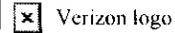


Attachment C

A small rectangular box containing the text "Verizon logo" and a small 'x' icon in the top-left corner, indicating a broken image link.

May 30, 2002

Subject: Supreme Court Decision

On May 13, 2002, the U.S. Supreme Court reinstated certain FCC rules regarding Unbundled Network Element (UNE) combinations that previously had been vacated by the 8th Circuit Court of Appeals. Consistent with this decision and effective with the issuance of a mandate from the Circuit Court of Appeals, Verizon will accept orders for Expanded Extended Loops (EELs) in all Verizon operating areas, subject to the availability of facilities, and in accordance with revised guidelines and procedures set forth in the Verizon Wholesale Customer Handbook. Requests for other combinations not offered by Verizon today will be processed through the existing Bona Fide Request (BFR) process. This process is detailed in the Verizon Wholesale Customer Handbook on the Verizon web site at http://www22.verizon.com/wholesale/handbooks/section/0,,c-1-7-7_1,00.html.

For questions regarding this matter, please contact your Verizon Account Manager.

Attachment D1

Verizon Logo

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Internet Service Providers

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CLEC-Volume 1
7.1 Bona Fide Request (BFR) Process

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Except as otherwise provided in the interconnection or resale agreement with the CLEC, or in applicable tariffs, the Bona Fide Request (BFR) process is used when the CLEC requests access to a UNE or a combination of network elements that is not currently offered in an interconnection agreement, SGAT (Statement of Generally Available Terms and Conditions), or tariff, and that Verizon is required to provide under applicable law.

The BFR process facilitates the two-way exchange of information between the requesting CLEC and Verizon necessary for processing of requests. Under the BFR process, a preliminary analysis is conducted, including confirmation of whether the request qualifies as a new UNE or combination of unbundled network elements that is required to be provided under applicable law, and an initial assessment of its technical feasibility, general product availability, and expected delivery date.

Verizon notifies the CLEC within 10 business days that its BFR request has been received and the preliminary analysis is normally completed within 30 calendar days. Where feasible, a projected order of magnitude price is also provided. A full evaluation of each request, including any product development activity and final pricing, is normally completed within 90 calendar days after receiving authorization from the CLEC to proceed. In some cases, additional testing, whether by Verizon or jointly by Verizon and the CLEC, may require additional time. The time periods used in Section 7.2 are illustrative only and may differ from those specified in an interconnection agreement, SGAT or tariff.

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<input checked="" type="checkbox"/>	Verizon Wholesale \ Local Service Providers \ Online Library \ CLEC-Volume 1 7.2 Details of the BFR Process		
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Verizon Wholesale Local Service Providers Products and Services Tools and Applications Training and Education Support, Contacts and FAQ Online Library	<p>The process begins with the submission of the BFR form.</p> <p>The BFR form is contained in the Quick Reference, Section 8.5.10.</p> <p>The requester submits the BFR form to the Verizon Account Manager who is the single point of contact for BFR coordination. Subject to terms of individual Interconnection Agreements, when submitting the BFR, the CLEC agrees to pay the total evaluation costs incurred by Verizon. The CLEC may cancel its BFR request, but must pay Verizon's costs incurred to the date of cancellation.</p> <p>When the Verizon Account Manager receives the completed BFR form, the Account Manager reviews it with the BFR Product Manager for completeness to determine whether Verizon understands the request and whether information necessary to process the request has been provided. Thereafter, but normally no later than 10 business days after receipt of the BFR, the Account Manager issues a confirmation notice. If for some reason the BFR cannot be processed or does not qualify for BFR treatment, the CLEC is notified.</p> <p>Activities undertaken during the first 30 calendar days are focused on a preliminary assessment of the request, including its technical feasibility. Various subject matter experts are available to help complete the preliminary evaluation led by the BFR Product Developer. The evaluation also includes the determination of whether Verizon is already providing or is obligated to provide the requested offering, and if so, whether the offering meets the CLEC's needs. The results of this analysis are conveyed to the CLEC as part of the 30-day formal response. Verizon also provides a proposed order of magnitude projected price based upon any quantity and term commitment specified.</p> <p>Following the formal 30-day notification, no further action is taken on the BFR until the Verizon Account Manager receives the CLEC's authorization to proceed. Following receipt of the 30-day notification, the CLEC has the following options:</p> <ol style="list-style-type: none"> 1. Authorize Verizon to proceed with further development and/or pricing of the request based upon the CLEC's agreement to compensate Verizon for any costs it incurs in developing and pricing the request, up to the estimated amount specified in the 30-day notice. 2. Cancel the BFR without any further liability to Verizon to order the requested capability. However, the CLEC shall be responsible to compensate Verizon for the costs it incurred prior to the date of cancellation. 3. Unless Verizon receives written notification that the CLEC is 	Resale H Volume 1 Volume 2 Volume 3 CLEC Ha Volume 1 Volume 2 Volume 3 Feedback	

exercising one of the above options within 90 days of Verizon issuing the 30-day notification, the offer shall be automatically withdrawn without notice.

Once an authorization to proceed is received, the product assessment is completed within 90 days. A Product Developer is assigned to the request, and a product team is formed to develop the offering. This includes an evaluation of the product's cost. Any term/quantity information submitted by the CLEC is used in this evaluation. Also, at any time during the 90 days, the CLEC may cancel the request, and limit its obligations to pay for the product development to those costs incurred through the date of termination.

Upon completion of this product development phase (normally no longer than 90 calendar days), the CLEC is provided with a final product delineation, which includes a product description and availability date, proposed rates, ordering intervals, methods and procedures for ordering the service and an invoice for the development and pricing costs incurred. The CLEC then has 30 calendar days to submit either firm orders for or cancel the requested capability at the final price quoted by Verizon and to remit the amount of Verizon development costs as described above. If the CLEC does not submit firm orders within 30 days, Verizon assumes the product is canceled.

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Attachment D3

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The key document in the BFR process is the BFR form. The BFR form provides Verizon with detailed, specific information about the service, capability, or network element being requested, and describes how the request qualifies as a BFR to be provided pursuant to the Telecommunications Act of 1996. Moreover, this information provides the basis for a sound technical and economic analysis of the request.

The BFR form is contained in the [Quick Reference, Section 8.5.10.](#)

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Attachment E

W. Scott Randolph
Director - Regulatory Affairs



Verizon Communications
1300 I Street
Suite 500E
Washington, DC 20005

Phone: 202 515-2530
Fax: 202 336-7922
srandolph@verizon.com

October 25, 2001

Ms. Magalie R. Salas
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

**Ex Parte: Implementation of the Local Competition Provisions in the
Telecommunications Act of 1996 - CC Docket No. 96-98**

Dear Ms. Salas,

On October 25, 2001, Augie Trinchese, Sherry Ingram, Ed Shakin and the undersigned met with Sam Feder of Commissioner Martin's office to discuss Verizon's obligations under the 1996 Act to provision unbundled high capacity services. The attached material was used in the discussions.

Pursuant to Section 1.1206(a)(1) of the Commission's rules, and original and one copy of this letter are being submitted to the Office of the Secretary. Please associate this notification with the record in the proceeding indicated above. If you have any questions regarding this matter, please call me at (202) 515-2530.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Scott Randolph".

W. Scott Randolph
Director - Regulatory Matters

Attachment

cc: Sam Feder

Verizon is Not Legally Obligated to Build UNEs when Facilities Do Not Exist:

- The Eighth Circuit Court made clear that the "Act" does not require ILECs to build
 - "Subsection 251(c)(3) implicitly requires unbundled access only to an incumbent LEC's existing network—not to a yet unbuilt superior one"
- FCC reflects this interpretation with regard to "transport"
 - Under the Local Competition Provisions of the Telecommunications Act of 1996, Verizon is not required "to construct new transport facilities to meet specific competitive LEC point-to-point demand requirements for facilities that the incumbent LEC has not deployed for its own use"
 - There is no legal basis for a different finding related to other UNEs
- The Commission has never forced an ILEC to invest in new equipment in order to enable a loop to support services that the loop cannot otherwise provide.
 - All that is required is that Verizon modify its network to allow access to existing network elements; there is no obligation to build network elements where they do not exist
 - The "modification" language in the Local Competition Order, which is included in the Commission's discussion of the ILEC's requirement to provide access at technically feasible points, means only that ILECs are required to make modifications to their existing, previously self-contained networks in order to allow potential competitors to access and share those networks
 - The requirement to modify, therefore, addresses the need to provide access to UNEs—not to create or build UNEs.

Claims that Verizon's Obligation To "Condition" Loops Requires It To "Install" Necessary Equipment To Provide Workable UNE Loops is Incorrect:

- The Commission's rules and decisions could not be more clear...ILECs' conditioning obligation requires them only to *remove* equipment that compromises the loop's ability to support certain services, not to *install* new services
- Rule 51.319(a)(5) defines "line conditioning" as "the removal from the loop of any devices that may diminish the capability of the loop to deliver high-speed switched wireline telecommunications capability, including xDSL service"
- The UNE Record Order states that a "conditioned" loop is "a loop from which bridge taps, low-pass filters, range extenders, and similar devices have been removed" and that "[l]oop conditioning requires the incumbent LEC to remove these devices, paring down the loop to its basic form"

Verizon's Policies and Practices for Provisioning Unbundled DS-1 Loops Not Only Fully Comply with the Commission's Rules and Policies but Go Beyond the Necessary Requirements:

- Verizon will unbundle DS-1 and DS-3 loop facilities where those facilities are available
- Where no facilities are available, and Verizon has construction underway to meet anticipated demand for its access services, an estimated provisioning date will be provided based on anticipated completion date of the pending job
- Where requisite line cards have not been deployed but space exists in the multiplexers at the central office and customers' location, Verizon will order and place the necessary line cards in order to provision the UNE
- Verizon will cross-connect the existing common equipment (multiplexers) to the copper or fiber facility
- Verizon will place a doubler in an existing apparatus case where necessary given the length of the loop
- If Verizon responds to a DS-1 UNE request with a Firm Order Confirmation notice, and subsequently finds the spare facilities are defective, Verizon will perform the work necessary to clear the defect
- In late July Verizon issued a notice to CLECs reiterating its policy for provisioning DS-1 and DS-3 UNEs

Verizon's DS-1 Policy is non-Discriminatory:

- Verizon provides competitive carriers with access to existing UNEs on a non-discriminatory basis; all UNE customers are treated the same.
- Requests from all of Verizon's access service customers, whether they are CLECs, EXCs or end users, likewise are handled in the same manner, precluding any claim of discrimination.
- Unlike UNEs, special access is a service with different obligations and charges.
- Verizon will build new DS-1 facilities for wholesale customers and for all other access service customers on the same terms under its special access tariffs.
- Verizon generally will undertake to construct the facilities required to provide service at tariffed rates (including any applicable special construction rates) if the required work is consistent with Verizon's current design and construction programs.

Attachment F

Decision 02-06-076 June 27, 2002

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Global NAPs, Inc. (U-6449-C)
Petition for Arbitration of an Interconnection
Agreement with Pacific Bell Telephone Company
Pursuant to Section 252(b) of the
Telecommunications Act of 1996.

Application 01-11-045
(Filed November 30, 2001)

In the Matter of Global NAPs, Inc. (U-6449-C)
Petition for Arbitration of an Interconnection
Agreement with Verizon California Inc. f/k/a
GTE California Inc. Pursuant to Section 252(b) of
the Telecommunications Act of 1996.

Application 01-12-026
(Filed December 20, 2001)

Cole, Raywid & Braverman, L.L.P, by John C. Dodge, Attorney at
Law, for Global NAPs, Inc., applicant.
John W. Bogy, Attorney at Law, for Pacific Bell Telephone Company
and Hunton & Williams, by Kelly L. Faglioni, Attorney at Law, for
Verizon California Inc., respondents.

**OPINION ADOPTING FINAL ARBITRATOR'S REPORT
WITH MODIFICATION**

1. Summary

We affirm the results adopted in the Final Arbitrator's Report (FAR), with modification, and approve the resulting arbitrated Interconnection Agreements (ICA) between Global NAPs, Inc. (GNAPs) and Pacific Bell Telephone Company (Pacific) and between GNAPs and Verizon California Inc. (Verizon), as modified by this order. Within 30 days of the date of this order, parties shall jointly file and serve signed, complete Interconnection Agreements that conform to the decisions herein. This proceeding is closed.

2. Background

On November 30, 2001, GNAPs filed an application for arbitration of an interconnection agreement with Pacific pursuant to Section 252(b) of the Telecommunications Act of 1996 (Act or TA96). Formal negotiations between the parties commenced on January 19, 2001. As negotiations progressed, Pacific agreed to extend the closing date of the parties' arbitration window, making November 30, 2001 the date the arbitration window closed. Therefore, GNAPs' Petition was timely filed.

GNAPs agreed to negotiate the terms of an ICA based on Pacific's proposed "13-state" ICA. While there was no dispute over the vast majority of terms in the ICA, the parties reached an impasse on 13 key issues. In its petition, GNAPs indicated that it discusses all key unresolved issues in detail, but stated the petition did not identify all of the disputed language in the ICA. GNAPs requested that the Commission resolve the disputed issues on a policy level and affirmatively order the parties to implement contract language embodying this policy decision.

On December 26, 2001, Pacific filed its Response to GNAPs' application. In its Response, Pacific summarized its position on the 13 issues previously raised by GNAPs. Pacific also indicated that GNAPs' proposal that the Commission resolve disputed issues at a policy level is both impractical and contrary to law. Resolution ALJ-181 requires parties to identify the issues for which they request arbitration and propose contractual language to match. In its Response, Pacific presented Pacific's proposed resolution of the 13 issues that were described in the Petition, with Pacific's proposed contractual language.

Similarly, on December 20, 2001, GNAPs filed an application for arbitration of an ICA with Verizon California Inc. f/k/a GTE California Inc. (Verizon) pursuant to Section 252(b) of the Act. GNAPs listed 11 unresolved issues.

Verizon filed a response to GNAPs' petition on January 14, 2002. Verizon responded to the 11 issues GNAPs raised, and added 3 others, for a total of 14 issues. Verizon pointed out, as did Pacific, that GNAPs articulated very narrow issues for arbitration, but proposed significant changes to the ICA, which were not mentioned in the Petition nor supported by testimony.

Conference calls were held on January 7 and January 15, 2002, to discuss the schedule for the case and to address various procedural issues. During the January 7, 2002 conference call, the arbitrator assigned to the proceedings raised the issue of consolidating the two arbitration proceedings since many of the issues to be addressed were common to both. During the January 15, 2002 conference call with GNAPs, Pacific, and Verizon, the arbitrator indicated her intent to consolidate the two arbitration proceedings and revise the hearing schedule.

GNAPs was ordered to make a Supplemental Filing on January 22, 2002. The filing included GNAPs' position on all areas where there was disputed language that was not addressed specifically in GNAPs' initial petitions. GNAPs' Supplemental Filing was not filed with the Commission until January 23, 2002, and it was accompanied by a motion for acceptance of late filed comments. Pacific and Verizon filed their Supplemental Responses on February 1, 2002. An ALJ Ruling was issued on January 22, 2002 formally consolidating the two proceedings and affirming the procedural schedule discussed during the January 15, 2002 conference call.

An arbitration hearing was held on February 11, 2002. Concurrent briefs were filed and served on March 8, 2002. On March 28, 2002, Verizon filed a motion to strike portions of the post-hearing brief of GNAPs relating to Issues 6 (dark fiber) and 9 (performance measures). In its motion, Verizon indicated that parties had settled Issues 6 and 9 prior to the arbitration hearing. At the start of the hearing, the parties informed the arbitrator of their settlement of those issues. The Draft Arbitrator's Report (DAR) was filed on April 8, 2002, disposing of the contested issues as set forth below. Comments on the DAR were filed on April 24, 2002, and the FAR was filed and served on May 15, 2002.

Parties continued their negotiations up until the time of the hearing and resolved some issues in dispute. During the hearing, Pacific reported that only Issues 1-4 were still in dispute. Verizon reported that 12 issues, 1-5, 7-8, and 10-14 were still in dispute. Issues 1-4 are common to both Pacific and Verizon, while issues 5, 7-8, and 10-14 apply only to Verizon.

The most significant issues presented in this arbitration are:

- 1) Should either party be required to install more than one point of interconnection (POI) per Local Access and Transport Area (LATA)?

- 2) Should each party be responsible for the costs associated with transporting telecommunications traffic to the single POI?
- 3) Should the ILECs' local calling area boundaries be imposed on GNAPs or may GNAPs broadly define its own local calling area?
- 4) Can GNAPs assign to its customers NXX codes that are "homed" in a central office switch outside of the local calling area in which the customer resides?

The GNAPs/Pacific conformed agreement was filed with the Commission on May 22, 2002, and the GNAPs/Verizon conformed agreement, on May 29, 2002. On May 22, 2002 Pacific filed a statement concerning the outcomes in the FAR. GNAPs served its statement on May 24, 2002. Verizon and GNAPs filed statements on May 29, 2002, regarding whether the Commission should adopt or reject the conformed agreement.

On June 13, 2002, GNAPs filed a Supplemental Statement regarding Commission approval or rejection of the ICA conformed to the FAR. GNAPs' Supplemental Statement was accompanied by a motion to accept the Supplemental Statement. GNAPs asks that its statement be accepted in the interest of fairness and due process, since Pacific and Verizon filed substantial, similar statements.

Both Pacific and Verizon filed in opposition to GNAPs' motion on June 20, 2002. Pacific points out that GNAPs had not just an opportunity, but an obligation to file a timely statement regarding the lawfulness of the ICA, but did not comply. The FAR itself directs parties to file such a statement.

Also, Pacific states that GNAPs' Supplemental Statement is a point-by-point reply to Pacific's and Verizon's statements. Pacific asserts that GNAPs was given due process and simply did not accept it.

Verizon states that the Supplemental Statement should not be accepted because GNAPs chose to forego its opportunity to comment. According to Verizon, this is hardly unfair or a denial of due process. In fact, Verizon asserts it would be unfair to Verizon and Pacific to allow GNAPs to “respond to Pacific and Verizon’s legal memoranda.” Verizon views GNAPs’ filing as untimely and states that the Commission rules and procedural order never contemplated the opportunity to “respond” to parties’ comments as GNAPs now suggests. Rather, the parties were supposed to file concurrent comments. Verizon also adds that GNAPs had the opportunity to file 10-page comments on the DD.

Ordering Paragraph (OP) 1 in the FAR provides clear language on what the parties should file concurrently with the conformed agreement. The parties are ordered to file on the schedule specified in the order:

An entire Interconnection Agreement, for Commission approval, that conforms with the decisions of this Final Arbitrator’s Report. A statement which (a) identifies the criteria in the Act and the Commission’s Rules (e.g., Rule 4.3.1, Rule 2.18, and 4.2.3 of Resolution ALJ-181), by which the negotiated and arbitrated portions pass or fail those tests; (b) states whether the negotiated and arbitrated portions pass or fail those tests; and (c) states whether or not the Agreement should be approved or rejected by the Commission.

GNAPs failed to provide substantive comments on the conformed ICA in a timely fashion, as required by our rules and should not now be rewarded by allowing it to make what is in essence a rebuttal to the timely filings made by Pacific and Verizon. We will deny GNAPs’ motion to accept its Supplemental Comments. GNAPs had the same opportunity as Pacific and Verizon to file comments on this draft decision, so GNAPs’ due process rights have not been violated.

3. Negotiated Portions of Agreement

Section 252(e) of the Act provides that we may only reject an agreement (or portions thereof) adopted by negotiation if we find that the agreement (or portions thereof) discriminates against a telecommunications carrier not a party to the agreement, or implementation of such agreement (or portion thereof) is not consistent with the public interest, convenience and necessity. No party or member of the public alleges that any negotiated portion of the agreement should be rejected. We find nothing in any negotiated portion of the agreement which results in discrimination against a telecommunications carrier not a party to the agreement, nor which is inconsistent with the public interest, convenience and necessity.

4. Arbitrated Portions of Agreement

Section 252(e) of the Act, and our Rule 4.2.3, provide that we may only reject an agreement (or any portion thereof) adopted by arbitration if we find that the agreement does not meet the requirements of § 251 of the Act, including the regulations prescribed by the Federal Communications Commission (FCC) pursuant to § 251, or the standards set forth in § 252(d) of the Act.¹

In statements filed with each conformed agreement, GNAPs states that the conformed agreements should be adopted. However, both Pacific and Verizon dispute various outcomes in the FAR. According to Pacific, the FAR violated or misapplied §§ 251(c)(2), 252(b)(4) and 252(d) of the Act. Verizon asserts that the Commission should reject the interconnection agreement conformed to the FAR, in three areas. These three areas which Verizon claims are contrary to the Act

¹ Section 251 describes the interconnection standards. Section 252(d) identifies pricing standards.

include (i) the requirements of § 251 of the Act, including the FCC's regulations; (ii) the pricing standards set forth in § 252(d) of the Act; and (iii) the Commission rules, regulations and orders. The Incumbent Local Exchange Carriers (ILECs') concerns relate to Issues 1-4.

The FAR addressed issues 1 and 2 together. Those issues are as follows:

- 1) Should either party be required to install more than one POI per LATA?
- 2) Should each party be responsible for the costs associated with transporting telecommunications traffic to the single POI?

Parties do not dispute that GNAPs has the right to install a single POI per LATA. However, in their statements on the conformed agreement, both Pacific and Verizon dispute the FAR's determination on Issue 2.

In making the determination under Issue 2 that GNAPs was not required to pay for any transport on the ILEC's side of the POI, the arbitrator relied on FCC Rule 51.703(b) which states: "[a] LEC may not assess charges on any other telecommunications carrier for telecommunications traffic that originates on the LEC's network." However, in its statement on the conformed agreement, Pacific points out that § 703(b) was applied out of context. The FAR does not take Rule 701, which defines the "scope of transport and termination pricing rules" into consideration. According to Pacific, the rules must be read together.

Section 701(a) says:

The provisions of this subpart apply to reciprocal compensation for transport and termination of telecommunications traffic between LECs and other telecommunications providers.

Section 701(b) reads as follows:

"Telecommunications traffic" is "Telecommunications traffic exchanged between a LEC and a telecommunications carrier other

than a CMRS [Commercial Mobile Radio Service] provider, *except for telecommunications traffic that is interstate or intrastate exchange access, information access, or exchange services for such access.*
(Emphasis added.)