

State Government Relations 5055 North Point Parkway Alpharetta, GA 30022

July 10, 2012

Transmittal Letter No. 12-03

VIA E-FILING

Ms. Beth Salak, Director Division of Competitive Markets and Enforcement Florida Public Service Commission Attn: Tariff Section 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

RE: <u>Verizon Access Transmission Services: Price List No. 1</u>
Intercarrier Compensation Regime for Certain VoIP-PSTN Traffic, as Modified by FCC Second Reconsideration Order

Dear Ms. Salak:

MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services ("Verizon Access") is filing with your office the enclosed revisions to its F.P.S.C. Price List No. 1.

Page No.	<u>Revision No.</u>
2	20
24.1	5
24.2	1
24.3	1
24.4	Original

These tariff pages reflect Verizon Access' implementation of the intercarrier compensation regime for certain VoIP-PSTN traffic, as modified by the FCC's Second Reconsideration Order ("Reconsideration Order"), released on April 25, 2012. In accordance with the effective date of that decision, the tariff revisions will take effect July 13, 2012.

On December 27, 2011, Verizon Access filed revisions to its intrastate switched access tariff to reflect implementation of the VoIP-PSTN intercarrier compensation regime that the FCC established in its Report and Order in WC Docket Nos. 10-90, et al., 26 FCC Rcd 17633 (Nov. 18, 2011) ("Order"). Those revisions implemented a methodology for separating VoIP-PSTN traffic from access traffic in order to bill VoIP-PSTN traffic minutes of use ("MOU") that originate and/or terminate in Internet protocol format at Verizon's tariffed interstate switched access rates. The Reconsideration Order modified the regime established in the November 18 Order in that it permits carriers to charge intrastate (rather than interstate) switched access rates for **originating** VoIP-PSTN access MOU from July 13, 2012 until July 1, 2014.

Letter to Ms. Beth Salak July 10, 2012 Page 2

Consistent with the FCC Second Reconsideration Order, this tariff amendment updates the methodology for separating relevant VoIP-PSTN traffic from access traffic that Verizon Access will bill at applicable intrastate switched access rates. Specifically, Verizon Access will determine the number of relevant VoIP-PSTN traffic MOU to which it will apply interstate rates by applying a Percent VoIP Usage ("PVU") factor to the total **terminating** intrastate access MOU exchanged between a Verizon Access end user and the customer. The PVU factor will be based upon a customer-provided VoIP percentage factor (the PVU-C) and a Verizon-calculated VoIP percentage factor (the PVU-V).

If you have questions regarding this filing, please contact me either at (888) 215-5680 or sandy.chandler@verizon.com.

Respectively submitted

Sandy Chandler Tariff Manager

Verizon Business

Enclosure

ACCESS SERVICES

CHECK SHEET

The Title Sheet and Sheets 1 - 66 inclusive of this price list are effective as of the date shown. Original and revised sheets, as named below, comprise all changes from the original price list in effect on the date indicated.

Sheet	Revision	
1	1 20	*
2 3	13	
4	Original	
5		
6	2 3 2	
6.1	2	
7	1	
8	Original	
9	Original	
10	1	
11	Original	
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21 22	1 Original	
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24.1	2 2 3 5	*
24.2	1	*
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24.4	Original	*
25	2	
26	Original	
27	Original	
28	3	
28.1	Original	
29	4	
29.1	1	
29.2	Original	
30	2	
31	1	
32	1	

*Issued

Access Services

2. REGULATIONS

2.3 Obligations of the Customer (Cont.)

2.3.3 <u>Jurisdictional Reporting (Cont.)</u>

2.3.3.3 <u>Jurisdictional Reports Verification</u>: For Switched Access Service, if a billing dispute arises or a regulatory commission questions the projected PIU factor, the Customer will provide the data issued to determine the projected PIU factor. The Customer will supply the data within 30 days of the Company request.

The Customer shall keep records of call detail from which the percentage of interstate and intrastate use can be ascertained and, upon request of the Company, shall make the records available for inspection as reasonably necessary for purposes of verification of the percentages.

2.3.3.3.1 The Company reserves the right to conduct an audit of the Customer's PIU Report and PLU Report. The Company may request an audit of the PIU Report or the PLU Report within 6 months of the Company's receipt the PIU Report and/or PLU Report, as applicable. Such request must be made on no less than ten days written notice to the other party. Audits shall be conducted during normal business hours at the office of the party being audited. Such audit must be performed by an independent auditor mutually agreed to by the parties. Independent auditor cost will be paid for by the party which requests the audit.

2.3.3.4 Identification and Rating of VolP-PSTN Traffic

2.3.3.4.1 Scope

2.3.3.4.1.1	VoIP-PSTN Traffic is defined as traffic exchanged between a Verizon Access end user and the customer in time division multiplexing ("TDM") format that originates and/or terminates in Internet protocol ("IP") format. This section governs the identification of VoIP-PSTN Traffic that is required to be compensated at interstate access rates	T T
	by the Federal Communications Commission in its Report and Order in WC Docket Nos. 10-90, etc., FCC Release No. 11-161 (Nov. 18,	D
	2011) ("Order") as modified by its Second Order on Reconsideration, FCC Release No. 12-47 (Apr. 25, 2012), and as codified in 47 C.F.R. § 51.319 ("Reconsideration Order"), and unless Verizon Access and the Customer have	N/T
	agreed otherwise. Specifically, this section establishes the method of separating such traffic (referred to in this tariff as "Relevant VolP-PSTN Traffic") from the customer's traditional intrastate access traffic, so that such	N/T
	Relevant VoIP-PSTN Traffic can be billed in accordance with the FCC Orders.	T
2.3.3.4.1.2	This section will be applied to the billing of switched access charges to a customer that is a local exchange carrier only to the extent that the customer has also implemented billing of interstate access charges for Relevant VoIP-PSTN Traffic in accordance with the FCC	
	Orders.	Τ

2.3.3.4.2 Rating of VolP-PSTN Traffic

The Relevant VoIP-PSTN Traffic identified in accordance with this tariff section will be billed at rates equal to the Verizon Access' applicable tariffed interstate switched access rates as specified in Tariff FCC No. 1. Intrastate access minutes of use not required to be billed at interstate rates pursuant to this Section 2.3.3.4 will be billed in accordance with the other rate provisions of this Tariff (absent an agreement between Verizon and the customer on a different compensation mechanism).

Effective: July 13, 2012

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Issued: July 10, 2012

Access Services

2. REGULATIONS

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.4 <u>Identification and Rating of VoIP-PSTN Traffic</u> (Cont.)

2.3.3.4.3 Calculation and Application of Percent-VolP-Usage Factor

Verizon Access will determine the number of Relevant VoIP-PSTN Traffic minutes of use ("MOU") to which interstate rates will be applied under subsection 2.3.3.4.2, above, through the use of a Percent VoIP Usage ("PVU") factor, which in turn will be based on a PVU-C factor and a PVU-V factor. These factors will be derived and applied as set forth below. The PVU-V and PVU-C factors will be based on information such as the number of Verizon Access' or the customer's retail VoIP subscriptions in the state (e.g., as reported on FCC Form 477), traffic studies, actual call detail, or other relevant and verifiable information.

2.3.3.4.3.1 For the period from December 29, 2011 through July 12, 2012, and for the period on and after July 1, 2014:

- (a) The customer will calculate and furnish to Verizon Access a PVU-C factor representing the percentage of the total access MOU that the customer exchanges with Verizon Access in the State that (a) is sent to Verizon Access and that originated in IP format; or (b) is received from Verizon and terminated in IP format. A PVU-C factor for the period December 29, 2011 through July 12, 2012 must be submitted by April 15, 2012, in order to apply retroactively to December 29, 2011. A PVU-C factor for the period on and after July 1, 2014 will be submitted by June 1, 2014.
- (b) The Company will, likewise, calculate PVU-V factors for the two periods representing the percentage of Verizon Access' total access MOU in the State that Verizon Access originates or terminates on its network in IP format, and will begin applying those PVU-V factors to the calculation of the PVU factor as of December 29, 2011 and July 1, 2014, respectively.

2.3.3.4.3.2 For the period from July 13, 2012 through June 30, 2014:

- (a) The customer will calculate and furnish to Verizon Access, before July 1, 2012, a PVU-C factor representing the percentage of the total access MOU sent by the customer to Verizon Access in the State that the customer originates in IP format. If the customer submitted a PVU-C factor under Section 2.3.3.4.3.1(a) and does not furnish a new factor under this Section 2.3.3.4.3.2(a), Verizon Access will use that previously submitted factor as the PVU-C for purposes of this subsection 2.3.3.4.3.2(a).
- (b) Verizon Access will, likewise, calculate a PVU-V factor for this Period representing the percentage of Verizon Access' total terminating access MOU in the State that Verizon Access terminates on its network in IP format, and will begin applying that PVU-V factor to the calculation of the PVU factor as of July 13, 2012.

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Effective: July 13, 2012

Issued: July 10, 2012

Access Services

2. REGULATIONS

2.3 Obligations of the Customer (Cont.)

2.3.3 <u>Jurisdictional Reporting (Cont.)</u>

2.3.3.4 Identification and Rating of VoIP-PSTN Traffic (Cont.)

2.3.3.4.3.3

2.3.3.4.3 Calculation and Application of Percent-VoIP-Usage Factor (Cont.)

2.3.3.4.3.4

For the period from December 29, 2011 through July 12, 2012 and for the period on and after July 1, 2014, Verizon Access will apply the PVU to the total intrastate access MOU exchanged with the customer to determine the number of such minutes that will be billed at the applicable interstate switched access rates. For the period from July 13, 2012 through June 30, 2014, Verizon Access will apply the PVU factor to the total terminating intrastate access MOU received from the customer, and the resulting number of minutes

will be billed at terminating interstate access rates.

the PVU-V factor times (100% minus the PVU-C factor).

Example 1: For February 2013, the PVU-V is 10% and the PVU-C is 40%. The PVU factor is equal to $40\% + (10\% \times 60\%) = 46\%$. Verizon Access will bill 46% of the customer's terminating intrastate access MOU at its tariffed interstate terminating switched access rates.

The PVU factor will be calculated as the sum of: (A) the PVU-C factor and (B)

Example 2: For September 2014, the PVU-V is 10% and the PVU-C is 0%. The PVU factor is $0\% + (100\% \times 10\%) = 10\%$. Verizon Access will bill 10% of the customer's intrastate access MOU at the Verizon Access' tariffed interstate switched access rates (originating or terminating as applicable).

Example 3: For a period after December 29, 2011 and prior to July 13, 2012, the PVU-C is 100%. No matter what the PVU-V factor is, the PVU is 100%. Verizon Access will bill 100% of the customer's intrastate access MOU at Verizon Access' tariffed interstate switched access rates (originating or terminating, as applicable).

2.3.3.4.4 Initial PVU Factor and PVU Factor Changes

2.3.3.4.4.1 If the PVU factor for the period from December 29, 2011 to July 12, 2012, is not available and/or cannot be implemented in Verizon Access' billing systems by December 29, 2011, once that factor is available and can be implemented Verizon Access will adjust the customer's bills to reflect that PVU retroactively to December 29, 2011. In calculating the initial PVU, to be applied from December 29, 2011 to July 12, 2012, Verizon Access will take the customer-specified PVU-C into account retroactively to December 29, 2011, provided that the customer provides the factor to the Company no later than April 15, 2012.

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Access Services

2. REGULATIONS

2.3 Obligations of the Customer (Cont.)

2.3.3 <u>Jurisdictional Reporting</u> (Cont.)

2.3.3.4 Identification and Rating of VoIP-PSTN Traffic (Cont.)

2.3.3.4.4 Initial PVU Factor and PVU Factor Changes (Cont.)

The customer may submit an updated factor quarterly using the methodology set forth in subsection 2.3.3.4.3.1 or 2.3.3.4.3.2, above, as applicable. If the customer chooses to submit such updates, it shall forward to Verizon Access, no later than 15 days after the first day of January, April, July and/or October of each year, a revised PVU-C factor based on data for the prior three months, ending the last day of December, March, June and September, respectively. Verizon Access will use the revised PVU-C to calculate a revised PVU. The revised PVU factor will apply prospectively

and serve as the basis for billing until superseded by a new PVU.

2.3.3.4.5 PVU Factor Verification

2.3.3.4.4.2

Not more than twice in any year, Verizon Access may ask the customer to verify the PVU-C factor furnished to Verizon Access and customer may ask Verizon Access to verify the PVU V factor and the calculation of the PVU factor. The party so requested shall comply, and shall reasonably provide the records and other information used to determine the respective PVU-C and PVU-V factors.

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