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May 1, 2003

030000-Pu

Ms. Blanca S. Bayo, Director  
Division of the Commission Clerk  
and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Verizon Florida Inc./XO Florida, Inc. Settlement Agreement

Dear Ms. Bayo:

Under the terms of the FCC's Memorandum Opinion and Order released October 4, 2002 (*In the Matter of Qwest Communications International Inc. Petition for Declaratory Ruling on the Scope of the Duty to File and Obtain Prior Approval of Negotiated Contractual Arrangements under Section 252(a)(1), WC Docket No. 02-89*), Verizon Florida Inc. and XO Florida, Inc. ("the Parties") file the enclosed settlement agreement regarding billing arrangements under the terms of the Parties' Florida interconnection agreement. The Parties believe that this settlement agreement may constitute an "agreement that creates an ongoing obligation pertaining to resale, number portability, dialing parity, access to rights-of-way, reciprocal compensation, interconnection, unbundled network elements, or collocation," which the FCC found "must be filed pursuant to section 252(a)(1)."

The information contained in the settlement agreement is considered confidential by the Parties. One highlighted copy and one redacted copy of the confidential information are enclosed. Service has been made as indicated on the attached certificate. If there are any questions regarding this matter, please contact me at 813-483-1256.

Very truly yours,

Richard Chapkis

RC:tas  
Enclosures

- AUS \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- MMS \_\_\_\_\_
- SEC \_\_\_\_\_
- OTH \_\_\_\_\_

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K. V. ...  
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

03973 MAY-18

FPSC-COMMISSION CLERK

September 26, 2002

Ms. Dana Shaffer  
XO Florida, Inc.  
105 Molloy Street, Suite 300  
Nashville, TN 37201

**REDACTED**

Dear Ms Shaffer:

The purpose of this letter is to document the understanding of Verizon Florida Inc., f/k/a GTE Florida Incorporated, a Florida corporation ("Verizon") and XO Florida, Inc. ("XO") (collectively the "Parties") regarding the following billing arrangements under the terms of the Parties' Florida interconnection agreement effective August 18, 1999 ("Agreement"). These billing arrangements will continue until the effective date of a new interconnection agreement between the Parties for the state of Florida.

1. The Parties agree that for the period beginning February 23, 2002, XO will bill Verizon for DS-3 fiber facilities owned by Verizon and leased by XO carrying Verizon originating Local, Measured Internet and IntraLATA Toll traffic, from the Verizon IP locations identified on Attachment A to this letter, to the XO location(s) identified on Attachment A to this letter, on a fractional DS-3 billing basis (i.e., per DS-1 equivalent, each at 1/28<sup>th</sup> of the applicable Verizon DS-3 rate), in accordance with the terms of the Agreement. The Parties acknowledge that the Agreement does not explicitly address facilities used to carry other types of traffic, if any, and the Parties reserve the right to negotiate an amendment to the Agreement to establish the appropriate compensation for facilities carrying such traffic in accordance with Applicable Law.
  - a.) For purposes of satisfying number 1, above, the initial fractional DS-3 billing, as identified above, by XO will be set at DS-1s for the period from February 23, 2002 to May 22, 2002.
  - b.) For the period from May 23, 2002 through the earlier of December 31, 2002 or the effective date of a new Interconnection agreement between the Parties for the state of Florida, the fractional DS-3 billing as identified above, will be set at DS-1s.
  - c.) If a new interconnection agreement is not effective between the Parties by January 1, 2003, billing arrangements set forth in this letter will continue with the fractional DS-3 billing, as identified above, being updated by mutual agreement of the Parties on a

quarterly basis beginning with the January 1, 2003 to March 31, 2003 period. The new fractional DS-3 billing for the first quarter 2003 will be established by December 1, 2002 to enable proper billing unless a new interconnection agreement is or will be in place on January 1, 2003.

2. Under the terms of the Agreement, XO will bill Verizon for XO owned or controlled fiber facilities on a DS-1 basis for Verizon originating Local, Measured Internet and IntraLATA Toll traffic traversing the XO fiber facilities, from the Verizon IP locations identified on Attachment A to this letter, to the XO location(s) identified on Attachment A to this letter, according to the following:

a.) From February 23, 2002 to March 22, 2002      DS-1s

b.) From March 23, 2002 to April 22, 2002      DS-1s

**REDACTED**

c.) From April 23, 2002 to May 22, 2002      DS-1s

d.) From May 23, 2002 to June 22, 2002      DS-1s

e.) From June 23, 2002 up to the effective date of a new Interconnection agreement between the Parties for the state of Florida, based on the actual number of DS-1s in place from month to month as agreed to by the Parties.

f.) Under the terms of the Agreement, the DS-1 rate level billable to Verizon by XO is capped at the effective Verizon DS-1 rates for the same period.

The Parties acknowledge that the Agreement does not explicitly address facilities used to carry other types of traffic, if any, and the Parties reserve the right to negotiate an amendment to the Agreement to establish the appropriate compensation for facilities carrying such traffic in accordance with Applicable Law.

3. This letter is confidential and is not to be disclosed or used for any purpose other than establishing the understanding of Verizon and XO regarding the provisions of the Agreement listed in this letter. This letter does not represent any precedent, concession or agreement regarding any other provision of the Agreement or any similar or comparable provision in any other agreement.

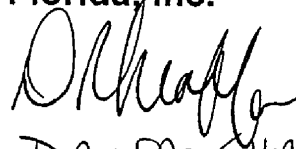
Verizon Florida Inc.

By: 

Print JEFFREY A. MASONER

Title VP. INTERCONNECTION  
SERVICES

XO Florida, Inc.

By: 

Print DANA STAFFER

Title VICE PRESIDENTS

**Attachment A**


<b>XO Switch (CLI)</b>	<b>XO Interconnection Point</b>	<b>Verizon Switch (CLI)</b>	<b>Verizon Interconnection Point</b>
TAMSFLCZDSO	V_8152_	TAMPFLXA01T	V_8172_
LATA 952	H_1136_	Tampa Main	H_1147_
TAMSFLCZDS2	V_8152_	TAMPFLXA02T	V_8172_
LATA 952	H_1136_	Tampa Main	H_1147_

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that copies of the foregoing were sent via overnight delivery  
on April 30, 2003, to:

Staff Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

James G. Pachulski, Esq.  
TechNet Law Group, P.C.  
1100 New York Avenue, N.W.  
Suite 365  
Washington, DC 20005-3934



Richard A. Chapkis