BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for arbitration of amendment to interconnection agreements with certain competitive local exchange carriers and commercial mobile radio service providers in Florida by Verizon Florida Inc.	DOCKET NO. 040156-TP ORDER NO.PSC-05-0463-PHO-TP ISSUED:April 29, 2005

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code, a Prehearing Conference was held on Monday, April 18, 2005, in Tallahassee, Florida, before Commissioner Charles M. Davidson, as Prehearing Officer.

APPEARANCES:

KIMBERLY CASWELL, Esquire, 201 North Franklin Street, Tampa, Florida 33602; and RICHARD CHAPKIS, Esquire, P.O. Box 110, Tampa, Florida 33601
On behalf of Verizon Florida Inc. ("VERIZON").

TRACY W. HATCH, Esquire, 101 North Monroe Street, Suite 700, Tallahassee, Florida 32301; and MICHAEL J. HENRY, Esquire, 1230 Peachtree Street, 4th Floor, Atlanta, Georgia 30309
On behalf of AT&T Communications of the Southern States, LLC and TCG South Florida, Inc. (collectively "AT&T).

NORMAN H. HORTON, JR., Esquire, Messer Caparello & Self, P.A., Post Office Box 1876, Tallahassee, Florida 32302-1876; HARRY DAVIDOW, Esquire, Kelley Drye & Warren LLP, 101 Park Avenue, New York, New York 10178; and GENEVIEVE MORELLI, Esquire and BRETT HEATHER FREEDSON, Esquire, Kelley Drye & Warren LLP, 1200 19TH Street, NW, Suite 500, Washington, DC 20036
On behalf of Allegiance Telecom of Florida, Inc., DIECA Communications, Inc. d/b/a Covad Communications Company, IDT America Corp., KMC Data LLC, KMC Telecom III LLC, KMC Telecom V, Inc., New South Communications Corp., The Ultimate Connection L.C. d/b/a DayStar Communications, XO Florida, Inc., Xspedius Management Co. Switched Services, LLC, and Xspedius Management Co. of Jacksonville, LLC (collectively "COMPETITIVE CARRIER GROUP").

MATTHEW FEIL, Esquire, 2301 Lucien Way, Suite 200, Maitland, Florida 32751
On behalf of Florida Digital Network, Inc. d/b/a FDN Communications ("FDN").

DONNA CANZANO McNULTY, Esquire, 1203 Governors Square Boulevard, Suite 201, Tallahassee, Florida 32301; DE O'ROARK, Esquire, 6 concourse Parkway, Suite 600, Atlanta, Georgia 30328; and FLOYD SELF, Esquire, 215 South Monroe Street, Suite 701, Tallahassee, Florida 32302
On behalf of MCImetro Access Transmission Services, LLC ("MCI").

SUSAN S. MASTERTON, Esquire, P.O. Box 2214, Tallahassee, Florida 32316-2214
On behalf of Sprint Communications Company Limited Partnership ("SPRINT").

LEE FORDHAM, Esquire, and FELICIA R. BANKS, Esquire, Office of the General Counsel, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399
On behalf of the Florida Public Service Commission ("STAFF").

PREHEARING ORDER

I. CONDUCT OF PROCEEDINGS

Formal hearing proceedings before the Florida Public Service Commission are governed by Chapter 120, Florida Statutes, and Chapters 25-22, 25-40, and 28-106, Florida Administrative Code. To the extent provided by Section 120.569(2)(g), Florida Statutes, the Florida Evidence Code (Chapter 90, Florida Statutes) shall apply. To the extent provided by Section 120.569(2)(f), Florida Statutes, the Florida Rules of Civil Procedure shall apply.

This Commission is vested with jurisdiction over the subject matter by the provisions of Chapters 120 and 364, Florida Statues. This hearing will be governed by those Statutes and Chapters 25-22 and 28-106, Florida Administrative Code.

Rule 28-106.211, Florida Administrative Code, specifically provides that the presiding officer before whom a case is pending may issue any orders necessary to effectuate discovery, to prevent delay, and promote the just, speedy, and inexpensive determination of all aspects of this case. This Order is issued pursuant to that authority. The scope of this proceeding shall be based upon the issues raised by the parties up to and during the prehearing conference, unless modified by the Commission or Prehearing Officer.

II. CASE BACKGROUND

On February 20, 2004, Verizon filed its Petition for Arbitration of Amendment to Interconnection Agreements with Certain CLECs and Commercial Mobile Radio Service Providers (CMRS) in Florida to implement changes resulting from the TRO. On July 12, 2004, Order No. PSC-04-0671-FOF-TP was issued, granting Sprint's motions to dismiss, without prejudice. On September 9, 2004, Verizon filed its Amended Petition for Arbitration. The matter is currently set for administrative hearing on May 4 – 6, 2005.

III. ATTENDANCE AT HEARING: PARTIES AND WITNESSES

Unless excused by the Presiding Officer for good cause shown, each party (or designated representative) shall personally appear at the hearing. Failure of a party, or that party's representative, to appear shall constitute waiver of that party's issues, and that party may be dismissed from the proceeding.

Likewise, all witnesses are expected to be present at the hearing unless excused by the Presiding Officer upon the staff attorney's confirmation prior to the hearing date that:

(i) all parties agree that the witness will not be needed for cross examination; and
(ii) all Commissioners assigned to the panel do not have questions for the witness.

In the event a witness is excused in this manner, his or her testimony may be entered into the record as though read following the Commission's approval of the proposed stipulation of that witness' testimony.

IV. PENDING MOTIONS

All motions pending at the time of the prehearing conference will either have been addressed by separate order or in the Rulings section of this Prehearing Order. Furthermore, to the extent possible, all other pending procedural motions will be addressed prior to hearing.

V. PROPOSED STIPULATIONS

There are no proposed stipulations at this time.

VI. OPEN PROCEEDINGS AND PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Confidential information should be treated in accordance with the provisions of the Order Establishing Procedure previously issued in this docket.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 364.183, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

1. Any party intending to utilize confidential documents at hearing for which no ruling has been made, must be prepared to present their justifications at hearing, so that a ruling can be made at hearing by the Commission.

2. In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

a) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 364.183, Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing, unless approved by the Prehearing Officer for good cause shown. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.

b) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.

c) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.

d) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.

e) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Division of the Commission Clerk and Administrative Services' confidential files.

VII. PENDING CONFIDENTIALITY MATTERS

There are no pending requests for confidential classification at this time.

VIII. OPENING STATEMENTS

Opening statements shall not exceed 20 minutes for Verizon, the Petitioner, and 25 minutes for the competitive local exchange companies, the Respondents in this proceeding.

IX. WITNESSES: OATH, PREFILED TESTIMONY, EXHIBITS, AND CROSS-EXAMINATION

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

Testimony of all witnesses to be sponsored by the parties has been prefiled and will be inserted into the record as though read. However, all testimony remains subject to appropriate objections. Upon insertion of a witness' testimony into the record, exhibits appended thereto may be marked for identification. Each witness will be given five minutes to orally summarize his or her testimony, including both direct and rebuttal testimony, at the time he or she takes the stand.

Following affirmation that the witness has been sworn, the witness shall then be tendered for cross-examination by all parties and staff. Commissioners may also pose questions as they deem appropriate. Witnesses are reminded that, on cross examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer. After all parties and staff have had the opportunity to object and cross-examine, exhibits may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

X. ORDER OF WITNESSES

As a result of an agreement executed by the parties following the Prehearing, cross examination is waived by all parties for all witnesses. The testimony of each witness will be inserted into the record as though read, and all exhibits submitted with those witnesses' testimony, as shown in Section XI of this Prehearing Order, shall be identified and admitted into the record.

Witness	Proffered By	Issue Nos.
Direct		
Alan F. Ciamporcero	VERIZON	1 – 15, 17, 19 – 21, 23 – 26
E. Christopher Nurse	AT&T	2 – 8, 10 – 12, 14(b), (c), (g), (h), (i), 15 – 20, 21(a), 21(b)(2), 21(c), 22, 24 - 26
Edward J. Cadieux	CCG	All

Witness	Proffered By	Issue Nos.
James C. Falvey	CCG	All
Alan L. Sanders	CCG	All
Greg J. Darnell	MCI	1 – 16, 21 - 26
Supplemental Direct		
Greg J. Darnell	MCI	1 – 16, 21 - 26
Rebuttal		
Alan F. Ciamporcero	VERIZON	1 – 15, 17, 19 – 21, 23 – 26
Thomas E. Church[P], William E. Loughridge[P], Willett Richter[P]	VERIZON	16, 18, 22
E. Christopher Nurse	AT&T	All
Edward J. Cadieux	CCG	All
James C. Falvey	CCG	All
Alan L. Sanders	CCG	All
Greg J. Darnell	MCI	1 – 16, 21 - 26

[P] indicates Verizon panel.

XI. EXHIBIT LIST

The following lists the exhibits proffered by parties and staff prior to the hearing. However, parties and staff reserve the right to identify additional exhibits for the purpose of cross-examination during the hearing.

Witness	Proffered By	I.D. No.	Description
Direct			
Ciamporcero	Verizon		Direct Testimony of Alan F. Ciamporcero, on behalf of Verizon Florida, Inc., filed February 25, 2005
Nurse	AT&T	(ECN – 1)	AT&T Proposed TRO Amendment to Interconnection Agreement
Cadieux	CCG	(EJC – 1)	CCG Proposed Amendment
Falvey	CCG	(JCF – 1)	CCG Proposed Amendment

Witness	Proffered By	I.D. No.	Description
Sanders	CCG	(ALS – 1)	CCG Proposed Amendment
Darnell	MCI	(GJD – 1)	Academic and Professional Qualifications
Darnell	MCI	(GJD – 2)	Relevant Excerpts from Interconnection Agreement
Darnell	MCI	(GJD – 3)	MCI's revisions to Verizon's proposed amendment
Supplemental Direct			
Darnell	MCI	(GJD – 4)	MCI's supplemental revisions to Verizon's proposed amendment
Rebuttal			
Verizon Panel	VERIZON	(WR – 1)	Switching diagram attached to Panel Rebuttal Testimony, on behalf of Verizon Florida Inc., filed March 25, 2005.
Nurse	AT&T	(ECN – R1)	AT&T Proposed TRRO Amendment
Nurse	AT&T	(ECN – R2)	March 1, 2005 Letter from Bruce Beausejour of Verizon to Mary L. Cottrell – Massachusetts DTE
Nurse	AT&T	(ECN – R3)	March 8, 2005 Letter from Linda Ricci of Verizon to Vermont Public Service Board
Cadieux	CCG	(EJC – 1)	CCG Proposed Amendment
Falvey	CCG	(JCF – 1)	CCG Proposed Amendment

Witness	Proffered By	I.D. No.	Description
Sanders	CCG	(ALS – 1)	CCG Proposed Amendment
Darnell	MCI	(GJD – 5)	Verizon MA March 1, 2005 letter

XII. BASIC POSITIONS

VERIZON: This Commission should promptly adopt Verizon's proposed interconnection agreement amendments arising from the *Triennial Review Order* (*TRO*) and *Triennial Review Remand Order* (*TRRO*).

The *TRO*, which took effect 18 months ago, finally put in place meaningful limitations on incumbents' unbundling obligations under section 251(c)(3) of the Telecommunications Act of 1996 (Act). Rapid implementation of those limitations, and the limitations set forth in the *TRRO*, is of critical public policy importance, because overbroad unbundling obligations have discouraged investment in innovative facilities and hindered meaningful competition.

Notwithstanding the FCC's express directives to promptly implement the *TRO* rulings, the competitive local exchange carriers (CLECs) have done everything possible to delay this arbitration and the implementation of federal law. The Commission should reject any further efforts to delay this proceeding, which must conclude within 12 months from March 11, 2005, in order to meet the FCC's deadline for modifying agreements, to the extent necessary, to reflect the TRRO's non-impairment rulings as to the CLECs' embedded base of UNE-P, dedicated transport, and enterprise loops.

In the arbitration, Verizon offers two straightforward amendments. Amendment 1 primarily addresses discontinuation of de-listed UNEs, and Amendment 2 fleshes out Verizon's obligations regarding certain TRO requirements, including commingling, conversions, and routine network modifications.

Verizon's amendments make clear that its unbundling obligations under its interconnection agreements are the same as its obligations under section 251(c)(3) of the Act and the FCC's implementing rules. Once Verizon no longer has any obligation to provide an element under the Act or the FCC's rules, Verizon's amendments provide that it may discontinue that element upon 90 days' written notice. Thus, in accordance with the TRO's policy directives, Verizon's amendments provide for automatic implementation of reductions in unbundling obligations (like most of Verizon's agreements already do) without prolonged and expensive proceedings like this one.

The CLECs' Amendments, on the other hand, would all allow re-imposition of the unbundling obligations the FCC has eliminated. The Commission cannot lawfully approve these proposals, because the FCC has exclusive authority to determine unbundling obligations, and this Commission cannot override the FCC's conclusions about the best way to promote sustainable competition. The Commission should thus reject the CLECs' unlawful proposals and approve Verizon's simple and straightforward amendments, which dutifully effectuate the FCC's rules, as soon as possible.

AT&T: The purpose of this proceeding is to arbitrate an amendment to the interconnection agreement between AT&T and Verizon to incorporate the changes of law stemming from the FCC's TRO and TRRO orders. The amendment ultimately adopted by the Commission should be limited to changes stemming from the TRO and TRRO but should be comprehensive in including all the changes made in those decisions. Importantly, neither the TRO nor TRRO decisions mandated any change in the Change of Laws provisions in the parties interconnection agreement. Verizon's proposal to change the Change-of-Law provisions is beyond the scope of this proceeding. The Commission should reject both of Verizon's proposed amendments and approve and implement AT&T's comprehensive single amendment which incorporates both the favorable and the unfavorable consequences of the decisions of the TRO and the TRRO.

CCG: Verizon's Petition for Arbitration proposed revisions of existing interconnection agreements that do not correctly reflect or incorporate directives brought about by the *Triennial Review Order* ("TRO") and/or the *Triennial Review Remand Order* ("TRRO"). Any amendment to the parties' agreements must incorporate the complete unbundling framework ordered by the FCC under the TRO and the TRRO. Furthermore, both the TRO and the TRRO expressly require that Verizon and competitive carriers negotiate in good faith any rates, terms and conditions necessary to implement changes to the FCC's unbundling rules. Thus Verizon's efforts to unilaterally implement certain changes in its unbundling obligations adopted in the TRO and the TRRO without a formal, written amendment to the parties' existing interconnection agreements are misplaced. Verizon is bound by the unbundling obligations set forth in its existing, Commission-approved agreements with members of the Competitive Carrier Group, and the Commission should require that Verizon follow abide by those agreements until such time as they are properly amended to reflect changes of law. The Competitive Carrier Group has presented a proposed amendment which is consistent with recent changes to the FCC's unbundling rules and related FCC requirements, and that amendment should be approved by the Commission.

FDN: The Commission should not permit Verizon, or any carrier, to be the sole arbiter of matters involving the interpretation or implementation the FCC's or this Commission's rules and orders. Significant and genuine changes in law should be negotiated by the parties and incorporated into an interconnection agreement or amendment, filed with and approved by the Commission. Unresolved disputes

should be resolved in accordance with the parties' agreements and, where necessary, arbitrated. The changes in law brought about by the TRO and TRRO should be reflected in interconnection agreements or amendments consistent with the proposals of the Competitive Carrier Group, AT&T and MCI. Verizon's proposals to be the sole authority for interpreting and implementing changes in law respecting UNE status must be rejected. Additionally, Verizon's "no facilities" and routine network modification proposals must be rejected as inconsistent with FCC directives and anticompetitive.

MCI: Verizon proposes to modify the existing change of law process so that *it* would be permitted to decide unilaterally which changes of law should be automatically incorporated into the interconnection agreements, how the change of law should be interpreted and which changes of law should not be automatically incorporated. Having a process that allows one party to decide to implement immediately changes of law that benefit itself, and to require all other changes of law to proceed through a negotiated process is unreasonable. The interconnection agreement should give both parties the same protection as exists in the current agreement.

Verizon has proposed numerous revisions to the MCI/Verizon interconnection agreement. MCI has a number of concerns regarding Verizon's specific language and positions, and MCI has set forth in detail its proposed revisions to Verizon's proposals in this proceeding. (See Exhibit GJD-4, Darnell, Supplemental Direct Testimony).

Another significant issue is the double recovery of costs Verizon proposes to charge for activities related to commingling, conversions, and routine network modifications. The changes of law concerning commingling and conversions were created by the TRO and were not appealed or affected by the ruling of USTA II., and the law regarding routine network modifications was not changed by the TRO or TRRO. Although Verizon proposes these new charges on an interim basis, it failed to file in this proceeding any cost supports for new rates, even though it had nineteen months to develop such studies.

Contrary to Verizon's position, additional charges are not warranted. This Commission already determined the *total* element long run incremental cost (TELRIC) of the network and processes in Verizon Florida's territory. The creation of new UNE rates without commensurate reductions to existing UNE rates would result in revenues that exceed this Commission's calculation of TELRIC and would violate federal rules. Verizon Massachusetts filed a letter with the Massachusetts Department of Telecommunications and Energy stating this "[u]ntil such rates for those elements are approved by the Department, Verizon MA will not charge for the activities when provisioning new loops once interconnection agreements are appropriately amended." (See Exhibit GJD-5, Darnell Rebuttal Testimony). The Commission should not permit Verizon to assess new charges at this time, even on

an interim basis. If Verizon wants to request new charges, it should be required to file a cost study to support its position.

SPRINT: Changes in law to reflect the FCC's TRO and TRRO decisions and should be negotiated by the parties and incorporated into interconnection agreements or amendments to those agreements, unless self-effectuating pursuant to the terms of the TRRO. Disputes concerning the appropriate terms and conditions to be included in agreements or amendments should be resolved in accordance with the dispute resolution provisions in the parties' interconnection agreements or through arbitration, if applicable. Pursuant to the TRRO, the FCC's rules with respect to the pricing and timing of the transition period were self-effectuating commencing March 11, 2005.

STAFF: Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

XIII. ISSUES AND POSITIONS

ISSUE 1: SHOULD THE AMENDMENT INCLUDE RATES, TERMS, AND CONDITIONS THAT DO NOT ARISE FROM FEDERAL UNBUNDLING REGULATIONS PURSUANT TO 47 U.S.C. SECTIONS 251 AND 252, INCLUDING ISSUES ASSERTED TO ARISE UNDER STATE LAW OR THE BELL ATLANTIC/GTE MERGER CONDITIONS?

By agreement of the parties, this issue has been withdrawn.

ISSUE 2: WHAT RATES, TERMS, AND CONDITIONS REGARDING IMPLEMENTING CHANGES IN UNBUNDLING OBLIGATIONS OR CHANGES OF LAW SHOULD BE INCLUDED IN THE AMENDMENT TO THE PARTIES' INTERCONNECTION AGREEMENTS?

VERIZON: The Amendment should make clear that Verizon's unbundling obligations under its interconnection agreements are co-extensive with its unbundling obligations under federal law. Verizon's Amendment does so by allowing discontinuation, upon notice, of de-listed UNEs, thereby preventing the kind of wasteful and prolonged proceeding underway here. Most of Verizon's interconnection agreements already permit automatic discontinuation of de-listed items, and approval of Verizon's Amendment would bring the handful of contracts in this case into line with all of Verizon's other agreements.

AT&T: The amendment should implement those changes in unbundling or interconnection obligations brought about by the TRO and the TRRO. It should not alter the change of law clauses contained in the parties existing interconnection agreements, as Verizon proposes, because the TRO and the TRRO did not direct or even suggest that the Parties should modify their existing change of law processes.

CCG: The Amendment to the parties' interconnection agreements must include rates, terms and conditions that reflect any change to Verizon's federal unbundling obligations brought about by the TRO and/or the TRRO, including, without limitation, the transition plan set forth in the TRRO for each network element that Verizon no longer is obligated to provide under section 251 of the 1996 Act. Paragraph 233 of the TRRO makes clear that the FCC's unbundling determinations are not "self-effectuating;" thus Verizon and Florida carriers may implement changes of law arising under the TRO and the TRRO **only** "as directed by section 252 of the Act," and consistent with the change of law processes set forth in carriers' individual interconnection agreements with Verizon. Verizon is bound by the unbundling obligations set forth in its existing interconnection agreements with Florida carriers until such time as those agreements are properly amended to incorporate the changes of law and FCC-mandated transition plans established under the TRO and the TRRO.

FDN: FDN agrees with AT&T's position on this issue.

MCI: The FCC has not invalidated change of law provisions in interconnection agreements. The effect of Verizon's proposed language is to eliminate the need to negotiate contract amendments to implement changes in law that reduce its contract obligations and to implement those changes by giving notices of discontinuance to carriers. MCI proposes to delete Verizon's proposed Section 2.1 and has proposed revised language for Section 3.1.

SPRINT: All functions being performed under the master ICA should be included in the Amendment consistent with the Federal Unbundling Rules and the new FCC TRRO Order. The Parties should be allowed to negotiate these changes. However, as noted above, it is Sprint's position that the FCC's rules with respect to the pricing and timing of the transition period were self-effectuating commencing March.

STAFF: Staff has no position at this time.

ISSUE 3: WHAT OBLIGATIONS UNDER FEDERAL LAW, IF ANY, WITH RESPECT TO UNBUNDLED ACCESS TO LOCAL CIRCUIT SWITCHING, INCLUDING MASS MARKET AND ENTERPRISE SWITCHING (INCLUDING FOUR-LINE CARVE-OUT SWITCHING), AND TANDEM SWITCHING, SHOULD BE INCLUDED IN THE

AMENDMENT TO THE PARTIES' INTERCONNECTION AGREEMENTS?

VERIZON: Verizon no longer has any obligation under federal law to unbundle switching, because the FCC has eliminated unbundled access to mass market local circuit switching, enterprise switching, and tandem switching. Accordingly, the parties' interconnection agreements should not include any obligation to unbundle switching.

AT&T: The amendment should contain provisions for the 12-month transition period established applicable to all UNE-P arrangements. The four-line carve-out is superseded by the TRRO. During the transition period, CLECs are to be allowed to continue to serve the existing customer base including the use of signaling, call related databases and shared transport for existing UNE-P arrangements. The Amendment should address that Verizon is no longer obligated to provide Enterprise switching and how this change should be implemented.

CCG: The Amendment must expressly provide a twelve month transition period, beginning on March 11, 2005, during which competitive carriers may convert their existing mass market customer base to alternative local switching arrangements. The Amendment also must state that competitive carriers will continue to have access to UNE-P priced at TELRIC rates plus one dollar until such time as Verizon successfully migrates the existing UNE-P customer base to competitive carriers' switches or alternative switching arrangements. If Verizon is unable to migrate those customers by the end of the twelve-month transition period, transition rates will continue to apply until a successful and migration occurs. In accordance with the TRRO, Verizon and competitive carriers within Florida must execute an amendment to existing interconnection agreements within the prescribed twelve-month transition period, including any change of law processes required by the parties' respective interconnection agreements.

In setting forth the transition plan for mass market local switching required by the TRRO, the Amendment must define competitive carriers' "embedded customer base" for which the prescribed transition plan will apply. Specifically, the Amendment should clarify that any UNE-P line added, moved or changed by a competitive carrier, at the request of a UNE-P customer served by the competitive carrier's network on or before March 11, 2005, is within the competitive carrier's "embedded customer base" for which the FCC-mandated transition plan applies. In addition, consistent with the TRRO, the Commission should prohibit Verizon from refusing to provision UNE-P lines for new customers of competitive carriers until such time as the TRRO is properly incorporated into the parties' agreements through the change of law processes set forth therein, as contemplated by section 252 of the 1996 Act, and the FCC's rules. Finally, the Commission should make clear that all UNE-P lines must continue to be charged current UNE (TELRIC)

rates until an amendment to the parties' interconnection agreements has been executed.

The Amendment also must reflect the fact that the FCC's Four-Line Carve-Out is no longer a component of the section 251(c) unbundling regime and must not be included in the Amendment. The TRRO confirmed that CLECs are eligible to purchase unbundled mass market local switching, subject to the transition plan, to serve all customers at less than the DS1 capacity level.

FDN: Agree with Competitive Carrier Group.

MCI: The interconnection agreement between Verizon and MCI provides both parties with a specific process to follow if either wants to modify the agreement in response to any change of law. MCI proposes that Enterprise Switching be defined and listed as a "discontinued element," and therefore references throughout the amendment to the four-line carve out are unnecessary and should be deleted. (See MCI's proposal to Section 8, Exhibit GJD-4.)

SPRINT: The terms and conditions should be consistent with the Federal Unbundling Rules and the FCC TRRO Order.

STAFF: Staff has no position at this time.

ISSUE 4: WHAT OBLIGATIONS UNDER FEDERAL LAW, IF ANY, WITH RESPECT TO UNBUNDLED ACCESS TO DS1 LOOPS, UNBUNDLED DS3 LOOPS, AND UNBUNDLED DARK FIBER LOOPS SHOULD BE INCLUDED IN THE AMENDMENT TO THE PARTIES' INTERCONNECTION AGREEMENTS?

VERIZON: Verizon no longer has any obligation under federal law to unbundle dark fiber, and has only limited obligations under federal law to unbundle DS1 and DS3 loops. The FCC has recognized that CLECs are not impaired without access to: (1) DS1 loops out of wire centers containing at least 60,000 business lines and 4 or more fiber-based collocations; and (2) DS3 loops out of wire centers containing at least 38,000 business lines and 4 or more fiber-based collocations. In addition, the FCC has ordered that a CLEC cannot obtain more than one unbundled DS3 loop or 10 unbundled DS1 loops per building. Accordingly, the parties' interconnection agreements should not include any obligation to unbundle dark fiber at all, or any obligation to unbundle DS1 and DS3 loops except in the circumstances set forth above.

AT&T: The amendment should include provisions for all loop types that Verizon employs except the following:

- "Greenfield" fiber to the home ("FTTH") loops where the premises have not previously been served by an Verizon loop facility
- "Brownfield" "FTTH" loops except where copper is not otherwise available
- Loops to Multiple Dwelling Units (MDUs) pursuant to FCC's MDU Reconsideration Order
- DS1 loops in wire centers containing both 60,000 or more business switched access lines and 4 or more fiber based collocators (designation of wire centers for the term of the agreement)
- DS3 loops in wire centers containing both 38000 business switched access lines and 4 or more fiber based collocators (designation of wire centers for the term of the agreement)
- Dark fiber loops (but 18-month transition provisions for the embedded base are required)
- OC-n loops

CCG: The Amendment must state that Verizon remains obligated to provide to Florida carriers unbundled access to its high capacity loops, including DS3 loops and DS1 loops, at any location within the service area of a Verizon wire center for which carriers would be impaired, under the criteria set forth in the TRRO, without access to such facilities. The FCC has determined that competitive carriers are impaired without access to DS3 capacity loops at any location within the service area of a Verizon wire center containing fewer than 38,000 business lines or fewer than four fiber-based collocators, and are impaired without access to DS1 capacity loops at any location within the service area of a Verizon wire center containing fewer than 60,000 business lines or four or more fiber-based collocators. To be sure, the criteria established by the FCC for a determination of impairment, and thus, for competitive carriers' access to high capacity loops, including DS1 loops and DS3 loops, must be expressly incorporated into the terms and conditions of the Amendment. Further, the Amendment must clearly define "business lines" and "fiber-based collocators," as those terms are defined under the TRRO.

The Amendment must include a comprehensive list of the Verizon wire centers that satisfy the non-impairment criteria for DS1 and DS3 loops set forth in the TRRO as well as a process for review and investigation of any future claim by Verizon that an additional specified wire center location within Florida meets the FCC's criteria for unbundling relief. Verizon should be required to submit to Florida carriers all documentation and other information that reasonably supports its claim of "no impairment" for a specified wire center location within Florida. There should also be a process for resolution of any disagreement regarding a "no impairment claim" and a process for an annual review of the list.

For high capacity loop facilities that Verizon no longer is obligated to provide under section 251(c) of the 1996 Act, the Amendment must expressly incorporate

the transition plan ordered by the FCC, during which competitive carriers may convert existing customers to alternative service arrangements. The time period established for the transition of customers from DS1 and DS3 capacity loop facilities is twelve months, effective March 11, 2005 and the time period established for the transition of customers from dark fiber loop facilities is eighteen months, effective March 11, 2005. The Amendment must state that Verizon will be required to provide, for the duration of the applicable transition period, grandfathered high capacity loops facilities, including DS1 and DS3 loops, and dark fiber loops, at the rates set forth in the TRRO, which shall be the higher of (1) 115 percent of the rate of the requesting carrier for the loop facility on June 15, 2004; or (2) 115 percent of the rate that a state commission has established for the requested loop facility since June 16, 2004.

In setting forth the transition plan for high capacity and dark fiber loop facilities, the Amendment must define competitive carriers' "embedded customer base" for which the prescribed transition plan will apply. For loop facilities that Verizon no longer is obligated to provide under section 251 of the 1996 Act, the Amendment should clarify that any loop added, moved or changed by a competitive carrier, at the request of a customer served by the competitive carrier's network on or before March 11, 2005, is within the competitive carrier's "embedded customer base" for which the FCC-mandated transition plan applies and the Commission should not permit Verizon to block "new adds" by competitive carriers until time as the TRRO is properly incorporated into the parties' agreements through the change of law processes set forth therein, as contemplated by section 252 of the Act.

FDN: Agree with AT&T.

MCI: The interconnection agreement between Verizon and MCI provides both parties with a specific process to follow if either wants to modify the agreement in response to any change of law. MCI's proposed contract language regarding the availability of DS1, DS3, and Dark Fiber loops is found in Section 9 of Exhibit GJD-4.

SPRINT: High Capacity loops, with the exception of Dark Fiber Loops, should remain available as UNEs, consistent with the terms and conditions of the Federal Unbundling Rules and the FCC TRRO Order. Existing Dark Fiber Loops should be transitioned to alternate arrangements consistent with the Federal Unbundling Rules and the FCC TRRO Order.

STAFF: Staff has no position at this time.

ISSUE 5: WHAT OBLIGATIONS UNDER FEDERAL LAW, IF ANY, WITH RESPECT TO UNBUNDLED ACCESS TO DEDICATED TRANSPORT, INCLUDING DARK FIBER TRANSPORT, SHOULD BE INCLUDED IN

THE AMENDMENT TO THE PARTIES' INTERCONNECTION AGREEMENTS?

VERIZON: Verizon no longer has any obligation under federal law to unbundle entrance facilities connecting an ILEC and CLEC networks, and has only limited obligations under federal law to unbundle DS1, DS3, and dark fiber transport facilities. Specifically, CLECs are impaired without access to DS1 transport except on routes connecting wire centers that each contains at least four fiber-based collocators or at least 38,000 business access lines. CLECs are impaired without access to DS3 or dark fiber transport except on routes connecting a pair of wire centers where each contains at least three fiber-based collocators or at least 24,000 business lines. Accordingly, the parties' interconnection agreements should not include any obligation to unbundle DS1, DS3, or dark fiber transport except in the circumstances set forth above.

AT&T: The agreement should include the language consistent with the FCC rules on determining the availability of dedicated transport based on the characteristics of the wire centers forming a route and the capacity of the facility being sought. Wire centers identified by Verizon as Tier 1 or Tier 2, should be verified by the Commission and then language applicable to the availability of DS1, DS3 and dark fiber transport consistent with the rules should be included.

CCG: The Amendment must state that Verizon remains obligated under section 251(c) of the 1996 Act to provide to Florida carriers unbundled access to dedicated interoffice transport, including DS3 and DS1 transport facilities, at any location within the service area of a Verizon wire center for which carriers would be impaired, under the criteria set forth in the TRRO, without access to such facilities. The FCC has determined that competitive carriers are impaired without unbundled access to DS3 dedicated transport facilities along any route that originates or terminates in any Tier 3 wire center (i.e., any wire center that contains less than three fiber-based collocators and less than 24,000 business lines), and are impaired without unbundled access to DS1 dedicated transport facilities in all routes where at least one end-point of the route is a wire center containing fewer than 38,000 business lines and fewer than four fiber-based collocators. To be sure, the criteria established by the FCC for a determination of impairment, and thus, for competitive carriers' access to dedicated interoffice transport facilities, including DS1 and DS3 transport facilities, under section 251(c) of the 1996 Act should be expressly incorporated into the terms and conditions of the Amendment. Further, the Amendment must clearly define "business lines" and "fiber-based collocators," as those terms are defined under the TRRO.

The Amendment must include a comprehensive list of the Verizon wire centers that satisfy the "no impairment" criteria for dedicated transport, including dark fiber transport, set forth in the TRRO as well as a process for review and investigation of any future claim by Verizon that an additional specified wire

center location within Florida meets the FCC's criteria for unbundling relief. Verizon should be required to submit to Florida carriers all documentation and other information that reasonably supports its claim of "no impairment" for a specified wire center location within Florida.

There should also be a process for resolution of any disagreement regarding a "no impairment" claim and a process for an annual review of the list.

For dedicated interoffice transport facilities that Verizon no longer is obligated to provide under section 251 of the 1996 Act, the Amendment must expressly incorporate the transition plan ordered by the FCC, during which competitive carriers may convert existing customers to alternative service arrangements offered by Verizon. The time period established for the transition of customers from DS1 and DS3 transport facilities, is twelve months, effective March 11, 2005 and the time period established for the transition of customers from dark fiber transport facilities is eighteen months, effective March 11, 2005. The Amendment must state that Verizon will be required to provide, for the duration of the applicable transition period, grandfathered dedicated transport facilities, including DS1 and DS3 transport facilities, and dark fiber transport facilities, at the rates set forth in the TRRO, which shall be the higher of (1) 115 percent of the rate of the requesting carrier for the interoffice transport facility on June 15, 2004; or (2) 115 percent of the rate that a state commission has established for the requested interoffice transport facility since June 16, 2004.

In setting forth the transition plan for dedicated interoffice transport facilities, the Amendment must define competitive carriers' "embedded customer base" for which the prescribed transition plan will apply. For dedicated interoffice transport facilities that Verizon no longer is obligated to provide under section 251 of the 1996 Act, the Amendment should clarify that any line added, moved or changed by a competitive carrier, at the request of a customer served by the competitive carrier's network on or before March 11, 2005, is within the competitive carrier's "embedded customer base" for which the FCC-mandated transition plan applies. The Commission should not permit Verizon to refuse to provision new dedicated transport circuits for competitive carriers until time as the TRRO is properly incorporated into the parties' agreements through the change of law processes set forth therein, as contemplated by section 252 of the Act.

To the extent that Verizon elects to implement the so-called "DS1-cap" imposed by the FCC under the parties' agreements, the Amendment must state that the FCC's limitation on Verizon's obligation to provide to carriers unbundled DS1 dedicated transport facilities applies only if section 251(c) unbundling relief also has been granted for DS3 dedicated transport facilities on the same route.

FDN: Agree with AT&T.

MCI: The interconnection agreement between Verizon and MCI provides both parties with a specific process to follow if either wants to modify the agreement in response to any change of law. With respect to this issue, MCI's proposed contract language is found in Section 10 of Exhibit GJD-4.

SPRINT: Dedicated Transport and dark fiber transport should remain as UNEs, consistent with the terms and conditions of the Federal Unbundling Rules and the FCC TRRO Order.

STAFF: Staff has no position at this time.

ISSUE 6: UNDER WHAT CONDITIONS, IF ANY, IS VERIZON PERMITTED TO RE-PRICE EXISTING ARRANGEMENTS WHICH ARE NO LONGER SUBJECT TO UNBUNDLING UNDER FEDERAL LAW?

VERIZON: Verizon must re-price the UNEs de-listed in the TRRO at the FCC-prescribed transitional rates, but those rates last only until the de-listed UNEs are eliminated or converted to other arrangements no later than the end of the transition on March 11, 2006 (or, for dark fiber, September 11, 2006). CLECs must arrange for a replacement service or request disconnection within that transition period. If the CLEC fails to do so and the transition period has passed, Verizon is entitled to reprice the converted base of embedded UNEs at resale, tariffed rates, or other analogous arrangement, at Verizon's discretion. This principle applies to the elements de-listed in the TRO, as well. These elements are not subject to a transition period, so they may be repriced, in accordance with Verizon's Amendment, once that Amendment is approved.

AT&T: Verizon is not permitted to re-price existing arrangements except as specifically prescribed by the TRO, and only after such price changes have been incorporated into a Commission-approved ICA amendment.

CCG: As described in previous positions, the Amendment to the parties' interconnection agreements must include rates, terms and conditions that reflect any change to Verizon's federal unbundling obligations brought about by the TRO and/or the TRRO for each network element that Verizon no longer is obligated to provide under section 251 of the 1996 Act. Verizon may re-price existing arrangements, however, **only** in accordance with the incremental rate increases prescribed by the FCC, and set forth in the Amendment, for those network elements that Verizon no longer is obligated to provide under section 251 of the Act, and Verizon may only implement such re-pricing after an amendment to the parties' interconnection agreements has been executing. Under the TRRO, Verizon is **not** permitted to impose any termination or other non-recurring charge in connection with any

carrier's request to transition from a current arrangement that Verizon is no longer obligated to provide under section 251 of the 1996 Act. Verizon is bound by the unbundling obligations set forth in its existing interconnection agreements with Florida carriers, including the rates, terms and conditions for section 251 unbundled network elements, until such time as those agreements are properly amended to incorporate the changes of law and FCC-mandated transition plans (including transition rates) established under the TRRO.

FDN: Agree with Competitive Carrier Group.

MCI: If Verizon seeks to re-price existing arrangements that will no longer be subject to unbundling requirements under federal law, Verizon is required to follow the existing change of law provisions in the parties' interconnection agreement. Nothing in the FCC's recent orders, specifically the TRO and TRRO, give Verizon license to amend the change of law provisions of the current interconnection agreement.

SPRINT: Re-pricing of de-listed UNEs should follow the terms and conditions pertaining to re-pricing and transition contained in the Federal Unbundling Rules and the FCC TRO and TRRO Orders.

STAFF: Staff has no position at this time.

ISSUE 7: SHOULD VERIZON BE PERMITTED TO PROVIDE NOTICE OF DISCONTINUANCE IN ADVANCE OF THE EFFECTIVE DATE OF REMOVAL OF UNBUNDLING REQUIREMENTS?

VERIZON: Yes. The effective date of the elimination of unbundling obligations for elements de-listed in the *TRO* has long since passed, and therefore Verizon should be allowed to rely on the October 2, 2003 and May 18, 2004 notices that it sent regarding these elements. For the elements de-listed in the *TRRO*, Verizon's notice dated February 10, 2004 asked CLECs with facilities or arrangements de-listed in the *TRRO* to contact their Verizon account manager no later than May 15, 2005 in order to review their proposed transition plans. Therefore, there should be no "notice" issue because Verizon and the CLECs will presumably have agreed on the timing of the conversions and the commercial arrangements that will govern services going forward.

AT&T: Yes, as long as the effective date of any discontinuance is after the effective date set forth for such discontinuance in the order allowing for the discontinuance, including any transition periods provided by the order. The effective date of any discontinuance should not be before the issuance of the relevant order to be sure all parties have a chance to see the FCC's language.

CCG: No. The TRRO makes clear that the FCC's unbundling determinations are not "self-effectuating," and accordingly, that Verizon and Florida carriers may implement changes of law arising under the TRO and the TRRO only "as directed by section 252 of the Act," and consistent with the change of law processes set forth in carriers' individual interconnection agreements with Verizon. Furthermore, the TRRO expressly requires that Verizon and Florida carriers "negotiate in good faith regarding any rates, terms and conditions necessary to implement [the FCC's] rule changes. Therefore, the TRRO expressly precludes any effort by Verizon to circumvent the change of law process set forth in its interconnection agreements with Florida carriers by providing notice of discontinuance of any network element in advance of the date on which such agreements are properly amended to reflect changes to the FCC's unbundling rules.

FDN: Agree with Competitive Carrier Group.

MCI: MCI does not object to part of proposed Section 31. as discussed in Mr. Darnell's direct testimony. MCI does, however, object to Verizon's proposal to include language on UNEs that *might* be removed from federal unbundling rules in the future, because Verizon's proposal seeks to gut the change of law provisions in the current agreement. This amendment should address UNEs and UNE combinations that are no longer the subject of federal unbundling obligations. MCI also proposes to delete as unnecessary Verizon's proposed language to give notice of discontinuance in advance of the effective date of removal of unbundling requirements.

SPRINT: Notice and implementation timeframes should be consistent with the requirements of the FCC TRRO Order. If timeframes aren't established, 120 days notice should be provided in advance of discontinuance.

STAFF: Staff has no position at this time.

ISSUE 8: SHOULD VERIZON BE PERMITTED TO ASSESS NON-RECURRING CHARGES FOR THE DISCONNECTION OF A UNE ARRANGEMENT OR THE RECONNECTION OF SERVICE UNDER AN ALTERNATIVE ARRANGEMENT? IF SO, WHAT CHARGES APPLY?

VERIZON: Yes. Verizon is not proposing, in this arbitration, any new, non-recurring charges associated with conversion of UNE arrangements to replacement services. However, if Verizon incurs additional costs in setting up an alternative service, Verizon is entitled to seek recovery of those costs later. Nothing in the Amendment should foreclose Verizon's ability to do so. In addition, the Commission cannot impose any constraints on Verizon's ability to negotiate non-recurring charges in the context of non-section-251 commercial agreements or

other arrangements that are not subject to the negotiation and arbitration requirements of section 252.

AT&T: No. The disconnection of a UNE arrangement utilized by AT&T that occurs as a result of the elimination of Verizon's obligation to provide that arrangement as a UNE is an activity that Verizon has initiated, thereby making Verizon the cost-causer and the party who should bear the cost. Furthermore, Verizon is the party best able to minimize the cost of the disconnection/reconnection, if there is any relevant cost. The transition from UNEs to alternative arrangements should be governed by the same principles articulated by the FCC in rule 51.316(b) and (c) for the conversion of wholesale services to UNEs. Verizon should not be able to impose any termination charges, disconnect fees, reconnect fees, or charges associated with establishing a service for the first time in connection with the conversion between existing arrangements and new arrangements.

CCG: No. The transition plans ordered by the FCC for unbundled dedicated transport, high capacity loops and mass market local switching, each prescribe the rates that Verizon may impose when a "no impairment" finding exists and the TRRO does not permit Verizon to impose any additional charges, including non-recurring charges, for the disconnection of a "de-listed" UNE or the reconnection of an alternative service arrangement.

Moreover, the cost of converting unbundled network elements to alternative arrangement should be incurred by the "cost causer," i.e. Verizon. Specifically, because the disconnection of a UNE arrangement and the reconnection of an alternative service arrangements is the result of Verizon's decision to forego unbundling, the cost of such network modifications should not be borne by any carrier that otherwise would continue using the UNE arrangements that Verizon currently provides.

FDN: Agree with Competitive Carrier Group.

MCI: Verizon should not be permitted to assess its existing loop disconnect nonrecurring charges on loops that are not disconnected or on loops that are disconnected as part of a group or batch request. The changes that can be expected as a result of the TRRO will not reflect normal, market driven customer churn and therefore the existing nonrecurring loop disconnect charge would be inappropriate. The Commission should determine new and lower "batch" hot cut rates to capture the scope and scale economies of one-time, mass migration of loops. To the extent unbundled loops are converted to alternative Verizon offerings such as resale or commercial offerings, no disconnect or reconnect charges should apply. (See Sections 3.2 and 8 of Exhibit GJD-4).

SPRINT: Yes, to the extent Verizon has any actual and necessary charges that are justified. Other changes that would require actual physical arrangement work should be charged according to the Verizon tariff.

STAFF: Staff has no position at this time.

ISSUE 9: WHAT TERMS SHOULD BE INCLUDED IN THE AMENDMENTS' DEFINITIONS SECTION AND HOW SHOULD THOSE TERMS BE DEFINED?

VERIZON: The Amendment's definitions should be consistent with the *TRO* and *TRRO.* Verizon's proposed definitions correctly implement federal law while the CLECs' proposed definitions do not. Accordingly, Verizon's proposed definitions should be included in the Amendment's Definitions Section.

AT&T: All specified terms that are used in the Amendment should be included in the definitions section and those terms should be defined, where possible, to reflect the FCC's definitions and/or industry practice. These terms are identified in AT&T's proposed TRRO Amendment.

CCG: The Amendment's Definition Section should include all terms necessary to properly implement changes to the FCC's unbundling rules under the TRO and the TRRO, including new terms defined in those Orders, and required modifications to the definitions of existing terms under the parties' interconnection agreements.

FDN: Agree with Competitive Carrier Group.

MCI: MCI has proposed that the Amendment to the parties' interconnection agreement include definitions for a number of terms to ensure that they track federal law and to supply definitions for other terms which were omitted by Verizon. MCI's proposed definitions are found in Section 12.7 of Exhibit GJD-4.

SPRINT: The definitions in both Amendments should be consistent and defined pursuant to the Federal Unbundling rules and the FCC TRO and TRRO Orders.

STAFF: Staff has no position at this time.

ISSUE 10: **SHOULD VERIZON BE REQUIRED TO FOLLOW THE CHANGE OF LAW AND/OR DISPUTE RESOLUTION PROVISIONS IN EXISTING INTERCONNECTION AGREEMENTS IF IT SEEKS TO DISCONTINUE THE PROVISIONING OF UNES?**

VERIZON: Verizon has and will continue to follow its existing contracts to implement changes in unbundling obligations, unless they are inconsistent with FCC mandates or the process the FCC established to change agreements, where necessary. No amendments are necessary to implement the FCC's mandatory transition plan, including the no-new-adds directive.

AT&T: Yes. The FCC in the TRRO refers to the process for negotiation and arbitration established by Sec. 252 expressly including the change of law requirement to amend ICAs such as AT&T's to reflect changes occasioned by the FCC's Order. Verizon's contractual obligation to provision a particular unbundled network element continues under the contract until the contract or agreement is properly amended. The TRO contains similar language.

CCG: Yes, Verizon must follow the "change of law" and dispute resolution provisions set forth in its interconnection agreements with Florida carriers to discontinue any network element that Verizon no longer is obligated to provide under section 251 of the 1996 Act. The TRRO makes clear that the FCC's unbundling determinations are not "self-effectuating," and accordingly, that Verizon and Florida carriers may implement changes of law arising under the TRO and the TRRO only "as directed by section 252 of the Act," and consistent with the change of law processes set forth in carriers' individual interconnection agreements with Verizon. Furthermore, the TRRO expressly requires that Verizon and Florida carriers "negotiate in good faith" any rates, terms and conditions necessary to implement [the FCC's] rule changes." At bottom, Verizon is bound by the unbundling obligations set forth in its existing interconnection agreements with Florida carriers until such time as those agreements are properly amended to incorporate the changes of law and FCC-mandated transition plans established under the TRRO.

FDN: Agree with Competitive Carrier Group.

MCI: Yes. Verizon should be required to follow the change of law provisions in the existing interconnection agreements if it seeks to discontinue provisioning UNEs.

SPRINT: Yes, change of law and dispute resolution should be carried out under the existing interconnection agreement.

STAFF: Staff has no position at this time.

ISSUE 11: HOW SHOULD ANY RATE INCREASES AND NEW CHARGES ESTABLISHED BY THE FCC IN ITS FINAL UNBUNDLING RULES OR ELSEWHERE BE IMPLEMENTED?

VERIZON: Verizon should implement such rate increases and new charges by issuing a schedule containing these items (to take effect on the same terms that the FCC may require). In response to CLEC proposals in negotiations, Verizon has agreed to add language recognizing that Verizon may use a true-up mechanism as contemplated in the *TRRO*.

AT&T: The TRRO provides that the allowable transition rates shall apply starting the effective date of the Order but not be billed until the ICA is amended. A true-up back to the effective date shall apply for the new rates for UNEs no longer subject to unbundling upon the execution of amendments to the relevant interconnection agreements.

CCG: Changes in the rates and new charges may be implemented only "as directed by section 252 of the Act," and consistent with the change of law processes set forth in carriers' individual interconnection agreements with Verizon. The TRRO expressly requires that Verizon and Florida carriers "negotiate in good faith regarding any rates, terms and conditions necessary to implement [the FCC's] rule changes. Verizon is bound by the unbundling obligations and rates set forth in its existing interconnection agreements with Florida carriers until such time as those agreements are properly amended to incorporate the changes of law and FCC-mandated transition plans (including transition rates) established under the TRRO.

FDN: Agree with Competitive Carrier Group.

MCI: The interconnection agreement between Verizon and MCI provides both parties with a specific process to follow if either wants to modify the agreement in response to any change of law. The rates Verizon charges MCI should not change until an amendment to the agreement or a new agreement changing the rates becomes effective. MCI's proposed language regarding the changes in rates caused by the TRRO is found in sections 8-11 of Exhibit GJD-4.

SPRINT: Rate increases and new charges should be implemented in accordance with the FCC TRRO Order.

STAFF: Staff has no position at this time.

ISSUE 12: **SHOULD THE INTERCONNECTION AGREEMENTS BE AMENDED TO ADDRESS CHANGES ARISING FROM THE TRO WITH RESPECT TO COMMINGLING OF UNES WITH WHOLESALE SERVICES, EELS, AND OTHER COMBINATIONS? IF SO, HOW?**

VERIZON: Yes. The FCC removed its commingling restrictions to permit CLECs to commingle UNEs and combinations of UNEs with other wholesale services, subject to eligibility criteria that apply for commingled EELs. Verizon proposes not to prohibit the commingling of UNEs with wholesale services (to the extent it is required under federal law to permit commingling). Moreover, Verizon proposes to apply the tariffed access rate or the rate from a separate non-section-251 agreement, as applicable, to the non-UNE portion of the commingled arrangement, and to apply the established UNE rate to the UNE portion of the commingled arrangement. In addition, Verizon proposes to apply non-recurring service order, installation, and manual intervention charges to offset Verizon's costs of implementing and managing commingled arrangements.

AT&T: Yes, the agreements should be amended to affirmatively allow AT&T to commingle UNEs and combinations of UNEs with other services (e.g. switched access and special access) and to require Verizon to perform the necessary functions to effectuate such commingling upon request. AT&T's proposed amendment has proposed language consistent with the FCC requirements on commingling.

CCG: Yes. The parties' interconnection agreements must be amended to reflect Verizon's obligation to provide commingling of unbundled network elements ("UNEs") or combinations of UNEs with wholesale services, as clarified by the FCC under the TRO, including the terms under which carriers may commingle UNEs and wholesale services. The FCC determined that "a restriction on commingling would constitute an unjust and unreasonable practice under section 201 of the Act," and an "undue and unreasonable prejudice or advantage" under section 202 of the Act, and would violate the "nondiscrimination requirement in section 251(c)(3)." Therefore, affirmatively found that competitive carriers may "connect, combine or other attach UNEs and UNE combinations to wholesale services," including switched or special access services offered under the rates, terms and conditions of an effective tariff. Importantly, the TRO also requires Verizon to effectuate commingling immediately, subject to penalties for noncompliance.

FDN: Agree with AT&T

MCI: MCI's position on this issue is set forth in detail in Section 4 of Exhibit GJD-4.

SPRINT: Yes. Commingling of UNEs and UNE combinations should be provided by Verizon to the extent required by the Federal Unbundling Rules and the FCC TRO Order. Wholesale services available for commingling should include resale services.

STAFF: Staff has no position at this time.

ISSUE 13: SHOULD THE INTERCONNECTION AGREEMENTS BE AMENDED TO ADDRESS CHANGES ARISING FROM THE TRO WITH RESPECT TO CONVERSION OF WHOLESALE SERVICES TO UNES/UNE COMBINATIONS? IF SO, HOW?

VERIZON: Verizon does not object to reflecting the FCC's new conversions requirements in its contracts, and it has done so in its Amendment 2.

AT&T: Yes. The agreement should be amended to allow AT&T to convert special access and wholesale services to UNEs unless precluded by service eligibility criteria established by the FCC. Conversions should be done as requested by AT&T in the future as well as retroactively as allowed by the TRO. Rates for services converted to UNEs should be effective with the next month's billing following the request.

CCG: Yes. The parties' interconnection agreements should be amended to reflect that competitive carriers may convert tariffed services provided by Verizon to UNEs or UNE combinations, provided that the service eligibility criteria established by the FCC, under the TRO, are satisfied. Neither the D.C. Circuit's *USTA II* decision, nor the TRRO displaced the FCC's earlier findings with regarding to competitive carriers' right to covert Verizon wholesale services to UNEs or combinations of UNEs, as permitted by the TRO.

FDN: Agree with AT&T.

MCI: MCI's position is set forth in detail in Section 5 of its redlined edits to Verizon's proposed interconnection agreement amendment found in Exhibit GJD-4.

SPRINT: Yes.

STAFF: Staff has no position at this time.

ISSUE 14: SHOULD THE ICAS BE AMENDED TO ADDRESS CHANGES, IF ANY, ARISING FROM THE TRO WITH RESPECT TO:

a) Line splitting;

VERIZON: No. The purpose of this arbitration is to amend agreements to implement the permanent unbundling rules in the *TRO* and the *TRRO.* These Orders did not change Verizon's obligations (or lack thereof) with regard to line splitting. Line splitting is already addressed in the underlying agreements, so there is no reason to address it in the Amendment. If the Commission were to determine that this or other non-*TRO* items should be addressed in the Amendment, then Verizon must have the opportunity to propose language during negotiations to conform the Amendment to the Commission's decision.

AT&T: No position.

CCG: Yes, the parties' interconnection agreements should be amended to reflect any changes to the FCC's unbundling rules arising under the TRO that were not vacated by the D.C. Circuit in *USTA II*, and/or modified by the FCC in the TRRO or other FCC order. The Amendment should expressly incorporate the requirements of the TRO and the FCC's rules with regard to the following: line splitting; newly built fiber-to-the-home and/or fiber-to-the-curb loops; overbuilt fiber-to-the-home and/or fiber-to-the curb loops; access to hybrid loops for the provision of broadband services; access to hybrid loops for the provision of narrowband services; retirement of copper loops; line conditioning; packet switching; network interface devices (NIDs); and line sharing.

FDN: Agree with Competitive Carrier Group.

MCI: MCI's position on these subissues is found in the following sections of Exhibit GJD-4:
Section 6 – Issue 14(a);
Section 7 – Issues 14(b, c);
Section 7.2, 9.7.5 – Issues 14(d,e);
Section 7.3 – Issue 14(f);
Section 7.4 – Issue 14(g); and
Section 9.7.5 – Issue 14(j).
MCI takes no position regarding Issues 14(h and i).

SPRINT: Yes. The amendment should explicitly address each requirement and, if there are no obligations, the item should still be addressed if the Federal Unbundling Rules and the FCC's TRO and TRRO Orders specify procedures involved with discontinuation of requirements.

STAFF: Staff has no position at this time.

b) Newly built FTTP loops;

VERIZON: Yes. In the *TRO*, the FCC found that CLECs are not impaired without unbundled access to "loops consisting of fiber from the central office to the customer premises." *TRO* at ¶ 211. This means that Verizon does not have to unbundle newly built fiber to the premises (FTTP) loops. AT&T improperly seeks to limit the FCC's unbundling relief to only the "home," rather than the premises. Unlike AT&T's proposed amendment, Verizon's proposed amendment complies with the FCC's rules and should be adopted.

AT&T: Yes, the agreement should be amended to address changes arising from the TRO with respect to newly built and overbuilt fiber to the home loops. The Commission should adopt AT&T's proposed contract amendment language contained in Exhibit **ECN-1** at Paragraphs 3.2.2 through 3.2.2.6 which properly implement the FCCs rules regarding Verizon's obligation to provide access to narrowband transmission path in newly built FTTH and certain overbuild FTTH situations. The acronym FTTH (fiber to the home) proposed by AT&T is consistent with FCC use of the terms in its Rule 51.319(a)(3) as opposed to Verizon's FTTP (fiber to the premises).

CCG: Yes, the parties' interconnection agreements should be amended to reflect any changes to the FCC's unbundling rules arising under the TRO that were not vacated by the D.C. Circuit in *USTA II*, and/or modified by the FCC in the TRRO or other FCC order. The Amendment should expressly incorporate the requirements of the TRO and the FCC's rules with regard to the following: line splitting; newly built fiber-to-the-home and/or fiber-to-the-curb loops; overbuilt fiber-to-the-home and/or fiber-to-the curb loops; access to hybrid loops for the provision of broadband services; access to hybrid loops for the provision of narrowband services; retirement of copper loops; line conditioning; packet switching; network interface devices (NIDs); and line sharing.

FDN: Agree with Competitive Carrier Group.

MCI: MCI's position on these subissues is found in the following sections of Exhibit GJD-4:
Section 6 – Issue 14(a);
Section 7 – Issues 14(b, c);
Section 7.2, 9.7.5 – Issues 14(d,e);
Section 7.3 – Issue 14(f);
Section 7.4 – Issue 14(g); and
Section 9.7.5 – Issue 14(j).

MCI takes no position regarding Issues 14(h and i).

SPRINT: Yes. The amendment should explicitly address each requirement and, if there are no obligations, the item should still be addressed if the Federal Unbundling Rules and the FCC's TRO and TRRO Orders specify procedures involved with discontinuation of requirements.

STAFF: Staff has no position at this time.

c) Overbuilt FTTP loops;

VERIZON: Yes. In the *TRO*, the FCC found that CLECs are not impaired without unbundled access to "loops consisting of fiber from the central office to the customer premises." *TRO* at ¶ 211. This means that Verizon has to provide only nondiscriminatory access to a voice-grade transmission path in overbuild situations. AT&T improperly seeks to limit the FCC's unbundling relief to only the "home," rather than the premises. Unlike AT&T's proposed amendment, Verizon's proposed amendment complies with the FCC's rules and should be adopted.

AT&T: Yes, the agreement should be amended to address changes arising from the TRO with respect to newly built and overbuilt fiber to the home loops. The Commission should adopt AT&T's proposed contract amendment language contained in Exhibit **ECN-1** at Paragraphs 3.2.2 through 3.2.2.6 which properly implement the FCCs rules regarding Verizon's obligation to provide access to narrowband transmission path in newly built FTTH and certain overbuild FTTH situations. The acronym FTTH (fiber to the home) proposed by AT&T is consistent with FCC use of the terms in its Rule 51.319(a)(3) as opposed to Verizon's FTTP (fiber to the premises).

CCG: Yes, the parties' interconnection agreements should be amended to reflect any changes to the FCC's unbundling rules arising under the TRO that were not vacated by the D.C. Circuit in *USTA II*, and/or modified by the FCC in the TRRO or other FCC order. The Amendment should expressly incorporate the requirements of the TRO and the FCC's rules with regard to the following: line splitting; newly built fiber-to-the-home and/or fiber-to-the-curb loops; overbuilt fiber-to-the-home and/or fiber-to-the curb loops; access to hybrid loops for the provision of broadband services; access to hybrid loops for the provision of narrowband services; retirement of copper loops; line conditioning; packet switching; network interface devices (NIDs); and line sharing.

FDN: Agree with Competitive Carrier Group.

MCI: MCI's position on these subissues is found in the following sections of Exhibit GJD-4:
Section 6 – Issue 14(a);
Section 7 – Issues 14(b, c);
Section 7.2, 9.7.5 – Issues 14(d,e);
Section 7.3 – Issue 14(f);
Section 7.4 – Issue 14(g); and
Section 9.7.5 – Issue 14(j).
MCI takes no position regarding Issues 14(h and i).

SPRINT: Yes. The amendment should explicitly address each requirement and, if there are no obligations, the item should still be addressed if the Federal Unbundling Rules and the FCC's TRO and TRRO Orders specify procedures involved with discontinuation of requirements.

STAFF: Staff has no position at this time.

d) Access to hybrid loops for the provision of broadband services;

VERIZON: Yes. The Amendment should make clear that, consistent with the FCC's Rules, Verizon has no obligation to provide access to hybrid loops for the CLECs' provision of broadband services, except for the time division multiplexing features of a hybrid loop that remains defined as a UNE.

AT&T: No position.

CCG: Yes, the parties' interconnection agreements should be amended to reflect any changes to the FCC's unbundling rules arising under the TRO that were not vacated by the D.C. Circuit in *USTA II*, and/or modified by the FCC in the TRRO or other FCC order. The Amendment should expressly incorporate the requirements of the TRO and the FCC's rules with regard to the following: line splitting; newly built fiber-to-the-home and/or fiber-to-the-curb loops; overbuilt fiber-to-the-home and/or fiber-to-the curb loops; access to hybrid loops for the provision of broadband services; access to hybrid loops for the provision of narrowband services; retirement of copper loops; line conditioning; packet switching; network interface devices (NIDs); and line sharing.

FDN: Agree with Competitive Carrier Group.

MCI: MCI's position on these subissues is found in the following sections of Exhibit GJD-4:
Section 6 – Issue 14(a);
Section 7 – Issues 14(b, c);

Section 7.2, 9.7.5 – Issues 14(d,e);
Section 7.3 – Issue 14(f);
Section 7.4 – Issue 14(g); and
Section 9.7.5 – Issue 14(j).
MCI takes no position regarding Issues 14(h and i).

SPRINT: Yes. The amendment should explicitly address each requirement and, if there are no obligations, the item should still be addressed if the Federal Unbundling Rules and the FCC's TRO and TRRO Orders specify procedures involved with discontinuation of requirements.

STAFF: Staff has no position at this time.

e) Access to hybrid loops for the provision of narrowband services;

VERIZON: Yes. The Amendment should make clear that Verizon's obligation to unbundle hybrid loops for the CLECs' provision of narrowband services is limited to either providing a spare home-run copper loop or a DS0 voice-grade transmission path between the main distribution frame and the end user's premises, with the choice between these options at Verizon's discretion.

AT&T: No position.

CCG: Yes, the parties' interconnection agreements should be amended to reflect any changes to the FCC's unbundling rules arising under the TRO that were not vacated by the D.C. Circuit in *USTA II*, and/or modified by the FCC in the TRRO or other FCC order. The Amendment should expressly incorporate the requirements of the TRO and the FCC's rules with regard to the following: line splitting; newly built fiber-to-the-home and/or fiber-to-the-curb loops; overbuilt fiber-to-the-home and/or fiber-to-the curb loops; access to hybrid loops for the provision of broadband services; access to hybrid loops for the provision of narrowband services; retirement of copper loops; line conditioning; packet switching; network interface devices (NIDs); and line sharing.

FDN: Agree with Competitive Carrier Group.

MCI: MCI's position on these subissues is found in the following sections of Exhibit GJD-4:
Section 6 – Issue 14(a);
Section 7 – Issues 14(b, c);
Section 7.2, 9.7.5 – Issues 14(d,e);
Section 7.3 – Issue 14(f);
Section 7.4 – Issue 14(g); and
Section 9.7.5 – Issue 14(j).

MCI takes no position regarding Issues 14(h and i).

SPRINT: Yes. The amendment should explicitly address each requirement and, if there are no obligations, the item should still be addressed if the Federal Unbundling Rules and the FCC's TRO and TRRO Orders specify procedures involved with discontinuation of requirements.

STAFF: Staff has no position at this time.

f) Retirement of copper loops;

VERIZON: No. The purpose of this arbitration is to amend agreements to implement the permanent unbundling rules in the *TRO* and the *TRRO.* These Orders did not change Verizon's obligations (or lack thereof) with regard to retirement of copper loops. This item is already addressed in the underlying agreements, so there is no reason to address it in the Amendment. If the Commission were to determine that this or other non-*TRO* items should be addressed in the Amendment, then Verizon must have the opportunity to propose language during negotiations to conform the Amendment to the Commission's decision.

AT&T: No position.

CCG: Yes, the parties' interconnection agreements should be amended to reflect any changes to the FCC's unbundling rules arising under the TRO that were not vacated by the D.C. Circuit in *USTA II*, and/or modified by the FCC in the TRRO or other FCC order. The Amendment should expressly incorporate the requirements of the TRO and the FCC's rules with regard to the following: line splitting; newly built fiber-to-the-home and/or fiber-to-the-curb loops; overbuilt fiber-to-the-home and/or fiber-to-the curb loops; access to hybrid loops for the provision of broadband services; access to hybrid loops for the provision of narrowband services; retirement of copper loops; line conditioning; packet switching; network interface devices (NIDs); and line sharing.

FDN: Agree with Competitive Carrier Group.

MCI: MCI's position on these subissues is found in the following sections of Exhibit GJD-4:
Section 6 – Issue 14(a);
Section 7 – Issues 14(b, c);
Section 7.2, 9.7.5 – Issues 14(d,e);
Section 7.3 – Issue 14(f);
Section 7.4 – Issue 14(g); and
Section 9.7.5 – Issue 14(j).

MCI takes no position regarding Issues 14(h and i).

SPRINT: Yes. The amendment should explicitly address each requirement and, if there are no obligations, the item should still be addressed if the Federal Unbundling Rules and the FCC's TRO and TRRO Orders specify procedures involved with discontinuation of requirements.

STAFF: Staff has no position at this time.

g) Line conditioning;

VERIZON: No. The purpose of this arbitration is to amend agreements to implement the permanent unbundling rules in the *TRO* and the *TRRO*. These Orders did not change Verizon's obligations (or lack thereof) with regard to line conditioning. This item is already addressed in the underlying agreements, so there is no reason to address it in the Amendment. If the Commission were to determine that this or other non-*TRO* items should be addressed in the Amendment, then Verizon must have the opportunity to propose language during negotiations to conform the Amendment to the Commission's decision.

AT&T: The agreement should be amended to address changes with respect to line conditioning. The Commission should adopt AT&T's proposed contract amendment language at paragraphs 3.3(B) in Exhibit ECN-1. These provisions properly implement the FCC's Rule 319(a)(1)(iii) regarding Verizon's obligation to perform line conditioning. Further, Verizon is not entitled to impose a specific charge for line conditioning over and above the TELRIC based nonrecurring and recurring charges that AT&T would pay for an xDSL-capable unbundled loop.

CCG: Yes, the parties' interconnection agreements should be amended to reflect any changes to the FCC's unbundling rules arising under the TRO that were not vacated by the D.C. Circuit in *USTA II*, and/or modified by the FCC in the TRRO or other FCC order. The Amendment should expressly incorporate the requirements of the TRO and the FCC's rules with regard to the following: line splitting; newly built fiber-to-the-home and/or fiber-to-the-curb loops; overbuilt fiber-to-the-home and/or fiber-to-the curb loops; access to hybrid loops for the provision of broadband services; access to hybrid loops for the provision of narrowband services; retirement of copper loops; line conditioning; packet switching; network interface devices (NIDs); and line sharing.

FDN: Agree with Competitive Carrier Group.

MCI: MCI's position on these subissues is found in the following sections of Exhibit GJD-4:
Section 6 – Issue 14(a);
Section 7 – Issues 14(b, c);
Section 7.2, 9.7.5 – Issues 14(d,e);
Section 7.3 – Issue 14(f);
Section 7.4 – Issue 14(g); and
Section 9.7.5 – Issue 14(j).
MCI takes no position regarding Issues 14(h and i).

SPRINT: Yes. The amendment should explicitly address each requirement and, if there are no obligations, the item should still be addressed if the Federal Unbundling Rules and the FCC's TRO and TRRO Orders specify procedures involved with discontinuation of requirements.

STAFF: Staff has no position at this time.

h) Packet switching;

VERIZON: No. The purpose of this arbitration is to amend agreements to implement the permanent unbundling rules in the *TRO* and the *TRRO*. These Orders did not change Verizon's obligations (or lack thereof) with regard to packet switching. Because Verizon has no obligation to unbundled packet switches, this Commission cannot impose any conditions on Verizon's future deployment of packet switches.

AT&T: The Parties agree that packet switching is a Discontinued Facility. However, circuit switching performed on a packet switch that is capable of circuit switching, however, is not discontinued under the TRO. Verizon's amendment would prevent AT&T from using the circuit switched functionality of a packet switch even where the parties' interconnection agreements require Verizon to provide circuit switched local service. The TRO did not provide for this. Mass market switching remains available as a UNE to the embedded base through March 11, 2006.

CCG: Yes, the parties' interconnection agreements should be amended to reflect any changes to the FCC's unbundling rules arising under the TRO that were not vacated by the D.C. Circuit in *USTA II*, and/or modified by the FCC in the TRRO or other FCC order. The Amendment should expressly incorporate the requirements of the TRO and the FCC's rules with regard to the following: line splitting; newly built fiber-to-the-home and/or fiber-to-the-curb loops; overbuilt fiber-to-the-home and/or fiber-to-the curb loops; access to hybrid loops for the provision of broadband services; access to hybrid loops for the provision of

narrowband services; retirement of copper loops; line conditioning; packet switching; network interface devices (NIDs); and line sharing.

FDN: Agree with Competitive Carrier Group.

MCI: MCI's position on these subissues is found in the following sections of Exhibit GJD-4:
Section 6 – Issue 14(a);
Section 7 – Issues 14(b, c);
Section 7.2, 9.7.5 – Issues 14(d,e);
Section 7.3 – Issue 14(f);
Section 7.4 – Issue 14(g); and
Section 9.7.5 – Issue 14(j).
MCI takes no position regarding Issues 14(h and i).

SPRINT: Yes. The amendment should explicitly address each requirement and, if there are no obligations, the item should still be addressed if the Federal Unbundling Rules and the FCC's TRO and TRRO Orders specify procedures involved with discontinuation of requirements.

STAFF: Staff has no position at this time.

i) Network Interface Devices (NIDs);

VERIZON: No. The purpose of this arbitration is to amend agreements to implement the permanent unbundling rules in the *TRO* and the *TRRO*. These Orders did not change Verizon's obligations (or lack thereof) with regard to NIDs. This item is already addressed in the underlying agreements, so there is no reason to address it in the Amendment. If the Commission were to determine that this or other non-*TRO* items should be addressed in the Amendment, then Verizon must have the opportunity to propose language during negotiations to conform the Amendment to the Commission's decision.

AT&T: Network Interface Device: The agreement should contain a provision reflecting Verizon's obligation, affirmed by the TRO, to provide access to Network Interface Devices (NIDs) and to provide the NID functionality with unbundled local loops ordered by AT&T. AT&T's proposed amendment contains language consistent with this requirement at Paragraph 3.2.6 and 3.4.9.

CCG: Yes, the parties' interconnection agreements should be amended to reflect any changes to the FCC's unbundling rules arising under the TRO that were not vacated by the D.C. Circuit in *USTA II*, and/or modified by the FCC in the TRRO or other FCC order. The Amendment should expressly incorporate the

requirements of the TRO and the FCC's rules with regard to the following: line splitting; newly built fiber-to-the-home and/or fiber-to-the-curb loops; overbuilt fiber-to-the-home and/or fiber-to-the curb loops; access to hybrid loops for the provision of broadband services; access to hybrid loops for the provision of narrowband services; retirement of copper loops; line conditioning; packet switching; network interface devices (NIDs); and line sharing.

FDN: Agree with Competitive Carrier Group.

MCI: MCI's position on these subissues is found in the following sections of Exhibit GJD-4:
Section 6 – Issue 14(a);
Section 7 – Issues 14(b, c);
Section 7.2, 9.7.5 – Issues 14(d,e);
Section 7.3 – Issue 14(f);
Section 7.4 – Issue 14(g); and
Section 9.7.5 – Issue 14(j).
MCI takes no position regarding Issues 14(h and i).

SPRINT: Yes. The amendment should explicitly address each requirement and, if there are no obligations, the item should still be addressed if the Federal Unbundling Rules and the FCC's TRO and TRRO Orders specify procedures involved with discontinuation of requirements.

STAFF: Staff has no position at this time.

j) Line sharing?

VERIZON: There is no need to address line sharing in the Amendments, except perhaps to specify that it is a Discontinued Facility that Verizon has no legal obligation to provide. Verizon will, of course, continue to comply with the *TRO*'s mandatory transition plan for line sharing; there is no need for an amendment to recognize that plan, which the FCC implemented under its section 201 authority.

AT&T: No position.

CCG: Yes, the parties' interconnection agreements should be amended to reflect any changes to the FCC's unbundling rules arising under the TRO that were not vacated by the D.C. Circuit in *USTA II*, and/or modified by the FCC in the TRRO or other FCC order. The Amendment should expressly incorporate the requirements of the TRO and the FCC's rules with regard to the following: line splitting; newly built fiber-to-the-home and/or fiber-to-the-curb loops; overbuilt fiber-to-the-home and/or fiber-to-the curb loops; access to hybrid loops for the

provision of broadband services; access to hybrid loops for the provision of narrowband services; retirement of copper loops; line conditioning; packet switching; network interface devices (NIDs); and line sharing.

FDN: Agree with Competitive Carrier Group.

MCI: MCI's position on these subissues is found in the following sections of Exhibit GJD-4:
Section 6 – Issue 14(a);
Section 7 – Issues 14(b, c);
Section 7.2, 9.7.5 – Issues 14(d,e);
Section 7.3 – Issue 14(f);
Section 7.4 – Issue 14(g); and
Section 9.7.5 – Issue 14(j).
MCI takes no position regarding Issues 14(h and i).

SPRINT: Yes. The amendment should explicitly address each requirement and, if there are no obligations, the item should still be addressed if the Federal Unbundling Rules and the FCC's TRO and TRRO Orders specify procedures involved with discontinuation of requirements.

STAFF: Staff has no position at this time.

ISSUE 15: WHAT SHOULD BE THE EFFECTIVE DATE OF THE AMENDMENT TO THE PARTIES' AGREEMENTS?

VERIZON: In general, the effective date of the Amendment should be the date of execution of an amendment that conforms to the Commission's rulings. However, the FCC's transition rates for de-listed elements should take effect as of the date stated in the controlling FCC rule or order, rather than at execution of the contract.

AT&T: The effective date of the parties' amendment to the interconnection agreement should be effective upon approval of the amendment by the Commission.

CCG: The Amendment to the parties' agreements should be effective as of the date of the last signature on the Amendment, except with respect to the transition rates for network elements that Verizon no longer is obligated to provide under section 251 of the 1996 Act, as expressly provided by the FCC's rules and/or Orders, including the TRRO. To the extent that any provision of the Amendment should be given retroactive effect, as required by the FCC, the Amendment must state the effective date of the specified provision of the Amendment and the controlling FCC rule and/or Order.

With regard to any rates, terms and conditions set forth in the Amendment applicable to commingling and conversions, the effective date of such provisions will be, as required by the FCC, October 2, 2003, the effective date of the TRO. Specifically, under the TRO, Verizon must permit commingling and conversions as of the effective date of the TRO in the event that a requesting carrier certifies that it has complied with the FCC's service eligibility criteria. Under section 51.318 of the FCC's rules, Verizon must provide to requesting carriers, as of October 2, 2003, commingling and conversions unencumbered by additional processes or requirements not specified in the TRO, and requesting carriers must receive pricing for new EELs/conversions as of the date the request was made to Verizon.

FDN: When an Amendment conforming to the Commission's decision in this proceeding is filed and deemed approved.

MCI: Generally, the practice of the Commission has been to issue an order setting forth its decision regarding disputed issues and require the parties to submit a signed agreement that complies with its decision within 30 days of the issuance of the order. The effective date of the agreement should be the date the Commission issues its final order approving the signed amendment.

SPRINT: The effective date should be the date that the amendment is signed by the two parties or the date that is ordered by the Commission.

STAFF: Staff has no position at this time.

ISSUE 16: HOW SHOULD CLEC REQUESTS TO PROVIDE NARROWBAND SERVICES THROUGH UNBUNDLED ACCESS TO A LOOP WHERE THE END USER IS SERVED VIA INTEGRATED DIGITAL LOOP CARRIER (IDLC) BE IMPLEMENTED?

VERIZON: The ILEC should provide a voice-grade transmission path between the central office and the customer's premises. In most cases, access will be either through a spare copper facility or through a universal digital loop carrier (UDLC) system. If neither of these options is available, Verizon will, upon the CLEC's request, construct the necessary copper loop or UDLC facilities, at the CLEC's expense.

AT&T: The Commission should reject Verizon's current proposal and direct Verizon to provide a solution involving the rearrangement of existing equipment just as Verizon has told the FCC it could do and as other ILECs already do on a routine basis. AT&T's proposed amendment outlines such FCC-mandated obligations and appropriate remedies.

CCG: The Amendment should require that Verizon comply with section 51.319(a)(iii) of the FCC's rules, which requires that, where a requesting carrier seeks access to a hybrid loop for the provision of narrowband services, Verizon provide nondiscriminatory access to either an entire unbundled hybrid loop capable of providing voice-grade service, using time division multiplexing technology, or a spare home-run copper loop serving that customer on an unbundled basis. However, in the event that a requesting carrier specifies access to an unbundled copper loop in its request to Verizon, the Amendment should obligate Verizon to provide an unbundled copper loop, using Routine Network Modifications as necessary, unless no such facility can be made available via Routine Network Modifications.

FDN: By spare copper or UDLC where available. If neither is available, whatever method Verizon elects must be both a lawful and a practical solution. Verizon's proposal to construct a new loop and bill the entire cost to the CLEC is neither lawful nor practical.

MCI: MCI's position is set forth in Section 7.2 of Exhibit GJD-4.

SPRINT: Following the current Rules, language should be added to reflect that Verizon should provide a DS0 voice-grade transmission path between the main distribution frame (or equivalent) in the end user's serving wire center and the end user's customer premises, using time division multiplexing technology.

STAFF: Staff has no position at this time.

ISSUE 17: SHOULD VERIZON BE SUBJECT TO STANDARD PROVISIONING INTERVALS OR PERFORMANCE MEASUREMENTS AND POTENTIAL REMEDY PAYMENTS, IF ANY, IN THE UNDERLYING AGREEMENT OR ELSEWHERE, IN CONNECTION WITH ITS PROVISION OF

a) **unbundled loops in response to CLEC requests for access to IDLC-served hybrid loops;**
b) **Commingled arrangements;**
c) **Conversion of access circuits to UNEs;**
d) **Loops or Transport (including Dark Fiber Transport and Loops) for which Routine Network Modifications are required;**
e) **Batch hot cut, large job hot cut, and individual hot cut processes. [Verizon continues to oppose including any hot cut issues in this proceeding.]**

By Order No. PSC-05-0221-PCO-TP, issued February 24, 2005, Issue 17(e) has been deleted from the issues that will be addressed at the hearing in this docket.

VERIZON: No. There are no such existing intervals, measurements, or remedy payments that could apply here. Existing measures and intervals were developed before imposition of the new *TRO* requirements, so they were not designed to account for any extra time and activities associated with those requirements. In addition, the Commission should not consider any performance measurement proposals in this arbitration, because such proposals must be addressed according to the provisions of the Stipulation on Verizon Florida Inc. Performance Measurement Plan, adopted by Order No. PSC-03-0761-PAA-TP in Docket No. 000121C-TP.

AT&T: 17(a) – (d): Yes. Contractual performance measurements and remedies are the only practical means of ensuring non-discriminatory access to UNEs. Verizon should be required to meet the standard provisioning intervals and performance measurements that are contained in the current plan adopted and approved by this Commission. Verizon should be subject to potential remedy payments for failure to meet those requirements that are contained in the current plan adopted and approved by this commission.

17(e) This issue was deleted by the Prehearing Officer in Order No. PSC-05-0221-PHO-TP.

CCG: Yes. Verizon should be subject to standard provisioning intervals or performance measurements, and potential remedy payments in the parties' underlying agreement or elsewhere for the facilities and services identified in the Commission's Order Establishing Procedure, including: (a) unbundled loops provided by Verizon in response to a carrier's request for access to IDLC-served hybrid loops; (b) commingled arrangements; (c) conversion of access circuits to UNEs; (d) Loops and Transport (including Dark Fiber Transport and Loops) for which routine network modifications are required.

FDN: Agree with Competitive Carrier Group.

MCI: MCI takes no position on this issue.

SPRINT: No position.

STAFF: Staff has no position at this time.

ISSUE 18: HOW SHOULD SUB-LOOP ACCESS BE PROVIDED UNDER THE TRO?

VERIZON: Verizon should be allowed to control and supervise access to sub-loops provided under the *TRO*. Verizon is responsible and accountable for the integrity and security of its network, which serves both its retail and wholesale customers. Therefore, Verizon must have the ability to control access to its network and equipment. Given the number of people who depend on Verizon's network, and

the critical importance of securing the telecommunications infrastructure, Verizon cannot risk any harm to that network through either inadvertent mistakes or deliberate sabotage. Indeed, this Commission has already ruled, in the subloop context, that "CLECs should not be allowed access to Verizon's network where there are network security and reliability concerns." Order No. PSC-02-1574-FOF-TP at 37.

AT&T: AT&T seeks and is entitled to non-discriminatory access to subloop elements consistent with the findings of the TRO requiring Verizon to provide AT&T with unbundled access to Verizon's copper subloops elements including Verizon's network interface devices. AT&T is also entitled to unbundled subloops used to access customers in multiunit premises which includes access to any technically feasible access point located near a Verizon remote terminal for these subloop facilities.

CCG: Verizon is obligated to provide access to its subloops and network interface device ("NID"), on an unbundled basis, in accordance with section 51.319(b) of the FCC's rules and the TRO. Under the TRO, Verizon is obligated to provide a requesting carrier access to its subloops at any technically feasible access point located near a Verizon remote terminal for the requested subloop facilities. Accordingly, the Amendment should incorporate the requirements of the TRO and the FCC's applicable rules and should include: (a) detailed definitions of subloops and access terminals, consistent with the TRO; (b) detailed procedures for the connection of subloop elements to any technically feasible point both with respect to distribution subloop facilities and subloops in multi-tenant environments. The Amendment also should include requirements set forth in the TRO applicable to Inside Wire Subloops, and to Verizon's provision of a single point of interconnection ("SPOI") suitable for use by multiple carriers.

FDN: Agree with Competitive Carrier Group.

MCI: MCI takes no position on this issue.

SPRINT: Access should be provided by Verizon to the extent required by the Federal Unbundling Rules and the FCC's TRRO Order.

STAFF: Staff has no position at this time.

ISSUE 19: WHERE VERIZON COLLOCATES LOCAL CIRCUIT SWITCHING EQUIPMENT (AS DEFINED BY THE FCC'S RULES) IN A CLEC FACILITY/PREMISES, SHOULD THE TRANSMISSION PATH BETWEEN THAT EQUIPMENT AND THE VERIZON SERVING WIRE CENTER BE TREATED AS UNBUNDLED TRANSPORT? IF SO, WHAT REVISIONS TO THE AMENDMENT ARE NEEDED?

VERIZON: The FCC, in a footnote in the *TRO* noted that if an ILEC "has local switching equipment . . . 'reverse collocated' in a non-incumbent LEC premises, the transmission path from this point back to the incumbent LEC wire center shall be unbundled as transport." *TRO* at ¶ 369 n.1126. Verizon will comply with the FCC's requirements in this regard, but this issue is moot, because to the best of Verizon's knowledge, the situation described in this issue does not exist anywhere in the real world, and in particular, in Florida. Therefore, there is no need for any amendment language to address it.

AT&T: Yes. The FCC's finding in the TRO (Par. 269, footnote 1126) requires that the facility between Verizon's local circuit switching equipment located in AT&T facilities and the Verizon serving wire center should be treated as unbundled transport. The FCC recognizes that incumbent LECs may reverse collocate by collocating equipment at a competing carrier's premises or may place equipment in a common location for purposes of interconnection. The transmission path from this point back to the incumbent LEC wire center shall be unbundled as transport between incumbent LEC switches or wire centers. AT&T's proposed contract language contains a definition of dedicated transport at paragraph 2.7 that reflects the FCC's findings.

CCG: The Competitive Carrier Group adopts the position of AT&T Communications of the Southern States, LLC on this issue.

FDN: Agree with AT&T

MCI: MCI takes no position on this issue.

SPRINT: No position.

STAFF: Staff has no position at this time.

ISSUE 20: ARE INTERCONNECTION TRUNKS BETWEEN A VERIZON WIRE CENTER AND A CLEC WIRE CENTER, INTERCONNECTION FACILITIES UNDER SECTION 251(C)(2) THAT MUST BE PROVIDED AT TELRIC?

VERIZON: Parties' existing interconnection agreements already contain complex terms regarding interconnection architecture and related compensation arrangements, and there has been no change in the section 251(c)(2) TELRIC pricing obligation for interconnection facilities. Therefore, it is not necessary to consider this issue in this arbitration of a *TRO* amendment.

AT&T: Yes. Section 251(c)(2) of the federal Act specifically provides that Verizon has an obligation to interconnect with the CLEC's network via interconnection trunks for the transmission and routing of telephone exchange service and exchange access. The rates, terms and conditions should be in accordance with Section 252 (251(c)(2)(A) and (D). The TELRIC standard is prescribed in Section 252(d)(1).

CCG: The Competitive Carrier Group adopts the position of AT&T Communications of the Southern States, LLC on this issue.

FDN: Agree with AT&T

MCI: MCI takes no position on this issue.

SPRINT: Interconnection facilities included in the Amendment should be provided at cost-based rates pursuant to the Federal Unbundling Rules and paragraph 140 of the FCC TRRO.

STAFF: Staff has no position at this time.

ISSUE 21: WHAT OBLIGATIONS UNDER FEDERAL LAW, IF ANY, WITH RESPECT TO EELS SHOULD BE INCLUDED IN THE AMENDMENT TO THE PARTIES' INTERCONNECTION AGREEMENTS?

a) What information should a CLEC be required to provide to Verizon as certification to satisfy the service eligibility criteria (47 C.F.R. Sec. 51.318) of the TRO in order to (1) convert existing circuits/services to EELs or (2) order new EELs?

VERIZON: CLECs should be required to certify in writing that each DS1 or DS1-equivalent circuit complies with each of the service eligibility criteria in 47 U.S.C. § 51.318. Such written certification should contain, for each circuit, the local number assigned to each DS1 circuit; the local numbers assigned to each DS3 circuit; the date each circuit was established in the 911 database; the collocation termination connecting facility assignment for each circuit; and the interconnection trunk circuit identification number that serves each DS1 circuit. The CLECs must gather this information to legitimately certify their compliance with the FCC's eligibility criteria, so it would not unduly burden them to provide it as part of the certification process.

AT&T: The TRRO affirmed the EELs eligibility criteria established by the FCC in the TRO: "[T]o the extent that the loop and transport elements that comprise a requested EEL circuit are available as unbundled elements, then the incumbent LEC must provide thee requested EEL".

The FCC established specific service eligibility criteria for a CLEC to self certify when ordering either a new EEL or convert existing circuits to an EEL. The service eligibility criteria are provided in FCC Rule 51.318 and requires that the CLEC be certificated by the state and provide self certification that each DS1 circuit and each DS1-equivalent circuit on a DS3 EEL meet a specified list of criteria. The FCC does not require any additional information other than the self certification letter from the CLEC certifying that the specific requirements have been satisfied. The many additional requirements Verizon seeks to impose should be rejected.

CCG: The parties' interconnection agreements should be amended to address changes of law that address Verizon's obligation to provide "new" EELs, in addition to EELs converted from existing special access circuits, including the high capacity EEL service eligibility criteria set forth in section 51.318 of the FCC's rules. In light of the FCC's rule setting forth Verizon's obligation to provide EELs, the Amendment should make clear that: (1) Verizon is required to provide access to new and converted EELs unencumbered by additional processes or requirements not specified in the TRO; (2) competitive carriers must self-certify compliance with the applicable high capacity EEL service eligibility criteria for high capacity EELs, by manual or electronic request, and permit a limited annual audit by Verizon to confirm their compliance with the FCC's high capacity EEL service eligibility criteria; (3) Verizon's performance in connection EEL facilities must be subject to standard provisioning intervals and performance measures; and (4) Verizon will not impose charges for conversion from wholesale to UNEs or UNE combinations, other than a records change charge. In addition, the Commission should permit competitive carrier to re-certify prior conversions in a single batch, and to certify requests for future conversions in one batch, rather than to certify individual requests on a circuit-by-circuit basis.

21(a) The Amendment should require that competitive carriers comply with the service eligibility requirements established by the TRO and section 51.318 of the FCC's rules. Specifically, to obtain a new or converted EEL under the TRO and section 51.318 of the FCC's rules, the Amendment should require that a competitive carrier supply self-certification to Verizon of the following information: (1) state certification to provide local voice service, or proof of registration, tariff and compliance filings; (2) that at least one number local number is assigned to each DS1 circuit prior to provision of service over that circuit; (3) that each circuit has 911/E911 capability prior to the provision of service over that circuit; (4) that the circuit terminates to a collocation or reverse collocation; (5) that each circuit is served by an interconnection trunk in the same LATA over which calling party number ("CPN") will be transmitted; (6) that one DS1 interconnection trunk (over which CPN will be passed) is maintained for every 24 DS1 EELs; and (7) that the circuit is served by a Class 5 switch or other switch capable of providing local voice traffic.

FDN: Agree with AT&T.

MCI: MCI's position is set forth in detail in Sections 4, 5, 8, and 9 of Exhibit GJD-4.

SPRINT: All obligations and associated process contained in the Federal Unbundling Rules and the FCC TRO should be included in the Amendment.

STAFF: Staff has no position at this time.

b) Conversion of existing circuits/services to EELs:

(1) Should Verizon be prohibited from physically disconnecting, separating or physically altering the existing facilities when a CLEC requests a conversion of existing circuits/services to an EEL unless the CLEC requests such facilities alteration?

VERIZON: Verizon has not proposed to disconnect, separate, or otherwise physically alter existing facilities when a CLEC requests conversion, so there is no need to further consider this issue.

AT&T: Verizon should be prohibited from physically disconnecting or physically altering the existing facilities when AT&T requests that an existing circuit be converted to an EEL. The FCC rules do not permit Verizon to take such action unless AT&T specifically requests that such work be performed. Specifically Section 51.316(b) provides that: " An incumbent LEC shall perform any conversion from a wholesale service or group of wholesale services to an unbundled network element or combination of unbundled network elements without adversely affecting the service quality perceived by the requesting telecommunications carrier's end-user customer."

CCG: Yes. The Amendment to the parties' interconnection agreements should state that, when existing circuits/services employed by a competitive carrier are converted to an EEL, Verizon shall not physically disconnect, separate, alter or change in any fashion equipment and facilities employed to provide the wholesale service, except at the request of the competitive carrier.

FDN: Agree with AT&T.

MCI: MCI's position is set forth in detail in Sections 4, 5, 8, and 9 of Exhibit GJD-4.

SPRINT: No position.

STAFF: Staff has no position at this time.

(2) **In the absence of a CLEC request for conversion of existing access circuits/services to UNE loops and transport combinations, what types of charges, if any, can Verizon impose?**

VERIZON: Verizon is entitled to recover any costs caused by CLECs, and nothing in the TRO Amendment should foreclose Verizon from doing so.

AT&T: Verizon is not authorized to impose any non-recurring charges on AT&T or any other CLEC when access facilities are being converted to EELs. FCC rules specifically prohibit such charges. See FCC Rule 51.316(c). The TRO at Para 587 recognizes what might happen if an incumbent LEC were permitted to impose such charges, stating that:

"[O]nce a competitive LEC starts serving a customer, there exists a risk of wasteful and unnecessary charges, such as termination charges, re-connect and disconnect fees or non-recurring charges associated with establishing a service for the first time. We agree that such charges would deter legitimate conversions from wholesale services to UNEs or UNE combinations, or could unjustly enrich an incumbent LEC. Because incumbent LECs are never required to perform a conversion in order to continue serving their own customers, we conclude that such charges are inconsistent with an incumbent LECs duty to provide nondiscriminatory access to UNEs and UNE combinations at just reasonable and nondiscriminatory rates terms and conditions.

CCG: In the absence of a CLEC request for conversion of existing access circuits/services to UNE loops and transport, the amendment should expressly preclude Verizon from imposing additional charges on any competitive carrier.

FDN: Agree with AT&T.

MCI: MCI's position is set forth in detail in Sections 4, 5, 8, and 9 of Exhibit GJD-4.

SPRINT: No position at this time.

STAFF: Staff has no position at this time.

(3) **Should EELs ordered by a CLEC prior to October 2, 2003, be required to meet the TRO's service eligibility criteria?**

By agreement of the parties, this issue has been withdrawn.

(4) **For conversion requests submitted by a CLEC prior to the effective date of the amendment, should CLECs be entitled to EELs/UNE pricing effective as of the date the CLEC submitted the request (but not earlier than October 2, 2003)?**

By agreement of the parties, this issue has been withdrawn.

c) What are Verizon's rights to obtain audits of CLEC compliance with the service eligibility criteria in 47 C.F.R. 51.318?

VERIZON: Consistent with the FCC's rules, Verizon's Amendment 2, § 3.4.2.7, provides that Verizon may obtain and pay for an independent audit once per calendar year. If the auditor concludes that the CLEC failed to comply with the FCC's service eligibility criteria for any DS1 or DS1-equivalent circuit, then the CLEC must reimburse Verizon for the cost of the audit within 30 days of receiving a statement of such costs from Verizon. If the auditor confirms the CLEC's compliance with the FCC's service eligibility criteria for each circuit, then Verizon will reimburse the CLEC for its out-of-pocket costs of complying with the auditor's requests.

AT&T: AT&T does not object to reasonable audit rights. However, extra-regulatory audit burdens sought by Verizon should be rejected. Verzion should be allowed to audit CLEC compliance with service eligibility criteria for EELs on an annual basis. The audit should be conducted by an independent auditor and paid for by Verizon.

CCG: Under the TRO, Verizon is permitted to conduct one audit of a competitive carrier to determine compliance with the FCC's service eligibility criteria for EELs, provided that Verizon demonstrates cause with respect to the particular circuits it seeks to audit, and obtains and pays for an AICPA-compliant independent auditor to conduct such audit. The independent auditor is required to perform its evaluation of the competitive carrier in accordance with the standards established by the American Institute for Certified Public Accountants (AICPA), which require that the auditor perform an "examination engagement" and issue an opinion regarding the carrier's compliance with the FCC's service eligibility criteria. The independent auditor must conclude whether the competitive carrier has complied in all material respects with the applicable service eligibility criteria. If the auditor's report concludes that the competitive carrier failed to materially comply with the service eligibility criteria in all respects, the carrier will be required to true-up any difference in payments, convert all noncompliant circuits to the appropriate service and make correct payments on a going-forward basis.

In such cases, the competitive carrier also must reimburse Verizon for the costs associated with the audit. If the auditor's report concludes that the competitive carrier has complied with the FCC's service eligibility criteria, Verizon must reimburse the competitive carrier its costs (including staff time and other appropriate costs) associated with the audit.

FDN: Agree with AT&T

MCI: MCI's position is set forth in detail in Sections 4, 5, 8, and 9 of Exhibit GJD-4.

SPRINT: No position at this time.

STAFF: Staff has no position at this time.

ISSUE 22: HOW SHOULD THE AMENDMENT REFLECT AN OBLIGATION THAT VERIZON PERFORM ROUTINE NETWORK MODIFICATIONS NECESSARY TO PERMIT ACCESS TO LOOPS, DEDICATED TRANSPORT, OR DARK FIBER TRANSPORT FACILITIES WHERE VERIZON IS REQUIRED TO PROVIDE UNBUNDLED ACCESS TO THOSE FACILITIES UNDER 47 U.S.C. § 251(C)(3) AND 47 C.F.R. PART 51?

VERIZON: Provided the CLEC signs a *TRO* Amendment to govern the terms of Verizon's provisioning of these items, Verizon will perform the routine network modifications necessary to permit access to loops, dedicated transport, and dark fiber transport facilities. However, the parties' disagreement is really about pricing, not whether or not Verizon is required to perform routine network modifications. The CLECs incorrectly assume that Verizon is already charging them for such modifications, and suggest that the *TRO* forecloses separate charges for these activities. These CLECs are wrong. The FCC explicitly states that "[t]he Commission's pricing rules provide incumbent LECs with the opportunity to recover the cost of the routine network modifications we require here" in the *TRO, TRO* at ¶ 640, and the CLECs cannot demonstrate that Verizon is already recovering routine network modification costs in its loop rates.

AT&T: The FCC has made clear Verizon's obligation to perform the routine network modification necessary to permit AT&T access to the full functionality (e.g. features and capabilities) of loops and dedicated transport. The TRO requires ILECs to make routine network modifications to unbundled transmission facilities used by requesting carriers where the requested transmission facility has already been constructed. Verizon's obligation to perform routine network modifications pre-dates the TRO. The TRO simply clarifies the obligation and rejects Verizon's "no build" policy as anticompetitive and discriminatory. No change in law has taken place to necessitate amending the existing agreement.

AT&T has however proposed language that correctly reflects the FCC rules and Verizon's obligations. The proposed language is found in Exhibit ECN-R1, AT&T's proposed amendment at Paragraph 3.8.1.

CCG: Verizon's obligation, under federal law, to provide routine network modifications to permit access to its network elements that are subject to unbundling under section 251 of the 1996 Act and part 51 of the FCC's rules existed prior to the TRO. Therefore, because the TRO provides only clarification with respect to Verizon's obligation to provide routine network modifications, the TRO does not constitute a "change of law" under the parties' agreements for which a formal amendment is required. Nonetheless, for avoidance of doubt, the Competitive Carrier Group maintains that the Amendment include language clarifying the scope of Verizon obligation to provide to competitive carriers routine network modifications to permit access to its UNEs.

Consistent with the TRO, the Amendment should define Routine Network Modifications as those prospective or reactive activities that Verizon regularly undertakes when establishing or maintaining network connectivity for its own retail customers. A determination of whether or not a requested modification is in fact "routine" should, under the Agreement, be based on the tasks associated with the modification, and not on the end-user service that the modification is intended to enable. The Amendment should specify that the costs for Routine Network Modifications are already included in the existing rates for the UNE set forth in the parties' interconnection agreements, and accordingly, that Verizon may not impose additional charges in connection with its performance of routine network modifications.

FDN: Agree with Competitive Carrier Group.

MCI: An amendment is unnecessary. Because the FCC rules have not been changed in this regard, MCI has not provided contract language regarding Issue 22.

SPRINT: No position at this time.

STAFF: Staff has no position at this time.

ISSUE 23: SHOULD THE PARTIES RETAIN THEIR PRE-AMENDMENT RIGHTS ARISING UNDER THE AGREEMENT, TARIFFS, AND SGATS?

VERIZON: To the extent that CLECs are seeking to retain their pre-amendment rights as to UNEs that the FCC has eliminated, the obvious answer is no, they do not retain these rights. Indeed, the central purpose of this proceeding is to implement discontinuation of those UNEs. By the same token, to the extent Verizon was

already entitled to cease providing a particular de-listed UNE, the purpose of this proceeding, of course, is not to bring those discontinued UNEs back to life.

AT&T: Yes, except to the extent modified by the TRO and TRRO.

CCG: Yes, the parties should retain their pre-Amendment rights under the Agreement, tariffs and SGATs.

FDN: Agree with Competitive Carrier Group.

MCI: The interconnection agreement, as changed by the proposed Amendment, will be the exclusive source of the parties' contract rights. Verizon's proposed Section 3.4 provides that Section 3 of the Amendment is subordinate to any pre-existing and independent rights that Verizon may have under the original agreement, a Verizon tariff or SGAT, or otherwise to discontinue providing Discontinued Elements. Verizon's proposal is inappropriate. In all other respects, the proposed amendment supersedes inconsistent provisions in the original agreement. If MCI purchases UNEs out of the agreement, Verizon tariffs and SGATs are irrelevant.

SPRINT: No position at this time.

STAFF: Staff has no position at this time.

ISSUE 24: SHOULD THE AMENDMENT SET FORTH A PROCESS TO ADDRESS THE POTENTIAL EFFECT ON THE CLECS' CUSTOMERS' SERVICES WHEN A UNE IS DISCONTINUED?

VERIZON: No, other than the advance notice provision Verizon proposes, and the recognition that the parties must comply with any FCC-mandated transition plans. In this regard, the *TRRO* established specific time frames and rates associated with the provision of UNEs during the FCC determined transition plan, so this Commission cannot order transition procedures different from the FCC's. In addition, there are numerous options available to CLECs that must convert their embedded base of de-listed UNEs to replacement arrangements, and the FCC's year-long transition period already gives the CLECs plenty of time to work out operational details with Verizon to ensure a smooth transition for their end users.

AT&T: Yes. It is essential that the ICA is sufficiently detailed to remove the possibility of avoidable misunderstandings or disputes.

The amendment should specify the details of the transition period. The amendment should specifically prohibit Verizon from imposing any termination charges, disconnect fees, reconnect fees, or charges associated with establishing a service for the first time in connection with the conversion between existing

arrangements and new arrangements. The transition from UNEs to alternative arrangements should be governed by the same principles articulated in FCC Rule 51.316(b) and (d) for the conversion to UNEs. Verizon's obligations to perform the conversions without adversely affecting the service quality enjoyed by the requesting carrier's end-user should be made articulated in the amendment.

CCG: The Amendment should include a process to address the potential effect on CLECs' customers' services when a section 251(c) UNE is discontinued, to ensure that loss of service to a CLECs' customers does not result from Verizon's discontinuance of that particular UNE.

FDN: Agree with Competitive Carrier Group.

MCI: MCI has proposed several contract provisions to implement the detailed requirements set forth in the FCC's new unbundling rules to govern the transition from UNE arrangements to replacement arrangements. These provisions are set forth in Exhibit GJD-4. The section numbers for each element affected by the TRRO are set forth as follows:

a) Mass Market Switching	MCI Redline, §8.1.1 through 8.1.4
b) DS1 Loops	§9.1.2
c) DS3 Loops	§9.2.2
d) Dedicated DS1 Transport	§10.1.3
e) Dedicated DS3 Transport	§10.2.3
f) Dark Fiber Transport	§10.3.2

SPRINT: Yes, there should be a clear transition plan in the Amendment for de-listed UNEs that protects the CLEC's customer service.

STAFF: Staff has no position at this time.

ISSUE 25: HOW SHOULD THE AMENDMENT IMPLEMENT THE FCC'S SERVICE ELIGIBILITY CRITERIA FOR COMBINATIONS AND COMMINGLED FACILITIES AND SERVICES THAT MAY BE REQUIRED UNDER 47 U.S.C. § 251(C)(3) AND 47 C.F.R. PART 51?

VERIZON: Please see Verizon's Position on Issue 21.

AT&T: See AT&T's position in Issue 21.

CCG: As discussed more fully in response to Issue 21 above, the Amendment should expressly incorporate the FCC's service eligibility criteria set forth in the TRO and section 51.318 of the FCC's rules for combinations and commingled facilities and service.

FDN: Agree with Competitive Carrier Group.

MCI: MCI's position is set forth in detail in Section 4 of Exhibit GJD-4.

SPRINT: Pursuant to the rule, the service eligibility criteria for EELs only apply when one of the components is a network element.

STAFF: Staff has no position at this time.

ISSUE 26: SHOULD THE COMMISSION ADOPT THE NEW RATES SPECIFIED IN VERIZON'S PRICING ATTACHMENT ON AN INTERIM BASIS?

By agreement of the parties, this issue has been withdrawn.

XIV. DECISIONS THAT MAY IMPACT COMMISSION'S RESOLUTION OF ISSUES

FDN submitted the following:

FDN: Decisions by the FCC on the March 28, 2005, motions for reconsideration or clarification to the TRRO and any court rulings on any appeals of or mandamus petitions regarding the TRRO pending or to be filed with the D.C. Circuit Court of Appeals may preempt or otherwise impact the Commission's ability to resolve any of the above issues. Otherwise, FDN is not aware of any FCC or court decision that has or may preempt or otherwise impact the Commission's ability to resolve any of the above issues.

XV. POST-HEARING PROCEDURES

If the Commission does not make a bench decision at the hearing, each party shall file a post-hearing statement of issues and positions. A summary of each position of no more than 80 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of the prehearing order, the post-hearing statement may simply restate the prehearing position. However, the position must be reduced to no more than 80 words. If a party fails to file a post-hearing statement in conformance with the rule, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, Florida Administrative Code, a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 150 pages and shall be filed at the same time, unless modified by the Presiding Officer. With respect to briefs, parties are reminded to rely upon evidence in the hearing record to the extent issues in this proceeding encompass factual issues.

XI. RULINGS

A. The following motions were addressed at the Prehearing as follows:

1. On March 9, 2005, MCI filed a Motion to Accept Supplemental Direct Testimony of Greg Darnell. In its Motion, MCI stated that it did not have sufficient time to review the TRRO prior to filing direct testimony. No responses were filed opposing the Motion.

2. On April 11, 2005, Sprint filed a Motion to Accept Revised Prehearing Statement. No responses were filed in opposition to the Motion. In its Motion, Sprint states that it is revising its prehearing statement based on its assessment of ongoing negotiations with Verizon and revisions to prehearing statements by other parties.

Having fully considered the rationale put forth, the Motions filed, respectively by MCI and Verizon, are granted.

B. At the Prehearing Conference, Commission staff raised an issue regarding Verizon's failure to provide discovery responses to Staff's Interrogatory No. 18 and Request for Production of Documents No. 1 to Verizon. Counsel for Verizon represented that a response to the interrogatory would be provided the next day and agreed that the response to the Request for Production of Documents would also be provided. Verizon's representation regarding compliance was accepted in apparent resolution of the matter. Subsequently, however, the Agreement among the parties to withdraw Issues 1 and 26 has rendered this discovery matter moot.

C. As there will be no live cross on the issues and the hearing will be reduced to entry of evidence into the record and delivery of opening statements, the timing of transcripts will not be of its usual importance. Therefore, to facilitate the Commission's consideration of the briefs, all parties' briefs shall now be due one week earlier, on June 13, 2005.

It is therefore,

ORDERED by Commissioner Charles M. Davidson, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Charles M. Davidson, as Prehearing Officer, this 29th day of April, 2005.

CHARLES M. DAVIDSON
Commissioner and Prehearing Officer

(SEAL)

LF/FRB

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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, 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 or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of the Commission Clerk and Administrative Services, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.