b. Positions of the Parties

625. Verizon argues that, elsewhere in the contract, the parties have already reached agreement on the exchange of "call detail" that adequately and appropriately addresses the parties' obligations to exchange this information.[2077] According to Verizon, despite the agreed-upon language, AT&T insists on requiring the parties to exchange call detail for billing purposes in a manner that may be, or may soon become, either inconsistent with OBF guidelines or obsolete.[2078] Because Verizon must exchange call detail with a great number of carriers, it contends that it must be able to rely on a uniform, industry forum that ensures carriers exchanging information can process, exchange, and read the same records.[2079] Verizon states that it commits to providing Exchange Message Interface (EMI) records in accordance with industry standards but that if those standards evolve or are abandoned, Verizon should not be locked into an outdated practice for one carrier.[2080]

626. Verizon rejects AT&T's claim that AT&T's proposed additional contractual detail is needed to ensure enforceable billing requirements and to prevent Verizon from unilaterally imposing new requirements or system upgrades.[2081] In response, Verizon argues that it has contractually committed to follow the OBF guidelines, supports deferring to a uniform industry practice, and is subject to performance plans that provide it with the incentive to abide by those industry practices.[2082] In addition, Verizon expresses specific concerns with AT&T's proposed sections 5.8.4 through 5.8.7, including: uncertainty about what is a "valid" carrier identification code (CIC) list and Verizon's responsibility to provide it[2083]; the requirement to provide the other party with a CIC on each EMI record[2084]; the obligation that each party assist a LEC, competitive LEC or IXC in obtaining a CIC[2085]; and, among others, the suggestion that each party provide a pseudo-CIC for a party that has not yet obtained a CIC.[2086] According to Verizon, AT&T fails to address Verizon's specific concerns with AT&T's language, and Verizon concludes that AT&T

[2077] Verizon Pricing Terms and Conditions (PTC) Brief at 11-12, citing Verizon's November Proposed Agreement to AT&T, §§ 5.8, 6.3.7.

[2078] *Id.* at 12, citing Verizon Ex. 7 (Direct Testimony of M. Daly *et al.*), at 8-9.

[2079] *Id.* at 13.

[2080] *Id.*

[2081] *Id.* at 14.

[2082] *Id.*

[2083] *Id.* at 15-16, citing AT&T's November Proposed Agreement to Verizon, § 5.8.4.

[2084] *Id.* at 16 (arguing that this proposal is already outdated), citing AT&T's November Proposed Agreement to Verizon, § 5.8.5.

[2085] *Id.* at 17, citing AT&T's November Proposed Agreement to Verizon, §§ 5.8.6, 5.8.7.

[2086] *Id.* at 18, citing AT&T's November Proposed Agreement to Verizon, §§ 5.8.6, 5.8.7.

wants to reserve the right to insist on inconsistent practices in the event that AT&T does not like the outcome of OBF issue resolutions.[2087]

627. AT&T states that, as a general matter, it does not dispute that OBF guidelines serve to resolve industry-wide billing concerns but notes that there are certain billing issues that can be the appropriate subject of contract terms.[2088] AT&T argues that the provision of CICs and the obligation to provide pseudo-CICs in the absence of a CIC are two such examples and that it needs the assurance through contract terms that Verizon will implement certain obligations concerning the exchange of CICs for billing purposes.[2089] According to AT&T, the OBF guidelines are not contractual obligations and, while it is in the interest of all parties to abide by these guidelines, there is no obligation for a party that opposes a particular guideline to do so.[2090] Finally, AT&T contends that if both parties were to support new guidelines issued by the OBF in the future, there is nothing to prohibit the amendment of the contract to implement these changes.[2091]

c. Discussion

628. We agree with Verizon and reject AT&T's proposed sections 5.8.4 through 5.8.7. Though afforded the opportunity to do so, AT&T repeatedly failed to respond to Verizon's substantive concerns with AT&T's proposed language. Verizon's criticisms were expressed clearly in both its direct testimony and brief and, absent any response by AT&T, are persuasive.[2092] Importantly, AT&T has neither disputed Verizon's assertion that it is contractually committed to follow the OBF guidelines nor explained why it requires additional billing information beyond that already agreed to in the contract.[2093] We find that Verizon's concerns about having to juggle varying degrees of call detail for multiple and separate interconnection agreements are legitimate and that it is in the interest of all carriers to be able to rely on "an industry forum that ensures carriers exchanging information can process, exchange, and read the same records."[2094] Although AT&T is correct that the parties can modify the contract to reflect

[2087] Verizon PTC Reply at 9-10.

[2088] AT&T Brief at 193.

[2089] *Id.* at 193, 194.

[2090] *Id.* at 193-94.

[2091] AT&T Reply at 109.

[2092] *See* Verizon Ex. 7, at 13-17; Verizon PTC Brief at 15-19.

[2093] *See* Verizon Ex. 7, at 8-9; Verizon PTC Brief at 11-12. AT&T's argument that OBF guidelines are not contractual obligations ignores Verizon's proposal that requires each party to provide the other with EMI records formatted in accordance with guidelines adopted by the OBF. *See* Verizon's November Proposed Agreement to AT&T, § 5.8.3.

[2094] Verizon PTC Brief at 13.

changed OBF guidelines, we determine that Verizon's approach is more efficient and reasonable. It makes little sense to include language in the contract that the parties agree should be replaced if and when industry standards evolve. For the above-mentioned reasons, we agree with Verizon.

F. Resale

1. Issues V-9/IV-84 (Resale of Advanced Services)[2095]

a. Introduction

629. AT&T and WorldCom disagree with Verizon about whether it is required to resell its digital subscriber line (xDSL) service to carriers that provide voice service using the UNE-platform or UNE loop architecture.[2096] Section 251(c)(4)(A) requires incumbent LECs to offer for resale at wholesale rates any telecommunications service that the incumbent provides at retail to subscribers who are not telecommunications carriers.[2097] In various section 271 orders, the Commission has declined to find that an incumbent must provide resale of xDSL service in conjunction with voice service provided using the UNE loop or UNE-platform in order to demonstrate compliance with the incumbent's competitive checklist obligations.[2098] In addition, the Commission's *Line Sharing Reconsideration Order* clarified that its *Line Sharing Order* did not require incumbent LECs to continue to provide xDSL services after a customer chose to obtain voice service from a competing carrier on the same line.[2099] Finally, WorldCom and

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[2095] For reasons of administrative efficiency, we address here WorldCom's Issue IV-84, which concerns resold xDSL service and combining UNEs with any resold service.

[2096] AT&T's proposal requires Verizon to resell its advanced services without any "unreasonable or discriminatory limitations or restrictions" and WorldCom's language would require Verizon to provide resold xDSL service over the UNE-platform. *See* AT&T's November Proposed Agreement to Verizon, § 12.1.1; WorldCom's November Proposed Agreement to Verizon, Part A, § 1.2. Verizon opposes both parties' proposals.

[2097] 47 U.S.C. § 251(c)(4)(A).

[2098] *Id.* § 271. *See Application of Verizon New York Inc., Verizon Long Distance, Verizon Enterprise Solutions, Verizon Global Networks Inc. and Verizon Select Services, Inc. for Authorization to Provide In-Region, InterLATA Services in Connecticut*, Memorandum Opinion and Order, 16 FCC Rcd 14147, 14161, para. 30 (2001) (*Verizon Connecticut Order*). In this order, the Commission stated that the request made by AT&T and others to require Verizon to permit this arrangement raised significant additional issues concerning the precise extent of an incumbent's resale obligations under the Act, which the Commission decided not to reach in that proceeding. *Id.* at 14162-63, para. 33. In addition, in the *Verizon Pennsylvania Order*, the Commission indicated that the issues raised about this arrangement would require additional proceedings to resolve. *See Application of Pennsylvania Inc., Verizon Long Distance, Verizon Enterprise Solutions, Verizon Global Networks Inc., and Verizon Select Services Inc. for Authorization to Provide In-Region, InterLATA Services in Pennsylvania*, Memorandum Opinion and Order, 16 FCC Rcd 17419, 17472, para. 97 (2001) (*Verizon Pennsylvania Order*).

[2099] *See Deployment of Wireline Services Offering Advanced Telecommunications Capability*, Third Report and Order on Reconsideration in CC Docket No. 98-147, Fourth Report and Order on Reconsideration in CC Docket No. 96-98, Third Further Notice of Proposed Rulemaking in CC Docket No. 98-147, Sixth Further Notice of Proposed Rulemaking in CC Docket No. 96-98, 16 FCC Rcd 2101, 2109-10, 2114, paras. 16, 26 (2001) (*Line Sharing*
(continued....)

Verizon disagree about whether to include language in the contract obligating Verizon to provide services in any technically feasible arrangement of resale services and UNEs requested by WorldCom.[2100] We adopt Verizon's proposal to AT&T and reject WorldCom's proposed language.

b. Positions of the Parties

630. AT&T argues that Verizon should be required to make its advanced services available for resale over a customer's existing loop facilities, regardless of the service architecture AT&T employs to provide voice service to that customer.[2101] According to AT&T, Verizon's obligations under section 251(c)(4) attach to the service, itself, and not to the technology through which it is delivered.[2102] AT&T also asserts that, as articulated in its *Verizon Connecticut Order*, the Commission's rationale for rejecting Verizon's contention that it is not required to offer resale of xDSL unless it is also the voice provider is equally applicable to the instant dispute involving the UNE-platform or UNE loops.[2103] In either case, AT&T argues, the competitor is using loops provided by Verizon -- the very same loops Verizon would use to provide voice and xDSL service to those same customers. According to AT&T, Verizon's restriction would have the effect of denying competitive LECs that use the UNE-platform and UNE loops the ability to offer the same services over the same type of facilities that Verizon uses in its retail operations.[2104]

631. According to AT&T, the mere fact that the Commission declined to require Verizon to provide resold xDSL when AT&T uses the UNE-platform or UNE loops as a precondition for a Bell Operating Company's (BOC's) section 271 entry does not mean that such requirements cannot be ordered in an arbitration proceeding.[2105] Moreover, to the extent the Commission declines to address these proposed requirements at this time because there is no

(Continued from previous page)

Reconsideration Order), citing *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket No. 98-147, Third Report and Order in CC Docket No. 98-147 and Fourth Report and Order in CC Docket No. 96-98, 14 FCC Rcd 20912 (1999) (*Line Sharing Order*), *remanded sub nom. United States Telecom Ass'n v. FCC*, 290 F.3d 415 (D.C. Cir. 2002) ("*USTA*").

[2100] Although the parties include brief arguments related to the contract's change of law provision and Verizon's notification of network alternation, we determine that these arguments are not relevant to the actual contract language proposed by WorldCom for Issue IV-84. *See* WorldCom's November Proposed Agreement to Verizon, Part A, § 1.2. *See also* Verizon General Terms and Conditions Brief at 10-11; WorldCom Reply at 171-72. Although WorldCom urges us not to delete its second and third sentences on discontinuance or refusal of a service and notification of network alteration, we determine that these "sentences" are located in the text of Issue IV-84, not in the contract language WorldCom has proposed for this Issue.

[2101] AT&T Brief at 179.

[2102] *Id.* at 180.

[2103] *Id.* at 181, citing *Verizon Connecticut Order*, 16 FCC Rcd at 14162, para. 32.

[2104] *Id.* at 181.

[2105] AT&T Reply at 103.

federal order in place mandating them, AT&T requests that these issues be deferred for future consideration, as it has done with other advanced services issues.[2106]

632. WorldCom argues that Verizon has a statutory obligation to offer xDSL service for resale at wholesale rates to all competitors, including those that provide voice service over loops leased from Verizon.[2107] Specifically, WorldCom requests that we clarify that section 251(c)(4) requires incumbents to offer xDSL service for resale regardless of how it is packaged at retail or marketed by the incumbent.[2108] WorldCom also argues that an incumbent LEC's attempt to limit its wholesale xDSL offering to carriers reselling the incumbent's own voice service would run afoul of section 251(c)(4)(B)'s prohibition against imposing "unreasonable or discriminatory conditions or limitations on the resale" of a telecommunications service offered at retail to end users.[2109] According to WorldCom, although the Commission clarified in the *Verizon Connecticut Order* that an incumbent must resell xDSL service to carriers that resell the incumbent's voice service, it expressly left open the issue of whether the incumbent must resell xDSL to carriers that provide voice over a local loop leased from the incumbent.[2110] WorldCom urges us to resolve this open issue in this arbitration.[2111]

633. WorldCom's proposed language would require Verizon to "provide services in any technically feasible combination requested by WorldCom."[2112] WorldCom argues that, according to the needs of each customer, it should have the right to provide service using a combination of the three entry methods available under the 1996 Act (resale, UNEs and its own facilities). For example, WorldCom wishes to combine UNEs with resale, such as the ability to provide resold xDSL in conjunction with voice service provided using a UNE-platform or loop arrangement.[2113] Verizon opposes this provision, arguing that it goes beyond the requirements of applicable law.[2114] Furthermore, Verizon argues that the parties' UNE attachment is the appropriate place to address the issue of combinations.[2115]

[2106] *Id.*

[2107] WorldCom Brief at 187 (arguing that it is well established that xDSL service is a "telecommunications service" within the meaning of the Act and that it is undisputed that Verizon offers xDSL service at retail to its end-user customers).

[2108] *Id.* at 191, 192.

[2109] *Id.* at 193.

[2110] *Id.* at 189, citing *Verizon Connecticut Order*, 16 FCC Rcd at 14162-63, para. 33.

[2111] *Id.* at 189.

[2112] *See* WorldCom's November Proposed Agreement to Verizon, Part A, § 1.2

[2113] WorldCom Brief at 191-94.

[2114] Verizon General Terms and Conditions (GTC) Brief at 10.

[2115] *Id.*

634. Verizon observes that AT&T seeks to compel Verizon to provide advanced services for resale over (i) resold lines, (ii) UNE-platform, and (iii) UNE loops.[2116] For the first scenario, Verizon argues that contract language is unnecessary because Verizon's "DSL Over Resold Lines" service will be available in Virginia through a federal tariff offering.[2117] For the latter two scenarios, Verizon disagrees that it should be required to make xDSL service available for resale on UNE loops and UNE-platforms when it is not required to provide xDSL service on these UNEs in the first place.[2118] Verizon contends that because the Commission has already rejected AT&T's request to extend Verizon's obligations to provide resale on UNEs in the *Verizon Connecticut Order*, the Commission has, therefore, declined to require Verizon to permit resale of xDSL service over lines on which a competitive LEC provides voice service using a UNE loop or UNE-platform.[2119] Verizon also argues that since the industry has not had an opportunity to evaluate or address the technical or operational feasibility of such a service, there is no basis for imposing new requirements on Verizon in the context of an isolated interconnection agreement.[2120]

c. Discussion

635. We adopt Verizon's proposed section 12.1.1 to AT&T and reject AT&T's competing proposal for the reasons set forth below.[2121] For similar reasons, we reject WorldCom's proposed section 1.2.[2122] Underlying both decisions is our rejection of language that

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[2116] Verizon Resale Brief at 2.

[2117] *Id.* at 2-3. Verizon also argues that contractual language is unnecessary because under Verizon's proposed section 12.1.1, Verizon and AT&T have already agreed that Verizon shall provide to AT&T for resale Verizon's telecommunications services to the extent required by applicable law and subject to and in accordance with the terms and conditions set forth in Verizon's tariffs. *Id.* at 5.

[2118] *Id.* at 3, citing *Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region, InterLATA Services in Texas*, Memorandum Opinion and Order, 15 FCC Rcd 18354, 18517-18, para. 330 (2000) (*SWBT Texas Order*).

[2119] Verizon Resale Brief at 3, citing *Verizon Connecticut Order*, 16 FCC Rcd at 14162, para. 33. In addition, Verizon states that, most recently in its *SBC Arkansas/Missouri Order*, the Commission stated that "because Commission precedent does not address the specific facts or legal issues raised here, we decline to reach a conclusion in the context of this 271 proceeding." Verizon Resale Reply at 2, citing *Joint Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region, InterLATA Services in Arkansas and Missouri*, Memorandum Opinion and Order, 16 FCC Rcd 20719, 20759-60, para. 82 (2001) (*SWBT Arkansas/Missouri Order*).

[2120] Verizon Resale Brief at 4.

[2121] *See* Verizon's November Proposed Agreement to AT&T, § 12.1.1. *See also*, AT&T's November Proposed Agreement to Verizon, § 12.1.1.

[2122] *See* WorldCom's November Proposed Agreement to Verizon, Part A, § 1.2.

would require Verizon to make available for resale its xDSL service to competitive LECs providing voice service using the UNE-platform or UNE loops. As we have stated repeatedly in this Order, we are resolving the parties' disputes based on existing law and Commission precedent, and will not extend those rules to resolve a dispute in this arbitration. The Commission was clear in its *Verizon Pennsylvania Order* that additional proceedings were necessary to resolve the "significant" issues concerning the precise extent of an incumbent LEC's xDSL resale obligations when the competitive carrier provides voice service using the UNE loop or UNE-platform.[2123]

636. We also decline AT&T's request to defer this matter for future consideration.[2124] Should the Commission determine that incumbent LECs are required to provide their xDSL service for resale to competitive LECs that provide voice service using the UNE-platform or UNE loops, the parties' change of law provisions would apply. Accordingly, there would be no need for us to revisit this issue at a later date. Since we find for Verizon on these issues based on a review of existing law, we determine that it is unnecessary to address issues of technical and operational feasibility, and "exclusive use" and "exclusive control," which were raised by the parties.

637. Finally, we also reject WorldCom's language because we find that WorldCom has not explained why it is entitled to this provision under applicable law. We note that in its brief and reply, WorldCom's arguments only concerned resold xDSL over the UNE-platform or UNE loops. We have considered and rejected those WorldCom arguments above. Since WorldCom has failed to explain, other than in the resold xDSL context, how it requires or even intends to implement this proposal, it has failed to provide us with sufficient information to determine the reasonableness of this language. In the absence of such a showing, we are reluctant to direct Verizon to comply with the novel requirement of combining its resold services with UNEs on behalf of WorldCom.

2. Issue V-10 (Resale of Vertical Features)

a. Introduction

638. AT&T and Verizon disagree about Verizon's obligation to offer vertical features for resale on a stand-alone basis (that is, without requiring AT&T to purchase Verizon's dial tone). Specifically, Verizon's proposal would exclude certain services and products (e.g., voice mail) from the parties' resale agreement.[2125] As explained below, Verizon argues that since it does not make available on a retail basis the services and products that are in dispute in this issue, AT&T should not be permitted to purchase them at the discounted wholesale rate. AT&T

[2123] *See Verizon Pennsylvania Order*, 16 FCC Rcd at 17472, para. 97; *see also Verizon Connecticut Order*, 16 FCC Rcd at 14162-63, para. 33.

[2124] AT&T Reply at 103.

[2125] *See* Verizon's November Proposed Agreement to AT&T, § 12.8.2.

urges us to strike some, but not all, services and products from a provision of the contract that expressly excludes listed items from the resale provisions of the agreement.

639. Section 251(c)(4)(A) of the Act requires incumbent LECs to offer for resale at wholesale rates any telecommunications service that the incumbent provides at retail to subscribers who are not telecommunications carriers.[2126] In the *Local Competition First Report and Order*, the Commission ruled that the Act does not require incumbents to make a wholesale offering of any service that they do not offer to retail customers.[2127] This order also provides that section 251(c)(4)(A) does not require an incumbent LEC to disaggregate a retail service into more discrete retail offerings.[2128] We adopt Verizon's proposal.

b. Positions of the Parties

640. AT&T argues that it is unreasonable -- both under general competitive principles and section 251(c)(4) -- for Verizon to require AT&T to purchase for resale services that AT&T does not want (*e.g.*, dial tone) in order to purchase services that AT&T does want (*e.g.*, vertical features).[2129] According to AT&T, Verizon bears the burden of demonstrating that tying the purchase of Verizon's vertical features with the purchase of its dial tone is both reasonable and narrowly tailored, and Verizon has failed to make such a demonstration.[2130] Moreover, AT&T argues that Verizon acknowledges that it offers its vertical features to Enhanced Service Providers (ESPs) for resale and such features are separately tariffed by Verizon.[2131]

641. Verizon argues that the issue is not whether AT&T may purchase vertical features for resale without purchasing Verizon's dial tone -- it can. The issue, according to Verizon, is how much AT&T must pay when it purchases vertical features on a stand-alone basis (*i.e.*, whether it is entitled to a wholesale discount under section 252(d)(3)).[2132] Verizon argues that the *Local Competition First Report and Order* does not require it to "make a wholesale offering of any service that [it] does not offer to retail customers," and "disaggregate a retail service into more discrete retail services."[2133] Accordingly, Verizon argues that AT&T is not entitled to a

[2126] 47 U.S.C. § 251(c)(4)(A).

[2127] *Local Competition First Report and Order*, 11 FCC Rcd at 15924, para. 872 (1996). This paragraph also provides that state commissions may have the power to require incumbents to offer specific, intrastate services. *Id.*

[2128] *Id.* at 15936, para. 877.

[2129] AT&T Brief at 188 (both California and Texas Commissions reached this conclusion).

[2130] *Id.* Among other things, AT&T also contends that Verizon has conceded it is technically feasible to resell vertical features and, thus, technical feasibility cannot be a reason for failing to resell a service. AT&T Brief at 187, citing Tr. at 934-35; *New York Commission AT&T Arbitration Order*, at 21.

[2131] AT&T Brief at 188-89.

[2132] Verizon Resale Brief at 6.

[2133] *Id.* at 7, citing *Local Competition First Report and Order*, 11 FCC Rcd at 15924, 15936, paras. 872, 877.

wholesale discount on the services at issue because it does not offer them to retail customers. Verizon states that AT&T may purchase these resale custom calling features on a stand-alone basis on the same terms and conditions as Verizon currently offers to ESPs.[2134] Finally, Verizon argues that we should approve its proposed section 12.8.5, which it suggests simply clarifies an already agreed-to provision by making clear that "those services that are not available as a stand alone service do not have to be provided if a carrier ceases to purchase for resale the underlying dial tone line from Verizon VA."[2135]

c. Discussion

642. We adopt Verizon's proposed language.[2136] The Act and the Commission's precedent are clear: Verizon is not obligated to disaggregate a retail service into more discrete services if it does not offer those more discrete services to its retail customers.[2137] As we have indicated earlier in this Order, we will only apply existing Commission precedent in this proceeding. AT&T has not challenged Verizon's statements that ESPs are not retail customers and, thus, has failed to rebut Verizon's assertion that it does not offer its vertical features on a stand-alone basis to its retail customers. Based on the record before us, we agree with Verizon and determine that there is no reason to address the parties' statements on technical feasibility, Verizon's argument about the applicability of the *Advanced Services Second Report and Order*, or the calculation of the section 252(d)(3) wholesale discount.[2138] Finally, we direct the parties to include in the agreement Verizon's proposed section 12.8.5. As described by Verizon, this provision appears reasonable and we note that AT&T did not expressly comment on this subsection.

[2134] Verizon Resale Brief at 6. Verizon argues that it is not offering vertical features to ESPs on a stand-alone basis at retail but rather that ESPs are purchasing the features for resale to end users and, therefore, are operating as wholesalers. *Id.* at 8.

[2135] *See id.* at 11, citing Verizon's November Proposed Agreement to AT&T, § 12.8.5.

[2136] *See* Verizon's November Proposed Agreement to AT&T, §§ 12.8.2, 12.8.5.

[2137] *See Local Competition First Report and Order*, 11 FCC Rcd at 15924, 15936, paras. 872, 877.

[2138] *See, e.g.,* AT&T Brief at 187; AT&T Reply at 105; Verizon Resale Brief at 9; Verizon Resale Reply at 5.

G. Business Process Requirements

1. Issues I-8/IV-97[2139] (Access to CPNI)

a. Introduction

643. Section 222 of the Act requires every telecommunications carrier to protect the confidentiality of customer proprietary network information (CPNI).[2140] Verizon proposes language it would enable it to monitor the petitioners' access to CPNI.[2141] Cox and WorldCom argue that Verizon's language would permit it to access sensitive competitor information, which Verizon's concerns do not justify. Verizon disagrees with Cox and WorldCom as to whether the Act permits Verizon to audit or monitor competitive LEC access to CPNI. We reject Verizon's proposed language.

b. Positions of the Parties

644. WorldCom argues that permitting Verizon to monitor WorldCom's access to customers' CPNI would give Verizon access to sensitive WorldCom marketing information.[2142] For example, Verizon could learn which customers are interested in switching to WorldCom and therefore could try to retain these specific customers.[2143] WorldCom also argues that enforcing section 222's prohibitions on misuse of CPNI is a role for the Commission and state agencies, not for Verizon.[2144] WorldCom argues that Verizon's concerns are not well-founded because Verizon has no reason to suspect WorldCom of misusing the Web-based Graphical User Interface (Web GUI), WorldCom does not access CPNI without customer permission, and WorldCom employs an internal system of third-party confirmation to prevent employee abuse of CPNI.[2145] WorldCom contends that isolated abuse by other carriers is insufficient justification for giving Verizon sweeping rights to monitor electronically WorldCom's access to or use of CPNI.[2146]

[2139] WorldCom indicates that the only remaining dispute in IV-97 is identical to Issue I-8, and Verizon's treatment of Issue IV-97 is consistent with WorldCom's assessment. *See* WorldCom Brief at 243; Verizon Business Process (BP) Brief at 3.

[2140] 47 U.S.C. § 222.

[2141] Verizon's November Proposed Agreement to WorldCom, Part C, Additional Services Attach., §§ 8.1.4, 8.5.1-8.5.3.3; Verizon's November Proposed Agreement to Cox, § 18.4.4.

[2142] WorldCom Brief at 243.

[2143] *Id.* at 244.

[2144] *Id.*

[2145] *Id.* at 243, 245.

[2146] *Id.* at 245.

645. Cox also opposes Verizon's proposed language authorizing electronic monitoring of CPNI access because it would permit Verizon to learn sensitive information.[2147] Cox says Verizon has shown no need to monitor CPNI usage, nor has Verizon presented evidence that Cox has abused CPNI in the past.[2148] Cox disputes Verizon's contention that it would be liable if Cox abused CPNI, arguing that Cox has an independent duty to safeguard CPNI, under both section 222 and the interconnection agreement, and any liability would be Cox's.[2149] Like WorldCom, Cox also accuses Verizon of seeking an inappropriate enforcement role.[2150]

646. Verizon argues that, in order to comply with its statutory obligation to protect its customers' CPNI, it must be permitted to monitor electronically competitive LECs' access to CPNI to ensure that this is being done in a manner consistent with the Commission's rules.[2151] Verizon also argues that its proposed language is necessary to protect the integrity of its Web GUI operations support systems (OSS).[2152] Verizon also argues that it would only monitor the volumes of OSS usage, not its content.[2153] Verizon testified that real-time monitoring is necessary to prevent abusive behavior from crippling the Web GUI, and that reviewing usage after the fact via the contract's audit provision would not permit sufficiently prompt action.[2154]

c. Discussion

647. We agree with Cox and WorldCom and rejects Verizon's proposed language.[2155] While section 222 of the Act imposes upon all telecommunications carriers the obligation to safeguard CPNI, it neither authorizes nor requires Verizon to enforce competitive LEC obligations to protect CPNI. Furthermore, we agree that permitting Verizon to monitor electronically CPNI use may allow Verizon access to competitively sensitive information and therefore creates at least the potential for an inappropriate competitive advantage for Verizon.

[2147] Cox Brief at v, 42-44.

[2148] *Id.* at 42.

[2149] *Id.* at iv-v, 42-43.

[2150] *Id.* at 43.

[2151] Verizon Ex. 6 (Direct Testimony of Langstine), at 2-3.

[2152] Verizon BP Brief at 3-4. Verizon contends that the Web GUI is designed for use by human operators sitting at computer terminals, and large-volume use associated with an electronic (or "robot") interface may overwhelm the Web GUI. Verizon Business Processes Brief at 4-5. We address, in the context of Issue I-11, the parties' arguments regarding protecting the Web GUI from abusive behavior, such as access by a "robot" user. *See supra* Issue I-11.

[2153] Verizon BP Brief at 3.

[2154] Verizon BP Brief at 6.

[2155] Verizon's November Proposed Agreement to WorldCom, Part C, Additional Services Attach., § 8.5.3.2; Verizon's November Proposed Agreement to Cox, § 18.4.4.

2. Issues IV-7/IV-79 (911 and E911)[2156]

a. Introduction

648. Verizon and WorldCom agree that their interconnection agreement should contain terms to facilitate the prompt, reliable, and efficient interconnection of WorldCom's network to Verizon's 911/E911 platform.[2157] They disagree, however, regarding the steps Verizon must take to ensure that emergency calls from WorldCom subscribers are routed properly. They also disagree regarding the specific contractual terms that would govern Verizon's provision of 911 and E911 services to WorldCom. WorldCom considers these issues important because their resolution will affect the provision of critical emergency services to WorldCom's customers. For the reasons set forth below, we rule for WorldCom on the first issue and for Verizon on the second.

649. Verizon routes 911/E911 traffic using a three-tiered system. The first two tiers rely on dual 911/E911 tandems and trunks going out to each of the tandems.[2158] Verizon has agreed to provide WorldCom with nondiscriminatory access to these tandems and trunks.[2159] The third tier consists of sending blocked 911/E911 calls through a Verizon traffic operator position system (TOPS) switch and back to Verizon's 911/E911 tandems to see if they go through to the PSAP.[2160] This process is known as a "TOPS pass-through."[2161]

b. Routing of Emergency Calls

(i) Positions of the Parties

650. WorldCom contends that if Verizon employs a TOPS pass-through to route emergency calls from its customers to PSAPs in the event 911 or E911 trunks fail, Verizon

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[2156] The parties agree that the matters in dispute under Issues IV-7 and IV-79 are identical and should be considered together.

[2157] Verizon Business Process (BP) Brief at 14; *see also* WorldCom Reply at 208-09. Both 911 and E911 services transmit emergency calls from end users to public service answering points (PSAPs) for forwarding to police, fire, and other emergency service providers. Unlike 911 service, E911 service allows the PSAP attendant and emergency service provider to identify the calling party's location, among other enhancements. *See Bell Operating Cos., Petition for Forbearance from the Application of Section 272 of the Communications Act of 1934, As Amended, to Certain Activities*, Memorandum Opinion and Order, 13 FCC Rcd 2627, 2633, para. 7 (1998) (*Section 272 Forbearance Order*). A PSAP is "a facility that has been designated to receive emergency calls and route them to emergency service personnel." 47 U.S.C. § 222(h)(4).

[2158] Tr. at 2656-57 (testimony of Verizon witness Green).

[2159] *Id.* at 2657 (testimony of Verizon witness Green).

[2160] *Id.* at 2656-57 (testimony of Verizon witness Green).

[2161] *Id.* at 2657.

should provide WorldCom with access to its TOPS switch for the same purpose.[2162] WorldCom points out that Verizon concedes that it is technically feasible for Verizon to provide WorldCom with a TOPS pass-through.[2163] WorldCom asserts that access to Verizon's TOPS pass-through is a matter of public safety, and that the interest of preventing of 911 outages plainly overrides any hypothetical concerns about potential abuse of the TOPS switch and possible demands on Verizon's staff.[2164] Finally, WorldCom maintains that Verizon's concern about potential abuse is unfounded and promises to use that access only for emergency traffic.[2165]

651. Verizon argues that it need not provide a "TOPS pass-through" to WorldCom or to any other competitive LEC that does not purchase operator services from Verizon. According to Verizon, this pass-through capability would enable the competitive LEC to route non-emergency traffic through Verizon's TOPS switch.[2166] Verizon states, in addition, that a competitive LEC's use of the TOPS switch as a 911 overflow could interfere with system capacity loads and already stretched staffing.[2167]

(ii) Discussion

652. We conclude that Verizon must provide WorldCom with access to its TOPS switch for purposes of routing blocked 911 and E911 calls, as WorldCom urges. We therefore adopt the language WorldCom proposes in this area, subject to the modification discussed below.[2168] Verizon admits that it interconnects with its TOPS switch for purposes of routing its own blocked 911 and E911 calls, and that it is technically feasible for it to provide WorldCom with access to that switch for purposes of routing WorldCom's blocked 911 and E911 calls.[2169] Under section 251(c)(2), Verizon must provide WorldCom interconnection with that switch "at least equal in quality" to the interconnection Verizon provides itself for routing 911 and E911 calls.[2170] We therefore require that the interconnection agreement between Verizon and WorldCom provide for such interconnection.

[2162] WorldCom Brief at 254-55.

[2163] *Id.,* citing Tr. at 2658-59 (testimony of Verizon witness Green).

[2164] WorldCom Reply at 208.

[2165] Tr. at 2661 (testimony of WorldCom witness Sigua).

[2166] Verizon BP Brief at 15; Tr. at 2656-57 (testimony of Verizon witness Green).

[2167] Verizon BP Brief at 15.

[2168] *See* WorldCom's November Proposed Agreement to Verizon, Part C, Attach. IV, § 1.5.6.

[2169] Tr. at 2656-59 (testimony of Verizon witness Green).

[2170] 47 U.S.C. § 251(c)(2)(C).

653. Unlike Verizon, WorldCom proposes interconnection agreement language that would give WorldCom access to Verizon's TOPS switch for purposes of routing blocked 911 and E911 calls.[2171] We find that WorldCom's language provides the appropriate starting point for final contract language in this area. Consistent with WorldCom's representation,[2172] however, the final language shall preclude WorldCom from routing non-emergency calls through Verizon's TOPS switch unless WorldCom purchases operator services from Verizon. We find that this condition appropriately addresses Verizon's concern that a TOPS pass-through would allow a competitive LEC that does not Verizon purchase operator services to route non-emergency traffic through Verizon's TOPS switch.[2173] Verizon's own witness stated that failure of both of its primary 911/E911 routes "is very, very unusual" so any impermissible use of the TOPS pass-through should be readily detectable.[2174] Verizon may use the contract's dispute resolution process if it believes that WorldCom is routing non-emergency traffic to the TOPS switch in circumstances where WorldCom does not purchase operator services from Verizon.

654. We reject Verizon's argument that a competitive LEC's use of the TOPS switch as a 911/E911 overflow could interfere with system capacity loads and already stretched staffing.[2175] Verizon's sole support for this argument is a reference to testimony in which a Verizon witness expressed concern regarding WorldCom's using a TOPS pass-through to route non-emergency traffic.[2176] Neither that witness nor any other witness in this proceeding expressed any concern regarding using a TOPS pass-through to route emergency traffic.

c. PSAP Codes

(i) Positions of the Parties

655. When Verizon's 911/E911 tandem routes are congested or out-of-service, a carrier may still route emergency calls to a PSAP using the PSAP's 10-digit telephone number. WorldCom requests that we require Verizon to provide WorldCom with these alternative routing numbers. WorldCom states that many PSAP employees do not know the alternative routing numbers for their center and that, because those numbers are in Verizon's system, it is simplest and most efficient for WorldCom to obtain them from Verizon. WorldCom also states that

[2171] *Compare* WorldCom's November Proposed Agreement to Verizon, Part C, Attach. IV, § 1.5.6, *with* Verizon's November Proposed Agreement to WorldCom, Part C, 911 Attach., §§ 1.1-9.

[2172] Tr. at 2661 (testimony of WorldCom witness Sigua).

[2173] Verizon BP Brief at 15; Tr. at 2659-60 (testimony of Verizon witness Green).

[2174] Tr. at 2656.

[2175] Verizon BP Brief at 15.

[2176] *Id.*, citing Tr. at 2659.

because of its day-to-day operation of the 911 system, Verizon is in the best position to provide the alternative routing numbers to WorldCom.[2177]

656. Verizon maintains that it does not use the alternative routing numbers to route its own emergency traffic in Virginia and suggests that WorldCom should get them from the PSAP coordinators. Verizon states that those numbers are available to WorldCom from the PSAP coordinators in the same manner that they are available to Verizon, that Verizon has not obtained those numbers for any other competitive LEC, and that WorldCom has failed to explain why it cannot obtain those numbers for itself.[2178]

(ii) Discussion

657. We decline to require Verizon to provide WorldCom with alternative routing numbers for PSAPs, as WorldCom proposes. We therefore adopt the language Verizon proposes in this area.[2179] Because Verizon does not use these numbers to route its own emergency traffic or obtain these numbers for any other carrier, Verizon's refusal to obtain them for WorldCom is not discriminatory. WorldCom, of course, is free to rely on these numbers as a fourth routing alternative for emergency calls. In that event, however, direct contact between WorldCom and the PSAP coordinators would best ensure that WorldCom knows the alternative routing numbers assigned to its traffic and otherwise minimize the possibility of lost or misrouted emergency calls.

d. Interconnection Agreement Language

(i) Positions of the Parties

658. Although Verizon and WorldCom state that they have resolved many sub-issues relating to 911 and E911 services, they propose markedly different overall contract language regarding those services. WorldCom's proposal addresses, among other matters, how the parties would interconnect for purposes of 911 and E911 services,[2180] how they will ensure that Verizon's E911 database includes accurate information on WorldCom's subscribers,[2181] and how

[2177] WorldCom Brief at 254.

[2178] Verizon BP Brief at 14; Verizon BP Reply at 9.

[2179] Verizon's November Proposed Agreement to WorldCom, Part C, 911 Attach., § 6 (requiring that the parties "work cooperatively to arrange meetings with PSAPs to answer any technical questions the PSAPs, or county or municipal coordinators may have regarding the 911/E-911 arrangements").

[2180] WorldCom's November Proposed Agreement to Verizon, Part C, Attach. VIII, § 6.1.1.6.1.

[2181] WorldCom's November Proposed Agreement to Verizon, Part C, Attach. VIII, §§ 6.1.1.6.2.2, 6.1.1.9.2-6.1.1.9.7.

the parties will ensure reliable 911 and E911 services on an ongoing basis.[2182] WorldCom's language, however, is not restricted to the provision of 911 and E911 services in Virginia.[2183] WorldCom contends that its proposed contract language is more detailed than Verizon's language and that detailed specification of the parties' rights and obligations is particularly important in an area affecting public safety.[2184]

659. Like WorldCom, Verizon proposes contract language that addresses, among other areas, 911 and E911 interconnection arrangements,[2185] processes WorldCom would use to update Verizon's 911 and E911 database,[2186] and overall 911 and E911 reliability.[2187] Verizon states that its proposal is based on agreements that it has negotiated with other carriers.[2188] Verizon maintains that because Verizon provides 911 and E911 services to hundreds of competitive LECs in Virginia, it is important to have consistent processes and procedures for 911 and E911 to give Verizon, competitive LECs, and emergency safety officials a clear and uniform understanding of their responsibilities.[2189]

(ii) Discussion

660. Because WorldCom's language is significantly more detailed than Verizon's language, we conclude that WorldCom's language provides a better starting point for final contract language.[2190] We therefore adopt WorldCom's language in this area, subject to the

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[2182] WorldCom's November Proposed Agreement to Verizon, Part C, Attach. IV, §§ 1.5-1.5.14, & Attach. VIII, §§ 6.1.2.2-6.1.2.4.

[2183] *See, e.g.,* WorldCom's November Proposed Agreement to Verizon, Part C, Attach. VIII, § 6.1.1.6.2.

[2184] WorldCom Ex. 20 (Direct Testimony of A. Sigua), at 3; WorldCom Ex. 35 (Rebuttal Testimony of A. Sigua), at 6.

[2185] Verizon's November Proposed Agreement to WorldCom, Part C, 911 Attach., §§ 1.1-1.2, 3.

[2186] Verizon's November Proposed Agreement to WorldCom, Part C, 911 Attach., § 2.

[2187] *E.g.,* Verizon's November Proposed Agreement to WorldCom, Part C, 911 Attach., §§ 4.1, 4.2, 9.

[2188] Verizon Ex. 9 (Direct Testimony of D. Albert and P. D'Amico), at 18-19.

[2189] *Id.* at 18.

[2190] *See* WorldCom Ex. 20, at 3. For instance, both proposals would require WorldCom to provide Verizon with 911 and E911 database information regarding WorldCom's subscribers. WorldCom's proposal would require that Verizon notify WorldCom within one business day if it detects an error in this information and give WorldCom two business days to correct the error. WorldCom's November Proposed Agreement to Verizon, Part C, Attach. VIII, § 6.1.1.9.3.1. Verizon's agreement does not provide any time-frame for these activities. *See* Verizon's November Proposed Agreement to WorldCom, Part C, 911 Attach., §§ 1.1-9; *see also* WorldCom Reply at 209 (pointing out that, unlike WorldCom's proposal, Verizon's language would not require Verizon to provide geographic information sufficient to let WorldCom associate locations with specific 911 tandems).

modification discussed below.[2191] We find that this additional detail would result in more reasonable overall contract language, particularly since 911 and E911 services affect public safety.[2192] We note that Verizon makes no substantive objection to WorldCom's proposed language.[2193] Instead, Verizon relies on the similarity between its proposed language and the language in interconnection agreements it has negotiated with other carriers. Verizon admits, however, that in the course of negotiations it and other competitive LECs have deviated from prior agreements.[2194] Given the importance of 911 and E911 services to overall public safety, we find that the need for greater detail overrides any benefits the parties, other carriers, and public safety officials might derive from more uniform agreements.

661. The parties shall conform WorldCom's language with our determinations regarding the routing of emergency calls and the provision of PSAP codes. To the extent, however, that WorldCom proposes language that purports to address the provision of 911 or E911 services in jurisdictions other than Virginia,[2195] that language goes beyond the scope of this proceeding. The parties may exclude this language from their interconnection agreement.

3. Issue IV-56 (Subscriber Payment History)

a. Introduction

662. The National Consumers Telecommunications Data Exchange (NCTDE) is a database that allows subscribing carriers to share information about consumers who have failed to make payment on residential telecommunications accounts.[2196] WorldCom proposes language requiring Verizon to join the NCTDE, and to provide WorldCom with payment delinquency and other information regarding former Verizon customers.[2197] Verizon opposes these proposals. The

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[2191] Specifically, we adopt WorldCom's November Proposed Agreement to Verizon, Part C, Attach. IV, §§ 1.5-1.5.5, & Attach. IV, §§ 1.5.7-1.5.14, and Attach. VIII, §§ 6.1-6.1.2.8, subject to the elimination of language that purports to address the provision of 911 and E911 services outside Virginia.

[2192] WorldCom Ex. 36, at 6.

[2193] *See* Verizon BP Brief at 13-15; Verizon BP Reply at 9.

[2194] Verizon Ex. 7, at 19.

[2195] *See, e.g.*, WorldCom's November Proposed Agreement to Verizon, Part C, Attach. VIII, § 6.1.1.6.2 (setting forth requirements "[i]n jurisdictions where Verizon has obligations under existing agreements as the primary provider of the 911 Service to a government agency").

[2196] *See* WorldCom Ex. 7 (Direct Testimony of S. Lichtenberg), at 4; *DOJ Approves NCTDE Proposal*, NCTDE Press Release (Sept. 3, 1997), *available at* http://www.nctde.com/pr03.htm (visited July 1, 2002).

[2197] The information WorldCom seeks would consist of:

> Applicant's name; Applicant's address; Applicant's previous phone number, if any; Amount, if any, of unpaid balance in the applicant's name; Whether applicant is delinquent on payments; Length of service with prior local or intraLATA toll provider; Whether applicant had local or intraLATA toll service

(continued....)

parties consider this issue important because access to the requested information would reduce WorldCom's costs of checking the creditworthiness of potential subscribers.[2198] As explained below, we rule for Verizon.

b. Positions of the Parties

663. WorldCom contends that Verizon's status as an incumbent LEC gives it access to unpaid customer account information for the vast majority of telephone subscribers in Virginia, that Verizon uses this information to assess the creditworthiness of potential customers, and that WorldCom needs access to the same information to perform the same function.[2199] WorldCom suggests that in refusing to provide this information, Verizon is attempting to retain a competitive advantage resulting from longstanding monopolization of local telephone markets.[2200] WorldCom contends that Verizon's participation in the NCTDE actually would benefit Verizon because, as new entrants gain market share, Verizon would be able to obtain increasing amounts of payment history information from other carriers.[2201] WorldCom asserts that the information it seeks is largely consistent with the NCTDE's requirements and that any additional information sought would assist NCTDE participants in assessing credit risks.[2202]

664. Verizon counters that it should not be required to provide WorldCom with subscriber payment histories or to participate in the NCTDE.[2203] Verizon points out that WorldCom cites no authority for its requests that the Commission impose such requirements.[2204] Verizon states that it is not a credit-reporting agency and does not desire to take on the legal liabilities and responsibilities involved with that line of business.[2205] Verizon also states that

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> terminated or suspended within the last six (6) months with an explanation of the reason therefor; and Whether applicant was required by prior local or intraLATA toll provider to pay a deposit or make an advance payment, including the amount of each.

WorldCom's November Proposed Agreement to Verizon, Attach. VIII, § 2.1.4 (subsection numbers omitted).

[2198] *See, e.g.*, WorldCom Ex. 7, at 4-6.

[2199] WorldCom Ex. 7, at 5; WorldCom Ex. 31 (Rebuttal Testimony of S. Lichtenberg & M. Daniels), at 5; WorldCom Brief at 246-48; WorldCom Reply at 205-06.

[2200] WorldCom Ex. 31, at 5; WorldCom Brief at 248.

[2201] WorldCom Ex. 31, at 6; WorldCom Brief at 249.

[2202] WorldCom Ex. 7, at 7; WorldCom Brief at 246-50.

[2203] Verizon Business Process (BP) Brief at 9.

[2204] Verizon BP Brief at 9; Verizon BP Reply at 5.

[2205] Verizon BP Brief at 10.

WorldCom may obtain information to assess the creditworthiness of new customers from credit-reporting agencies.[2206]

c. Discussion

665. We find for Verizon on this issue and therefore reject WorldCom's proposed contract language regarding this issue.[2207] As an initial matter, we reject WorldCom's request for blanket disclosure of the information described in its proposed contract. The information WorldCom seeks falls, to some extent, within the statutory definition of customer proprietary network information (CPNI): "information contained in . . . bills pertaining to telephone exchange service . . . received by a customer of a carrier."[2208] Verizon's obligation to disclose this information is governed by the Act and the Commission's rules, which require Verizon to disclose CPNI to WorldCom in only two circumstances. First, under section 222(c)(2) of the Act, Verizon must disclose CPNI to WorldCom upon the customer's "affirmative written request" for such disclosure.[2209] WorldCom states, however, that it does not intend to secure such requests before obtaining this information from Verizon.[2210] Second, the Commission requires that a LEC "disclose a customer's service record upon the oral approval of the customer to a competing carrier prior to its commencement of service" to the extent "necessary for the provisioning of service" by the competing carrier.[2211] WorldCom concedes, however, that it does not need any of the requested information to provision service for a new customer.[2212] We therefore reject WorldCom's proposed language because it would require the routine disclosure of CPNI in a manner inconsistent with the Act and the Commission's rules.

666. We also decline to adopt WorldCom's language to the extent it would require the disclosure of information that is not CPNI. WorldCom admits that it does not need this

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[2206] Verizon BP Reply at 5.

[2207] Specifically, we reject the second sentence of section 2.1.4.1, and all of sections 2.1.4.1.1 through 2.1.4.2, of WorldCom's November Proposed Agreement to Verizon, Attachment VIII.

[2208] *See* 47 U.S.C. § 222(f)(1)(B). For instance, a bill for telephone exchange service typically would include the amount of the unpaid balance the customer owes. *See* WorldCom's November Proposed Agreement to Verizon, Part C, Attach. VIII, § 2.1.4.1.4 (requesting the "[a]mount, if any, of unpaid balance in applicant's name").

[2209] *See* 47 U.S.C. § 222(c)(2).

[2210] Tr. at 1952-53 (testimony of WorldCom witness Lichtenberg).

[2211] *See Implementation of the Telecommunications Act of 1996: Telecommunications Carriers' Use of Customer Proprietary Network Information and Other Customer Information: Implementation of the Non- Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as Amended,* Order and Further Notice of Proposed Rulemaking, CC Docket Nos. 96-115 & 96-149, 13 FCC Rcd 8061, 8126, para. 84 (1998) (*CPNI Order*), *vacated in part on other grounds sub nom. U S West, Inc. v. FCC*, 182 F.3d 1224 (10th Cir. 1999), *cert. denied*, 530 U.S. 1213 (2000).

[2212] Tr. at 1951-52 (testimony of WorldCom witness Lichtenberg).

information to provision any service for its new customers,[2213] and WorldCom cites no statutory provision or Commission order requiring the release of this information to competitive LECs. For the same reason, we reject WorldCom's request that we require Verizon to participate in the NCTDE. Verizon need only disclose customer payment information to WorldCom upon the customer's affirmative written request for disclosure of information that is classified as CPNI. In the event Verizon receives such a request, Verizon may disclose the information without participating in the NCTDE. Finally, we note that Verizon and WorldCom have agreed on language regarding the migration of customers having delinquent accounts.[2214] In view of this agreement, we reject WorldCom's motion to strike this language from Verizon's contract proposal.[2215]

4. Issue IV-74 (Billing Procedures)

a. Introduction

667. WorldCom and Verizon recognize that it is in both parties' interests to use electronic bills, in lieu of paper bills. However, the carriers disagree about whether: (1) Verizon's obligation to provide electronic bills should be qualified as "part of an operations trial" or whether the contract should, instead, state that Verizon will provide electronic bills to WorldCom and will make them the bill of record once the final product is available; (2) the providing party will transmit invoices within ten calendar or business days; and (3) the due date is defined by reference to the bill date or the date the bill is loaded or received by the parties.[2216] As described below, we adopt parts of both parties' proposals. Specifically, we adopt Verizon's operational trial and collocation billing language and WorldCom's provisions on billing due dates.

b. Positions of the Parties

668. WorldCom contends that its language should be adopted because Verizon's proposal, qualified by the operational trial, creates ambiguity and suggests that Verizon's obligation to perform commercially reasonable efforts might be conditional.[2217] According to WorldCom, requiring transmission of the bill within ten calendar days, as opposed to ten

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[2213] *Id.*

[2214] The agreed-upon language specifies that "[n]either Party shall refuse to migrate one of its Customers to receive service from the other Party (including disconnecting its Customer from service and porting its Customer's telephone number(s)) on the basis of its Customer owing it unpaid amounts." *Compare* WorldCom Reply at 206 n.75 (accepting Verizon's modification to the first sentence of WorldCom's November Proposed Agreement to Verizon, Part C, Attach. VIII, § 2.1.4.1), *with* Verizon BP Brief at 10.

[2215] *See* WorldCom Motion to Strike, Ex. C at 37.

[2216] WorldCom Brief at 251.

[2217] *Id.* at 251-52.

business days, ensures that the purchasing party will receive bills in a timely fashion. It further asserts that defining the bill due date as the date the bill is received or loaded ensures that this party will have the full 30, and not 20, days in which to process and pay bills.[2218] WorldCom denies that its language would require Verizon to prematurely implement electronic billing; instead, WorldCom argues that its proposal simply removes ambiguity regarding Verizon's obligation to move toward an electronic billing format and makes clear that the Billing Output Specification (BOS) Bill Data Type (BDT) formatted bill will become the bill of record once it becomes available.[2219]

669. Verizon argues it has offered to provide WorldCom, on a trial basis, a BOS BDT formatted electronic bill at no charge.[2220] According to Verizon, WorldCom would use this bill to pay and dispute charges for UNE-platform and UNE services and this electronic bill would become the bill of record for WorldCom at the same time Verizon offers it as the bill of record in Virginia generally.[2221] Verizon contends that an immediate change in practice, as contemplated by WorldCom's proposal, would prevent Verizon from ensuring that its billing methods remain accurate.[2222] Finally, we note that, in contrast to WorldCom's proposal, Verizon's language allows the providing party ten business days to transmit the invoice and defines the payment due date as 30 calendar days after the "bill date."[2223]

c. Discussion

670. We adopt Verizon's "operational trial" language found in its proposed section 9.1.1 on an interim basis until Verizon completes its trials and electronic billing is rolled out in Virginia, at which time Verizon will be required to submit a compliance filing deleting references to trials and making clear that the BOS BDT bill is the bill of record.[2224] We share Verizon's concerns about implementing its BOS BDT billing format before completion of its operational trials and we agree that it is in Verizon's interest to complete this trial without delay but not at the expense of accuracy.[2225] Directing Verizon to submit a compliance filing to make

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[2218] *Id.* at 252.

[2219] WorldCom Reply at 207, citing Verizon Business Process Brief at 12.

[2220] Verizon Business Process (BP) Brief at 11.

[2221] *Id.*

[2222] *Id.*, citing Tr. at 2602-03.

[2223] *See* Verizon's November Proposed Agreement to WorldCom, Part A, § 9.1.3.

[2224] This compliance filing should be made within 30 days of designating the BOS BDT bill as "available for election as the bill of record in Virginia through Change Management." *See* Verizon's November Proposed Agreement to WorldCom, Part A, § 9.1.1.

[2225] *See, e.g., Application of Verizon Pennsylvania Inc., Verizon Long Distance, Verizon Enterprise Solutions, Verizon Global Networks, Inc., and Verizon Select Services, Inc. for Authorization to Provide In-Region, InterLATA Services in Pennsylvania,* Memorandum Opinion and Order, 16 FCC Rcd 17419, 17429-45, paras. 19-42 (2001) (continued....)

the BOS BDT bill the bill of record once the final product is available should address WorldCom's concerns about Verizon's commitment to provide accurate and auditable electronic bills.[2226]

671. We also adopt WorldCom's proposed Attachment VIII, section 3.1.2.3, which requires transmission of all invoices to the purchasing party within ten calendar days after the bill date. Additionally, this section provides that payment of amounts billed is due 30 calendar days after the date on which the bill is loaded and/or received by the purchasing party (*i.e.*, the "payment due date"). In the absence of any objection from Verizon, we find WorldCom's arguments about affording the parties additional time to receive and pay bills to be reasonable.

672. Finally, we adopt Verizon's proposed section 9.2 on collocation billing and reject WorldCom's section 3.1.4.1. While the substance of both parties' language is identical, WorldCom's proposal refers to nonrecurring costs associated with building collocation cages as "collocation capital expenditures," whereas Verizon chooses not to use that term. We understand that this term is in the current contract; however, since it appears superfluous and Verizon expressed related concerns with an earlier version of WorldCom's proposal, we adopt Verizon's proposal.[2227]

H. General Terms and Conditions

1. Issue I-11 (Termination of OSS Access)

a. Introduction

673. The parties disagree whether and when Verizon may terminate competing carriers' access to Verizon's operations support systems (OSS). Concerned about misuse of its Web Graphical User Interface (Web GUI) OSS, Verizon proposes language authorizing it to

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(*Verizon Pennsylvania Order*) (discussing the difficulties experienced by Verizon in implementing its BOS BDT bill in Pennsylvania). As is apparent from the discussion in this order, the process of rolling out electronic billing is an involved one and we are concerned about including language in the parties' contract that would cause Verizon to rush its quality assurance trials for BOS BDT bills.

[2226] Additionally, we note that the Virginia Commission adopted three billing measurements and standards that Verizon is required to report, including a billing accuracy metric, thus providing an incentive to Verizon to issue accurate bills. *See Establishment of Carrier Performance Standards for Verizon Virginia Inc.*, Case No. PUC010206, Order Establishing Carrier Performance Standards with Implementation Schedule and Ongoing Procedure to Change Metrics, issued January 4, 2002 (*Virginia Commission Performance Metrics and Standards Order*) *adopting Establishment of Carrier Performance Standards for Verizon Virginia Inc.*, Case No. PUC010206, Staff Motion to Establish Carrier Performance Standards for Verizon Virginia Inc. and for Order Prescribing Notice and Providing for Comment or Request Hearing, Attach. A, at 99, issued Oct. 10, 2001 (*Virginia Commission Staff Motion on Metrics and Standards*).

[2227] *See* Verizon Ex. 27 (Rebuttal Testimony of K. Schneider, *et al.*), at 9 (indicating that Verizon's system does not allow it to bill separately for capital costs).