

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Global NAPs South, Inc.  
Petition for Arbitration Pursuant  
To 47 U.S.C. §252(b) of Interconnection  
Rates, Terms and Conditions with  
Verizon Florida, Inc., *f/k/a* GTE Florida, Inc.

Docket No. 011666-TP  
Filed: February 3, 2003

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**PREHEARING STATEMENT OF GLOBAL NAPs SOUTH, INC.**

Pursuant to Order No. PSC-02-0430-PCO-TP and Rule 28-106.209, Global NAPs South, Inc.  
files its Prehearing Statement.

**A. APPEARANCES:**

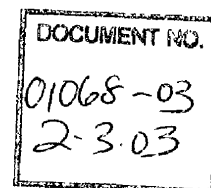
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James R. J. Scheltema  
By Pro Hac Vice  
Director, Regulatory Affairs  
Global NAPs, Inc.  
5042 Durham Road West  
Columbia, Maryland 21044-1445

**On behalf of Global NAPs South, Inc., Petitioner**

**B. WITNESSES:**

Dr. Lee L. Selwyn  
William J. Rooney



These are the witnesses identified at this time who may be called. To the extent that other witnesses become known or available as discovery continues, the right to call additional witnesses is reserved.

**C. EXHIBITS:**

From Dr. Lee Selwyn's Direct Testimony:

Exhibit \_\_ (LLS-1) Technical Qualifications and Professional Experience

Exhibit \_\_ (LLS-2) Workpapers Supporting Calculation of Verizon Florida Transport Costs

Exhibit \_\_ (LLS-3) Verizon "500" Number Access for Verizon's ISP Affiliate, Verizon Online

Exhibit \_\_ (LLS-4) Verizon Telephone Companies, FCC Tariff No. 1, Access Service, Section 16.5, IP (Internet Protocol) Routing Service

Exhibit \_\_ (LLS-5) Verizon Internet Protocol Routing Service Single Number Routing

Exhibit \_\_ (LLS-6) Efficient InterCarrier Compensation Mechanisms for the Emerging Competitive Environment (August, 2001)

From Dr. Lee Selwyn's Rebuttal Testimony:

Exhibit \_\_ (LLS-7) Attachment 1: Verizon East Wireless Handbook 6.2 Type 2 (CMRS) Interconnection Service

Exhibit \_\_ (LLS-8) Attachment 2: Verizon Internet Protocol Routing Service

- E-mail & Response to Discovery in New York
- Verizon Telephone Companies, FCC Tariff No. 11, Access Service, Section 31, Internet Protocol Routing Service
- Verizon Telephone Companies, FCC Tariff No. 1, Access Service, Section 16.5, Internet Protocol Routing Service

Exhibit \_\_ (LLS-9) Verizon Online's use of IPRS 500-699-9900 for "local" dial access to its Internet service

**D. STATEMENT OF BASIC POSITION:**

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.

**E. STATEMENT OF ISSUES AND POSITIONS:**

**D-G. ISSUES AND POSITIONS:**

***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?***

**ISSUE 1:**

**Sub Issue 1(A)** Global NAPs should not be required to provide more than one point of interconnection per LATA. Any order to the contrary would be inconsistent with 47 U.S.C. §251(c)(2) and 47 C.F.R. 51.305(a)(2) and this Commission’s interpretation of federal law as determined in Docket 000075-TP. The recent decision by the FCC’s Wireline Bureau for interpretation of federal law concerning this issue is also instructive. See ¶52 of the Memorandum Order and Opinion, *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*, 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*”).

**Sub Issue 1(B)** Each carrier should be financially responsible for carriage of traffic on its respective side of this/these point(s) of interconnection. This is consistent

with 47 C.F.R. 51.703(b) and this Commission's interpretation of federal law as determined in Docket 000075-TP.

***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?***

**ISSUE 2:**

The issue is misunderstood as a "compromise" between two willing parties, as currently worded. This is far from the case. In fact, by "mutual agreement", Verizon means either for Global to accept Verizon's terms, or to go through time consuming and costly negotiations to determine the terms and conditions under which two-way trunking shall be available and applicable. Instead, Global NAPs, as a customer, should proffer a request for two way trunking which should not be denied by Verizon if reasonable. In a free and competitive market between willing buyers and sellers, the seller would not dictate the terms and conditions applicable to the purchase of goods and services. In a free market, the seller would instead follow the mantra "whatever the buyer wants". The Act, and the promotion of competition which it fosters, aims at mimicking such a free market. Verizon should not be allowed to wield its dominant stature to dictate the terms and conditions under which two-way trunking will be offered.

***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?*

**ISSUE 3:**

**Sub Issue 3(A)** Global should not be mandated to provide collocation to Verizon's facilities in order to interconnect with Global. There is a federal requirement for the incumbent to allow the CLEC to interconnect using collocation in the incumbent's facilities, but this right is not reciprocal-it is asymmetric. Notwithstanding, Global offers any and all who wish to collocate-including Verizon-the ability to do so at its facilities on a space available basis at market rates in a non-discriminatory manner.

**Sub Issue 3(B)** Should there be insufficient space for Verizon-as well as any other requesting party-to be denied collocation, then Global should be allowed to charge market based rates for transport.

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

**ISSUE 4:**

Global NAPs should not have its retail local calling areas limited by Verizon's retail or wholesale local calling areas. Instead, the size of local calling areas should be subject to competition. In order to effect such competition and eliminate economic constraints related to the ILEC's local calling area definitions, all intra-LATA traffic exchanged between GNAPs and Alltel should be treated as cost-based "local" compensation under §251(b)(5), and should not be subject to intrastate access charges.

**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?*

**ISSUE 5:**

Global NAPs should be allowed to use an assignment of NXX codes to provide competitive FX service because (1) there is no longer a nexus necessary between assignment of NXX codes and geography, (2) allowing the use of “virtual” NXXs provides a means for CLECs to provide an alternate foreign exchange (“FX”) service, (3) allowing the use of VNXX to provision FX service promotes competition.

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

**ISSUE 6:**

Verizon should provide for a reservation of rights by the parties pending the anticipated decision from the remanded ISP decision by the FCC. Carriage of ISP-bound traffic is critical to Global’s current business plans and special recognition causes no harm to Verizon while providing additional support to Global when and if changes in the regulatory environment impact its operations. The distinction between this issue and changes in law generally is the knowledge that the FCC is currently revisiting the issue.

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

**ISSUE 7:**

A final executed, or arbitrated, interconnection agreement represents the principal contract between the two interconnecting parties. The parties' duties and obligations are governed by the "four corners" of the document, not by outside documents under the control of one party. Verizon may not affirmatively impose additional obligations or alter its responsibility under the agreement through its tariff modifications.

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

**ISSUE 8:**

The Agreement should be modified to include more reasonable insurance limits that reflect the relative economic position of interconnecting CLECs. No insurance limit should exceed \$1,000,000. Insurance obligations should be reciprocal between the parties, *i.e.*, to the extent that insurance obligations are imposed on Global, these same conditions should be applicable to Verizon.

***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?***

**ISSUE 9:**

The Agreement should not authorize or permit either Party to audit, review or otherwise access the other Party's confidential records and systems. Global provides traffic reports and voluntarily agrees to have these subject to audit.

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



**ISSUE 10:**

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.

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

**ISSUE 11:**

Global 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 Global's service quality without adequate advanced notice and testing.

**F. STATEMENT OF WITNESS RESPONSIBILITIES:**

Dr. Lee L. Selwyn will be responsible for issues 1, 2, 4 & 5, and William Rooney for all other issues.

**G. QUESTIONS OF FACT AND LAW:**

Although the Order requests separate statements regarding factual vs. legal questions, as noted from the above delineation of the issues, these are often intertwined.

**H. STIPULATED ISSUES:**

No additional issues have been stipulated to at this time.

**I. PENDING MOTIONS:**

Global NAPs South, Inc. has filed, contemporaneously with the filing of its Prehearing

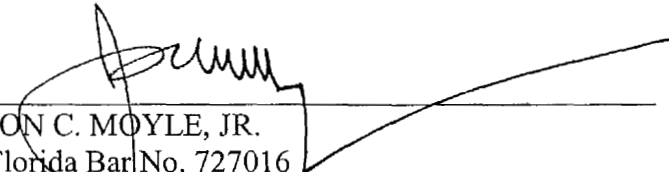
Statement, a Motion For Qualified Representative to Appear on Behalf of Global Naps South. This motion seeks to have James R. J. Scheltema, Esq., Director of Regulatory Affairs for Global Naps South, admitted Pro Hac Vice in this proceeding.

**J. NOTICE OF FEDERAL PREEMPTION:**

Global NAPs South respectfully submits that all intercarrier compensation issues regarding information access traffic have been declared to be subject to the sole and exclusive jurisdiction of the Federal Communications Commission. Global reserves the right to provide legal argument(s) in its brief regarding the extent that federal law impacts the ability of the Florida PSC to decide any matters which may be preempted.

**K. OTHER MATTERS:**

None at this time. Global NAPs South knows of no reason that would preclude its compliance with the procedural order entered in this case. There are no pending requests for confidentiality.



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**Attorneys for Global NAPs South, Inc.**

**CERTIFICATE OF SERVICE**

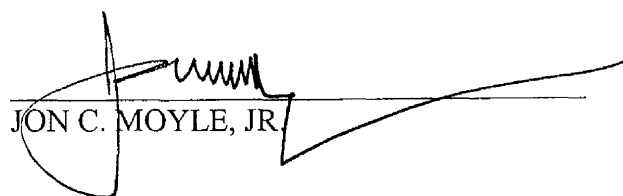
I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by hand delivery to those listed below with an asterisk (“\*”) and by U.S. Mail to those listed below without an asterisk on this 3<sup>rd</sup> day of February, 2003:

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