

MA D.T.C. 08-3
Attachment
D.T.C.-Verizon 1-15(a)

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April 1, 2008

BY HAND

Honorable Jaclyn A. Brillig
Secretary
New York Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: Case 08-C-0163

Dear Secretary Brillig:

Enclosed please find an original and five (5) copies of Verizon New York Inc.'s Response to the Complaint of the One Communications Companies.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard C. Fipphen".

Richard C. Fipphen

cc: Harry N. Malone – Counsel, One Communications (By E-Mail)
Brian Ossias – Counsel, New York Department of Public Service (By Hand and E-Mail)

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

**Complaint of Choice One
Communications of New York Inc.,
Conversent Communications of New
York, LLC and CTC Communications
Corp., collectively One Communications,
against Verizon New York Inc.**

Case 08-C-0163

**VERIZON NEW YORK INC.'S RESPONSE
TO THE COMPLAINT OF THE ONE COMMUNICATIONS COMPANIES**

Verizon New York Inc. (“Verizon”), through its attorney, hereby responds to the Complaint of Choice One Communications of New York Inc., Conversent Communications of New York, LLC and CTC Communications Corp. (collectively “One Communications”), dated February 13, 2008, which seeks a Commission determination that One Communications is not obligated to pay Verizon New York Inc. (“Verizon”) dedicated tandem trunk port charges associated with Access Toll Connecting Trunks ordered by One Communications to provision switched access service to interexchange carriers (“IXCs”). For the reasons set forth below, the applicable interconnection agreements and access tariffs clearly provide that dedicated tandem trunk port rates are associated with the dedicated transport facilities ordered by One Communications and are not a part of tandem switching rates, which Verizon is obligated to bill the IXCs. It is One Communications’ responsibility to pay these port rates and recover the total cost of the trunks and associated ports from IXCs through One Communications’ applicable access tariffs.

Background

Last year, Verizon discovered that it had been incorrectly applying CLEC-provided Percentage Local Use (“PLU”) factors to Access Toll Connecting Trunk dedicated tandem trunk

port rates. As a result, Verizon had failed to bill One Communications for the dedicated tandem trunk ports. On bills issued on or after July 20, 2007, Verizon discontinued application of the PLU factor to the port charges and began billing One Communications for the ports at the rate set forth in Verizon's intrastate access tariff. In September 2007, Verizon rendered a bill to One Communications for the port charges for the prior two years. One Communications disputes any obligation to pay the tariffed port rates.

Argument

I. CONTRARY TO ONE COMMUNICATIONS' ASSERTION, IT HAS ORDERED AND USED THE SERVICES FOR WHICH VERIZON IS CHARGING

The rates in dispute between Verizon and One Communications are dedicated tandem trunk port rates associated with Access Toll Connecting Trunks that have been ordered and paid for by One Communications and provisioned by Verizon. These trunks connect a One Communications switching office with a Verizon access tandem for the purpose of allowing One Communications' customers to exchange access traffic with IXCs. One Communications is obligated by its applicable interconnection agreements (or tariffs) to order these separate trunks as a part of its provision of switched access service to IXCs.¹ One Communications admits that it leases Access Toll Connecting Trunks from Verizon; therefore, its argument that it has "neither subscribed to, or utilized the services for which Verizon is charging" is without merit.²

In the typical case, an Access Toll Connecting Trunk is provisioned over an entrance facility from the One Communications switch to a Verizon serving wire center, and then over a

¹ See Conversent ICA, Part V, § 3.2.2 ("[Conversent] shall establish Access Toll Connecting Trunks pursuant to applicable access Tariffs by which it will provide tandem-transported Switched Exchange Access Services to Interexchange Carriers..."); CTC ICA, § 6.2.1 ("[CTC] shall establish Access Toll Connecting Trunks by which it will provide tandem-transported Switched Exchange Access Services to Interexchange Carriers..."); Verizon Tariff PSC No. 8, § 7.1.7.D.2 ("The CLEC must establish separate trunk groups for traffic handled under [tandem subtending arrangements, *i.e.*, access toll connecting trunks].").

² Complaint at 2.

dedicated transport facility from the Verizon serving wire center to the Verizon access tandem. The dedicated tandem trunk port is a necessary element of an Access Toll Connecting Trunk because it terminates the traffic carried over the trunk into the tandem switch. The Verizon access tariffs define the dedicated tandem trunk port as providing for “the termination of a voice frequency transmission path into the serving wire center side of an access tandem.”³ Verizon is billing dedicated tandem trunk ports to One Communications when they connect to the serving wire center side of Verizon’s access tandem, just as Verizon bills the port charge to IXC’s when they connect to Verizon’s access tandem. The dedicated tandem trunk port is thus clearly a necessary part of the Access Toll Connecting Trunks ordered by One Communications to allow it to exchange access traffic with IXC’s who interconnect with the Verizon access tandem.

Consistent with its obligations under applicable ICAs and tariff provisions, One Communications, and not the IXC’s, has ordered the Access Toll Connecting Trunks and the associated dedicated tandem trunk ports and use them to send its customers’ traffic to the Verizon access tandem, where Verizon hands off the traffic to the appropriate IXC. One Communications ordered the trunks (which include the tandem trunk port) and uses the ports for the purpose of sending access traffic through the Verizon access tandem; it is therefore obligated to pay *all* rates associated with the trunks it has ordered, including the port charge.

II. THE TANDEM PORT IS AN ELEMENT OF LOCAL TRANSPORT, AND NOT PART OF TANDEM SWITCHING

One Communications argues that it is not obligated to pay the tandem trunk port rate because the dedicated tandem trunk port is part of the tandem switching function, which Verizon is obligated to bill to the IXC’s under the meet-point billing guidelines.⁴ One Communications’

³ Verizon Tariff PSC No. 11, § 6.1.2 (A).

⁴ Complaint at 9.

argument ignores the plain language of the applicable access tariffs. Under those tariffs, it is very clear that the dedicated tandem trunk port rate and the tandem switching rate are *separate* rates in the schedule of rates applicable to tandem switched transport.⁵ Moreover, the definition of tandem switched transport makes it clear that tandem switching and dedicated tandem trunk ports are separate rate elements in the tandem switched transport rate structure:

The Local Transport rate category, when provided as Tandem Switched Transport (dedicated transport to an end office or access tandem), is comprised of a Channel Mileage rate, Dedicated Tandem Trunk Port rates, a Local Transport Termination rate, a Local Transport Facility rate, a Tandem Switching rate, and a Transport Multiplexing rate....⁶

The diagram in One Communications' Complaint⁷ does not correctly portray the applicable rate elements and the appropriate allocation of responsibility for billing access rates to the IXCs. One Communications is obligated to pay Verizon for the applicable access rates for the Verizon facilities used to connect the One Communications switch to the Verizon access tandem. These facilities, in the typical case, consist of an entrance facility, dedicated transport and the associated tandem trunk ports. Verizon provides and bills to the IXC the tandem switching function and the other elements of tandem switched transport that are necessary to connect the IXC's point-of-presence to the Verizon access tandem.

In summary, One Communications does not dispute its obligation to pay for the Access Toll Connecting Trunks, *i.e.*, the Verizon facilities connecting the One Communications switch to the Verizon access tandem.⁸ The trunk port is simply the last (and necessary) part of the

⁵ Verizon Tariff F.C.C. No. 11, § 31.6.1(B)(7)(b); Verizon Tariff PSC No. 11, § 30.6.1(B)(7). Copies of the tariff pages are annexed as Attachment 1.

⁶ Verizon Tariff PSC No. 11, § 6.1.2 (A).

⁷ Complaint at 6.

⁸ *Id.* at 5.

transmission path between the One Communications switch and the Verizon tandem switch.

One Communications is responsible for paying for the *entire* transmission path, not just parts of it. One Communications would then recover its costs for the port from the access charges that it bills the IXCs.

III. VERZION'S ACCESS TARIFFS APPLY TO THE PROVISIONING AND BILLING OF ACCESS TOLL CONNECTING TRUNK PORTS

One Communications contends that the provisioning of Access Toll Connecting Trunk ports is governed solely by Verizon Tariffs PSC No. 8 and 10 and the respective Section 251 local interconnection agreements and should be billed at cost-based rates.⁹ The facts do not support One Communications' assertion. The ports at issue here have been appropriately provisioned and billed under Verizon's interstate and intrastate access tariffs. The Conversent ICA explicitly provides that the ordering of Access Toll Connecting Trunks shall be done pursuant to "applicable access tariffs."¹⁰ The CTC ICA likewise incorporates the Verizon interstate and intrastate access tariffs in the pricing schedule, for rates relating to entrance facilities and transport for interconnection at the Verizon tandem.¹¹ Finally, Verizon PSC Tariff No. 8 refers to Verizon's access tariffs for billing associated with "tandem subtending arrangements," *i.e.*, Access Toll Connecting Trunks.¹² Verizon's billing of the port charges pursuant to applicable access tariffs is consistent with the applicable tariff and interconnection agreement language.

⁹ *Id.* at 10.

¹⁰ Conversent ICA, Part V, § 3.2.2.

¹¹ CTC ICA, Appendix 2, Section A.I.3.

¹² Verizon Tariff PSC No. 8, § 7.1.7 (A).

Conclusion

One Communications leases from Verizon Access Toll Connecting Trunks to handle IXC traffic originating or terminating to its customers and is responsible for all charges for those trunks, which consist of both transport and port components. Contrary to One Communications' claim, Verizon does not recover for dedicated tandem trunk ports through its access charges to IXCs. Rather, responsibility for the charges properly resides with One Communications. One Communications' Complaint should, therefore, be dismissed.

Respectfully submitted,



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Dated: April 1, 2008

ATTACHMENT 1

ACCESS SERVICE

31. The Verizon Telephone Companies Rates and Charges (Cont'd)

31.6 Switched Access Service (Cont'd)

31.6.1 Local Transport (Cont'd)

(B) Tandem Switched Transport and Host/Remote Switched Transport

(1) Local Transport Termination
- Per minute of use

	<u>Rate</u>	
(a) Massachusetts		
Pricing Zone 1	\$0.000000	
Pricing Zone 2	0.000000	
Pricing Zone 3	0.000000	
(b) New York/Connecticut		
Pricing Zone 1	0.000000	
Pricing Zone 2	0.000000	
Pricing Zone 3	0.000000	
(c) Maine, New Hampshire, Rhode Island, Vermont	0.000000	

(2) Local Transport Facility
- Per mile, per minute

(a) Massachusetts		
Pricing Zone 1	\$0.000003	(R)
Pricing Zone 2	0.000003	
Pricing Zone 3	0.000003	(R)
(b) New York/Connecticut		
Pricing Zone 1	0.000003	(R)
Pricing Zone 2	0.000003	
Pricing Zone 3	0.000003	(R)
(c) Maine, New Hampshire, Rhode Island, Vermont	0.000003	(R)

(TR 821)

Issued: June 15, 2007

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Vice President, Federal Regulatory
1300 I Street, NW, Washington, D.C. 20005

ACCESS SERVICE

31. The Verizon Telephone Companies Rates and Charges (Cont'd)

31.6 Switched Access Service (Cont'd)

31.6.1 Local Transport (Cont'd)

(B) Tandem Switched Transport and Host/Remote Switched Transport
(Cont'd)

(3) Tandem Switching
- Per Minute of Use

	<u>Rate</u>	
(a) Massachusetts		
Pricing Zone 1	\$0.001600	(I)
Pricing Zone 2	0.001600	
Pricing Zone 3	0.001600	(I)
(b) New York/Connecticut		
Pricing Zone 1	0.001600	(I)
Pricing Zone 2	0.001600	
Pricing Zone 3	0.001600	(I)
(c) Maine, New Hampshire, Rhode Island, Vermont	0.001600	(I)
(4) <u>Transport Multiplexing</u> (DS3 to DS1) - Per Minute of Use		
(a) Massachusetts		
Pricing Zone 1	0.000000	
Pricing Zone 2	0.000000	
Pricing Zone 3	0.000000	
(b) New York/Connecticut		
Pricing Zone 1	0.000000	
Pricing Zone 2	0.000000	
Pricing Zone 3	0.000000	
(c) Maine, New Hampshire, Rhode Island, Vermont	0.000000	

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ACCESS SERVICE

31. The Verizon Telephone Companies Rates and Charges (Cont'd)

31.6 Switched Access Service (Cont'd)

31.6.1 Local Transport (Cont'd)

(B) Tandem Switched Transport and Host/Remote Switched Transport
(Cont'd)

(5) Host/Remote Transport Termination
- Per Minute of Use

	<u>Rate</u>	
(a) Massachusetts		
Pricing Zone 1	\$0.000000	(R)
Pricing Zone 2	0.000000	
Pricing Zone 3	0.000000	
(b) New York/Connecticut		
Pricing Zone 1	0.000000	
Pricing Zone 2	0.000000	
Pricing Zone 3	0.000000	
(c) Maine, New Hampshire, Rhode Island, Vermont	0.000000	(R)
(6) Host Remote Transport Facility - Per Mile, Per Minute		
(a) Massachusetts		
Pricing Zone 1	0.000000	
Pricing Zone 2	0.000000	
Pricing Zone 3	0.000000	
(b) New York/Connecticut		
Pricing Zone 1	0.000000	
Pricing Zone 2	0.000000	
Pricing Zone 3	0.000000	
(c) Maine, New Hampshire, Rhode Island, Vermont	0.000000	

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ACCESS SERVICE

31. The Verizon Telephone Companies Rates and Charges (Cont'd)

31.6 Switched Access Service (Cont'd)

31.6.1 Local Transport (Cont'd)

(B) Tandem Switched Transport and Host/Remote Switched Transport
(Cont'd)

	<u>USOC</u>	<u>Monthly Rate</u>
(7) Dedicated Tandem Trunk Port	PT8NX	
(a) Massachusetts		\$12.50 (I)
(b) New York/Connecticut		12.50 (I)
(c) Maine, New Hampshire, Rhode Island, Vermont		12.50 (I)

(TR 327)

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ACCESS SERVICE

30. RATES AND CHARGES (Cont'd)

30.6 Switched Access Service (Cont'd)

30.6.1 Local Transport (Cont'd)

(B) Tandem Switched Transport and Host/ Remote Switched Transport

(1) Local Transport Termination
- Per minute of use

	<u>Day</u>	<u>Rate</u> <u>Evening</u>	<u>Night</u>
Pricing Zone 1	\$0.000219	\$0.000131	\$0.000077
Pricing Zone 2	\$0.000219	\$0.000131	\$0.000077
Pricing Zone 3	\$0.000219	\$0.000131	\$0.000077

(2) Local Transport Facility
- Per Mile, per access minute

	<u>Day</u>	<u>Rate</u> <u>Evening</u>	<u>Night</u>
Pricing Zone 1	\$0.000044	\$0.000026	\$0.000015
Pricing Zone 2	\$0.000044	\$0.000026	\$0.000015
Pricing Zone 3	\$0.000044	\$0.000026	\$0.000015

(3) Tandem Switching
- Per minute of use

	<u>Day</u>	<u>Rate</u> <u>Evening</u>	<u>Night</u>
Pricing Zone 1	\$0.001170	\$0.000702	\$0.000410
Pricing Zone 2	\$0.001170	\$0.000702	\$0.000410
Pricing Zone 3	\$0.001170	\$0.000702	\$0.000410

ACCESS SERVICE

30. RATES AND CHARGES (Cont'd)

30.6 Switched Access Service (Cont'd)

30.6.1 Local Transport (Cont'd)

(B) Tandem Switched Transport and Host/ Remote Switched Transport (Cont'd)

	<u>Day</u>	<u>Rate Evening</u>	<u>Night</u>
(4) Transport Multiplexing (DS3 TO DS1) - Per minute of use			
Pricing Zone 1	\$0.000146	\$0.000088	\$0.000051
Pricing Zone 2	\$0.000146	\$0.000088	\$0.000051
Pricing Zone 3	\$0.000146	\$0.000088	\$0.000051

	<u>Day</u>	<u>Rate Evening</u>	<u>Night</u>
(5) Host/Remote Transport Termination - Per minute of use			
Pricing Zone 1	\$0.002075	\$0.001245	\$0.000726
Pricing Zone 2	\$0.002075	\$0.001245	\$0.000726
Pricing Zone 3	\$0.002075	\$0.001245	\$0.000726

	<u>Day</u>	<u>Rate Evening</u>	<u>Night</u>
(6) Host/Remote Transport Facility - Per mile, per minute of use			
Pricing Zone 1	\$0.000246	\$0.000148	\$0.000086
Pricing Zone 2	\$0.000246	\$0.000148	\$0.000086
Pricing Zone 3	\$0.000246	\$0.000148	\$0.000086

ACCESS SERVICE

30. RATES AND CHARGES (Cont'd)

30.6 Switched Access Service (Cont'd)

30.6.1 Local Transport (Cont'd)

(B) Tandem Switched Transport and Host/ Remote Switched Transport (Cont'd)

	<u>Monthly Rate</u>	<u>USOC</u>
(7) Dedicated Tandem Trunk Port	\$9.90	PT8NX

(C) Direct Trunked Transport

(2) Channel Mileage

	<u>Fixed</u>	<u>Monthly Rate Per Mile</u>	<u>USOC</u>
(a) Voice Grade (2-wire and 4-wire)	\$36.44	\$4.24	1YTES
(b) DS1			
Pricing Zone 1	70.00	21.00	1YTCS
Pricing Zone 2	70.00	21.00	1YTCS
Pricing Zone 3	70.00	21.00	1YTCS
(c) DS3 (Month to Month)			
Pricing Zone 1	702.00	120.00	1YTDS
Pricing Zone 2	702.00	120.00	1YTDS
Pricing Zone 3	702.00	120.00	1YTDS
DS3 (Base Rates)			
Pricing Zone 1	702.00	120.00	1YTOS
Pricing Zone 2	702.00	120.00	1YTOS
Pricing Zone 3	702.00	120.00	1YTOS