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October 3, 2002

Ex Parte

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Application by Verizon for Authorization To Provide In-Region, InterLATA Services in State of Virginia, WC Docket No. 02-214 - REDACTED

Dear Ms. Dortch:

Verizon has previously demonstrated in its application in this proceeding that Verizon has satisfied the requirements of Section 271 of the Act, and the Virginia commission and the United States Department of Justice have agreed based on the results of their own extensive investigations. Likewise, Verizon has demonstrated that the Virginia commission has adopted unbundled switching rates that it has concluded are TELRIC-compliant. Consequently, the voluntary measure that Verizon is implementing, as described below, is not in any way necessary to demonstrate compliance with Section 271, other sections of the Act, or the Commission's rules.

Nonetheless, Verizon is voluntarily modifying its unbundled switching rates in Virginia to eliminate any possible argument that these rates exceed the TELRIC range. Specifically, Verizon is reducing its originating unbundled switching rate from \$.004129 to \$.002643, and its terminating unbundled switching rate from \$.002079 to \$.001331. These rate reductions are effective immediately. As indicated in Verizon's initial application, Verizon will true up these switching rates to those switching rates that are adopted in the Virginia arbitration proceeding, and Verizon will apply the FCC-approved switching rates retroactive to August 1, 2002. *See Woltz/Garzilla/Prosini Decl.*¶ 50.

The new switching rates are applicable to all CLECs operating in Virginia. Additionally, Verizon will notify CLECs of the new switching rates today by sending out an email via the normal change management process. *See* Attachment 1.

As the chart in Attachment 2 demonstrates, with these rate reductions, the Virginia non-loop rates benchmark to the New York non-loop rates using the FCC's USF model. Specifically, the relative level of non-loop costs in Virginia, as determined by the FCC's USF model, are 107 percent more than the cost level in New York, while the statewide average non-loop rate for Virginia is 106 percent higher than the statewide non-loop rate in New York. This analysis uses state-specific assumptions, including DEM minutes of use, as outlined in Attachment 3.

Because the long distance carriers themselves have repeatedly championed the New York rates, there should be no question that the voluntarily-reduced Virginia rates are within the range that a reasonable application of TELRIC would produce.

Attachment 3 contains proprietary information and has been redacted. A confidential version is also being filed with the attachment. Please let me know if you have any questions. The twenty-page limit does not apply as set forth in DA 02-1857.

Sincerely,

A handwritten signature in black ink, appearing to read "Anne D. Burk". The signature is fluid and cursive, with a large, stylized "A" and "B".

Attachments

cc: U. Onyeije
B. Olson
G. Remondino
T. Preiss
V. Schlesinger
R. Kwiatkowski
R. Lerner

ATTACHMENT 1

Verizon (former BA)

Virginia UNE Rates for Existing Interconnection Agreements

Verizon has decided to voluntarily reduce its unbundled local switching rates. Specifically, Verizon is reducing its originating unbundled switching rate from \$.004129 to \$.002643, and its terminating unbundled switching rate from \$.002079 to \$.001331. These rate reductions are effective as of today October 3, 2002, are applicable to all CLECs operating in Virginia, and will remain in place until the FCC establishes Virginia switching rates in the Virginia arbitration proceeding. Once Verizon implements these reduced switching rates in its billing systems, it will provide retroactive credits from the implementation date to October 3, 2002.

ATTACHMENT 2

State	Statewide Model Non- Loop Cost	Statewide Average Non-Loop Rate	Cost Ratio to New York	Rate Ratio to New York	Compliant?
NY	\$3.50	\$5.63	100%	100%	--
VA	\$3.76	\$5.97	107%	106%	Yes

ATTACHMENT 3

REDACTED