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September 12, 2002

RECEIVED

Ex Parte

SEP 12 2002

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th H Street, SW, Portals
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Application by Verizon for Authorization To Provide In-Region, InterLATA Services in State of Virginia, WC Docket No. 02-214 - REDACTED

Dear Ms. Dortch:

Per request of the staff, Verizon is providing information regarding its switch discounts.

Staff first asked Verizon to provide the actual discount amounts, for both new and growth switches, used in the final switching cost study used to establish the SCC-approved switching rates. At the time the Virginia switch rates were set, Verizon's vendors offered different discounts for the switch's materials and engineering, on the one hand, and the switch's furnishing and installation, on the other. The discounts applied were as follows:

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Staff next asked Verizon to provide the vintage of the data included in the final cost study used to establish the SCC-approved switching rates, including the vintage of the data on which the switch vendor discounts are based. Switch investments for the Lucent, Nortel and Siemens switches were based on prices generally available for those switches per rate schedules dated February 1, 1995, October 1, 1995, and April 1, 1995, respectively. The growth discounts set forth above reflect terms found in contracts that were in effect in 1995 for the seven jurisdictions that made up Bell Atlantic prior to the Bell Atlantic/NYNEX merger. The replacement discounts reflect the results of Verizon's experience with the competitive quotation process and the resulting purchases of switches in the former Bell Atlantic states (as defined above) between 1994 and 1996.

This ex parte contains proprietary information and has been redacted. A confidential version is also being filed. Please let me know if you have any questions. The twenty-page limit does not apply as set forth in DA 02-1857.

Sincerely,



cc: U. Onyeije
B. Olson
G. Remondino
J. Spindler
V. Schlesinger