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May 28, 2003

VIA OVERNIGHT MAIL

Ms. Blanca S. Bayo, Director
Division of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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03 MAY 30 AM 10:18

**Re: Petition for Arbitration of Unresolved Issues in
Negotiation of Interconnection of Interconnection Agreement
With Verizon Florida by US LEC of Florida Inc., Docket No. 020412-TP**

Dear Ms. Bayo:

I write in response to Verizon Florida, Inc. ("Verizon") counsel Aaron Panter's April 29, 2003 letter submitting supplemental authority in the above-captioned proceeding. Mr. Panter transmitted the Pennsylvania Public Utility Commission's ("PUC") recent decision in the arbitration involving US LEC and Verizon's Pennsylvania affiliates for filing in the instant case.¹ US LEC takes this opportunity to briefly respond to Mr. Panter's letter.

The arbitration between the parties in Pennsylvania involved many of the same issues that are before the Commission in this proceeding. Mr. Panter's letter did not address all of the disputed issues, and US LEC wishes to complete the record by apprising the Commission of some of the findings made in the *Order* not mentioned by Mr. Panter. US LEC also wishes to explain its disagreement with certain of the interpretations Verizon has given to the Pennsylvania Commission's rulings.

With regard to Issues 1 and 2 (Interconnection Architecture), which are not addressed in Mr. Panter's letter, the Commission upheld the September 13, 2002 Recommended Decision of Administrative Law Judge ("ALJ") Louis Cocheres and rejected Verizon's proposed Virtually

¹ Opinion and Order, *Petition of US LEC of Pennsylvania, Inc., for Arbitration with Verizon Pennsylvania, Inc., Pursuant to Section 252(b) of the Telecommunications Act of 1996*, A-310814F7000 (Pa. PUC April 18, 2003) ("*Order*").

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Geographically Relevant Interconnection Points (“VGRIPs”) scheme. In rejecting VGRIPs, the Commission found both that US LEC may choose the method by which it will interconnect with Verizon in each LATA, and that US LEC may establish a single Point of Interconnection (“POI”) in each LATA.² The Commission also ruled that Verizon bears financial responsibility for delivering traffic originated by its customers to US LEC’s chosen POI, thereby rejecting Verizon’s claim that US LEC should be held financially responsible for such traffic.³ The Commission found that Verizon’s proposal under Issue 2, which would permit Verizon to require US LEC to designate its collocation site at a Verizon end office as the US LEC interconnection point to which Verizon will deliver its traffic, is moot in light of the Commission’s rejection of the VGRIPs scheme.⁴

With respect to Issue 5 (“Terminating” v. “Receiving” Party), which is also not addressed by Mr. Panner, the Commission rejected Verizon’s proposed use of the term “receiving” party to indicate the carrier that terminates a call for purposes of traffic measurement. The ALJ had recommended that the parties employ the term “other party” in lieu of the terms proposed by US LEC (“Terminating” party) and Verizon (“Receiving” party) to govern any event in which the FCC modifies its rules so that (1) reciprocal compensation obligations apply to ISP-bound traffic pursuant to Section 252(b); or (2) it determines that Internet calls terminate at the ISP and are thus subject to reciprocal compensation. The Commission modified the ALJ’s suggestion and ruled that “the term ‘other party’...shall automatically be interpreted as terminating party, or any other substitute term that may be defined by the FCC to accomplish the spirit of the two conditions listed above in this paragraph, without formal amendment to the Agreement.”

With respect to the issues addressed by Mr. Panner, US LEC wishes to clarify several points. With regard to Issue 3 (Application of Reciprocal Compensation Obligations to “Voice Information Services” Traffic), US LEC has requested that the Pennsylvania Commission reconsider its adoption of Verizon’s position that such traffic is not subject to reciprocal compensation. US LEC pointed out that the Commission’s *Order* exceeded the scope of Verizon’s proposal, that the Commission erroneously defined the term “Information Access,” and that the Commission failed to account for the recent FCC Wireline Bureau decision that rejected Verizon’s attempt to define its reciprocal compensation obligations in the same manner as it does here. US LEC will provide an update to the Commission when the Pennsylvania Commission renders its decision and urges this Commission to adopt its position on Issue 3.

With regard to Issue 6 (Reciprocal Compensation for FX Services), Mr. Panner states that the Commission reversed the ALJ’s recommendation in favor of US LEC on this issue. However, US LEC notes that the Commission rejected Verizon’s proposal for the parties to assess originating access charges to each other on calls originating on their networks for termination to a customer with a particular NXX code if the customer assigned the NXX is physically located outside the same calling area associated with that NXX code, and adopted an

² *Order* at 13-17.

³ *Order* at 18.

⁴ *Order* at 18.

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interim "bill and keep" arrangement pending the resolution of its ongoing investigation into the use of NXX systems in Pennsylvania.⁵

Finally, US LEC notes that the Commission adopted US LEC's position with respect to Issue 8 (Propriety of Non-Tariffed Rates Specified in the Agreement; this issue is designated as Issue 9 in Pennsylvania). The Commission found that Verizon may not change its non-tariffed charges during the term of the agreement.⁶ Mr. Panner's letter mentions the Commission's resolution of this issue but does not state that the position the Commission adopted was in fact that advocated by US LEC.

Please do not hesitate to contact the undersigned if you have any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Rindler", with a long horizontal flourish extending to the right.

Richard M. Rindler
Robin F. Cohn

cc: Michael Shor, Esq.
Wanda Montano
Aaron Panner, Esq.

⁵ Order at 58.

⁶ Order at 75.