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MEMORANDUM

September 26, 2003

TO: KAY FLYNN/CCA
SANDY MOSES/CCA
MARY DISKERUD/GCL-APP
WANDA TERRELL/GCL-APP

FROM: DAVID E. SMITH, ATTORNEY SUPERVISOR, GENERAL COUNSEL/APPEALS, RULES & MEDIATION DES WT

RE: VERIZON FLORIDA INC. v. SPRINT COMMUNICATIONS COMPANY LIMITED PARTNERSHIP, ET AL; U.S. DISTRICT COURT FOR THE NORTHERN DISTRICT OF FLORIDA CASE NO. 4:03CV298SPM-AK.

Please note that the above Complaint was filed on September 23, 2003 and has been assigned to Samantha Cibula.

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF FLORIDA

VERIZON FLORIDA INC.,

Plaintiff,

v.

SPRINT COMMUNICATIONS COMPANY LIMITED PARTNERSHIP; THE FLORIDA PUBLIC SERVICE COMMISSION; LILA A. JABER, in her official capacity as Chairman of the Florida Public Service Commission; J. TERRY DEASON, in his official capacity as Commissioner of the Florida Public Service Commission; BRAULIO L. BAEZ, in his official capacity as Commissioner of the Florida Public Service Commission; RUDOLPH BRADLEY, in his official capacity as Commissioner of the Florida Public Service Commission; and CHARLES M. DAVIDSON, in his official capacity as Commissioner of the Florida Public Service Commission,

Defendants.

Civil Action No. 4:03 CV 298 SPM

COMPLAINT

Nature of the Action

1. Plaintiff Verizon Florida Inc. ("Verizon") brings this action to seek review of a decision of the Florida Public Service Commission ("PSC") under the federal Telecommunications Act of 1996 ("1996 Act").

2. At issue in this case is the proper treatment of a voice-activated dialing service that Sprint Communications Co. L.P. ("Sprint") may seek to offer to its long-distance customers. A Verizon local service customer who is also a Sprint long-distance customer would access the service by dialing "00." The Verizon customer would then say, for example, "Call Bob." Sprint's equipment would retrieve Bob's telephone number from information that the customer had previously provided to Sprint and would then enable the call to be completed to Bob. Prior to the PSC's decision in the proceedings below, in Florida (and elsewhere), calls made using "00" dialing had been subject to "access charges" — per-minute fees paid by long-distance companies to local telephone companies for the origination and completion of calls.

3. Sprint contended, and the PSC held, that certain calls made using this voice-activated dialing service — those where the Verizon customer placing the call and the called party ("Bob," in the example above) are located in the same local calling area — are instead subject to "reciprocal compensation," a substantially lower rate.

4. That decision is unlawful because it conflicts with Federal Communications Commission ("FCC") regulations implementing the federal reciprocal compensation obligation in 47 U.S.C. § 251(b)(5). Those regulations define reciprocal compensation as a payment arrangement that applies *only* when a customer of one local telephone company places a local call to a customer of a different local telephone company. Here, the calls originate and terminate on Verizon's network, not Sprint's, so reciprocal compensation does not apply. Indeed, the PSC itself later admitted that the calls at issue here "are not subject to reciprocal compensation under Section 251(b)(5) of the [federal] Act."

5. In addition to being contrary to federal law, the PSC's decision is also arbitrary and capricious and results from a failure to engage in reasoned decision-making. Other than its

finding that the traffic at issue is subject to reciprocal compensation — a conclusion it seemed later to repudiate — the PSC offered no reason at all for its decision. Indeed, each of the four other state commissions, and the only federal court, to address this issue have rejected Sprint's claims and the result that the PSC reached here. The PSC's decision should be declared unlawful, and the parties to this case, and anyone acting in concert with them, should be enjoined from enforcing it against Verizon.

Parties, Jurisdiction, and Venue

6. Plaintiff Verizon is a Florida corporation, with its principal place of business in Coppell, Texas. Verizon provides local telephone service in the Tampa Market Area in Florida.

7. On information and belief, defendant Sprint is a Delaware limited partnership with its principal place of business in Overland Park, Kansas. As relevant here, Sprint provides long-distance telephone service to some of Verizon's local telephone service customers in the Tampa Market Area. Sprint may be served at 110 N. Magnolia Street, Tallahassee, Florida 32301, c/o The Prentice Hall Corporation System, Inc.

8. Defendant PSC is an agency of the State of Florida. The PSC is a "State commission" within the meaning of 47 U.S.C. §§ 153(41), 251, and 252.

9. Defendant Lila A. Jaber is Chairman of the PSC. Chairman Jaber is sued in her official capacity for declaratory and injunctive relief only.

10. Defendant J. Terry Deason is a Commissioner of the PSC. Commissioner Deason is sued in his official capacity for declaratory and injunctive relief only.

11. Defendant Braulio L. Baez is a Commissioner of the PSC. Commissioner Baez is sued in his official capacity for declaratory and injunctive relief only.

12. Defendant Rudolph Bradley is a Commissioner of the PSC. Commissioner Bradley is sued in his official capacity for declaratory and injunctive relief only.

13. Defendant Charles M. Davidson is a Commissioner of the PSC. Commissioner Davidson is sued in his official capacity for declaratory and injunctive relief only.

14. This Court has subject matter jurisdiction over this action pursuant to both 28 U.S.C. § 1331 and the judicial review provision of the 1996 Act, 47 U.S.C. § 252(e)(6).

15. Venue is proper in this district pursuant to 28 U.S.C. § 1391. Venue is proper under § 1391(b)(1) because the Commissioner Defendants reside in this district. Venue is proper under § 1391(b)(2) because a substantial part of the events giving rise to this action occurred in this district, in which the PSC sits.

The 1996 Act

16. The 1996 Act established rules to ensure that competitive local exchange carriers, or "CLECs,"[1] can interconnect their respective networks with that of the incumbent LEC ("ILEC"), in this case, Verizon. *See* 47 U.S.C. § 251(c)(2). CLECs and ILECs are required to negotiate in good faith agreements that set forth the terms to govern the relationship between them in fulfillment of the duties set forth in the 1996 Act. *See id.* § 251(c)(1). If the parties cannot agree, either party may petition the state commission to arbitrate any open issues. *See id.* § 252(b). The state commission must resolve those issues pursuant to federal law, including the regulations promulgated by the FCC. *See id.* § 252(c). The resulting agreement must be submitted to the state commission for its review and approval. *See id.* § 252(e)(1), (4). Any

[1] Prior to 2003, Florida state law used the term "alternative local exchange carriers," or "ALECs." *See* 2003 Fla. Laws ch. 32, § 3, at 2-3; Fla. Stat. ch. 364.02(1). "CLEC" and "ALEC" are interchangeable.

party aggrieved by a decision approving or rejecting an agreement may seek review of that determination in federal court. *See id.* § 252(e)(6).

17. One of the duties in the 1996 Act is the obligation "to establish reciprocal compensation arrangements for the transport and termination of telecommunications." *Id.* § 251(b)(5). The FCC regulations implementing § 251(b)(5) define reciprocal compensation as an "arrangement between two carriers . . . in which each . . . receives compensation from the other carrier for the transport and termination on each carrier's network facilities of telecommunications traffic *that originates on the network facilities of the other carrier.*" 47 C.F.R. § 51.701(e) (2002) (emphasis added).

The PSC's Order

18. On June 1, 2001, after Sprint and Verizon could not reach agreement on all of the provisions for an agreement between the two parties, Sprint filed a petition for arbitration of the unresolved issues, pursuant to 47 U.S.C. § 252(b), with the PSC. In the petition, Sprint raised 15 open issues.

19. One of those issues pertained to the compensation that Sprint would have to pay Verizon for the voice-activated dialing service that Sprint proposed to offer to its long-distance customers that, as relevant here, purchased their local service from Verizon. (Sprint's service is interchangeably referred to as "00-," "VAD," or "VAD/00-.") As described above, that service enables a Sprint long-distance customer to dial "00"; to say, for example, "Call Bob"; and to have the call completed to Bob, based on information that the customer previously provided to Sprint.

20. Sprint agreed that, if Bob and the Verizon customer lived in *different* local calling areas, Sprint would have to pay Verizon access charges for the use of Verizon's local telephone

network in originating this call. Sprint also agreed that it would pay access charges for such a call to the company that provided local telephone service to Bob, which might also be Verizon.

21. The parties disagreed about the compensation Sprint would be required to pay Verizon in the event that Bob was a Verizon customer living in the *same* local calling area as the Verizon customer using Sprint's VAD/00- service. Sprint contended that such calls are subject to reciprocal compensation — that is, Sprint proposed to pay Verizon the lower, reciprocal compensation rate for terminating such calls, rather than the higher, access charge. In addition, Sprint proposed paying Verizon a very low rate of compensation for originating such traffic in place of the access charges that had previously applied.

22. In its Order,[2] the PSC agreed with Sprint, and held that VAD/00- calls that originate and terminate in the same local calling area "should be defined as local traffic" in the parties' agreement "for the purposes of reciprocal compensation." Order at 12; *see also id.* at 22 ("the traffic in dispute clearly originates and terminates in the same local calling area"; "it appears evident that reciprocal compensation should apply").

23. The PSC, however, did not dispute that the calls at issue originate and terminate on Verizon's network and, therefore, do not meet the terms of 47 C.F.R. § 51.701(e). *See id.* at 11. Instead, the PSC asserted that Verizon's interpretation of § 51.701(e), "[t]hough plausible," "may be unduly narrow." *Id.* at 20. The PSC interpreted that regulation to apply to any "local traffic . . . exchanged between carriers" and "agree[d] with Sprint that the introduction of an intermediate carrier, Sprint, qualifies [a VAD/00-] call as telecommunications traffic exchanged between carriers." *Id.*

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[2] Final Order on Petition for Arbitration, Docket No. 010795-TP, Order No. PSC-03-0048-FOF-TP (Fla. PSC Jan. 7, 2003) ("Order") (Attach. 1 hereto).

24. The PSC ordered Verizon and Sprint to negotiate and submit for approval an agreement conforming to the PSC's ruling. *See id.* at 40. The parties, however, were unable to agree on language implementing the PSC's decision with respect to VAD/00- calls and submitted their dispute to the PSC.

25. In resolving that dispute, the PSC largely adopted the language that Verizon proposed. *See* Disputed Language Order[3] at 9-11. Although the PSC did not change its holding that VAD/00- calls that "originate and terminate in the same local calling area" "are to be considered local calls" subject to reciprocal compensation under the parties' agreement, the PSC now stated that such calls "*are not subject to reciprocal compensation under Section 251(b)(5) of the [federal] Act.*" *Id.* at 11 (emphasis added).

26. On June 26, 2003, Verizon and Sprint filed an executed agreement that included the language adopted by the PSC in its Disputed Language Order. The PSC approved that agreement in an order issued on August 22, 2003. *See* Order Approving Arbitrated Interconnection Agreement Between Sprint and Verizon, Docket No. 010795-TP, Order No. PSC-03-0952-FOF-TP (Fla. PSC Aug. 22, 2003) (Attach. 3 hereto).

Claim for Relief

27. Paragraphs 1 through 26 are incorporated by reference as if set forth fully herein.

28. The PSC's conclusion that VAD/00- calls are subject to reciprocal compensation violates the FCC regulations implementing the 1996 Act. Under those regulations, a call can be subject to reciprocal compensation *only* if it originates on the network of one carrier and terminates on the network of another carrier. The VAD/00- calls at issue here — which originate

[3] Order Resolving Parties' Disputed Language, Docket No. 010795-TP, Order No. PSC-03-0637-FOF-TP (Fla. PSC May 27, 2003) ("Disputed Language Order") (Attach. 2 hereto).

and terminate on Verizon's network — do not satisfy that condition. Therefore, the PSC, which was required to resolve all issues in the arbitration in accordance with the 1996 Act and the FCC's regulations, *see* 47 U.S.C. § 252(c), had no authority to include those calls among the "local traffic" subject to reciprocal compensation.

29. The PSC's decision not only is contrary to federal law, but also is arbitrary and capricious and results from a failure to engage in reasoned decision-making. Indeed, all of the state commissions to consider this issue have rejected Sprint's claims and held that VAD/00- calls are not subject to reciprocal compensation;[4] the only federal district court to address the issue reached the same conclusion.[5]

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[4] *See* Order No. 77320, *Arbitration of Sprint Communications Company, L.P. vs. Verizon Maryland Inc., Pursuant to Section 252(b) of the Telecommunications Act of 1996*, Case No. 8887 (Md. PSC Oct. 24, 2001), *recon. denied*, Order No. 77522, Case No. 8887 (Md. PSC Jan. 23, 2002); Order, *Petition of Sprint Commmuncations Company, L.P., Pursuant to Section 252(b) of the Telecommunications Act of 1996, for Arbitration of an Interconnection Agreement Between Sprint and Verizon-Massachusetts*, D.T.E. 00-54 (Mass. DTE Dec. 11, 2000), *recon. denied*, D.T.E. 00-54-A (Mass. DTE May 3, 2001); Opinion and Order, *Petition of Sprint Communication Company, L.P. for an Arbitration Award of Interconnection Rates, Terms and Conditions Pursuant to 47 U.S.C. § 252(b) and Related Arrangements with Verizon Pennsylvania, Inc.*, Docket No. A-310183F0002 (Pa. PUC Oct. 12, 2001), *recon. denied*, Opinion and Order, Docket No. A-310183F0002 (Pa. PUC Dec. 7, 2001); Decision 01-03-044, *Petition of Sprint Communications Company, L.P. for Arbitration of Interconnection Rates, Terms, Conditions, and Related Arrangements with Verizon California, d/b/a GTE California Inc.*, Application 00-09-031 (Cal. PUC Sept. 7, 2000). An arbitrator in Texas reached the same conclusion; the parties' agreement, reflecting the arbitrator's decision, is pending review by the Texas Public Utility Commission. *See* Arbitration Award, *Petition of Sprint Communications Company L.P., d/b/a Sprint for Arbitration with Verizon Southwest Incorporated (f/k/a GTE Southwest Incorporated) d/b/a Verizon Southwest and Verizon Advanced Data Inc. Under the Telecommunications Act of 1996 for Rates, Terms and Conditions and Related Arrangements for Interconnection*, Docket No. 24306 (Tex. PUC Jan. 22, 2002).

[5] *See Sprint Communications Co. v. California Pub. Utils. Comm'n*, No. C-01-1476 PJH (N.D. Cal. June 13, 2002) (unpublished).

Relief Requested

WHEREFORE, as relief for the harms alleged herein, Verizon, as an aggrieved party, requests that this Court:

a. declare that the PSC's and Commissioner Defendants' orders are invalid for the reasons discussed above;

b. grant Verizon declaratory and injunctive relief to prevent all defendants and anyone acting in concert with them from enforcing or attempting to enforce the PSC's orders to the extent they hold that calls between two Verizon customers located in the same local calling area using Sprint's VAD/00- product are subject to reciprocal compensation; and

c. grant such other relief as may be sought by Verizon in further pleadings and as may be appropriate in this case.

Respectfully submitted,

Aaron M. Panner
Scott H. Angstreich
KELLOGG, HUBER, HANSEN,
TODD & EVANS, P.L.L.C.
Sumner Square
1615 M Street, N.W., Suite 400
Washington, DC 20036
(202) 326-7900
(202) 326-7999 (fax)

John M. Alford
Attorney at Law
542 East Park Avenue
Tallahassee, FL 32301
Florida Bar No. 0498970
(850) 222-3314

Richard Chapkis
VERIZON FLORIDA INC.
201 North Franklin Street
Tampa, FL 33602
(813) 273-3000

Counsel for Verizon Florida Inc.

September 22, 2003

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Sprint Communications Company Limited Partnership for arbitration with Verizon Florida Inc. pursuant to Section 251/252 of the Telecommunications Act of 1996.	DOCKET NO. 010795-TP ORDER NO. PSC-03-0048-FOF-TP ISSUED: January 7, 2003

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ
MICHAEL A. PALECKI
RUDOLPH "RUDY" BRADLEY

FINAL ORDER ON PETITION FOR ARBITRATION

BY THE COMMISSION:

On June 1, 2001, Sprint Communications Company Limited Partnership (Sprint) filed a Petition for Arbitration pursuant to 47 U.S.C. Section 252(b) of the Telecommunications Act of 1996, seeking arbitration of certain unresolved terms and conditions of a proposed renewal of the current interconnection agreement between Sprint and Verizon Florida, Inc. f/k/a GTE Florida, Incorporated (Verizon). Verizon filed a response and the matter was set for hearing.

In Sprint's petition, 15 issues were enumerated for arbitration. Prior to the administrative hearing, the parties resolved or agreed to stipulate a number of those issues. The administrative hearing was held on January 17, 2002. At the hearing, in addition to the testimony and exhibits filed with this Commission, transcripts, corresponding discovery responses, and corresponding Florida tariffs were entered into the record from the Sprint/Verizon Arbitration in Texas in lieu of cross examination. This Order addresses the remaining arbitrated issues.

I. JURISDICTION

In its brief, Sprint states that this Commission's jurisdiction is set forth in Section 252 of the Act and Sections 364.161 and 364.162, Florida Statutes. Verizon did not address our jurisdiction in its brief. Therefore, Verizon waived any objection to this Commission's jurisdiction in this matter. However, in its brief, Verizon states that this Commission must resolve disputed issues in a manner that ensures that the requirements of Sections 251 and 252 of the Act are met.

Pursuant to Chapter 364, Florida Statutes, and Section 252 of the Act, we find that we have jurisdiction to arbitrate interconnection agreements, and may implement the processes and procedures necessary to do so in accordance with Section 120.80 (13)(d), Florida Statutes. Section 252 states that a State Commission shall resolve each issue set forth in the petition and response, if any, by imposing the appropriate conditions required. This section requires the Commission to conclude the resolution of any unresolved issues not later than nine months after the date on which the ILEC received the request under this section. In this case, however, the parties have explicitly waived the nine-month requirement set forth in the Act.

Further, we find that Section 252(e) of the Act reserves the state's authority to impose additional conditions and terms in an arbitration not inconsistent with the Act and its interpretation by the FCC and the courts.

II. DEFINITION OF LOCAL TRAFFIC

A. Arguments

Sprint witness Hunsucker states that Sprint plans to initiate a service in Verizon territory whereby a Verizon local service customer will be using a Sprint service to complete a local call to other Verizon local service customers. Sprint describes the product and the associated routing for it as follows:

> The key feature of this product is that it utilizes a 00- [zero zero minus] dialing code to access the Sprint VAD platform that is subsequently used to complete local or

> long distance calls. Thus, an end user customer that is presubscribed to Sprint's long distance service can simply dial 00- from his/her home phone and verbally instruct the system to call his/her neighbor next door or anyone else he/she would like to call. If a Verizon customer dials 00- from his/her telephone, the call is routed through a Verizon end office over trunks that are interconnected to the Sprint network. The customer then receives a prompt to verbally instruct the system who he/she would like to call. For example, the customer could say, "call neighbor." Then based upon a directory list established by the end user customer, the system would look up the name, find the associated telephone number, and complete the call as verbally directed. The customer can originate both local calls and long distance calls via this arrangement.

Witness Hunsucker believes Sprint and Verizon's core dispute in this issue is the jurisdictional basis for such a call and the associated compensation, stating that the parties have a "definitional problem over what's local." The Sprint witness asserts that the FCC's so-called "end-to-end" analysis determines the jurisdiction of a call. He asserts that the FCC has historically relied upon the "end-to-end" analysis without considering the network facilities used to complete the call. The witness specifically cites two passages from ¶11 of the FCC's Declaratory Ruling in CC Docket No. 96-98:

> . . . both the court and Commission decisions have considered the end-to-end nature of the communications more significant than the facilities used to complete such communications.
>
> . . .
>
> The interstate communication itself extends from the inception of a call to its completion, regardless of any intermediate facilities.

In its brief, Sprint contends that it is well-noted that the FCC has traditionally endorsed the "end-to-end" methodology through various orders, including the ISP Declaratory Ruling (FCC 99-68), the FCC's Call Completion Order (FCC 01-27), and very recently in

the ISP Remand Order (FCC 01-131). Witness Hunsucker also states that the FCC has provided guidance on defining calls as local for compensation purposes, citing text from an order that addresses the jurisdictional classification of call completion services associated with directory assistance (DA). "Sprint's 00- [VAD] product is provided in an analogous manner [as DA call completion] to the end user customer," according to the witness. Sprint's witness claims that Sprint is, in fact, providing a call completion service. In FCC Order No. 01-27 in CC Docket No. 99-273, the FCC states that call completion falls within the definition of telephone exchange service, not exchange access service. The witness cites ¶16 of this order:

> The call completion service of competitive DA providers for intra-exchange traffic is unquestionably local in nature, and the charge for it, generally imposed on an end user, qualifies as an "exchange service charge."

According to witness Hunsucker, "the real issue is that it appears Verizon wants to impose access charges on local calls as a means of generating revenues in excess of their TELRIC-based rates."

Sprint believes this Commission considered the "end-to-end" analysis in its consideration of an issue from the recent Sprint/BellSouth arbitration in Docket No. 000828-TP. The issue from that proceeding specifically addressed combining local and intra/interLATA traffic types on access facilities. Sprint cites page 38 of the Sprint/BellSouth arbitration order, Order No. PSC-01-1095-FOF-TP, issued in Docket No. 000828-TP on May 8, 2001: "[F]or 00- traffic routed over [combined] access trunks, the appropriate compensation scheme shall be preserved for each jurisdiction of traffic that is combined, i.e., local and intra/interLATA." Sprint claims that it will preserve the appropriate jurisdiction of all traffic. The witness continues:

> Sprint has always agreed to maintain the appropriate jurisdiction of the traffic for all 00- calls, both local and toll. In other words, if the end user uses Sprint's Voice Activated Dialing product in the completion of a local call, Sprint expects to pay local TELRIC-based charges, and if the end user uses VAD to complete a toll

> product, Sprint will pay Verizon the appropriate access charges.

In contrast, Sprint witness Hunsucker states that "Verizon erroneously believes that a call must originate and terminate on two different carriers' networks in order for the call to be jurisdictionally local." The witness states that if a Verizon end user uses Sprint's VAD to call their neighbor next door who is also a Verizon customer, "Verizon would have you believe that the call is not a local call." He testifies:

> Verizon is . . . attempting to classify a call based on the actual path that the call traverses, i.e., based on the carrier that originates the call and the carrier that terminates the call . . . Verizon [believes] if the carrier that originates the call is the same carrier that terminates the call, then the call is not considered local, even if the call originated and terminated with neighbors living next door to each other. Accordingly, Verizon's position states that only if the carriers who originate and terminate the call are different is the call considered a local call. This is simply not a logical or an appropriate interpretation.

According to witness Hunsucker, "Verizon wrongly contends that Sprint's Voice Activated Calling is access traffic and not local traffic due to the call's path through the network," which contrasts with Sprint's position that jurisdiction should be based on an "end-to-end" analysis.

Witness Hunsucker believes that Verizon's stance lacks consistency, given that Verizon actually supported an argument for an "end-to-end" analysis in its July 21, 2000 comments filed with the FCC in Docket No. 96-98. In part, the comments reflect:

> [T]he Court questioned whether the "end-to-end" analysis that the Commission has used for jurisdictional purposes is applicable here. The simple answer is that it is - the analysis that determines whether a call is "interstate" - where the call originates and terminates - is used to determine whether it is local under the Commission's rules. Furthermore, the Commission's "end-

> to-end" has not been used only to resolve jurisdictional questions, but has been the basis for substantive decisions as well.

Verizon's witness Munsell asserts that the consideration of this issue has two elements. He believes the decisive inquiry is not whether the calls are jurisdictionally "local," but whether they are subject to reciprocal compensation. Witness Munsell believes that the contract provisions that Sprint proposes envision VAD calls that originate with a Verizon end user, and then are routed to Sprint over access facilities so that Sprint can provide an operator service, and are subsequently routed back to Verizon for call termination within the same local calling area from which the call originated. Witness Munsell states:

> [VAD calls] are not local calls and reciprocal compensation is simply unavailable. The FCC clearly states in 47 C.F.R. § 51.701(e) that reciprocal compensation is payable only for traffic that originates on the network of one carrier and terminates on the network of a different carrier. *Here, the traffic is both originating and terminating on Verizon's network.* By definition, reciprocal compensation does not apply. (Italics in Original)

The witness believes that in order to determine whether the calls at issue are subject to reciprocal compensation, it is important to look at the originating and terminating geographic points, the originating and terminating carriers, as well as the routing of the call.

Verizon's witness states that the characteristics of 00- calls are identical to those of long distance calls. According to the Verizon witness, Sprint's operator service-routed calls are switched a number of times, "exactly like a standard-dialed long distance call." Verizon witness Munsell states "there is nothing to preclude calls dialed via "1+," or "101XXXX+1+7/10D" from being routed to the customer's chosen toll provider even when the dialed number (the "7/10D") is in the same local calling area as the originating telephone number." Although witness Munsell does not specifically address "1+" calls, he states that Verizon bills dial-around calls as switched access, "even when a dial-around customer . . . [is]

just calling the person next door." Witness Munsell states repeatedly that VAD calls are not local calls, and they should not be subject to reciprocal compensation. Verizon's witness states that 00- and 'dial-around' services are forms of "access traffic."

In its brief, Verizon states that the agreement's definition of local traffic should describe the traffic to which reciprocal compensation applies. Because Sprint's 00-/VAD calls are not subject to reciprocal compensation under the FCC rules, but rather are subject to access charges, Verizon believes the agreement's definition of local traffic should not include 00-/VAD calls. In addition, Verizon offers orders from California, Massachusetts, and Pennsylvania that support its position.

B. Analysis

As noted, the primary topic of discussion in this issue involves the compensation arrangement for calls placed utilizing a product Sprint intends to offer in Florida, its VAD product. We believe, however, that the true dispute concerns VAD calls that originate and terminate in the same local calling area, and whether said calls should be included in the definition of local traffic for the purposes of reciprocal compensation.

Our interpretation of subsections (b) and (e) of FCC Rule 47 C.F.R. Section 51.701 will be important considerations in this issue. Subsection (a) is included for informational purposes. In relevant part, Rule 47 C.F.R. Section 51.701 states:

> **§ 51.701 Scope of transport and termination pricing rules.**
>
> (a) The provisions of this subpart apply to reciprocal compensation for transport and termination of telecommunications traffic between LECs and other telecommunications carriers.
>
> (b) *Telecommunications traffic.* For purposes of this subpart, telecommunications traffic means:

> (1) Telecommunications traffic exchanged 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 (see FCC 01-131, paragraphs 34, 36, 39, 42-43); or
> (2) Telecommunications traffic exchanged between a LEC and a CMRS provider that, at the beginning of the call, originates and terminates within the same Major Trading Area, as defined in Sec. 24.202(a) of this chapter.
>
> . . .
>
> (e) *Reciprocal Compensation.* For purposes of this subpart, a reciprocal compensation arrangement between two carriers is one in which each of the two carriers receives compensation from the other carrier for the transport and termination on each carrier's network facilities of telecommunications traffic that originates on the network facilities of the other carrier.

We note that there does not appear to be a dispute over the compensation arrangement for toll calls placed utilizing Sprint's VAD product; these calls are unquestionably considered to be access for the purpose of inter-carrier compensation. A more detailed analysis of the routing of VAD calls is set forth in Section III of this Order. We believe the resolution of this matter is dependent upon our interpretation of the Act, the pertinent FCC Rules and Orders, and to the extent this Commission deems valuable, the precedent of decisions from other jurisdictions.

We believe that three key definitions in the Act factor into this analysis: exchange access, telephone exchange service, and

telephone toll service. Section 3 of the Act, in relevant part, provides the following:

> SEC. 3 [47 U.S.C. 153] DEFINITIONS.
> For the purposes of this Act, unless the context otherwise requires-
>
> (16) EXCHANGE ACCESS.-The term "exchange access" means the offering of access to telephone exchange services or facilities for the purpose of the origination or termination of telephone toll services.
>
> . . .
>
> (47) TELEPHONE EXCHANGE SERVICE.-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 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.
>
> (48) TELEPHONE TOLL SERVICE.-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.

The parties approached this issue from two angles, and cite to these definitions to support their respective positions. Sprint witness Hunsucker asserts that the VAD traffic that originates and terminates in the same local calling area is "local," and that the end points of the call dictate the jurisdiction. Witness Hunsucker contends the FCC has historically relied upon the "end-to-end" analysis to determine the jurisdiction of a call, and states that "[t]his end-to-end analysis is the same as the method that Sprint has supported in its negotiations with Verizon on this issue." According to witness Hunsucker, the network facilities used to complete a call are not factors to be considered; he believes that only the end points of the call are significant in determining a call's jurisdiction.

Witness Hunsucker testifies that the FCC's Call Completion Order, FCC 01-27, merits consideration in this issue. In its brief, Sprint contends that its VAD product provides a call completion service that meets the FCC's definition of an "operator service." According to witness Hunsucker, VAD is functionally similar to DA as a call completion service, and we believe this assertion is critically important. We find that the call completion portion of VAD is analogous to DA call completion from an end user's perspective. We note the following relevant excerpts from FCC 01-27 as support:

> 17. Section 3(47)(A). To come within the definition of "telephone exchange service" in section 3(47)(A), a service must permit "intercommunication" among subscribers within the equivalent of a local exchange area provided the service is covered by the exchange service charge. (footnote omitted)
>
> . . .
>
> 19. Section 3(47)(A). also requires that the service in question be "covered by the exchange service charge." The Commission has determined that this requirement is relevant only for the purpose of determining whether the service is local in nature . . . The call completion service of competitive DA providers for intra-exchange traffic is unquestionably local in nature, and the charge for it, generally imposed on an end user, qualifies as an

> "exchange service charge." We therefore conclude that this service meets the requirements of section 3(47)(A). (All footnotes omitted)

Verizon relies upon a literal interpretation of the FCC's rule on reciprocal compensation, Rule 47 C.F.R. Section 51.701(e), as cited previously. Accordingly, Verizon's witness Munsell states that no VAD calls which originate and terminate on the same network can be subject to reciprocal compensation. Therefore, he believes these calls are not local. Witness Munsell states that because VAD calls are switched a number of times, 00- calls share the same characteristics of long distance calls.

Witness Munsell states that "Access charges are assessed differently than reciprocal compensation - [because] the IXC pays the LEC regardless of whether the LEC is originating or terminating the call." The witness states that a strict interpretation of FCC Rule 51.701 supports Verizon's position. Witness Munsell also observes that Rule 51.701(e) specifically notes that the traffic which is subject to reciprocal compensation should originate on one network and terminate on another.

In arguing that reciprocal compensation cannot apply when a call originates and terminates on the same carrier's network, which in turn implies that the call cannot be local, we believe that Verizon argues in reverse order from the normal sequence. Customarily, jurisdiction is determined before considering the appropriate form of compensation.

While we acknowledge Verizon's point that 00- calls have the same characteristics (i.e., are routed to the same point of presence) as 1+ and 101XXXX calls, we do not find this argument is necessarily persuasive. We find that Sprint's "end-to-end" argument has merit, since the FCC has applied this approach in its ruling on the jurisdiction of competitive DA call completion services, which we find are analogous to BAD. (This ruling will be discussed further below.) Applying this "end-to-end" analysis leads us to conclude that the jurisdiction of 00- calls can vary.

We find that the FCC has consistently determined jurisdiction using an "end-to-end" analysis, and points in particular to its Call Completion Order, FCC 01-27, as especially relevant. In part, ¶19 of this order states: "[t]he calls completion service of competitive

DA providers for interexchange traffic is unquestionably local in nature, and the charge for it, generally imposed on an end user, qualifies as an 'exchange service charge. . . .'" We believe the crux of this issue involves those 00- and 7/10D calls that are "intra-exchange traffic," recalling that there does not appear to be a dispute over the compensation arrangement for inter-exchange calls placed using Sprint's 00-/VAD product. Therefore, based upon the preceding, we conclude that for calls placed using 00- and 7/10D, the end points of the call should define whether such traffic is jurisdictionally local. Accordingly, we find that 00- and 7/10D traffic, which originates and terminates in the same local calling area, should be defined as jurisdictionally local for the purposes of reciprocal compensation.

C. Decision

For the purposes of the new Sprint/Verizon interconnection agreement, we find that the jurisdiction of calls dialed via 00- or 7/10D should be defined based upon the end points of a call. Thus, calls dialed in this manner, which originate and terminate in the same local calling area, should be defined as local traffic.

III. SPRINT'S USE OF MULTIJURISDICTIONAL TRUNKS AND APPROPRIATE COMPENSATION TO BE APPLIED TO CALLS THAT ORIGINATE AND TERMINATE ON VERIZON'S NETWORK WITHIN THE SAME LOCAL CALLING AREA, UTILIZING SPRINT'S "00-" DIAL AROUND FEATURE

Sprint witness Hunsucker propounds that Sprint has developed a voice-activated dialing (VAD) product that will be offered to all of its end users nationwide who are presubscribed to Sprint's long distance service, including Verizon's local end users. He asserts that end users would gain access to Sprint's VAD platform by dialing 00-, which allows the end user to complete local and long distance calls. For example, an end user can dial 00- from a home phone and verbally instruct VAD to call a next door neighbor; "the system would look up the name, find the associated telephone number and complete the call accordingly." Witness Hunsucker speculates that VAD will be offered in late February 2002; however, he asserts that there are operational issues that may affect its release date, such as personal address book (PAB)-to-PAB synchronization, which links Sprint PCS customers' voice activated address book to its address book in VAD.

Witness Hunsucker likens Sprint's "00-" VAD service to Verizon's "0-" operator service (OS) or directory assistance (DA). According to Verizon's tariff, Verizon's operators may complete local calls for its end users for a flat fee. Similarly, Sprint's VAD platform allows local calls to be completed for a flat fee. Witness Hunsucker states that there "is no additional charge for extra local service minutes and certainly no additional charge for a toll call, even if Verizon's operator platform is located outside the local calling area." He asserts that the location of the operator services platform has no bearing on whether Verizon bills the call as local or toll. Witness Hunsucker contends that Sprint seeks the right to utilize its existing network switching and trunking to combine local and access traffic on the same facilities, also referred to as multi-jurisdictional trunk groups. Although witness Hunsucker concedes that the traffic traverses facilities traditionally designated for access, he believes that the end points of the call clearly make the traffic local. He believes that Sprint should pay the appropriate local charges for local traffic and access charges for access traffic. Sprint witness Hunsucker proposes to compensate Verizon at total element long run incremental cost (TELRIC) based rates for originating transport, plus terminating transport, end office switching, and tandem switching when Verizon uses these network elements to complete the call. He believes that FCC Order No. 01-27[1], issued January 23, 2001, supports Sprint's position on the classification of calls completed by DA, which is how he alleges VAD will be provided.

> The call completion service of competitive DA providers for intra-exchange traffic is unquestionably local in nature, and the charge for it, generally imposed on an end user, qualifies as an "exchange service charge."

FCC 01-27, ¶19

In response to Verizon's claim that a call must originate on one carrier's network and terminate on another carrier's network to be subject to reciprocal compensation, witness Hunsucker compares VAD to the routing that exists in a call forwarding scenario. He explains that when a Verizon end user places a local call to an

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[1]Provision of Directory Listing Information under the Telecommunications Act of 1934, As Amended, issued in Docket No. 99-273.

ALEC's end user whose calls are forwarded to another Verizon local end user, the traffic is considered local and subject to reciprocal compensation, regardless of the fact that the call originates and terminates on Verizon's network.

Sprint witness Hunsucker points out that other ILECs such as Qwest, SBC, and BellSouth have negotiated agreements with Sprint regarding the placement of local calls using "00-." He refers to the language in the recently filed interconnection agreement between BellSouth and Sprint in Florida, which reads:

> 00- traffic from Sprint IXC presubscribed end user customers will continue to be routed to Sprint IXC over originating FGD switched access service. Sprint CLEC will determine the amount of total 00- traffic that is local and will report that factor and the associated Minutes Of Use (MOUs) used to determine the factor to BST. Using that data and the Sprint IXC total switched access MOUs for that month, BST will calculate a credit on Sprint IXC's switched access bill, which will be applied in the following month. The credit will represent the amount of 00- traffic that is local and will take into consideration TELRIC based billing for the 00- MOUs that are local. The credit will be accomplished via a netting process whereby Sprint IXC will be given full credit for all applicable billed access charges offset by the billing of 00- transport charges only based upon the applicable state TELRIC rates contained in Attachment 3 of this Agreement. BellSouth will have audit rights on the data reported by Sprint CLEC.

Witness Hunsucker believes that Verizon's position is discriminatory and contrary to the compensation Verizon receives when it provides DA for its retail service. Moreover, he testifies that in other states, Verizon offers a voice dialing product in its local tariff. Witness Hunsucker asserts that VAD is a Sprint CLEC product that basically is a substitute for Verizon's voice dialing or speed dialing.

> The impact of the appropriate charge is key to Sprint's ability to implement this new and innovative service in Florida. In short, if Sprint must pay access charges for

> jurisdictionally local traffic, then Sprint will not be able to implement the service in Florida or any other state. The implementation of this service is dependent on Sprint's ability to pay the correct charges for the traffic.

Witness Hunsucker contends that if Sprint is required to pay access charges for local call termination from its VAD platform, it may not be economical to provide the service to end users.

Verizon witness Munsell points out that a "multi-jurisdictional trunk is one that carries two or more jurisdictions of traffic," and he believes that Sprint seeks to combine multiple jurisdictions of traffic over the same trunk group because Sprint wants to avoid paying access charges. He states that "Sprint should not have the unilateral right to create multi-jurisdictional trunks in implementing interconnection of Sprint's and Verizon's networks."

Witness Munsell explains that there are five generally accepted jurisdictions of domestic traffic, which are local, intrastate intraLATA, intrastate interLATA, interstate intraLATA, and interstate interLATA. While intraLATA traffic may be carried by local or long distance providers, witness Munsell asserts that interLATA traffic is primarily reserved for interexchange carriers (IXCs). He testifies that Exhibit 6, BOC Notes on the LEC Networks, specifies that "00-" and "101XXXX" dialing patterns should be routed to an IXC. Accordingly, witness Munsell opines that all such traffic is access traffic, and Verizon should be compensated at the rate set forth in its Florida access tariff. He believes that FCC Rule 51.701 supports Verizon's position, because the rule provides that reciprocal compensation applies when the call originates on one carrier's network, and terminates on another carrier's network. Moreover, witness Munsell believes that "00-" calls should be access regardless of the terminating point of the call.

Verizon witness Munsell asserts that all of Verizon's interconnection agreements with facilities-based CLECs in Florida require that exchange access and local traffic between Verizon and other carriers be routed over separate trunks. If this Commission allows Sprint to commingle traffic to Verizon's tandem, he contends that Verizon would not be able to separate traffic destined for third-party CLECs. Thus, Verizon would be forced to violate

contract provisions with other CLECs. Additionally, witness Munsell testifies:

> Sprint's proposed contract language only requires Sprint to compensate Verizon "for the delivery of such Local Traffic terminated on the Verizon network pursuant to the reciprocal compensation provisions of this Agreement."

He argues that Sprint's proposed language does not compensate Verizon for any switching or transport used to route the call to Sprint's POP. Witness Munsell believes that Sprint's proposal shifts Sprint's cost of provisioning inefficient local service to Verizon. Further, he contends that "Sprint's language does not preclude Sprint from billing Verizon for delivery of these calls to the Sprint POP."

In response to the assertion that call completion via VAD is analogous to the call forwarding scenario discussed by Sprint's witness, witness Munsell asserts that a call forwarding scenario generates two call records, with each call having distinct originating and terminating telephone numbers, while VAD generates one call record. Additionally, witness Munsell testifies that there are several operational issues that require separate trunks for local and access traffic. He states that in order for Sprint to bill Verizon appropriately,

> Sprint will need to set up terminating recording capability on the trunk group that carries local traffic subject to reciprocal compensation.

Witness Munsell maintains that according to the Multiple Exchange Carrier Access Billing (MECAB) guidelines, Verizon would generate terminating access records for tandem routed traffic, while Sprint would generate terminating records at its end office for all traffic including terminating exchange access. However,

> Sprint has not identified a method by which Sprint intends to identify and delete the duplicate records that Sprint will create for exchange access traffic. Without a method to delete the duplicate records, Verizon is rightly concerned that Sprint will bill reciprocal

> compensation charges to Verizon for traffic for which Verizon is not responsible.

Witness Munsell contends that Sprint has not provided a method to delete the duplicate records. He states that "without knowledge of the amount of traffic (local, intraLATA toll and exchange access) that Sprint would terminate, it is impossible to quantify the financial magnitude of this problem."

Last, witness Munsell believes that Sprint's ability to offer VAD as a flat rate service should not be a relevant factor in this Commission's decision; he contends that "the law can't be compromised to make it easier for Sprint to provide VAD or any other service." He adds that current law requires Sprint-the-IXC to pay access charges on "00-" calls that terminate in the same local calling area as the originating end user; thus, "Sprint should not be allowed to manipulate the definition of local traffic to achieve its objective." Further, witness Munsell testifies that the Massachusetts, Pennsylvania, and California state commissions have denied Sprint's attempt to reclassify this traffic.

B. Analysis

Sprint points out that this Commission has previously adopted Sprint's position on the jurisdiction of "00-" traffic in the Sprint/BellSouth Arbitration Order[2]. However, we note that Verizon has presented evidence in this proceeding that differs from the evidence presented by BellSouth in Docket No. 000828-TP. Specifically, BellSouth provided multi-jurisdictional trunks to itself, also referred to as "supergroup" trunks, within its network. Accordingly, the parties voluntarily agreed that,

> combining multi-jurisdictional traffic on a single trunk group, including an access trunk group, is technically feasible. (Sprint/BellSouth Arbitration Order at 44)

The parties also agreed that "where a BellSouth end-user who is pre-subscribed to Sprint-the-IXC dials 00, and Sprint switches the call back into the same BellSouth local calling area, the call would be a local call." See Sprint/BellSouth Arbitration Order at 37.

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[2]Order No. PSC-01-1095-FOF-TP, issued on May 8, 2001, in Docket No. 000828-TP.

However, in this arbitration, the parties do not agree on these key issues. Consequently, this order may appear to be inconsistent with the findings in the Sprint/BellSouth Arbitration Order; instead it is based upon the evidence presented in this proceeding.

We considered Sprint's assertion that VAD/00- service should be treated in a manner similar to OS/DA services. Sprint witness Hunsucker explains that end users would gain access to Sprint's VAD platform by dialing 00-, which prompts the end user to verbally instruct the system. Subsequently, "the system would look up the name, find the associated telephone number and complete the call accordingly." We note that Verizon does not dispute the fact that VAD is a DA-styled service. Therefore, we are persuaded that Sprint's VAD platform functionally performs as an end user defined DA-styled service.

Verizon witness Munsell asserts that Verizon's position revolves around the historical functionality of "00-," not Sprint's ability to provide competitive DA. We note that the parties agree that carriers may compete to provide DA service to end users. Since there is no dispute that alternative carriers may provide DA, we focus on the issue of technical feasibility and the cost responsibility of the parties.

From an engineering perspective, we considered whether multi-jurisdictional trunks are technically feasible. Verizon's witness Munsell testifies that typically the only difference between an access facility and a local interconnection facility is the type of signaling employed, Feature Group D (FGD) for access versus Feature Group C (FGC) for local. We note that FGD signaling, also referred to as Equal Access signaling, is employed on access trunks so that end users may choose their interexchange carrier (IXC). Witness Munsell also affirms that the physical facilities do not differ, only how they are set up, since the switch actually does the signaling. Therefore, we find that it is technically feasible to provide multi-jurisdictional trunks from an engineering standpoint.

We next considered whether multi-jurisdictional trunks are technically feasible from a billing perspective. Verizon witness Munsell testifies and provides evidence that Sprint has not resolved operational issues surrounding duplicate billing. We note that Sprint's witness Hunsucker was unable to respond to inquiries of

duplicate billing. Witness Hunsucker does testify that currently Sprint is in the process of testing its billing system for VAD. He adds that the tests are being done internally, asserting that Sprint has "not offered to test the system with Verizon, nor has Verizon offered to test the system with us." It is perplexing to us that Sprint seeks to introduce a billing system modification that would make it technically feasible to reclassify "00-" traffic based upon the end points of the call, but Sprint has not sought input from Verizon or the Ordering and Billing Forum (OBF). We note that the OBF is a group of industry participants that meet to discuss and resolve issues affecting standards in ordering, billing, and other related issues. We agree with Verizon's witness that the magnitude of inaccurate or duplicate billing is immeasurable. Moreover, we are persuaded that other carriers may be adversely affected, because

> ...Verizon will not be able to "separate" the exchange access traffic destined for a third party CLEC from the local traffic also destined for a third party CLEC.

Consequently, we do not find that multi-jurisdictional trunks are technically feasible from a billing perspective at this time.

Regardless of whether "00-" traffic originates and terminates in the same local calling area, Verizon witness Munsell testifies that Sprint should pay access charges. He contends that historically "00-" traffic has been considered access traffic. Witness Munsell asserts that the switch identifies the trunk group on which the call should be placed by the end user's dialing pattern. The facilities over which VAD traffic would traverse are access facilities, as ordered by Sprint-the-IXC from the access tariff. We agree that traditionally "00-" calls have been considered access. However, we believe that our decision in the Sprint/BellSouth Arbitration Order removed the presumption that we must rely on the traditional compensation mechanism for "00-" traffic.

> For 00- traffic routed over access trunks, the appropriate compensation scheme shall be preserved for each jurisdiction of traffic that is combined, i.e., local and intra/interLATA.

Order No. PSC-01-1095-FOF-TP, p.38

To address cost responsibility, we refer to FCC Rule 51.701(e), which reads:

> *Reciprocal compensation.* For purposes of this subpart, a reciprocal compensation arrangement between two carriers is one in which each of the two carriers receives compensation from the other carrier for the transport and termination on each carrier's network facilities of telecommunications traffic that originates on the network facilities of the other carrier.

Verizon witness Munsell interprets this rule to limit payment of reciprocal compensation to calls that originate on one carrier's network and terminate on another carrier's network. Though plausible, we find that Verizon's interpretation may be unduly narrow. We interpret reciprocal compensation to encompass cost recovery between carriers for any terminating tandem switching, end office switching, and transport when local traffic is exchanged between carriers. In the scenario where a Verizon end user places a local call via VAD/00-, it is clear to us that a call is exchanged between Sprint and Verizon. Based solely upon the discretion of the end user, this local call may terminate to a Verizon, Sprint, or third-party ALEC from the VAD platform. When Verizon's end users originate VAD calls that terminate back to a local Verizon end user, we find that traffic has been exchanged between carriers. Although the call may originate and finally terminate with the same carrier, we agree with Sprint that the introduction of an intermediate carrier, Sprint, qualifies the call as telecommunications traffic exchanged between carriers.

We acknowledge Verizon's reference to ¶1034 of the *FCC's First Report and Order*[3], where witness Munsell points out that the FCC concluded that an IXC was not entitled to receive reciprocal compensation for calls passed to a LEC. We agrees with Verizon's interpretation of the paragraph; however, we find that ¶1034 affirms Sprint's position rather than Verizon's.

> We disagree with Frontier's contention that section 251(b)(5) entitles an IXC to receive reciprocal compensation from a LEC when a long-distance call is

[3]FCC 99-325, issued August 8, 1996 in Docket No. 96-98.

> passed from the LEC serving the caller to the IXC. Access charges were developed to address a situation in which three carriers -- typically, the originating LEC, the IXC, and the terminating LEC -- collaborate to complete a long-distance call.... (Emphasis added)

FCC 96-325, ¶1034

We believe the circumstances surrounding VAD traffic differ. First, Sprint witness Hunsucker testifies that VAD will be offered by Sprint-the-ALEC, not Sprint-the-IXC. Second, we find that Sprint's VAD offering does not fit the FCC's situation for "access charges" as described in ¶1034. We note that the traffic addressed in this issue is not "long distance" traffic; it originates and terminates within the same local calling area. Moreover, Sprint does not seek to receive reciprocal compensation; Sprint is proposing to pay reciprocal compensation rates.

Further, we refer to FCC Order No. 01-27, which reads:

> The call completion service of competitive DA providers for intra-exchange traffic is unquestionably local in nature, and the charge for it, generally imposed on an end user, qualifies as an "exchange service charge."

FCC 01-27, ¶19

Again, we find that Sprint's VAD/00- service qualifies as a user defined DA-styled service. We understand Verizon's position with respect to the traditional classification of "00-" traffic. However, Verizon admits that if Sprint-the-ALEC obtains another NXX for VAD calls that are not routed to Sprint's POP, Verizon would not oppose Sprint's proposal. Based on the record, we find that it is not technically feasible to assign competitive DA providers an NXX, since designated carrier NXXs would have to be reserved on a nationwide basis. Due to the limited quantity of numbering resources and the potential number of competitors who may request a NXX, we believe that Sprint's proposal is one of the few ways, if not the only way, that competitive DA may be provided. We note that Verizon acknowledges that there is no presubscription to 411[6]; thus,

[6]We note that 411 is reserved for the ILEC's DA service.

411 traffic cannot be routed to a competitive provider. Moreover, Verizon witness Munsell admits that he is unsure of how a competitive DA provider could gain access to local end users.

We find that VAD calls conceptually do not quite fit the traditional description of local or long distance services. In Section II, we find that for the purposes of reciprocal compensation, local traffic should be defined in the new Sprint/Verizon interconnection agreement based upon the end points of a call. As set forth in this issue, the traffic in dispute clearly originates and terminates in the same local calling area. Accordingly, it appears evident that reciprocal compensation should apply. However, "00-" calls traverse Sprint's POP, which suggests that access charges should apply. Thus, there is a question as to the appropriate compensation for this type of traffic.

Sprint proposes to compensate Verizon for originating transport and terminating tandem switching, transport, and end office switching at TELRIC-based rates. In effect, Sprint's proposal is a hybrid. We observe that Sprint's proposal compensates Verizon for call origination and termination, which is similar to the access compensation mechanism applicable to toll traffic. However, consistent with compensation for local traffic, Sprint's proposed rates are TELRIC-based. Verizon witness Munsell affirms that Verizon would recover its costs for completion of the calls at TELRIC-based rates. Therefore, we are persuaded that Sprint's proposal for compensation certainly covers the costs that Verizon would incur. We are also persuaded that VAD/00- traffic that originates and terminates on Verizon's network within the same local calling area, should be compensated in the manner proposed by Sprint. While we are hesitant to establish an apparent precedent by accepting Sprint's proposal to pay the originating transport of a local call, we find that because Sprint volunteered to pay the transport, the order would not be in conflict with FCC Rule 51.703(b), which reads:

> A LEC may not assess charges on any other telecommunications carrier for local telecommunications traffic that originates on the LEC's network.

The rule does not appear to prohibit Sprint from voluntarily paying charges for traffic originated on another carrier's network.

We note that Sprint witness Hunsucker agrees that if we determine that local calls completed via VAD should be compensated as local in Verizon's territory, he believes the same compensation mechanism should apply to competitive DA providers in Sprint's territory.

We recognize that other state commissions have denied Sprint's proposal on compensation for VAD calls. In response, we note that the parties agree that FCC rules allow carriers to provide competitive DA. We also note that when DA traffic terminates in the same local calling area as it originates, the FCC concluded that the traffic is "unquestionably local in nature, and the charge for it, generally imposed on an end user, qualifies as an 'exchange service charge'." (FCC 01-27, ¶19)

C. Decision

Until such time that Sprint demonstrates to Verizon or this Commission that its billing system can separate multi-jurisdictional traffic transported on the same facility, we find that Sprint should not be allowed to utilize multi-jurisdictional trunks. We trust that Sprint will work cooperatively with Verizon and the Ordering and Billing Forum on its billing system.

When Sprint demonstrates to Verizon or this Commission that its billing system can separate multi-jurisdictional traffic transported on the same facility, we find that Sprint's proposal for compensation should apply to "00-" calls that originate and terminate on Verizon's network within the same local calling area.

IV. PROVISION OF CUSTOM CALLING FEATURES AND APPROPRIATE RATE

Sprint witness Felton claims that this Commission has previously ruled in its favor on this very issue in the Sprint/BellSouth arbitration, Docket No. 000828-TP. He states that "this Commission ordered BellSouth to provide [to Sprint] vertical features on a stand-alone basis at wholesale rates." The witness asserts:

> The facts in the BellSouth-Florida case are nearly identical to the facts presented in this case. BellSouth argued that it does not offer its Custom Calling Services

> to its end-users on a stand-alone basis and that these services must be purchased in conjunction with basic telephone service. This Commission agreed with Sprint that BellSouth's reasoning for not offering its Custom Calling Services for resale on a stand-alone basis is flawed, because BellSouth's condition for purchase is distinct from the product itself. This Commission said that BellSouth is not being asked to disaggregate a retail service into more discrete retail services since the features themselves are the service at issue. The Commission ordered that, "BellSouth shall be required to make its Custom Calling features available for resale to Sprint on a stand-alone basis."

Witness Felton states that the Commission based its decision on provisions of Section 251 (c)(4)(A) of the Act.

As in the BellSouth case, the crux of this issue comes down to two things: an interpretation of tariff restrictions, and a review of ¶939 of the FCC's First Report and Order in CC Docket No. 96-98 (FCC 96-325). Sprint witness Felton states that the 10th Revised Page 10 of Verizon's General Services Tariff states in part that "Smart Call Services are furnished in connection with individual line service." The witness interprets this to mean that Verizon believes "its tariff allows it to refuse to make vertical features available for resale without also purchasing a local loop, or dial tone." Witness Felton believes that Verizon tariff restrictions that apply to end users should not apply to Sprint. Citing FCC Order 96-325, witness Felton asserts:

> The FCC, in its Local Competition Order, ¶939, found unequivocally that "resale restrictions are presumptively unreasonable" and this includes "conditions and limitations contained in the incumbent LECs underlying tariff." Additionally, the FCC said that "[i]ncumbent LECs can rebut this presumption [only] if the restrictions are narrowly tailored." The FCC explained that the presumption exists because the ability of ILECs to impose resale restrictions and limitations is likely to be evidence of market power, and may reflect an attempt by ILECs to "preserve their market position."

The witness believes that the ILEC [Verizon] must demonstrate that it is reasonable and non-discriminatory to apply the restriction in its tariff to an ALEC. "The burden of proof is on Verizon," he states, to overcome what he claims is Verizon's attempt to tie the provision of local dial tone and custom calling services together. In addition to this Commission, three other state commissions have ordered an ILEC to provide stand-alone vertical features at wholesale rates: California, Texas, and North Carolina.

The Sprint witness states that basic local service and vertical features are two distinct retail services. Witness Felton offers the following:

> Many products and services have been developed, or are under development, which require a Smart Call℠ Service as a component for the product or service to work optimally. An example of just such a product is Unified Communications, which allow messages to be retrieved from various electronic devices, i.e., retrieve voice mail from a computer or e-mail from a telephone. [sic] This requires the use of one mailbox for all of a customer's voice messages. For this to work properly, the customer must have Call Forwarding Busy Line and Call Forwarding Don't Answer. This is just one example of a service that could be deployed using a stand-alone Smart Call ℠ Service as a component.

Sprint's witness also states that a subsequent resale is a non-issue as well. He states:

> The fact that another CLEC provides a customer's basic service should not preclude Sprint (or another CLEC) from providing optional services to that same customer . . . [For] example, assume Sprint resells a vertical feature to an end-user for whom Verizon is the basic local service provider. If that customer then chose a CLEC other than Sprint as their basic local service provider but did not wish to purchase the vertical service in question from the CLEC, then no problem arises since basic local service and the vertical feature are two distinct retail services . . . If the customer . . . chose to purchase the vertical feature in question from

> the CLEC, then Sprint would be obligated to relinquish the vertical feature to the CLEC.

Witness Felton acknowledges that Sprint could procure the vertical features it seeks from Verizon on a retail basis, but "this would be less than optimal for three reasons," claims witness Felton:

> First, Sprint would be forced to pay retail, rather than wholesale, rates. Sprint . . . is entitled to purchase from Verizon at wholesale prices those telecommunications services that Verizon sells at retail to end-users. Second, Sprint would be forced to deal with Verizon as an end-user customer rather than the way Congress and the FCC intended, as an interconnecting carrier . . . . Third, if Sprint is treated as an end-user . . ., [it] could expect to receive and manage thousands of paper bills in much the same format Verizon utilizes for its own end-users, rather than a mechanized billing system it utilizes when billing carriers with whom it has a wholesale relationship.

Such treatment would prevent Sprint from acting as a true competitor to Verizon, something that "clearly is discriminatory," according to witness Felton.

In pursuit of this issue, Sprint seeks language in the interconnection agreement that would allow it to purchase vertical features from Verizon on a "stand-alone" basis without the restriction of having also to purchase basic local service for resale. Sprint's proposed contract language is:

> Resale of Smart Call℠ Services and other vertical features. Except as expressly ordered in a resale context by the relevant state Commission in the jurisdiction in which the services are ordered, Smart Call℠ Services and other vertical features shall be available for resale on a stand-alone basis subject to the wholesale discount.

Verizon's witness Dye believes the scope of this issue is fairly narrow, asserting that the debate concerns the applicability

of the wholesale discount rate, not the provision of stand-alone vertical services. The witness states:

> The issue is not whether Sprint may purchase custom calling features for resale without purchasing Verizon's dial tone service: it can. The [true] issue is how much Sprint must pay for those services when it purchases them on what is known as a "stand-alone" basis - that is, without concurrently purchasing Verizon's dial tone service. Because Verizon only offers its custom calling features at retail to customers who concurrently purchase Verizon's dial tone service, Verizon has no obligation under § 251(c)(4) to provide Sprint with those features on a stand-alone basis at the § 252(d)(3) wholesale discount rate.

Verizon proposes to allow Sprint to purchase and resell vertical features on the same terms and conditions it offers to Enhanced Service Providers ("ESPs").

According to witness Dye, Verizon's retail customers must purchase basic dial tone service in order to use its custom calling features offered at retail. Basic local service and custom calling features are priced individually, states witness Dye. "A retail customer may order the dialtone service without any custom calling features, [but] the reverse is not true," according to witness Dye. According to Verizon's General Services Tariff, Section A13.14, 11th Revised Page 10, "calling services are furnished in connection with individual line service exclusive of semipublic telephone service, CENTREX, CentraNet®, and PBX trunk lines." Sprint, however, is requesting that Verizon be required to offer its retail custom calling features for resale at a Section 252(d)(3) wholesale discount rate without the concurrent purchase and resale of the basic dial tone service, according to Verizon witness Dye.

Witness Dye discusses his understanding of the parameters of the wholesale discount obligations for local exchange carriers in the Act:

> [I]t is my understanding that the Act requires incumbent local exchange carriers ("ILECs") "to offer for resale at wholesale rates any telecommunications service that the

> carrier provides at retail to subscribers who are not telecommunications carriers." 47 U.S.C. § 251(c)(4). As explained above, Verizon does not offer custom calling features on a stand-alone basis at retail. Accordingly, it is my understanding that to the extent Sprint seeks to purchase and resell these services in a manner inconsistent with how Verizon offers them at retail, it does so outside the context of § 251(c)(4) and would not be entitled to the § 252(d)(3) discount.

The witness believes the FCC affirms Verizon's position in ¶877 of the FCC's First Report and Order (FCC 96-325). Therein, the FCC stated that ILECs are not required to "disaggregate a retail service into more discrete retail services." The witness believes "an offering of custom calling features on a stand-alone basis would be tantamount to an impermissible disaggregation of Verizon's 'retail service into more discrete retail services.'" In order to avail itself of the Section 252(d)(3) wholesale discount, Sprint must purchase custom calling features on the same terms and conditions as Verizon's retail customers, according to witness Dye.

Verizon, however, does provide custom calling features to wholesale customers without the associated dial tone line, but the provision thereof is not at the Section 252(d)(3) wholesale discount. Witness Dye explains:

> Verizon provides the network capabilities of various custom calling features to virtually any entity that subscribes to the services offered under Verizon's General Services Tariff, Section A13.33 . . . [E]nhanced Service Providers or "ESPs," resell custom calling features to the Verizon dial tone subscriber as part of an enhanced service offering such as voice messaging. The provision of custom calling features under Section A13.33 . . . is not a retail offering, but a wholesale/resale offering that predates the Act, and is not subject to the resale obligation of § 252(c)(4) or the § 252(d)(3) discount.

The witness believes allowing Sprint to purchase the same service at a wholesale discount would be "unfair" to the ESPs. Witness Dye believes that ESPs and Sprint intend to use Verizon's custom calling

features in a similar manner, and states that Verizon in no way would restrict Sprint's use or resale of the stand-alone custom calling features. "Sprint can purchase custom calling features . . . from the same Verizon tariff (i.e., under Section A13.33) and at the same rates as ESPs for resale to its customers while Verizon continues to provide the directly associated dial tone line," states witness Dye.

Verizon's witness Dye states that wholesale discounts on retail services are based upon an avoided cost analysis. The witness explains that such an analysis "considers what costs Verizon will avoid should it cease to provide retail dial tone service." Witness Dye asserts:

> Verizon's current § 252(d)(3) wholesale discount was derived by examining the total (combined dial tone line and custom calling feature) retail expense avoided when sales and ordering processes change from retail to wholesale. It would be unfair and inconsistent with the avoided cost analysis used to calculate the § 252(d)(3) wholesale discount if that discount is applied in a context in which Verizon continues to provide the retail dial tone service.

The witness states that there is not any measurable data from which to calculate a Section 252(d)(3) discount for stand-alone custom calling features. He states, "Verizon will avoid few, if any, costs because the majority of sales, ordering, and billing costs would remain associated with [the] basic dial tone line, for which Verizon would remain responsible." To sum up these assertions, witness Dye states:

> Verizon's retail and § 252(d)(3) wholesale rates are developed based on how Verizon offers its services at retail. Consistently, § 252(c)(4) [sic] only requires Verizon to offer for resale at § 252(d)(3) discounted rates . . . [for] telecommunications services consistent with Verizon's offering of those services at retail. To allow Sprint to "disaggregate" Verizon's retail offerings and yet get a discount calculated based on Verizon's retail service is simply unfair and inconsistent with the requirements of the Act.

According to its brief, Verizon does not believe this Commission should require it to give a Section 252(d)(3) avoided cost discount to Sprint for the resale of stand-alone vertical features. Verizon notes in its brief that it does not offer these stand-alone features at retail and would not avoid the costs contemplated by the Section 252(d)(3) avoided cost calculation.

B. Analysis

As previously mentioned, this issue involves two interrelated topics: first, whether Verizon should be required to provide vertical features to Sprint on a stand-alone basis; and second, if so, whether the wholesale discount rate should apply for the provisioning of those features.

We observe that prior to the recent BellSouth/Sprint arbitration case, Docket No. 000828-TP, the issue described herein had not been previously addressed in Florida. The matter in the instant proceeding appears to be substantially similar to that which was decided in the BellSouth/Sprint arbitration case,[5] although the wording of the issue in this arbitration case specifically identifies an additional consideration that the prior case did not, and that is whether the wholesale discount rate in Section 252(d)(3) should apply. We also point out that in the BellSouth/Sprint case, we acknowledged BellSouth's concern over the question of the "technical feasibility" of provisioning stand-alone custom calling features. (Order No. PSC-01-1095-FOF-TP at p. 12) However, Verizon makes no such argument here, and as such, we find that "technical feasibility" is not an issue between these two parties.

Throughout their argument of this issue, each party cites to the Act -- more specifically, to Section 251(c)(4) and Section 252(d)(3):

> SEC. 251. [47 U.S.C. 251] INTERCONNECTION.
>
> . . .
>
> (c) ADDITIONAL OBLIGATIONS OF INCUMBENT LOCAL EXCHANGE CARRIERS.-
> In addition to the duties contained in subsection (b), each

[5]See Order No. PSC-01-1095-FOF-TP, issued on May 8, 2001, in Docket No. 000828-TP.

incumbent local exchange carrier has the following duties:

. . .

(4) RESALE.-The duty-

(A) to offer for resale at wholesale rates any telecommunications service that the carrier provides at retail to subscribers who are not telecommunications carriers; and

(B) not to prohibit, and not to impose unreasonable or discriminatory conditions or limitations on, the resale of such telecommunications service, except that a State commission may, consistent with regulations prescribed by the Commission under this section, prohibit a reseller that obtains at wholesale rates a telecommunications service that is available at retail only to a category of subscribers from offering such service to a different category of subscribers.

SEC. 252. [47 U.S.C. 252] PROCEDURES FOR NEGOTIATION, ARBITRATION, AND APPROVAL OF AGREEMENTS.

. . .

(d) PRICING STANDARDS.-

. . .

(3) WHOLESALE PRICES FOR TELECOMMUNICATIONS SERVICES.-For the purposes of section 251 (c)(4), a state Commission shall determine wholesale rates on the basis of retail rates charged to subscribers for the telecommunications service requested, excluding the portion thereof attributable to the marketing, billing, collection, and other costs that will be avoided by the local exchange carrier.

Sprint witness Felton contends the facts in the BellSouth/Sprint case are nearly identical to the facts presented in this case. He states that BellSouth and Verizon presented similar arguments: first, custom calling services are not offered to end users on a stand-alone basis; and second, a request for a stand-alone product may conflict with the FCC's "disaggregation" argument, as found in ¶877 of FCC 96-325. Paragraph 877 of FCC 96-325 reads in part:

> On the other hand, section 251(c)(4) does not impose on incumbent LECs the obligation to disaggregate a retail service into more discrete retail services. The 1996 Act merely requires that any retail services offered to customers be made available for resale.

We note that in the BellSouth/Sprint case, we did not agree with either of BellSouth's contentions. (Order No. PSC-01-1095-FOF-TP at pp. 11-12)

According to Verizon witness Dye, "Sprint seeks to purchase and resell these [vertical] services in a manner inconsistent with how Verizon offers them at retail." Verizon witness Dye believes his company's position is supported by ¶877, because ILECs are not required to "disaggregate a retail service into more discrete retail services." The witness believes "an offering of custom calling features on a stand-alone basis would be tantamount to an impermissible disaggregation of Verizon's 'retail service into more discrete retail services.'" We disagree, since Verizon relies upon the restrictions in its General Services Tariff. We note that ¶939 of FCC 96-325 addresses resale restrictions. Paragraph 939 of FCC 96-325 provides in part:

> We conclude that resale restrictions are presumptively unreasonable. Incumbent LECs can rebut this presumption, but only if the restrictions are narrowly tailored. Such resale restrictions are not limited to those found in the resale agreement. They include conditions and limitations contained in the incumbent LEC's underlying tariff . . . Recognizing that incumbent LECs possess market power, Congress prohibited unreasonable restrictions and conditions on resale . . . Given the probability that restrictions and conditions may have

> anticompetitive results, we conclude that it is consistent with the procompetitive goals of the 1996 Act to presume resale restrictions and conditions to be unreasonable and therefore in violation of section 251(c)(4) . . .

Furthermore, as witness Felton states, "the services [stand-alone custom calling features] Sprint seeks to resell are already disaggregated from basic local service." He notes the Commission found BellSouth's reasoning in the Sprint/BellSouth arbitration flawed "because BellSouth's condition for purchase is distinct from the product itself." Our decision is set forth in Order No. PSC-01-1095-FOF-TP, issued on May 8, 2001, in Docket No. 000828-TP.

Verizon witness Dye argues vigorously against the applicability of the Section 252(d)(3) wholesale discount for stand-alone custom calling features. The bulk of Verizon's argument is targeted at this consideration. Verizon proposes to allow Sprint to purchase and resell stand-alone vertical features on the same terms and conditions it offers to ESPs, subject to and offered under Verizon's General Services Tariff, Section A13.33, and with no wholesale discount, according to its witness Dye. In order to avail itself of the Section 252(d)(3) wholesale discount, Sprint must purchase custom calling features with the associated line, subject to the same terms and conditions as Verizon's retail customers, according to witness Dye.

Wholesale discounts on retail services are based upon an avoided cost analysis, according to witness Dye. The witness believes that "Verizon's current § 252(d)(3) wholesale discount was derived by examining the total (combined dial tone line and custom calling feature) retail expense avoided when sales and ordering processes change from retail to wholesale." However, witness Dye believes that there is no measurable data from which to calculate a Section 252(d)(3) discount solely for stand-alone custom calling features. He states that Verizon "will avoid few, if any, costs because the majority of sales, ordering, and billing costs would remain associated with [the] basic dial tone line, for which Verizon would remain responsible."

We observe that Section 251(c)(4)(A) provides, in pertinent part, that ILECs have the duty to resell "at wholesale rates any

telecommunications service that the carrier provides at retail," subject to the pricing standard in Section 252(d)(3). We can find no exemption from this requirement for the custom calling/vertical features addressed herein, nor has Verizon identified any such exemption in this record. Thus, while we find Verizon's arguments somewhat persuasive from a practical perspective, it appears that the Act requires that these services be offered at a wholesale discount rate.

We note that Verizon's current wholesale discount rate was established in Docket No. 960847-TP. Based on a cursory review, it appears that all subsequent resale agreements involving Verizon (f.k.a. GTE Florida, Inc.) have included the same wholesale discount rate for all resold services, 13.04%. To cite a recent example, in Docket No. 010690-TP, Progress Telecommunications Corporation adopted the terms of the interconnection, resale and unbundling agreement between Verizon-Florida, Inc. and Parcom Communications, Incorporated (PCI) that reflect the "avoided cost discount for all services, excluding OS/DA, is 13.04%[6]." (Appendix C in PCI agreement)

Sprint did not address or rebut witness Dye's statements regarding how Verizon calculated its wholesale discount, or whether the calculation was made based on the total avoided retail expense (line plus custom calling features). That Verizon witness Dye alleges that "no measurable data [exists] from which to calculate a § 252(d)(3) discount for stand-alone custom calling features." Absent such a calculation, Verizon's current wholesale discount rate of 13.04%, established in Docket No. 960847-TP for all services, is the only available discount percentage that can be used to satisfy the resale pricing standard in Section 252(d)(3). However, we find that Verizon should be allowed to calculate an avoided cost discount rate specifically for stand-alone custom calling features, if it so chooses. Absent such a rate, we find the parties should use Verizon's current wholesale discount rate of 13.04%. If and when Verizon has calculated the feature-specific avoided costs, we find that Verizon should present its findings to this Commission for review. Upon this our approval, the feature-specific discount rate should replace the 13.04% wholesale discount rate for stand-alone

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[6] See Order No. PSC-01-1275-FOF-TP, issued on June 11,2001.

custom calling features, effective with the date of a Commission order, or in a time-frame mutually agreeable between the parties.

C. Decision

Therefore, based on the preceding analysis, for the purposes of the new Sprint/Verizon interconnection agreement, Verizon shall be required to provide custom calling/vertical features, on a stand-alone basis, to Sprint. The provision of these services shall be at Verizon's current wholesale discount rate for all resold services, 13.04%. The current wholesale discount rate shall apply until such time as Verizon may choose to calculate, and this Commission approves, an avoided cost calculation that specifically addresses stand-alone custom calling features.

V. APPLICABILITY OF REVISIONS TO VERIZON'S COLLOCATION TARIFF

A. Arguments

Sprint asserts that if they are bound by subsequent Verizon tariff revisions prior to explicit approval of the revisions by this Commission, said revisions would be "unilateral" changes to the parties' interconnection agreement. Sprint asserts this would essentially allow Verizon to avoid interconnection obligations. Sprint asserts that its proposed language preserves Verizon's right to revise its tariffs, so long as such action is undertaken in a fair and equitable manner in which Sprint has the opportunity to participate in a meaningful fashion, before the changes become effective.

Sprint further asserts that Section 251(c)(1) of the Telecommunications Act of 1996 requires the parties to negotiate in "good faith" the "particular terms and conditions" of an interconnection agreement, and as a result any obligations arising under a contract by referring to non-negotiable tariffs is a violation of the good faith requirement. Verizon states that Sprint has already agreed in the draft interconnection agreement to the incorporation of future tariff revisions by virtue of the parties' inclusion of Article II, Section 1.5, *Tariff Offerings*, which provides both parties the right to modify tariffs that would become automatically applicable after notice has been given to the other party.

Verizon further asserts that in order to remain consistent and uniform in its provision of products and services to all ALECs, future revisions of its tariffs need to be immediately applicable through various interconnection agreements. Verizon witness Ries contends that Sprint's proposed language provides Sprint with a collocation price arbitrage opportunity that no other carrier would have unless it adopted Sprint's agreement with Verizon. Verizon argues that this would allow Sprint an unfair competitive advantage over those carriers that must purchase from the tariff.

B. Analysis

We recognize the importance of ensuring equal competitive opportunities for all carriers. We agree with Verizon witness Ries that allowing the incorporation into the parties' agreement of Sprint's proposed language granting them authority to contest future collocation tariff revisions before Sprint is bound, allows Sprint to gain an unfair competitive advantage over its fellow competitors in the ALEC market. Pursuant to Section 364.051, Florida Statutes, tariff revisions made by price-regulated ILECs are "presumptively valid" and applicable to those carriers that must purchase from the tariff. Inclusion of Sprint's proposed language would place Sprint in the unique position of not initially being bound to Verizon's revised collocation tariff, while other ALEC competitors, who have not adopted the Sprint/Verizon agreement, would be bound by such revisions.

This Commission has previously addressed the issue of whether an interconnection agreement can be modified by subsequent tariff filings.[7] In the AT&T/MCI/GTEFL Arbitration Order, this Commission held that GTE "should not be permitted to unilaterally modify an agreement reached pursuant to the Act by subsequent tariff filings." *Id.* at 145. However, we did find that "...interconnection agreements between GTEFL and AT&T and MCI may be modified by subsequent tariff filings if the agreements contain express language permitting modification by subsequent tariff filing, such as a

[7] In Re: Petitions by AT&T Communications of the Southern States, Inc., MCI Telecommunications Corporation and MCI Metro Access Transmission Services, Inc. for arbitration of certain terms and conditions of a proposed agreement with GTE Florida Incorporated concerning interconnection and resale under the Telecommunications Act of 1996, Docket No. 960847-TP and Docket No. 960980-TP, Order No. PSC-97-0064-FOF-TP, issued January 17, 1997. (AT&T/MCI/GTEFL Arbitration Order)

clause establishing a contractual requirement with specific reference to a tariff provision." *Id.* at 146. We find that Verizon's proposal embodies our finding in the AT&T/MCI/GTEFL Arbitration Order by requiring a provision in the agreement that makes specific reference to Verizon's collocation tariff.

We believe, nor does Sprint contest, that Sprint would have a remedy if a provision in the parties' agreement included specific reference to Verizon's collocation tariff. However, implicit in Sprint's argument is that if Verizon makes a revision to its collocation tariff, Sprint's remedy is inadequate. We disagree. Sprint may file a petition with this Commission pursuant to Section 364.058(1), Florida Statutes, which provides "Upon petition or its own motion, the commission may conduct a limited or expedited proceeding to consider and act upon any matter within its jurisdiction." Therefore, we find Sprint may petition this Commission to cancel any subsequent Verizon collocation tariff revisions.

Furthermore, we can require a refund if the tariff is determined not to be in compliance, because any revenues collected during the period the tariff was in effect would have been collected under an invalid tariff. In addition, we note that under appropriate circumstances we may also be able to implement the additional remedy of requiring that tariff revenues be held subject to refund pending resolution of a tariff dispute, which would ensure that monies would be available for refund should Sprint prevail in a tariff dispute.[8]

C. Decision

We find that changes made to Verizon's Commission-approved collocation tariffs, made subsequent to the filing of the new Sprint/Verizon interconnection agreement, should supercede the terms set forth at the filing of this agreement. Furthermore, we find that this be accomplished by including specific reference to the Verizon collocation tariffs in the parties' interconnection agreement. However, we find that Sprint shall retain the right, when it deems

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[8]Order No. PSC-97-0358-FOF-TP, issued March 31, 1997, in Docket No. 970281-TP (requiring that revenues collected under tariffs filed to comply with FCC Order 96-388 be held subject to refund if the Order was protested.)

appropriate, to contest any future Verizon collocation tariff revisions by filing a petition with this Commission.

VI. COLLOCATION OF VERIZON EQUIPMENT IN SPRINT'S CENTRAL OFFICE

A. Arguments

Verizon witness Reis testifies that Section 251(a) of the Telecommunications Act (the Act) imposes a duty on all telecommunications carriers "to interconnect directly or indirectly with the facilities and equipment of other telecommunications carriers." He contends that Verizon should be allowed to collocate as a reasonable means of interconnection, as opposed to requiring Verizon to provide transport to Sprint's interconnection points. He contends that imposing a collocation requirement on Sprint offers Verizon the opportunity to provide more efficient interconnection.

Verizon witness Reis argues that Sprint is a "monopoly provider of access to its network"; thus, requiring collocation is a reasonable alternative that should be afforded to Verizon.

> Otherwise, not only could Sprint force Verizon to haul local traffic over great distances to a distant point of interconnection, but it could also force Verizon to hire Sprint as Verizon's transport vendor.

We note that Sprint did not file testimony on this issue.

B. Analysis

We agree with Verizon that Section 251(a) of the Act imposes a duty on all carriers "to interconnect directly or indirectly with the facilities and equipment of other telecommunications carriers." [47 U.S.C. Section 251 (a)(1)] However, we believe that Section 251(c) of the Act contains relevant provisions. Specifically, Section 251(c)(6) sets forth the collocation obligation:

> ADDITIONAL OBLIGATIONS OF INCUMBENT LOCAL EXCHANGE CARRIERS.—In addition to the duties contained in

> subsection (b), each incumbent local exchange carrier has the following duties: [47 U.S.C. Section 251 (c)]
>
> COLLOCATION.-The duty to provide, on rates, terms, and conditions that are just and reasonable, and nondiscriminatory, for physical collocation of equipment necessary for interconnection or access to unbundled network elements at the premises of the local exchange carrier, except that the carrier may provide for virtual collocation if the local exchange carrier demonstrates to the State commission that physical collocation is not practical for technical reasons or because of space limitations. [47 U.S.C. Section 251 (c)(6)]

The Act is clear that the provisions contained in Section 251(c), including Section 251(c)(6), are the "ADDITIONAL OBLIGATIONS OF INCUMBENT LOCAL EXCHANGE CARRIERS." Therefore, we agree with Sprint that the Act "does not impose equivalent obligations on CLECs such as Sprint."

We considered Verizon's claim that Sprint is the "monopoly provider of access to its network"; however, we do not find that Sprint has a monopoly over access to end users in Verizon's territory.

C. Decision

We find that Sprint should not be required to allow Verizon to collocate its equipment in Sprint central offices when Sprint is not the incumbent local exchange carrier. However, we believe that the parties should negotiate, since Verizon proposes a reasonable means to reduce the amount of transport involved in interconnection.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the specific findings set forth in this Order are approved in every respect. It is further

ORDERED that the issues for arbitration identified in this docket are resolved as set forth with the body of this Order. It is further

ORDERED that the parties shall submit a signed agreement that complies with our decisions in this docket for approval within 30 days of issuance of this Order. It is further

ORDERED that this docket shall remain open pending our approval of the final arbitration agreement in accordance with Section 252 of the Telecommunications Act of 1996.

By ORDER of the Florida Public Service Commission this 7th day of January, 2003.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

(S E A L)

AJT

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Sprint Communications Company Limited Partnership for arbitration with Verizon Florida Inc. pursuant to Section 251/252 of the Telecommunications Act of 1996.	DOCKET NO. 010795-TP ORDER NO. PSC-03-0637-FOF-TP ISSUED: May 27, 2003

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ
RUDOLPH "RUDY" BRADLEY

ORDER RESOLVING PARTIES' DISPUTED LANGUAGE

BY THE COMMISSION:

I. CASE BACKGROUND

On June 1, 2001, Sprint Communications Company Limited Partnership (Sprint) filed a Petition for Arbitration pursuant to 47 U.S.C. Section 252(b) of the Telecommunications Act of 1996, seeking arbitration of certain unresolved terms and conditions of a proposed renewal of its interconnection agreement with Verizon Florida, Inc. f/k/a GTE Florida, Incorporated (Verizon). Verizon filed a response and the matter was set for hearing.

In Sprint's petition, 15 issues were enumerated for arbitration. Prior to the administrative hearing, the parties resolved or agreed to stipulate a number of those issues. The administrative hearing was held on January 17, 2002. On January 7, 2003, Order No. PSC-03-0048-FOF-TP, Final Order on Arbitration, was issued.

On February 5, 2003, Sprint and Verizon filed a Joint Motion for Extension of Time to file an interconnection agreement. On

February 12, 2003, Order No. PSC-03-0212-PCO-TP was issued granting this Motion.

On February 12, 2003, Sprint and Verizon filed a Second Joint Motion for Extension of Time, which was granted by Order No. PSC-03-0229-PCO-TP, issued February 18, 2003.

On February 28, 2003, Verizon filed a Motion for Approval of Interconnection, Resale, Unbundling and Collocation Agreement with Sprint, though the attached agreement was unsigned.

On February 28, 2003 Sprint filed a Motion to Resolve Disputed Language. This pleading also contained an unsigned agreement. While Verizon and Sprint agreed on most of the language to be included in their agreement, they continued to disagree on how certain arbitration rulings should be memorialized in their contract. Specifically, Verizon and Sprint have not agreed on language to define "Local Traffic," multi-jurisdictional trunks, and Sprint VAD/00-traffic. Verizon and Sprint have also not agreed on language that reflects the current state of the Commission's UNE pricing for Verizon.

On March 7, 2003, Verizon filed its Opposition to Sprint's Motion to Resolve Disputed Language (Verizon Response). On March 10, 2003, Sprint filed its Opposition to Verizon's Motion for approval of interconnection agreement (Sprint Response). On April 14, 2003, Sprint filed a letter withdrawing the Issue II identified in its Motion. Issue II addressed UNE pricing for Verizon, and this matter was addressed by the Commission at the April 9, 2003 Special Agenda conference for Docket No. 990649B-TP.

This Order addresses which language, where the parties are in disagreement, should be included in the final executed Interconnection Agreement.

This Commission is vested with jurisdiction in this matter pursuant to Section 252 of the Act, as well as Sections 364.161 and 364.162, Florida Statutes, to arbitrate interconnection agreements.

II. ANALYSIS AND FINDINGS

In their Motions the parties identify two areas where the parties disagree as to the wording that should be reflected in their agreement. For ease of reference, we follow the format in Sprint's filing.

A. Definition of Local Traffic

In this issue, the parties have asked the Commission to define "local traffic," based upon the January 7, 2003, Final Order on Arbitration, Order No. PSC-03-0048-FOF-TP, (Final Order).

Sprint

In its Motion, Sprint claims that Verizon's proposed definition is very narrow and ". . . seeks to preserve its position that the calls must originate and terminate on different networks, a concept that was specifically rejected by this Commission." In contrast, Sprint asserts that its proposed definition of "local traffic" is ". . . a more encompassing definition consistent with the determinations made by the Commission in the Final Order." Sprint's proposal for Appendix A to Articles I & II Glossary Section is as follows:

> Local Traffic: For purpose of the payment of reciprocal compensation between the Parties, "Local Traffic" shall mean all telecommunication traffic, exchanged between Verizon, Sprint, and/or any telecommunication carrier, other than a CMRS provider, except for the telecommunications traffic that is interstate or intrastate Exchange Access, Information Access, or exchange service for such access as determined by the FCC in the Order by Remand and Report and Order, CC Docket Nos. 96-98, 99-68 adapted April 18, 2001, FCC 01-131 ("Order"), as that Order is subsequently modified by action of the FCC or a court of competent jurisdiction (See paragraphs 34, 36, 39, 42-43). The parties agree that Local Traffic specifically includes all telecommunications traffic that originates and terminates within a given local area or mandatory expanded area service ("EAS") area, other than telecommunications

> traffic delivered to Internet service providers. Neither Party waives its rights to participate and fully present its respective positions in any proceeding dealing with compensation for Internet traffic.

Sprint defends its proposed language by referring back to the wording of the arbitrated issue, a stipulation relevant to that issue, and the decision rendered in the Final Order. The Order Establishing Procedure[1] set forth Issue 1 as a two-part issue that read:

> Issue 1: In the new Sprint/Verizon interconnection agreement:
>
> > (A) For the purposes of reciprocal compensation, how should local traffic be defined?
> >
> > (B) What language should be included to properly reflect the FCC's recent ISP Remand Order?

By a mutual stipulation[2], an agreement was reached for Issue 1(B), which left only Issue 1(A) in dispute. In the Final Order, we found:

> For the purposes of the new Sprint/Verizon interconnection agreement, we find that the jurisdiction of calls dialed via 00- or 7/10D should be defined based upon the end points of a call. Thus, calls dialed in this manner, which originate and terminate in the same local calling area, should be defined as local traffic.

Final Order at p. 12.

Sprint believes our decision is applicable to "all traffic," though it admits that "[t]he principal topic of discussion in Issue 1(A) is Sprint's Voice Activated Dialing . . ." (Emphasis in original)

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[1]Order No. PSC-01-1753-PCO-TP, issued August 28, 2001, in Docket No. 010795-TP (Order Establishing Procedure).

[2]The Parties' Stipulation was filed with the Commission on January 14, 2002.

Verizon's proposed language seeks to limit the definition of "local traffic" in such a manner to only address "VAD/00-" traffic, according to Sprint. Sprint contends that Verizon's proposal seeks to capture the definition that the we specifically rejected in our analysis leading up to the decision. Sprint cites the following passages from the Final Order:

> In arguing that reciprocal compensation cannot apply when a call originates and terminates on the same carrier's network, which in turn implies that the call cannot be local, we believe that Verizon argues in reverse order from the normal sequence. Customarily, jurisdiction is determined before considering the appropriate form of compensation.
>
> . . .
>
> Verizon's interpretation [of the cost responsibility for reciprocal compensation] may be unduly narrow.

Final Order at p. 11.

Sprint states that Verizon's proposed language would prevent "VAD/00-" traffic from being terminated to third parties (i.e. ALECs) that provide service within the same local calling area since Verizon's proposal retains the requirement that "local traffic" must originate on one party's network and terminate on the other party's network. Sprint asserts that:

> . . . assuming a call originated on the Verizon network and terminated to a customer that was in the same local calling area but served by a CLEC, Verizon's language would preclude that call from being completed. It is unclear from Verizon's proposed language what would happen to these calls or how Sprint would be charged. Presumably Verizon would simply assess access charges for these calls. Sprint does not believe that is the intent of the Commission's decision in the Final Order.

Sprint believes Verizon's requirement that "local traffic" must originate on one party's network and terminate on the other party's network ". . . is specifically contrary to the findings of the Commission in this proceeding . . ." and reiterates that its

proposal should be adopted. Sprint believes the language in the Final Order is "unambiguous."

Verizon

Verizon believes its proposed language to address the definition of "local traffic" reflects the FCC's regulations and our Final Order. It proposes:

> Telecommunications traffic originated by a Subscriber of one Party on that Party's network and terminated to a Subscriber of the other Party's network, except for Telecommunications traffic that is interstate or intrastate Exchange Access, Information Access, or exchange services for such access. The determination of whether Telecommunications traffic is Exchange Access or Information Access shall be based upon Verizon's local calling areas as defined by Verizon.
>
> Local traffic does not include the following traffic:
>
> > (1) any Internet Traffic; (2) any traffic that does not originate and terminate within the same Verizon local calling areas as defined by Verizon, based on the actual originating and terminating points of the complete end-to-end communications; (3) Toll traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis; (4) any traffic that is not switched by the terminating Party; or, (5) any traffic that is not subject to reciprocal compensation under Section 251(b)(5) of the Act. For the purposes of this definition, a Verizon calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement. A Verizon Extended Local Calling Scope Arrangement is an arrangement that provides a Subscriber a local calling scope (Extended Area Service, "EAS"), outside of the

> Subscriber's basic exchange serving area. As used in this definition of "Local Traffic," "Subscriber" means a third party residence or business end-user subscriber to Telephone Exchange Service provided by a Party.

> Sprint VAD/00- Traffic (as "Sprint VAD/00- Traffic" is defined in Section 5.8 of the Interconnection Attachment) shall be Local Traffic as provided in the Commission Order No. PSC-03-0048-FOF-TP in Docket No. 010795-TP, as such order is modified from time-to-time. Neither Party waives its rights to participate and fully present its respective positions in any proceeding dealing with the compensation for Internet Traffic or Sprint VAD/00-Traffic.

Verizon asserts that under FCC rules, "local traffic" must originate on the network of one Party and terminate on the network of the other Party, according to its interpretation of 47 C.F.R. § 51.701(e). Verizon believes "telecommunications traffic" as defined in 47 C.F.R. § 51.701(b)(1) is:

> telecommunications traffic exchanged 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.

Verizon believes its proposed language accomplishes multiple things:

- Verizon's definition makes clear the determination of whether traffic is Exchange Access or Information Access will be based on the Verizon-Florida local calling scope.

- Verizon's definition makes clear what types of traffic are not eligible for reciprocal compensation, including "Internet Traffic" and "Toll Traffic."

- Verizon's definition memorializes the Commission's ruling in the Final Order that Sprint's "VAD/00-" traffic should be defined as local for the purposes of reciprocal compensation.

- Verizon's definition makes clear that under 47 C.F.R. § 51.701(a), reciprocal compensation applies to the "transport and termination of telecommunications traffic between LECs and other telecommunications carriers."

- Verizon's definition excludes from "local traffic" eligible for reciprocal compensation any traffic that is not switched by the terminating party.

- Verizon's definition specifies that "local traffic" does not include any traffic that is not eligible for reciprocal compensation under §251(b)(5) of the Act.

Verizon concludes the defense of its proposal asserting that:

> [t]he Commission did not make the broad determination that all traffic that originates and terminates within the local calling area (without originating and terminating on different networks) should be within the "local traffic" definition. Sprint's attempt to go beyond the Commission's specific decision on "VAD/00-" traffic injects confusion into the contract and will inevitably lead to controversy later.

To resolve this issue, we revisit the Final Order. We note that Sprint correctly represented the issue and its sub-parts as it appeared in the Order Establishing Procedure; nonetheless, we find the wording of the issue in dispute, Issue 1(A), is not the true indicator of the specific subject matter our decision addressed. In the Final Order, we stated:

> As noted, the primary topic of discussion in this issue involves the compensation arrangement for calls placed utilizing a product Sprint intends to offer in Florida, its VAD product. We believe, however, that the true dispute concerns VAD calls that originate and terminate in the same local calling area, and whether said calls should be included in the definition of local traffic for the purposes of reciprocal compensation.

. . .

> We note that there does not appear to be a dispute over the compensation arrangement for toll calls placed utilizing Sprint's VAD product; these calls are unquestionably considered to be access for the purpose of inter-carrier compensation.

Final Order at p. 8 (emphasis added).

The cited text above from the Final Order also reinforces the distinction that a customer using the "VAD/00-" platform can place calls that may terminate inside or outside of a given local calling area. Voice Activated Dialing is unquestionably a "user-defined" service, and as such, we do not find a "one-size-fits-all" definition is appropriate. In the Final Order, we emphasized that the end points of a given call dictate the compensation, and ultimately the definition:

> For the purposes of the new Sprint/Verizon interconnection agreement, we find that the jurisdiction of calls dialed via 00- or 7/10D should be defined based upon the end points of a call. Thus, calls dialed in this manner, which originate and terminate in the same local calling area, should be defined as local traffic.

Final Order at p. 12.

We qualified our decision to apply specifically to the true dispute (noted above), the "00-/VAD" and 7/10D calls that originate and terminate in the same local calling area. As such, we disagree with Sprint that our decision is applicable for "**all traffic**." (emphasis in original) We find, however, that the Final Order clearly sets forth our intent with respect to resolving Issue 1(A).

We find that Sprint's proposed language generally conforms with its above-emphasized belief that all traffic should be included. Thus, we find Sprint's proposed language should not be included in the parties' interconnection agreement. Rather, we

find a modified version[3] of Verizon's proposed language shall be adopted.

Language to define "local traffic"

> Telecommunications traffic originated by a Subscriber of one Party on that Party's network and terminated to a Subscriber of the other Party's network, except for Telecommunications traffic that is interstate or intrastate Exchange Access, Information Access, or exchange services for such access. The determination of whether Telecommunications traffic is Exchange Access or Information Access shall be based upon the end points of a call and Verizon's local calling areas as defined by Verizon.
>
> Sprint VAD/00- Traffic (as "Sprint VAD/00- Traffic" is defined in Section 5.8 of the Interconnection Attachment) should be defined based upon the end points of a call. Thus, "VAD/00-" calls which originate and terminate in the same local calling area, should be defined as local traffic, ~~shall be local Traffic~~ as provided in the Commission Order No. PSC-03-0048-FOF-TP in Docket No. 010795-TP, as such order is modified from time-to-time. Neither Party waives its rights to participate and fully present in respective positions in any proceeding dealing with the compensation for Internet Traffic or Sprint VAD/00- Traffic.
>
> Local traffic does not include the following traffic:
>
> > (1) any Internet Traffic; (2) any traffic that does not originate and terminate within the same Verizon local calling areas as defined by Verizon, based on the actual originating and terminating points of the complete end-to-end communications(3) Toll traffic, including, but not limited to, calls originated on a 1+

[3]Our approved language is modeled after the Verizon proposal, with specific changes noted by either a strike-through (~~sample of strike-through~~) for deleted text, or by an underline (sample of underline) for new text.

> presubscription basis, or on a casual dialed (10XXX/101XXXX) basis; (4) any traffic that is not switched by the terminating Party; or, (5) any traffic that is not subject to reciprocal compensation under Section 251(b)(5) of the Act~~.~~, except "VAD/00-" calls which originate and terminate in the same local calling area. For the purposes of this definition, a Verizon calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement. A Verizon Extended Local Calling Scope Arrangement is an arrangement that provides a Subscriber a local calling scope (Extended Area Service, "EAS"), outside of the Subscriber's basic exchange serving area. As used in this definition of "Local Traffic", "Subscriber" means a third party residence or business end-user subscriber to Telephone Exchange Service provided by a Party.

We find that the above language to define "local traffic" adds the clarity that we intended in our decision and Final Order. The contentious aspect of "VAD/00-" traffic is limited to the calls which originate and terminate in the same local calling area; our inclusion of this new wording to the (base) Verizon language emphasizes this succinctly. This emphasis is repeated in the portion of text about the five (5) specific traffic types that are excluded from the definition of local traffic. Because "VAD/00-" calls which originate and terminate in the same local calling area are to be considered local calls, yet are not subject to reciprocal compensation under Section 251(b)(5) of the Act, we are concerned that the fifth (5^{th}) exception may circumvent the earlier definition. Accordingly, we find that an emphasis on "VAD/00-" calls which originate and terminate in the same local calling area eliminates a potential misinterpretation.

Accordingly, we find that our modified version of the Verizon proposal shall be adopted.

B. Definition and Use of Multi-jurisdictional Trunks

In similar fashion as the prior issue, this issue is also the result of Sprint and Verizon being unable to agree on specific language to incorporate into their interconnection agreement, pursuant to the Final Order.

Sprint

In its Motion, Sprint claims that Verizon's proposed language ". . . is contrary to the findings of the Commission in this proceeding." Although this issue addresses "multi-jurisdictional trunks" a companion issue to this argument concerns Sprint's Voice Activated Dialing (VAD), or zero-zero-minus (00-) traffic (hereafter, "VAD/00-"). Sprint's proposed language on "multi-jurisdictional trunks" covers two Sections, Section 2.5 and Section 2.3.4.2; "VAD/00-" compensation is addressed in Attachment C to the Sprint agreement.[4] Sprint's proposed language follows:

> 2.5 Multi-jurisdictional Trunks-Subject to the fulfillment of the requirements set forth in the Florida Commission's Order in Docket 010795-TP issued January 7, 2003, as such Order may be subsequently modified or amended, regarding the development of Sprint billing system to separate multi-jurisdictional traffic transported on the same facilities, the following provisions shall apply:
>
> 2.5.1. Verizon shall not impose any restrictions on Sprint's ability to combine Local Traffic, as defined in this Agreement, with intrastate IntraLATA and InterLATA access traffic, and interstate access traffic on the same (combined) trunk group. To the extent Verizon does not currently combine its own intrastate intraLATA and interLATA access traffic with Local Traffic does not in any way inhibit or limit Sprint's ability to combine such traffic. Verizon will allow Local

[4]Attachment C is not specifically in dispute. Sections 2.4.2.1 and 2.4.2.2 make reference to Attachment C.

Traffic to be transmitted over access facilities and reciprocal compensation charges as set forth in Appendix A to the Interconnection Attachment shall apply. Verizon shall also allow access traffic to be transmitted over local interconnection facilities and access charges shall be applicable only to that portion of the traffic that is access traffic.

2.5.2. Sprint will identify to Verizon the traffic delivered on the combined trunk group as intrastate intraLATA or interLATA access, interstate access or Local Traffic. Sprint shall only be required to compensate Verizon for the delivery of such Local Traffic terminated on the Verizon network pursuant to the reciprocal compensation provisions of this Agreement. Access charges do not apply to Local Traffic. Neither Party will charge the other Party access charges for Local Traffic.

2.5.2.1. Sprint will measure and accurately identify Local Traffic, intrastate intraLATA and interLATA access traffic and interstate access traffic on the combined trunk group. Sprint will pay Verizon reciprocal compensation as set forth in Appendix A to the Interconnection Attachment for the Local Traffic portion of traffic identified that is terminated on the Verizon local network. The appropriate access charges shall apply to non-Local Traffic.

2.5.2.2. When Sprint is not able to measure traffic and subject to the limitations set forth above in Section 2.5., Sprint shall provide appropriate jurisdictional use factors that will be used to apportion traffic.

2.5.3. Verizon may audit the development of Sprint's actual usage or the development of the jurisdictional usage factors, as set forth in the Audit provisions of the General Terms and Conditions of this Agreement.

2.5.4. As an example of the parties' intent, 00- traffic from Verizon Customers who are presubscribed to Sprint will continue to be routed by Verizon to Sprint over originating switched access service. The jurisdiction of the traffic will be determined by Sprint based upon the origination and termination points of the call traffic. Sprint will determine the amount of total 00- traffic that is Local Traffic and will report that factor and the associated minutes of use (MOU) used to determine the factor to Verizon.

2.5.4.1. With respect to VAD/00- traffic that originates from a Verizon customer and terminates to a Verizon customer, Sprint will compensate Verizon for transport on the originating side of the call and for all appropriate network elements (tandem switching, transport and end office switching) on the terminating side of the call at the rates set forth in Appendix C to the Interconnection Attachment.

2.3.4.2. With respect to VAD/00- traffic that originates from a Verizon customer but does not terminate to a Verizon customer, Sprint will compensate Verizon for transport on the originating side of the call at the rates set forth in Appendix C to the Interconnection Attachment.

As it did in the previous issue, Sprint defends its proposed language by referring back to the wording of the issue as reflected in the Order Establishing Procedure, which set forth Issue 2 as a two-part issue that read:

> Issue 2: For the purposes of the new Sprint/Verizon interconnection agreement:
>
> (A) Should Sprint be permitted to utilize multi-jurisdictional interconnection trunks?
>
> (B) Should reciprocal compensation apply to calls from one Verizon customer to another Verizon customer, that originate and terminate on Verizon's network within the same local calling area, utilizing Sprint's "00-" dial around feature?

Sprint asserts that sub-part (A) has broad implications, and sub-part (B) is limited to apply narrowly to the compensation of "VAD/00-" calls. "Verizon is attempting to limit the outcome of the proceeding to a resolution of the second issue [sub-part (B)] while ignoring the first [sub-part (A)] . . ." according to Sprint. Sprint believes Verizon attempts to limit the concept of "VAD/00-" traffic to traffic that originates and terminates on its network, excluding traffic that may be directed to other providers in the same local calling area. Clearly, this was not contemplated in the Final Order, according to Sprint.

Sprint also notes that the subject of "multi-jurisdictional" trunks was raised (and ruled upon) in an arbitration proceeding between Sprint and BellSouth.[5] Sprint acknowledges, though, that technical issues may exist with Verizon that did not exist with BellSouth. Nevertheless, Sprint asserts that our intended application of the "multi-jurisdictional" trunk issue encompassed more than "VAD/00-" traffic, citing to p. 18 of the Final Order:

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[5]Order No. PSC-01-1095-FOF-TP, the Final Order from this arbitration, was issued on May 8, 2001, in Docket No. 000828-TP.

> From an engineering perspective, we considered whether multi-jurisdictional trunks are technically feasible. Verizon's witness Munsell testifies that typically the only difference between an access facility and a local interconnection facility is the type of signaling employed, Feature Group D (FGD) for access versus Feature Group C (FGC) for local. We note that FGD signaling, also referred to as Equal Access signaling, is employed on access trunks so that end users may choose their interexchange carrier (IXC). Witness Munsell also affirms that the physical facilities do not differ, only how they are set up, since the switch actually does the signaling. Therefore, we find that it is technically feasible to provide multi-jurisdictional trunks from an engineering standpoint.

Sprint contends that ". . . all traffic forms are appropriate to traverse such facilities."

Regarding Attachment C, Sprint asserts that its proposal contains modifications that were made to comport to the changes in the treatment of "multi-jurisdictional" trunks. Sprint states:

> Verizon's language does not comport with the Final Order. Verizon would charge Sprint for originating end office switching and originating tandem switching. It is inappropriate to charge Sprint for these aspects of service in that Verizon would incur these expenses on any local call originated within its service territory.

Verizon

Verizon states that Sprint's proposed language is unacceptably broad, and is inconsistent with our decision in the Final Order. Verizon believes our intent was to limit the scope of "multi-jurisdictional" trunks to "VAD/00-" traffic, citing (but not quoting) the Final Order at pages 6, 11, 14, 16, and 22. Verizon believes Sprint's language would enable it to put "all traffic" on "multi-jurisdictional" trunks, and not limit traffic as we intended. Verizon cites the decision as follows:

> Until such time that Sprint demonstrates to Verizon or this Commission that its billing system can separate multi-jurisdictional traffic transported on the same facility, we find that Sprint should not be allowed to utilize multi-jurisdictional trunks. We trust that Sprint will work cooperatively with Verizon and the Ordering and Billing Forum on its billing system.
>
> When Sprint demonstrates to Verizon or this Commission that its billing system can separate multi-jurisdictional traffic transported on the same facility, we find that Sprint's proposal for compensation should apply to "00-" calls that originate and terminate on Verizon's network within the same local calling area.

Final Order at p. 17.

Verizon believes our decision was not whether Sprint could place all types of traffic on a single ("multi-jurisdictional") trunk, but instead was whether Sprint "VAD/00-" traffic that originates and terminates in the same Verizon-Florida local calling area can be carried over a trunk group that also carries access traffic, yet be billed at a rate that is different than Verizon-Florida's access rates. Verizon believes our decision set forth that

> . . . [A]t present it is not technically feasible for such Sprint "VAD/00-" traffic to be carried over a trunk group that carries access traffic and yet be billed at rates other than access rates. However, the Commission also concluded that if Sprint deploys a billing system that identifies Sprint "VAD/00-" traffic that originates and terminates in the same Verizon-Florida local calling area separately from access traffic, such Sprint "VAD/00-" traffic will be subject to compensation at the measure the Commission prescribed [in the Final Order].

Verizon includes alternative language for Section 5.8:

5.8. Sprint VAD-00- Traffic

> A. As used in this Section 5.8. and in Appendix C to this Interconnection Attachment, "Sprint VAD/00- Traffic"

means switched traffic that is (i) originated by an end user on the Verizon network by dialing "00-", (ii) then routed from Verizon to Sprint for handling by the Sprint Voice Activated Dialing Platform, (iii) then routed through that Platform from Sprint to Verizon, and (iv) then terminated to an end user on the Verizon network. Sprint VAD/00- Traffic does not include any Internet Traffic.

Paragraphs B and C of this Section 5.8. and Appendix C to this Interconnection Attachment apply only to Sprint VAD/00-Traffic that originates and terminates on Verizon's network in the same Verizon local calling area, based on the actual originating and terminating points of the complete end-to-end communication. All other Sprint VAD/00- Traffic shall be subject to charges in accordance with Verizon's applicable access traffic. For the purpose of this Section 5.8. and Appendix C to this Interconnection Attachment, a "Verizon local calling area" includes a non-optional Verizon Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement. A Verizon Extended Local Calling Scope Arrangement is an arrangement that provides a Verizon Subscriber a local calling scope (Extended Area Service, "EAS"), outside of the Subscriber's basic exchange serving area. As used in the preceding sentence, "Subscriber" means a third party residence or business end-user subscriber to Telephone Exchange Services provided by Verizon.

B. Subject to Paragraph C, below, Sprint shall compensate Verizon for Sprint VAD/00-Traffic that originates and terminates on Verizon's network in the same Verizon local calling area as if such Sprint VAD/00-Traffic were switched access traffic, pursuant to the rates set forth in Verizon's intrastate access tariff.

C. In accordance with the Commission's Order No. PSC-03-0048-FOF-TP in Docket No. 010795-TP, as such order is modified from time-to-time ("Arbitration Order"), at such time as Sprint demonstrates to Verizon or the Commission that Sprint's billing system can separate multi-

jurisdictional traffic transported on the same facility (including, but not limited to, separate Sprint VAD/00- Traffic that originates and terminates on Verizon's network in the same Verizon local calling area, from other types of traffic on the same facility, intrastate intraLATA toll traffic, interstate intraLATA toll traffic, intrastate interLATA toll traffic, and interstate interLATA toll traffic), Sprint shall compensate Verizon for Sprint VAD/00- Traffic that originates and terminates on Verizon's network in the same Verizon local calling area, pursuant to the rates set forth in Appendix C to this Interconnection Attachment. With regard to Sprint VAD/00- Traffic that originates and terminates in the same Verizon local calling area, Verizon shall be obligated to charge Sprint for such traffic at rates other than those set forth in Verizon's intrastate access tariff only to the extent required by the Arbitration Order.

D. Verizon shall not be obligated to compensate Sprint for Sprint VAD/00- Traffic. Without limiting the foregoing, Verizon shall not be obligated to pay Sprint reciprocal compensation charges or access charges for Sprint VAD/00- Traffic.

E. Sprint shall identify and measure, on a call-by-call basis and in the aggregate, Sprint VAD/00- Traffic that originates and terminates on Verizon's network in the same Verizon local calling area, and shall provide to Verizon any information reasonably needed by Verizon to bill Sprint for such Traffic (including, but not limited to, identification and measurement information for such Sprint VAD/00- Traffic, on a call-by-call basis and in the aggregate). If Sprint fails to provide to Verizon such Sprint VAD/00- Traffic information, Sprint shall compensate Verizon for Sprint VAD/00- Traffic that originates and terminates on Verizon's network in the same Verizon local calling areas as if such Sprint VAD/00- Traffic were switched access traffic, pursuant to the rates set forth in Verizon's intrastate access tariff. Verizon shall have the right to audit Sprint

> VAD/00- Tariff related information in accordance with Section 4.3.4. of Article 1.

To resolve this issue, we revisit the Final Order. As Sprint pointed out, the issue that was arbitrated was a two-part issue; sub-parts (A) and (B) were addressed individually in the decision:

Part A decision

> Until such time that Sprint demonstrates to Verizon or this Commission that its billing system can separate multi-jurisdictional traffic transported on the same facility, we find that Sprint should not be allowed to utilize multi-jurisdictional trunks. We trust that Sprint will work cooperatively with Verizon and the Ordering and Billing Forum on its billing system.

Part B decision

> When Sprint demonstrates to Verizon or this Commission that its billing system can separate multi-jurisdictional traffic transported on the same facility, we find that Sprint's proposal for compensation should apply to "00-" calls that originate and terminate on Verizon's network within the same local calling area.

Final Order at p. 23.

We find this distinction is important to answer some of the assertions made by Sprint in its pleadings. Sprint asserts that sub-part (A) has broad implications, and thus believes Verizon's viewpoint is too limiting. Verizon asserts that there is no justification for Sprint to broaden the interpretation of the Part (A) decision as it has. In its Response, Verizon places a particular emphasis on a specific portion of the Part (B) ruling to emphasize that its application is specific: [This ruling addresses] " . . . calls that originate and terminate on Verizon's network within the same local calling area."

We only agree with certain assertions each party makes regarding the Part (A) and Part (B) decisions. We agree with Sprint that sub-part (A) has broad implications, and disagree with

Verizon that Sprint "broadened" the Part (A) interpretation. We find that Verizon correctly asserts that the application of the Part (B) decision is specific. Though the Final Order does not explicitly state the (broad or narrow) scope of the implications for this issue, we believe the relationship between the Part (A) and Part (B) decisions merits consideration.

We find the Part (A) decision influences what the parties can do in Part (B); however, the reverse is not true. To illustrate, we find that the multi-jurisdictional trunking in Part (A) would enable the compensation proposal in Part (B) to be implemented. The compensation proposal in Part (B) *depends on* the multi-jurisdictional trunking in Part (A). In contrast, the multi-jurisdictional trunking in Part (A) *does not depend* on the compensation proposal in Part (B). Therefore, we find the scope of our decision is similarly structured. We find the Part (A) decision has a broad scope, and the Part (B) decision has a narrow scope, but the narrow scope of Part (B) is conditioned on the broader Part (A) decision. Although we agree with certain assertions of each party, we find the language proposal from Verizon more accurately captures our decision in the Final Order.

Regarding the Part (B) ruling in the Final Order, we believe the tone of this ruling is captured in the first word - "[W]hen . . ." Clearly, our intent was conditioned on Sprint having modified its billing systems to separate multi-jurisdictional traffic transported on the same facility. Our ruling reflects that Sprint's compensation proposal for "VAD/00-" calls that originate and terminate on Verizon's network within the same local calling area is to take place "when" the billing system accommodation has been accomplished. We find this is unambiguous and, furthermore, puts the onus on Sprint to modify its billing systems and "demonstrate to Verizon or this Commission that its billing system can separate multi-jurisdictional traffic transported on the same facility."

We believe there is a related consideration that we did not specifically address, the use of jurisdictional factors.[6] Although

[6]Inter-carrier compensation can be based on jurisdictional percentage of use factors. Common factors are "Percent Local Usage" (PLU), or "Percent Interstate Usage" (PIU).

the Final Order addresses billing issues, the proposed language from Sprint and Verizon broach the topic of jurisdictional factors. In Sprint's proposed Section 2.5.2.2., Sprint essentially states that it will continue to use ". . . the appropriate jurisdictional use factor . . . to apportion traffic" when it is not able to measure traffic. We believe the above-referenced language was included by Sprint as an interim measure - something that will no longer be needed "when" the billing system accommodation has been accomplished. Our presumption is that the billing system accommodation will enable accurate measurement of the traffic that might otherwise be factored (i.e., estimated). Verizon's proposed language makes no such allowance for jurisdictional factors, and seems to envision that exact measurement will be used in conjunction with multi-jurisdictional trunks. We, therefore, must evaluate the parties' proposals in accordance with what it believes was our intent regarding jurisdictional factors.

In the Final Order, Sprint's "duplicate billing" difficulties were explored, and we stated our agreement with a Verizon witness that ". . . the magnitude of inaccurate or duplicate billing is immeasurable." To that end, we find that the Verizon language is more consistent with our ruling on multi-jurisdictional trunks. As referenced earlier, we believe the "conditional" aspects of our decision are unambiguous, and the clear burden is on Sprint to modify its billing systems in order to reap the benefits of our decision. We believe that accurate measurement will be a by-product of the billing system upgrade, "when" that action takes place. Strictly speaking, we find that accurate inter-carrier compensation depends on measurement rather than applying (estimated) jurisdictional factors. Since our decision contemplated measurement rather than estimation, we find Verizon's language, which forecloses use of jurisdictional factors, shall be included. Upon implementation of the billing system modifications, we find that Sprint will be capable of providing an accurate measurement of the traffic that would otherwise be factored.

Because the ordered compensation proposal is conditioned, we find Verizon appropriately may charge access rates for "VAD/00-" traffic until the requirements specified in the Final Order have been met. Verizon's proposed language in (B) and (C) captures this:

> B. Subject to Paragraph C, below, Sprint shall compensate Verizon for Sprint VAD/00-Traffic that originates and terminates on Verizon's network in the same Verizon local calling area as if such Sprint VAD/00-Traffic were switched access traffic . . .
>
> C. In accordance with the Commission's Order No. PSC-03-0048-FOF-TP in Docket No. 010795-TP, as such order is modified from time-to-time ("Arbitration Order"), at such time as Sprint demonstrates to Verizon or the Commission that Sprint's billing system can separate multi-jurisdictional traffic transported on the same facility
>
> . . .
>
> With regard to Sprint VAD/00- Traffic that originates and terminates on the same Verizon local calling area, Verizon shall be obligated to charge Sprint for such traffic at rates other then those set forth in Verizon's intrastate access tariff only to the extent required by the Arbitration Order.

(emphasis added)

Although we endorsed the Sprint compensation proposal in the Final Order, we find that last portion of the above-cited language from Verizon ("rates other then those set forth in Verizon's intrastate access tariff only to the extent required by the Arbitration Order") is consistent with our ruling in the Final Order that the compensation proposal was conditional. Verizon's proposed language correctly recognizes that the compensation arrangement may change to some other arrangement "when" the requirements set forth in the Final Order are met. The "rates other then those set forth in Verizon's intrastate access tariff" are described in the Final Order:

> Sprint proposes to compensate Verizon for originating transport and terminating tandem switching, transport, and end office switching at TELRIC-based rates. In effect, Sprint's proposal is a hybrid. We observe that Sprint's proposal compensates Verizon for call origination and termination, which is similar to the

> access compensation mechanism applicable to toll traffic. However, consistent with compensation for local traffic, Sprint's proposed rates are TELRIC-based . . . Therefore, we are persuaded that Sprint's proposal for compensation certainly covers the costs that Verizon would incur . . .

Final Order at p. 22.

For the reasons set forth above, we find that Verizon's version of the disputed language should be reflected in the parties' agreement.

However, regarding Attachment C, we identified a very slight, but significant text difference[7] between the Sprint and Verizon versions. Specifically, Verizon's version added certain rate elements to the agreed-upon list, as represented below:

. . .

> Verizon will identify each of the rate elements (including, but not limited to, originating end office switching, originating tandem switching, originating transport, terminating transport, terminating tandem switching and terminating end office switching) that would apply to the Sprint VAD/00- Traffic.

. . .

Sprint contends that Verizon's changes to Attachment C do not comport with our Final Order. Sprint asserts that the charges are inappropriate since "Verizon would incur these expenses on any local call originated within its service territory." We agree with Sprint, and believe the Final Order provides clarity for this matter:

> Sprint proposes to compensate Verizon for originating transport and terminating tandem switching, transport, and end office switching at TELRIC-based rates . . . We

[7]The underscored text, which is only contained in the Verizon version of the agreement, is in dispute. No other disputes are evident in Attachment C.

> are . . . persuaded that VAD/00- traffic that originates and terminates on Verizon's network within the same local calling area, should be compensated in the manner proposed by Sprint. While we are hesitant to establish an apparent precedent by accepting Sprint's proposal to pay the originating transport of a local call, we find that because Sprint volunteered to pay the transport, the order would not be in conflict with FCC Rule 51.703(b).

Final Order at p. 22(emphasis added).

We find the proposed language from Verizon may go beyond what was required in the Final Order, Order No. PSC-03-0048-FOF-TP, and thus should not be included for the purposes of the new interconnection agreement between Sprint and Verizon. We find that Sprint's version of Attachment C should be adopted instead.

Accordingly, the parties shall file the final interconnection agreement in accordance with the specific findings as set forth in this Order within 30 days from the issuance date of the Order resolving the disputed contract language.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the parties shall file the final interconnection in accordance with the specific findings as set forth in the body of this Order. It is further

ORDERED that the parties shall file the final interconnection agreement within 30 days from the issuance date of this Order resolving the disputed contract language. It is further

ORDERED that this docket shall remain open in order that the parties may file a final interconnection agreement.

By ORDER of the Florida Public Service Commission this 27th Day of May, 2003.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: Marcia Sharma
Marcia Sharma, Assistant Director
Division of the Commission Clerk
and Administrative Services

(S E A L)

AJT

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by

filing a motion for reconsideration with the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Sprint Communications Company Limited Partnership for arbitration with Verizon Florida Inc. pursuant to Section 251/252 of the Telecommunications Act of 1996.	DOCKET NO. 010795-TP ORDER NO. PSC-03-0952-FOF-TP ISSUED: August 22, 2003

3

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ
RUDOLPH "RUDY" BRADLEY

ORDER APPROVING ARBITRATED INTERCONNECTION AGREEMENT BETWEEN SPRINT AND VERIZON

BY THE COMMISSION:

On June 1, 2001, Sprint Communications Company Limited Partnership (Sprint) filed a Petition for Arbitration pursuant to 47 U.S.C. Section 252(b) of the Telecommunications Act of 1996 (Act), seeking arbitration of certain unresolved terms and conditions of a proposed renewal of its interconnection agreement with Verizon Florida, Inc. f/k/a GTE Florida, Incorporated (Verizon). Verizon filed a response and the matter was set for hearing.

In Sprint's petition, 15 issues were enumerated for arbitration. Prior to the administrative hearing, the parties resolved or agreed to stipulate a number of those issues. The administrative hearing was held on January 17, 2002. On January 7, 2003, Order No. PSC-03-0048-FOF-TP, Final Order on Arbitration, was issued.

On February 5, 2003, Sprint and Verizon filed a Joint Motion for Extension of Time to file an interconnection agreement. On February 12, 2003, Order No. PSC-03-0212-PCO-TP was issued granting this Motion.

On February 12, 2003, Sprint and Verizon filed a Second Joint Motion for Extension of Time, which was granted by Order No. PSC-03-0229-PCO-TP, issued February 18, 2003.

On February 28, 2003, Verizon filed a Motion for Approval of Interconnection, Resale, Unbundling and Collocation Agreement with Sprint, though the attached agreement was unsigned. (Verizon Motion)

On February 28, 2003, Sprint filed a Motion to Resolve Disputed Language. This pleading also contained an unsigned agreement. While Verizon and Sprint agreed on most of the language to be included in their agreement, they continued to disagree on how certain arbitration rulings should be memorialized in their contract. Specifically, Verizon and Sprint did not agree on language to define "Local Traffic," multi-jurisdictional trunks, and Sprint VAD/00- traffic. Verizon and Sprint also did not agree on language reflecting the current state of the Commission's UNE pricing for Verizon.

On March 7, 2003, Verizon filed its Opposition to Sprint's Motion to Resolve Disputed Language. On March 10, 2003 Sprint filed its Opposition to Verizon's Motion for approval of interconnection agreement. By Order No. PSC-03-0637-FOF-TP, issued May 27, 2003, we specified which language, where the parties were in disagreement, should be included in the final interconnection agreement.

On June 26, 2003, Verizon filed its final executed Interconnection Agreement with Sprint pursuant to Order Nos. PSC-03-0048-FOF-TP and PSC-03-0637-FOF-TP. We have reviewed the agreement and have determined that it complies with our decisions in the above referenced orders, as well as the Act. Therefore, we approve the arbitrated Interconnection Agreement between Verizon and Sprint in Docket No. 010795-TP.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the final executed Interconnection Agreement between Sprint Communications Company Limited Partnership and Verizon Florida, Inc. f/k/a GTE Florida, Incorporated, is hereby approved. It is further

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission this 22nd Day of August, 2003.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: Marcia Sharma
Marcia Sharma, Assistant Director
Division of the Commission Clerk
and Administrative Services

(S E A L)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review in Federal district court pursuant to the Federal Telecommunications Act of 1996, 47 U.S.C. § 252(e)(6).