

THE VERIZON TELEPHONE COMPANIES

TARIFF FCC Nos. 1, 11, 14, and 16

**VERIZON OPTICAL NETWORKING
ENHANCEMENTS**

DESCRIPTION

Transmittal No. 494

September 24, 2004

DESCRIPTION

The Verizon Telephone Companies (“Verizon”) are submitting tariff pages that introduce enhancements to Verizon Optical Networking (“VON” or “VON Service”) in its Tariff FCC Nos. 1, 11, 14, and 16.

VON is a managed service that combines Synchronous Optical NETwork (“SONET”) and Dense Wave Division Multiplexing (“DWDM”) technologies with shared interoffice optical transport for transmission of Ethernet signals between customer locations. The following Ethernet protocols and options are offered with VON Services.

- Ethernet: transmits Ethernet at 10 Mbps
- Fast Ethernet: transmits at 100 Mbps
- Gigabit Ethernet: transmits at 1 Gbps
- Ethernet mapped to STS1
- Ethernet mapped to OC3c
- Ethernet mapped to OC12c

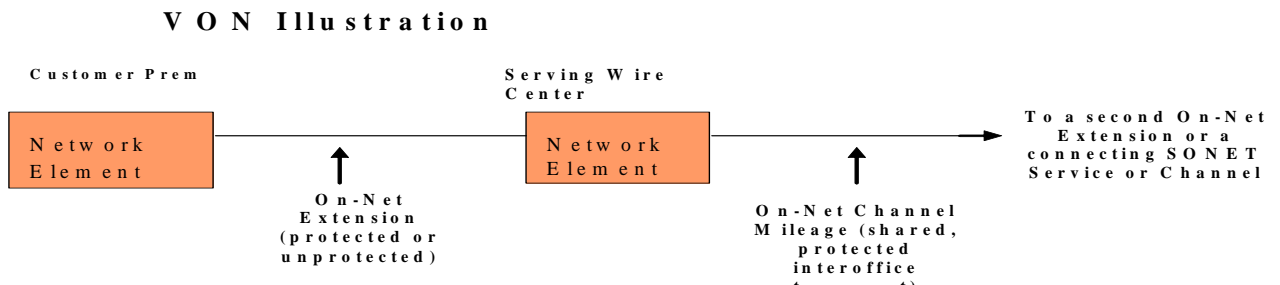
VON Ethernet Services are provided between customer designated premises. These services may also connect directly to other Verizon Ethernet services or the VON Ethernet signal can be mapped to a connecting SONET service or channel. Direct connections are allowed between VON and a Gigabit Ethernet port (low speed drop) on an IntelliLight[®] or Verizon Dedicated SONET Ring (“IDSR or DSR”) or an Ethernet optical transport channel (wavelength) of an IntelliLight[®] Optical Transport Service (“IOTS”).

Ethernet Signals can be mapped to the following connecting SONET services or channels:

- a SONET port (low speed drop) of an IDSR or DSR service

- a SONET optical transport channel (“wavelength”) of an IOTS
- an equal speed service of an IntelliLight[®] Entrance Facility (IEF provides a SONET entrance ring)
- a channel of a higher speed multiplexed IntelliLight[®] Broadband Transport (“IBT”). IBT provides point-to-point SONET applications over a shared network.

VON Ethernet Services are comprised of On-Net Channel Extensions and On-Net Channel Mileage as shown in the following illustration of a typical VON configuration.



An On-Net Channel Extension provides the communications path from a channel interface at the customer’s premises to the serving wire center. The On-Net Channel Extension utilizes a Telephone Company owned and maintained optical network element located at the customer-designated premises from which the lower speed Ethernet service is dropped from Verizon’s high speed shared network. These extensions are available on a protected or unprotected basis. A protected On-Net Channel Extension is provisioned over a diversely routed, self-healing architecture to ensure survivability and almost immediate restoration in the

event of a failure. An unprotected On-Net Channel Extension is provided with no guarantee of diversity in the facilities and therefore its availability and restoration time can not be guaranteed.

On-Net Channel Mileage provides interoffice transport over Verizon's shared network between the serving wire centers associated with the premises involved or between the serving wire center associated with the VON subscriber's designated premises and the optical network element of the connecting service (IBT, IDSR or DSR, IOTS or IEF). On-Net Channel Mileage is provided on a protected basis only.

PROPOSED MODIFICATIONS

Verizon proposes the following revisions to VON and to SONET services that connect to VON.

- Access Aggregation Port

A VON Access Aggregation Port is introduced. This port enables multiple Ethernet signals to be mapped to the same connecting SONET port, channel, or service at one end of the service. Currently, a single VON Ethernet service is mapped to a single SONET port, channel, or service on a one-for-one basis.

This enhancement improves efficiency of Ethernet transport by allowing multiple VON Ethernet signals to be mapped to the same SONET port, channel, or service on the network element. This Access Aggregation Port must be located at a customer premises location and must utilize a SONET OC3, OC12, or OC48 channel interface. A monthly recurring rate applies for each Access Aggregation Port provided. Term plans of 1 year, 3 years, 5 years, and 7 years are offered under the terms and conditions specified in the tariff. Nonrecurring charges also apply for each Access Aggregation Port installed.

- Additional Protocols/Data Interfaces

New protocols and data interfaces for VON Service are added including a Fast Ethernet signal that is mapped to STS1; a Gigabit Ethernet signal that is mapped to OC3, OC12 or OC48; and a Gigabit FICON or Gigabit Fibre Channel signal (Tariff Nos. F.C.C. 14 and 16 only) that is mapped to OC48. Monthly recurring rates and nonrecurring charges apply for each of these new options.

- Corrections and Clarifications to VON Price Band Rates – Tariff F.C.C. No. 11 only

Verizon is modifying tariff pages containing Price Band rates for VON in Tariff FCC No. 11 in order to clearly identify the types of protocols or interfaces that are subject to pricing flexibility. Verizon pricing flexibility rates and charges are arranged in Price Bands and can be found in Section 30. All other rates and charges that are not subject to pricing flexibility are found in Section 31 of that tariff.

When Verizon added pricing flexibility rates and charges for VON to Section 30 under Transmittal No. 469 on July 9, 2004, it intended to set Price Band rates and charges for VON equal to the corresponding rates and charges for VON found in Section 31. However, several of the pricing flexibility rate elements introduced in Section 30 were inadvertently set at rate levels that differ from the rate levels for the corresponding rate elements in Section 31. Verizon is revising rate levels for these rate elements so that the pricing flexibility rates and charges will be set at rate levels that are equal to the rates and charges for the corresponding rate elements in Section 31. Since Verizon currently has no customer demand for the affected price flex rate elements, no customers are affected

by revision of these rates. Therefore, Verizon will not provide any customer notification of rate level increases on the affected price flex rate elements.

- Miscellaneous Clarifications

Regulations are added to specify the payment option applied when connecting a VON Gigabit Ethernet Service which the customer subscribes to under a 1 year term plan to an IDSR GigE Port. Since there is no corresponding 1 year term plan offered for the IDSR GigE ports, regulations are added that require the IDSR GigE Port to be ordered and billed on a month-to-month basis. Verizon has no customers that currently subscribe to VON and IDSR as described herein and therefore, no customers that are affected by this new requirement.

Regulations are added that require a customer connecting a VON Ethernet-to-SONET mapped service that is subscribed to under a 7 year term plan to select a 5 year term plan on a connecting IBT port. Verizon does not offer a corresponding 7 year term plan on the IBT port. The customer has the option to subsequently extend the expiration date of the commitment period for the IBT Port so that it will expire on the same day as the 7 year term plan for the VON Ethernet-to-SONET mapped service (“a coterminous addition”), subject to the terms and conditions for extension of an IBT term plan as set forth in the applicable tariff. Verizon has no customers currently subscribing to VON that connects to IBT as described herein. Therefore, no customers affected by this added regulation.

The attached tariff pages provide a detailed description of the revisions proposed in this filing.