocal Compensation collected from the third-party carrier would offset the UNE switching and transport charges that ordinarily would be collected by

---

264 AT&T Initial Brief at 142-143.

265 Verizon Initial Brief at UNE-112.

266 Tr. at 553.

267 Tr. at 550. AT&T is not asking Verizon to do anything out of the ordinary. Verizon normally bills when its switch is used, as is the case with UNE-P customer calls.

Verizon from AT&T. AT&T in turn would not bill the third-party carrier Reciprocal Compensation for terminating the calls, as it ordinarily would be entitled to do.

This is the "status quo" that the New York PSC maintained and with which AT&T stated it could live.[268] Verizon agrees that the New York solution is also appropriate for Virginia,[269] so the Commission's path is clear – it should adopt the New York solution.

If, on the other hand, AT&T is required to bill the third-party carrier terminating Reciprocal Compensation for calls from a third-party carrier customer to an AT&T UNE-P customer, as Verizon urges,[270] while at the same time Verizon collects terminating Reciprocal Compensation from AT&T for traffic in the opposite direction, then AT&T would be put in the untenable position of negotiating one half of an interconnection agreement with the third-party carriers, because compensation for calls terminating on the third-party carriers would be governed by the interconnection agreements between such carriers and Verizon. This is neither doable nor efficient, and should not be accepted by the Commission in this arbitration.[271]

---

268 Tr. at 553. New York PSC Case 01-C-0095, *Order Resolving Arbitration Issues* (July 30, 2001) at 47: "Verizon does not collect either transport or termination charges when a third-party carrier terminates local calls to an AT&T UNE-Platform customer. Instead, it keeps the reciprocal compensation it receives from the carrier that AT&T would otherwise be entitled to....With respect to an AT&T UNE-Platform customer's local calls that terminate to a third-party carrier, Verizon passes the carrier's reciprocal compensation charges, and usage charges, to AT&T for it to pay."

269 Verizon Initial Brief at UNE-114-15.

270 Tr. at 548.

271 To avoid confusion, we alert the Commission to the fact that the correction in the Testimony description of call flows and associated compensation regimes that was made on the record by Mr. Kirchberger (Tr. at 545) inadvertently was not reflected in the introductory portion of AT&T's Brief. AT&T Initial Brief at 143, see the first three lines. We regret the omission. However, the body of the Brief correctly characterizes the call flow compensation regimes. AT&T Initial Brief at 143-44.

Issue V.4 Should all calls originating and terminating within a LATA be subject to the same compensation arrangements without regard to end-user classification or type of traffic?

Verizon complains much too loudly that AT&T's proposal "would redefine the [SCC's] regulated access structure," and "would create a major impact ... on the entire telecommunications industry."[272] That's not what AT&T proposes. Far from redefining the access structure or impacting the entire industry, the arrangement would be between AT&T and Verizon, pursuant to the interconnection agreement being arbitrated. AT&T simply proposes that, as between AT&T and Verizon, all intraLATA and local calls originated by AT&T local exchange customers that Verizon subsequently terminates on its own network (or hands off to another party for termination) be subject to reciprocal compensation arrangements, as would be any calls in the opposite direction.

As AT&T has already shown, the distinction between "local" and "toll" calls is a purely artificial one. The calls are carried over the same trunk groups, and there are no cost differences in providing these services. Yet, Verizon charges greatly different rates to competing carriers, depending on whether the call is characterized as "local" or "toll." Artificial discrepancies in compensation where costs are the same lead to economic inefficiencies and adverse effects on competition, as the Commission has recognized in the *Unified Intercarrier Compensation Regime* rulemaking. By requiring that all calls that originate and terminate within a LATA are subject to call termination charges rather than access charges, the Commission will be putting Verizon and AT&T on a comparable footing with regard to the costs of terminating calls and, at the same time, will be pave

272 Verizon Initial Brief at UNE-115-16.

the way for lower intraLATA toll prices and new service plans. The Commission also will be enhancing the carriers' efficiency, because the carriers will no longer be required to track the origin of every call for reconciliation in the billing settlement process. For these reasons, the Commission should adopt AT&T's proposal and interconnection agreement language.

Issue V.7. Should Verizon Commit To Specific Intervals For Local Number Portability Provisioning For Larger Customers?

Nothing in Verizon's Initial Brief merits a decision in Verizon's favor. Certainly nothing it says alters the facts.[273] It is technically feasible to port 200+ lines within five business days, and carriers can, and do, port large numbers of lines within that time.[274] Nothing in the industry guidelines suggests otherwise.[275]

Although Verizon has concocted examples of orders which may take more than five days to provision, the record evidence demonstrates that such orders are few and far between.[276] The few exceptions should not swallow the rule.

In any event, AT&T's proposed language is not unmindful of those exceptions. It would obligate Verizon to port 200+ lines within five business days ***unless*** Verizon can provide AT&T with a justification as to why the order cannot be completed within five business days. Thus, for those instances where Verizon cannot meet the five business day deadline, Verizon will have the additional time it needs to resolve any problems.

---

273 *See also* AT&T's Initial Brief at 147-48.

274 Tr. at 578.

275 Verizon Exh. 1 at 16; Tr. at 577

276 *See, e.g.*, Verizon Exh. 24 at 24; AT&T Exh. 25; Tr. at 579-580.

Issue V. 12 Should Verizon Be Required To Support Off Hours Porting?

Verizon concedes that it ports telephone numbers for its own end user customers and for CLECs during off-hours and weekends.[277] To assure compliance with the non-discrimination provisions of the Telecommunications Act, this admission alone requires Verizon to fully support off-hours porting for CLECs.[278]

Verizon contends that its own proposed "weekend porting solution" is adequate, but AT&T has demonstrated that it is not.[279] For one thing, Verizon's proposal would result in "double billing" customers for weekend service, something the New York PSC expressly rejected.[280] It would also raise the risks of loss of dialtone.

AT&T's requirements are straightforward. Verizon must (1) accept orders from AT&T with a Saturday or Sunday due date, not with an artifical due date of the following Monday; (2) provide off-hour technical support for the occasional snapback;[281] and (3)

---

277 Tr. at 570; *see generally*AT&T's Initial Brief at 149-51.

278 In light of this admission, the following statement from Verizon's initial brief is plain wrong:

> [AT&T has] no legal justification requiring Verizon VA to provide AT&T with a service that Verizon VA does not provide to its own customers – namely off-hour porting for general business and residential customers. Verizon Initial Brief at UNE-124.

279 *See generally*, AT&T Exh. 6P at 6-17; AT&T Exh. 12 at 3-6; AT&T Initial Brief at 149-51.

280 The New York PSC ruled that Verizon must discontinue billing a ported customer at the date and time the port is activated, as reported by NPAC. Without this requirement, Verizon would be double billing the customers for weekend service. See Order, New York PSC Case No. 01-C-0095, July 30, 2001, at 85. Thus, Verizon is wrong when it asserts in its initial brief that its "weekend porting solution" is "seamless" to the customer. That is not true if the customer is being double billed by Verizon for service that should have been terminated. Only if the billing terminates when the port is activated will the transaction be truly seamless.

281 Given that Verizon admitted that it provides this support now, Verizon should have no objection to committing to this in the contract language. Tr. at 575.

provide full SOAC availability.[282] These proposals will enable AT&T to give its customers the weekend installations they prefer.

ISSUE V. 12.a Should Verizon Commit To A Three Calendar Day Porting Interval For Residential Customers?

Nothing in Verizon's Initial Brief changes the fact that AT&T's request for a committed three calendar day interval is reasonable, technically feasible, and necessary to encourage the development of competition in Virginia's local exchange market.

Indeed, Verizon's initial brief acknowledges that it has an established three-business day interval, beginning with the receipt of an accurate Local Service Request, for porting up to 50 POTS lines.[283] That fact alone is sufficient basis for adopting AT&T's positions.

Verizon argues that its performance need not be any better than the lowest common denominator established by Qwest and the Local Number Portability Administration Working Group.[284] But that claim is at odds with reality. AT&T and Verizon have both already demonstrated the technical capability of porting lines, without

---

282 Again, Verizon has already acknowledged that it provides full SOAC access, therefore, Verizon should have no objection to the contract language. Verizon Response to AT&T I-42, attached in Exhibit 1 to AT&T Exh. 6P.

283 Verizon Initial Brief at UNE-119; *see also* Verizon Exh. 15 at 22; Tr. at 575. If the Commission rejects AT&T's request for a three calendar day interval, despite its demonstrated technical feasibility, Verizon should, at a minimum, be required to commit in the interconnection agreement to a three business day interval, timed from the receipt of an accurate LSR.

284 See Verizon Initial Brief at UNE-119-20. AT&T anticipated and responded to these assertions in its Initial Brief at 151-53.

coordinated hot cuts, within three calendar days.[285] AT&T's proposed contract language should be adopted.

Issue V.13 Should Verizon be required to receive confirmation of a port from NPAC prior to disconnecting a ported number?

AT&T has requested that Verizon wait to remove the translations for a ported number from its switch until NPAC confirms that the port was completed.[286] Nothing in Verizon's Initial Brief undermines the established technical feasibility[287] and the utility of this request.[288]

Instead, in an attempt to bolster its position, Verizon again points to the LSR process and the OBF guidelines to assure this Commission that querying NPAC for confirmation of port activation is unnecessary. As AT&T has repeatedly demonstrated, however, these are red herrings.[289] Obtaining confirmation from NPAC would not

---

285 Verizon Exh. 15 at 22; 10/04/01 Tr. at 575-576. AT&T also meets the three calendar day interval. AT&T Exh. 6P at 5.

286 Currently, Verizon automatically removes the translations for the ported number at the end of the port window, regardless of whether it has obtained confirmation from NPAC that the port was successful. *See* Verizon Response to AT&T's Data Request 1-47, attached in Exhibit 1 to AT&T Exh. 6P.

287 Several carriers, including Bell South, SBC, and AT&T, follow this basic customer protection procedure and, thus, have demonstrated its technical feasibility. Verizon has not even determined specifically what it would take to modify its systems to automatically detect when NPAC confirms that a port has occurred. *See* Verizon Exh. 15 at 29.

288 Thanks to AT&T's commitment to confirm the port completion prior to removing the translations from its switch, AT&T has insured that many of Verizon's own customers retain dialtone when porting from AT&T to Verizon. AT&T Exh. 6P at 22; AT&T Initial Brief at 153.

289 AT&T Exh. 6P at 20; AT&T Exh. 15 at 7-8; AT&T Initial Brief at 154.

supercede the LSR process created by the OBF. It would supplement it.[290] It would act as a safety net to insure that both carriers involved in the porting process share the responsibility of protecting customer dialtone. The Commission should require Verizon to obtain confirmation from NPAC prior to removing the translations for a ported number from its switch.

Issue VII-11 Should AT&T be permitted to require Verizon to follow various AT&T ordering requirements for the provision of Verizon's combined UNEs?

This issue is simply a restatement of Issue III.7.B. Please refer to AT&T's Proposed Contract Language for Issue III.7.B.

290 In the event that a winning carrier did not activate the port by the due date, the winning carrier would send a supplemental LSR to change the due date. But, as Verizon's own practices demonstrate, winning carriers do not always send supplemental LSRs and, in other instances, losing carriers do not always act on the supplemental LSRs in time to stop the removal of the translations from its switch. Given that the winning carrier wants to port that customer to its network as soon as possible, Verizon's suggestion that the customer will be left in limbo for days or weeks merits no attention. Requiring Verizon to obtain confirmation from NPAC will allocate the responsibility of protecting the customer's dialtone between the two carriers involved.

UNBUNDLED NETWORK ELEMENTS - ADVANCED SERVICES

Advanced Services (Issue III.10)

Issue III.10.A *Must Verizon implement both line sharing and line splitting in a nondiscriminatory and commercially reasonable manner that allows AT&T to provide services in the high frequency spectrum of an existing line on which Verizon provides voice service (line sharing) or on a loop facility provided to AT&T as a UNE-loop or as part of a UNE-P combination (line splitting)?*

Issue III.10.B *Must Verizon implement line splitting in a nondiscriminatory and commercially reasonable manner that allows AT&T to provide services in the high frequency spectrum of an existing line on which Verizon provides voice service (line sharing) or on a loop facility provided to AT&T as a UNE-loop or as part of a UNE-P combination (line splitting)?*

Issue III.10.B.1 *Must all aspects of the operational support delivered to AT&T in support of line sharing and line splitting arrangements with Verizon [] be at no less than parity as compared to the support provided when Verizon engages in line sharing with its own retail operation, with an affiliated carrier, or with unaffiliated carriers in reasonably similar equipment configurations?*

Issue III.10.B.2 *Must Verizon immediately provide AT&T with the procedures it proposes to implement line splitting on a manual basis?*

Issue III.10.B.3 *Must Verizon implement electronic OSS, that are uniform with regards to carrier interface requirements, to implement line splitting contemporaneously with its implementation of such capabilities in New York, but in no event later than January 2002?*

Issue III.10.B.4 *Must Verizon provide automated access to all loop qualification data to AT&T simultaneously with providing automated access to itself or any other carrier, including non-discriminatory treatment with regard to planning and implementation activities preceding delivery of the automated access?*

Issue III.10.B.5 *Can Verizon require AT&T to pre-qualify a loop for xDSL functionality?*

Issue III.10.B.5.a *If AT&T elects not to pre-qualify a loop and the loop is not currently being used to provide services in the HFS, but was previously used to provide a service in the HFS, should Verizon be liable if the loop fails to meet the operating parameter of a qualified loop?*

Issue III.10.B.6 *Can AT&T, (or its authorized agent), at its option provide the splitter functionality in virtual, common (a.k.a shared cageless) or traditional caged physical collocation?*

Issue III.10.B.7 *Must Verizon, at AT&T's request, deploy a splitter on a line-at-a-time basis as an additional functionality of the loop?*

Issue III.10.B.8 *Must Verizon perform cross-connection wiring at the direction of AT&T (or its authorized agent), including CLEC-to-CLEC cross-connections, regardless of who deploys a splitter or whether it is deployed in a line sharing or line splitting arrangement?*

Issue III.10.B.9 *Must Verizon implement line sharing/splitting in a manner consistent with that ordered in New York?*

Issue III.10.B.10 *Must Verizon allow AT&T to collocate packet switches in collocation space?*

Issue III.10.B.11 *Must Verizon support the loop-local switch port-shared transport combination in a manner that is indistinguishable from the operational support Verizon delivers to the retail local voice services Verizon provides in a line sharing configuration, including cases where Verizon shares a line with Verizon Advanced Data, Inc., or another Verizon affiliate, or any unaffiliated carriers. If a loop facility in a line splitting configuration is connected to Verizon's unbundled local switching functionality?*

Issue III.10.B.12 *Is a period of thirty (30) business days more than adequate for Verizon to provide augmentations to existing collocations to enable AT&T to engage in line sharing or line splitting?*

Issue III.10.B.13 *In circumstances where it is technically feasible to convert an existing line sharing arrangement to a line splitting arrangement without physical disruption of then-existing service to the end user, must Verizon institute records-only changes to record the necessary transfer of responsibilities, without making any changes to the physical facilities used to service the customer, unless AT&T requests otherwise?*

Issue III.10.B.14 *In circumstances where the establishment of a line sharing or line splitting configuration requires physical retermination of wiring, must Verizon make such changes in a manner that assures that no less than parity is achieved for AT&T and its customers with respect to out-of-service intervals and all other operational support, as compared to line sharing or line splitting configurations that have equivalent splitter deployment option?*

Issue III.10.B.15 *Can Verizon require any form of collocation by AT&T as a pre-requisite to gaining access to the low frequency spectrum of a loop, the high frequency spectrum of the loop, or both, unless such collocation is required to place equipment employed by AT&T (or its authorized agent) to provide service?*