Jennifer M. Granholm
GOVERNOR

STATE OF MICHIGAN
PUBLIC SERVICE COMMISSION
DEPARTMENT OF LABOR & ECONOMIC GROWTH
ROBERT W. SWANSON
DIRECTOR

J. Peter Lark
CHAIRMAN

Laura Chappelle
COMMISSIONER

Monica Martinez
COMMISSIONER

June 12, 2006
Case No. U-14905

Mr. Paul Fuglie
Verizon North Inc.
124 W. Allegan St., Ste. 602
Lansing, MI 48933

Dear Mr. Fuglie:

The enclosed certified copy of the formal complaint of The Michigan Exchange Carriers Association, Inc. against Verizon North Inc. and Contel of the South, Inc., d/b/a Verizon North Systems, is served in accordance with applicable statutes and the Rules of Practice and Procedure Before the Commission.

On May 30, 2006, Ronald D. Richard Jr., Foster, Swift, Collins and Smith, P.C., 313 South Washington Square, Lansing, Michigan 48933, filed the complaint on behalf of The Michigan Exchange Carriers Association, Inc.

On July 6, 2006, a prehearing in this matter will be held at 9:00 a.m. in the offices of the Michigan Public Service Commission. Any requests for adjournment should be made to the presiding administrative law judge, James N. Rigas, at 517.241.6060.

Verizon North Inc. shall file its answer to this complaint with the Commission on or before July 3, 2006. An electronic version in PDF format should be submitted via the Commission's Electronic Case Filings Website at http://efile.mpsc.cis.state.mi.us/efile.

Sincerely,

Mary Jo Kunkle
Executive Secretary

Enclosure
c: (w/o enclosure)
J. Rigas
R. Gregg
Complainant

STATE OF MICHIGAN
Michigan Public Service Commission

I, Mary Jo Kunkle, Executive Secretary of the Michigan Public Service Commission, certify, with the Michigan Public Service Commission seal, that the attached formal complaint in Case No. U-14905,

> in the matter of the complaint of The Michigan Exchange Carriers Association, Inc. against Verizon North Inc. and Contel of the South, Inc., d/b/a Verizon North Systems, regarding measurement of usage and nonpayment of usage-based charges,

is a true and complete copy of the original.

Sealed and signed at Lansing, Michigan, on June 12, 2006,

Mary Jo Kunkle

Digitally signed by Mary Jo Kunkle
DN: cn=Mary Jo Kunkle, c=US, o=DLEG, ou=Executive Secretary, email=cbower@michigan.gov
Date: 2006.06.15 11:13:46 -04'00'

Executive Secretary

Walter S. Foster
1878-1961
Richard B. Foster
1908-1996
Theodore W. Swift
1928-2000
John L. Collins
1926-2001

Webb A. Smith
Allan J. Claypool
Gary J. McRay
Robert J. McCullen
Stephen I. Jurmu
William K. Fahey
Stephen O. Schultz
William R. Schulz
David H. Aldrich

Scott A. Storey
Charles A. Janssen
Charles E. Barbieri
James B. Jensen, Jr.
Scott L. Mandel
Michael D. Sanders
Sherry A. Stein
Brent A. Titus
Brian A. Kaser
Robert E. McFarland
Stephen J. Lowney
Patricia A. Calore
Jean G. Schtokal
Glen A. Schmiege
Brian G. Goodenough
Matt G. Hrebec
Eric E. Doster
Stephen J. Rhodes

Melissa J. Jackson
Steven H. Lasher
Nancy L. Kahn
Deanna Swisher
Mark J. Burzych
Alan G. Gilchrist
Thomas R. Meagher
Douglas A. Mielock
Scott A. Chernich
Donald E. Martin
Paul J. Millenbach
Dirk H. Beckwith
Brian J. Renaud
Bruce A. Vande Vusse
Lynwood P. VandenBosch
Lawrence Korolewicz
James B. Doezema
Alan T. Rogalski

Francis G. Seyferth
Anne M. Seurynck
Richard L. Hillman
Andrea J. Hool
Steven L. Owen
Jennifer Kildea Dewane
John P. Nicolucci
Francis C. Flood
Michael D. Homier
Keith A. Castora
Rebecca S. Davies
Barbara J. Oyer
Claire V. Groen
Kirsten M. McNelly
Emily L. Matthews
Benjamin J. Price
Ronald D. Richards, Jr.
Joseph E. Kozely

Pamela C. Dausman
Terrence G. Quinn
Jacqueline E. Bayley
Dana M. Bennett
Radhika P. Drake
Todd W. Hoppe
Sarah J. Gabis
Larry R. Jensen, Jr.
Alison R. Lievense
Eleanore M. Schroeder
Philip E. Hamilton
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Of Counsel
Lawrence B. Lindemer
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Frederick B. Bellamy
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Deborah J. Williamson
Peter R. Tolley
Robert C. Greene
Scott H. Hogan
James B. Frakie
Mark J. Colon
Craig R. Petersen

Writer's Direct Phone: 517. 371.8154

Reply To: Lansing

May 30, 2006

E-file

Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48911

Dear Ms. Kunkle:

Re: In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *d/b/a* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges
Case No. U-14905

Enclosed for filing on behalf of The Michigan Exchange Carriers Association, Inc. are the following: (1) Application; (2) Testimony of David S. McCartney on Behalf of the Michigan Exchange Carriers Association, Inc., with Exhibits 1 through 15; (3) Testimony of David F. Freeman on Behalf of the Michigan Exchange Carriers Association, with Exhibits 1 through 2; and (4) Certificate of Service.

Thank you for your assistance in this matter.

Sincerely,

FOSTER, SWIFT, COLLINS & SMITH, P.C.

Ron Richards

Digitally signed by Ron Richards
DN: cn=Ron Richards, c=US, o=Foster Swift
Date: 2006.05.30 13:47:15 -04'00'

Ronald D. Richards Jr.

RDR:ib
Enclosures

cc: Bradley Grove (via 1st class mail and e-mail)
A. Randall Vogelzang (via 1st class mail and e-mail)
Paul Fuglie (via 1st class mail and e-mail)
Orjiakor N. Isiogu
Glen A. Schmiege (via e-mail only)

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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *d/b/a* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.

Case No. U-14905

Glen A. Schmiege (P37112)
Ronald D. Richards Jr. (P61007)
FOSTER, SWIFT, COLLINS & SMITH, P.C.
313 South Washington Square
Lansing, MI 48933
(517) 371-8100

CERTIFICATE OF SERVICE

Ronald D. Richards Jr., being duly sworn, deposes and says that he is an employee of Foster, Swift, Collins & Smith, P.C., and that on May 30, 2006, copies of: (1) **the Application of The Michigan Exchange Carriers Association, Inc.**, (2) the **Testimony of David S. McCartney on Behalf of the Michigan Exchange Carries Association, Inc.**, with Exhibits 1 through 15; (3) **the Testimony of David F. Freeman on Behalf of the Michigan Exchange Carriers Association**, with Exhibits 1 through 2; and (4) this Certificate of Service, were served upon:

See Attached Service List

Service was accomplished as follows: regarding Mr. Grove, Mr. Vogelzang, and Mr. Fuglie, by depositing same in a regular United States Postal Service mail depository, enclosed in envelopes bearing first-class postage, fully prepaid and properly addressed, and via e-mail; regarding Mr. Isiogu, via hand delivery.

Ron Richards
Digitally signed by Ron Richards
DN: cn=Ron Richards, c=US, o=Foster Swift
Date: 2006.05.30 13:49:27 -04'00'

Ronald D. Richards Jr.

Michigan Public Service Commission
Case No. 14905
Service List

Michigan Public Service Commission

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Director of Telecommunications
Michigan Public Service Commission
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

Verizon North, Inc.

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State of Michigan Manager
ILEC/CLEC Accounts
Verizon
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Lansing, MI 48933

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The Michigan Exchange Carriers Association, Inc.

Mr. Glen A. Schmiege
Mr. Ronald D. Richards Jr.
Foster, Swift, Collins & Smith, P.C.
313 S. Washington Square
Lansing, MI 48933-2193

E-Mail: gschmieg@wildblue.net
rrichards@fosterswift.com

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *d/b/a* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.

Case No. U-14905

Glen A. Schmiege (P37112)
Ronald D. Richards Jr. (P61007)
FOSTER, SWIFT, COLLINS & SMITH, P.C.
313 South Washington Square
Lansing, MI 48933
(517) 371-8100

APPLICATION

The Michigan Exchange Carriers Association, Inc. ("MECA"), through its attorneys, Foster, Swift, Collins & Smith, P.C., files this application, on behalf of its members,[1] to resolve a dispute with Verizon North, Inc. and Contel of the South d/b/a Verizon North Systems. The dispute relates to measurement of usage and payment of usage-based charges. Verizon has refused to pay charges lawfully billed for (1) terminating toll access service, (2) local transport

[1] MECA's members are Ace Telephone Company of Michigan, Inc., Allendale Telephone Company, Baraga Telephone Company, Barry County Telephone Company, Blanchard Telephone Association, Inc., Bloomingdale Telephone Company, Inc., Carr Telephone Company, CenturyTel of Michigan, Inc., CenturyTel Midwest-Michigan, Inc., CenturyTel of Northern Michigan, Inc., CenturyTel of Upper Michigan, Inc., Farmers Mutual Telephone Company d/b/a Chapin Telephone Company, Chatham Telephone Company, Chippewa County Telephone Company, Communication Corporation of Michigan, The Deerfield Farmers Telephone Company, Drenthe Telephone Company, Hiawatha Telephone Company, Island Telephone Company, Kaleva Telephone Company, Lennon Telephone Company, Midway Telephone Company, Ogden Telephone Company, Ontonagon County Telephone Company, Pigeon Telephone Company, Sand Creek Telephone Company, Shiawassee Telephone Company, Springport Telephone Company, Upper Peninsula Telephone Company, Waldron Telephone Company, Westphalia Telephone Company, The Winn Telephone Company, and Wolverine Telephone Company.

and termination service, (3) originating toll access service, and (4) billing and collection services performed in connection with originating toll access service. Among other things, MECA seeks a declaration that the charges at issue are appropriately based on agreed-upon usage or the actual usage that is measured at the end offices of MECA's members. Verizon should be ordered to pay the full amounts of the bills rendered for these services. In support of this application, MECA states:

THE PARTIES

1. MECA is an association whose membership is comprised of 33 small incumbent local exchange carriers in Michigan who generally serve rural areas of the state (the "Rural ILECs"). The Rural ILECs provide basic local exchange service, toll access service, and local transport and termination service. MECA has been involved since its inception in 1987 in representing the Rural ILECs before the Michigan Public Service Commission ("MPSC" or "Commission"), in administering the access and other tariffs that are filed on their behalf, and in providing information, representation, and general assistance to its members in inter-company relations, legislative matters, and general business matters relating to telecommunications issues of interest to its members. MECA has been involved in many proceedings at the Commission on their behalf, including Case No. U-11298, involving SBC's similar attempt to impose changes in terminating access usage on the Rural ILECs. MECA's address is 124 W. Allegan, Suite 1400, Lansing, Michigan 48933.

2. Upon information and belief, Defendants Verizon North Inc. and Contel of the South, Inc. d/b/a Verizon North Systems are Wisconsin corporations with their principal place of business at 100 Executive Drive, Marion, OH 43302. (Defendants are hereinafter collectively referred to as "Verizon"). Verizon maintains an office and conducts business in Michigan.

Verizon's Michigan office is located at 860 Terrace Street, Muskegon, MI 49440.

JURISDICTION

3. The Commission has jurisdiction over this application pursuant to the Michigan Telecommunications Act (the "MTA"), MCL 484.2101 *et seq*. More specifically, sections 203 through 205 of the MTA, MCL 484.2203-05, provide that the Commission has the authority to resolve disputes between telecommunications providers. See also MCL 484.2305a(2), (6), and (7) (regarding disputes between providers related to the payment of tariffed rates and related to compensation rights and obligations between providers who originate, forward, or terminate intrastate traffic).

THE DISPUTE

4. The Rural ILECs provide toll access and local transport and termination services to other carriers to allow them to originate and/or terminate calls in the Rural ILEC exchanges. Verizon is a tandem company that has several tandems that interconnect with Rural ILEC end offices. Calls routed to or from many Rural ILEC exchanges are routed through Verizon tandems. Verizon also is a toll provider that uses the switched toll access services of the Rural ILECs in order to terminate toll calls and, until approximately mid-2005, used the switched toll access services of many of the Rural ILECs to originate toll calls. Verizon further uses the local transport and termination services provided by the Rural ILECs to terminate local calls in areas where Verizon has Extended Area Service or Expanded Local Calling.

5. As indicated above, a dispute has arisen between Verizon and MECA, on behalf of the Rural ILECs, with regard to usage and the imposition of charges for toll access and local transport and termination services. There are four main areas of dispute relating to the following: (1) terminating toll access service, (2) terminating local transport and termination

services, (3) originating toll access service, and (4) billing and collection services rendered in connection with originating toll access service.

Terminating Toll Access

6. The first area of dispute relates generally to terminating Feature Group C ("FGC") switched access service provided in connection with toll calls that terminate on the facilities of the Rural ILECs. Switched access charges in the terminating direction are based on tariffed rates that are charged on a "per access minute" basis. Thus, Verizon is required to pay the tariffed switched access rate contained in MECA's MPSC Tariff No. 25 to the Rural ILECs for each access "minute of use" for calls that are terminated on a Rural ILEC's facilities.

7. More specifically, this portion of the dispute between the parties centers upon how the terminating minutes of use are calculated. Until recently, in the absence of measured actual usage, terminating minutes of use were estimated or derived by using a ratio known as a Terminating-to-Originating ratio, or a "T/O ratio." As a result of MPSC Case No. U-9590, Verizon had paid the affected Rural ILECs based on estimated terminating minutes of use calculated pursuant to agreed-upon T/O ratios.[2] These T/O ratios were used to derive or estimate the number of access minutes of use for calls where Verizon is the toll carrier of the calls that terminate in the Rural ILECs' exchanges. The number of terminating access minutes of use is derived from the number of originating access minutes of use. Rural ILECs provide originating access and can identify the toll carriers who carry the originating toll calls from the Rural ILEC exchanges to other exchanges. The Rural ILECs can also identify the minutes of use for

[2] Case No. U-9590 was an application filed by MECA on behalf of its then 36 member companies seeking authority to revise its MPSC Tariff No. 25 to establish new rates and charges for access service. In the Commission's November 21, 1990, Order in Case U-9590, the Commission ordered the continued use of the current T/O ratios by adopting a settlement agreement entered into between the parties, stating in relevant part, "Existing terminating and originating access minute of use ratios will continue to be used by MECA member companies for purposes of billing access charges."

originating toll calls. The T/O ratio is applied to the originating minutes of use of each toll carrier that originates calls from a Rural ILEC exchange to derive or estimate terminating minutes of use for that same toll carrier (when measuring capability does not exist in the terminating direction). The toll carrier then pays the Rural ILEC the tariffed rate in MECA's MPSC Tariff No. 25 multiplied by the derived or estimated terminating minutes of use.

8. In March 2005, Verizon notified several Rural ILECs that it intended to discontinue providing originating intraLATA toll service in their exchanges. A T/O ratio cannot be used to estimate terminating usage after Verizon discontinues originating service in an exchange since, with zero originating usage, it mathematically cannot produce a result. In addition, Verizon, on March 31, 2005, notified several Rural ILECs that Verizon was no longer willing to pay based on estimated usage derived from the T/O ratio methodology. Verizon declared that it would provide a report identifying "processed" minutes of use "to be used in the invoicing process." Verizon further directed the MECA companies to resubmit their invoices for February 2005. Subsequently, on April 21, 2005, Verizon indicated to MECA that estimates should not be used when actual usage is available.

9. MECA agrees with Verizon that actual usage is preferable and that charges should be based on actual usage when actual usage is available, accurate, and verifiable. In this regard, each of the Rural ILECs with an exchange that subtends a Verizon tandem now has the capability to measure and record actual usage for both terminating and originating traffic. Most of the Rural ILECs are now billing Verizon based on the measured actual usage that they record at their end offices. The Rural ILECs changed from billing based on derived usage to billing based on measured actual usage when their switches became capable of doing this, with many of them making the necessary changes when Verizon discontinued providing originating toll

service in their exchanges. These Rural ILECs measure terminating actual usage at the end office and bill it to Verizon in accordance with the well-established Residual Usage Methodology.

10. Verizon disagrees, however, with the manner in which the usage is determined and billed to Verizon, and Verizon is paying only for usage that Verizon determines is appropriate in accordance with its own usage derivation system, known as the IntraLATA Terminating Access Compensation ("ITAC") system. Verizon even indicated that it was retroactively altering its payments for two years prior to its discontinuance of toll service to substitute its derived ITAC usage for the usage from the agreed-upon T/O ratios.

11. The Residual Usage Methodology that is used by the Rural ILECs is based on measured actual usage and is the proper methodology for billing Verizon for terminating toll access service.

12. Verizon has attempted to impose its derived ITAC usage on the Rural ILECs while it has chosen not to utilize other alternatives, such as dedicated trunks, sending signaling information with each call, or sending appropriate electronic call detail records on a monthly basis after the fact.

13. Some toll carriers have installed dedicated trunks over which only that toll carrier's traffic travels. Under these circumstances, the Rural ILECs know that all calls that terminate in the exchange on that dedicated trunk belong to that toll carrier. Dedicated trunks eliminate the need for derived usage because all terminating minutes in those trunks can be actually measured at the end office and the terminating carrier can be identified. Verizon, however, has refused to dedicate a trunk group over which 100 percent of Verizon's calls would travel.

14. Verizon and some toll carriers terminate calls on the Rural ILECs' networks by use of common trunk groups. In these cases, the tandem company could send signaling information with each call to identify the carrier and jurisdiction of the call. Alternatively, the tandem company could send electronic call detail records after the fact to identify the carrier and jurisdiction of each call. Verizon can record at its tandem all information for all traffic carried by toll carriers other than Verizon, including the identity of the toll carrier, by way of a carrier identification code ("CIC") or Originating Company Number ("OCN"). When the toll carrier's CIC or OCN is forwarded as part of the call detail records to the appropriate end office, the call detail records are the basis for the billing of actual measured terminating minutes of use. Verizon, however, does not include with these call records any information for calls for which Verizon itself is the toll carrier.

15. Verizon has the ability to identify all calls including its own, but has failed to do so.

16. Verizon is now attempting to dictate the use of ITAC. However, all information and processing regarding the ITAC system is under Verizon's control, and its use would allow the access customer (i.e., Verizon in this case) to specify its own usage instead of allowing the access service provider (i.e., the Rural ILECs in this case) to bill for the services it renders. The Rural ILECs are not obligated to be forced by an access customer to use a methodology to derive usage that is unproven, and is developed and controlled by the access customer itself.

17. Nothing in MECA's MPSC Tariff No. 25 or any Commission order suggests to give any single access customer, such as Verizon, the opportunity or right to dictate the method to be used for derivation or estimation of terminating usage. MECA and the Rural ILECs are responsible for implementation of Tariff No. 25 and they have complete authority to offer

service under the rates, terms, and conditions that they establish. Verizon has the option to purchase a tariffed service, but Verizon cannot mandate the methodology to measure, derive or estimate terminating minutes of use. The effect of Verizon's edict is that it will pay significantly less total switched access charges than it should because Verizon's ITAC methodology grossly underestimates Verizon's level of terminating minutes of use.

18. Verizon attempted to unilaterally implement the use of its ITAC methodology and notified MECA and the Rural ILECs that invoices for February 2005 and going forward would be revised to reflect Verizon's minutes of use. Verizon also notified the Rural ILECs that it was making retroactive changes to compensation paid for bills rendered prior to that time, while the T/O ratios were in effect. Because of this, Verizon is in arrears for toll access bills. The Rural ILECs are entitled to payment based on the T/O ratios previously agreed upon in Case No. U-9590 through April 2005, to payment based on the Residual Usage Methodology when it was implemented by the Rural ILECs, and to late fees pursuant to MECA's MPSC Tariff No. 25 for all payments withheld.

19. The usage derived by Verizon's ITAC methodology results in the payment of terminating switched access charges significantly less than Verizon would pay if it were billed for actual measured terminating minutes of use. Verizon measures terminating traffic for other toll carriers (other than Verizon) at its tandem. Thus, Verizon is attempting to force the Rural ILECs to give Verizon a competitive advantage over other toll carriers by imposing its ITAC methodology and refusing to compensate the Rural ILECs based on actual measured terminating minutes of use.

20. Verizon's imposition of its ITAC methodology to pay the Rural ILECs for terminating calls would result in discriminatory and advantageous treatment as compared with

other telecommunications providers. The Rural ILECs are currently billing other toll carriers for their actual terminating minutes of use. Verizon is unilaterally attempting to impose use of its ITAC methodology to gain a competitive advantage over other carriers by forcing the Rural ILECs to bill Verizon a proportional total access bill significantly less than other toll carriers whose usage is measured. The total access charge bill to Verizon under its ITAC methodology is significantly less than Verizon would pay if the companies measured Verizon's terminating minutes of use.

21. As a result of Verizon's inappropriate attempts to substitute its own ITAC-based usage for the usage derived from the agreed-upon T/O ratios and for the actual usage measured by the Rural ILECs, Verizon has significantly underpaid its terminating toll access bills.

22. Also, with regard to terminating toll access traffic, Verizon continues to send traffic to the Rural ILECs that is not properly identified. As the tandem provider, Verizon is responsible for termination charges for any traffic that it sends to the Rural ILECs that is not properly identified.

23. Contrary to Verizon's position, the "from"-number is not sufficient to identify and bill carriers. Proper identification requires signaling information or electronic call detail records.

24. Another issue related to terminating toll access traffic relates to Unbundled Network Element-Platform (UNE-P) traffic. UNE-P or its replacement is the responsibility of UNE-P wholesaler, and the MECA members do not have to subtract that usage as identified traffic under the Residual Usage Methodology.

Local Transport and Termination Service

25. The second area of dispute relates to the Rural ILECs' charges for terminating

Verizon's local calls that are sent to the Rural ILECs. The Rural ILECs provide services to Verizon to terminate local calls in their exchanges when Verizon has specified in its local tariff that its local service area for Extended Area Service or Expanded Local Calling includes the nearby Rural ILEC exchanges. The Rural ILECs bill for their local termination services pursuant to the rates, terms and conditions specified in MECA's Local Transport and Termination Service tariff, MPSC Tariff No. 23(R), or the Rural ILEC's applicable individual-company EAS Termination or Local Call Termination tariff, MPSC Tariff No. 10(R).

26. Verizon is not paying for terminating local traffic in situations where the Rural ILEC does not have an interconnection agreement with Verizon.

27. The Rural ILECs are all classified as "rural telephone companies" under federal law, and they are allowed to establish "arrangements" for the transport and termination of telecommunications with no obligation to negotiate interconnection "agreements." See 47 USC 251(b)(5), (c)(1), and (f)(1). The Rural ILECs have satisfied the federal requirement to establish these arrangements by filing their applicable tariffs.

28. Verizon has accepted the services rendered by the Rural ILECs and has received the benefit of these services.

29. Verizon has improperly withheld payment for legitimate charges for termination of local calls.

30. Verizon is responsible for local call termination charges pursuant to tariff. Verizon has breached the explicit and/or implied contract between the parties that is set forth in the tariff and Verizon would be unjustly enriched by accepting the Rural ILECs' services without paying for them.

Originating Toll Access

31. The third area of dispute relates to originating toll access service. Verizon has not paid for some originating toll access traffic where Verizon was the end user's pre-selected toll carrier and therefore was the originating toll access purchaser. The Rural ILECs billed Verizon for this traffic under MECA's intrastate access service tariff, MPSC Tariff No. 25.

32. Verizon has given no legitimate explanation for the failure to pay for this traffic but apparently takes the position that it is not responsible for this traffic when the traffic terminates to a CMRS provider or facility-based CLEC. Verizon accepts no responsibility for originating toll access charges for calls that terminate to NPA-NXXs that are assigned to CMRS providers or facility-based CLECs.

33. Verizon clearly was the toll carrier for the customer originating the call and therefore clearly was the originating access purchaser. Verizon also has accepted the toll revenues that were collected from the toll customers for these calls.

34. Verizon has violated the applicable tariff and is responsible for the unpaid charges for originating toll access service.

Billing and Collection

35. The fourth area of dispute relates to billing and collection services that were provided in connection with originating toll access service. Verizon is not paying for some billing and collection services where Verizon was the originating toll carrier. The Rural ILECs billed Verizon under a billing and collection annex to an umbrella agreement with each company, entitled "Agreement for the Provision of Telecommunications Services and Facilities."

36. Sample copies of the annex and agreement accompany the testimony of Mr. David S. McCartney that is filed in support of this application. With the exception of the parties

and dates, the terms of the agreements are identical. Verizon has the agreements in its possession, and MECA reserves the right to supplement this filing with information obtained from Verizon after discovery.

37. Verizon is not paying for billing and collection services when the same usage is involved as in the originating access charge issue. In other words, Verizon is not paying when it was the toll carrier and the call terminated to an NPA-NXX assigned to a CMRS provider or facility-based CLEC.

38. The calls relating to the billing and collection services were originated by Verizon's toll customers and the Rural ILECs provided services to Verizon to collect toll revenues from Verizon's customers and remitted those revenues to Verizon. Verizon accepted the remitted toll revenues.

39. There is no legitimate reason for Verizon to withhold payment for the services rendered.

40. Verizon is responsible for outstanding bills for billing and collection services rendered by the Rural ILECs. Verizon has breached its agreements with the Rural ILECs by refusing to pay for these services.

AMOUNTS DUE

41. The amounts due are specified in the testimony and exhibits of Mr. David S. McCartney, which accompany this application. Other amounts have accrued and continue to accrue on a monthly basis as the dispute continues. Verizon is also responsible for late payment fees on all amounts overdue.

42. This application is supported and explained further by the direct testimony and exhibits of Mr. David F. Freeman and Mr. David S. McCartney.

WHEREFORE, MECA respectfully requests that the Commission provide for a contested case hearing to resolve the dispute between the Rural ILECs and Verizon. Further, MECA respectfully requests that the Commission issue an order that:

A. Declares that Verizon must pay for all terminating toll access calls based upon the T/O ratios previously agreed to in Case No. U-9590 for time periods when measurement of actual usage was not available.

B. Declares that Verizon must pay for all terminating toll access calls based on actual usage determined by the Rural ILECs after they implemented the Residual Usage Methodology.

C. Declares that the Residual Usage Methodology, as described by Mr. McCartney, continues to be a proper and legitimate method of measuring and billing actual terminating usage.

D. Declares that unidentified traffic is the responsibility of the tandem provider and that the tandem provider can pass back any charges.

E. Declares that the "from"-number is not sufficient to identify and bill carriers.

F. Declares that UNE-P or its replacement is the responsibility of UNE-P wholesaler and the Rural ILECs do not have to subtract that usage as identified traffic under the Residual Usage Methodology.

G. Finds that Verizon owes the full amount of charges for originating toll access as billed by the Rural ILECs.

H. Declares that Verizon owes billing and collection fees based on the usage submitted by the Rural ILECs.

I. Declares that Verizon must pay local transport and termination charges for termination of local traffic pursuant to the Rural ILECs' applicable tariffs.

J. Allows the assessment of late payment fees for amounts due from Verizon per the applicable tariff.

K. Declares and grants MECA such further and additional relief as the Commission deems appropriate.

Respectfully submitted,

FOSTER, SWIFT, COLLINS & SMITH, P.C.

Dated: May 30, 2006 By: Ron Richards Digitally signed by Ron Richards DN: cn=Ron Richards, c=US, o=Foster Swift Date: 2006.05.30 13:50:50 -04'00'

Glen A. Schmiege (P37112)
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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *d/b/a* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.

Case No. U-14905

TESTIMONY OF DAVID S. McCARTNEY ON BEHALF OF THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC.

Dated: May 30, 2006

INTRODUCTION AND QUALIFICATIONS

Q. Please state your name and business address.

A. My name is David S. McCartney, and my business address is 2803 US 41 West, Marquette, Michigan 49855.

Q. By whom are you employed and in what capacity?

A. The firm of McCartney & Company, P.C., Certified Public Accountants, employs me. I am Vice President of the firm and Manager of our Marquette office. In addition, I am responsible for supervising special studies, rate-setting and regulatory issues related to the telecommunications industry.

Q. Are you a Certified Public Accountant?

A. Yes, I am a Certified Public Accountant and registered in the State of Michigan.

Q. Would you detail your educational background?

A. I graduated from Michigan Technological University in 1976 with a B.S. in Mathematics. In 1979, I received my M.B.A., with an emphasis in finance, from the University of Notre Dame.

Q. Mr. McCartney, would you explain your experience in the field of telecommunications?

A. Since 1971, the firm of McCartney & Company, P.C. or its predecessors have employed me at various times to help on various engagements for many telephone companies in the state of Michigan.

With McCartney & Company, P.C., and its predecessors, I have supervised many audits of telephone companies and have had responsibility for preparing the mathematical analyses of various telephone plant account lives to arrive at proposed lives and salvage values.

I have developed general ledger systems to properly account for access. Also, I have worked on projects for the independent telephone industry, including the Telecommunications Association of Michigan ("TAM") and the Michigan Exchange Carriers Association ("MECA"), regarding access charges, average schedule access settlements, pooling operations, and deferred tax accounting. I served MECA for several years as assistant pool administrator.

Within our firm, I am the subject matter expert on items related to toll and local access and the respective cost studies and issues. Additionally, I have been involved in many engagements of a general nature regarding accounting and taxes.

Q. Have you ever testified before the Michigan Public Service Commission?

A. Yes, I have. I have testified for Kingsley Telephone Company in Case No. U-6690 regarding a study that I had prepared projecting operating results for ten years. I also testified for Michigan Bell Telephone Company in Case No. U-9214 regarding the validity of Michigan Bell's assertion that the transfer price of net book for the mobile service and assets of Michigan Bell, taken as a whole, is greater than the fair market value. I have also testified in Case No. U-9007 regarding the revenue requirements and demand data for the MECA intrastate intraLATA access pool. I have testified for MECA in its intrastate access rate case,

Case No. U-9590, regarding (a) how the data from MECA's member companies were compiled; (b) how the projected demand quantities were determined; (c) how projected revenue requirements were determined; (d) how the revenues that MECA's members would generate based on the demand quantities and MECA's intrastate tariff; and (e) the mechanism that MECA proposed for recovery of the difference between MECA's revenue requirement and MECA's projected revenues from mirrored rates. I have testified for Baraga Telephone Company in Case Nos. U-10533 and U-10930 on the rates to be charged for various basic local exchange services. I have testified for Allendale Telephone Company in Case No. U-10779 regarding rate changes for certain basic local exchange services, discontinuing certain services, and filing revised tariff sheets. I testified on MECA's behalf in Case No. U-11298 involving a dispute between MECA and Ameritech regarding Feature Group C terminating switched access service. I also testified in Case No. U-11446 for Ace Telephone Company *et al*. regarding the justness and reasonableness of these companies' filed local call termination rates. Further, in Case No. U-11898 I testified and prepared exhibits in support of Kaleva Telephone Company's request to (i) restructure the rates of certain basic exchange services, and (ii) file revised tariff sheets. In Case No. U-11899, I testified on behalf of TAM in relation to the establishment of a Michigan Universal Service Fund. In Case No. U-12146, I testified on behalf of Lennon Telephone Company in relation to Lennon's request for authority to restructure the rates of certain basic local exchange services. In Case No. U-12168, I testified on behalf of Baraga Telephone Company in relation to Baraga's request for authority to restructure the rates of certain basic local exchange services. I prepared testimony and exhibits on behalf of Allendale Telephone Company in Case No. U-13436, on behalf of Deerfield Farmers' Telephone Company in

Case No. U-13449, on behalf of Ace Telephone Company of Michigan in Case No. U-13489, on behalf of Westphalia Telephone Company in Case No. U-13605, on behalf of Waldron Telephone Company in Case No. U-13533, on behalf of Ogden Telephone Company in Case No. U-13606, on behalf of Carr Telephone Company in Case No. U-13760, on behalf of Sand Creek Telephone Company in Case No. U-13625, on behalf of Pigeon Telephone Company in Case No. U-14195, on behalf of Chapin Telephone Company in Case No. U-14438, and on behalf of Hiawatha Communications Inc. (for its four operating companies Chippewa Telephone Company, Hiawatha Telephone Company, Midway Telephone Company and Ontonagon County Telephone Company) in Case U-14456 to provide support for their proposals to expand their local calling areas and to adjust their rates for basic local exchange service.

Q. On whose behalf are you testifying?

A. I am testifying on behalf of MECA and its affected members, who I refer to as the "Rural ILECs". The most directly affected Rural ILECs are those who have exchanges behind a Verizon tandem switch. More specifically, these companies are Blanchard Telephone Company, Bloomingdale Telephone Company, Chapin Telephone Company, Communications Corporation of Michigan, Deerfield Farmers' Telephone Company, Ogden Telephone Company, Sand Creek Telephone Company, Westphalia Telephone Company, Winn Telephone Company, and Upper Peninsula Telephone Company. Other Rural ILECs are less directly affected but nevertheless have an interest because of Verizon's claims regarding its usage for its intraLATA toll and local calls terminating through other tandems throughout the state.

Q. Please describe MECA.

A. MECA is an association whose membership is comprised of 33 small incumbent local exchange carriers ("ILECs") in Michigan. MECA's members generally serve the rural areas of the state. MECA's members provide basic local exchange service and access service. MECA has been involved since its inception in 1987 in representing these ILECs before the Commission, in administering the access and other tariffs that are filed on their behalf, and in providing information, representation, and general assistance to its members in inter-company relations, legislative matters, and general business matters relating to telecommunications issues of interest to its members. MECA has been involved in many proceedings at the Michigan Public Service Commission ("MPSC") on their behalf, including Case No. U-11298, involving the attempts by Ameritech Michigan (now AT&T Michigan) to impose changes in terminating access usage on the Rural ILECs, similar to Verizon's attempts here.

Q. In the course of your employment either at McCartney & Company or otherwise, have you dealt with issues relating to switched toll access service and usage?

A. Yes. I have had extensive training regarding switched toll access service, including many industry seminars. I also testified on behalf of MECA in Case No. U-9590 and Case No. U-11298, which have relevance to the current dispute because they involved issues regarding terminating switched toll access. My duties as an independent auditor have required me to test access bills and the systems that collect that data. Additionally, I lectured at a Rural Electrification Administration CPA seminar on what the auditor should know about toll access service. I also was a presenter at the National Exchange Carrier Association's

phantom traffic seminar in 2004.

Q. Have you also dealt with local transport and termination service?

A. Yes. Local Transport and Termination Service ("LTTS"), also known as Extend Area Service ("EAS") Termination or Local Call Termination, involves the use of a LEC's facilities to transport and terminate local or EAS calls. The MPSC initially ordered this service to be implemented in 1997. I was actively involved with ILEC industry during this time to determine how this service would be implemented, to develop tariffs for the service, and to support those tariffs before the MPSC. When the Michigan Telecommunications Act ("MTA") required expanding the local calling area to include, at a minimum, all adjacent intrastate exchanges, MECA's members needed to offer a means for these calls to be terminated in their exchanges. In order to accomplish this, MECA introduced MPSC Tariff No. 23(R) titled Local Transport and Termination Service, which included individual-company rates based on their specific Total Service Long Run Incremental Cost ("TSLRIC") studies approved by the MPSC. I was actively involved in the writing of that tariff. Prior to filing the tariff, MECA informed all the parties in Consolidated Case No. U-12515 and U-12528, the Commission proceedings that addressed implementation of expanded local calling, that the Rural ILECs intended to use this tariff. I assisted MECA when it prepared and filed testimony and briefs and also when it filed comments in the implementation plan phase regarding use of the tariff.

Q. Have you dealt with billing and collection service?

A. Yes. The Rural ILECs that I have been involved with have been offering billing and

collection services to interexchange toll carriers ("IXCs") since 1984. Billing and collection service includes, for those IXCs who choose to purchase this service, the following:

1) Record the toll call,
2) Accept toll call records recorded by IXC or others for that IXC,
3) Rate the toll record per that the IXC's instructions/tariffs,
4) Place the charges on the appropriate customer's bill,
5) Mail the bill out,
6) Answer inquiries from the customers about charges on that customer's bill, and
7) Provide copies of that IXC's call records.

I assisted ILECs in originally setting up their billing and collection systems, in operating those systems, and in negotiating rates for those services after it was determined that billing and collection service was no longer rate-regulated.

PURPOSE

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to address each of the issues that are involved in the dispute with Verizon North, Inc. and Verizon North Systems, who I will refer to jointly as "Verizon." More specifically, I will explain the dispute regarding usage and why Verizon has improperly withheld payment for (1) terminating toll access service, (2) terminating LTTS or EAS Termination service, (3) originating toll access service, and (4) billing and collection service. I will also quantify the amounts due to the Rural ILECs.

Q. How specifically will you address these issues?

A. I will do the following:

(1) describe in detail the dispute that the Rural ILECs have with Verizon;

(2) describe Verizon's explanations for its actions or Verizon's apparent position on each of the issues and some of the errors made by Verizon;

(3) discuss the issues and provide the rationale for my recommended resolution of each issue;

(4) identify the amount that is claimed by the Rural ILECs before late payment charges at January 31, 2006;

(5) support the application of late payment charges;

(6) identify amount that is claimed by the Rural ILECs including late payment charges at January 31, 2006; and

(7) provide an estimate of additional monthly amounts expected to be in dispute while this case is pending.

THE DISPUTE

Q. Please describe the areas of dispute between the Rural ILECs and Verizon.

A. Verizon is not paying for requested services provided by the Rural ILECs and billed by the Rural ILECs to Verizon in four situations.

One, Verizon is not paying for some terminating switched toll access traffic that Verizon routes through its tandem over a common toll completing trunk group to a Rural ILEC's end office switch. The Rural ILECs billed Verizon for this traffic under MECA's intrastate toll access service tariff, MPSC Tariff No. 25.

Two, Verizon is not paying for terminating local traffic in situations where the Rural ILEC does not have an interconnection agreement with Verizon. Verizon routes this local traffic in one of two manners to Rural ILECs. Manner one is through a Verizon tandem over a common toll completing trunk group to a Rural ILEC's end office switch to an end user served by that switch. Manner two is through a Verizon end office over a direct trunk group to a Rural ILEC's end office switch to an end user served by that switch. In both cases, the Rural ILEC billed Verizon for this traffic under MECA's LTTS tariff, MPSC Tariff No. 23(R) or the ILEC's applicable individual-company EAS Termination or Local Call Termination tariff, MPSC Tariff No. 10(R).

Three, Verizon was not paying for some originating toll access traffic where Verizon was the end user's pre-selected toll carrier and therefore was the originating toll access purchaser. The Rural ILECs billed Verizon for this traffic under MECA's intrastate access service tariff, MPSC Tariff No. 25.

Four, Verizon is not paying for some billing and collection services where Verizon is the originating IXC. The Rural ILECs billed Verizon under a billing and collection annex to an umbrella agreement with each company, entitled "Agreement for the Provision of Telecommunications Services and Facilities."

Q. How do the Rural ILECs bill Verizon for the services rendered?

A. The Rural ILECs submit monthly invoices to Verizon for these services. The Rural ILECs bill for usage based on their switches' recorded information and call detail records provided

by Verizon. In the past and in a few current situations, when terminating information was or is not recorded, the Rural ILECs derived terminating access usage by applying a terminating-to-originating (T/O) ratio that was mutually agreed upon with Verizon in Case No. U-9590. The Rural ILECs then apply the applicable tariff or contract rates to the usage for the services provided and submit bills to Verizon for the total amount due for the services provided.

Q. When did the dispute arise?

A. Beginning in about July 2005, Verizon notified the Rural ILECs that beginning with the March 2005 billing cycle for services provided in February 2005, Verizon was going to revise the switched access invoices and billing and collection invoices. Further, Verizon indicated that it was going to pay only on these revised invoices and that Verizon would be making similar changes to the Rural ILECs' switched access invoices and billing and collection invoices in the future. Verizon made these changes unilaterally based on its own figures for (1) terminating switched access, (2) originating switched access, and (3) billing and collection services. In addition, Verizon notified the Rural ILECs that it was going to pay zero for termination of local traffic until an ILEC-to-ILEC interconnection agreement was in place.

Q. What has happened since that time?

A. Since then, despite the objections of the affected Rural ILECs, Verizon has refused to pay to the Rural ILECs the full amount of the revenues due them for these services as billed by the Rural ILECs. Verizon has attempted to artificially reduce its bills by unilaterally substituting its own calculations without attempting to either negotiate or prove the accuracy of its

methodology. In addition, in December 2005, Verizon expanded its efforts by sending letters seeking hundreds of thousands of dollars in "refunds" for terminating toll access charges. Verizon attempted to retroactively apply usage from its own derivation methodology to time periods in 2003 and 2004 when the T/O ratios applied for most of the Rural ILECs.

Q. What is MECA seeking as a resolution to the dispute?

A. MECA seeks a declaration that the Rural ILECs are entitled to full compensation for terminating toll access (1) based on the previously mutually-agreed-upon T/O ratios used to derive terminating usage prior to measurement of actual terminating usage and (2) based on actual terminating usage measured by the affected Rural ILECs when they implemented the "Residual Usage Methodology." In connection with the Residual Usage Methodology, MECA also seeks a declaration that the affected Rural ILECs are not responsible for billing Unbundled Network Element-Platform ("UNE-P") usage to UNE-P retailers (CLECs); instead, the Rural ILECs should bill the UNE-P wholesaler as the responsible party. MECA seeks a declaration that the Rural ILECs are entitled to full payment for local termination usage from rate centers that Verizon has defined as local to the Rural ILECs' terminating exchange unless Verizon has identified another carrier as the responsible party, in accordance with the Rural ILEC's applicable tariff. MECA seeks a declaration that the Rural ILECs are entitled to full payment for originating toll access based on the actual usage recorded at the Rural ILECs' switches. MECA also seeks a declaration that the Rural ILECs are entitled to full payment for billing and collection services based on the recorded and billed toll usage for originating calls. Verizon should also be ordered to pay the outstanding bills plus late payment charges.

VERIZON'S POSITIONS REGARDING THE DISPUTE

Q. What is Verizon's explanation or apparent position for not paying fully for terminating switched toll access traffic routed through Verizon's tandems over common toll completing trunk groups to Rural ILECs' end offices?

A. It is my understanding that Verizon has stated that it is only going to pay for usage that is derived from its IntraLATA Terminating Access Compensation ("ITAC") system. Verizon erroneously asserts that the ITAC information represents actual terminating usage; whereas it has been shown that the results of ITAC are derived from originating usage. Further, Verizon insists that its derived summary usage must be used in all cases in lieu of T/O ratios or usage measured and billed using the Residual Usage Methodology.

Q. How does Verizon identify other carriers' traffic that it routes from its tandems on the same trunk groups as Verizon's own traffic?

A. For non-intraLATA-only (Feature Group D) toll carriers, Verizon claims that it is sending 100% of the terminating records after the fact. This claim, however, is unverifiable. Verizon does not send sufficient information with terminating switched toll access calls to identify the FGD carrier so that the Rural ILECs can bill that carrier, and Verizon accepts no responsibility to pay for these unidentified calls.

Q. What is Verizon's explanation or apparent position regarding Verizon's responsibility to identify intraLATA-only carriers?

A. For intraLATA-only (Feature Group C) toll carriers' traffic, Verizon claims the terminating company can identify the FGC carrier based on the "from"-number, which is provided by

Verizon. (The "from"-number is the telephone number associated with the calling party, the number from which the call is sent.) Since Verizon in most cases forwards the "from"-number, Verizon claims it has no responsibility to the terminating carrier to provide any additional information along with the call, including the identity of the carrier to be billed, or to provide call detail records for these calls at a later date, as it does for FGD traffic. While Verizon currently provides call detail records for FGD traffic that is routed through a Verizon tandem, it does not do so for itself, for AT&T Michigan, or for other carriers who use FGC signaling, including CMRS providers and facility-based CLECs. Even though the Rural ILECs cannot identify the originating carrier that would normally be billed for terminating access charges based on the "from"-number, Verizon will not provide the necessary call record information after the fact, as it does with FGD. Verizon accepts no responsibility for the terminating charges for those calls, even though it is very likely that Verizon-originated traffic is included and Verizon's share could be substantial. As with FGD, Verizon does not send sufficient information with terminating switched toll access calls to identify the FGC carrier so that the Rural ILECs can bill that carrier, and Verizon accepts no responsibility to pay for these unidentified calls.

Q. What is Verizon's explanation or apparent position for not paying for terminating local traffic that Verizon routed in one of the two manners you discussed for those Rural ILECs that do not have an interconnection agreement with Verizon?

A. My understanding is that Verizon accepts no financial liability to pay for termination of its local traffic outside that listed in an interconnection agreement between Verizon and each Rural ILEC. For those Rural ILECs that do not have an interconnection agreement with

Verizon, Verizon accepts no liability even though Verizon is well aware of the Rural ILECs' tariffs and did not object to their use when they were first filed. For those Rural ILECs that do have traditional EAS interconnection agreements with Verizon, Verizon holds it has no liability to those Rural ILECs beyond the exchanges listed in those agreements. Verizon is paying only charges related to traffic from those exchanges identified in the EAS interconnection agreements even though it is routing most of its local terminating traffic from other exchanges not covered by those agreements.

Q. What is Verizon's explanation or apparent position for not paying for a portion of the originating toll access traffic where Verizon is the end user's pre-selected toll carrier?

A. It is my understanding that Verizon accepts no responsibility for originating toll access charges for calls that terminate to NPA-NXXs that are assigned to CMRS providers or facility-based CLECs. Verizon takes this position even though Verizon clearly is or was the toll carrier for the customer originating the call and therefore clearly was the originating access purchaser.

Q. What is Verizon's explanation or apparent position for not paying for some billing and collection services where Verizon is the originating toll carrier?

A. It is my understanding that Verizon is not paying for billing and collection services when the same usage is involved as in the originating access charge issue I just mentioned. In other words, Verizon is not paying when it is the toll carrier and the call terminates to an NPA-NXX that is assigned to a CMRS provider or facility-based CLEC. In essence, Verizon's position is that if it is not the originating (FGC) carrier, how could it be responsible for the

originating billing and collection charges. I do not know how Verizon can take this position since the calls are originated by Verizon's toll customers and the Rural ILECs provided services to Verizon to collect toll revenues from Verizon's customers and remitted those revenues to Verizon. For some inexplicable reason, Verizon doesn't acknowledge that it is the originating toll carrier for these calls. However, Verizon has accepted the remitted toll revenues.

DISCUSSION OF THE ISSUES

ISSUE ONE: NONPAYMENT OF TERMINATING ACCESS BILLING FOR TOLL TRAFFIC

Q. Is there merit to Verizon's claims regarding terminating switched access charges for toll traffic?

A. No. Verizon is the responsible party for all terminating switched access charges as billed to Verizon by the affected Rural ILECs.

Q. Are there different ways that usage was determined for billing Verizon for intrastate terminating switched toll access usage?

A. Yes, there are two different ways. The first is when the end offices were not able to record terminating usage and they used T/O ratios to derive usage. The second is when the end offices acquired the capability to record actual terminating usage and the T/O ratios were replaced with measurement of actual usage. Verizon is not paying the bills that were rendered for terminating switched access traffic in both situations.

Q. Is Verizon responsible for the terminating switched access charges as billed in both situations?

A. Yes.

Q. How do you support your conclusion that Verizon is responsible for these terminating switched toll access charges?

A. My conclusion is based in part on the language in MECA's intrastate access tariff, MPSC Tariff No. 25, related to measuring and routing terminating intrastate access minutes of use. Exhibit A-___(DSM-1) consists of the relevant pages from the MECA tariff. The tariff language gives the authority to "the Telephone Company," which is the access provider, to measure traffic. Nowhere does it give the access customer the authority to substitute its determinations of traffic usage for those of the access provider. Similarly, the tariff language gives "the Telephone Company" the authority to make determinations regarding routing. Nowhere does the tariff give this right to the access customer. In addition, the tariff language clearly allows the access provider to use derived usage if the access provider does not have measurement capability.

With regard to the measurement of FGC switched access terminating traffic, this tariff states:

6.7 Description and Provision of Feature Group C (FGC) (Cont'd)

6.7.4 Measuring Access Minutes

> Customer traffic to end offices will be measured (i.e., recorded) *by the Telephone Company at end office switches* or access tandem switches. Originating and terminating calls will be measured (or imputed) *by the Telephone Company* to determine the basis for computing chargeable access minutes.

For terminating calls over FGC *when measurement capability exists*, the measured minutes are the chargeable access minutes.

Terminating Usage

For terminating calls over FGC the chargeable access minutes are *either measured or derived*. For terminating calls over FGC *where measurement capability does not exist*, terminating FGC usage is *derived* from originating usage, excluding usage from calls to closed end services or Directory Assistance Services. [Emphasis added].

Related to the measurement of FGD switched access terminating traffic, this tariff states:

6.8 Description and Provision of Feature Group D (FGD) (Cont'd)

6.8.4 Measuring Access Minutes

Customer traffic to end offices will be recorded *at end office switches* or access tandem switches. Originating and terminating calls will be *measured or derived* to determine the basis for computing chargeable access minutes.

Terminating Usage

For terminating calls over FGD the chargeable access minutes are either *measured or derived*. For terminating calls over FGD, *where measurement capability does not exist*, terminating FGD usage is *derived* from originating usage, excluding usage from calls to closed end services or Directory Assistance Services. [Emphasis added].

Q. Is the language that you have cited fairly standard or established tariff language?

A. Yes. This language was adopted when switched access services were first introduced. This language or very similar language has been used since January 1, 1984, in the interstate access tariffs of the National Exchange Carrier Association ("NECA") and in other tariffs. Originally, all ILECs, including Verizon's predecessors, used NECA's interstate access tariff. NECA's tariff is still used by about 1,000 ILECs. The language from NECA's tariff was mirrored by MECA when MECA first filed its intrastate access tariff with the MPSC. Specifically, the sections I mentioned relating to traffic measurement and routing were taken word for word from the then-applicable NECA tariff. NECA's interstate access tariff still

contains wording that is identical to the language in MECA's tariff. The language in MECA's intrastate access tariff is consistent with that used commonly in the telecommunications industry.

I have also reviewed AT&T Michigan's and Verizon's intrastate access tariffs to see if they contain language similar to that contained in MECA's intrastate access tariff regarding routing and measuring of intrastate access traffic. AT&T Michigan and Verizon both have very similar language that pertains to measuring intrastate switched traffic. Exhibit A-___ (DSM-2) shows this language.

In summary, the language from Verizon's current intrastate switched access tariff essentially says the same thing that MECA's current intrastate switched access tariff says. That is, the usage to be billed to the access customer will be based on the measurements performed by the end office providing the access service being purchased.

Q. Does the MECA tariff language support the Rural ILECs' billing in both the situation where T/O ratios were used and the situation where there is measurement of actual usage?

A. Yes.

Q. Please explain the situation where the end office switches were not able to record terminating usage and T/O ratios were used.

A. When access charges were introduced in 1984, no Rural ILECs' end office switches could record terminating usage. These end offices were dependent upon the access tandem to record terminating usage and forward those records to the owner of the terminating office.

Originally this occurred for all interexchange carriers except three: AT&T, Michigan Bell (now AT&T Michigan), and GTE North (now Verizon). For these three carriers an elaborate system was set up to derive their terminating access usage. That system produced a result that is known in the industry as a T/O ratio.

Q. Would you explain what you mean by T/O ratio?

A. T/O ratio, which stands for terminating-to-originating ratio, was devised for those circumstances where the terminating usage could not be measured so that the terminating end office could be compensated for use of its network. The use of the T/O ratio is based on the theory that the overall relationship of originating to terminating calling patterns is relatively stable over time and therefore the terminating usage for an interexchange carrier can be derived if one knows two pieces of information: (1) the originating usage for a particular end office for a given period and (2) the historical relationship between terminating and originating usage for that same end office.

Q. When should T/O ratios be used?

A. They should be used for billing terminating usage when neither the terminating tandem company nor the terminating end office can record terminating switched toll access traffic for toll carriers, including the tandem company itself. Since Verizon's terminating usage was not measured by Verizon's tandem and could not be measured by the Rural ILECs' end offices, a T/O ratio needed to be used.

Q. What is the basis of the T/O ratios used by the affected Rural ILECs that could not measure terminating traffic?

A. In Case U-9590, MECA relied on T/O ratios that had been mutually developed based on historical relationships. The parties in Case No. U-9590, including Verizon (then known as GTE North), agreed to determine billable terminating minutes of use based on the T/O ratios that were then in effect and to continue the use of those T/O ratios until actual usage became available or unless otherwise agreed to between the parties. When an individual Rural ILEC end office obtained the ability to measure actual usage, that end office had to bill, as specified in MECA's intrastate switched toll access tariff, based on that measured actual usage.

Q. Have any of MECA's members ever agreed to change the T/O ratios agreed to in Case No. U-9590?

A. Yes. Those companies that subtend an AT&T Michigan tandem negotiated a new arrangement in 1997 with AT&T Michigan, then known as Ameritech Michigan, and agreed to update their T/O ratios and to review and adjust the T/O ratios on a periodic basis.

Q. Has Verizon ever requested that MECA or any of the affected Rural ILECs change the T/O ratios agreed to in Case No. U-9590?

A. No. But in July 2005, Verizon notified the affected Rural ILECs that Verizon was unilaterally changing the billing arrangement between the parties, as shown in Exhibit A-_____ (DSM-3), which contains printed copies of the e-mail messages sent to the affected Rural ILECs, with the exception of Ogden Telephone Company, which received a similar

notification. The notifications stated that the amount of usage for Verizon should be billed based solely on ITAC and that Verizon was implementing the change effective with data processed in February 2005. Verizon included usage data that Verizon used to recalculate amounts due to the Rural ILECs. This meant that Verizon was no longer going to pay for terminating access based on the method stated in MECA's intrastate access tariff and agreed to in Case U-9590. Instead, Verizon was only going to pay based on usage of its own determination. Verizon's unilateral change was and is contrary to the tariff that the services were purchased under, as previously noted, and to the agreement the parties reached in Case No. U-9590.

Q. What actions do you want the MPSC to take regarding this issue?

A. MECA wants the MPSC to rule that any billing done using the T/O ratios stipulated to in Case U-9590 is valid and that Verizon owes the affected Rural ILECs for all amounts billed using T/O ratios until the time the Rural ILECs began using measurement of actual usage or Verizon withdrew originating toll service.

Q. Why do T/O ratios not work when Verizon withdraws toll service?

A. At the time of Verizon's withdrawal, Verizon no longer has originating access minutes of use to which a T/O ratio can be applied to derive terminating minutes, rendering this derivation methodology obsolete for future use.

Q. Please explain the second situation that you mentioned where Verizon is not paying for terminating switched access charges that are being billed based on measured actual

terminating usage.

A. The Rural ILECs have upgraded almost all their switches in order to measure actual usage. Their equipment can now record one hundred percent of the terminating usage routed over common toll completing trunk groups that terminate at their end offices.

Each of these trunk groups was set up prior to 1984 between an end office and the tandem that connected to the end office. These trunk groups were set up to specifically carry non-local, non-EAS traffic for all carriers that did not have a direct or dedicated route to the connected end office. The only traffic that was to be routed over those common toll completing trunk groups was toll traffic subject to switched access services.

However, without the Rural ILECs' concurrence, the tandem providers now send different types of traffic over these common toll completing trunk groups. With increases in the misuse of these trunk groups to carry different types of traffic, the Rural ILECs decided to invest in upgrades to measure all terminating usage sent to them.

Q. How do the Rural ILECs use this measured usage to bill toll carriers?

A. The Rural ILECs use the measured usage by employing the Residual Usage Methodology. Exhibit A-___(DSM-4) is an exhibit showing the steps that are employed in the Residual Usage Methodology. For each common toll completing trunk group, the affected Rural ILECs begin by recording 100% of the actual terminating usage on the trunk group that is sent from the Verizon tandem. The Residual Usage Methodology procedures allow for the examination of the recorded call information to see if the identity of the carrier can be

determined for a call. If it can, that usage is billed to that carrier and subtracted from the total (100%) terminating usage recorded by the end office switch.

There are two circumstances where the terminating end office can identify the responsible party from the recorded data. If the access tandem passes the Carrier Identification Code ("CIC") of a carrier to the end office at the time of the call, the end office would identify that carrier as the responsible party. If the access tandem passes the Originating Company Number ("OCN") of a facility-based CLEC or a CMRS provider, the end office is able to identify that carrier as the responsible party to bill for that call.

Q. What is the next step in the Residual Usage Methodology?

A. The next step in the Residual Usage Methodology for the affected companies is to remove all usage that Verizon, as the tandem provider, provides in standard Category 11 01 01 or Category 11 01 20 records that identifies the responsible carrier, allowing the ILEC to bill that carrier. Under the Residual Usage Methodology, Verizon will not be billed for the usage from these records.

Q. What records is Verizon currently sending to the affected companies?

A. Currently, Verizon is sending standard Category 11 01 20 records for IXC (FGD) calls routed through its tandem except for intraLATA toll calls where Verizon is the toll carrier or where AT&T Michigan is the responsible party.

Q. Can you tell whether Verizon has sent 100% of the terminating usage?

A. Verizon has not. Prior analysis of records provided by Verizon has shown gaps where one would normally expect data.

Q. Is Verizon sending any other types of records?

A. Verizon is sending some records marked as UNE-P. I believe these records were originally recorded by an AT&T Michigan switch and that AT&T Michigan identified the party responsible for these calls as a CLEC (the UNE-P retailer) that purchased the UNE-P services from AT&T Michigan (the UNE-P wholesaler). These records are not subtracted under the Residual Usage Methodology because the UNE-P records do not properly identify the carrier.

Q. What types of traffic is Verizon routing through the tandem but not sending the related call detail records?

A. Currently, Verizon is not sending call detail records for the following types of traffic routed through its tandem to terminate to an affected Rural ILEC's end office:

1) CMRS traffic
   a. EAS Termination / Local Transport and Termination
   b. Intrastate Switched
   c. Interstate Switched
   d. No known jurisdiction
2) Faciltiy-based CLECs
   a. EAS Termination / Local Transport and Termination
   b. Intrastate Switched
   c. No known jurisdiction
3) Verizon
   a. EAS Termination / Local Transport and Termination
   b. Intrastate Switched
   c. No known jurisdiction

4) AT&T Michigan
   a. EAS Termination / Local Transport and Termination
   b. Intrastate Switched
   c. No known jurisdiction
5) Other ILECs
   a. EAS Termination / Local Transport and Termination
6) Anything else routed over the common toll completing trunk group and is not IXC (FGD) traffic.

Q. Should Verizon be able to provide call detail records for these types of traffic?

A. Yes, Verizon should. I see no technical reason why Verizon cannot do it. These call detail records should be available in electronic format, as opposed to paper or summary format. If Verizon provides electronic call detail records, the identified usage will be subtracted during the Residual Usage Methodology process.

Q. Please explain why call detail records should be available for CMRS and facility-based CLEC traffic.

A. For CMRS and facility-based CLEC traffic that is sent over a direct connection to a Verizon tandem, Verizon is most likely billing those parties for transit use of Verizon's tandem. To accurately bill those carriers for the use of Verizon's tandem, Verizon must record those parties' use of the tandem. As part of this recording process, Verizon would have recorded calls where a CMRS provider or facility-based CLEC was the originating carrier for calls that were transited through Verizon's tandem and terminated through an end office of a Rural ILEC. Even though Verizon has recorded this information, Verizon is not sending these call records to the terminating end office of the affected Rural ILEC. If the Rural ILECs received these records, the usage would be subtracted in the Residual Usage Methodology process, and Verizon would not be billed for it.

Q. Please explain why call detail records should be available for Verizon's own traffic.

A. For calls originating at Verizon Class 5 (end office) switches, Verizon has trunk groups connecting those end offices to their tandem, but Verizon is not recording those calls as they enter that Verizon tandem. I see no reason why Verizon could not record this traffic as it entered the tandem as Verizon does for other IXCs, CMRS providers and facility-based CLECs, and put Verizon on the same footing as the other carriers. Verizon would then have the call detail records available that would show Verizon as the responsible party and could pass those records to the appropriate end office. As with the types of traffic discussed previously, these calls would be removed under the Residual Usage Methodology.

Q. Please explain why call detail records should be available for AT&T Michigan and other ILECS.

A. For calls originating from other ILECs, including AT&T Michigan, that subtend a Verizon tandem, Verizon has trunk groups connecting end offices to that tandem. Again, I do not know whether Verizon is recording those calls at the tandem. However, I see no reason why Verizon could not record this traffic as it entered the tandem as Verizon does for IXCs, CMRS providers and facility-based CLECs. Verizon would then have call detail records available that would show the originating ILEC as the responsible party and could pass those records to the appropriate end office. As with the previous types of traffic, these calls would be removed under the Residual Usage Methodology.

Q. Please explain why call detail records should be available for the last type of call that you identified in your list, relating to calls routed over common toll completing trunk groups.

A. The last "type" of call that I listed is rather vague because I do not know what Verizon is routing over the common toll completing trunk group today since Verizon is not identifying the carrier for a large percentage of the traffic. Therefore, it is impossible to tell what is missing. Additionally, I do not know what type of call Verizon will route through its tandems in the future. With that said, Verizon nevertheless is in a position where is can record and pass on call information for one hundred percent of the calls as they enter its network. As with the other types of call, if Verizon provided these records, the calls would be removed under the Residual Usage Methodology process.

Q. Are there any other calls that are routed through a Verizon tandem?

A. Yes. Some calls are double-tandem calls, which are routed from another tandem to a Verizon tandem and then terminate to the Rural ILECs' end offices.

Q. Can those calls be identified?

A. In order to properly identify them, Verizon needs to require those tandems to provide Verizon a Category 11 record that identifies the carrier. If Verizon does not receive such records, Verizon should be able to hold the other tandem provider responsible for the charges that the terminating end office bills Verizon.

Q. Are there any other subtractions for properly identified traffic in the Residual Usage Methodology process?

A. Yes. If a third party provides call detail records for usage that the third party admits is its responsibility and Verizon has not already provided identification records for that usage, that usage is subtracted under the Residual Usage Methodology.

Q. After the Residual Usage Methodology backs out identified traffic, what happens next?

A. Local usage is subtracted. Local traffic is determined based on the following. If the assignee of NPA-NXX-X (the first seven digits of a telephone number) is not a CMRS provider, the local tariff of the ILEC associated with the rate center of the assigned NPA-NXX is checked to determine if that particular "from-to" combination is defined as local in that tariff. If that "from-to" is defined as local, the call is removed from the total usage recorded and set aside for local termination billing.

Where the NPA-NXX-X is assigned to a CMRS provider, these calls are not removed from the Residual Usage Methodology process at this point because the jurisdiction for CMRS provider calls is not determinable from individual call records.

Q. After you have subtracted the local usage, what happens next?

A. The final step in this process is to subtract any access usage that routes across the Verizon common toll completing trunk group for which Verizon is compensating the terminating end office outside of the switched access billing process. The remaining or "residual" usage is then billed to the tandem company, in this case Verizon.

Q. Why is it appropriate to bill the residual usage to the tandem company?

A. It is appropriate because the residual amount should consist solely of the tandem company's traffic if the tandem company sends appropriate records for all the calls that it forwards to the end office company. This methodology requires the party that accepts intraLATA toll traffic for delivery to the other party to bear responsibility for failing to identify the originating carrier. The end office company cannot bill the originating carrier if it does not have the identification information that it requires. The delivering carrier is in a superior position identify the originating carrier.

Q. What call records that are received today are not subtracted under the Residual Usage Methodology?

A. Traffic from UNE-P call records is not subtracted.

Q. Why is UNE-P traffic not subtracted?

A. The UNE-P records do not properly identify the carrier.

Q. Please explain why the UNE-P records do not properly identify the carrier.

A. The UNE-P records show the responsible party as the UNE-P retailer, not the wholesaler. However, the sale of UNE-P service does not transfer the responsibility for paying for terminating charges from the UNE-P wholesaler to the UNE-P retailer. This is the case regardless of whether it is offered under tariff or contract or whether it is renamed.

The reason that the responsibility for UNE-P traffic remains with the UNE-P wholesaler is the following:

1) UNE-P is a combination of the unbundled network elements necessary to provide basic local exchange services. It is wholesaled at a price equal to the sum of the TSLRIC of those elements, including all components of the port, which includes the cost to terminate local calls on a third party LEC's network.

2) The transport and termination of local calls is an integral part of basic local exchange service.

3) The originating basic local exchange service provider is responsible for all costs of completing local calls. This includes the payment of charges to other LECs for transport and termination of calls that the originating carrier defines as local in its tariffs.

4) Basic local exchange service carriers are required to divide their service between loop and port. Section 355(1) of the MTA states, "A provider of basic local exchange service shall unbundle and separately price each basic local exchange service offered by the provider into loop and port components and allow other providers to purchase such services on a nondiscriminatory basis."

5) The port is all of basic local exchange service other than the loop. Specifically, section 102 (x) of the MTA states, "'Port' except for the loop, means the entirety of local exchange [service], including dial tone, a telephone number, switching software, local calling, and access to directory assistance, a white pages listing, operator services, and interexchange and intra-LATA toll carriers."

6) Therefore, "port" includes the cost of the termination of local calls since this cost is an integral component of basic local exchange service and is not included in the loop.

7) In accordance with the MPSC's cost study rulings, a TSLRIC study must include all

components of all services a LEC expects to offer. Therefore, the cost of termination of a local call to other LECs must be included in a TSLRIC study since the cost of termination of a local call to other LECs is an integral part of basic local exchange service.

8) Consistent with the approach taken during the MTA-mandated TSLRIC rate restructuring proceedings, if a cost of a service is not listed separately in a LEC's TSLRIC study only one of two conclusions can be reached:

a. The cost of that service is included in another element of that study, or

b. The cost of that service is zero.

9) The cost to terminate local traffic on the Rural ILECs' networks is not zero. Their termination costs were developed in Commission-approved cost studies and their tariffs contain rates reflecting that their TSLRIC cost is something besides zero.

10) I believe that the cost to terminate local traffic on other LECs' networks is not listed as a distinct element in SBC's or Verizon's TSLRIC studies. It is listed in MECA's TSLRIC study approved in Case No. U-12261 as a distinct cost.

11) The only conclusion one can reach is that the cost to terminate local traffic on other LECs' networks must be included in the cost of one of the UNEs that make up local service. Specifically, since this cost is obviously not a part of the loop, one must conclude that the cost is part of the port.

12) When AT&T Michigan and/or Verizon are UNE-P wholesalers, the rate they charge UNE-P retailers includes the cost to terminate local traffic on other LECs' networks since this cost was included in the charge for UNE ports that were combined to form the UNE-P service.

13) Consequently, the UNE-P wholesalers were and are compensated for the cost to terminate local calls on other LECs' networks in the price of their UNE-P service by the UNE-P retailer. Therefore, the UNE-P wholesaler is responsible for those charges from third party LECs for termination of local calls on those third party LECs' networks. Otherwise, the UNE-P wholesaler, while recovering the cost from the UNE-P retailer, would not incur a cost that was included (or should have been included) in its UNE-P rate development.

Q. Does the Residual Usage Methodology include any subtractions for usage from ITAC that is provided by Verizon?

A. No. First and foremost, Verizon's ITAC process does not provide call detail records to the affected Rural ILECs. The information provided is a paper record stating a lump sum usage for a period for which no support is provided. In that format, it is impossible to check the validity of the reported usage and track that summary usage to actual terminating usage records and determine whether usage has been excluded. Secondly, the Verizon's ITAC usage was not recorded at the terminating end office or the tandem connected to that end office. The ITAC records are based on usage recorded by Verizon or other LECs at the originating end office. Finally, since the usage is not provided in a call detail record format, there is no manner to check the data for completeness to determine whether all the traffic has been accounted for.

That said, if Verizon provided the affected Rural ILECs with call detail records that supported the total ITAC usage, those records could be used in the Residual Usage

Methodology as previously described. This would accomplish moving some usage out of the residual amount and billing Verizon separately for that usage. However, it would not change Verizon's overall usage. The use of these records would not relieve Verizon of responsibility for usage where Verizon failed to properly identify the carrier.

Q. Can the "from"-number be used to identify the carrier?

A. No. The "from"-number only identifies the rate center where the call was originated but does not necessarily identify the carrier. Additionally, since porting can occur from every end office in Michigan, the carrier can not be identified based on the "from"-number. In fact, because wireline numbers can now be ported to a wireless provider, the "from"-number does not even positively identify the location where the originating end user was at the start of the call.

Let me give you an example. Suppose a phone number in a thousand number assigned to a CLEC in New York is ported to a wireless company, say 585-905-0123. If the end user is in New York and calls a customer in Michigan's Bloomingdale exchange, Bloomingdale Telephone Company's recording will show a "from"-number of 585-905-0123. However, the responsible carrier will be the IXC (the FGD carrier) that delivers the interstate call to the tandem that Bloomingdale subtends. It would not be the CLEC from which the number was ported, it would not be the CMRS provider to which the ten thousand number block was assigned, and it would not be the CMRS provider to which the number was ported. Bloomingdale would not know the responsible party based on recorded data because currently the Verizon tandem is not passing the IXC's CIC or the OCN at the time of the call.

Likewise, suppose that same customer was roaming and was in Bloomingdale's exchange at the start of the call. Since the customer would be roaming and most likely that customer's New York cellular provider would not have facilities in Bloomingdale, a third party wireless provider would be involved in the call. Assuming the originating phone number is passed through the network, Bloomingdale's recording will still show a "from"-number of 585-905-0123. If the originating phone number was not passed through the network, Bloomingdale's recording would show no "from"-number. Under either of these circumstances, if the third party wireless provider handed the call directly to Verizon's tandem, that third party wireless provider would be the responsible party. However, if the third party wireless provider handed the call off to another party and that party handed the call to Verizon's tandem, that party would be the responsible party.

In both cases, if Bloomingdale's switch receives a "from"-number to record, that number would be 595-905-0123. However, in neither of these cases would Bloomingdale know what entity was the responsible party. That said, Verizon would know because Verizon has the connection to the responsible party and could pass the necessary information at the time of the call or, in the alternative, could record that information at the tandem and could pass the call detail records that identify the responsible party to Bloomingdale at a later date, as it says it does with FGD carriers.

Q. Has Verizon stated a position on identification of traffic?

A. Yes. Attached as Exhibit A-____(DSM-5) and Exhibit A-____(DSM-6) are two filings that Verizon Communications Inc. filed with the FCC on behalf of the Verizon Telephone

Companies, including Verizon North, Inc. and Contel of the South, regarding unidentified traffic, which some in the industry call "phantom traffic". I note that the terminology "phantom traffic" is misleading since this traffic is real, it exists, and it uses the network. The only thing that is missing is identification of the responsible party.

Q. What is the document in Exhibit A-____(DSM-5)?

A. Exhibit A-____(DSM-5) is a twenty-six (26) page *ex parte* filing Verizon made with the FCC on December 20, 2005, in *In the Matter of Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92. It consists of a white paper dated May 23, 2005, that "addresses Verizon's views on phantom traffic".

Q. What does this document state about the importance of the identity of the responsible carrier?

A. On page 3 of the white paper, second paragraph, Verizon states, "The identity of the carrier responsible for payment is the key piece of information in billing any call."

Q. Do you agree?

A. Yes, and I note that the absence of this key piece of information was an important factor that influenced terminating end offices to implement and use the Residual Usage Methodology.

Q. What does this document state about unidentified terminating traffic routed over a direct interconnection?

A. On page 3 of the white paper, third paragraph, Verizon states, ". . . when interexchange carriers purchase direct interconnection to a carrier's end office; the terminating carrier can

determine the carrier responsible for payment merely by looking to the incoming trunk group. The carrier responsible for payment cannot, however, be determined by looking to the Signaling System 7 stream."

Q. What is the significance of this?

A. It signifies that the terminating provider will hold the party on the other end of a direct connection responsible for 100% of the terminating traffic routed over that trunk group.

Q. What does this document state about unidentified terminating traffic routed through a third party's tandem?

A. On page 4 of the white paper, first paragraph, Verizon states, "Terminating carriers that terminate traffic that has transited a different carrier's tandem also have the tools needed to identify the carrier responsible for payment. Pursuant to industry standards, the carrier responsible for payment is identified on billing records known as 'EMI records' or 'terminating access records' [call detail records], which are created by the tandem provider and provided in electronic format to the terminating carrier. . . . Just as it would do for its own terminating traffic, the tandem provider determines the carrier responsible for payment by looking to the trunk group over which the call arrived at the tandem.....Terminating access records therefore already provide terminating carriers the tools necessary to determine whom to bill....."

Q. Do you agree with these statements?

A. I agree with Verizon that the tandem serving the terminating end office is the only entity that can identify traffic that is transited through that tandem. Further, I agree that the transiting switch (Verizon's tandem) can identify the responsible party by looking to the trunk group over which the call arrived at the tandem. Finally, I agree with Verizon's implied position that the transiting provider should be sending an EMI record for 100% of the traffic that is routed through the transiting switch.

Q. Do you then agree with Verizon's stated position that terminating carriers already have enough information to identify the responsible carrier for terminating traffic that transits a Verizon tandem?

A. Absolutely not. Verizon's position has the implied assumption that Verizon is sending EMI records for 100% of the terminating traffic that transits its tandems to the terminating end offices. This is not the case. Verizon is not sending call EMI records for most of the traffic that is routed or transited through its tandems.

Q. Would the Residual Usage Methodology be used if Verizon sent EMI records for 100% of the usage that was switched by its tandem?

A. Yes. If Verizon sent EMI records for 100% of the usage that was switched by its tandem, the results of the Residual Usage Methodology calculation would be zero—that is, no usage was unidentified. However, even in this case, the Residual Usage Methodology would provide a valuable control. It would confirm that EMI records for 100% of the usage routed through the tandem was received by the terminating end office.

Q. What does Verizon state about the use of "from"-numbers in this document?

A. On page 6 of the white paper, Verizon states, "Pursuant to industry standards, which have been incorporated into the design of most switch recording equipment in the industry, the 'from' field in the terminating access record is populated by recording the CPN or CN that appears in the SS7 signaling stream."

Further on page 11 of the white paper, Verizon states, "In addition, there are cases where traffic that contains a valid CPN or CN in the signaling stream (which is incorporated into the terminating access record) still cannot be jurisdictionalized based on that information. Calls from 'non-geographic' phone numbers, such as wireless roaming calls, provide one such example. Due to roaming, the CPN associated with a wireless customer's handset may or may not indicate the geographic location where a wireless call originated."

These statements hold you can not use the "from"-number to determine jurisdiction, whether the call should be billed as interstate toll access, intrastate toll access or local termination. Further, Verizon holds throughout this document that the "from"-number, as recorded by the terminating end office, does not accurately identify the responsible party.

Q. Would you describe Exhibit A-____(DSM-6)?

A. This is an 18 page *ex parte* filing Verizon made with the FCC on October 5, 2005. This filing reflects Verizon's discussions with several FCC staff members on October 4, 2005, regarding "potential solutions to address 'phantom traffic.'" This document appears to be a

power point presentation that Verizon prepared that covers the position that Verizon stated in the white paper dated May 23, 2005.

Q. What is Verizon's position on identification of responsible carriers in this document?

A. On page 5 of the presentation, Verizon states, "Transit providers that identify the carriers to be billed should not be held responsible for any inaccurate or invalid information from those carriers." Additionally, on page 17 of this presentation, Verizon states, "Tandem providers that identify the carrier to be billed should not be held responsible for inaccurate or invalid information received from those carriers."

Q. Do you agree with Verizon's position?

A. I agree that if Verizon identifies the carrier to be billed, and it is not Verizon, Verizon should not be held responsible for the identified traffic. This is consistent with the Residual Usage Methodology, as previously described in my testimony, which would not bill Verizon for any identified traffic that was not Verizon's own.

That said, I believe that Verizon's position has as an underlying premise that if Verizon does not identify transit traffic, the transit provider is the responsible party and should be held responsible for that traffic. This too is a premise of the Residual Usage Methodology. However, Verizon is not currently paying for terminating traffic routed through its tandems and billed using the Residual Usage Methodology even though Verizon has adopted the same underlying premise.

Q. Why is the Residual Usage Methodology appropriate for determining terminating FGC access usage?

A. The Residual Usage Methodology determines actual usage without requiring that Verizon make changes in its procedures or network, while still allowing MECA members to capture and bill all usage terminated from Verizon's tandem. The methodology is auditable and verifiable. If Verizon wants to verify the number of minutes of use calculated by use of the Residual Usage Methodology, Verizon could make an independent recording of the traffic as its leaves the tandem and check the MECA member's billing records.

Absent Verizon making upgrades to send electronic call information with each call that identifies the carrier and the type of traffic including its own, which Verizon has chosen not to do, the Residual Usage Methodology is the only method that ensures that the end offices are able to verify that all terminating minutes of use are being recorded and billed to the appropriate carrier, including Verizon. As the tandem provider, Verizon has control over the information that is sent to the end office with a call. The Residual Usage Methodology places incentives on Verizon to properly identify traffic, including its own, sent to the terminating Rural ILECs. Further, the Residual Usage Methodology gives the tandem provider the incentive to stop dumping unidentified traffic on the end office company and to stop shifting its costs to another party.

Further, MECA believes all carriers should be treated similarly. If MECA gives in to Verizon's demand to charge Verizon switched access charges based upon Verizon-derived terminating usage while other toll carriers are being charged for measured actual terminating

minutes of use, it will give toll carriers a competitive disadvantage to Verizon. Verizon's derived usage, which estimates unreasonably low terminating minutes of use, as discussed in greater detail by Mr. David Freeman, will result in Verizon not paying for its actual usage and paying less than its total switched access bill, giving it an unfair competitive edge over other toll carriers.

Verizon has the technical capability to upgrade to provide call detail so that its and other carrier's usage can be directly identified and measured, or Verizon could shift its traffic to dedicated trunks, potentially saving itself money. However, Verizon has made a management decision not to go to actual measurement. It therefore appears that Verizon's hesitancy to go to actual usage and its demand for use of its own internal unsubstantiated ITAC methodology is designed to obtain some competitive advantage over other providers. Use of the ITAC methodology yields terminating usage that is disproportionately low when compared to measured usage. Again, this results in a significantly lower total switched access charge that gives Verizon a competitive advantage.

Furthermore, it is not appropriate for Verizon to insist on the use of its own internal and unverifiable methodology when Verizon is the party that is sending unidentified traffic to the Rural ILECs. If Verizon sends traffic to the Rural ILECs, it should be required to take whatever steps are necessary to identify the carrier that is responsible for that traffic. If it chooses not to do so, Verizon should be the responsible party since Verizon is in a superior position to identify traffic. Verizon should not be allowed to dump traffic on LECs and leave them without a means of recovering their legitimate terminating costs for the traffic.

Q. Has Verizon ever paid pursuant to the Residual Usage Methodology?

A. Yes. Verizon paid pursuant to the Residual Usage Methodology to companies that deployed it since 1997. Verizon paid until its recent decision to stop paying, declare its own usage, and retroactively adjust the Rural ILECs' bills.

ISSUE TWO: NONPAYMENT OF LOCAL TRANSPORT AND TERMINATION INVOICES

Q. What is the issue regarding local traffic?

A. Verizon in some cases has refused to pay charges for local transport and termination services provided by the Rural ILECs to Verizon for the termination of local calls sent to them from Verizon's end users in adjacent or nearby Verizon exchanges as defined in Verizon's tariffs. Most of these local calls come from adjacent exchanges as a result of the Expanded Local Calling that was mandated by the Legislature in 2000 and ordered by the Commission in Case Nos. U-12515 and U-12528 in 2000 and 2001. Some of these local calls are made as part of Expanded Area Service, known as EAS, which existed prior to 2000. Verizon indicated in its July 2005 e-mail messages contained in Exhibit A-___(DSM-3) that, until ILEC-to-ILEC interconnection agreements are in place with the affected Rural ILECs whose exchanges subtend Verizon tandems, the dollars related to local traffic termination were being removed from compensation at that time. Verizon also fails to acknowledge or pay bills from Pigeon Telephone Company and Carr Telephone Company, which do not subtend a Verizon tandem but terminate local traffic from Verizon.

Q. Is this a usage-related dispute?

A. Not that we know of. Verizon appears to be refusing to pay solely based on a self-serving legal argument in order to enrich its stockholders. In any event, the MECA members clearly are providing these services to Verizon. Verizon is receiving the benefit of these services. That said, MECA is concerned that Verizon will raise usage-related issues later. To avoid having to return to the MPSC at a later date, MECA would like to address this issue now.

Q. Please explain the issue in more detail.

A. The situation involves either (1) dedicated or (2) common toll completing trunk groups. For local traffic that is routed directly over a dedicated trunk group that connects a Verizon end office and a Rural ILEC's end office, Verizon should be the responsible party for all the terminating traffic to the affected Rural ILEC's end office. Direct trunk groups were created bilaterally by both parties to exchange traffic between themselves. Therefore, the only traffic that should be on these direct trunk groups is that of Verizon and that of the affected ILEC associated with that end office. If Verizon has unilaterally decided to put third parties' traffic on this trunk group, Verizon is still the responsible carrier for this traffic and the affected ILEC has no responsibility to those third parties. Since we are talking about terminating traffic to the affected Rural ILEC, it only makes sense to hold Verizon responsible for one hundred percent of that traffic. This is very analogous to and follows the same logic as the conclusions regarding terminating toll trunks in Verizon's *ex parte* FCC filings I mentioned earlier.

The second situation involves local traffic that is routed over a common toll completing trunk

group that connects a Verizon tandem and an affected Rural ILEC end office. In that situation, the incumbent LEC associated with the rate center of the "from"-number is designated as the responsible carrier for all the local terminating traffic to the affected Rural ILEC end office for which Verizon, as tandem provider, does not provide enough information at the time of the call or in an electronically provided call detail record. If the incumbent LEC (other than Verizon) associated with the rate center of the "from"-number denies responsibility for any of this traffic, then the tandem provider would be held responsible for the disputed portion. The logic for this position is that the traffic is clearly local traffic of a LEC in the exchange associated with the "from"-number and it would be the incumbent LEC's traffic if all local CLEC and CMRS traffic were properly identified. The Rural ILECs, however, are not in a position to ensure that all local CLEC and CMRS traffic is properly identified. The tandem provider is in a superior position to require identifying information and to actually identify the originating LEC for usage routed through the tandem.

The local traffic routed over common toll completing trunk groups that I described is the same traffic that was identified as local and subtracted as part of the Residual Usage Methodology process.

Q. In the absence of interconnection agreements, on what basis are the Rural ILECs billing Verizon for that local traffic?

A. The Rural ILECs rely on MECA's MPSC Tariff No. 23R relating to local transport and termination service and if they are not listed as a participant in this tariff, they rely on their individually filed Terminating EAS or Local Call Termination Service tariff.

Q. How long have MECA's MPSC Tariff No. 23R been used to charge for termination of local traffic?

A. This Tariff has been used to charge for the termination of local/EAS traffic since 1999.

Q. Please describe the history of the use of tariffs for termination of local/EAS traffic.

A. Many of the incumbent LECs have exchanged local EAS traffic between their exchanges for decades. Tariffs came into use for this local traffic in 1997 due to changes resulting from the 1996 Federal Telecommunications Act and the then-recent introduction of local competition into SBC and Verizon exchanges. The ILECs filed tariffs in 1997 to bill for EAS traffic in lieu of the bill and keep agreements that had been in place prior to the FTA.

The use of tariffs was extended to apply to Expanded Local Calling when MECA filed its Tariff No. 23R as a result of the MTA amendment mandating that Verizon and SBC provide Expanded Local Calling to replace toll calling to adjacent exchanges. In the MPSC cases examining and implementing Expanded Local Calling, the Commission ordered that compensation for terminating a local call should be at the terminating company's local call termination rate. Further, in response to comments asserting that expanded local calling would cause hardships from an alleged need to negotiate interconnection agreements with the rural ILECs, the Commission noted that local call termination may generally be obtained through a LEC tariff, without the need for a negotiated interconnection agreement. MECA had indicated in its testimony and pleadings that if a local compensation scheme were to apply, the Rural ILECs would bill pursuant to a tariff and there would be no need to negotiate interconnection agreements. MECA also participated in the subsequent proceedings to

develop implementation work plans and once again informed all the parties, including Verizon, that MECA would file a tariff in behalf of its members based on their individual TSLRIC costs to establish the charges for local call termination. Verizon was well aware that a tariff would be used and did not object to its use formally or informally in those proceedings or discussions.

Q. Are there other factors supporting the use of tariffs?

A. Yes. The Rural ILECs were required by federal statute to "establish" reciprocal compensation "arrangements" for the transport and termination of telecommunications traffic. The tariff sets forth these arrangements for local telecommunications traffic. As I indicated, these arrangements became necessary and appropriate when the Commission ordered Verizon and SBC to provide expanded local calling to adjacent exchanges.

Q. Has Verizon ever paid pursuant to tariff?

A. Yes. Verizon paid when Bloomingdale and Westphalia billed Verizon at the advent of expanded local calling.

Q. Are the MECA members rural telephone companies?

A. Yes. They all are classified as rural telephone companies. They meet the size and other requirements specified in federal law.

Q. Do the MECA members have a duty to negotiate interconnection agreements?

A. No. Due to their size, as rural telephone companies, the MECA members are exempt from

the duty to negotiate interconnection agreements. The MECA members even are limited in their ability to request interconnection agreements with other providers since the service at issue is provided in their own exchanges as incumbent LECs. In any event, the use of tariffs is much more efficient and economical for these small rural LECs. Individual negotiations with multiple carriers would be unduly burdensome and costly. Moreover, the local traffic that is at issue here is *interexchange* traffic between incumbent LECs that is either EAS traffic or Expanded Local Calling traffic. It is not the traditional intra-exchange traffic that is exchanged by a CLEC and an incumbent where they compete with each other.

Q. What is your conclusion regarding the local termination issue?

A. The Rural ILECs properly billed Verizon for local termination. Verizon is responsible for the billed amounts and should pay pursuant to the local termination tariff of each Rural ILEC.

ISSUE THREE: NONPAYMENT OF CERTAIN ORIGINATING SWITCHED ACCESS TRAFFIC

Q. What is the nature of the issue regarding originating switched access service?

A. Verizon is not paying for originating toll access service for calls originated from Verizon's toll customers.

Q. Is there merit to Verizon's claim regarding the originating switched access traffic in dispute?

A. No. End users are entitled to select toll carriers of their choice. End users expect that their

chosen toll carrier will complete all their toll calls. In order to provide end-to-end toll service for any given call, the toll carrier may need to purchase originating toll access service from one carrier and terminating toll access service from another, or the toll carrier may terminate the call itself. Originating toll access is independent of where terminating toll access is provided. The toll carrier is responsible to pay switched access charges for its originating toll traffic regardless of to which carrier those calls terminate.

Since Verizon was offering toll service in the affected Rural ILECs' exchanges at the time of the calls at issue and many end users selected Verizon as their toll carrier, Verizon is responsible for the charges associated with its toll customers' originating switched toll access traffic regardless of the carrier to which a call may terminate.

Q. Is there further technical support for your conclusion?

A. Yes. My conclusion is supported by the information the network provides for every originating switched 1+ call and how the billing systems process that information and bill the call. Exhibit A-___(DSM-7) lays out the flow of information from the time the end users select their intraLATA carrier to when the recorded call information is converted to non-summary records in Electronic Message Interface ("EMI") format as defined by the Office of Billing Forum ("OBF"). Exhibit A-___(DSM-8) lays out the flow of these 11 01 01 EMI records through the switched access billing system and the production of switched access. The flow of the information as described in these exhibits shows that only the toll carrier originating the intraLATA switched call is billed.

In Mr. Freeman's testimony, he discusses a detailed comparison of the call detail records billed and call records Verizon provided for Westphalia Telephone Company. As stated in his conclusion, the calls that Verizon is disputing are to NPA-NXXs that are assigned to a CMRS provider or a facility-based CLEC and that the call records recorded by the Westphalia switch show that Verizon was the originating toll carrier for each of the disputed calls. He also noted that if you look at the thousand number block assignee, some of the calls disputed are from a thousand number block assigned Verizon. He also noted that all of the calls are to rate centers that are within the same LATA as the originating phone number and Westphalia Telephone Company has not defined calls to those rate centers as local. Therefore, the calls are of an intrastate intraLATA nature, which is non-local, and thus subject to the rates, terms and conditions found in MECA's MPSC Tariff No. 25.

In summary regarding the disputed originating switched access calls, Verizon was the selected toll carrier, the calls were intraLATA in nature—not local, and the affected Rural ILECs billed correctly per their intrastate access tariff. Therefore, Verizon is the responsible party for these calls and should pay the originating access charges based on the ILEC's recorded usage.

ISSUE FOUR: NONPAYMENT OF CERTAIN BILLING AND COLLECTION CHARGES

Q. Is there merit to Verizon's claim regarding billing and collection charges?

A. No. The billing and collection charges are associated with intraLATA toll calls for which Verizon was the toll carrier. Like originating toll access, there is no reason why billing and collection should be dependent on to which carrier the call terminates. Moreover, the Rural

ILECs actually performed the billing and collection services, billing these calls to Verizon's toll customers and remitting appropriate revenues to Verizon. Since Verizon was the toll carrier associated with the disputed billing and collection function and Verizon had contracted with the affected Rural ILECs for billing and collection services and those services were performed, Verizon is responsible for the disputed billing and collection charges.

Q. Is there further technical support for your conclusion on this part of the dispute?

A. Yes. The billing and collection process starts with the same information as that used to collect information for an originating 1+ intraLATA call as outlined in Exhibit A-___(DSM-7). Instead of using EMI 11 01 01 record for the start of access billing, the billing and collection process uses the EMI 01 01 01 record. The billing and collection process proceeds as laid out in Exhibit A-___(DSM-9). While each affected Rural ILEC has its own agreement with Verizon to do billing and collection services, the contracts are identical in terms and conditions. Exhibit A-___(DSM-10) is a copy of an umbrella agreement and the relevant annexes for one of the affected Rural ILECs. This agreement and the annexes are identical in all material aspects to the contracts entered into with Verizon by the other affected Rural ILECs.

As part of the billing and collection process, the affected Rural ILECs, on Verizon's behalf, bill the end user who made the toll call because Verizon was the end user's selected toll carrier. The affected Rural ILECs are required by contract to collect these toll charges from Verizon's toll customers residing in the Rural ILECs' exchanges. The net result is that the

affected Rural ILECs charge Verizon for the billing and collection function and remit to Verizon the collected toll revenues that were collected from Verizon's toll customers, who are also the Rural ILECs' local customers.

I also note that while Verizon's dispute regarding originating switched access charges and billing and collection charges relates to the same toll calls, Verizon did not return to the Rural ILECs any monies related to toll charges collected from Verizon's toll customers and subsequently remitted to Verizon.

In summary on this issue, Verizon is the toll carrier of the disputed calls; the affected MECA member companies have a billing and collection agreement with Verizon to perform certain services relating to those toll calls; and the Rural ILECs have performed the services for the disputed calls. Therefore, Verizon is responsible for the disputed invoices and the affected Rural ILECs are due all disputed amounts related to billing and collection.

AMOUNTS DUE

Q. Have you summarized the amounts billed to Verzion and the amounts disputed?

A. Yes. I have prepared Exhibit A-___(DSM-11) which shows by issue by company by month, the amount billed per tariff or contract for each month, the amount Verizon paid related to that invoice and the amount still owed for services provided. As of January 31, 2006, this shows that Verizon owes the affected Rural ILECs $2,378,743.02.

Q. Does Verizon owe any monies in addition to those for services rendered?

A. Yes. The affected Rural ILECs' tariffs for intrastate switched access services and Terminating EAS / Local Transport and Termination Service contain provisions for the charging of late fees. Per MECA Tariff MPSC No. 25, section 2.4.1(C)(2) the late payment charge is 0.000292 per day compounded daily for each day late. Per MECA Tariff MPSC No. 23R, section 2.4.1(C)(2), the late payment charge is 0.000160 per day compounded daily for each day late. Per the individually filed Terminating EAS or Local Call Termination Service tariffs, each of those tariffs references MECA Tariff MPSC No. 25, section 2.4.1(C)(2) for the application of late payment charges.

Q. How much do these late payment charges amount to?

A. I have prepared Exhibit A-___(DSM-12) that shows the amount of late payment charges due as of January 31, 2006, for payments properly billed for which payment had not been received. The total amount of late payment charges due at January 31, 2006, is $102,652.29.

Q. Are other amounts due besides this amount?

A. Yes. Given the ongoing nature of this dispute, additional amounts will accrue for additional invoices that are disputed for services provided and for additional late payment charges. If it follows the pattern of prior months, the additional amounts due will be approximately $207,571.00 per month.

Q. Are any other amounts in dispute?

A. Yes. There are amounts that Verizon has paid for terminating intrastate intraLATA toll

access that Verizon has retroactively claimed as refunds due for the period from April 2003 to December 2004. Verizon sent letters on December 6, 2005, requesting these refunds. Exhibit A-___(DSM-13) contains copies of these letters.

Q. How much is Verizon claiming for these refunds?

A. As shown in Exhibit A-___(DSM-14), Verizon claims an additional $2,875,958.00, bringing the total amount in dispute at January 31, 2006, to $5,357,353.31.

Q. Have you prepared an exhibit that summarizes all amounts in dispute?

A. Yes. Exhibit A-___(DSM-15) summarizes all amounts in dispute at January 31, 2006, with anticipated future monthly accruals after January 31, 2006.

Q. What relief does MECA seek from the Commission?

A. MECA seeks an order from the Commission declaring that Verizon must pay for all terminating toll access calls based upon the T/O ratios previously agreed to in Case No. U-9590 for time periods when measurement of actual usage was not available. The Commission should declare that Verizon must pay for all terminating toll access calls based on actual usage determined by the Rural ILECs after they implemented the Residual Usage Methodology. The Commission should declare that the Residual Usage Methodology continues to be a proper and legitimate method of measuring and billing actual terminating usage. MECA also seeks a declaration that unidentified traffic is the responsibility of the tandem provider and that the tandem provider can pass back any charges. The Commission should declare that the "from"-number is not sufficient to identify and bill carriers. The

Commission should declare that UNE-P or its replacement is the responsibility of UNE-P wholesaler and the Rural ILECs do not have to subtract that usage as identified traffic under the Residual Usage Methodology. Also, the Commission should find that Verizon owes the full amount of charges for originating toll access as billed by the Rural ILECs. Further, the Commission should declare that Verizon owes billing and collection fees based on the usage submitted by the Rural ILECs. The Commission should declare that Verizon must pay local transport and termination charges for termination of local traffic pursuant to the Rural ILECs' applicable tariffs. The Commission should allow the assessment of late payment fees for amounts due from Verizon per the applicable tariff.

Q. Does this conclude your prepared direct testimony?

A. Yes.

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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *dlbla* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.

Case No. U-14905

EXHIBIT A-_(DSM-1)

ACCESS SERVICE

MEMBER TELEPHONE COMPANIES

The Telephone Companies listed on Sheets 2 and 3, following, concur in all sections of the tariff. (C)

MPSC Case No. U-14905
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May 30, 2006
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This tariff governs the furnishing of Access Services. This tariff, effective March 22, 1993, replaces the previous Tariff M.P.S.C. No. 25 in its entirety.

ACCESS SERVICE

MEMBER COMPANIES

ACE TELEPHONE COMPANY OF MICHIGAN
102 Main Street
Mesick, Michigan 49668

ALLENDALE TELEPHONE COMPANY
6568 Lake Michigan Drive
Allendale, MI 49401

BARAGA TELEPHONE COMPANY
204 State Street, P.O. Box 9
Baraga, Michigan 49908

BARRY COUNTY TELEPHONE COMPANY
Box 128, 123 West Orchard
Delton, Michigan 49046

BLANCHARD TELEPHONE ASSOCIATION, INC.
Box 67
Blanchard, Michigan 49310

BLOOMINGDALE TELEPHONE COMPANY
Box 187
Bloomingdale, Michigan 49026

CARR TELEPHONE COMPANY
4325 South Masten Road
Branch, Michigan 49402

CENTURYTEL OF MICHIGAN, INC. (C)
4399 North Huron Road
Pinconning, Michigan 48650

CENTURYTEL MIDWEST - MICHIGAN, INC. (C)
4399 North Huron Road
Pinconning, Michigan 48650

CENTURYTEL OF NORTHERN
MICHIGAN, INC.
4399 North Huron Road
Pinconning, Michigan 48650

CENTURYTEL OF UPPER
MICHIGAN, INC.
Highway 180, P.O. Box 260
Wausaukee, Wisconsin 54177

CHAPIN TELEPHONE COMPANY
8988 North Vincent Road
Route #2
Elsie, Michigan 48831

CHATHAM TELEPHONE COMPANY
130 Marquette Street
Chatham, Michigan 49816

CHIPPEWA COUNTY TELEPHONE COMPANY
Box 309
Brimley, Michigan 49715

COMMUNICATIONS CORPORATION OF
MICHIGAN, INC.
212 South Webster Street
Augusta, Michigan 49012

THE DEERFIELD FARMERS' TELEPHONE COMPANY
4200 Teal Road
Petersburg, Michigan 49270
Applies to OCN 0691 and OCN 558A

DRENTHE TELEPHONE COMPANY
738 - 64th Avenue
Zeeland, Michigan 49464

HIAWATHA TELEPHONE COMPANY
108 West Superior Street
Munising, Michigan 49862

ISLAND TELEPHONE COMPANY
4712 East Main Street
Millington, Michigan 48746

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ACCESS SERVICE

MEMBER COMPANIES

KALEVA TELEPHONE COMPANY
9281 Osmo Street
Kaleva, Michigan 49645

LENNON TELEPHONE COMPANY
11908 Main Street
Lennon, Michigan 48449

MIDWAY TELEPHONE COMPANY
Box 97
Watton, Michigan 49970

OGDEN TELEPHONE COMPANY
4726 East Weston Road
Blissfield, Michigan 49228

ONTONAGON COUNTY TELEPHONE COMPANY
618 River Street
Ontonagon, Michigan 49953

PIGEON TELEPHONE COMPANY
7585 West Pigeon Road
Pigeon, Michigan 48755

SAND CREEK TELEPHONE COMPANY
6231 Sand Creek Highway,
P.O. Box 66
Sand Creek, Michigan 49279

SHIAWASSEE TELEPHONE COMPANY
129 South Main Street
P.O. Box 167
Perry, Michigan 48872

SPRINGPORT TELEPHONE COMPANY
137 Main Street
Springport, MI 49284

UPPER PENINSULA TELEPHONE COMPANY
P.O. Box 86
397 U.S. Highway 41 North
Carney, Michigan 49812

WALDRON TELEPHONE COMPANY
119 South Main Street
Waldron, Michigan 49288

WESTPHALIA TELEPHONE COMPANY
109 East Main, Box 368
Westphalia, Michigan 48894

WESTPHALIA BROADBAND, INC. (N)
109 East Main, Box 368 |
Westphalia, Michigan 48894 (N)

WINN TELEPHONE COMPANY
2766 West Blanchard Road
P.O. Box 367
Winn, Michigan 48896

WOLVERINE TELEPHONE COMPANY
4712 Main Street
Millington, Michigan 48746

1. Application of Tariff

1.1 This tariff contains regulations, rates and charges applicable to the provision of Carrier Common Line, End User Access, Switched **Access**, Special Access, Digital Subscriber Line Access Service, Public Packet Data Network and other miscellaneous services, hereinafter referred to collectively as service(s). These services are provided to customers by the Issuing Carriers of this tariff, hereinafter the Telephone Company. This tariff also contains Access Ordering regulations and charges that are applicable when these services are ordered or modified by the customer. (C)

1.2 The provision of such services by the Telephone Company as set forth in this tariff does not constitute a joint undertaking with the customer for the furnishing of any service.

1.3 (Omitted, not applicable to the State of Michigan.)

6. Switched Access Service (Cont'd)

6.7 Description and Provision of Feature Group C (FGC) (Cont'd)

6.7.3 Design and Traffic Routing

For Feature Group C, the Telephone Company shall design and determine the routing of Switched Access Service. Additionally, for Tandem Switched Transport the Telephone Company will design and determine the routing from the first point of switching to the end office. The Telephone Company shall also decide if capacity is to be provided by originating only, terminating only, or two-way trunk groups. Finally, the Telephone Company will decide whether trunk side access will be provided through the use of two-wire or four-wire trunk terminating equipment.

Selection of facilities and equipment and traffic routing of the service are based on standard engineering methods, available facilities and equipment, and actual traffic patterns.

The customer shall route IntraLATA and InterLATA Toll Calls to the tandem as defined by the LEC in the LERG. (N) (N)

6. Switched Access Service (Cont'd)

6.7 Description and Provision of Feature Group C (FGC) (Cont'd)

6.7.4 Measuring Access Minutes

Customer traffic to end offices will be measured (i.e., recorded) by the Telephone Company at end office switches or access tandem switches. Originating and terminating calls will be measured (or imputed) by the Telephone Company to determine the basis for computing chargeable access minutes. In the event the customer message detail is not available because the Telephone Company lost or damaged tapes or incurred recording system outages, the Telephone Company will estimate the volume of lost customer access minutes of use based on previously known values. (C)

For terminating calls over FGC when measurement capability exists, the measured minutes are the chargeable access minutes. For originating calls over FGC chargeable originating access minutes are derived from recorded minutes in the following manner:

Step 1: Obtain recorded originating minutes and messages, from the appropriate recording data.

Step 2: Obtain the total attempts by dividing the originating measured messages by the completion ratio. Completion ratios (CR) are obtained separately for the major call categories such as DDD, operator, 800 series, 900, directory assistance and international from a sample study which analyzes the ultimate completion status of the total attempts which receive acknowledgment from the customer. That is, Measured Messages divided by Completion Ratio equals Total Attempts. (C)

6. Switched Access Service (Cont'd)

6.7 Description and Provision of Feature Group C (FGC) (Cont'd)

6.7.4 Measuring Access Minutes (Cont'd)

Step 3: Obtain the total non-conversation time additive (NCTA) by multiplying the total attempts (obtained in Step 2) by the NCTA per attempt ratio. The NCTA per attempt ratio is obtained from the sample study identified in Step 2 by measuring the non-conversation time associated with both completed and incompleted attempts. The total NCTA is the time on a completed attempt from customer acknowledgment of receipt of call to called party answer (set up and ringing) plus the time on an incompleted attempt from customer acknowledgment of call until the access tandem or end office received a disconnect signal (ring - no answer, busy or network blockage). That is, Total Attempts times Non-Conversation Time per Attempt Ratio equals Total NCTA.

Step 4: Obtain total chargeable originating access minutes by adding the total NCTA (obtained in Step 3) to the recorded originating measured minutes (obtained in Step 1). That is, Measured Minutes plus NCTA equals Chargeable Originating Access Minutes.

Following is an example which illustrates how the chargeable originating access minutes are derived from the measured originating minutes using this formula.

Where:

Measured Minutes (M. Min.)	7,000
Measured Messages **(M**. Mes.)	1,000
Completion Ratio (CR)	.75
NCTA per Attempt	.4

(1) Total Attempts= $\frac{1{,}000\text{(M. Mes.)}}{.75\text{ (CR)}}$ = 1,333.33 (C)

(2) Total NCTA = .4 (NCTA per Attempt) x 1,333.33 =533.33 (C)

(3) Total Chargeable Originating Access Minutes=
7,000(M. Min) + 533.33(NCTA) = 7,533.33
When assumed minutes are used, the assumed minutes are chargeable access minutes.
FGC access minutes or fractions thereof, the exact value of the fraction being a function of the switch technology where the measurement is made, are accumulated over the billing period for each end office, and are then rounded up to the nearest access minute for each end office. (C)

6. Switched Access Service (Cont'd)

6.7 Description and Provision of Feature Group C (FGC) (Cont'd)

6.7.4 Measuring Access Minutes (Cont'd)

Originating Usage

For originating calls over FGC, provided with Multi-Frequency Signaling, usage measurement begins when the originating FGC first point of switching receives answer supervision from the customer's point of termination, indicating the called party has answered. (C) (C)

For originating calls over FGC provided with Signaling System 7 (SS7) Signaling when the FGC end office is not routed through an access tandem for connection to the customer, usage measurement begins when the SS7 Initial Address Message is sent from the Service Switching Point (SSP) to the Signal Transfer Point (STP). (C)
For originating calls over FGC provided with Signaling System 7 (SS7) Signaling when the FGC end office is routed through a tandem for connection to the customer, usage measurement begins when the FGC end office receives the SS7 Exit Message from the tandem.

The Measurement of originating call usage over FGC provided with Multi-Frequency Signaling ends when the originating FGC first point of switching receives disconnect supervision from either the originating end user's end office, indicating the originating end user has disconnected, or the customer's point of termination, whichever is recognized first by the first point of switching. The measurement of originating call usage over FGC provided with SS7 Signaling ends when the originating FGC end office receives an SS7 Release Message indicating either the originating or terminating end user has disconnected.

Terminating Usage

For terminating calls over FGC the chargeable access minutes are either measured or derived. For terminating calls over FGC where measurement capability does not exist, terminating FGC usage is derived from originating usage, exlcuding usage from calls to closed end services or Directory Assistance Services.

6. Switched Access Service (Cont'd)

6.7 Description and Provision of Feature Group C (FGC) (Cont'd)

6.7.4 Measuring Access Minutes (Cont'd).

Terminating Usage (Cont'd)

For terminating calls over FGC provided with Multi-Frequency Signaling, where measurement capability exists, the measurement of chargeable access minutes begins when the terminating FGC first point of switching receives answer supervision from the terminating end user's end office, indicating the terminating end user has answered. This measurement ends when the terminating FGC first point of switching receives an on-hook supervisory signal from the terminating end user's end office, indicating the terminating end user has disconnected, or the customer's point of termination, whichever is recognized first by the first point of switching. (C)

For terminating calls over FGC with SS7 signaling, usage measurement begins when the terminating recording switch receives answer supervision from the terminating end user. The Telephone Company switch receives answer supervision and sends the indication to the customer in the form of an answer message. The measurement of terminating FGC call usage ends when the entry switch receives or sends a Release Message, whichever occurs first. (C)

6. Switched Access Service (Cont'd)

6.8 Description and Provision of Feature Group D (FGD) (Cont'd)

6.8.2 Optional Features (Cont'd)

(D) Chargeable Optional Features (Cont'd)

(2) Operator Transfer Service

The Operator Transfer Service Optional Feature is provided as set forth in 6.10.3 following.

(3) Common Channel Signaling/Signaling System 7 (CCS/SS7) Network Connection Service (CCSNC)
The CCSNC Optional Feature is provided as set forth in 6.10.3 following.

(D)

6.8.3 Design and Traffic Routing

For Feature Group D, the Telephone Company shall design and determine the routing of Tandem Switched Transport service, including the selection of the first point of switching and the selection of facilities from the interface to any switching point and to the end offices where busy hour minutes of capacity are ordered. The Telephone Company shall also decide if capacity is to be provided by originating only, terminating only, or two-way trunk groups. Finally, the Telephone Company will decide whether trunk side access will be provided through the use of two-wire or four-wire trunk terminating equipment.

For Feature Group D Direct Trunked Transport service, the Telephone Company will determine the routing of Switched Access Service from the point of interface to the first point of switching or, if the customer specifies one or more hub locations for multiplexing, from the point of interface to the hub location, from one hub location to another hub location, and/or from a hub location to the first point of switching.

6. Switched Access Service (Cont'd)

6.8 Description and Provision of Feature Group D (FGD) (Cont'd)

6.8.3 Design and Traffic Routing (Cont'd)

Selection of facilities and equipment and traffic routing of the service is based on standard engineering methods, available facilities and equipment, and actual traffic patterns. The Telephone Company will designate the first point(s) of switching and routing to be used where equal access is provided through a centralized equal access arrangement. Those Telephone Company offices providing equal access through centralized arrangements are identified in NATIONAL EXCHANGE CARRIERS ASSOCIATION, INC. TARIFF F.C.C. NO 4.

The customer shall route IntraLATA and InterLATA Toll Calls to the tandem as defined by the LEC in the LERG. (N) (N)

6.8.4 Measuring Access Minutes

Customer traffic to end offices will be recorded at end office switches or access tandem switches. Originating and terminating calls will be measured or derived to determine the basis for computing chargeable access minutes. In the event the customer message detail is not available because the Telephone Company lost or damaged tapes or incurred recording system outages, the Telephone Company will estimate the volume of lost customer access minutes of use based on previously known values.

FGD Access minutes or fractions thereof, the exact value of the fraction being a function of the switch technology where the measurement is made, are accumulated over the billing period for each end office, and are then rounded up to the nearest access minute for each end office.

Originating Usage

For originating calls over FGD the measured minutes are the chargeable access minutes.

For originating calls over FGD, provided with Multi-Frequency Signaling, usage measurement begins when the originating FGD entry switch receives the first wink supervisory signal forwarded from the customer's point of termination.

6. Switched Access Service (Cont'd)

6.8 Description and Provision of Feature Group D (FGD) (Cont'd)

Measuring Access Minutes (Cont'd)

Originating Usage (Cont'd)

For originating calls over FGD provided with Signaling System 7 (887) Signaling when the FGD end office is routed through an access tandem for connection to the customer, usage measurement begins when the 887 Initial Address Message is sent from the Service Switching Point (SSP) to the Signal Transfer Point (STP). (*)

For originating calls over FGD provided with Signaling System 7 (887) Signaling when the end office is routed through a tandem for connection to the customer, usage measurement begins when the FGD end office receives the 887 Exit Message from the tandem. (*)

The measurement of originating call usage over FGD provided with Multi-Frequency Signaling ends when the originating FGD first point of switching receives disconnect supervision from either the originating end user's end office, indicating the originating end user has disconnected, or the customer's point of termination, whichever is recognized first by the first point of switching.

The measurement of originating call usage over FGD provided with 887 Signaling ends when the originating FGD end office receives an 887 Release Message indicating either the originating or terminating end user has disconnected.

Terminating Usage

For terminating calls over FGD the chargeable access minutes are either measured or derived.

For terminating calls over FGD provided with Multi-Frequency Signaling, where measurement capability exists, the measurement of chargeable access minutes begins when the terminating FGD first point of switching receives answer supervision from the terminating end user's end office, indicating the terminating end user has answered. This measurement ends when the terminating FGD first point of switching receives disconnect supervision from either the termination end user's end office, indicating the terminating end user has disconnected, or the customer's point of termination, whichever is recognized first by the first point of switching.

* This text formerly appeared on 4th Revised Sheet 96.

Text formerly appearing on this page now appears on 1st Revised Sheet 97.

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6. Switched Access Service (Cont'd)
6.8 Description and Provision of Feature Group D (FGD) (Cont'd)

6.8.4 Measuring Access Minutes (Cont'd) (*)

Terminating Usage (Cont'd)

For terminating calls over FGD, where measurement capability does not exist, terminating FGD usage is derived from originating usage, excluding usage from calls to closed end services or Directory Assistance Services.

For terminating calls over FGD with SS7 Signaling, usage measurement begins with the terminating recording switch receives answer supervision from the terminating end user. The Telephone Company switch receives answer supervision and sends the indication to the customer in the form of an answer message. The measurement of terminating FGD call usage ends when the entry switch receives or sends a release message, whichever occurs first. (*)

6.8.5 Design Blocking Probability (C)

The Telephone Company will design the facilities used in the provision of Switched Access Service to meet the blocking probability criteria as set forth in (A) and (B) following.

(A) For Feature Group D, the design blocking objective will be no greater than one percent (.01) between the point ofter-mination at the customer's designated premises and the end office switch, whether the traffic is directly routed without an alternative route or routed via an access tandem. Standard traffic engineering methods as set forth in reference document Telecommunications Transmission Engineering - Volume 3 - Networks and Services (Chapters 6-7) will be used by the Telephone Company to determine the number of transmission paths required to achieve this level of blocking.

(B) The Telephone Company will perform routine measurement functions except on Feature Groups A and B to assure that an adequate number of transmission paths are in service. The Telephone Company will recommend that additional capacity (i.e., busy hour minutes of capacity or trunks) be ordered by the customer when additional paths are required to reduce the measured blocking to the designed blocking level. For the capacity ordered, the design blocking objective is assumed to have been met if the routine measurements show that the measured blocking does not exceed the threshold listed in the following tables. (C)

* This text formerly appeared on 1st Revised Sheet 96.1

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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *dlb/a* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.	Case No. U-14905

EXHIBIT A-_(DSM-2)

FACILITIES FOR INTRASTATE ACCESS

MPSC Case No. U-14905
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4. SWITCHED ACCESS (Cont'd)

4.2 Description of Switched Access (Cont'd)

4.2.1 Descriptions of Feature Groups (Cont'd) (C)

(C) Feature Group C (USOC - OHC) (C)

Feature Group C (FGC) provides trunk-side access to Telephone Company end office switches for providers of MTS and WATS for originating and terminating communications. FGC is available in all end offices which are not equipped for FGD or BSA-D End Office Services. **(M)** **(M)** (C)

(1) FGC is provided at all Telephone Company end office switches or Telephone Company designated access tandem switches. FGC is available at an end office switch unless FGD or BSA-D is provided in the same office. When FGD or BSA-Dis available, FGC will be discontinued as soon as the conversion to FGD or BSA-D can be arranged. **(M)** **(M)** (C) (C)

FGC utilizes a two-point electrical communications path between the Interface Arrangement and Common Line or Special Access Line which is a voice grade transmission path comprised of any form or configuration of plant capable of, and typically used in the telecommunications industry for, the transmission of the human voice and associated signals within the frequency bandwidth of approximately 300 to 3000 Hz. **(M)**

(2) FGC is provided as trunk-side switching through the use of end office switch trunk equipment. The switch trunk equipment is provided with answer and disconnect supervisory signaling. Wink start pulsing signals are provided in all offices where available. In those offices where wink start pulsing signals are not available, delay dial start pulsing signals will be provided.

(3) The Telephone Company will select the trunking arrangement from the end office within the selected Access Area from which FGC is to be provided. If the Customer orders an ANI arrangement or Service Class Routing Arrangement, special routing and trunking arrangements may be required.

(4) FGC is arranged for either originating calling only, terminating calling only, or two-way calling based on the trunks or BHMC ordered. The Telephone Company will determine the type of Directional calling to be provided unless the Customer requests the option, Customer Specification of Directionality as described in 4.2.5(H). For such specification, additional charges on an Individual Case Basis will apply if the trunk group Routing arrangements are different from that the Telephone Company would have provided without such special arrangements. Originating calling permits the origination of calls from the end user to the CDL. Terminating calling permits the termination of calls from the CDL to the end user. Two-way calling permits either the origination or termination of calls, but not simultaneously.

(5) FGC is provided with multifrequency address signaling except in certain electromechanical end office switches where multifrequency signaling is not available. In such electromechanical end office switches, the address signaling will be dial pulse or revertive pulse signaling, whichever is available. Dial pulse address signaling may, at the option of the Customer, be provided in lieu of multifrequency address signaling if such signaling facilities are available in the end office. Up to twelve digits of the called party number dialed by the Customer's end user will be provided by Telephone Company equipment to the CDL where the FGC terminates. Such called party number signals will be subject to the ordinary transmission capabilities of the Switched Transport provided.

(M)

FACILITIES FOR INTRASTATE ACCESS

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4. **SWITCHED ACCESS** (Cont'd)

4.2 Description of Switched Access (Cont'd)

4.2.1 Descriptions of Feature Groups (Cont'd)

(D) Feature Group D (USOC - OHD)

Feature Group D (FGD), which is available to all Customers, provides trunk-side access to Telephone Company end office switches with an associated 101)()()(access code for providers of MTS, WATS and MTS, WATS-type services for originating and terminating communications for Customer-provided intrastate communications capability or connections to an interexchange intrastate service. (C)

(1) FGD is provided at Telephone Company appropriately equipped electronic end office switches.

FGD utilizes a two-point electrical communications path between the Interface Arrangement and Common Line or Special Access Line which is a voice grade transmission path comprised of any form or configuration of plant capable of, and typically used in the telecommunications industry for, the transmission of the human *voice* and associated telephone signals within the frequency bandwidth of approximately 300 to 3000 Hz.

SS7 Out of Band Signaling for FGD is provided at sultably equipped Telephone Company end office or access tandem switches.

(2) FGD is provided as trunk-side switching through the use of end office or Telephone Company access tandem switch trunk equipmenL The switch trunk equipment is provided with answer and disconnect supervisory signaling and wink start pulsing signals except when SS7 Out of Band Signaling is specified.

(3) The Telephone Company will select the trunking arrangement from the end office, within the selected Access Area from which FGD is to be provided. If the Customer orders an Automatic Number Identificaticn (ANI) Arrangement, Alternate Traffic Routing Arrangement, Service Class Routing Arrangement, Trunk Access Limitation Arrangement, or Operator Assistance Full Feature Arrangement, special routing and trunking arrangements may be required.

(4) FGD is arranged for either originating calling only, terminating calling only, or two-way calling and based on the trunks or BHMC ordered. The Telephone Company will determine the type of directional calling to be provided unless the Customer orders an Operator Assistance Full Feature Arrangement or requests the option, Customer Specification of Switched Access Directionality as described in 4.2.S(H). For such arrangements, additional charges on an Individual Case Basis will apply the trunking arrangements are different from that the Telephone Company would have provided without such special arrangements. Originating calling permits the origination of calls from the end user to the CDL. Terminating calling permits the termination of calls from the CDL. Two-way calling permits either the origination or termination of calls, but not simultaneously.

(5) FGD is provided with multifrequency address signaling or SS7 Out of Band Signaling. Up to *twelve* digits of the called party number dialed by the end user will be provided by Telephone Company equipment to the CDL where the FGD terminates. Such address signals will be subject to the ordinary transmission capabilities of the Switched Transport provided.

FACILITIES FOR INTRASTATE ACCESS

4. SWITCHED ACCESS (Cont'd)

4.5 Rate and Charge Regulations (Cont'd)

4.5.2 Rate Regulations (Cont'd)

(H) Description and Application of Rates (Cont'd)

(10) Shared Trunk Port Charge

The Shared Trunk Port, as set forth in 4.6.3(E), provides for the termination of a Tandem-Switched Trunk at an end office. The Shared Trunk Port is usage rated and shall be assessed to all access minutes which utilize Tandem-Switched Transport. This includes minutes of use associated with FGA service when traffic is terminated in an end office that is not the dial tone office and on minutes of use provided at a remote office.

The Shared Trunk Port charge will not apply to access minutes that originate or terminate at the end office part of a Class 4/5 switch. (C) (C)

The Shared Trunk Port charge does not apply to switched access minutes of use that originate or terminate at MTSOs directly interconnected to a Telephone Company access tandem.

When the Tandem-Switched Transport is provided by more than one telephone company, the Shared Trunk Port charge shall be billed by the Telephone Company in whose territory the end office is located, as in 2.7.3(G).

(11) Carrier Identification Parameter /CIP)

The Carrier Identification Parameter (CIP) provides for the transmission of the Carrier Identification Code (CIC) or the access code 101XXXX to the Customer with the Initial Address Message (1AM). CIP will be populated by a 4-digit CIC at the rates shown in 4.6.12. The monthly recurring rate is applicable per trunk. The nonrecurring charge Is applicable per CIC, per trunk group. The nonrecurring charge has two rate levels. there is a nonrecurring charge applicable to trunk groups direct to the access tandem and an nonrecurring charge applicable to trunk groups direct to an end office.

(I) Measuring Access Minutes

Customer traffic to end offices will be measured (i.e., recorded or assumed) by the Telephone Company at end office switches or Telephone Company access tandems. Originating and terminating calls will be measured (i.e., recorded or assumed) by the Telephone Company to determine the basis for computing chargeable access minutes. For terminating calls over FGA, FGB, FGC, BSA-A, BSA-B or BSA-C (to SAC and Directory Assistance Services), and FGD or BSA-D, the measured access minutes are the chargeable access minutes. For originating calls FGA, FGB, BSA-A and BSA-B, the measured access minutes are the chargeable access minutes.

For originating calls over FGC or BSA-C, chargeable access minutes are derived from measured access minutes through the use of a Telephone Company factor. A description of the factor is in (4).

FGA or BSA-A access minutes or fractions thereof, are accumulated over the billing period for each line or hunt group, and are then rounded up to the nearest access minute for each line or hunt group. FGB, FGC, FGD, BSA-B, BSA-C and BSA-D access minutes or fractions thereof, are accumulated over the billing period for each office, and are then rounded up to the nearest access minute for each end office. The exact value of the fraction is a function of the switch technology where the measurement is made.

When measurement capability for FGA, FGB, BSA-A and BSA-B is not available, access minutes shall be assumed as described in (3).

FACILITIES FOR INTRASTATE ACCESS

4. **SWITCHED ACCESS** (Cont'd)

4.5 Rate and Charge Regulations (Cont'd)

4.5.2 Rate Regulations (Cont'd)

{I) Measuring Access Minutes (Cont'd)

When usage data is required for a specific end office in an Access Area with multiple end offices, and usage to that office cannot be measured, a portion of total usage will be allocated to the specific end office based upon the portion of subscriber lines served by that end office. When the Telephone Company is the SEC and when specific usage is not available from the PEC, the total usage measured or assumed at the FPOS will be apportioned to the SEC based upon the ratio of the total subscriber lines in each SEC exchange to the total number of subscriber lines in the PEC's EAS area served by the dial tone office for FGA or for BSA-A. (C) (C)

(1) FGA and BSA-A Usage Measurement {(C)

For originating calls over FGA or BSA-A, usage measurement begins when the FGA or BSA-A first point of switching receives an off-hook supervisory signal forwarded from the CDL Where FGA or BSA-A is used for MTSN.JATS-type services, this off-hook signal is generally provided by the Customer's equipment. Where FGA or BSA-A is used for FCO/ONAL type services, the off-hook signal is generally forwarded by the Customes equipment when the called party answers. (C) (C) (C) (C)

The measurement of originating call usage over FGA or BSA-A ends when the FGA or BSA-A first point of switching receives an on-hook supervisory signal from either the end office switch, indicating the originating end user has disconnected, or the CDL, whichever is recognized first by the first point of switching. (C) (C)

For terminating calls over FGA or BSA-A, usage measurement begins when the FGA or BSA-A first point of switching receives an off-hook supervisory signal from the end office switch, indicating the terminating end user has answered. The measurement of terminating call usage over FGA or BSA-A ends when the terminating FGA or BSA-A first point of switching receives an on-hook supervisory signal from either the end office switch, indicating the terminating end user has disconnected, or the CDL, whichever is recognized first by the first point of switching. {(C) (C) (C) (C)

(2) FGB and BSA-B Usage Measurement (C)

For originating calls over FGB or BSA-B, usage measurement begins when the FGB or BSA-B first point of switching receives the first acknowledgement from the CDL, indicating that the Custome s equipment has answered. (C) (C)

The measurement of originating call usage over FGB or BSA-Bends when the FGB or BSA-B first point of switching receives disconnect supervision from either the end office switch, indicating the originating end user has disconnected, or the CDL, whichever is recognized first by the first point of switching. (C) (C)

For terminating calls over FGB or BSA-B, usage measurement begins when the FGB or BSA-B first point of switching receives answer supervision from the end office switch, indicating the terminating end user has answered. (C) (C)

The measurement of terminating call usage over FGB or BSA-Bends when the FGB or BSA-B first point of switching receives disconnect supervision from either the end office switch, indicating the terminating end user has disconnected, or the CDL, whichever is recognized first by the first point of switching. (C) {(C)

FACILITIES FOR INTRASTATE ACCESS

4. **SWITCHED ACCESS** (Cont'd)

4.5 Rate and Charge Regulations (Cont'd)

4.5.2 Rate Regulations (Cont'd)

(I) Measuring Access Minutes (Cont'd)

(3) Usage Measurement Not Available For FGA, FGB, BSA-A and BSA-B

When originating and/or terminating measurement capability does not exist, the number of access minutes per FGA or BSA-A line or FGB or BSA-B trunk, per month, will be assumed based on the following:

A single monthly surrogate of assumed minutes per two-way line/trunk per month shall apply as in 4.6.7. For FGA or BSA-A lines, the terminating assumed usage will be 47% of the two-way surrogate and the originating assumed usage will be 53% of the two-way surrogate. For FGB or BSA-B trunks, the terminating assumed usage will be one half of the two-way surrogate and the originating will be one half of the two-way surrogate.

When measurement capabilities do not exist for a one-way FGA or BSA-A line or FGB or SSA-B trunk, a single monthly surrogate of assumed minutes per one-way line/trunk per month shall apply as in 4.6.9. (C)

When measurement capabilities do not exist in one direction for a two-way line (e.g., recording for terminating only), the number of access minutes per line, per month will be the assumed surrogate for a two-way line or the recorded usage for the single direction, whichever is greater.

In the event of measurement equipment failure, minutes of use will be determined as follows:

For the initial month of service, FGA, FGB, BSA-A or BSA-B minutes will be assumed as indicated above unless actual usage recorded prior to the failure is greater than the assumed usage.

For subsequent months, the greater of 1) actual usage recorded prior to the failure, or 2) the average of the three month current month's usage (or less if three months are not available) will be used.

(4) FGC and BSA-C Usage Measurement

For originating calls over FGC or BSA-C, usage measurement begins when the originating FGC or BSA-C first point of switching receives answer supervision from the CDL, indicating the called party has answered. However, for billing purposes, usage begins at the time that the originating end user's call is delivered by the Telephone Company, and acknowledged as received by the Customer's facilities connected wtth the originating central office.

4. **SWITCHED ACCESS** (Cont'd)

4.5 Rate and Charge Regulations (Cont'd)

4.5.2 Rate Regulations (Cont'd)

(I) Measuring Access Minutes (Cont'd)

(4) FGC and BSA-C Usage Measurement (Cont'd) (C)

For originating calls over FGC or BSA-C, measured access minutes are converted into chargeable access minutes using the following equation and factor: (C)

Originating Minutes = Conversation minutes +
(factor x quantity of completed calls)

Factor= non-conversation minutes per completed call+
[(non-conversation minutes per uncompleted call) x
(1 - completion ratio) divided by completion ratio)]

The measurement of originating call usage over FGC or BSA-C ends when the FGC or BSA-C first point of switching receives disconnect supervision from either the end office switch, indicating the originating end user has disconnected, or the CDL, whichever is recognized first by the first point of switching. (C) (C)

For terminating calls over FGC or BSA-C to services other than SAC Access or Directory Assistance, terminating FGC or BSA-C usage is not directly measured at the first point of switching, but is derived from originating usage, excluding usage from calls to SAC Access or Directory Assistance Services. (C) (C)

Terminating call usage over FGC or BSA-C, other than SAC Access and Directory Assistance, is derived from originating usage as follows: (C)

Terminating Minutes= Originating conversation minutes x In/Out ratio.

In/Out Ratio= Relationship between originating (i.e., Out)
and terminating (i.e., In) conversation minutes.

For terminating calls over FGC or BSA-C to SAC Access or Directory Assistance Service, usage measurement begins when the FGC or BSA-C first point of switching receives answer supervision from the end office switch, indicating the terminating SAC Access Service end user has answered, or from the Directory Assistance Service location, indicating the Directory Assistance operator has answered. (C) (C)

The measurement of terminating call usage over FGC or BSA-C to SAC Access or Directory Assistance Services ends when the FGC or BSA-C first point of switching receives an on-hook supervisory signal from the end office switch, indicating the terminating SAC Access Service end user has disconnected, or from the Directory Assistance location, indicating the Directory Assistance operator has disconnected, or from the CDL, whichever occurs first. (C) (C)

FACILITIES FOR INTRASTATE ACCESS

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4. SWITCHED ACCESS (Cont'd)

4.5 Rate and Charge Regulations (Cont'd)

4.5.2 Rate Regulations (Cont'd)

(I) Measuring Access Minutes (Cont'd)

(5) FGD and BSA-D Usage Measurement (C)

For originating calls over FGD or BSA-D with multifrequency (MF) signaling, usage measurement begins when the FGD or BSA-D first point of switching receives the first wink supervisory signal forwarded from the CDL. (C) (C)

For originating calls over FGD or BSA-D with SS7 Out of Band Signaling, usage measurement for direct trunks begins when the FGD or BSA-D first point of switching sends an Initial Address Message. Usage measurement for tandem trunks begins when the FGD or BSA-D first point of switching received an Exit Message. (C) (C) (C)

The measurement of originating call usage over FGD or BSA-D with MF signaling ends when the FGD or BSA-D first point of switching receives disconnect supervision from either the end office switch, indicating the originating end user has disconnected, or the CDL, whichever is recognized first by the first point of switching. (C) (C)

The measurement of originating call usage over FGD or BSA-D with SS7 Out of Band Signaling ends when a Release Message is sent or received by the originating end user's end office, whichever occurs first. (C)

For terminating calls over FGD or BSA-D with either MF or SS7 Out of Band Signaling, usage measurement begins when the FGD or BSA-D first point of switching receives answer supervision from the end office switch, indicating the terminating end user has answered. (C) (C)

The measurement of terminating call usage over FGD or BSA-D with MF signaling ends when the FGD or BSA-D first point of switching receives disconnect supervision from either the end office switch, indicating the terminating end user has disconnected, or the CDL, whichever is recognized first by the first point of switching. (C) (C)

The measurement of terminating call usage over FGD or BSA-D with SS7 Out of Band Signaling ends when the FGD or BSA-D first point of switching receives or sends a Release Message, whichever occurs first. (C) (C)

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4. **SWITCHED ACCESS** (Cont'd)

4.5 Rate and Charge Regulations (Cont'd)

4.5.2 Rate Regulations (Cont'd)

(I) Measuring Access Minutes (Cont'd)

(6) Usage Measurement Not Available for FGC, BSA-C, FGD and BSA-D

In the event the Customer message detail is not available because the Telephone Company lost or damaged tapes or experienced recording system outages, the Telephone Company will estimate the volume of lost Customer access minutes of use based on previous actual recorded usage. :r:

(7) SAC Access Service Usage Measurement (C)

SAC Access Service usage measurement shall be in accordance with the regulations set forth for FGC FGD. BSA-C and BSA-D. Specifically, for usage originating from end offices not equipped with equal access capabilities, access minutes shall be measured in the same manner in which FGC or BSA-C access minutes are measured. For usage originating from end offices equipped with equal access capabilities, access minutes shall be measured in the same manner in which FGD or BSA-D access minutes are measured.

(J) FGD and BSA-D Switched Access Service with 950-XXXX Access

When a Customer orders FGD or BSA-D Switched Access Service with 950-XXXX Access, as described in 4.2.5(T). to be included with the installation of new FGD or
BSA-D Switched Access facilities, appropriate Switched Access Installation Charges and Switched Access Ordering charges will apply for the installation of the new FGD or BSA-D Switched Access facilities.

When a Customer orders FGD or BSA-D Switched Access Service with 950-XXXX Access to be added to an existing FGD or BSA-D Switched Access Service. only the Switched Access Ordering Charge and the Design Change Charge will apply for the addition of this optional end office service arrangement.

4.5.3 Switched Access Cross Connect

The Switched Access Cross Connect charge provides the communications path between Telephone company provided Switched Access Services and a Customer's transmission equipment and facilities where the Customer is provided EIS as defined in Section 17. The DSO Cross Connect arrangement may connect directly to a Telephone Company provided Switched Access Voiceband Direct Trunked Transport. The DS1 Cross Connect arrangement may connect directly to Telephone Company provided Switched Access Services at a DS1 interface. to DS1 Direct Trunked Transport, or to a Telephone Company provided DS1 multiplexing arrangement. The DS3 Cross Connect arrangement may connect directly to DS3 Direct Trunked Transport or a Telephone Company provided DS3 to DS1 multiplexing arrangement. When a DS3 Direct Trunked Transport or Cross Connect Arrangement is requested for connection to Switched Access Services, a DS3/DS1 multiplexing arrangement is required. The Cross Connect charge applies per DS1 or DS3 connection. Rates for DS1 and DS3 Cross Connect arrangements are listed in 4.6.9.

4.5.4 (Reserved for Future Use)

4.5.5 Application of Rates for FGA and BSA-A Extension Service

FGA or BSA-A is available with extensions (i.e., additional terminations of the service at different buildings in the same LATA). FGA or BSA-A extensions are provided and charged for as Special Access. The rate elements which apply are Special Transport (from the extension bridging point to the wire center serving the CDL) and Special Access Lines. All appropriate monthly rates and nonrecurring charges are in 5.7.

MICHIGAN BELL

TELEPHONE COMPANY
TARIFF M.P.S.C. NO. 20R

SBC
Tariff

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1st Revised Sheet No. 1
Cancels
Original Sheet No. 1

PART 21 - Access Services
SECTION 1 - General

APPLICATION OF PART 21

This Part applies to the provision of Intrastate Access Services.

Regulations, Rates and Charges applying to the provision of Access Services within a Local Access and Transport Area (LATA) for Connection to Intrastate Communications Facilities for Intrastate Customers within the operating territory of the Michigan Bell Telephone Company in the State of Michigan are as specified in the Ameritech Operating Companies Tariff F.C.C. No. 2, Access Services, as it now exists, and as it may be revised, added to or supplemented.

Michigan Bell Telephone Company (MBT) in providing Intrastate IntraLATA communications retains Dial-1+, 0+ and 0- Message Telecommunications Services (MTS).

Any rules and regulations relating to deposits, billing and payments, as specified elsewhere in this tariff, are subject to modification by M.P.S.C. Order U-4240 Consumer Standards and Billing Practices - Residential Telephone Service.

In those cases where the customer is unable, or does not, provide Percentage of Intrastate IntraLATA Use (PILU) as specified herein, the Telephone Company shall compute the PILU as a residual of the Percentage of Interstate Use (PIU) and Percentage of Intrastate InterLATA Use (PIIU) reported by the customer.

Access Services are provided by means of wire, fiber optics, radio or any other suitable technology or a combination thereof.

(D)
(D)

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By Robin M. Gleason, Vice President - State Regulatory
Detroit, Michigan

EXCEPTIONS TO AMERITECH OPERATING COMPANIES TARIFF F.C.C. NO. 2

Section 1

- No Exceptions

Section 2

- TipTop Service
- UNE to access conversions (N)

Section 3

- Primary Interexchange Carrier Charge (PICC), as applied to Multi-Line Business, Centrex CO, ISDN PRI and PSP Service Intrastate customers.

Section 4

- End User Access, as applied to Intrastate customers, has been incorporated into the local telephone exchange rates as depicted in Part 13.
- End User Complex Line Port Charges as applied to Intrastate customers.
- Restricted Coin Access, as applied to Intrastate customers, has been incorporated into the local telephone exchange rates as depicted in Part 13.
- Outgoing Only Services, as applied to Intrastate customers, has been incorporated into the local telephone exchange rates as depicted in Part 13.
- Service Provider Number Portability Service Surcharge as applied to Intrastate customers.
- Universal Service Fee

Section 5

512 and 768 kbps bit rates for nominal DS1 service
- TipTop Service
- UNE to access conversions (N)

Section 6
- FGC and FGD routed through an access tandem, footnote.
- Local Number Portability (LNP) Service
- SS7 Outbound Messaging

MICHIGAN BELL
TELEPHONE COMPANY
TARIFF M.P.S.C. NO. 20R

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Tariff

PART 21 - Intrastate Access Services
SECTION 2 - Exceptions to F.C.C. No. 2 Tariff Original Sheet No. 2.7

EXCEPTIONS TO AMERITECH OPERATING COMPANIES TARIFF F.C.C. NO. 2 - SECTION 6

6. Switched Access Service

6.1 General (N)

6.1.3 Rate Categories

Equal Access Recovery Charge

The Equal Access Recovery Charge is a $0.04 per month charge that is assessed on each IntraLATA presubscribed access line. This charge provides for the recovery of costs associated with the implementation of IntraLATA Presubscription as described in Section 4.3 preceding.

The Equal Access Recovery Charge will become effective January 1, 1996 and will be in effect for five years. (N)

6.2 Provision and Description of Switched Access Service Feature Groups

6.2.3 Feature Group C (FGC) and Feature Group D (FGD)

When routed through an access tandem, only those valid NXX codes served by offices subtending the access tandem may be accessed /a/.

/a/ Pursuant to the M.P.S.C. Order dated December 20, 1990 in Case Nos. U-9004, 9006 and 9007, when routed from a GTE North, Inc., end office, for which GTE North, Inc. is the primary exchange carrier, and which toll homes on a Michigan Bell Telephone Company (MBT)access tandem, those valid NXX codes served by end offices subtending the access tandem as well as those valid NXX codes served by end offices subtending other access tandems within the LATA may be accessed. When completion of these calls requires MBT to route through a second access tandem, an additional local transport termination charge will apply. When routed through both a MBT access tandem and a GTE North, Inc. access tandem only one half of this additional local transport termination charge will apply.

Material formerly appeared in Tariff M.P.S.C. No. 20R, Part 21, Section 2, Original __ Sheet No. 2

MICHIGAN BELL
TELEPHONE COMPANY
TARIFF M.P.S.C. NO. 20R

SBC
Tariff

r-P_A_R_T-21...,jl SECTION 21

6th Revised Sheet No. 2.7.1
Cancels
5th Revised Sheet No. 2.7.1

PART 21 - Access Services
SECTION 2 - Exceptions to FCC No. 2 Tariff

EXCEPTIONS TO AMERITECH OPERATING COMPANIES TARIFF F.C.C. NO. 2 - SECTION 6 (cont'd)

6. Switched Access Service (cont'd)

6.3 Local Switching Optional Features

6.3.1 Common Switching Optional Features

(AH) Payphone Service Provider Line Identification Service

The rate associated with Payphone Service Provider (PSP) Line Identification Service will not apply Intrastate.

6.4 Database Services

6.4.2 Local Number Portability (LNP) Query Service is provided under the authority of Ameritech F.C.C. No. 2 for intrastate queries.

6.8 Rate Regulations (N)

6.8.2 SS7 Outbound Message Application is not an intrastate offering. (N)

6.9 Rates and Charges

6.9.4 Database Services

(B) Local Number Portability (LNP) Query Service

Local Number Portability (LNP) Query Service charges do not apply in the intrastate jurisdiction.

EXCEPTIONS TO AMERITECH OPERATING COMPANIES TARIFF F.C.C. NO. 2 - SECTION 6 (cont'd)

/1/ This sheet also cancels sheet 2.7.3 - 2.10 in this section.

MICHIGAN BELL
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TARIFF M.P.S.C. NO. 20R

SBC
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f.- -R-T---=-21,.....,11 SECTION 2j

PART 21 - Intrastate Access Services
SECTION 2 - Exceptions to F.C.C. No. 2

3rd Revised Sheet No. 3
Cancels
2nd Revised Sheet No. 3

( )

(D)

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By Robin M. Gleason, Vice President - State Regulatory
Detroit, Michigan

ACCESS SERVICE

6. Switched Access Service (Cont'd)

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6.8 Rate Regulations (Cont'd)

6.8.7 Moves (Cont'd)

(A) Moves Within the Same Building
When the move is to a new location within the same l Administrative Charge and the Customer Connection Charge for the service affected will apply. There will be no change in the minimum period requirements.

(B) Moves to a Different Building
Moves to a different building will be treated as a discontinuance and start of service and all associated nonrecurring charges will apply. New minimum period requirements will be established for the new service. The customer will also remain responsible for satisfying all outstanding minimum period charges for the discontinued service.

6.8.8 Measuring Access Minutes

Customer traffic to end offices will be measured (i.e., recorded or assumed) by the Telephone Company at end office switches or access tandem switches. Originating and terminating calls will be measured (i.e., recorded or assumed) by the Telephone Company to determine the basis for computing chargeable access minutes. In the event the customer message detail is not available because the Telephone Company lost or damaged tapes or experienced recording system outages, the Telephone Company will estimate the volume of lost customer access minutes of use based on previously known values.

For terminating calls over FGA, FGB, FGC and FGD, and for originating calls over FGA, FGB and FGD, 500 Access Service and 900 Access Service from equal access offices, the measured minutes are the chargeable access minutes. For originating calls over FGC, 500 Access Service and 900 Access Service from non-equal access offices, chargeable originating access minutes are derived from recorded minutes in the following manner.

Step 1: Obtain recorded originating minutes and messages (measured as set forth in (C) following) from the appropriate recording data.
Step 2: Obtain the total attempts by dividing the originating measured messages by the completion ratio. Completion ratios (CR) are obtained separately for the major call categories such as ODD, operator, 500, 700, 800, 900, Directory Assistance and International from a sample study which analyzes the ultimate completion status of the total attempts which receive acknowledgement from the customer.

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ACCESS SERVICE

6. Switched Access Service (Cont'd)

6.8 Rate Regulations (Cont'd)

6.8.8 Measuring Access Minutes (Cont'd) T

Step 2: (Cont'd)

That is, Measured Messages divided by Completion Ratio equals Total Attempts.

Step 3: Obtain the total non-conversation time additive (NCTA) by multiplying the total attempts (obtained in Step 2) by the NCTA per attempt ratio. The NCTA per attempt ratio is obtained from the sample study identified in Step 2 by measuring the nonconversation time associated with both completed and uncompleted attempts. The total NCTA is the time on a completed attempt from customer acknowledgement of receipt of call to called party answer (set up and ringing) plus the time on an uncompleted attempt from customer acknowledgement of call until the access tandem or end office receives a disconnect signal (ring - no answer, busy or network blockage). That is, Total Attempts times Non-Conversation Time per Attempt Ratio equals Total NCTA.

Step 4:Obtain total chargeable originating access minutes by adding the total NCTA (obtained in Step 3) to the recorded originating measured minutes (obtained in Step 1). That is, Measured Minutes plus NCTA equals Chargeable Originating Access Minutes.

Following is an example which illustrates how the chargeable originating access minutes are derived from the measured originating minutes using this formula.

Where: Measured Minutes (M. Min.) = 7,000
Measured Messages (M. Mes.) = 1,000
Completion Ratio (CR) = .75
NCTA per Attempt = .4

(1) Total Attempts $= \frac{1{,}000 \text{(M. Mes)}}{.75 \text{ (CR)}} = 1{,}333.33$

(2) Total NCTA = .4 (NCTA per Attempt) x 1,333.33 = 533.33

(3) Total Chargeable Originating Access Minutes =
7,000 (M. Min)+ 533.33(NCTA) = 7,533.33

When assumed minutes are used, the assumed minutes are the chargeable access minutes.

ACCESS SERVICE

6. Switched Access Service (Cont'd)

6.8 Rate Regulations (Cont'd)

6.8.8 Measuring Access Minutes (Cont'd)

(B) Feature Group B Usage Measurement (Cont'd)

The measurement of terminating call usage over FGB ends when the terminating FGB entry switch receives disconnect supervision from either the terminating end user's end office, indicating the terminating end user has disconnected, or the customer's point of termination, whichever is recognized first by the entry switch.

(C) Feature Group C Usage Measurement

For originating calls over FGC, usage measurement begins when the originating FGC entry switch receives answer supervision from the customer's point of termination, indicating the called party has answered.

The measurement of originating call usage over FGC ends when the originating FGC entry switch receives disconnect supervision from either the originating end user's end office, indicating the originating end user has disconnected, or the customer's point of termination, whichever is recognized first by the entry switch.

For terminating calls over FGC to services other than 500, 800, 900 or Directory Assistance, terminating FGC usage may not be directly measured at the terminating entry switch, but may be imputed from originating usage, excluding usage from calls to 500, 800, 900 or Directory Assistance Services. Actual measured usage will be used where available rather than an inputed value.

For terminating calls over FGC to 800 Service, usage measurement begins when the terminating FGC entry switch receives answer supervision from the terminating end user's end office, indicating the terminating 800 Service end user has answered.

The measurement of terminating call usage over FGC to 800 Service ends when the terminating FGC entry switch receives an on-hook supervisory signal from the terminating end user's end office, indicating the terminating 800 Service end user has disconnected, or from the customer's point of termination, whichever is recognized first by the entry switch.

ACCESS SERVICE

6. Switched Access Service (Cont'd)

6.8 Rate Regulations (Cont'd)

6.8.8 Measuring Access Minutes (Cont'd)

(D) Feature Group D Usage Measurement

For originating calls over FGD with multifrequency signaling, usage measurement begins when the originating FGD entry switch receives the first wink supervisory signal forwarded from the customer's point of termination.

For originating calls over FGD with SS7 signaling, usage measurement for direct trunks begins when the FGD entry switch sends an Initial Address Message. If the 1AM has to be resent, usage measurement will begin when the 1AM is resent. Usage measurement for tandem trunks begins when the FGD entry switch receives an Exit Message.

The measurement of originating call usage over FGD with multifrequency signaling ends when the originating FGD entry switch receives disconnect supervision from either the originating end user's end office, indicating the originating end user has disconnected, or the customer's point of termination, whichever is recognized first by the entry switch.

The measurement of originating call usage over FGD with SS7 signaling ends when a Release Message is sent or received by the originating end user's end office, whichever occurs first.

For terminating calls over FGD, the measurement of access minutes begins when the terminating FGD entry switch receives answer supervision from the terminating end user's end office, indicating the terminating end user has answered.

The measurement of terminating call usage over FGD ends when the terminating FGD entry switch receives disconnect supervision from either the terminating end user's end office, indicating the terminating end user has disconnected, or the customer's point of termination, whichever is recognized first by the entry switch.

For purpose of assessing the Operator Transfer Service Charge as specified in 6.9.1(0)(1) following, a call is considered transferred when the Telephone Company operator activates the switch transferring the call to the designated customer and the call is received by that customer.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *dlbla* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.	Case No. U-14905

EXHIBIT A-_(DSM-3)

-----Original Message-----
From: brad.grove@verizon.com [mailto:brad.grove@verizon.com]
Sent: Tuesday, June 28, 2005 3:30 PM
To: Duane Bronson
Cc: jennifer.a.kruszynski@verizon.com
Subject: Re: Payment

Duane,

Unfortunately our checks went out without explanation. Here is that explanation for your company:

Verizon is implementing the following changes effective with data processed
in February 2005. Beginning with the March 2005 statements, Verizon will
calculate access and billing and collection charges based on the actual units collected by the ITAC system in the previous processing month. In this case, data received in February 2005 was used to rate the billing in
March 2005.

The ITAC system and ORPSCO process includes all data eligible for toll compensation due to the requirement that all the incumbent companies submit
their originating usage records. Verizon is able to identify the actual
originating messages, originating access minutes and terminating access minutes for each of it's secondaries based on this data.

You have either received or are about to receive payments for the bill months of March and April 2005. These payments represent the recalculated
amounts and statements reflecting that are attached. Verizon has used the
following volumes for these two months. Elements of the settlement not dependent on these volumes have not been changed.

(See attached file: Blanchard_Mar_usage.xls)(See attached file: Blanchard_Feb_usage.xls)

February 2005 Processing

43,015 B&C Messages
335,461 Originating Access Minutes
39,923 Terminating Access Minutes

March 2005 Processing

41,511 B&C Messages
384,289 Originating Access Minutes
31,834 Terminating Access Minutes

Additionally, until an ILEC to ILEC interconnection agreement is in place
dollars related to settlement for local traffic have been removed from compensation via this statement.

Please refer all questions and comments to Brad Grove.

Brad Grove
ILEC/CLEC Account Team
Phone: 231-727-1680

-----Original Message-----
From: brad.grove@verizon.com [mailto:brad.grove@verizon.com]
Sent: Tuesday, July 05, 2005 4:23 PM
To: jsnyder@btc-bci.com
Cc: lynne.griffith@verizon.com
Subject: ACCESS BILLING CORRECTION - BLOOMINGDALE TELEPHONE

Joe,

Verizon is implementing the following changes effective with data processed in February 2005. Beginning with the March 2005 statements, Verizon will calculate access and billing and collection charges based on the actual units collected by the ITAC system in the previous processing month. In this case, data received in February 2005 was used to rate the billing in March 2005.

The ITAC system and ORPSCO process includes all data eligible for toll compensation due to the requirement that all the incumbent companies submit their originating usage records. Verizon is able to identify the actual originating messages, originating access minutes and terminating access minutes for each of it's secondaries based on this data.

You have either received or are about to receive payments for the bill months of March and April 2005. These payments represent the recalculated amounts and statements reflecting that are attached. Verizon has used the following volumes for these two months. Elements of the settlement not dependent on these volumes have not been changed.

(See attached file: Bloomingdale_Feb_usage.xls)(See attached file: Bloomingdale_Mar_usage.xls)

February 2005 Processing

5,190 B&C Messages
20,407 Originating Access Minutes
90,402 Terminating Access Minutes

March 2005 Processing

5,084 B&C Messages
19,137 Originating Access Minutes
80,825 Terminating Access Minutes

Additionally, until an ILEC to ILEC interconnection agreement is in place

dollars related to settlement for local traffic have been **removed** from compensation via this statement.

ISP settlement amounts are also withheld.

Please refer all questions and comments to Brad Grove.

Brad Grove
ILEC/CLEC Account Team
Phone: 231-727-1680

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----- Original Message-----
From: <brad.grove@verizon.com>
To: <chapintel@power-net.net>
Cc: <lynne.griffith@verizon.com>
Sent: Tuesday, July 05, 2005 4:06 PM
Subject: ACCESS BILLING CORRECTION - CHAPIN

>
>
>
>
>
> Greg,
>
> Verizon is implementing the following changes effective with data processed
> in February 2005. Beginning with the March 2005 statements, Verizon will
> calculate access and billing and collection charges based on the actual
> units collected by the ITAC system in the previous processing month. In
> this case, data received in February 2005 was used to rate the billing in
> March 2005.
>
> The ITAC system and ORPSCO process includes all data eligible for toll
> compensation due to the requirement that all the incumbent companies submit
> their originating usage records. Verizon is able to identify the actual
> originating messages, originating access minutes and terminating access
> minutes for each of ita€™s secondaries based on this data.
>
> You have either received or are about to receive payments for the bill
> months of March and April 2005. These payments represent the recalculated
> amounts and statements reflecting that are attached. Verizon has used the
> following volumes for these two months. Elements of the settlement not
> dependent on these volumes have not been changed.
>
> (See attached file: Chapin_Mar_usage.xls)(See attached file:
> Chapin_Feb_usage.xls)
>
> February 2005 Processing
>
> 44,906 B&C Messages
> 472,923 Originating Access Minutes
> 34,726 Terminating Access Minutes
>
> March 2005 Processing

>
> 43,740 B&C Messages
> 503,333 Originating Access Minutes
> 19,721 Terminating Access Minutes
>
>
> Please refer all questions and comments to Brad Grove.
>
> Brad Grove
> ILEC/CLEC Account Team
> Phone: 231-727-1680

-----Original Message-----
From: brad.grove@verizon.com [mailto:brad.grove@verizon.com]
Sent: Tuesday, July 05, 2005 4:16 PM
To: tholeman@cass.net
Cc: lynne.griffith@verizon.com
Subject: ACCESS BILLING CORRECTION - DEERFIELD

Teresa,

Verizon is implementing the following changes effective with data processed in February 2005. Beginning with the March 2005 statements, Verizon will calculate access and billing and collection charges based on the actual units collected by the ITAC system in the previous processing month. In this case, data received in February 2005 was used to rate the billing in March 2005.

The ITAC system and ORPSCO process includes all data eligible for toll compensation due to the requirement that all the incumbent companies submit their originating usage records. Verizon is able to identify the actual originating messages, originating access minutes and terminating access minutes for each of ita€™s secondaries based on this data.

You have either received or are about to receive payments for the bill months of March and April 2005. These payments represent the recalculated amounts and statements reflecting that are attached. Verizon has used the following volumes for these two months. Elements of the settlement not dependent on these volumes have not been changed.

(See attached file: Deerfield_Mar_usage.xls)(See attached file: Deerfield_Feb_usage.xls)

February 2005 Processing

1,298 B&C Messages
5,329 Originating Access Minutes
29,278 Terminating Access Minutes

March 2005 Processing

803 B&C Messages
2,798 Originating Access Minutes
25,059 Terminating Access Minutes

Please refer all questions and comments to Brad Grove.

Brad Grove
ILEC/CLEC Account Team
Phone: 231-727-1680

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-----Original Message-----
From: brad.grove@verizon.com [mailto:brad.grove@verizon.com]
Sent: Tuesday, July 05, 2005 3:50 **PM**
To: marge@sandcreektelco.com
Cc: lynne.griffith@verizon.com
Subject: ACCESS BILLING CORRECTIONS - SANDCREEK

Marge,

Verizon is implementing the following changes effective with data processed in February 2005. Beginning with the March 2005 statements, Verizon will calculate access and billing and collection charges based on the actual units collected by the ITAC system in the previous processing month. In this case, data received in February 2005 was used to rate the billing in March 2005.

The ITAC system and ORPSCO process includes all data eligible for toll compensation due to the requirement that all the incumbent companies submit their originating usage records. Verizon is able to identify the actual originating messages, originating access minutes and terminating access minutes for each of it's secondaries based on this data.

You have either received or are about to receive payments for the bill months of March and April 2005. These payments represent the recalculated amounts and statements reflecting that are attached. Verizon has used the following volumes for these two months. Elements of the settlement not dependent on these volumes have not been changed.

(See attached file: Sandcreek_Mar_usage.xls)(See attached file: Sandcreek_Feb_usage.xls)

February 2005 Processing

1,051 B&C Messages
4,148 Originating Access Minutes
18,698 Terminating Access Minutes

March 2005 Processing

535 B&C Messages
2,690 Originating Access Minutes
15,801 Terminating Access Minutes

Please refer all questions and comments to Brad Grove.

Brad Grove

ILEC/CLEC Account Team
Phone: 231-727-1680

-----Original Message-----
From: brad.grove@verizon.com [mailto:brad.grove@verizon.com]
Sent: Friday, July 01, 2005 8:08 AM
To: Hannis, John H.
Cc: Schiefelbein, Bruce E.; Miller, Jerry Lee
Subject: Re: TDS Payment from Verizon

John,

Apologize for the delay in returning your email. Below is a detailed explanation of the changes we made.

TDS Telecom (Clayton)

Verizon is implementing the following changes effective with data processed
in February 2005. Beginning with the March 2005 statements, Verizon will
calculate access and billing and collection charges based on the actual units collected by the ITAC system in the previous processing month. In this case, data received in February 2005 was used to rate the billing in
March 2005.

The ITAC system and ORPSCO process includes all data eligible for toll compensation due to the requirement that all the incumbent companies submit
their originating usage records. Verizon is able to identify the actual originating messages, originating access minutes and terminating access minutes for each of it's secondaries based on this data.

You have either received or are about to receive payments for the bill months of March and April 2005. These payments represent the recalculated
amounts and statements reflecting that are attached. Verizon has used the
following volumes for these two months. Elements of the settlement not dependent on these volumes have not been changed.

(See attached file: Clayton_Mar_usage.xls)(See attached file: Clayton_Feb_usage.xls)

February 2005 Processing

32,907 B&C Messages
720,402 Originating Access Minutes
10,351 Terminating Access Minutes

March 2005 Processing

28,924 B&C Messages

634,939 Originating Access Minutes
8,667 Terminating Access Minutes

Please refer all questions and comments to Brad Grove.

Brad Grove
ILEC/CLEC Account Team
Phone: 231-727-1680

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-----Original Message-----
From: brad.grove@verizon.com [mailto:brad.grove@verizon.com]
Sent: Thursday, July 07, 2005 3:07 **PM**
To: dolores.marklein@uptelephone.net
Cc: lynne.griffith@verizon.com
Subject: ACCESS BILLING CORRECTION

Dolores,

I understand you received the following invoice awhile back. I thought it had been one that was held up. The following is an explanation of the changes we made starting with this invoice.

(See attached file: UpperPenn_Feb_Usage.xls)

Verizon is implementing the following changes effective with data processed in February 2005. Beginning with the March 2005 statements, Verizon will calculate access and billing and collection charges based on the actual units collected by the ITAC system in the previous processing month. In this case, data received in February 2005 was used to rate the billing in March 2005.

The ITAC system and ORPSCO process includes all data eligible for toll compensation due to the requirement that all the incumbent companies submit their originating usage records. Verizon is able to identify the actual originating messages, originating access minutes and terminating access minutes for each of it's secondaries based on this data.

You have either received or are about to receive payments for the bill months of March and April 2005. These payments represent the recalculated amounts and statements reflecting that are attached. Verizon has used the following volumes for these two months. Elements of the settlement not dependent on these volumes have not been changed.

(See attached file: UpperPenn_Mar_Usage.xls)(See attached file: UpperPenn_Feb_Usage.xls)

February 2005 Processing

22,751 B&C Messages
255,514 Originating Access Minutes
9,036 Terminating Access Minutes

March 2005 Processing

9,784 B&C Messages

93,350 Originating Access Minutes
8,268 Terminating Access Minutes

Additionally, until an ILEC to ILEC interconnection agreement is in place
dollars related to settlement for local traffic have been removed from compensation via this statement.

Please refer all questions and comments to Brad Grove.

Brad Grove
ILEC/CLEC Account Team
Phone: 231-727-1680

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-----Original Message ----
From: brad.grove@verizon.com [mailto:brad.grove@verizon.com]
Sent: Tuesday, July 05, 2005 4:30 **PM**
To: Dave Fox
Cc: lynne.griffith@verizon.com
Subject: ACCESS BILLING CORRECTION - WESTPHALIA

Dave,

Verizon is implementing the following changes effective with data processed in February 2005. Beginning with the March 2005 statements, Verizon will calculate access and billing and collection charges based on the actual units collected by the ITAC system in the previous processing month. In this case, data received in February 2005 was used to rate the billing in March 2005.

The ITAC system and ORPSCO process includes all data eligible for toll compensation due to the requirement that all the incumbent companies submit
their originating usage records. Verizon is able to identify the actual
originating messages, originating access minutes and terminating access minutes for each of it's secondaries based on this data.

You have either received or are about to receive payments for the bill months of March and April 2005. These payments represent the recalculated amounts and statements reflecting that are attached. Verizon has used the
following volumes for these two months. Elements of the settlement not dependent on these volumes have not been changed.

(See attached file: Westphalia_Mar_usage.xls)(See attached file: Westphalia_Feb_usage.xls)

February 2005 Processing

577 B&C Messages
2,379 Originating Access Minutes
6,163 Terminating Access Minutes

March 2005 Processing

506 B&C Messages
1,941 Originating Access Minutes
4,669 Terminating Access Minutes

Additionally, until an ILEC to ILEC interconnection agreement is in place dollars related to settlement for local traffic have been removed from compensation via this statement.

Please refer all questions and comments to Brad Grove.

Brad Grove
ILEC/CLEC Account Team
Phone: 231-727-1680

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----- Original Message----- -
From: <brad.grove@verizon.com>
To: "Leslie Jenkins" <ljenkins@power-net.net>
Cc: <lynne.griffith@verizon.com>
Sent: Tuesday, July 05, 2005 4:00 PM
Subject: ACCESS BILLING CORRECTION - WINN

>
>
>
>
> Les,
>
> Verizon is implementing the following changes effective with data
> processed
> in February 2005. Beginning with the March 2005 statements, Verizon
will
> calculate access and billing and collection charges based on the
actual
> units collected by the ITAC system in the previous processing month.
In
> this case, data received in February 2005 was used to rate the
billing in
> March 2005.
>
> The ITAC system and ORPSCO process includes all data eligible for
toll
> compensation due to the requirement that all the incumbent companies
> submit
> their originating usage records. Verizon is able to identify the
actual
> originating messages, originating access minutes and terminating
access
> minutes for each of itaâ€™s secondaries based on this data.
>
> You have either received or are about to receive payments for the
bill
> months of March and April 2005. These payments represent the
recalculated
> amounts and statements reflecting that are attached. Verizon has used
the
> following volumes for these two months. Elements of the settlement
not
> dependent on these volumes have not been changed.
>
> (See attached file: winn_Mar_usage.xls)(See attached file:
> winn_Feb_usage.xls)
>
> February 2005 Processing
>
> 38,873 B&C Messages
> 267,440 Originating Access Minutes
> 35,274 Terminating Access Minutes
>
> March 2005 Processing
>

> 15,378 B&C Messages
> 109,683 Originating Access Minutes
> 36,589 Terminating Access Minutes
>
>
> Additionally, until an ILEC to ILEC interconnection agreement is in place
> dollars related to settlement for local traffic have been removed from
> compensation via this statement.
>
> Please refer all questions and comments to Brad Grove.
>
> Brad Grove
> ILEC/CLEC Account Team
> Phone: 231-727-1680

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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *dlb/a* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.

Case No. U-14905

EXHIBIT A-_(DSM-4)

RESIDUAL USAGE METHODOLOGY - APPLICABLE FOR COMMON TOLL COMPLETING TRUNK GROUPS

1) IDENTIFY ALL TRUNK GROUPS FROM TANDEM(S).

2) RECORD 100% OF THE TERMINATING CONVERSATION USAGE ON THESE TRUNK GROUPS. THE TOTAL RECORDED TERMINATING CONVERSATION USAGE FOR A BILLING PERIOD IS THE STARTING POINT FOR THE RESIDUAL USAGE METHODOLOGY. THIS AMOUNT IS REFERRED TO AS THE "TOTAL."

3) EXAMINE RECORDED INFORMATION TO DETERMINE IF TERMINATING LEC CAN IDENTIFY THE CARRIER TO BE BILLED FOR THE CALL. IF THE CARRIER CAN BE IDENTIFIED, SUBTRACT THE USAGE ASSOCIATED WITH THIS RECORD FROM "TOTAL."

4) SUBTRACT FROM "TOTAL" ALL TERMINATING CATEGORY 11-01-01 OR CATEGORY 11-01-20 CALL DETAIL RECORDS PROVIDED BY THE TANDEM COMPANY THAT IDENTIFY THE CARRIER TO BE BILLED.

5) IDENTIFY AND SUBTRACT LOCAL TRAFFIC AND BILL PER APPLICABLE ARRANGEMENT.

6) SUBTRACT ANY TANDEM-ROUTED ACCESS USAGE FOR WHICH THE TANDEM COMPANY IS COMPENSATED OUTSIDE THE SWITCHED ACCESS BILLING PROCESS.

7) BILL RESIDUAL AMOUNT UNDER INTRASTATE ACCESS TARIFF TO TANDEM COMPANY.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *dlb/a* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.	Case No. U-14905

EXHIBIT A-_(DSM-5)

Donna Epps
Vice President
Federal Regulatory

ver, **on**

1300 I Street, NW, Suite 400 West
Washington, DC 20005

Phone 202 515-2527
Fax 202 336-7922
donna.m.epps@verizon.com

December 20, 2005

Ex Parte

MPSC Case No. U-14905
Exhibit **No. A-_ (DSM-5)**
May 30, 2006
Page I of26

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

Re: **In the Matter of Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92**

Dear Ms. Dortch:

The attached white paper addresses Verizon's views on phantom traffic. Please place this white paper in the record of the docket referenced above.

Sincerely,



Attachment

cc: Michelle Carey
Scott Bergmann
Jessica Rosenworcel
Don Stockdale
Tamara Preiss
Steve Morris

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of Developing a Unified Intercarrier Compensation Regime	CC Docket No. 01-92

VERIZON'S PROPOSED REGULATORY ACTION TO ADDRESS PHANTOM TRAFFIC

Michael E. Glover
Of Counsel

Karen Zacharia
Amy P. Rosenthal
VERIZON
1515 North Courthouse Road
Suite 500
Arlington, VA 22201-2909
(703) 351-3071

Attorneys for Verizon

May 23, 2005

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of Developing a Unified Intercarrier Compensation Regime	CC Docket No. 01-92

VERIZON'S PROPOSED REGULATORY ACTION TO ADDRESS PHANTOM TRAFFIC

Verizon[1] proposes that the Commission take three regulatory steps to address concerns with so-called "phantom traffic": (1) issue new rules governing the call information that carriers must transmit via signaling; (2) facilitate commercial negotiations between carriers, so that carriers may enter into agreements that establish factoring arrangements to approximate the jurisdiction of traffic for billing purposes; and (3) clarify which carriers are responsible for querying the local number portability (LNP) database to ensure efficient routing of traffic and to minimize confusion that can result when traffic is routed in an unexpected manner. Each of these proposals is discussed below.

I. "Phantom Traffic" Affects All Carriers Throughout The Industry

The term "phantom traffic" has been used broadly in this proceeding to include several categories of traffic that are allegedly unbillable or difficult to bill. "Phantom traffic," as it has been used in this proceeding, can be divided into two categories: (1) traffic that a terminating carrier receives, but allegedly cannot bill, because the terminating carrier asserts that it cannot

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[1] The Verizon telephone companies ("Verizon") are identified in Appendix B to this proposal.

identify the carrier responsible for payment; and (2) traffic that is difficult to bill because the terminating carrier is unsure of the jurisdiction of the call. Traffic may fall into the second category - traffic for which it is difficult to determine jurisdiction - for a number of underlying reasons. For example, signaling information about the origination of the call may be missing or invalid; signaling information may not reflect the geographic origination of the call; or the call may have been routed differently than the terminating carrier might expect.

Notably, "phantom traffic" affects *all* carriers throughout the telecommunications industry. Larger carriers that own their own tandems, as well as smaller carriers that subtend others' tandems, receive traffic that cannot be jurisdictionalized based on the call origination information contained in signaling or that has been routed in unexpected ways. "Phantom traffic" therefore affects all carriers' abilities to bill for traffic that they terminate to their own end users. In addition, because many tandem providers' transit rates vary according to the jurisdiction of the call, "phantom traffic" affects a carrier's billing even when the carrier is performing only a transiting function. For example, Verizon estimates that approximately 20% of the traffic that either transits over or terminates on Verizon's network either is missing calling party information entirely or contains plainly invalid calling party data in the Signaling System 7 (SS7) stream, affecting Verizon's ability to bill for both termination and transit.

Because "phantom traffic" affects carriers throughout the industry, Verizon's proposed solutions are designed to assist *all* carriers in billing for "phantom traffic." Because the billing difficulties associated with "phantom traffic" are actually the result of a number of different underlying causes, Verizon proposes a multi-pronged approach to address the underlying sources of "phantom traffic." Section II below addresses the first category of "phantom traffic": traffic for which the terminating carrier allegedly cannot identify the carrier responsible for payment.

Sections III and IV then address the second category: traffic for which it may be difficult to determine jurisdiction. Specifically, Section III discusses traffic that has missing, invalid, or inaccurate jurisdictional information, and Section IV discusses traffic that may be routed to the terminating carrier over an unexpected trunk group, which may cause confusion as to proper jurisdiction.

II. Carriers Already Have The Tools To Identify The Carrier Responsible For Payment

The first category of "phantom traffic," as that term has been used in this proceeding, is traffic for which the terminating carrier is purportedly unable to identify the carrier to be billed. The identity of the carrier responsible for payment is the key piece of information in billing any call. As long as the terminating carrier knows which carrier is responsible for payment, other billing questions, such as proper jurisdiction, can and should be addressed by the terminating carrier directly to the financially responsible carrier.

Notably, no regulatory action is needed to provide carriers the tools to identify the carrier responsible for payment. In those cases where the tandem owner is also the terminating carrier, the terminating carrier can determine the carrier responsible for payment by looking to the trunk group over which the call arrived at the tandem, because each incoming trunk is assigned to a particular interconnecting carrier. The same method is also used, for example, when interexchange carriers purchase direct interconnection to a carrier's end office; the terminating carrier can determine the carrier responsible for payment merely by looking to the incoming trunk group. The carrier responsible for payment cannot, however, be determined by looking to the Signaling System 7 (SS7) stream. Pursuant to industry standards, the carrier responsible for payment is not included in signaling. The financially responsible carrier must instead be identified based on the incoming trunk group.

Terminating carriers that terminate traffic that has transited a different carrier's tandem also have the tools needed to identify the carrier responsible for payment. Pursuant to industry standards, the carrier responsible for payment is identified on billing records known as "EMI records" or "terminating access records," which are created by the tandem provider and provided in electronic format to the terminating carrier. Terminating access records contain fields for specific billing information, and the content of these fields is dictated by industry standards that have been incorporated into the design of the switch recording equipment. The fields of the billing records are filled with information that is automatically gleaned and recorded at the tandem switch from a variety of sources, including but not limited to the SS7 signaling stream. Just as it would do for its own terminating traffic, the tandem provider determines the carrier responsible for payment by looking to the trunk group over which the call arrived at the tandem. The tandem provider then populates the terminating access record with a code identifying the carrier to which that trunk is assigned, using either a "carrier identification code" (CIC) if the carrier is an IXC or an "operating company number" (OCN) if the carrier is not an IXC. Terminating access records therefore already provide terminating carriers the tools necessary to determine whom to bill, and regulatory intervention is unnecessary.

II. Limited Regulatory Solutions Are Warranted To Address Traffic Lacking Valid Or Accurate Jurisdictional Information

To be sure, identifying the carrier responsible for payment is only the first step in intercarrier billing - the terminating carrier must then determine the jurisdiction of the traffic in order to know what rate to apply. Thus, the second category of"phantom traffic," as that term has been used in this proceeding, is traffic that may be difficult to bill because the terminating carrier is not sure of the jurisdiction of the call. This can occur when traffic has missing, invalid, or inaccurate jurisdictional information. That some traffic lacks valid jurisdictional information

does not mean that the traffic is unbillable, however. To the contrary, carriers have been dealing with the business issues surrounding this type of so-called "phantom traffic" for decades and have developed a method known as "factoring," which approximates the percentage of traffic that should be designated as local, intrastate access, and interstate access. Although carriers can and should continue to rely on factoring to bill this type of "phantom traffic," there are two steps that the Commission can take to reduce "phantom traffic" and to assist some carriers in establishing factoring agreements. As discussed in more detail below, the Commission should (1) issue traffic labeling rules governing the jurisdictional information that is transmitted in signaling, and (2) confirm that incumbent local exchange carriers (LECs) may compel negotiations with competitive LECs operating in the same local service area.

A. Essential Background On Sources Of Jurisdictional Information And How It Is Shared

In this proceeding, carriers have often discussed two sources of jurisdictional information - SS7 signaling and billing records - interchangeably. It is important, however, to distinguish between the two sources of information, the purposes for which they are used, and how they interrelate. The SS7 signaling stream is an out-of-band signaling system designed primarily for routing calls rather than for billing. Terminating access records, on the other hand, are created by the tandem provider and are designed specifically for billing.[2] The SS7 stream and terminating access records are interrelated, however, in that terminating access records are based in part on information that is pulled from the SS7 stream.

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[2] When the terminating carrier is the same entity as the tandem provider, the tandem provider will generate billing records for internal use that are often in a different format from EMI, but are substantively very similar to the terminating access records that are provided in EMI format to third party terminating carriers. Thus, Verizon uses the term "terminating access records" for ease of reference.

There are two fields in the SS7 stream that have an impact on terminating access records and the jurisdictional information provided to terminating carriers: the calling party telephone number ("CPN") field and the charge number ("CN") field. According to industry standards, the CPN field should be populated by the originating carrier with the calling party's telephone number. By contrast, the CN field does not necessarily need to be populated. The charge number is the calling party's billing number, which may or may not be the same as the CPN. In the case of ordinary residential users, the charge number is often the same as the CPN. On the other hand, a business customer may have a single charge number associated with several different end user telephone numbers. In the case of a call originating from such a business customer, the SS7 signaling stream should contain the specific telephone number originating the call in the CPN field, as well as the charge number in the CN field. If the CPN and CN are the same, however, the originating carrier need not populate the CN field.

In contrast to the SS7 stream itself, terminating access records are designed for billing. In addition to the fields identifying the carrier responsible for payment, the terminating access record contains a single field for the "from" telephone number, which many carriers use to determine the jurisdiction of the call for billing purposes. Pursuant to industry standards, which have been incorporated into the design of most switch recording equipment in the industry, the "from" field in the terminating access record is populated by recording the CPN or CN that appears in the SS7 signaling stream. If only CPN is present in the signaling stream, the CPN is inserted into the terminating access record. However, if both CPN and CN are present in the signaling stream (and they are different), the charge number is used instead.[3]

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[3] *See, e.g.,* Telcordia Tech., *Generic Requirements for Exchange Access Automatic Message Accounting (AMA) (FSD 20-25-0000) (GR-1083 CORE)* at Table 5-2 (Issue 5, Sept.

As a result, although the SS7 stream itself is not designed for use as a billing system, the information in signaling does play a role in billing. Moreover, because terminating access records record the CPN or CN information directly from the SS7 stream, the jurisdictional information in terminating access records is only as good as the signaling information that the tandem provider receives from the previous carrier in the call path. For example, in some cases, the call arrives at the tandem with no CPN or CN in the SS7 signaling stream at all. Other times, the call may arrive at the tandem with a patently invalid CPN and CN in the SS7 stream, such as 999-999-9999. When a tandem provider receives a call with missing or invalid CPN and CN information in the SS7 signaling stream, the terminating access record provided to the terminating carrier will have missing or invalid information as well. Indeed, Verizon estimates that approximately 20% of the traffic that either transits over or terminates on Verizon's network either is missing CPN and CN entirely or contains plainly invalid data in the SS7 stream, affecting Verizon's ability to bill for transit and for termination.

Below, Verizon offers two proposals to assist carriers in determining the jurisdiction of and billing for traffic with missing or invalid CPN and CN. The first proposal- traffic labeling rules - is designed to increase the percentage of traffic containing valid CPN or CN data in signaling, so that those indicators can be captured in billing records. As explained below, however, there will continue to be some level of traffic without CPN or CN in signaling. Thus, Verizon's second proposal is designed to enable carriers to reach commercial agreements as to how to bill such traffic.

2005); Telcordia Tech., *LSSGR: Switching System Generic Requirements for Interexchange Carrier Identification (!CJ) Using the Integrated Services Digital Network User Part (JSDNUP) (FR-64) (GR-394-CORE)* at § 3.2.2 (Issue 3, Nov. 1999).

B. Proposed New Rules Governing SS7 Signaling Information

The first step that the Commission should take to address "phantom traffic" is to reduce the amount of traffic lacking certain important call detail information by adopting the traffic labeling rules proposed by Verizon, attached as Appendix A. Reducing the amount of traffic traveling the network without adequate call detail information will assist *all* carriers, including but not limited to those that subtend other carriers' tandems. Verizon's proposed rules incorporate certain basic principles that should be included in any traffic labeling rules the Commission adopts. These principles are necessary in order to ensure that any new rules are effective in improving billing information within the limits of the network's abilities, without requiring carriers to make costly changes to signaling and switch recording equipment that will not improve billing information.

First, because the CPN or CN in billing records is based on information contained in signaling, any rules adopted by the Commission should focus on the underlying source - *signaling*- and should address carriers' responsibilities to signal information appropriately. To be effective, the Commission's rules should address signaling of *both* CPN and CN - not just CPN. This is because terminating access records contain only a single field for a "from" telephone number. If the signaling stream for a call contains both CPN and CN, the CN "trumps" the CPN in terminating access records. Thus, traffic labeling rules that focus only on CPN would leave a loophole for carriers to disguise jurisdiction on billing records by manipulating CN. For example, an originating carrier may faithfully signal CPN, but the originating carrier or a subsequent carrier may insert a *different* CN to disguise jurisdiction -

knowing that the altered CN will be the only number that will appear on billing records.[4] In crafting rules to address CN, however, the Commission should retain current industry practice and should not require carriers to signal CN unless the CPN and CN are different.

Second, the Commission's rules should distinguish between the responsibilities of originating carriers and intermediate carriers. Specifically, only the originating carrier in a call path is able to signal the correct CPN and CN as an initial matter. If the originating carrier fails to populate the CPN and CN fields, subsequent carriers in the call path will have no way of knowing what the CPN and CN should be and therefore cannot correct the originating carrier's omission. Similarly, if an intermediate carrier in the call path removes or alters the CPN and/or CN information that the originating carrier correctly included in the signaling stream, subsequent carriers in the call path have no way of retrieving the original signaling transmitted by the originating carrier. The same result occurs if CPN or CN is not initially signaled, or is lost somewhere in the call path, because the originating carrier or an intermediate carrier employs multi-frequency ("MF") trunks, which do not have SS7 capability. For both of these reasons, intermediate carriers should be held responsible for passing along the signaling information that they receive, to the extent technologically feasible, but should not be held liable if that information was missing or invalid when the call was received.

Third, the Commission's rules should recognize that there are limited circumstances in which existing industry standards permit - even require - intermediate carriers to make some alterations to the CPN and CN data in signaling. Call Forwarding features provide one example. Pursuant to well-established industry standards, when Customer A forwards his phone to another

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[4] *See* Letter from Donna Epps to Marlene Dortch, WC Docket No. 05-68 & CC Docket No. 01-92 (Oct. 7, 2005) (regarding AT&T's prepaid calling card proposal); Letter from Donna Epps to Marlene Dortch, WC Docket No. 05-68 & CC Docket No. 01-92 (Sept. 9, 2005) (same).

number, Customer A's carrier will replace the caller's CN in the signaling stream with Customer A's CN before sending the call on to the forward location. Any rules adopted by the Commission should not require carriers to change these long-standing practices.

Verizon's proposed rules, attached as Appendix A, adhere to these guidelines and would be an effective measure in reducing the "phantom traffic" traversing the network, thus assisting tandem providers and terminating carriers alike. Verizon's proposed rules would eliminate any confusion over when originating carriers must signal CPN and CN and would make clear that intermediate carriers must transmit through signaling the CPN and CN data that they receive, unaltered. Clarifying carriers' responsibilities to signal CPN and CN data in this way will incent carriers to label their traffic properly and thereby reduce the amount of traffic without key jurisdictional information. The Commission should adopt Verizon's proposed traffic labeling rules.

C. Proposed Commission Action To Facilitate Factoring Agreements

Although Verizon's proposed traffic labeling rules will clarify carriers' responsibilities with regard to signaling CPN and CN and will deter carriers from intentionally omitting or altering signaling information, traffic labeling rules will not eliminate all "phantom traffic." Carriers throughout the industry, however, have developed effective methods of approximating the jurisdiction of traffic, known as "factoring," and have used factoring arrangements widely in access tariffs and in commercial agreements. Thus, the second step that the Commission should take to address "phantom traffic" is to facilitate these factoring arrangements by confirming that incumbent carriers can demand commercial negotiations with certain carriers, so that incumbent carriers can use factoring as needed in billing the carriers responsible for payment.

Traffic labeling rules - no matter how well crafted - will not be able to eliminate all traffic that cannot be jurisdictionalized and billed based on CPN or CN. A certain amount of traffic lacking valid CPN and CN information is inevitable in the network. For example, MF trunks are not SS7-capable, such that any traffic other than Feature Group D "equal access" traffic that travels on MF trunks will not contain CPN and CN in signaling, and there will be no CPN or CN for the tandem provider to insert into the terminating access record. The Commission's Caller ID rules also prohibit carriers from passing CPN, or permit carriers to signal a CPN other than the caller's telephone number, in certain limited circumstances. *See* 47 C.F.R. §§ 64.160l(d) & (e). In addition, there are cases where traffic that contains a valid CPN or CN in the signaling stream (which is incorporated into the terminating access record) still cannot be jurisdictionalized based on that information. Calls from "non-geographic" phone numbers, such as wireless roaming calls, provide one such example. Due to roaming, the CPN associated with a wireless customer's handset may or may not indicate the geographic location where a wireless call originated. As a result of all of these factors, terminating carriers will continue to receive traffic that cannot be jurisdictionalized based on the CPN or CN transmitted via signaling and incorporated into billing records.

Such traffic is not "unbillable," however. Rather, carriers throughout the industry routinely bill for such traffic using a long-standing industry method known as "factoring" to approximate the jurisdiction of the traffic received and to determine the rate to apply, both for traffic that terminates on the carrier's own network as well as traffic that merely transits the carrier's network. Typically in factoring arrangements, the carrier responsible for payment (as identified on the terminating access record) uses traffic studies to develop estimates as to what percentage of its traffic to the terminating carrier is local, intrastate toll, or interstate toll. These

percentages, or factors, are commonly referred to in tariffs as "percent local usage (PLU) factors" and "percent interstate usage (PIU) factors."[5] These factors are then used to approximate the jurisdiction of the traffic in question and to calculate the appropriate intercarrier compensation that the financially responsible carrier must pay. For example, Verizon and other carriers often include factoring provisions in contracts and access tariffs to determine the jurisdiction and applicable billing rates for calls that lack a valid CPN or CN. Verizon and other carriers also often agree to use factoring to determine the jurisdiction of *all* wireless-originated calls, because on such calls the CPN will not necessarily reflect the geographic location of the calling party.

Carriers can also use variations on factoring arrangements to increase originating carriers' incentive to signal valid CPN with their traffic. For example, Verizon's interconnection agreements typically apply factoring when jurisdiction cannot be determined by CPN or CN, assuming that such traffic is below a certain threshold - usually 5% or 10%. The agreements provide that Verizon will charge the originating carrier or IXC local, intrastate, and interstate rates in the same proportion as the 90% or 95% of traffic that contained valid CPN. If, however, traffic with missing or invalid CPN exceeds that threshold (again, usually 5% or 10%), the great majority ofVerizon's agreements provide that Verizon will charge the originating carrier or IXC the highest possible rate for *all* traffic with missing or invalid CPN.[6]

See, e.g., Verizon FCC TariffNo. 1 § 2.3.10 (discussing the use of percent interstate usage factors, or PIU factors, to determine the jurisdiction of switched access traffic); National Exchange Carrier Association, Inc. (NECA), FCC Tariff No. 5 §§ 2.3.11, 6.3.l(A) (same).

[6] *See, e.g.,* Ex Parte Letter from Donna Epps to Marlene Dortch, CC Docket No. 01-92 (Aug. 9, 2005) (discussing and providing examples ofVerizon's contractual provisions regarding factoring).

Factoring arrangements can provide terminating carriers - including but not limited to small and rural LECS - the tools needed to determine what rate to bill for traffic that may still be difficult or impossible to jurisdictionalize even after Verizon's proposed traffic labeling rules go into effect. As a result, the Commission's second step to address phantom traffic should be to facilitate factoring arrangements by ensuring that terminating carriers have meaningful opportunities to negotiate factoring agreements with the carriers that are responsible for payment. Notably, terminating carriers already have the ability to implement factoring arrangements with the majority of the carriers that are responsible for payment. The Commission need not - and should not - intervene where carriers already have the ability to negotiate or otherwise obtain factoring arrangements.

The carriers responsible for payment to terminating carriers can be grouped into three categories: interexchange carriers; wireless carriers; and other local exchange carriers operating within the same local calling area. With regard to traffic from interexchange carriers, terminating carriers already have the ability to insert factoring provisions in access tariffs, thereby establishing factoring arrangements without negotiating with each individual interexchange carrier. In fact, numerous access tariffs already include factoring provisions, including the National Exhange Carrier Association tariff in which many rural LECs participate.[7] No Commission action is necessary to assist terminating LECs in establishing factoring arrangements with interexchange carriers.

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[7] *See* National Exchange Carrier Association, Inc. (NECA), FCC Tariff No. 5 §§ 2.3.11, 6.3.l(A).

With regard to wireless carriers, the Commission has recently ordered in *T-Mobile*[8] that incumbent LECs may demand negotiations in order to reach commercial agreements with wireless carriers. Incumbent LECs are already taking advantage of their rights under *T-Mobile,* and many are in the process of negotiating commercial agreements with wireless carriers. Incumbent LECs therefore have the ability to seek factoring agreements with wireless carriers as part of their *T-Mobile* negotiations. No further Commission action is needed to assist terminating carriers in establishing factoring arrangements with wireless carriers.

Finally, terminating LECs receive traffic from other LECs operating in the LEC's local calling area. Intercarrier compensation for incumbent LEC to incumbent LEC intraLATA toll traffic has long been addressed through arrangements known as IntraLATA Toll Originating Responsibility Plan or "ITORP," such that factoring arrangements are unnecessary for ILEC to ILEC traffic. Factoring arrangements are essential tools, however, for ILECs terminating traffic from CLECs operating in their local calling area. Yet, some ILECs have argued that they have been unable, as a practical matter, to compel these CLECs to negotiate billing arrangements. The Commission should therefore issue an order similar to its *T-Mobile* order, confirming that ILECs may demand negotiation of billing arrangements from local CLECs, in order to facilitate factoring arrangements.

The Commission's authority to issue such an order is grounded in its power to regulate intercarrier compensation for interstate traffic, explicitly granted by Congress in § 201(b) of the Communications Act. *See* 47 U.S.C. § 201(b). Yet, the complaint that has been raised with regard to "phantom traffic" is that, due to invalid, missing, or non-geographic CPN and CN,

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[8] *See* Memorandum Opinion & Order, *In the Matter of Developing a Unified Intercarrier Compensation Regime; T-Mobile et al. Petition for Declaratory Ruling Regarding Incumbent LEC Wireless Termination Tariffs,* 20 FCC Red 4855 (rel. Feb. 24, 2005) *("T-Mobile").*

carriers are unable to segregate incoming traffic into interstate and intrastate categories for billing purposes. Carriers' inability to identify or reasonably estimate that portion of their traffic that is interstate therefore stands as an obstacle to carriers' ability to receive reasonable and just compensation from other carriers for the interstate traffic that they carry. Thus, pursuant to its authority over intercarrier compensation for interstate traffic, the Commission can take regulatory steps to ensure that carriers are able to identify or approximate that traffic which is subject to the Commission's jurisdiction. A Commission order that facilitates factoring arrangements as a means of estimating which traffic is interstate, by confirming incumbent LECs' ability to demand negotiations, falls squarely within the Commission's authority to regulate intercarrier compensation for interstate traffic. *See* 47 U.S.C. § 201(b). Based on this authority, the Commission should issue an order confirming incumbent LECs' ability to compel negotiation of billing arrangements with competitive LECs operating in the same local calling area.

IV. The Commission Should Minimize The Unexpected Routing Of Traffic By Clarifying Carriers' Responsibilities To Query The Local Number Portability Database

The second category of "phantom traffic" - traffic for which the tandem provider and/or terminating carrier is unsure of jurisdiction - has not been limited in this proceeding to traffic with missing, invalid, or inaccurate CPN or CN. In this proceeding, the term "phantom traffic" has also been used to refer to traffic that is allegedly "misrouted" and delivered to the terminating carrier over a trunk group that seems inconsistent with the jurisdiction indicated by the CPN or CN in signaling and terminating access records. The routing of this traffic causes some terminating carriers to question its proper jurisdiction (as well as its routing). This traffic still appears on terminating access records, however, and can and should be properly billed by

using those billing records. Indeed, much of the claimed "misrouted" traffic is not misrouted at all, but rather the inevitable result of end user choices and non-geographic telephone numbers, as discussed below. Some of this traffic *is* misrouted, however, due to some carriers' failure to ensure efficient routing of traffic by querying the local number portability ("LNP") database. Thus, the third step the Commission should take to address "phantom traffic" is to reduce the amount of traffic that is delivered over unexpected trunks by clarifying carriers' responsibilities to query the LNP database, thereby promoting more efficient use of the network and reducing the confusion that can be caused by misrouting.

Like other "phantom traffic" concerns, concerns about delivery of traffic over the appropriate trunk group affect terminating carriers that subtend their own tandems and that subtend another carrier's tandem. The concerns generally arise when end offices connect to a tandem using two separate trunk groups: one intended primarily for access traffic, and one intended primarily for local interconnection.[9] Despite these designations, traffic that appears (based on CPN) to belong on one trunk group may be delivered by the tandem over the other trunk. However, the type of trunk used by the tandem to complete the call to the terminating carrier is dictated by the type of trunk over which the tandem *receives* the call from the previous carrier in the call path. Contrary to some carriers' assertions, a tandem switch does not - *and cannot* - review the CPN and CN data associated with each call it receives and sort that traffic onto different outgoing trunks according to jurisdiction. It is simply technically infeasible for tandem switches to sort traffic in this manner. Rather, when the tandem receives traffic over an access trunk or a local interconnection trunk, the tandem will complete the call to the terminating

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[9] In some cases, competitive LECs and rural LECs connect to tandems using only a single trunk group that commingles all types of traffic, in which cases there are no concerns about traffic being delivered by the tandem over an unexpected or "wrong" trunk group.

end office over the same type of trunk on which it arrived, regardless of CPN or CN. For this reason, any claimed "misrouting" of traffic into the tandem affects all end offices subtending a tandem - whether the end office belongs to the same carrier or not.

This fact of course raises the question of why traffic may be "misrouted" *to* the tandem over unexpected trunks in the first place. In fact, much of this claimed "misrouting" of traffic is not misrouting at all, but rather the inevitable result of end user choices or non-geographic phone numbers. For example, end users (particularly business end users) may elect to route *all* of their outgoing traffic - including local - directly to an interexchange carrier in order to take advantage of various discount plans. In such a case, the interexchange carrier will deliver that traffic to the tandem over an access trunk. The same routing results if, for example, an individual caller uses a prepaid calling card or dials 10-10-::XXX to reach an interexchange carrier when it is unnecessary to do so, perhaps mistakenly believing his call to be beyond the local calling area. Because the tandem receives traffic from interexchange carriers over access trunks, it will forward this traffic to the terminating carrier over access trunks, even if the CPN appears to be located in the local calling area.

Wireless-originated traffic - particularly roaming wireless traffic - provides another example. Wireless calls are routed by the wireless service provider to the tandem over local interconnection trunks, and the tandem will likewise route those calls on to the terminating carrier over local interconnection trunks. But, because a wireless caller's CPN does not necessarily reflect his or her geographic location, particularly if the caller is roaming outside of his or her home calling area, wireless-originated traffic that is properly delivered over local interconnection trunks may appear to be "long distance" based on the caller's CPN or CN.

In all of these examples, however, the traffic is still billable by the terminating carrier. Regardless of the type of trunk on which it is routed, the tandem provider will still create a terminating access record identifying the carrier responsible for payment and recording the CPN or CN that is signaled in the signaling stream. The terminating carrier can properly bill the financially responsible carrier by using these terminating access records, regardless of the trunk on which the traffic is delivered.

In contrast to the examples above, there are cases where the routing of access traffic over local interconnection trunks is both inefficient and avoidable. Specifically, access traffic may be delivered to the terminating carrier over local interconnection trunks if the interexchange carrier failed to query the local number portability (LNP) database before routing the call and the called number has been ported or pooled. An interexchange carrier that fails to perform this query necessarily will route the call based on the assumption that the called number has not been ported or pooled. Because interexchange carriers often have direct connection to many LECs' end offices, the interexchange carrier will most likely deliver the call to the end office where the number originally resided- the "donor" end office. Thus, if the number has been ported or pooled, the call will be delivered to the wrong end office. It will then fall to the donor end office to perform the LNP query and complete the call to the correct end office based on the information in the query response. An end office, however, does *not* have the ability to route the call onward to the recipient end office over access trunks. The only way the donor end office can send the call to the new carrier serving the number is to route the access call over local interconnection trunks.

Notably, traffic misrouted due to an interexchange carrier's failure to perform an LNP query *is billable* by the terminating carrier (the recipient end office). Even in these cases, the

donor end office *still* creates a terminating access record identifying the carrier responsible for payment and recording the CPN and CN information that the donor end office received in signaling. Although this type of traffic is still billable, Commission action is warranted. Interexchange carriers that routinely fail to perform LNP queries cause the inefficient use of network resources, as calls to ported and pooled numbers are forced to travel a circuitous route to their destination. Moreover, these practices are contrary to the network architecture recommended by the NANC and adopted by the Commission in its *Third Report and Order. See Third Report & Order* ,r 15.[10]

Thus, to promote the more efficient use of network resources, as well as to reduce the confusion caused when traffic is delivered to a terminating carrier over an unexpected trunk group, the Commission should issue an order strictly adopting NANC's unequivocal language regarding responsibility for LNP queries:

> [F]or a local call the originating carrier ... ***is responsible*** for performing the query in its network or contracting with another entity to perform the queries on its behalf.
>
> Similarly, for interLATA toll calls the interexchange carrier ... ***is responsible*** for performing the necessary query.

See NANC LNP Working Group Recommendation (July 25, 2005) (emphases added). The order should also make clear that when a carrier performs only a transiting function for a call, it is *not* the carrier responsible for querying the LNP database.[11]

See Third Report & Order, *Telephone Number Portability,* 13 FCC Red 11701 (1998) *("Third Report & Order").*

[11] The proper routing of traffic and its role in "phantom traffic" have been debated extensively on the record in this proceeding. In particular, several parties have filed ex partes discussing which carriers are responsible for LNP queries and recommending that the Commission take action in this area. Moreover, the Commission's February 10, 2005 Further Notice of Proposed Rulemaking on intercarrier compensation reform notified the public that as

CONCLUSION

For the reasons discussed above, the Commission should take three steps to address concerns about "phantom traffic:" (1) adopt Verizon's proposed traffic labeling rules, attached as Appendix A; (2) confirm incumbent LECs' ability to compel the negotiation of billing agreements with competitive LECs operating in the same local calling area, in order to facilitate factoring solutions to "phantom traffic;" and (3) clarify which carrier in a call path is responsible for querying the LNP database, in order to promote more efficient use of the network and to reduce confusion caused by the unexpected routing of access traffic over local interconnection trunks.

Respectfully submitted,

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part of its reform efforts, the Commission is considering a broad range of actions that may impact intercarrier compensation. Therefore, consistent with the Administrative Procedure Act (APA), the Commission could issue an order clarifying which carriers are responsible for performing LNP queries.

APPENDIX A

VERIZON'S PROPOSED TRAFFIC LABELING RULES

§ 1. *Definitions.* For purposes of this subsection, the following definitions shall apply:

(a) *Automatic Number Identification* or *AN/.* The term Automatic Number Identification or ANI refers to the NPA (and NXX-line number in the case of ANI II digits) of the Charge Number associated with the party originating a call when multi-frequency ("MF") in-band signaling is used.

(b) *Calling party number* or *CPN.* The term Calling Party Number or CPN refers to the subscriber line number or the directory number associated with the party originating a call. The CPN field is a call data field within the initial address message in the Signaling System 7 network that is populated with the calling party's subscriber line or directory number.

(c) *Charge number* or *CN.* The term Charge Number or CN refers to the telephone number associated with the party to whom a call is charged or billed. In many but not all cases, the CN will be the same as the calling party's CPN. The CN field is a call data field within the initial address message in the Signaling System 7 network that is populated with the CN if the calling party's CPN is not the billing number.

(d) *Intermediate carrier.* The term "intermediate carrier" shall refer to any carrier in the call path that is neither the originating carrier nor the terminating carrier. Intermediate carriers include, but are not limited to, tandem providers, transit providers, and interexchange carriers.

(e) *Multi-Frequency Signaling* or *MF Signaling.* The term MF Signaling refers to an in-band address signaling method that can be used for call routing. In many instances, SS7 signaling has replaced MF signaling.

(f) *Signaling System* 7 or SS7. The term Signaling System 7 (SS7) refers to a carrier to carrier out-of-band signaling network that can be used for call routing, billing and network management.

§2. *Obligations To Accurately Identiry Telecommunications Traffic.*

(a) Where technically feasible, except as provided in 47 C.F.R. §§ 64.160l(d) & (e) and in§ (2)(b)(ii) below, originating carriers shall transmit CPN on all calls originated by their end users or the end users of information service providers they serve and shall not alter this information.

(i) For trunk groups with SS7 capability, the CPN should be transmitted in the CPN field of the SS7 stream;

(ii) For trunk groups using MF signaling, on originating feature group D calls, the CPN should be transmitted in the ANI field if CPN and CN are the same.

(b) When the CPN and CN are different, and where technically feasible, originating carriers may transmit the CN on calls originated by their end users or the end users of information service providers they serve and shall not alter this information.

(i) For trunk groups with SS7 capability, CPN should be transmitted in the CPN field and CN should be transmitted in the CN field of the SS7 stream.

(ii) For trunk groups using MF Signaling, on originating feature group D calls, the CN should be sent in the ANI field.

(c) Where technically feasible, intermediate carriers shall transmit the CPN received and the CN received, if any, unaltered, except as provided by industry standards.

APPENDIXB

THE VERIZON TELEPHONE COMPANIES

The Verizon telephone companies are the local exchange carriers affiliated with Verizon Communications Inc. These are:

Contel of the South, Inc. d/b/a Verizon Mid-States
GTE Southwest Incorporated d/b/a Verizon Southwest
Verizon California Inc.
Verizon Delaware Inc.
Verizon Florida Inc.
Verizon Maryland Inc.
Verizon New England Inc.
Verizon New Jersey Inc.
Verizon New York Inc.
Verizon North Inc.
Verizon Northwest Inc.
Verizon Pennsylvania Inc.
Verizon South Inc.
Verizon Virginia Inc.
Verizon Washington, DC Inc.
Verizon West Coast Inc.
Verizon West Virginia Inc.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *dlbla* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.	Case No. U-14905

EXHIBIT A-_(DSM-6)

Donna Epps
Vice President
Federal Regulatory Advocacy

ver, on

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Washington, DC 20005

Phone 202 515-2527
Fax 202 336-7922
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October 5, 2005

Ex Parte

MPSC Case No. U-14905
Exhibit No. A-_ (DSM-6)
May 30, 2006

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

Re: Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92

Dear Ms. Dortch:

On October 4, 2005, Amy Rosenthal and the undersigned of Verizon, met with Tamara Preiss, Randy Clarke and Jay Atkinson of the Wireline Competition Bureau potential solutions to address "phantom traffic." Verizon's comments were consistent with the attached hand-out which was used as a basis for discussion in the meeting.

Sincerely,



Attachment

cc: Tamara Preiss
Steve Morris



"Phantom Traffic" Solutions

October 2005

Phantom Traffic

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- **"Phantom traffic" is a multi-faceted issue that calls for multiple solutions**
  - "Phantom traffic" is the result of several different underlying causes
  - Different solutions are needed to address different underlying causes

Phantom Traffic

What is Phantom Traffic?

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- **The term "phantom traffic" has been used to refer to two types of traffic:**

(1) traffic that purportedy lacks identification of the carrier to be billed; and

(2) traffic that purportedly lacks sufficient information to determine jurisdiction for billing

Phantom Traffic
Carrier Identification

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- The carrier to be billed is identified on terminating access records by either a Carrier Identification Code {CIC code) or an Operating Company Number **{OCN).**

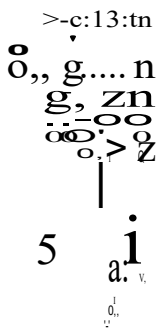
- Industry guidelines establish when OCN versus CIC should be used on terminating access records.

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Understanding industry guidelines regarding use of CIC or OCN aids carriers using terminating access records to identify the carrier to be billed.

- Identification of the carrier to be billed enables terminating carriers to protect themselves against the negative effects of "phantom traffic"
- Transit providers that identify the carriers to be billed should not be held responsible for any inaccurate or invalid information from those carriers



Phantom Traffic
Jurisdictional Information

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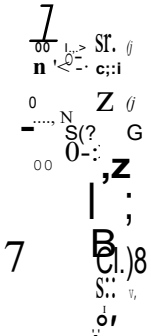
- **"Phantom traffic" includes several types of traffic for which jurisdiction may be unclear**
  - Traffic lacks CPN or has patently invalid CPN
    - Intentional misconduct to disguise jurisdiction
    - Technical limitations
  - Traffic carried on local interconnection trunks despite "foreign" CPN or CN
    - Misdirected traffic
    - Non-geographic CPN
  - CPN or CN does not accurately indicate caller's location
    - Intentional misconduct to disguise jurisdiction
    - Non-geographic CPN

Phantom Traffic
Intentional Misconduct to Disguise Jurisdiction

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- **Some carriers may intentionally disguise jurisdiction by:**
  - Removing, or failing to insert, CPN in signaling
  - Inserting patently invalid CPN in signaling
  - Altering CPN or CN in signaling to suggest a different calling party location



- **The FCC should amend its rules to address intentional misconduct to disguise calljurisdiction:**
  - Amend rules to clarify that the CPN signaled must be the true calling party's CPN, unaltered
  - Amend rules to state that if a carrier signals CN, the CN must be the true calling party's CN, unaltered
  - Amend rules to clarify that carriers must not modify or delete the calling party's CPN or CN in the SS7 stream in any way to reflect a different geographic location of the calling party

Phantom Traffic
Misdirected Traffic

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- **In areas served by local number portability {LNP) or thousands block pooling, efficient network routing requires the "N-1" carrier to query the LNP database to determine the location of the called number.**

- **If the "N-1" carrier does not perform the LNP query, and the called number was ported or pooled:**
  - The N-1 carrier may erroneously route the call to the donor end office
  - The donor end office must route the call, using local interconnection trunks, to the end office where the called number actually resides
  - Call may be "double-tandemed"
  - Network resources are deployed inefficiently

Phantom Traffic
Misdirected Traffic

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- **Third Report and Order, paragraph 15:**

"The industry has proposed, and the Commission has endorsed, an "N minus one" (N-1) querying protocol.

Under this protocol, the N-1 carrier will be responsible for the query, 'where 'N' is the entity terminating the call to the end user, or a network provider contracted by the entity to provide tandem access.'

*Thus the N-1 carrier (i.e. the last carrier before the terminating carrier) for a local call will **usually** be the calling customer's local service provider; the N-1 carrier for an interexchange call will **usually** be the calling customer's interexchange carrier (IXC)."*

Phantom Traffic
Misdirected Traffic

Verizon

- **NANC's Recent Recommendation:**

  "[F]or a local call the originating carrier *is* also the N-1 carrier and is responsible for performing the query in its network or contracting with another entity to perform the queries on its behalf.

  Similarly, for interLATA toll calls the interexchange carrier *is* the N-1 carrier and is responsible for performing the necessary query."

NANC LNP Working Group Recommendation, July 25, 2005

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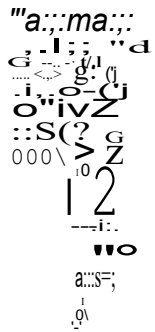
- **The FCC should take action to minimize misdirected traffic:**
  - Clarify that for local calls, the originating carrier is the N-1 carrier and is responsible for either performing the LNP query in its network, or contracting with another entity to perform the queries on its behalf
  - Clarify that for interLATA toll calls, or intraLATA toll calls carried by an IXC, the interexchange carrier is the N-1 carrier and is responsible for either performing the LNP query in its network, or contracting with another entity to perform the queries on its behalf
  - Clarify that when a carrier performs only a transiting function for a call, it is not the N-1 carrier for that call

Phantom Traffic
Beyond Misconduct And Misrouting

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- **Some of the traffic that purportedly lacks sufficient jurisdictional information is inevitable:**
  - Technical limitations
  - Non-geographic telephone numbers
    - Telephone number may not reflect jurisdiction
    - Calls with "foreign" telephone numbers may be carried on local interconnection trunks
- **Determining jurisdiction is an industry-wide billing issue affecting all carriers, including Verizon**



Non-Reg·ulatory Solutions Beyond Misconduct And Misrouting

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- Verizon and other carriers have used contractual arrangements and access tariff provisions to address billing for traffic for which jurisdiction is unclear
  - Use of factors to jurisdictionalize traffic with invalid or missing CPN/CN
  - Use of factors to jurisdictionalize traffic from carriers with non-geographic CPN/CN
  - Terms providing for special treatment of traffic with invalid or missing CPN/CN above specified threshold levels
- Other carriers, including rural carriers, can and should use similar contractual arrangements and access tariff provisions to govern billing for traffic for which jurisdiction is unclear

Non-Regulatory Solutions
Beyond Misconduct And Misrouting

verizon

- **Contractual arrangements can address traffic from CMRS and local exchange carriers for which jurisdiction is unclear**
  - Terminating access records identify the relevant carriers for negotiation
  - Contractual agreements can be limited to billing arrangements. Full interconnection agreements may often be unnecessary
  - *T-Mobile* decision provides incumbent local exchange carriers the ability to compel negotiations with CMRS providers and to true-up billing back to date of request
  - FCC may expand the *T-Mobile* ruling to provide incumbent local exchange carriers the ability to compel negotiations with non-CMRS providers
    - Contractual disputes resolved according to contract provisions
- **Access tariffs can address traffic from interexchange carriers for which jurisdiction is unclear**

- **Contractual arrangements and tariff provisions provide the best solution to the billing issues surrounding traffic for which jurisdiction is unclear**

  - Both contracts and tariffs can provide relief for all types of so-called "phantom traffic"
  - Both deter intentional misconduct
  - Both provide relief for "phantom traffic" in the short term
    - *T-Mobile* permits terminating carriers to "true up" agreed terms back to the date of the negotiation request
  - Contracts provide deregulatory solution that relies on commercial agreements

Phantom Traffic Solutions

Summary

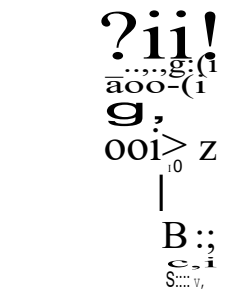
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1) Tandem providers that identify the carrier to be billed should not be held responsible for inaccurate or invalid information received from those carriers.

2) The FCC should clarify and amend traffic labeling and routing rules to address intentional misconduct and to minimize improper routing.

3) Terminating carriers should use contractual agreements and access tariff provisions to address billing traffic for which jurisdiction is unclear.



STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *d/bla* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.	Case No. U-14905

EXHIBIT A-_(DSM-7)

ORIGINATING SWITCHED ACCESS INFORMATION FLOW FROM TOLL CARRIER SELECTION TO CREATION OF EMI RECORD(S)

1) The end user chooses a presubscribed toll carrier for the end user's toll service for a particular telephone number (line).
2) The LEC then assigns the CIC (the particular Carrier Identification Code for a specific toll carrier) to that line in the end office switch serving that line. If Verizon or AT&T Michigan has been chosen as the intraLATA toll carrier, the LEC populates the CIC field with 0000 (or the LEC leaves this information blank, which equates to 0000). The reason for this variance is that Verizon and AT&T Michigan have not provided the LECs with CICs.
3) The customer dials 1 plus a ten digit number within the LATA.
4) The end office switch then records data for this call, including the CIC of the originating carrier and all other necessary billing information.
5) The call, along with the identifying information, is routed to a tandem serving the end office. Neither Verizon nor AT&T Michigan has chosen to record these originating calls as they come into the tandem or leave the tandem.
6) By industry standards, usage is recorded to the tenth (0.1) of a second. Two usage measurements are generally made:
    a. Conversation time-the time from when the called party answers until the call is disconnected, i.e. the time when a conversation could occur.
    b. Access time-the conversation time plus the time the toll network is connected to the local network before the called party answers. This is the amount of time a toll carrier has utilized the originating LEC's network.
7) The originating LEC's switch periodically is polled, and recorded information is downloaded for billing purposes by a service bureau.
8) The service bureau converts recorded information to standard electronic message interface (EMI).
    a. For billing originating access, this information is converted to a Category 11-01-01 record. The record is then used to create a switched access bill to bill the toll carrier.
    b. If the toll carrier has purchased the recording function of the billing and collection services offering from the originating LEC, the record is also used for billing toll to the end user. The information is converted to a Category 01-01-01 record for this billing.

STATE OF MICHIGAN

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In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *dlb/a* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.

Case No. U-14905

EXHIBIT A-_(DSM-8)

ACCESS BILLING INFORMATION FLOW FROM CREATION OF EMI RECORD(S) TO PRODUCTION OF SWITCHED ACCESS BILL

Billing Switched Access

1) Sources of call detail records
   a. End Office Switch recording, originating and terminating
   b. Tandem Switch recording, select terminating records only
   c. Operator Switch recording
   d. UNE-P records
2) The "from" and "to" NPA-NXX combination of each call detail record is examined to determine if the NANPA assignee of the "from" number defines that combination as "local." The call detail records that are "local" are removed from the switched access billing and terminating usage is billed under local transport and termination tariff, similar tariff or interconnection agreement, as applicable.
3) Call detail records are accumulated for billing period by
   a. By Toll Carrier
   b. By End Office
   c. By Type of Call
   d. By Direction of Call
   e. By Jurisdiction
   f. By Path the call is routed over
   g. If a rate change has occurred, by Rate Period (the effective dates of the applicable rates)
4) For terminating calls, when the toll carrier can not be identified by the end office switch based on signaling information provided at the time the call is placed and the tandem company does not provide specific (non-summary) call detail records identifying the toll carrier after the fact, that usage is billed to the tandem company.
5) If the tandem company provides a call detail record (individual, not summary) identifying the toll carrier, the end office company bills this usage to the identified toll carrier.
6) When the jurisdiction cannot be determined from the call detail record, traffic is allocated by predetermined factors between the jurisdictions based on information previously provided by the toll carrier.
7) Per tariff,
   a. originating access usage is based on access time (for definition, see previous exhibit)
   b. terminating access usage is based on conversation time (for definition, see previous exhibit)
8) For access billing, rounding does not occur on a per call basis. Instead, usage is accumulated for a billing period and then rounded to the next higher minute of use.
9) Access bills are calculated by multiplying the tariff rate applicable for the service used times the accumulated MOU for that toll carrier.
10) Access bills are presented by end office and by jurisdiction.
11) Late payment charges are applied per tariff for past due amounts.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *dlbla* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.

Case No. U-14905

EXHIBIT A-_(DSM-9)

BILLING AND COLLECTION INFORMATION FLOW

Billing IntraLATA Toll on behalf of Verizon, i.e. Billing and Collection Service

1) At the time of conversion to EMI Category O1-01-01 records, the service bureau rates the calls based on Verizon's intraLATA toll tariff.
2) At this point, rated messages for operator-handled calls and sent-collect calls with Verizon as the CMDS I provider (third party billing clearinghouse) are entered into the system. The service bureau receives these records directly from Verizon.
3) The billing system checks to see if a phone number has an optional toll calling plan(s). If so, the rating of these calls is modified per the selected plan according to Verizon's toll tariff.
4) The individual call information is then posted to that customer's monthly bill.
5) For Verizon's AETCP Unlimited, the service bureau (in compliance with Verizon's tariff) suppresses call detail from the monthly bill.
6) The amount of toll charges for the billing period is posted on each customer's bill.
7) The toll charges billed on behalf of Verizon for all its toll customers in the ILEC's service area are totaled for that period.
8) This amount, along with any adjustments or uncollectibles, is sent to Verizon on a report called a Purchase of Accounts Receivable Statement (PARS).
9) Approximately one month after the toll calls are billed to toll customers, Verizon is paid the amount on the PARS.
10) At the time of billing toll customers, the end office company counts the number of units of service it provided to Verizon for each of the Billing and Collection functions requested by Verizon. The "inquiry" function is counted for all calls billed.
11) These units are then multiplied by the contract rate for that function.
12) The amount due to the ILEC for Billing and Collection services is invoiced to Verizon at the same time the bills are sent to Verizon's toll customers. Approximately one month later, the invoice is due. In some cases, the parties net the invoices for PARS, Billing and Collection services, and Access Services .

STATE OF MICHIGAN

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Case No. U-14905

EXHIBIT A-_(DSM-10)

Sent 7-27-90

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MPSC Case No. U-149O5
Exhibit No. A-_ (DSM-IO)
May 30, 2006
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GTE Telephone Operations
Michigan
455 East Ellis Road
Muskegon, Michigan 49443
616 798-5411

July 6, 1990

Mr. David LaRocca
Deerfield **Farmer's** Telephone Company
P.O. Box 68
Deerfield, Michigan 49270

Dear Dave,

Enclosed for your execution are two signed copies of the -Agreement for the Provision of Teleconmunications Services and Facilities- (Umbrella Agreement) and the following annexes:

Annex I: **Basis** of Compensation for Intrastate IntraLATA Access Service

Annex IA: IntraLATA Billing and Collection Agreement

The Exchange Services Agreement (Annex II) and the Operator Services Agreement (Annex **IIA)** which are in the process of being combined into one agreement will be forwarded to you in the near future. Also, the annex listing section (pages 1 and 2) of the -Agreement for the Provision of Telecommunications Services and Facilities- will be updated as additional annexes become applicable to your company.

Please sign both copies of the Umbrella agreement and the annexes and return one copy to me. If there are any **areas** which need further explanation **please** give me a call at (616)798-5877 or call Jerry Birchmeier at (616)798-5379.

Sincerely,

<obEt K. DY
Manager-InterLATA Compensation

ccs J. Birchmeier
H. Hively
D. Reprogle
J. Wagler

Post point agreement

AGREEMENT FOR THB PROVISION Or TELECOMMUNICATIONS SERVICES AND FACILITIES

This Agreement between GTB North Incorporated herein after called (GTEN), a corporation organized and operating under the **laws** of the State of Wisconsin, and Deerfield **Farmer's** Telephone Company, herein called the Secondary Exchange Carrier (SEC), organized and operating under the law• of the State of Michigan, sets forth the terms and conditions for the joint provision of certain telecommunications services and facilities **as** hereinafter described.

The effective date of this Agreement ia January 1, 1990.

I. SCQPI Ol AGREEMENT

This Agreement describes terms and conditions for the proviaion of certain **services** and facilities, **aasociated** with (1) IntraLATA Toll Services (including Message Telecommunications Service (MTS), Wide Area Telecommunications Service (WATS) which includes 800 Service and Private Line (PL) services), (2) InterLATA Access Charges, (3) Exchange Access Services and (4) Local exchange service■ provided under such tariffs rules and regulations as may be in effect with the Federal Communications Commission (FCC) or Michigan Public Service Commission (MPSC) during the period of this Agreement. Those services and facilities which are the subject of this Agreement include ones provided by GTEN to SEC, those provided by SEC to GTEN **and those** individually provided and combined to establish **a** common **service** or network. Included are all Facilities used for jointly provided local exchange **services**, the joint provision of **Access Services** for origination and termination of InterLATA telecommunications, and the toll portion of the IntraLATA telecommunications **services**, including operator, switching and transmission facilities. Excluded are all facilities solely provided by the SEC and used in the provision of InterLATA telecormnunications **services**. The **services** and facilities subject to this Agreement and the terms and conditions under which **these services** and facilities are provided are defined in the following **Annexes** which are included and made part of this Agreamantt

		YES	NO
ANNEX I:	BASIS OF COMPENSATION FOR INTRASTATE INTRALATA ACCESS SERVICES	X	
ANNEX **IA**:	INTRALATA BILLING AND COLLECTION AGREEMENT		
ANNEX II:	EXCHANGE SERVICES AGREEMENT		
ANNEX **IIA**:	OPERATOR SERVICES AGREEMENT		
ANNEX III:	AGREEMENT FOR JOINTLY PROVIDED FGA		
ANNEX IV:			
ANNEX Vt	ACCOUNTING SERVICES AGREEMENT		

YES NO

ANNEX VIs FLOOR SPACE, POWER, AND TESTING AGREEMENT

ANNEX VIIs FACILITIES LICENSE AGREEMENT

ANNEX VIIIs TRANSMISSION FACILITIES AGREEMENT

ANNEX XVs MEET POINT BILLING AGREEMENT

II. METHODS ANO PRACTICES

Each company agrees to provide the service■ and faciliti■ de■cribed in thia Agreement in consonance with tariff■, rule■ and regulation• duly filed with and approved by appropriate regulatory authorities, so that aervice■ provided to their respective customers meet the operating methods and standard• generally in effect with the involved companies at the time the service is rendered. Whenever an Annex to this Agreement specifically defines performance standards, such standards shall govern the services and facilities provided pursuant to such Annex and shall supersede the provisions of this section.

III. DEFINITIONS

For purposes of this Agreement, the following terms shall have the following meanings,

A. Access service means services and facilities used in the origination or termination of InterLATA and IntraLATA teleconmunications and provided to Interexchange carriers (ICs), or Primary Exchange Carriers (PECs) under tariff.

B. Agreement means this Agreement and all other Annexes or parts thereof that are in effect at a given time.

c. compeneation means the amount of money due from GTBN to the SEC or from the SEC to GTBN for service■ and facilities provided under this Agreement.

D. An Exchange or Local Exchange is **a** specified area established for the furnishing of local telephone service under **a** distinct or **separate** local tariff. It usually embraces a city, town, village, or unincorporated community and environs thereto and consists of one or more central offices, together with the associated plant used, in furnishing service■ within that area.

E. Facility **means** any plant or equipment (including real **estate)** furnished by one Party or the other pursuant to this Agreement.

F. Intraexchange means within an exchange.

G. IntraLata means within a lata.

H. IntraLATA Telecommunications means telecomnunications which originate and terminate within the same LATA.

I. Interexchange means between exchanges. Interexchange may include extended **area services** and toll **services,** depending upon applicable tariffs.

J. InterLATA TelecoPJDUnicationa **means** telecommunications which originate and terminate in different **LATAS.**

K. LATA or Local Access and Transport Area means a geographic area encompassing one or more local exchange **areas** within which GTEN may provide telecommunications services, as prescribed and approved by the Court in US vs AT&T 552 **F.** Supp 131 (D.D.C., 1982) Aff'd 51 **U.S.C.W.** 3632 **(Feb.** 28, 1983) No. 82-952.

L. Point of Meet lPOM) means the location expressed in terms of Vertical and Horizontal (V&H) Coordinates of the physical connection between GTEN's interexchange facilities and the SBC's interexchange facilities that transport intraLATA traffic within **a** LATA for intraLATA telecommunications or that provide access to GTEN and SEC exchange **areas** for interLATA carriers.

M. Point of Presence tPOP> means the building(a) or other place(s) location within **a** LATA at which an interLATA or intraLATA carrier obtains **Access** Service. Both switched and special **access** require a Point of Presence (POP).

N. Primary Exchange Carrier lPEC>, an Exchange carrier with the responsibility for and authority to provide intrastate intraLATA toll service in accordance with provisions of tariffs filed with and approved by the Michigan Public Service Commission.

O. secondary Exchange carrier tSEC>, an Exchange carrier with the responsibility for and authority to provide intrastate intraLATA toll **access** in accordance with provisions of tariffs filed with and approved by the Michigan Public service commission.

P. The system of GIi North Incorporated (GTEN) means the exchange and interexchange switching, operator service and transmission facilities that route, switch, **assist** and transport intraLATA traffic within a LATA for intraLATA telecommunications or for Access Services provided to interLATA carrie■, including those facilities owned or **leased** from others by GTEN and excluding those **leased** by GTEN to others.

Q. The System of SBC mean■ the exchange and interexchange switching, operator **service** and tranem■sion facilities that route, switch, **a■■ist** and transport intraLATA traffic within a LATA for intraLATA telecommunication• or for Access service• provided to interLATA carriers including those facilitiea owned or **leased** from others by the SBC and excluding tho■e leased by the SBC to others.

R. Telecogpunications **means** the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as ■ent or received, by means of electromagnetic tranamiasion, with or without benefit of any closed transmi■■ion medium. Additional definitions are included in **the respective Annexes where appropriate.**

IV. PROTECTION or PROPRIETARY INFORMATION

Unless otherwise provided, **any specifications, drawings, sketches, models, samples, data,** computer programs and other **software** or documentation ("Proprietary Information") of one Party that is furnished or available or otherwise disclosed to the other Party pursuant to this Agreement, or the provision of any **service** hereunder, shall be deemed the property of the disclosing Party. Any information intended to be covered by the provisions of this Section must be specifically designated as Proprietary Information. Such Proprietary Information shall be subject to the following terms and conditions.

A. Any specifications, drawings, sketches, models, **samples**, data, computer programs or other software or documentation (Proprietary Information) that is furnished or available or otherwise disclosed pursuant to this Agreement shall remain the property of the originating company and, when in tangible form, shall be returned upon request. Unless any such Proprietary Information was previously known to the other Company free of any obligation to keep it confidential, or has been or is subsequently made public by an act not attributable to the other Company, or is explicitly agreed to in writing not to be regarded as confidential, it: (a) shall be held in confidence by the receiving Company and ita employee■, contractors and agents, (b) shall be disclosed to only those employees, contractors, agents or affiliates who have **a** need for it in connection with the provision of telecommunication■ services and

IV. PROTECTION OF PROPRIETARY INFORMATION (con't)

facilities required to fulfill this Agreement and shall be used only for such purposes; and (c) **may be** used for other purposes only upon such terms and conditions **as** may be agreed upon in writing by GTEN and the SEC. Neither Company shall disclose, disseminate or release any such Proprietary Information that is clearly marked as such to anyone who ia not an employee, contractor, agent or affiliate having a need for it in connection with such provision of telecommunications **service■** and facilitie• unles• otherwise agreed upon in writing prior to any such disclosure, **dissemination** or release.

B. Neither Company shall be held **liable** for any errors or omission• in any Proprietary Information disclosed or furnished to the other Company pursuant to this Agreement, or for any loss or damage arising out of the other Company•• **use** of any such Proprietary Information. Nothing in this Agreement shall require or prohibit the payment of an appropriate fee by one Company to the other Company for the use of any Proprietary Information covered by this Agreement.

C. In addition, each Company agrees to give iimlediate oral notice, followed within 10 days by written notice, to the other Company of any demands to disclose or provide Proprietary Information, whether pursuant to subpoena or other process or otherwise prior to disclosing such Proprietary Information. Under such circumstances, each Company **agrees** to cooperate in seeking reasonable protective arrangements requested by the other Company.

D. In the event either Company discloses, **disseminates** or **releases** any Proprietary Information received from the other Company pursuant to this Agreement, the other Company may refuse to provide any further Proprietary Information, and may demand prompt return of all Proprietary Information previously provided, to such Company, such refusal to provide any further Proprietary Information shall not constitute a breach of this Agreement. The provisions of this paragraph are in addition to any other legal rights or **remedies** the Company **whose** Proprietary Information has been disclosed, disseminated or **released** may have under State or Federal law.

Interconnection standards that either Company **has a** legal obligation independent of this Agreement to provide to the other Company shall not be considered Proprietary Information.

The provisions of this Section shall remain in effect notwithstanding the termination of this Agreement, unless otherwise agreed in writing by both Companies.

V. FORCE MAJBURE

Neither Party shall be held liable for any delay or failure in performance of any part of thie Agreement from any cause beyond its control, including but not limited to, acts of God, acts of civil or military authority, government regulations, embargoes, epidemics, war terrorists acts, riots, insurrections, **fires**, explosions, **earthquakes**, nuclear accidents, floods, work stoppages, power blackouts, volcanic action, other major environmental disturbances, unusually **severe weather** conditions, inability to **aecure** products or **service•** of other **persona** or transportation facilities, or **acta** or **omissions** of transportation common carriers (collectively referred to **ae** "Force Majeure Conditions").

VI. COMPLIANCE WITH EMPLOYMENT LAWS

All obligations under this Agreement shall be performed in compliance with all applicable legislation and government agency orders and regulations prohibiting discrimination against any.employee or applicant for employment because of race, color, religion, **sex**, national origin, age or handicap. Where required by law, certificates of compliance shall be provided.

Each Party shall comply with the provisions of the Fair Labor Standards Act of 1938, as amended, and all other applicable federal, state and local law governing employment.

VII. RELATIONSHIP OP PARTIES TO EACH OTHER

Each of the Parties hereto shall be considered an independent contractor. The relationship between the Parties shall not be that of partners and nothing herein contained shall be deemed to constitute a partnership among them.

VIII. OBTAINING OP LICENSES

The performance of this Agreement by the **Parties is** contingent upon the obtaining and continuance of such governmental approvals, consents, authorizations, licenses, and permits as may be required to perform the services covered by this Agreement, and the Parties shall use their best efforts to obtain and to have continued in effect such approvals, consents, authorizations, licenses and permits.

IX. BILLING ARRANGEMENTS

Compensation for the services and facilities provided under this Agreement are set forth in the respective Annexes hereto.

Billing arrangements for the services and facilities provided under this Agreement are set forth in the respective Annexes hereto or the appropriate tariffs.

X. AUDITS AND BXAMINATIQNS

The PECOR SEC will be entitled to audit and examine the records, systems, document• and procedure• of the other company relating to all Annexes herein. Audits and **examines** will be allowed for the period of 24 months from the activity date. Opon (60) **days** written notice by the PEC or SEC (or such shorter period as the Partie• may mutually **agree** upon), PEC or SEC or it• authorized representative baa the right to commence an audit or examination during normal business hours of such source documents, system•, record• and procedures as may under recogized accounting practice■ contain information bearing upon amounts resulting from any Annexes contained herein. The notice of audit or examination will identify the date upon which it is to commence, PBC or SEC's representatives, the subject matter of the audit or examination and the materials to be reviewed.

An audit shall constitute a comprehensive audit (hereinafter collectively referred to as an" Audit") relating to PEC or SBC revenues. Not more than one audit may be conducted in any twelve-month period.

An examination shall constitute an inquiry on **a** single **issue** or **a** specific topic. By way of illustration only, and not by way of limitation, an examination may consist of an inquiry into the following **issues** or topics, ITAC obligations; unidentified WATS **usage**; UNCOLLECTIBLES1 tariffs implementation; and adjustments. Examinations may be conducted when reasonably **necessary** to correct potential problems identified by PEC or SBC.

XI. TERMINATION

This Agreement, except **as** otherwise provided herein, will continue in effect until all Annexes to this Agreement have been terminated. Each Annex contains its own termination provision and may be terminated separately. The termination provision of an Annex is controlling when only that Annex or portion thereof is terminated. However, this entire Agreement, including all **Annexes** hereto, may be terminated by either Company by giving written notice to the other Company equal to the longest notice of termination period specified in the **Annexes** in effect.

XII. ASSIGNMENT

This Agreement, and the Annexes attached to and made **a** part of this Agreement, shall be binding upon the heirs, personal representatives, successors and **assigns** of the respective parties hereto unless terminated by either company in accordance with the termination provisions of Section 10 of this Agreement.

Each party shall provide the other with written notice of any proposed assignment or transfer at least 10 days prior to the effective date thereof, or **as** promptly as possible based on the circumstances and nature of the assignment or transfer.

XII. ASSIGNMENT (con't)

The assignment provisions of this Section shall apply to all matters arising under this Agreement except that specific language relating to **assignment** or limitation of **assignment** contained in other **Annexes** of this Agreement shall be controlling and take precedence over this Section.

XIII. INDEMNIFICATION

The indemnification provisions of this Section shall apply to all matters arising under this Agreement, and the **Annexes** attached to and **made a** part of this Agreement, except that indemnification or limitation of liability or related provisions contained in other Sections of this Agreement shall be controlling and take precedence over this Section.

To the extent not prohibited by law, each Party shall indemnify the other and hold it harmless againat any loss, cost, claim, injury, or liability relating to or arising out of negligence or willful misconduct by the indemnifying Party or its agents or contractors in connection with the indemnifying Party, under this Agreement. The indemnifying Party under this Section **agrees** to defend any suit brought against the other Party for any such loss, cost, claim, injury or liability. The indemnified Party agrees to notify the other Party promptly, in writing, of any written claims, lawsuits, or demands for which the other Party ia responsible under this Section and to cooperate in every reasonable way to facilitate defense or settlement of claims. The indemnifying Party shall not be liable under this Section for settlement by the indemnified Party of any claim, lawsuit, or demand if the indemnifying Party has not approved the settlement in advance unless the indemnifying Party has had the **defense** of the claim, lawsuit or demand tendered to it in writing, and has failed to **assume** such defense.

The Party who is the Owner **agrees** with **respect** to facilities and **services** provided hereunder to the Party who is the Non-owner to indemnify and save the Non-owner harmless from liabilities, claims or demands (including the costs, expenses and reasonable attorney's **fees**, on account thereof) that may be made by Persons furnished by the Owner or by any of its subcontractors, under Workers' Canpensation or similar statutes. The Owner agrees to defend any such suit brought against the Non-owner for any such liability, claim or demand. The Non-owner agree■ to notify the Owner promptly, in writing, of any clai■ or demands for which it ia claimed that the Owner is responsible hereunder and to cooperate in every reasonable way to facilitate defense or settlement of claims. The Owner shall **have** complete control over **defense** of the **case** and over the terms of any proposed settlement or compranise thereof.

No claims under this Section, or **claims** with respect to charges under this Agreement or adjustments of such charges, or any other claims with respect to this Agreement may be made more than two **years** after the date of the event that gave rise to the claim; provided, however, that claims for indemnity under this Section may be made within two **years** of the accrual of the cause of action for indemnity.

XIV. NOTICl!i

All written notices required under this Agreement or any of its Annexes shall be given by first class mail certified return receipt, as follows:

To: GTB North Incorporated
Manager-Exchange Carrier Operations
455 **East** Ellis Road, GDARA
Muskegon, Michigan 49443

To, Deerield Farmer's Telephone Company
P.O. Box 68
Petersburg, Michigan 49720

or to such other address as either Company may specify by written notice to the other.

XV. GOVERNING LAW

This Agreement shall be governed by, and construed in accordance with, the **laws** of the State of Michigan.

XVI. SEVERABILITY

If any provision of this Agreement is held invalid, unenforceable or void, the remainder of this Agreement shall not be affected thereby and shall continue in full force and effect.

XVII. AMENDMENTS: WAIVERS

Neither this Agreement nor its Annexes may be modified except by written agreement of the Parties.

In addition, failure of either party to enforce any provision of this Agreement shall not be construed **as a** waiver of such provision or any other rights under this Agreement. If one party fails to enforce any Provision of this Agreement, it is still the responsibility of both Parties to continue to comply with all provisions of this Agreement and its Annexes.

By written agreement, the parties may amend or modify any Section of this Agreement or any of its Annexes (including associated Attachments, Exhibits or Supplements) or add new Sections or Annexes to this Agreement. such action shall not constitute **a** modification or change of any other Section or Annex to this Agreement, unless explicitly stated in such written agreement.

IN WITNESS WHEREOF, the undersigned parties ha e caused this Agreement to be **executed** on their **behalf** thia ::I.? day of -:f½--</l , 1990.

GTE NORTH INCORPORATED

By Hal R. Hively
State Director-External Affairs

DEERFIELD FARMER'S TEL. CO.

By David La Rocca
General Manager

BASIS OF COMPENSATION FOR
INTRASTATE INTRALATA ACCESS SERVICES

ANNEX 1

This Agreement covers the arrangement between GTE North Incorporated, herein referred to as the Primary Exchange Carrier (PEC), and Deerfield Farmer's Telephone Company, herein referred to as the Secondary Exchange carrier (SEC), concerning Intrastate IntraLATA toll services which include **Message** Telecommunication Service, Wide Area Telecommunication and 800 Service (collectively referred to **as** toll **services)**.

WHEREAS, the SEC shall bill its customers monthly for all Intrastate IntraLATA toll services provided to its customers,

WHEREAS, the SEC will be entitled to **a** monthly compensation amount from the PEC for these toll services ("Compensation Amount"), which amount shall be calculated based on Access Service Tariffs of the SEC, approved by the Michigan Public Service Commission (MPSC).

WHEREAS, the PEC shall contract with the SEC for Intrastate IntraLATA Private Line (PL) and Foreign Exchange (FX) facilities and services it provides as specified in ita End User Tariff.

The PEC may also contract with the SEC for Billing and Collection services.

SECTION I
REVENJJES

Each month the SEC shall bill and collect Intrastate IntraLATA toll charges payable by its customers for Intrastate IntraLATA toll **services** billed by the SEC at rates of the PEC as approved by the MPSC. The SEC shall report monthly to the PEC the amount of SEC'a revenues including adjustments for Intrastate IntraLATA toll **services**. Such revenues shall include official company Intrastate IntraLATA toll "revenu■". This report of monthly revenues shall include the Intrastate IntraLATA portion of Sent Paid and Received Collect **messages** and revenues used for purposes of determining the Revenue and Compensation amount pursuant to Section III hereof. Adjustments to the revenues shall include, but not be limited to, timing errors, rating errors, dialing credits, recharges to another local exchange carrier company, unbillables, denial of knowledge (OAK) of charges by a customer and fraud. **DAK's** will not be investigated under the minimum amount of $2.00 for residence accounts and $S.00 for **business** accounts. DAK's are not permitted on customer owned and customer operated pay phone accounts. Maximum age for OAK adjustments **is six** months from actual date of call to date customer denies charges. Requested OAK adjustments over 6 months should not be permitted.

UNCOLLECTIBLE REVENUE

Uncollectibles are amounts billed by the Local Exchange Carrier (LEC) to end users on Final customer Bills that are added to the Uncollectible (realized) Accounts of the LEC. Actual uncollectible write offs of revenue adjustments will be reported one month in arrears on the monthly Intrastate/IntraLATA Company Toll Revenue Report (Form A).

SECTION II

COMPENSATION AMOUNT

Each month within 10 work days of the Access Bill date the SEC shall submit to the PEC an invoice showing the preceding month's Compensation Amount due. The Compensation Amount shall equal the amount the SEC is entitled to receive pursuant to its state **Access** service Tariff.

The interconnection point for the **SEC's** end offices **is shown** in Exhibit A. **SEC's** compensation Amount will be calculated using its end office to the interconnection point information.

SECTION III

PURCHASE OF ACCOUNTS RECEIVABLE/ ACCESS BILLING

The SEC will purchase from the PEC its accounts receivable that **arise** from bills rendered by the SEC for IntraLATA toll. In conjunction with the SEC purchasing of the PEC's accounts receivable, the PEC is prohibited from assigning, transferring, selling, exchanging or giving these accounts **receivable** to any other entity or person.

A. Payments of Net Purchase Amount to the PEC

The SEC will purchase accounts receivable from the PEC on each end **user** bill day for an amount (purchase amount) which **equals** the total current amount billed as set forth in the following after known adjustments have been made on the date (payment date) determined by adding 31 days to the end user bill date. The payment date and the **access service** invoice date (Section II) should be the same except as provided herein, the SEC will remit payment to the PEC for the purchase amount **less** adjustments (net purchase amount) received by the SEC prior to the payment date. Payment will be made in immediately available funds. If such payment date would cause payment to be due on a Saturday, Sunday, or National Holiday, the payment date shall be the first non-Holiday day following such Saturday, Sunday, or Holiday. The end user usage period of accounts receivable will be coincident with the usage period used to develop the SEC's access service invoice to the PEC as noted in section II. The SEC and PEC will mutually agree upon a netting or nonnetting process for access services. The details of said agreement will be found in an Exhibits B (netting) or c (non-netting) to this ANNEX.

a. Total Current Amount Billed (Revenues)

The SEC for each end user bill day **(ie.,** the billing date on bill for intraLATA toll **service)** will **determine** from its records the total current amount lawfully billed for intraLATA toll **services,** including all applicable **taxes.**

c. Recourse Adjustments

For **each** bill **day, the** SEC will **make recourse adjustments** to the total current amount billed as follows:

1. End user Adjustment• For each bill day, the SEC will subtract from the total current amount billed the lawfully billed amounts which the SEC removes from end users balance as defined in Section I of this ANNEX.

2. SEC & PEC Adjustments The SEC will make adjustments to the total current amount billed to account for amounts on statements received from the PEC for additio■ or subtractions to an end user balance due to services billed in prior periods. **Also,** the SEC may make adjustments to the total current amount billed to account for additions and subtractions for PEC or SEC prior billing period errors.

3. Exception report• The SEC will provide a detail explanation to the PEC when adjustments to the total active accounts **exceeds** ten (10) percent of the monthly purchase statement.

4. The SEC will be the filing agent for **taxes associated** with intraLATA toll and will exclude applicable **taxes** billed from the settlements and payments to the PEC. The SEC **agrees** to accept end-user customer tax exemption certifications or changes to tax **status** certifications from the PEC.

D• RETENTION

All data associated with the performance of **services** hereunder shall be maintained for the longer of the following periods: the retention time required by law for maintaining federal, state and local tax information, the time required by law or regulation in order to substantiate or reconstruct end user invoices; or the retention time currently used by the PEC for its own billing information in compliance with legal or regulatory rulings.

E.

The SEC will **send** the PEC IntraLATA **message** toll **data** according to the then current IntraLATA Terminating **Access** compensation (ITAC) **systems** specifications.

F. DISPUTED AMOUNTS

Either party shall inform the other party, in writing, prior to the 30th calendar day from the date of such statement, of any amount(s) included in the final or actual portion of the statement on dispute. The due date of any such disputed amount(s) shall be extended 15 calendar day■• "Post payment disputed amounts" shall also be declared in writing to the other party subsequent to the payment and receipt of funds applicable to the final or actual portion of any statement. Such post payment disputed amounts shall be payable by the 30th calendar day from the date the disputing party identified the dispute in writing to the other party. When any payment falls on a weekend or holiday, the due date shall be the next business day.

G. LATE PAYMENTS

A late payment penalty may be accessed by either party if payment receipt date is determined to be outside of the calculated due date. The late payment charge will be calculated on the portion of the amount over due and shall be the lessor of:

1. The highest interest rate (in decimal value) which may be levied by law for commercial transaction in the state, compounded daily for the number of calendar days from the payment date to and including the date of actual payment, or.

2. 0.000590 per day, compounded daily for the number of calendar **days** from the payment day to and including the date that the actual payment is made.

H. LOST MESSAGES

In the event a party is responsible for lost revenues resulting from lost, destroyed or mutilated recorded toll **messages**, such party shall on the day of the second succeeding month following the month in which such revenues were lost, report to the other party its estimate of such lost revenues. Usage shall also be estimated and such estimate shall be used to calculate the compensation amount in the same month that the lost revenues are reported. This estimate Revenue and Compensation Amount shall be identified and used in calculating the difference on the next statement **issued.**

I. ESTIMATED REVENUE & COMPENSATION

When actual data is not available in time for the preparation of statements of Revenues and the Compensation Amounts, **estimates** may be used that are satisfactory to **each** party. The true-up of the difference between the estimate and the actual amount for any month will be included as a separate item in the next statement issued. No interest penalty shall apply on the difference between estimated and actual amounts.

J. RETROACTIYITX

Unintentional error• or **omiaaiona** by either party to thia Agreement in the reporting of **data uaed** in the development of actual **Revenuea** or Compenaation Amount• ahall **be applied** retroactively. Retroactive adjuatmenta which exceed the amount of the atatement by more than 10\ or by mutual agreement for amount• 10\ or **leaa** ahall be permitted for **a** period not to exceed 24 months from the atatement to which the adjuatment appliea and notification in writing of the error or omiaaion haa bffn made to the other party. No intereat penalty **ahall** apply to any retroactive adjustment reaulting from unintentional error• or **omiasions.**

SECTION JY
TERMINATION

The Agreement may be terminated after 1 **years** prior written notice from either party to the other. However, it ia mutually agreed by the partiea that if thia Agreement ia terminated by either of the **partiea** PUrauant to this paragraph and, after auch termination each party continue• to provide or accept the **aervicea** covered by thia Agreement, both **partiea** shall continue to abide by the terms set out in thia Agreement until **a** new agreement ia reached by the parties.

In **witness** whereof, the partiea have duly executed thia Agreement on the ,2.1 day of ....(7 , 1990.

By: Hal K. Hively

Title: **tate Director-External Affairs**

company: GTE NORTH INCORPORATED

By: David La Rocca

Title General Manager

Company: DEBRFIBLD FARMER'S TELEPHONE CO.

January 1990
ANNEX I
Exhibit A
Page 1 of 1

POINTS OP CONNECTION AND ROOTING

INTRALATA TOLL SERVICES

Thia Exhibit A la Attached to and made a part of **Basia** of Compensation for Intrastate Intra.LATA Access Services Agreement effective as of January 1, 1990,between GTE North Incorporated and Deerfield Farmer's Telephone Company.

Exhibit A effective **as** of January 1, 1990.

Exchange	LaTA	Points of connection	Mileage
Deerfield	340	EO V 5679 H 2880 POM V 5663 H 2862	3.78
Adrian		TANDEM V 5699 H 2917	10.22

Agreed to and approved this *J...2...* day of ::J's-/1. ,1990.

GTE NORTH INCORPORATED
By: Hal R. Hively
State Director-External Affairs

DEERFI:::??TEL. CO.
By: Q
ef 1?(

June 12, 1990
ANNEX I
EXHIBIT C
Page 1 of 1

NON-NETTING OF
ACCESS BILL/PURCHASE OF ACCOUNTS
RECEIVABLE

Deerfield **Farmer's** Telephone Co., elects Non-Netting of their Monthly **Access** Bill to GTE North Incorporated which includes Switched and Special Access, Carrier Common Line and Billing and collection charges with their monthly purchase of GTB North Incorporated Accounts Receivable which include various toll revenues.

Each month, Deerfield Farmer's Telephone Co., will submit to GTE North Incorporated Form A-Intrastate IntraLATA Company Toll Revenue Report and Form B-Intrastate IntraLATA Company Settlement of Claims for Toll Adjustments along with their remittance for the total amount of net **message** toll and private line revenue listed on Form A which represents that months purchase of accounts receivable. They will also submit Form C-Intrastate IntraLATA Company Access Charge Report and appropriate detail which represents that months **access** bill. GTE North Incorporated will remit the total amount of billed **access listed** on Form C to Deerfield **Farmer's** Telephone Co.

Concurred:

GTE NORTH INCORPORATED
Hal R. Huwely
State Director-External Affairs

DATE: _____

David LaRocca
General Manage

1-27-10

INTRALATA BILLING AND COLLECTION AGREEMENT

ANNEX IA

This Annex covers the arrangement between GTE North Incorporated herein referred to as the Primary Exchange Carrier (PEC), an Deerfield Farmer's Telephone Company, herein referred to as the Secondary Exchange Carrier (SEC), concerning Intrastate IntraLATA Toll BILLING AND COLLECTION Services.

Whereas. the SEC shall bill its customers monthly for all Intrastate IntraLATA services provided which include **Message** Telecommunication Service, Wide Area Telecommunication, and 800 Service (collectively referred to as toll services).

Whereas. the SEC will ba entitled to **a** monthly compensation amount from the PEC for these billing and collection services ("Compensation Amount"), which amount shall be calculated based upon the terms and conditions set forth in this **Annex.**

SECTION I
GENERAL

This **Annex sets** forth the terms and conditions under which the SEC may provide IntraLATA Billing and Collection **Services** to the PEC. The SEC may provide the following billing and collection **services** for the PEC:

(A) Recording Service which includes Recording and **Assembly** and Editing;

(B) Rating Service;

(C) Billing service which includes Bill Processing, **Master** File Maintenance, **Message** Investigation and Inquiry;

(D) collection Service.

SECTION II
RECORDING SERVICE

General Description

"Recording Service" is the recording of the details (e.g., calling number, called number, date of call, time of origination, time of disconnect and duration of call) of a message. A "message" **is a** completed call originated by the End User. A completed call begins at the time the called party answers, and ends when disconnect supervision is received. The elements of Recording service are Recording and Assembly and Editing.

"Recording" is the entering on magnetic tape of the details of messages. Recording is done twenty-four (24) hours a day, seven (7) days a week.

"Assembly and Editing" is the aggregation of the recorded details for a particular call into individual **messages** and verification to **assure** that the data required for rating is present and accurate.

Record service Condition•

(A) Recording Service includes Recording and Assembly and Editing.

(B) The SEC will provide Recording Service for **messages** that can be recorded by SBC provided Automatic **Message** Accounting equipment.

(C) The PEC shall provide such ■ignal **as** may be required for the proper operation of the SBC'• Automatic **Message** Accounting equipment used to perform Recording Service.

(D) Assembly and Editing may be performed for all **mesaages** recorded during the billing period e■tabliahd by the SEC.

(E) All data associated with the performance of **services** hereunder shall be maintained for the longer of the following perioda; the retention time required by law for maintaining federal, state and local tax information; the time required by law or regulation in order to eubstantiate or reconstruct end user invoices; or the retention time currently used by PEC for its own billing information in compliance with legal or regulatory rulings.

SECTION III

RATING SERVICE

General Description

"Rating Service" is the transforming of Assembled and Edited details of call■ into rated **messages** in preparation for billing of those **messages** at the applicable charges for each **mesaage** baaed on the PEC provided schedule of **rates**. Rating includes the preparation of rated **messages** for input to Bill Processing Service.

Rating service conditions

The SEC may process **messages** originating or recorded within the operating territory of the SEC.

(A) **A** record of **assembled** and edited **message** detail is required for the provision of Rating Service. If the PEC provides the **message** details, that record must be in standard industry format as agreed to by both parties.

(B) In order to provide Rating Service, the SEC must incorporate the PEC's schedule of rates into **a** rating program. Any change in the PEC'a schedule or structure of rates, including those required by Regulatory or Legal orders, will require changes to the rating program and will be subject to additional charges as defined in Section VIII. Implementation of **a** changed rate schedule or structure may also require editing, in which case the appropriate Assembly and Editing charges will be imposed. Change• in the PEC'a schedule of ratea will be made effective **as** of the date **specified** by **the PBC,** provided **the SEC receives** written notice from the PEC of **a schedule change** twenty (20) **days** in **advance.** Structure **changes** will **require** mutually **agreed** upon implementation **dates** between **the PEC and SBC.**

SECTION IV
BILLING SBRYICE

General Description

"Billing **Service" conaiats** of Bill **Processing Service, Message** Investigation, Inquiry and **Master** File Maintenance.

Bill Processing service

"Bill Processing service" is provided for message-billed and bulk-billed toll **service** provided by the PEC. The components of Bill Processing service **ares**

(A) Bill Rendering which includes account establishment, posting of rated customer **messages,** and rendering of bills.

(B) Collection and Master File Maintenance which includes receiving payments, maintenance of accounts, and treatment of accounts.

"Account Establishment" is the creation of an End User record so that a bill can be sent to that End User.

"Posting of Rated **messages" is** (1) the processing for billing of rated **messages,** and (2) the examination and identification of the rateable elements to be billed to an End User.

"Rendering of Billa" is the preparation and mailing of statements of the amount due from the End User for PEC provided intrastate intraLATA toll **services.**

"Receiving Payments" and "Maintenance of Accounts" are the collecting of monies from End **Users** for **services** furnished by the PEC and maintenance of records of all transactions.

"Treatment of Accounts" is the forwarding of notices of delinquent or unpaid accounts, postings of credits and adjustments, and denial of **services.**

Bill Processing service condition,

For Message-Billed accounts, the SEC will post rated **messages** to the appropriate End User account when it identifies **a message** to be billed to an End User, and will bill the End User for the **message.** The SEC will bill the End Oser for other PEC message-billed charges, such **as** third number billing etc., to comply with the PBC's lawfully established tariffs.

For Bulk-Billed accounts, the SBC will establish an End User account for each End User that should be treated **as a** bulk-billed account and will bill PEC's bulk-billed charges to the End User.

Message Investigation

Rated **messages** which the SBC cannot bill for any reason will be reviewed by the SEC's **message** inveetigation group. However, **messages** rated **less** than $2.00 for residence account• and $5.00 for **business** accounts will not be investigated.

Inquiry

The SEC will **make** contacts and arrangements with the End User concerning the billing, collecting, crediting and adjusting of the End User bill for services provided by the PBC.

SECTION V
COLLECl'ION SERVICE

Purchase of Accounts Receivable

The SEC will purchase from the PEC its accounts receivable that **arise** fran bills rendered by the SEC to its End **Uaers.**

The terms and conditions are defined in ANNEX I, section III, of this Agreement.

SECTION VI

OBLIGATIONS *Ql* THI PEC

(A) The PEC shall furnish in **a** timely manner all information necessary for the SEC to provide the Billing service.

(B) The PEC will redeem in full all PEC gift certificates the SEC receives in payment for End User charges.

(C) The PEC shall notify the SEC **as** promptly as possible after it learns of any fraudulent use of the PBC's or SBC's service or has reason to believe that such services are being fraudulently used.

(D) The PBC shall provide such other information, schedules, and data as the SEC may resonably require to provide the services ordered under this Annex.

SECTION VII

RATES AND CHARGES

The SEC **shall be** entitled to compensation for providing **these services**, which **shall be based** upon certain **rates** included in the **SEC's Access** service **Tariffs** and filed by the SEC with the Michigan Public service Commission.

The Bill Rendering rate per account applies to each month for each End User account which is billed for one or more PEC **messages** or one or more related PEC rate elements. The number of accounts will be determined by the SEC's count of such End User accounts.

The Recording, Assembly and Editing, Rating, Bill Processing, Collections and Master File Maintenance, Inquiry, and **Message** Investigation rates are applicable to each **message** billed to an End **user** per month. The number of **messages** will be determined in accordance with the SEC's count of such **messages.**

The Message-Billed or Bulk-Billed category of **rates are** applicable to **Message-Billed and** Bulk-Billed **service**, respectively.

SECTION VIII

ADDITIONAL SERVICES

As an additional service, the SEC agrees to implement changes in, or additions to, the services provided by it under this Annex. such changes or additions may include, but are not limited to, the following,

(A) Provision of additional customer account data or customer account data in differing formats.

(B) New methods for maintaining customer accounts and performing billing, collection and other activities associated with new service offerings by the PEC.

(C) Changing rates for services offered by the PEC and accepting orders from the PEC for services to be billed.

Where the provision of such data or services is not subject to tariff, and requires more than **a** minimal cost to the SEC, such data or services will be provided in accordance with charges to be determined via the process of negotiation as set forth followinga

(A) The PEC will provide the SEC with detailed specifications defining the nature of, and requesting **a** quote for the developement of new, additional or revised procedures, **data** or systems necessary to the implementation of a PEC proposal.

(B) The SEC will respond to such request within 30 **days**, either with **a** price quote, or with a request for an extension of time for the developement of the quote.

(C) The PEC will notify the SEC within 30 **days** of **its acceptance** or R rejection of the price quote and/or its conditions. If a quote is J rejected, the PEC will **reasonably compensate** the SEC for efforts put forth in the developement of the quote.

(D) When regulatory or legal orders require that the PEC request a price quote for additional services from the SEC, disputes that cannot be resolved by negotiations between the PEC and SEC regarding the terms and conditions of such quotes will be submitted to the Telephone Association of Michigan Industry Relations Committee for review. If necessary the disputed **issue** will be resolved by a mutually agreed upon arbitrator

(E) When an agreement is reached, it will define both the price for which the SEC will put forth the necessary effort, and a schedule for satisfactory completion of the effort.

SECTION IX
TERMINATION

The Annex may be terminated after one (1) year's prior written notice from either party to the other. However, it is mutually agreed by the parties that if this Annex is terminated by either of the parties pursuant to this paragraph and, after such termination, each party continues to provide or accept the services covered by the Agreement, both parties shall continue to abide by the terms set out in this Annex until a new Agreement is reached by the parties.

In **WITNESS** WHEREOF, **the Crties have** duly **executed this Annex** on the .:/..7 day of S.... 1 , 1990.

BY: Hal R. Hively

TITLE: Stata Director-Bxterna**Affairs**

COMPANY1GTE NORTH INCORPORATED

BY: ..,G:)K c. .

TITLE: P:t=--- -..... -4....,,..... ------'6<-------

COMPANY: DEEERFIELD FARMER'S TELPHONE COMPANY_

ANNZXIA
SCHEDULE I

Deerfield Farmers Telephone Company

Schedule of IntraLATA Billing Rates
Effective January 1, 1990

service	Message-Billed Rate	Bulk-Billed Rate
Recording service		
- Recording - **Assembly** & Editing		
Rating service		
Bill Proceaaing service	(SEE MECA ACCESS TARIFF FOR CURRENT RATES.)	
- Bill Rendering - Collections and Account Maintenance		
Message Investigation		
Inquiry		
Program Develognent		

BY: Hal R. Hively
TITLE:State Director-External Affairs
COMPANY:GTE NORTH INCORPORATED

BY: David La Rocca
TITLE: ::l:ei::t. t:£.JUE::&l:Ei&:f,,lb:::.
COMPANY:DEERFIELD FARMER'S TEL.CO.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *dlb/a* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.	Case No. U-14905

EXHIBIT A-_(DSM-11)

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *dlb/a* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.

Case No. U-14905

EXHIBIT A-_(DSM-11)

RURAL ILECS
AMOUNT BILLED VERIZON AND NOT PAID THROUGH 01/31/06

COMPANY	Terminating Access Charges	LTTS/Local Termination Charges	Originating Access Charges	Billing and Collection (B&C) Charges	Total Billed Verizon and Not Paid
Blanchard Telephone Company	$111,964.81	$92,156.58	$7,707.07	$2,900.56	$214,729.02
Bloomingdale Telephone Company	227,600.33	328,961.96	8,369.40	3,408.07	568,339.76
Carr Telephone Company	0.00	36,654.45	0.00	0.00	36,654.45
Chapin Telephone Company	240,928.86	47,469.85	65,599.35	8,839.93	362,837.99
CCM Telephone Company	382,661.76	0.00	(7,789.59)	(1,731.02)	373,141.15
Deerfield Farmer Telephone Company	5,945.23	9,078.52	672.96	(11.62)	15,685.09
Ogden Telephone Company	814.98	35.87	1,104.19	350.56	2,305.60
Pigeon Telephone Company	0.00	53,404.96	0.00	0.00	53,404.96
Sand Creek Telephone Company	14,494.85	19,583.56	71.40	54.69	34,204.50
Upper Peninsula Telephone Company	195,434.63	9,644.42	66,596.91	13,747.22	285,423.18
Westphalia Telephone Company	3,490.88	260,398.22	5,091.74	98.56	269,079.40
Winn Telephone Company	15,569.49	168,365.01	(15,847.42)	(5,149.16)	162,937.92
Total Amount Billed and not Paid	$1,198,905.82	$1,025,753.40	$131,576.01	$22,507.79	$2,378,743.02

Blanchard Telephone Company
Amount in Dispute with Verizon
Terminating Access
Through 01/31/06

Date of Invoice	Invoice Number	Charges for Terminating Access Billed	Amount of Terminating Access Paid	Date of Payment	Amount of Terminating Access Unpaid	Late Payment Charges Related to Terminatin£ Access: Additional Amount of Late Payment Charges in Dispute	Late Payment Charges Related to Terminatin£ Access: Amount of Late Payment Charges for amounts paid late
03/12/05	GTE0678SD0503	17,431.38	1,904.53	06/09/05	15,526.85	1,386.69	31.96
04/12/05	GTE0678SD0504	18,159.36	1,519.26	06/29/05	16,640.10	1,328.04	20.99
05/12/05	GTE0678SD0505	17,313.05	1,491.90	07/18/05	15,821.15	1,108.76	15.32
06/12/05	GTE0678SD0506	17,866.96	1,428.13	07/18/05	16,438.83	998.64	2.09
07/12/05	GTE0678SD0507	16,048.73	1,354.03	08/16/05	14,694.70	752.25	1.19
08/12/05	GTE0678SD0508	16,853.41	1,270.56	09/12/05	15,582.85	650.13	0.00
09/12/05	GTE0678SD0509	16,296.55	1,251.08	10/17/05	15,045.47	491.03	1.46
10/12/05	GTE0678SD0510	1,637.13	1,281.51	11/17/05	355.62	8.30	1.50
11/12/05	GTE0678SD0511	1,338.69	1,171.84	12/20/05	166.85	2.40	2.40
12/12/05	GTE0678SD0512	1,326.19	1,089.84	01/10/06	236.35	1.25	0.00
01/12/06	GTE0678SD0601	1,456.04	0.00	02/04/06	1,456.04	0.00	0.00
Total		166,428.69	54,463.88		111,964.81	6,727.49	83.15

Blanchard Telephone Company
Amount in Dispute with Verizon
LTIS/Local Termination
Through 01/31/06

						Late Payment Charges Related to LTTS / Local Termination Char.9.es	
Date of Invoice	Invoice Number	Charges for LTTS/Local Termination Billed	Amount of LTTS/Local Termination Paid	Date of Payment	Amount of LTTS/Local Termination Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
03/12/05	GTE0678SD0503	9,947.66	0.00		9,947.66	477.41	0.00
04/12/05	GTE0678SD0504	9,993.60	0.00		9,993.60	429.47	0.00
05/12/05	GTE0678SD0505	10,096.81	0.00		10,096.81	381.81	0.00
06/12/05	GTE0678SD0506	9,824.47	0.00		9,824.47	322.69	0.00
07/12/05	GTE0678SD0507	9,469.77	0.00		9,469.77	262.65	0.00
08/12/05	GTE0678SD0508	4,078.71	0.00		4,078.71	92.39	0.00
09/12/05	GTE0678SD0509	13,764.50	0.00		13,764.50	244.38	0.00
10/12/05	GTE0678SD0510	5,683.32	0.00		5,683.32	72.29	0.00
11/12/05	GTE0678SD0511	6,015.93	0.00		6,015.93	47.35	0.00
12/12/05	GTE0678SD0512	6,456.22	0.00		6,456.22	18.62	0.00
01/12/06	GTE0678SD0601	6,825.59	0.00		6,825.59	0.00	0.00
Total		114,946.40	22,789.82		92,156.58	2,349.06	1.81

Blanchard Telephone Company
Amount in Dispute with Verizon
Originating Access
Through 01/31/06

Date of Invoice	Invoice Number	Charges for Originating Access Billed	Amount of Originating Access Paid	Date of Payment	Amount of Originating Access Unpaid	Late Payment Charges Related to Ori9inatin9 Access Char9es: Additional Amount of Late Payment Charges in Dispute	Late Payment Charges Related to Ori9inatin9 Access Char9es: Amount of Late Payment Charges for amounts paid late
03/12/05	GTE0678SD0503	16,569.78	13,961.76	06/09/05	2,608.02	232.92	234.29
04/12/05	GTE0678SD0504	17,274.60	15,995.74	06/29/05	1,278.86	102.07	221.01
05/12/05	GTE0678SD0505	16,487.98	12,703.44	07/18/05	3,784.54	265.22	130.48
06/12/05	GTE0678SD0506	16,842.54	12,525.25	07/18/05	4,317.29	262.27	18.30
07/12/05	GTE0678SD0507	14,889.07	11,534.42	08/16/05	4,115.69	210.69	10.11
08/12/05	GTE0678SD0508	15,012.39	10,773.38	09/12/05	3,477.97	145.10	0.00
09/12/05	GTE0678SD0509	14,517.81	9,362.13	10/17/05	5,155.68	168.26	10.94
10/12/05	GTE0678SD0510	849.87	9,244.25	11/17/05	(8,394.38)	0.00	0.99
11/12/05	GTE0678SD0511	448.92	9,088.07	12/20/05	(8,639.15)	0.00	0.92
12/12/05	GTE0678SD0512	1.28	0.00	01/10/06	1.28	0.01	0.00
01/12/06	GTE0678SD0601	1.27	0.00	02/04/06	1.27	0.00	0.00
Total		151,870.51	144,163.44		7,707.07	1,386.54	633.01

Blanchard Telephone Company
Amount in Dispute with Verizon
Billing and Collection
Through 01/31/06

						Late Payment Charges Related to Billing and Collection Charges	
Date of Invoice	Invoice Number	Charges for Billing and Collection Billed	Amount of Billing and Collection Paid	Date of Payment	Amount of Billing and Collection Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
03/12/05	3012005	6,020.77	5,384.38	06/06/05	636.39	91.80	135.39
04/12/05	4012005	6,313.27	5,199.11	06/29/05	1,114.16	143.25	113.60
05/12/05	5012005	6,188.87	4,665.08	07/18/05	1,523.79	171.57	75.70
06/12/05	6012005	6,393.02	4,807.84	07/18/05	1,585.18	154.32	11.07
07/12/05	7012005	6,432.45	4,609.94	08/16/05	1,822.51	149.11	6.36
08/12/05	8012005	6,314.53	4,611.16	09/12/05	1,703.37	113.28	0.00
09/12/05	9012005	6,091.83	4,399.66	10/17/05	1,692.17	87.81	8.10
10/12/05	10012005	790.83	4,098.07	11/17/05	(3,307.24)	0.00	1.46
11/12/05	11012005	249.35	4,125.28	12/20/05	(3,875.93)	0.00	0.80
12/12/05	12012005	46.02	46.02	01/10/06	0.00	0.00	0.00
01/12/06	1012006	6.16	0.00	02/04/06	6.16	0.00	0.00
Total		58,593.48	55,692.92		2,900.56	911.14	355.57

Bloomingdale Telephone Company
Amount in Dispute with Verizon
Terminating Access
Through 01/31/06

						Late Payment Charges Related to Terminating Access	
Date of Invoice	Invoice Number	Charges for Terminating Access Billed	Amount of Terminating Access Paid	Date of Payment	Amount of Terminating Access Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
4/5/2005	3033	24,785.27	5,048.56	06/24/05	19,736.71	1,625.02	74.24
5/5/2005	3064	6,479.14	4,660.39	12/02/05	1,818.75	132.01	251.46
6/5/2005	3101	0.23	4,248.72	12/02/05	(4,248.49)	0.00	0.01
7/5/2005	3146	2.25	4,271.80	08/17/05	(4,269.55)	0.00	0.01
8/5/2005	3194	11,256.75	4,074.45	09/22/05	7,182.30	317.15	20.27
9/5/2005	3292	61,269.22	3,828.72	10/19/05	57,440.50	2,013.36	15.68
10/5/2005	3388	10,148.23	906.99	11/16/05	9,241.24	237.74	2.92
11/5/2005	3477	33,834.47	1,197.71	12/05/05	32,636.76	547.67	0.00
12/5/2005	3573	33,740.85	1,105.02	01/17/06	32,635.83	248.68	3.88
1/5/2006	3623	75,426.28	0.00	02/06/06	75,426.28	0.00	0.00
Total		268,046.63	40,446.30		227,600.33	5,121.63	465.14

Bloomingdale Telephone Company
Amount in Dispute with Verizon
LTIS/Local Termination
Through 01/31/06

Date of Invoice	Invoice Number	Charges for LTIS/Local Termination Billed	Amount of LTIS/Local Termination Paid	Date of Payment	Amount of LTIS/Local Termination Unpaid	Additional Amount of Late Payment Charges for amounts paid in Dispute	Amount of Late Payment Charges related to LTIS/ Local Termination Char.9.es late
1/5/2005	2939	14,473.04	14,473.04	02/03/05	0.00	0.00	0.00
2/5/2005	2970	9,579.89	9,579.89	03/15/05	0.00	0.00	13.80
3/5/2005	3003	25,064.72	0.00		25,064.72	1,232.35	0.00
4/5/2005	3035	12,861.79	0.00		12,861.79	567.76	0.00
5/5/2005	3066	14,032.58	0.00		14,032.58	546.95	0.00
6/5/2005	3103	13,205.77	0.00		13,205.77	449.03	0.00
7/5/2005	3148	11,871.54	0.00		11,871.54	342.93	0.00
8/5/2005	3196	18,431.40	0.00		18,431.40	438.61	0.00
9/5/2005	3293	49,999.87	0.00		49,999.87	944.74	0.00
10/5/2005	3389	101,154.50	0.00		101,154.50	1,401.39	0.00
11/5/2005	3478	11,046.98	0.00		11,046.98	99.42	0.00
12/5/2005	3574	12,578.47	0.00		12,578.47	50.41	0.00
1/5/2006	3624	11,802.88	0.00		11,802.88	0.00	0.00
1/5/2005	2937	5,523.68	5,523.68		0.00	0.00	0.00
2/5/2006	2968	5,738.09	3,061.76		2,676.33	0.00	0.00
3/5/2005	3001	4,894.57	0.00		4,894.57	240.65	0.00
4/5/2005	3033	4,819.53	0.00		4,819.53	212.75	0.00
5/5/2005	3064	5,285.33	0.00		5,285.33	206.01	0.00
6/5/2005	3101	5,418.84	0.00		5,418.84	184.25	0.00
7/5/2005	3146	4,748.60	0.00		4,748.60	137.17	0.00
8/5/2005	3194	4,348.37	0.00		4,348.37	103.48	0.00
9/5/2005	3292	459.63	0.00		459.63	8.68	0.00
10/5/2005	3388	378.31	0.00		378.31	5.24	0.00
11/5/2005	3477	4,502.47	0.00		4,502.47	40.52	0.00

Bloomingdale Telephone Company
Amount in Dispute with Verizon
LTIS/Local Termination
Through 01/31/06

						Late Payment Charges Related to LTTS / Local Termination Char es	
Date of Invoice	Invoice Number	Charges for LTTS/Local Termination Billed	Amount of LTTS/Local Termination Paid	Date of Payment	Amount of LTTS/Local Termination Payment Unpaid	Additional Amount of Late Payment Charges for amounts paid in Dispute	Amount of Late Charges paid late
12/5/2005	3573	5,081.48	0.00		5,081.48	20.36	0.00
1/5/2006	3623	4,298.00	0.00		4,298.00	0.00	0.00
Total		361,600.33	32,638.37		328,961.96	7,232.70	13.80

Bloomingdale Telephone Company
Amount in Dispute with Verizon
Originating Access
Through 01/31/06

						Late Payment Charges Related to Originating Access Charges	
Date of Invoice	Invoice Number	Charges for Originating Access Billed	Amount of Originating Access Paid	Date of Payment	Amount of Originating Access Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/5/2005	3001	1,226.24	1,138.03	06/14/05	88.21	8.07	23.16
4/5/2005	3033	1,421.33	0.00	06/24/05	1,421.33	116.58	0.00
5/5/2005	3064	1,458.48	0.00	12/02/05	1,458.48	105.40	0.00
6/5/2005	3101	1,281.00	0.00	12/02/05	1,281.00	80.60	0.00
7/5/2005	3146	1,178.06	0.00	08/17/05	1,178.06	62.84	0.00
8/5/2005	3194	719.09	0.00	09/22/05	719.09	31.53	0.00
9/5/2005	3292	1,563.71	0.00	10/19/05	1,563.71	54.34	0.00
10/5/2005	3388	1.96	0.03	11/16/05	1.93	0.05	0.00
11/5/2005	3477	233.33	0.01	12/05/05	233.32	3.85	0.00
12/5/2005	3573	198.17	0.04	01/17/06	198.13	1.45	0.00
1/5/2006	3623	226.14	0.00	02/06/06	226.14	0.00	0.00
Total		12,638.20	4,268.80		8,369.40	464.71	27.30

Bloomingdale Telephone Company
Amount in Dispute with Verizon
Billing and Collection
Through 01/31/06

Date of Invoice	Invoice Number	Charges for Billing and Collection Billed	Amount of Billing and Collection Paid	Date of Payment	Amount of Billing and Collection Unpaid	Late Payment Charges Related to Billing and Collection Charges: Additional Amount of Late Payment Charges in Dispute	Late Payment Charges Related to Billing and Collection Charges: Amount of Late Payment Charges for amounts paid late
3/5/2005	3005	1,324.38	882.75	06/14/05	441.63	65.33	25.53
4/5/2005	3037	1,521.16	863.46	06/24/05	657.70	86.95	16.84
5/5/2005	3068	1,600.20	748.04	12/02/05	852.16	99.01	61.57
6/5/2005	3105	1,505.10	876.94	12/02/05	628.16	63.37	59.18
7/5/2005	3150	1,439.17	839.54	08/17/05	599.63	51.15	1.55
8/5/2005	3198	1,012.93	752.16	09/22/05	260.77	18.24	3.12
9/5/2005	3295	33.42	451.54	10/19/05	(418.12)	0.00	0.09
10/5/2005	3391	38.29	38.29	11/16/05	0.00	0.00	0.05
11/5/2005	3480	448.03	448.03	12/05/05	0.00	0.00	0.00
12/5/2005	3576	374.19	374.19	01/17/06	0.00	0.00	0.69
1/5/2005	3626	386.14	0.00	02/06/06	386.14	69.32	0.00
Total		12,975.85	9,567.78		3,408.07	453.37	170.16

Carr Telephone Company
Amount in Dispute with Verizon
LTIS/Local Termination
Through 01/31/06

						Late Payment Charges Related to LTTS / Local Termination Char.9.es	
Date of Invoice	Invoice Number	Charges for LTTS/Local Termination Billed	Amount of LTTS/Local Termination Paid	Date of Payment	Amount of LTTS/Local Termination Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
03/01/03		1,115.43			1,115.43	201.08	0.00
04/01/03		813.90			813.90	142.13	0.00
05/01/03		804.36			804.36	135.79	0.00
06/01/03		832.15			832.15	135.82	0.00
07/01/03		731.46			731.46	115.18	0.00
08/01/03		1,142.18			1,142.18	173.31	0.00
09/01/03		1,047.10			1,047.10	153.11	0.00
10/01/03		870.67			870.67	122.37	0.00
11/01/03		644.71			644.71	87.09	0.00
12/01/03		783.41			783.41	101.43	0.00
01/01/04		709.11			709.11	87.85	0.00
02/01/04		721.82			721.82	85.67	0.00
03/01/04		772.11			772.11	87.36	0.00
04/01/04		651.51			651.51	70.24	0.00
05/01/04		718.86			718.86	73.57	0.00
06/01/04		636.17			636.17	61.75	0.00
07/01/04		751.73			751.73	68.88	0.00
08/01/04		764.73			764.73	65.94	0.00
09/01/04		774.12			774.12	62.73	0.00
10/01/04		709.75			709.75	53.71	0.00
11/01/04		636.75			636.75	44.91	0.00
12/01/04		818.11			818.11	53.37	0.00
01/01/05		900.34			900.34	53.99	0.00
02/01/05		831.18			831.18	45.90	0.00
03/01/05		769.84			769.84	38.50	0.00

Carr Telephone Company
Amount in Dispute with Verizon
LTIS/Local Termination
Through 01 1ffi6

						Late Payment Charges Related to LTIS/ Local Termination Char.9.es	
Date of Invoice	Invoice Number	Charges for LTIS/Local Termination Billed	Amount of LTIS/Local Termination Paid	Date of Payment	Amount of LTIS/Local Termination Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
04/01/05		526.41			526.41	23.68	0.00
05/01/05		803.25			803.25	31.98	0.00
06/01/05		1,503.39			1,503.39	52.36	0.00
07/01/05		1,460.80			1,460.80	43.40	0.00
08/01/05		1,213.56			1,213.56	29.87	0.00
09/01/05		2,346.23			2,346.23	46.24	0.00
10/01/05		2,124.99			2,124.99	31.16	0.00
11/01/05		2,023.97			2,023.97	19.85	0.00
12/01/05		2,522.23			2,522.23	12.13	0.00
01/01/06		2,178.12			2,178.12	0.00	0.00
Total		36,654.45	0.00		36,654.45	2,612.35	0.00

Chapin Telephone Company
Amount in Dispute with Verizon
Terminating Access
Through 01/31/06

						Late Payment Charges Related to Terminatin.9 Access	
Date of Invoice	Invoice Number	Charges for Terminating Access Billed	Amount of Terminating Access Paid	Date of Payment	Amount of Terminating Access Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/1/2005		33,443.64	1,792.14	06/13/05	31,651.50	2,947.77	38.61
4/1/2005		38,153.98	1,017.78	06/22/05	37,136.20	3,104.56	15.57
5/1/2005		31,298.85	1,165.06	07/18/05	30,133.79	2,224.97	16.10
6/1/2005		30,482.41	987.83	07/18/05	29,494.58	1,901.57	4.92
7/1/2005		29,678.58	916.17	08/17/05	28,762.41	1,578.52	4.29
8/1/2005		27,171.66	818.54	09/06/05	26,353.12	1,195.82	1.20
9/1/2005		27,696.83	962.53	10/19/05	26,734.30	969.41	5.07
10/1/2005		13,256.44	0.00		13,256.44	356.92	0.00
11/1/2005		3,681.03	0.00		3,681.03	66.14	0.00
12/1/2005		8,139.80	346.36	01/09/06	7,793.44	68.56	0.81
1/1/2006		5,932.05	0.00		5,932.05	0.00	0.00
TOTAL		248,935.27	8,006.41		240,928.86	14,414.24	86.57

Chapin Telephone Company
Amount in Dispute with Verizon
LTIS/Local Termination
Through 01/31/06

						Late Payment Charges Related to LTTS / Local Termination Charg_es	
Date of Invoice	Invoice Number	Charges for LTTS/Local Termination Billed	Amount of LTTS/Local Termination Paid	Date of Payment	Amount of LTTS/Local Termination Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/1/2005					0.00	0.00	0.00
4/1/2005					0.00	0.00	0.00
5/1/2005					0.00	0.00	0.00
6/1/2005					0.00	0.00	0.00
7/1/2005		* 21,292.25			21,292.25	632.60	0.00
8/1/2005		4,617.50			4,617.50	113.67	0.00
9/1/2005		4,397.12			4,397.12	86.67	0.00
10/1/2005		3,702.10			3,702.10	54.29	0.00
11/1/2005		7,278.64			7,278.64	71.38	0.00
12/1/2005		3,005.22			3,005.22	14.46	0.00
1/1/2006		3,177.02			3,177.02	0.00	0.00
TOTAL		47,469.85	0.00		47,469.85	973.07	0.00

***Includes local from 3/1/05**

Chapin Telephone Company
Amount in Dispute with Verizon
Originating Access
Through 01/31/06

Date of Invoice	Invoice Number	Charges for Originating Access Billed	Amount of Originating Access Paid	Date of Payment	Amount of Originating Access Unpaid	Late Payment Charges Related to Originating Access Charges: Additional Amount of Late Payment Charges in Dispute	Late Payment Charges Related to Originating Access Charges: Amount of Late Payment Charges for amounts paid late
3/1/2005		28,687.24	21,521.78	06/13/05	7,165.46	667.33	463.61
4/1/2005		32,754.44	22,905.67	06/22/05	9,848.77	823.35	350.40
5/1/2005		27,117.34	19,529.52	07/18/05	7,587.82	560.26	269.83
6/1/2005		26,378.14	23,378.77	07/18/05	2,999.37	193.38	116.32
7/1/2005		25,657.98	20,005.21	08/17/05	5,652.77	310.23	93.67
8/1/2005		23,458.07	16,286.31	09/06/05	7,171.76	325.43	23.79
9/1/2005		23,700.91	17,690.79	10/19/05	6,010.12	217.93	93.21
10/1/2005		18,806.20			18,806.20	506.34	0.00
11/1/2005		342.73			342.73	6.16	0.00
12/1/2005		7.08		01/09/06	7.08	0.06	0.02
1/1/2006		7.27		02/06/06	7.27	0.00	0.01
TOTAL		206,917.40	141,318.05		65,599.35	3,610.47	1,410.86

Chapin Telephone Company
Amount in Dispute with Verizon
Billing and Collection
Through 03/02/06

						Late Payment Charges Related to Billing and Collection Charges	
Date of Invoice	Invoice Number	Charges for Billing and Collection Billed	Amount of Billing and Collection Paid	Date of Payment	Amount of Billing and Collection Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/1/2005		5,982.54	5,508.33	06/13/05	474.21	78.99	188.07
4/1/2005		6,894.96	5,377.29	06/22/05	1,517.67	228.53	130.15
5/1/2005		6,414.32	4,712.86	07/18/05	1,701.46	228.50	102.98
6/1/2005		6,091.09	5,426.29	07/18/05	664.80	78.95	42.59
7/1/2005		6,529.09	4,930.33	08/17/05	1,598.76	164.54	36.41
8/1/2005		6,012.83	4,562.97	09/06/05	1,449.86	126.58	10.50
9/1/2005		5,952.09	4,850.96	10/19/05	1,101.13	79.73	40.32
10/1/2005		314.27	0.00		314.27	17.98	0.00
11/1/2005		17.77	0.00		17.77	0.76	0.00
12/1/2005		0.00			0.00	0.00	0.00
1/1/2006		0.00			0.00	0.00	0.00
Total					8,839.93	1,004.56	551.02

CCM Telephone Company
Amount in Dispute with Verizon
Terminating Access
Through 01/31/06

						Late Payment Charges Related to Terminatin Access	
Date of Invoice	Invoice Number	Charges for Terminating Access Billed	Amount of Terminating Access Paid	Date of Payment	Amount of Terminating Access Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/1/2005	440015D05060	55,931.31	26,427.83	06/01/05	31,681.53	2,950.56	474.88
4/1/2005	440015D05091	65,849.21	23,273.40	06/01/05	42,280.93	3,534.66	211.60
5/1/2005	440015D05121	52,621.65	22,840.04	07/01/05	31,013.94	2,289.96	200.93
6/1/2005	440015D05152	57,436.59	25,493.56	07/01/05	33,297.76	2,146.77	0.00
7/1/2005	440015D05182	51,489.17	21,870.78	08/01/05	30,090.44	1,651.40	0.00
8/1/2005	440015D05213	50,694.61	21,334.31	09/01/05	29,836.13	1,353.87	0.00
9/1/2005	440015D05244	68,160.79	23,095.22	10/01/05	44,698.60	1,620.80	0.00
10/1/2005	440015D05274	56,908.57	25,129.06	11/01/05	33,115.25	891.60	0.00
11/1/2005	440015D05305	56,485.47	25,408.05	12/01/05	32,352.18	581.33	0.00
12/1/2005	440015D05335	63,070.46	24,071.37	01/01/06	38,999.09	343.08	0.00
1/1/2006	440015D06001	58,810.18	23,642.22	01/31/06	35,295.94	0.00	0.00
Total		696,907.65	322,035.48		382,661.76	17,364.03	887.41

CCM Telephone Company
Amount in Dispute with Verizon
Originating Access
Through 01/31/06

						Late Payment Charges Related to Originating Access Charges	
Date of Invoice	Invoice Number	Charges for Originating Access Billed	Amount of Originating Access Paid	Date of Payment	Amount of Originating Access Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/1/2005	440015D05060			06/01/05	(2,178.05)	0.00	0.00
4/1/2005	440015D05091			06/01/05	294.88	24.65	0.00
5/1/2005	440015D05121			07/01/05	(1,232.33)	0.00	0.00
6/1/2005	440015D05152			07/01/05	(1,354.73)	0.00	0.00
7/1/2005	440015D05182			08/01/05	(472.05)	0.00	0.00
8/1/2005	440015D05213			09/01/05	(475.83)	0.00	0.00
9/1/2005	440015D05244			10/01/05	366.98	13.31	0.00
10/1/2005	440015D05274			11/01/05	(1,335.74)	0.00	0.00
11/1/2005	440015D05305			12/01/05	(1,274.76)	0.00	0.00
12/1/2005	440015D05335			01/01/06	0.00	0.00	0.00
1/1/2006	440015D06001			01/31/06	(127.98)	0.04	0.00
Total		0.00	0.00		(7,789.59)	38.00	0.00

CCM Telephone Company
Amount in Dispute with Verizon
Billing and Collection
Through 01/31/06

						Late Payment Charges Related to Billing and Collection Charges	
Date of Invoice	Invoice Number	Charges for Billing and Collection Billed	Amount of Billing and Collection Paid	Date of Payment	Amount of Billing and Collection Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/1/2005	440015D05060	1,876.61	2,360.62	06/01/05	(484.01)	0.00	53.39
4/1/2005	440015D05091	2,179.60	2,114.07	06/01/05	65.53	8.83	30.36
5/1/2005	440015D05121	1,802.71	2,076.56	07/01/05	(273.85)	0.00	25.04
6/1/2005	440015D05152	1,897.67	2,198.72	07/01/05	(301.05)	0.00	0.00
7/1/2005	440015D05182	1,789.21	1,894.11	08/01/05	(104.90)	0.00	0.00
8/1/2005	440015D05213	1,797.07	1,902.81	09/01/05	(105.74)	0.00	0.00
9/1/2005	440015D05244	2,091.27	2,009.72	10/01/05	81.55	4.71	0.00
10/1/2005	440015D0527 4	1,659.34	1,956.17	11/01/05	(296.83)	0.00	0.00
11/1/2005	440015D05305	1,571.26	1,854.54	12/01/05	(283.28)	0.00	0.00
12/1/2005	440015D05335	1,697.03	1,697.03	01/01/06	0.00	0.00	0.00
1/1/2006	440015D06001	1,631.63	1,660.07	01/31/06	(28.44)	0.01	0.00
Total		21,991.36	23,722.38		(1,731.02)	13.55	108.79

Deerfield Farmer Telephone Company
Amount in Dispute with Verizon
Terminating Access
Through 01/31/06

						Late Payment Charges Related to Terminatin Access	
Date of Invoice	Invoice Number	Charges for Terminating Access Billed	Amount of Terminating Access Paid	Date of Payment	Amount of Terminating Access Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
4/1/2005	DMM015517SW01069120050401	461.90	1,538.47	07/18/05	(1,076.57)	0.00	10.64
5/1/2005	DMM015517SW01069120050501	456.46	1,390.37	06/24/05	(933.91)	0.00	3.08
6/1/2005	DMM015517SW01069120050601	455.95	1,523.88	07/18/05	(1,067.93)	0.00	2.27
7/1/2005	DMM015517SW01069120050701	407.49	1,445.75	08/18/05	(1,038.26)	0.00	2.03
8/1/2005	DMM015517SW01069120050801	104.67	1,404.50	09/12/05	(1,299.83)	0.00	0.34
9/1/2005	DMM015517SW01069120050901	2.31	14.59	10/17/05	(12.28)	0.00	0.01
10/1/2005	DMM015517SW01069120051001	4,430.20	1,683.07	11/14/05	2,747.13	73.96	6.40
11/1/2005	DMM015517SW01069120051101	3,865.91	1,837.23	12/05/05	2,028.68	36.45	2.15
12/1/2005	DMM015517SW01069120051201	4,144.91	1,910.52	01/03/06	2,234.39	19.66	1.12
1/1/2006	DMM015517SW01069120060101	4,363.81	0.00		4,363.81	0.00	0.00
Total		19,251.88	13,306.65		5,945.23	130.07	38.24

Deerfield Farmer Telephone Company
Amount in Dispute with Verizon
LTIS/Local Termination
Through 01/31/06

Late Payment Charges Related to
LTTS / Local Termination Char.9.es

Date of Invoice	Invoice Number	Charges for LTTS/Local Termination Billed	Amount of LTTS/Local Termination Paid	Date of Payment	Amount of LTTS/Local Termination Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/1/2005	**OM MO**1551?SWO1069120050301	0.00			0.00	0.00	0.00
4/1/2005	DMM015517SW01069120050401	0.00			0.00	0.00	0.00
5/1/2005	DMM015517SW01069120050501	0.00			0.00	0.00	0.00
6/1/2005	DMM015517SW01069120050601	0.00			0.00	0.00	0.00
7/1/2005	DMM015517SW01069120050701	0.00			0.00	0.00	0.00
8/1/2005	DMM015517SW01069120050801	0.00			0.00	0.00	0.00
9/1/2005	DMM015517SW01069120050901	0.00			0.00	0.00	0.00
10/1/2005	DMM015517SW01069120051001	3,056.12	0.00		3,056.12	130.61	0.00
11/1/2005	DMM015517SW01069120051101	1,779.17	0.00		1,779.17	50.62	0.00
12/1/2005	DMM015517SW01069120051201	2,116.97	0.00		2,116.97	29.41	0.00
1/1/2006	DMM015517SW01069120060101	2,126.26	0.00		2,126.26	0.00	0.00
Total		9,078.52	0.00		9,078.52	210.64	0.00

Deerfield Farmer Telephone Company
Amount in Dispute with Verizon
Originating Access
Through 01/31/06

Date of Invoice	Invoice Number	Charges for Originating Access Billed	Amount of Originating Access Paid	Date of Payment	Amount of Originating Access Unpaid	Late Payment Charges Related to Originating Access Charges: Additional Amount of Late Payment Charges in Dispute	Late Payment Charges Related to Originating Access Charges: Amount of Late Payment Charges for amounts paid late
3/1/2005	**OM MO**15517SW01069120050301	444.09	243.97	06/02/05	200.12	18.64	4.46
4/1/2005	DMM015517SW01069120050401	373.06	0.00	07/18/05	373.06	31.19	0.00
5/1/2005	DMM015517SW01069120050501	381.32	128.11	06/24/05	253.21	18.70	0.86
6/1/2005	DMM015517SW01069120050601	386.29	614.34	07/18/05	(228.05)	0.00	1.92
7/1/2005	DMM015517SW01069120050701	345.96	174.81	08/18/05	171.15	9.39	0.87
8/1/2005	DMM015517SW01069120050801	88.52	153.63	09/12/05	(65.11)	0.00	0.28
9/1/2005	DMM015517SW01069120050901	0.50	33.80	10/17/05	(33.30)	0.00	0.00
10/1/2005	DMM015517SW01069120051001	0.62	0.00	11/14/05	0.62	0.02	0.00
11/1/2005	DMM015517SW01069120051101	0.52	0.00	12/05/05	0.52	0.01	0.00
12/1/2005	DMM015517SW01069120051201	0.38	0.00	01/03/06	0.38	0.00	0.00
1/1/2006	DMM015517SW01069120060101	0.36	0.00		0.36	0.00	0.00
Total		2,021.62	1,348.66		672.96	77.95	8.39

Deerfield Farmer Telephone Company
Amount in Dispute with Verizon
Billing and Collection
Through 01/31/06

							Late Payment Charges Related to Billing and Collection Charges	
Date of Invoice	Invoice Number	Charges for Billing and Collection Billed	Amount of Billing and Collection Paid	Date of Payment	Amount of Billing and Collection Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late	
3/1/2005	DMM015517SW01069120050301	438.81	257.44	06/02/05	181.37	27.31	7.45	
4/1/2005	DMM015517SW01069120050401	386.84	195.94	07/18/05	190.90	25.74	7.16	
5/1/2005	DMM015517SW01069120050501	374.34	99.85	06/24/05	274.49	32.60	1.06	
6/1/2005	DMM015517SW01069120050601	392.25	480.20	07/18/05	(87.95)	0.00	3.08	
7/1/2005	DMM015517SW01069120050701	345.31	551.50	08/18/05	(206.19)	0.00	2.71	
8/1/2005	DMM015517SW01069120050801	156.65	532.11	09/12/05	(375.46)	0.00	0.79	
9/1/2005	DMM015517SW01069120050901	38.96	57.77	10/17/05	(18.81)	0.00	0.29	
10/1/2005	**DMMO**15517SWO1069120051001	41.31	41.31	11/14/05	0.00	0.00	0.25	
11/1/2005	DMM015517SW01069120051101	33.70	33.70	12/05/05	0.00	0.00	0.06	
12/1/2005	DMM015517SW01069120051201	27.62	27.62	01/03/06	0.00	0.00	0.03	
1/1/2006	DMM015517SW01069120060101	30.03	0.00		30.03	0.00	0.00	
Total		2,265.82	2,277.44		(11.62)	85.65	22.88	

Ogden Telephone Company
Amount in Dispute with Verizon
Terminating Access
Through 01/31/06

Date of Invoice	Invoice Number	Charges for Terminating Access Billed	Amount of Terminating Access Paid	Date of Payment	Amount of Terminating Access Unpaid	Late Payment Charges Related to Terminatin.9 Access: Additional Amount of Late Payment Charges in Dispute	Late Payment Charges Related to Terminatin.9 Access: Amount of Late Payment Charges for amounts paid late
1/1/2005		128.35	128.35	02/01/05	0.00	0.00	0.00
2/1/2005		143.37	334.80	03/01/05	(191.43)	0.00	0.00
3/1/2005		170.07	274.94	04/01/05	(104.87)	0.00	0.00
4/1/2005		136.19	312.50	05/01/05	(176.31)	0.00	0.00
5/1/2005		141.35	284.65	06/01/05	(143.30)	0.00	0.00
6/1/2005		123.81	315.72	07/01/05	(191.91)	0.00	0.00
7/1/2005		108.35	285.52	08/01/05	(177.17)	0.00	0.00
8/1/2005		91.86	278.12	09/01/05	(186.26)	0.00	0.00
9/1/2005		320.94	154.40	10/01/05	166.54	6.04	0.00
10/1/2005		547.09	135.97	11/01/05	411.12	11.07	0.00
11/1/2005		226.85	145.35	12/01/05	81.50	1.46	0.00
12/1/2005		258.88	167.57	01/01/06	91.31	0.80	0.00
1/1/2006		1,351.51	115.75	02/01/06	1,235.76	0.00	0.00
Total		3,748.62	2,933.64		814.98	19.37	0.00

Ogden Telephone Company
Amount in Dispute with Verizon
LTIS/Local Termination
Through 01/31/06

Date of Invoice	Invoice Number	Charges for LTIS/Local Termination Billed	Amount of LTIS/Local Termination Paid	Date of Payment	Amount of LTIS/Local Termination Unpaid	Late Payment Charges Related to LTIS/ Local Termination Char.9.es: Additional Amount of Late Payment Charges in Dispute	Late Payment Charges Related to LTIS/ Local Termination Char.9.es: Amount of Late Payment Charges for amounts paid late
1/1/2005					0.00	0.00	0.00
2/1/2005					0.00	0.00	0.00
3/1/2005					0.00	0.00	0.00
4/1/2005					0.00	0.00	0.00
5/1/2005					0.00	0.00	0.00
6/1/2005					0.00	0.00	0.00
7/1/2005					0.00	0.00	0.00
8/1/2005					0.00	0.00	0.00
9/1/2005		9.73			9.73	0.19	0.00
10/1/2005		6.33			6.33	0.09	0.00
11/1/2005		8.28			8.28	0.08	0.00
12/1/2005		5.98			5.98	0.03	0.00
1/1/2006		5.55			5.55	0.00	0.00
Total		35.87	0.00		35.87	0.39	0.00

Ogden Telephone Company
Amount in Dispute with Verizon
Originating Access
Through 01/31/06

						Late Payment Charges Related to Originatin9 Access Char9es	
Date of Invoice	Invoice Number	Charges for Originating Access Billed	Amount of Originating Access Paid	Date of Payment	Amount of Originating Access Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
1/1/2005		112.53	112.53	02/01/05	0.00	0.00	0.00
2/1/2005		127.05	38.71	3/1/2005	88.34	9.11	0.00
3/1/2005		148.50	20.18	4/1/2005	128.32	11.95	0.00
4/1/2005		119.12	0.00	5/1/2005	119.12	9.96	0.00
5/1/2005		123.32	139.84	6/1/2005	(16.52)	0.00	0.00
6/1/2005		96.03	45.31	7/1/2005	50.72	3.27	0.00
7/1/2005		96.95	38.48	8/1/2005	58.47	3.21	0.00
8/1/2005		82.63	41.75	9/1/2005	40.88	1.86	0.00
9/1/2005		94.98	0.00	10/1/2005	94.98	3.44	0.00
10/1/2005		85.50	0.04	11/1/2005	85.46	2.30	0.00
11/1/2005		75.92	0.03	12/1/2005	75.89	1.36	0.00
12/1/2005		75.56	0.00	01/01/06	75.56	0.66	0.00
1/1/2006		302.97	0.00	02/01/06	302.97	0.00	0.00
Total		1,541.06	436.87		1,104.19	47.12	0.00

Ogden Telephone Company
Amount in Dispute with Verizon
Billing and Collection
Through 01/31/06

						Late Payment Charges Related to Billing and Collection Charges	
Date of Invoice	Invoice Number	Charges for Billing and Collection Billed	Amount of Billing and Collection Paid	Date of Payment	Amount of Billing and Collection Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
1/1/2005		144.55	144.55	2/1/2005	0.00	0.00	0.00
2/1/2005		149.40	149.40	3/1/2005	0.00	0.00	0.00
3/1/2005		143.37	161.87	4/1/2005	(18.50)	0.00	0.00
4/1/2005		121.33	52.29	5/1/2005	69.04	9.31	0.00
5/1/2005		150.91	44.55	6/1/2005	106.36	12.63	0.00
6/1/2005		131.29	124.47	7/1/2005	6.82	0.71	0.00
7/1/2005		139.50	71.17	8/1/2005	68.33	6.00	0.00
8/1/2005		115.05	64.93	9/1/2005	50.12	3.63	0.00
9/1/2005		133.33	64.94	10/1/2005	68.39	3.95	0.00
10/1/2005		102.54	102.54	11/1/2005	0.00	0.00	0.00
11/1/2005		100.67	100.67	12/1/2005	0.00	0.00	0.00
12/1/2005		98.32	98.32	1/1/2006	0.00	0.00	0.00
Total		1,626.62	1,276.06		350.56	36.23	0.00

Pigeon Telephone Company
Amount in Dispute with Verizon
LTIS/Local Termination
Through 01/31/06

						Late Payment Charges Related to LTTS / Local Termination Char es	
Date of Invoice	Invoice Number	Charges for LTTS/Local Termination Billed	Amount of LTTS/Local Termination Paid	Date of Payment	Amount of LTTS/Local Termination Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
10/1/2004	072177771004FGD	67,909.30			0.00	0.00	0.00
10/1/2004	072188881004FGD	2,906.30			2,906.30	219.95	0.00
11/1/2004	072177771104FGD	3,606.35			3,606.35	254.36	0.00
11/1/2004	072188881104FGD	119.66			119.66	8.44	0.00
12/1/2004	072177771204FGD	3,749.27			3,749.27	244.58	0.00
12/1/2004	072188881204FGD	136.67			136.67	8.92	0.00
1/1/2005	072177770105FGD	3,645.21			3,645.21	218.58	0.00
1/1/2005	072188880105FGD	99.89			99.89	5.99	0.00
2/1/2005	072177770205FGD	3,814.85			3,814.85	210.68	0.00
2/1/2005	072188880205FGD	89.36			89.36	4.94	0.00
3/1/2005	072177770305FGD	4,129.33			4,129.33	206.49	0.00
3/1/2005	072188880305FGD	104.46			104.46	5.22	0.00
4/1/2005	072177770405FGD	3,533.44			3,533.44	158.93	0.00
4/1/2005	072188880405FGD	82.34			82.34	3.70	0.00
5/1/2005	072177770505FGD	527.50			527.50	21.00	0.00
5/1/2005	072188880505FGD	712.30			712.30	28.36	0.00
6/1/2005	072177770605FGD	1,469.40			1,469.40	51.18	0.00
6/1/2005	072188880605FGD	2,002.18			2,002.18	69.74	0.00
7/1/2005	072177770705FGD	2,952.73			2,952.73	87.73	0.00
7/1/2005	072188880705FGD	108.50			108.50	3.22	0.00
8/1/2005	072177770805FGD	2,871.16			2,871.16	70.68	0.00
8/1/2005	072188880805FGD	120.84			120.84	2.97	0.00
9/1/2005	072177770905FGD	3,128.15			3,128.15	61.66	0.00
9/1/2005	072188880905FGD	113.36			113.36	2.23	0.00
10/1/2005	072177771005FGD	3,071.93			3,071.93	45.05	0.00

Pigeon Telephone Company
Amount in Dispute with Verizon
LTIS/Local Termination
Through 01/31/06

						Late Payment Charges Related to LTIS/Local Termination Charges	
Date of Invoice	Invoice Number	Charges for LTIS/Local Termination Billed	Amount of LTIS/Local Termination Paid	Date of Payment	Amount of LTIS/Local Termination Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
10/1/2005	072188881005FGD	112.34			112.34	1.65	0.00
11/1/2005	072177771105FGD	2,979.82			2,979.82	29.22	0.00
11/1/2005	072188881105FGD	90.58			90.58	0.89	0.00
12/1/2005	072177771205FGD	3,320.43			3,320.43	15.98	0.00
12/1/2005	072188881205FGD	106.56			106.56	0.51	0.00
1/1/2006	072177770106FGD	3,576.80			3,576.80	0.00	0.00
1/1/2006	072188880106FGD	123.25			123.25	0.00	0.00
Total		121,314.26	0.00		53,404.96	2,042.85	0.00

Sand Creek Telephone Company
Amount in Dispute with Verizon
Terminating Access
Through 01/31/06

						Late Payment Charges Related to Terminatin.9. Access	
Date of Invoice	Invoice Number	Charges for Terminating Access Billed	Amount of Terminating Access Paid	Date of Payment	Amount of Terminating Access Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/1/2005	20050301	315.26	964.88	06/07/05	(649.62)	0.00	6.23
4/1/2005	20050401	326.90	530.00	06/23/05	(203.10)	0.00	5.10
5/1/2005	20050501	296.11	975.96	07/18/05	(679.85)	0.00	4.09
6/1/2005	20050601	281.38	956.08	07/18/05	(674.70)	0.00	1.40
7/1/2005	20050701	288.03	668.74	08/17/05	(380.71)	0.00	1.35
8/1/2005	20050801	158.31	902.64	09/09/05	(744.33)	0.00	0.37
9/1/2005	20050901	142.28	786.13	10/13/05	(643.85)	0.00	0.50
10/1/2005	20051001	41.82	371.64	11/10/05	(329.82)	0.00	0.11
11/1/2005	20051101	108.92	386.03	12/05/05	(277.11)	0.00	0.13
12/1/2005	20051201	8,924.88	345.82	12/27/05	8,579.06	75.47	0.00
1/1/2006	20060101	10,498.88	0.00		10,498.88	0.00	0.00
Total		22,099.92	7,605.07		14,494.85	75.47	26.83

Sand Creek Telephone Company
Amount in Dispute with Verizon
LTIS/Local Termination
Through 01/31/06

						Late Payment Charges Related to LTIS/ Local Termination Charges	
Date of Invoice	Invoice Number	Charges for LTIS/Local Termination Billed	Amount of LTIS/Local Termination Paid	Date of Payment	Amount of LTIS/Local Termination Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/1/2005	20050301			06/07/05	0.00	0.00	0.00
4/1/2005	20050401			06/23/05	0.00	0.00	0.00
5/1/2005	20050501			07/18/05	0.00	0.00	0.00
6/1/2005	20050601			07/18/05	0.00	0.00	0.00
7/1/2005	20050701			08/17/05	0.00	0.00	0.00
8/1/2005	20050801			09/09/05	0.00	0.00	0.00
9/1/2005	20050901			10/13/05	0.00	0.00	0.00
10/1/2005	20051001			11/10/05	0.00	0.00	0.00
11/1/2005	20051101	5,608.10		12/05/05	5,608.10	55.00	3.59
12/1/2005	20051201	5,747.19		12/27/05	5,747.19	27.65	0.00
1/1/2006	20060101	8,228.27			8,228.27	0.00	0.00
Total		19,583.56	0.00		19,583.56	82.65	3.59

Sand Creek Telephone Company
Amount in Dispute with Verizon
Originating Access
Through 01/31/06

						Late Payment Charges Related to Originating Access Charges	
Date of Invoice	Invoice Number	Charges for Originating Access Billed	Amount of Originating Access Paid	Date of Payment	Amount of Originating Access Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/1/2005	20050301	272.52	188.85	06/07/05	83.67	7.79	3.73
4/1/2005	20050401	284.86	289.55	06/23/05	(4.69)	0.00	4.44
5/1/2005	20050501	256.50	19.60	07/18/05	236.90	17.49	0.27
6/1/2005	20050601	244.57	515.51	07/18/05	(270.94)	0.00	1.22
7/1/2005	20050701	249.07	289.55	08/17/05	(40.48)	0.00	1.17
8/1/2005	20050801	140.19	178.35	09/09/05	(38.16)	0.00	0.33
9/1/2005	20050901	125.55	146.13	10/13/05	(20.58)	0.00	0.44
10/1/2005	20051001	38.63	0.00	11/10/05	38.63	1.04	0.00
11/1/2005	20051101	35.50	0.00	12/05/05	35.50	0.64	0.00
12/1/2005	20051201	47.44	0.00	12/27/05	47.44	0.42	0.00
1/1/2006	20060101	4.11	0.00		4.11	0.00	0.00
Total		2,322.03	2,250.63		71.40	27.38	18.17

Sand Creek Telephone Company
Amount in Dispute with Verizon
Billing and Collection
Through 01/31/06

						Late Payment Charges Related to Billing and Collection Charges	
Date of Invoice	Invoice Number	Charges for Billing and Collection Billed	Amount of Billing and Collection Paid	Date of Payment	Amount of Billing and Collection Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/1/2005	20050301	302.49	264.52	06/07/05	37.97	5.72	8.28
4/1/2005	20050401	329.69	318.94	06/23/05	10.75	1.45	7.87
5/1/2005	20050501	298.77	142.72	07/18/05	156.05	18.53	3.12
6/1/2005	20050601	299.37	444.79	07/18/05	(145.42)	0.00	2.35
7/1/2005	20050701	289.44	318.94	08/17/05	(29.50)	0.00	2.14
8/1/2005	20050801	205.87	211.73	09/09/05	(5.86)	0.00	0.76
9/1/2005	20050901	176.17	174.95	10/13/05	1.22	0.07	0.97
10/1/2005	20051001	85.03	85.03	11/10/05	0.00	0.00	0.35
11/1/2005	20051101	64.19	64.19	12/05/05	0.00	0.00	0.12
12/1/2005	20051201	70.76	70.76	12/27/05	0.00	0.00	0.00
1/1/2006	20060101	29.48	0.00		29.48	0.00	0.00
Total		2,839.51	2,784.82		54.69	25.77	37.46

Upper Peninsula Telephone Company
Amount in Dispute with Verizon
Terminating Access
Through 01/31/06

						Late Payment Charges Related to Terminating Access	
Date of Invoice	Invoice Number	Charges for Terminating Access Billed	Amount of Terminating Access Paid	Date of Payment	Amount of Terminating Access Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/5/2005	517REV0732050305	21,697.00	471.12	06/01/05	21,225.88	1,942.96	7.77
4/5/2005	517REV0732050405	19,708.24	0.00		19,708.24	1,616.44	0.00
5/5/2005	517REV0732050505	22,176.69	0.00		22,176.69	1,602.71	0.00
6/5/2005	517REV0732050605	23,260.98	469.59	07/14/05	22,791.39	1,434.02	1.10
7/5/2005	517REV0732050705	23,328.14	420.85	08/11/05	22,907.29	1,221.93	0.61
8/5/2005	517REV0732050805	20,395.55	421.97	08/30/05	19,973.58	875.88	0.00
9/5/2005	517REV0732050905	21,320.73	485.92	10/13/05	20,834.81	723.99	0.99
10/5/2005	517REV0732051005	20,247.81	71.05	11/10/05	20,176.76	513.02	0.08
11/5/2005	517REV0732051105	17,934.46	480.96	11/28/05	17,453.50	287.70	0.00
12/5/2005	517REV0732051205	4,525.36	0.00		4,525.36	33.15	0.00
1/5/2006	517REV0732050106	3,661.13	0.00		3,661.13	0.00	0.00
Total		198,256.09	2,821.46		195,434.63	10,251.80	10.55

Upper Peninsula Telephone Company
Amount in Dispute with Verizon
LTTS/Local Termination
Through 01/31/06

						Late Payment Charges Related to LTTS / Local Termination Char.9es	
Date of Invoice	Invoice Number	Charges for LTTS/Local Termination Billed	Amount of LTTS/Local Termination Paid	Date of Payment	Amount of LTTS/Local Termination Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/5/2005	517REV0732050305	447.17	0.00		447.17	21.99	0.00
4/5/2005	517REV0732050405	453.71	0.00		453.71	20.03	0.00
5/5/2005	517REV0732050505	422.58	0.00		422.58	16.47	0.00
6/5/2005	517REV0732050605	402.31	0.00		402.31	13.68	0.00
7/5/2005	517REV0732050705	430.05	0.00		430.05	12.42	0.00
8/5/2005	517REV0732050805	371.77	0.00		371.77	8.85	0.00
9/5/2005	517REV0732050905	340.86	0.00		340.86	6.44	0.00
10/5/2005	517REV0732051005	413.12	0.00		413.12	5.72	0.00
11/5/2005	517REV0732051105	451.39	0.00		451.39	4.06	0.00
12/5/2005	517REV0732051205	0.00	0.00		0.00	0.00	0.00
1/5/2006	517REV0732050106	5,911.46	0.00		5,911.46	0.00	0.00
Total		9,644.42	0.00		9,644.42	109.66	0.00

Upper Peninsula Telephone Company
Amount in Dispute with Verizon
Originating Access
Through 01/31/06

Date of Invoice	Invoice Number	Charges for Originating Access Billed	Amount of Originating Access Paid	Date of Payment	Amount of Originating Access Unpaid	Late Payment Charges Related to Ori9inatin9 Access Charges: Additional Amount of Late Payment Charges in Dispute	Late Payment Charges Related to Ori9inatin9 Access Charges: Amount of Late Payment Charges for amounts paid late
3/5/2005	517REV0732050305	19,058.62	11,763.35	06/01/05	7,295.27	667.79	193.91
4/5/2005	517REV0732050405	17,314.97	0.00		17,314.97	1,420.15	0.00
5/5/2005	517REV0732050505	19,457.83	0.00		19,457.83	1,406.22	0.00
6/5/2005	517REV0732050605	20,406.20	35,885.15	07/14/05	(15,478.95)	0.00	47.72
7/5/2005	517REV0732050705	20,511.59	14,041.49	08/11/05	6,470.10	345.13	20.51
8/5/2005	517REV0732050805	17,992.41	14,539.66	08/30/05	3,452.75	151.41	0.00
9/5/2005	517REV0732050905	18,788.51	14,396.87	10/13/05	4,391.64	152.61	29.45
10/5/2005	517REV0732051005	17,829.69	2,034.77	11/10/05	15,794.92	401.60	2.38
11/5/2005	517REV0732051105	15,790.22	11,825.02	11/28/05	3,965.20	65.36	0.00
12/5/2005	517REV0732051205	3,930.15	0.00		3,930.15	28.79	0.00
1/5/2006	517REV0732050106	3.03	0.00		3.03	0.00	0.00
Total		171,083.22	104,486.31		66,596.91	4,639.06	293.97

Upper Peninsula Telephone Company
Amount in Dispute with Verizon
Billing and Collection
Through 01/31/06

						Late Payment Charges Related to Billing and Collection Charges	
Date of Invoice	Invoice Number	Charges for Billing and Collection Billed	Amount of Billing and Collection Paid	Date of Payment	Amount of Billing and Collection Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/5/2005	517REV0732050305	3,806.05	2,770.20	06/01/05	1,035.85	153.24	72.27
4/5/2005	517REV0732050405	3,508.68	0.00		3,508.68	463.88	0.00
5/5/2005	517REV0732050505	3,666.39	0.00		3,666.39	425.97	0.00
6/5/2005	517REV0732050605	3,853.54	6,942.48	07/14/05	(3,088.94)	0.00	14.20
7/5/2005	517REV0732050705	4,286.63	2,890.64	08/11/05	1,395.99	119.09	6.65
8/5/2005	517REV0732050805	4,328.69	3,075.17	08/30/05	1,253.52	87.67	0.00
9/5/2005	517REV0732050905	4,334.54	3,699.08	10/13/05	635.46	35.13	11.93
10/5/2005	517REV0732051005	3,936.27	487.55	11/10/05	3,448.72	139.13	0.90
11/5/2005	517REV0732051105	3,479.49	2,733.63	11/28/05	745.86	19.46	0.00
12/5/2005	517REV0732051205	1,141.80	0.00		1,141.80	13.20	0.00
1/5/2006	517REV0732050106	3.89	0.00		3.89	0.00	0.00
Total		36,345.97	22,598.75		13,747.22	1,456.77	105.95

Westphalia Telephone Company
Amount in Dispute with Verizon
Terminating Access
Through 01/31/06

Date of Invoice	Invoice Number	Charges for Terminating Access Billed	Amount of Terminating Access Paid	Date of Payment	Amount of Terminating Access Unpaid	Late Payment Charges Related to Terminatin.9. Access: Additional Amount of Late Payment Charges in Dispute	Late Payment Charges Related to Terminatin.9. Access: Amount of Late Payment Charges for amounts paid late
3/1/2005	GTE0735SD0503	1,303.43	332.90	06/07/05	970.53	90.39	6.58
4/1/2005	GTE0735SD0504	1,288.48	242.19	07/08/05	1,046.29	87.47	4.86
5/1/2005	GTE0735SD0505	313.72	299.62	07/15/05	14.10	1.04	3.87
6/1/2005	GTE0735SD0605	582.39	318.09	07/08/05	264.30	17.04	0.65
7/1/2005	GTE0735SD0507	307.18	327.65	08/12/05	(20.47)	0.00	0.99
8/1/2005	GTE0735SD0508	156.15	257.76	09/02/05	(101.61)	0.00	0.05
9/1/2005	GTE0735SD0509	253.06	235.72	12/14/05	17.34	0.63	5.15
10/1/2005	GTE0735SD0510	314.85	266.57	12/14/05	48.28	1.30	3.37
11/1/2005	GTE0735SD0511	246.95			246.95	4.44	0.00
12/1/2005	GTE0735SD0512	1,187.14	218.81	01/25/06	968.33	8.52	1.54
1/1/2006	GTE0735SD0601	267.00	230.16	01/31/06	36.84	0.00	0.00
Total		6,220.35	2,729.47		3,490.88	210.83	27.06

Westphalia Telephone Company
Amount in Dispute with Verizon
LTIS/Local Termination
Through 01/31/06

Late Payment Charges Related to
LTTS / Local Termination Char.9.es

Date of Invoice	Invoice Number	Charges for LTTS/Local Termination Billed	Amount of LTTS/Local Termination Paid	Date of Payment	Amount of LTTS/Local Termination Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/1/2005	GTE0735SI	27,466.41	0.00		27,466.41	1,373.49	0.00
4/1/2005	GTE0735SI	26,635.81	0.00		26,635.81	1,198.04	0.00
5/1/2005	GTE0735SI	26,691.01	0.00		26,691.01	1,062.54	0.00
6/1/2005	GTE0735SI	25,205.26	7,104.00		18,101.26	630.47	0.00
7/1/2005	GTE0735SI	32,285.14	0.00		32,285.14	959.21	0.00
8/1/2005	GTE0735SI	19,546.45	0.00		19,546.45	481.16	0.00
9/1/2005	GTE0735SI	25,180.42	0.00		25,180.42	496.31	0.00
10/1/2005	GTE0735SI	14,925.30	0.00		14,925.30	218.88	0.00
11/1/2005	GTE0735SI	22,270.94	0.00		22,270.94	218.41	0.00
12/1/2005	GTE0735SI	23,908.06	0.00		23,908.06	115.03	0.00
1/1/2006	GTE0735SI	23,387.42	0.00		23,387.42	0.00	0.00
Total		267,502.22	7,104.00		260,398.22	6,753.54	0.00

Westphalia Telephone Company
Amount in Dispute with Verizon
Originating Access
Through 01/31/06

Late Payment Charges Related to
Originating Access Charges

Date of Invoice	Invoice Number	Charges for Originating Access Billed	Amount of Originating Access Paid	Date of Payment	Amount of Originating Access Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/1/2005	GTE0735SI	1,716.87	100.27	06/07/05	1,616.60	150.56	1.98
4/1/2005	GTE0735SI	1,711.91	88.46	07/08/05	1,623.45	135.72	1.77
5/1/2005	GTE0735SI	437.65	91.39	07/15/05	346.26	25.57	1.18
6/1/2005	GTE0735SI	604.56	96.54	07/08/05	508.02	32.75	0.20
7/1/2005	GTE0735SI	342.86	84.69	08/12/05	258.17	14.17	0.27
8/1/2005	GTE0735SI	178.61	104.90	09/02/05	73.71	3.34	0.03
9/1/2005	GTE0735SI	142.02	79.04	12/14/05	62.98	2.28	1.73
10/1/2005	GTE0735SI	214.22	0.64	12/14/05	213.58	5.75	0.01
11/1/2005	GTE0735SI	128.78			128.78	2.31	0.00
12/1/2005	GTE0735SI	121.42	1.24	01/25/06	120.18	1.06	0.01
1/1/2006	GTE0735SI	141.02	1.01	01/31/06	140.01	0.00	0.00
Total		5,739.92	648.18		5,091.74	373.51	7.18

Westphalia Telephone Company
Amount in Dispute with Verizon
Billing and Collection
Through 01/31/06

						Late Payment Charges Related to Billing and Collection Charges	
Date of Invoice	Invoice Number	Charges for Billing and Collection Billed	Amount of Billing and Collection Paid	Date of Payment	Amount of Billing and Collection Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/1/2005	30105	178.17	164.57	06/07/05	13.60	2.05	5.15
4/1/2005	40105	207.58	168.33	07/08/05	39.25	5.29	5.35
5/1/2005	50105	198.09	163.37	07/15/05	34.72	4.12	3.34
6/1/2005	60105	222.65	181.20	07/08/05	41.45	4.29	0.58
7/1/2005	70105	189.15	158.98	08/12/05	30.17	2.65	0.81
8/1/2005	80105	134.56	153.79	09/02/05	(19.23)	0.00	0.06
9/1/2005	90105	10.42	58.69	12/14/05	(48.27)	0.00	0.36
10/1/2005	10012005	6.22			6.22	0.27	0.00
11/1/2005	11012005	0.65			0.65	0.02	0.00
12/1/2005		0.00			0.00	0.00	0.00
1/1/2006		0.00			0.00	0.00	0.00
Total		1,147.49	1,048.93		98.56	18.69	15.65

Winn Telephone Company
Amount in Dispute with Verizon
Terminating Access
Through 01/31/06

						Late Payment Charges Related to Terminatin.9. Access	
Date of Invoice	Invoice Number	Charges for Terminating Access Billed	Amount of Terminating Access Paid	Date of Payment	Amount of Terminating Access Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/10/2005		9,595.77	1,823.39	06/06/05	7,772.38	701.56	30.60
4/10/2005		1,595.70	1,891.42	06/20/05	(295.72)	0.00	19.22
5/10/2005		1,460.26	1,795.17	07/15/05	(334.91)	0.00	15.00
6/10/2005		1,339.04	1,606.19	07/15/05	(267.15)	0.00	1.96
7/10/2005		2,204.94	1,368.66	08/12/05	836.28	43.58	0.80
8/10/2005		610.24	1,364.74	10/14/05	(754.50)	0.00	6.09
9/10/2005		2,321.84	1,401.02	10/14/05	920.82	30.89	1.64
10/10/2005		2,314.14	973.95	11/11/05	1,340.19	32.47	0.28
11/10/2005		2,451.16	757.41	12/14/05	1,693.75	25.91	0.89
12/10/2005		2,611.13	809.97	01/05/06	1,801.16	11.08	0.00
1/10/2006		2,857.19	0.00	02/06/06	2,857.19	0.00	0.00
Total		36,540.78	20,971.29		15,569.49	845.49	317.29

Winn Telephone Company
Amount in Dispute with Verizon
LTIS/Local Termination
Through 01/31/06

Late Payment Charges Related to
LTTS / Local Termination Char.9.es

Date of Invoice	Invoice Number	Charges for LTTS/Local Termination Billed	Amount of LTTS/Local Termination Paid	Date of Payment	Amount of LTTS/Local Termination Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
2/10/2005		15,058.65	0.00		15,058.65	808.78	0.00
3/10/2005		3,811.23	0.00		3,811.23	184.83	0.00
4/10/2005		15,610.48	0.00		15,610.48	678.67	0.00
5/10/2005		13,400.19	0.00		13,400.19	513.40	0.00
6/10/2005		20,708.24	0.00		20,708.24	690.44	0.00
7/10/2005		12,096.74	0.00		12,096.74	341.48	0.00
8/10/2005		13,041.52	0.00		13,041.52	301.81	0.00
9/10/2005		9,484.22	0.00		9,484.22	173.02	0.00
10/10/2005		33,521.14	0.00		33,521.14	442.66	0.00
11/10/2005		10,626.53	0.00		10,626.53	88.77	0.00
12/10/2005		10,885.35	0.00		10,885.35	36.63	0.00
1/1/2006		10,120.72	0.00		10,120.72	0.00	0.00
Total		168,365.01	0.00		168,365.01	4,260.49	0.00

Winn Telephone Company
Amount in Dispute with Verizon
Originating Access
Through 01/31/06

						Late Payment Charges Related to Ori9inatin9 Access Char9es	
Date of Invoice	Invoice Number	Charges for Originating Access Billed	Amount of Originating Access Paid	Date of Payment	Amount of Originating Access Unpaid	Additional Amount of Late Payment Charges in Dispute	Amount of Late Payment Charges for amounts paid late
3/10/2005		1,347.44	12,193.19	06/06/05	(10,845.75)	0.00	22.61
4/10/2005		1,565.49	5,000.63	06/20/05	(3,435.14)	0.00	18.85
5/10/2005		1,461.30	1,009.60	07/15/05	451.70	32.08	10.37
6/10/2005		1,311.90	1,130.82	07/15/05	181.08	11.17	1.65
7/10/2005		0.00	1,049.67	08/12/05	(1,049.67)	0.00	0.00
8/10/2005		589.64	968.70	10/14/05	(379.06)	0.00	5.88
9/10/2005		0.00	782.40	10/14/05	(782.40)	0.00	0.00
10/10/2005		0.00	0.00		0.00	0.00	0.00
11/10/2005		0.00	0.00		0.00	0.00	0.00
12/10/2005		0.00	0.00		0.00	0.00	0.00
1/10/2006		11.82	0.00		11.82	0.00	0.00
Total		13,059.13	28,906.55		(15,847.42)	43.25	286.49

Winn Telephone Company
Amount in Dispute with Verizon
Billing and Collection
Through 01/31/06

Date of Invoice	Invoice Number	Charges for Billing and Collection Billed	Amount of Billing and Collection Paid	Date of Payment	Amount of Billing and Collection Unpaid	Late Payment Charges Related to Billing and Collection Charges: Additional Amount of Late Payment Charges in Dispute	Late Payment Charges Related to Billing and Collection Charges: Amount of Late Payment Charges for amounts paid late
3/10/2005		962.78	4,726.15	06/06/05	(3,763.37)	0.00	29.67
4/10/2005		1,037.99	2,048.54	06/20/05	(1,010.55)	0.00	24.14
5/10/2005		1,058.13	847.03	07/15/05	211.10	25.07	17.31
6/10/2005		1,047.54	913.80	07/15/05	133.74	13.83	5.90
7/10/2005		931.44	878.98	08/12/05	52.46	4.61	4.46
8/10/2005		569.69	795.84	10/14/05	(226.15)	0.00	11.38
9/10/2005		9.28	555.67	10/14/05	(546.39)	0.00	0.06
10/10/2005		6.38	6.38	11/11/05	0.00	0.00	0.03
11/10/2005		0.00	0.00		0.00	0.00	0.00
12/10/2005		0.00	0.00		0.00	0.00	0.00
1/10/2006		0.00	0.00		0.00	0.00	0.00
Total		8,246.11	13,395.27		(5,149.16)	43.51	92.95

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *dlb/a* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.

Case No. U-14905

EXHIBIT A-_(DSM-12)

RURAL ILECS
LATE PAYMENT CHARGES THROUGH 01/31/06

COMPANY	Related to Terminating Access Charges	Related to LTTS/Local Termination Charges	Related to Originating Access Charges	Related to Billing and Collection (B&C) Charges	Total Late Payment Charges Through January 31, 2006
Blanchard Telephone Company	$6,810.64	$2,350.87	$2,019.55	$1,266.71	$12,447.77
Bloomingdale Telephone Company	5,586.77	7,246.50	492.01	623.53	13,948.81
Carr Telephone Company	0.00	2,612.35	0.00	0.00	2,612.35
Chapin Telephone Company	14,500.81	973.07	5,021.33	1,555.58	22,050.79
CCM Telephone Company	18,251.44	0.00	38.00	122.34	18,411.78
Deerfield Farmer Telephone Company	168.31	210.64	86.34	108.53	573.82
Ogden Telephone Company	19.37	0.39	47.12	36.23	103.11
Pigeon Telephone Company	0.00	2,042.85	0.00	0.00	2,042.85
Sand Creek Telephone Company	102.30	86.24	45.55	63.23	297.32
Upper Peninsula Telephone Company	10,262.35	109.66	4,933.03	1,562.72	16,867.76
Westphalia Telephone Company	237.89	6,753.54	380.69	**34.34**	7,406.46
Winn Telephone Company	1,162.78	4,260.49	329.74	136.46	5,889.47
Total Late Payment Charges	$57,102.66	$26,646.60	$13,393.36	$5,509.67	$102,652.29

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *dlb/a* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.

Case No. U-14905

EXHIBIT A-_(DSM-13)

WNI·JD11

December 6, 2005

VIA OVERNIGHT COURIER, RECEIPT REQUESTED

Mr. Duane Bronson
Blanchard Telephone Company
425 Main Street
Blanchard, MI 49310

Dear Duane:

Verizon North Inc. hereby requests a refund of$401,176.00 for overpayments of tenninating access charges made by Verizon between April 2003 and December 2004.

On March 31, 2005, Verizon notified Blanchard Telephone Company of material errors in Blanchard's February 2005 invoice for the subject traffic. Verizon stated that the February 2005 invoice had been based on an estimate of the number of minutes of use ("MOUs") oftenninating access traffic and requested that the invoice be recomputed based on the actual number ofMOUs of terminating access traffic delivered by Verizon to Blanchard Telephone. On May 2, 2005, Verizon indicated to your company that it would adjust Blanchard's February 2005 invoice and all subsequent invoices to **reflect** the actual number of MOUs, and that it would make payments based on the recomputed invoices.

Verizon·has reviewed Blanchard Telephone's relevant invoices for the period April 2003 through December 2004 and identified the same material errors, described above, during such period as were present in the February 2005 invoice. The attached spreadsheet shows the actual number ofMOUs of terminating access traffic that should have been billed each month by your company, as well as the number of MOUs of such traffic that Blanchard Telephone Company erroneously billed Verizon. The spreadsheet also shows the calculation of the overcharge amount to be refunded to Verizon.

Please send a refund check within ten (10) business days to Verizon, PO Box 101226, Atlanta, GA 30392-1226. If you have any questions regarding this matter, please contact Brad Grove on 231-727- 1680.

Sincerely,

/4,P

Karin Petzold
Director B&C, ITC, and Ancillary Billing

C: Argris Pavlovskis MECA

WWI J(Jft,

December 6, 2005

MPSC Case No. U-14905
Exhibit No. A-_ (DSM-13)
May 30, 2006
Page 2 of 10

VIA OVERNIGHT COUR.JER, RECEIPT REQUESTED

Mr. Joe Snyder
Bloomingdale Telephone Company
101 KALAMAZOO St.
Bloomingdale, MI 49026

Dear Joe:

Verizon North Inc. hereby re.quests a refund of $132,977.00 for overpayments of tenninating access charges made by Verizon between April 2003 and December 2004.

On March 31, 2005, Verizon notified Bloomingdale Telephone Company of material errors in Bloomingdale's February 2005 invoice for the subject traffic. Verizon stated that the February 2005 invoice had been based on an estimate of the number of minutes ofuso ("'MOUs") of terminating access traffic and requested that the invoice be recomputed based on the actual number ofMOUs of tenninating access traffic delivered by Verizon to Bloomingdale Telephone. On May 2, 2005, Verizon indicated to your company that it would adjust Bloomingdale's February 2005 invoice and all subse.quent invoices t:o re fle.ct the actual number ofMOUs, and that it would make payments based on the recomputed invoices.

Verizon has reviewed Bloomingdale's relevant invoices for the period April 2003 through December 2004 and identified the same material errors, described above, during such period as were present in the February 2005 invoice. The attached spreadsheet shows the actual number ofMOUs oftenninating access traffic that should have been billed each month by your company, *as* well as tho nmnber of MOUs of such traffic that Bloomingdale Telephone erroneously billed Verizon. The spreadsheet also shows the calculation of the qyie,rcharg amount to be refunded to Verizon.

Please send a refimd check 1-Vithin ten (IO) business days to Verizon, PO Box 101226, Atlanta, GA 30392-1226. If you have any questions regarding th#s matter, please contact Brad Grove on231-727-- 1680.

Sincerely,

Karin Petzold
Director B&C, ITC, and Ancillary illing

C: Argris Pavlovskis MECA



December 6, 2005

MPSC Case No. U-14905
Exhibit No. A- (DSM-13)
May 30, 2006
Page 3 of 10

VIA OVERNIGHT COURIBR, RECEIPT REQUESTED

Mr. Greg Ringle
Chapin Telephone Company
19994 W. Ridge Rd.
Elsie, MI 48831

Dear Greg:

Verizon North Inc. hereby requests a refund of $806,989.00 for overpayments of terminating access charges made by Verizon between April 2003 and December 2004.

On March 31, 2005, Verizon notified Chapin Telephone Company of material errors in Chapin's February 2005 invoice for the subject traffic. Verizon stated that the February 2005 invoice had been based on an estimate of the number of minutes of use ("MOUs") of terminating access traffic and requested that the invoice be recomputed based on the actual number of MOUs of terminating access traffic delivered by Verizon to Chapin. On May 2, 2005, Verizon indicated to your company that it would adjust Chapin Telephone's February 2005 invoice and all subsequent invoices to reflect the actual number of MOUs, and that it would make payments based on the recomputed invoices.

Verizon has reviewed Chapin Telephone's relevant invoices for the period April 2003 through December 2004 and identified the same material errors, described above, during such period as were present in the February 2005 invoice. The attached spreadsheet shows the actual number of MOUs of terminating access traffic that should have been bilJed each month by your company, as well as the number of MOUs of such traffic that Chapin erroneously billed Verizon. The spreadsheet also shows the calculation of the overcharge amount to be refunded to Verizon.

Please send a refund check withjn ten (10) business days to Verizon, PO Box 101226, Atlanta, GA 30392-1226. If you have any questions regarding this matter, please contact Brad Grove on 231-727- I680.

Sincerely,

Karin Petto1d
Director B&C, ITC, and Ancillary BilJing

verizon

MPSC Case No. U-14905
Exhibit No. A-_ (DSM-13)
May 30, 2006
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Decetnb" 6, 2005

VIA OVERNIGHT COURIER. RECEIPT REQUESTED

Mr. Bob Abrams
Manager, Carner Relations
TDSTELECOM
525 Junction Ro:ld
Madison. WI 53*70S..O*158

Dear Bob:

Verizon North J.nc. hereby requests a refund ofS624,063.00 for overpayments of terminating access charges made by Verizon between April 2003 ll!ld December 2004.

0a March 31,200S. Verizon notified TDS-Clayion ofmaterial errors in TDS's February *200S* invoice for the .subj t traffic. Veri2on stated that tho February *2005* invoice had lM:oo based on an estimate of the number of minutes of use ("MOUs") of tfflrinating access traffic and requested that the invoice be recomputed based on the actual cumber of MOUs of terminating access traffic deliv by Verizon to TDS-Clayton. On May 2, 2005, Veri2on indicated to your company th.at it would 3djllSt ms•s February *200S* invoice and all subseq_uent invoices to reflect the 3Ctual number of MOUs. and that it would make payments based on the recomputed invoi

Verizon **has reviewed** TDS-Clayton's relovQllt in'loices for tho period Aptj.l2003 through December 2004 and identified the same material errors. descnoed above. during such period as **were present** in the Febnuuy 2005 invoice. The attached spre.idshei:i shows the actual number *of* MOUs of terminating access nffic that should ha.,·c been billed each month by your company. as well as the number of MOUs of such traffic that TOS erroneously billed Verizon. The spreadshC\.'1 also shows the calculation oflhc overcharge amount to be refunded to Verizon.

Please S¢t1d a refund check within ten (10) business days ro Verizon. PO Box 101226. Atlanta, GA 30392-1226. If you have any qu=nions regarding this matter. please conract Brad Grove Oil 231-727- 1680.

Sincerely,

Karin .P¢tZOld
Director B&C ITC, and Ancillary Brning

C: Argris Pavlovskis MECA

RE<:EIPT REQUESTED

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Dec,miber 22, 2005

Da'V• LaR.occa
Deef"field Fanners Telephone Company
420fl Teat Road
Petersburg, MI 49270

Deal' Dave:

Veri 7.0n North Inc. ('Verizon,,) is willing to pay an additional $30,700.00 for terminating access charges that were underbilled to Verizon between April 2003 and December 2004.

On March 31, 2005, Verizon notified Deerfield Farmers Telephone of errors in Deerfield's February 2005 invoice for the subject traffic. Verizon stated that the February 2005 invoice had beetl based on an estimate of the number of minutes of use ("MOUs") of terminating access traff:c and requested that the invoice be recomputed based on the actual number ofMOUs of terminating access traffic delivered by Verizon to Deerfield. On May 2, 2005, Verizon indicated to ynur company that it would adjust Deerfield's February 2005 invoice and all subsequent invoices to reflect the actual number of MOUs, and that it would make payments based on the recornputcd invoices.

Ve,ri. on. has reviewed Deerfield Farmer's relevant invoices for the period April 2003 through DecJmber 2004 an.d identified the same errors, described above, during such period as were prestmt in the February 2005 invoice. The attached spreadsheet shows the actual number of MOUs oftenninating access traffic that should have been billed each month by your company, as -w11 as the number of MOUs of such traffic that Deerfield erroneously billed Verizon. The spre;tdsheet also shows the calculation ofVerizon's underpayment. If you agree with Verizon's calc 1lations of the underpayment amount, please contact me so that we can begin preparation of a se1tlement agreement and arranging for the appropriate payment to your company.

If you have any questions regarding this matter, please contact Brad Grove at (231) 727-1680.

Sincerely,

Karin Petzold
Director B&C, ITC, and Ancillary Billing

MPSC Case No. U-14905
Exhibit No. A- (DSM-13)
May 30, 2006

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venZRfl

November 10, 2005

VIA OVERNIGHT COURIER, RECEIPT REQUESTED

Ms. Linda Corie
Ogden Telephone Company
4726 E. Weston Rd.
Blissfield, MI 49228

Dear Linda:

Verizon North Inc. hereby requests a refund of $6,245.00 for overpayments of tenninating access charges made by Verizon between April 2003 and December 2004.

On March 31, 2005, Verizon notified Ogden Telephone Company of material errors in Ogden's February 2005 invoice for the subject traffic. Verizon stated that the February 2005 invoice had been based on an estimate of the number of minutes of use (..MOUs") of terminating access traffic and requested that the invoice be recomputed based on the acmal number ofMOUs of terminating access traffic delivered by Verizon to Ogden. On May 2, 2005, Verizon indicated to your company that it would adjust Ogden Telephone's February 2005 invoice and all subsequent invoices to reflect the actual number ofMOUs, and that it would make payments based on the recomputed invoices.

Verizon has reviewed Ogden's relevant invoices for the period April 2003 through December 2004 and identified the same material errors, described above, during such period as wer.e present in the February 2005 invoice. The attached spreadsheet shows the actual number ofMOUs of terminating access traffic that should have been billed each month by your company, as well as the number of MOUs of such traffic that Ogden Telephone Company erroneously billed Verizon. The spreadsheet also shows the calculation of the overcharge amount to be refunded to Verizon.

Please send a refund check within ten (10) business days to Verizon. PO Box 101266, Atlanta, GA 30392-1226. If you have any questions regarding this matter, please contact Brad Groveori (231) 727-1680.

Sincerely,

dj,,,r,-°d !',;?",6.?/

Karin Petzold
Director B&C, ITC, and Ancillary Billing



RECEIPT REQUESTED

Ms. Marge Gallatin
Sand Creek Telephone Company
6525 Sand Creek Highway
Sand Creek, MI 49279-0066

Dear Marge:

Verizon North Inc. ("Verizon") is wilting to pay an additional $7,984.00 for terminating access charges that were underbilled to Verizon between April 2003 and December 2004.

On March 31, 2005, Verizon notified Sand Creek Telephone of errors in Sand Creek's February 2005 invoice for the subject traffic. Verizon stated that the Febniary 2005 invoice had been based on an estimate of the number of minutes of use ("MOUs") of terminating access traffic and requested that the invoice be recomputed based on the actual number ofMOUs of terminating access traffic delivered by Verizon to Sand Creek. On May 2, 2005, Verizon indicated to your company that it would adjust Sand Creek's February 2005 invoice and all subsequent invoices to reflect the actual number ofMOUs, and that it would make payments based on the recomputed invoices.

Verizon has reviewed Sand Creek Telephone's relevant invoices for the period April 2003 through December 2004 and identified the same errors, described above, during such period as were present in the February 2005 invoice. The attached spreadsheet shows the actual number of MOUs of tenninating access traffic that should have been billed each month by your company, as well as the number ofMOUs of such traffic that Sand Creek erroneously billed Verizon. The spreadsheet also shows tho calculation ofVerizon's underpayment. If you agree with Verizon's calculations of the underpayment amount, please contact me so that we can begin preparation of a settlement agreement and arranging for the appropriate payment to your company.

If you have any questions regarding this matter, please contact Brad Grove at (231) 727-1680.

Sincerely,

Karin Petzold
Director B&C, ITC, and .Ancillary :Billing

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MPSC Case No. U-14905
Exhibit No. A-_ (DSM-13)
May 30, 2006
Page 8 of 10

VIA OVERNIGHT COURIER. RECEIPT REQUESTED

Mr. Calvin Matthews
UpperPeninsula Telephone
397 U.S. **41** N.
Camey, MI 49812

Dear Calvin:

Verizon North Inc. hereby requests a refund of $539,017.00 for overpayments of terminating access charges·made'by Verizon between April 2003 and December 2004.

On March 31, 2005, Verizon notified Upper Peninsula Telephone Company of material errors in Upper Peninsula's February 2005 invoice for the subject traffic. Verizon stated that the February 2005 invoice had been based on an estimate of the number of minutes of use ("MOUs") of terminating access traffic and requested that the invoice be recomputed based on the actual number ofMOUs of terminating access traffic delivered by Verizon to Upper Peninsula Telephone Company. On May 2, 2005, Verizon indicated to your company that it would adjust Upper Peninsula's February 2005 invoice and all subsequent invoices to reflect the actual number of MOUs, and that it would make payments based on the recomputed invoices.

Verizon *has* reviewed Upper Peninsula's relevant invoices for the period April 2003 through December 2004 and identified the same material errors, descnbed above. during such period as were present in the February 2005 invoice. The attached spreadsheet shows the actual number of MOUs of terminating access traffic that should have been billed each month by your company, as well as the number of MOUs of such traffic that Upper Peninsula Telephone Company erroneously billed Verizon. The spreadsheet also shows the calculation of the overcharge amount to be refunded to Verizon.

Please send a refund check within ten (10) business days to Verizon. PO Box 1O1226, Atlanta, GA 30392-1226. If you have any questions regarding this matter, please contact Brad Grove on231-727-1680.

Sincerely,

Karin Petzold
Director B&C, ITC, and Ancillary Billing

C: Argris Pavlovskis MECA



MPSC Case No. U-14905
Exhibit No. A-___ (DSM-13)
May 30, 2006
Page 9 of 10

December 6, 2005

VIA OVERNIGHT COURIER, RECEIPT REQUESTED

Mr. Dave Fox
Westphalia Telephone Company
109 E. Main
Westphalia, MI 48894

Dear Dave:

Verizon North l11c. hereby requests a refund of $6,854.00 for overpayments of tenninating access charges made by Verizon between April 2003 and December 2004.

On March 31, 2005, Verizon notified Westphalia Telephone Company of material errors in Westphalia's February 2005 invoice for the subject trn.ffic. Verizon stated that the February 2005 jnvoice had been based on w, estimate of the number of minutes of use ("MOUs..) of terminating access traffic and requested that tho invoice be recomputed based on the actual number of MO Us of terminating access traffic delivered by Verizon to Westphalia. On May 2., 2005, Verizon indicated to your company that it would adjust Westphalia Telephone Company's February 2005 invoice and all subsequent invoices to reilcct the actual number of MOUs, and that it would make payments based on the recomputed invoices..

Verizon has reviewed Westphalia's rclcvwit invoices for the period April 2003 through December 2004 and identified the same material errors, described above, during such period as were present in tho February 2005 invoice. The attached spreadsheet shows the actual number of MOUs of terminating access traffic that should have been billed each month by your company, as well as the number ofMOUs of such traffic that Westphalia Telephone erroneously billed Verizon. The spreadsheet also shows the calculation oflhe overcharge amount to be refunded to Vcri:.::on.

Please send a refund check within ton (l 0) business days to Vcrizon, PO Box l O1226, Atlanta. GA 30392-1226. lfyou have any questions regarding this matter, please contact Bra.d Grove on 231-727- 1680.

Sincerely,

Karin Petzold
Director B&C, ITC, and Ancillary Billing

C: Argris Pavtovskis MECA



Decemher ,,, 2005

MPSC Case No. U-14905
Exhibit No. A- (DSM-13)
May 30, 2006
Page IO of IO

VIA OVERNIGHT COURIER, RECEIPT REQUESTED

Mr. Les Jenkins
Winn Telephone Company
2766 W. Banchard Rd.
Winn. MI 48896

Dear Les :

Verizon North Inc. hereby requests a refund of $397,321.00 for overpayments of terminatin.; access charges made by Verizon between April 2003 and December 2004.

On March 31, 2005, v rizon notified Winn Telephone Company of material errors in Winn :. F bruary 2005 invoice for the subject traffic. Verizon stated that the February 2005 1nvo,ce had been based on an estimate of the number of minutes of use ("MOUs") of tennin,:ti11g access traffic and re4.tuested that the invoice be recomputed based on the actual number of MOUs of terminating access traffic delivered by Verizon to WiM Telephont. On May 2, 2005, Verizon indicated to your company that it would adjust Winn ·s F.:hruary 2005 invoice and all subsequent invoices to reflect the actual number of MOU . and that it would make payments based on the recomputed invoices.

Verizon li.1s reviewed Winn Telephone Company's relevant invoices for the period April 2003 lhro:.1gh December 2004 and identified the same material errors. described above, during such period as were present in the February 2005 invoice . The attached sprcadshc·;t shows the nctuol number of MOU£ of tenninatine access traffic that should have beer. bi11ed each month by your company, as wel1 as the number ofMOUs of such traffic tha\ I ITC Name] erroneously billed Verizon. The spreadsheet also shows the calculati11·1 of the overcharge amount to be refunded to Verizon.

Please send a refund check within ten (10) business days to Verizon, PO Box 101226, Atlanta. (A 30392-1226. If you have any questions regarding this matter, please contact Brad Gro,e on 231-727- 1680.

Sincerely

Karin Petzold
Director B&C, ITC, and AncilJary Billing

C: Argris Pavlovskis MECA

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *dlb/a* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.	Case No. U-14905

EXHIBIT A-_(DSM-14)

RURAL ILECS
PRIOR PERIOD DISPUTED TERMINATING ACCESS CHARGES

COMPANY	Disputed Amounts per Verizon December '05 Letter
Blanchard Telephone Company	$401,176.00
Bloomingdale Telephone Company	132,977.00
Carr Telephone Company	0.00
Chapin Telephone Company	806,989.00
CCM Telephone Company	624,063.00
Deerfield Farmer Telephone Company	(30,700.00)
Ogden Telephone Company	6,245.00
Pigeon Telephone Company	0.00
Sand Creek Telephone Company	(7,984.00)
Upper Peninsula Telephone Company	539,017.00
Westphalia Telephone Company	6,854.00
Winn Telephone Company	397,321.00
Total Prior Period Disputed Terminating Access Charges	$2,875,958.00

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *dlb/a* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.	Case No. U-14905

EXHIBIT A-_(DSM-15)

RURAL ILECS
TOTAL AMOUNT IN DISPUTE

AMOUNTS BILLED AND NOT PAID THROUGH JANUARY 31, 2006	$2,378,743.02
LATE PAYMENT CHARGES ACCRUED THROUGH JANUARY 31, 2006	102,652.29
AMOUNTS PER DECEMBER 2005 VERIZON LETTER DISPUTING ADDITIONAL PRIOR TERMINATING ACCESS BILLING	2,875,958.00
TOTAL AMOUNT IN DISPUTE AT JANUARY 31, 2006	$5,357,353.31
ESTIMATED MONTHLY INCREASE IN BILLED AND NOT PAID AMOUNTS	
TERMINATING ACCESS CHARGES	$106,850.00
LTIS/LOCAL TERMINATION CHARGES	81,100.00
ORIGINATING ACCESS CHARGES	531.00
BILLING AND COLLECTION CHARGES	615.00
TOTAL MONTHLY INCREASE IN BILLED AND NOT PAID AMOUNTS	$189,096.00
ESTIMATED MONTHLY INCREASE IN LATE PAYMENT CHARGES	
TERMINATING ACCESS CHARGES	$11,055.00
LTTS/LOCAL TERMINATION CHARGES	5,060.00
ORIGINATING ACCESS CHARGES	1,725.00
BILLING AND COLLECTION CHARGES	635.00
TOTAL MONTHLY INCREASE IN LATE PAYMENT CHARGES	$18,475.00
TOT**AL ESTIMATED MONTHLY INCREASE IN AMOUNT IN DISPUTE AFTER JANUARY 31, 2006**	$207,571.00

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *d/b/a* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.	Case No. U-14905

TESTIMONY OF DAVID F. FREEMAN ON BEHALF OF THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC.

Dated: May 30, 2006

Q. Please state your name and business address.

A. My name is David F. Freeman, and my business address is 109 E. Main Street, Westphalia, Michigan 48894.

Q. By whom are you employed and in what capacity?

A. I am currently employed by Clinton County Telephone Company. Clinton County Telephone Company is the parent company of Westphalia Telephone Company, which provides basic local exchange service and access service in Michigan, and also of Westphalia Broadband, Inc. I serve in the role of Chief Financial Officer for all these companies.

Q. Would you detail your educational background?

A. In 1972, I received a B.S. in Business Administration—Accounting from Portland State University in Portland, Oregon. In 1975, I was certified by the Division of Professional Licensing, State of Washington, as a Certified Public Accountant.

Q. Please explain your experience in the telecommunications field.

A. I entered the telecommunications industry in May 1975, when I became the Accounting Manager for the LaCrosse Telephone Company in LaCrosse, Wisconsin. In 1976, I went to work for Ace Telephone Company, holding various positions, including Controller, Chief Financial Officer, Chief Operating Officer, and Chief Executive Officer. In October 2003, I left Ace Telephone Association and started my own business, Freeman

Consultants, and in June 2004 went to work for Westphalia Broadband, Inc. and subsequently Clinton County Telephone Company.

Q. Have you previously testified before the Michigan Public Service Commission?

A. Yes, I have. In 1983, I testified on behalf of Ace Telephone Company in Case No. U-7718, regarding the financial data supporting Ace's application for authority to revise its rates and to provide only one-party service. In 1997, I testified on behalf of the Michigan Exchange Carriers Association, Inc. ("MECA") in Case No. U-11298, which involved MECA's complaint against Ameritech Michigan, subsequently known as SBC and now as the new AT&T Michigan, regarding Ameritech Michigan's attempt to unilaterally impose changes in toll access usage on the MECA members (the "Rural ILECs"), much like Verizon's current attempt.

Q. Have you testified before any other state's public utilities commission during your career?

A. Yes, I have. I testified before the Wisconsin, Minnesota and Iowa Public Utility Commissions and was responsible for preparing rate cases before those commissions.

Q. In the course of your employment, have you become familiar with the types of switches and recording capabilities of Westphalia Telephone Company ("Westphalia") in its exchange in Michigan?

A. Yes. I am familiar with the Westphalia switch and its recording capabilities. This

switch, like all other switches, uses the LATA Switching Systems Generic Requirements (LSSGR) structure, which specifies the format for recording.

Q. Are you familiar with switches used by other Rural ILECs, such as Winn Telephone Company ("Winn")?

A. Yes. I am familiar with similar switches used by other Rural ILECs and with several other types of switches. Winn has a DMS-10 switch in the Winn exchange, which also uses the LSSGR structure.

Q. Are you familiar with the manner in which Westphalia and Winn bill terminating access charges and local termination charges to Verizon and other carriers?

A. Yes.

Q. Are you familiar with the manner in which Westphalia and Winn bill originating access charges to Verizon?

A. Yes.

Q. Are you familiar with billing and collection service and the billing for that service?

A. Yes.

Q. Do you have experience regarding the performance of studies regarding traffic, usage, or other matters in the telecommunications industry?

A. Yes. Since 1972, I have performed duties regarding separations and accounting, and I am very familiar with separations studies. Also, in 1985, I wrote the specifications for a program to perform traffic studies. When I worked for Ace, this program was still in use by Ace and others to collect traffic information. In 1996, I performed a study to compare usage actually measured by a Rural ILEC with usage derived by Ameritech Michigan (the new AT&T Michigan) from the IntraLATA Terminating Access Compensation ("ITAC") system that AT&T Michigan and Verizon were supporting at the time.

Q. What is the purpose of your testimony?

A. In general, the purpose of my testimony is to address the difference between measurement of actual usage at the Rural ILECs' switches and derivation of usage from the ITAC system supported by Verizon. More specifically, I testify regarding (1) the capability of switches to measure and record actual usage, (2) use of the "Residual Usage Methodology" to bill based on that actual recorded usage, (3) the study performed for Westphalia and Winn to compare their measured actual terminating usage with Verizon's reported usage numbers derived from ITAC and Verizon-provided call detail records, (4) the known problems with and faults of ITAC, (5) originating traffic measurement and billing, and (6) billing and collection service.

MEASUREMENT OF ACTUAL USAGE AND DERIVATION OF ESTIMATED USAGE

Q. What significance does "usage" have to telecommunications companies?

A. "Usage" is the quantity, such as "minutes of use" which quantify the duration of the call, to which rates are applied. Rates are applied to usage to determine a total bill for services that use the billing company's network to originate or terminate calls. In this case, the Rural ILECs submitted bills to Verizon based on the actual recorded usage that the Rural ILECs measured at their switches or based on derived usage from the T/O ratio methodology agreed to by Verizon. However, Verizon refused to pay amounts billed. Verizon stated that it was deploying its own new methodology for estimating terminating usage that would be substituted for the actual measured terminating access traffic used by the Rural ILECs or the usage from the mutually agreed-upon T/O ratios. In addition, Verizon has attempted to use its own ITAC-derived usage to make retroactive adjustments to amounts that it previously paid.

Q. What is the difference between "measurement of actual usage" and "derivation of usage?"

A. "Measurement of actual usage" occurs when a switch records each call and associated minutes of use for the calls processed by the switch on a per call basis. The switch is a computer that has additional capabilities that store in memory and produce a record of the usage of each individual call that is being processed by that switch. The Rural ILECs' switches are the end offices serving customers in local exchanges. These switches are

capable of measuring all usage that originates in or terminates to an exchange. Thus, they create a record of the individual call history, which is used to determine the actual usage of other telecommunications providers using the local company's network.

On the other hand, "derivation of usage" occurs when a known quantity, such as originating usage, is used to estimate another quantity, such as terminating usage. Derived usage is often determined by applying a formula to the known quantity. One example of a derivation methodology is the use of "T/O ratios," which is short for Terminating-to-Originating ratios. These T/O ratios have been commonly used, when measurement of terminating traffic is not possible, to derive an estimated number of access minutes of use terminating in an exchange for a particular carrier based on the number of originating minutes measured in that same exchange. The specific ratio is set by exchange and by carrier, and that ratio is multiplied by the carrier's originating conversation usage each month for that exchange to estimate the terminating usage, which then is used for billing purposes.

Q. How were the specific ratios determined?

A. The specific T/O ratios used by the Rural ILECs were in use prior to 1990. Verizon, then known as GTE North Incorporated, and AT&T Michigan, then known as Michigan Bell Telephone Company, agreed to them and their continued use in Case No. U-9590. Verizon accepted their use in practice and has not raised any issues regarding their continuing use until recently.

Q. Is ITAC a derivation methodology?

A. Yes. The ITAC methodology used by Verizon is another example of a derivation methodology. ITAC also uses originating data to estimate terminating usage. However, ITAC differs from the T/O ratio methodology in that ITAC attempts to capture all originating usage data for an entire LATA, as opposed to using originating data from a single exchange, as with the T/O ratios. ITAC attempts to gather large amounts of originating usage data across a LATA and then attempts to trace where the calls terminate. This is how ITAC derives usage terminating in different exchanges. ITAC does not record actual terminating usage in an exchange.

Q. Please describe ITAC in more detail.

A. ITAC is a system that is used to derive the amount of terminating intraLATA minutes of use for a particular exchange that are originated by Verizon toll customers or by AT&T Michigan toll customers. The ITAC system attempts to gather information about all originating calls throughout each LATA and, without actually tracking the calls to the terminating end of the call, attempts to estimate the terminating usage in any given exchange based solely on the originating usage. However, by its nature, ITAC does not gather all originating data. ITAC does not include traffic of facility-based Competitive Local Exchange Carriers ("CLECs") or Commercial Mobile Radio Service ("CMRS") providers and regularly has missing data for Verizon's own calls.

Until recently, Verizon provided toll service to customers in Rural ILEC exchanges

where the Rural ILEC end office subtended a Verizon tandem. Similarly, AT&T Michigan provided toll service to customers in Rural ILEC exchanges where the Rural ILEC end office subtended an AT&T Michigan tandem. Thus, originating information for calls from all these exchanges in addition to all the Verizon and AT&T Michigan exchanges in a LATA was needed for ITAC to obtain a complete set of originating data in order to estimate terminating usage. Even then, usage from AT&T Michigan's calls was not distinguishable from usage from Verizon's calls. ITAC could not identify which carrier was responsible for any portion of the usage terminating in a Rural ILEC exchange. Verizon therefore paid each Rural ILEC whose end office subtended a Verizon tandem for usage sent to that Rural ILEC, and AT&T Michigan paid each Rural ILEC whose end office subtended an AT&T Michigan tandem for usage sent to that Rural ILEC.

Verizon and AT&T Michigan then used ITAC to settle between themselves based on their estimates of how the remaining part of the pie should be divided. ITAC was created solely for the purpose of determining the settlements between these two carriers for terminating usage. ITAC has always been, and still is, based on originating records. If originating data was missing, the relative impact between these two carriers was not great since both carriers had large amounts of usage offsetting each other's traffic. ITAC was not designed or even considered for purposes of determining terminating actual usage for the Rural ILECs.

Q. When usage is derived, does the amount of usage usually differ from measured actual usage?

A. Most certainly. Derived usage almost always differs from actual usage due to the nature of the way the numbers are produced. In some cases, the differences are small. In other cases, the differences are large. In the case of the usage during the study that was performed under my direction at Westphalia and Winn, the differences between the actual usage measured by these companies and the derived usage reported by Verizon are large.

SWITCH CAPABILITY TO MEASURE AND RECORD ACTUAL USAGE

Q. At what point in the network hierarchy does measurement and recording of usage occur?

A. For the Rural ILECs, measurement and recording usually occurs at the end office, which is generally in the local exchange. The usage at issue here relates to telecommunications traffic that either (1) *originates* from a Rural ILEC's local exchange, is routed through a Verizon tandem, and then sent to the dialed phone number or (2) is routed from an end user of Verizon or other another carrier, through a Verizon tandem, and then *terminates* to a Rural ILEC's local exchange. Both forms of traffic can be accurately measured by the switch in the local exchange.

Q. Do the affected Rural ILECs have the capability to measure and record actual usage?

A. Yes. All the members who have exchanges that are behind, or that "subtend," the Verizon tandems have the capability to measure and record actual usage for both

originating and terminating traffic.

Q. Does Verizon have the capability to measure and record usage sent to or received from the Rural ILECs?

A. I do not know the full extent of the technical capabilities of Verizon's equipment. However, it is clear that Verizon today is not measuring and recording all this usage on a common trunk group. In fact, as far as I can tell, Verizon is not recording the originating traffic from a Rural ILEC end office as it enters a Verizon tandem from a common trunk group or the terminating traffic from a Verizon tandem as it enters a common trunk group bound to a Rural ILEC end office. Rather, Verizon is attempting to capture originating usage from its end offices and then use that originating traffic to derive terminating usage that terminates to the Rural ILECs by exchange, instead of relying on information that could be recorded at the Verizon tandem serving that end office. Similarly, Verizon does not send records for other companies' traffic that transits through a Verizon tandem to the Rural ILECs. Verizon's actions do not indicate that it has the ability to measure and record all usage appropriately, but it is possible that Verizon has the capability and simply has not chosen to do it.

Q. Is Verizon's lack of measurement and recording capability the only concern that you have with regard to traffic sent to the Rural ILECs from Verizon tandems?

A. No. While the lack of technical capability or lack of willingness to measure and record usage is part of our concern, there is a related problem regarding Verizon's failure either

to send "signaling" information from its tandems or to provide appropriate call detail records from its tandems.

Q. Please explain this problem in more detail.

A. This problem relates primarily to Verizon's actions as a tandem operator or provider. Any company that chooses to operate tandems as part of our modern telecommunications network accepts the responsibility to have its tandems functioning appropriately so that calls can be passed to the designated carriers and information is passed so that accurate billing can occur.

The modern method that allows this to happen in a fairly seamless manner is sending "signaling" information with each call. "Signaling" information is detailed electronic information that identifies things like the jurisdiction (interstate or intrastate) and the originating carriers—information that is necessary to accurately bill for each call. This signaling information is passed electronically as part of the data stream with each call and is available to both the tandem provider and the terminating end office company.

Another method that allows the end office company to receive all the data necessary to accurately bill each call is the use of "call detail records." The information needed to produce these records is recorded at the tandem. The tandem company periodically places the information into an electronic record format that is sent to the end office company to use for billing for access and CMRS traffic. These records are often referred

to as "Category 11" records, a term that is commonly used in the industry to specify the particular content of the records.

The problem here is that Verizon is not providing the end office companies with signaling information or call detail records for all the calls that are passed through Verizon tandems to the end office companies.

For a portion of the traffic terminating in the Rural ILECs' exchanges, this is due to Verizon's failure as an originating toll provider to include its own appropriate information with calls that it originates from its own end users. Because Verizon fails to pass the information for its own originating traffic from its end offices to the Verizon tandem, the tandem cannot send it to the terminating end office company. For another portion of the traffic, when billing information is sent with a call to Verizon's tandems, Verizon nevertheless does not pass complete information to the terminating end office company. For traffic originated or transported by other carriers, when the information is recorded at the tandem, Verizon does not pass Category 11 records to the terminating end office company so that these calls can be billed to the appropriate originating and/or toll carrier.

BILLING ACTUAL USAGE WITH THE RESIDUAL USAGE METHODOLOGY

Q. What is the "Residual Usage Methodology?"

A. The "Residual Usage Methodology" is a billing methodology that has been in use in the

telecommunications industry for over 15 years. It is a methodology that allows the end office company to bill the tandem provider for terminating toll access traffic based on the actual terminating usage measured by the end office company. It was used in Minnesota and other states prior to its first use in Michigan, where it has been in use for 10 or more years. It is now a commonly used method for billing terminating toll access charges when call detail information is not available.

Q. Why did the Residual Usage Methodology come into use?

A. It came into use because of the need for accurate measurement and because of changes in technology. The T/O ratios that were being used to derive toll access usage were aging but remained a cost-effective way of estimating usage. Changes in technology, such as the implementation of digital switches, allowed many LECs to measure actual usage at their end offices. Some Rural ILECs upgraded their switches in the early 1990s to allow them to implement the Residual Usage Methodology. Because of the costs and other factors involved in upgrading, bill processing, and implementing the Residual Usage Methodology, several Rural ILECs continued to use T/O ratios, but they were negotiated or bargained based on the best judgment of the tandem and terminating companies involved. Most Rural ILECs have now implemented the Residual Usage Methodology since T/O ratios have become obsolete due to Verizon and AT&T Michigan's discontinuance of originating toll service in the Rural ILEC exchanges. Without an originating call, a terminating-to-originating ratio cannot be calculated or applied.

Q. How does the Residual Usage Methodology work?

A. Mr. McCartney describes it in more detail in his testimony and exhibits. In general, however, the end office company records 100% of the traffic that is sent to it by the tandem provider. For every call for which the appropriate signaling or call detail information is available, that call is billed to the identified carrier at the appropriate rate for the type of traffic involved. The remaining call information is examined and local usage is removed to be billed separately. All the remaining traffic—the "residual usage"—is presumed to be the toll traffic of the tandem company since neither Verizon nor AT&T Michigan provides signaling or call detail records for the calls that originate from their own customers. Therefore, the residual usage is billed to Verizon or AT&T Michigan depending on who is the tandem company.

Q. Does Westphalia use the Residual Usage Methodology?

A. Yes. Westphalia began using it for December 2002 usage with the first billing in January 2003.

Q. Did Verizon pay the bills that Westphalia sent to it using the Residual Usage Methodology?

A. Yes. Verizon paid the bills in full until early 2005.

Q. Does Winn use the Residual Usage Methodology?

A. Yes. Winn began using it for August 2005 usage with the billing in September 2005.

THE USAGE STUDY

Q. Please generally describe the usage study that was performed under your direction for Westphalia and Winn.

A. The study compared the messages and terminating access minutes of use reported by Verizon for Verizon's own traffic as derived from the ITAC system and as shown on Verizon-provided call detail records with the actual terminating minutes of use measured at the Westphalia switch serving the Westphalia exchange and at the Winn switch serving the Winn exchange. At our request for use in an attempt to reconcile the discrepancies, Verizon provided call records for Westphalia covering the period from December 25, 2005, through March 24, 2006, and for Winn covering the period from January 1, 2006, through March 30, 2006, as derived from ITAC. We compared call detail records for the same period of time, as recorded at the end office switches and billed using the Residual Usage Methodology. I then compared and summarized the call records.

Q. What were the general results of the study?

A. Verizon's ITAC methodology derived terminating usage for Verizon that was significantly lower than the actual terminating usage measured by Westphalia and Winn.

Q. What were the specific results of the study?

A. The specific results of the study in this regard are shown in Exhibit A-___(DFF-1).

Q. Please explain Exhibit A-___(DFF-1).

A. This exhibit shows usage using the two different methodologies—"Residual Usage Methodology" actual measured usage versus usage derived from Verizon's ITAC system and Verizon-provided call detail records (Category 11 records). The ITAC-derived usage and the usage from Verizon's Category 11 records was consistently less than the actual usage measured by the Residual Usage Methodology. Verizon's usage only included about 74.30% of the total calls for Westphalia and 75.56% of the total calls for Winn, as shown on the exhibit. The exhibit lists the terminating calls to Westphalia and to Winn for each "From NPA-NXX-X," which is the first seven digits of the phone numbers assigned to an area where calls originate. Any given "From NPA-NXX-X" represents 1,000 individual numbers; whereas any given "From NPA-NXX" represents 10,000 individual numbers. Where a complete 10,000-number "From NPA-NXX" was assigned to a single carrier, the ten 1,000-number groups that comprise this larger group are combined and listed on the exhibit as a single group. The exhibit shows the number of ITAC-derived calls and calls from Category 11 records compared to actual measured calls using the Residual Usage Methodology for each of these groups.

For the Westphalia exchange, there are 206 total number groups. In 136 of the number groups, Verizon's ITAC and Category 11 records dropped or did not include 848 calls, which is 25.79% of the calls. In 70 of the number groups, Verizon had the same number of calls. The exhibit shows the number groups where the calls were dropped.

For the Winn exchange, there are 850 total number groups. In 381 of the number groups, Verizon's ITAC and Category 11 records dropped or did not include 5,899 calls, which is 24.44% of the calls. In 469 of the number groups, Verizon had the same number of calls. The exhibit shows the number groups where the calls were dropped.

Due to the dropped calls, there was a corresponding reduction in minutes of use, as shown on the exhibit, and therefore there would be a consequent reduction in billed revenue.

Q. Were the Verizon-provided minutes of use in the same format as those recorded by the switch?

A. No. Verizon indicated that the ITAC records it provided do not reflect actual terminating conversation minutes. Instead, Verizon increased the recorded minutes of use by one minute per record. Verizon did this because the records provided are originating records used for end user billing—not terminating records used for access billing. Based on Verizon's representations, I subtracted one minute of use for each non-local ITAC record provided from the total Verizon-provided call detail record minutes of use on my exhibit.

The exhibit therefore has total usage numbers in comparable format.

Q. Do you draw any conclusions regarding ITAC and the Residual Usage Methodology from the results shown in this exhibit?

A. Yes. The results show that the Residual Usage Methodology is reliable but ITAC is dropping data. As shown in the comparison of each "From NPA-NXX-X," Verizon's submitted ITAC and Category 11 usage either matches the measured actual usage that is billed pursuant to the Residual Usage Methodology or is less than this measured actual usage. In almost every case, Verizon's submitted usage does not exceed the measured actual usage, with the exception of a few anomalous cases that I believe are accounted for by calls received without the ANI. ITAC can fall short due to missing calls but will never have extra calls to offset the lost calls or to average out over time.

Q. Please describe, in more detail, the basis for Westphalia's and Winn's measured usage numbers that were used in the study.

A. Westphalia's usage and Winn's usage were recorded at the switch. Since Westphalia has a Digital Siemens EWSD Switch with recording capabilities and Winn has a digital Nortel DMS-10 switch with recording capabilities, these companies can record and measure 100% of the traffic terminating on all trunk groups. The recording function on each switch was activated to record usage on all terminating trunks into the Westphalia exchange and into the Winn exchange. Westphalia and Winn separately recorded all the calls received from the Verizon tandem that terminated in their respective exchanges, along with their related minutes of use.

Westphalia and Winn are unable to record the identity of the carrier associated with each call since Verizon's tandem does not send the carrier identification code ("CIC") or Originating Company Number ("OCN") or other signaling information on calls terminated to Westphalia or Winn, including for Verizon's own toll traffic from its own toll customers. Therefore, in order to determine Verizon's toll traffic, we segregated and subtracted the traffic that is not Verizon's toll traffic from the total traffic terminated in each exchange.

Q. What types of traffic did you segregate?

A. We segregated toll access usage (Category 11 01 01 or Category 11 01 20 records), Verizon's reported non-Feature Group C access usage, and local usage from other exchanges. Normally, we segregate and subtract traffic for facility-based CLECs and CMRS providers; however, we checked for call detail records for these types of traffic and Verizon did not provide any for Westphalia. Since Verizon provided no call detail records for this traffic for Westphalia, there was none to subtract. For Winn, we subtracted the records as provided.

Q. How did you segregate traffic for toll carriers?

A. Westphalia and Winn subtracted toll traffic for toll carriers identified by Verizon in records that it sent to these companies. Westphalia and Winn subtracted the access minutes of use for all identified carriers for whom Verizon had sent records from the total access minutes of use that were recorded.

Q. How did you segregate Verizon's non-Feature Group C access traffic?

A. We checked for any reported access minutes of use for any type of access service provided to Verizon other than the "Feature Group C" or "FGC" access service, which is the type of access service at issue here. Verizon generally has only FGC traffic but theoretically could have some "Feature Group A" or "FGA" traffic, which is compensated for separately. We did not deduct any FGA toll access usage for Verizon since Verizon did not record its FGA calls terminating in the Westphalia exchange or in the Winn exchange from Verizon's tandem; rather, Verizon estimated its FGA traffic to be zero for intraLATA calls and zero for interLATA calls.

Q. How did you segregate local usage?

A. Westphalia and Winn are able to segregate local traffic from another exchange by reviewing the "NPA-NXXs" for the traffic. If the NPA-NXX is assigned to a local rate center, such as a Verizon or AT&T Michigan exchange with expanded local calling, then the traffic is local traffic. All local traffic is subtracted from the total usage sent from the Verizon tandem to Westphalia or to Winn.

Q. What results from these subtractions?

A. After subtracting the reported usage for other carriers, Verizon's reported FGA usage, and the local usage from the total recorded usage, the result should be the total terminating FGC access minutes of use for Verizon.

Q. After performing the study, have you drawn any conclusions regarding the accuracy of Westphalia's and Winn's numbers, as compared to Verizon's numbers?

A. Yes. Westphalia's numbers and Winn's numbers are accurate since they are based on actual terminating usage recorded at the terminating end office switch instead of usage derived from the faulty ITAC system.

Q. What is the significance of the difference in usage?

A. Use of Verizon's derived numbers would result in the underpayment by Verizon of terminating access and other charges and, if allowed, would give Verizon a windfall.

Q. Does Exhibit A-___(DFF-1) show any results regarding local usage?

A. Yes. In addition to the toll access usage, Verizon submitted terminating local usage data for purposes of our study that was routed over the common toll trunk groups. However, Verizon is not paying the charges for terminating local usage even though Verizon has records of terminating local usage.

Q. What is the general magnitude of the local call termination charges for your company?

A. Westphalia's charges to Verizon for local call termination are around $30,000 per month.

Q. What is the basis for the local usage billed by the Rural ILECs?

A. The Rural ILECs measured it, apply the tariff rates, and bill Verizon for it. The usage is measured at the end office. Although Verizon has direct trunks for local traffic, Verizon

also sends local traffic over common trunk groups. The Rural ILECs measure the actual terminating usage in both situations. They then apply the tariff rates and bill for it.

PROBLEMS WITH ITAC

Q. Have you had any experience with ITAC?

A. Yes. I am familiar with the reports that Verizon prepares based on ITAC. More importantly, I am familiar with the ITAC system generally and its use in Michigan.

Q. Does ITAC measure actual terminating usage?

A. No. Terminating usage is derived from originating usage, and data is missing in the originating usage.

Q. Do you know why the ITAC system underestimates terminating access usage?

A. I know some of the reasons why ITAC historically underestimated the terminating usage for Westphalia, Winn, and other Rural ILECs and why it continues to do so.

Among other things, the ITAC system was not designed for use in the modern era of competition and multiple providers of different services. Rather, it was originally used in the era when there was no intraLATA equal access and there were no CMRS providers or facility-based CLECs. It was developed for PEC-to-PEC compensation. "PECs" were "Primary Exchange Carriers" who were monopolist intraLATA toll providers. Because of regulatory restrictions, PECs were the only carriers allowed to have 1+ and 0+ dialing

for intraLATA traffic. Commonly, the PECs were Regional Bell Operating Companies ("RBOCs") that were created after the divestiture of AT&T—the original company, not the new AT&T Michigan. The two PECs in Michigan were GTE North, now Verizon, and Michigan Bell, now AT&T Michigan. The two PECs needed a way to compensate each other for the exchange of their toll traffic. They created the ITAC system to do this. ITAC was used between only two carriers. Each PEC gathered its own originating usage, including usage for its customers in Rural ILEC exchanges, in order to estimate usage terminating to the other carrier. The system, however, was not designed and did not work in the modern era of competition and multiple providers because it required all LECs with end users who chose Verizon as their toll provider to participate by providing originating usage data to the ITAC system. Without all carriers providing data, ITAC did not account for all intraLATA originating usage.

Since Verizon and AT&T Michigan have completed their withdrawals as toll carriers in the Rural ILEC exchanges, usage records are needed from fewer carriers. Nevertheless, Verizon will continue to provide toll service to end users who are the local customers of CLECs. ITAC requires all this data to be captured. ITAC has never been able to capture 100% of the data needed and is not likely to do so in the future.

Q. If Verizon has withdrawn as a toll carrier in the Rural ILEC exchanges and terminating traffic is at issue for only the Rural ILECs in this case, is there any significance at this time to your statement that ITAC needed data regarding originating toll traffic in all the

LEC exchanges?

A. The significance relates to the period of time involved in this dispute prior to Verizon's withdrawal as an originating toll carrier and the related access bills. Historically, ITAC needed this data. ITAC could not rely on originating traffic for a subset of carriers since any toll traffic originating in any LEC's exchange in the LATA could terminate in a Rural ILEC's exchange. For ITAC to have a chance of working, it required all LECs in the LATA with end users who subscribed to Verizon toll service to submit data in a timely and accurate manner, especially the incumbent LECs. There are numerous incumbent LECs, including all 33 MECA Members (the Rural ILECs), Verizon, AT&T Michigan, Frontier, Climax Telephone Company, and Peninsula Telephone Company, meaning that there will be several incumbent LECs with exchanges in each LATA. A call from an AT&T Michigan exchange to an end user in a Rural ILEC exchange through a Verizon tandem switch would have to be included in the calculation based on the historic Primary Exchange Carrier (PEC)/Secondary Exchange Carrier (SEC) relationship, including the PEC-to-PEC compensation system that is part of the overall relationship.

Thus, for much of the time period involved in the pending dispute, including the time periods relating to Verizon's claims for retroactive adjustments, ITAC needed data from numerous exchanges and numerous providers throughout each LATA.

When AT&T Michigan and Verizon withdrew as toll service providers in the Rural ILEC

exchanges, data was then needed from all the Verizon and AT&T Michigan exchanges in each LATA.

Q. Do you believe AT&T Michigan's traffic has been properly accounted for under ITAC?

A. No. AT&T Michigan's data has not been accurate in the past. Even though the system was AT&T Michigan's system, AT&T Michigan's data was not accurate.

Q. Are you familiar with any specific problems that ITAC has encountered in the past?

A. Yes. When I reviewed output from the system in 1997, ITAC was plagued by missing data and other problems. ITAC is a complex system that was not designed as a way to track and record all calls between all carriers. In order for it to have a chance of working, it depends on obtaining complete originating traffic data from all the numerous providers throughout each LATA in the state. In 1997, ITAC supposedly captured 95% to 96% of the originating intraLATA calls, which seemed like an impressive number. However, the system does not work on the principle of having a sample but requires 100% complete data. The loss of 4% to 5% of total intraLATA usage was very significant since the usage carried by the Rural ILECs as a whole totaled at that time about 2.5% of all intraLATA calls. The number of calls in the range of error alone was twice the total calls of the customers of all the Rural ILECs who were members of MECA. Obviously, the lost 4% to 5% of intraLATA calls included a portion of the calls terminating to the Rural ILECs' exchanges. Even though the missing calls may seem insignificant to the PEC, they have a greater absolute impact on the amount of terminating usage to Rural ILEC's exchanges, which is significant. Since the ITAC system reduced terminating usage to the

Rural ILECs' exchanges by 20%, the ITAC system's failure to capture 4% to 5% of all intraLATA traffic had a significant impact on the derivation of terminating usage to the Rural ILECs.

Further, ITAC utilized manual changes to monthly data whenever the usage for a month fell below the typical volumes. AT&T Michigan employed a concept called "smoothing" to change monthly data in the ITAC system whenever the usage for a month fell below what it considered to be typical. AT&T Michigan used averages to create substitute data that increased originating usage, but did so in a very imprecise manner. Smoothing would not be necessary if the ITAC system actually captured all the usage.

These problems with missing data are problems that I found when I reviewed the ITAC system in the past; however, there is no indication that these problems have been fixed. To the contrary, Verizon has not even acknowledged that data are missing or that there are any problems. The ITAC system that I reviewed is the same system being used today, and without changes, the system remains flawed.

Q. Do you have a belief as to the reasons for which AT&T Michigan wanted to use the ITAC data?

A. Yes, I do. I believe that, u\nlike Verizon, AT&T Michigan wanted to use the ITAC data to estimate new T/O ratios, rather than use monthly ITAC Data for actual billing.

Q. Are you aware of any other problems with ITAC currently?

A. Yes. Originating data actually are not being included for some toll calls. Verizon itself has not reported all its own minutes to ITAC.

Q. If ITAC is missing data on some occasions, would it nevertheless be a reasonable estimator of usage based on averages over time?

A. No. The ITAC results can never average out over time. Unlike other estimators, such as T/O ratios, ITAC can never produce a result that is higher than actual usage in order to offset periods with less than actual usage. A major problem with ITAC is that it has missing data, which results in an estimate of terminating usage that is less than actual, harming the Rural ILECs and benefiting Verizon. Due to the complex nature of the system, it can never be complete as a practical matter and will always understate usage. Verizon lacks appropriate incentives to improve the ITAC system.

Q. Are there any further problems with ITAC?

A. In the past, other types of calls were not included in ITAC, including Directory Assistance (DA) call completion, Improved Mobile Telephone Service (IMTS), Centralized Fax, Toll over Extended Area Service (EAS), Inmate, any network originated call, Dual Party Relay Service (DPRS), Marine, No Answer Operator, Wholesale, 1-800-Readyline Like, Coin 1+, Conference, Competitive LECs (CLECs) using Handoff, Originating Wide Area Telecommunications Service (WATS), and any other unmeasured calls. There may be many more problems with ITAC that I am unaware of.

Q. Does ITAC provide routing information for calls?

A. No, ITAC cannot identify the incoming trunk group over which the call is routed and how the call is routed to an end office. It only identifies that a call was supposedly sent to a particular end office.

Q. Why is it important to provide routing information for calls?

A. It is important to provide routing information because billing is route-dependent. Charges for toll access service are based in part on a mileage component, which means that the particular toll route is needed for proper billing.

Q. What is your conclusion regarding ITAC?

A. ITAC is unreliable because it is too complex and requires timely, accurate, and precise input from too many end offices, leaving too many points of possible failure in the system. It has known failures and faults. ITAC does not include routing information needed for proper billing. ITAC also is not reasonable as the primary method of determining usage for billing since it is run by the customer instead of the provider. ITAC does not place the proper incentives on the tandem provider to pass call detail information with each call. In my opinion, ITAC can be used internally by Verizon for whatever purposes it deems fit, such as checking the general level of usage billed, but ITAC should not be imposed on the rural LECs as a surrogate for the usage that they

measure.

SOLUTION FOR TERMINATING TRAFFIC MEASUREMENT AND BILLING

Q. What is the best solution for terminating traffic measurement and billing?

A. In the absence of direct trunks or new technologies, the best long-term solution is for Verizon to send signaling information with each call or to send complete call detail records at a later date. Since Verizon has chosen not to install direct trunks or to provide signaling information or call detail records, the best solution is for the Rural ILECs to continue to use the Residual Usage Methodology for billing based on the usage they record at their switches.

Q. Why is continuing use of the Residual Usage Methodology the best solution?

A. It is best for several reasons. It allows the provider to bill based on actual usage. It places incentives to improve call identification on the proper party, the tandem provider, because the tandem provider is in a superior position to identify the originating carriers and pass that identifying information along with the calls. It keeps billing in the hands of the access provider, not the access customer. It is an established and easy-to-use methodology.

ORIGINATING TRAFFIC MEASUREMENT AND BILLING

Q. Has Verizon disputed any bills for originating toll access?

A. Yes.

Q. What is the nature of the dispute?

A. Verizon has not paid the full amount of several bills for originating toll access service that was provided with regard to toll calls that originated from Verizon's toll customers in Rural ILEC exchanges. Instead, Verizon submitted a different calculation of the amount owed based on minutes of use that differ from those measured by the Rural ILECs.

Q. Have you determined the basis for the difference in usage?

A. Yes. The difference is usage for toll calls from Verizon's toll customers in Rural ILEC exchanges that terminated to facility-based CLECs or CMRS providers. Verizon paid originating access charges only if the calls terminated to Verizon's, AT&T Michigan's, or Rural ILECs' customers. Verizon refused to pay access charges on calls to CLECs and wireless providers even though it accepted the toll revenues that were collected for these calls from its customers in the Rural ILECs' exchanges.

Q. How did you determine that Verizon's refusal to pay relates to toll calls that terminate to CLECs or wireless providers?

A. I compared the call records from Westphalia Telephone Company that were used to bill Verizon with the call data that Verizon provided. Exhibit A-___(DFF-2) is a summary of this comparison, which reveals that the calls that Verizon is disputing are to NPA-

NXXs assigned to a CMRS provider or facility-based CLEC. Our records show that Verizon was the originating toll carrier for all these calls. Additionally, a review of the assignee of the terminating thousand number block (a designated group of four digits of the telephone number) for these calls shows that some of the disputed calls are from a thousand number block assigned to Verizon. All of the calls were to rate centers in the same LATA as the originating telephone number, and Westphalia has not included those rate centers in its local calling area. Therefore, the calls are not local, but are intraLATA toll calls and the Rural ILECs' originating toll access rates apply.

Q. Is there an explanation for Verizon's failure to pay for these calls?

A. I am aware of no legitimate reason for this. These calls are all toll calls from Verizon toll customers, and Verizon is therefore responsible for paying originating toll access charges to the Rural ILECs. Verizon is the toll carrier and is responsible for access regardless of the type of carrier to whom the calls terminate. Verizon essentially acknowledged that it is the responsible provider by accepting compensation for toll charges billed to its toll customers.

Q. Will these originating usage errors be continuing problems?

A. They should not be. Verizon recently discontinued originating toll service and withdrew as a toll service provider in Rural ILEC exchanges. Thus, the originating usage problem should not be an issue in the future. It is an issue now because of past due amounts.

BILLING AND COLLECTION

Q. What is the issue regarding billing and collection?

A. The Rural ILECs billed Verizon on a per call basis for the billing and collection services that they rendered to Verizon, but Verizon again unilaterally substituted its own usage numbers.

Q. Please provide more detail.

A. Verizon has improperly subtracted calls to CLECs and wireless providers from the total number of calls recorded at the end office. Since these are originating calls, the Rural ILECs know exactly how many calls were originated from Verizon toll customers. Verizon's refusal to pay billing and collection charges on all the calls originating from its customers is inconsistent with its acceptance of the full amount of toll charges from its customers for all the calls recorded by the Rural ILECs.

CONCLUSION

Q. What do you propose?

A. I recommend that the Commission reject Verizon's attempt to impose the ITAC system as a new means of estimating terminating usage on the small rural companies. Rather, the Commission should affirm and approve the continuing use of the "Residual Usage Methodology" to bill for actual usage that is measured by these companies at their end offices. The Commission should order Verizon to pay terminating access bills submitted using this methodology. It is reasonable and has been used pursuant to

MECA's filed access tariff. It does not require Verizon to do any upgrades; the Rural ILECs absorb the cost of implementing it. It also properly places the burden on Verizon to include signaling information or provide call detail information (not summary records) and to record all calls that it sends to the local exchange companies. As the tandem provider, Verizon is in a superior position to identify originating carriers and jurisdictions of calls. If Verizon shirks its responsibility as a tandem provider and does not pass the appropriate information to the subtending LEC, then Verizon should be financially responsible for any terminating usage it sends to the end office companies. It is not reasonable or just for Verizon to dump traffic onto the facilities of the Rural ILECs without identifying who the toll carrier is so that carrier can be billed. If Verizon dumps unidentified traffic on the Rural ILECs, Verizon must accept responsibility for payment of access charges for this unidentified traffic.

I further recommend that the Commission find that Verizon should pay for local transport and termination services at the tariff rates based on the usage measured by the Rural ILECs.

I also recommend that the Commission find that Verizon has inappropriately refused to pay the Rural ILECs' bills for originating toll access. The Commission should find that Verizon's calculations and reports submitted in response to the bills contained errors in usage due to inappropriate subtraction of Verizon's toll traffic to CLECs and wireless providers.

I further recommend that the Commission find that Verizon has inappropriately refused to pay for billing and collection charges.

Q. Does this conclude your prepared direct testimony?

A. Yes.

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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *dlb/a* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.	Case No. U-14905

EXHIBIT A-_(DFF-1)

,itch Data - December 25, 2005 to l			Verizon Data		Diff.
NPANXX	MSG	MOU	MSG	MOU	
	97,553	1,568,070.0	82,028	1,513,453.8	
	94,253	1,554,637.5	79,576	1,500,489.6	
	3,300	13,432.5	2,452	12,964.2	
2482836	1	0.1			1
248485A	1	4.9			1
248496A	3	2.7			3
2692232	3	3.2			3
269521A	3	6.3			3
269537A	2	0.2			2
281333A	1	1.3			1
309682A	1	0.4			1
312683A	3	3.0			3
313223A	4	38.3			4
313496A	10	103.5			10
317265A	3	7.7			3
4198422	1	0.1			1
5137703	1	0.2			1
5168829	1	0.1			1
517243A	1	5.3			1
517281A	1	0.1			1
517323A	1	4.1			1
517324A	1	0.5			1
517334A	9	48.2			9
517336A	7	7.0			7
517420A	1	0.6			1
517482A	2	2.1			2
517492A	4	2.0			4
517566A	1	2.9			1
517689A	43	11.4			43
517881A	1	5.8			1
616292A	1	0.2			1
616450A	2	24.2			2
616460A	1	1.1			1
702851A	2	0.5			2
734266A	4	11.1			4
773465A	1	0.2			1
810404A	6	18.3			6
810414A	3	13.0			3
8478988	1	0.9			1

ı itch Data - December 25, 2005 to I			Verizon Data		Diff.
NPANXX	MSG	MOU	MSG	MOU	
9892365	73	163.4	68	220.3	5
9892367	8	22.2	8	25.9	0
9892483	17	55.0	17	71.52	0
9892491	2	0.7			2
9892499	21	92.5			21
9892683	1	0.0			1
9892685	3	1.6	3	4.43	0
989269A	9	83.3			9
989274A	1	1.7			1
989275A	2	4.7	2	6.6	0
989280A	9	38.8			9
9892913	61	340.6	52	389.8	9
9892915	4	14.0	4	17.92	0
9893282	7	51.3	7	58.04	0
9893283	1	7.1	1	8.12	0
9893431	1	0.7			1
9893439	90	785.8			90
989344A	5	86.3	5	91.12	0
989345A	16	31.2			16
989348A	6	3.8	6	9.61	0
9893521	3	2.7	3	5.62	0
9893526	9	102.1	9	110.85	0
9893527	1	0.8	1	1.71	0
989354A	6	37.4	6	43.22	0
989356A	3	5.4	3	8.27	0
989362A	2	6.3			2
9893653	1	6.8	1	7.75	0
9893793	3	56.6	3	59.5	0
9893794	6	9.5	6	14.3	0
9893827	180	974.5	156	1137.68	24
989386A	5	11.9			5
9894226	4	14.1	4	16.97	0
989426A	5	14.5			5
9894273	12	49.0	12	60.56	0
9894275	2	1.1	2	1.98	0
989427A	10	55.7	8	63.24	2
9894330	2	7.9			2
9894332	1	9.5			1
9894335	3	38.9			3

•itch Data - December 25, 2005 to I			Verizon Data		Diff.
NPANXX	MSG	MOU	MSG	MOU	
9894354	1	0.4			1
9894357	1	0.3			1
9894358	12	26.2			12
989460A	1	0.3			1
989463A	90	1,384.6	86	1459.83	4
9894656	3	3.5			3
989466A	15	51.7	15	64.22	0
9894712	2	1.1	2	3.07	0
9894718	2	2.0	2	2.93	0
9894796	1	0.9	1	1.83	0
989539A	5	10.7			5
989550A	7	32.3			7
989551A	11	34.3			11
989553A	5	18.2			5
9895843	74	121.8	72	162.26	2
9895846	35	148.9	34	180.13	1
9895887	1	0.5			1
9895889	1	0.4			1
9896242	2	10.4			2
9896245	21	187.5			21
989631A	10	26.2			10
9896345	2	1.1	2	3.05	0
9896349	7	31.7	7	38.43	0
989636A	1	0.6			1
9896374	9	86.3	9	94.98	0
9896378	1	11.5	1	12.49	0
9896435	2	2.2	2	4.12	0
9896442	5	9.5	5	14.39	0
9896443	4	3.2	4	5.11	0
9896445	2	5.4	1	6.43	1
9896446	4	2.0	4	6.01	0
9896448	1	3.6	1	4.58	0
989652A	37	121.0			37
9896543	1	5.4	1	6.38	0
9896626	6	13.7			6
989667A	1	1.4			1
9896710	1	0.1			1
9896810	3	11.9	3	14.87	0
9896812	1	0.1	1	1.04	0

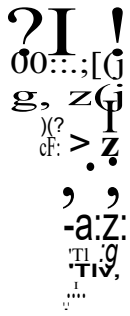
itch Data - December 25, 2005 to I			Verizon Data		Diff.
NPANXX	MSG	MOU	MSG	MOU	
9896824	143	262.5	134	372.1	9
9896828	54	117.1	54	168.31	0
9896829	6	9.8	5	14.11	1
989684A	14	70.7			14
989686A	7	6.8			7
9896952	5	5.3			5
9896955	8	106.5			8
989723A	34	160.9	34	195.6	0
989725A	65	175.0	63	221.38	2
989729A	3	7.7	3	10.59	0
989731A	5	17.6	5	22.45	0
989732A	11	85.8	10	94.56	1
989735A	2	4.4			2
989739A	1	0.7			1
9897431	2	1.3	2	2.19	0
9897433	5	5.4	5	5.3	0
9897436	2	0.5	2	2.47	0
9897438	1	2.0	1	3.02	0
9897469	2	4.3			2
989752A	9	4.7			9
989753A	2	13.7			2
989754A	3	1.6			3
989755A	3	14.0			3
9897571	1	0.1			1
9897591	1	0.1			1
989759A	3	0.2			3
9897625	3	15.8	3	18.76	0
989772A	10	99.3	10	109.13	0
989773A	9	19.1	10	23.28	-1
989775A	1	0.5	1	0.54	0
989779A	3	5.9	3	8.9	0
989781A	6	3.3			6
9897853	8	62.4	8	70.13	0
9897865	2	14.6	2	16.56	0
989790A	29	12.0			29
989791A	4	10.7			4
989792A	4	2.6			4
989793A	8	17.7			8
989797A	3	1.9			3

vitch Data - December 25, 2005 to I			Verizon Data		
NPANXX	MSG	MOU	MSG	MOU	Diff.
989799A	34	145.6			34
9898284	2	4.5	2	6.41	0
9898285	4	3.9	4	7.78	0
9898287	1	2.4	1	3.39	0
989831A	19	51.7	19	70.46	0
989832A	7	2.6			7
9898337	5	21.1	5	25.96	0
9898340	15	334.3	15	348.79	0
9898341	3	11.2	3	14.1	0
9898342	46	456.4	45	499.1	1
9898345	25	86.9	24	101.04	1
9898346	6	10.5	6	16.36	0
9898349	3	7.1	2	9	1
989835A	10	9.8			10
989837A	5	7.9			5
9898382	4	7.2	4	11.09	0
9898384	12	21.1	11	31.68	1
989839A	6	40.3			6
9898423	15	34.3	14	47.79	1
9898430	1	3.2			1
9898466	5	9.8			5
9898472	1	1.5	1	2.43	0
9898473	12	26.4	11	37.02	1
9898487	2	12.6	2	14.63	0
9898550	133	448.7	130	573.59	3
9898552	539	1,853.3	515	2347.08	24
9898553	111	241.1	106	314.14	5
9898559	3	0.9	3	3.78	0
9898624	23	92.5	23	113.72	0
9898625	25	59.2	24	80.62	1
989862A	4	10.0	4	13.91	0
9898656	1	0.3			1
9898658	1	2.4			1
9898684	1	5.2			1
989872A	1	6.5	1	7.51	0
9898752	1	0.4	1	1.35	0
9898753	7	9.4	7	16.13	0
9898754	15	52.4	14	63.96	1
9898755	2	5.7	2	7.63	0

i tch Data - December 25, 2005 to I			Verizon Data		
NPANXX	MSG	MOU	MSG	MOU	Diff.
9898756	24	101.0	23	123.2	1
9898757	28	112.3	26	137.61	2
989879A	3	10.4			3
9898839	16	35.0			16
989893A	13	83.9			13
989894A	1	0.1			1
989895A	2	2.0			2
989921A	2	0.6			2
989923A	1	2.1			1
989928A	1	1.1			1
9899644	6	12.0			6
9899673	2	11.3	2	13.34	0
9899816	416	1,638.9	406	2017.92	10
989981A	1	0.2	1	1.11	0
	78	84.0			78
	3,300	13,432.5	2,452	12964.17	848
		Percent Difference			25.70%
		ITACADJ		2452	
		Adjusted Minutes		10,512	

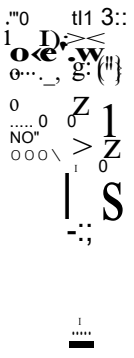
WINN SWITCH DATA- JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
	141,847	659,514.3	88,735	598,621.7	
	117,710	543,151.1	63,980	409,652.7	
	24,137	116,363.2	24,755	188,969.0	Diff.
2013994	1	0.1			1.0
2029060	3	15.7	3	15.7	0.0
206278A	9	2.7			9.0
206415A	6	0.2			6.0
207460A	3	3.0	3	3.0	0.0
208342A	2	0.1			2.0
214662A	1	1.0	1	1.0	0.0
214924A	4	18.5	4	18.5	0.0
218740A	1	0.1			1.0
2198714	2	6.7	2	6.7	0.0
231233A	7	44.0	6	43.8	1.0
231250A	171	1,237.2	168	1,235.1	3.0
231287A	10	42.9	10	42.8	0.0
231330A	41	337.3	41	336.8	0.0
2313400	6	11.9	6	11.8	0.0
231342A	48	162.9	46	162.2	2.0
231343A	1	0.7	1	0.7	0.0
231349A	74	219.6	69	218.6	5.0
2313501	1	4.8	1	4.8	0.0
231357A	75	220.4	71	219.4	4.0
2313840	6	4.2	6	4.1	0.0
2313880	5	19.0	5	19.0	0.0
2313881	2	3.9	2	3.9	0.0
2313922	3	26.1	3	26.1	0.0
2313924	1	0.4	1	0.3	0.0
2313929	1	0.5	1	0.5	0.0
2313940	1	2.0	1	2.0	0.0
2313941	1	0.5	1	0.5	0.0
2314144	15	30.8	15	30.5	0.0
231420A	5	3.2	5	3.1	0.0
2314636	2	5.1	2	5.1	0.0
2314637	3	22.8	3	22.8	0.0
2314681	1	0.8	1	0.8	0.0
2314688	3	57.8	3	57.7	0.0
231492A	2	1.2	2	1.2	0.0
231499A	30	118.5	30	118.2	0.0
231510A	10	54.0	9	53.9	1.0

WINN SWITCH DATA- JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
231519A	24	229.8	24	229.5	0.0
2315341	1	0.3	1	0.3	0.0
231557A	1	0.3	1	0.3	0.0
2315801	16	55.0	15	54.8	1.0
2315806	1	0.7	1	0.7	0.0
2315809	1	1.2	1	1.2	0.0
231590A	66	191.0	64	190.2	2.0
231598A	14	73.8	14	73.6	0.0
2316290	2	20.8	2	20.8	0.0
231631A	1	9.7	1	9.7	0.0
231632A	1	0.9	1	0.9	0.0
2316427	1	0.6	1	0.6	0.0
231649A	2	0.3	2	0.3	0.0
2316682	3	1.7	3	1.6	0.0
231675A	2	3.0	2	3.0	0.0
2316790	20	153.5	19	153.2	1.0
2316791	6	5.9	5		1.0
2316792	4	4.9	4	4.9	0.0
2316793	1	0.5	1	0.5	0.0
2316794	3	2.9	3	2.8	0.0
2316799	39	33.7	39	33.2	0.0
2316892	5	21.0			5.0
231690A	61	423.1	60	422.3	1.0
231714A	9	13.3	9	5.9	0.0
231730A	8	11.2	8	11.1	0.0
231740A	10	12.8	10	12.6	0.0
231750A	5	22.9	5	22.8	0.0
231775A	1	10.8			1.0
2317949	1	17.5	1	17.5	0.0
2318520	1	8.2	1	8.1	0.0
231867A	1	2.4			1.0
231878A	27	75.5	27	75.1	0.0
231883A	3	16.8	3	16.8	0.0
2319038	3	4.1	3	4.0	0.0
231972A	7	5.6			7.0
240426A	1	0.4	1	0.4	0.0
2482106	3	27.7	3	27.6	0.0
248259A	1	2.3	1	2.3	0.0
248310A	1	5.2	1	5.2	0.0
248330A	1	13.7	1	13.7	0.0

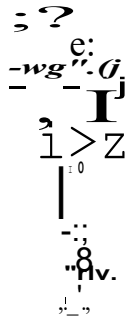


WINN SWITCH DATA - JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
248379A	2	2.6	1	0.6	1.0
248396A	29	449.8	29	449.4	0.0
248417A	2	2.2	2	2.2	0.0
248420A	3	1.5	3	1.5	0.0
248496A	3	7.0	3	7.0	0.0
248505A	8	2.9	8	2.8	0.0
248506A	7	164.7	7	164.6	0.0
2485087	4	21.4	4	21.3	0.0
248514A	1	0.5	1	0.5	0.0
248568A	1	0.3	1	0.3	0.0
248668A	1	0.7			1.0
248669A	1	0.7	1	0.7	0.0
248672A	2	0.2	2	0.2	0.0
248705A	1	3.7	1	3.7	0.0
248762A	5	2.5	5	2.4	0.0
248766A	4	21.4	4	21.4	0.0
2487871	1	1.3	1	1.3	0.0
2487872	1	1.5	1	1.5	0.0
2487873	4	3.9	4	3.9	0.0
2488355	6	52.7	6	52.7	0.0
248842A	4	9.1	4	9.0	0.0
248895A	2	1.1	2	1.1	0.0
248910A	3	15.1	3	15.1	0.0
248913A	1	0.9			1.0
2489803	6	54.4	6	54.3	0.0
2489807	4	1.7	4	1.6	0.0
250505A	1	0.8			1.0
2547595	1	0.5			1.0
260316A	22	68.9	20	68.5	2.0
2603186	4	70.9	4	70.8	0.0
260705A	1	6.9	1	6.9	0.0
269275A	40	269.3	39	268.8	1.0
269317A	7	20.4	7	20.3	0.0
269330A	3	19.7	3	19.6	0.0
269352A	2	4.7	2	4.7	0.0
269370A	2	6.5	2	6.5	0.0
269420A	1	1.1	1	1.1	0.0
2695031	4	45.6	4	45.6	0.0
269537A	1	1.3			1.0
269568A	5	91.9	5	91.8	0.0

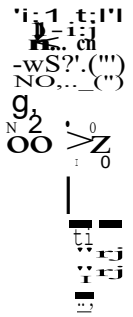
WINN SWITCH DATA- JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
269598A	16	43.9	16	43.8	0.0
269601A	1	9.0	1	9.0	0.0
269650A	4	5.8	4	5.7	0.0
269716A	8	127.4	8	127.3	0.0
2698049	8	18.0	8	17.9	0.0
2699060	4	33.7	4	33.6	0.0
269930A	28	395.5	28	395.1	0.0
2699325	2	10.7	2	10.6	0.0
269945A	2	0.9			2.0
269967A	1	2.2	1	2.2	0.0
269986A	1	0.6	1	0.6	0.0
2764928	1	0.7	1	0.7	0.0
281723A	3	1.7	3	1.6	0.0
281961A	11	92.2	10	92.1	1.0
3022831	1	0.2			1.0
303517A	1	4.0	1	3.9	0.0
304612A	2	5.1	2	5.1	0.0
3125063	6	2.6			6.0
312952A	4	28.2	4	28.2	0.0
313207A	3	4.1	2	4.1	1.0
313363A	3	4.3	3	4.3	0.0
313378A	2	22.0	1	1.8	1.0
313399A	2	2.6	2	2.6	0.0
313402A	8	4.8	7	4.7	1.0
313410A	1	4.1	1	4.1	0.0
313418A	3	3.2	3	3.2	0.0
313506A	3	6.0	3	6.0	0.0
313574A	9	2.3	9	2.2	0.0
313585A	3	1.2	3	1.1	0.0
313595A	5	4.5	5	4.5	0.0
313598A	2	0.5			2.0
313670A	1	1.1	1	1.1	0.0
313702A	1	0.5			1.0
313720A	25	339.7	1	4.5	24.0
3172893	1	1.9	1	1.9	0.0
3172898	3	15.0	3	15.0	0.0
3174124	1	0.1			1.0
317508A	1	2.2	1	2.1	0.0
317698A	20	201.2	18	200.9	2.0
320260A	2	4.5	2	4.5	0.0



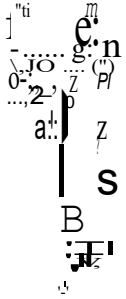
WINN SWITCH DATA - JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
3254559	1	0.7			1.0
330416A	2	1.3	2	1.3	0.0
330649A	1	1.9			1.0
336575A	7	203.4	7	203.3	0.0
337208A	3	6.3	3	6.3	0.0
3522637	1	0.7	1	0.7	0.0
402930A	2	1.6			2.0
4045197	7	27.1	7	27.0	0.0
407331A	9	3.8			9.0
4124647	1	0.6			1.0
412559A	1	1.9	1	1.9	0.0
414687A	3	1.8	2	1.8	1.0
415825A	4	0.1			4.0
417890A	1	1.7			1.0
4192397	3	1.5	3	1.5	0.0
419265A	1	0.4	1	0.4	0.0
419302A	2	14.7	2	14.7	0.0
419304A	2	0.5	2	0.4	0.0
419376A	1	0.6	1	0.6	0.0
419438A	1	4.0	1	4.0	0.0
419551A	1	0.1	1	0.0	0.0
4197890	1	12.1	1	12.1	0.0
432352A	11	28.0	9	27.8	2.0
432413A	3	15.0	3	14.9	0.0
434426A	3	4.9	3	4.9	0.0
434960A	2	1.2	2	1.1	0.0
478494A	1	0.3	1	0.3	0.0
480832A	8	1.8			8.0
503255A	1	0.5			1.0
514958A	1	0.1			1.0
517204A	1	1.0			1.0
517214A	6	20.5	8	20.7	-2.0
5172271	3	8.4	3	8.4	0.0
517230A	3	2.5	3	2.5	0.0
517231A	4	1.9	4	1.9	0.0
517242A	55	153.2	54	152.5	1.0
517243A	11	51.3	11	51.1	0.0
517256A	14	19.3	14	19.2	0.0
517260A	1	0.5	1	0.5	0.0
517262A	6	29.1	5	29.0	1.0



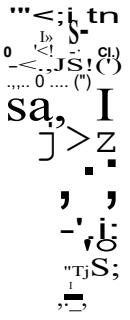
WINN SWITCH DATA- JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
517270A	13	125.8	12	125.6	1.0
517281A	12	24.2	9	24.0	3.0
517282A	3	6.8	3	6.7	0.0
517285A	16	31.3	16	31.0	0.0
517290A	5	32.3	5	32.2	0.0
517294A	40	45.1	40	44.5	0.0
517320A	1	8.1	1	8.1	0.0
517321A	1	16.8			1.0
517323A	3	1.0			3.0
517324A	2	0.8			2.0
517331A	9	12.3	9	12.1	0.0
517388A	38	161.2	38	160.7	0.0
517410A	4	12.7	4	12.7	0.0
517420A	89	87.9	87	86.7	2.0
5174253	2	5.0	2	5.0	0.0
517449A	11	35.9	11	35.8	0.0
517490A	1	4.9	1	4.9	0.0
517512A	8	20.8	8	20.7	0.0
517525A	1	2.5	1	2.5	0.0
5175294	1	0.7			1.0
517581A	3	13.7	3	13.7	0.0
5175889	1	0.8	1	0.8	0.0
517605A	6	3.7	6	3.6	0.0
5176102	13	35.3	12	35.1	1.0
517617A	48	517.0	48	516.4	0.0
517648A	18	64.5	18	64.3	0.0
5176721	5	89.8	5	89.7	0.0
5176726	23	279.1	23	278.8	0.0
5176776	1	1.0	1	1.0	0.0
5176779	5	49.3	5	49.3	0.0
517719A	5	2.8	5	2.8	0.0
517740A	2	4.1	2	4.1	0.0
517745A	9	35.1	8	34.9	1.0
5178031	1	2.6	1	2.6	0.0
5178035	2	1.7	2	1.7	0.0
5178037	16	45.6	16	45.4	0.0
5178619	1	3.7	1	3.7	0.0
517862A	23	46.9	22	46.6	1.0
517881A	7	6.5	7	6.4	0.0
517896A	2	1.8	2	1.8	0.0



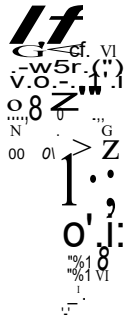
WINN SWITCH DATA- JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
517927A	4	4.3	4	4.3	0.0
517930A	156	434.8	150	432.8	6.0
5179369	51	682.3	51	681.7	0.0
5632379	1	0.3			1.0
563340A	2	0.7	2	0.7	0.0
5742085	2	1.2	2	1.1	0.0
574238A	1	0.4	1	0.4	0.0
574315A	4	8.7	4	8.7	0.0
5743540	1	0.3	1	0.2	0.0
574361A	4	17.6	4	17.5	0.0
586201A	1	1.1	1	1.1	0.0
586206A	2	0.1	1	0.1	1.0
586242A	2	1.5	2	1.4	0.0
586255A	4	5.0	4	4.9	0.0
586260A	1	1.2	1	1.2	0.0
5863370	2	3.5	2	3.4	0.0
586416A	1	0.4			1.0
5864533	2	1.2	2	1.2	0.0
5864536	1	0.4	1	0.3	0.0
5864811	1	2.0	1	2.0	0.0
5864914	1	0.1	1	0.1	0.0
5866045	1	0.6	1	0.6	0.0
586610A	1	17.2	1	17.2	0.0
586817A	4	5.2	4	5.2	0.0
5868646	1	0.9	1	0.9	0.0
586929A	1	1.3	1	1.3	0.0
5869435	2	1.1	2	1.0	0.0
5869437	1	0.8	1	0.8	0.0
6027084	2	22.4	2	22.4	0.0
604983A	3	16.5			3.0
6058681	2	1.0	2	1.0	0.0
606205A	1	0.6			1.0
608769A	1	0.6	1	0.6	0.0
614571A	2	4.4			2.0
6146526	1	1.2			1.0
615351A	1	0.4	1	0.4	0.0
616204A	18	67.7	18	67.5	0.0
616240A	30	179.2	29	178.8	1.0
616250A	15	32.3	15	32.1	0.0
616260A	31	271.2	30	270.8	1.0



WINN SWITCH DATA - JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
616262A	13	61.9	12	61.7	1.0
616283A	1	6.5	1	6.5	0.0
616291A	4	8.3	4	8.3	0.0
616293A	18	48.3	18	48.1	0.0
616302A	12	19.6	10	15.4	2.0
616307A	5	5.6	5	5.6	0.0
616308A	6	106.3	6	106.2	0.0
616318A	3	24.3	3	24.3	0.0
616350A	3	1.2	3	1.1	0.0
616402A	12	79.9	12	79.7	0.0
616403A	8	14.6	7	14.5	1.0
616405A	6	4.2	6	4.1	0.0
616430A	28	133.2	27	132.8	1.0
616443A	1	5.5			1.0
616446A	3	6.1	3	6.1	0.0
616450A	4	10.0	4	10.0	0.0
616460A	3	5.0	3	4.9	0.0
616481A	6	39.1	5	39.0	1.0
616485A	2	1.0	2	0.9	0.0
616490A	3	8.3	3	8.3	0.0
616498A	12	55.9	12	55.7	0.0
616502A	1	27.2	1	27.1	0.0
6165109	5	15.6	5	15.5	0.0
616532A	1	1.1			1.0
616540A	4	11.2	3	11.1	1.0
6165480	21	14.8	20	14.5	1.0
6165482	1	1.4	1	1.4	0.0
616550A	15	94.3	15	94.1	0.0
616551A	1	1.6	1	1.5	0.0
616560A	7	12.5	6	12.4	1.0
616566A	1	0.3	1	0.3	0.0
616581A	35	62.5	30	62.1	5.0
616588A	1	4.6			1.0
616617A	6	2.1	6	2.1	0.0
616633A	64	475.5	64	474.7	0.0
616644A	14	92.4	14	92.2	0.0
616648A	7	8.0	7	7.9	0.0
616690A	2	1.7	2	1.7	0.0
616706A	10	36.4	9	36.2	1.0
616742A	2	1.9			2.0

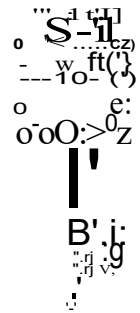


WINN SWITCH DATA- JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
616745A	7	8.5	7	8.5	0.0
6167550	11	11.8	11	11.6	0.0
6167889	5	7.1	4	6.9	1.0
6167991	10	1.1	10	1.0	0.0
616821A	15	101.6	15	101.4	0.0
616822A	8	23.1	7	23.0	1.0
6168287	1	2.1	1	2.1	0.0
616835A	2	1.7	2	1.7	0.0
6168940	17	48.9	16	48.7	1.0
6168941	5	39.2	5	39.2	0.0
6168942	5	16.8	5	16.7	0.0
6168943	1	1.5	1	1.5	0.0
6168944	6	11.4	6	11.3	0.0
6168945	50	211.3	50	210.7	0.0
6168946	10	12.7	9	12.6	1.0
616901A	2	3.6	2	3.6	0.0
616902A	3	12.5	3	12.5	0.0
616915A	3	13.9	3	13.8	0.0
616970A	5	9.8	5	9.7	0.0
623332A	1	0.1	1	0.1	0.0
630258A	21	21.8	21	21.6	0.0
6303796	2	2.4	2	2.4	0.0
630408A	8	10.4	8	10.2	0.0
630595A	2	3.9			2.0
630640A	2	8.3	2	8.3	0.0
630803A	2	8.5	2	8.5	0.0
630926A	1	1.1	1	1.1	0.0
6784571	1	0.2	1	0.2	0.0
7024206	8	6.8	8	6.7	0.0
702845A	1	1.6	1	1.6	0.0
706580A	3	16.4	3	16.3	0.0
708341A	7	134.0	7	133.9	0.0
716316A	2	3.5	2	3.4	0.0
7177773	1	0.6			1.0
720587A	1	0.5			1.0
734255A	2	2.0	2	2.0	0.0
734266A	1	0.2			1.0
734377A	5	5.8	5	5.7	0.0
734417A	3	9.5	3	9.5	0.0
7345128	1	2.5	1	2.5	0.0

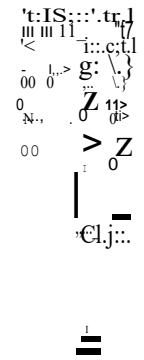


WINN SWITCH DATA- JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
734516A	1	1.2	1	1.2	0.0
734558A	3	6.5	3	6.5	0.0
734624A	10	18.3	10	18.2	0.0
734637A	1	1.1			1.0
7346425	4	11.4	4	11.3	0.0
734657A	7	21.7	7	21.7	0.0
734673A	12	50.4	12	50.3	0.0
734678A	4	9.8	4	9.7	0.0
734717A	4	14.1	4	14.1	0.0
734728A	1	14.7			1.0
7347323	1	1.4	1	1.4	0.0
734740A	1	0.4	1	0.4	0.0
734751A	2	0.6	2	0.6	0.0
734755A	1	0.1	1	0.1	0.0
734945A	2	2.9	2	2.9	0.0
740525A	1	0.8	1	0.8	0.0
757619A	2	3.3	2	3.2	0.0
760861A	21	134.7	21	134.4	0.0
765419A	1	0.5	1	0.5	0.0
765491A	18	53.3	18	53.1	0.0
765620A	2	7.4	2	7.4	0.0
7659390	2	2.2			2.0
772349A	1	0.4	1	0.3	0.0
773343A	3	1.1	3	1.1	0.0
8022824	1	0.5			1.0
8065170	38	210.9	36	210.4	2.0
806722A	1	0.1			1.0
808896A	3	0.9	2	0.8	1.0
810210A	14	31.0	14	30.8	0.0
810217A	5	13.3	5	13.3	0.0
810247A	1	2.1	1	2.1	0.0
810252A	1	1.1	1	1.0	0.0
810278A	1	0.0			1.0
810334A	1	15.3	1	15.3	0.0
810348A	3	2.7	3	2.7	0.0
8103577	4	8.8	4	8.8	0.0
8103578	1	35.0	1	35.0	0.0
810404A	8	23.4			8.0
810414A	2	8.8			2.0
810423A	33	123.4	33	123.0	0.0

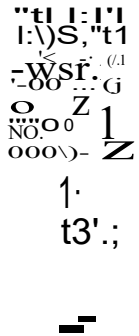
WINN SWITCH DATA - JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
810434A	4	24.7			4.0
810449A	3	8.0	2	7.8	1.0
810513A	104	58.6	103	57.3	1.0
810516A	4	2.6	4	2.5	0.0
8105808	50	378.7	50	378.1	0.0
810599A	1	0.5	1	0.5	0.0
810610A	13	13.5	13	13.4	0.0
810659A	1	0.8			1.0
810686A	3	3.4	3	3.3	0.0
810706A	3	10.1	3	10.1	0.0
810730A	1	0.6	1	0.6	0.0
810788A	2	4.1			2.0
810845A	1	0.2	1	0.2	0.0
810923A	1	1.1	1	1.1	0.0
813987A	2	0.2			2.0
8152201	1	1.6			1.0
815519A	1	1.2	1	1.2	0.0
8155314	2	3.4	2	3.4	0.0
8174389	3	0.9			3.0
817838A	4	2.8			4.0
8185304	4	1.3			4.0
8186784	1	1.7			1.0
828242A	1	0.1	1	0.1	0.0
847433A	4	5.0			4.0
847609A	1	0.4	1	0.3	0.0
847757A	4	5.2	4	5.2	0.0
847924A	2	72.5	2	72.4	0.0
850510A	10	45.2	10	45.0	0.0
850529A	1	0.4	1	0.4	0.0
8608885	3	10.3	3	10.2	0.0
864356A	1	4.6	1	4.6	0.0
906250A	1	16.8	1	16.8	0.0
906280A	3	1.9	3	1.9	0.0
906281A	1	0.0			1.0
906282A	1	1.4	1	1.4	0.0
906286A	37	129.4	35	129.0	2.0
906360A	1	6.1	1	6.1	0.0
906630A	2	8.8	2	8.8	0.0
906869A	2	1.6	2	1.6	0.0
909229A	1	0.0			1.0



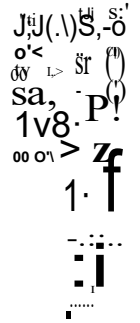
WINN SWITCH DATA- JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
909289A	3	2.0	3	2.0	0.0
9105541	2	0.8	2	0.8	0.0
913762A	1	0.1			1.0
9193336	2	1.8	2	1.8	0.0
936559A	3	1.5			3.0
937308A	1	0.5	1	0.5	0.0
937361A	1	0.5	1	0.5	0.0
937371A	4	4.0	4	4.0	0.0
937441A	3	1.8	3	1.7	0.0
937475A	1	0.1	1	0.1	0.0
937901A	1	0.9	1	0.9	0.0
941661A	4	2.4	4	2.4	0.0
951833A	1	4.7	1	4.7	0.0
9543421	1	0.8			1.0
970799A	1	0.1	1	0.1	0.0
9724285	16	8.2			16.0
985686A	4	0.9	4	0.9	0.0
989200A	5	20.4			5.0
989204A	19	18.6	19	18.3	0.0
989205A	37	121.6	32	117.1	5.0
989224A	18	115.7	17	128.9	1.0
989225A	15	58.7	11	22.3	4.0
9892270	2	24.7	1	25.6	1.0
9892278	5	1.0	2	2.8	3.0
989228A	1	1.8			1.0
989233A	9	65.4	8	65.2	1.0
989235A	2	3.5			2.0
9892365	1	1.6	1	2.6	0.0
9892367	4	6.6	4	9.4	0.0
989240A	67	343.5	67	342.7	0.0
989245A	28	103.5	27	102.6	1.0
9892460	3	11.1			3.0
9892461	6	16.6			6.0
9892462	1	1.5			1.0
9892483	21	156.2	20	175.4	1.0
9892490	13	22.1			13.0
9892494	65	988.9			65.0
9892495	1	1.4			1.0
9892496	10	45.4			10.0
9892498	66	35.1			66.0



WINN SWITCH DATA- JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
989255A	5	51.0	5	50.9	0.0
989269A	118	965.0			118.0
989274A	20	79.7	20	79.4	0.0
989277A	2	1.2	2	1.2	0.0
989280A	118	784.1	116	776.2	2.0
989284A	26	31.3	26	31.0	0.0
9892870	83	222.7	82	221.6	1.0
9892871	29	51.3	28	51.0	1.0
989288A	5	25.9	5	30.7	0.0
9892910	13	40.5	11	51.0	2.0
9892913	39	95.2	38	124.7	1.0
9892915	20	17.7	19	36.0	1.0
9892920	36	375.5	35	375.0	1.0
989292A	1	0.1	1	0.1	0.0
989295A	8	40.0	7	37.9	1.0
989297A	18	48.3	18	48.1	0.0
9893020	1	1.0			1.0
989302A	2	9.2	2	9.1	0.0
9893040	322	1,177.9			322.0
9893041	156	445.2			156.0
9893051	2	45.4	2	45.3	0.0
9893060	3	45.5	3	45.5	0.0
9893062	1	0.6	1	0.6	0.0
9893090	543	1,539.1	535	1,532.2	8.0
9893099	9	8.6	9	8.5	0.0
9893151	6	17.9			6.0
989325A	2	4.6			2.0
989326A	71	432.5	64	431.5	7.0
9893282	5	6.7	4	7.3	1.0
9893283	2	17.4	2	19.3	0.0
989329A	196	285.6	185	282.5	11.0
9893390	92	110.9	88	108.1	4.0
9893391	4	41.8	4	41.7	0.0
9893430	6	73.7			6.0
9893432	1	1.3			1.0
9893439	4	1.3			4.0
989344A	52	629.9	47	667.8	5.0
989345A	11	14.3			11.0
989348A	44	1,127.3	44	1,169.9	0.0
9893521	14	31.0	14	43.4	0.0



WINN SWITCH DATA- JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
9893526	79	388.3	74	459.1	5.0
9893527	39	137.0	38	162.6	1.0
9893528	21	139.8	21	159.0	0.0
989354A	1	0.2	1	1.2	0.0
989356A	1	0.0			1.0
989358A	2	21.6	2	23.5	0.0
989362A	32	123.7			32.0
9893653	95	571.7	92	660.0	3.0
9893654	19	15.1	19	31.4	0.0
9893659	44	215.6	45	239.8	-1.0
989366A	4	12.3	4	16.1	0.0
989370A	47	174.2	44	173.6	3.0
9893825	38	148.1	36	180.6	2.0
9893827	160	1,694.0	152	1,806.7	8.0
9893828	61	632.0	61	690.8	0.0
9893829	29	74.0	28	93.3	1.0
989385A	43	620.2	43	619.6	0.0
989386A	725	3,893.1			725.0
989387A	25	63.9	24	63.5	1.0
989390A	26	97.0	25	96.7	1.0
9893979	1	2.6			1.0
989399A	1	0.5			1.0
9894223	2	0.5	2	2.5	0.0
9894226	2	1.6	1	2.4	1.0
9894227	6	13.4	6	19.1	0.0
989426A	138	776.1			138.0
989429A	13	11.9	7	8.7	6.0
989430A	77	132.0	77	131.0	0.0
9894330	165	1,174.7			165.0
9894332	227	1,088.9			227.0
9894335	457	4,062.9			457.0
989433A	1	0.9			1.0
9894352	1	0.0			1.0
9894353	10	34.3			10.0
9894354	32	167.7			32.0
9894357	10	140.8			10.0
9894358	29	59.3			29.0
9894359	17	225.5			17.0
989445A	9	24.9	9	24.8	0.0
989450A	63	111.5	61	100.3	2.0



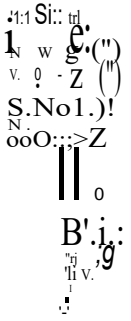
WINN SWITCH DATA- JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
989460A	1	0.1			1.0
989463A	942	3,229.8	905	4,022.3	37.0
989464A	24	111.5	24	111.2	0.0
9894650	16	161.3			16.0
9894651	57	223.5			57.0
9894652	1	2.0			1.0
9894656	148	2,589.5			148.0
9894659	89	395.6			89.0
989466A	258	1,158.5	257	1,407.9	1.0
9894712	2	0.3	1	1.2	1.0
9894715	1	2.1	1	3.1	0.0
9894733	11	64.1	11	75.0	0.0
9894793	2	0.2	1	1.2	1.0
9894821	1	0.1	1	0.1	0.0
9894826	2	13.0	2	13.0	0.0
9894827	17	47.0	16	46.8	1.0
9894829	11	43.2	11	43.0	0.0
9894949	2	1.5	2	1.5	0.0
9894950	1	1.0			1.0
989496A	12	21.4			12.0
9894971	5	3.3			5.0
9894972	4	7.1			4.0
9894973	2	0.3			2.0
9894977	10	27.6			10.0
9894982	2	9.8			2.0
9894984	1	7.1			1.0
9894988	3	2.5			3.0
9895010	3	2.0	3	2.0	0.0
989503A	16	44.7	16	44.5	0.0
9895130	67	289.7	65	288.9	2.0
9895131	19	71.8	19	71.5	0.0
9895133	6	11.5	6	11.4	0.0
9895135	10	49.1	10	49.0	0.0
989513A	1	0.6	1	0.6	0.0
989529A	2	3.5	2	3.5	0.0
9895339	47	88.3	46	87.7	1.0
989538A	11	8.2	10	8.1	1.0
989539A	293	1,082.2			293.0
9895442	9	15.6			9.0
9895443	9	38.5			9.0

WINN SWITCH DATA- JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
989544A	1	0.2			1.0
989550A	15	31.2	4	6.5	11.0
989551A	6	8.1	1	1.3	5.0
989553A	5	5.2			5.0
989573A	3	3.2	3	3.2	0.0
989576A	94	435.7	92	434.5	2.0
989577A	3	5.1	3	5.1	0.0
989578A	18	54.6	18	54.4	0.0
9895840	1	5.5	1	6.5	0.0
9895841	11	19.5	11	30.1	0.0
9895843	24	185.8	24	205.8	0.0
9895846	18	75.8	18	91.1	0.0
9895880	100	449.1			100.0
9895882	81	306.3	2	22.8	79.0
9895883	27	123.3			27.0
9895884	107	326.6			107.0
9895885	2	2.2			2.0
9895886	89	342.5			89.0
9895887	127	1,128.6			127.0
9895888	7	16.3			7.0
9895889	89	378.8			89.0
989590A	1	0.5	1	0.4	0.0
9895932	32	285.7	31	315.4	1.0
9895956	2	11.7	2	13.6	0.0
989598A	35	71.1	35	70.6	0.0
989600A	111	323.6			111.0
989601A	3	6.6	3	6.6	0.0
9896150	1	0.7	1	0.7	0.0
9896151	2	4.1	2	4.1	0.0
9896152	14	73.1	14	73.0	0.0
9896156	4	3.9	3	3.8	1.0
9896158	2	9.3	2	9.3	0.0
989619A	101	769.1	99	767.8	2.0
9896200	2	0.4			2.0
9896201	1	3.6	1	3.5	0.0
9896205	2	1.5	2	1.5	0.0
9896206	1	1.2			1.0
9896244	3	9.6			3.0
9896248	2	7.0			2.0
9896249	1	0.7			1.0

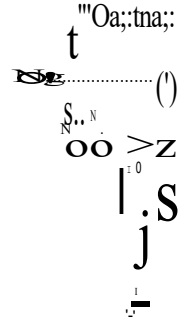
WINN SWITCH DATA - JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
989631A	266	906.9			266.0
989633A	13	16.9			13.0
9896345	3	60.9	3	63.8	0.0
989636A	4	10.9			4.0
9896374	8	29.4	8	37.0	0.0
989638A	12	8.0			12.0
989640A	19	69.4	19	69.1	0.0
9896422	1	10.9	1	11.9	0.0
9896424	1	0.2	1	1.1	0.0
9896425	5	6.2	4	8.6	1.0
9896426	3	9.0	2	11.0	1.0
9896428	1	12.8	1	13.7	0.0
9896429	2	7.0	2	6.9	0.0
9896430	2	3.5	2	4.5	0.0
9896432	1	2.8	1	3.8	0.0
9896435	13	44.9	13	57.4	0.0
9896437	10	23.9	10	33.6	0.0
9896442	640	2,179.7	582	2,630.4	58.0
9896443	748	4,573.2	675	5,135.3	73.0
9896445	326	1,521.4	296	1,736.2	30.0
9896446	459	2,589.6	417	2,928.6	42.0
9896448	666	5,557.6	615	6,029.6	51.0
989644A	19	257.5	20	276.9	-1.0
989652A	38	58.7			38.0
989657A	1	1.2	1	1.1	0.0
9896582	1	0.3			1.0
9896622	15	127.7			15.0
9896624	1	0.2			1.0
9896626	48	386.0			48.0
9896627	5	17.3			5.0
989667A	23	26.3			23.0
9896711	3	5.0			3.0
9896713	1	1.2			1.0
9896719	4	2.2			4.0
9896740	1	0.6			1.0
9896742	1	2.7			1.0
9896810	122	844.6	120	957.1	2.0
9896812	140	332.2	131	453.7	9.0
9896813	170	790.0	167	938.3	3.0
9896814	48	313.9	47	355.1	1.0

WINN SWITCH DATA- JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
9896815	36	120.3	37	144.8	-1.0
9896816	8	17.9	8	24.7	0.0
9896819	11	104.5	8	83.5	3.0
9896824	6	47.8	6	53.5	0.0
989684A	48	446.1			48.0
9896851	6	1.7			6.0
9896853	1	0.4			1.0
989686A	69	367.8			69.0
989687A	4	5.3			4.0
989689A	3	9.4			3.0
9896915	25	158.7			25.0
9896920	39	333.4			39.0
9896936	6	81.1			6.0
9896952	9	35.7			9.0
9896955	7	27.2			7.0
9896956	109	1,055.3			109.0
9896959	2	2.1			2.0
989698A	3	5.7			3.0
9897080	9	13.8	9	13.7	0.0
9897081	12	21.7	12	21.5	0.0
9897085	7	6.1	7	6.0	0.0
9897087	13	18.9	13	18.7	0.0
9897088	160	1,032.3	154	1,030.1	6.0
9897089	6	5.8	6	5.7	0.0
989709A	23	29.1	23	28.8	0.0
989714A	94	554.8	90	553.5	4.0
989720A	1	0.8	1	0.8	0.0
989723A	7	11.4	8	21.8	-1.0
989725A	8	22.4	8	29.1	0.0
9897274	7	102.4	7	109.1	0.0
989732A	1	14.1	1	14.0	0.0
9897332	1	0.3	1	1.2	0.0
9897335	1	0.9	1	1.8	0.0
9897339	3	2.9	3	5.7	0.0
9897347	1	5.3	1	6.3	0.0
9897366	1	0.1			1.0
989737A	2	13.3	1	0.6	1.0
989739A	6	52.7			6.0
9897433	2	2.3	2	3.2	0.0
9897434	1	0.2	1	0.2	0.0

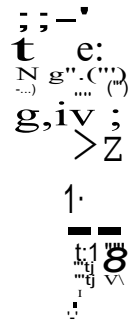
WINN SWITCH DATA- JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
9897435	2	2.9	2	4.8	0.0
9897460	12	110.5			12.0
989751A	129	627.0	127	625.3	2.0
989752A	34	31.8			34.0
989753A	71	68.9			71.0
989754A	32	62.5			32.0
989755A	17	7.2			17.0
9897580	3	4.0			3.0
9897584	2	1.8			2.0
9897591	1	0.0			1.0
9897621	14	175.4	13	169.5	1.0
9897625	57	222.4	53	265.1	4.0
9897628	1	2.5	1	3.4	0.0
9897629	12	4.1	12	15.6	0.0
989762A	1	10.0	1	10.9	0.0
989763A	2,546	9,880.6	2,335	9,726.5	211.0
9897704	2	0.6			2.0
9897705	49	413.8			49.0
9897709	2	38.1			2.0
9897710	21	27.4			21.0
9897715	1	0.1			1.0
9897719	4	0.5			4.0
9897760	3	3.0			3.0
9897762	2	1.0			2.0
9897764	52	67.6			52.0
9897765	3	1.7			3.0
9897766	2	5.7			2.0
9897769	30	86.1			30.0
989777A	37	58.2			37.0
989780A	1	0.6	1	0.6	0.0
989781A	97	419.0			97.0
9897852	1	2.0	1	2.9	0.0
9897854	1	0.8	1	1.7	0.0
9897865	1	0.6	1	1.6	0.0
989790A	45	32.5			45.0
989791A	37	66.1			37.0
989792A	64	224.9			64.0
989793A	50	68.6			50.0
989797A	16	47.7			16.0
989798A	3	7.8	3	7.8	0.0



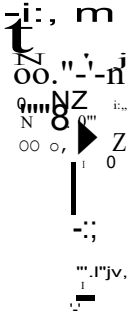
WINN SWITCH DATA- JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
989799A	78	185.7			78.0
989801A	2	0.5	2	0.5	0.0
9898020	196	746.3			196.0
9898025	2	0.8			2.0
989804A	5	19.2			5.0
989814A	1	1.3	1	1.3	0.0
9898213	4	2.6	4	6.5	0.0
9898216	2	1.2	2	3.1	0.0
989822A	4	4.6	3	4.5	1.0
9898233	1	1.7			1.0
9898237	2	0.8			2.0
9898238	2	0.7			2.0
989831A	103	587.7	102	670.3	1.0
989832A	261	828.2			261.0
9898342	2	8.5	2	10.4	0.0
9898345	31	251.5	30	280.3	1.0
989835A	106	510.6			106.0
989837A	186	967.8	26	386.9	160.0
9898382	28	361.9	6	40.7	22.0
9898384	6	34.9			6.0
989839A	244	2,571.8	53	502.9	191.0
9898421	58	454.5	83	663.1	-25.0
9898423	85	591.0	50	269.8	35.0
9898425	51	222.6	1	1.3	50.0
9898429	1	0.4			1.0
9898437	1	0.1			1.0
989845A	6	123.2			6.0
9898464	1	0.1			1.0
9898466	3	1.6	5	20.6	-2.0
9898472	5	18.8	11	16.9	-6.0
9898474	13	6.4	5	13.4	8.0
9898482	5	8.4	2	5.2	3.0
9898485	2	3.2	2	4.7	0.0
9898552	2	2.8	6	36.1	-4.0
9898553	6	30.3	1	14.3	5.0
9898563	1	13.3	7	45.5	-6.0
989857A	7	45.6	9	72.8	-2.0
9898580	9	72.9	33	62.0	-24.0
989859A	33	62.4	9	34.8	24.0
989860A	12	35.0	289	2,608.3	-277.0



WINN SWITCH DATA- JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
9898625	300	2,345.3	1	1.2	299.0
9898643	1	0.2			1.0
9898656	6	13.2			6.0
9898658	51	393.5			51.0
9898659	1	21.8	72	167.6	-71.0
989866A	87	192.6			87.0
9898683	2	4.6			2.0
9898684	1	0.8			1.0
9898689	1	3.9			1.0
989872A	5	9.5	4	13.3	1.0
9898733	9	148.5	9	157.4	0.0
9898734	6	78.1	6	84.1	0.0
9898735	6	72.9	5	61.1	1.0
9898736	9	85.6	9	94.6	0.0
9898752	79	463.3	78	523.8	1.0
9898753	20	56.6	20	75.9	0.0
9898754	40	227.5	38	261.1	2.0
9898755	1	0.1	1	1.1	0.0
9898756	5	6.9	5	11.7	0.0
9898757	20	109.2	20	128.4	0.0
9898758	5	14.0	5	16.8	0.0
9898832	5	96.4			5.0
9898919	5	9.1			5.0
989891A	1	5.5			1.0
989892A	54	182.2			54.0
989893A	169	802.0			169.0
989894A	9	32.2			9.0
989895A	29	88.1			29.0
9899064	5	34.0	5	33.9	0.0
9899151	2	3.6	2	3.6	0.0
9899152	20	343.2	20	342.9	0.0
9899159	4	4.7	4	4.6	0.0
9899170	1	0.1			1.0
989921A	39	25.6			39.0
989923A	7	30.5			7.0
989928A	13	35.5	10	20.5	3.0
9899424	1	1.8	1	1.8	0.0
9899640	2	2.3			2.0
9899644	4	5.9			4.0
989965A	62	82.3	61	81.5	1.0



WINN SWITCH DATA - JANUARY 1, 2006 TO MARCH			Verizon DATA		
NPANXX	MSG	MOU	MSG	MOU	
9899673	137	496.3	123	585.3	14.0
9899678	138	606.6	132	721.6	6.0
989967A	3	17.4	3	20.3	0.0
989968A	5	12.3	5	12.2	0.0
989980A	6	20.2	2	7.5	4.0
9899816	15	82.1	15	96.5	0.0
9899840	1	48.5			1.0
989992A	255	2,059.0	252	2,055.6	3.0
	810	1,146.0	3,011	9,471.9	-2,201.0
	78	52.8			78.0
6162120			1	0.2	-1.0
989275A			1	1.3	-1.0
989291A			1	1.3	-1.0
9898349			1	2.2	-1.0
	24,136	116,363.1	18,237	91,748.8	5,899.0
		Percent Difference			24.44%
		ITAC ADJ		6,518.0	
		Adjusted Minutes		85,230.8	



STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., to resolve a dispute with VERIZON NORTH, INC. and CONTEL OF THE SOUTH *d/bla* VERIZON NORTH SYSTEMS regarding measurement of usage and nonpayment of usage-based charges.	Case No. U-14905

EXHIBIT A-_(DFF-2)

Westphaliia Telephone Company

		Westphalia Data			Verizon Data		
Oen	Oen Name	MSG	MOU	CHARGE	MSG	MOU	CHARGE
0671	CENTURY TELEPHONE - MIDWEST, INC.		0.59	0.18		0:59	0.18
0681	VERIZON NORTH INC.-MI (ALLTEL)	3	1.78	0.68	3	1,78	0.68
0695	VERIZON NORTH INC.-MI	445	1,607.55	247.31	445	1,607,55	247.31
0702	CENTURY TELEPHONE OF MICHIGAN, JNC.	14	75.21	7.91	14	75.21	7.91
0732	UPPER PENINSULA TELEPHONE CO.	2	19.47	3.68	2	19.47	3,68
2224	CENTURYTEL WIRELESS, INC.-MI	2	2.03	0.54			
2281	CENTURY CELLUNET OF SOUTHERN MI CELLULAR LTD PRTNR	45	140.08	17.12			
2964	OMNIPOINT COMMUNICATIONS MIDWEST OPERATIONS LLC	63	89.28	17.58			
5654	KMC TELECOM V, INC. - MI	3	2.42	0.32			
6003	CELLCO PARTNERSHIP DBA VERIZON WIRELESS-MI	23	20.46	4.96			
6010	AT&T WIRELESS SERVICES, INC.	6	8.11	1.86			
6120	LEVEL 3 COMMUNICATIONS, LLC - MI	3	0.67	0.54			
553A	NEXTEL BOOST INVESTMENT, INC.		0.73	0.08			
6232	NEXTEL COMMUNICATIONS	140	287.83	47.62			
6629	CENTENNIAL MICHIANA LICENSE COMPANY LLC	27	117.36	15.64			
6630	ARCH WIRELESS HOLDINGS, INC.		0.21	0.18			
6718	THUMB CELLULAR LIMITED PARTNERSHIP		0.06	0.18			
691A	DAYSTARR		0.07	0.18			
6452	SPRINT SPECTRUM LP.- MI		4.31	0.8			
9323	AMERITECH MICHIGAN	64	278.85	43.61	64	278.85	43.61
9748	AMERITECH MOBILE SERVICES, INC.		0.77	0.08			
	Westphalia - Total of ITAC and Toll billed to end user by OCN:	847	2,657.80	411.05	529	1,983.43	303.37

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