

ON ENL

**Embarq Corporation** Mailstop: FLTLH00102 1313 Blair Stone Rd.

Voice Data Internet Wireless Entertainment

April 9, 2007

Ms. Ann Cole Office of Commission Clerk Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850

Docket No. 060767-TP, Embarq's Prehearing Statement RE:

Dear Ms. Cole:

Enclosed for filing are the original, fifteen (15) copies and disk of Embarq's Prehearing Statement.

Copies are being served on the parties in this docket pursuant to the attached certificate of service.

If you have any questions, please do not hesitate to call me at 850/599-1560.

Sincerely,

Susan S. Masterton

CD forwards to GCI

Swas retuin

RECEIVED & FILED

Susan S. Masterton

LAW AND EXTERNAL AFFAIRS- REGULATORY (850) 599-1560

(850) 878-0777

02997 APR-95

# CERTIFICATE OF SERVICE DOCKET NO. 060767-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by electronic and U.S. Mail this 9<sup>th</sup> of April 2007 to the following.

Theresa Tan, Staff Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 Email: <u>LTAN@psc.state.fl.us</u>

Frank Trueblood
Division of Competitive Markets & Enforcement
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
Email: ftrueblo@psc.state.fl.us

## Verizon

Dulaney L. O'Roark III 6 Concourse Parkway, Suite 600 Atlanta, GA 30328 Email: <u>de.oroark@verizon.com</u>

# Verizon Access (Tampa)

Kimberly Caswell 201 N. Franklin 37<sup>th</sup> floor Tampa, FL 33602

Email: kimberly.caswell@verizon.com

#### **Verizon Access Transmission Services**

Mr. David Christian 106 East College Avenue, Suite 710 Tallahassee, FL 32301-7721

Email: david.christian@verizon.com

Swan S. Masterton

Susan S. Masterton



## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services for arbitration of disputes arising from negotiation of interconnection agreement with Embarg Florida, Inc.

**DOCKET NO. 060767-TP** 

DATED: April 9, 2007

# EMBARQ FLORIDA, INC.'S PREHEARING STATEMENT

Embarq Florida, Inc. ("Embarq"), pursuant to Order No. PSC-07-0063-PCO-TL and Order No. PSC-07-0118-PCO-TL, submits the following Prehearing Statement:

**A. WITNESSES:** Embarq has prefiled the testimony of the following witnesses:

Edward B. Fox (Direct and Rebuttal)

Issues 1, 4 and 5

James M. ("Mike") Maples (Direct and Rebuttal)

Issue 2

Edward C. Hart (Direct and Rebuttal)

Issue 3<sup>1</sup>

Embarg reserves the right to supplement and revise this list as appropriate.

**B. EXHIBITS:** Embard has prefiled the following exhibits:

JMM-1 (Maples Direct)

Verizon News Release

JMM-2 (Maples Direct)

Time Warner Cable

JMM-3 (Maples Direct)

Comments of the Verizon Telephone Companies

Embarq expressly reserves the right to utilize any exhibit introduced by any other party or Staff and the right to introduce exhibits for cross-examination, impeachment, or any other purpose authorized by the applicable Florida Rules of Evidence and Rules of this Commission.

<sup>&</sup>lt;sup>1</sup> Embarq understands that the issue addressed in Mr. Hart's testimony has been resolved. Embarq anticipates that Mr. Hart's testimony, as well as Mr. Price's testimony on this issue, will ultimately be withdrawn.

- C. BASIC POSITION: There are four issues remaining in dispute between the parties. On the four disputed issues Embarq's has proposed that:
- Reciprocal compensation for VNXX traffic should be based on the physical location of the calling and called parties, not the NPA/NXXs.
- All interconnected VoIP traffic should be compensated on the same basis as any other traffic.
- Verizon Access should pay Embarq any transit traffic charges Embarq incurs if Verizon Access fails to comply with the terms of the interconnection agreement to establish a direct interconnection when indirect traffic exceeds a DS1 threshold.
- Transit traffic should be compensated at the rate of \$.005. This rate is a reasonable commercial, market-based rate and is consistent with prior Commission orders regarding the appropriate rate for transit traffic.

Embarq's positions on these issues are fair, reasonable and consistent with the Act and with Commission and FCC precedent and, therefore, the Commission should approve Embarq's proposed language and reject the language proposed by Verizon Access.

# D. <u>ISSUES AND POSITIONS</u>:

**ISSUE 1:** What compensation should apply to virtual NXX traffic under the interconnection agreement?

Embarq's Position: Consistent with past Commission precedent, reciprocal compensation should be based on the physical location of the calling and called parties, not the NPA/NXXs. Any traffic, including VNXX traffic, that physically originates and terminates outside of Embarq's local calling area is interexchange traffic that is subject to access charges. (Fox)

ISSUE 2: Which Party's Voice over Internet Protocol ("VoIP") language should the Commission adopt?

Embarq's Position: All interconnected VoIP traffic should be compensated on the same basis as any other traffic. Contrary to Verizon Access's assertions, the FCC has not preempted the Commission from making that determination and the Commission should not be reluctant to do so, thereby providing regulatory certainty. The Commission should reject Verizon Access's proposal because, unlike Embarq's proposal, it is not easy to administer, is not fair, and is not competitively neutral or balanced. Instead, the Commission should adopt Embarq's proposal because it is competitively neutral and will allow the market to work, which will ultimately benefit consumers. (Maples)

ISSUE 3: How should the Parties compensate one another for terminating traffic when more than 10% of the traffic forwarded for termination does not contain calling party number ("CPN")?

**Embarq's Position:** Embarq understands that the parties have resolved this issue and, therefore, it is no longer in dispute. See footnote number 1.

ISSUE 4: When the Parties exchange traffic via Indirect Connection, if Verizon Access has not established direct end office trunking sixty days after reaching a DS1 level, should Verizon be required to reimburse Embarq for any transit charges billed by an intermediary carrier for Local Traffic or ISP-bound Traffic originated by Embarq?

· .

Embarq's Position: The parties have already agreed that a direct connection must be established when indirect traffic exceeds a DS1 level. Embarq will suffer economic consequences if Verizon Access fails to establish a direct connection as required by the agreement. Embarq is proposing a specific enforcement mechanism--Verizon Access must pay any transit charges incurred by Embarq--if Verizon Access fails to establish the required direct connection within a certain time frame. This specific enforcement mechanism is designed to provide a reasonable incentive for Verizon Access to comply with the direct connection requirement. (Fox)

<u>ISSUE 5:</u> What rate should apply to transit traffic under the Parties' interconnection agreement?

Embarq's Position: The parties agree that transit service is not a § 251 obligation. Embarq's proposed transit traffic rate of \$.005 per minute of use is a reasonable commercial, market-based rate. In addition, Embarq's proposed rate is consistent with prior Commission orders regarding the appropriate rate for transit traffic. (Fox)

- **E. STIPULATIONS:** As stated in Footnote 1, Issue 3 has been resolved. Otherwise, there are no pending stipulations that Embarq is aware of at this time.
- **F. PENDING MOTIONS:** There are no pending motions that Embarq is aware of at this time.

**G. PENDING CONFIDENTIALITY REQUESTS:** Embarq has the following Claims of Confidentiality<sup>2</sup> pending:

· · · ·

- 1) Claim of Confidentiality filed 2/20/07 for Document No. 01672-07
- 2) Claim of Confidentiality filed 3/20/07 for Document No. 02487-07
- 3) Claim of Confidentiality filed 3/22/07 for Document No. 02511-07
- H. <u>OBJECTIONS TO WITNESSES QUALIFICATIONS</u>: Embarq has no objections to the qualifications of Verizon Access's witness.
- I. <u>COMPLIANCE WITH ORDER ON PREHEARING PROCEDURE</u>: Embarq does not know of any requirement of the Order on Prehearing Procedure with which it cannot comply.

Respectfully submitted this 9th day of April 2007.

SUSAN S. MASTERTON 1313 Blair Stone Road Tallahassee, FL 32301 (850) 599-1560 (phone) (850) 878-0777 (fax)

Show 5. 185

susan.masterton@embarq.com

COUNSEL FOR EMBARQ FLORIDA, INC.

<sup>&</sup>lt;sup>2</sup> Embarq understands that in accordance with Rule 25-22.006, F.A.C., to the extent this information is entered into the record of the proceeding, Embarq must file a Request for Confidential Classification within 21 days after the hearing.