

ORIGINAL
N.H.P.U.C. Case No. <u>DT 06-067</u>
Exhibit No. <u>1</u>
Witness <u>TRENT LEBECK</u>
DO NOT REMOVE FROM FILE

**STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

Docket No. DT 06-067

**FREEDOM RING COMMUNICATIONS, LLC d/b/a
BAYRING COMMUNICATIONS**

Complaint Against Verizon, New Hampshire Re: Access Charges

**TESTIMONY OF TRENT LEBECK
ON BEHALF OF
BAYRING COMMUNICATIONS**

MARCH 9, 2007

Witness and Company Background

Q. Please state your name and business address and by whom you are employed.

A. My name is Trent Lebeck, my business address is 7 Central Street, Farmington, NH 03835, and I am employed by the UTEL Companies.

Q. Please tell the Commission about your educational background.

A. I am an honor graduate of the Wisconsin Indianhead Technical College specializing in Telephony and I have completed college courses in accounting and computer programming. In addition, I also have attended many switched and special access and other industry training courses held by the National Exchange Carrier Association (NECA) and other industry organizations.

Q. Please tell the Commission about your work background prior to UTEL.

A. From 1981 through April 1987, I worked at American Communications Consultants, Inc.(ACC) a consulting subsidiary of Telephone and Data Systems of

Madison, Wisconsin. During my employment at ACC I was involved in conducting traffic studies to be used in cost separations and the settlement process between TDS companies and the Bell operating companies. "Cost separations" involves the allocation of a telephone company's operating costs (investments and expenses) via studies (traffic, outside plant and land and building) and direct assignment. The cost allocations are to assign the telephone company's costs to interstate, intrastate and local jurisdictions. My primary focus was in the installation of traffic monitoring equipment and validation of such equipment with Bell Telephone regional settlement personnel. I held the title of Senior Traffic Technician.

From April 1987 to December 2000, I was employed at ICORE Inc. of Emmaus, Pennsylvania as Vice President – Engineering/Technical Services. I supervised the completion of telecommunications traffic studies, development of traffic factors and outside plant studies for cost studies. I conducted Carrier Access Billing System (CABS) reviews and assisted in access tariff development for client companies.

Q. Please tell the Commission about your work background with BayRing and your responsibilities.

A. In 2000, I joined UTEL as the Traffic Manager. I am responsible for preparation of the CABS billing for the UTEL companies and the review of all switched access CABS invoices received by the UTEL companies which include BayRing Communications. In addition, I assist the companies with other traffic issues, such as switching configurations and other regulatory matters.

Q. Please describe BayRing's business in New Hampshire.

A. BayRing is a New Hampshire competitive local exchange carrier (CLEC) . It provides state of the art voice and data services to businesses throughout New Hampshire. BayRing is based in Portsmouth, New Hampshire and has been licensed by this Commission since 1997.

Q. Please describe the purpose of your testimony.

A. The purpose of my testimony is to provide the Commission with the following information: 1) How BayRing discovered the issue of Verizon billing the Carrier Common Line (CCL) access element for wireless, CLEC, and other carrier traffic that does not traverse the Verizon end-user network. This information will include a brief history of the dispute resolution process and the access charges disputed; and 2) Evidence to support BayRing's position that Verizon's NHPUC Tariff No.85 and industry standards clearly indicate when CCL should be assessed and that those sources show that Verizon is erroneously charging BayRing in the disputed call scenarios.

Q. Please describe how BayRing came to dispute the Carrier Common Line Charge (CCL) that Verizon is billing on calls from a BayRing end user to a Wireless Carrier end user.

A. BayRing's August 2005 Verizon intrastate access bill increased substantially which led me to conduct a more detailed verification of the invoice. Upon review, I realized that the minutes of use (MOU) that were assessed a CCL charge far exceeded the MOU that were assessed a local switching charge. This imbalance raised a red flag because generally the MOU that are assessed CCL are equal to the MOU that receive a local switching charge. This equality is because local switching and CCL

can only apply when Verizon local switching and end user facilities are used. Upon additional invoice review I found that the difference in MOU was related to the MOU entitled "Cellular Tandem Switched." I have never encountered this scenario in any CABS billing during my career so I decided to review the Verizon NHPUC Tariff No. 85 to determine if the tariff contained information regarding this charge and if CCL access charges were authorized for calls that do not originate or terminate on the Verizon network. Upon review of the Verizon NHPUC Tariff No. 85, it became apparent to me that the CCL charges on the Cellular Tandem Switched MOU were not valid tariffed charges and BayRing then disputed the charges.

Q. What provisions in Verizon's NHPUC Tariff No. 85 and other facts led you to believe that the charges you were disputing were not covered in the tariff?

A. Section 5.1.1.A of the Verizon tariff No. 85 states that "Carrier common line access provides for the use of end users Telephone Company (Verizon) provided common lines by customers for access to such end users to furnish intrastate communications."

Because this description of CCL clearly indicates that CCL involves the use of Verizon's end users' common lines, and given the fact that the wireless calls that are in question here are actually routed to the cellular Mobile Telecommunications Switching Office (MTSO) rather than to a Verizon end user loop, it is clear that those calls should not be subject to CCL charges. BayRing clearly laid out this argument when it escalated its disputes of these charges to Verizon and in BayRing's original filing on this matter with the Commission.

In addition, Section 6.1.2.D of the Verizon tariff No. 85 states “Local transport, local switching and carrier common line when combined to provide a complete switched access service is as illustrated in Exhibit 6.1.2-1.” (See Exhibit F of Mr. Darren Winslow’s prefiled testimony.) This illustration clearly shows the common line portion of switched access as the portion from the end office to the end user via the local loop. This again indicates that cellular traffic does not terminate to a Verizon end user and is not subject to CCL charges.

Lastly, the definition of switched access as defined by Verizon on its wholesale web page (attached hereto as Attachment A) supports BayRing’s position . That definition is as follows: “Switched Access Service, which is available to wholesale customers for their use in furnishing their services to end users, provides a two-point electrical communications path to a customer's facilities from an end user's premises. It provides for the use of common terminating switching and transport facilities and common subscriber plant of the Telephone Company (**Verizon**). Switched Access Service provides for the ability to originate calls from an end user's premises to a customer's facilities, and to terminate calls from a customer's facilities to an end user's premises in the LATA where it is provided.” This summary of switched access also states “ Terminating calling permits the delivery of calls from the customer’s premise to Telephone Company (i.e. Verizon) exchange service locations. This is further evidence that Verizon switched access under Tariff No. 85 is only for calls originating or terminating to Verizon end users.

Q. Please describe your understanding of the Carrier Common Line (CCL) element in the Carrier Access Billing process.

A. CCL is a charge associated with the provision of a specific network element. In this case, the local facilities that access a Verizon end user.

Additionally, the NECA Handbook indicates that Carrier Common Line is intended to compensate the Exchange Carrier for: Loop, Drop and associated equipment from the end office to the End User. (See Attachment B.)

Q. Since BayRing originally complained directly to Verizon about the CCL charges, has it changed or added to its disputes pertaining to Verizon CCL charges?

A. Yes. Originally BayRing only disputed intrastate “Cellular Tandem Switched MOU” for which the CCL access element was charged. This included only MOU to which Verizon did not apply a Percent Local Usage (PLU) factor. PLU is a factor used in CABs billing to assign the portion of traffic that is local. However, from October 2005 through July 2006 Verizon failed to apply the PLU to the cellular MOU and made the additional error of charging full intrastate switched access charges, including the CCL rate element, to all local cellular calls. BayRing disputed the total CCL charges and again was denied by Verizon. Verizon has conceded in technical sessions that they erred in not applying a PLU, and stated that BayRing would not be responsible for the incorrect charges. However, as of the date of this filing Verizon has not made the necessary credits to the BayRing invoices.

Additionally, beginning with the September 2006 invoice, Verizon began to charge BayRing CCL to terminate calls to **other** third party carriers such as CLECs and independent telephone companies (ITCs). Previously this third party traffic had been billed by a Verizon billing agent that did not charge CCL for these calls. The

addition of this new traffic to access billing increased BayRing's dispute by approximately four times the original dispute. Similar to BayRing's initial dispute delineated earlier in my testimony, Verizon is charging BayRing CCL and other access rate elements for calls that do not terminate to Verizon end users. BayRing has disputed these access charges as Verizon is not supplying the end-user service and also Verizon does not have meet point billing (MPB) arrangements with most of these carriers as described in the National Exchange Carriers Association (NECA) FCC Tariff #4.

Meet point billing is the process whereby two or more LECs who are involved in the provision of switched exchange access service bill for their respective portion of jointly provided service. See Verizon tariff NHPUC No. 84 Part A section 1.3.2. Meet point billing is reflected in NECA's FCC Tariff #4 to facilitate the ordering of access services. When carriers order access to an exchange carrier that has MPB with Verizon, NECA's FCC Tariff # 4 would show the ordering carrier the percentage of transport that Verizon would be entitled to charge for based on the agreed upon percentages and thus would allow a carrier to calculate their access costs associated with Verizon. I reviewed NECA FCC Tariff # 4 and found that there are no Verizon intermediate carrier MPB percentages for switched access in NH shown in NECA's FCC Tariff # 4 for the disputed call flows. Thus, Verizon must not have joint access provisioned switched access with the related carriers and therefore should not be charging access for these types of calls.

Q. Did BayRing's dispute become significantly larger in late 2006? Does this mean Verizon created additional revenues for itself when it took over the billing function from its billing agent?

A. Yes. Verizon was only charging access for a small amount of wireless traffic previous to August 2006. When it began billing additional terminating access for wireless, CLEC and independent telephone company traffic, Verizon generated a substantial new revenue source for itself.

Q. Why is this new revenue stream important to note in this case?

A. BayRing believes it is important that the Commission understand the context within which Verizon is estimating the financial impact to Verizon if the Commission orders Verizon to stop collecting the disputed charges. It is important to note that the majority of the revenue associated with these incorrect charges has only been billed by Verizon for less than a year. BayRing is concerned that Verizon may attempt to lead the Commission to believe that substantial longstanding revenue streams are at risk, when in fact much of the revenue that Verizon claims is at risk has only been billed for a few months.

Q. Please identify the entity that billed BayRing for traffic that terminated to CLECs and ITCs on behalf of Verizon prior to Verizon's assumption of this billing in September 2006.

A. Prior to August 2006, New York Access Billing LLC (NYAB), on behalf of Verizon, billed BayRing for switched access services and Tandem Transit Service (TTS) for CLEC, ITC and some cellular MOU. In August of 2006, Verizon began directly billing these MOU and also began imposing terminating carrier common line

access charges (CCL) for calls to additional carriers wherein Verizon did not terminate the call or provide an end user common line.

Q. In its role as billing agent for Verizon did NYAB charge the CCL element on the Intrastate MOU to third party carriers?

A. No. As Verizon confirmed in response to BayRing's discovery, NYAB did not bill the CCL element.

Q. Please explain why you believe NYAB did not charge CCL on intrastate access bills.

A. As NYAB is a company that specializes in the billing of access, it appears NYAB's interpretation of the Verizon NHPUC Tariff No. 85 is that it does not authorize CCL charges for calls that do not originate or terminate on a Verizon end-user loop. In addition, NYAB billing was consistent with guidelines such as the NECA definition of the CCL rate element which was previously discussed.

Q. Please describe the other applicable changes and issues that arose with Verizon CABS invoices when Verizon assumed the billing function from NYAB.

A. The most noticeable change related to Meet Point Billing was that the Verizon began assessing charges for traffic that terminated to exchanges that do not belong to Verizon. Some of these exchanges appear to be owned by other carriers and yet some are being billed as if they are owned by Verizon. Several of these exchanges are not even listed in the Local Exchange Routing Guide (LERG), and yet Verizon is billing BayRing terminating access for these areas. BayRing does not believe Verizon is authorized to charge switched access to locations that are not even identified in the LERG as destinations for access traffic. The LERG is a database of all NPA NXX's

and switches used in the routing of calls between all carriers in the North American Numbering Plan. All exchange carriers (ECs) are required to file their switch information within the LERG to enable proper routing of calls.

Verizon has stated in its discovery responses that it is providing meet point billing (MPB) to the cellular carriers and CLECs. Verizon is acting as an intermediate tandem for calls from CLECs to other non Verizon carriers wherein the service provided is merely a tandem switching function to route a call from one carrier to the other. Although Verizon is acting in this capacity, Verizon does not have a single Intermediate MPB BP on file in NECA tariff FCC No. 4 (see attachment C) for the state of New Hampshire that addresses intermediate carrier switched access services.

BayRing believes that because Verizon's billing includes exchanges that are not in the LERG, exchanges that apparently are not owned by Verizon and that Verizon does not have meet point billing arrangements set up in NECA tariff #4, further solidifies BayRing's position that Verizon lacks authority to bill the disputed charges.

Q. Is BayRing disputing other access charges on Verizon's billing other than CCL?

A. BayRing disputes all access charges related to the disputed call flows as discussed above and in Darren Winslow's testimony. In addition, as a result of this proceeding, BayRing has identified the following situations wherein Verizon is billing for services it does not provide and or is not authorized to bill. While the amounts of the following disputed charges are far smaller than that of the CCL dispute, BayRing believes it is important that these matters are addressed in this docket.

The issues include the following:

BayRing is disputing Local Transport Charges for Cellular and other Carrier minutes of use that do not use the Verizon Network. Examples of these calls are represented in call flows 14, 15, 16 and 20 of the staffs call flow summary and are appended to Mr. Darren Winslow's testimony. These disputed charges include End Office and Host to Remote termination and Facility Charges, billed by Verizon, even though certain of the facilities are not Verizon's. For example, Verizon charges "Cellular Tandem Switch" MOU as if calls terminate to a Verizon end office when the calls actually terminates to a wireless carriers' MTSO (e.g. ERRLNHYARS1 CLLI for the Errol NH exchange which is an end office switch owned by Verizon however Verizon does not actually route the call to their switch in Errol as Verizon terminates wireless calls to the wireless carrier's MTSO). According to my review of the December 1, 2006 version of the LERG, no cellular company has located their MTSO in Errol, thus Verizon's facilities to Errol are not used to route the call. Per Verizon's discovery responses for this example BayRing should only pay for facility charges to transport the call to the wireless carriers switch.

BayRing is disputing Local Transport Charges for minutes of use that Verizon bills as if the traffic and associated minutes minutes traveled on Verizon's facilities from BayRing's Point of Connection (POI) to the Manchester Tandem or other end office. The vast majority of BayRing's applicable traffic flows to the Manchester Tandem on BayRing's owned facilities. Again, Verizon should not charge for facilities it does not provide.

Q. Please provide your conclusions from your testimony above.

A. In sum Verizon should not be allowed to continue its unauthorized assessing of charges for services it does not provide.

Q. Does this conclude your testimony?

A. Yes it does and I would like to thank the commission for their consideration of this matter.



Switched Access
Solution Information
Overview
Description
Availability
Pricing
Service Details
Features
Applications
Technical Details
Detailed Information
Diagrams
Related Information
Tariffs
Industry Letters

Switched Access Service

Overview

Switched Access with Verizon

Verizon's Switched Access services provide two-point communications paths between the long distance carrier's Customer Designated Location (CDL) and the points of end user terminations within Verizon's Access Area. Each communications path is established through the use of Switched Transport, End Office Services and related Switched Access offerings. Switched Access can be provided via line side or trunk side connections to the service provider's facilities.

How It Works

There are 4 types of Switched Access Services:

Feature Group A

Switched Access provides line-side interconnection to Verizon's end office switches through an end user seven-digit access code (NXX-XXXX) for the long distance customer's use in originating and terminating calls to end users.

Feature Group B

Switched Access provides trunk-side interconnection to Verizon's end office switches through a uniform seven digit access code (950-XXXX) for the long distance customer's use in originating and terminating calls to end users.

Feature Group C

Switched Access provides trunk-side interconnection to Verizon's end office switches for providers of MTS and WATS for originating and terminating communications.

Feature Group D

Switched Access provides trunk-side interconnection to Verizon's end office switches through either a 101XXXX arrangement or on a pre-subscribed basis for the long distance customer's use in originating and terminating calls to end users.

Benefits

Verizon's Switched Access network is highly reliable and cost efficient.

Verizon monitors its Switched Access network 24 hours a day, seven days a week to ensure that long distance interconnection is smooth, reliable, and optimally performing.

Verizon's Switched Access services provide speed-to-market for the long distance services you need and use.

Applications

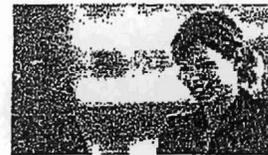
Offer your retail customers a variety of long distance services at competitive prices.

Reduce transport costs to your Customer Designated Locations using Verizon's national footprint.

Description

Switched Access Service, which is available to wholesale customers for their use in furnishing their services to end users, provides a two-point electrical communications path to a customer's facilities from an end user's premises. It provides for the use of common terminating switching and transport facilities and common subscriber plant of the Telephone Company. Switched Access Service provides for the ability

Doing Business



Getting Started

Negotiating an Agreement

Trouble Admin

VTAG (Web)
EBTA (OSI)

Billing

Billing Web

FAQ

Access FAQs

to originate calls from an end user's premises to a customer's facilities, and to terminate calls from a customer's facilities to an end user's premises in the LATA where it is provided.

Availability

Switched Access services are available throughout the Verizon footprint. Please review the appropriate state and federal tariffs for specific product availability.

Pricing

Rates and charges for Switched Access Service depend generally on its use by the customer and whether it is provided in a Telephone Company end office that is so equipped. There are three types of rates and charges that apply to Switched Access Service. These are monthly recurring rates, usage rates, and nonrecurring charges. These rates and charges are applied differently to the various rate elements as set forth in the appropriate state and federal tariffs.

Please visit the appropriate state and federal tariffs for rates and charges.

Features

Switched Access is provided in conjunction with either of two types of access services, bundled Feature Groups or unbundled Basic Serving Arrangements (BSAs). BSAs are provided in two basic categories differentiated by their technical characteristics and how they connect, line side or trunk side connection, to the Telephone Company's first point of switching.

The trunk side BSA is further differentiated into three alternatives based upon how the end user accesses the trunk side BSA, with or without an access code. Feature Group A (FGA) and Basic Serving Arrangement A (BSA-A) are defined as line side connections to the Telephone Company's network.

Feature Group B (FGB), Feature Group D (FGD), Basic Serving Arrangement Alternative B (BSA-B), and Basic Serving Arrangement Alternative D (BSA-D) are defined as trunk side connections to the Telephone Company's network. The use of a line side or trunk side switched access connection is dependent upon the switched access arrangement ordered by the customer.

Feature Groups and BSAs are arranged for either originating, terminating, or two-way calling, based on the end office switching capacity ordered. Originating calling permits the delivery of calls from Telephone Company exchange service locations to the customer's premises.

Terminating calling permits the delivery of calls from the customer's premises to Telephone Company exchange service locations. Two-way calling permits the delivery of calls in both directions, but not simultaneously.

Applications

Switched Access Feature Group's are ordered in either quantities of lines or trunks or in Busy Hour Minutes of Capacity (BHMC). FGA and BSA-A is furnished on a per-line basis, and FGB, FGD, BSA-B, BSA-D and SAC Access Service are furnished on a per-trunk basis in accordance with the capacity ordered in trunks or BHMC.

Quantities of lines, trunks or total BHMC of the circuit group connecting the first point of switching and the CDL are determined at the Telephone Company's first point of switching. A customer may designate one or more CDLs within the LATA for FGA, FGB, FGD, BSA-A, BSA-B, BSA-D Switched Access or SAC Access Service.

Detailed Information

Verizon offers three types of Switched Access services: Feature Group A, Feature Group B and Feature Group D

A 3 + 3

Feature Group A

Service is a lineside connection, which is used primarily for Foreign Exchange access. It is ordered most often by large end users that wish to establish a local seven-digit telephone number for call completion to and from a foreign LATA. The end user enters a Personal Identification Number (PIN) to place a long distance call. Feature Group A is provisioned from the Verizon local switching center.

In addition to Foreign Exchange access, Feature Group A also provides Off Network Access Line (ONAL) and MTS/WATS services as well as IP Telephone Gateway Optional features include Hunt Group, Uniform Call Distribution (UCD), Queuing and Three Way Calling.

Feature Group B

Service is trunk side connection. It offers your customers the advantage of a single, nationwide phone number. This is available because the originating dialing codes are in the form of 950-XXXX. The XXXX digits are the unique Carrier Identification Code (CIC).

Automatic Number Identification (ANI) and Alternate Routing are available with this service. The terminating portion of Feature Group B can be a Verizon end office or Verizon access tandem.

Feature Group D

Service is a trunk side connection which is the most frequently used access service. It is the primary access media because it lets interexchange customers offer their subscribed customers the capability of using 1+ dialing for calling on their network. Feature Group D also permits 101XXXX calling, allowing end-users the ability to access an interexchange carrier other than their subscribed carrier. Automatic Number Identification (ANI) and Alternate Routing are available. Feature Group D can be ordered directly from the interexchange carrier's Point of Presence to either a Verizon end office or Verizon access tandem.

Diagrams

15

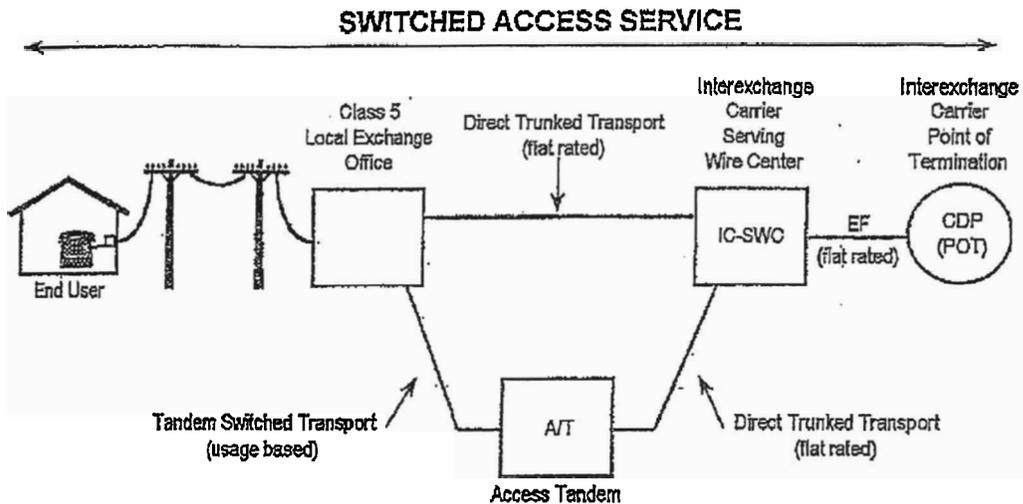
SWITCHED ACCESS SERVICE - OVERVIEW *

Switched Access service is intended to compensate the Exchange Carrier for:

- o Loop, drop and associated equipment from the end office to the End User (Carrier Common Line)
- o End office switching functions (Traffic Sensitive):
 - Local Switching
 - Information Surcharge
- o Local Transport facilities from the End Office to the Interexchange Carrier's Point of Termination, including any intermediate switching (Traffic Sensitive) *

The NECA Tariff FCC No. 5 offers four separate switching arrangements, known as Feature Groups A, B, C and D, within Switched Access Service. The switching arrangements are differentiated by their standard operational capabilities. The following matrix highlights each feature group's characteristics.

SWITCHED ACCESS SERVICE - OVERVIEW, Continued



GL* **EO** **LOCAL TRANSPORT**

- CL - Common Line
- EO - End Office Elements
 - Local Switching
 - Information Surcharge

- Tandem Switched Transport**
 - Tandem Switched Facility
 - Tandem Switched Termination
 - Tandem Switching
- Direct Trunked Transport**
 - Direct Trunked Facility
 - Direct Trunked Termination
- EF - Entrance Facility

* Common Line is provided under Section 3.

*
*

Attachment 2

National Exchange Carrier Association
BP Route(s) with Company : 5113 as Intermediate -Effective

03/08/2007

13:38:37

State	Locality	Location Code	ASEC	BP	OI	SVC	Route	Status
NH/NH	CHICHESTER	CHCHNHXA	0045	4	END	SPA	I	
			5113	88	INT			
	NEW LONDON	NWLNNHXA	0045	8	END			
NH/NH	CONTOOCCOOK	CNTCNHXA	0047	9	END	SPA	I	
			5113	86	INT			
	MELVIN VILLAGE	MLVGNHXA	3320	5	END			
NH/NH	NEW LONDON	NWLNNHXA	0045	11	END	SPA	I	
			5113	77	INT			
	CONTOOCCOOK	CNTCNHXA	0047	12	END			
NH/NH	NEW LONDON	NWLNNHXA	0045	8	END	SPA	I	
			5113	60	INT			
	HILLSBORO	HLBONHXA	3320	32	END			
NH/NH	NEW LONDON	NWLNNHXA	0045	5	END	SPA	I	
			5113	58	INT			
	SUTTON	STTNNHXA	0047	37	END			
NH/NH	NEW LONDON	NWLNNHXA	0045	7	END	SPA	I	
			5113	90	INT			
	WILTON	WLTONHXA	0050	3	END			
ME/ME	STANDISH	STNDMEXA	0025	1	END	ALL	I	
			5113	97	INT			
	FORT KENT	FTKNMEXA	3316	2	END			
NH/NH	WILTON	WLTONHXA	0050	11	END	SPA	I	
			5113	57	INT			
	HOLLIS	HLLSNHXA	3321	32	END			