

**BEFORE THE  
COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION**

<b>Application of</b>	)	
	)	
<b>BELL ATLANTIC – VIRGINIA, INC.</b>	)	<b>CASE NO. PUC990101</b>
	)	
<b>For Approval of its Network Services</b>	)	
<b>Interconnection Tariff, SCC-Va.-No. 218</b>	)	

**JOINT PETITION FOR APPROVAL  
OF SETTLEMENT AGREEMENT**

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WorldCom, Inc. and its affiliates operating in the jurisdictions covered by this Agreement (“WorldCom”); AT&T Communications of Virginia, Inc. and its affiliates operating in the jurisdictions covered by this Agreement (“AT&T”); Sprint Communications Company of Virginia, Inc. (“Sprint”); Broadslate Networks of Virginia, Inc. (“Broadslate”); NTELOS Network, Inc. and R&B Networks, Inc. (“NTELOS”); and Verizon Virginia Inc. (“Verizon”) (collectively referred to as “Joint Petitioners”) respectfully submit this Joint Petition for Approval of Settlement Agreement Governing Collocation Rates, Terms and Conditions (the “Agreement”) at issue in the above-captioned proceeding.<sup>1</sup>

The Agreement resolves in a mutually beneficial manner a substantial majority of the issues raised in the above-captioned matter, and is in the public

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<sup>1</sup> 360 Communications Co. of Charlottesville, d/b/a ALLTEL, had agreed to the terms of this Agreement, but given their recently announced intention to exit the local market, have not signed the agreement.

interest for the reasons described in more detail below. The Joint Petitioners therefore request that the Commission approve without modification the rates, terms and conditions agreed to by the Joint Petitioners set forth in the Agreement and in Exhibit 1 to the Agreement attached hereto. In support of their request, the Joint Petitioners state as follows:

## **I. SUMMARY OF SETTLEMENT**

1. The Joint Petitioners represent a cross-section of the telecommunications industry – incumbent local exchange carriers serving both rural and urban customers, competitive local exchange carriers (CLECs), and long distance carriers. The Joint Petitioners have agreed to the terms and conditions set forth in this document and the attached Agreement as a means to resolve, finally and equitably, disputed issues arising from the amendments proposed by Verizon to its collocation tariff, S.C.C. Va. No. 218. The Agreement reflects significant compromises by all settlement parties in the interests of forging a consensus resolution of disputes.

2. The Joint Petitioners propose that the Commission adopt the terms and conditions described in the Agreement and incorporated into Exhibit 1. Verizon will file an amended collocation tariff reflecting these rates, terms and conditions after the Commission issues its ruling, with the tariff to be effective upon one day's notice. Thus, all CLECs in the Commonwealth of Virginia will benefit from the terms of this Settlement Agreement.

3. The rates, terms and conditions agreed to by the parties fairly and reasonably balance the interests of all of the various segments of the telecommunications industry and the public.

## **II. HISTORY OF PROCEEDING**

4. On May 28, 1999 Verizon filed revisions to its tariff S.C.C. Va. No. 218, governing collocation rates, terms and conditions for local exchange service.

5. On June 25, 1999 the Commission issued an Order Accepting Tariff on Interim Basis and Opening Investigation. The tariff therefore went into effect on June 28, 1999 on an interim basis.

6. The Commission directed Verizon to comment on whether the tariff complied with the 1999 Telecommunications Act (the “Act”). Other parties and Staff filed comments objecting to the tariff.

7. On December 21, 2000, WorldCom, AT&T, Sprint and Verizon filed a settlement agreement resolving various issues related to the rates, terms and conditions for collocation in the former Bell Atlantic serving areas.

8. On February 23, 2001, the Commission issued an Order requesting comments on specific questions regarding the December 21, 2000 Settlement Agreement. Various parties filed comments objecting to this Agreement.

9. On October 12, 2001, the Commission declined to adopt the December 21, 2000 Settlement Agreement, and instead instructed Verizon to

invite all CLECs registered in Virginia to further settlement negotiations on pricing and non-pricing collocation issues.<sup>2</sup>

10. Verizon notified all CLECs registered in Virginia of the scheduled negotiations on these topics. These negotiations between Verizon and Virginia CLECs began on November 9, 2001 and continued throughout November and December 2001.

11. An agreement in principle was reached with the above-referenced CLECs in December; that agreement has been memorialized in the attached Settlement Agreement.

### **III. RATES, TERMS AND CONDITIONS**

12. The Agreement, with a term of three (3) years, is intended to govern the rates, terms and conditions for the provisioning of collocation by Verizon in the service areas formerly served by Bell Atlantic.

13. The Agreement resolves many contentious issues regarding collocation rates, terms and conditions, including:

a. ***Cross Connect Rates:*** The Joint Petitioners agreed upon a substantially revised cross connect pricing structure. This proposed structure utilizes both recurring and non-recurring charges, as opposed to the existing structure, which exclusively utilizes recurring charges. Under the Agreement, the

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<sup>2</sup> Order, *Application of Verizon Virginia Inc. f/k/a/ Bell Atlantic – Virginia, Inc., For Approval of its Network Services Interconnection Tariff*, SCC-Va. No. 218, Case No. PUC990101 at 13 (October 12, 2001) (the “Order”).

new recurring rate will be lower than the existing recurring charge. Furthermore, competitive local exchange carriers (CLECs) can return unwanted and unused cross connects without incurring recurring or non-recurring charges from Verizon. Eligible CLECs are provided a 24-month amortization period to pay (with interest) any non-recurring charges resulting from this transition.

b. **Other Collocation Rates:** The Joint Petitioners have agreed upon compromise rates for all collocation rate elements at issue in this proceeding, including planning, land and building, cage preparation and power delivery and consumption for traditional physical, SCOPE, cageless and virtual collocation arrangements. The Joint Petitioners have further agreed to a schedule of true-ups and credits arising from downward adjustments to previously paid charges for these products and services.

c. **Power Rate:** The Joint Petitioners agreed to apply power rates on a per load amp basis, rather than on a fused basis.<sup>3</sup> Verizon agreed, with minor exceptions, to accept CLEC power reduction requests at no charge for 30 days after the settlement date of this Agreement. Verizon will add to its tariff language to permit audits and penalties in the event a CLEC is found to be using more power than it stated on its application. Verizon will further permit CLECs to designate the load amps they require and the fused capacity of each power feed to be up to 2.5 times the load per feed, subject to industry-standard fuse sizes.

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<sup>3</sup> See Exhibit 1 ¶¶ 15, 17.

d. ***Non-Price Terms and Conditions:*** The Joint Petitioners had previously agreed to tariff language governing several disputed issues, including central office tours, the exemption renewal process, inspection of CLEC facilities, removal of obsolete equipment, and provisioning intervals. The terms and conditions agreed to by the Joint Petitioners are set forth in Exhibit 1 to the Agreement.

#### **IV. EFFECTIVE DATE OF SETTLEMENT PROVISIONS; OTHER PROVISIONS**

14. The Settlement proposed herein will go into effect upon the Commission's issuance of a final order approving, without modification, the Joint Petition, Agreement and the revised portions of tariff S.C.C. Va. No. 218.

15. The Joint Petitioners may enforce the Agreement and tariff through any appropriate actions before the Commission or in federal or state court, or through any other available remedy. The Joint Petitioners retain all of their rights to appeal any final Commission order related to the enforcement or interpretation of this Agreement. This shall be in addition to any other available remedy at law or equity.

16. This Agreement is expressly conditioned upon the Commission's approval, without modification, of all of the specific terms and conditions contained in this Joint Petition, the Agreement and the tariff. If the Commission should fail to grant such approval, or should modify adversely any material term or condition within the Joint Petition, the Agreement or the tariff, any party may



elect to withdraw, in whole or in part, from this Agreement, upon written notice to the Commission and the Joint Petitioners within 20 calendar days of issuance of an adverse final Commission order. In that event, the Joint Petitioners shall have all legal rights that they may have waived by entering into this Agreement, including the right to seek approval of their original proposed terms and conditions. The Joint Petitioners have agreed to support this Agreement and to make their best efforts to secure its approval by the Commission.

## **V. PUBLIC INTEREST CONSIDERATIONS**

17. The Joint Petitioners submit that the Agreement is in the public interest and should be approved in full. For example, the Agreement provides for substantial refunds for the most significant rate element – the space and facilities charge. With respect to DC power, CLECs will not have to pay a true-up, even though the rate in the Settlement Agreement is higher than in Verizon VA’s current tariff. The agreement also changes the way Verizon VA will apply DC power charges and clarifies how CLECs will order DC power on their collocation applications. Finally, the Joint Petitioners have agreed to a new rate structure for collocation cross connects that would significantly decrease recurring rates. The CLECs can avoid paying any non-recurring charge under this new rate structure during the transition period if they (1) are currently using their cross connects to provide service; or (2) give any unused cross connects back to Verizon VA. Thus, the CLECs will in many cases obtain substantial benefits under this cross connect transition plan. Notably, this Agreement is more favorable to the CLECs

than the collocation agreements approved by the state commissions in Pennsylvania, New Jersey, Delaware and the District of Columbia.

18. The Agreement achieves a just and fair compromise of a series of important and contentious issues raised in the proceeding.

19. Approval of the Agreement and proposed tariff will avoid the substantial time, expense and uncertainty involved in litigation. Indeed, the administrative and appellate burden and costs to litigate these matters, including possible future appeals, would be substantial. By avoiding the necessity of further administrative proceedings and litigation, including possible appeals, the resources of the parties and the Commission will be appropriately conserved.

## **VI. CONCLUSION**

WHEREFORE, the Joint Petitioners, intending to be legally bound, respectfully request that the Commission: (1) approve without modification the proposed Agreement; and (2) approve without modification the terms and conditions set forth in the proposed tariff language appended as Exhibit 1 to the Agreement.

Respectfully submitted,

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Dated: February 1, 2002