

Ruth Nettles

From: terry.scobie@verizon.com
Sent: Wednesday, July 09, 2008 3:16 PM
To: Filings@psc.state.fl.us
Cc: de.oroark@verizon.com; michelle.robinson@verizon.com; richard.b.severy@verizonbusiness.com
Subject: Verizon Response to CLEC Intrastate Access Charges Workshop Notice
Attachments: CLEC Intrastate Access Charges Workshop Notice Response 7-9-08.pdf



The attached letter, consisting of a total of two pages, is submitted on behalf of Verizon by

Dulaney L. O'Roark III
P. O. Box 110, MC FLTC0007
Tampa, Florida 33601
(678) 259-1449
de.oroark@verizon.com

Terry Scobie
Legal Secretary II
Verizon Legal Department
P. O. Box 110 - MC FLTC0007
Tampa, Florida 33601-0110
813-483-2610 (tel)
813-204-8870 (fax)
terry.scobie@verizon.com

DOCUMENT NUMBER-DATE

05916 JUL -9 8

FPSC-COMMISSION CLERK

Dulaney L. O'Roark III
Vice President & General Counsel, Southeast Region
Legal Department



5055 North Point Parkway
Alpharetta, Georgia 30022

Phone 678-259-1449
Fax 678-259-1589
de.oroark@verizon.com

July 9, 2008 - **VIA ELECTRONIC MAIL**

Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: CLEC Intrastate Access Charges Workshop

Dear Ms. Cole:

Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance, MCI Communications Services, Inc. d/b/a Verizon Business Services, MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services, NYNEX Long Distance Company d/b/a Verizon Enterprise Solutions, and Verizon Select Services Inc. (collectively "Verizon") intend to participate in the workshop scheduled for July 16, 2008. Don Price will present comments on behalf of Verizon and his presentation is expected to last approximately 20 minutes.

Verizon's presentation will respond to the questions posed by Staff in the workshop notice. A general outline of the presentation follows:

1. Key factors that CLECs consider when determining how to set their switched access rates¹ include the amount the rates will generate and what rates other carriers are charging.
2. The access rates being charged by Florida's CLECs do not appear to be cost-based.
3. Florida's CLECs should not be allowed to set their intrastate access rates at any level they choose. The cost of providing access service should not be considered when setting limits on CLECs' access rates.
4. CLEC access rates in excess of the corresponding ILEC access rates are harmful to consumers and produce other adverse affects.

¹ Verizon assumes that Staff intends to address only switched access rates at the workshop.

DOCUMENT NUMBER - DATE

05916 JUL -9 8

FPSC-COMMISSION CLERK

Ann Cole
July 9, 2008
Page 2

5. The market for CLEC access services is not structured in a way that allows competitive pressures to constrain access rates effectively.
6. Market forces do not constrain CLEC originating or terminating access rates.
7. As a practical matter, IXCs do not have the option to terminate their traffic to another carrier.
8. CLEC access charges may be considered just and reasonable if they meet the benchmark standard adopted by the FCC and followed by more than a dozen other states; that is, CLEC switched access rates should not exceed the competing ILEC's access rates.
9. The Commission has authority to address CLEC access rates that are not just and reasonable.
10. The Commission should establish caps on CLEC access rates consistent with the FCC's price cap rules for interstate switched access service and those adopted in a dozen other states, by prohibiting a CLEC from charging more than the access rate of the ILEC against which it competes.
11. There would be no material impact on Florida CLECs if their access rates were capped at the corresponding ILEC access rates.
12. Other options for capping CLEC access rates would include (a) setting a specific rate that may not be exceeded; and (b) relying on negotiated agreements between carriers.

Please do not hesitate to call me if you have any questions about this filing.

Sincerely,

s/ Dulaney L. O'Roark III

Dulaney L. O'Roark III

tas