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March 9, 2007

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Via Hand Delivery

Ms. Debra A. Howland, Executive Director and Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

Re: BayRing Complaint Against Verizon-NH (Access Charges), DT 06-067 – Prefiled Testimony Darren Winslow and Trent Lebeck

Dear Ms. Howland:

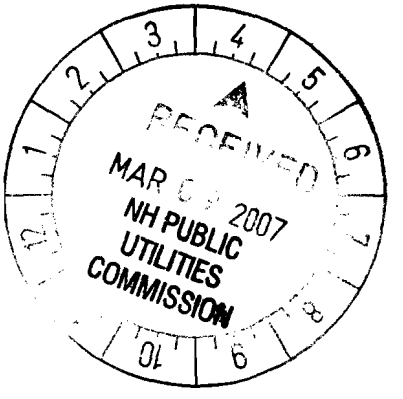
On behalf of BayRing Communications, enclosed please find an original and seven copies of the prefiled testimony of Darren Winslow and Trent Lebeck for filing in the above-captioned docket. Although this testimony is filed separately, BayRing intends to have Mr. Winslow and Mr. Lebeck testify as a panel at the hearing in this matter.

Please let me know if you have any questions. Thank you for your assistance.

Very truly yours,

Susan S. Geiger

cc: Service List



STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DT 06-067

FREEDOM RING COMMUNICATIONS, LLC d/b/a
BAYRING COMMUNICATIONS

Complaint Against Verizon, New Hampshire Re: Access Charges

TESTIMONY OF TRENT LEBECK
ON BEHALF OF
BAYRING COMMUNICATIONS

MARCH 9, 2007

Witness and Company Background

Q. Please state your name and business address and by whom you are employed.

A. My name is Trent Lebeck, my business address is 7 Central Street, Farmington, NH 03835, and I am employed by the UTEL Companies.

Q. Please tell the Commission about your educational background.

A. I am an honor graduate of the Wisconsin Indianhead Technical College specializing in Telephony and I have completed college courses in accounting and computer programming. In addition, I also have attended many switched and special access and other industry training courses held by the National Exchange Carrier Association (NECA) and other industry organizations.

Q. Please tell the Commission about your work background prior to UTEL.

A. From 1981 though April 1987, I worked at American Communications Consultants, Inc.(ACC) a consulting subsidiary of Telephone and Data Systems of

Madison, Wisconsin. During my employment at ACC I was involved in conducting traffic studies to be used in cost separations and the settlement process between TDS companies and the Bell operating companies. "Cost separations" involves the allocation of a telephone company's operating costs (investments and expenses) via studies (traffic, outside plant and land and building) and direct assignment. The cost allocations are to assign the telephone company's costs to interstate, intrastate and local jurisdictions. My primary focus was in the installation of traffic monitoring equipment and validation of such equipment with Bell Telephone regional settlement personnel. I held the title of Senior Traffic Technician.

From April 1987 to December 2000, I was employed at ICORE Inc. of Emmaus, Pennsylvania as Vice President – Engineering/Technical Services. I supervised the completion of telecommunications traffic studies, development of traffic factors and outside plant studies for cost studies. I conducted Carrier Access Billing System (CABS) reviews and assisted in access tariff development for client companies.

Q. Please tell the Commission about your work background with BayRing and your responsibilities.

A. In 2000, I joined UTEL as the Traffic Manager. I am responsible for preparation of the CABS billing for the UTEL companies and the review of all switched access CABS invoices received by the UTEL companies which include BayRing Communications. In addition, I assist the companies with other traffic issues, such as switching configurations and other regulatory matters.

Q. Please describe BayRing's business in New Hampshire.

A. BayRing is a New Hampshire competitive local exchange carrier (CLEC) . It provides state of the art voice and data services to businesses throughout New Hampshire. BayRing is based in Portsmouth, New Hampshire and has been licensed by this Commission since 1997.

Q. Please describe the purpose of your testimony.

A. The purpose of my testimony is to provide the Commission with the following information: 1) How BayRing discovered the issue of Verizon billing the Carrier Common Line (CCL) access element for wireless, CLEC, and other carrier traffic that does not traverse the Verizon end-user network. This information will include a brief history of the dispute resolution process and the access charges disputed; and 2) Evidence to support BayRing's position that Verizon's NHPUC Tariff No.85 and industry standards clearly indicate when CCL should be assessed and that those sources show that Verizon is erroneously charging BayRing in the disputed call scenarios.

Q. Please describe how BayRing came to dispute the Carrier Common Line Charge (CCL) that Verizon is billing on calls from a BayRing end user to a Wireless Carrier end user.

A. BayRing's August 2005 Verizon intrastate access bill increased substantially which led me to conduct a more detailed verification of the invoice. Upon review, I realized that the minutes of use (MOU) that were assessed a CCL charge far exceeded the MOU that were assessed a local switching charge. This imbalance raised a red flag because generally the MOU that are assessed CCL are equal to the MOU that receive a local switching charge. This equality is because local switching and CCL

can only apply when Verizon local switching and end user facilities are used. Upon additional invoice review I found that the difference in MOU was related to the MOU entitled "Cellular Tandem Switched." I have never encountered this scenario in any CABS billing during my career so I decided to review the Verizon NHPUC Tariff No. 85 to determine if the tariff contained information regarding this charge and if CCL access charges were authorized for calls that do not originate or terminate on the Verizon network. Upon review of the Verizon NHPUC Tariff No. 85, it became apparent to me that the CCL charges on the Cellular Tandem Switched MOU were not valid tariffed charges and BayRing then disputed the charges.

Q. What provisions in Verizon's NHPUC Tariff No. 85 and other facts led you to believe that the charges you were disputing were not covered in the tariff?

A. Section 5.1.1.A of the Verizon tariff No. 85 states that "Carrier common line access provides for the use of end users Telephone Company (Verizon) provided common lines by customers for access to such end users to furnish intrastate communications."

Because this description of CCL clearly indicates that CCL involves the use of Verizon's end users' common lines, and given the fact that the wireless calls that are in question here are actually routed to the cellular Mobile Telecommunications Switching Office (MTSO) rather than to a Verizon end user loop, it is clear that those calls should not be subject to CCL charges. BayRing clearly laid out this argument when it escalated its disputes of these charges to Verizon and in BayRing's original filing on this matter with the Commission.

In addition, Section 6.1.2.D of the Verizon tariff No. 85 states "Local transport, local switching and carrier common line when combined to provide a complete switched access service is as illustrated in Exhibit 6.1.2-1." (See Exhibit F of Mr. Darren Winslow's prefiled testimony.) This illustration clearly shows the common line portion of switched access as the portion from the end office to the end user via the local loop. This again indicates that cellular traffic does not terminate to a Verizon end user and is not subject to CCL charges.

Lastly, the definition of switched access as defined by Verizon on its wholesale web page (attached hereto as Attachment A) supports BayRing's position . That definition is as follows: "Switched Access Service, which is available to wholesale customers for their use in furnishing their services to end users, provides a two-point electrical communications path to a customer's facilities from an end user's premises. It provides for the use of common terminating switching and transport facilities and common subscriber plant of the Telephone Company (**Verizon**). Switched Access Service provides for the ability to originate calls from an end user's premises to a customer's facilities, and to terminate calls from a customer's facilities to an end user's premises in the LATA where it is provided." This summary of switched access also states " Terminating calling permits the delivery of calls from the customer's premise to Telephone Company (i.e. Verizon) exchange service locations. This is further evidence that Verizon switched access under Tariff No. 85 is only for calls originating or terminating to Verizon end users.

Q. Please describe your understanding of the Carrier Common Line (CCL) element in the Carrier Access Billing process.

A. CCL is a charge associated with the provision of a specific network element. In this case, the local facilities that access a Verizon end user.

Additionally, the NECA Handbook indicates that Carrier Common Line is intended to compensate the Exchange Carrier for: Loop, Drop and associated equipment from the end office to the End User. (See Attachment B.)

Q. Since BayRing originally complained directly to Verizon about the CCL charges, has it changed or added to its disputes pertaining to Verizon CCL charges?

A. Yes. Originally BayRing only disputed intrastate "Cellular Tandem Switched MOU" for which the CCL access element was charged. This included only MOU to which Verizon did not apply a Percent Local Usage (PLU) factor. PLU is a factor used in CABs billing to assign the portion of traffic that is local. However, from October 2005 through July 2006 Verizon failed to apply the PLU to the cellular MOU and made the additional error of charging full intrastate switched access charges, including the CCL rate element, to all local cellular calls. BayRing disputed the total CCL charges and again was denied by Verizon. Verizon has conceded in technical sessions that they erred in not applying a PLU, and stated that BayRing would not be responsible for the incorrect charges. However, as of the date of this filing Verizon has not made the necessary credits to the BayRing invoices.

Additionally, beginning with the September 2006 invoice, Verizon began to charge BayRing CCL to terminate calls to **other** third party carriers such as CLECs and independent telephone companies (ITCs). Previously this third party traffic had been billed by a Verizon billing agent that did not charge CCL for these calls. The

addition of this new traffic to access billing increased BayRing's dispute by approximately four times the original dispute. Similar to BayRing's initial dispute delineated earlier in my testimony, Verizon is charging BayRing CCL and other access rate elements for calls that do not terminate to Verizon end users. BayRing has disputed these access charges as Verizon is not supplying the end-user service and also Verizon does not have meet point billing (MPB) arrangements with most of these carriers as described in the National Exchange Carriers Association (NECA) FCC Tariff #4.

Meet point billing is the process whereby two or more LECs who are involved in the provision of switched exchange access service bill for their respective portion of jointly provided service. See Verizon tariff NHPUC No. 84 Part A section 1.3.2. Meet point billing is reflected in NECA's FCC Tariff #4 to facilitate the ordering of access services. When carriers order access to an exchange carrier that has MPB with Verizon, NECA's FCC Tariff # 4 would show the ordering carrier the percentage of transport that Verizon would be entitled to charge for based on the agreed upon percentages and thus would allow a carrier to calculate their access costs associated with Verizon. I reviewed NECA FCC Tariff # 4 and found that there are no Verizon intermediate carrier MPB percentages for switched access in NH shown in NECA's FCC Tariff # 4 for the disputed call flows. Thus, Verizon must not have joint access provisioned switched access with the related carriers and therefore should not be charging access for these types of calls.

Q. Did BayRing's dispute become significantly larger in late 2006? Does this mean Verizon created additional revenues for itself when it took over the billing function from its billing agent?

A. Yes. Verizon was only charging access for a small amount of wireless traffic previous to August 2006. When it began billing additional terminating access for wireless, CLEC and independent telephone company traffic, Verizon generated a substantial new revenue source for itself.

Q. Why is this new revenue stream important to note in this case?

A. BayRing believes it is important that the Commission understand the context within which Verizon is estimating the financial impact to Verizon if the Commission orders Verizon to stop collecting the disputed charges. It is important to note that the majority of the revenue associated with these incorrect charges has only been billed by Verizon for less than a year. BayRing is concerned that Verizon may attempt to lead the Commission to believe that substantial longstanding revenue streams are at risk, when in fact much of the revenue that Verizon claims is at risk has only been billed for a few months.

Q. Please identify the entity that billed BayRing for traffic that terminated to CLECs and ITCs on behalf of Verizon prior to Verizon's assumption of this billing in September 2006.

A. Prior to August 2006, New York Access Billing LLC (NYAB), on behalf of Verizon, billed BayRing for switched access services and Tandem Transit Service (TTS) for CLEC, ITC and some cellular MOU. In August of 2006, Verizon began directly billing these MOU and also began imposing terminating carrier common line

access charges (CCL) for calls to additional carriers wherein Verizon did not terminate the call or provide an end user common line.

Q. In its role as billing agent for Verizon did NYAB charge the CCL element on the Intrastate MOU to third party carriers?

A. No. As Verizon confirmed in response to BayRing's discovery, NYAB did not bill the CCL element.

Q. Please explain why you believe NYAB did not charge CCL on intrastate access bills.

A. As NYAB is a company that specializes in the billing of access, it appears NYAB's interpretation of the Verizon NHPUC Tariff No. 85 is that it does not authorize CCL charges for calls that do not originate or terminate on a Verizon end-user loop. In addition, NYAB billing was consistent with guidelines such as the NECA definition of the CCL rate element which was previously discussed.

Q. Please describe the other applicable changes and issues that arose with Verizon CABS invoices when Verizon assumed the billing function from NYAB.

A. The most noticeable change related to Meet Point Billing was that the Verizon began assessing charges for traffic that terminated to exchanges that do not belong to Verizon. Some of these exchanges appear to be owned by other carriers and yet some are being billed as if they are owned by Verizon. Several of these exchanges are not even listed in the Local Exchange Routing Guide (LERG), and yet Verizon is billing BayRing terminating access for these areas. BayRing does not believe Verizon is authorized to charge switched access to locations that are not even identified in the LERG as destinations for access traffic. The LERG is a database of all NPA NXX's

and switches used in the routing of calls between all carriers in the North American Numbering Plan. All exchange carriers (ECs) are required to file their switch information within the LERG to enable proper routing of calls.

Verizon has stated in its discovery responses that it is providing meet point billing (MPB) to the cellular carriers and CLECs. Verizon is acting as an intermediate tandem for calls from CLECs to other non Verizon carriers wherein the service provided is merely a tandem switching function to route a call from one carrier to the other. Although Verizon is acting in this capacity, Verizon does not have a single Intermediate MPB BP on file in NECA tariff FCC No. 4 (see attachment C) for the state of New Hampshire that addresses intermediate carrier switched access services.

BayRing believes that because Verizon's billing includes exchanges that are not in the LERG, exchanges that apparently are not owned by Verizon and that Verizon does not have meet point billing arrangements set up in NECA tariff #4, further solidifies BayRing's position that Verizon lacks authority to bill the disputed charges.

Q. Is BayRing disputing other access charges on Verizon's billing other than CCL?

A. BayRing disputes all access charges related to the disputed call flows as discussed above and in Darren Winslow's testimony. In addition, as a result of this proceeding, BayRing has identified the following situations wherein Verizon is billing for services it does not provide and or is not authorized to bill. While the amounts of the following disputed charges are far smaller than that of the CCL dispute, BayRing believes it is important that these matters are addressed in this docket.

The issues include the following:

BayRing is disputing Local Transport Charges for Cellular and other Carrier minutes of use that do not use the Verizon Network. Examples of these calls are represented in call flows 14, 15, 16 and 20 of the staffs call flow summary and are appended to Mr. Darren Winslow's testimony. These disputed charges include End Office and Host to Remote termination and Facility Charges, billed by Verizon, even though certain of the facilities are not Verizon's. For example, Verizon charges "Cellular Tandem Switch" MOU as if calls terminate to a Verizon end office when the calls actually terminates to a wireless carriers' MTSO (e.g. ERRLNHYARS1 CLLI for the Errol NH exchange which is an end office switch owned by Verizon however Verizon does not actually route the call to their switch in Errol as Verizon terminates wireless calls to the wireless carrier's MTSO. According to my review of the December 1, 2006 version of the LERG, no cellular company has located their MTSO in Errol, thus Verizon's facilities to Errol are not used to route the call. Per Verizon's discovery responses for this example BayRing should only pay for facility charges to transport the call to the wireless carriers switch.

BayRing is disputing Local Transport Charges for minutes of use that Verizon bills as if the traffic and associated minutes minutes traveled on Verizon's facilities from BayRing's Point of Connection (POI) to the Manchester Tandem or other end office. The vast majority of BayRing's applicable traffic flows to the Manchester Tandem on BayRing's owned facilities. Again, Verizon should not charge for facilities it does not provide.

Q. Please provide your conclusions form your testimony above.

A. In sum Verizon should not be allowed to continue its unauthorized assessing of charges for services it does not provide.

Q. Does this conclude your testimony?

A. Yes it does and I would like to thank the commission for their consideration of this matter.

Switched Access

Solution Information
- Overview
- Description
- Availability
- Pricing

Service Details
- Features
- Applications

Technical Details
- Detailed Information
- Diagrams

Related Information
- Tariffs
- Industry Letters

Switched Access Service

Overview

Switched Access with Verizon

Verizon's Switched Access services provide two-point communications paths between the long distance carrier's Customer Designated Location (CDL) and the points of end user terminations within Verizon's Access Area. Each communications path is established through the use of Switched Transport, End Office Services and related Switched Access offerings. Switched Access can be provided via line side or trunk side connections to the service provider's facilities.

How it Works

There are 4 types of Switched Access Services:

Feature Group A
Switched Access provides line-side interconnection to Verizon's end office switches through an end user seven-digit access code (NXX-XXXX) for the long distance customer's use in originating and terminating calls to end users.

Feature Group B
Switched Access provides trunk-side interconnection to Verizon's end office switches through a uniform seven digit access code (950-XXXX) for the long distance customer's use in originating and terminating calls to end users.

Feature Group C
Switched Access provides trunk-side interconnection to Verizon's end office switches for providers of MTS and WATS for originating and terminating communications.

Feature Group D
Switched Access provides trunk-side interconnection to Verizon's end office switches through either a 101XXXX arrangement or on a pre-subscribed basis for the long distance customer's use in originating and terminating calls to end users.

Benefits

Verizon's Switched Access network is highly reliable and cost efficient.

Verizon monitors its Switched Access network 24 hours a day, seven days a week to ensure that long distance interconnection is smooth, reliable, and optimally performing.

Verizon's Switched Access services provide speed-to-market for the long distance services you need and use.

Applications

Offer your retail customers a variety of long distance services at competitive prices.

Reduce transport costs to your Customer Designated Locations using Verizon's national footprint.

Description

Switched Access Service, which is available to wholesale customers for their use in furnishing their services to end users, provides a two-point electrical communications path to a customer's facilities from an end user's premises. It provides for the use of common terminating switching and transport facilities and common subscriber plant of the Telephone Company. Switched Access Service provides for the ability

Doing Business

Getting Started
Negotiating an Agreement

Trouble Admin
VTAG (Web)
EBTA (OSI)

Billing
Billing Web

FAQ
Access FAQs

to originate calls from an end user's premises to a customer's facilities, and to terminate calls from a customer's facilities to an end user's premises in the LATA where it is provided.

Availability

Switched Access services are available throughout the Verizon footprint. Please review the appropriate state and federal tariffs for specific product availability.

Pricing

Rates and charges for Switched Access Service depend generally on its use by the customer and whether it is provided in a Telephone Company end office that is so equipped. There are three types of rates and charges that apply to Switched Access Service. These are monthly recurring rates, usage rates, and nonrecurring charges. These rates and charges are applied differently to the various rate elements as set forth in the appropriate state and federal tariffs.

Please visit the appropriate state and federal tariffs for rates and charges.

Features

Switched Access is provided in conjunction with either of two types of access services, bundled Feature Groups or unbundled Basic Serving Arrangements (BSAs). BSAs are provided in two basic categories differentiated by their technical characteristics and how they connect, line side or trunk side connection, to the Telephone Company's first point of switching.

The trunk side BSA is further differentiated into three alternatives based upon how the end user accesses the trunk side BSA, with or without an access code. Feature Group A (FGA) and Basic Serving Arrangement A (BSA-A) are defined as line side connections to the Telephone Company's network.

Feature Group B (FGB), Feature Group D (FGD), Basic Serving Arrangement Alternative B (BSA-B), and Basic Serving Arrangement Alternative D (BSA-D) are defined as trunk side connections to the Telephone Company's network. The use of a line side or trunk side switched access connection is dependent upon the switched access arrangement ordered by the customer.

Feature Groups and BSAs are arranged for either originating, terminating, or two-way calling, based on the end office switching capacity ordered. Originating calling permits the delivery of calls from Telephone Company exchange service locations to the customer's premises.

Terminating calling permits the delivery of calls from the customer's premises to Telephone Company exchange service locations. Two-way calling permits the delivery of calls in both directions, but not simultaneously.

Applications

Switched Access Feature Group's are ordered in either quantities of lines or trunks or in Busy Hour Minutes of Capacity (BHMC). FGA and BSA-A is furnished on a per-line basis, and FGB, FGD, BSA-B, BSA-D and SAC Access Service are furnished on a per-trunk basis in accordance with the capacity ordered in trunks or BHMC.

Quantities of lines, trunks or total BHMC of the circuit group connecting the first point of switching and the CDL are determined at the Telephone Company's first point of switching. A customer may designate one or more CDLs within the LATA for FGA, FGB, FGD, BSA-A, BSA-B, BSA-D Switched Access or SAC Access Service.

Detailed Information

Verizon offers three types of Switched Access services: Feature Group A, Feature Group B and Feature Group D

Feature Group A
Service is a lineside connection, which is used primarily for Foreign Exchange access. It is ordered most often by large end users that wish to establish a local seven-digit telephone number for call completion to and from a foreign LATA. The end user enters a Personal Identification Number (PIN) to place a long distance call. Feature Group A is provisioned from the Verizon local switching center.

In addition to Foreign Exchange access, Feature Group A also provides Off Network Access Line (ONAL) and MTS/WATS services as well as IP Telephone Gateway Optional features include Hunt Group, Uniform Call Distribution (UCD), Queuing and Three Way Calling.

Feature Group B
Service is trunk side connection. It offers your customers the advantage of a single, nationwide phone number. This is available because the originating dialing codes are in the form of 950-XXXX. The XXXX digits are the unique Carrier Identification Code (CIC).

Automatic Number Identification (ANI) and Alternate Routing are available with this service. The terminating portion of Feature Group B can be a Verizon end office of Verizon access tandem.

Feature Group D
Service is a trunk side connection which is the most frequently used access service. It is the primary access media because it lets interexchange customers offer their subscribed customers the capability of using 1+ dialing for calling on their network. Feature Group D also permits 101XXXX calling, allowing end-users the ability to access an interexchange carrier other than their subscribed carrier. Automatic Number Identification (ANI) and Alternate Routing are available. Feature Group D can be ordered directly from the interexchange carrier's Point of Presence to either a Verizon end office or Verizon access tandem.

Diagrams

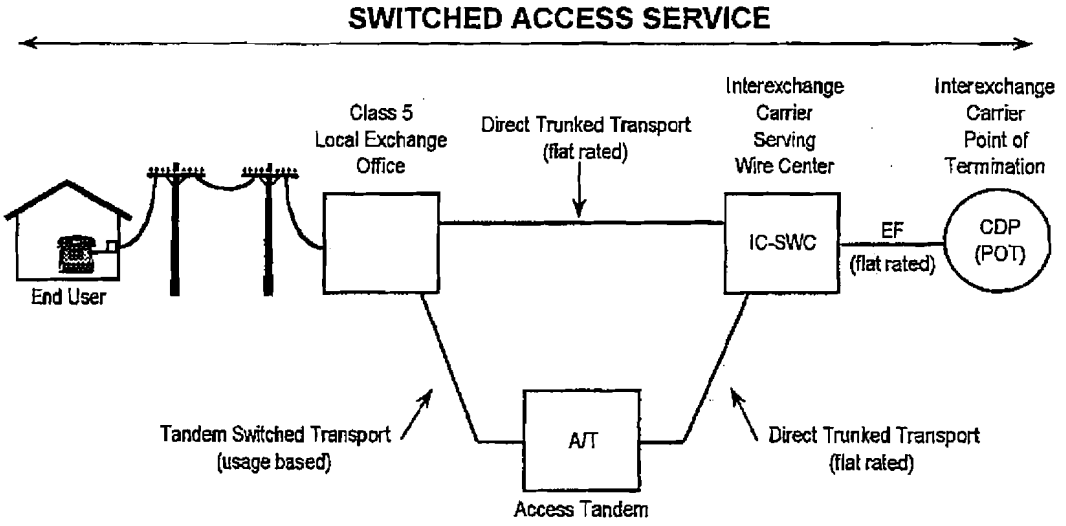
SWITCHED ACCESS SERVICE - OVERVIEW *

Switched Access service is intended to compensate the Exchange Carrier for:

- Loop, drop and associated equipment from the end office to the End User (Carrier Common Line)
- End office switching functions (Traffic Sensitive):
  - Local Switching
  - Information Surcharge
- Local Transport facilities from the End Office to the Interexchange Carrier's Point of Termination, including any intermediate switching (Traffic Sensitive) *

The NECA Tariff FCC No. 5 offers four separate switching arrangements, known as Feature Groups A, B, C and D, within Switched Access Service. The switching arrangements are differentiated by their standard operational capabilities. The following matrix highlights each feature group's characteristics.

SWITCHED ACCESS SERVICE - OVERVIEW, Continued



CL - Common Line
EO - End Office Elements
- Local Switching
- Information Surcharge

Tandem Switched Transport
- Tandem Switched Facility
- Tandem Switched Termination
- Tandem Switching

Direct Trunked Transport
- Direct Trunked Facility
- Direct Trunked Termination

EF - Entrance Facility

* Common Line is provided under Section 3.

Attachment C

National Exchange Carrier Association

BP Route(s) with Company : 5113 as Intermediate -Effective

03/08/2007
13:38:37

State	Locality	Location Code	ASEC	BP	OI	SVC	Route	Status
NH/NH	CHICHESTER	CHCHNHXA	0045	4	END	SPA	I	
			5113	88	INT			
	NEW LONDON	NWLNNHXA	0045	8	END			
NH/NH	CONTOOCOOK	CNTCNHXA	0047	9	END	SPA	I	
			5113	86	INT			
	MELVIN VILLAGE	MLVGNHXA	3320	5	END			
NH/NH	NEW LONDON	NWLNNHXA	0045	11	END	SPA	I	
			5113	77	INT			
	CONTOOCOOK	CNTCNHXA	0047	12	END			
NH/NH	NEW LONDON	NWLNNHXA	0045	8	END	SPA	I	
			5113	60	INT			
	HILLSBORO	HLBONHXA	3320	32	END			
NH/NH	NEW LONDON	NWLNNHXA	0045	5	END	SPA	I	
			5113	58	INT			
	SUTTON	STTNNHXA	0047	37	END			
NH/NH	NEW LONDON	NWLNNHXA	0045	7	END	SPA	I	
			5113	90	INT			
	WILTON	WLTONHXA	0050	3	END			
ME/ME	STANDISH	STNDMEXA	0025	1	END	ALL	I	
			5113	97	INT			
	FORT KENT	FTKNMEXA	3316	2	END			
NH/NH	WILTON	WLTONHXA	0050	11	END	SPA	I	
			5113	57	INT			
	HOLLIS	HLLSNHXA	3321	32	END			

STATE OF NEW HAMPSHIRE

BEFORE THE

PUBLIC UTILITIES COMMISSION

Docket No. DT 06-067

PETITION OF FREEDOM RING COMMUNICATIONS, LLC. D/B/A BAYRING COMMUNICATIONS VERSUS VERIZON NH REGARDING ACCESS CHARGES

TESTIMONY OF DARREN WINSLOW

ON BEHALF OF

BAYRING COMMUNICATIONS

March 9, 2007

TABLE OF CONTENTS

TABLE OF CONTENTS

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DT 06-067

PETITION OF FREEDOM RING COMMUNICATIONS, LLC. D/B/A BAYRING COMMUNICATIONS VERSUS VERIZON NH REGARDING ACCESS CHARGES

TESTIMONY OF DARREN WINSLOW
ON BEHALF OF
BAYRING COMMUNICATIONS

March 9, 2007

Witness and Company Background

Q. Please state your name and business address and by whom you are employed.

A. My name is Darren Winslow, my business address is 7 Central Street, Farmington, NH 03835. I am employed by the Utel Companies which include BayRing Communications (BayRing).

Q. Please describe your educational background.

A. I hold a Bachelor of Science Accounting degree from the University of Southern Maine where I graduated with Summa Cum Laude honors. In addition, I am licensed as a Certified Public Accountant in the State of Maine and have been licensed since October 13, 1994. In order to maintain this license, I must complete continuing professional education requirements annually.

Q. Please describe your work experience prior to your employment with the Utel Companies.

A. From 1992 though May 1997, I worked at Berry, Dunn, McNeil & Parker (BDMP), CPAs in Portland, Maine. During my employment at BDMP I was involved in a variety of financial statement audit, income tax and consulting engagements in several industries including telecommunications, utilities, and financial institutions. My primary focus was in the telecommunications and utility industry working for clients in Maine, New Hampshire and Vermont. I held the title of Senior Accountant, and my responsibilities included managing and supervising audit and consulting engagements that included the review of various companies' carrier access billing (CABS) systems and billing guidelines. I also attended several switched and special access training courses held by the National Exchange Carrier Association (NECA). Other consulting engagements included costs studies, rate of return reviews, regulatory reporting.

From May 1997 to December 1997, I was employed at American Skiing Company (ASC) as the Director of Accounting – Vermont Operations. I supervised an accounting staff of approximately 15 employees and I also became responsible for ASC's external reporting for its consolidated operations and assisted in the production of ASC's initial public offering process.

From December 1997 to June 2002, I was employed by MCT Telecom (MCT) in Contoocook, NH, which at the time owned two independent local exchange companies (Merrimack County Telephone Company and Contoocook Valley Telephone Company) as well as a cable television company and internet service company. As the Accounting Manager and Controller, I was responsible for all aspects of MCT's accounting including

financial statement preparation, cost studies, regulatory filings, CABS billings, and other general company matters. I also assisted MCT with its merger with TDS Telecom in 2002.

Q. Please describe your work experience at BayRing Communications and your current responsibilities.

A. In 2002, I joined the Utel Companies as the Controller. As the Controller, I am responsible for a significant amount of BayRing's accounting, including financial statement preparation, tax returns, etc. I also assist the company with certain regulatory filings, Carrier Access Billings (CABs), and other general company matters.

Q. Please describe BayRing's business in New Hampshire.

A. BayRing is a New Hampshire competitive local exchange carrier (CLEC) based in Portsmouth at the Pease International Tradeport. It provides state of the art voice and data services to businesses throughout Verizon -New Hampshire's service territories. BayRing has been licensed by this Commission since 1997.

Purpose of Testimony and Summary of BayRing's Position

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to provide information to support BayRing's position that Verizon is improperly assessing certain access charges upon BayRing. This information will include call flow diagrams developed in technical sessions with Commission Staff and the parties to this docket. I will also be discussing relevant portions of Verizon's tariffs which are on file with this Commission and providing other information in support of BayRing's claims.

Q. Please summarize BayRing's position with respect to the access charges it is disputing in this docket.

A. It is BayRing's position that Verizon is not authorized to collect certain access charges from BayRing for services that Verizon does not provide. BayRing also believes that imposition of these unauthorized charges is unfair and anti-competitive.

BayRing is disputing certain access charges assessed by Verizon for intrastate calls that originate on BayRing's network and terminate on the network of a third party carrier other than Verizon. In essence, Verizon charges BayRing access fees as if BayRing's calls were transported over Verizon facilities and terminated all the way to a Verizon end user. However, the calls and associated charges that are the basis of this dispute do not, in fact, traverse the Verizon facilities in that manner. BayRing does not believe it is appropriate for Verizon to assess such charges when Verizon provides no associated service or Verizon facilities related to the charges. BayRing believes these charges are not only inappropriate from an equitable standpoint but are also not authorized by Verizon's tariffs or any other source.

Q. For background purposes, please provide a basic example depicting a call flow in which Verizon *is* authorized to assess access charges.

Intrastate Long Distance Calls between involving Verizon End Users and CLEC End Users											
Intrastate long distance call from CLEC end user to Verizon end user											
Staff Call Flow 22	CLEC End User	*Call Flow* →	CLEC Switch BayRing COMMUNICATIONS	*Call Flow* →	Verizon Tandem verizon	*Call Flow* →	Verizon Host Office verizon	*Call Flow* →			Verizon End User
Verizon Charges to CLEC				*Dedicated Transport*	*LTTS*	*LTF & LTT*	*LS*	*CCL*			
BayRing modified this call flow slightly to simplify the comparison and also because Verizon has corrected the Local Switching double billing in this host/remote scenario.											

A. An example of a call where Verizon is authorized to charge access is an intrastate call originated by a BayRing end user and terminated at a Verizon end user. As the call flow diagram above shows, BayRing, via its own network (owned or leased) delivers that call to

the Verizon tandem switch. Verizon then routes the call over Verizon facilities, to a Verizon end office and then through its local loop to a Verizon end user. In this case, Verizon charges BayRing for the use of Verizon's tandem to route the call and for the use of Verizon's facilities, including its end office and local loop to access the Verizon end user.

Q. Please compare the call described above with a examples of calls upon which Verizon is imposing access charges which are disputed by BayRing.

Intrastate long distance call from CLEC 1 end user to CLEC 2 end user												
Staff Call Flow 13	CLEC 1 End User	Call Flow →	CLEC 1 Switch	Call Flow →		Verizon Tandem	Call Flow →	CLEC 2 Switch	Call Flow →	CLEC 2 End User		
Verizon Charges CLEC 1; CLEC 1 is TP						*LTTS & CCL*						
CLEC 2 Charges CLEC 1; CLEC 1 is TP							*LTF & LTT*	*LS*	*CCL*			
BayRing modified this call flow slightly to simplify the comparison as most CLECS including BayRing have direct facilities to Verizon's tandem versus a meet point billing situation.												
Intrastate long distance call from CLEC end user to Wireless end user;												
Staff Call Flow 15	CLEC End User	Call Flow →	CLEC Switch	Call Flow →	Verizon Tandem	Call Flow →	Call Flow →	Call Flow →	Call Flow →	MTSO	Call Flow →	Wireless End User
Verizon Charges to CLEC as TP					*LTTS*	*LTF & LTT*	*as Host*		*CCL*		*NXX from rate center where the host end office is located*	
Verizon Charges to CLEC as LEC			*Dedicated Transport*									
Verizon Charges to WP					*POIA Access*							(i.e., Concord)
WP charges to CLEC if traffic exchange agreement exists									*Local termination charges*			
Intrastate long distance call from CLEC end user to ITC end user												
Staff Call Flow 20	CLEC End User	Call Flow →	CLEC Switch	Call Flow →	Verizon Tandem	Call Flow →	Meet Point	Call Flow →	ITC End Office	Call Flow →	ITC End User	
Verizon Charges to CLEC			*Dedicated Transport*	*LTTS & CCL*	*% LTF & 1/2 LTT*							
ITC Charges to CLEC								*% LTF*	*LTT & LS*	*CCL*		

A. Examples of calls(as depicted above) and associated charges that are the basis of this dispute are those originated by a BayRing end user and delivered by BayRing to the Verizon tandem switch. In the case of the disputed calls, Verizon does not route the calls to its own local switch and end user, but instead to that of a third party carrier such as a CLEC, wireless provider, or Independent Telephone Company (ITC). The calls then traverse the network of the third party carrier, are routed through the switch of the third party carrier and

are terminated to the end user of the third party carrier. Despite the fact that Verizon provides little to no post tandem transport, no local switching and no access to an end user, Verizon has been and continues to charge BayRing as if Verizon were providing all access elements (except local switching), including, most importantly, the Carrier Common Line (CCL) element, which is the most costly access element and for which Verizon provides no service. These access charge rate elements will be discussed in more detail below.

Q. What charge should Verizon bill to the originating carrier when a toll call does not terminate to a Verizon end user? Is this the Tandem Transit Service (TTS) as originally suggested in BayRing's petition?

A. Verizon should be compensated only for the services it provides and BayRing understands BayRing should be compensating Verizon for the services it actually provides in the disputed call flow diagrams. When BayRing initially filed its complaint, BayRing believed that Verizon's compensation for the function it provided at the tandem (connecting 2 carriers other than Verizon) was authorized by Verizon's TTS tariff (No. 84) because TTS most closely corresponds to the functions provided by Verizon for calls connecting competing CLECs (and other carriers) whose customers originate an intraLATA call destined for a customer of another carrier (other than Verizon). Upon further review, BayRing believes that Verizon does not have a tariff provision authorizing access charges for this type of traffic. Verizon contends that its NHPUC Tariff No. 84 does not cover the calls in dispute and BayRing's position is that Verizon Tariff No. 85 also does not authorize Verizon to collect the disputed charges in this docket.

Q. Please summarize Exhibit A to your testimony regarding the access rates charged by Verizon for different call scenarios.

A. Exhibit A lists the terminating access charges assessed on originating carriers for several of Staff's call flow diagrams. (Staff's call flow diagrams are attached to my testimony as Exhibit E.) The charges reflected in the chart attached as Exhibit A, will be used throughout my testimony to help the Commission understand the magnitude of the charges assessed to originating CLECs, such as BayRing, compared to terminating charges assessed to Verizon and Wireless carriers for the same terminating calls. The chart highlights the inequities created by Verizon's unauthorized application of its Carrier Common Line (CCL) rates when it charges for but does not actually provide access to its end users.

Call Flow Summaries and Disputed Charges

BayRing Calls to Another CLEC

Q. Please explain why BayRing believes that Verizon is improperly imposing access charges for calls originating with a BayRing end user and terminating to another CLEC.

A. To illustrate BayRing's position with respect to BayRing calls to a CLEC end user, I will compare three similar call scenarios: 1) one call flow in which BayRing believes Verizon is billing correctly; 2) a call flow associated with charges that BayRing disputes: and 3) a call flow showing the significant competitive advantage Verizon holds over originating CLECs with respect to charges for calls terminating to other CLECs. These call flows are depicted below and in Exhibit B.

EXHIBIT B

Intrastate Long Distance Calls between involving Verizon End Users and CLEC End Users

Intrastate long distance call from **CLEC** end user to **Verizon** end user											
Staff Call Flow 22	CLEC End User	*Call Flow* →	CLEC Switch BayRing	*Call Flow* →	Verizon Tandem verizon	*Call Flow* →	Verizon Host Office verizon	*Call Flow* →			Verizon End User
Verizon Charges to CLEC				*Dedicated Transport*	*LTTS*	*LTF & LTT*	*LS*	*CCL*			
BayRing modified this call flow slightly to simplify the comparison and also because Verizon has corrected the Local Switching double billing in this host/remote scenario.											
Intrastate long distance call from **CLEC 1** end user to **CLEC 2** end user											
Staff Call Flow 13	CLEC 1 End User	*Call Flow* →	CLEC 1 Switch one	*Call Flow* →			Verizon Tandem verizon	*Call Flow* →	CLEC 2 Switch BayRing	*Call Flow* →	CLEC 2 End User
Verizon Charges CLEC 1; CLEC 1 is TP							*LTTS & CCL*				
CLEC 2 Charges CLEC 1; CLEC 1 is TP								*LTF & LTT*	*LS*	*CCL*	
BayRing modified this call flow slightly to simplify the comparison as most CLECS including BayRing have direct facilities to Verizon's tandem versus a meet point billing situation.											
Intrastate long distance call from **Verizon** end user to **CLEC** end user											
Staff Call Flow 11	Verizon End User	*Call Flow* →	Verizon End Office verizon	*Call Flow* →	*Call Flow* →	*Call Flow* →	Verizon Tandem verizon	*Call Flow* →	CLEC Switch BayRing	*Call Flow* →	CLEC End User
CLEC Charges to Verizon; Verizon is TP								*LTF & LTT*	*LS*	*CCL*	

The first call flow represents a call from a CLEC end user to a Verizon end user. BayRing agrees with Verizon's billing regarding this call flow. This represents call flow #22 of Staff's summary of call flows (modified slightly only to eliminate the host remote switching dispute issue which Verizon appears to have corrected) attached hereto as Exhibit E.

BayRing does not dispute charges imposed by Verizon for this call because the call terminates to a Verizon end user and Verizon provides all the services for which it is charging. Verizon should and does properly charge the following rate elements:

- Local Transport Tandem Switching (LTTS) element is charged for the use of Verizon's tandem switching facilities. It recovers the costs to switch the call from the CLEC's collocation facilities located at Verizon's tandem through Verizon's tandem to Verizon's network. *See Tariff No. 85, Section 6.2.1. G. 3.*
- Local Transport Termination (LTT) element is charged for that portion of the voice frequency transmission path at a host end office and a remote switching module or remote switching system. It recovers the costs to terminate the call at terminating side of the tandem and Verizon's local switch where Verizon's end user loop is connected. *See Tariff No. 85, Section 6.2.1. G. 1.*
- Local Transport Facilities (LTF) element is charged for that portion of the voice frequency transmission path from the host end office to a remote switching module or remote switching system. It recovers the costs of transport from Verizon's tandem to Verizon's local end office to serve Verizon's end user. *See Tariff No. 85, Section 6.2.1. G. 2.*
- Local Switching (LS) element is charged for use of common lines and the local end office switching and end user termination functions necessary to complete the transmission of switched access communications to the end users served by Verizon's local end office. It recovers the costs of switching the call from Verizon's local end office switch to Verizon's common line facilities for its end user. *See Tariff No. 85, Section 6.2.2.A.*
- Carrier Common Line (CCL) element is charged for use of an end user's common line provided by Verizon for access to the end user. It recovers the cost of Verizon's common loop plant of its end user. *See Tariff No. 85, Section 5.1.1 A.*

The next call flow in Exhibit B represents a call from a CLEC end user to another CLEC end user. This represents call flow #13 of Staff's summary (modified only to assume both CLECs are collocated at the Verizon Tandem). BayRing disputes Verizon's billing of this call flow as Verizon is billing for services it does not provide and/or is not authorized to bill for under NHPUC Tariff No. 85.

Verizon charges the originating CLEC the following components for this call:

- Local Transport Tandem Switching (LTTS) element is charged even though it is not specifically authorized under Verizon's switched access tariff (because the call does not terminate to a Verizon end user it). However, it nonetheless seems reasonable for Verizon to charge some tandem switching fee for this type of call because Verizon is actually providing a service.
- Carrier Common Line (CCL) element is charged by Verizon even though Verizon is not providing this service -- the call is not routed to a Verizon end user, thus no portion of Verizon's common loop plant is utilized. **This issue represents the vast majority of disputed charges in this docket. Verizon has no authority to charge this switched access rate element for this call because CCL is not provided by Verizon or used by the CLEC. CCL provides for the "use" of Verizon's end user's loop.** ***See Tariff No. 85, Section 5.1.1.A.*** The CCL rate element is charged on a per access minute basis and is therefore a "usage rate." *See Tariff No. 85, Section 30.5.1 and Section 6.6.3.A.* Verizon's Tariff clearly states that "[u]sage rates apply only when a specific rate element is used" *Tariff No. 85, Section 6.6.3.A.* Thus, Verizon may only apply the CCL charge when that rate element is used. Since no CCL is used in the above-described call flow,

Verizon is prohibited by the terms of its own tariff from imposing this charge for this type of call.

In this particular call flow, Verizon does not charge for the services listed below, presumably because Verizon is not providing them:

- Local Transport Termination (LTT)
- Local Transport Facilities (LTF)
- Local Switching (LS)

The final call flow in Exhibit B represents a call from a Verizon end user to a CLEC end user. This represents call flow #11 of Staff's summary. You will notice that this call flow is the reverse of call flow #22 discussed above. The CLEC bills Verizon all applicable rate elements as the CLEC provides all of the services. Most importantly this call flow shows that Verizon is only assessed one CCL rate element for calls that terminate to a CLEC. If we assumed the CLEC end user in call flow #11 and # 13 is the same CLEC end user, then it clearly shows that CLEC 1 under call flow #13 pays two sets of CCL charges whereas Verizon only pays one CCL charge to terminate to the same CLEC end user. Thus Verizon's method of billing CCL charges for calls that terminate to CLEC end users provides Verizon with a significant, unfair and anti-competitive cost advantage over CLECs.

Although these three call flows are significantly different, it is clear that the fees Verizon charges to a CLEC (BayRing) are approximately the same whether a call terminates to a Verizon end user or a CLEC end user. The amount BayRing pays to Verizon to terminate a toll call to a Verizon end user (call flow #22) is approximately $ .029745 per minute while the amount BayRing pays to Verizon to terminate a toll call to a CLEC end user (call flow 13) is approximately $ .026997 per minute. The cost difference is minimal even though in

call flow 13 Verizon only provides one of the rate elements and does not provide most of the access rate elements including carrier common line services (which accounts for almost 90% of the total access rate or $.026494 per minute). In addition, call flow # 13 shows that an originating CLEC (BayRing) incurs additional terminating charges (approximately $.029242 per minute) from the terminating CLEC which in most cases are the same access rates as Verizon's access charges. Thus, BayRing's cost ($.056239 per minute) to terminate a call to a CLEC end user is approximately double the cost of terminating a call to a Verizon end user.

In comparison, when Verizon terminates a call from its end user to CLEC end users, Verizon's cost ($.029745 per minute) only includes its internal tandem costs and the terminating CLECs' access charges. This clearly demonstrates that Verizon has a competitive advantage over an originating CLEC when a call terminates to another CLEC as Verizon is only paying half of what the CLEC is paying ($.056239 per minute) to terminate a call to the same CLEC end user. As a result of Verizon's unauthorized billing for services it does not provide, BayRing is charged approximately 89% more than Verizon for the same type of call.

BayRing Calls to A Wireless Carrier

Q. Please explain why BayRing believes that Verizon is improperly imposing access charges for calls originating with a BayRing end user and terminating to a wireless carrier.

A. To illustrate BayRing's position with respect to BayRing calls to a wireless carrier end user, I will compare three similar call scenarios: 1) one call flow for which BayRing believes Verizon is billing correctly; 2) a call flow associated with charges that BayRing disputes ; and 3) a call flow showing the significant competitive advantage Verizon has over CLECs

as a result of Verizon's unauthorized charging of CCL for calls terminating to wireless carriers. These call flows are depicted below and in Exhibit C.

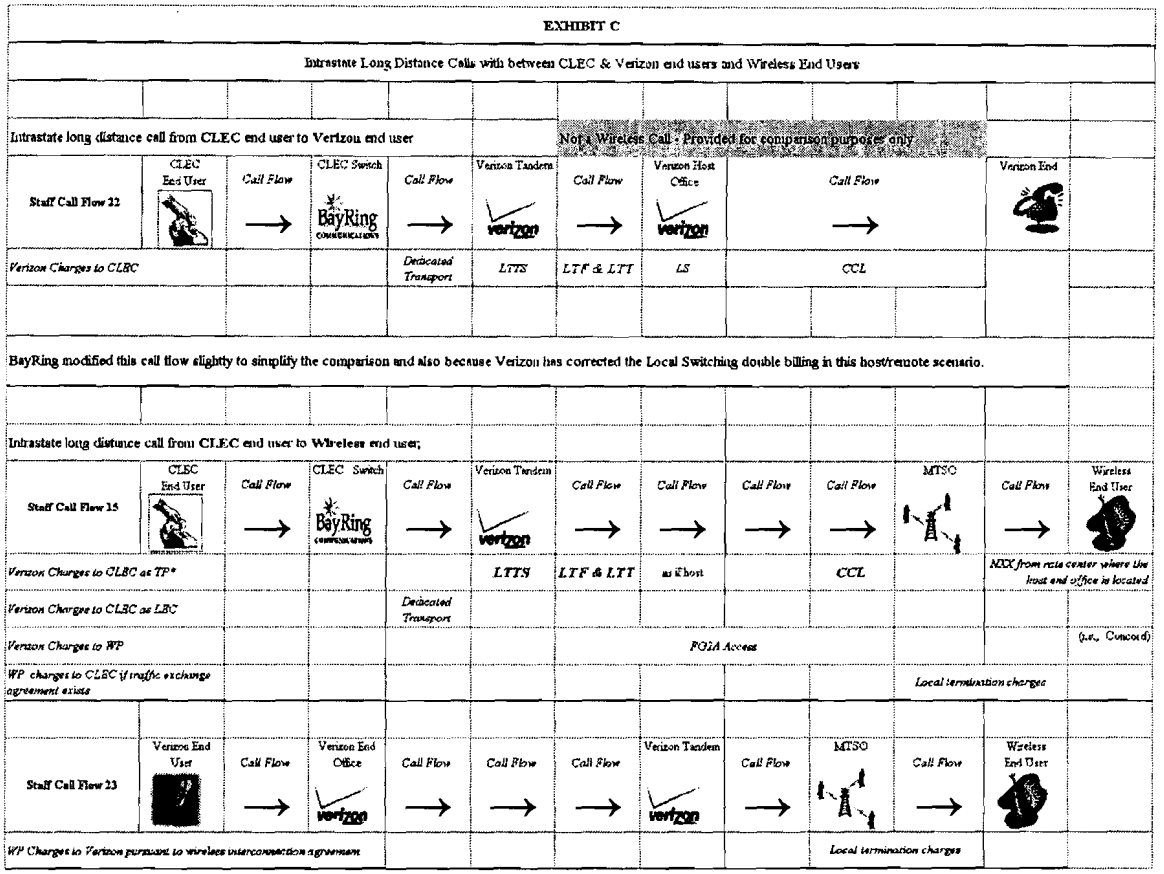


EXHIBIT C

Intrastate Long Distance Calls with between CLEC & Verizon end users and Wireless End Users

Intrastate long distance call from CLEC end user to Verizon end user — Not a Wireless Call - Provided for comparison purposes only

Staff Call Flow 22	CLEC End User	Call Flow	CLEC Switch (BayRing)	Call Flow	Verizon Tandem	Call Flow	Verizon Host Office	Call Flow	Verizon End
Verizon Charges to CLEC				*Dedicated Transport*	*LTTS*	*LTF & LTT*	*LS*	*CCL*	

BayRing modified this call flow slightly to simplify the comparison and also because Verizon has corrected the Local Switching double billing in this host/remote scenario.

Intrastate long distance call from CLEC end user to Wireless end user;

Staff Call Flow 15	CLEC End User	Call Flow	CLEC Switch (BayRing)	Call Flow	Verizon Tandem	Call Flow	Call Flow	Call Flow	Call Flow	MTSO	Call Flow	Wireless End User
Verizon Charges to CLEC at TP					*LTTS*	*LTF & LTT*	*as Host*		*CCL*		*NXX from rate center where the host and office is located*	
Verizon Charge to CLEC as LEC				*Dedicated Transport*								
Verizon Charges to WP							*FGIA Access*					(i.e., Concord)
WP charges to CLEC if traffic exchange agreement exists										*Local termination charges*		

Staff Call Flow 23	Verizon End User	Call Flow	Verizon End Office	Call Flow	Call Flow	Call Flow	Verizon Tandem	Call Flow	MTSO	Call Flow	Wireless End User
WP Charges to Verizon pursuant to wireless interconnection agreement									*Local termination charges*		

The first call flow represents a call from a CLEC end user to a Verizon end user. BayRing agrees with Verizon's billing regarding this call flow. This represents call flow #22 of Staff's summary of call flows (modified slightly only to eliminate the host remote switching dispute issue which Verizon appears to have corrected).

As discussed above, since this call terminates to a Verizon end user and Verizon provides all the services, then Verizon should and does properly charge all of the switched access elements under its Tariff No. 85 including the CCL rate element to recover the cost of Verizon's common loop plant of its end user.

The next call flow above and in Exhibit C represents a call from a CLEC end user to Wireless carrier's end user. This represents call flow #15 (and is similar to calls flows #14

and #16 also disputed by BayRing) contained in Staff's summary of call flows. BayRing disputes Verizon's billing for this call flow as Verizon is billing for services it does not provide and/or is not authorized to charge under NHPUC Tariff No. 85.

Verizon charges the originating CLEC the following components for this call.

- Local Transport Tandem Switching (LTTS). Although this charge is not authorized under Verizon's switched access tariff, (because the call does not terminate to a Verizon end user), it nonetheless seems reasonable that Verizon should charge some service like tandem switching for this type of call, since Verizon is actually providing a service.
- Local Transport Termination (LTT) and Local Transport Facilities (LTF) elements are charged to recover the costs to terminate the call on the terminating side of the tandem and apparently the termination at the Wireless carrier's switch ("MTSO") and to recover the costs of transport from Verizon's tandem to the wireless Carrier's switch. Although these charges are not authorized under Verizon's switched access tariff (again, because the call does not terminate to a Verizon end user), it nonetheless seems reasonable that Verizon should charge some service like LTT and LTF for this type of call, since according to Verizon it actually provides service.
- Carrier Common Line (CCL) element is charged by Verizon even though Verizon is not providing the service as the call is not routed to a Verizon end user, thus no portion of Verizon's common loop plant is utilized. **This issue represents the vast majority of disputed charges in this docket. BayRing disputes these charges imposed by Verizon in connection with BayRing calls to wireless carriers for the same reasons stated above with respect to BayRing calls to other CLECs.**

Verizon does not charge for Local Switching (LS) in this call flow, presumably because Verizon does not provide the service.

The final call flow above and in Exhibit C represents a call from a Verizon end user to a Wireless carrier end user. This represents call flow #23 of Staff's summary.
This call flow shows that Verizon is only assessed local termination charges for calls that terminate to a Wireless carrier. If we assumed the Wireless end user in call flow #15 is the same Wireless end user in this call flow then it clearly shows that the CLEC under call flow #15 pays a CCL access charge ($.026494 per minute) to Verizon whereas Verizon only pays local termination charges to terminate to the same Wireless end user ($.0007 per minute). Per Verizon answers to BayRing's discovery, Verizon's interconnection agreements with wireless carriers provide that Verizon pay only $.0007 per minute of use to terminate a call to a Wireless carrier. Thus Verizon's unauthorized billing to CLECs of CCL charges for calls that terminate to Wireless end users again provides Verizon a significant anti-competitive cost advantage over CLECS.

Although the call flows are significantly different, it is clear that the Verizon charges imposed on a CLEC (BayRing) are approximately the same whether a call terminates to a Verizon end user or a Wireless end user. This is true since the charges Verizon does not assess only include the LS rate element. The amount BayRing pays to Verizon to terminate a toll call to a Verizon end user (call flow #22) is approximately $.029745 per minute while the amount BayRing pays to Verizon to terminate a toll call to a Wireless end user (call flow #15) is approximately $ .027811 per minute. The cost difference is minimal even though Verizon does not provide all of the access elements and does not provide access to a Verizon end user (in calls from a BayRing end user to a Wireless end user). In addition, call flow #

15 shows that a CLEC (BayRing) incurs additional terminating charges from the terminating Wireless carrier which adds to BayRing's cost of the call. Thus, BayRing is charged twice (once by Verizon and once by the wireless carrier) for certain services to terminate the same call.

In comparison, when Verizon terminates a call from its end user to Wireless end users, Verizon's cost ($.002017 per minute) only includes its internal tandem costs and the terminating Wireless local termination charges. This clearly demonstrates that Verizon has a competitive advantage over an originating CLEC when a call terminates to a Wireless carrier as Verizon's cost is significantly lower than the originating CLEC's cost ($.037811) to terminate to the same Wireless end user. Due to Verizon's unauthorized charging for terminating services it does not provide, BayRing's cost is approximately 1,775% higher than Verizon's cost in this situation.

BayRing Calls to An Independent Telephone Company

Q. Please explain why BayRing believes that Verizon is improperly imposing access charges for calls originating with a BayRing end user and terminating to an Independent Telephone Company (ITC).A. BayRing's disputes for calls that terminate to ITCs are almost identical to the disputes BayRing discussed above regarding calls that terminate to another CLEC. The call flows and disputed charges are similar. The one minor difference is that ITCs normally have a meet point billing location that is not at Verizon's tandem. Thus, in addition to its tandem switching function, Verizon should assess the CLEC charges for LTT and LTTS "like services" to provide recovery for Verizon's portion of its network facilities used to route the call to the ITC's meet point.

Applicable call flows from Staff's summary include the following call flows (which are also contained in Exhibit D):

EXHIBIT D

Intrastate Long Distance Calls between CLEC & Verizon end users and Independent Telephone Company End Users

Intrastate long distance call from Verizon end user to ITC end user											
Staff Call Flow 19	Verizon End User	*Call Flow* →	Verizon End Office	*Call Flow* →	Verizon Tandem	*Call Flow* →	Meet Point	*Call Flow* →	ITC End Office	*Call Flow* →	ITC End User
ITC Charges to Verizon								*% LTF*	*LS & LTT*	*CCL*	
Intrastate long distance call from CLEC end user to ITC end user											
Staff Call Flow 20	CLEC End User	*Call Flow* →	CLEC Switch	*Call Flow* →	Verizon Tandem	*Call Flow* →	Meet Point	*Call Flow* →	ITC End Office	*Call Flow* →	ITC End User
Verizon Charges to CLEC				*Dedicated Transport*	*LTTS & CCL*	*% LTF & 1/2 LTT*					
ITC Charges to CLEC								*% LTF*	*LTT & LS*	*CCL*	

Under call Flow #19, Verizon is only charged by the ITC for facility charges that the ITC provides including one CCL charge to recover the ITC's costs of its common line plant of its end user.

In comparison, call flow #20 reflects that in addition to the ITC's access charges, the CLEC incurs a CCL charge from Verizon. BayRing disputes this CCL charge as well as Verizon's LTTS charge since Verizon does not provide the service and/or no tariff provision in Verizon's tariff #85 authorizes the recovery of these charges.

Similar to the CLEC to CLEC calls, Verizon's unauthorized billing of CCL charges for calls that terminate to ITC end users provides Verizon a significant anticompetitive cost advantage over CLECS.

Q. Please provide additional support for BayRing's position regarding the disputed access charges discussed above.

A. Although the above call diagram scenarios may appear confusing, the manner in which the calls are physically routed is not disputed in this case. The real issues in this case involves tariff interpretation, common sense and fairness. A common sense approach to this

dispute would lead one to conclude that Verizon should not charge for services it does not provide. This is fair, reasonable and common practice in both regulated and unregulated industries. In fact, this common sense approach is actually reflected in Verizon's tariff provisions which state that switched access usage rates (as opposed to monthly rates or nonrecurring charges) only apply when a specific rate element is used. *See Tariff No. 85, Section 6.6.1.A. and 6.6.3.A.*

Although I will provide more details below to support BayRing's position, the following is a summary of BayRing's positions:

1.) Verizon's NHPUC Tariff No. 85 relating to switched access services does not authorize Verizon to charge switched access services for call flows that do not involve a Verizon end user.

2.) Even if the Commission were to determine that Verizon's NHPUC Tariff No. 85 does authorize Verizon to charge BayRing for switched access services when no Verizon end use customer is involved in a call, then Verizon is only authorized under that tariff to bill for services it actually provides. Verizon admits it is billing for services it does not provide, including the service associated with the common line facilities. Verizon does not have an end user on the applicable end of the disputed call flows whether it be terminating, originating or both ends of a call flow. Thus if Verizon does not provide CCL service then it should not charge the CCL rate element.

3.) For several years, Verizon did not bill the disputed charges for a majority of the call flows in dispute. Until last year, Verizon's billing agent (New York Access Billing or NYAB) was responsible, under Verizon's direction, for issuing bills for the calls relating to the disputed charges in this docket. During the time that Verizon's billing agent performed

the billing function for these calls, the billing agent did not include the access charges that BayRing is disputing and that are now billed directly by Verizon. This serves as further evidence that even the industry experts hired and trusted by Verizon for approximately 10 years did not believe it was appropriate to bill CCL or other rate elements not provided by Verizon in connection with the call flows which illustrate the disputed charges.

3.) As shown above, Verizon's current access charge scheme and interconnection agreements with Wireless Carriers, including Verizon Wireless (a Verizon affiliate), provide an anti-competitive environment for intrastate toll in New Hampshire. For call flows similar to the call flows that BayRing is disputing, Verizon's and the Wireless carriers' cost to terminate their toll traffic are significantly lower than CLECs' costs. Hence, this situation provides Verizon, its affiliates and other wireless carriers with an unfair competitive advantage.

Verizon's NHPUC Tariff No. 85 does not authorize Verizon to charge switched access services for call flows that do not involve a Verizon end user

Q. Do the call flows above which relate to charges disputed by BayRing involve switched access services?

A. The call flows which give rise to the disputed charges involve switched access *for the terminating exchange carrier.* However, these calls do not represent switched access for Verizon as defined in Verizon Tariff No. 85 (which references Verizon FCC Tariff No. 11) as the calls neither originate or terminate with a Verizon end user. Therefore, it is improper for Verizon to treat these calls as switched access and to impose access charges when no access service is provided.

Q. Please define "switched access service", how it relates to Verizon's Tariff No. 85 and provide a source for the definition.

A. "Switched access service" is a service that provides "access" to a telephone company's local exchange end user for the origination or termination of toll traffic (as defined separately by each carrier's tariff, interconnection agreements, or other intercarrier compensation rules). As the term "access" indicates, Verizon's switched access service allows another carrier to reach something (i.e. Verizon's end use customers) over which Verizon has rights or control. Thus in order to provide switched access service, Verizon must be providing another carrier with access to Verizon's end user customer who is either originating or receiving an intrastate long distance call.

Sources for the definition:

Although the term "switched access service" is not defined in Verizon's Tariff No. 85, the definition of switched access service set forth above is based on various provisions within Verizon's NHPUC tariff No. 85 and Verizon's FCC tariff No. 11. Verizon's FCC tariff No. 11 applies here as Tariff No. 85 significantly relies on and refers to it. *See e.g. Tariff No. 85, sections 6.1.1 A, 3.1.1 A, and 1.1.2.*

For the purpose of responding to this question and references to Verizon's tariff, the phrase(s) or word(s) used include the following definitions as set forth in **NHPUC No. 85, Sec. 1.3.2:**

Customer(s)—*Any individual, partnership, association, joint stock company, trust, corporation or governmental entity or other entity which subscribes to the services offered under this tariff, including ICs, resellers or other entities engaged in the provisioning of interexchange services which utilize the network of the Telephone Company and who have been certified to provide interexchange services by the PUC as described in Section 2.1*

***End User**—Any customer of an intrastate telecommunications service **that is not a carrier**, except that a carrier other than a telephone company shall be deemed to be an end user when such carrier uses a telecommunications service for administrative purposes.*

***Telephone Company**—Verizon New England Inc. unless otherwise stated. Verizon New England Inc. also does business under the name Verizon New Hampshire. Advertising and billing of customers are done under the name Verizon New England Inc.*

***Central Office—A local Telephone Company switching system** where telephone exchange service customer station loops are terminated for purposes of interconnection to each other and to trunks.*

***End Office Switch—A local Telephone Company switching system** where telephone exchange service customer station loops are terminated for purposes of interconnection to trunks. Included are remote switching modules and remote switching systems served by a host office in a different wire center.*

***Common Line—A line, trunk or other facility provided under the general and/or local exchange service tariffs of the Telephone Company, terminated on a central office switch.** A common line residence is a line or trunk provided under the residence regulations of the general and/or local exchange service tariffs. A common line business is a line provided under the business regulations of the general and/or local exchange service tariffs.*

The following excerpts from Verizon's tariffs are sources for the definition of switched access provided above.

"Switched access service is ordered under the access order provisions set forth in Section 3 and billed at the rates and charges set forth in Section 30. In addition to regulations which are contained within this tariff, other regulations pertinent to these services are specified in Bell Atlantic Telephone Companies Tariff FCC No. 11, Section 6 apply as appropriate (unless otherwise

stated in this tariff) for the services specified in Section 6.1.2 of this tariff." **See VZ Telephone Companies Tariff NHPUC No. 85, Original Page 6-1, Sec. 6.1.1 A**

"Switched Access Service, which is available to customers for their use in furnishing their services to end users, provides a two-point electrical communications path between a customer's premises, multiplexing node or virtual collocation arrangement and an end user's premises. It provides for the use of common terminating, switching and trunking facilities, ***and common subscriber plant of the Telephone Company****. Switched Access Service provides for the ability to originate calls from an end user's premises to a customer's premises, multiplexing node or virtual collocation arrangement and to terminate calls from a customer's premises, multiplexing node or virtual collocation arrangement to an end user's premises in the LATA where it is provided. Specific references to material describing the elements of Switched Access Service are provided in 6.1.1 and 6.1.3 following. For purposes of administering regulations set forth herein, a Tandem Switching Provider point of interface may be a customer premises, a multiplexing node or a virtual collocation arrangement."* **See VZ Telephone Companies Tariff FCC No. 11, Page 6-3, Sec. 6.1**

"Rates and charges for Switched Access Service depend generally on its use by the customer, i.e., for MTS or WATS services, 800 Data Base Access Service, Advanced Access Screening Capability, 900 Access Service, MTS-WATS equivalent services, or other services (e.g., foreign exchange service), and whether it is provided in a ***Telephone Company end office*** *that is equipped to provide equal access (Feature Group D or Circuit Switched Trunk BSA - Option 3 Access, described in 6.1.1. following)."* **See VZ Telephone Companies Tariff FCC No. 11, Page 6-4, Sec. 6.1**

*"****Access minutes*** *- [t]hat usage of exchange facilities in intrastate service for the purpose of calculating chargeable use. On the originating end of an intrastate call, usage is measured from the time the* ***originating end user's call is delivered by the Telephone Company*** *to and acknowledged*

as received by the customer's facilities connected with the originating exchange. On the terminating end of an intrastate call, usage is measured from the time the call is received by the end user in the terminating exchange..." **See VZ Telephone Companies Tariff NHPUC No. 85, Original Page 5, Sec. 1.3.2.**

In addition to the foregoing, please note that Verizon's Tariff NH PUC No. 85, Original Page 2, Sec. 5.2.1.A clearly states that Verizon's "common lines" (i.e. those that are 'terminated on a central office switch') will be provided by Verizon where a carrier/customer is provided with switched access service. Hence, if no common lines are provided by Verizon for access to an end user, then Verizon is not providing the carrier with switched access service under that Tariff.

Q. Please explain why the above-cited tariff language supports your position that the disputed call flows are not switched access service under Verizon's tariff?

A. The above tariff provisions discuss an end user customer and the use of ("access" to) common subscriber plant of the Telephone Company (Verizon). Thus if Verizon does not have an end user on the originating end of a call then it is not providing originating switched access under its tariff. In addition, if Verizon does not have an end user on the terminating end of a call, then Verizon is not providing terminating switched access. This distinction is key to the understanding of this tariff, the definition above, and the BayRing disputed charges depicted on the call flows.

Verizon's tariff further breaks down (see below) how its switched access service is provided. In each of the service offerings listed below, references are specifically made to the Telephone Company (Verizon's) end office switches and exchange facilities. Again it is clear that if Verizon is not providing "access" to its end office switches and end users then it is not

providing switched access service within the meaning of the service descriptions contained in its tariffs.

"Switched Access Service is provided in four bundled service arrangements of standard and optional features called Feature Group A (FGA), Feature Group B (FGB), Feature Group C (FGC) and Feature Group D (FGD) or in two unbundled Basic Serving Arrangements (BSAs) of alternative features and optional BSEs called Circuit Switched Line (CSL) BSA and Circuit Switched Trunk (CST) BSA.".....

"The arrangements are differentiated by their technical characteristics, e.g. line side vs. trunk side connection at the ***Telephone Company entry switch, and the manner in which an end user accesses*** *them in originating calling, e.g. with or without an access code.*

(A) Feature Group Arrangements

Following is a brief description of the four Feature Group Arrangements.

(1) Feature Group A (FGA)

FGA Access, which is available to all customers, provides line side ***access to Telephone Company end office switches*** *with an associated seven digit local telephone number for the customer's use in originating communications from and terminating communications to an Interexchange Carrier's interstate service or a customer provided interstate communications capability.* **See VZ Telephone Companies Tariff FCC No. 11, Page 6-5, Sec. 6.1.1 and Sec 6.1.1(A)**

"(2) Feature Group B (FGB)

FGB Access, which is available to all customers, provides trunk side ***access to Telephone Company end office switches*****.....***"*

"(3) Feature Group C (FGC)

FGC Access, which is available only to providers of MTS and WATS, provides trunk side access to ***Telephone Company end office switches*** *for the customer's use in originating and terminating communications. This service is available in all end offices....."*

"(4) Feature Group D (FGD)

FGD Access, which is available to all customers, provides trunk side ***access to Telephone Company end office switches*** *....."*

See VZ Telephone Companies Tariff FCC No. 11, Page 6-6, Sec 6.1.1(A) (2) and (3) and (4)

Basic Serving Arrangements

Following is a brief description of the two Basic Serving Arrangements.

(1) Circuit Switched Line (CSL)

CSL BSA Access, which is available to all customers, provides line side ***access to Telephone Company end office switches*****.....**

(2) Circuit Switched Trunk (CST)

CST BSA provides trunk side access to customers in four options.

(a) CST BSA - Option 1 Access, which is available to all customers, provides trunk side ***access to Telephone Company end office switches*****.....**

See VZ Telephone Companies Tariff FCC No. 11, Page 6-7, Sec. 6.1.1(B) (1) and (2)

Q. Please provide your conclusion on the above tariff wording.

A. In conclusion, Verizon's tariff provisions regarding switched access service only allow switched access services to be charged when Verizon is actually providing access to its end user, either on the originating, terminating, or both ends of a call. The lack of use of Verizon's end office switches and exchange facilities (as indicated in the relevant call flows containing charges that BayRing disputes) confirms BayRing's position that these charges are unauthorized. Lastly,

while the term "switched access service" does not appear in the Definitions section of Verizon's Tariff No. 85 and therefore is not defined by narrative in that section of the tariff, it is graphically depicted in Section 6.1.2, Original Page 2 of Tariff No. 85. (See Exhibit F attached hereto). This diagram serves as additional verification of BayRing's definition of "switched access service."

Q. Are there any other issues with respect to Verizon's NHPUC Tariff No. 85 to support BayRing's position that the Tariff does not authorize Verizon to collect the disputed charges described in the disputed call scenarios?

A. The Tariff does not clearly and unambiguously address the "intermediate carrier" scenario depicted in the disputed call flows. The Tariff clearly shows a "complete switched access service" as depicted in Section 6.1.2, Original Page 2 of Tariff No. 85. This picture definitively outlines the access rate elements that are charged when a Verizon end user is on either end of a toll call. However, Verizon's Tariff No. 85 does not contain a diagram that depicts the access rate elements charged when Verizon is the intermediate carrier and is not providing access to one of its end users, nor does Verizon discuss this "intermediate carrier" function/service clearly in its tariff. Thus, in the absence of specific tariff provisions authorizing Verizon to impose charges when it provides an "intermediate carrier" function (as opposed to switched access), Verizon lacks authority to collect the disputed charges.

A tariff for telecommunications services must be clear and explicit. *See* 47 C.F.R. §61.2(a). "In order to remove all doubt as to their proper applications, all tariff publications must contain clear and explicit explanatory statements regarding the rate and regulations." *Id.*. Verizon's NHPUC tariff No. 85 is clear that it only applies to call flows for which a Verizon end user is originating or terminating the call. The tariff clearly does not apply to the call flow

scenarios in dispute. Thus the tariff does not provide Verizon the authority to bill **any rate elements** to BayRing for these calls.

Tariff 85 stemmed from NH PUC Docket No. 90-002 which dealt with issues relating to intraLATA toll competition. It is clear from testimony in that docket provided by Verizon's predecessor's expert, that the issues litigated in that docket did not included local exchange access issues implicated by "separate competing networks or multiple exchange carriers in the same franchise territory." *See* Exhibit G, Testimony of J. Michael McCluskey. That testimony reveals the witness's position that when competition in the local exchange market became more prevalent in New Hampshire, that switched access services as defined by Verizon's tariff would need to be reviewed and revised to reflect a competitive environment. CLECs should not be penalized by Verizon's lack of action to clarify its tariffs to address the services it provides to CLECs, especially in this case where Verizon is charging for a service it does not provide.

Even if Verizon's NHPUC Tariff No. 85 does apply, the tariff does not authorize Verizon to charge for switched access (rate elements) that Verizon does not provide

Q. Assuming, *arguendo,* that Verizon's NHPUC Tariff No. 85 does apply to the disputed call flows, does the tariff authorize Verizon to charge switched access services for services (rate elements) that Verizon does not provide, specifically the CCL rate element?

A. No. Verizon erroneously relies on a single generic sentence within its NHPUC Tariff No. 85 for its argument that CCL applies to all of the disputed call flows. More specifically, Verizon argues that Section 5.4.1.A. entitles it to impose CCL charges when switched access is provided irrespective of whether the CCL service is actually provided. *See Answer of Verizon New Hampshire,* p.1. This interpretation is incorrect because it ignores the prefatory language in that Section which states "[e]**xcept as set forth herein,** all switched access service provided to the

customer will be subject to carrier common line access charges." Other, more specific provisions of the Tariff constitute such exceptions. Most notably, Section 6.6.3.A. clearly states that "[u]sage rates apply *only* when a specific rate element is used."(emphasis added). Since the CCL rate is a usage rate (Section 6.1.2 B. 3. indicates Carrier Common line is a rate element and Section 30.5.1 indicates that CCL is billed on a "per minute" i.e. "usage" basis), it cannot be charged unless the CCL rate element is actually provided.

In addition, Section 5.1.1 A. of Verizon's Tariff No. 85 states "The Telephone Company (Verizon) will provide carrier common line access service to customers in conjunction with switched access service provided in Section 6". The word "conjunction" is defined in the Merriam-Webster Online Dictionary as "occurrence together in time or space" and "concurrence". Therefore, the word "conjunction" as used in Verizon's tariff means that Verizon will be providing CCL concurrently with the provision of switched access service to its end user. It simply does not follow from this tariff language that if Verizon is **not** providing CCL, it can nonetheless charge for that rate element under its switched access tariff.

Lastly, since the CCL rate element comprises approximately 90% of a complete switched access service (none of which the disputed call flows depict), I believe that a tariff provision authorizing a company to collect such a large rate element, when it does not provide the actual service should be written in a clear and unambiguous manner. Constructing a clear and unambiguous tariff is the responsibility of the utility that provides services under the tariff and is imperative so that customers such as BayRing can fully understand its meaning , the services provided and the associated charges.

Q. In your experience, have you ever seen an access bill from a carrier other than Verizon for rate elements not physically provided by the billing carrier?

A. No. My training and experience shows that carriers (other than Verizon) bill for the rate elements they provide. When an intermediate carrier, such as Verizon in all of the disputed call flows, is involved in processing of toll traffic, each carrier (except for Verizon) charges only for the specific portion of any switched access service it provides.

Q. Have any other authorities that govern telecommunications access charges made it clear that carriers should only charge for services they provide, specifically the CCL rate element?

A. Yes. The Federal Communications Commission (FCC) has clearly stated that access elements should be charged based on actual use, including and specifically the CCL charge. For example, the FCC "has explicitly stated that '[c]ommon [l]ine usage charges *obviously* should reflect common line usage,'" (emphasis added) (citations omitted) . *AT&T Corporation, MCI Telecommunications Corporation et al. v. Bell Atlantic Pennsylvania,* FCC 98-321, Memorandum and Order Rel. December 9, 1998, p. 15. In *Bell Atlantic Cellular,* 6 FCC Rcd at 4794-95, the FCC held that "CCL charges do not apply to calls that terminate to end users over an RCC's facilities." *Id.* In so doing, the FCC "explained that RCCs are carriers, not end users, so that the facilities interconnecting LECs to RCCs are not common line." *Id.* The FCC has also stated that "intermediate" uses of a carrier's facilities "do not constitute chargeable common line usage" because "a CCL charge is generally appropriate only at points where an interexchange call originates or terminates over a common line...". *AT&T Corporation, MCI Telecommunications Corporation et al. v. Bell Atlantic Pennsylvania, supra* at 17.

Q. Please conclude your thoughts on why Verizon's NHPUC Tariff No. 85 does not authorize Verizon to charge switched access services for services (rate elements) that Verizon does not provide.

A. It is obvious that separate charges are identified for separate service elements in a tariff for a reason, which is to recover costs based on the actual usage of the service element. *See* Verizon Tariff No. 85, Section 6.6.3. If a charge is applied when Verizon does not provide the related service, then the charge would not be consistent with Verizon's tariff, and would not be just and reasonable and therefore would be illegal. *See* RSA 374:2.

Verizon's billing agent hired and trusted by Verizon did not bill CCL or other rate elements not provided by Verizon on the disputed call flows.

Q. Please identify Verizon's billing agent and the role that billing agent played in terms of billing (or not billing) the access charges currently disputed by BayRing in this docket.

A. New York Access Billing, LLC (NYAB) was the vendor to whom Verizon outsourced its billings for certain calls that terminated to other carriers (CLECs, ITCs, and wireless carriers) from June 1996 through September 2006. NYAB did not bill CCL charges for access calls that are disputed in this docket.

Q. Does it make sense that NYAB would not bill CCL charges if Verizon's tariff clearly and unambiguously authorized the disputed charges?

A. No. It makes no sense that NYAB would make such a blatant and continuous error by not billing approximately 90% of a combined switched access service for more than 10 years.

Furthermore, according to Verizon's discovery response to BayRing, Verizon characterizes NYAB as an "established organization providing billing services and consulting within the telecommunications industry" and that NYAB has many years of experience. Billing access is and was NYAB's business, and doing it accurately I assume is essential to their business model. Yet Verizon contends that NYAB made a mistake (i.e. by not collecting CCL charges that are disputed in this case) when it started billing switched access services for Verizon

in June 1996 (less than a few years after Verizon alleges it was authorized to charge CCL for all switched access services). The "mistake" was not corrected for over 10 years and coincidentally only after BayRing initiated this docket and Verizon needed to acknowledge it as a mistake to eliminate the inconsistencies in their billing methods for the disputed call flows that do not terminate to Verizon end users.

In conclusion, it is perplexing that via Verizon's direction, even Verizon's own billing agent in the billing of certain disputed call flows did not charge CCL. This serves as further evidence that even the industry experts hired and trusted by Verizon for approximately 10 years did not believe it was appropriate to bill CCL because Verizon did not provide this service on the disputed call flows.

Q. When Verizon assumed the billing from NYAB in August, did BayRing's dispute grow?

A. Yes.

Q. Does this mean Verizon began charging CCL on additional traffic and as a result created a substantial new revenues stream for itself ?

A. Yes. Verizon was only charging access for a small amount of wireless traffic prior to September 2006. When it began billing additional terminating access for wireless, CLEC and independent telephone company traffic, Verizon generated a substantial new revenue source for itself. BayRing believes it is important that the Commission understand the context within which Verizon is estimating the financial impact to itself in the event the Commission orders Verizon to cease billing the disputed charges. It is important to note that the majority of the revenue associated with these incorrect charges has only been billed by Verizon for less than a year. BayRing is concerned that Verizon may attempt to

lead the Commission to believe that substantial longstanding revenue streams are at risk, when in fact much of the revenue that Verizon claims is at risk has only been billed for a few months.

Verizon's billing of access charges it does not provide is anti-competitive and results in a significant competitive advantage for Verizon Wireless (a Verizon affiliate), and other Wireless carriers

Q. Does Verizon's scheme of billing BayRing for services it does not provide, specifically CCL charges, create a competitive advantage for Verizon, Verizon Wireless and other Wireless carriers?

A. Yes. Under Verizon's interconnection agreements with Wireless carriers, all traffic originated and terminated in the state of New Hampshire, whether the call is originated by a Verizon end user or a Wireless carrier end user is considered local. This includes calls that traditionally would be considered "toll" calls based on the originating and terminating end user's NXX code. Verizon's charges to Wireless carriers for terminating an intrastate "traditional toll" call is only approximately $.0027 per minute (this includes the transport from the Wireless carrier's switch to the Tandem). For BayRing to terminate the same call to a Verizon end user, BayRing would pay Verizon approximately ten times that amount or $.029745 per minute. In addition, BayRing must provide for and bear the cost of routing the call to the Verizon tandem on its own facilities or facilities leased from Verizon, thus increasing BayRing's cost for the call. Therefore, BayRing pays 11 times more per minute to terminate a toll call to a Verizon end user than a Wireless carrier must pay to terminate a call to the same Verizon end user. This competitive advantage is not just or reasonable.

Q. What incentive exists for Verizon to provide a competitive advantage for Verizon Wireless its affiliate and other Wireless carriers?

A. Since Verizon Wireless is an affiliate of Verizon and controls a significant portion of the wireless market in NH, Verizon has a vested interest in its success. Additionally, now that Verizon is selling its landline business, it makes sense for Verizon to promote a situation wherein Verizon Wireless has a competitive advantage over landline providers

Q. By billing BayRing for services Verizon does not provide, is Verizon afforded the same competitive advantage provided to Verizon Wireless and other Wireless carriers described above?

A. Yes. As I previously outlined in the detailed call flows above, Verizon's interconnection agreements with Wireless carriers consider as local all traffic originated and terminated in the state of New Hampshire, whether the call is originated by a Verizon end user or a Wireless carrier end user. Wireless carriers' charges to Verizon to terminate an intrastate call that for BayRing is traditionally a toll call is only $.0007 per minute. For BayRing to terminate the same call to a Wireless end user, BayRing would pay Verizon approximately $.0.027811 per minute. In addition, BayRing may (and does in some cases) have to compensate the Wireless carrier for the termination of the call, which results in BayRing being double billed to terminate one call. Therefore, BayRing pays all most 40 times more than Verizon to terminate to a Wireless end user.

Conclusions

Q. Please provide your conclusions from your testimony above.

A. The issue at hand in this case seems simple. A common sense approach requires that Verizon cannot bill for services it does not provide. I do however understand that the

Commission must review and interpret Verizon's tariff to determine whether authority exists for the charges that BayRing is disputing. However, when all of the relevant provisions of Verizon's tariff are reviewed, one can only conclude that Verizon is not authorized to charge BayRing for the disputed access fees. In addition, Verizon's scheme of charging BayRing and other CLECs for services it does not provide is anticompetitive as it provides a significant cost advantage to Verizon, its Wireless affiliates, and other Wireless carriers.

Q. Do you have anything else you would like to add to your testimony?

A. Yes. Based on the many facts and details above, I respectfully ask the Commission to conclude that Verizon's billing of access charges for usage elements that it does not provide, specifically the CCL rate element, is not authorized and the charges are not just or reasonable. BayRing would also request that the Commission order Verizon to immediately cease collecting these charges, to immediately apply the PLU credit as it has agreed, and to provide BayRing with a refund of these charges in an amount to be determined in the next phase of this proceeding. I would also like to acknowledge the time and efforts of Commission Staff in developing the call flow diagrams in this case.

Thank you for your consideration of this matter.

Q. Does this conclude your testimony?

A. Yes it does.

EXHIBIT A
Summary of Terminating Charges Assessed on Originating Carriers

VZ = Verizon
Wire = Wireless Carrier

		Exhibit B			Exhibit C		
	All Applicable per minute of use rates	**CF#22 Clec to VZ**	**CF#13 Clec to CLEC**	**CF#11 VZ to CLEC**	**CF#22 Clec to VZ**	**CF#15 Clec to Wire**	**CF#23 VZ to Wire**
Verizon Access Rates							
Tandem Switching (LTTS)	0.000503	0.000503	0.000503	0.000503	0.000503	0.000503	0.000503
Local Transport Termination (LTT)	0.000716	0.000716			0.000716	0.000716	0.000716
Local Transport Facilities (LTF) *	0.000098	0.000098			0.000098	0.000098	0.000098
Local Switching (LS)	0.001934	0.001934			0.001934		
Carrier Common Line (CCL)	0.026494	0.026494	0.026494		0.026494	0.026494	
Verizon terminating charges	0.029745	0.029745	0.026997	0.000503	0.029745	0.027811	0.001317
Verizon's local termination charges							
Charge per Verizon's discovery	0.000700						
Transport charged Wireless carriers	0.002000						
	0.002700	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
CLEC Terminating Charges							
Assumed same as VZ except no LTTS	0.029242		0.029242	0.029242			
Wireless Terminating Charges							
Charge to Verizon	0.000700						0.000700
Wireless Terminating Charges							
Charge to CLEC (estimate)	0.010000					0.010000	
Estimated terminating charge to the originating carrier		**0.029745**	**0.056239**	**0.029745**	**0.029745**	**0.037811**	**0.002017**
Verizon's cost to terminate a similar call			0.029745			0.002017	
Cost savings to Verizon on a per minute of use basis			-0.026494			-0.035794	
Percent difference from Verizon's cost			-89%			-1775%	

Note: The above rates do not include costs for carriers own facilities which include a CLEC costs of collocating in a Verizon tandem and transport costs from a CLEC's Switch to the tandem. However, for comparison purposes, BayRing has assumed Verizon charges itself its wholesale rates to use these as a proxy for Verizon's costs of providing their portion of a terminating call.

* LTF rate is based on average mileage and billing percent factor of 24.44.

EXHIBIT B

Intrastate Long Distance Calls between involving Verizon End Users and CLEC End Users

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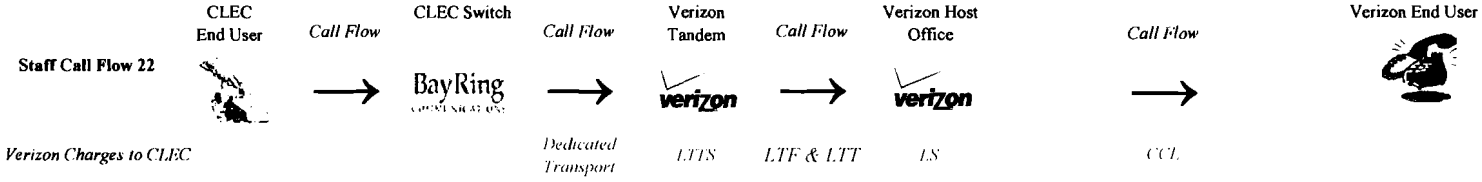
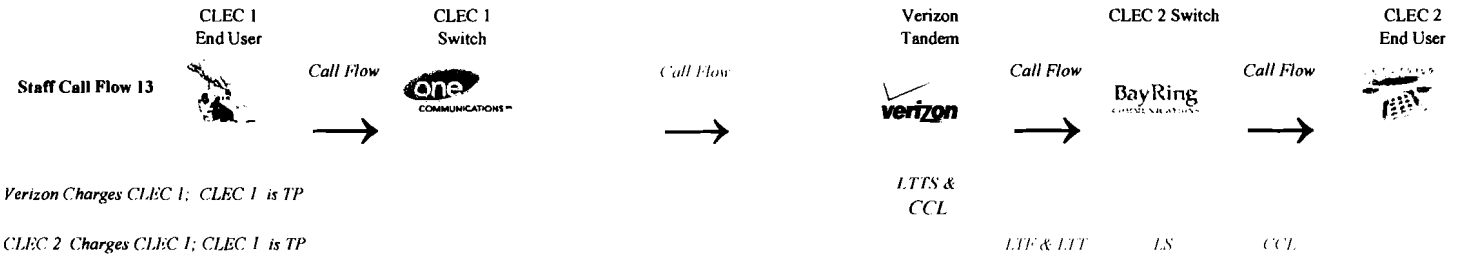
Intrastate long distance call from **CLEC** end user to **Verizon** end user



BayRing modified this call flow slightly to simplify the comparison and also because Verizon has corrected the Local Switching double billing in this host/remote scenario.

Intrastate long distance call from **CLEC 1** end user to **CLEC 2** end user



BayRing modified this call flow slightly to simplify the comparison as most CLECS including BayRing have direct facilities to Verizon's tandem versus a meet point billing situation.

Intrastate long distance call from **Verizon** end user to **CLEC** end user

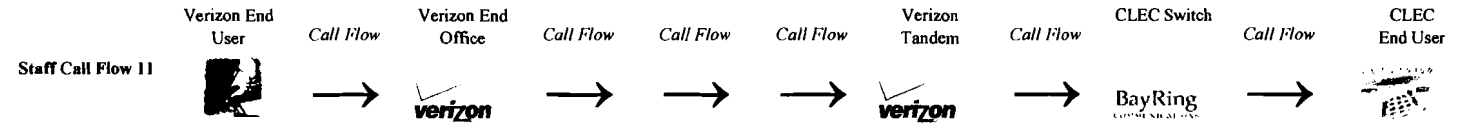


EXHIBIT C

Intrastate Long Distance Calls with between CLEC & Verizon end users and Wireless End Users

Intrastate long distance call from **CLEC** end user to **Verizon** end user — Not a Wireless Call - Provided for comparison purposes only

	CLEC End User	*Call Flow*	CLEC Switch	*Call Flow*	Verizon Tandem	*Call Flow*	Verizon Host Office	*Call Flow*	Verizon End
Staff Call Flow 22		→	BayRing COMMUNICATIONS	→	verizon	→	verizon	→	
Verizon Charges to CLEC				*Dedicated Transport*	*LTTS*	*LTF & LTT*	*LS*	*CCL*	

BayRing modified this call flow slightly to simplify the comparison and also because Verizon has corrected the Local Switching double billing in this host/remote scenario.

Intrastate long distance call from **CLEC** end user to **Wireless** end user;

	CLEC End User	*Call Flow*	CLEC Switch	*Call Flow*	Verizon Tandem	*Call Flow*	*Call Flow*	*Call Flow*	*Call Flow*	MTSO	*Call Flow*	Wireless End User
Staff call flow 15		→	BayRing COMMUNICATIONS	→	verizon	→	→	→	→		→	
*Verizon Charges to CLEC as TP**					*LTTS*	*LTF & LTT*	as if host		*CCL*		*NXX from rate center where the host end office is located*	
Verizon Charges to CLEC as LEC				*Dedicated Transport*								(*i.e.*, Concord)
Verizon Charges to WP							*FG2A Access*					
WP charges to CLEC if traffic exchange agreement exists									*Local termination charges*			

	Verizon End User	*Call Flow*	Verizon End Office	*Call Flow*	*Call Flow*	*Call Flow*	Verizon Tandem	*Call Flow*	MTSO	*Call Flow*	Wireless End User
Staff call flow 23		→	verizon	→	→	→	verizon	→		→	
WP Charges to Verizon pursuant to wireless interconnection agreement									*Local termination charges*		

EXHIBIT D

Intrastate Long Distance Calls between CLEC & Verizon end users and Independent Telephone Company End Users

Intrastate long distance call from **Verizon** end user to **ITC** end user

	Verizon End User	*Call Flow*	Verizon End Office	*Call Flow*	Verizon Tandem	*Call Flow*	Meet Point	*Call Flow*	ITC End Office	*Call Flow*	ITC End User
19		→	verizon	→	verizon	→	verizon	→		→	

ITC Charges to Verizon — *% LTF* — *LS & LTT* — *CCL*

Intrastate long distance call from **CLEC** end user to **ITC** end user

	CLEC End User	*Call Flow*	CLEC Switch	*Call Flow*	Verizon Tandem	*Call Flow*	Meet Point	*Call Flow*	ITC End Office	*Call Flow*	ITC End User
20		→	BayRing	→	verizon	→	verizon	→		→	

Verizon Charges to CLEC — *Dedicated Transport* — *LTTS & CCL* — *% LTF & 1/2 LTT*

ITC Charges to CLEC — *% LTF* — *LTT & LS* — *CCL*

EXHIBIT E

TYPES OF CALLS THAT TRAVERSE VERIZON'S TANDEM

Glossary

8YY	Toll free services provided over an 800-; 866-; 877-; 888-, etc. NPA.
CCL	Carrier Common Line charges; per minute
CLEC	Competitive Local Exchange Carrier
Dedicated Transport	Facilities for Toll Providers that are directly connected to Verizon's tandem and incur monthly charges comprising a flat rate and per mile rates pursuant to FCC 11 (primarily)
End Office	The switching center that interconnects calls between end user customers and the telephone network.
FG2A Access	Feature Group 2A is an access service from Verizon's NHPUC Tariff 85 which provides trunks for Wireless Providers that connect directly to Verizon's tandem using WP-assigned telephone numbers and WP switching. This is also called Type 2A Interconnection in interconnection agreements.
Host Office	A switch which providers central call processing functions and services both the host office and its remote locations.
IA	Interconnection Agreement
ILEC	Incumbent Local Exchange Carrier
ITC	Independent Telephone Company
LS	Local Switching charges; per minute
LTF	Local Transport Facility charges; per minute per mile. *See,* for Verizon, Tariff 85 Section 3.1.2 L.1 - 3, which also refers to NECA tariff
LTT	Local Transport Termination charges; per minute. Verizon applies once per transport facility, and charged at 50% for shared facilities. *See* Tariff 85 Section 3.1.2 L.4 & 6. CLEC and ITC apply per termination.
LTTS	Local Transport Tandem Switching charges; per minute
MTSO	Mobile Telephone Switching Office
POI	Point of Interconnection, which is the point of demarcation between the CLEC's facilities and Verizon's facilities.
Remote End Office	A switch that is located away from its host or control office and requires central call processing from the Host Office.
Tandem	A switching center that connects trunks to trunks and does not connect any end user loops.
Tandem Transit Service	An offering provided by Verizon to requesting CLECs that enables the carrier whose customer originated an intraLATA call destined for a customer of another LEC (not a Verizon customer) to utilize a Verizon tandem switch as a means of establishing connectivity with the terminating CLEC. Not available to TPs.
TP	Toll Provider or interexchange carrier (IXC)
Type 1 Interconnection	Type 1 Interconnection, or Flexpath, is a retail service in Verizon's NHPUC Tariff 83 that provides high-capacity digital end office trunks for Wireless Providers with line-side treatment facilities, Verizon-assigned DID telephone numbers, and Verizon end-office switching.
WP	Wireless Provider, also CMRS (Commercial Mobile Radio Service) provider or cellular telephone service provider.

Assumptions

The presumption is that CLECs deliver outgoing traffic directly to the Verizon tandem (i.e., no meet point)

Some CLECs lease special access (dedicated transport) to the Verizon tandem.

Some CLECs have their own facilities into the Verizon tandem, as shown in Scenario 7.

Some CLECs do use a meet point arrangement, as shown in Scenarios 4 and 13.

Wireless carriers are typically shown here as having FG2A access between the MTSO and Verizon tandem (*i.e.*, no meet point).

Verizon believes that there are very few Type 1 Interconnection arrangements still in use by Wireless Providers in New Hampshire.

Calls to and from Verizon users that traverse the tandem may originate at or terminate to an End Office, Host Office or Remote End Office.

CLECs typically have a Point of Interconnection, which is not always indicated on these pictograms in the interest of space.

CLEC special access circuits typically run between the CLEC POI and the Verizon tandem.

CLECs may choose to have special access circuits terminate at a colocation with Verizon instead of at the CLEC POI.

CLEC logos have been used for example only and not to imply that any given CLEC is the only CLEC experiencing these problems.

TYPES OF CALLS THAT TRAVERSE VERIZON'S TANDEM

Intrastate Long Distance Calls using a Toll Provider - Verizon End User

Intrastate long distance call from **Verizon** end user to **Verizon** end user (traditional intrastate long distance call)

1

Verizon End User	*Call Flow*	Verizon End Office	*Call Flow*	*Call Flow*	*Call Flow*	Verizon Tandem	*Call Flow*	Toll Provider Network	*Call Flow*	Verizon Tandem	*Call Flow*	Verizon End Office	*Call Flow*	Verizon End User
	→	verizon	→	→	→	verizon	→		→	verizon	→	verizon	→	
Verizon Charges TP pursuant to Tariff 85	*CCL*	*LS*		*LTF & LTT*		*LTTS*	*Dedicated Transport*		*Dedicated Transport*	*LTTS*	*LTF & LTT*	*LS*	*CCL*	

Intrastate long distance call from **ITC** end user to **Verizon** end user

2

ITC End User	*Call Flow*	ITC End Office	*Call Flow*	Meet Point	*Call Flow*	Verizon Tandem	*Call Flow*	Toll Provider Network	*Call Flow*	Verizon Tandem	*Call Flow*	Verizon End Office	*Call Flow*	Verizon End User
	→		→		→	verizon	→		→	verizon	→	verizon	→	
Verizon Charges to TP					*% LTF 1 2 LTT*	*LTTS & CCL*	*Dedicated Transport*		*Dedicated Transport*	*LTTS*	*LTF & LTT*	*LS*	*CCL*	
ITC Charges to TP pursuant to access tariff	*CCL*	*LS & LTT*	*% LTF*											

Intrastate long distance call from **CLEC** end user to **Verizon** end user when CLEC owns dedicated transport to Verizon Tandem

3

CLEC End User	*Call Flow*	CLEC Switch	*Call Flow*	*Call Flow*	*Call Flow*	Verizon Tandem	*Call Flow*	Toll Provider Network	*Call Flow*	Verizon Tandem	*Call Flow*	Verizon End Office	*Call Flow*	Verizon End User
	→	BayRing	→	→	→	verizon	→		→	verizon	→	verizon	→	
Verizon Charges to TP						*LTTS & CCL*	*Dedicated Transport*		*Dedicated Transport*	*LTTS*	*LTF & LTT*	*LS*	*CCL*	
CLEC Charges to TP pursuant to rate sheet	*CCL*	*LS*		*LTF & LTT*										

Intrastate long distance call from **CLEC** end user to **Verizon** end user - showing CLEC meet point

4

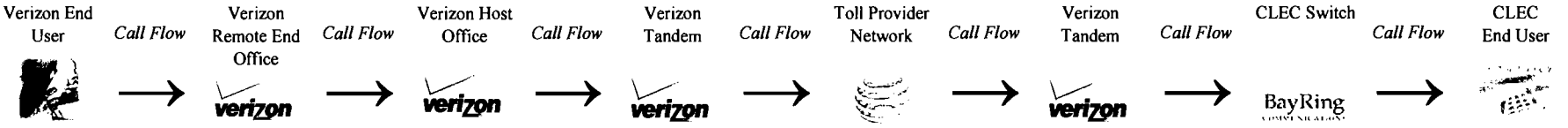
CLEC End User	*Call Flow*	CLEC 1 Switch	*Call Flow*	Meet Point	*Call Flow*	Verizon Tandem	*Call Flow*	Toll Provider Network	*Call Flow*	Verizon Tandem	*Call Flow*	Verizon End Office	*Call Flow*	Verizon End User
	→		→		→	verizon	→		→	verizon	→	verizon	→	
Verizon Charges to TP					*% LTF 1 2 LTT*	*LTTS & CCL*	*Dedicated Transport*		*Dedicated Transport*	*LTTS*	*LTF & LTT*	*LS*	*CCL*	
CLEC Charges to TP pursuant to rate sheet	*CCL*	*LS & LTT*	*% LTF*											

TYPES OF CALLS THAT TRAVERSE VERIZON'S TANDEM

Intrastate Long Distance Calls using a Toll Provider - CLEC End User

Intrastate long distance call from **Verizon** end user to **CLEC** end user where Verizon's end user is served out of a remote end office.

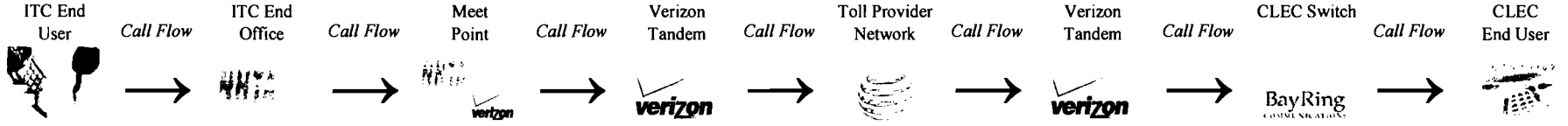
5



Verizon Charges to TP	*CCL*	*LTF & LTT*	*LS*	*LTF & LTT*	*LTTS*	*Dedicated Transport*	*Dedicated Transport*	*LTTS & CCL*
CLEC Charges to TP								*LTF & LTT* / *LS* / *CCL*

Intrastate long distance call from **ITC** end user to **CLEC** end user

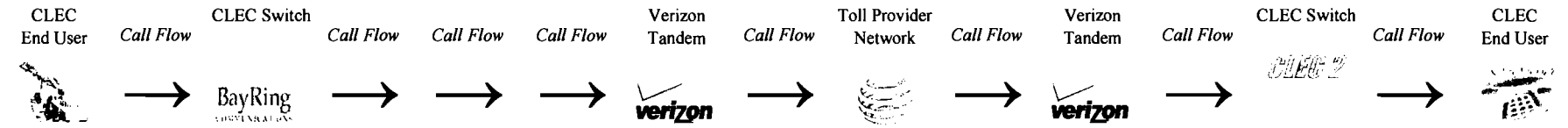
6



Verizon Charges to TP				*% LTF & 1-2 LTT*	*LTTS & CCL*	*Dedicated Transport*	*Dedicated Transport*	*LTTS & CCL*
CLEC Charges to TP								*LTF & LTT* / *LS* / *CCL*
ITC Charges to TP	*CCL*	*LS & LTT*	*% LTF*					

Intrastate long distance call from **CLEC** end user to **CLEC** end user

7



Verizon Charges to TP					*LTTS & CCL*	*Dedicated Transport*	*Dedicated Transport*	*LTTS & CCL*
Verizon Charges to CLEC				*Dedicated Transport*				
CLEC 1 Charges to TP	*CCL*	*LS*	*LTF & LTT*					
CLEC 2 Charges to TP								*LTF & LTT* / *LS* / *CCL*

TYPES OF CALLS THAT TRAVERSE VERIZON'S TANDEM

Intrastate Long Distance Calls using a Toll Provider - Wireless End User

Intrastate long distance call from **Verizon** end user to **Wireless** end user

8

Verizon End User	*Call Flow*	Verizon End Office	*Call Flow*	*Call Flow*	*Call Flow*	Verizon Tandem	*Call Flow*	Toll Provider Network	*Call Flow*	Verizon Tandem	*Call Flow*	MTSO	*Call Flow*	Wireless End User
	→	verizon	→	→	→	verizon	→		→	verizon	→		→	

Verizon Charges to TP	*CCL*	*LS*	*LTF & LTT*			*LTTS*	*Dedicated Transport*		*Dedicated Transport*	*LTTS & CCL*				

Intrastate long distance call from **ITC** end user to **Wireless** end user

9

ITC End User	*Call Flow*	ITC End Office	*Call Flow*	Meet Point	*Call Flow*	Verizon Tandem	*Call Flow*	Toll Provider Network	*Call Flow*	Verizon Tandem	*Call Flow*	MTSO	*Call Flow*	Wireless End User
	→		→		→	verizon	→		→	verizon	→		→	

Verizon Charges to TP					*% LTF & 1/2 LTT*	*LTTS & CCL*	*Dedicated Transport*		*Dedicated Transport*	*LTTS & CCL*				
ITC Charges to TP	*CCL*	*LS & LTT*	*% LTF*											

Intrastate long distance call from **CLEC** end user to **Wireless** end user

10

CLEC End User	*Call Flow*	CLEC Switch	*Call Flow*	*Call Flow*	*Call Flow*	Verizon Tandem	*Call Flow*	Toll Provider Network	*Call Flow*	Verizon Tandem	*Call Flow*	MTSO	*Call Flow*	Wireless End User
	→	BayRing	→	→	→	verizon	→		→	verizon	→		→	

Verizon Charges to TP						*LTTS & CCL*	*Dedicated Transport*		*Dedicated Transport*	*LTTS & CCL*				
Verizon Charges to CLEC				*Dedicated Transport*										
CLEC Charges to TP	*CCL*	*LS*	*LTF & LTT*											

TYPES OF CALLS THAT TRAVERSE VERIZON'S TANDEM

Intrastate Long Distance Calls where the Local LEC as Toll Provider - CLEC End User

Intrastate long distance call from **Verizon** end user to **CLEC** end user

11

Verizon End User	*Call Flow*	Verizon End Office	*Call Flow*	*Call Flow*	*Call Flow*	Verizon Tandem	*Call Flow*	CLEC Switch	*Call Flow*	CLEC End User
	→	verizon	→	→	→	verizon	→	BayRing COMMUNICATIONS	→	

CLEC Charges to Verizon; Verizon is TP — *LTF & LTT* — *LS* — *CCL*

Intrastate long distance call from **ITC** end user to **CLEC** end user

12

ITC End User	*Call Flow*	ITC End Office	*Call Flow*	Meet Point	*Call Flow*	Verizon Tandem	*Call Flow*	CLEC Switch	*Call Flow*	CLEC End User
	→		→		→	verizon	→	BayRing COMMUNICATIONS	→	

Verizon Charges ITC; ITC is TP — *% LTF & 1 2 LTT* — *LTTS & CCL*

CLEC Charges ITC; ITC is TP* — *LTF & LTT* — *LS* — *CCL*

Intrastate long distance call from **CLEC 1** end user to **CLEC 2** end user

13

CLEC 1 End User	*Call Flow*	CLEC 1 Switch	*Call Flow*	Meet Point	*Call Flow*	Verizon Tandem	*Call Flow*	CLEC 2 Switch	*Call Flow*	CLEC 2 End User
	→	one COMMUNICATIONS	→	one COMMUNICATIONS verizon	→	verizon	→	BayRing COMMUNICATIONS	→	

Verizon Charges CLEC 1; CLEC 1 is TP — *% LTF & 1 2 LTT* — *LTTS & CCL*

CLEC 2 Charges CLEC 1; CLEC 1 is TP — *LTF & LTT* — *LS* — *CCL*

* **12** The CLEC may actually charge Verizon and the charge would be passed on to the ITC, depending on existing agreements.

TYPES OF CALLS THAT TRAVERSE VERIZON'S TANDEM

Intrastate Long Distance Calls with CLEC as Toll Provider and Wireless Providers using FG2A Access - Wireless End Users

Intrastate long distance call from **CLEC** end user to **Wireless** end user; Wireless end user is assigned number by WP associated with Verizon remote end office NXX

14

*Verizon Charges to CLEC as TP**

Verizon Charges to CLEC as LEC

Verizon Charges to WP

WP charges to CLEC if traffic exchange agreement exists

LTTS | *LTF & LTT* | as if host & remote | *LTF & LTT* | *CCL*

Dedicated Transport

FG2A Access

Local termination charges

NXX from rate center where the remote end office is located

(*i.e.*, Suncook)

Intrastate long distance call from **CLEC** end user to **Wireless** end user; Wireless end user is assigned number by WP associated with Verizon host office NXX

15

*Verizon Charges to CLEC as TP**

Verizon Charges to CLEC as LEC

Verizon Charges to WP

WP charges to CLEC if traffic exchange agreement exists

LTTS | *LTF & LTT* | as if host | *CCL*

Dedicated Transport

FG2A Access

Local termination charges

NXX from rate center where the host end office is located

(*i.e.*, Concord)

Intrastate long distance call from **CLEC** end user to **Wireless** end user; Wireless end user is assigned number by WP associated with Verizon tandem NXX

16

*Verizon Charges to CLEC as TP**

Verizon Charges to CLEC as LEC

Verizon Charges to WP

WP charges to CLEC if traffic exchange agreement exists

LTTS | *LTT* | *CCL*

Dedicated Transport

FG2A Access

Local termination charges

NXX from rate center where the tandem is located

(*i.e.*, Manchester)

*** 14, 15 & 16** BayRing asserts that this charge should be Tandem Transit Service.

TYPES OF CALLS THAT TRAVERSE VERIZON'S TANDEM

Intrastate Long Distance Calls from CLEC end user to Wireless end user where WP uses Type 1 Interconnection

Intrastate long distance call from **CLEC** end user to **Wireless** end user; Wireless end user is assigned Verizon DID number associated with Verizon remote end office NXX

17

Intrastate long distance call from **CLEC** end user to **Wireless** end user

18

*** 18 CLECs dispute these charges.** Verizon acknowledges that LS charge at host office is a billing error that will be corrected and credited. Verizon further states (and Staff concurs) that the additional LTF & LTT between tandem and host is allowed per NHPUC #85, 6.2.1 G and 6.7.4 G & J.

TYPES OF CALLS THAT TRAVERSE VERIZON'S TANDEM

Intrastate Long Distance Calls with Originating LEC as Toll Provider - All End Users

Intrastate long distance call from Verizon end user to ITC end user

19

Verizon End User	*Call Flow*	Verizon End Office	*Call Flow*	Verizon Tandem	*Call Flow*	Meet Point	*Call Flow*	ITC End Office	*Call Flow*	ITC End User
	→	verizon	→	verizon	→	verizon	→		→	

ITC Charges to Verizon — *% LTF* — *LS & LTT* — *CCL*

Intrastate long distance call from CLEC end user to ITC end user

20

CLEC End User	*Call Flow*	CLEC Switch	*Call Flow*	Verizon Tandem	*Call Flow*	Meet Point	*Call Flow*	ITC End Office	*Call Flow*	ITC End User
	→	BayRing	→	verizon	→	verizon	→		→	

Verizon Charges to CLEC — *Dedicated Transport* — *LTTS & CCL* — *% LTF & 12 LTT*

ITC Charges to CLEC — *% LTF* — *LTT & LS* — *CCL*

Intrastate long distance call from CLEC end user to Verizon end user assigned Verizon DID number associated with Verizon remote end office NXX or tandem NXX

21

CLEC End User	*Call Flow*	CLEC Switch	*Call Flow*	Verizon Tandem	*Call Flow*	Verizon Host Office	*Call Flow*	*Call Flow*	*Call Flow*	Verizon End User
	→	BayRing	→	verizon	→	verizon	→	→	→	

Verizon Charges to CLEC — *Dedicated Transport* — *LTTS* — *LTF & LTT* — *LS* — *CCL* — *NXX from rate center where the tandem or host is located* (*i.e.*, Manchester or Concord)

Intrastate long distance call from CLEC end user to Verizon end user

22

CLEC End User	*Call Flow*	CLEC Switch	*Call Flow*	Verizon Tandem	*Call Flow*	Verizon Host Office	*Call Flow*	Verizon Remote End Office	*Call Flow*	Verizon End User
	→	BayRing	→	verizon	→	verizon	→	verizon	→	

Verizon Charges to CLEC — *Dedicated Transport* — *LTTS* — *LTF & LTT** — *LS* — *LTF & LTT* — *LS** — *CCL* — *NXX from rate center where remote end office is located* (*i.e.*, Suncook)

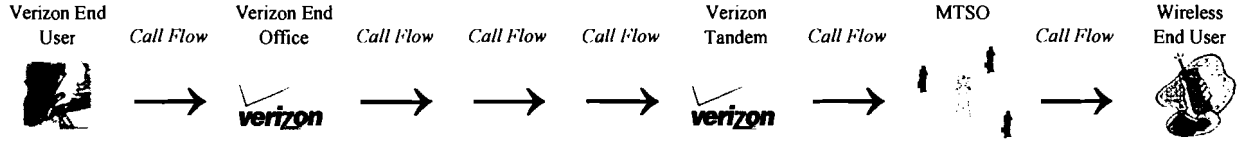
*** 22 CLECs dispute these charges.** Verizon acknowledges that the LS charge at host office is a billing error that will be corrected and credited. Verizon further states (and Staff concurs) that the additional LTF & LTT between tandem and host is allowed per NHPUC #85, 6.2.1 G and 6.7.4 G & J.

TYPES OF CALLS THAT TRAVERSE VERIZON'S TANDEM

Intrastate Long Distance Calls with Wireless End User

Intrastate long distance call from **Verizon** end user to **Wireless** end user

23

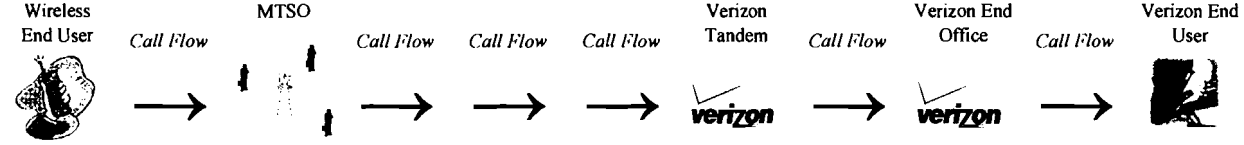


WP Charges to Verizon pursuant to wireless interconnection agreement

Local termination charges

Intrastate long distance call from **Wireless** end user to **Verizon** end user

24

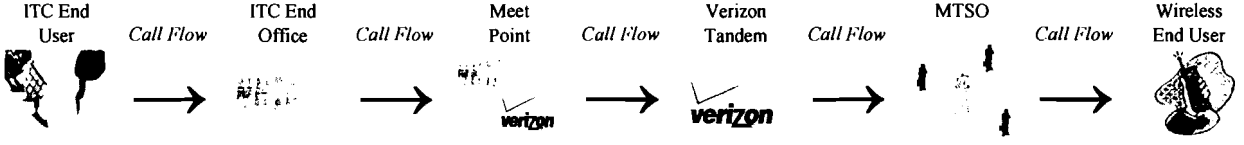


Verizon Charges to WP pursuant to wireless interconnection agreement

Local termination charges

Intrastate long distance call from **ITC** end user to **Wireless** end user

25



Verizon Charges to ITC

% LTF & I2LTI

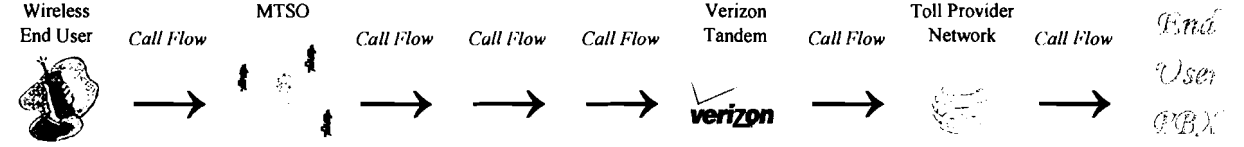
*LTTS & CCL**

WP to ITC if traffic exchange agreement exists

Local termination charges

Intrastate 8YY call from **Wireless** end user to **Toll Provider** end user

26



Verizon Charges to TP

LTTS & CCL

Dedicated Transport

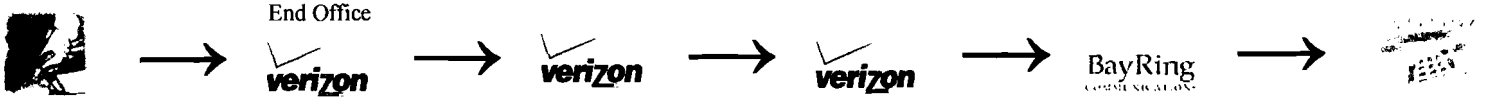
*** 25** The ITCs do not dispute this charge, although the CLECs dispute it in similar cases where there is no Verizon local loop.

TYPES OF CALLS THAT TRAVERSE VERIZON'S TANDEM

Local calls to CLEC End User

Local call from **Verizon** end user to **CLEC** end user

27

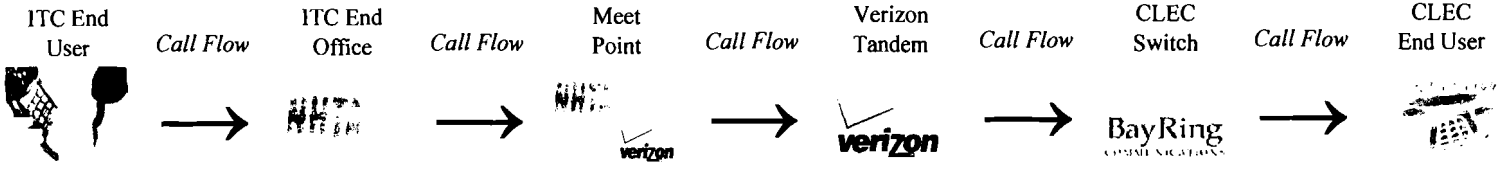


CLEC Charges Verizon

Reciprocal Compensation

Local call from **ITC** end user to **CLEC** end user

28



Verizon Charges to ITC

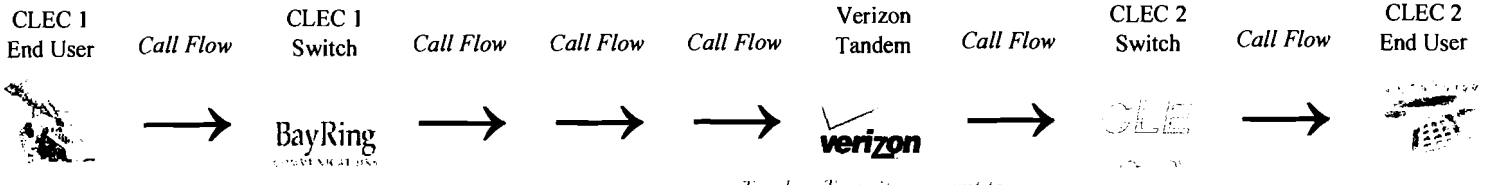
No Charge due to VNXX Moratorium

ITC charges to CLEC only if traffic exchange agreement exists

Reciprocal Compensation

Local call from **CLEC** end user to **CLEC** end user

29



Verizon Charges to CLEC 1

Tandem Transit pursuant to Tariff 84 or Interconnection Agreement

CLEC 2 charges to CLEC 1 only if interconnection agreement between carriers exists

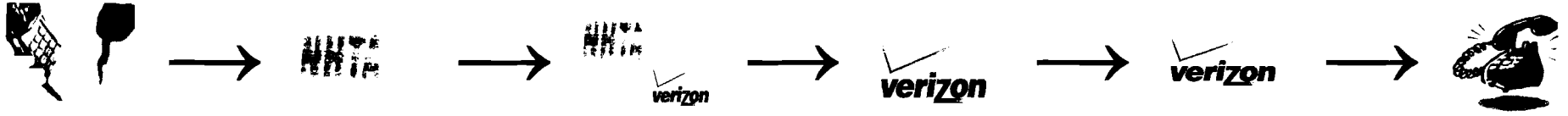
Reciprocal Compensation

TYPES OF CALLS THAT TRAVERSE VERIZON'S TANDEM

Local calls to Verizon End User

Local call from **ITC** end user to **Verizon** end user (traditional EAS call)

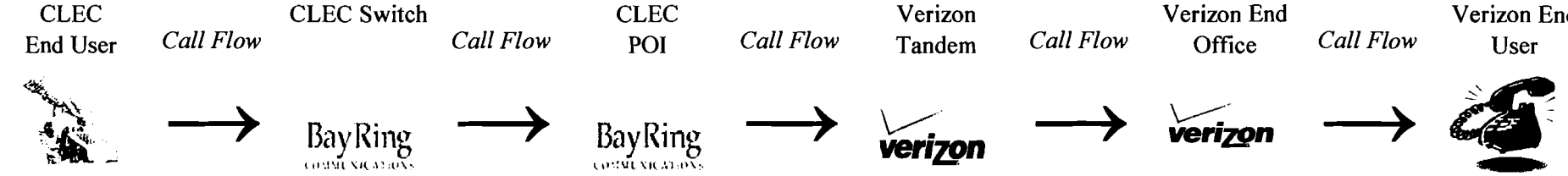
30



Bill and Keep or EAS Settlements covered by EAS agreements; many EAS routes are directly trunked and do not traverse tandem

Local call from **CLEC** end user to **Verizon** end user ***& reverse***

31



Verizon Charges to CLEC

Reciprocal Compensation

TYPES OF CALLS THAT TRAVERSE VERIZON'S TANDEM

Local calls to Wireless End User

Local call from Verizon end user to Wireless end user

														& reverse
32	Verizon End User	*Call Flow*	*Call Flow*	*Call Flow*	Verizon End Office	*Call Flow*	Verizon Tandem	*Call Flow*	*Call Flow*	*Call Flow*	MTSO	*Call Flow*	Wireless End User	
	WP Charges to Verizon												*Rate Plan B Local Usage*	

Local call from ITC end user to Wireless end user

33	ITC End User	*Call Flow*	ITC End Office	*Call Flow*	Meet Point	*Call Flow*	Verizon Tandem	*Call Flow*	*Call Flow*	*Call Flow*	MTSO	*Call Flow*	Wireless End User	
	Verizon Charges to WP								*FG2A Access*					
	WP Charges to ITC, pursuant to individual agreements												*local termination*	

Local call from CLEC end user to Wireless end user

34	CLEC End User	*Call Flow*	CLEC Switch	*Call Flow*	*Call Flow*	*Call Flow*	Verizon Tandem	*Call Flow*	*Call Flow*	*Call Flow*	MTSO	*Call Flow*	Wireless End User	
	Verizon Charges to WP								*FG2A Access*					
	Verizon Charges to CLEC (Currently)						*Tandem Transit*							
	*Verizon Charges to CLEC (Prior to August 2006)**				*LTTS*	*LTF & LTT*		*LTF & LTT*	*LS*	*CCL*				
	WP Charges to CLEC												*local termination*	

Local call from CLEC end user to Wireless end user

35	CLEC End User	*Call Flow*	CLEC Switch	*Call Flow*	Verizon Tandem	*Call Flow*	Verizon Host Office	*Call Flow*	Verizon End Office	*Call Flow*	MTSO	*Call Flow*	Wireless End User	
	Verizon Charges to WP						*Type 1 Interconnection*							
	Verizon Charges to CLEC (Currently)				*Tandem Transit*								*Reciprocal Compensation*	
	*Verizon Charges to CLEC (Prior to August 2006)**				*LTTS*	*LTF & LTT*		*LTF & LTT*	*LS*	*CCL*				
	WP Charges to CLEC												*local termination*	

*** 34 & 35** BayRing disputed these charges in its initial filing. Verizon acknowledges that these charges are a billing error that will be corrected and credited.

51
32

EXHIBIT A
Summary of Terminating Charges Assessed on Originating Carriers

VZ = Verizon
Wire = Wireless Carrier

		Exhibit B			Exhibit C		
	All Applicable per minute of use rates	**CF#22 Clec to VZ**	**CF#13 Clec to CLEC**	**CF#11 VZ to CLEC**	**CF#22 Clec to VZ**	**CF#15 Clec to Wire**	**CF#23 VZ to Wire**
Verizon Access Rates							
Tandem Switching (LTTS)	0.000503	0.000503	0.000503	0.000503	0.000503	0.000503	0.000503
Local Transport Termination (LTT)	0.000716	0.000716			0.000716	0.000716	0.000716
Local Transport Facilities (LTF) *	0.000098	0.000098			0.000098	0.000098	0.000098
Local Switching (LS)	0.001934	0.001934			0.001934		
Carrier Common Line (CCL)	0.026494	0.026494	0.026494		0.026494	0.026494	
Verizon terminating charges	0.029745	0.029745	0.026997	0.000503	0.029745	0.027811	0.001317
Verizon's local termination charges							
Charge per Verizon's discovery	0.000700						
Transport charged Wireless carriers	0.002000						
	0.002700	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
CLEC Terminating Charges							
Assumed same as VZ except no LTTS	0.029242		0.029242	0.029242			
Wireless Terminating Charges							
Charge to Verizon	0.000700						0.000700
Wireless Terminating Charges							
Charge to CLEC (estimate)	0.010000					0.010000	
Estimated terminating charge to the originating carrier		**0.029745**	**0.056239**	**0.029745**	**0.029745**	**0.037811**	**0.002017**
Verizon's cost to terminate a similar call			0.029745			0.002017	
Cost savings to Verizon on a per minute of use basis			-0.026494			-0.035794	
Percent difference from Verizon's cost			-89%			-1775%	

Note: The above rates do not include costs for carriers own facilities which include a CLEC costs of collocating in a Verizon tandem and transport costs from a CLEC's Switch to the tandem. However, for comparison purposes, BayRing has assumed Verizon charges itself its wholesale rates to use these as a proxy for Verizon's costs of providing their portion of a terminating call.

* LTF rate is based on average mileage and billing percent factor of 24.44.

IR # 5: "Traditional Industry Practices Relating to Access Charges."

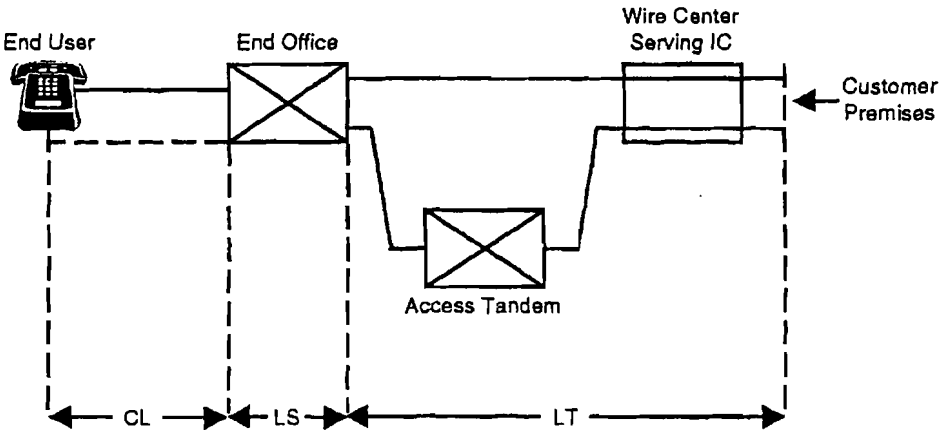
Authority	Mandate / Rational / Holding	Citation
C.F.R	"Clear and explicit explanatory statements. In order to remove all doubt as to their proper applications, all tariff publications must contain clear and explicit explanatory statements regarding the rates and regulations." "A charge that is expressed in dollars and cents per access minute of use shall be assessed on all interexchnage carriers that *use* local exchange common line facilities for the provision of interstate or foreign telecommunications services ..." (emphasis added).	C.F.R. §61.2 (a). C.F.R. § 69.105 (a).
FCC / Access	¶ 708 (Recon) "Common line charges *obviously* should reflect common line usage" (emphasis added). ¶ 285 CCL charge under the new plan would be "calculated on a straightforward minutes of use basis for services *using the common line facilities* (emphases added).	1983 *Access Charge Order* 93 FCC 2d; *Reconsideration Order* 97 FCC 2d.
FCC / *Computer III* - MO&O on further recon, Phase 1.	"We conclude that those [carriers] whose current tariff provisions would allow a [carrier] to impose [terminating] charges if that [carrier] is an intermediate, non-terminating carrier are required to modify their tariff provisions to *preclude* such charges" (emphasis added).	*In the Matter of Access Billing Requirements for Joint Service Provision,* 1988 FCC Lexis 2006, 87 (Oct.4, 1988).
FCC / CMRS	Holding: CCL charges do not apply to calls that terminate to end users over an RCC's facilities.	*Bell Atlantic Cellular,* 6 FCC Rcd. at 4794-95.
FCC / VIS Services	¶ 28 "[a] LEC may impose CCL charges only at points where an interstate or foreign call originates or terminates to an end user via transmission over a common line." ¶ 32"In the case of the common line, the CCL charge pursuant to Section 69.105(a) is expressly conditioned on actual common line use, and the presence of associated switching is immaterial to that determination." ¶ 34 [A] CCL charge is generally appropriate only at points where an interexchange call originates or terminates over a common line, and intermediate 'uses' do not constitute chargeable common line usage."	*AT&T Corp. v. Bell Atlantic, et al.,* File Nos. 95-6 et al. FCC 98-321, *rel.* Dec 9, 1998 (Liability Order).
FCC / CLEC Access	**See, for example, *Bell Atlantic Telephone Companies,* 6 FCC Rcd 4794 (1991); *AT&T Corp. v. Bell Atlantic-Pennsylvania,* 14 FCC Rcd 556 (1998). *In the Matter of Access Charge Reform, Reform of Access Charges Imposed by Competitive Local Exchange Carriers et seq.,* CC Docket No. 96-262, *rel.* May 18, 2004.	¶18. "As a rule, access rates, like all other tariffed rates, must be just and reasonable under section 201(b) of the Act, and access tariffs, like all other tariffs, must clearly identify each of the services offered an the associated rates, terms, and conditions." ¶21 "As noted ... our longstanding policy with respect to incumbent LECs is that they should charge only for the services that they provide (emphases added) ** ... Accordingly. we clarify that the competing incumbent LEC switching rate is the end-office switching rate when a competitive LEC originates or terminates to end users and the tandem switching rate when the competitive LEC passes calls between two other carriers."

Request 1-5 Exhibit B

6. Switched Access Service
6.1 General

6.1.2 Service Structure

Exhibit 6.1.2-1
Local Transport, Local Switching and Carrier Common Line when Combined to Provide a Complete Switched Access Service



Local Transport (LT)
Local Switching (LS)
Common Line (CL)

efficiency of the telecommunications network. I will summarize the pricing tools which result in the Company's proposal for the establishment of an incremental cost-based relationship between retail and wholesale prices. I will further describe how the proposed switched access structure reflects a balancing of the existing interstate switched access structure and the structure of NET's toll services, which, after Commission approval, became effective in March and April of this year. Finally, my testimony will include a description of other specific items agreed to be litigated in this docket.

This testimony is not intended to address the issues of separate competing networks or multiple exchange carriers in the same franchise territory. These issues may ultimately require extensive policy decisions on the part of the Commission should this form of competition become a reality in New Hampshire. However, the current state of competition does not require resolution of those issues at this time and is not included in the list of items to be litigated in this docket.

NET'S PRICING OBJECTIVES

Q. What objectives does NET consider to be most important for intrastate switched access in New Hampshire?

A. NET's primary objective in introducing a permanent access structure is the establishment of prices which promote the overall economic efficiency of the public switched network.