THE VERIZON TELEPHONE COMPANIES

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

Verizon Infospeed DSL Solutions Service

DESCRIPTION AND JUSTIFICATION

Transmittal No. 614

August 26, 2005

1.1   INTRODUCTION

With this filing, Verizon submits tariff pages and supporting information to change certain terms in Tariff F.C.C. Nos. 1 and 20 to expand the circumstances in which Verizon Infospeed DSL Solutions service is available.

1.2   SERVICE DESCRIPTION

For over five years, Verizon has provided high quality DSL transmission services to end users across the Verizon footprint. These services, tariffed as Infospeed DSL Solutions services, are data access services that use DSL technology. Data traffic generated by a Verizon-provided or end user-provided modem is transported to the Verizon Infospeed DSL connection point. From there, the traffic is transported to the end user's Information Service Provider or content provider via Verizon's other data network services. Various speeds are currently available in Verizon's Tariff F.C.C. Nos. 1 and No. 20 for Verizon Infospeed DSL Solutions services.

Until recently, Verizon Infospeed DSL Solutions services were limited to Verizon local exchange service end users because Verizon designed its DSL systems and processes to conform to the Commission's line-sharing requirements. There are also technical challenges associated with provisioning a loop for DSL-only transmission services.

On April 15, 2005, Verizon filed revisions in Tariff F.C.C. Nos. 1 and 20 under Transmittal 560 that allowed existing Verizon local exchange service end users to continue to receive Verizon Infospeed DSL Solutions services if they switch their existing local exchange service from Verizon to another carrier that does not use Verizon's facilities.

On June 15, 2005, Verizon filed revisions in Tariff F.C.C. Nos. 1 and 20 under Transmittal 587 to further expand the instances in which it will provide Infospeed DSL Solutions services when end users do not subscribe to Verizon's local exchange services to include the following circumstances:

    a. When an existing Customer's end user switches his or her existing local exchange service from Verizon to a carrier that does not use Verizon's switching facilities and no dispatch of Verizon personnel is required; or

    b. When a Customer's end user does not currently subscribe to local exchange service provided either by Verizon or by a carrier that uses Verizon's loop or switching facilities.

The services described in a. above are available across the Verizon footprint, and those described in sections b. above are only available in Maine, New Hampshire, Vermont, Massachusetts, New Jersey, Rhode Island, New York/Connecticut, Delaware, Maryland, the District of Columbia, West Virginia, and the portions of Pennsylvania and Virginia formerly served by Bell Atlantic.

Under this filing, Verizon will now make DSL available when a Customer's end user receives local exchange service from a carrier that uses Verizon's loop and switching facilities, other than a reseller of Verizon's local exchange service, provided that such carrier has agreed to make the high frequency portion of this loop available to Verizon at no charge. This will be available in Maine, New Hampshire, Vermont, Massachusetts, New Jersey, Rhode Island, New York/Connecticut, Delaware, Maryland, the District of Columbia, West Virginia, and the portions of Pennsylvania and Virginia formerly served by Bell Atlantic.

The expanded instances in which Verizon Infospeed DSL Solutions services are offered will benefit consumers and serve the public interest by making broadband service more widely available. It will also promote broadband competition by expanding the circumstances in which DSL transmission services are available as a competitive alternative to cable modem and other broadband services. Greater choice among broadband services and providers means competitive pricing, better quality, and greater efficiencies.

1.3 LOOP COST ALLOCATION

Verizon's Infospeed DSL Solutions services currently recover the cost of the equipment required to provision DSL. The Commission has previously found that it is appropriate to price DSL transmission services according to the incremental costs of providing such services. Accordingly, the Commission has recognized that the costs of a telephone company's existing local loops need not be allocated to DSL transmission services. *See, e.g., GTE Tariff Order*, 13 FCC Rcd 22466, ¶¶ 30-31 (1998) (rejecting argument that GTE must impute the cost of local loops to its DSL service); *Bell Operating Companies' DSL Tariffs Order*, 13 FCC Rcd 23667, ¶ 12 (1998) (recognizing that, because the cost of loops is not an incremental cost of DSL service, Bell Atlantic's DSL tariff did not impute loop costs to DSL service); *Qwest Nine State 271 Order*, 17 FCC Rcd 26303, ¶ 211 (2002) (recognizing that Qwest allocated none of the cost of the local loop to its DSL services).

Moreover, even if some portion of loop costs were allocated to DSL transmission services, those costs would not be significant when compared to the overall demand. The formula (A / B) x (C) shows that any such loop costs would not be significant, where "A" equals DSL Demand Affected by Proposed Tariff Revisions; "B" equals Total DSL Demand; and "C" equals Total Loop Cost Associated with Affected DSL Demand. Any loop costs arguably

affected by these proposed tariff revisions equal the total DSL demand affected by the proposed tariff revision divided by the total DSL demand, multiplied by the total loop cost associated with the affected DSL service. Since the forecasted demand for DSL that would be affected by these proposed revisions is not significant compared to overall DSL demand (based on current forecasts), the extra loop costs not recovered are not significant.

Verizon previously used this same formula and methodology in its filings under Transmittal Number 560 and Transmittal Number 587, described above, which expanded the availability of Infospeed DSL Solutions.

The attached tariff pages contain all of the modifications to Verizon Infospeed DSL Solutions service proposed by this filing.