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July 29, 2003

BY FEDERAL EXPRESS

Luly Massaro, Clerk
Public Utilities Commission
Division of Public Utilities & Carriers
89 Jefferson Boulevard
Warwick, RI 02888

Re: Verizon's Complaints Concerning Customer Transfer
Charges Imposed by TCG Rhode Island

Dear Ms. Massaro:

By this letter, Verizon Rhode Island hereby withdraws the Complaint Concerning Customer Transfer Charges Imposed by TCG Rhode Island, filed with the Division by letter dated July 17, 2003.

In addition, enclosed for filing -- with the Commission -- is an original and nine (9) copies of a new Complaint Concerning Customer Transfer Charges Imposed by TCG Rhode Island. Please docket the above Complaint as a Commission matter.

Thank you for your assistance.

Sincerely,

/s/Alexander W. Moore

Alexander W. Moore

Enclosures

cc: Jay E. Gruber, Esquire

John Spirito, Esquire

**COMPLAINT OF VERIZON RHODE ISLAND CONCERNING
CUSTOMER TRANSFER CHARGES IMPOSED BY TCG RHODE
ISLAND**

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July 29, 2003

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**COMPLAINT OF VERIZON RHODE ISLAND
CONCERNING CUSTOMER TRANSFER CHARGES
IMPOSED BY TCG RHODE ISLAND**

I. INTRODUCTION

In late 2002, TCG Rhode Island (“Teleport”) amended its tariff PUC No. 3 (“the Tariff”) to impose “Customer Transfer Charges” that apply “when a [Teleport] Local Customer is transferred from [Teleport] to an Incumbent Local Exchange Carrier” or, in some cases, to another CLEC. Verizon Rhode Island (“Verizon RI”) respectfully petitions the Commission pursuant to Rhode Island General Laws §§39-2-1, 39-3-11, 39-4-3 and 39-4-9¹ to open an investigation and, after hearing, find that the Customer Transfer Charges are unjust and unreasonable and enter an order invalidating such charges or fixing them at zero.

Through these charges, Teleport seeks to tax companies such as Verizon RI for competing successfully with Teleport and winning its customers. Since the tariffed charges do not reflect services provided by Teleport to Verizon RI at Verizon RI’s

¹ **R.I.G.L. §39-2-1** provides in part that, “The rate, toll or charge, or any joint rate made, exacted, demanded, or collected by any public utility ... for any telephone or telegraph message conveyed or for any served rendered or to be rendered in connection therewith, shall be reasonable and just, and every unjust or unreasonable charge for the service is prohibited and declared unlawful...”

R.I.G.L. §39-4-3 provides in part that, “Upon a written complaint made against any public utility ... by any corporation ... that any of the rates, tolls, charges or any joint rate or rates of any public utility are in any respect unreasonable or unjustly discriminatory ... the division shall proceed, with or without notice to make such investigation as it may deem necessary or convenient. But no order affecting the rates, tolls, charges, regulations, measurements, practice, act or service complained of shall be entered by the division without a formal public hearing.”

R.I.G.L. §39-4-9 provides that “If, upon a hearing and investigation had under the provisions of this chapter, the division shall find any existing rates, tolls, charges, or joint rate or rates of any public utility, to be unjust, unreasonable, insufficient, or unjustly discriminatory or to be preferential or otherwise in violation of any of the provisions of chapters 1 – 5 of this title, the division shall have power to fix and order a substitute therefore such rates, tolls, charges, or joint rates as shall be just and reasonable.”

request, they are anticompetitive both in intent and in effect. Moreover, by placing unreasonable barriers in the path of end-user customers who wish to switch carriers, the charges are also anti-consumer.

Rhode Island Gen. Laws §39-2-1 requires that the rates charged by public utilities, including Teleport, be reasonable and just, but there is simply no conceivable justification for the charges at issue here. According to the Tariff, Teleport's Customer Transfer Charge is supposed to "be equal to," or mirror, Verizon RI's current hot cut charge. Any appearance of symmetry and fairness that Teleport's "mirroring" provisions might create, however, is purely illusory. Since Verizon RI does not serve its retail customers using Teleport's network, Verizon RI neither needs nor requests a hot cut (or any other rearrangement of Teleport's network) when it wins a Teleport customer.² There is simply no wholesale service that Verizon RI requests or that Teleport performs *for Verizon RI* in connection with such a customer transfer. Any administrative costs that Teleport may incur in connection with the loss of its retail customer are properly assigned to its retail business, and do not provide an appropriate basis for a wholesale charge. Absent a cost-based connection with a legitimate wholesale function, Teleport's Customer Transfer Charge is simply a bare tax on competition.

² AT&T, Teleport's parent, has advised Verizon that the Customer Transfer Charges are aimed solely at customers served by Teleport through its own switch and Verizon's UNE loops (though the Tariff's language contains no such limitation). When such a customer switches from Verizon RI to Teleport, Verizon RI needs to perform a hot cut to establish a connection between the loop and Teleport's POT bay. If the customer later switches back to Verizon RI, Teleport would presumably release the loop and *Verizon RI* (not Teleport) would perform a "reverse hot cut" to re-establish a connection between the loop and Verizon RI's own switch port.

The \$600 “Expedite Charge” set forth in the Tariff even more clearly lacks any relationship to any costs that Teleport incurs on Verizon RI’s behalf. Indeed, Teleport cannot even attempt to justify this charge on the faulty rationale that its rate is based on an analogous Verizon RI rate, because Verizon RI does not charge extra to expedite a hot cut of a single DS0 facility.³ The blatantly excessive level of the Expedite Charge merely enhances the already anticompetitive features of the Tariff.

It is notable that when Teleport’s affiliates, TCG Delaware Valley, Inc. and TCG Pittsburgh, Inc., filed a similar tariff in Pennsylvania, the filings were promptly suspended by the Pennsylvania Public Utility Commission, which concluded that the situations of the TCG companies and Verizon’s affiliate were *not* symmetrical, and that the tariff “may result in a barrier to entry.”⁴

Accordingly, the Commission should immediately investigate the validity of Teleport’s Customer Transfer Charges, schedule the public hearing required by R.I.G.L. §§ 39-3-11 and 39-4-3, and thereafter enter an order invalidating the Customer Transfer Charges or reducing them to zero.⁵

³ Verizon RI’s charge for expediting hot cuts of multiple DSO lines is an additional \$2.99 per order for orders of 2 to 9 lines, and \$4.16 per order for 10 or more lines. *See* Verizon RI PUC Tariff No. 18, §5, part M, at 3. In a proceeding in New York similar to this one, AT&T has claimed that Teleport’s \$600 charge to expedite transfer of DS0 service was merely a clerical error that is being corrected, and that the actual charge in New York would be \$49. Verizon RI, however, is not aware of any effort by Teleport to correct the same error in the Tariff as filed in Rhode Island.

⁴ *See, e.g., Pennsylvania Public Utility Commission v. TCG Delaware Valley, Inc.*, Docket Number R-00027928, Order (December 19, 2002). The order gave TCG the option of withdrawing the tariff as an alternative to suspension and the commencement of an investigation. It is our understanding that TCG did withdraw the Pennsylvania tariffs following the issuance of the order.

⁵ This Complaint is submitted without prejudice to, and Verizon RI specifically reserves, any claim it may have that the Tariff, even if found valid by the Commission, may not be applied to Verizon RI under the provisions of its interconnection agreement with Teleport.

II. DISCUSSION

A. Background: The Customer Transfer Tariff

On November 6, 2002, Teleport filed an amendment to its “Dedicated Access Services” tariff, PUC No. 3, to add new §§3.5.5 - 3.5.8, relating to “Customer Transfer Charges.” These charges “apply when a [Teleport] Local Customer is transferred from [Teleport] to an Incumbent Local Exchange Carrier (ILEC) or to a Competitive Local Exchange Carrier (CLEC) that imposes charges similar to those imposed by the ILEC for activities related to Customer migration between carriers.”⁶ The Tariff does not state whether the charges are to be paid by the customer or by the new carrier, but Verizon RI understands from AT&T, Teleport’s parent, that it intends for the carrier to pay.

The Tariff repeatedly affirms Teleport’s intent to have the charges mirror ILEC charges. Thus, § 3.5.7(a) of the Tariff states that “Customer Transfer Charges apply per each DS-0 and DS-1 facility, *and will be equal to the New Service Request special access or UNE-loop charges applied by the dominant LEC.*” (Emphasis added). Section 3.5.8 of the Tariff, titled “Rates and Charges,” provides that, “Notwithstanding any other provision of this tariff, rates and charges in this Section may be increased by [Teleport] to an amount equal to the rate charged by the Incumbent LEC for similar such activities.”

Contrary to these mirroring provisions, however, the specific rates stated in the Tariff are *not* equal to “the New Service Request special access or UNE-loop charges applied by” Verizon RI. For example, the charge specified in the Tariff for “orders requesting the transfer of less than 100 telephone numbers or less than 100 DS-0

⁶ Tariff, § 3.5.6.

equivalents” is \$28.51 per DS0 facility where standard intervals are requested, and \$600 per facility for “expedited” service.⁷ In contrast, Verizon RI’s hot cut rate for a DS0 facility is \$41.46, and, as noted above, Verizon RI imposes no additional charge to expedite a hot cut of a single DS0 facility.⁸

This peculiar (and inconsistent) mixture of mirroring provisions and specific rates raises difficult tariff application questions. Do the mirror provisions apply or the specified rates? If the mirror provisions apply, what specific rates are to be mirrored? (For example, Verizon does not have any “customer transfer” charges as such.) As noted above, the Tariff does not even specify which party is responsible to pay the charges. One resolution of these issues would be to strike the Tariff simply on the grounds that as written, it is too vague to be applied. Indeed, the FCC has overturned tariffs on precisely this ground.⁹ If the Tariff is not struck down on these grounds, then its ambiguity raises questions as to whether the Tariff as written should even be interpreted to apply to

⁷ Tariff §3.6.8. Expedite charges apply “in instances where [Teleport] receives a Request to reduce the migration interval to less than the standard, published [Teleport] interval pertaining to expedites.” *Id.* § 3.5.7(c). Teleport’s charge for transferring DS1-level service is \$275 for the first facility (or \$600 where expedited service is requested), and \$165 for each additional facility. *Id.* §3.6.8.

⁸ Verizon RI’s “hot cut rate” is actually comprised of two and sometimes three separate rates -- a Service Connection – Central Office Wiring charge, a Service Connection-Other charge and, for orders for multiple lines, a Service Order charge.

⁹ See *Bell Atlantic – Delaware, Inc., et al. v. Global NAPs, Inc.*, File No. EB-00-MD-009, Memorandum Opinion and Order (rel. October 26, 2000), ¶¶ 22-25.

Verizon RI.¹⁰ The ambiguity of the Tariff and the manifest illegality of the charges warrant a ruling by the Commission that the Tariff is either unlawful *per se*, or that, at a minimum, it cannot lawfully be applied to Verizon RI.

Verizon RI is informed that the Tariff was filed without cost support of any kind. Indeed, when counsel for Verizon's New York affiliate called Teleport/AT&T's counsel to discuss this fact, he was informed that although cost studies had been prepared and purportedly supported the tariffed rates, Teleport would not provide Verizon with a copy of those studies. This is far from the rigorous, transparent "process" that Teleport's parent, AT&T, has frequently insisted upon in proceedings involving Verizon's rates for wholesale services.

¹⁰ In view of the dubious legality of the charges, the ambiguity of the Tariff language, and the fact that Teleport itself drafted the Tariff, the standard *contra proferentum* rule (interpretation against the party who drafted the document) should be applied to interpret the specified rate levels as merely illustrative, and the mirroring provisions as primary. Thus, application of the Tariff to Verizon RI would depend on whether (to quote the language of the Tariff) there are relevant "New Service Request special access or UNE-loop charges applied by" Verizon RI, and whether there are "rate[s] charged by the incumbent LEC *for similar such activities*." (Emphasis added.) However, as noted above, Verizon RI does not have "customer transfer" charges as such. Nor does Verizon RI charge Teleport for telephone number port-outs in connection with customer transfers. As a result, there is no Verizon RI rate to mirror and no Customer Transfer Charge to apply to Verizon RI under Teleport's Tariff. (To be sure, Verizon RI does impose hot cut charges and UNE loop charges when a CLEC seeks to use Verizon RI's network to serve a local exchange customer. But those rates apply only where Verizon RI provides services to and for the benefit of the requesting CLEC; the hot cut charge applies only when Verizon RI performs a hot cut to enable a CLEC to use a UNE loop owned by Verizon RI, and the recurring UNE loop charge applies only when the CLEC duly leases a Verizon RI loop. Thus, these Verizon RI rates are not imposed merely upon the loss of a customer to a CLEC and do not cast an image to be reflected in Teleport's "mirror" rates.)

Additionally, even if the Tariff provisions in question *were* interpreted to apply to Verizon RI, there would still remain the question of whether those provisions are supplanted, insofar as Verizon RI is concerned, by the provisions of the Verizon/Teleport interconnection agreement. Verizon RI does not seek to resolve that issue here and reserves its rights to pursue it in an appropriate proceeding.

Although Teleport apparently serves its end-user customers in at least three different ways — through the exclusive use of its own facilities, through UNE-L arrangements (combined with the use of its own switching facilities), and to a lesser extent through UNE-P — AT&T has stated in the New York proceeding that the Tariff applies only in UNE-L situations, a fact that would appear to be confirmed by the mirroring of Verizon RI’s hot cut charge. Nevertheless, it is noteworthy that this purportedly cost-based tariff does not explicitly exclude transfers of UNE-P customers or customers using only Teleport’s facilities, but rather is based solely on the number of telephone numbers or lines that are “transferred.”

B. The Governing Legal Standard

Under R.I. Gen. Laws § 39-2-1, “The rate, toll or charge, or any joint rate made, exacted, demanded, or collected by any public utility ... for any telephone or telegraph message conveyed or for any served rendered or to be rendered in connection therewith, shall be reasonable and just, and every unjust or unreasonable charge for the service is prohibited and declared unlawful....” In applying this standard here, Teleport’s Customer Transfer Charges should be entitled to no greater deference than that afforded Verizon RI’s wholesale rate filings. Although the Commission has generally subjected CLECs’ *retail* rates and tariffs to little substantive review, the rationale for such a practice — the competitive nature of the services offered and the non-dominant nature of the carrier — does not apply here, where Teleport essentially wields monopoly power. Verizon RI and other competitors of Teleport literally have no other place to go to obtain the “release” of

a Teleport customer who wishes to transfer to another carrier.¹¹ In that limited domain, Teleport is a, indeed *the*, dominant carrier, and it cannot be allowed to use the market power that accrues to that status to disadvantage its competitors or obstruct an end-user's decision to change carriers. Whatever a CLEC's *retail* market share, it is the only game in town insofar as the "release" of a customer who wishes to change carriers is concerned. Thus, any wholesale charges a CLEC wishes to impose on the transfer of its customer to another carrier can only be justified by the costs the CLEC reasonably incurs in providing services to the other carrier in connection with the transfer. Charges greater than those based on cost would impose artificial barriers to the migration of local exchange customers among carriers, to the detriment of competition.

Teleport's Customer Transfer Charges cannot be deemed just and reasonable under these standards. Although the Charges are intended to be based on and tied to Verizon RI's hot cut rates, Teleport *does not actually perform a hot cut* when one of its local customers switches to Verizon RI. Nor does Teleport provide any other services to Verizon RI with respect to such a transfer. Accordingly, Teleport incurs no costs chargeable to Verizon RI as part of the transfer, and the only reasonable and just Customer Transfer Charge is zero.

¹¹ Although the end-user customer obviously does not need Teleport's consent to switch to another carrier, Teleport can obstruct the transfer by delaying release of a ported number or, as here, by imposing unwarranted charges on the acquiring carrier. Thus, "release," in this context, primarily means acquiescence in, and cooperation and non-interference with, the transfer process.

C. Teleport’s Customer Transfer Charge Is Not Analogous To Verizon RI’s Hot Cut Charge, In That Teleport Provides No Services To Verizon RI When A Customer Switches From Teleport To Verizon RI.

Teleport’s Customer Transfer Charges are designed to “mirror” Verizon RI’s hot cut rates. Teleport apparently seeks to justify those Charges on the grounds that they are similar in nature to Verizon RI’s hot cut charges. That analogy is ill-conceived and is contradicted by the facts. The circumstances underlying Verizon RI’s hot cut charge bear no relationship to those surrounding the transfer of a customer from Teleport to Verizon. Simply put, Verizon RI charges a hot cut fee for services it performs at the request and for the benefit of a CLEC, such as Teleport, whereas Teleport performs no services for Verizon RI when one of its customers switches to Verizon RI.

Verizon RI performs a hot cut, and imposes the associated charge on a CLEC, on request, generally when a Verizon RI end-user customer switches to a CLEC that intends to serve the customer through a UNE-L arrangement and elects to use an already-working local loop. The charge is, in effect, a non-recurring service provisioning charge that is incurred in connection with the CLEC’s use of a Verizon RI network facility — an unbundled, two-wire analog loop. The underlying costs are incurred in order to connect the CLEC to the Verizon RI facilities that it wishes to use. If Verizon RI did not provide a hot cut service, the CLEC would not be able to serve its new customer: (a) with the same loop as was being used by Verizon, and (b) without a significant interruption in service.

Verizon RI, in contrast, does not seek to use Teleport’s network facilities to serve the customers that it wins from Teleport. This fact creates a fundamental asymmetry

between the situation that exists when a Verizon RI retail customer switches to Teleport, and the one that exists when a Teleport retail customer switches to Verizon RI. The physical work of transferring the customer to Verizon RI's switching facilities is done entirely *by* Verizon RI, *on* Verizon RI's network. Verizon RI is not asking Teleport to connect circuits, disconnect them, or rearrange its network in any way. Verizon RI, in short, is not utilizing Teleport's network and is not requesting (or receiving) any hot-cut service from Teleport. There is thus no basis for imposing a hot cut charge.

Indeed, the Tariff does not purport to identify *any* service that Teleport is providing to Verizon RI. The charges are triggered simply “when a [Teleport] local customer is transferred from [Teleport] to an Incumbent Local Exchange Carrier (ILEC).” But the transfer of a customer is an event, not a service. Verizon RI's hot cut charge is not a charge for a “customer transfer;” it is a charge for performing a hot cut and giving Teleport access to Verizon RI's loop. Teleport provides no such service to Verizon RI.¹²

Absent a linkage to a requested wholesale service, there is no basis for Teleport to impose *any* charge on Verizon RI. The Customer Transfer Charge is nothing less than a tax on successful competition— a tax that at best is contrary to Rhode Island's pro-competitive policies and at worst is unlawful.

¹² Moreover, because the Tariff as written does not distinguish among the varying ways in which Teleport may have been providing services to its customer (UNE-L, UNE-P, full Teleport facilities), it would impose Customer Transfer Charges in circumstances in which not even Teleport could argue that it provides services to Verizon RI, for example when a UNE-P customer of Teleport transfers to Verizon RI.

D. The Actions That Teleport Takes Upon Notice That Its Customer Is Switching Carriers Do Not Justify The Charges At Issue Here.

In the New York proceeding, AT&T has sought to justify Teleport's Customer Transfer Charges by identifying a number of tasks that Teleport supposedly performs when one of its customers switches to Verizon. But AT&T's argument misses the point, which is that these tasks are not performed as part of any service provided by Teleport to Verizon, and thus cannot justify the imposition of wholesale charges.

Little if any work is required of a CLEC in order to affect a transfer of a UNE-L customer to Verizon RI. Prior to the transfer, the customer is served by an unbundled Verizon RI loop that is connected, through a Verizon RI distribution frame, to the CLEC's POT Bay (and, from there, to a CLEC local switch). In order to shift the customer to Verizon RI, the connection between the loop and the POT Bay must be broken, and a new connection must be established at the frame between the loop and a port on a Verizon RI local switch. This physical work involved in disconnecting and re-connecting the circuits is performed by *Verizon RI*, and *not* by the CLEC.

Moreover, detailed coordination between Verizon RI and the CLEC — which is an essential part of the hot cut process by which a customer is transferred *from* Verizon RI *to* a CLEC — is unnecessary in the transfer of a CLEC UNE-L customer to Verizon RI. In a hot cut, Verizon/CLEC coordination is necessary both to ensure that CLEC dial tone is present when the loop is cut over, and to ensure that the customer's number is ported at or shortly after the cut over. Such coordination prevents any significant interruption in the customer's ability to make and receive calls. However, when the customer is transferred from a CLEC switch to a Verizon RI switch, the new dial tone is

being provided by Verizon RI. Verizon RI is also the carrier that sends NPAC the final notification to port the customer's number. Thus, all three criteria for the successful establishment of new service — physical cut-over, dial tone availability, and number porting — are within the control of a single entity: Verizon RI. The only coordination that is necessary to ensure continuity of service is thus coordination *within Verizon RI itself*.

The CLEC's role in the transfer process is minimal. Principally, it receives and must confirm the LSR that Verizon sends to notify the CLEC that the customer will be transferred along with his or her number. Sometime prior to the cut-over — and prior to the issuance of the final number-port order by Verizon RI — the CLEC must authorize NPAC to release the number. These and a few other simple, administrative tasks represent all that the CLEC is required to do to ensure a successful transfer of a UNE-L customer to Verizon RI retail service.¹³

No customer transfer charge can be justified merely on the basis that Teleport must authorize NPAC to release the customer's number. The FCC has made it clear that such costs are properly classified as “customer-specific costs directly related to providing number portability,” and that the FCC has exclusive regulatory jurisdiction over rates set

¹³ Of course, the CLEC will also be required to take steps necessary to ensure that future calls to the customer's number will be routed to Verizon's switch, and not to its own switch. But this is identical to the number portability responsibilities of all carriers. It is a general, FCC requirement and not a unique responsibility of the transferring CLEC, and it certainly does not warrant the imposition of a customer transfer charge.

to recover such costs. Thus, such costs may not be recovered through tariffed intrastate charges such as those at issue here.¹⁴

Moreover, these minimal number portability tasks are, in essence, the same ones that Verizon RI performs when one of its retail customers transfers to a fully facility-based CLEC — *i.e.*, to one that utilizes its own loop and switching facilities. *In such cases, Verizon RI imposes no charges whatsoever on the CLEC.* Thus, if Teleport merely seeks to impose the same charges as Verizon RI imposes, for equivalent functions, then its Customer Transfer Charges should be set at zero.

To be sure, Teleport may choose to do more than merely facilitate the porting of the customer's number. It may, for example, choose to move, connect, disconnect, or rearrange facilities on its own network in order to ensure that it will be able to re-use, for the benefit of another retail customer, the switch ports and other network equipment that were previously used to provide service to the transferred customer. It may also wish to update its databases, billing systems, and switch translations to reflect the customer's departure. It may even decide to alert its marketing department so that it can attempt to win back the customer. All of these steps, however, are taken by Teleport for its own benefit, and in support of its retail business. The associated costs are classic retail costs, which should be recovered, if at all, through retail charges. Verizon RI does not ask

¹⁴ See *Telephone Number Portability*, CC Docket No. 95-116, Third Report and Order, 13 FCC Rcd 11701 (rel. May 12, 1998), ¶¶ 28, 29, 38, 72; *Telephone Number Portability*, CC Docket No. 95-116, Memorandum Opinion and Order on Reconsideration and Order on Application for Review, 17 FCC Rcd 2578 (rel. February 15, 2002), ¶¶ 9-12.

Teleport to undertake these steps, and they cannot be characterized as wholesale services provided to Verizon RI.¹⁵

This is the fundamental distinction between the transfer of a customer *from* Verizon RI *to* a UNE-L CLEC such as Teleport, and the transfer of a customer in the opposite direction. When a customer transfers *from* Verizon RI, Teleport requests a hot cut, which is necessary to transfer the customer's service. Verizon RI must coordinate the hot cut work with Teleport in order to ensure the continuity of the customer's service. The costs of the hot cut are incurred by Verizon RI in order to provide Teleport with access to one of Verizon RI's network elements — the unbundled loop — and Verizon RI's right to recover such costs is guaranteed by § 252(d) of the Telecommunications Act of 1996. All of these facts make it appropriate for Verizon RI to impose wholesale charges on Teleport, or any other CLEC, in order to recover the costs associated with the hot cut.

None of these factors is present in the case of a UNE-L customer transferring from Teleport to Verizon RI. Verizon RI does not ask Teleport to rearrange its network during or after the transfer, and Verizon RI is completely indifferent as to whether such rearrangements occur. Teleport's work need not be coordinated with the work being performed by Verizon RI. The work that Teleport may perform on its own network is not necessary to transfer the customer or to give Verizon RI access to any elements of

¹⁵ The LSR that Verizon RI submits to Teleport does not ask Teleport to perform such work. Under the circumstances at issue here, Verizon RI submits a "Loop Service with Number Portability" LSR form that merely requests that Teleport authorize NPAC to port the number when Verizon RI submits its port request. Whether Teleport rearranges its own network is of no interest or consequence to Verizon RI.

Teleport's network (because Verizon RI does not use any elements of Teleport's network to provide service to Verizon RI's own customers.) There is thus no basis for treating the work performed by Teleport as a wholesale service, or for imposing wholesale charges on Verizon RI in order to recover the costs associated with that work. Stated simply, Teleport does not sell and Verizon RI does not request, purchase, or need any "wholesale" services from Teleport in connection with the transfer.

III. SUMMARY AND CONCLUSION

As demonstrated above, Teleport provides no services to Verizon RI in connection with the transfer of a Teleport customer to Verizon RI, and Teleport cannot impose a charge for the bare event of a "customer transfer." Teleport's Customer Transfer Charges thus violate the "reasonable and just" standard of R.I.G.L. §39-2-1. Accordingly, the Commission should issue an order eliminating the Customer Transfer Charges from the Tariff or "fixing" them at zero.

VERIZON RHODE ISLAND

By its attorney,

/s/Alexander W. Moore

Bruce P. Beausejour

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Dated: July 29, 2003