

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

October 2, 2008 – **VIA ELECTRONIC MAIL**

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

Re: Undocketed 08-0000  
CLEC Intrastate Access Charges

Dear Ms. Cole:

Enclosed for filing in the above matter is a West Virginia Public Service Commission Staff memorandum, released on October 1, 2008, recommending a cap on competitive local exchange carrier ("CLEC") intrastate switched access rates at the level of the competing incumbent local exchange carrier rates. The West Virginia recommendation is consistent with the actions of more than a dozen other states that have imposed constraints on CLEC access rates. A CLEC access rate cap is also under consideration in Massachusetts, where the Department of Telecommunications and Cable concluded hearings on a proposed cap last week.

Verizon urges the Florida Public Service Commission to move forward with a docketed proceeding to consider capping CLEC access rates.

Sincerely,

A handwritten signature in black ink that reads "Dulaney L. O'Roark III".

Dulaney L. O'Roark III

tas

Enclosure

Public Service Commission  
Of West Virginia

201 Brooks Street, P. O. Box 812  
Charleston, West Virginia 25323



Phone: (304) 340-0300  
FAX: (304) 340-0325

October 1, 2008

Joseph J. Starsick, Jr., Esq.  
Counsel, Verizon West Virginia Inc., et al.  
Goodwin & Goodwin  
PO Box 2107  
Charleston, WV 25328-2107

Robert R. Rodecker, Esq.  
Counsel, AT&T Communications of West  
Virginia, Inc.  
PO Box 3713  
Charleston, WV 25337

Patrick Pearlman, Esq.  
Consumer Advocate Division  
700 Union Building  
723 Kanawha Boulevard, East  
Charleston, WV 25301

James V. Kelsh, Esq.  
Counsel, Level 3 Communications, LLC  
Rodecker Law Office  
PO Box 3713  
Charleston, WV 25337-3713

David L. Haga, Esq.  
Assistant General Counsel  
Verizon  
1515 North Courthouse Road  
Arlington, VA 22201

RE: Case No. 08-0656-T-GI  
Verizon West Virginia Inc., Bell Atlantic Communications, Inc.,  
dba Verizon Long Distance, MCIMetro Access Transmission  
Services, LLC, dba Verizon Access Transmission Services and  
MCI Communications

Gentlemen:

Pursuant to Rule 2 of the Commission's Rules of Practice and Procedure, enclosed is a copy of the Staff memorandum in this matter. If you wish to respond to the enclosed Staff memorandum, you may do so in writing, **within 10 days**, unless directed otherwise, of this date.

Your failure to respond in writing to the utility's answer, Staff's recommendations, or other documents may result in a decision in your case based on your original filing and the other documents in the case file, without further hearing or notice.

You have the ability to view documents as they are filed in this case if you have email. Please visit our web site at [www.psc.state.wv.us](http://www.psc.state.wv.us) and register with our email subscription system to receive customized daily activity information in this case. The public will not be given access to your email address. If you have provided an email address you will automatically receive docket notifications as documents are filed.

Most documents filed after December 1, 2005, regarding PSC Formal Cases, are now viewable in PDF format on our web site at [www.psc.state.wv.us](http://www.psc.state.wv.us).

Sincerely,

A handwritten signature in cursive script that reads "Sandra Squire".

Sandra Squire, Director  
Executive Secretary Division

SS/cg  
Enclosure

FINAL JOINT STAFF MEMORANDUM

TO: SANDRA SQUIRE  
Executive Secretary

DATE: October 1, 2008

FROM: LISA L. WANSLEY  
Staff Attorney

RE: CASE NO. 08-0656-T-PC  
VERIZON WEST VIRGINIA INC., BELL ATLANTIC  
COMMUNICATIONS, INC., DBA VERIZON LONG DISTANCE,  
MCIMETRO ACCESS TRANSMISSION SERVICES LLC, DBA  
VERIZON ACCESS TRANSMISSION SERVICES, AND MCI  
COMMUNICATIONS SERVICES, INC., DBA VERIZON BUSINESS  
SERVICES

On April 25, 2008, Verizon filed a petition requesting the institution of a general investigation of the intrastate switched access charges of competitive local exchange carriers.

By a June 26, 2008 Commission Order, a general investigation was initiated, all CLEC's and ILEC's were named respondents and the Administrative Law Judge due date was extended to February 2, 2009. Further, the Staff report was scheduled for October 1, 2008 and response to Staff's report were due by November 2, 2008.

Attached for filing find Staff's final memorandum drafted by David Howell, Utilities Division.

LWL/kf  
Attachment

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COMMISSION  
SECRETARY'S OFFICE

**PUBLIC SERVICE COMMISSION OF WEST VIRGINIA**  
**UTILITIES DIVISION FINAL RECOMMENDATION**

FROM: David Howell, Utilities Analyst *DH*  
Utilities Division

DATE: October 1, 2008

SUBJECT: **CASE NO. 08-0656-T-GI**  
**VERIZON WEST VIRGINIA INC., BELL ATLANTIC**  
**COMMUNICATIONS, INC., dba VERIZON LONG DISTANCE,**  
**MCIMETRO ACCESS TRANSMISSION SERVICES LLC, dba**  
**VERIZON ACCESS TRANSMISSION SERVICES, AND MCI**  
**COMMUNICATIONS SERVICES INC., dba VERIZON BUSINESS**  
**SERVICES**

**Petition by Verizon West Virginia Inc., Bell Atlantic**  
**Communications, Inc., dba Verizon Long Distance, MCI metro**  
**Access Transmission Services LLC, dba Verizon Access**  
**Transmission Services, and MCI Communications Services Inc.,**  
**dba Verizon Business Services (filed 4/25/08)**

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LEGAL DIVISION

On April 25, 2008, Verizon West Virginia Inc., Bell Atlantic Communications, Inc., dba Verizon Long Distance, MCI metro Access Transmission Services LLC, dba Verizon Access Transmission Services, and MCI Communications Services Inc., dba Verizon Business Services filed this Petition requesting that the Public Service Commission of West Virginia, (hereinafter, the "Commission") institute a General Investigation of the Intrastate Switched Access Charges of Competitive Local Exchange Carriers Operating in West Virginia. Verizon West Virginia's reasons for filing its request for a General Investigation are outlined in its Petition.

On May 28, 2008, the Commission referred this Case to the Division of Administrative Law Judges.

On June 26, 2008, the Commission initiated a general investigation; joined all competitive local exchange carriers (CLECs) and incumbent local exchange carriers

(ILECs) operating in West Virginia; and extended the Administrative Law Judge ("ALJ") decision due date to February 2, 2009.

In its initial Petition, Verizon-WV stated that CLECs currently charge intrastate switch access rates substantially higher than those of incumbent local exchange carrier ("ILEC") Verizon-WV. While most CLECs in West Virginia have maintained the higher access rates, Verizon-WV has steadily lowered its intrastate access rates since 2002. Verizon-WV proposed that the Commission find that CLEC intrastate access rates may not exceed the access rates charged by the competing ILEC in the same service area.

Currently, the FCC has capped CLEC interstate switched access rates at the per minute rate of the ILEC with which the CLEC competes. CLEC access charges that do not exceed the benchmark are presumed to be just and reasonable. All CLECs in West Virginia already must comply with the FCC rule and must charge interstate access rates that do not exceed the interstate access rates of competing ILECs.

Several states have adopted regulations mirroring the FCC's price cap approach for CLEC access rates. Maryland established a rule capping CLECs switched access rates at the level of the ILEC's switched access rates prior to the FCC rule. Pennsylvania limited CLEC access rates to those of the ILEC unless the higher access rates can be demonstrated to be cost justified. New York and Louisiana Public Service Commissions require that CLEC intrastate switch access charges not exceed those of the ILEC. Connecticut, Virginia, Ohio, Missouri and New Hampshire have all acted to limit CLEC access rates to the access rate of the ILEC. Other State Commissions such as Indiana, Iowa, Maine, Michigan, and Washington have imposed constraints on CLECs' intrastate access rates by requiring them to mirror the carriers' interstate rates.

Staff recommends that CLECs in West Virginia adjust their switch access rates to mirror those of the ILEC it competes with or file a cost justification with the Commission for the higher rate it wishes to charge.



DH/dh