If Verizon fails a performance objective in a Measurement Period, a rate adjustment, as described below, applies.

Performance Rate Adjustments: Verizon will credit customer rates in the Market Area if a performance objective is not met in a Measurement Period as follows:

- Following are the total credit amounts available in a Measurement Period if Verizon misses one or more performance objectives. These total credit amounts will be divided by the number of performance objective(s) that were missed in that period to determine the credit amount payable on each missed performance objective:
  - ♦ If a single objective is not met, the total credit amount available is $15 Million.
  - ♦ If two objectives are not met, the total credit amount available is $40 Million.
  - ♦ If three or more objectives are not met, the total credit amount available is $100 Million, plus an additional $35 Million for each objective above three that is not met.
- In any case where Verizon misses the PSC Complaint or the Outliers performance objective in a Measurement Period, the total credit amount available for that performance objective will be distributed on an equal per access line basis in the Market Area;
- In any case where Verizon misses the Troubles (CTRR), Out-of-Service, or Installation performance objective in a Measurement Period, the total credit amount available on that performance objective will be distributed on a per occurrence basis to each affected customer who experiences a service problem that is measured in the performance objective(s) that was missed in the Measurement Period;[6]

[6] Affected customers is defined as follows:
- Troubles – all lines with a measured trouble during the measurement period
- OOS – all lines out-of-service longer than 24 hours in the measurement period
- Installation – all basic line installations taking longer than 5 days in the measurement period

- In no instance will a credit to any one affected customer exceed $50 per occurrence in a Measurement Period. If as a result of this restriction a portion of the total credit amount available remains unpaid, the unpaid amount will be distributed on an equal per access line basis in the Market Area.

Major Service Interruption: Verizon agrees that no major service interruptions will occur as a result of a Redundancy Failure in its Signaling System 7 or E911 network after July 1, 2002. Upon a finding by the Commission that a failure did occur after that date, Verizon agrees to make a payment of $100,000 into the State's General Fund.

Special Services Service Quality

Verizon has agreed to implement the special services process improvement program with related improvement milestones and customer credits, as more fully described in a letter to the Department of Public Service dated February 8, 2002.

V. Pricing Flexibility Provisions

Verizon will be allowed pricing flexibility beginning March 1, 2002 in accordance with the conditions listed below.

Conditions:

Upward flexibility is allowed on all services and products consistent with the Service Quality Plan, with the following exceptions:

- UNE prices
- Wholesale discounts for services offered for resale
- Interconnection and reciprocal compensation prices
- Lifeline services
- Maintenance and access to the ALI database
- Directory Assistance and other database inquiries for competitive providers
- Non-recurring service connection charges for residential and small business customers
- Certain services previously ordered to be provided at no charge, for example, call blocking or PIC freezes

There is no cap for increases in the rates for individual services except for 1FR service[7] in Rate Group 1, 3 and 5[8], except that any increase in the charges for First Line Basic Service shall not exceed $1.85 per line in the first year and $0.65 per line in the second year.[9] Downward pricing flexibility is limited only to a rate equal to Verizon's incremental cost and usage offerings must pass an imputation standard. Rates for Carrier Access Services may not increase.

Overall revenue increases associated with pricing flexibility are capped at 3% on an annualized basis each Plan year, using units in service for all services for the prior year over any annual period.[10]

Under no conditions is flexibility is allowed:

- If pricing flexibility is suspended under the terms of the Service Quality Plan.
- Unless Verizon agrees to take full responsibility to explain the need or rationale for any flexible price increase to its customers and that all communications with customers will explain that the basis for any flexible price increase is solely its business decision.

VI. Financial Consistency and Additional Regulatory Protections

Verizon shall conform amounts reported on its New York State regulatory financial reports with the amounts it reports in its filings with the Securities and Exchange Commission (e.g., 10K). This transformation shall occur over a three-year period beginning on the first day of the Verizon Incentive Plan.

Depreciation expense recorded during the term of the Verizon Incentive Plan shall be equal to the sum of the depreciation recorded on the SEC books plus a three-year

[7] 1FR service is a residential service consisting of the basic line charge and flat rate local usage.

[8] The total increase to the price of 1FR service in rate group 1 shall not exceed $2.00 in the first year of the Plan and $2.00 in the second year. The total increase to the price of 1FR service in rate groups 3 and 5 shall not exceed $2.00 in the first year of the Plan and $3.00 in the second year.

[9] Under this Plan, First Line Basic Service is defined as the first line for a particular customer at a particular location for basic service access, basic message rate, individual message business lines and analog PBX trunks.

[10] Staff will be provided with the units-in-service for all services and the price changes put into effect each Calendar Quarter over the term of the Plan to assure this condition is met.

amortization of the difference between the depreciation reserve recorded on the SEC books and the depreciation reserve recorded on the state regulatory books as of the first day of the plan. At the end of the three-year amortization period, the depreciation reserve used for state regulatory purposes will thus be equal to the SEC depreciation reserve.

During the term of the Verizon Incentive Plan, neither regulatory assets nor regulatory liabilities shall be created, with the exception of Commission approved net costs associated with the restoration of the World Trade Center aftermath. All existing regulatory assets and liabilities shall be fully extinguished by the end of this plan in accordance with the first paragraph above. Any changes to GAAP as promulgated by the accounting profession will be implemented for both the SEC books and the state regulatory books.

Verizon shall be allowed to account for pension and other post employment benefit obligations ("OPEB") consistent with SFAS #87 and SFAS #106. This includes allowing Verizon to retain the benefit/detriment of financial accounting gains/losses during the term of the Verizon Incentive Plan. In no event will Verizon be allowed to withdraw plan assets other than to pay benefits, including administrative expenses, or settle benefit obligations associated with its pension and OPEB plans. Verizon commits to obtain New York State Public Service Commission approval prior to annuitizing, curtailing, or otherwise settling all or substantially all of Verizon's pension plan/OPEB obligations for employees of regulated entities in New York state. The Commission will be notified if there are any major changes in these plans, if "assumptions" change materially, and if plan assets are used for purposes other than directly paying benefits and related administrative expenses.

VII. <u>Infrastructure</u>

To assure investments commensurate with good service quality, Verizon agrees to:

- File annual construction budgets that identify service-related investments
- Meet with staff on an annual basis to provide an overview of its construction budget with an emphasis on:
  1. Service quality improvements
  2. Increased network reliability

3. Deployment of new technology, including a demonstration that the introduction of new services and technologies is non-discriminatory
4. Deployment of advanced services

- Provide with each annual construction budget filing an overview of Verizon's plans and progress toward introducing new technology and advanced services and to identify new services to be provided

To assure reliability consistent with post-9/11 best practices

- As changes to the Network Reliability and Interoperability Council's "best practices" and industry standards reflecting lessons learned from incidents such as the events of September 11, 2001 are developed, Verizon, will, by July 1st of each year over the term of the Verizon Incentive Plan, inform the PSC Staff of its intention to implement the practice or standard. Verizon will also report to the Staff, on an annual basis, the progress it is making toward the implementation.
- Participate in industry/governmental forums concerning network reliability.
- Cooperate in the development of data to be used by the staff in its Geographic Information System designed to provide service outage information to the Commission and the State of New York.

VIII. Miscellaneous:

A. Exogenous Costs and Merger Savings

With respect to the matters under consideration in Case 00-C-1945 with respect to outstanding exogenous cost filings and merger savings (the so-called "White Paper" issues), the parties propose that the Commission find that available merger savings fully offset otherwise allowable cost onsets and exogenous costs, and that Ordering Clauses 5 and 6 in the Order Approving the Bell Atlantic/NYNEX Merger, issued and effective March 21, 1997, and the Order Approving the Bell Atlantic/GTE Merger, issued and effective August 12, 1999, have been satisfied in a way that Verizon relinquishes its claim to rate increases as a result of exogenous costs, and such merger saving shall not be used to require rate reductions as contemplated in those Order Clauses.

Verizon agrees to withdraw its revisions to Tariff P.S.C. No. 10 -Communications filed May 29, 2001,as well as those rates proposed in its supplemental filings in Case 00-

C-0127, relating to recovery of OSS costs for Line Sharing, Line Splitting, Unbundled Sub-Loop Arrangements, Feeder Sub-Loops, and other DSL-related items.

B. Reservation of Authority:

The parties recognize that the Commission reserves the authority to act on the level of Verizon's rates and service pursuant to the Public Service Law should it determine that intervening circumstances have such a substantial impact as to render Verizon's rates unjust or unreasonable or render this Plan unreasonable, unnecessary or insufficient for the continued provision of safe and adequate service by Verizon-New York. Should the Commission exercise this authority, Verizon has the right to withdraw from this Plan.

C. Reconsideration and Judicial Review

During the term of this Plan, Verizon agrees that the rates prescribed by the Commission's UNE Rate Order will remain in effect and that it will not challenge those rates before the Commission or in court. For purposes other than challenging the rates prescribed in the Commission's UNE Rate Order, Verizon does not relinquish any legal or equitable rights it may have with respect to the underlying theory of the case, including, but not limited to, the cost recovery theory known as TELRIC. This commitment should not be interpreted as a voluntary agreement for purposes of the Bell Atlantic/GTE FCC merger conditions as to the level of rates, the rate design or the theory of the case. If the aforementioned decision is appealed or otherwise challenged by any person or entity, Verizon, in supporting the Commission's decision in Case 00-C-1945 reserves all legal and equitable arguments it would otherwise have had.

The parties propose a modification of the PSC determination that rates for the loop/switch interface be reviewed in May 2002 to reflect IDLC connections, where appropriate.[11] The modification consists of postponing that review until the termination of the Plan.

D. Lifeline

- Reduction in the present connection charge from $10 to $5.
- Maintain an outreach and education program for Lifeline

[11] UNE Rate Order, pp.93-95.

E. <u>Consumer Outreach and Education</u>:

Verizon will design and implement, within existing consumer education budgets, an outreach and education program to inform customers about their rights and responsibilities and special programs, such as Lifeline and the Relay Service.

Unbundled Network Element Rates

Verizon's major unbundled network element ("UNE") rates per UNE Rate Order.

UNE	Old Rate	New Rate
2-Wire Analog Loop Rate[1]		
Manhattan	$11.83	$7.70
Major cities	$12.49	$11.31
Rest of State	$19.24	$15.51
Line Port	$2.50	$2.57
Local Switching		
Originating	$0.003150	$0.001147
Terminating	$0.003150	$0.001111
End Office Trunk Port	$0.000656	$0.000371
Common Transport	$0.000783	$0.000203
Tandem Switching	$0.001017	$0.000481
Tandem Trunk Port	$0.001464	$0.000570

Note – The old rates for local switching were not deaveraged between originating and terminating. The old rates for all usage based rates were time of day sensitive (day, evening & night). The amounts shown are a weighted-average based on actual usage by CLECs leasing Verizon's UNE-P in the first months of 2001.

Utilizing the methodology employed by Verizon in its supplemental response to Staff interrogatory PSC-VZ-18 in Case 00-C-1945, these rates will impact the average monthly cost of Verizon's UNE-P as follows.

UNE	OLD	NEW
Loop	$14.05	$11.49
Port	2.50	2.57
Average Usage per Line	10.61	5.08
Revenue Per Line	$27.17	$19.14

[1] These are melded integrated digital loop carrier (DLC)/ universal DLC rates as only one rate is to be charged for all loops leased.

Service Inquiry Reports for the purposes of measuring Outliers under the Service Quality Plan are the sum of the following in any Measurement Period:

Service Inquiry Reports = Unadjusted Service Inquiry Reports $_{\text{Current Year}}$ + (Total Credits $_{\text{Prior Year}}$ + 50% of Total Credits $_{\text{Prior Year}-1}$)

TOTAL CREDITS COMPUTED AS FOLLOWS

Formula	Credits
One Unadjusted SIR for any single Measure[1]	5 per measure
No Unadjusted SIR for any single Measure	10 per measure
More than 50 Unadjusted SIRs for any measure	Minus 2 credits for each measure
More than 2 consecutive Unadjusted SIRs for any entity	Minus $^1/_{10}$ credit times the number of SIRs in excess of 2 for each such entity
Total Credits	Sum of the above

Total Credits for any year may be zero, but not negative.

[1] There are ten measures defined in NYCRR 603.4(d)(1); however, Answer Time Performance Results (for Business Office, Repair Office, and Operator Assistance) are consolidated and considered a single measure for the purpose of determining credits. Thus, there are eight measures for the purpose of determining service inquiry report credits under the Service Quality Plan.

Case 00-C- 1945

IN WITNESS WHEREOF, the parties have duly executed this agreement, as of February 8, 2002.

VERIZON NEW YORK INC.

BY: Sandra Dilorio Thorn

NAME: Sandra DiIorio Thorn

TITLE: VP & General Counsel, NY & CT

Case 00-C-1945

IN WITNESS WHEREOF, the parties have duly executed this agreement, as of February 8, 2002.

DEPARTMENT OF PUBLIC SERVICE STAFF

BY: Peter M. McGowan

NAME: Peter M. McGowan

TITLE: Staff Counsel

Parties Participating in Joint Proposal Discussions

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Verizon New York Inc.

Attorney General of the State of New York

New York City Department of Information Technology and Telecommunications

Public Utility Law Project

Communications Workers of America

AT&T Communications of New York, Inc.

WorldCom, Inc.

COVAD Communications Company

Citizens Communications

Competitive Telecommunications Association

Time Warner Telecom, Inc.

Focal Communications Corp. of New York

Allegiance Telecom

Network Access Solutions Corp.

XO Communications, Inc.

Cablevision Lightpath, Inc.

Sprint Communications Company, L.P.

Conversent Communications of New York

Z-Tel Communications, Inc.

New York State Telecommunications Association, Inc.

Choice One Communications, Inc.

Network Plus, Inc.

RCN Telecom Services, Inc.

XO New York, Inc.

Mettel

Broadview Networks, Inc.

Talk America, Inc.

InfoHighway Communications Corp.

Northland Networks

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Attachment 5

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held in the City of Albany on January 22, 2003

COMMISSIONERS PRESENT:

Maureen O. Helmer, Chairman[1]
Thomas J. Dunleavy
James D. Bennett
Leonard A. Weiss
Neal N. Galvin

CASE 98-C-1357 - Proceeding on Motion of the Commission to Examine New York Telephone Rates for Unbundled Network Elements.

ORDER DENYING REHEARING PETITIONS

(Issued and Effective February 6, 2003)

BY THE COMMISSION:

Verizon New York Inc. (Verizon) filed tariff amendments to comply with the Commission's "Order on Unbundled Elements"(UNE Rate Order),[2] which established new rates for Verizon's unbundled network elements (UNEs). These proposed tariff amendments, which included revisions to Tariffs PSC NY Nos. 1,8,9 and 10, were approved in part and modified in part by the Commission in its "Order Approving Compliance Tariff subject

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[1] Chairman Helmer served as Chairman until January 31, 2003.

[2] Case 98-C-1357, Proceeding on Motion of the Commission to Examine New York Telephone Company's Rates for Unbundled Network Elements, Order on Unbundled Network Elements (issued January 28, 2002).

to Modifications"[3] (Compliance Order). Verizon and AT&T Communications of New York, Inc. (AT&T) with WorldCom, Inc. (AT&T/WorldCom) have petitioned for rehearing of the Compliance Order. In addition, RCN Telecom Service, Inc. (RCN) submitted a letter in lieu of a brief, to which Verizon responded.

Verizon's Petition for Rehearing

Verizon seeks reconsideration of two aspects of the Compliance Order. First, Verizon argues that the rates for Digital Trunk Ports, 911/E911 Ports, and Voice Dialing on Integrated Services Digital Network (ISDN) should be restored to the levels that Verizon set forth in its tariff filing. Second, Verizon states that "expedite" charges should be available in those instances where Verizon makes good faith efforts to provide expedited service, and incurs costs for doing so, but is unable to achieve the shorter provisioning intervals for reasons beyond its control.

Digital Trunk Port Rate

Aside from requiring Verizon to reduce the overall local switching investment levels assumed in Verizon's cost studies, the UNE Rate Order also mandated that a greater percentage of the investment be assigned for recovery by the non-traffic sensitive rate elements associated with the switch, leaving a smaller percentage of the total investment for recovery by the traffic sensitive or usage elements. The interaction of those two rulings, Verizon notes, meant that

[3] Cases 98-C-1357, 00-C-1945, Proceeding on Motion of the Commission to Consider Recovery by Verizon and to Investigate the Future Regulatory Framework, Order Approving Compliance Tariff Subject to Modifications (issued October 15, 2002).

different adjustments were required for traffic sensitive and non-traffic sensitive investments.[4]

Verizon argues that the Compliance Order adopted rates for Digital Trunk Ports, 911/E911 and ISDN Features/Voice Dialing that were lower than those rates that Verizon had set forth in its compliance filing.[5] Verizon notes that the Compliance Order states that there were "various discrepancies" between Verizon's rates and the computations by staff. This "discrepancy," according to Verizon, is the result of staff applying a much lower adjustment factor (i.e., the total switch or average factor) to the End Office Trunk Port investments than Verizon used in its compliance filing.[6] This lower adjustment factor, which Verizon states was applied only to the End Office Trunk Port and not to other local switching investments, was an average of the traffic sensitive and non-traffic sensitive factors. "By using an adjustment factor calculated on a total-switch basis, but applying it selectively, to only some switch investment, staff's computation set rates that clearly fail to recognize a substantial portion of the switch investment level

[4] The Commission directed that 34% of the investment be allocated to traffic sensitive and 66% to non-traffic sensitive (as compared with Verizon's proposed allocation of 64% traffic sensitive and 36% non-traffic sensitive). Thus, the shift of investment to non-traffic sensitive resulted in an increase in total non-traffic sensitive recovery (compared with Verizon's cost study) and a reduction in traffic sensitive recovery.

[5] Verizon had filed rates of $190.30/month for the Digital Trunk Port and 911/E911 Port; staff computed a rate of $102.40 for each. Verizon filed a rate of $1.44/month for ISDN Voice Dialing; staff computed a rate of $1.38/month. The Commission adopted the rates based on staff's calculations.

[6] Verizon states that the basic discrepancy is in the calculation of the End Office Trunk Port Rate. The two other rates at issue here are derived from that rate.

approved in the UNE Rate Order."[7] Verizon states that the only justification offered for the calculation is that Verizon made the same mistake in the End Office Trunk Port rate that was first filed pursuant to the Recommended Decision[8] in this case.

Verizon queries whether it should be held to a rate that clearly fails to recognize a significant portion of the investment approved by the Commission in the UNE Rate Order merely because it failed to catch a computational error that was made by staff in its own rate calculation. Verizon argues that there is no question that Verizon and staff were attempting to set rates that would achieve the investment levels set out in the UNE Rate Order. Verizon distinguishes this computational error from a dispute over input values or substantive cost study approaches, where a party must file an objection or risk waiver if it fails to do so. Verizon posits that a gross injustice would result if the Commission prevented it from correcting its original failure to catch the calculation error because Verizon would recover less than the Commission-authorized investment levels.

In response, AT&T/WorldCom dispute Verizon's position that the difference between the digital trunk port rate adopted by the Commission and Verizon's proposed rate is only a computational error. AT&T/WorldCom state that the digital trunk port rate set forth by the Commission is the correct rate because, based upon their calculation, it is the only rate that will yield an overall switch investment of $105 per line, as set out in the UNE Rate Order. If the Commission granted Verizon's rehearing petition on this issue, the resulting rate would be

[7] Verizon Petition for Rehearing, p. 4.

[8] Case 98-C-1357, Recommended Decision (issued May 16, 2001).

higher than $105 per line. According to AT&T/WorldCom, Verizon's suggestion that the non-traffic sensitive factor be used to increase the digital port rate would result in a cost overstatement, by producing rates in excess of $105 per line investment.

While asserting that Verizon's arguments are substantively in error and should be denied by the Commission, AT&T/WorldCom agree that Verizon should not be held to rates resulting from a calculation error in Verizon's rate set forth in the Recommended Decision.[9]

Discussion

The gist of the UNE Rate Order with respect to switching costs was that the company's cost study did not properly allocate switching investments. Accordingly, the UNE Rate Order called for less investments to be recovered from usage rates and more investments recovered from non-usage rates. Therefore, usage based switching rates were treated as recovering traffic sensitive costs and flat rate or non-usage rates were treated as recovering non-traffic sensitive costs. In general, rates were adjusted by traffic sensitive and non-traffic sensitive factors, respectively, to recover relatively more costs from non-traffic sensitive rates and less from traffic sensitive costs.

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[9] In support of this position, AT&T/WorldCom state the same arguments were made in their rehearing petition (discussed infra) where AT&T/WorldCom argue that the Commission committed an error of law by holding them accountable for not excepting to Verizon's rates that were in the Recommended Decision. AT&T/WorldCom state that Verizon's argument validates the position taken in AT&T/WorldCom's petition and provides additional grounds for granting AT&T/WorldCom's petition on this issue.

The essence of Verizon's argument is that the End Office Trunk Port is a non-traffic sensitive facility and Verizon focuses on how its cost study assigned switching investment between traffic sensitive and non-traffic sensitive functions. However, the Commission's analysis of the allocation of cost recovery for switching costs between usage sensitive and non-usage sensitive rates did not accept Verizon's approach. Verizon's claim that the End Office Trunk Port is a non-traffic sensitive facility is undermined by the fact a significant portion of the End Office Trunk Port is recovered on a minute-of-use basis. For these reasons, we reject Verizon's claim that all End Office Trunk Port investments are non-traffic sensitive.

Verizon next claims that, by not using the higher non-traffic sensitive specific adjustment factor for the End Office Trunk Port investment, the resulting rates would result in an under recovery of the allowed investment. Verizon goes on to note that the under recovery of investment would occur unless there was a corresponding increase in traffic sensitive investment by applying the average adjustment factor to traffic sensitive investment as well. That is precisely what happened. The usage based End Office Trunk Port rate, which is set forth in Appendix A of the Verizon Incentive Plan, was established by applying the total switch or average adjustment factor. This application occurred because Verizon used the average adjustment factor in computing Recommended Decision compliance rates in its Brief on Exceptions for trunk rates. Thus, the usage based End Office Trunk Port rate in Appendix A of the Verizon Incentive Plan is based on the average factor. Having used the average adjustment factor for the End Office Trunk Port usage based rate, it makes sense to also use that same factor for the remaining trunk rates consistent with Verizon's compliance rates in its brief on exceptions. Otherwise Verizon could over recover its switching investment.

Verizon has not established that the rates set by the Commission will result in the recovery of less than the $105 per line switch investment established by the Commission. While AT&T/WorldCom claim that Verizon's petition, if granted, would result in rates reflective of a switch investment higher than $105 per line, we believe the AT&T/WorldCom study has flaws. Verizon's adjustments to the AT&T/WorldCom calculations, although correcting for some flaws, are also not without errors. Neither AT&T/WorldCom's nor Verizon's presentations account for recovery based on the trunk port usage rate. For the reasons stated above and in the absence of a showing by Verizon that the Commission-established rates would prevent the company from recovering the switch investment of $105 per line, Verizon's rehearing petition to increase certain End Office Trunk Port rates will be denied.

Applicability of "Expedite" Charges

The UNE Compliance Order concluded that Verizon is entitled to the higher charge for expedited service only when it actually provides expedited service. To ensure that the expedite charge is applied in a consistent manner, the Commission directed Verizon to modify its tariff to conform to a similar provision in its federal tariff, which states that the higher rate shall not apply in those instances when Verizon does not complete the order in less than the standard interval.[10]

Verizon submits that this decision is erroneous. According to Verizon, the Telecommunications Act of 1996 (the

[10] Compliance Order, pp. 20 - 21.

Act)[11] and the accompanying regulations allow the recovery of Verizon's costs. Verizon argues that its costs are based on its efforts to provide expedited service. These costs are still incurred even where, due to unforeseen circumstances, Verizon is unable to meet the shorter interval. To find that Verizon is entitled to the higher charge for expedited service only when it actually provides expedited service would violate the cost recovery provisions of the Act.

Verizon also argues that conforming the state tariff provisions to the federal tariff provisions is not warranted here as Verizon is required to abide by different terms and conditions for each tariff. Specifically, Verizon states that its offering of UNEs is not voluntary, rather, it is required by the Act and UNEs are priced at Total Element Long Run Incremental Cost (TELRIC). Verizon's offering of services under its federal tariff, on the other hand, is part of a larger set of rights and obligations that are defined in the federal tariff. Verizon concludes that "[t]here is no reason why the two tariffs need to be consistent in this respect, particularly since they govern totally different suites of products under terms and conditions that already differ in numerous other ways."[12]

AT&T/Worldcom respond that Verizon should not be permitted to retain the higher charge for expedited service in those instances when it fails to provide the service in the shorter time interval. Analogizing this service to a letter sent by Express Mail, the higher fee for an Express Mail letter is paid if the letter is delivered within the time interval or

[11] See 47 USC §252(d).

[12] Verizon Petition for Rehearing, p.8.