

**THE VERIZON TELEPHONE COMPANIES**

**TARIFF FCC NOS. 1 and 11**

**AMENDMENT TO INDIVIDUAL CASE FILINGS  
FOR BANK OF NEW YORK**

**DESCRIPTION AND JUSTIFICATION**

**TRANSMITTAL NO. 301**

**MARCH 14, 2003**

## **INTRODUCTION**

This section outlines compliance with Section 61.38 of the Commission's Rules which applies to this filing because the Commission has found Verizon to be a dominant carrier. Section 61.38 provides guidelines for cost support when filing new services excluded from price cap regulation. This service is excluded from price caps because it is a specialized arrangement offered to one customer for which there is no additional demand from other customers.

## **SERVICE DESCRIPTION**

The Verizon Telephone Companies<sup>1</sup> propose to modify a specialized arrangement for the Bank of New York that was originally filed under Bell Atlantic Transmittal No. 1268 on April 6, 2000. The specialized arrangement provided the customer with a dedicated Channel Extension Service network using dense wave multiplexing in a partial ring topology. The basic architecture consisted of fiber rings situated between certain customer premises using customer designated network equipment.

The initial network filed under Transmittal No. 1268 included thirty-two 1.25 Gbps channels between various customer locations with a contract period of sixty months. The customer has requested that Verizon provide them with the option of purchasing 1.25 Gbps Multiport Facility Arrangement(s) for the balance of the sixty-month contract period on the existing specialized arrangement. A 1.25 Gbps Multiport Facility Arrangement utilizes a multiport interface card which allows for up to four channels to be associated with a single wavelength.

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<sup>1</sup> The Verizon Telephone Companies participating in this filing are Verizon New Jersey, Inc. and Verizon New York Inc.

This filing adds regulations, rates and charges for the new option which the customer may add for the balance of the sixty-month contract period. The additional multiport facility arrangements must be ordered by December 31, 2003.

#### **REASON FOR THIS FILING**

Verizon is making this revision to an individual case basis filing to fulfill a specific, unique customer service request.

#### **BASIS FOR RATEMAKING**

The customer has agreed to pay the charges for this additional service through a recurring monthly rate.

The monthly recurring charge is calculated by determining the equipment investment required in provisioning the additional services. Annual cost factors are then applied to the investments to determine the amounts necessary to recover the capital costs – depreciation, cost of money, and income taxes, and the operating expenses – maintenance, administration, and other taxes. The return on investments is added to the total annual costs. This annual total is then converted to a monthly rate per arrangement.

The nonrecurring costs include expenses associated with the tariff preparation and filing fee expenses incurred by Verizon. The customer has requested that the nonrecurring charges be recovered through the recurring rate. Workpaper 1 contains the costs and rates.

## **PROJECTION OF REVENUES AND COSTS**

A projection of the annual revenues and costs appears on Workpaper 1.

## **RATE SUMMARY**

Monthly recurring rate, per multiport facility arrangement	\$5,000.00
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