

14. No provision of the ICA conflicts with State law, including compliance with telecommunications service quality standards, or requirements of the Commission.

15. The Act requires that the Commission approve or reject an arbitrated ICA within 30 days after the agreement is filed (47 U.S.C. § 252(e)(4)), which in this case is within 30 days of the date statements in compliance with the FAR were filed.

16. A draft decision must be subjected to 30 days' public review and comment prior to the Commission's vote; however Rule 77.7(f)(5) provides that the Commission may reduce or waive the period for public review and comment under Pub. Util. Code § 311(g)(1) for a decision under the state arbitration provisions of the Act.

17. This is a proceeding under the state arbitration provisions of the Act.

Conclusions of Law

1. The FAR and the ICAs between GNAPs and Pacific and between GNAPs and Verizon, which conform to the decisions in the FAR, as modified by this order, should be approved.

2. 47 C.F.R. § 51.703(b) must be read in conjunction with § 51.701.

3. The ILECs should receive compensation for costs associated with the use of their networks for the transmission of traffic with disparate rating and routing points.

4. GNAPs/Pacific and GNAPs/Verizon should jointly file and serve within 30 days of the date of this order signed ICAs which conform with the decisions herein.

5. The conformed, signed ICAs should be effective when filed.

6. The 30-day public review and comment period should be reduced pursuant to Pub. Util. Code § 311(g)(3) and Rule 77.7(f)(5).

7. This order should be effective today because it is in the public interest to implement national telecommunications policy as accomplished through the ICAs which result from the decisions in the FAR and this order as soon as possible.

O R D E R

IT IS ORDERED that:

1. We affirm the results reached in the May 15, 2002, Final Arbitrator's Report (FAR), as modified by this order and, pursuant to the Telecommunications Act of 1996, and Resolution ALJ-181, we approve the Interconnection Agreements (ICA) between Global NAPs, Inc (GNAPs) and Pacific Bell Telephone Company and between GNAPs and Verizon California Inc. (Verizon), as modified by this order, that result therefrom.

2. Within 30 days of the date of this order, parties shall sign and jointly file and serve entire ICAs that conform with the decisions in the FAR, as modified by this order. The signed ICAs shall become effective on the date filed.

3. GNAPs' January 23, 2002, motion for acceptance of its late-filed Supplemental Information is granted.

4. Verizon's March 28, 2002, motion to strike portions of the post-hearing brief of GNAPs is granted.

5. GNAPs' June 13, 2002, motion for acceptance of its Supplemental Statement is denied.

6. This proceeding is closed.

This order is effective today.

A.01-11-045, A.01-12-026 ALJ/KAJ/jyc

Dated June 27, 2002, at San Francisco, California.

LORETTA M. LYNCH
President
HENRY M. DUQUE
CARL W. WOOD
GEOFFREY F. BROWN
MICHAEL R. PEEVEY
Commissioners

Appendix A

The following section disposes of all disputed contract language in the ICA between GNAPs and Pacific, which must be changed to conform to the outcomes in this decision:

- T&C § 1.1.3: Pacific's definition of "Access Compensation" shall be included in the ICA. It states that parties pay access compensation for originating or terminating intraLATA calls.
- T&C § 1.1.40: Pacific's proposed language is adopted. An "Exchange Area" is established and defined by the Commission.
- T&C § 1.1.56: GNAPs' proposed definition of "Foreign Exchange" is adopted, with modification. Pacific's definition would limit Foreign Exchange (FX) to the FX service purchased from a carrier's tariff. On the other hand, GNAPs' definition includes FX-like services, such as VNXX calls. VNXX calls are FX-like, and those within a particular LATA are to be treated as local calls for reciprocal compensation purposes. However, the interLATA FX service GNAPs lists as part of its definition would not be considered local in nature, and those calls are interLATA toll calls and would not be subject to reciprocal compensation provisions.
- T&C § 1.1.68: Pacific's proposed definition of "IntraLATA Toll Traffic" is adopted. Any traffic between the parties which is outside the "normal" local calling areas adopted by the Commission is considered intraLATA toll traffic, and that traffic is subject to access charges.
- T&C § 1.1.76: Pacific's definition of "Local Calls" is adopted, with modification. Local calls do not have to originate and terminate to customers physically located within the same local calling area. We have already determined that VNXX calls would be included within the definition of a local call, and in that case, the customers will not be physically located within the same local calling area.
- T&C § 1.1.83: Pacific's definition of "Meet Point Billing" is adopted. It describes the process to follow in a multi-bill environment.
- T&C § 1.2.8: Pacific's proposed language is adopted. Pacific allows for disparate routing and rating points within the same LATA, but makes it clear that the routing point is used to calculate mileage measurements for the distance-sensitive transport element. This is consistent with the Commission's determination in D.99-09-029. GNAPs' language would

allow the routing point to be anywhere in SBC's territory and goes beyond a simple definition of the term "routing point."

- Reciprocal Compensation § 6.2: Pacific's proposed language is adopted. It reflects the fact that when an end-user customer places a "non-local" call to an ISP, the call will be rated according to the terminating carrier's Exchange Access tariffs.
- NIM §§ 2-A, 2-B, 2-C: Sections 2-A, 2-B, and 2-C govern financial responsibility for calls transported within the same calling area as the POI and between different calling areas within the LATA. Pacific's proposed language is rejected. It is inconsistent with the determination that GNAPs cannot be required to pay for transport of local traffic on Pacific's side of the POI.

The following section disposes of all disputed contract language in the ICA between GNAPs and Verizon submitted to the Commission on May 29, 2002, which must be changed to conform to the outcomes in this decision:

- T&C Glossary § 2.56: Verizon's proposed definition for "Measured Internet Traffic" is adopted. Verizon's definition includes a reference to its local calling area.
- T&C Glossary § 2.75: Verizon's proposed language is adopted, with modification. The designation of traffic between the parties will be based on Verizon's local calling areas, which have been adopted by the Commission. Reciprocal compensation does apply to Foreign Exchange (FX)-type traffic that does not originate and terminate within the same Verizon local calling area. An FX-type call is rated as a local call, and reciprocal compensation should apply. Section 2.75 shall include GNAPs' language relating to changes in applicable law.
- T&C Glossary § 2.91: Verizon's proposed definition of "Toll Traffic" is adopted. It is more precise, and eliminates GNAPs' requirement that toll traffic relate to whether or not the carrier imposes a toll charge.
- Interconnection § 2.1.1: GNAPs' proposed language is adopted with modification. GNAPs is entitled to have only one POI per LATA. However, GNAPs' final sentence is problematic because it states that each party is responsible for transporting "telecommunications traffic" originating on its network to the POI at its own cost. The two parties dispute the meaning of the term "telecommunications traffic," and the term is not defined in the ICA. Therefore, the parties shall add a sentence to clarify that "telecommunications

traffic” includes local traffic subject to reciprocal compensation provisions, but does not include “intraLATA traffic.”

- Interconnection § 2.1.2: GNAPs’ proposed language, which describes the relationship between the POI and Verizon’s IPs, is adopted. GNAPs indicates that the IP will be located at the POI. This is appropriate since financial responsibility for reciprocal compensation traffic (which would be local traffic) passes from one carrier to the other at the POI.
- Interconnection § 6.2: Verizon’s proposed language is adopted. It explains the use of Traffic Factors and deletes GNAPs’ language related to its defined calling areas. The reference to applicable tariffs is appropriate. That tariff section explains the measurement of billing minutes for toll traffic.
- Interconnection § 7.2: GNAPs’ proposed language is adopted. GNAPs will not be subject to additional charges for Verizon’s transport of those calls which are subject to reciprocal compensation to the POI.
- Interconnection § 9.2.1: In its comments on the DD, Verizon indicates that Verizon’s language is necessary to ensure proper routing – not rating – of traffic exchanged between GNAPs and interexchange carriers interconnected at a Verizon tandem. Verizon’s language is adopted.

(End of Appendix A)