

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

In the matter of:)	
Sprint Communications Company L.P.)	
)	
Petition for Arbitration Pursuant to Section 252(b) of)	D.T.E. 00-54
the Telecommunications Act of 1996 to Establish a New)	
Interconnection Agreement with Verizon)	
Massachusetts)	
)	

**COMMENTS OF VERIZON MASSACHUSETTS IN SUPPORT
OF FINAL PROPOSED INTERCONNECTION AGREEMENT**

Verizon New England Inc., d/b/a Verizon Massachusetts (“Verizon MA”) hereby submits these comments in support of its Final Proposed Interconnection Agreement with Sprint Communications Company L.P. (“Proposed ICA”). A copy of the Proposed ICA is attached as Exhibit 1. Verizon MA believes that its Proposed ICA agreement accurately reflects the Department’s decisions in this case. While the Parties have made substantial progress in resolving the outstanding issues identified in Exhibit A to the Assented to Motion for extension of Time filed by the Parties on June 21, 2001, and were able to reach agreement on contract language memorializing nearly all of the issues initially raised in Sprint’s Petition for Arbitration, there were several issues on which, to date, the parties have been unable to agree. These outstanding issues were identified as issues 10, 14, 15, 16, and 17 of Exhibit A to the Motion for Extension (*see* attached Exhibit 2) and essentially require the resolution of two issues by the Department: (1) the appropriate contract language to reflect the FCC’s recent *Order on Remand*¹ (Issue Nos. 16 and 17) and (2) the inclusion of contract language affording

¹ ISP Remand Order and Report , In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP Bound Traffic, FCC 01-131, CC Docket Nos. 96-98 and 99-68, ¶¶ 3, 42, 44, 52 (adopted April 18, 2001) (“Order on Remand”).

Verizon MA a similar opportunity to minimize its costs associated with establishing points of interconnection with Sprint to that which it currently enjoys, by allowing Verizon MA to either collocate on Sprint's premises for purposes of network interconnection, or permitting Verizon to maintain a non-distance sensitive entrance facility (Issue Nos. 10, 14, and 15). In an effort to address these remaining issues, Verizon MA has proposed reasonable language that is consistent with the Act, and principles of fundamental fairness.

The inclusion of the language proposed by Verizon MA to address these issues will assure that the final version of the Interconnection Agreement adequately addresses the FCC's recently promulgated rules addressing reciprocal compensation and the compensation arrangements for Internet-bound telecommunications traffic and will assure that Verizon MA, like Sprint, will have the opportunity to minimize its costs of interconnection arrangements with Sprint. For all of these reasons which are discussed in further detail below, the Department should approve the language proposed by Verizon MA.

DISCUSSION

I. ISSUE NOS. 16 AND 17

Verizon MA has proposed new language for inclusion in the interconnection agreement that reflects the new regulations released by the FCC on June 14, 2001 that address the payment of reciprocal compensation. These rules were issued after the Department's initial decision in this case (December 11, 2000) and after the Department's subsequent decision on Sprint's motion for reconsideration of that initial decision (May 3, 2001). The FCC's revised rules eliminates the definition of "local traffic" as the basis for the payment of reciprocal compensation. Accordingly, Verizon MA has proposed that references to "local traffic" be

removed from the Interconnection Agreement and replaced with “reciprocal compensation traffic” for the reasons stated below.

A. VERIZON’S PROPOSED LANGUAGE

Verizon proposes elimination of the term “local traffic” and replacing it with “reciprocal compensation traffic,” as well as adjusting the terms of Part V, §§ 2.5, 2.6, and 2.7. The new language appears in the discussion below.

1. RATIONALE

As noted above, on June 14, 2001, after Sprint’s Petition and Verizon’s Response were filed in this proceeding, and after the Department had rendered its initial decision in this case and as well as its decision addressing Sprint’s motion seeking reconsideration of that initial decision, revisions to the FCC’s regulations defining the traffic that is eligible for reciprocal compensation under § 251(b)(5) of the Act became effective. § 51.701 of the FCC’s revised rules states:

“§51.701 Scope of transport and termination pricing rules.

- (a) The provisions of this subpart apply to reciprocal compensation for transport and termination of telecommunications traffic between LECs and other telecommunications carriers.
- (b) Telecommunications traffic. For purposes of this subpart, telecommunications traffic means:
 - (1) Telecommunications traffic exchanged between a LEC and a telecommunications carrier other than a CMRS provider, except for telecommunications traffic that is interstate or intrastate exchange access, information access, or exchange services for such access (see, FCC 01-131, paras. 34, 36, 39, 42-43); or
 - (2) Telecommunications traffic exchanged between a LEC and a CMRS provider that, at the beginning of the call, originates and terminates within the same Major Trading Area, as defined in § 24.202(a) of this chapter.
- (c) Transport. For purposes of this subpart, transport is the transmission and any necessary tandem switching of telecommunications traffic subject to section 251(b)(5) of the Act from the interconnection point between the two carriers to

the terminating carrier's end office switch that directly serves the called party, or equivalent facility provided by a carrier other than an incumbent LEC.

- (d) Termination. For purposes of this subpart, termination is the switching of telecommunications traffic at the terminating carrier's end office switch, or equivalent facility, and delivery of such traffic to the called party's premises.
- (e) Reciprocal compensation. For purposes of this subpart, a reciprocal compensation arrangement between two carriers is one in which each of the two carriers receives compensation from the other carrier for the transport and termination on each carrier's network facilities of telecommunications traffic that originates on the network facilities of the other carrier."

Under the FCC's revised rules, there are two key elements to defining the traffic that is eligible for reciprocal compensation under § 251(b)(5) of the Act. First, the traffic must be "telecommunications traffic," as defined in § 51.701(b)(1), that is, "telecommunications traffic exchanged between a LEC and a telecommunications carrier other than a CMRS provider, except for telecommunications traffic that is interstate or intrastate exchange access, information access, or exchange services for such access." Second, the traffic must originate on the network of one carrier and terminate on the network of the other carrier. § 51.701(e). The revised FCC rules do not refer to the term "Local Traffic," which the prior rules had defined as the traffic eligible for reciprocal compensation.

Verizon MA's draft Interconnection Agreement which was filed as an attachment to Verizon MA's Response to Sprint's Petition for Arbitration on July 11, 2000 contained provisions related to reciprocal compensation (including a definition of "Local Traffic") that were consistent with the prior FCC rules. The Department approved Verizon MA's proposed language on this issue in its December 2000 decision. *See Petition of Sprint Communications Company L.P., pursuant to Section 252(b) of the Telecommunications Act of 1996, for Arbitration of an Interconnection Agreement between Sprint and Verizon-Massachusetts*, D.T.E. 00-54 (December 11, 2000), at 3-5. However, with the revision of the FCC rules, there is a need

to revise the approved interconnection agreement language on reciprocal compensation. Accordingly, Verizon MA proposed the following revisions.

First, the term “Local Traffic” should be deleted from the agreement and replaced with the term “Reciprocal Compensation Traffic,” a term more descriptive of the traffic that is eligible for reciprocal compensation. Consistent with the revised FCC rules, “Reciprocal Compensation Traffic” will be defined at Attachment 1 (Definitions), Section 1.0, as follows:

“Reciprocal Compensation Traffic” means Telecommunications traffic originated by a Customer of one Party on that Party’s network and terminated to a Customer of the other Party on that other Party’s network, except for Telecommunications traffic that is interstate or intrastate Exchange Access, Information Access, or exchange services for Exchange Access or Information Access. Reciprocal Compensation Traffic does not include: (1) any Internet Traffic; (2) Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis; (3) Optional Extended Local Calling Arrangement Traffic; (4) special access, private line, Frame Relay, ATM, or any other traffic that is not switched by the terminating Party; or, (5) Tandem Transit Traffic.

This definition of “Reciprocal Compensation Traffic” captures the two key requirements for traffic that is eligible for reciprocal compensation. First, it is “telecommunications traffic” as defined in § 51.701(b)(1), that is, “telecommunications traffic exchanged between a LEC and a telecommunications carrier other than a CMRS provider, except for telecommunications traffic that is interstate or intrastate exchange access, information access, or exchange services for such access.” Second, as provided by § 51.701(e), it is telecommunications traffic that originates on the network of one LEC party and terminates on the network of the other LEC party.

In its order adopting these revisions to its rules, the FCC also held that “ISP-bound traffic” is a form of interstate Information Access service and is therefore not subject to reciprocal compensation under § 251(b)(5) of the Act.² Verizon MA’s proposed language

² ISP Remand Order and Report , In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP Bound Traffic, FCC 01-131, CC Docket Nos. 96-98 and 99-68, ¶¶ 3, 42, 44, 52 (adopted April 18, 2001).

reflects the holding of the FCC's order by providing that compensation for Internet traffic will be as stated in the FCC's order and other applicable FCC orders and regulations:

- 2.7.5 The determination of whether traffic is Reciprocal Compensation Traffic or Internet Traffic shall be performed in accordance with Paragraphs 8 and 79, and other applicable provisions, of the FCC Internet Order (including, but not limited to, in accordance with the rebuttable presumption established by the FCC Internet Order that traffic delivered to a carrier that exceeds a 3:1 ratio of terminating to originating traffic is Internet Traffic, and in accordance with the process established by the FCC Internet Order for rebutting such presumptions before the Commission), and other applicable FCC orders and FCC Regulations.

The Parties' rights and obligations with respect to any intercarrier compensation that may be due in connection with their exchange of Internet Traffic shall be governed by the terms of the FCC Internet Order, and other applicable FCC orders and FCC Regulations. Notwithstanding any other provision of this Agreement or any Tariff, a Party shall not be obligated to pay any intercarrier compensation for Internet Traffic that is in excess of the intercarrier compensation for Internet Traffic that such Party is required to pay under the FCC Internet Order and other applicable FCC orders and FCC Regulations.

Proposed Agreement, Part V, Section 2.7.5.

While holding that "ISP-bound traffic" is not eligible for reciprocal compensation, the FCC did establish an interim compensation regime for such traffic. Consistent with the FCC's order, Verizon MA proposes to introduce into the agreement a definition for Internet traffic that is subject to the interim compensation regime adopted in the FCC's order:

"Measured Internet Traffic" means dial-up, switched Internet Traffic originated by a Customer of one Party on that Party's network at a point within a Verizon local calling area, and delivered to a Customer or an Internet Service Provider served by the other Party, on that other Party's network at a point in the same Verizon local calling area. Verizon local calling areas shall be as defined in Verizon's effective Customer Tariffs. For the purposes of this definition, a Verizon local calling area includes a non-optional Extended Local Calling Scope Arrangement, but does not include an optional Extended Local Calling Scope Arrangement. Calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis, are not considered Measured Internet Traffic.

Defining Measured Internet Traffic that is subject to the interim compensation regime set

out in the FCC's order allows this form of traffic to be distinguished from other forms of traffic for traffic measurement and billing purposes.³ This distinction will be reflected in Part V, Section 2.6, "Measurement and Billing," and the definitions of "Toll Traffic," "Percent Interstate Usage" (now "Traffic Factor 1"), and "Percent Local Usage" (now "Traffic Factor 2").

The revisions to Part V, Sections 2.6 and 2.7 and the principal related definitions are as follows:

Part V, Sections 2.6 and 2.7:

B. 2.6 Measurement and Billing

2.6.1 For billing purposes, each Party shall pass Calling Party Number ("CPN") information on at least ninety percent (90%) of calls carried over the Traffic Exchange Trunks.

2.6.1.1 If the originating Party passes CPN on ninety percent (90%) or more of its calls, the receiving Party shall bill the originating Party the Reciprocal Compensation Traffic call completion rate, Measured Internet Traffic rate, intrastate Switched Exchange Access rates, intrastate/interstate Tandem Transit Traffic rates, or interstate Exchange Access rates applicable to each minute of traffic, as provided in Part IV, the FCC Internet Order, and, if VERIZON is the receiving Party, VERIZON's applicable Tariffs, (including, but not limited to, to the extent applicable, VERIZON Tariffs DTE MA Nos. 15 and 17 and F.C.C. No. 11), for which CPN is passed. For any remaining (up to 10%) calls without CPN information the receiving Party shall bill the originating Party for such traffic at the Reciprocal Compensation Traffic call completion rate, Measured Internet Traffic rate, intrastate Switched Exchange Access rates, intrastate/interstate Tandem Transit Traffic rates, or interstate Switched Exchange Access rates applicable to each minute of traffic, as provided in Part IV, the FCC Internet Order, and, if VERIZON is the receiving Party, VERIZON's applicable Tariffs (including, but not limited to, to the extent applicable, VERIZON Tariffs DTE MA Nos. 15 and 17 and F.C.C. No. 11), in direct proportion to the minutes of use of calls passed with CPN information.

2.6.1.2 If the originating Party passes CPN on less than ninety percent (90%) of its calls and the originating Party chooses to combine Reciprocal Compensation Traffic and Toll Traffic on the same trunk group, the terminating Party shall bill its interstate Switched Exchange Access Service rates for all traffic passed without CPN unless the Parties agree that such other rates should apply to such traffic.

³ This definition not only distinguishes Internet traffic that is subject to the FCC's interim compensation regime from Reciprocal Compensation Traffic, access traffic and Tandem Transit Traffic, but it also distinguishes Internet traffic that is subject to the FCC's interim compensation regime (traffic where the originating end-user and the ISP are in the same Verizon local calling area) from Internet Traffic that is subject to standard access charges (traffic where the originating end-user and the ISP are not in the same Verizon local calling area).

2.6.2 At such time as either Party has the capability, on an automated basis, to use such CPN information to classify traffic delivered by the other Party as either Reciprocal Compensation Traffic/Measured Internet Traffic or Toll Traffic, such receiving Party shall bill the originating Party the Reciprocal Compensation Traffic call completion rate, Measured Internet Traffic rate, intrastate Exchange Access rates, or interstate Exchange Access rates applicable to each minute of Traffic for which CPN is passed, as provided in Part IV, the FCC Internet Order, and, if Verizon is the receiving Party, in VERIZON's applicable Tariffs (including, but not limited to, to the extent applicable, VERIZON Tariffs DTE Nos. 15 and 17 and F.C.C. No. 11). If the receiving Party lacks the capability, on an automated basis, to use CPN information to classify on an automated basis traffic delivered by the other Party as either Reciprocal Compensation Traffic/Measured Internet Traffic, or Toll Traffic, the originating Party will supply Traffic Factor 1 and Traffic Factor 2. The Traffic Factors applicable upon the Effective Date are specified in Schedule 2.6. Such factors may be updated by the originating Party quarterly by written notification. The determination of whether traffic is Reciprocal Compensation Traffic or Measured Internet Traffic shall be in accordance with Section 2.7.5, below.

2.6.3 Measurement of billing minutes for purposes of determining terminating compensation shall be in conversation seconds. Measurement of billing minutes for originating toll free service access code (e.g., 800/888/877) calls shall be in accordance with applicable Tariffs (including, but not limited to, to the extent applicable, VERIZON Tariffs DTE MA No. 15 and F.C.C. No. 11).

C. 2.7 Reciprocal Compensation Arrangements – Section 251(b)(5)

2.7.1 The Parties shall compensate each other for the transport and termination of Reciprocal Compensation Traffic over the terminating carrier's switch in accordance with Section 251(b)(5) of the Act at the rates provided in the Detailed Schedule of Itemized Charges (Part IV hereto), as may be amended from time to time in accordance with Part IV and Section 24.11 of the General Terms and Conditions or, if not set forth therein and VERIZON is the terminating carrier, in VERIZON Tariff DTE MA No. 17. These rates are to be applied at the SPRINT-IP for traffic delivered by VERIZON, and at the VERIZON-IP for traffic delivered by SPRINT. No additional charges shall apply for the termination of such Reciprocal Compensation Traffic delivered to the VERIZON-IP or the SPRINT-IP by the other Party, except as set forth in Part IV. When such Reciprocal Compensation Traffic is terminated over the same trunks as Toll Traffic, any port or transport or other applicable access charges related to the delivery of Toll Traffic from the IP to an end user shall be prorated to be applied only to the Toll Traffic. The designation of traffic as Reciprocal Compensation Traffic or non- Reciprocal Compensation Traffic for purposes of Reciprocal Compensation shall be based on the actual originating and terminating points of the complete end-to-end communication.

2.7.2 Transport and termination of the following types of traffic shall not be subject to the Reciprocal Compensation arrangements set forth in this subsection 2.7, but instead shall be treated as described or referenced below:

- (a) Tandem Transit Traffic shall be treated as provided under subsection 4.2 below.
- (b) For any traffic originating with a third party carrier and delivered by SPRINT to VERIZON, SPRINT shall pay VERIZON the same amount that such third party carrier would have been obligated to pay VERIZON for termination of that traffic at the location the traffic is delivered to VERIZON by SPRINT.
- (c) Subject to Section 2.7.5 below, Switched Exchange Access Service and IntraLATA and InterLATA Toll Traffic shall continue to be governed by the terms and conditions of applicable Tariffs (including, but not limited to, to the extent applicable, VERIZON Tariffs DTE MA No. 15 and F.C.C. No. 11) and, where applicable, by a Meet-Point Billing arrangement in accordance with subsection 3.3.
- (d) No Reciprocal Compensation shall apply to Internet Traffic.
- (e) No Reciprocal Compensation shall apply to special access, private line, Frame Relay, ATM, or any other traffic that is not switched by the terminating Party's circuit-switched public telephone network;
- (f) IntraLATA intrastate alternate-billed calls (e.g., collect, calling card, and third-party billed calls) originated or authorized by the Parties' respective Customers in Massachusetts shall be treated in accordance with Section 11.5 of the General Terms and Conditions.
- (g) Subject to Section 2.7.5 below, any other traffic not specifically addressed in this subsection 2.7 shall be treated as provided elsewhere in this Agreement, or if not so provided, as required by the applicable Tariff of the Party transporting and/or terminating traffic (including, but not limited to, where VERIZON is the Party transporting and/or terminating traffic, to the extent applicable, VERIZON Tariffs DTE MA Nos. 10, 14, 15 or 17, or F.C.C. No. 11).

2.7.3 Nothing in this Agreement shall be construed to limit either Party's ability to designate the areas within which that Party's Customers may make calls which that Party rates as "local" in its Customer Tariffs.

2.7.4 Each Party reserves the right to audit all Traffic, up to a maximum of two audits per calendar year, to ensure that rates are being applied appropriately; provided, however, that either Party shall have the right to conduct additional audit(s) if the preceding audit disclosed material errors or discrepancies. Each Party agrees to provide the necessary Traffic data in conjunction with any such audit in a timely manner.

2.7.5 The determination of whether traffic is Reciprocal Compensation Traffic or Internet Traffic shall be performed in accordance with Paragraphs 8 and 79, and other applicable provisions, of the FCC Internet Order (including, but not limited to, in accordance with the rebuttable presumption established by the FCC Internet Order that traffic delivered to a carrier that exceeds a 3:1 ratio of terminating to originating traffic is Internet Traffic, and in accordance with the process established by the FCC Internet Order for rebutting such presumptions before the Commission).

The Parties' rights and obligations with respect to any intercarrier compensation that may be due in connection with their exchange of Internet Traffic shall be governed by the terms of the FCC Internet Order, and other applicable FCC orders and FCC Regulations. Notwithstanding any other provision of this Agreement or any Tariff, a Party shall not be obligated to pay any intercarrier compensation for Internet Traffic that is in excess of the intercarrier compensation for Internet Traffic that such Party is required to pay under the FCC Internet Order and other applicable FCC orders and FCC Regulations.

In addition to those audit rights provided in section 2.7.4 above, VERIZON may conduct audits of the traffic billed by SPRINT as Reciprocal Compensation Traffic to determine whether such traffic is Reciprocal Compensation Traffic and therefore subject to Reciprocal Compensation. If any such traffic is determined not to be Reciprocal Compensation Traffic, VERIZON shall not pay Reciprocal Compensation for that portion which is determined not to be Reciprocal Compensation Traffic.

The following revisions should be made to the definitions found in Attachment 1:

1.0 Definitions:

"Extended Local Calling Scope Arrangement" means an arrangement that provides a Customer a local calling scope (Extended Area Service, "EAS"), outside of the Customer's basic exchange serving area. Extended Local Calling Scope Arrangements may be either optional or non-optional. "Optional Extended Local Calling Scope Arrangement Traffic" is traffic that under an optional Extended Local Calling Scope Arrangement chosen by the Customer terminates outside of the Customer's basic exchange serving area.

"FCC Internet Order" means the FCC's ISP Remand Order and Report and Order, *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP Bound Traffic*, FCC 01-131, CC Docket Nos. 96-98 and 99-68 (adopted April 18, 2001).

"Internet Traffic" means any traffic that is transmitted to or returned from the Internet at any point during the duration of the transmission.

"Measured Internet Traffic" means dial-up, switched Internet Traffic originated by a Customer of one Party on that Party's network within a Verizon local calling

area, and delivered to a Customer or an Internet Service Provider served by the other Party, on that other Party's network in the same Verizon local calling area. Verizon local calling areas shall be as defined in Verizon's effective Customer Tariffs. For the purposes of this definition, a Verizon local calling area includes a non-optional Extended Local Calling Scope Arrangement, but does not include an optional Extended Local Calling Scope Arrangement. Calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis, are not considered Measured Internet Traffic.

"Reciprocal Compensation" means the arrangement for recovering, in accordance with Section 251(b)(5) of the Act, the FCC Internet Order, and other applicable FCC orders and FCC Regulations, costs incurred for the transport and termination of Reciprocal Compensation Traffic originating on one Party's network and terminating on the other Party's network (as set forth in Section 2.7 of Part V).

"Reciprocal Compensation Traffic" means Telecommunications traffic originated by a Customer of one Party on that Party's network and terminated to a Customer of the other Party on that other Party's network, except for Telecommunications traffic that is interstate or intrastate Exchange Access, Information Access, or exchange services for Exchange Access or Information Access. Reciprocal Compensation Traffic does not include: (1) any Internet Traffic; (2) Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis; (3) Optional Extended Local Calling Arrangement Traffic; (4) special access, private line, Frame Relay, ATM, or any other traffic that is not switched by the terminating Party; or, (5) Tandem Transit Traffic.

"Telephone Toll Service" or "Toll Traffic" means traffic that is originated by a Customer of one Party on that Party's network and terminates to a Customer of the other Party on that other Party's network and is not Reciprocal Compensation Traffic, Measured Internet Traffic, or Ancillary Traffic. Toll Traffic may be either "IntraLATA Toll Traffic" or "InterLATA Toll Traffic," depending on whether the originating and terminating points are within the same LATA.

"Traffic Factor 1" means a percentage calculated by dividing the number of minutes of interstate traffic (excluding Measured Internet Traffic) by the total number of minutes of interstate and intrastate traffic. ($\text{[Interstate Traffic Total Minutes of Use \{excluding Measured Internet Traffic Total Minutes of Use\} \div \{Interstate Traffic Total Minutes of Use + Intrastate Traffic Total Minutes of Use\}] \times 100}$). Until the form of a Party's bills is updated to use the term "Traffic Factor 1," the term "Traffic Factor 1" may be referred to on the Party's bills and in billing related communications as "Percent Interstate Usage" or "PIU."

"Traffic Factor 2" means a percentage calculated by dividing the combined total number of minutes of Reciprocal Compensation Traffic and Measured Internet Traffic by the total number of minutes of intrastate traffic. ($\text{[Reciprocal Compensation Traffic Total Minutes of Use + Measured Internet Traffic Total$

Minutes of Use} ÷ Intrastate Traffic Total Minutes of Use] x 100). Until the form of a Party's bills is updated to use the term "Traffic Factor 2," the term "Traffic Factor 2" may be referred to on the Party's bills and in billing related communications as "Percent Local Usage" or "PLU."

II. ISSUE NOS. 10, 14 AND 15.

As stated in Verizon MA's Initial Brief filed in this case, Verizon MA recognizes that the Department has in a prior rulings determined that a CLEC may establish one Interconnection Point per LATA for the receipt of traffic originating from Verizon MA. *See Initial Brief of Verizon MA*, at 11 n.17 (citing *Petitions of Media One Telecommunications of Massachusetts, Inc. and New England Telephone and Telegraph Company d/b/a Bell Atlantic-Massachusetts for arbitration, pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement*, D.T.E. 99-42/43, 99-52, pp. 41-43 (8/25/99)); MA D.T.E. Phase 1 (March 24, 2000), at 133. As a result of the Department's rulings, Verizon MA has not insisted that language be included in the final Interconnection Agreement concerning its proposal for geographically relevant interconnection points. However, Verizon MA has the obligation to deliver its traffic to the IP and merely seeks the same options as Sprint.

First, Verizon has proposed language in Part III, Section 2.3 of the Interconnection Agreement that would grant to Verizon MA a right to collocate at Sprint's central office premises for purposes of network interconnection. This will give Verizon MA the ability to construct facilities from its network to Sprint's network, which will allow Verizon MA to deliver traffic to Sprint at Verizon's cost and avoid the need for Verizon to purchase interconnection transport from Sprint at a price that may exceed Verizon's cost to build its own facilities. Sprint already has a right to collocate at Verizon MA's premises to deliver traffic to Verizon MA at Sprint's cost. Verizon MA merely seeks a comparable arrangement by which it can control its transport costs.

Alternatively, Verizon MA's has proposed that Sprint should not charge Verizon distance sensitive charges for entrance facilities it will be forced to purchase from Sprint in order to interconnect with Sprint. To that end, Verizon proposes the following language in Part V Sections 1.3.9 and 1.5.3:

1.3.9 In recognition of the large number and variety of VERIZON-IPs available for use by SPRINT, SPRINT's ability to select from among those points to minimize the amount of transport it needs to provide or purchase, and the fewer number of SPRINT-IPs available to VERIZON to select from for similar purposes, SPRINT shall charge VERIZON no more than a non-distance sensitive Entrance Facility charge as provided in Part IV for the transport of traffic from a VERIZON-IP to a SPRINT-IP in any given LATA.

1.5.3 Unless otherwise agreed to by the Parties, the Parties shall designate the Wire Center(s) SPRINT has identified as its initial Rating Point(s) in the LATA as the SPRINT IP(s) in that LATA and shall designate a mutually agreed upon Tandem Office or End Offices within the LATA nearest to the SPRINT-IP (as measured in airline miles utilizing the V and H coordinates method) as the VERIZON-IP(s) in that LATA, provided that, for the purpose of charging for the transport of traffic from a VERIZON-IP to the SPRINT-IP, the SPRINT-IP shall be no further than a non-distance sensitive Entrance Facility away from the VERIZON-IP.

Assuming, for the sake of argument, that Sprint can establish its POI and IP anywhere in a LATA and is not required to allow VerizonMA to collocate at its premises, Sprint should not also be permitted to charge Verizon mileage sensitive charges. If Verizon delivers traffic to a distant Sprint POI that is not located at the Sprint IP, then Sprint should not be able to charge Verizon mileage sensitive rates in addition to non-distance sensitive rate elements. Verizon offers Sprint IPs at every Verizon tandem and Verizon end office in the LATA, and Sprint has the ability to self provision its own facilities to deliver traffic to its choice of collocation arrangement in any appropriate Verizon IP. However, Sprint offers Verizon only limited Interconnection Points. Even utilizing Verizon's proposed network architecture, Verizon is afforded a limited number of Sprint IPs. Therefore, in those instances where Verizon must

purchase entrance facilities from the POI to a Sprint IP, it may have to provide transport over a significant distance. As a result of this imbalance between the number of Sprint IPs and Verizon IPs, Verizon should not have to bear additional distance-sensitive charges. This is particularly troubling since, unlike Sprint, Verizon MA does not have the option of deciding whether it will establish interconnection arrangements with Sprint in the first instance. Sprint believes that it has the right (1) to establish its POI anywhere in the LATA without respect to the location of the telephone numbers (“NXXs”) that it chooses to assign, then (2) to refuse to permit Verizon to self-provision to that distant location, and (3) to charge a distance-sensitive rate to Verizon for transport to Sprint’s distant location. Sprint seeks not only to force Verizon to pay for the consequences of Sprint’s POI choice, but to do it in a manner that guarantees it maximum revenue for its decision. In essence, Sprint would be levying toll-like charges on Verizon for a call that originates and terminates in a local calling area. VerizonMA seeks nothing more than to avoid the inequitable results that would otherwise prevail. Should the Department choose not to exercise its authority to order Sprint to allow VerizonMA to collocate on its premises for purposes of interconnection, the Department should approve VerizonMA’s proposed language in Part V, Section 1.5.3.

III. CONCLUSION

For all of the forgoing reasons, Verizon MA respectfully requests that the Department enter an order approving its Proposed ICA.

Respectfully submitted,

VERIZON NEW ENGLAND INC.
d/b/a VERIZON MASSACHUSETTS

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