

THE VERIZON TELEPHONE COMPANIES

TARIFF F.C.C. Nos. 1, 11, 14 and 16

Clarification of Regulations Governing Jurisdictional Report Requirements

DESCRIPTION AND JUSTIFICATION

Transmittal No. 815

May 31, 2007

## INTRODUCTION

Verizon is submitting revisions to its interstate Switched Access tariffs to clarify and unify the regulations pertaining to the jurisdictional determination of Switched Access traffic, as well as to a customer's reporting of Switched Access percentage interstate usage ("PIU") factors, across all four of Verizon's interstate Switched Access tariffs (Tariffs F.C.C. Nos. 1, 11, 14 and 16). We have prepared tariff revisions clarifying that the calculation and application of PIU factors is Verizon's responsibility for all Switched Access services, usage and fixed, except where sufficient data is not available to do so. This has always been the tariffs' intent. However, as Verizon added new rate elements, the tariff language associated with the additions did not necessarily make it clear that Verizon would calculate and apply factors as our ability to determine the jurisdiction of calls evolved.

## BACKGROUND

When the Commission first developed its regulations for interstate Switched Access services in the early 1980s, it gave the interexchange carriers ("IXCs") the responsibility for determining and calculating PIU factors. The Commission believed that the IXCs were in a good position to develop those factors from data they could obtain from their toll billing records. As such, Verizon was forced to use the customer-provided PIU factors to jurisdictionalize virtually all but originating, direct-dialed FGC and FGD Switched Access calls. For the latter, Verizon generally was able to identify the jurisdiction of the call based on the calling and called number that it was able to

record at the originating end. Consequently, Verizon did not apply customer-provided PIUs to that traffic.

Signaling System 7 (“SS7”) technology has provided Verizon with the capability to determine the actual jurisdiction of terminating FGD traffic, if the originating carrier populates the SS7 stream with telephone number information associated with the calling party and if the Switched Access customer maintains the integrity of that information when it terminates the call to Verizon’s SS7 network. Verizon uses the data contained in the SS7 stream to create terminating FGD Switched Access billing records. If the SS7 stream contains both the originating number and called number, a jurisdictional indicator is placed in the terminating Switched Access billing record (either interstate or intrastate) depending on the NPA/NXX of the originating and called number. Since Verizon has sufficient detail in the SS7 stream in that case to determine the jurisdiction of the call, the customer-provided terminating FGD PIU factor is not applied to this traffic.

New non-usage rate elements were introduced as the Switched Access rate structure evolved. In 1993, Verizon introduced fixed monthly charged rate elements for Entrance Facilities, Direct Trunked Transport and Multiplexing. A few years later, Verizon introduced fixed charges for End Office and Tandem Trunk Ports. At the time that these rate elements were introduced, Verizon was not in a position to calculate the jurisdictional factors for usage and apply those factors to the monthly rated facilities over which the usage rode. Instead, Verizon relied solely upon the customers to provide PIU factors for these elements.

For some time now, Verizon has been able to calculate PIU factors for these fixed rated services when the usage that rides over these facilities is sufficient to determine

jurisdiction. This capability is particularly relevant given that many (if not most) of our customers have *never* updated their PIU factors since the time they submitted their initial orders which, in some cases, was many years ago.

#### DESCRIPTION

These filings incorporate consistent language to clarify the following existing requirements:

1. We have clarified the wording in all four tariffs to acknowledge that for usage based Switched Access rate elements we will use call detail to jurisdictionalize minutes when we have sufficient call detail to do so and will use the customer provided PIU factor only for those minutes for which we do not have sufficient call detail to determine jurisdiction. (See FCC No. 1, page 2-15.1, FCC No. 11, page 2-17, FCC No. 14, page 4-105.1 and FCC No. 16, page 6-149).
2. We are deleting language from FCC No. 1, page 2-15.2 that states that Verizon will develop a PIU factor and apply it to minutes for which Verizon does not have sufficient call detail to determine jurisdiction. As stated above, we will use call detail to jurisdictionalize minutes when we have sufficient call detail to do so and will use customer provided PIU only for those minutes for which we do not have sufficient call detail to determine jurisdiction.
3. We have reordered existing paragraphs in the Jurisdictional Report Section of the tariffs to improve readability.
4. We have updated the list of examples of Switched Access rate elements in the notes section of PIU:

FCC No. 1: (page 2-16) Adding Tandem Switched Transport, Host/Remote Transport; Deleting Common Interoffice Channel, Changing Common Trunk Port to Shared End Office Trunk Port and changing minute of use based multiplexer rate elements to Transport Multiplexing.

FCC No. 11: (page 2-18) Changing Common Trunk Port to Shared End Office Trunk Port and changing minute of use based multiplexer rate elements to Transport Multiplexing.

FCC No. 14: (page 4-106) Adding End Office Dedicated Trunk Port, Access Tandem Dedicated Trunk Port and Shared Trunk Port.

FCC No. 16: (page 6-150) Adding End Office Dedicated Trunk Port and Access Tandem Dedicated Trunk Port

5. We have reordered the PIU notes for FCC No. 1 on page 2-16 and FCC No. 11 on page 2-18 to be consistent with the PIU notes for FCC No. 14 on page 4-106 and FCC No. 16 on page 6-150. In addition, we have added Note 2 to FCC Nos. 1 and 11, which states that the PIU for Switched Access services must be provided by the customer of record for Tandem Switching when used in conjunction with Collocated Interconnection Services. The addition of this note was overlooked when the section on Collocated Interconnection Services (FCC No. 1) and Expanded Interconnection (FCC No. 11) was introduced.
6. We are explicitly stating that Verizon will develop a PIU factor to apply to fixed monthly charged rate elements (Entrance Facilities, Direct Trunked Transport Facilities and Trunk Ports) when sufficient call detail exists and will use the

- customer-provided PIU factor for fixed monthly charged rate elements only when Verizon does not have sufficient data to develop a PIU factor. (See FCC No. 1, page 2-18, FCC No. 11, page 2-21, FCC No. 14, page 4-107 and FCC No. 16, page 6-151.)
7. We are modifying language that gives carriers the option to provide Switched Access facility PIU factors in the East (Tariffs F.C.C. Nos. 1 and 11) at a facility level. This option does not exist in the West (Tariffs FCC Nos. 14 and 16) and we find that our customers do not provide PIU factors at this level of detail. (See FCC No. 1, page 2-18 and FCC No. 11, page 2-21.)
  8. We are removing language that gives carriers the option to provide a Letter on File (LOF) that identifies PIU factors to be used on orders for new Switched Access facilities in the East (Tariffs FCC Nos. 1 and 11). This option does not exist in the West (Tariffs FCC Nos. 14 and 16) and we find that most carriers are not maintaining accurate and up-to-date PIU factors in the LOFs. (See FCC No. 1, page 2-18 and FCC No. 11, page 2-21.)
  9. We are removing language in the West (Tariffs F.C.C. Nos. 14 and 16) that states that when a PIU factor for Entrance Facility or Direct-Trunked Transport charges has not been provided with a quarterly update and is therefore not available, Verizon will apply a current PIU factor from its Jurisdictional Factors Database. This language is redundant as we will be calculating the PIU factors when sufficient data exists or when it does not exist, using the customer-provided PIU factor specific to facilities. (See FCC No. 14, page 4-107 and FCC No. 16, page 6-151.)

10. Lastly, we are reiterating under the Report Update sections of the tariffs, that customer-provided PIU factors will only be applied in the event that Verizon does not have sufficient data to rely on actual call detail to develop a PIU factor. (See FCC No. 1, page 2-21, FCC No. 11, page 2-23, FCC No. 14, page 4-107 and FCC No. 16, page 6-151.)

Verizon *is not* proposing to change the manner in which customers provide their quarterly PIU factor updates to the company in the various tariffs; i.e. the manner (methods and procedures) in which PIUs can be updated by the customer in each of the Verizon companies. Consequently, neither the customers nor the Company will be required to modify their current processes associated with the submission and processing of customer-provided PIU factors.