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September 25, 2001

**VIA HAND DELIVERY**

Blanca S. Bayo, Director  
Division of Records and Reporting  
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Re: Docket No.: Complaint of XO Florida, Inc. Against Verizon Communications, Inc.  
and Request for Emergency Relief

Dear Ms. Bayo:

On behalf of XO Florida, Inc. (XO), enclosed for filing and distribution are the original  
and 15 copies of the following:

- ▶ XO Florida, Inc.'s Complaint for Expedited Relief.

Please acknowledge receipt of the above on the extra copy of each and return the  
stamped copies to me. Thank you for your assistance.

Sincerely,

Vicki Gordon Kaufman

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Complaint of XO Florida, Inc.  
Against Verizon Communications, Inc. and  
Request for Emergency Relief

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Docket No. 011252-7P

Filed: September 25, 2001

**XO FLORIDA, INC.'S COMPLAINT FOR EXPEDITED RELIEF**

Comes now XO Florida, Inc., f/k/a NEXTLINK Florida, Inc. ("XO"), by and through its undersigned counsel and hereby files this Complaint against Verizon Florida, Inc., f/k/a GTE Florida Incorporated ("Verizon") pursuant to Sections 251 and 252 of the Communications Act of 1934, as amended by the Telecommunications Act of 1996, 47 U.S.C. § 151 et seq. ("Act"), Sections 364.01, 364.03, and 364.05, Florida Statutes, and Rule 25-22.036(5), Florida Administrative Code. XO files this complaint because of Verizon's breach of the Parties' Commission-approved Interconnection Agreement, violation of Florida Statutes, and violation of the Telecommunications Act of 1996.

**Parties**

1. XO. The name and address of the Complainant is:

XO Florida, Inc.  
5904 Hampton Oaks Parkway  
Tampa, Florida 33610

XO is a local and long distance company providing a wide array of telecommunications services in Florida pursuant to Certificates of Authority issued by the Commission. XO is a "telecommunications carrier" and a "local exchange carrier" under the Act. Copies of all pleadings, notices, orders, discovery, and correspondence regarding this Complaint should be provided to the following on behalf of XO:

Dana Shaffer  
XO Communications, Inc.  
Vice President – Regional Regulatory Counsel  
105 Molloy Street, Suite 300  
Nashville, TN 37201  
Telephone: (615) 777-7700  
Facsimile: (615) 345-1564  
[dshaffer@xo.com](mailto:dshaffer@xo.com)

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[vkaufman@mac-law.com](mailto:vkaufman@mac-law.com)

2. Verizon. The name and principal place of business of the Respondent is:

Verizon Florida, Inc.  
One Tampa City Center  
P.O. Box 110, FLTC0616  
Tampa, Florida 33601-0110

Verizon provides local exchange and other services within its franchised areas in Florida. Verizon is an incumbent local exchange carrier (“ILEC”) under the terms of the Act. A copy of this Complaint has been provided by Federal Express to Kim Caswell, Verizon Communications, 201 North Franklin Street, P.O. Box 110, MC FLTC 0007, Tampa, Florida 33601-0110.

### **Jurisdiction**

3. Jurisdiction. This Complaint is filed pursuant to Chapters 120 and 364 , Florida Statutes, the Telecommunications Act of 1996 , and rules 25-22.036 and 28-106.201, Florida Administrative Code. The Commission has statutory powers and jurisdiction over, and in regard to, all telecommunications companies operating in the State of Florida, including Verizon. Section 364.01, Florida Statutes. The Commission has exclusive jurisdiction in all matters set

forth in Chapter 364, Florida Statutes, regarding the regulation of telecommunications companies. Section 364.01(2), Florida Statutes. In addition, XO and Verizon are parties to an Interconnection Agreement approved by the Commission. The Commission has jurisdiction to enforce the terms of the Interconnection Agreement pursuant to both Sections 251 and 252 of the Act, Section 364.01, 364.03, and 364.05, Florida Statutes, Rule 25-22.036(5), Florida Administrative Code. The Commission has jurisdiction to enforce the terms, rates and charges contained in the Interconnection Agreement between the parties. *Iowa Utils. Bd. v. Federal Communications Commission*, 120 F.3d 753 (8<sup>th</sup> Circuit 1997).

#### **Facts**

4. Interconnection Agreement. XO is an alternative local exchange carrier (“ALEC”) and interexchange carrier (“IXC”) operating in the state of Florida. To enable XO to provide local telecommunications services to customers in Tampa, where Verizon is the ILEC, XO executed an interconnection agreement with Verizon on June 21, 1999, which was approved by the Commission in Docket No. 990858-TP, Order No. PSC-99-1529-FOF-TP on August 4, 1999 (“Agreement”). The Agreement sets forth the terms and conditions for the establishment of, and compensation for, interconnection facilities over which each Party delivers telecommunications traffic from its end user customers to the other Party for termination to its end user customers. A copy of the relevant portions of the agreement is attached hereto as **Exhibit A.**

5. Network Architecture. Interconnection provides a path between the XO switch and one or more Verizon switches for the exchange of telecommunications traffic. XO has deployed a single switch to serve all of its customers in the Tampa, Florida area, but Verizon has deployed multiple switches to provide local service within its Florida service area. Verizon’s

end office switches provide end user customers with access to the network. These end office switches are linked to (“subtend”) a Verizon tandem switch via interoffice transport facilities. Many of the end offices are also linked directly via interoffice transport facilities. This network design is often referred to as a “hub and spoke” configuration. The analogy is to a wagon or bicycle wheel. The tandem is the hub of the wheel, the interoffice transport facilities between the tandem and the end offices represent the spokes, and the direct facilities between end offices form the rim. A call between customers served by different Verizon end offices thus would be routed from the calling customer’s location, through the serving end office, over interoffice trunking to the other end office and terminated to the called customer. The same call would be routed through the Verizon tandem switch either when there are no direct connections between the two end offices or when the existing interoffice facilities between the end office switches have reached their capacity.

6. Intercarrier Call Routing. XO interconnects with Verizon at Verizon’s tandem switch pursuant to the terms and conditions in the Agreement, as well as at some of Verizon’s end office switches. Interconnection at the Verizon tandem enables the parties to aggregate telephone calls originated by, or delivered to, Verizon customers in multiple end offices and to exchange those calls at a single point. Such interconnection network architecture maximizes the efficiencies and minimizes the costs of interconnection for both parties when traffic volumes between XO’s customers and Verizon’s customers in a single end office do not justify the expense of dedicated interconnection facilities between XO’s switch and the Verizon end office switch. Under those circumstances, Verizon routes a call from a Verizon customer to an XO customer through the end office switch that serves the Verizon customer, over interoffice transport facilities to the Verizon tandem switch where Verizon delivers the call over

interconnection facilities to XO's switch for routing to the XO customer. For a call from an XO customer to a Verizon customer, the process is reversed. XO routes the call through its switch and over the interconnection facilities to Verizon's tandem switch, where Verizon routes the call over interoffice transport facilities to the serving end office and on to the Verizon customer.

7. End Office Interconnection. The parties construct interconnection facilities between XO's switch and a Verizon end office switch pursuant to the terms and conditions in the Agreement when traffic volumes between XO's customers and Verizon's customers in that end office justify the expense of those facilities – usually when traffic volumes reach the level of the capacity of a DS-1 circuit. The facilities themselves generally would be comprised of dedicated interoffice transport between the end office and the Verizon tandem, which would be connected to the existing interconnection facilities to provide a dedicated path from the XO switch to the Verizon end office switch, bypassing the Verizon tandem switch.

8. Interconnection Facility Provisioning. The Agreement establishes three methods for provisioning interconnection facilities between XO and Verizon: (1) Verizon may primarily construct the facilities; (2) XO may construct the facilities; or (3) each party may construct facilities to a negotiated meet point. Agreement Art. V, Section 4.1. When XO chooses the first option, *i.e.*, requesting Verizon to provide the interconnection facilities, XO submits an order to Verizon for interconnection facilities, usually a high capacity circuit such as a DS-1 or DS-3 circuit. Verizon then constructs the facilities from XO's switch location to the Verizon tandem.. As a practical matter, therefore, XO is the party that orders interconnection facilities, but both parties use the facilities for the exchange of traffic, and the Agreement requires both parties to share the ultimate obligation to ensure that those facilities have enough capacity to accommodate

the calls made between their customers without blocking. *Id.* Sections 4.3.2, 4.3.5 & 4.3.6. The same sharing obligation would apply to facilities provisioned by XO, under the second option.

9. Cost Sharing for Interconnection Facilities. The Agreement further provides that each of the interconnecting companies will pay its proportionate share of the costs of the interconnection facilities. *Id.* Section 4.2. Specifically with respect to the facilities Verizon provides, Verizon must pay for its “proportionate share of the facility that is used for transport of traffic originated by [Verizon].” *Id.* Section 4.2.3. Although Verizon has used the interconnection facilities it provisioned between its tandem switch and the XO switch for transport of Verizon-originated traffic, it has billed the full amount for those interconnection facilities. Further, Verizon has indicated a refusal to pay its proportionate share of interconnection facilities provisioned by XO, despite the fact that Verizon uses those interconnection facilities also for the transport of Verizon-originated traffic.

10. Verizon Refusal to Provide Interconnection Facilities. Due to an increasing level of traffic between Verizon and XO, XO ordered additional interconnection facilities between its switch and Verizon’s tandem in Tampa in order to increase the capacity of the existing interconnection facilities to handle the increased call volumes. Verizon, however, initially refused to provide those facilities, claiming that it lacked the facilities to provision XO’s order and therefore was not obligated to provide those facilities. On information and belief, Verizon constructs additional facilities for itself when sufficient facilities do not exist to accommodate traffic volumes on Verizon’s network. As a result of Verizon’s refusal to provide interconnection facilities in response to XO’s order, a substantial number of calls between Verizon customers and XO customers were blocked, *i.e.*, could not be completed.

11. Attempts to Resolve Dispute. On or about July 24, 2000, XO filed an informal complaint with the Commission seeking to compel Verizon to provide the necessary interconnection facilities. Commission staff worked with the parties to resolve this dispute through informal mediation with Lennie Fulwood, of the Commission's Bureau of Market Development. In order to eliminate the immediate blockage problem, Verizon required XO to order direct trunk groups both to and from Verizon's end offices, although capacity was needed only for the delivery of Verizon originated traffic. XO did so under protest, and sought resolution of the matter through informal mediation. After months of informal mediation, Verizon finally agreed to provide a limited amount of additional interconnection facilities from its tandem to XO's switch, and agreed to provide some billing credits for the direct end office trunks used to deliver Verizon traffic to XO. Verizon, however, soon indicated that such offer was conditioned on XO's agreement to continue to pay for direct end office trunks to Verizon, many of which simply were not needed, and, more importantly, to pay the entire costs of all interconnection facilities between Verizon's tandem and XO's switch, despite the sharing requirements of the Parties' interconnection agreement. XO refused Verizon's demand as inconsistent with the express terms and conditions of the Agreement. Commission staff subsequently closed the complaint. A copy of the July 24, 2001 letter from Mr. Fulwood to XO summarizing the process, the issues addressed, and staff's evaluation of those issues is attached as **Exhibit B**.

12. Verizon's Current Position. Verizon continues to insist that XO pay the entire cost of interconnection facilities between XO's switch and Verizon's tandem switch, despite the express language to the contrary in the Agreement. Verizon also continues to take the position that it is not required to provide interconnection facilities if sufficient facilities are not already



available, even though nothing in the Agreement makes Verizon's obligation to provide facilities contingent on the current availability of facilities.

### Dispute

13. Verizon has breached its Interconnection Agreement with XO. The Agreement requires Verizon to pay its proportionate share of the costs of the interconnection facilities. Agreement, Art. V, Section 4.2. Specifically with respect to the facilities Verizon provides, the Agreement requires Verizon to pay for its "proportionate share of the facility that is used for transport of traffic originated by [Verizon]." *Id.* Section 4.2.3.

14. Article V, Section 4.3.2 of the Agreement requires Verizon to provide and maintain "trunk groups of sufficient capacity from the interconnecting facilities such that trunking is available to any switching center." *Accord id.* section 4.3.5 & 4.3.6.

15. Verizon has breached the Agreement by refusing to pay for its proportionate share of interconnection facilities between XO's switch and Verizon's tandem switch and by refusing to provide and maintain trunk groups of sufficient capacity if Verizon lacks existing facilities.

16. Verizon's conduct violates Florida law. Florida Statute, section 364.16 (3) provides, "Each local exchange telecommunications company shall provide access to, and interconnection with, its telecommunications facilities to any other provider of local exchange telecommunications services requesting such access and interconnection at nondiscriminatory prices, rates, terms, and conditions established by the procedures set forth in Section 364.162."

17. Verizon has violated Florida law by refusing to pay for its proportionate share of interconnection facilities between XO's switch and Verizon's tandem switches and by refusing to provide and maintain trunk groups of sufficient capacity if Verizon lacks existing facilities.

18. Verizon's conduct also violates the federal Act. Section 251(c)(2) of the Act requires Verizon to provide interconnection with its network "for the transmission and routing of telephone exchange service . . . that is at least equal in quality to that provided by [Verizon] to itself or to any subsidiary, affiliate, or any other party to which the carrier provides interconnection" and "on rates, terms, and conditions that are just, reasonable, and nondiscriminatory, in accordance with the terms and conditions of the agreement and the requirements of [section 251] and section 252." *Accord* 47 C.F.R. Section 51.305.

19. FCC Rule 709(b) provides, "The rate of a carrier providing transmission facilities dedicated to the transmission of traffic between two carriers' networks shall recover only the costs of the proportion of that trunk capacity used by an interconnecting carrier to send traffic that will terminate on the providing carrier's network."

20. Verizon has violated 47 U.S.C. Section 251(c)(2) and 47 C.F.R. sections 51.305 & 709 by refusing to pay for its proportionate share of interconnection facilities between XO's switch and Verizon's tandem switches and by refusing to provide and maintain trunk groups of sufficient capacity if Verizon lacks existing facilities.

#### **Effect on Substantial Interests**

21. Verizon's conduct has interfered with XO's ability to conduct business in Florida. Because it is unable to procure the necessary facilities, XO is unable to sign up customers as rapidly as it would otherwise and its reputation for quality service is being degraded. Further, Verizon's conduct is imposing severe financial harm on XO.

#### **Request for Relief**

22. XO requests that the Commission:

- a) Hold an expedited hearing to address the issues raised in this Complaint in light of the severe financial harm being incurred by XO;
- b) Determine that Verizon has breached the Agreement and violated state statutes, Commission rules, and federal law by refusing to pay for its proportional share of interconnection facilities between XO's switch and Verizon's tandem switches and by failing to provide adequate interconnection facilities;
- c) Order Verizon to refund XO for all end office facilities charges imposed by Verizon upon XO;
- d) Order Verizon to refund all charges imposed by Verizon for the proportionate share of tandem facilities used for the delivery of Verizon traffic to XO;
- e) Order Verizon to pay appropriate charges for the proportionate share of XO-provided tandem facilities used for the delivery of Verizon traffic to XO;
- f) Grant such other relief as the Commission deems fair, just, reasonable and sufficient.

  
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Attorneys for XO Florida, Inc.

ARTICLE V  
INTERCONNECTION AND TRANSPORT AND TERMINATION OF TRAFFIC

1. Services Covered by This Article.

1.1 Types of Services. This Article governs the provision of internetwork facilities (i.e., physical interconnection services and facilities), meet point billing by GTE to NEXTLINK or by NEXTLINK to GTE and the transport and termination and billing of Local, IntraLATA Toll, optional EAS traffic and jointly provided Interexchange Carrier Access between GTE and NEXTLINK. The services and facilities described in this Article shall be referred to in this Article V as the "Services."

2. Billing and Rates.

2.1 Rates and Charges. Customer agrees to pay to Provider the rates and charges for the Services set forth in the applicable appendices to this Agreement. GTE's rates and charges are set forth in Appendix C attached to this Agreement and made a part hereof. NEXTLINK's separate rates and charges are also set forth in Appendix C attached hereto and made a part hereof.

2.2 Billing. Provider shall render to Customer a bill for interconnection services on a current basis. Charges for physical facilities and other nonusage sensitive charges shall be billed in advance, except for charges and credits associated with the initial or final bills. Usage sensitive charges, such as charges for termination of Local Traffic, shall be billed in arrears. Charges for traffic that has been routed over a jurisdictionally inappropriate trunk group (e.g., local traffic carried over trunks used for Switched Access Traffic) may be adjusted to reflect the appropriate compensation arrangement and may be handled as a post-billing adjustment to bills rendered. Additional matters relating to ordering, provisioning, and billing are included in Appendix H attached to this Agreement and made a part hereof.

2.3 Billing Specifications. The Parties agree that billing requirements and outputs will be consistent with the Bellcore Output Specifications ("BOS").

2.3.1 Usage Measurement. Usage measurement for calls shall begin when answer supervision or equivalent SS7 message is received from the terminating office and shall end at the time of call disconnect by the calling or called subscriber, including time released call disconnect.

2.3.2 Minutes of Use. Minutes of use ("MOU"), or fractions thereof, shall not be rounded upward on a per-call basis, but will be accumulated over the billing period. At the end of the billing period, any remaining fraction shall be rounded up to the nearest whole minute to arrive at total billable minutes for each interconnection. MOU shall be collected and measured in minutes, seconds, and tenths of seconds.

3. Transport and Termination of Traffic.

3.1 Traffic to be Exchanged. The Parties shall reciprocally terminate Local, IntraLATA Toll, optional EAS, and jointly provided Interexchange Carrier Traffic originating on each other's networks utilizing either Direct or Indirect Network Interconnections as provided in Section 4 or Section 5 of this Article. To this end, the Parties agree that there will be interoperability between their networks. The Parties agree to exchange traffic associated with third party LECs, CLECs and Wireless Service Providers pursuant to the compensation arrangement specified in Section 3.3 of this Article. Only traffic originated by and/or terminated to a Party's or the Parties' end user customer(s) is to be exchanged. In addition, the Parties will notify each other of any anticipated change in traffic to be exchanged (e.g., traffic type, volume).

3.2 Compensation For Exchange Of Traffic.

3.2.1 Mutual Compensation. The Parties shall compensate each other for the exchange of Local Traffic in accordance with Section 3.2.2 of this Article. The Parties agree to the initial state-level exempt factor representative of the share of traffic exempt from local compensation. This initial exempt factor is set forth in Appendix C. This factor will be updated quarterly in like manner or as the Parties otherwise agree. Once the traffic that is exempt from local compensation can be measured, the actual exempt traffic will be used rather than the above factor. Charges for the transport and termination of optional EAS, IntraLATA toll, and interexchange traffic shall be in accordance with the Parties' respective intrastate or interstate access tariffs or price lists, as appropriate.

3.2.2 Bill-and-Keep. The Parties shall assume that Local Traffic is roughly balanced between the parties unless traffic studies indicate otherwise. Accordingly, the Parties agree to use a Bill-and-Keep Arrangement with respect to termination of Local Traffic only. Either Party may request that a joint traffic study be performed no more frequently than once a quarter. Should such traffic study indicate, in the aggregate, that either Party is terminating more than

60 percent of the Parties' total terminated minutes for Local Traffic, either Party may notify the other that mutual compensation will commence pursuant to the rates set forth in Appendix C of this Agreement; provided, however, that neither Party may initiate commencement of mutual compensation until the Commission or the FCC, in a decision binding on GTE, has resolved the issue of whether ISP traffic is Local Traffic. Mutual compensation shall begin on the next billing cycle at least ten (10) business days following such notice and shall continue until such time as a subsequent traffic study indicates, in the aggregate, that neither Party is terminating more than 60 percent of the Parties' total terminated minutes for Local Traffic (referred to as "Traffic Balance"). Such a subsequent traffic study may be requested by either Party no more frequently than once every six months, and the Bill-and-Keep Arrangement described in this subsection shall resume on the next billing cycle at least ten (10) business days following notification by either Party that Traffic Balance exists. Nothing in this Section 3.2.2 shall be interpreted to (i) change compensation set forth in this Agreement for traffic or services other than Local Traffic, including but not limited to internetwork facilities, access traffic or wireless traffic, or (ii) allow either Party to aggregate traffic other than Local Traffic for the purpose of compensation under the Bill-and-Keep Arrangement described in this Section 3.2.2, except as set forth in Section 3.1 above.

3.3 Tandem and Transit Switching Traffic. GTE shall provide tandem switching for traffic between GTE end offices subtending its access tandems ("tandem switching"), as well as for traffic between NEXTLINK's end users and any Third Party that is interconnected to GTE's access tandems ("transit tandem switching"), and NEXTLINK shall provide switching between GTE's end users and any Third Party that is directly interconnected with NEXTLINK's switch(es) ("transit switching"), as follows:

- 3.3.1 The originating Party will compensate the tandem/transit switching Party for each minute of originated tandem/transit switched traffic that terminates to a Third Party (e.g., other CLEC, ILEC, or wireless service provider). The applicable rate for this charge is identified in Appendix C.
- 3.3.2 The originating Party also assumes responsibility for compensation to the company that terminates the call.
- 3.3.3 The Parties agree to enter into their own agreements with Third Parties. In the event that NEXTLINK sends traffic through GTE's

network to a Third Party with whom NEXTLINK does not have a traffic interexchange agreement, NEXTLINK agrees to indemnify GTE for any termination charges rendered by the Third Party for such traffic.

3.4 Inter-Tandem Switching. The Parties will only use inter-tandem switching for the transport and termination of intraLATA toll traffic (including optional EAS) originating on each other's network at and after such time as NEXTLINK has agreed to and fully implemented an existing intraLATA toll compensation mechanism such as IntraLATA Terminating Access Compensation (ITAC) or a functional equivalent thereof. The Parties will only use inter-tandem switching for the transport and termination of Local Traffic originating on each other's network at and after such time as the Parties have agreed to and fully implemented generally accepted industry signaling standards and AMA record standards which shall support the recognition of multiple tandem switching events.

4. Direct Network Interconnection.

4.1 Network Interconnection Architecture. NEXTLINK may interconnect with GTE at any of the Currently Available points required by the FCC. NEXTLINK may request, and GTE shall consider, interconnection at additional points on an individual case basis. Interconnection will be as specified in the following subsections. The installation timeline may vary based on the configuration, but GTE will work with NEXTLINK in all circumstances to install "IPs" within 120 calendar days absent extenuating circumstances. Internetwork connection and protocol must be based on industry standards developed consistent with the Act and applicable FCC or State requirements.

4.1.1 Subject to mutual agreement, the Parties may use the following types of network facility interconnection, using such interface media as are appropriate to support the type of interconnection requested.

(a) A Mid-Span Fiber Meet within an existing GTE exchange area whereby the Parties mutually agree to jointly plan and engineer their facility "IP" at a designated manhole or junction location. The "IP" is the demarcation between ownership of the fiber transmission facility. Each Party is individually responsible for its incurred costs in establishing this arrangement.

(b) A Virtual or Physical EIS arrangement at a GTE wire center subject to the rates, terms, and conditions contained in GTE's applicable tariffs.



(c) A Special Access arrangement and/or CLEC Dedicated Transport arrangement terminating at a GTE wire center subject to the rates, terms, and conditions contained in GTE's applicable tariffs. These facilities will meet the standards set forth in such tariffs.

4.1.2 Virtual and Physical EIS arrangements are governed by appropriate GTE tariffs, except as provided in Article IX, Section 1.3.

4.2 Compensation. Unless the Parties otherwise mutually agree, the Parties agree to the following compensation for internetwork facilities, depending on facility type.

4.2.1 Mid-Span Fiber Meet: GTE will charge special access (flat rated) transport from the applicable intrastate access tariff and will rate charges between the "IP" and GTE's interconnection switch. Charges will be reduced to reflect the proportionate share of the facility that is used for transport of traffic originated by GTE. The initial proportionate share factor for facilities shall be negotiated by the Parties and updated quarterly in like manner or as the Parties otherwise agree. NEXTLINK will charge flat rated transport to GTE for NEXTLINK facilities used by GTE at the rates in NEXTLINK's tariff or price list, or as mutually agreed. NEXTLINK will apply charges based on the lesser of: (i) the airline mileage from the "IP" to the NEXTLINK switch; or (ii) the airline mileage from the GTE switch to the serving area boundary.

4.2.2 Collocation: GTE will charge Virtual or Physical EIS rates from the applicable GTE tariff. Charges for EIS cross-connect facilities used to connect NEXTLINK's collocated equipment with GTE's switch will be reduced to reflect the proportionate share of the facility that is used for transport of traffic originated by GTE. NEXTLINK will charge GTE flat rated transport at the rates in NEXTLINK's tariff or price list, or as mutually agreed, to reflect the proportionate share of the facility that is used for transport of traffic originated by GTE. NEXTLINK will apply charges based on the lesser of: (i) the airline mileage from the "IP" to the NEXTLINK switch; or (ii) two (2) times the airline mileage from the GTE switch to the serving area boundary.

4.2.3 Special Access and/or CLEC Dedicated Transport: GTE will charge special access and/or switched access rates from the applicable GTE intrastate access tariff. Charges will be reduced to reflect the proportionate share of the facility that is used for transport of traffic originated by GTE. The Parties will negotiate an

initial factor representative of the proportionate share of the facilities. This factor will be updated quarterly in like manner or as the Parties otherwise agree.

#### 4.3 Trunking Requirements.

- 4.3.1 The Parties shall establish and maintain trunks over which each Party shall terminate to its end users the Exchange Services, Local Traffic and intraLATA toll or optional EAS traffic originated by the end users of the other Party.
- 4.3.2 The Parties agree to establish trunk groups of sufficient capacity from the interconnecting facilities such that trunking is available to any switching center designated by either Party, including end offices, tandems, 911 routing switches, and directory assistance/operator service switches. The Parties will mutually agree where one-way or two-way trunking will be available. The Parties may use two-way trunks for delivery of local traffic or either Party may elect to provision its own one-way trunks for delivery of local traffic to the other Party. If a Party elects to provision its own one-way trunks, that Party will be responsible for its own expenses associated with the trunks.
- 4.3.3 NEXTLINK and GTE shall, where applicable, make reciprocally available, by mutual agreement, the required trunk groups to handle different traffic types. NEXTLINK and GTE will support the provisioning of trunk groups that carry combined or separate Local Traffic and intraLATA toll and optional EAS traffic. The Parties shall establish and maintain separate trunk groups for the following: (1) to originate and terminate interLATA calls when either Party is acting as an IXC and ordering switched access service from the other Party; (2) to provide joint Switched Access Service to IXCs; and (3) for routing data traffic, to the extent technically feasible. To the extent NEXTLINK desires to have any IXC originate or terminate traffic to NEXTLINK using jointly provided switched access facilities routed through a GTE access tandem, it is the responsibility of NEXTLINK to arrange for such IXC to issue an ASR to GTE to direct GTE to route the traffic. If GTE does not receive an ASR from the IXC, GTE will initially route the switched access traffic between the IXC and NEXTLINK. If the IXC subsequently indicates that it does not want the traffic routed to or from NEXTLINK, GTE will not route the traffic to or from NEXTLINK.

- 4.3.3.1 Each Party agrees to route traffic only over the proper jurisdictional trunk group.
- 4.3.3.2 Each Party shall only deliver traffic over the local interconnection trunk groups to the other Party's access tandem for those publicly-dialable NXX Codes served by end offices that directly subtend the access tandem or to those wireless service providers that directly subtend the access tandem.
- 4.3.3.3 Neither party shall route Switched Access Service traffic over local interconnection trunks, or local traffic over Switched Access Service trunks.
- 4.3.4 NEXTLINK and GTE will reciprocally provide Percent Local Usage ("PLU") factors to each other on a quarterly basis to identify the proper jurisdiction of each call type that is carried over the required trunks. If either Party does not provide to the other Party an updated PLU, the previous PLU will be utilized. The Parties agree to the initial PLU factor as set forth in Appendix C.
- 4.3.5 Reciprocal traffic exchange arrangement trunk connections shall be made at a DS-1 or multiple DS-1 level, DS-3, (SONET where technically available) and shall be jointly-engineered to an objective P.01 grade of service.
- 4.3.6 NEXTLINK and GTE agree to use diligent efforts to develop and agree on a Joint Interconnection Grooming Plan prescribing standards to ensure that the reciprocal traffic exchange arrangement trunk groups are maintained at consistent P.01 or better grades of service. Such plan shall also include mutually-agreed upon default standards for the configuration of all segregated trunk groups.
- 4.3.7 Signaling System 7 ("SS7") Common Channel Signaling will be used to the extent that such technology is available. If SS7 is not available, Multi-Frequency Signaling ("MF") will be used as specified.
- 4.3.8 The Parties agree to offer and provide to each other B8ZS Extended Superframe Format ("ESF") facilities, where available, capable of voice and data traffic transmission.
- 4.3.9 For purposes of exchanging data traffic, the Parties will support intercompany 64kbps clear channel where available.

- 4.3.10 Orders between the Parties to establish, add, change, or disconnect trunks shall be processed by use of an Access Service Request ("ASR"), or another industry standard eventually adopted to replace the ASR for local service ordering as referenced in Appendix H.
- 4.4 Network Redesigns Initiated by GTE. GTE will not charge NEXTLINK when GTE initiates its own network redesigns/reconfigurations, but GTE shall make best efforts to notify NEXTLINK of any GTE network redesigns/reconfigurations that will affect NEXTLINK's facilities sufficiently in advance to enable NEXTLINK to accommodate such network redesign/reconfiguration. The Parties shall coordinate deployment and accommodation of any such network redesigns/reconfigurations to avoid or minimize disruption in services provided to their end users.
- 4.5 Interconnection Calling and Called Scopes for the Access Tandem Interconnection and the End Office Interconnection.
- 4.5.1 GTE Access Tandem Interconnection calling scope (originating and terminating) is to those GTE end offices which subtend the GTE access tandem to which the connection is made except as provided for in Section 3.3 of this Article.
- 4.5.2 GTE End Office Interconnection calling scope (originating and terminating) is only to the end office to which the connection is made and its remotes.
5. Indirect Network Interconnection. The Parties agree to use their best efforts to establish direct interconnections for the exchange of traffic and to use indirect interconnection only if traffic volumes do not justify direct connection and both Parties subtend another LEC's tandem. Unless the Parties mutually agree otherwise, NEXTLINK shall not deliver traffic destined to terminate at a GTE end office via another LEC's end office, and NEXTLINK shall not deliver traffic destined to terminate at an end office subtending a GTE access tandem via another LEC's access tandem or switch, nor shall GTE deliver traffic destined to terminate at NEXTLINK's switch via another LEC's access tandem or switch, until such time as compensation arrangements have been established in accordance with Sections 3.1 and 3.4 of this Article.
6. Number Resources.
- 6.1 Number Assignment. Nothing in this Agreement shall be construed to, in any manner, limit or otherwise adversely impact NEXTLINK's right to employ or to request and be assigned any NANP number resources including, but not limited to, Central Office (NXX) Codes pursuant to the Central Office Code

STATE OF FLORIDA

Commissioners:  
E. LEON JACOBS, JR., CHAIRMAN  
J. TERRY DEASON  
LILA A. JABER  
BRAULIO L. BAEZ  
MICHAEL A. PALECKI



DIVISION OF COMPETITIVE SERVICES  
WALTER D'HAESLEER  
DIRECTOR  
(850) 413-6600

## Public Service Commission

July 23, 2001

XO Florida, Inc.  
Ms. Kerri Barsh  
1221 Brickell Avenue  
Miami, Florida 33131

Dear Ms. Barsh:

We received your July 24, 2000 complaint letter, which alleges that Verizon was not providing sufficient trunking to deliver traffic from Verizon's (formerly GTE Florida, Inc.) customers to XO's (formerly NEXTLINK Florida, Inc.) customers. Hence, Verizon's customers attempting to reach XO's customers experienced blockage, which you believe to be discriminatory. Staff noted the following reasons you stated as responsible for traffic blockage:

(1) [Verizon] has refused to provide our requested levels of trunking from its access tandem for local traffic, citing "lack of capacity" problems; and (2) [Verizon] has implemented a new policy in which it refuses to order any trunking to route calls from its network to any other carrier network if the traffic on such requested trunk groups includes dial-up traffic bound for Internet Service Providers, or ISPs.

On August 17, 2000, Verizon responded claiming the traffic at issue is virtually all Internet Service Provider traffic that is outside the scope of the parties interconnection agreement, which states:

Pending resolution of the issue by the FCC and/or the [State] Commission in a decision binding on GTE, Local Traffic excludes Information Service Provider ("ISP") traffic (e.g., Internet, etc.).

Moreover, Verizon suggested that XO's traffic blockage problems are caused by XO's "own failure to accurately forecast its trunking demands" and order trunks appropriately, not discriminatory behavior by Verizon. Additionally, Verizon explained that both of its tandems are experiencing capacity problems. Specifically, "the OIT tandem is currently at maximum capacity," so Verizon added spectrum processor modules (SPMs) to increase capacity at the tandem. Consequently, the additions of SPMs should facilitate an estimated one-and-one-half years of closely managed growth. Thus, Verizon encouraged carriers to establish direct end-office trunking.

Upon hearing both parties' issues on August 8, 2000, staff suggested that the parties share proprietary information, which would determine the technical feasibility and necessity of XO's trunking request. On September 12, 2000, Verizon agreed that XO's trunking request was necessary and technically feasible.

Via a conference call on October 9, 2000, the issue of whether Verizon's computations to determine ISP traffic allows Verizon to discriminately provide trunking to XO, pursuant to the interconnection agreement, was discussed. Staff expressed that this type of dispute is beyond the scope of the informal complaint resolution process. Moreover, staff advised that the contractual dispute resolution or formal complaint process would be the proper forum to handle this matter; however, the parties agreed to continue negotiating informally.

At staff's request on January 11, 2001, Verizon provided a trunk billing information spreadsheet to rebut XO's assertion of discriminatory charges for end office trunking. Thereafter, XO was allowed to order the trunks sought. Staff notes that both carriers provide trunking to the other carrier's network for transport of traffic originating from their respective networks. On January 29, 2001, XO and staff identified two central offices billed inconsistently with Verizon's claim to reciprocate outbound direct end-office trunks (DEOTs), Bradenton and North Gulf Beach. Further, Verizon admitted to instituting a universal billing policy change without modifying the Agreement language. However, Verizon believed that its policy change was allowed by the agreement's language. During the call, staff observed that Verizon was not certain of the effective date of the policy change. Therefore, staff requested the following information from Verizon:

- ▶ The Carrier Notification Letter/documentation provided to XO or all carriers.
- ▶ The formula Verizon used to establish the percentage of the trunks carriers must pay for.
- ▶ Information relative to how frequently the formula is re-calculated.
- ▶ Explanation of why XO is paying for inbound and outbound trunking at particular COs.
- ▶ What was the agreement or what happened in the blocking scenario.

Again, staff reiterated to the parties that contract interpretation is beyond the scope of an informal complaint. However, in order to determine the true discrepancies surrounding the dispute, optimistically seeking resolution, XO opted to continue informally.

Per conference call on February 7, 2001, Verizon agreed to modify its trunking charges, retroactive to the order date, for both the Bradenton and North Gulf Beach central offices. It appeared to staff that all the preliminary issues were resolved, and therefore the parties could negotiate the language interpretation dispute. Staff expressed concern regarding Verizon's decision not to inform the Commission of its universal billing policy modification, which may or may not be appropriate under the terms and conditions of the agreement. Additionally, Verizon acknowledged that its method of modification forced competitors to abide by the new policy, if recognized, and seemingly provided no means for carriers to protest. However, staff notes that XO was the only carrier pursuing the matter at this time.

On May 3, 2001, XO informed staff that another conference call may be necessary to complete negotiations between the parties. At staff's request, each party presented staff with its position on the trunking charges in dispute. XO's position is as follows:

We offer to deliver and pick-up traffic at the same point of interconnection – basically, each party be responsible for its network on its side of the point of interconnection. Verizon has refused. They want the financial benefit on both sides -- different compensation arrangements for them than for us, in that they can charge us, but we can't charge them.

**Verizon's position:**

Verizon offered to not charge for the Direct End Office Trunks from our end office to Verizon's tandem. In addition, Verizon would not charge XO for the trunks which XO ordered from Verizon's tandem to XO's switch. To ensure that there were no issues on compensation, Verizon's proposal also stated that XO would not charge Verizon for the facilities from Verizon's access tandem to XO' switch.

Staff notes that Verizon refused to credit XO for mis-billed trunks, as agreed upon on February 7, 2001, unless XO agreed to accept Verizon's tandem trunking compensation offer. Verizon maintained that Verizon was unwilling to negotiate its position. Therefore, staff determined that the informal complaint process should be discontinued, since the parties were at an impasse.

Staff Analysis & Conclusion:

At first blush, it appears to staff that the issue is whether Verizon is obligated to provision outbound trunks for ISP traffic, pursuant to the agreement. Also, XO seeks clarification of whether Verizon has the right to require direct end-office trunking, and if so, who bears the trunking costs, pursuant to the agreement. Staff notes that the duties of an ILEC in a tandem exhaust situation has not been addressed by this Commission. Therefore, staff opines that rendering a decision addressing the rights of carriers in this matter would be inappropriate in an informal complaint, since the evidence gathered would be insufficient. Moreover, staff's decision would not be enforceable, because staff believes that informal complaints should only address rule violations or other related customer service claims. Therefore, staff urges parties to address the tandem exhaust issue formally at the Commission.

Staff investigated XO's claim that Verizon bills discriminately between carriers, which have identical agreement language. Staff notes that both parties agree that when there is a balance in direct end-office trunking, the Bill and Keep agreement language identifies each party as responsible for the transport of traffic originated from its end-users to the end-office of the respective carrier. (See Figure 3.1)

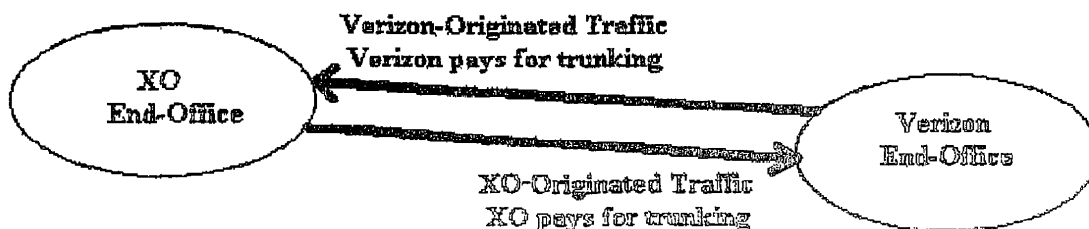


Figure 3.1

However, Verizon contends that when there is an imbalance of traffic, identifiable by inbound trunks to Verizon versus outbound trunks to XO, such traffic is ISP traffic. Hence, according to Verizon's agreement interpretation, Verizon is not responsible for the trunking cost to XO for the disproportionate amount of outbound traffic. Although staff does not necessarily agree with Verizon's position, in accordance with Verizon's position and billing information provided, staff discovered that there are billing discrepancies at two end-offices, Bradenton and North Gulf Beach. Staff notes that Verizon agreed to retroactively compensate XO for the apparent billing errors on February 7, 2001.

On May 31, 2001, staff notes that Verizon reneged on its agreement to credit XO, unless XO agrees to compensate Verizon for the transport between Verizon's tandem and Verizon's end-offices. Staff identifies transport segment "B" in Figure 4.1. as the new issue in dispute.

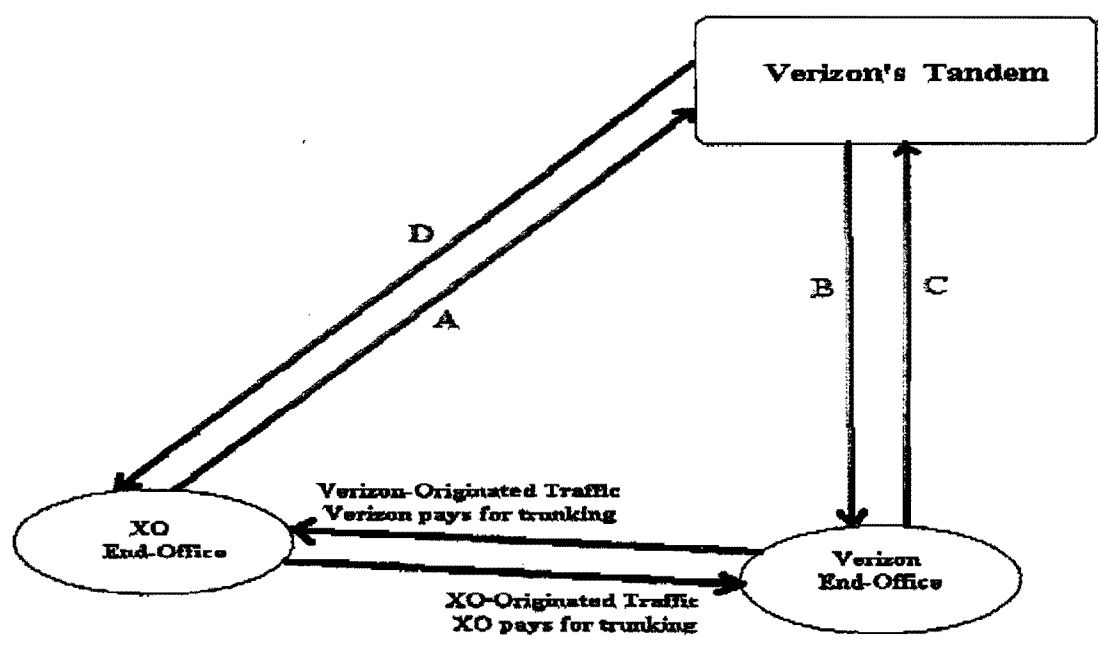


Figure 4.1

It appears to staff that when XO selects the tandem as the interconnection point, Verizon would be responsible for the transport of XO-originated local traffic to its end-offices. In support, staff refers to section 1.38 of the agreement, which reads:

"Interconnection Point" ("IP") means the physical point on the network where the two parties interconnect. The "IP" is the demarcation point between ownership of the transmission facility.

Staff believes that XO has the right, pursuant to the Act, the FCC's Local Competition Order, and FCC regulations, to designate the network point(s) of interconnection. Also, staff refers to Section



3.2.2 of the parties' agreement, which addresses compensation for the exchange of traffic between the parties:

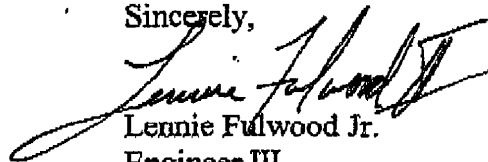
Bill-and-Keep. The Parties shall assume that Local Traffic is roughly balanced between the parties unless traffic studies indicate otherwise. Accordingly, the Parties agree to use a Bill-and-Keep Arrangement with respect to termination of Local Traffic only. Either Party may request that a joint traffic study be performed no more frequently than once a quarter. . . .

Relying on the agreement and documentation provided by both parties, it is clear to staff that Verizon has the duty to deliver local traffic from its end offices to its tandem. Also, Verizon admits that it has the duty to deliver Verizon-originated local traffic from its tandem to XO's end offices. Further, in accordance with Sections 1.38, 3.2, and 4.3 of the agreement, staff believes that Verizon has the duty to deliver local traffic from its tandem to its end offices, where the tandem is designated as the point of interconnection by XO. Thus, cost for segments B, C, and D should be Verizon's responsibility, while segment A should be XO's responsibility. Staff notes that although the burden of transport may seem biased, Verizon did not identify any language in the agreement or law to rebut staff's conclusions, or to support its assertion that segment "B" should be XO's responsibility.

Further, staff questions whether Verizon has negotiated in good faith. In support, staff notes that Verizon attended conference calls without the proper personnel present to answer questions at issue; Verizon changed the subject of dispute after over 8 months of negotiations; and Verizon reneged on its agreement to issue credits to XO for mis-billed trunks. Moreover, Verizon dangled the credit that it had previously agreed to compensate XO, as contingent upon acceptance of its new proposal. Again, staff notes that Verizon admits to modifying its interpretation of the parties agreement without formal notification to the other party or the Commission.

Based on the foregoing, we are closing your complaint. Should you have questions or desire additional information, please contact me at (850)413-6572. Staff reiterates that these issues are beyond the scope of an informal complaint. Both on October 9, 2000 and January 29, 2001, staff informed XO of the Commission's lack of authority within the context of an informal complaint. However, it appears to staff that XO sought to identify the distinct discrepancies between the parties rather than filing a complaint that does not identify the issues. Thus, XO understands that this decision is not enforceable.

Sincerely,



Lennie Fulwood Jr.

Engineer III

Bureau of Market Development

Enclosures

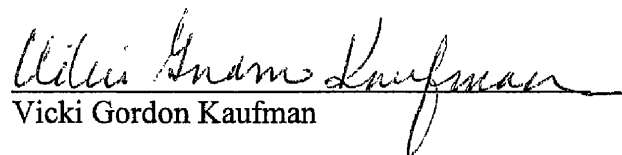
File: CATS #326533T

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing XO Florida, Inc.'s Complaint and Request for Emergency Relief has been furnished by (\*) hand delivery or (\*\*) Federal Express on this 25<sup>th</sup> day of September, 2001 to the following:

(\*) Beth Keating  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

(\*\*) Kimberly Caswell  
Verizon Communications  
201 North Franklin Street  
Tampa, Florida 33601-0110

  
Vicki Gordon Kaufman