CONFIDENTIAL

PROPRIETARY AND CONFIDENTIAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Verizon Florida Inc.'s Petition for	
Resolution of Its Dispute with	
XO Communications Services, Inc.	

Docket No. 060479_TP

Filed: June 28, 2006

DECLASSIFIED

VERIZON FLORIDA INC.'S PETITION FOR DISPUTE RESOLUTION

In accordance with sections 3.6.2.1 and 3.9.2.1 of Amendment 2 of its Interconnection Agreement ("ICA") with XO Communications Services, Inc. ("XO"). Verizon Florida Inc. ("Verizon") asks the Commission to resolve its dispute with XO about dedicated transport facilities that XO has attempted to retain at unbundled network element ("UNE") prices, but that are not UNEs. Verizon is currently providing XO a total of 14 UNE DS1 dedicated transport circuits out of wire centers that meet the FCC's non-impairment criteria established in the Triennial Review Remand Order. 1 Verizon thus asks the Commission to permit Verizon to disconnect these facilities or convert them to special access services, and to order XO to retroactively compensate Verizon for these facilities at the monthly tariffed special access rates, as the parties' ICA requires. In addition, Verizon asks the Commission to order XO to pay Verizon the appropriate true-up to access rates for three additional circuits that XO ordered as UNEs out of non-impaired wire centers after March 11, 2005, but that XO disconnected This notice of intent was filed in a docketed several months later.2 matter by or on behalf of a "telco" for Confidential DNOS 803-06. The

CONFIDENTIAL

05803 JUN 28 8

confidential material is in locked storage pending staff advice on handling.

¹ See Unbundled Access to Network Elements, Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, WC Docket 04-313 & CC Docket No. 01-338 (rel. Feb. 4, 2005) ("TRRO"); 47 C.F.R. §§ 51.319(a)(4) (DS1 loops), 51.319(a)(5)(DS3 loops), 51.319(e) (dedicated transport).

² XO ordered seven more UNE DS1 circuits out of non-impaired offices after March 11, 2005, but shortly before Verizon filed this petition, XO agreed that the circuits should be converted to special access (three of those circuits were disconnected, so the special access rates apply up to the date of disconnection). Because XO has acknowledged that these circuits are properly special access, rather than UNEs, Verizon expects that XO will pay Verizon a retroactive true-up to access rates from the time the circuits were erroneously ordered as UNEs. If XO refuses to do so, Commission intervention may be tracessed that the circuits were erroneously ordered as UNEs.

I. The Relevant Law and ICA Terms

In the *TRRO*, the FCC determined that incumbent local exchange carriers ("ILECs") are no longer required to provide DS1 and DS3 transport facilities out of wire centers that meet the non-impairment criteria established there. Specifically, the FCC held that CLECs may not obtain DS1 transport on routes connecting two "Tier 1" wire centers—that is, wire centers that each "contain[] at least four fiber-based collocators *or* 38,000 or more business lines." *TRRO* ¶¶ 66 (emphasis in original), 112, 126; 47 C.F.R. § 51.319(e)(2)(ii)(A); 51.319(e)(3)(i). In addition, CLECs may not obtain DS3 transport on routes connecting any combination of Tier 1 and Tier 2 two wire centers. Tier 2 wire centers are defined as those containing "at least three fiber-based collocators *or* at least 24,000 business lines." *Id.* ¶¶ 66 (emphasis in original), 118, 129-130; 47 C.F.R. § 51.319(e)(2)(iii)(A). The FCC's non-impairment criteria are reflected in the parties' Amendment No. 2 ("*TRO/TRRO* Amendment," attached as Ex. 1) at sections 3.5.1 ("DS1 Dedicated Transport"); 3.5.2 ("DS3 Dedicated Transport"); and 3.5.5 ("Wire Center Tier Structure").

The FCC adopted a 12-month transition plan for the CLECs' embedded base of "de-listed" DS1 and DS3 transport. See TRRO ¶ 142. The transition period began on March 11, 2005, the effective date of the TRRO, and ended on March 11, 2006. Id. ¶¶ 5, 142-43. Before the transition deadline, the CLECs were required to either discontinue the de-listed elements or obtain non-UNE replacement services. Id. ¶¶ 142-45. The transition plan applied "only to the embedded customer base," and did not permit CLECs to add new dedicated transport UNEs where unbundling is no longer required under the TRRO non-impairment standard. Id. ¶ 142. The FCC set the price for de-listed transport during the transition period "at a rate equal to the higher of (1) 115

percent of the rate the requesting carrier paid for the transport element on June 15, 2004, or (2) 115 percent of the rate the state commission has established or establishes, if any, between June 16, 2004 and the effective date of [the *TRRO*], for that transport element." *Id.* ¶ 145.

The TRRO's transition period and transition rate requirements are embodied in the parties' TRO/TRRO Amendment sections 3.5.1.2 ("Transition Period for DS1 Dedicated Transport") and 3.5.2.2 ("Transition Period for DS3 Dedicated Transport"). Section 3.9 of the Amendment addresses "Discontinuance of the Embedded Base at the Close of Transition Period." It provides that the CLEC must have ordered any non-UNE replacement facilities to take effect "no later than March 10, 2006." TRO/TRRO Amendment § 3.9.1. If the CLEC did not request disconnection or a replacement arrangement by that date, then, as of March 11, 2006, Verizon was permitted to disconnect the facility or convert it to "an analogous access (month-to-month term), resale, or commercial arrangement" that Verizon identified in writing to the CLEC. § 3.9.2. If, however, the CLEC challenged Verizon's designation of particular transport facilities as exempt from unbundling, then Verizon had to "continue to provision the subject elements as UNEs, and then seek resolution of the dispute by the Commission or the FCC, or through any dispute resolution process set forth in the Agreement that Verizon elects to invoke in the alternative." TRO/TRRO Amendment § 3.9.2.1.

The FCC's ban on *new orders* for transport facilities de-listed under the *TRRO*'s non-impairment criteria took effect on March 11, 2005, without the need for any contract amendments. The Commission confirmed this point in its May 5, 2005 "No-New-Adds"

Order denying a number of requests by CLECs (including XO) to block implementation of the *TRRO*'s mandatory transition plan.³

The *TRRO*'s "no-new-adds" prohibition for high-capacity facilities is reflected in the parties' *TRO/TRRO* Amendment at section 3.6 ("TRRO Certification and Dispute Process for High Capacity Loops and Transport"). In accordance with the *TRRO*, the Amendment requires that, "before requesting unbundled access" to UNE dedicated transport, XO "must undertake a reasonably diligent inquiry and, based on that inquiry, certify that, to the best of its knowledge," its request is consistent with the *TRRO*'s requirements. *TRO/TRRO* Amendment § 3.6.1.1; *TRRO* ¶ 234. XO's "reasonably diligent inquiry must include, at a minimum" consideration of Verizon's non-impaired wire center list and "any back-up data that Verizon provides" to XO. *TRO/TRRO* Amendment § 3.6.1.1. Such back-up data "may include data regarding the number of Business Lines and fiber-based collocators at non-impaired Wire Centers," but "Verizon may mask the identity of fiber-based collocators in order to prevent disclosure to XOCS of other carriers' confidential or proprietary network information." *Id.* § 3.6.1.2.

The FCC determined that if an incumbent LEC ("ILEC") disagrees with the CLEC's self-certification of a new order, it must nevertheless provision the requested facility but may challenge the CLEC's certification through the dispute resolution procedures provided for in its interconnection agreement. *TRRO* ¶ 234. In accordance with this "provision-then-dispute" process, section 3.6.2.1 of the Amendment states that: "If Verizon wishes to challenge XOCS's right to obtain unbundled access to the subject

³ Order Denying Emergency Petitions, *Petition to Establish Generic Docket to Consider Amendment to Interconnection Agreements Resulting from Changes in Law, etc.*, Docket Nos. 041269-TP, 050171-TP, and 050172-TP, Order No. PSC-05-0492-FOF-TP (May 2, 2005) ("*No-New-Adds Order*"), at 6-7 ("we find that further prolonging the availability of UNE-P and other delisted UNEs could cause competitive carriers to further defer investment in their own facilities, a result that would be clearly contrary to the FCC's intent, as well as the Court's decision in USTA II").

element pursuant to 47 U.S.C. § 251(c)(3), Verizon must provision the subject element as a UNE and then seek resolution of the dispute by the Commission or the FCC, or through any dispute resolution process set forth in the Agreement that Verizon elects to invoke in the alternative."

The Amendment further provides that if a dispute about certification of a new order is resolved in Verizon's favor, then XO must compensate Verizon for the additional charges that would have applied if XO had ordered the erroneously certified facility "on a month-to-month term under Verizon's interstate special access tariff...and any other applicable charges." TRO/TRRO Amendment § 3.6.2.2.

II. The Facts

A. Verizon's Transition Notices

The FCC issued the *TRRO* on February 4, 2004. On February 10, 2005, Verizon notified CLECs, including XO, that the *TRRO*'s mandatory transition plan did not permit CLECs to submit new orders for facilities de-listed in the *TRRO* (including DS1 and DS3 transport out of wire centers meeting the FCC's non-impairment criteria) for completion on or after March 11, 2005. See Ex. 2. The notice also informed CLECs that any embedded base of de-listed facilities in place as of March 11, 2005 would be subject to the *TRRO*'s transitional rate increases, and encouraged CLECs to complete negotiations for transition of the embedded base in order to meet the FCC's transition deadline. Verizon sent follow-up notices, dated October 21, 2005 and November 17, 2005, reminding CLECs that they needed to take appropriate action to complete the transition away from de-listed elements before March 11, 2006. See Exs. 3-4. In addition, on March 2, 2006, Verizon sent XO a list of its embedded-base circuits out of

non-impaired wire centers, and again reminded XO in a March 10, 2006 letter that it should take immediate action to replace its embedded, de-listed circuits with non-UNE services. See Ex. 5.

However, as explained above, the *TRO* Amendment later ordered by this Commission (and executed on March 15, 2006) requires Verizon to keep providing, as UNEs, XO's embedded base of disputed facilities until the Commission resolves XO's challenge to Verizon's wire center classifications, at which time charges for the facilities must be trued up retroactively if Verizon prevails in the dispute.

B. Verizon's Exempt Wire Center List

On February 18, 2005, in response to a request from the Chief of the FCC's Wireline Competition Bureau, Verizon filed with the FCC a list of wire centers that satisfy the *TRRO*'s non-impairment thresholds for DS1 and DS3 loops and transport. See Ex. 6. Verizon also made this information available to all CLECs on its wholesale website and in an industry letter dated March 1, 2005. See Ex. 7. The February 18, 2005 list designated nine Tier 1 wire centers and four Tier 2 wire centers as non-impaired for transport purposes.

On November 17, 2005, Verizon notified CLECs that it had identified additional wire centers satisfying the FCC's non-impairment criteria. See Ex. 4. This list did not change the status of any Florida wire centers for transport purposes. Verizon's notice informed CLECs that the updated list would take effect as of February 15, 2006.

Later, in conjunction with the FCC's approval of the Verizon/MCI merger, Verizon agreed to revise its initial wire center list to exclude the fiber-based collocation arrangements of MCI and its affiliates. On February 3, 2006, Verizon filed a revised

wire center list with the FCC and sent CLECs a Notice about the wire center revisions. See Ex. 8. This list showed eight Tier 1 and four Tier 2 wire centers as non-impaired for transport purposes. The changes in wire center classifications that took effect on February 3, 2006 were prospective only. See Ex. 9.

C. Verizon's Provision of Back-up Data

In its March 1, 2005 notice of non-impaired wire centers (Ex. 7), Verizon told CLECs that, upon request and execution of an appropriate nondisclosure agreement, it would provide them the back-up data that Verizon used to develop its wire center list. The notice also stated that, if a CLEC had actual, verifiable data that it believed demonstrated that Verizon had incorrectly classified a wire center as non-impaired, the CLEC should provide such data to its Verizon account manager before March 11, 2005. Twenty-five CLECs requested the back-up data and 17 were provided the data after executing a nondisclosure agreement.

On March 11, 2005, in response to XO's request, Verizon provided its wire center back-up data for all non-impaired offices in all Verizon states to XO, subject to a non-disclosure agreement. These back-up data identified the business line counts for each wire center and the number of unaffiliated CLECs whose collocation arrangements were counted for purposes of determining whether the FCC's non-impairment criteria were met. In addition, Verizon provided XO with a description of the process by which Verizon gathered the wire center data. Verizon later provided XO its back-up data for the November 17, 2005 update to its non-impaired wire center list, as well.

After reviewing Verizon's back-up data, XO pointed out that Verizon had counted XO and its then-recently-acquired affiliate, Allegiance, as separate fiber-based

collocators in some wire centers. Verizon promptly made a correction, which affected the status of only one wire center in a state other than Florida. To eliminate any suspicions XO might have had about other affiliations reflected in Verizon's counts of fiber-based collocators, on September 9, 2005, Verizon provided XO (under the parties' nondisclosure agreement) a detailed matrix of all fiber-based collocators and affiliates reflected in Verizon's counts of fiber-based collocators. XO did not raise any other affiliation issues after receiving the matrix.

The second issue XO raised after reviewing Verizon's back-up data concerned Verizon's designation of XO as a fiber-based collocator in one wire center, again in a state other than Florida, which led to reclassification of that wire center from Tier 1 to Tier 2. Verizon notified XO and other CLECs of these two corrections in an October 31, 2005 notice. Neither of these two issues affected the designations of any Florida wire centers.

DECLASSIFIED

D. The Parties' Disputes

XO currently has 14 UNE DS1 transport circuits out of non-impaired wire centers.⁴ Ten of these circuits were in XO's embedded base on March 11, 2005, but XO has taken no action to convert them to special access. See Ex. 10. XO ordered the other four existing circuits out of non-impaired offices after March 11, 2005. See Ex. 11.

On November 4, 2005, December 9, 2005, February 7, 2006, and March 3, 2006, Verizon sent XO notices disputing XO's orders of specific UNE transport circuits out of

⁴ XO has repeatedly changed its position as to the circuits and wire centers that it disputes. Without waiving any rights or arguments Verizon may have regarding the timeliness of any new disputes that XO might attempt to raise, Verizon reserves the right to revise this petition to add or remove particular circuits if Verizon should determine that any such revisions are needed.



non-impaired wire centers since March 11, 2005. See Exs. 12-15. In a March 3, 2006, letter, XO indicated that it would soon provide Verizon a list of UNE loops and/or transport circuits to be converted to non-UNE alternatives, but disputed Verizon's non-impairment classification of five Florida wire centers—three Tier 2 wire centers (CNSDFLXA, PNLSFLXA, and YBCTFLXA) and two Tier 1 wire centers (SPBGFLXA and TAMPLFXA). XO told Verizon that it would not convert any existing transport circuits out of those wire centers. See Ex. 16.

However, none of the 14 circuits at issue in this proceeding are (or were) out of three of the five wire centers XO identified as disputed in its March 3, 2006 letter (that is, CNSDFLXA, PNLSFLXA, or YBCTFLXA). Because XO has no de-listed UNE transport circuits in these three wire centers, these wire centers are not in dispute in this case. The remaining two wire centers—SPBGFLXA and TAMPFLXA—are disputed, because XO did not convert 10 embedded DS1 transport circuits, and it ordered one DS1 transport circuit after March 11, 2005, on routes where those offices are at either end. The BHPKFLXA, WSSDFLXA, and CLWRFLXA wire centers that appear at the other ends of those 11 SPBGFLXA and TAMPFLXA circuits on Exhibits 10 and 11 are not disputed, because they were not on XO's March 3 list. Although the TAMPFLXX and TAMPFLXE wire centers were not on XO's March 3 list, either, on June 26, 2006, XO counsel indicated in an e-mail to Verizon counsel that XO disputed Verizon's non-impairment classification of these two wire centers—although it provided no substantiation for its impairment claim.

XO did not provide, either in its March 3 letter or otherwise, any Floridaspecific information to support its challenge to Verizon's classifications of any Florida wire centers. XO is the only Florida CLEC that has refused to convert de-listed UNEs based on allegations that Verizon incorrectly categorized wire centers as non-impaired.

III. The Commission Should Confirm Verizon's Wire Center Designations and Order XO to Pay the Required True-Up

Since the *TRRO* was released, XO has done everything it can to avoid federal law requiring it to transition away from de-listed facilities to non-UNE alternatives, and prohibiting new orders of de-listed facilities. Initially, it refused to submit conversion orders for de-listed facilities because it claimed that an amendment was required to implement the *TRRO*'s mandatory transition. See, e.g., Ex. 17. Having lost that argument in Florida (and everywhere else), XO refuses to convert de-listed facilities based on allegations that Verizon has incorrectly categorized certain Florida wire centers as non-impaired.

These are not good faith disputes. XO has failed to provide any support for its claims of entitlement to facilities out of non-impaired offices, despite Verizon's repeated requests for such information. See, e.g., Ex. 5. Instead of following the FCC's process for wire center challenges memorialized in the TRO/TRRO Amendment, XO filed an unauthorized, frivolous "complaint" asking the Commission to launch the generic wire center investigation it has repeatedly denied.⁵ And instead of performing the reasonably diligent inquiry the FCC and the Amendment require, XO continues to complain about Verizon's masking the identity of other fiber-based collocators—even though the Commission-approved Amendment expressly allows Verizon to do so in

⁵ See XO's Complaint and Request for Relief Regarding Verizon's Determination of Non-Impaired Wire Centers Under the TRRO, Docket No. 060365-TL (filed May 1, 2006). Verizon has asked the Commission to dismiss XO's complaint. See Verizon's Motion to Dismiss XO's Complaint (filed May 22, 2006). In accordance with *TRO/TRRO* Amendment sections 3.6.2.1 and 3.9.2.1, the parties' specific disputes will instead be resolved through this Petition.

order to protect the competitively-sensitive network information of third party carriers.

Amendment § 3.6.1.2. (Each such carrier has been allowed to verify Verizon's counting of that carrier as a fiber-based collocator in any event.)

The Commission should require XO to provide its evidence that the four disputed wire centers (SPBGFLXA, TAMPAFLXA, TAMPFLXX, and TAMPLFXE) are in fact impaired (or to admit that it has no such evidence). Absent verifiable evidence showing that the wire centers are impaired, the Commission should confirm that these disputed wire centers satisfy the FCC's non-impairment criteria, and it should order XO to disconnect or convert to non-UNE services the DS1 circuits it is receiving out of those wire centers.

The Commission should also order XO to compensate Verizon in accordance with section 3.6.2.2 of the parties' TRO Amendment. Specifically, XO must pay Verizon the difference between the UNE rates XO has enjoyed for dedicated transport facilities out of non-impaired wire centers and the tariffed, monthly special access rate, plus any other applicable charges (including late payment fees), back to the time the facilities were provisioned, for post-March 11, 2005 orders. For the embedded base of facilities out of non-impaired offices, XO must pay the same true-up to access rates for the period after March 11, 2006, and a true-up to the *TRRO*'s transitional rates between March 11, 2005 and March 11, 2006. Under section 3.6.2.2 of the Amendment, the month-to-month special access rates will apply until XO requests disconnection of the subject facilities or another type of tariffed access arrangement.

Verizon has included its back-up data for the four non-impaired wire center designations in dispute in this case, including counts of business lines and fiber-based

collocators by non-impaired wire center. See Ex. 18.⁶ Also included is a description of the work process used to identify the non-impaired wire centers. See Ex. 19. Verizon's back-up data conforms in all respects to the requirements of the *TRRO* and the parties' *TRO/TRRO* Amendment. These data derive from the same sources (*i.e.*, FCC ARMIS reports for business lines and ILEC fiber-based collocation information) that the FCC relied on in making its impairment determinations in the *TRRO*. See *TRRO* ¶¶ 100, 105.

This documentation should be sufficient for the Commission to determine that Verizon's designations are correct. However, if the Commission seeks additional explanation, Verizon is willing to meet with Commission Staff and/or to respond to written requests for information. Verizon is also willing to consider Staff-assisted mediation. A hearing proceeding should not be necessary at this point, because confirmation of Verizon's wire center designations will depend primarily on Staff's analysis of the back-up data.

* *

In accordance with sections 3.6.2.1 and 3.9.2.1 of the parties' TRO/TRRO Amendment, Verizon asks the Commission to resolve the parties' specific disputes about the non-UNE transport facilities XO has retained at UNE prices. The Commission should confirm that the four disputed wire centers satisfy the FCC's non-impairment criteria, and to order XO to pay the true-up specified in the parties' TRO/TRRO Amendment for the dedicated transport facilities it erroneously obtained as UNEs during

⁶ Exhibit 18 refers to fiber-based collocators by number, rather than name, to avoid disclosing third-party confidential information. Upon request, Verizon will provide to Commission Staff, under confidential cover, the CLEC names that correspond to the numbers on Exhibit 18.

the period since March 11, 2005. The Commission should rule as quickly as possible, in order to curb the anti-competitive harms resulting from XO's temporary enjoyment of UNE pricing for dedicated transport in the absence of impairment.

Respectfully submitted on June 28, 2006.

Ву:

Dulaney L O'Roark III

Six Concourse Parkway, Suite 600

Atlanta, Georgia 30328

(770) 284-5498

Attorney for Verizon Florida Inc.

CONFIDENTIAL DECLASSIFIED

Anthony M. Black **Assistant General Counsel**



1515 North Courthouse Road Suite 500 Arlington, VA 22201

Phone: 703 351-3025 703 351-3664 anthony.m.black@verizon.com

March 10, 2006

VIA FIRST CLASS MAIL AND ELECTRONIC MAIL

Mr. J. Gary Case Director, Carrier Management **XO** Communications 11111 Sunset Hills Road Reston, VA 20190

> RE: Compliance with Triennial Review Order on Remand

Dear Mr. Case:

I am writing in response to your letter to Kathryn Kalajian of Verizon, dated March 3, 2006, regarding XO's embedded base of unbundled loop and transport circuits that XO, effective as of March 11, 2006 (or, in the case of dark fiber, September 11, 2006), is no longer permitted to obtain as unbundled network elements under the FCC's Order on Remand in WC Docket No. 04-313 and CC Docket No. 01-338, released on February 4, 2005 (the "TRRO"). In your letter you claim that XO, in certain states and/or as to certain wire centers that Verizon has identified as meeting the non-impairment criteria under the TRRO, is exempt from the mandatory transition required by the TRRO. Your arguments are incorrect for reasons Verizon has previously explained to XO, and XO, to the extent it has not already done so, must take appropriate action to complete the transition before March 11, 2006 (or, in the case of dark fiber, September 11, 2006) as discussed in Verizon's notices to XO including those dated February 10, March 2, October 21, and November 17, 2005, and February 3, 2006 (the "Notices"). I address below certain points in your letter.

First, you assert that XO is exempt from the mandatory TRRO transition in Pennsylvania, Maryland, Delaware, Virginia, Washington, and Texas because XO has not executed an amendment to implement the TRRO in those states. That is incorrect. The mandatory transition plan the FCC adopted in the TRRO does not depend on any particular contract terms. Therefore, none of Verizon's interconnection agreements, with XO or any other CLEC, had to be amended before implementation of the FCC's prohibition on new orders for de-listed UNEs as of March 11, 2005, and nothing in any CLEC's contract can change the FCC's deadlines for transition of the embedded base of de-listed UNEs.3 To the extent

¹ Such embedded base of discontinued UNEs may be referred to herein as the "Discontinued Embedded Base."

² In New Jersey, such Notices also include Verizon's notice dated February 9, 2006.

See TRRO ¶ 145, 198 (noting that the "limited duration of the transition" protects incumbents).

Mr. J. Gary Case March 10, 2006 Page 2

CONFIDENTIAL



particular contracts could be interpreted to require negotiations to dispose of a CLEC's embedded base, the FCC required that such negotiations be completed early enough within the transition period that transition of the discontinued embedded base can itself be completed before the transition period closes. In any event, any such considerations do not apply here, as the terms of XO's agreements already authorize Verizon, without first amending the agreements or satisfying any conditions beyond providing notice that Verizon has already provided, to cease providing UNEs upon cessation of Verizon's unbundling obligation.

Second, you state that XO will not comply with the *TRRO* transition requirements with respect to XO's Discontinued Embedded Base circuits provisioned out of 91 non-impaired wire centers listed in Attachment A to your letter because, according to your letter, Verizon has not provided XO with the information necessary for XO to confirm whether those wire centers have been accurately identified as non-impaired.⁶ That allegation is demonstrably false.

On March 2, 2005, Verizon sent to XO and other CLECs a notice that identified the wire centers where Verizon is no longer required to provide access to high capacity loop and/or transport circuits under the TRRO (the "March 2 Notice"). Verizon also posted that list of wire centers on its wholesale website. Verizon's March 2 Notice explained that Verizon's list reflects the data sources specified by the FCC in the TRRO, including ARMIS data previously filed with the FCC. As the FCC noted in the TRRO, the ARMIS filings are "an objective set of data that incumbent LECs already have created for other regulatory purposes... [W]e can be confident in the accuracy of the thresholds, and a simplified ability to obtain the

⁴ See TRRO ¶ 143 ("At the end of the twelve-month period, requesting carriers must transition the affected DS1 or DS3 dedicated transport UNEs to alternative facilities or arrangements."), 196 ("At the end of the twelve-month period, requesting carriers must transition all of their affected high-capacity loops to alternative facilities or arrangements.") (emphasis added).

⁵ See, e.g., DE, TX, and WA Agreements, UNE Remand Amendment § 1.5 ("Without limiting Verizon's rights pursuant to Applicable Law or any other section of this Agreement to terminate its provision of a UNE or a Combination, if Verizon provides a UNE or Combination to [XO], and the Commission, the FCC, a court or other governmental body of appropriate jurisdiction determines or has determined that Verizon is not required by Applicable Law to provide such UNE or Combination, Verizon may terminate its provision of such UNE or Combination to [XO]."); MD Agreement, § 8.4 ("Notwithstanding anything herein to the contrary, in the event that as a result of any unstayed decision, order or determination of any judicial or regulatory authority with jurisdiction over the subject matter hereof, it is determined that a Party ("Providing Party") shall not be required to furnish any service, facility, arrangement or benefit required to be furnished or provided to the other Party ("Recipient Party") hereunder, then the Providing Party may discontinue the provision of any such service, facility, arrangement or benefit ("Discontinued Arrangement") to the extent permitted by any such decision, order or determination by providing sixty (60) days prior written notice to the Recipient Party, unless a different notice period or different conditions are specified in this Agreement (including, but not limited to, in an applicable Tariff . . . or Applicable Law for termination of such Discontinued Arrangement, in which event such specific period and/or conditions shall apply."); PA-East and VA-East Agreements, § 3.4 ("Unless a service is required to be offered by a Party under Applicable Law, either Party may terminate any service provided under this Agreement upon thirty (30) days prior written notice to the other Party unless a different notice period or different conditions are specified in this Agreement (including, but not limited to, in an applicable Tariff or Applicable Law) for termination of such service, in which event such specified period and/or conditions shall apply. Upon termination of its purchase of a service by the purchasing Party, the purchasing Party shall pay any applicable termination charges specified in this Agreement."); VA-West Agreement, § 32 ("Changes in Legal Requirements. [Verizon] and [XO] further agree that the terms and conditions of this Agreement were composed in order to effectuate the legal requirements in effect at the time the Agreement was produced. Any modifications to those requirements that subsequently may be prescribed by final and effective action of any federal, state, or local governmental authority will be deemed to automatically supersede any terms and conditions of this Agreement.").

⁶ In Attachment A to your letter, XO disputes the non-impairment designations of GRCYNYGC and NYCKNYBR with respect to DS1 and DS3 loops, and BRWDNYBW only with respect to DS3 loops. Those wire centers also qualify for Tier 1 non-impairment status.

Mr. J. Gary Case March 10, 2006 Page 3

CONFIDENTIAL DECLASSIFIED

necessary information." Verizon's March 2 Notice nonetheless offered to provide to XO and other CLECs, under an appropriate nondisclosure agreement (NDA), the backup data that Verizon used to develop and update the lists of wire centers. The March 2 Notice asked XO to contact its Verizon account manager if your company had actual, verifiable data that it believed demonstrates that any Wire Center identified on the lists provided by Verizon should not be included on those lists.

XO executed the NDA and, two days later, on March 11, 2005, Verizon provided the back-up data to XO. Although that data was fully adequate to confirm the non-impairment status of the subject wire centers, Verizon, during the period since then, has gone to great lengths to provide further information to XO so as to eliminate any potential for doubt about whether the wire centers were accurately identified as non-impaired. For example, to alleviate any suspicion XO might have had regarding whether Verizon accurately accounted for affiliate relationships in the fiber-based collocator counts. Verizon provided to XO under a non-disclosure agreement on September 9, 2005 a detailed matrix of all fiber-based collocators and affiliations that Verizon's counts reflected. After meticulously analyzing Verizon's back-up data and follow-up information, XO identified only two verifiable changes that should be made. First, XO pointed out that Verizon had counted XO and its recently-acquired affiliate, Allegiance, as separate fiber-based collocators. Verizon promptly made a correction reflecting such information that XO provided, notice of which correction Verizon provided to XO and other CLECs on October 31, 2005. That correction required only one change in the non-impairment status shown in Verizon's wire center list, which was to reinstate the availability of DS3 loops at one wire center in California. Secondly, XO disputed the designation of XO as a fiber based collocator in one other wire center. After investigating the matter, Verizon concurred with XO and corrected the wire center list in a notice to XO and other CLECs on October 31, 2005. The sole effect of that correction was to reclassify one wire center in Massachusetts from Tier 1 to Tier 2.8

You state in your letter, without offering any data or facts, that XO finds it "extremely unlikely" that Verizon has not made other errors in its wire center list. But XO, in good faith, cannot challenge the accuracy of Verizon's wire center list based on unsubstantiated suspicions. XO has also suggested that Verizon might have counted XO as a fiber-based collocator at certain locations where XO claims it does not meet the FCC's definition of fiber-based collocator. XO admits that it leases its fiber from third parties at the locations, but claims that such arrangements do not meet the FCC's definition because the leases (purportedly) do not provide XO an indefeasible right of use. That claim is incorrect as a legal matter, as the indefeasible right of use component of the FCC's definition of a fiber-based collocator applies only when the fiber is obtained from Verizon. See 47 C.F.R. § 51.5. Even if XO's theory were legally correct (which it is not), XO committed in November 2005 to provide information to substantiate these alleged arrangements, but it has never done so.

Third, XO suggests that, because Verizon has not provided XO with confidential and proprietary network information (CPNI) of other CLECs, XO is unable to verify that Verizon correctly counted such CLECs as fiber-based collocators. But as Verizon has explained to XO, each CLEC has been allowed to verify Verizon's counts of that CLEC's fiber-based collocations. No CLEC has requested that Verizon release its CPNI to XO, nor should there be any reason for XO to obtain highly-sensitive competitive information of another CLEC, without that CLEC's consent, in order to verify information that the other CLEC has already been allowed to verify. However (as noted above), in an effort to provide the XO fullest possible information without disclosing other CLECs' CPNI to XO, Verizon, six months ago, provided XO the list of fiber-based collocators and affiliate relationships that Verizon's counts reflected.

⁷ TRRO ¶ 105.

Verizon also undertook, without prompting from XO or any other CLEC, further analysis of all affiliate relationships and subsequently changed the status of several other wire centers.

Mr. J. Gary Case March 10, 2006 Page 4 CONFIDENTIAL

DECLASSIFIED

XO has never responded to that data or questioned the accuracy of the affiliate relationships identified therein.

Fourth, your letter includes a footnote stating that XO "is disputing" – with nary a mention of any basis for doing so — the non-impairment designations of 53 wire centers set forth in Verizon's November 17, 2005 update to its wire center list. That unsubstantiated statement cannot constitute a good faith dispute, and Verizon does not accept it as such, particularly since Verizon provided XO with the back-up data for the November 17 update as well.

Finally, your letter contains various assertions regarding rates and charges associated with the TRRO transition. I will not respond to each such assertion. It shall suffice to say that nothing in your letter alters any right or obligation that either party may have under the applicable interconnection agreements, applicable tariffs, the TRRO, or otherwise, with respect to any such rates or charges.

For reasons stated above and in previous communications with XO, XO has not stated (and cannot state) any lawful basis upon which it may decline to comply, as to any wire center Verizon has identified as non-impaired in any state, with the mandatory transition established in the *TRRO*. Nor, under paragraph 234 of the *TRRO* or otherwise, is Verizon obligated to continue providing XO's Discontinued Embedded Base at UNE rates on or after March 11, 2006 (or, in the case of dark fiber, September 11, 2006) during the pendency of any dispute resolution process that XO might seek to initiate. Verizon intends to proceed as scheduled with implementation of the *TRRO* as set forth in the Notices that Verizon has sent (and any further notices that Verizon may send) to XO, and XO should immediately take appropriate action to arrange for replacement services for all circuits that are no longer available as UNEs under the *TRRO*.

Sincerely,

Thomas di

cc:

Karen Potkul, Esq. Kathryn Kalajian

As I made clear in our previous correspondence of March 8, 2006, it is Verizon's general intention to reprice non-UNE circuits if a carrier has not arranged for a replacement service, without waiver of any other rights Verizon may have under the TRRO, its tariffs, or the parties' agreements, including disconnection. However, if Verizon determines that disconnection is an appropriate remedy for any failure by XO to comply with its obligations under the TRRO, Verizon will provide a further notice informing XO of any such disconnection. Any such further notice would comply with any applicable notice requirements under XO's interconnection agreements and applicable regulations. As you know, Verizon offers a variety of alternative services to replace delisted UNEs and has gone to great lengths to cooperate with XO and other CLECs to ensure that they may obtain services they may need to replace discontinued UNEs.

Service Type	Circuit ID	Wire Center 1	Wire Center 2	Provision Date	Notes
UNE EEL DS1	69.HCFU.328381GTES	TAMPFLXA	TAMPFLXX	07/08/2004	No action from XO as of 6/13/06
UNE EEL DS1	69.HCFU.330106GTES	TAMPFLXA	BHPKFLXA	08/26/2004	No action from XO as of 6/13/06
UNE EEL DS1	69.HCFU.310329GTES	WSSDFLXA	SPBGFLXA	10/18/2002	No action from XO as of 6/13/06
UNE EEL DS1	69.HCFU.314243GTES	BHPKFLXA	SPBGFLXA	04/04/2003	No action from XO as of 6/13/06
UNE EEL DS1	69.HCFU.317161GTES	BHPKFLXA	SPBGFLXA	08/27/2003	No action from XO as of 6/13/06
UNE EEL DS1	69.HCFU.317672GTES	BHPKFLXA	SPBGFLXA	08/25/2003	No action from XO as of 6/13/06
UNE EEL DS1	69.HCFU.318266GTES	WSSDFLXA	SPBGFLXA	09/04/2003	No action from XO as of 6/13/06
UNE EEL DS1	69.HCFU.318697GTES	BHPKFLXA	SPBGFLXA	09/23/2003	No action from XO as of 6/13/06
UNE EEL DS1	69.HCFU.327057GTES	CLWRFLXA	SPBGFLXA	06/25/2004	No action from XO as of 6/13/06
UNE EEL DS1	69.HCFU.327085GTES	CLWRFLXA	SPBGFLXA	06/08/2004	No action from XO as of 6/13/06

CONFIDENTIAL

EXHIBIT 10

EXHIBIT 11

Service Type	CircuitID	Wire Center 1	Wire Center 2	Date Service Dispute Date	Notes
DS1 EEL Transport	69.HCFU.340636GTES	TAMPFLXX22H	TAMPFLXEDS0	7/5/2005	No action from XO as of 6/13/06
DS1 EEL Transport	69.HCFU.343346GTES	TAMPFLXX22H	TAMPFLXEDS0	9/21/2005	No action from XO as of 6/13/06
DS1 EEL Transport	69.HCFU.343347GTES	TAMPFLXX22H	TAMPFLXEDS0	9/21/2005	No action from XO as of 6/13/06
DS1 EEL Transport	69.HCFU.337187GTES	BHPKFLXA	SPBGFLXA	4/15/2005	XO is challenging the non-impairment status of the SPBGFLXA wire center.

CONFIDENTIAL

DECLASSIFIED

Keefe B. Clemons Assistant General Counsel



185 Franklin Street, 13th Floor Boston, MA 02110-1585 Phone 617 743-6744 Fax 617 737-0648 keefe.b.clemons@verizon.com

November 4, 2005

Gegi Leeger Director Regulatory Contracts XO Communications Services, Inc. 11111 Sunset Hills Road Reston, VA 20190

Subject: Notice to Initiate Dispute Resolution

Pursuant to the applicable provisions of the interconnection agreement between Verizon Florida Inc., f/k/a GTE Florida Incorporated ("Verizon") and XO Communications Services, Inc. ("XO Communications Services, Inc.") for the State of Florida (the "Agreement"), Verizon hereby provides **formal notice** of a dispute regarding the order(s) listed in the attachment to this letter that XO Communications Services, Inc. improperly submitted to Verizon in violation of federal law and the Agreement (the "Disallowed Order(s)"). The Disallowed Order(s) are for network elements that XO Communications Services, Inc. is no longer permitted to order on an unbundled basis under Section 251 of the Communications Act of 1934 (the "Act"), as set forth in the Federal Communications Commission in its <u>Order on Remand</u> in WC Docket No. 04-313 and CC Docket No. 01-338, released on February 4, 2005 (the "*TRO Remand Order*"), and the implementing regulations thereunder. In accordance with paragraph 234 of the *TRO Remand Order*, Verizon processed the Disallowed Orders and is challenging your improper submission of those orders.

On March 2, 2005, Verizon sent to XO Communications Services, Inc. a notice that identified the wire centers where Verizon is no longer required to provide access to Dedicated DS1 Transport, Dedicated DS3 Transport, Dark Fiber Transport, DS1 Loops, and DS3 Loops (the "March 2 Notice"). The list of wire centers identified in the March 2 Notice was also posted on Verizon's website at

http://www22.verizon.com/wholesale/attachments/verizonwirecentersexempt.xls. As explained in Verizon's February 10, 2005 notice to XO Communications Services, Inc., the *TRO Remand Order* also established limits on the number of DS1 and DS3 Transport circuits and DS1 and DS3 Loops that a carrier may obtain on an

¹ As set forth in Section 51.319(e)(3) of the FCC's implementing regulations, Tier 1 wire centers are those incumbent LEC wire centers that contain at least four Fiber-Based Collocators, at least 38,000 business lines, or both. Tier 1 wire centers also are those incumbent LEC tandem switching locations that have no line-side switching facilities, but nevertheless serve as a point of traffic aggregation accessible by competitive LECs. Tier 2 wire centers are those incumbent LEC wire centers that are not Tier 1 wire centers, but contain at least three Fiber-Based Collocators, at least 24,000 business lines, or both. As explained with more specificity in Verizon's industry notice of February 10, 2005: under the TRO Remand Order and the FCC's regulations (i) CLECs are not impaired without unbundled access to Dedicated DS1 Transport between any pair of Verizon wire centers that are both Tier 1 wire centers (and in no event may any CLEC obtain more than ten unbundled Dedicated DS1 Transport circuits on any Route where Dedicated DS1 Transport remains available on an unbundled basis); (ii) CLECs are not impaired without unbundled access to Dedicated DS3 Transport between any pair of Verizon wire centers that are either Tier 1 or Tier 2 wire centers (and in no event may any CLEC obtain more than twelve unbundled Dedicated DS3 Transport circuits on any Route where Dedicated DS3 Transport remains available on an unbundled basis); (iii) CLECs are not impaired without unbundled access to Dark Fiber Transport between any pair of Verizon wire centers that are either Tier 1 or Tier 2 wire centers; (iv) CLECs are not impaired without unbundled access to DS1 Loops at any building location that is served by a Wire Center with at least 60,000 Business Lines and at least four Fiber-Based Collocators (and in no event may any CLEC obtain more than ten DS1 Loops at any building location where DS1 Loops remain available on an unbundled basis); and, (v) CLECs are not impaired without unbundled access to DS3 Loops at any building location that is served by a Wire Center with at least 38,000 Business Lines and at least four Fiber-Based Collocators (and in no event may any CLEC obtain more than one DS3 Loop at any building location where DS3 Loops remain available on an unbundled basis).



unbundled basis where the FCC found impairment. For DS1 and DS3 Transport circuits, the limits are 10 and 12, respectively, on a single route. For DS1 and DS3 Loops, the limits are 10 and 1, respectively, at a single building.²

Verizon's March 2 Notice explained that Verizon's wire center list was compiled using the data sources specified by the FCC in the *TRO Remand Order*, including ARMIS data previously filed with the FCC. As the FCC noted in the *TRO Remand Order*, the ARMIS filings are "an objective set of data that incumbent LECs already have created for other regulatory purposes. [W]e can be confident in the accuracy of the thresholds, and a simplified ability to obtain the necessary information." *TRO Remand Order*, ¶ 105. Verizon's March 2 Notice nonetheless offered to provide to your company under an appropriate nondisclosure agreement the backup data that was used by Verizon to develop and update the lists of wire centers. The March 2 Notice asked your company to contact its Verizon account manager if your company had actual, verifiable data that it believed demonstrates that any Wire Center identified on the lists provided by Verizon should not be included on those lists. Because the *TRO Remand Order* imposes upon requesting carriers an obligation to exercise a reasonably diligent inquiry before submitting orders for the aforementioned network elements, the March 2 Notice stated that, in the absence of compelling evidence to the contrary, Verizon shall treat each attempt by XO Communications Services, Inc. to submit an improper order as a separate act of bad faith carried out in violation of federal regulations and a breach of your interconnection agreement, and that Verizon shall pursue any and all remedies available to it.

Despite the foregoing measures that Verizon took to inform XO Communications Services, Inc. of the network elements that are no longer available to XO Communications Services, Inc., XO Communications Services, Inc. submitted the Disallowed Order(s) in violation of the *TRO Remand Order* and the Agreement.

Accordingly, Verizon requests that XO Communications Services, Inc. respond within five (5) business days to:

- 1) indicate that XO Communications Services, Inc. has submitted the necessary order(s) to disconnect the subject facility(ies) (please provide the order number(s) for any such orders) or has contacted their Verizon account manager to initiate the conversion of the facility(ies) to tariffed access service or resale service, if available; or
- to the extent XO Communications Services, Inc. refuses, in violation of federal law and the Agreement, to take the steps outlined above, identify your representative for purposes of resolving this urgent matter and provide any information upon which you rely in support of any claim that you have conducted a reasonably diligent inquiry, and that the results of that inquiry justify any claim that you are entitled to obtain the requested facility(ies) on an unbundled basis under the TRO Remand Order. Verizon's representative in this matter will be Eric Wagner.

Please respond in writing to the following address:

Keefe B. Clemons Assistant General Counsel Verizon Communications 185 Franklin Street, 13th Floor Boston, MA 02110 keefe.b.clemons@verizon.com

² TRO Remand Order, ¶¶ 73, 75, 99, 101.

DECLASSIFIED

With a copy to:

Director-Contract Performance & Administration Verizon Wholesale Markets 600 Hidden Ridge HQEWMNOTICES Irving, TX 75038 wmnotices@verizon.com

If XO Communications Services, Inc. fails to respond within the required time period, Verizon shall take whatever action it determines to be appropriate based on the terms of the Agreement and FCC and state commission rules.

XO Communications Services, Inc. shall be liable for any ordering, cancellation, and disconnection charges, and all other applicable charges that may be incurred to bring XO Communications Services, Inc. into compliance with its obligations. In addition, Verizon will backbill XO Communications Services, Inc. for standard month-to-month access rates, commercial rates, or, if appropriate, resale rates for facilities improperly ordered as UNEs, back to the date of provisioning. Verizon shall also seek any and all remedies available to it for XO Communications Services, Inc.'s violation of federal law and the Agreement, including, but not limited to, damages, injunctive relief, attorneys' fees, and any sanctions and penalties that may be available.

Sincerely,

Keefe B. Clemons

Assistant General Counsel

Keefe B. Clemons

VIA DHL

Attachment



ATTACHMENT

DISALLOWED UNE ORDERS

Carrier	ACNA	Service Type	Circuit ID	Wire Center 1	Wire Center 2	Date Service	Reason Not Allowed
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.339263GTES	BHPKFLXA28H	BHPKFLXA28H	7/11/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.340307GTES	SWTHFLXA88H	CLWRFLXA44H	6/30/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.340636GTES	TAMPFLXX22H	TAMPFLXEDS0	7/05/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.340983GTES	WSSDFLXADS0	BHPKFLXA28H	7/19/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.341250GTES	TAMPFLXX22H	TAMPFLXEDS0	7/20/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.341340GTES	WSSDFLXADS0	SWTHFLXA88H	7/27/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.341764GTES	BHPKFLXA28H	WSSDFLXADS0	8/08/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.341765GTES	BHPKFLXA28H	WSSDFLXADS0	8/08/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.342318GTES	SWTHFLXA88H	WSSDFLXA87H	9/09/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.343096GTES	WSSDFLXA87H	SWTHFLXA88H	9/12/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCGS.340223GTES	SWTHFLXA88H	CLWRFLXA44H	6/30/2005	Non-Impaired

DECLASSIFIED

Keefe B. Clemons Assistant General Counsel



185 Franklin Street, 13th Floor Boston, MA 02110-1585 Phone 617 743-6744 Fax 617 737-0648 keefe.b.clemons@verizon.com

November 4, 2005

Karen M. Potkul VP Regulatory XO Communications Services, Inc. 1601 Trapelo Road Suite 397 Waltham, MA 02451

Subject: Notice to Initiate Dispute Resolution

Pursuant to the applicable provisions of the interconnection agreement between Verizon Florida Inc., f/k/a GTE Florida Incorporated ("Verizon") and XO Communications Services, Inc. ("XO Communications Services, Inc.") for the State of Florida (the "Agreement"), Verizon hereby provides **formal notice** of a dispute regarding the order(s) listed in the attachment to this letter that XO Communications Services, Inc. improperly submitted to Verizon in violation of federal law and the Agreement (the "Disallowed Order(s)"). The Disallowed Order(s) are for network elements that XO Communications Services, Inc. is no longer permitted to order on an unbundled basis under Section 251 of the Communications Act of 1934 (the "Act"), as set forth in the Federal Communications Commission in its <u>Order on Remand</u> in WC Docket No. 04-313 and CC Docket No. 01-338, released on February 4, 2005 (the "TRO Remand Order"), and the implementing regulations thereunder. In accordance with paragraph 234 of the TRO Remand Order, Verizon processed the Disallowed Orders and is challenging your improper submission of those orders.

On March 2, 2005, Verizon sent to XO Communications Services, Inc. a notice that identified the wire centers where Verizon is no longer required to provide access to Dedicated DS1 Transport, Dedicated DS3 Transport, Dark Fiber Transport, DS1 Loops, and DS3 Loops (the "March 2 Notice"). The list of wire centers identified in the March 2 Notice was also posted on Verizon's website at

http://www22.verizon.com/wholesale/attachments/verizonwirecentersexempt.xls. As explained in Verizon's February 10, 2005 notice to XO Communications Services, Inc., the *TRO Remand Order* also established limits on the number of DS1 and DS3 Transport circuits and DS1 and DS3 Loops that a carrier may obtain on an

As set forth in Section 51.319(e)(3) of the FCC's implementing regulations, Tier 1 wire centers are those incumbent LEC wire centers that contain at least four Fiber-Based Collocators, at least 38,000 business lines, or both. Tier 1 wire centers also are those incumbent LEC tandem switching locations that have no line-side switching facilities, but nevertheless serve as a point of traffic aggregation accessible by competitive LECs. Tier 2 wire centers are those incumbent LEC wire centers that are not Tier 1 wire centers, but contain at least three Fiber-Based Collocators, at least 24,000 business lines, or both. As explained with more specificity in Verizon's industry notice of February 10, 2005: under the TRO Remand Order and the FCC's regulations (i) CLECs are not impaired without unbundled access to Dedicated DS1 Transport between any pair of Verizon wire centers that are both Tier 1 wire centers (and in no event may any CLEC obtain more than ten unbundled Dedicated DS1 Transport circuits on any Route where Dedicated DS1 Transport remains available on an unbundled basis); (ii) CLECs are not impaired without unbundled access to Dedicated DS3 Transport between any pair of Verizon wire centers that are either Tier 1 or Tier 2 wire centers (and in no event may any CLEC obtain more than twelve unbundled Dedicated DS3 Transport circuits on any Route where Dedicated DS3 Transport remains available on an unbundled basis); (iii) CLECs are not impaired without unbundled access to Dark Fiber Transport between any pair of Verizon wire centers that are either Tier 1 or Tier 2 wire centers; (iv) CLECs are not impaired without unbundled access to DS1 Loops at any building location that is served by a Wire Center with at least 60,000 Business Lines and at least four Fiber-Based Collocators (and in no event may any CLEC obtain more than ten DS1 Loops at any building location where DS1 Loops remain available on an unbundled basis); and, (v) CLECs are not impaired without unbundled access to DS3 Loops at any building location that is served by a Wire Center with at least 38,000 Business Lines and at least four Fiber-Based Collocators (and in no event may any CLEC obtain more than one DS3 Loop at any building location where DS3 Loops remain available on an unbundled basis).

DECLASSIFIED

unbundled basis where the FCC found impairment. For DS1 and DS3 Transport circuits, the limits are 10 and 12, respectively, on a single route. For DS1 and DS3 Loops, the limits are 10 and 1, respectively, at a single building.²

Verizon's March 2 Notice explained that Verizon's wire center list was compiled using the data sources specified by the FCC in the *TRO Remand Order*, including ARMIS data previously filed with the FCC. As the FCC noted in the *TRO Remand Order*, the ARMIS filings are "an objective set of data that incumbent LECs already have created for other regulatory purposes. [W]e can be confident in the accuracy of the thresholds, and a simplified ability to obtain the necessary information." *TRO Remand Order*, ¶ 105. Verizon's March 2 Notice nonetheless offered to provide to your company under an appropriate nondisclosure agreement the backup data that was used by Verizon to develop and update the lists of wire centers. The March 2 Notice asked your company to contact its Verizon account manager if your company had actual, verifiable data that it believed demonstrates that any Wire Center identified on the lists provided by Verizon should not be included on those lists. Because the *TRO Remand Order* imposes upon requesting carriers an obligation to exercise a reasonably diligent inquiry before submitting orders for the aforementioned network elements, the March 2 Notice stated that, in the absence of compelling evidence to the contrary, Verizon shall treat each attempt by XO Communications Services, Inc. to submit an improper order as a separate act of bad faith carried out in violation of federal regulations and a breach of your interconnection agreement, and that Verizon shall pursue any and all remedies available to it.

Despite the foregoing measures that Verizon took to inform XO Communications Services, Inc. of the network elements that are no longer available to XO Communications Services, Inc., XO Communications Services, Inc. submitted the Disallowed Order(s) in violation of the *TRO Remand Order* and the Agreement.

Accordingly, Verizon requests that XO Communications Services, Inc. respond within five (5) business days to:

- indicate that XO Communications Services, Inc. has submitted the necessary order(s) to disconnect the subject facility(ies) (please provide the order number(s) for any such orders) or has contacted their Verizon account manager to initiate the conversion of the facility(ies) to tariffed access service or resale service, if available; or
- to the extent XO Communications Services, Inc. refuses, in violation of federal law and the Agreement, to take the steps outlined above, identify your representative for purposes of resolving this urgent matter and provide any information upon which you rely in support of any claim that you have conducted a reasonably diligent inquiry, and that the results of that inquiry justify any claim that you are entitled to obtain the requested facility(ies) on an unbundled basis under the TRO Remand Order. Verizon's representative in this matter will be Eric Wagner.

Please respond in writing to the following address:

Keefe B. Clemons Assistant General Counsel Verizon Communications 185 Franklin Street, 13th Floor Boston, MA 02110 keefe.b.clemons@verizon.com

² TRO Remand Order, ¶¶ 73, 75, 99, 101.



With a copy to:

Director-Contract Performance & Administration Verizon Wholesale Markets 600 Hidden Ridge HQEWMNOTICES Irving, TX 75038 wmnotices@verizon.com

If XO Communications Services, Inc. fails to respond within the required time period, Verizon shall take whatever action it determines to be appropriate based on the terms of the Agreement and FCC and state commission rules.

XO Communications Services, Inc. shall be liable for any ordering, cancellation, and disconnection charges, and all other applicable charges that may be incurred to bring XO Communications Services, Inc. into compliance with its obligations. In addition, Verizon will backbill XO Communications Services, Inc. for standard month-to-month access rates, commercial rates, or, if appropriate, resale rates for facilities improperly ordered as UNEs, back to the date of provisioning. Verizon shall also seek any and all remedies available to it for XO Communications Services, Inc.'s violation of federal law and the Agreement, including, but not limited to, damages, injunctive relief, attorneys' fees, and any sanctions and penalties that may be available.

Sincerely,

Keefe B. Clemons

Assistant General Counsel

Keefe B. Clemons

VIA DHL

Attachment





ATTACHMENT

DISALLOWED UNE ORDERS

Carrier	ACNA	Service Type	Circuit ID	Wire Center 1	Wire Center 2	Date Service	Reason Not Allowed
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.339263GTES	BHPKFLXA28H	BHPKFLXA28H	7/11/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.340307GTES	SWTHFLXA88H	CLWRFLXA44H	6/30/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.340636GTES	TAMPFLXX22H	TAMPFLXEDS0	7/05/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.340983GTES	WSSDFLXADS0	BHPKFLXA28H	7/19/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.341250GTES	TAMPFLXX22H	TAMPFLXEDS0	7/20/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.341340GTES	WSSDFLXADS0	SWTHFLXA88H	7/27/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.341764GTES	BHPKFLXA28H	WSSDFLXADS0	8/08/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.341765GTES	BHPKFLXA28H	WSSDFLXADS0	8/08/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.342318GTES	SWTHFLXA88H	WSSDFLXA87H	9/09/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCFU.343096GTES	WSSDFLXA87H	SWTHFLXA88H	9/12/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 EEL Transport	69.HCGS.340223GTES	SWTHFLXA88H	CLWRFLXA44H	6/30/2005	Non-Impaired

CONFIDENTIAL

DECLASSIFIED

verizon

185 Franklin Street, 13th Floor Boston, MA 02110-1585 Phone 617 743-6744 Fax 617 737-0648 keefe.b.clemons@verizon.com

Keefe B. Clemons Assistant General Counsel

December 9, 2005

Gegi Leeger Director Regulatory Contracts XO Communications Services, Inc. 11111 Sunset Hills Road Reston, VA 20190

Subject: Notice to Initiate Dispute Resolution

Pursuant to the applicable provisions of the interconnection agreement between Verizon Florida Inc., f/k/a GTE Florida Incorporated ("Verizon") and XO Communications Services, Inc. ("XO Communications Services, Inc.") for the State of Florida (the "Agreement"), Verizon hereby provides **formal notice** of a dispute regarding the order(s) listed in the attachment to this letter that XO Communications Services, Inc. improperly submitted to Verizon in violation of federal law and the Agreement (the "Disallowed Order(s)"). The Disallowed Order(s) are for network elements that XO Communications Services, Inc. is no longer permitted to order on an unbundled basis under Section 251 of the Communications Act of 1934 (the "Act"), as set forth in the Federal Communications Commission in its <u>Order on Remand</u> in WC Docket No. 04-313 and CC Docket No. 01-338, released on February 4, 2005 (the "*TRO Remand Order*"), and the implementing regulations thereunder. In accordance with paragraph 234 of the *TRO Remand Order*, Verizon processed the Disallowed Orders and is challenging your improper submission of those orders.

On March 2, 2005, Verizon sent to XO Communications Services, Inc. a notice that identified the wire centers where Verizon is no longer required to provide access to Dedicated DS1 Transport, Dedicated DS3 Transport, Dark Fiber Transport, DS1 Loops, and DS3 Loops (the "March 2 Notice"). The list of wire centers identified in the March 2 Notice was also posted on Verizon's website at

http://www22.verizon.com/wholesale/attachments/verizonwirecentersexempt.xls. As explained in Verizon's February 10, 2005 notice to XO Communications Services, Inc., the *TRO Remand Order* also established limits on the number of DS1 and DS3 Transport circuits and DS1 and DS3 Loops that a carrier may obtain on an

¹ As set forth in Section 51.319(e)(3) of the FCC's implementing regulations, Tier 1 wire centers are those incumbent LEC wire centers that contain at least four Fiber-Based Collocators, at least 38,000 business lines, or both. Tier 1 wire centers also are those incumbent LEC tandem switching locations that have no line-side switching facilities, but nevertheless serve as a point of traffic aggregation accessible by competitive LECs. Tier 2 wire centers are those incumbent LEC wire centers that are not Tier 1 wire centers, but contain at least three Fiber-Based Collocators, at least 24,000 business lines, or both. As explained with more specificity in Verizon's industry notice of February 10, 2005: under the TRO Remand Order and the FCC's regulations (i) CLECs are not impaired without unbundled access to Dedicated DS1 Transport between any pair of Verizon wire centers that are both Tier 1 wire centers (and in no event may any CLEC obtain more than ten unbundled Dedicated DS1 Transport circuits on any Route where Dedicated DS1 Transport remains available on an unbundled basis); (ii) CLECs are not impaired without unbundled access to Dedicated DS3 Transport between any pair of Verizon wire centers that are either Tier 1 or Tier 2 wire centers (and in no event may any CLEC obtain more than twelve unbundled Dedicated DS3 Transport circuits on any Route where Dedicated DS3 Transport remains available on an unbundled basis); (iii) CLECs are not impaired without unbundled access to Dark Fiber Transport between any pair of Verizon wire centers that are either Tier 1 or Tier 2 wire centers; (iv) CLECs are not impaired without unbundled access to DS1 Loops at any building location that is served by a Wire Center with at least 60,000 Business Lines and at least four Fiber-Based Collocators (and in no event may any CLEC obtain more than ten DS1 Loops at any building location where DS1 Loops remain available on an unbundled basis); and, (v) CLECs are not impaired without unbundled access to DS3 Loops at any building location that is served by a Wire Center with at least 38,000 Business Lines and at least four Fiber-Based Collocators (and in no event may any CLEC obtain more than one DS3 Loop at any building location where DS3 Loops remain available on an unbundled basis).

DECLASSIFIED

unbundled basis where the FCC found impairment. For DS1 and DS3 Transport circuits, the limits are 10 and 12, respectively, on a single route. For DS1 and DS3 Loops, the limits are 10 and 1, respectively, at a single building.²

Verizon's March 2 Notice explained that Verizon's wire center list was compiled using the data sources specified by the FCC in the *TRO Remand Order*, including ARMIS data previously filed with the FCC. As the FCC noted in the *TRO Remand Order*, the ARMIS filings are "an objective set of data that incumbent LECs already have created for other regulatory purposes. [W]e can be confident in the accuracy of the thresholds, and a simplified ability to obtain the necessary information." *TRO Remand Order*, ¶ 105. Verizon's March 2 Notice nonetheless offered to provide to your company under an appropriate nondisclosure agreement the backup data that was used by Verizon to develop and update the lists of wire centers. The March 2 Notice asked your company to contact its Verizon account manager if your company had actual, verifiable data that it believed demonstrates that any Wire Center identified on the lists provided by Verizon should not be included on those lists. Because the *TRO Remand Order* imposes upon requesting carriers an obligation to exercise a reasonably diligent inquiry before submitting orders for the aforementioned network elements, the March 2 Notice stated that, in the absence of compelling evidence to the contrary, Verizon shall treat each attempt by XO Communications Services, Inc. to submit an improper order as a separate act of bad faith carried out in violation of federal regulations and a breach of your interconnection agreement, and that Verizon shall pursue any and all remedies available to it.

Despite the foregoing measures that Verizon took to inform XO Communications Services, Inc. of the network elements that are no longer available to XO Communications Services, Inc., XO Communications Services, Inc. submitted the Disallowed Order(s) in violation of the TRO Remand Order and the Agreement.

Accordingly, Verizon requests that XO Communications Services, Inc. respond within five (5) business days to:

- indicate that XO Communications Services, Inc. has submitted the necessary order(s) to disconnect the subject facility(ies) (please provide the order number(s) for any such orders) or has contacted their Verizon account manager to initiate the conversion of the facility(ies) to tariffed access service or resale service, if available; or
- to the extent XO Communications Services, Inc. refuses, in violation of federal law and the Agreement, to take the steps outlined above, identify your representative for purposes of resolving this urgent matter and provide any information upon which you rely in support of any claim that you have conducted a reasonably diligent inquiry, and that the results of that inquiry justify any claim that you are entitled to obtain the requested facility(ies) on an unbundled basis under the TRO Remand Order. Verizon's representative in this matter will be Eric Wagner.

Please respond in writing to the following address:

Keefe B. Clemons Assistant General Counsel Verizon Communications 185 Franklin Street, 13th Floor Boston, MA 02110 keefe.b.clemons@verizon.com

² TRO Remand Order, ¶¶ 73, 75, 99, 101.

With a copy to:



Director-Contract Performance & Administration Verizon Wholesale Markets 600 Hidden Ridge HQEWMNOTICES Irving, TX 75038 wmnotices@verizon.com

If XO Communications Services, Inc. fails to respond within the required time period, Verizon shall take whatever action it determines to be appropriate based on the terms of the Agreement and FCC and state commission rules.

XO Communications Services, Inc. shall be liable for any ordering, cancellation, and disconnection charges, and all other applicable charges that may be incurred to bring XO Communications Services, Inc. into compliance with its obligations. In addition, Verizon will backbill XO Communications Services, Inc. for standard month-to-month access rates, commercial rates, or, if appropriate, resale rates for facilities improperly ordered as UNEs, back to the date of provisioning. Verizon shall also seek any and all remedies available to it for XO Communications Services, Inc.'s violation of federal law and the Agreement, including, but not limited to, damages, injunctive relief, attorneys' fees, and any sanctions and penalties that may be available.

Sincerely,

Keefe B. Clemons

Assistant General Counsel

Keefe B. Clemons

VIA DHL

Attachment

CONFIDENTIAL



ATTACHMENT

DISALLOWED UNE ORDERS

Carrier	ACNA	Service Type	Circuit ID	Wire Center 1	Wire Center 2	Date Service	Reason Not Allowed
XO Communications, Inc. (prev Nextlink)	TQW	DS1 Transport	69.HCFU.343153GTES	BHPKFLXA28H	WSSDFLXA87H	09/19/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 Transport	69.HCFU.343346GTES	TAMPFLXX22H	TAMPFLXEDS0	09/21/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 Transport	69.HCFU.343347GTES	TAMPFLXX22H	TAMPFLXEDS0	09/21/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 Transport	69.HCFU.343483GTES	WSSDFLXA87H	BHPKFLXA28H	10/03/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 Transport	69.HCFU.344220GTES	WSSDFLXA87H	BHPKFLXA28H	10/13/2005	Non-Impaired

Keefe B. Clemons Assistant General Counsel



185 Franklin Street, 13th Floor Boston, MA 02110-1585 Phone 617 743-6744 Fax 617 737-0648 keefe.b.clemons@verizon.com

December 9, 2005

Karen M. Potkul VP Regulatory XO Communications Services, Inc. 1601 Trapelo Road Suite 397 Waltham, MA 02451



Subject: Notice to Initiate Dispute Resolution

Pursuant to the applicable provisions of the interconnection agreement between Verizon Florida Inc., f/k/a GTE Florida Incorporated ("Verizon") and XO Communications Services, Inc. ("XO Communications Services, Inc.") for the State of Florida (the "Agreement"), Verizon hereby provides **formal notice** of a dispute regarding the order(s) listed in the attachment to this letter that XO Communications Services, Inc. improperly submitted to Verizon in violation of federal law and the Agreement (the "Disallowed Order(s)"). The Disallowed Order(s) are for network elements that XO Communications Services, Inc. is no longer permitted to order on an unbundled basis under Section 251 of the Communications Act of 1934 (the "Act"), as set forth in the Federal Communications Commission in its <u>Order on Remand</u> in WC Docket No. 04-313 and CC Docket No. 01-338, released on February 4, 2005 (the "TRO Remand Order"), and the implementing regulations thereunder. In accordance with paragraph 234 of the TRO Remand Order, Verizon processed the Disallowed Orders and is challenging your improper submission of those orders.

On March 2, 2005, Verizon sent to XO Communications Services, Inc. a notice that identified the wire centers where Verizon is no longer required to provide access to Dedicated DS1 Transport, Dedicated DS3 Transport, Dark Fiber Transport, DS1 Loops, and DS3 Loops (the "March 2 Notice"). The list of wire centers identified in the March 2 Notice was also posted on Verizon's website at

http://www22.verizon.com/wholesale/attachments/verizonwirecentersexempt.xls. As explained in Verizon's February 10, 2005 notice to XO Communications Services, Inc., the *TRO Remand Order* also established limits on the number of DS1 and DS3 Transport circuits and DS1 and DS3 Loops that a carrier may obtain on an

¹ As set forth in Section 51.319(e)(3) of the FCC's implementing regulations, Tier 1 wire centers are those incumbent LEC wire centers that contain at least four Fiber-Based Collocators, at least 38,000 business lines, or both. Tier 1 wire centers also are those incumbent LEC tandem switching locations that have no line-side switching facilities, but nevertheless serve as a point of traffic aggregation accessible by competitive LECs. Tier 2 wire centers are those incumbent LEC wire centers that are not Tier 1 wire centers, but contain at least three Fiber-Based Collocators, at least 24,000 business lines, or both. As explained with more specificity in Verizon's industry notice of February 10, 2005: under the TRO Remand Order and the FCC's regulations (i) CLECs are not impaired without unbundled access to Dedicated DS1 Transport between any pair of Verizon wire centers that are both Tier 1 wire centers (and in no event may any CLEC obtain more than ten unbundled Dedicated DS1 Transport circuits on any Route where Dedicated DS1 Transport remains available on an unbundled basis); (ii) CLECs are not impaired without unbundled access to Dedicated DS3 Transport between any pair of Verizon wire centers that are either Tier 1 or Tier 2 wire centers (and in no event may any CLEC obtain more than twelve unbundled Dedicated DS3 Transport circuits on any Route where Dedicated DS3 Transport remains available on an unbundled basis); (iii) CLECs are not impaired without unbundled access to Dark Fiber Transport between any pair of Verizon wire centers that are either Tier 1 or Tier 2 wire centers; (iv) CLECs are not impaired without unbundled access to DS1 Loops at any building location that is served by a Wire Center with at least 60,000 Business Lines and at least four Fiber-Based Collocators (and in no event may any CLEC obtain more than ten DS1 Loops at any building location where DS1 Loops remain available on an unbundled basis); and, (v) CLECs are not impaired without unbundled access to DS3 Loops at any building location that is served by a Wire Center with at least 38,000 Business Lines and at least four Fiber-Based Collocators (and in no event may any CLEC obtain more than one DS3 Loop at any building location where DS3 Loops remain available on an unbundled basis).



unbundled basis where the FCC found impairment. For DS1 and DS3 Transport circuits, the limits are 10 and 12, respectively, on a single route. For DS1 and DS3 Loops, the limits are 10 and 1, respectively, at a single building.²

Verizon's March 2 Notice explained that Verizon's wire center list was compiled using the data sources specified by the FCC in the *TRO Remand Order*, including ARMIS data previously filed with the FCC. As the FCC noted in the *TRO Remand Order*, the ARMIS filings are "an objective set of data that incumbent LECs already have created for other regulatory purposes. [W]e can be confident in the accuracy of the thresholds, and a simplified ability to obtain the necessary information." *TRO Remand Order*, ¶ 105. Verizon's March 2 Notice nonetheless offered to provide to your company under an appropriate nondisclosure agreement the backup data that was used by Verizon to develop and update the lists of wire centers. The March 2 Notice asked your company to contact its Verizon account manager if your company had actual, verifiable data that it believed demonstrates that any Wire Center identified on the lists provided by Verizon should not be included on those lists. Because the *TRO Remand Order* imposes upon requesting carriers an obligation to exercise a reasonably diligent inquiry before submitting orders for the aforementioned network elements, the March 2 Notice stated that, in the absence of compelling evidence to the contrary, Verizon shall treat each attempt by XO Communications Services, Inc. to submit an improper order as a separate act of bad faith carried out in violation of federal regulations and a breach of your interconnection agreement, and that Verizon shall pursue any and all remedies available to it.

Despite the foregoing measures that Verizon took to inform XO Communications Services, Inc. of the network elements that are no longer available to XO Communications Services, Inc., XO Communications Services, Inc. submitted the Disallowed Order(s) in violation of the *TRO Remand Order* and the Agreement.

Accordingly, Verizon requests that XO Communications Services, Inc. respond within five (5) business days to:

- indicate that XO Communications Services, Inc. has submitted the necessary order(s) to disconnect the subject facility(ies) (please provide the order number(s) for any such orders) or has contacted their Verizon account manager to initiate the conversion of the facility(ies) to tariffed access service or resale service, if available; or
- to the extent XO Communications Services, Inc. refuses, in violation of federal law and the Agreement, to take the steps outlined above, identify your representative for purposes of resolving this urgent matter and provide any information upon which you rely in support of any claim that you have conducted a reasonably diligent inquiry, and that the results of that inquiry justify any claim that you are entitled to obtain the requested facility(ies) on an unbundled basis under the TRO Remand Order. Verizon's representative in this matter will be Eric Wagner.

Please respond in writing to the following address:

Keefe B. Clemons Assistant General Counsel Verizon Communications 185 Franklin Street, 13th Floor Boston, MA 02110 keefe.b.clemons@verizon.com

² TRO Remand Order, ¶¶ 73, 75, 99, 101.

With a copy to:

Director-Contract Performance & Administration Verizon Wholesale Markets 600 Hidden Ridge HQEWMNOTICES Irving, TX 75038 wmnotices@verizon.com



If XO Communications Services, Inc. fails to respond within the required time period, Verizon shall take whatever action it determines to be appropriate based on the terms of the Agreement and FCC and state commission rules.

XO Communications Services, Inc. shall be liable for any ordering, cancellation, and disconnection charges, and all other applicable charges that may be incurred to bring XO Communications Services, Inc. into compliance with its obligations. In addition, Verizon will backbill XO Communications Services, Inc. for standard month-to-month access rates, commercial rates, or, if appropriate, resale rates for facilities improperly ordered as UNEs, back to the date of provisioning. Verizon shall also seek any and all remedies available to it for XO Communications Services, Inc.'s violation of federal law and the Agreement, including, but not limited to, damages, injunctive relief, attorneys' fees, and any sanctions and penalties that may be available.

Sincerely,

Keefe B. Clemons

Assistant General Counsel

Keefe B. Clemons

VIA DHL

Attachment

CONFIDENTIAL

ATTACHMENT

DISALLOWED UNE ORDERS

Carrier	ACNA	Service Type	Circuit ID	Wire Center 1	Wire Center 2	Date Service	Reason Not Allowed
XO Communications, Inc. (prev Nextlink)	TQW	DS1 Transport	69.HCFU.343153GTES	BHPKFLXA28H	WSSDFLXA87H	09/19/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 Transport	69.HCFU.343346GTES	TAMPFLXX22H	TAMPFLXEDS0	09/21/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 Transport	69.HCFU.343347GTES	TAMPFLXX22H	TAMPFLXEDS0	09/21/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 Transport	69.HCFU.343483GTES	WSSDFLXA87H	BHPKFLXA28H	10/03/2005	Non-Impaired
XO Communications, Inc. (prev Nextlink)	TQW	DS1 Transport	69.HCFU.344220GTES	WSSDFLXA87H	BHPKFLXA28H	10/13/2005	Non-Impaired



CONFIDENTIAL

Keefe B. Clemons Assistant General Counsel



185 Franklin Street, 13th Floor Boston, MA 02110-1585 Phone 617 743-6744 Fax 617 737-0648 keefe.b.clemons@verizon.com

February 7, 2006

Gegi Leeger Director Regulatory Contracts XO Communications 11111 Sunset Hills Road Reston, VA 20190

Subject:

Notice to Initiate Dispute Resolution



Pursuant to the applicable provisions of the interconnection agreement between Verizon Florida Inc., f/k/a GTE Florida Incorporated ("Verizon") and XO Communications Services, Inc. ("XO") for the State of Florida (the "Agreement"), Verizon hereby provides **formal notice** of a dispute regarding the order(s) listed in the attachment to this letter that XO improperly submitted to Verizon in violation of federal law and the Agreement (the "Disallowed Order(s)"). The Disallowed Order(s) are for network elements that XO is no longer permitted to order on an unbundled basis under Section 251 of the Communications Act of 1934 (the "Act"), as set forth in the Federal Communications Commission in its <u>Order on Remand</u> in WC Docket No. 04-313 and CC Docket No. 01-338, released on February 4, 2005 (the "TRO Remand Order"), and the implementing regulations thereunder. In accordance with paragraph 234 of the TRO Remand Order, Verizon processed the Disallowed Orders and is challenging your improper submission of those orders.

On March 2, 2005, Verizon sent to XO a notice that identified the wire centers where Verizon is no longer required to provide access to Dedicated DS1 Transport, Dedicated DS3 Transport, Dark Fiber Transport, DS1 Loops, and DS3 Loops (the "March 2 Notice"). The list of wire centers identified in the March 2 Notice was also posted on Verizon's website at http://www22.verizon.com/wholesale/attachments/verizonwirecentersexempt.xls. As explained in Verizon's February 10, 2005 notice to XO, the *TRO Remand Order* also established limits on the number of DS1 and DS3 Transport circuits and DS1 and DS3 Loops that a carrier may obtain on an unbundled basis where the FCC found impairment. For DS1 and DS3 Transport circuits, the limits are 10 and 12,

As set forth in Section 51.319(e)(3) of the FCC's implementing regulations, Tier 1 wire centers are those incumbent LEC wire centers that contain at least four Fiber-Based Collocators, at least 38,000 business lines, or both. Tier 1 wire centers also are those incumbent LEC tandem switching locations that have no line-side switching facilities, but nevertheless serve as a point of traffic aggregation accessible by competitive LECs. Tier 2 wire centers are those incumbent LEC wire centers that are not Tier 1 wire centers, but contain at least three Fiber-Based Collocators, at least 24,000 business lines, or both. As explained with more specificity in Verizon's industry notice of February 10, 2005: under the TRO Remand Order and the FCC's regulations (i) CLECs are not impaired without unbundled access to Dedicated DS1 Transport between any pair of Verizon wire centers that are both Tier 1 wire centers (and in no event may any CLEC obtain more than ten unbundled Dedicated DS1 Transport circuits on any Route where Dedicated DS1 Transport remains available on an unbundled basis); (ii) CLECs are not impaired without unbundled access to Dedicated DS3 Transport between any pair of Verizon wire centers that are either Tier 1 or Tier 2 wire centers (and in no event may any CLEC obtain more than twelve unbundled Dedicated DS3 Transport circuits on any Route where Dedicated DS3 Transport remains available on an unbundled basis); (iii) CLECs are not impaired without unbundled access to Dark Fiber Transport between any pair of Verizon wire centers that are either Tier 1 or Tier 2 wire centers; (iv) CLECs are not impaired without unbundled access to DS1 Loops at any building location that is served by a Wire Center with at least 60,000 Business Lines and at least four Fiber-Based Collocators (and in no event may any CLEC obtain more than ten DS1 Loops at any building location where DS1 Loops remain available on an unbundled basis); and, (v) CLECs are not impaired without unbundled access to DS3 Loops at any building location that is served by a Wire Center with at least 38,000 Business Lines and at least four Fiber-Based Collocators (and in no event may any CLEC obtain more than one DS3 Loop at any building location where DS3 Loops remain available on an unbundled basis).



respectively, on a single route. For DS1 and DS3 Loops, the limits are 10 and 1, respectively, at a single building.²

Verizon's March 2 Notice explained that Verizon's wire center list was compiled using the data sources specified by the FCC in the *TRO Remand Order*, including ARMIS data previously filed with the FCC. As the FCC noted in the *TRO Remand Order*, the ARMIS filings are "an objective set of data that incumbent LECs already have created for other regulatory purposes. [W]e can be confident in the accuracy of the thresholds, and a simplified ability to obtain the necessary information." *TRO Remand Order*, ¶ 105. Verizon's March 2 Notice nonetheless offered to provide to your company under an appropriate nondisclosure agreement the backup data that was used by Verizon to develop and update the lists of wire centers. The March 2 Notice asked your company to contact its Verizon account manager if your company had actual, verifiable data that it believed demonstrates that any Wire Center identified on the lists provided by Verizon should not be included on those lists. Because the *TRO Remand Order* imposes upon requesting carriers an obligation to exercise a reasonably diligent inquiry before submitting orders for the aforementioned network elements, the March 2 Notice stated that, in the absence of compelling evidence to the contrary, Verizon shall treat each attempt by XO to submit an improper order as a separate act of bad faith carried out in violation of federal regulations and a breach of your interconnection agreement, and that Verizon shall pursue any and all remedies available to it.

Despite the foregoing measures that Verizon took to inform XO of the network elements that are no longer available to XO, XO submitted the Disallowed Order(s) in violation of the *TRO Remand Order* and the Agreement.

Accordingly, Verizon requests that XO respond within five (5) business days to:

- indicate that XO has submitted the necessary order(s) to disconnect the subject facility(ies) (please provide the order number(s) for any such orders) or has contacted their Verizon account manager to initiate the conversion of the facility(ies) to tariffed access service or resale service, if available; or
- 2) to the extent XO refuses, in violation of federal law and the Agreement, to take the steps outlined above, identify your representative for purposes of resolving this urgent matter and provide any information upon which you rely in support of any claim that you have conducted a reasonably diligent inquiry, and that the results of that inquiry justify any claim that you are entitled to obtain the requested facility(ies) on an unbundled basis under the TRO Remand Order. Verizon's representative in this matter will be Eric Wagner.

Please respond in writing to the following address:

² TRO Remand Order, ¶¶ 73, 75, 99, 101.

With a copy to:

Director-Contract Performance & Administration Verizon Wholesale Markets 600 Hidden Ridge HQEWMNOTICES Irving, TX 75038 wmnotices@verizon.com



If XO fails to respond within the required time period, Verizon shall take whatever action it determines to be appropriate based on the terms of the Agreement and FCC and state commission rules.

XO shall be liable for any ordering, cancellation, and disconnection charges, and all other applicable charges that may be incurred to bring XO into compliance with its obligations. In addition, Verizon will backbill XO for standard month-to-month access rates, commercial rates, or, if appropriate, resale rates for facilities improperly ordered as UNEs, back to the date of provisioning. Verizon shall also seek any and all remedies available to it for XO's violation of federal law and the Agreement, including, but not limited to, damages, injunctive relief, attorneys' fees, and any sanctions and penalties that may be available.

Sincerely,

Keefe B. Clemons

Assistant General Counsel

Keefe B. Clemons

VIA DHL overnight





ATTACHMENT

Carrier Name	ACNA	Service Type	Circuit ID	Wire Center 1	Wire Center 2	Date Service Established	Reason Not Allowed
XO/Allegiance	TQW	DS1 Transport	69.HCFU.339093GTES	TAMPFLXEDS0	TAMPFLXEDS0	06/13/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.339777GTES	TAMPFLXX22H	TAMPFLXX22H	06/17/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.339859GTES	TAMPFLXX22H	TAMPFLXX22H	07/15/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.339981GTES	TAMPFLXEDS0	TAMPFLXEDS0	06/20/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.340793GTES	TAMPFLXX22H	TAMPFLXX22H	07/27/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.340794GTES	TAMPFLXX22H	TAMPFLXX22H	07/27/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.341426GTES	WSSDFLXADS0	WSSDFLXA87H	07/29/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.341990GTES	TAMPFLXX22H	TAMPFLXX22H	08/11/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.342049GTES	TAMPFLXX22H	TAMPFLXX22H	08/15/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.343346GTES	TAMPFLXX22H	TAMPFLXEDS0	09/21/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.343347GTES	TAMPFLXX22H	TAMPFLXEDS0	09/21/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.343483GTES	WSSDFLXA87H	BHPKFLXA28H	10/03/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.344220GTES	WSSDFLXA87H	BHPKFLXA28H	10/13/2005	Non-Impaired Wire Center

Keefe B. Clemons Assistant General Counsel



185 Franklin Street, 13th Floor Boston, MA 02110-1585 Phone 617 743-6744 Fax 617 737-0648 keefe.b.clemons@verizon.com

February 7, 2006

Karen M. Potkul VP Regulatory XO Communications 1601 Trapelo Road Suite 397 Waltham, MA 02451

Subject: Notice to Initiate Dispute Resolution

Pursuant to the applicable provisions of the interconnection agreement between Verizon Florida Inc., f/k/a GTE Florida Incorporated ("Verizon") and XO Communications Services, Inc. ("XO") for the State of Florida (the "Agreement"), Verizon hereby provides **formal notice** of a dispute regarding the order(s) listed in the attachment to this letter that XO improperly submitted to Verizon in violation of federal law and the Agreement (the "Disallowed Order(s)"). The Disallowed Order(s) are for network elements that XO is no longer permitted to order on an unbundled basis under Section 251 of the Communications Act of 1934 (the "Act"), as set forth in the Federal Communications Commission in its <u>Order on Remand</u> in WC Docket No. 04-313 and CC Docket No. 01-338, released on February 4, 2005 (the "TRO Remand Order"), and the implementing regulations thereunder. In accordance with paragraph 234 of the *TRO Remand Order*, Verizon processed the Disallowed Orders and is challenging your improper submission of those orders.

On March 2, 2005, Verizon sent to XO a notice that identified the wire centers where Verizon is no longer required to provide access to Dedicated DS1 Transport, Dedicated DS3 Transport, Dark Fiber Transport, DS1 Loops, and DS3 Loops (the "March 2 Notice"). The list of wire centers identified in the March 2 Notice was also posted on Verizon's website at http://www22.verizon.com/wholesale/attachments/verizonwirecentersexempt.xls. As explained in Verizon's February 10, 2005 notice to XO, the *TRO Remand Order* also established limits on the number of DS1 and DS3 Transport circuits and DS1 and DS3 Loops that a carrier may obtain on an unbundled basis where the FCC found impairment. For DS1 and DS3 Transport circuits, the limits are 10 and 12,

¹ As set forth in Section 51.319(e)(3) of the FCC's implementing regulations, Tier 1 wire centers are those incumbent LEC wire centers that contain at least four Fiber-Based Collocators, at least 38,000 business lines, or both. Tier 1 wire centers also are those incumbent LEC tandem switching locations that have no line-side switching facilities, but nevertheless serve as a point of traffic aggregation accessible by competitive LECs. Tier 2 wire centers are those incumbent LEC wire centers that are not Tier 1 wire centers, but contain at least three Fiber-Based Collocators, at least 24,000 business lines, or both. As explained with more specificity in Verizon's industry notice of February 10, 2005: under the TRO Remand Order and the FCC's regulations (i) CLECs are not impaired without unbundled access to Dedicated DS1 Transport between any pair of Verizon wire centers that are both Tier 1 wire centers (and in no event may any CLEC obtain more than ten unbundled Dedicated DS1 Transport circuits on any Route where Dedicated DS1 Transport remains available on an unbundled basis); (ii) CLECs are not impaired without unbundled access to Dedicated DS3 Transport between any pair of Verizon wire centers that are either Tier 1 or Tier 2 wire centers (and in no event may any CLEC obtain more than twelve unbundled Dedicated DS3 Transport circuits on any Route where Dedicated DS3 Transport remains available on an unbundled basis); (iii) CLECs are not impaired without unbundled access to Dark Fiber Transport between any pair of Verizon wire centers that are either Tier 1 or Tier 2 wire centers; (iv) CLECs are not impaired without unbundled access to DS1 Loops at any building location that is served by a Wire Center with at least 60,000 Business Lines and at least four Fiber-Based Collocators (and in no event may any CLEC obtain more than ten DS1 Loops at any building location where DS1 Loops remain available on an unbundled basis); and, (v) CLECs are not impaired without unbundled access to DS3 Loops at any building location that is served by a Wire Center with at least 38,000 Business Lines and at least four Fiber-Based Collocators (and in no event may any CLEC obtain more than one DS3 Loop at any building location where DS3 Loops remain available on an unbundled basis).



respectively, on a single route. For DS1 and DS3 Loops, the limits are 10 and 1, respectively, at a single building.²

Verizon's March 2 Notice explained that Verizon's wire center list was compiled using the data sources specified by the FCC in the *TRO Remand Order*, including ARMIS data previously filed with the FCC. As the FCC noted in the *TRO Remand Order*, the ARMIS filings are "an objective set of data that incumbent LECs already have created for other regulatory purposes. [W]e can be confident in the accuracy of the thresholds, and a simplified ability to obtain the necessary information." *TRO Remand Order*, ¶ 105. Verizon's March 2 Notice nonetheless offered to provide to your company under an appropriate nondisclosure agreement the backup data that was used by Verizon to develop and update the lists of wire centers. The March 2 Notice asked your company to contact its Verizon account manager if your company had actual, verifiable data that it believed demonstrates that any Wire Center identified on the lists provided by Verizon should not be included on those lists. Because the *TRO Remand Order* imposes upon requesting carriers an obligation to exercise a reasonably diligent inquiry before submitting orders for the aforementioned network elements, the March 2 Notice stated that, in the absence of compelling evidence to the contrary, Verizon shall treat each attempt by XO to submit an improper order as a separate act of bad faith carried out in violation of federal regulations and a breach of your interconnection agreement, and that Verizon shall pursue any and all remedies available to it.

Despite the foregoing measures that Verizon took to inform XO of the network elements that are no longer available to XO, XO submitted the Disallowed Order(s) in violation of the *TRO Remand Order* and the Agreement.

Accordingly, Verizon requests that XO respond within five (5) business days to:

- indicate that XO has submitted the necessary order(s) to disconnect the subject facility(ies) (please provide the order number(s) for any such orders) or has contacted their Verizon account manager to initiate the conversion of the facility(ies) to tariffed access service or resale service, if available; or
- to the extent XO refuses, in violation of federal law and the Agreement, to take the steps outlined above, identify your representative for purposes of resolving this urgent matter and provide any information upon which you rely in support of any claim that you have conducted a reasonably diligent inquiry, and that the results of that inquiry justify any claim that you are entitled to obtain the requested facility(ies) on an unbundled basis under the TRO Remand Order. Verizon's representative in this matter will be Eric Wagner.

Please respond in writing to the following address:

² TRO Remand Order, ¶¶ 73, 75, 99, 101.



With a copy to:

Director-Contract Performance & Administration Verizon Wholesale Markets 600 Hidden Ridge HQEWMNOTICES Irving, TX 75038 wmnotices@verizon.com

If XO fails to respond within the required time period, Verizon shall take whatever action it determines to be appropriate based on the terms of the Agreement and FCC and state commission rules.

XO shall be liable for any ordering, cancellation, and disconnection charges, and all other applicable charges that may be incurred to bring XO into compliance with its obligations. In addition, Verizon will backbill XO for standard month-to-month access rates, commercial rates, or, if appropriate, resale rates for facilities improperly ordered as UNEs, back to the date of provisioning. Verizon shall also seek any and all remedies available to it for XO's violation of federal law and the Agreement, including, but not limited to, damages, injunctive relief, attorneys' fees, and any sanctions and penalties that may be available.

Sincerely,

Keefe B. Clemons

Assistant General Counsel

Reefe B. Clemons

VIA DHL overnight



CONFIDENTIAL

ATTACHMENT

Carrier Name	ACNA	Service Type	Circuit ID	Wire Center 1	Wire Center 2	Date Service Established	Reason Not Allowed
XO/Allegiance	TQW	DS1 Transport	69.HCFU.339093GTES	TAMPFLXEDS0	TAMPFLXEDS0	06/13/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.339777GTES	TAMPFLXX22H	TAMPFLXX22H	06/17/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.339859GTES	TAMPFLXX22H	TAMPFLXX22H	07/15/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.339981GTES	TAMPFLXEDS0	TAMPFLXEDS0	06/20/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.340793GTES	TAMPFLXX22H	TAMPFLXX22H	07/27/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.340794GTES	TAMPFLXX22H	TAMPFLXX22H	07/27/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.341426GTES	WSSDFLXADS0	WSSDFLXA87H	07/29/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.341990GTES	TAMPFLXX22H	TAMPFLXX22H	08/11/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.342049GTES	TAMPFLXX22H	TAMPFLXX22H	08/15/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.343346GTES	TAMPFLXX22H	TAMPFLXEDS0	09/21/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.343347GTES	TAMPFLXX22H	TAMPFLXEDS0	09/21/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.343483GTES	WSSDFLXA87H	BHPKFLXA28H	10/03/2005	Non-Impaired Wire Center
XO/Allegiance	TQW	DS1 Transport	69.HCFU.344220GTES	WSSDFLXA87H	BHPKFLXA28H	10/13/2005	Non-Impaired Wire Center

CONFIDENTIAL

DECLASSIFIED

verizon

185 Franklin Street, 13th Floor Boston, MA 02110-1585 Phone 617 743-6744 Fax 617 737-0648 keefe.b.clemons@verizon.com

Keefe B. Clemons Assistant General Counsel

March 3, 2006

Gegi Leeger
Director Regulatory Contracts
XO Communications
XO Communications Services, Inc.
11111 Sunset Hills Road
Reston, VA 20190

Subject: Notice to Initiate Dispute Resolution

Pursuant to the applicable provisions of the interconnection agreement between Verizon Florida Inc., f/k/a GTE Florida Incorporated ("Verizon") and XO Communications Services, Inc. ("XO") for the State of Florida (the "Agreement"), Verizon hereby provides **formal notice** of a dispute regarding the order(s) listed in the attachment to this letter that XO improperly submitted to Verizon in violation of federal law and the Agreement (the "Disallowed Order(s)"). The Disallowed Order(s) are for network elements that XO is no longer permitted to order on an unbundled basis under Section 251 of the Communications Act of 1934 (the "Act"), as set forth in the Federal Communications Commission in its <u>Order on Remand</u> in WC Docket No. 04-313 and CC Docket No. 01-338, released on February 4, 2005 (the "TRO Remand Order"), and the implementing regulations thereunder. In accordance with paragraph 234 of the *TRO Remand Order*, Verizon processed the Disallowed Orders and is challenging your improper submission of those orders.

On March 2, 2005, Verizon sent to XO a notice that identified the wire centers where Verizon is no longer required to provide access to Dedicated DS1 Transport, Dedicated DS3 Transport, Dark Fiber Transport, DS1 Loops, and DS3 Loops (the "March 2 Notice"). The list of wire centers identified in the March 2 Notice was also posted on Verizon's website at http://www22.verizon.com/wholesale/local/order/1,19410, 00.html. As explained in Verizon's February 10, 2005 notice to XO, the *TRO Remand Order* also established limits on the number of DS1 and DS3 Transport circuits and DS1 and DS3 Loops that a carrier may obtain on an unbundled basis

As set forth in Section 51.319(e)(3) of the FCC's implementing regulations, Tier 1 wire centers are those incumbent LEC wire centers that contain at least four Fiber-Based Collocators, at least 38,000 business lines, or both. Tier 1 wire centers also are those incumbent LEC tandem switching locations that have no line-side switching facilities, but nevertheless serve as a point of traffic aggregation accessible by competitive LECs. Tier 2 wire centers are those incumbent LEC wire centers that are not Tier 1 wire centers, but contain at least three Fiber-Based Collocators, at least 24,000 business lines, or both. As explained with more specificity in Verizon's industry notice of February 10, 2005: under the TRO Remand Order and the FCC's regulations (i) CLECs are not impaired without unbundled access to Dedicated DS1 Transport between any pair of Verizon wire centers that are both Tier 1 wire centers (and in no event may any CLEC obtain more than ten unbundled Dedicated DS1 Transport circuits on any Route where Dedicated DS1 Transport remains available on an unbundled basis); (ii) CLECs are not impaired without unbundled access to Dedicated DS3 Transport between any pair of Verizon wire centers that are either Tier 1 or Tier 2 wire centers (and in no event may any CLEC obtain more than twelve unbundled Dedicated DS3 Transport circuits on any Route where Dedicated DS3 Transport remains available on an unbundled basis); (iii) CLECs are not impaired without unbundled access to Dark Fiber Transport between any pair of Verizon wire centers that are either Tier 1 or Tier 2 wire centers; (iv) CLECs are not impaired without unbundled access to DS1 Loops at any building location that is served by a Wire Center with at least 60,000 Business Lines and at least four Fiber-Based Collocators (and in no event may any CLEC obtain more than ten DS1 Loops at any building location where DS1 Loops remain available on an unbundled basis); and, (v) CLECs are not impaired without unbundled access to DS3 Loops at any building location that is served by a Wire Center with at least 38,000 Business Lines and at least four Fiber-Based Collocators (and in no event may any CLEC obtain more than one DS3 Loop at any building location where DS3 Loops remain available on an unbundled basis).



where the FCC found impairment. For DS1 and DS3 Transport circuits, the limits are 10 and 12, respectively, on a single route. For DS1 and DS3 Loops, the limits are 10 and 1, respectively, at a single building.²

Verizon's March 2 Notice explained that Verizon's wire center list was compiled using the data sources specified by the FCC in the *TRO Remand Order*, including ARMIS data previously filed with the FCC. As the FCC noted in the *TRO Remand Order*, the ARMIS filings are "an objective set of data that incumbent LECs already have created for other regulatory purposes. [W]e can be confident in the accuracy of the thresholds, and a simplified ability to obtain the necessary information." *TRO Remand Order*, ¶ 105. Verizon's March 2 Notice nonetheless offered to provide to your company under an appropriate nondisclosure agreement the backup data that was used by Verizon to develop and update the lists of wire centers. The March 2 Notice asked your company to contact its Verizon account manager if your company had actual, verifiable data that it believed demonstrates that any Wire Center identified on the lists provided by Verizon should not be included on those lists. Because the *TRO Remand Order* imposes upon requesting carriers an obligation to exercise a reasonably diligent inquiry before submitting orders for the aforementioned network elements, the March 2 Notice stated that, in the absence of compelling evidence to the contrary, Verizon shall treat each attempt by XO to submit an improper order as a separate act of bad faith carried out in violation of federal regulations and a breach of your interconnection agreement, and that Verizon shall pursue any and all remedies available to it.

Despite the foregoing measures that Verizon took to inform XO of the network elements that are no longer available to XO, XO submitted the Disallowed Order(s) in violation of the *TRO Remand Order* and the Agreement.

Accordingly, Verizon requests that XO respond within five (5) business days to:

- indicate that XO has submitted the necessary order(s) to disconnect the subject facility(ies) (please provide the order number(s) for any such orders) or has contacted their Verizon account manager to initiate the conversion of the facility(ies) to tariffed access service or resale service, if available; or
- to the extent XO refuses, in violation of federal law and the Agreement, to take the steps outlined above, identify your representative for purposes of resolving this urgent matter and provide any information upon which you rely in support of any claim that you have conducted a reasonably diligent inquiry, and that the results of that inquiry justify any claim that you are entitled to obtain the requested facility(ies) on an unbundled basis under the TRO Remand Order. Verizon's representative in this matter will be Eric Wagner.

Please respond in writing to the following address:

² TRO Remand Order, ¶¶ 73, 75, 99, 101.

With a copy to:

Director-Negotiations Verizon Partner Solutions 600 Hidden Ridge HQEWMNOTICES Irving, TX 75038 wmnotices@verizon.com

If XO fails to respond within the required time period, Verizon shall take whatever action it determines to be appropriate based on the terms of the Agreement and FCC and state commission rules.

XO shall be liable for any ordering, cancellation, and disconnection charges, and all other applicable charges that may be incurred to bring XO into compliance with its obligations. In addition, Verizon will backbill XO for standard month-to-month access rates, commercial rates, or, if appropriate, resale rates for facilities improperly ordered as UNEs, back to the date of provisioning. Verizon shall also seek any and all remedies available to it for XO's violation of federal law and the Agreement, including, but not limited to, damages, injunctive relief, attorneys' fees, and any sanctions and penalties that may be available.

Sincerely,

Keefe B. Clemons

Assistant General Counsel

Reefe B. Clemons

VIA DHL Express



ATTACHMENT

Carrier Name	ACNA	Service Type	Circuit ID	Wire Center 1	Wire Center 2	Date Service Established	Reason Not Allowed
XO Communications, Inc	TQW	DS1 Transport	69.HCFU.339151GTES	TAMPFLXEDS0	TAMPFLXEDS0	6/8/2005	Non-Impaired Wire Center
XO Communications, Inc	TQW	DS1 Transport	69.HCFU.339166GTES	TAMPFLXEDS0	TAMPFLXEDS0	6/7/2005	Non-Impaired Wire Center
XO Communications, Inc	TQW	DS1 Transport	69.HCFU.339260GTES	WSSDFLXA87H	WSSDFLXADS0	6/10/2005	Non-Impaired Wire Center

verizon

185 Franklin Street, 13th Floor Boston, MA 02110-1585 Phone 617 743-6744 Fax 617 737-0648 keefe.b.clemons@verizon.com

Keefe B. Clemons Assistant General Counsel

March 3, 2006

Karen M. Potkul VP Regulatory XO Communications XO Communications Services, Inc. 1601 Trapelo Road Suite 397 Waltham, MA 02451

Subject: Notice to Initiate Dispute Resolution

Pursuant to the applicable provisions of the interconnection agreement between Verizon Florida Inc., f/k/a GTE Florida Incorporated ("Verizon") and XO Communications Services, Inc. ("XO") for the State of Florida (the "Agreement"), Verizon hereby provides **formal notice** of a dispute regarding the order(s) listed in the attachment to this letter that XO improperly submitted to Verizon in violation of federal law and the Agreement (the "Disallowed Order(s)"). The Disallowed Order(s) are for network elements that XO is no longer permitted to order on an unbundled basis under Section 251 of the Communications Act of 1934 (the "Act"), as set forth in the Federal Communications Commission in its <u>Order on Remand</u> in WC Docket No. 04-313 and CC Docket No. 01-338, released on February 4, 2005 (the "TRO Remand Order"), and the implementing regulations thereunder. In accordance with paragraph 234 of the TRO Remand Order, Verizon processed the Disallowed Orders and is challenging your improper submission of those orders.

On March 2, 2005, Verizon sent to XO a notice that identified the wire centers where Verizon is no longer required to provide access to Dedicated DS1 Transport, Dedicated DS3 Transport, Dark Fiber Transport, DS1 Loops, and DS3 Loops (the "March 2 Notice"). The list of wire centers identified in the March 2 Notice was also posted on Verizon's website at http://www22.verizon.com/wholesale/local/order/1,19410, 00.html. As explained in Verizon's February 10, 2005 notice to XO, the *TRO Remand Order* also established limits on the number of DS1 and DS3 Transport circuits and DS1 and DS3 Loops that a carrier may obtain on an unbundled basis

¹ As set forth in Section 51.319(e)(3) of the FCC's implementing regulations, Tier 1 wire centers are those incumbent LEC wire centers that contain at least four Fiber-Based Collocators, at least 38,000 business lines, or both. Tier 1 wire centers also are those incumbent LEC tandem switching locations that have no line-side switching facilities, but nevertheless serve as a point of traffic aggregation accessible by competitive LECs. Tier 2 wire centers are those incumbent LEC wire centers that are not Tier 1 wire centers, but contain at least three Fiber-Based Collocators, at least 24,000 business lines, or both. As explained with more specificity in Verizon's industry notice of February 10, 2005: under the TRO Remand Order and the FCC's regulations (i) CLECs are not impaired without unbundled access to Dedicated DS1 Transport between any pair of Verizon wire centers that are both Tier 1 wire centers (and in no event may any CLEC obtain more than ten unbundled Dedicated DS1 Transport circuits on any Route where Dedicated DS1 Transport remains available on an unbundled basis); (ii) CLECs are not impaired without unbundled access to Dedicated DS3 Transport between any pair of Verizon wire centers that are either Tier 1 or Tier 2 wire centers (and in no event may any CLEC obtain more than twelve unbundled Dedicated DS3 Transport circuits on any Route where Dedicated DS3 Transport remains available on an unbundled basis); (iii) CLECs are not impaired without unbundled access to Dark Fiber Transport between any pair of Verizon wire centers that are either Tier 1 or Tier 2 wire centers; (iv) CLECs are not impaired without unbundled access to DS1 Loops at any building location that is served by a Wire Center with at least 60,000 Business Lines and at least four Fiber-Based Collocators (and in no event may any CLEC obtain more than ten DS1 Loops at any building location where DS1 Loops remain available on an unbundled basis); and, (v) CLECs are not impaired without unbundled access to DS3 Loops at any building location that is served by a Wire Center with at least 38,000 Business Lines and at least four Fiber-Based Collocators (and in no event may any CLEC obtain more than one DS3 Loop at any building location where DS3 Loops remain available on an unbundled basis).

where the FCC found impairment. For DS1 and DS3 Transport circuits, the limits are 10 and 12, respectively, on a single route. For DS1 and DS3 Loops, the limits are 10 and 1, respectively, at a single building.²

Verizon's March 2 Notice explained that Verizon's wire center list was compiled using the data sources specified by the FCC in the *TRO Remand Order*, including ARMIS data previously filed with the FCC. As the FCC noted in the *TRO Remand Order*, the ARMIS filings are "an objective set of data that incumbent LECs already have created for other regulatory purposes. [W]e can be confident in the accuracy of the thresholds, and a simplified ability to obtain the necessary information." *TRO Remand Order*, ¶ 105. Verizon's March 2 Notice nonetheless offered to provide to your company under an appropriate nondisclosure agreement the backup data that was used by Verizon to develop and update the lists of wire centers. The March 2 Notice asked your company to contact its Verizon account manager if your company had actual, verifiable data that it believed demonstrates that any Wire Center identified on the lists provided by Verizon should not be included on those lists. Because the *TRO Remand Order* imposes upon requesting carriers an obligation to exercise a reasonably diligent inquiry before submitting orders for the aforementioned network elements, the March 2 Notice stated that, in the absence of compelling evidence to the contrary, Verizon shall treat each attempt by XO to submit an improper order as a separate act of bad faith carried out in violation of federal regulations and a breach of your interconnection agreement, and that Verizon shall pursue any and all remedies available to it.

Despite the foregoing measures that Verizon took to inform XO of the network elements that are no longer available to XO, XO submitted the Disallowed Order(s) in violation of the *TRO Remand Order* and the Agreement.

Accordingly, Verizon requests that XO respond within five (5) business days to:

- indicate that XO has submitted the necessary order(s) to disconnect the subject facility(ies) (please provide the order number(s) for any such orders) or has contacted their Verizon account manager to initiate the conversion of the facility(ies) to tariffed access service or resale service, if available; or
- to the extent XO refuses, in violation of federal law and the Agreement, to take the steps outlined above, identify your representative for purposes of resolving this urgent matter and provide any information upon which you rely in support of any claim that you have conducted a reasonably diligent inquiry, and that the results of that inquiry justify any claim that you are entitled to obtain the requested facility(ies) on an unbundled basis under the TRO Remand Order. Verizon's representative in this matter will be Greg Romano.

Please respond in writing to the following address:

² TRO Remand Order, ¶¶ 73, 75, 99, 101.

With a copy to:



Director-Negotiations Verizon Partner Solutions 600 Hidden Ridge HQEWMNOTICES Irving, TX 75038 wmnotices@verizon.com

If XO fails to respond within the required time period, Verizon shall take whatever action it determines to be appropriate based on the terms of the Agreement and FCC and state commission rules.

XO shall be liable for any ordering, cancellation, and disconnection charges, and all other applicable charges that may be incurred to bring XO into compliance with its obligations. In addition, Verizon will backbill XO for standard month-to-month access rates, commercial rates, or, if appropriate, resale rates for facilities improperly ordered as UNEs, back to the date of provisioning. Verizon shall also seek any and all remedies available to it for XO's violation of federal law and the Agreement, including, but not limited to, damages, injunctive relief, attorneys' fees, and any sanctions and penalties that may be available.

Sincerely,

Keefe B. Clemons

Assistant General Counsel

Reefe B. Clemons

VIA DHL Express





ATTACHMENT

Carrier Name	ACNA	Service Type	Circuit ID	Wire Center 1	Wire Center 2	Date Service Established	Reason Not Allowed
XO Communications, Inc	TQW	DS1 Transport	69.HCFU.339151GTES	TAMPFLXEDS0	TAMPFLXEDS0	6/8/2005	Non-Impaired Wire Center
XO Communications, Inc.	TQW	DS1 Transport	69.HCFU.339166GTES	TAMPFLXEDS0	TAMPFLXEDS0	6/7/2005	Non-Impaired Wire Center
XO Communications, Inc	TQW	DS1 Transport	69.HCFU.339260GTES	WSSDFLXA87H	WSSDFLXADS0	6/10/2005	Non-Impaired Wire Center



March 3, 2006

J.Gary Case Director, Carrier Management 11111 Sunset Hills Road Reston, VA 20190 Phone: 703-547-2854 Case.gary@xo.com

CONFIDENTIAL

Kathryn Kalajian Director – Verizon Wholesale Services 1095 Avenue of America Floor 17 New York, NY 10036



Shortly XO will be providing Verizon with a comprehensive list of unbundled network element ("UNE") loop and/or transport circuits that XO will be requesting Verizon to convert to other services, in compliance with the TRRO. XO expects any non-recurring charges that will be billed by Verizon for these billing record changes to be consistent with the FCC's Triennial Review Order and TRRO as well as any applicable agreements between the parties, including the relevant interconnection agreement, and any applicable state rulings. XO will dispute charges inconsistent with any such applicable agreements or orders.

The list XO is submitting has been developed based upon the Wire Centers that Verizon has identified as being non-impaired as well as those states in which XO and Verizon have a TRO/TRRO amendment in place or Verizon has the appropriate tariffs approved and in place governing those issues set forth in the FCC's TRO/TRRO Orders. As Verizon is well aware, our companies currently do not have a TRO/TTRO amendment in place for the states of Pennsylvania, Maryland, Delaware, Virginia, Washington and Texas, and therefore, XO will not be submitting circuits for conversion in these states until such time as an amendment is in place or a State Commission has issued an order directing otherwise. XO expects Verizon to take no unilateral action to convert or in any way change or modify, including but not limited to any billing changes to, any XO circuits. While our companies currently do not have a TRO/TRRO amendment in place for the states of California, Florida and the District of Columbia, we anticipate such an amendment being place by March 11, 2006, and therefore will be providing you a list of circuits for these states as well as all other applicable states in which XO does business with Verizon. XO has on several occasions³ requested additional information in an attempt to verify Verizon's non-impairment claims as required by the TRRO. Verizon, however, has refused to provide XO with the detailed information necessary for XO to confirm or deny that those Wire Centers identified as non-impaired by Verizon are accurate. As a result of Verizon's refusal to provide the requested data, XO has evaluated the accuracy of Verizon's wire center designations based upon the information available to it. This review has resulted in XO concluding that the wire centers set forth in Attachment A have been inaccurately identified as non-impaired. 4 XO's conclusion is underscored by the inaccuracies that XO has found in Verizon's data regarding XO's own facilities used by Verizon in making its non-impairment determinations. For example:

¹ Order on Remand, in the Matter of Unbundled Access to Network Elements, Review of the Section 251 Unbundling Obligation of Incumbent Local Exchange Carriers, CC Docket No. 01-338(Rel. Feb 4, 2005) ² Report and Order and Order on Remand, in the Matter of Unbundled Access to Network Elements, Review of the Section 251 Unbundling Obligation of Incumbent Local Exchange Carriers, CC Docket No. 01-338(Rel. August 21, 2003)

³ On February 18, 2005 XO requested Verizon's backup data. In addition, on July 11, 2005 XO requested additional data that XO needed to confirm Verizon's wire center lists. To date, Verizon has refused to provide this additional information.

⁴ In addition, on November 10, 2005, Verizon supplemented its wire center list and added or modified the designation of 53 wire centers that Verizon claimed met the FCC's TRRO criteria. XO is disputing these additions and modifications.

- Verizon overstated the number of fiber based collocators and consequently wire centers meeting
 the FCC's criteria by counting XO and Allegiance as two
 fiber-based collocators in more than twenty wire centers (including WMNSCAXF, JRCYNJJO
 and PHLAPAPE) rather then as one fiber-based collocation.
- Verizon has counted XO as a fiber-based collocator in various Wire Centers throughout Verizon's territory (including but not limited to PSSCNJPS, TGRDORXA and FRFXVAFF) even though XO does not meet the FCC's definition of a fiber based collocator in those wire centers.

As a result of XO's evaluation of Verizon's wire centers, XO is hereby disputing Verizon's non-impairment classification of those wire centers set forth in Attachment A. For those wire centers set forth on Attachment A, XO will not be converting any existing UNE loop and/or transport circuits to other services and expects Verizon to take no unilateral action to convert or in any way change or modify, including but not limited to any billing changes to, any XO circuits.

In addition, XO finds it extremely unlikely that Verizon has not made similar errors regarding the data relating to other CLECs used by Verizon in making its non-impairment determinations for all wire centers. As result of the errors that XO knows to have been made by Verizon relative to XO's data as well errors that were likely made relative to other CLECs, XO's submission of its circuit list for conversion is being done under protest and subject to XO's reservation of rights to seek any and all remedies available to it, including but not limited to those set forth below, should it subsequently be determined that Verizon has improperly designated a wire center to be non-impaired.

If Verizon has designated a wire center as non-impaired and as a result XO converts existing UNEs or combinations of UNEs to other services or orders new, non-UNE services that otherwise could have been ordered as UNEs, and it is later determined that at the time that Verizon designated such wire center(s) as non-impaired, such wire center(s) did not meet the FCC's non-impairment criteria, XO shall require that Verizon convert (in cooperation with XO) all affected circuits to UNE pricing. Such conversions to UNE pricing shall be done at no charge to XO. In addition, for converted circuits, Verizon must refund to XO any nonrecurring charges that it paid to initially convert any UNE circuits as well as the difference between the monthly UNE rate and the monthly non-UNE for the entire period for which the circuit was improperly converted. For each circuit initially ordered as non-UNE, but which could have been ordered as UNE had Verizon not misidentified the relevant wire center as non-impaired, Verizon must refund to XO the difference between the nonrecurring charges paid by XO and the non-recurring UNE charges as well as the difference between the monthly UNE rate and the monthly non-UNE for the entire period prior to conversion of the circuit to UNE. XO also reserves its right to bill Verizon for any administrative costs that it has or will incur relative to the initial conversions and/or any subsequent conversion to UNE pricing as a result of Verizon improperly identifying the wire center as non-impaired. If Verizon refuses to provide XO with the refunds as set forth above, XO hereby notifies Verizon that XO will deem such charges as improper and will dispute all such charges.

XO hereby asks Verizon once again to provide XO with the information previously requested so that any claim by Verizon that a wire centers is non-impaired can be verified.

DECLASSIFIED

Sincerely,

Gary Case

cc: Laura Inniss, XO Communications, Inc. Loriann Burke, XO Communications, Inc. Helen Kaptsan, Verizon

Attachment A

Disputed Wire Centers DECLASSIFIED

BLPKCAXF	Tier 2	Transport	WLPTPAWI	Tier 2	Transport
LNBHCAXS	Tier 2	Transport	CNTNRIPH	Tier 2	Transport
SNBBCAXF	Tier 2	Transport	CLSTTXXA	Tier 2	Transport
SNMNCAXP	Tier 2	Transport	IRNGTXXC	Tier 2	Transport
DOVRDEDV	Tier 2	Transport	IRNGTXXD	Tier 2	Transport
CNSDFLXA	Tier 2	Transport	PLANTXXB	Tier 2	Transport
PNLSFLXA	Tier 2	Transport	PLANTXXD	Tier 2	Transport
YBCTFLXA	Tier 2	Transport	RCMDVAPE	Tier 2	Transport
BKLIMAMA	Tier 2	Transport	RCMDVASR	Tier 2	Transport
BRNTMAWA	Tier 2	Transport	RONKVALK	Tier 2	Transport
BURLMABE	Tier 2	Transport	BRWDNYBW	DS3	Loop
HLYKMAMA	Tier 2	Transport	GRCYNYGC	DS3	Loop
LXTNMAWA	Tier 2	Transport	NYCKNYBR	DS3	Loop
MLDNMAEL	Tier 2	Transport	WMNSCAXF	Tier 1	Transport
NATNMAMA	Tier 2	Transport	SPBGFLXA	Tier 1	Transport
NWTNMAWA	Tier 2	Transport	TAMPFLXA	Tier 1	Transport
CLMAMDCB	Tier 2	Transport	DNVSMAHI	Tier 1	Transport
HGTWMDHG	Tier 2	Transport	FRMNMAUN	Tier 1	Transport
WHTNMDWT	Tier 2	Transport	MRBOMAMA	Tier 1	Transport
BNGRMEPA	Tier 2	Transport	SALMMANO	Tier 1	Transport
LSTNMEAS	Tier 2	Transport	SOVLMACE	Tier 1	Transport
DOVRNHTH	Tier 2	Transport	KEENNHWA	Tier 1	Transport
EORNNJEO	Tier 2	Transport	AMHRNYMP	Tier 1	Transport
FRFDNJFA	Tier 2	Transport	BFLONYHE	Tier 1	Transport
NBRGNJNB	Tier 2	Transport	ARMRPAAR	Tier 1	Transport
NWPVNJMH	Tier 2	Transport	BCYNPABC	Tier 1	Transport
NWRKNJIR	Tier 2	Transport	CARNPACA	Tier 1	Transport
PSVLNJPL	Tier 2	Transport	LWLLMAAP	Tier 1	Transport
BFLONYEL	Tier 2	Transport	PSSCNJPS	Tier 1	Transport
BFLONYMA	Tier 2	Transport	RTFRNJRU	Tier 1	Transport
FRDLNYFM	Tier 2	Transport	NYCQNYJA	Tier 1	Transport
NYCRNYNS	Tier 2	Transport	WSVLNYNC	Tier 1	Transport
SCHNNYSC	Tier 2	Transport	CPHLPACH	Tier 1	Transport
WSNCNYUN	Tier 2	Transport	RBTPPART	Tier 1	Transport
SMRWORXA	Tier 2	Transport	SCTNPASC	Tier 1	Transport
AMBLPAAM	Tier 2	Transport	STCGPAES	Tier 1	Transport
BLLVPABE	Tier 2	Transport	WAYNPAWY	Tier 1	Transport
BRYMPABM	Tier 2	Transport	WKBGPAWK	Tier 1	Transport
GLNSPAGL	Tier 2	Transport	PRVDRIBR	Tier 1	Transport
GNBGPAGR	Tier 2	Transport	WNSCRICL	Tier 1	Transport
MBRGPAME	Tier 2	Transport	IRNGTXXA	Tier 1	Transport
OKMTPAOA	Tier 2	Transport	PLANTXXA	Tier 1	Transport
PHLAPAPI	Tier 2	Transport	NRFLVABS	Tier 1	Transport
PITBPACA	Tier 2	Transport	VRBHVACC	Tier 1	Transport
PITBPAEL	Tier 2	Transport	GRCYNYGC	DS1	Loop
SWKYPASE	Tier 2	Transport	NYCKNYBR	DS1	Loop
WLBRPAWB	Tier 2	Transport			

CONFIDENTIAL AND PROPRIETARY TO VERIZON SUBJECT TO NON-DISCLOSURE AGREEMENT



Verizon's Wire Centers Qualifying for Relief From Unbundled Services

State	Wire Center	Business Access Lines	Loop & EEL Lines	Total Lines	Fiber Collo Providers
FL	SPBGFLXA	15,998	2,208	18,206	4
FL	TAMPFLXA	12,030	-	12,030	6

CONFIDENTIAL

CONFIDENTIAL AND PROPRIETARY TO VERIZON SUBJECT TO NON-DISCLOSURE AGREEMENT



Verizon's Qualified Wire Centers with Fiber Based Collocation in Florida by Wire Center by CLEC

ST	CLLI8	Current CLEC Name	No. of Providers as of 02/03/06
FL	SPBGFLXA	277	1
		299	1
		486	1
		552	1
FL	TAMPFLXA	112	1
1		145	1
		189	1
		299	1
		398	1
		486	1