

**BEFORE THE
STATE OF FLORIDA
PUBLIC UTILITIES COMMISSION**

In the Matter of GNAPs, Inc. Petition for Arbitration
Pursuant to 23 U.S.C. § 232(b) of Interconnection Rates,
Terms and Conditions with Verizon Florida, Inc., *f/k/a*
GTE Florida, Inc.

Case No. 011666-TP
Filed: April 16, 2003

**Corrected Post-Hearing Statement of Issues
and Positions of Petitioner, Global NAPs, Inc.**

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I. INTRODUCTION.

One legal issue, namely jurisdiction, and eleven mixed issues of fact and law have been identified in this arbitration. *Petition by Global NAPS, Inc. for arbitration pursuant to 47 U.S.C. 252(b) of interconnection rates, terms and conditions with Verizon Florida Inc.*, Docket No. 011666-TP, Pre-Hearing Order, PSC-03-0253-PHO-TP (Feb 20, 2003) (“*Pre-Hearing Order*”). Pursuant to the *Pre-Hearing Order*, Global NAPs, Inc. (“GNAPs”) submits the following brief dealing with said issues in order.

II. ARGUMENT.

A. The Commission has jurisdiction to arbitrate an interconnection agreement between the parties consistent with §§251 and 252 of the Telecommunications Act.

Legal Issue: What is the Commission’s jurisdiction in this matter?

The Commission has jurisdiction to resolve each issue raised in the petition and response consistent with the standards set out in 47 U.S.C. §252(c), but has no jurisdiction to regulate ISP-bound traffic.

The Commission has jurisdiction to arbitrate the parties’ interconnection agreement pursuant to 47 U.S.C. §252. Under §252(a)(4). The Commission must “limit its consideration of any petition ... to the issues set forth in the petition and in the response,” §252(a)(4)(A), and must “resolve each issue set forth in the petition and the response” as required by §252(c). §252(a)(4)(C).

The Commission has no jurisdiction, however, to regulate ISP-bound traffic. The FCC has declared that ISP-bound calls are jurisdictionally interstate and subject to that agency’s authority under section 201 of the Telecommunications Act (“*Act*”). *In Re Implementation Of The Local Competition Provisions In The Telecommunications Act Of 1996, Intercarrier Compensation For ISP-Bound Traffic*, 16 F.C.C.R. 9 (2001) (“*ISP*

Remand Order)¹ ¶1. ¶59. The FCC specifically declared that these calls are interstate “information access” traffic, *Id.* ¶42,² and expressly rejected the suggestion that the “information access” definition engrafts a geographic limitation that renders this service category a subset of telephone exchange service. *Id.* ¶44 n.82. Most importantly, the FCC held that state regulators no longer had jurisdiction to consider the issue of inter-carrier compensation for ISP-bound calls, and that the issue was no longer a fit subject for inclusion in interconnection agreements. It stated, “Because we now exercise our authority under section 201, to determine the appropriate intercarrier compensation for ISP-bound traffic, however, state commissions will no longer have authority to address this issue.” *ISP Remand Order*. ¶82. *See New York Telephone v. FCC*, 631 F.2d 1059, 1066 (2nd Cir. 1980)(Court rejected state commission’s attempt to impose a surcharge on in-state portion of interstate service.)

B. GNAPs may designate a single point of interconnection per LATA and the parties are each responsible for transport on their side of the point of interconnection.

- Issue 1:
- (A) May GNAPs designate a single physical point of interconnection per LATA on Verizon’s existing network?
 - (B) If GNAPs chooses a single point of interconnection (SPOI) per LATA on Verizon’s network, should Verizon receive any compensation from GNAPs for transporting Verizon local traffic to this SPOI? If so, how should the compensation be determined?

¹ The *ISP Remand Order* was appealed. On May 3, 2002, the D. C. Circuit in *WorldCom, Inc. v. Federal Communications Comm’n., et al.*, No. 01-1218, Slip. Op. (D.C. Cir. May 3, 2002) at 6-7, rejected certain aspects of the FCC’s reasoning, not relevant here, but expressly recognized that other legal bases for the FCC’s action may exist and expressly declined to vacate the rules established by the *ISP Remand Order*. Thus, the rules and obligations set forth in the *ISP Remand Order* remain in full force and effect.

² As the Ninth Circuit stated as recently as April 7, 2003, “the FCC and the D.C. Circuit have made it clear that ISP traffic is “interstate” for jurisdictional purposes.” *Pacific Bell v. Pac-West Telecomm*, 2003 WL 1792957(9th Cir. 2003) at *8. *See also In the Matter of Starpower Communications v. Verizon South, Inc. (Starpower II)*. 17 F.C.C.R. 6873, 6886 ¶30, 2002 WL 518062 (2002) (“ISP-bound traffic is jurisdictionally interstate”).

The parties are apparently now in agreement that GNAPs has a right to designate a SPOI in each LATA. Each party is responsible for transport on their side of the POI.

GNAPs has a right to designate a single point of interconnection (“SPOI”) per LATA. *See* 47 U.S.C. §251(c)(2)(B), 47 C.F.R. §51.305. Verizon apparently agrees that GNAPs may not be required to interconnect at more than one single point per LATA. Supplemental Testimony of Peter D’Amico (“*D’Amico*”) at 1 (Dec. 18, 2002). Each party should also be responsible for transport on its side of the SPOI. *See* 47 CFR §71.703. Apparently Verizon now agrees; it has stated, “Since the parties filed their direct testimony on May 8, 2002, Verizon proposed contract language to GNAPs that would permit GNAPs to interconnect on Verizon’s network at one point in a LATA, with each party bearing responsibility for facilities on its side of the POI.” *Petition by Global NAPS, Inc. for arbitration pursuant to 47 U.S.C. 252(b) of interconnection rates, terms and conditions with Verizon Florida Inc.*, Docket No. 011666-TP, Pre-Hearing Order, PSC-03-0253-PHO-TP (Feb 20, 2003) (“*Issue Statement*”) §VI Issue 1B Verizon.

C. The parties’ interconnection agreement should require specific terms and conditions relating to the deployment of two-way trunks.

Issue 2: Should the parties’ interconnection agreement require mutual agreement on the terms and conditions relating to the deployment of two-way trunks when GNAPs chooses to use them?

The interconnection agreement should require Verizon to offer two way trunks, each party should forecast their own traffic, and specific equitable provisions should be required. Further, Verizon should not require an additional document, the “Memorandum of Understanding,” above and beyond this Agreement to govern the terms and conditions of interconnection.

Verizon does not oppose offering GNAPs two-way trunks, but insists that the parties need to agree on operational responsibilities and design parameters.

Unfortunately, the very fact this petition needs to be filed indicates that there is now, and

will likely be in future, disagreements on these operational aspects. These disagreements enter chiefly on the onerous restrictions imposed by Verizon's proposed contract language upon GNAPs' ability to order trunking facilities.³

Verizon claims that GNAPs is in the best position to forecast both its traffic terminating on Verizon's network and Verizon's traffic terminating on GNAPs' network.⁴ Essentially, Verizon is abrogating all its forecasting obligations. It is asking GNAPs to make, and be responsible for, both carriers' traffic forecasts. This is discriminatory and burdensome. A more equitable resolution is that presented by GNAPs, which has made specific recommendations in its proposed contract language at section 2.4 where each carrier forecasts the traffic that it believes will terminate on the other carrier's network.⁵ This is precisely the conclusion reached by the New York Commission.⁶

In addition to the forecasting burden, GNAPs proposes modifications which (1) exclude measured Internet traffic, (2) replace "intrastate traffic" with "other traffic", (3) remove restrictions on the manner of connection, (4) impose industry standards for equipment used in provisioning, (5) assure equality in service quality and provisioning through the ASR process, (6) equalize trunk underutilization restrictions, (7) eliminate asymmetrical upfront payment requirements over and above what would actually be due, (8) eliminate restrictive subtending arrangement requirements, and, (9) clarify the definition of "traffic rate". These proposed modifications are necessary and in totality

³ See Glossary Sections 2.93-95; Interconnection Attachment Sections 2.2-2.4, 5, 6, 9.

⁴ See *id.* at 26.

⁵ See Exhibit B, Proposed Interconnection Agreement at §§ Glossary Sections 2.93-95; Interconnection Attachment Sections 2.2-2.4, 5, 6, 9.

⁶ *GNAPs New York Order* at 16.

provide for a more equitable offering of two-way trunking than those proposed by Verizon.⁷

Another example of Verizon dictating terms to its customers is its threshold end-office trunking requirements. There is no rationale behind Verizon's insistence on limiting trunks to the tandem to a maximum of 240 trunks. This would require connection to an end office when less than 50% of a DS-3 capacity is used. Such a requirement is inefficient, wasteful and is not based on any industry standard. A more logical limitation would be for Verizon to target 672 trunks as a maximum. This equates to a single DS-3.

Most importantly, however, is that despite Verizon's concurrence that GNAPs be required only to interconnect at a single point in a LATA, it has yet to allow GNAPs to exercise this right. Verizon imposes a requirement that it – and it alone – dictate the terms and condition of interconnection in a "Memorandum of Understanding" ("MOU"). GNAPs began asking Verizon for interconnection last year. An ASR was sent in October; an ALEC profile was sent to Verizon in November. Verizon did not respond with a proposed MOU. In mid-February, GNAPs' counsel drafted a proposed MOU based on others accepted and executed between the two parties. GNAPs has yet to receive a draft MOU from Verizon and has yet to receive comments on GNAPs' proposed MOU.

Without interconnection, all the terms and conditions of a contract are inconsequential. SBC does not require similar agreements when GNAPs interconnects. Other Florida incumbent providers do not have this requirement either (e.g., BellSouth).

⁷ See Exhibit B, Proposed Interconnection Agreement at §§ 2.93-95; Interconnection Attachment Sections 2.2-2.4, 5, 6, 9.

Clearly this is a stonewalling attempt by Verizon which, to date at least, has been effective. It should not be a requirement that GNAPs be dictated terms and conditions by a monopoly of initiating service, especially when even such terms are not forthcoming. GNAPs asks this Commission to compel Verizon to act on its obligation to allow for interconnection, irrespective of whether or not there is a MOU in place.

D. GNAPs should not be required to provide collocation to Verizon.

Issue 3: (A) Should GNAPs be required to provide collocation to Verizon at GNAPs' facilities in order to interconnect with GNAPs?

(B) If Verizon cannot collocate at GNAPs' facilities, should GNAPs charge Verizon distance-sensitive rates for transport?

GNAPs should not be required to provide collocation to Verizon and Verizon should bear its own network costs.

Although Verizon is specifically required to provide collocation and does so by virtue of its tariff, there is simply no legal requirement for GNAPs to provide collocation. Notwithstanding, it has long been company policy to do so for the convenience and benefit of its customers. GNAPs has never rejected a request by Verizon to collocate at GNAPs' facilities. Indeed, Verizon has never asked in any of the states in which GNAPs operates and has facilities.

As a general matter, GNAPs welcomes customers and Verizon is no exception. Although "the customer is always right", this rule of thumb stops short of allowing the customer to dictate terms and conditions which purport to involve GNAPs in discrimination between its customers. Moreover, GNAPs may not be in a position to match all the terms and conditions requested and required by Verizon. Finally, GNAPs provides collocation by and through a corporate entity not a party to this arbitration. Thus, although GNAPs has an incentive to provide collocation to its customers, including

Verizon, there is no federal requirement for GNAPs to provide collocation, nor should there be a state requirement to do so when it can potentially place GNAPs in the position of discriminating between its customers.

It is GNAPs' position that each carrier absorb its own costs on its side of the point of interconnection for carriage of traffic. It is not entirely clear how a Verizon collocation of equipment at GNAPs' facilities would be relevant, since GNAPs anticipates interconnection by use of an end point fiber meet at a Verizon facility in Tampa. Indeed, as discussed above, it has requested such and has yet to hear back from Verizon some six months later. Recall that there is an asymmetric right of ALECs to designate the point of interconnection, subject only to technical feasibility. Thus, the issue of collocating at a GNAPs facility in Tampa is extremely unlikely given Verizon's past history. If Verizon collocation is the *only* point of interconnection between the two facilities, then traffic will be exchanged there and each party should bear its own network costs. If Verizon is denied collocation for some reason, *i.e.*, space availability, and as a result incurs additional transport fees, these are unavoidable costs of its customers' desire to exchange traffic with GNAPs and should be absorbed by Verizon, consistent with the notion that wherever the point of interconnection is within the LATA, be it at a GNAPs facility, a Verizon facility, or in between at a mid-span meet, each party bears financial responsibility for its own network costs on its side of the point of interconnection. Finally, it is clear by Verizon's testimony that it does not even believe that collocating in a GNAPs facility is a proper interconnection method, so it is not apparent how this

scenario of not having an interconnection point with Verizon on Verizon's network could ever come about.⁸

E. The originating carrier's local calling area should be used as the basis for determining intercarrier compensation obligations

Issue 4: Which carrier's local calling area should be used as the basis for determining intercarrier compensation obligations?

The originating caller's local calling area should be used as the basis for determining intercarrier compensation.

Verizon has no objection to GNAPs defining its own local calling areas but wants to charge GNAPs access charges for terminating calls based upon Verizon's local calling areas. Verizon's proposal should be rejected because: (1) under federal regulations, the originating carrier's local calling area determines the intercarrier compensation obligations for all but information access traffic; (2) sound public policy also dictates that the originating carrier's local calling area define the intercarrier compensation for a call; (3) LATA wide local calling areas impose no additional costs on Verizon; and (4) LATA wide local calling is consistent with Florida and other precedent

First, under federal regulations, the originating carrier's local calling area determines the intercarrier compensation obligations for all traffic except information access traffic⁹ as it determines whether a call is subject to reciprocal compensation or access charges. If a call falls under the category of "telecommunications traffic," reciprocal compensation applies. 47 C.F.R. § 701(a). For purposes of the reciprocal compensation rules, "telecommunications traffic" is defined as: "(1) telecommunications

⁸ Peter J. D'Amico specifically excludes a GNAPs wire facility as a technically viable point of interconnection. See Supplemental Testimony of Peter J. D'Amico at 2 (Dec. 18, 2002).

⁹ As explained above, information access traffic, including ISP-bound traffic, is wholly regulated by the FCC and is subject to the FCC's own intercarrier compensation rules.

traffic between a LEC and a telecommunications carrier other than a CMRS provider, *except for telecommunications traffic that is interstate or intrastate exchange access, information access, or exchange services for such access.*” 47 C.F.R. §701(b)(1).

Consequently, reciprocal compensation applies to all telecommunications traffic except exchange access traffic and information access traffic.

“Telecommunications,” means “the transmission, between or among points specified by the user, of information of the user’s choosing, without change in the form or content of the information as sent and received.” 47 U.S.C. §153(43). Exchange access is defined as “the offering of access to telephone exchange services or facilities for the purpose of the origination or termination of telephone toll services.” 47 U.S.C. §153(16). The term “telephone toll service” means “telephone service between stations in different exchange areas for which there is made a separate charge not included in contracts with subscribers for exchange service.” 47 U.S.C. §153(48). According to the *Act*, traffic is *only* exchange access traffic when it is subject to a separate toll charge levied by the originating customer’s carrier. Consequently, the determination by the originating carrier as to whether a call is subject to toll charges, usually made in reference to the originating carrier’s local calling area determines, by federal law, whether the call is subject to reciprocal compensation or access charges.

Second, sound public policy also dictates that the originating carrier’s local calling area define the intercarrier compensation for a call. GNAPs’ witness, Dr. Selwyn, testified that Verizon’s opposition to an ALEC’s right to establish its own local calling areas and to utilize virtual NXX services is an attempt to deter competition in the local

exchange market and thereby to protect its retail service from innovative offerings.¹⁰ It is in the consumers' interest to have the benefit of competition between LECs as to the scope of their local calling areas, but an ALEC can only offer an expanded local calling area if it is not forced to pay access charges to Verizon for terminating a call. Consequently, permitting the originating carrier to define the carrier compensation through its local calling area is in the best interest of competition

Third, LATA wide local calling areas impose no additional costs on Verizon. When a Verizon customer calls a GNAPs customer, Verizon's work is to hand that call off to GNAPs at the SPOI. It makes no difference what GNAPs does with the call after handoff, as Verizon's work is complete upon handoff. This is why GNAPs' VNXX service imposes no additional costs on Verizon. Conversely, when Verizon terminates a call originated by a GNAPs customer, Verizon's work is to pick up the call at the SPOI and deliver it within the LATA. It makes no difference what GNAPs does before the call is handed off, as Verizon's work does not begin until handoff. Consequently, it is completely irrelevant if the call originated from a location across the street from the Verizon customer receiving the call or if it originated on the other side of the LATA. In either case, Verizon picks up the call at the SPOI and delivers it to its customer.

The explosion in telecommunications technology over the past two decades, and particularly the enormous gains in fiber capacity, has reduced the cost of telephone calls to a mere fraction of a cent per minute. It also has made any physical distinction that may have once existed between local and toll calls all but obsolete, and has essentially

¹⁰ *Selwyn Rebuttal* at 40.

eliminated distance as a cost driver for all telephone calls.¹¹ GNAPs' evidence shows that there is no economic or technical reason for local calling areas to be any smaller than a LATA. In addition, there are good reasons for local calling areas to be at least as large. There are no valid technical arguments against LATA wide calling.

Finally, LATA wide local calling is consistent with Florida and other precedent. Other states have permitted LATA wide local calling areas. Arguably the most telling decision in this area is also the most recent. On September 10th, this commission issued a lengthy ruling on the issue of reciprocal compensation and local calling areas.¹² There, as here, Verizon made many of the same arguments, including the contention that allowing ALECs to determine local calling areas for purposes of reciprocal compensation may threaten the implicit subsidies used to support universal service.¹³ As the Order recites, "ILEC parties in this proceeding deal extensively with the potential threat to universal support if a system is adopted that reduces access revenues."¹⁴ Verizon even filed testimony regarding projected losses, which the Commission took note of and discussed in its Order.¹⁵ Nonetheless, the Commission determined that *the originating party's Local Calling Area should be used to define intercarrier compensation*.¹⁶ It did so because, in its words, "[u]sing Verizon's retail local calling area appears to effectively preclude an ALEC from offering more expansive calling scopes. Although an ALEC

¹¹ See *Selwyn Direct* at 51.

¹² *In re: Investigation into Appropriate Methods to compensate Carriers for Exchange of Traffic Subject to Section 251 of the Telecommunications Act of 1996*, Docket No. 000075-TP (Phases II and IIA), Order No. PSC-02-1248-FOF-TP (Fl. P.S.C. Sept. 10, 2002). (*Florida Order*); see also *Selwyn Direct* at 46-47 discussing the impact of this Order.

¹³ See e.g., Verizon alleges at page 20 of its brief that GNAPs' proposal would allow GNAPs to unilaterally **abolish** intraLATA access charges for GNAPs.

¹⁴ *Florida Order* at 45.

¹⁵ *Id.* at 51.

¹⁶ *Id.* at 55.

may define its retail local calling areas as it sees fit, this decision is constrained by the cost of intercarrier compensation. An ALEC would be hard pressed to offer local calling in situations where form of intercarrier compensation is access charges, due to the unattractive economics.”¹⁷

In other jurisdictions, Verizon has looked to paragraph 1033 of the *Local Competition Order* that allowed the states to decide what is “local” for purposes of implementing the FCC’s rules to support its claim that access charges should apply to all “inter-exchange” calls. It is precisely that portion of its rules that the FCC’s *ISP Remand Order* has now expressly abandoned and modified, as a result of the confusion and ambiguity that arose from relying on the non-statutory term.¹⁸

Verizon has also suggested that GNAPs will be charging a “flat rate” toll on its calls so they are “exchange access.” Recall the definition of “toll”: “telephone service between stations in different exchange areas for which there is made a *separate* charge not included in contracts with subscribers for exchange service.”¹⁹ GNAPs’ plan does not include any separate charge. How can there be a “flat rate toll” when toll, by definition, requires a separate charge?

Verizon has raised no new arguments and presented no compelling evidence for this Commission to reevaluate its recent determination to define intercarrier compensation based on the terminating carriers’ local calling areas. It is in the best interests of competition and the consumers to give this ruling a chance to make an

¹⁷ *Id.* at 53. The New York Commission also approved LATA wide local calling areas. *Petition of Global Naps, Inc., Pursuant To Section 252 (B) Of The Telecommunications Act Of 1996, For Arbitration To Establish An Intercarrier Agreement With Verizon New York, Inc.*, Case 02-C-0006 (N.Y.P.S.C. May 22, 2002) (“GNAPs New York Order”).

¹⁸ See *ISP Remand Order* at ¶¶ 45-46.

¹⁹ See 47 USC §§ 153 (48)(emphasis added).

impact. Upon confirmation by the Commission of this favorable ruling and incorporation into GNAPs' interconnection agreement with Verizon, GNAPs intends to expand its local calling area to be LATA-wide.

F. GNAPs should be permitted to assign NXX codes to customers that do not physically reside in the local calling area associated with that NXX code.

Issue 5: Should GNAPs be permitted to assign NXX codes to customers that do not physically reside in the local calling area associated with that NXX code?

GNAPs should be permitted to assign NXX codes to customers that do not physically reside in the local calling area associated with that NXX code and as GNAPs does not impose toll charges on this traffic, it should be treated as reciprocal compensation traffic.

Currently ALECs and their customers enjoy competitive FX offerings provisioned using non-geographically correlated NXXs ("virtual NXXs" or "VNXX"). Verizon does not oppose GNAPs assignment of VNXX codes, *Issue Statement §VI Issue 5 Verizon*, but wants to impose access charges on VNXX traffic. GNAPs urges the Commission to reject Verizon's proposal for the following reasons because (1) the reciprocal compensation rules prohibit imposition of an origination charge on VNXX traffic; (2) treatment of VNXX as telephone exchange service is consistent with standard industry practice; (3) Verizon should not be permitted to impose access charges on VNXX service as VNXX service does not impose any additional transport costs on Verizon; (4) Verizon should not be permitted to impose access charges on VNXX service, as VNXX service does not cause Verizon to lose toll revenue; (5) GNAPs' position on VNXX service is consistent with the current calling-party's-network-pays regime; (6) GNAPs' VNXX service is similar to Verizon's 500-number Internet Protocol Routing Service/Single Number Service (IPRS/SNS); (7) treating VNXX service as reciprocal compensation

traffic is consistent with recent cases; and (8) Verizon has not proven that it has a workable manner of billing VNXX calls.

First, the reciprocal compensation rules prohibit imposition of an origination charge on VNXX traffic. As explained above, reciprocal compensation traffic is any traffic that is not toll traffic, or traffic routed to an information service provider. When a Verizon customer calls a GNAPs VNXX customer, neither the calling party nor the called party pays a toll charge, so it is not toll traffic. The VNXX traffic subject to the interconnection agreement is not routed to an information service provider,²⁰ so it is not information access traffic. Consequently, VNXX traffic is reciprocal compensation traffic.

Like intra-exchange traffic, VNXX traffic is telephone exchange service.²¹

“Telephone exchange service” is defined as follows:

The term “telephone exchange service” means (A) service within a telephone exchange, or within a connected system of telephone exchanges within the same exchange area operated to furnish to subscribers intercommunicating service of the character ordinarily furnished by a single exchange, and which is covered by the exchange service charge, or (B) *comparable service provided through a system of switches, transmission equipment, or other facilities (or combination thereof) by which a subscriber can originate and terminate a telecommunications service.*²²

Standard industry practice establishes that FX traffic is telephone exchange service as it is a “comparable service.” When a carrier provides retail FX service, telephone numbers are assigned to end users within NPA/NXXs that are associated with

²⁰ As explained above, the interconnection agreement only deals with traffic not routed to information service providers.

²¹ All “telephone exchange service” is reciprocal compensation traffic, however reciprocal compensation traffic is a broader category than telephone exchange service, it includes *all telecommunications except exchange access traffic and information access traffic.*

²² 47 U.S.C. §153 (47)(emphasis added).

ILEC local calling areas other than the location of the end user. The classification (local vs. toll) of traffic delivered from the foreign exchange to the FX customer is determined as if the end user were physically located in the foreign exchange. That is, the classification of the call is determined by comparing the rate centers associated with called and calling party's NPA/NXXs, not the physical location of the customers. If this comparison identifies the call as toll, it is treated as toll. If the comparison identifies the call as exchange service, it is treated as exchange service. This method of determining classification and the applicability of toll charges is used throughout the industry today and is the traditional method of making this determination. GNAPs is not aware of a single state that has implemented a different method of distinguishing between exchange service and toll traffic, and every carrier in the country, including Verizon, adheres to this standard procedure. As VNXX traffic serves precisely the same function, it must also be treated as telephone exchange service.

As VNXX traffic is reciprocal compensation traffic, 47 C.F.R. § 703(b) applies. This Rule states: "a LEC may not assess charges on any other telecommunications carrier for telecommunications traffic that originates on the LEC' network." Similarly, the "mirroring" rule applies mandating that the originating carrier pay the terminating carrier the FCC rate.²³ This means that Verizon cannot charge transport or access charges for VNXX traffic.

Second, treatment of VNXX as telephone exchange service is consistent with standard industry practice. The proposal to treat VNXX as toll traffic is a departure from Verizon's own method of determining a call's status as toll versus local. The applicable

²³ *ISP Remand Order* ¶ 89.

rate centers (and the associated distances) are determined by reference to the NPA-NXXs assigned to the called and calling parties, not the physical location of the customer. That is, Verizon does not look at the street addresses (physical locations) of the customers involved in a particular call, but instead looks at the NPA-NXXs, identifies the rate centers to which the calling and called NPA-NXXs are associated, and, if those rate centers are not within the local calling area of each other, calculates mileage based on the V&H coordinates associated with the rate centers.

Indeed, this comparison of NPA-NXXs allows Verizon to treat its own FX traffic as local, because *if* it made its determination based on the physical location of the calling and called parties, it would have to segregate its own FX traffic from all of its toll traffic in order to avoid billing toll charges, which it does not. This is clearly not Verizon's practice, and GNAPs believes that calls originated from GNAPs' end users to Verizon's assigned FX numbers would not only be treated by GNAPs as local, but that Verizon would bill GNAPs for reciprocal compensation for the transport and termination associated with such FX calls rather than pay GNAPs originating access. Verizon does not, indeed can not, perform the same type of measurements and apply similar billing to its own FX customers, despite its acknowledgement that if it could, it would design its billing system differently for its FX customers.

There is no readily available information that tells a carrier the physical location of a calling or called party (nor is one needed because there is no reason to draw any distinction between "traditional" local service and VNXX local service as there are no additional costs imposed when VNXXs are used). For instance, Verizon's billing system does not identify each physical service location belonging to a single retail customer.

There is, therefore, no reason to believe that carriers could readily obtain the information on which Verizon proposes to rely and no reason to create this functionality. This was the basis upon which the FCC rejected Verizon's proposal to rate calls based not upon the originating and terminating central office codes, or NPA-NXXs, associated with the call but upon the geographic originating and end points of the call in its *Virginia Order*.²⁴

Third, Verizon should not be permitted to impose access charges on VNXX service as VNXX service does not impose any additional transport costs on Verizon. VNXX service imposes no additional transport costs on the originating carriers. Whether or not the call from Verizon's customer is to a GNAPs VNXX customer, Verizon's responsibility is the same: to deliver traffic originating on its network to the SPOI. GNAPs provides the facility linking the VNXX customer to GNAPs' switch. Therefore, GNAPs' VNXX service generates the same costs that are involved with the delivery of any other local traffic to the SPOI.²⁵

Fourth, Verizon should not be permitted to impose access charges on VNXX service, as VNXX service does not cause Verizon to lose toll revenue. The point of any

²⁴ *Petition of WorldCom, Inc. Pursuant to Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc. and For Expedited Arbitration*, Memorandum Order and Opinion, CC Docket No. 00-218; *Petition of Cox Virginia Telecom, Inc. Pursuant to Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc. and For Arbitration*, CC Docket No. 00-249; *Petition of AT&T Communications of Virginia, Inc. Pursuant to Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc.*, CC Docket No. 00-218, DA 02-1731 (Re. July 17, 2002) ("*Virginia Order*"). ¶¶ 286-288.

²⁵ Selwyn's testimony described how the "traditional" local call and a call using VNXXs were the same because the ILEC's work — and its costs — are absolutely identical. The sole distinction between the two examples lies in what the ALEC does once it receives the call from ILEC at the POI. In the first case (Figure 1), the ALEC hauls (transports) the call all the way back from Tampa to Sarasota; in the second case (Figure 2), the ALEC delivers the call to a customer located near its Tampa. In both of these cases, the ILEC carries the call from the originating telephone to the Tampa POI, and so its work is entirely unaffected by where the ALEC ultimately delivers the call. See *Selwyn Direct* at 58-65.

FX service is to provide end users a *local* calling number for a particular business. There is no reason to assume that this traffic would exist if it required a toll call. If the originating caller wants to call a local number for the service he or she seeks, it is likely that the customer would simply find a vendor with a local number and place that call rather than dial a toll number which would allow Verizon to bill its toll charges. The customer, if confronted with a toll charge, would have been unlikely to make the call.²⁶ There is no loss of revenue if the customer is not able to, or would not choose to, make a call in the first place.²⁷ To the extent that Verizon suffers any revenue losses resulting from competition, adjusting its prices can minimize these losses—just as any other competitor would do.²⁸ Verizon revenue is not at risk, however competitive choice in FX service will disappear if Verizon has its way. Imposition of access charges on VNXX service is discriminatory because it permits Verizon to use VNXX while denying ALECs the ability to do this.

To allow Verizon to impose non-cost-based access charges on its competitors when they offer a service that might, arguably, in some small way erode Verizon's iron grip on the intrastate toll market is, purely and simply, to throw the weight of regulatory policy behind the anti-competitive desires of the monopolist ILEC. GNAPs submits that it is impossible to square such a policy with the pro-competitive policies of the *1996 Act*.

In this regard, Verizon has an incentive to set access charges as high as possible, because the distinction between recording a journal entry between Verizon and its affiliates versus having competitors pay "real" cash becomes more pronounced the higher

²⁶ *Selwyn Direct* at 65-66.

²⁷ *Id.* at 66.

²⁸ *Id.*

these charges are. This is not a true competitive advantage for Verizon, but rather is a result of the rate design and implementation of such an access charge regime.

Fifth, GNAPs' position on VNXX service is consistent with the current calling-party's-network-pays regime. As noted above, an ALEC incurs termination costs to deliver a VNXX call to its customers. The current regulatory regime requires that ALECs be compensated for these termination costs. The FCC recently acknowledged this in the *Intercarrier Compensation NPRM*, where it stated: "[e]xisting access charge rules and the majority of existing reciprocal compensation agreements require the calling party's carrier, whether LEC, IXC, or CMRS, to compensate the called party's carrier for terminating the call. These interconnection regimes are referred to as "*calling-party's-network-pays*" (or CPNP).²⁹ Thus, the fundamental principle of the CPNP regime is that the party collecting the revenue for a call (*i.e.*, the originating party in the case of telephone exchange service) compensates the other party for the use of its network. Therefore, consistent with this principle, a carrier is lawfully entitled to recover its costs to terminate VNXX calls originating on Verizon's networks. However, Verizon's position that GNAPs should compensate it in the form of access charges for VNXX calls when, in fact, Verizon is already being compensated for these calls from its customers through its retail rates, turns the current CPNP regime on its head.

Sixth, GNAPs' VNXX service is similar to Verizon's 500-number Internet Protocol Routing Service/Single Number Service (IPRS/SNS). Selwyn testified

²⁹ *In the Matter of Developing a Unified Intercarrier Compensation Regime*, Notice of Proposed Rulemaking, CC Docket No. 01-92, FCC 01-132 (rel. Apr. 27, 2001) ("*Intercarrier Compensation NPRM*") at ¶ 9; *see, also, ISP Remand Order* ¶46 (" [w]e now hold that telecommunications subject to those provisions [payment of reciprocal compensation under §251(b)(5) and §251(d)(2)] are all such telecommunications not excluded by section 251(g).") As FX-like calls are not excluded by § 251 (g), they are subject to reciprocal compensation.

regarding Verizon's 500-number Internet Protocol Routing Service/Single Number Service (IPRS/SNS), which though presently marketed by Verizon to ISPs in other states, but is not yet available in Florida, could be utilized for everything presently done with FX and VNXX service. In an attempt to invent a distinction between Verizon's IPRS/SNS and GNAPs' use of virtual NXX codes to provide customers with a "local from everywhere" presence, Verizon witness Terry Haynes ("Haynes") typically claims that because Verizon has established numerous IPRS "hub" locations throughout the serving area where this service is deployed and that as a result, roughly 80% of calls originated by Verizon end users to IPRS 500 numbers were being routed to hubs within the caller's local calling area.

The accuracy of Haynes' quantitative contention notwithstanding, the specific matter that he often raises – that most calls to IPRS 500 numbers are transported to a hub physically located within the calling party's local calling area – is of no particular relevance when comparing GNAPs' use of virtual NXX codes to Verizon's use of a "local from everywhere" 500 number.

Unlike the case of traditional foreign exchange service, the IPRS customer (the ISP) does not pay Verizon for transport over the entire route, but instead pays only for a portion of that route – from the hub to the IPRS customer. Moreover, for the portion of the IPRS calls that are originated from locations that are ordinarily *toll calls* to the hub location, in other states where this service has been deployed, the IPRS customer pays no additional transport or access charges for what Verizon would consider the toll portion of the route in the manner defined by Haynes.

Verizon also attempts to portray the IPRS 500 number service as an “800-like” service. The only similarity between 800 Service and the 500 IPRS Single Number Service is in the fact that the customer can dial the same uniform number from any location. The similarity ends there. 800 Service is unambiguously a *toll service* for which access charges *always* apply. In fact, even if a call to an 800 (or 888, 877 or 866) number is originated and delivered within the same local calling area, access charges will still apply *at both ends of the call*. Calls to 800-type numbers are carried by the interexchange carrier *selected by the 800 Service customer* and not by Verizon (except if Verizon happens to be the 800 Service carrier that the customer has selected). The caller does not pay a local call charge for calls to 800-type numbers, and does not drop coins into a payphone for originating such calls (because payphone-originated 800 calls are subject to FCC-ordered payphone compensation). Also, calls to 800 numbers can be originated from *any* LEC’s telephones, whereas calls to Verizon IPRS 500 numbers can only be placed from Verizon telephones.

By contrast, when a customer places a call to a GNAPs virtual NXX number, the customer is charged for a local call (just like Verizon’s 500 numbers), and the call is routed to GNAPs irrespective of the calling party’s choice of intra-LATA presubscribed carrier. GNAPs’ ability to utilize virtual NXX numbers enables it to compete with Verizon’s IPRS/SNS service.

Seventh, treating VNXX service as reciprocal compensation traffic is consistent with recent cases. In other jurisdictions, Verizon has looked to case law to support its position which may be distinguished. Verizon has relied on *AT&T Corp.*³⁰ for the

³⁰ *AT&T Corp. v. Bell-Atlantic Pennsylvania*, 14 FCC Rcd. 556 (1998) *recon den.* 15 FCC Rcd 7467 (2000).

proposition that the FCC rejected use of NPA-NXX in place of actual geographic end points in inter-carrier compensation. This misses the point. *AT&T Corp.* was decided in 1998, and the reconsideration was in 2000. This was before the *ISP Remand Order* removed the “local” limitation on the reciprocal compensation rules.

Verizon also relies on *Mountain Communications*.³¹ This is a CMRS case in which the FCC ruled that a “LEC may charge a CMRS carrier for services that are not necessary to effectuate interconnection.”³² The arguments GNAPs makes in this arbitration were simply not considered in that order, nor could they be as a CMRS carrier is not subject to the same reciprocal compensation rules.³³

Verizon claims that inter-exchange calls have long been subject to their own separate compensation regime, they are exempt from reciprocal compensation. Again the history is irrelevant; the *ISP Remand Order* changed the applicable federal law. Verizon usually notes a number of states that do not impose reciprocal compensation upon VNXX traffic. GNAPs disagrees with such a result, and notes that in the instant case Verizon seeks far more than an order requiring GNAPs to terminate Verizon’s calls to VNXX numbers for free, it seeks imposition of access charges on GNAPs for terminating Verizon originated traffic.

Finally, Verizon has not proven that it has a workable manner of billing VNXX calls. There is no readily available information that tells a carrier the physical location of a calling or called party, (nor is one needed because there is no reason to draw any

³¹ *Mountain Communications, Inc. v. Qwest Communications International, Inc.*, File No. EB-00-MD-017, 2002 WL 1677642 (July 25, 2002) *aff’d* File No. EB-00-MD-017, 17 FCC Rcd 2091 (2002) (“*Mountain Communication*”).

³² *Id.* ¶6.

³³ Under Rule 701(b)(2) reciprocal compensation traffic for a CMRS provider, unlike a LEC, is defined geographically as telecommunications traffic that originates and terminates within a major trading area.

distinction between “traditional” local service and VNXX local service as there are no additional costs imposed when VNXXs are used). For instance, Verizon’s billing system does not identify each physical service location belonging to a single retail customer. There is, therefore, no reason to believe that carriers could readily obtain the information on which Verizon proposes to rely and no reason to create this functionality. This was the basis upon which the FCC’s *Virginia Order* rejected Verizon’s proposal to rate calls based not upon the originating and terminating central office codes, or NPA-NXXs, associated with the call but upon the geographic originating and end points of the call.³⁴

G. The parties’ interconnection agreement should include a change in law provision specifically devoted to the ISP Remand Order.

Issue 6: Should the parties’ interconnection agreement include a change in law provision specifically devoted to the ISP Remand Order?

*** The parties’ interconnection agreement should include a change in law provision specifically devoted to the ISP Remand Order.***

The proposed interconnection agreement submitted by Verizon acknowledged that GNAPs has a right to renegotiate the reciprocal compensation obligations if the current law is overturned or otherwise revised. The issue is simply whether Verizon’s proposed language is adequate.³⁵ Clearly it is not. It does not directly pertain to the *ISP Remand Order* because the Interconnection Agreement does not deal with compensation for ISP bound traffic. The *ISP Remand Order* is being revisited by the FCC and given its uncertainty, deserves special attention. If ultimately overturned, Verizon acknowledges that GNAPs should have the right to demand renegotiation, and, if necessary, further

³⁴ *Virginia Order* ¶¶ 286-288.

³⁵ Although explicit, GNAPs and Verizon have not agreed to explicit language in the negotiations process, other states have seen fit to honor GNAPs request, including Nevada and Ohio. Language proposed by Verizon in the contract in dispute is found at GT&C Section 4; Glossary Sections 2.42, 2.56, 2.74 – 75; Interconnection Attachment Section 6.1.1, 7; Additional Services Attachment Section 5.1.

arbitration. The agreement should, therefore, clearly state this in light of the pending decision on this matter.³⁶

H. The parties' interconnection agreement should not incorporate by reference each party's respective tariffs.

Issue 7: Should the parties' interconnection agreement incorporate by reference each parties' respective tariffs?

The parties duties and obligations should be governed by the four corners of the final arbitration agreement. Incorporation of tariffs, which may be amended by Verizon, permits Verizon to unilaterally change the agreement and imposes a substantial burden on GNAPs.

As a basic tenet of law, the contract, or, in this case, the interconnection agreement should be the sole determinant of the rights and obligations of the parties to the greatest extent possible. Verizon, in contrast, proposes numerous citations and references to tariffs and other documents outside “the four corners” of the interconnection agreement. The effect is that Verizon would be able to change the terms and conditions of the interconnection agreement without GNAPs' assent, ignoring GNAPs' need for the stability and certainty of its interconnection agreement with Verizon. Although tariffs are the best example of how Verizon can unilaterally make subsequent changes affecting the rights of the parties, Verizon can also make changes to the CLEC handbook — which is not subject to the Commission's review and approval — to affect the parties' relationship.

Verizon argues that a tariff filing is a matter of public notice and that GNAPs has the right to contest such filing. This misses the point. A contract evidences a meeting of the minds. It should not change merely because Verizon decides it should.

³⁶ See Exhibit B, Proposed Interconnection Agreement GT&C Section 4; Glossary Sections 2.42, 2.56, 2.74 – 75; Interconnection Attachment Section 6.1.1, 7; Additional Services Attachment Section 5.1.

Giving GNAPs a right to participate in a regulatory review of Verizon's tariff filings can hardly be equated with a right to veto. Moreover, even though GNAPs can contest a tariff, it needs to be made aware of the filing. Although filing a tariff at the Commission is deemed to be public notice, the reality is that GNAPs would have to investigate each and every tariff filed every day to determine whether and how the contractual relationship between the parties may be changed should the proposed tariff be adopted.³⁷ Finally, even though GNAPs can contest the tariff, it will incur additional legal costs over and above those related to the negotiation and arbitration of the contract currently before this Commission. Worse still, there is no limit to the costs which Verizon can impose because it can, if it wishes, re-file with impunity the same proposed tariff change or some other modification as frequently as it wishes.

Thus, tariffs should not be permitted to supercede interconnection agreement rates, terms and conditions of the contract.³⁸ The definitions contained in Verizon's tariffs should not prevail over the definitions within the parties' interconnection agreement, and the parties' interconnection agreement should define "Tariff" so as to exclude incorporation of future tariffs.³⁹

³⁷ Should the Commission rule against GNAPs, it should consider redistributing this burden on Verizon, since it is Verizon which is making the affirmative decision to alter the parties' contractual relationship. Specifically, Verizon should be compelled to provide direct notice to GNAPs with service of any tariff and/or other change(s) which it believes will impact the relations of the parties.

³⁸ The California Commission's Draft Arbitrator's Report provides a compromise. "The issue of whether Verizon shall be allowed to reference its tariffs shall be determined on a case-by-case basis. I concur with GNAPs' contention that definitions or other terms and conditions in the ICA should not be superceded by tariffs. However, there are occasions where it is better to reference a tariff than to replicate all tariff provisions in the ICA." *In the Matter of Global NAPs, Inc. (U-6449-C) Petition for Arbitration of an Interconnection Agreement with Verizon California Inc. f/k/a GTE California Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996*, Draft Arbitrator's Report, Application 01-12-026 at 79 (Ca.P.U.C. April 8, 2002). This finding was not modified by subsequent Order.

³⁹ *Id.* at 3.

I. GNAPs should not be required to obtain more than \$1,000,000 in insurance coverage.

Issue 8: What amounts and types of insurance should GNAPs be required to obtain?

GNAPs should not be required to carry more than \$1,000,000 in insurance.

Verizon proposes burdensome insurance limits. PacBell considered GNAPs' current commercial general liability insurance coverage of \$1 million with \$10 million in excess liability coverage sufficient. This insurance is more than adequate to cover any damages that may occur from GNAPs' operations. It is inexplicable why PacBell would agree that GNAPs has sufficient coverage while Verizon does not. Both are similarly situated ILECs. However, when Verizon was presented with the agreement between PacBell and GNAPs resolving differences on insurance coverage, it still adamantly refused to change its stance. Verizon has not indicated any circumstance which have resulted in damages or injuries in excess of this amount committed by either GNAPs — or any other ALEC.

Verizon's burdensome requirements are discriminatory for several reasons. First, it is not entirely clear that Verizon does not "self-insure." Although Verizon has not excluded the possibility that GNAPs can similarly self-insure, it has not provided GNAPs with the criteria sufficient for GNAPs to assert that it is self-insured. Thus, Verizon is imposing costs where it has none. This situation is indicative of the type of one-sided negotiations in which a monopoly with leverage engages. Also, Verizon is asking for excessive insurance for an interconnection which does not contemplate collocation of equipment at Verizon's facilities. Finally, Verizon's own insurance costs are far less as

they have a longer track record and greater financial stability given their presence as an incumbent provider.

J. The parties should only be permitted to audit each other's traffic reports.

Issue 9: To what extent should the parties be permitted to conduct audits to ensure (i) the accuracy of each other's bills, and (ii) appropriate use and disclosure of Verizon OSS Information?

The parties should only be permitted to audit each other's traffic reports.

Verizon argues it should gain access to GNAPs' records through the auspices of verifying bills. It states that the supplier (billing party) reasonably should be expected to carry the burden to justify its charges to the customer (the billed party). On the face of it, this is reasonable. However, it ignores the fact that Verizon already keeps computer records of call traffic exchanged between the parties, and that Verizon and GNAPs have in place already a practice of verifying billing records on a monthly basis.

GNAPs does not believe that Verizon should be allowed to audit its accounts and records because much of the material contained in these records is competitively sensitive.⁴⁰ If GNAPs were compelled to provide the ILEC with access to redacted records, the costs of "sanitizing" these records would be prohibitive. There really is no need for Verizon to require this information since it should have its own records of calls exchanged with GNAPs and/or verify compliance with OSS procedures. GNAPs is amenable, however, to providing traffic reports and Call Data Records ("CDRs")

⁴⁰ Verizon's proposal includes "[t]he right to audit books, records, facilities and systems *for the purpose of evaluating the accuracy of the audited party's bills.*" Direct Testimony of Jonathan B. Smith at 3 (May 8, 2002); *see also* Verizon's Proposed Interconnection Agreement at § 7 General Terms and Conditions.

necessary to verify billing.⁴¹ With CDRs available, Verizon has no legitimate basis to insist on access to GNAPs' books and records

K. A change of law should be implemented when final.

Issue 10: When should a change in law be implemented?

A change in law should be implemented when there is a final adjudicatory determination which materially affects the terms and/or conditions under which the parties exchange traffic.

GNAPs submits that Verizon should not be permitted to use self help to apply changes of law as it unilaterally interprets them. Before applying a change of law, GNAPs submits that there must be a final adjudication or determination by the Commission, the FCC, or a court of competent jurisdiction.

L. GNAPs should be permitted access to network elements that have not already been ordered unbundled

Issue 11: Should GNAPs be permitted access to network elements that have not already been ordered unbundled?

GNAPs wants some protections that as a customer it will (a) have access to the same technologies deployed in Verizon's network and (b) Verizon will not deploy new technologies which will affect GNAPs' service quality without adequate advanced notice and testing.

Verizon characterizes GNAPs' position as an attempt to force Verizon to freeze its network in time or build a different network to suit GNAPs. This misapprehends GNAPs' position. GNAPs simply wants access to any new technology Verizon is employing and appropriate notice before deployment to permit testing so GNAPs may maintain its network integrity.

⁴¹ GNAPs' proposed language is found at Exhibit B, Proposed Interconnection Agreement at GT&C § 7, Interconnection Attachment Section 6.3, 10.13. Additional Services Attachment § 8.5.4.

III. CONCLUSION.

GNAPs urges that the Commission issue an arbitration order consistent with the positions GNAPs set forth above.

Verizon proposes burdensome terms and conditions which are designed to (1) retain its monopoly revenue streams (2) preclude economically viable competition and (3) deny consumers deserved benefits. It does so by exercising its monopoly powers and ignoring the 1996 Telecommunications Act, related federal law and Florida law, (e.g., the Commission's Order in 000075-TP). In contrast to other jurisdictions, such as New York, where the Commission found that Global's competitive FX offering via non-geographically correlated NXXs can provide real alternatives and competitive benefits, especially to those in rural areas, Verizon proposes that its Florida consumers remain captive. Further, the administrative law judge in Pennsylvania found in Global's arbitration with Verizon there that adoption of Global's-defined local calling areas would promote competition, just as was found by this Commission in docket 000075-TP. Verizon's service territory should be opened to competition just as other Florida ILEC's service territories have been opened.

Specifically, the Commission should rule in Verizon's favor on each issue in this case:

The Commission should adopt Global's contract language to require no more than one point of interconnection per LATA on Verizon's network, as federal law requires (Issue 1).

The Commission should eliminate Verizon's requirement for a Memorandum of Understanding for interconnection or alternatively adopt Global's incorporation of such "MOU" in the interconnection agreement, adopt Global's recommendations regarding forecasting and direct trunking requirements. (Issue 2).

The Commission should not require collocation at Global's facilities above the non-discriminatory offering Global currently provides to all carriers. (Issue 3(a)). Alternatively, and in the event the Commission permits Global to compel Verizon to bring its traffic to Global's network, Global should be permitted to charge Verizon distance-sensitive rates for transport when a tariff allowing for same is approved by the Commission. (Issue 3(b)).

The Commission should allow Global to define retail local calling areas for its own customers and to determine intercarrier compensation obligations consistent with the Commission's ruling in docket 0000075-TP. (Issue 4).

The Commission should order that (i) virtual NXX traffic is subject to reciprocal compensation as New York did to promote competition, especially for those in rural areas, and (ii) that access charges do not apply to virtual NXX traffic (Issue 5).

The Commission should adopt Global's proposed change-of-law provision for the *ISP Order on Remand*, recognizing the flux that contractual terms may confront based on upcoming decisions at the FCC and elsewhere. (Issue 6).

The Commission should order the parties to incorporate all terms and conditions to the greatest possible extent within the confines of the interconnection agreement. (Issue 7).

The Commission should require Global to provide insurance consistent with Global's proposal, which reasonably protects Verizon's network, personnel, and other assets from risks associated with Global's interconnection and was voluntarily agreed to by other ILECs, such as SBC. (Issue 8).

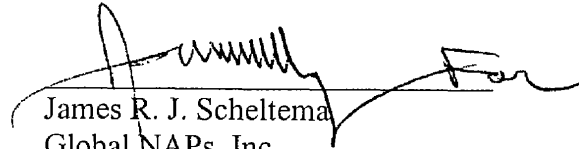
The Commission should direct the parties to evaluate call data records ("CDRs") rather than allow audits as Verizon proposes. (Issue 9).

The Commission should order the parties to abide by a change in law when it is effective. (Issue 10).

The Commission should allow Global to access unbundled network elements in accordance with the law. (Issue 11).

Respectfully submitted,

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CERTIFICATE OF SERVICE

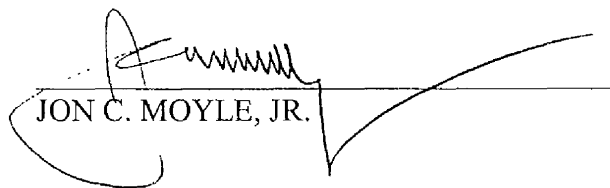
I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished by hand delivery and electronic mail to those listed below with an asterisk (“*”) and by U.S. Mail and electronic mail to those listed below without an asterisk on this 16th day of April, 2003:

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