

In August 2010 (for July 2010 traffic), Verizon began disputing tariffed switched access charges on IP-originated and IP-terminated traffic assessed by approximately 40 companies.² Verizon disputed these charges from providers with whom **[BEGIN CONFIDENTIAL]** xxxxxxxx xxxxxx xxxxxxxxxx xxxx xxxx x xx xxxxxxxx xxxxxxxx xxx xxxxxx xxxxxxx xx xxxxxxxxxx xxxxxxx xxxxxxxx **[END CONFIDENTIAL]** on IP-originated or IP-terminated traffic. See confidential attachment VZ 1-VZ 11 which breaks down Verizon's VoIP disputes by state and by provider.

Also, Verizon can identify some of the VoIP traffic terminating to its LEC affiliates by identifying the companies that have withheld payment from Verizon's LECs based on the IP-originated nature of the traffic they originate or handle. Verizon has been the subject of various disputes in which other companies have disputed charges on the grounds that the traffic they send to Verizon's LEC affiliates is originated on VoIP networks – either on the providers' own VoIP network or on their customers' VoIP networks. Companies that are currently disputing or that have in the past disputed and withheld charges from Verizon's operating companies on IP-originated traffic include **[BEGIN CONFIDENTIAL]** xxxxxxx xxxxxx xxxxxxxxxxxxxxxxxxxx xxxxxxx xxxxxx xxxxxxxxxxxxxxxxxxxx xxx xxxxxxxxxxxxxxxxxxxx xxxxxxx xxxxxxxx xx xxxxxxxxxxxxxxxxxxxx xxxxxxxxxxx xxxxxx xxxxxxxxxxxxxxxxxxxx xxxxxx xxxxxxx xxxxxx xx xxxxxxxxxxxxxxxxxxxx xxx xxxxxxxx. **[END CONFIDENTIAL]** With respect to the companies that are wholesale carriers, there is no reliable way for Verizon to systematically identify the VoIP providers on whose behalf these long distance companies are delivering traffic.

- 2. For each carrier identified in Interrogatory No. 1, please identify each state in which the identified carrier operates.

RESPONSE: See confidential attachment VZ 1-VZ 11 which breaks down Verizon's VoIP disputes by state and by provider.

- 3. For each carrier identified in Interrogatory No. 1, has Verizon ceased payment of intrastate interexchange access charges to that carrier?

RESPONSE: Verizon has ceased fully paying invoices those carriers have sent to the extent they attempt to assess switched access charges on VoIP traffic, but has continued to provide compensation to all of those carriers pending negotiation of commercial agreements setting forth the mutual terms for the

² By initiating disputes at that time, Verizon was catching up to other providers (discussed below) that had already been resisting payment of tariffed charges on VoIP traffic. Verizon's decision was made in the wake of two federal district court decisions that (i) confirmed previous decisions finding that VoIP is jurisdictionally interstate service and (ii) specifically held that tariffed intrastate switched access charges do not apply to VoIP traffic. Verizon found that it was being negatively affected by asymmetrical arbitrage activity (described in response to Interrogatory No. 3) whereby many VoIP providers avoided paying switched access charges to Verizon while simultaneously seeking to assess access charges on VoIP traffic that Verizon was sending to them.

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Docket No. 110056-TP - Verizon Response to Staff Interrogatory No. 1:

Below is a list of states for VoIP disputes initiated by Verizon which include traffic the provider has rated as "intrastate." (Source: July invoices to MCI Communications Inc.):

THIS DOCUMENT CONSISTS OF A TOTAL OF 11 PAGES – VZ 1–VZ 11

ENTIRE DOCUMENT IS CONFIDENTIAL
