

THE VERIZON TELEPHONE COMPANIES

TARIFF F.C.C. Nos. 1 and 20

**Introduction of
Internet Protocol-Virtual Private Network (IP-VPN) Service**

DESCRIPTION

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INTRODUCTION

The Verizon Telephone Companies (Verizon) are submitting tariff pages to introduce Internet Protocol Virtual Private Network (IP-VPN) Service in Tariff FCC Nos.1 and 20. IP-VPN Service is an interstate special access service utilizing category 1.2 facilities, as defined in Section 36.154, and is not a “loop-based” service per the definition in paragraph 61.3(yy) of the Commission’s rules. Therefore, pursuant to paragraph 61.49(f)(3), this filing is being made without cost support. In addition, Figure 1 identifies IP-VPN as a new Price Cap service for Tariff F.C.C. No. 1. Pursuant to Paragraph 173 of the Commission’s decision on pricing flexibility (FCC 99-206 Fifth Report and Order and Further Notice of Proposed Rulemaking, released August 27, 1999), Figure 1 demonstrates the basket and service category into which this service will be properly incorporated in the next Annual Filing in 2005.

DESCRIPTION

IP-VPN is a connection-less, packet-based advanced data service that uses a shared Internet Protocol (IP Multi Protocol Label Switching) network. Customers access IP-VPN via suitable Company-provided Asynchronous Transfer Mode Cell Relay Service (ATM CRS), Frame Relay Service (FRS) or Transparent LAN Service (TLS). IP-VPN service, which is subject to available equipment and facilities, is being introduced in Part I, Section 5.12 of Tariff FCC No. 20 for the States of Maryland, Massachusetts, New York, Pennsylvania, Rhode Island, Virginia and the District of Columbia, in Part II, Section 5.12 of Tariff FCC No. 20 for the States of California, Florida and Texas, and in Section 22.2 of Tariff FCC No. 1 for the State of New Jersey.

An Internet Protocol Virtual Connection (i-VC) provides a virtual connection from one of the access facilities mentioned preceding into the IP-VPN network where it can connect to one or more other i-VCs. The IP Port enables customers to aggregate traffic from IP-VPN services and other data services from Verizon’s IP network to a Service Provider’s network. Such customers

must also purchase OC12c or OC48c SONET services from appropriate Verizon tariff(s) as an access facility from their POP to the IP Port.

i-VCs are available with standard routing protocols capable of handling Border Gateway Protocol (BGP), Static Routing, Enhanced Interior Gateway Routing Protocol (EIGRP) and Open Shortest Path First (OSPF) Routing Protocol. i-VCs are virtual connections that are software-driven, allowing available bandwidth to be shared by the Customer.

Basic and Premier Quality of Service (QoS) levels are available with i-VCs. Basic is the default. Premier enables Customer prioritization of traffic by classes of service. Four Classes of Service are available. They are differentiated by application requirements for managing performance with regard to delay and loss within the network. Premier QoS also offers three bandwidth options – low (384 kbps – 1.5 Mbps), medium (4 Mbps – 70 Mbps) and high (100 Mbps – 622 Mbps). Within the low, medium and high bandwidth options are further options the customer must select in order to allocate bandwidth by predesignated percentages into traffic queues for prioritization.

The Customer must provide the necessary customer premises equipment (CPE) to conform with the technical specifications set forth in the tariff. Certain technical specifications (RFCs) are developed by the Internet Engineering Task Force (IETF), an international consortium. The IETF maintains a web site documenting the work groups, processes and standards on line; there is no physical mailing address for this internet-based group. The RFC editor manages its on-line publications at www.rfc-editor.org/rfc.html, and it is to this web site that Verizon directs its customers in order to obtain copies of RFCs. Also, in order to enable the Premier QoS, the CPE must use IP Precedence bits in the Type of Service field in order to mark traffic.

A monthly recurring charge applies per i-VC. Unique rates apply based upon the routing protocol selected by the Customer, the speed of the i-VC and the QoS. A monthly recurring charge applies per IP Port based upon the capacity ordered by the Customer. A minimum of one

pair of IP Ports must be ordered per LATA to satisfy Company configuration requirements for managing load balance and diversity. Extended Service Plans are available in 1, 2 and 3 year commitment periods for i-VCs and in 1 and 3 year commitment periods for IP Port.

Nonrecurring charges apply only to those elements ordered under a 1 year commitment period.

The minimum period for IP-VPN Service is twelve months.

A nonrecurring Administrative Change Charge is being introduced to recover costs associated with a change in the provisioning date, cancellation of service after provisioning has already begun and when a customer upgrades service under an ESP without an associated nonrecurring charge.

A nonrecurring Expedite Charge is being introduced to recover costs associated with shortening the interval on an i-VC. The ability to expedite is only available on i-VCs ordered with the BGP or Static Routing Protocol. For Tariff FCC No. 1, the Expedite Charge applies in lieu of a Special Handling Charge.

Verizon is also proposing an optional plan that will provide credit to participating subscribers to IP-VPN whose i-VCs are affected by Verizon's failure to deliver service on time or to provide or maintain service or network availability at less than stated levels. Many of Verizon's competitors offer their subscribers varying degrees of similar credits for failing to meet on-time installation, network availability and time-to-repair ("metrics").

- On-Time Provisioning

For the purpose of determining Service Response Credits (SRCs) on i-VCs under this program, on-time provisioning is defined as twenty-four hours beyond the date and time at which Verizon has (1) installed the service in accordance with the customer's request for service; (2) performed turn-up testing of the service to ensure that the transmission parameters are within acceptable transmission specifications; and (3) made the service available to the Customer for testing, connection of customer provided equipment or use. In the event Verizon does not meet on-time provisioning as defined above, service response credit equal to 20% of the monthly

recurring charge for the affected rate element will be applied for the month in which Verizon failed to meet on-time provisioning.

- Mean Time to Repair

Mean Time to Repair (MTTR) under the SRC program is defined as the average duration of time that i-VCs were interrupted during a calendar month. An i-VCs is considered to be interrupted when it is unavailable for use by the customer due to failure of a facility component within Verizon's network that is used to furnish i-VCs under this tariff. The average duration of time during the calendar month represents the total time to repair of all service interruptions on i-VCs, as applicable, less any stop clock time or exceptions as defined in the attached tariff pages.

If the MTTR during the calendar month was less than 4 hours, no SRCs will be applied. If the total MTTR during the calendar month exceeded 4 hours, SRCs will be applied as 20% of the monthly i-VC rate element on those rate elements that incurred an interruption that exceeded 4 hours during that calendar month.

- Network Availability

For the purpose of determining SRCs on i-VCs under this program, network availability is defined as the percentage of time during a calendar month (defined as 1400 minutes per day multiplied by the number of days in that month) that the total number of i-VC rate elements provided by Verizon to that customer were available for use. Under the SRC program, SRCs equal to 20% of the i-VC rate elements will be applied in any month during which the network availability on its i-VCs fell below 99.90%.

For any calendar month, the total SRCs applied to a qualifying i-VC may not exceed 20% of the monthly recurring charge. This limit will exist even if a customer is eligible for SRCs under more than one metric in a given month.

The attached tariff pages provide a complete description of IP-VPN Service and associated SRCs.