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UNITED STATES GOVERNMENT

MEMORANDUM

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

DATE: July 18, 2002

REPLY TO ATTN OF: Cathy Carpino CC
Competition Policy Division
Wireline Competition Bureau
445 12th St., S.W., Room 5-C207
Washington, D.C. 20554

SUBJECT: CC Docket No. 00-251

TO: Ms. Marlene Dortch
445 12th St., S.W., Room TWB-204
Washington, D.C. 20554

Please place this memorandum and the attached documents in the record in CC Docket No. 00-251.

The attached documents are **AT&T's Exhibits 18 through 39**, and are marked accordingly. We do **not** attach copies of AT&T's Exhibits 1 through 17 because those documents are pre-filed testimony already found in the record and are voluminous. Also attached is AT&T's exhibit list.

Additionally, "AT&T Response to Record Requests from the 10/04/01 Transcript of the FCC-VA Arbitration Proceeding" should be docketed as **AT&T Exhibit 40**. This document is also attached. Finally, AT&T Exhibit 25 is proprietary and will be provided under a separate cover memorandum. A redacted version of this exhibit has been provided herein.

If you require further information, please contact me at (202) 418-1593. Thank you for your assistance. An original and two copies are provided.

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

AT&T EXHIBITS RECEIVED IN EVIDENCE
(CC Docket Nos. 218, 249 and 251)

DESCRIPTION OF DOCUMENT	DATE FILED	EXHIBIT NO.
AT&T Petition for Arbitration	April 23, 2001	AT&T Exhibit 1 *
Attachment A – AT&T's Statement of Unresolved Issues	April 23, 2001	AT&T Exhibit 1A
Attachment B – AT&T Proposed Interconnection Agreement	April 23, 2001	AT&T Exhibit 1B
Attachment C – Existing ICA Between AT&T Communications of Virginia, Inc. and Verizon Virginia Inc.	April 23, 2001	AT&T Exhibit 1C
Attachment D – Existing ICA Between TCG Virginia, Inc. and Verizon Virginia Inc.	April 23, 2001	AT&T Exhibit 1D
Attachment E – Existing ICA Between ACC National Telecom Corp. and Verizon Virginia Inc.	April 23, 2001	AT&T Exhibit 1E
Attachment F – Existing ICA Between MediaOne of Virginia and MediaOne Telecommunications of Virginia, Inc. and Verizon Virginia Inc.	April 23, 2001	AT&T Exhibit 1F
Attachment G, Vol. 1 – VA SCC Orders, Correspondence to SCC & AT&T's Petition for Arbitration	April 23, 2001	AT&T Exhibit 1G-1
Attachment G, Vol. 2 – Verizon's Response to AT&T's Petition For Arbitration at the VA SCC	April 23, 2001	AT&T Exhibit 1G-2
Direct Testimony of Michael Pfau	July 31, 2001	AT&T Exhibit 2
Direct Testimony of David Talbott & John Schell, Jr. – Public Version	July 31, 2001	AT&T Exhibit 3
Direct Testimony of David Talbott & John Schell, Jr. – Proprietary Version	July 31, 2001	AT&T Exhibit 3P
Direct Testimony of Robert Kirchberger	July 31, 2001	AT&T Exhibit 4
Direct Testimony of Christopher Nurse	July 31, 2001	AT&T Exhibit 5
Direct Testimony of William Solis – Public Version	July 31, 2001	AT&T Exhibit 6
Direct Testimony of William Solis – Proprietary Version	July 31, 2001	AT&T Exhibit 6P
Rebuttal Testimony of Michael Pfau	August 17, 2001	AT&T Exhibit 7
Rebuttal Testimony of David Talbott and John Schell, Jr. – Public Version	August 17, 2001	AT&T Exhibit 8
Rebuttal Testimony of David Talbott and John Schell, Jr. – Proprietary Version	August 17, 2001	AT&T Exhibit 8P

* Pursuant to the discussion during the September 26, 2001 status conference, AT&T understands that Verizon may object to the receipt of this pleading into evidence.

DESCRIPTION OF DOCUMENT	DATE FILED	EXHIBIT NO.
Rebuttal Testimony of Robert Kirchberger – Public Version	August 17, 2001	AT&T Exhibit 9
Rebuttal Testimony of Robert Kirchberger – Proprietary Version	August 17, 2001	AT&T Exhibit 9P
Rebuttal Testimony of Christopher Nurse	August 17, 2001	AT&T Exhibit 10
Direct Testimony of Fredrik Cederqvist (Mediated Issues)	August 17, 2001	AT&T Exhibit 11
Rebuttal Testimony of William Solis	August 17, 2001	AT&T Exhibit 12
Direct Testimony of David Talbott (Mediated Issues)	August 17, 2001	AT&T Exhibit 13
Rebuttal Testimony of Robert Kirchberger	August 27, 2001	AT&T Exhibit 14
Rebuttal Testimony of David Talbott	September 5, 2001	AT&T Exhibit 15
Rebuttal Testimony of Fredrik Cederqvist	September 5, 2001	AT&T Exhibit 16
Rebuttal Testimony of Michael Pfau	September 6, 2001	AT&T Exhibit 17
VZ Response to AT&T 3-1 (As modified by AT&T)		AT&T Exhibit 18
Verizon-North and Verizon-South Guidelines for Converting Special Access Services to Loop-Transport Combinations		AT&T Exhibit 19
VZ Response to AT&T 3-17		AT&T Exhibit 20
VZ Response to AT&T 3-7		AT&T Exhibit 21
CLEC Vol. III, 2.3 Loop Unbundling - printout from Web		AT&T Exhibit 22
VZ Response to AT&T 2-3		AT&T Exhibit 23
Petition of Cox Virginia Telcom, Inc. Breeden Company, and PRG Real Estate v. Bell-Atlantic-Virginia Inc. for relocation of Network Interface Device to Minimum Point of Entry pursuant to Rules Governing the provision of network interface devices and applicable tariffs.		AT&T Exhibit 24
VZ Response to AT&T 11-4 (Proprietary)		AT&T Exhibit 25
VZ Response to AT&T 3-31		AT&T Exhibit 26
VZ Response to AT&T 1-36		AT&T Exhibit 27
AT&T's Response to Record Request CC Docket No. 00-251 October 9, 2001 (tr. at 728)		AT&T Exhibit 28
AT&T's Response to Record Request CC Docket No. 00-251 October 9, 2001 (tr. at 254)		AT&T Exhibit 29
Errata for Revised Direct Testimony of David L. Talbott and John D. Schell		AT&T Exhibit 30
Network Interconnection Diagrams (scenario 1-terminating @ CLEC customer)		AT&T Exhibit 31
Network Interconnection Diagrams (scenario		AT&T Exhibit 32

2-originating @ CLEC customer)		
Network Interconnection Diagrams (scenario 3-terminating @ CLEC customer)		AT&T Exhibit 33
Network Interconnection Diagrams (scenario 4-originating @ CLEC customer)		AT&T Exhibit 34
VZ Response to AT&T 10-7		AT&T Exhibit 35
Network Interconnection Diagrams - Dedicated Transport		AT&T Exhibit 36
Network Interconnection Diagrams – Staunton/Roanoke		AT&T Exhibit 37
VZ Response to AT&T 6-22	October 17, 2001	AT&T Exhibit 38
AT&T's Response to Record Request (tr. at 1578-1579)	October 18, 2001	AT&T Exhibit 39
*** Cost Exhibits ***	*** Cost Exhibits ***	*** Cost Exhibits ***
The Economics of Regulation – Principles and Institutions, Alfred E. Kahn	October 22, 2001	AT&T Exhibit 100
In the Matter of PSC Hearing Docket No. 96-324 Haring Volume No. 5, Feb. 21, 1997 (DE Transcript)	October 22, 2001	AT&T Exhibit 101
In the Matter of Petition of AT&T Communications of New Jersey, Inc for Arbitration with Bell Atlantic-New Jersey, Inc. Pursuant to Section 252 of the Telecommunications Act of 1996 – Docket No. T096070519 (Oct. 4, 196) Tr. at pages 63, 64 PROPRIETARY.	October 22, 2001	AT&T Exhibit 102
Verizon Communications, Inc. et al. v. Federal Communications Commission, et al. and Related Cases Reply Brief for Petitioners United States and the Federal Communications Commission, Nos. 00-511, 00-555, 00-590 and 00-602 (July 2000).	October 22, 2001	AT&T Exhibit 103
Errata To Testimony On Behalf Of AT&T Communications Of Virginia, Inc. and Worldcom, Inc. (for multiple witnesses)	October 23, 2001	AT&T Exhibit 104
VZ-VA Response to AT&T Data Request 10-2 (Labeled VZ VA # 784)	October 23, 2001	AT&T Exhibit 105
Statement of Financial Accounting Concepts Number 2: Qualitative Characteristics of Accounting Information, May 1980, pages 34 - 41	October 23, 2001	AT&T Exhibit 106
Drawing with notations by David Levy	October 23, 2001	AT&T Exhibit 107
Value Line Investment Survey – Edition 5 Pages 694-844 (Oct. 5, 2001)	October 24, 2001	AT&T Exhibit 108
The Journal of Portfolio Management (Spring 1988) – Investor growth expectations: Analysts vs. history by James H. Vander Weide and Willard T. Carleton	October 24, 2001	AT&T Exhibit 109
In the Matter of the Board's Review of the Unbundled Network Element Rates, Terms	October 24, 2001	AT& T Exhibit 110

and Conditions of Verizon-New Jersey, Inc., Transcript Volume 2 (Nov. 29, 2000).		
Alltel Crop, Form S-4 (March 24, 1999).	October 24, 2001	AT& T Exhibit 111
Verizon Response to AT&T/WorldCom Set 1 # 34	October 24, 2001	AT& T Exhibit 112
Instructions for production of Verizon data response requests	October 24, 2001	AT& T Exhibit 113
Loop Cost Analysis Model – Loop Study Cost Results Summary	October 20, 2001	AT& T Exhibit 114
Loop Cost Analysis Model – Engineering Survey with updated Working and Available (9/20/01)	October 29, 2001	AT& T Exhibit 115
Loop cost Model Documentation Analysis – Operational Documentation (printed in landscape format).	October 29, 2001	AT& T Exhibit 116
GTE Network Planning – Planning Analysis Report, Infrastructure Provisioning Guidelines PAR-074 (Revision March, 1997) – Proprietary	October 29, 2001	AT& T Exhibit 117
Verizon's Response to AT&T/WorldCom Request 10-28	October 29, 2001	AT& T Exhibit 118
Verizon's Response to AT&T/WorldCom Request 10-33	October 29, 2001	AT& T Exhibit 119
Unbundling Loops In TSI – Time Slot Interchanger Equipped Digital Loop Carrier Systems (Feb. 18, 1997)	October 29, 2001	AT& T Exhibit 120
Bell Atlantic Fundamental Planning Guideline FP-G-97-005 (July 1997) - Proprietary	October 29, 2001	AT& T Exhibit 121
Section 12 of Telcordia's Notes on the Network (Oct., 2000)	October 29, 2001	AT& T Exhibit 122
Time Slot Interchanges in Digital Remote Terminals (Dec. 1993)	October 29, 2001	AT& T Exhibit 123
NYNEX Technical Document Library: Loop Technologies Application Guidelines (March 11, 1997)	October 29, 2001	AT& T Exhibit 124
Annual Cost Factor – Loop BA South TSLRIC Sheet # 1 Assumptions Page 1 of 17 - Proprietary	October 29, 2001	AT& T Exhibit 125
AT&T/WorldCom Request 10-33	October 29, 2001	AT& T Exhibit 126
Verizon's Response to AT&T/WorldCom Request 10-33: Bell Atlantic Technical Reference – Unbundled Digital Loop Technical Specifications Draft 10 TR 72575, Issue 2 (March, 1999)	October 29, 2001	AT& T Exhibit 127
		AT& T Exhibit 128
		AT& T Exhibit 129

DATA REQUESTS AS MODIFIED BY AT&T

AT&T 3-1. When a retail local service customer of Verizon no longer receives service (e.g. is disconnected) from VZ-VA's network, is there typically any type of physical work that is involved in the performance of such a disconnect? Please describe the overall process and, in addition, specifically address the following:

(A) Are there any hardware or facilities that are physically removed or altered in order to disconnect a customer from its network?

(B) What happens to the embedded facilities that were utilized to serve a customer that has been disconnected?

(C) Are these facilities available to CLECs?

VZ Reply:
Subject to its previously filed Objections and without waiver of same, Verizon Virginia states as follows:

The type of physical work required to disconnect a local service customer depends upon the type of service that customers has (e.g., POTS, PBX, DS1, DS3, etc.). If AT&T identifies the specific types of service in which it is interested, Verizon Virginia will answer the question.

AT&T Comments on 3-1:
Please respond to this question with regards to residential POTS service and business POTS service.

VZ Supplemental Reply:

(A) Generally, for POTs services, a retail customer is disconnected by either switch translation work or jumper wires being removed on the main distribution frame between the office equipment (port) and the local loop servicing the end user.

(B) They are available to serve other customers.

(C) Yes.

AT&T Exhibit No. 19

VERIZON-NORTH
and
VERIZON-SOUTH

GUIDELINES FOR

CONVERTING SPECIAL ACCESS SERVICES

TO LOOP-TRANSPORT COMBINATIONS

Version 1.1
Release Date: April 2001

VERIZON-NORTH
and
VERIZON-SOUTH
Guidelines for Converting
SPECIAL ACCESS SERVICES to
LOOP-TRANSPORT COMBINATIONS

The following guidelines reflect the FCC's Supplemental Order Clarification, CC Docket No. 96-98, released June 2, 2000, and effective June 20, 2000

Specific Rules for Special Access Services

Special access services are ordinarily provided through a combination of channel terminations and dedicated interoffice mileage. Special access services that are eligible for conversion can be converted to a combination of unbundled loop and unbundled transport. Verizon-North and Verizon-South (hereinafter "Verizon") will provide loop-transport combinations to a competitive local exchange carrier ("CLEC") if the CLEC's interconnection agreement has been amended to provide for loop-transport combinations, and the CLEC certifies that the loop-transport combination will be used to provide a significant amount of local exchange service and associated switched access service. It is presumed that the CLEC is providing a significant amount of local exchange service if it meets one of three circumstances:

1. The CLEC certifies that it is the exclusive provider of an end user's local exchange service. The loop-transport combinations must terminate at the CLEC's collocation arrangement in at least one Verizon central office. This option does not allow loop-transport combinations to be connected to Verizon's tariffed services. Under this option, the CLEC is the end user's only local service provider.

2. The CLEC certifies that it provides local exchange and exchange access service to the end user customer's premises and handles at least one third of the end user customer's local traffic measured as a percent of total end user customer local dialtone lines; and for DS1 circuits and above, at least 50 percent of the activated channels on the loop portion of the loop-transport combination have at least 5 percent local voice traffic individually, and the entire loop facility has at least 10 percent local voice traffic. When a loop-transport combination includes multiplexing (e.g., DS1 multiplexed to DS3 level), each of the individual DS1 circuits

must meet these criteria. The loop-transport combination must terminate at the CLEC's collocation arrangement in at least one Verizon central office. This option does not allow loop-transport combinations to be connected to Verizon's tariffed services.

3. The CLEC certifies that at least 50 percent of the activated channels on a circuit are used to provide originating and terminating local dialtone service and at least 50 percent of the traffic on each of these local dialtone channels is local voice traffic, and that the entire loop facility has at least 33 percent local voice traffic. When a loop-transport combination includes multiplexing (e.g., DS1 multiplexed to DS3 level), each of the individual DS1 circuits must meet these criteria. This option does not allow loop-transport combinations to be connected to Verizon's tariffed services. Under this option only, collocation is not required.

The physical facilities used to provide a special access service to a CLEC must be the same facilities that will provide a loop-transport combination requested by the CLEC, and Verizon will not rearrange such facilities in connection with a conversion.

Verizon has the right to audit to confirm the CLEC's compliance with the local usage requirements. Verizon will hire and pay for an independent auditor to perform the audit, and the CLEC will reimburse Verizon if the audit uncovers noncompliance with the local usage options. Verizon will provide at least 30 days' written notice to a CLEC that has purchased a combination of unbundled loop and transport network elements that it will conduct an audit. Verizon will not conduct more than one audit of the CLEC in any calendar year unless the audit finds noncompliance.

The following describes the five-step conversion process

1) **Preorder Negotiation**
   a. Verizon requires that a CLEC sign a certification document attesting that a significant amount of local exchange traffic (as defined above) is being provided over the special access facilities it is requesting to convert to a loop-transport combination. The certification document is attached hereto. A signed copy of the certification document must be received by Verizon before conversion activities can be initiated.

b. The CLEC must agree to amend its interconnection agreement as set forth in Verizon's February 17, 2000 industry letter, located at www.bell-atl.com/wholesale/html/res_letclec_feb00.htm

c. Termination liability and minimum service period charges may be applicable to early termination of special access services purchased pursuant to Verizon's Tariffs FCC No. 1 and No. 11. All applicable termination liabilities and minimum-period penalties will apply pursuant to the tariff terms and conditions for early termination of services.

2) CLEC Circuit Data

a. The CLEC must submit the following information to Verizon via its account manager for each special access circuit requested to be converted. The CLEC must provide the data in a spreadsheet format via electronic file.

- Billing Account Number (BAN)
- Circuit ID
- NC Code
- Primary NCI Code
- Secondary NCI Code
- ACTL/POI CLLI code of Circuit ID
- Connecting Facility Assignment (CFA)
- Percent Interstate Use (PIU)
- Class of Service
- USOCs associated with the circuit
- USOC quantities
- Billed rate per USOC
- Discount Plan - type and length (e.g., CDP, 60 months; TPP, 7 year, etc.)
- Start date of Discount Plan
- End date of Discount Plan

3) Verizon/CLEC Reconciliation and Verification of Circuits submitted in Step 2, above

Verizon will analyze the information submitted to compare the circuit details with Verizon's records. Verizon will report all discrepancies back to the CLEC, and both parties will work to reconcile the discrepancies.

4) Calculate Credits and Charges to Apply to the appropriate CABS bills

Verizon will calculate the amount of special access charges that will be credited to the CLEC, as well as the new charges that will apply for the applicable loop-transport combinations. These amounts will be reviewed and provided to the CLEC for review and concurrence.

a. For an interim period, credits for special access and charges for loop-transport combinations will be determined through a manual process, and applied to the appropriate CABS billing account(s). These amounts are subject to recalculation based on any change in either special access or loop and transport unbundled network element rates during the interim period or if any of the loop-transport combinations are disconnected.

b. All former special access items now purchased as a loop-transport combination will continue to be billed as special access until CLEC is notified otherwise.

c. The CLEC will provide Verizon a list that shows the special access circuit IDs for any of the circuits receiving a conversion billing adjustment that are disconnected. The list will be provided on a monthly basis by the CLEC to Verizon. Verizon will modify the billing adjustments to remove such circuits from the monthly special access credits and corresponding monthly loop-transport combination amounts, effective as of the date of the circuit is disconnected and the special access billing for the disconnected circuit(s) ceases.

d. Verizon will send a letter each month to the CLEC via email detailing: (1) the Adjustment Serial and Audit Numbers associated with the respective credit and debit adjustments; (2) the amounts of each adjustment; and (3) the date and Billing Account Number on which the adjustments will appear

5) **Convert all records from special access billing and nomenclature to loop-transport combination billing and nomenclature in all Verizon billing and maintenance databases**

a. Verizon is attempting to develop methods and procedures for converting special access to loop-transport combinations so that CLECs can convert eligible special access services to loop-transport combinations without submitting LSRs and ASRs to Verizon. If the CLEC elects to follow Steps 1-4 of these guidelines, Verizon shall notify CLEC in writing if it has completed the methods and procedures, and CLEC shall make commercially reasonable efforts to assist Verizon with the implementation and use of the methods and procedures. Notwithstanding the foregoing, Verizon may elect not to develop the foregoing methods and procedures and CLEC shall submit special access conversion LSRs and ASRs at Verizon's request.

b. Please note that until Verizon finishes developing the foregoing methods and procedures, all former special access items handled pursuant to Steps 1-4 will continue to bear their original special access circuit identification and will be inventoried and maintained as special access services for an interim period. Accordingly, the CLEC will pay the rates for the loop and transport unbundled network elements set forth in its interconnection agreement for the services but it will otherwise continue to receive the services in accordance with (though not pursuant to) the terms and provisions of Verizon's FCC No. 1 and No. 11 Tariffs until the interim arrangement expires. A CLEC that elects to follow Steps 1-4 waives any claim against Verizon that CLEC should receive the services during the term of an interim arrangement subject to any other terms and conditions.

6) As an alternative to the simplified procedures set forth in Steps 1-5, CLECs may order conversions pursuant to Steps 1-3 and Verizon's standard ordering procedures and Verizon's project intervals. If a CLEC elects to use Verizon's standard ordering procedures and Verizon's project intervals, however, the CLEC shall not receive any credits for services provided before its conversions are complete.

Timing of Conversion Activities

The elapsed time required for Steps 1 through Step 3 will be negotiated between Verizon and the CLEC. Billing credits and charges pursuant to Step 4 will be effective as of the date on which Step 3 has been completed to the satisfaction of both parties and the dollar amount of the special access credits and corresponding loop-transport combination charges have been established pursuant to Step 4.

ITEM: AT&T 3-17 Does VZ-VA propose or apply differing maintenance and provisioning standards or commitments when a combinations of Verizon network facilities and equipment are purchased as a service (e.g., out of an access tariff) compared to being purchased as a combination of network elements, whether initially or via a conversion process (e.g. when a SA circuit/service is converted to a combination of UNEs)?

(A) If so, please identify all instances in which different maintenance and/or provisioning standards apply and specify the difference in performance/support commitments.

(B) Identify all technical considerations that require that such differences exist.

REPLY: Subject to its previously filed Objections and without waiver of same, Verizon Virginia states as follows:

(A-B) Verizon provides a number of UNE combinations and access services so that it is not possible to answer for each individual service. For UNE-P, provisioning and maintenance standards are based on those of comparable retail services where a comparable retail service exists. For EELs (loop transport combinations), the provisioning intervals are based upon the standard intervals associated with the individual UNEs that comprise the loop/transport arrangement. For conversion of special access services to loop/transport combinations, the special access circuit ID is not changing. Therefore, at least on an interim basis, the maintenance associated with these conversions is the same as special access.

ITEM: AT&T 3-7

In Virginia, has Verizon established customer contracts, whether for retail or wholesale purposes, that include a termination liability if the customer terminates service before the termination of the agreement? If so, please provide answers to the following:

* * *

(E) Do any of Verizon's customer-specific pricing agreements provide for renegotiation or adjustment of pricing and/or volume commitments in a customer-specific agreement without application of a termination liability?

(i) Please provide a copy of each customer-specific pricing arrangement for services including Virginia services that has provisions that would permit a customer to alter volume and/or term commitments and avoid termination liabilities under specified circumstances. For purposes of compliance with this question, the name of the customer and any customer-identifying information may be redacted.

REPLY:

Subject to its previously filed objections and without waiver of same, Verizon Virginia states as follows:

(E)(i) See attached example of a customer specific contract. The termination clauses appear at the end of the document.

Network Optimization - If a customer upgrades its network (i.e., analog to digital facilities) and it impacts the revenue commitments, Verizon will adjust the commitments accordingly for the remainder of the contract term. This does not apply if the customer uses another provider's service to displace Verizon services.

Business Downturn - This applies if the customer sells off a portion of its business, moves to another state or has reduction in force. The customer must provide notification in advance of the downturn.

Meet or Release (a.k.a. "Benchmarking") - This allows the customer to present a competitive bid for the same group of services halfway through the contract term. Verizon must provide a counter offer (negotiating in good faith) within 30 days or the customer can terminate the Verizon contract without incurring any termination liability charges.

verizon

APPLICATION FOR SERVICE

Customer Name:	Main Billing Tel. No:
Address:	Application Number:

Services. Customer hereby applies for and agrees to purchase from the undersigned Verizon operating telephone company ("Verizon") the services identified in Exhibit A to this Application and as further described in Verizon's applicable tariffs or guides (the "Services") for a service period of ( ) consecutive months (the "Service Period"). Unless otherwise stated in Exhibit A, the Service Period shall be scheduled to commence on or about ( ) days after signature of this Application by both parties below, subject to Verizon's receipt of any necessary regulatory and other governmental approvals and completion of any work or installation of facilities needed to provide the Services.

Charges. Customer will pay the rates and charges and satisfy all other requirements set forth in Exhibit A. Customer shall also pay all applicable taxes and charges that may be required under applicable law, regulations, or tariffs in connection with the Services. If Customer cancels or terminates this Application or any Services prior to expiration of the Service Period, Customer will promptly pay Verizon termination charges as set forth in Exhibit A.

Location(s). The Services will be provided under the terms of this Application to the Customer locations specified in the attached Exhibit A. Other Customer locations may be added to this Application only upon mutual written agreement of the parties.

Notices. Notices under this Application shall be sent by first-class U.S. mail, postage prepaid, to Verizon at 2980 Fairview Park Drive, Seventh Floor, Falls Church, Virginia 22042, Attn. Contracts Management, and to Customer at the address specified above. Notices shall be deemed effective three business days after such mailing.

Miscellaneous. (a) Neither party will disclose the terms of this Application to any other person without the prior written consent of the other party, except as may be necessary to comply with applicable law, regulation, or filing requirements.
(b) In the event of any claim or dispute, the laws of the jurisdiction in which Verizon provides to Customer the particular Service that is the subject of such claim or dispute shall apply.
(c) No liability shall result from Service failures caused by fires, floods, unusually severe weather, acts of government or third parties, strikes, labor disputes, inability to obtain necessary equipment or services, or other causes beyond such party's reasonable control.
(d) If any provision of this Application or the provision of any Service under the terms hereof is illegal, invalid, or otherwise prohibited under applicable law or regulation, then this Application shall be construed as if not containing such provision or requiring the provision hereunder of such invalid, illegal, or prohibited Service.
(e) Verizon may assign or transfer part or all of this Application to any of its affiliates. Provided Customer provides Verizon with reasonable prior written notice, Customer may assign or transfer this Application to any company that is the successor to substantially all of its assets. All other attempted assignments shall be void without the prior written consent of the other party.

Tariffs and Limitation of Liability. The terms and conditions that shall apply in connection with these Services, and the rights and liabilities of the parties, shall be as set forth herein and in all applicable tariffs or guides now or hereafter filed with the applicable state regulatory commission and/or the Federal Communications Commission. In no event shall Verizon be liable for any special, indirect, incidental, or consequential damages arising in connection with this Application or the provision of any Services, whether claim is sought in contract, tort (including negligence), strict liability or otherwise. This Application (including Exhibit A attached hereto) and all applicable tariffs or guides constitute the entire agreement between the parties and shall supersede all prior oral or written quotations, communications, understandings or agreements on the subject matter hereof. This Application may not be modified or rescinded except by a writing signed by authorized representatives of each party.

Agreed and Accepted:

(Customer)	**Verizon Virginia**
By ______________________	By ______________________
Name/title	Name/title
Date	Date

EXHIBIT A

TOLL, MESSAGE AND MEASURED RATE USAGE AND BUSINESS RECURRING REVENUE

1. Services and Commitments. Customer agrees to purchase the following Services from Verizon at the rates set forth below and in quantities each year during the Service Period sufficient to meet or exceed the minimum quantities or amounts set forth below as the Minimum Annual Commitment for each Service. Any other work, services or facilities required will be provided subject to prevailing tariff rates and charges, or if no tariff is applicable, at Verizon's then-current retail rate.

(a) Business Two Point Service ("Toll") and OUTWATS usage:

Minimum Annual Commitment for Toll and OUTWATS: minutes (Binding on Customer)

Estimated annual usage for Toll and OUTWATS: minutes of use (For informational purposes only. Not binding on Customer.)

$. per Toll or OUTWATS minute if combined annual usage is between and minutes
Prevailing non-discounted tariff rates will apply for Toll and OUTWATS combined annual usage that exceeds minutes

[Optional] Toll usage will be billed in six (6) second increments after an eighteen (18) second minimum initial increment.

(b) Message Rate Usage:

Minimum Annual Commitment for Message Rate Usage: $ (Binding on Customer)

Estimated annual expenditures for Message Rate Usage: $ (For informational purposes only. Not binding on Customer.)

% reduction off the non-discounted rates set forth in tariff S.C.C.-Va.-No. 202 if net annual expenditures are between $ and $
Prevailing non-discounted rates set forth in tariff S.C.C.-Va.-No. 202 for net annual expenditures in excess of $

(c) Measured Rate Usage:

Minimum Annual Commitment for Measured Rate Usage: $ (Binding on Customer)

Estimated annual expenditures for Measured Rate Usage: $ (For informational purposes only. Not binding on Customer.)

% reduction off the non-discounted rates set forth in tariff S.C.C.-Va.-No. 202 if net annual expenditures are between $ and $
Prevailing non-discounted rates set forth in tariff S.C.C.-Va.-No. 202 for net annual expenditures in excess of $

[Optional]
(d) Business Recurring Revenue. "Business Recurring Revenue" or "BRR" means the amounts Customer pays to Verizon during the Service Period for any Verizon nonusage-based local exchange services provided under applicable state tariffs (excluding IntraLATA Toll, OUTWATS, and Message and Measured Rate Usage). These services may be provided under separate contracts or tariffs between Customer and Verizon, and the provisions herein shall be in addition to and shall not limit any such other agreements. Verizon will credit Customer's account in the amount of $ for each year of the Service Period that Customer's BRR meets or exceeds the Minimum Annual Commitment for BRR set forth below, which Customer agrees to meet each year of the Service Period. Such credit will be issued to Customer's main telephone billing number at $ each month and applied to intraLATA toll usage, local message rate usage and/or measured rate usage charges under this Application.

Minimum Annual Commitment for BRR: $ (Binding on Customer)

2. Shortfall Charges. If during any year of the Service Period Customer does not purchase sufficient quantities of the Services to meet each of the Minimum Annual Commitments set forth herein, then Customer shall pay an amount equal to the difference between the amount actually billed and paid for such Service that it failed to meet the Minimum Annual Commitment and the amounts that would have been billed hereunder for that Service had Customer satisfied the applicable Minimum Annual Commitment for such Service (hereinafter referred to as the "Shortfall Amount").

3. **Termination Charges.** If Customer terminates this Application for any reason prior to the expiration of the Service Period, Customer shall pay to Verizon the sum of: (i) any Shortfall Amount for the year in which this Application is terminated, plus (ii) 70% of the Minimum Annual Commitment(s) for Toll/OUTWATS and Message and Measured Rate Usage, and 50% of the Minimum Annual Commitment for BRR, for each year remaining in the unexpired portion of the Service Period.

4. **Additional Provisions.**

a. Conditions. The parties acknowledge that the rates and other terms of this Application are premised on certain assumptions concerning Customer's service mix, usage patterns and other characteristics, including the following condition: (i) Verizon will provide at least 90% of Customer's intraLATA toll service throughout the Service Period.

b. Service Continuation. If, at the time of expiration of the Service Period, Customer has not executed a new Application with Verizon for the Services and does not request discontinuance of the Services in writing, then the Services will be continued on a month-to-month basis at the tariff rates then prevailing or, if no tariff is applicable, at Verizon's then-current retail rate.

[Insert if applicable]
c. Network Optimization. At any time during the Service Period, Customer may purchase additional services from Verizon under tariff or separate agreement for the purpose of optimizing Customer's network. If the purchase of these additional services results in Customer's inability to meet its minimum annual commitments as set forth herein, Verizon will, three (3) months after implementation of such services, re-evaluate Customer's commitment thresholds and, if warranted and permitted by applicable legal and regulatory requirements, equitably reduce Customer's commitment thresholds. In the event of any adjustment under this provision, Verizon reserves the right prospectively to adjust Customer's rates provided under this Application consistent with the then-applicable Verizon competitive pricing and practices. This section shall not apply to any reductions resulting from Customer's use of substitute non-Verizon provided products or services.

[Insert if applicable - SHOULD NOT BE INCLUDED IN INITIAL CONTRACT PROPOSAL]
d. Business Downturn. If, at any time after the completion of twelve (12) **OR** eighteen (18) months of the Service Period, Customer is unable despite its best efforts to meet its minimum annual commitment(s) set forth herein and such inability is the result solely of: (i) the sale or other disposition of a subsidiary, division or other significant business unit, (ii) the outsourcing of other than a telecommunications business function within any subsidiary, division or other significant business unit of Customer that involves the loss of jobs by employees of Customer, or (iii) a network optimization using Verizon services other than those covered by this Application, Verizon will, if permitted by applicable legal and regulatory requirements, reduce Customer's minimum annual commitment for the affected Service. In the event of an adjustment under this provision, Verizon reserves the right prospectively to adjust Customer's rates provided under this Application consistent with the then-applicable Verizon competitive pricing and practices. For this section to apply, Customer must first give Verizon prior written notice of the sale or other disposition or action that will cause a shortfall. This section shall not apply to any reductions resulting from Customer's use of substitute non-Verizon provided products or services.

[Insert if applicable - SHOULD NOT BE INCLUDED IN INITIAL CONTRACT PROPOSAL]
e. Benchmarking. If, at any time after completion of twelve (12) months of the Service Period, Customer receives a bona fide offer in writing from a Verizon competitor for services that have the same functionality as the package of Services provided hereunder at rates for all the services that are less than Verizon's then effective rates, Customer may, within thirty (30) days of its receipt of the offer, send Verizon a copy of the offer and any other documentation necessary for Verizon to assess it. Following receipt of such documentation, Verizon and Customer will negotiate in good faith any mutually agreeable amendments to the rates or other terms of this Application so as to make it competitive with the competitor's offer. Customer may utilize this section only once during the Service Period.

5. **Locations**. The Services and charges set forth in this Exhibit A are available to Customer at the following locations. Prevailing tariff rates or, if no tariff is applicable, Verizon's then-current retail rate applies to all other Customer locations.

BILLED TEL NO.	CUSTOMER LISTED NAME	CUSTOMER LISTED ADDRESS

ITEM: AT&T 3-7 In Virginia, has Verizon established customer contracts, whether for retail or wholesale purposes, that include a termination liability if the customer terminates service before the termination of the agreement? If so, please provide answers to the following:

(A) What principles or practices does Verizon follow in setting the level of the termination liability?

(B) Has Verizon ever waived or reduced the termination liability associated with any such contracts?

(i) If so, identify the situations where this occurred and the policy that was employed in determining that the termination liability should be waived or otherwise modified.

(C) To the extent that Verizon responds affirmatively to (B), please reconcile the practice with Verizon's statement that "Verizon should treat AT&T just as it treats other customers that have terminated services taken pursuant to tariff." (*See* Verizon Response at 83).

(i) Referring to the statement quoted in (C), define the term "tariff" specifically addressing whether the term encompasses customer-specific pricing arrangements.

(ii) If the term does include customer-specific pricing arrangements, how many of such arrangements currently in effect for services including Virginia services have termination liabilities, and how many do not?

(iii)Please provide a copy of one such arrangement that has a termination liability, and a copy of one such arrangement that does not have a termination liability. For purposes of compliance with this question, the name of the customer and any customer-identifying information may be redacted.

(D) Please define specifically what VZ-VA considers to be "termination" of service under a pricing plan that provides a discount in exchange for volume and/or term commitments. If not, why not.

(i) Please provide a copy of all access tariff rules and regulations (both federal and state) that define when a pricing plan is terminated, and the consequences to the customer of such termination.

(iii)If Verizon and one of its customers negotiates a revised agreement to replace one that had not yet expired, would Verizon consider the customer as having "terminated" service?

(E) Do any of Verizon's customer-specific pricing agreements provide for renegotiation or adjustment of pricing and/or volume commitments in a customer-specific agreement without application of a termination liability?

(i) Please provide a copy of each customer-specific pricing arrangement for services including Virginia services that has provisions that would permit a customer to alter volume and/or term commitments and avoid termination liabilities under specified circumstances. For purposes of compliance with this question, the name of the customer and any customer-identifying information may be redacted.

(ii) Has there been an instance where Verizon automatically lowered the contractual pricing (e.g., via indexing contractual charges to changes in month-to-month service pricing) or made a similar adjustment without applying the contractual termination liability?

REPLY: Subject to its previously filed objections and without waiver of same, Verizon Virginia states as follows:

Verizon does not offer customer-specific pricing plans for special access services. Verizon offers various discount pricing plans for special access pursuant to its generally available federal and state special access tariffs. Tariffed pricing plans are available under terms and conditions that apply to any interested telecommunications customer.

A) Customers who sign up for discount pricing plans are provided reduced monthly rates in exchange for having made a long-term commitment to purchase service from Verizon. When a customer discontinues purchasing services under the discount pricing, termination liability is applicable to the extent the customer discontinues the plan prior to the end of the commitment date. Termination liability ensures that Verizon recovers and that the customer pays an appropriate amount for service provided during the abbreviated commitment period. For example if a customer purchased a DS1 service under a 5-year term pricing plan, but canceled the plan after two years, then termination liability would be equal to the difference between the 2-year term plan rates and the 5-year term plan rates for the two-years the plan had been in effect.

B) Verizon does not offer customer-specific pricing plans for special access services. Verizon's policy is to enforce the terms and conditions contained in its tariffs, including provisions related to termination liability.

C) N/A

(i) The term "tariff" refers to Verizon's federal and state tariffs which are publicly available and approved by the state or federal governing bodies. As stated earlier, Verizon does not offer customer-specific pricing plans for special access services.

(ii) The term does not include customer-specific pricing plans.

(iii) N/A

(D) Termination liability applies when a customer cancels a discount pricing plan prior to the end of the committed period. For example, termination liability applies when a customer cancels a discount pricing plan in order to convert special access services to combinations of unbundled loop and unbundled dedicated transport. As another example, termination liability would apply if a circuit purchased under a discount pricing plan were disconnected prior to the end of the committed period.

(i) Verizon's federal and state tariffs are available publicly in electronic form at the following web address: http://128.11.40.241/east/wholesale/resources/master.htm See FCC and State Level Tariff Activity. For the Virginia access tariff, choose VA and then choose Verizon Virginia S.C.C. No. 217. For the federal tariff, choose FCC and then Verizon F.C.C. No. 1.

(ii) Under certain conditions, re-negotiation of a revised commitment to replace one that has not yet expired will not result in termination liability. For example, a request to convert the existing discount plan to a longer commitment period will nullify termination liability. Termination liability does not apply if the customer requests to upgrade service to a higher capacity (e.g., from DS1 to DS3) so long as the new service is purchased under a long-term agreement of equal or greater length than the original and the order for the disconnect of the lesser service and the new connect order for the higher level service are received by Verizon at the same time with related purchase order numbers, and the total bandwidth of the service is greater than or equal to the bandwidth of the discontinued service.

(E) In the event that Verizon initiates a rate increase that affects the price of a service by 8% or more, customers may cancel their pricing plan for the affected service without termination liability.

(i) Verizon Virginia will answer this request as promptly as possible.

(ii) Termination liability is not applicable if Verizon initiates a rate decrease for a service purchased pursuant to a discount pricing plan.

AT&T Exhibit No. 22

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2.3 Loop Unbundling

Loops provide a transmission facility between Verizon's serving central office and the end user's premises. There are a number of dimensions in loop types. One dimension has to do with the ability to support a certain transmission rate and modulation. For example, there are basic loops that support voice grade analog service, and 1.5 Mbps loops that support a much higher rate service. Other types of loops support other transmission rates and/or functions. The diagram below portrays how an unbundled Verizon loop purchased by a CLEC relates to other elements in the Verizon network.

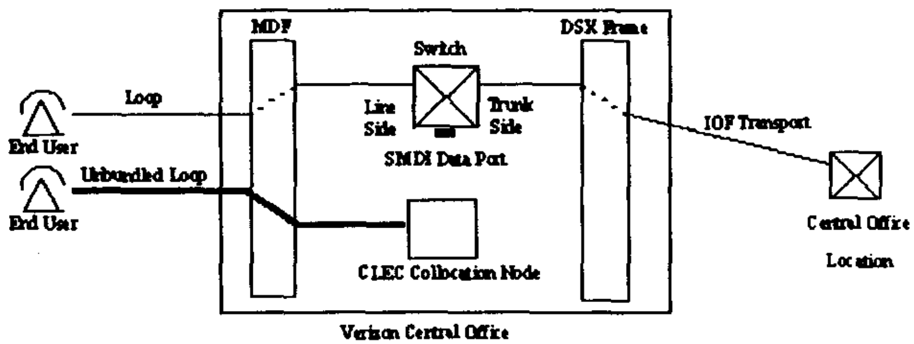

Figure 2.3.1: Unbundled Basic Loop