THOMPSON HINE BRUSSELS CINCINNATI CLEVELAND COLUMBUS DAYTON WASHINGTON, D.C.

August 7, 2002

Via Hand Delivery

Ms. Daisy Crockron
Chief of Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

RE: In the Matter of the Petition of Global NAPs Ohio, Inc. for Arbitration Pursuant to Section 252 of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Verizon North Inc. f/k/a GTE North Incorporated, PUCO Case No. 02-876-TP-ARB

Dear Ms. Crockron:

Enclosed are an original and fifteen (15) copies of a Reply to the Exceptions of Global NAPs, Inc., to be filed in the above referenced matter on behalf of Verizon North Inc.

Thank you for your attention to this matter. Please contact me if you have any questions.

Very truly yours,

Thomas E. Lodge

Thomas E. Lodge

Enclosure

cc: Kelly L. Faglioni, Esq. – Hunton & Williams
Edward P. Noonan, Esq. – Hunton & Williams
A. Randall Vogelzang, Esq. – Verizon Services Group
Arbitration Panel

Tom.Lodge@ThompsonHine.com Fax 614.469.3361 Phone 614.469.3246

cw 328199

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

Petition of Global NAPs Ohio, Inc. for Arbitration Pursuant to Section 252 of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Verizon North Inc. f/k/a GTE North Incorporated	))))))	**Case No. 02-876-TP-ARB**

REPLY OF VERIZON NORTH INC. TO THE EXCEPTIONS OF GLOBAL NAPS, INC.

Pursuant to the procedural schedule established by the Arbitration Panel and the parties' agreement to extend the filing deadline for the Replies to the Exceptions of the Arbitration Panel Report, Verizon North Inc. ("Verizon") submits its Reply to the Exceptions of Global NAPs, Inc. ("Global") to the July 22, 2002 Arbitration Panel Report.

Global filed exceptions to the Arbitration Panel Report as it relates to Issues 1, 2 and 4. In its Exceptions, Global makes two types of arguments. First, Global incorrectly claims that the *Virginia Arbitration Order*[1] requires the Panel to reconsider and change its recommendation to the Public Utilities Commission of Ohio ("Commission"). Global attaches dispositive significance to the *Virginia Arbitration Order* that it does not merit. Second, Global simply repeats the same arguments the Panel already considered and rejected after conducting a hearing and reviewing the parties' testimony and pleadings. The Panel again should reject Global's repeated arguments as unpersuasive and contrary to applicable law and Commission precedent.

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[1] *In the Matter of Petition of WorldCom, Inc., Cox Virginia Telcom, Inc., and AT&T Communications of Virginia Inc., Pursuant Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc.*, CC Docket Nos. 00-218, 00-249, 00-251, DA 02-1731, Memorandum Opinion and Order (rel. July 17, 2002) ("*Virginia Arbitration Order*").

The *Virginia Arbitration Order* was issued by the Wireline Competition Bureau ("Bureau") of the Federal Communication Commission ("FCC"), and not the full FCC.[2] The Bureau was acting in the "stead of the Virginia State Corporation Commission"[3] ("Virginia SCC") because the Virginia SCC refused to assume jurisdiction under federal law.[4] The Bureau emphasized that it "largely restricted [itself] to addressing the issues and the contract language that the parties have directly placed at issue"[5] before the Bureau. Thus, while there are similarities with some of the issues before this Commission in this proceeding, the Bureau's decision, which is not yet final, was limited to the different contract proposals submitted by the parties. The Commission should reject Global's attempt to rely on the *Virginia Arbitration Order* for the reasons that are discussed more fully below.

I. Neither the *Virginia Arbitration Order* Nor Global's Repeated Arguments Require Reconsideration Or Alteration Of The Arbitration Panel Report As It Relates To Global's Right To Select A Single Physical Point Of Interconnection (Issue 1).

As Verizon has repeatedly clarified, and the Panel has recognized, the parties do not dispute Global's ability to select a single physical point of interconnection. Verizon's proposed contract language allows Global to do so. As Verizon explained in its Exceptions, the real dispute between the parties relates to the fact that Global's proposed contract language (i) mistakenly refers to the Network Interface Device, which has nothing to do with the parties' physical point of interconnection and (ii) fails to clarify, consistent with federal law, that Global

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[2] *See id.*¶¶ 6-7. The Bureau's Order was issued in a consolidated arbitration proceeding initiated by AT&T Communications of Virginia, Inc., WorldCom, Inc., and Cox Virginia Telcom, Inc. (collectively, the "Petitioners"), seeking interconnection agreements with Verizon Virginia Inc. ("Verizon VA").

[3] *Id.* ¶ 1.

[4] *Id.* ¶ 6.

[5] *Id.* ¶ 35.

must interconnect at any technically feasible point ***on Verizon's network***.[6] Accordingly, the Panel should recommend adoption of Verizon's proposed Glossary § 2.66 and Interconnection Attachment § 2.1. Nothing in the *Virginia Arbitration Order* or Global's repeated arguments require a different result.

In addition to the contract sections related to the single POI issue (Issue 1), Global again summarily asserts that the Panel should recommend adoption of a laundry list of Global's proposed contract language unrelated to the single POI issue.[7] Global, however, has provided this Commission with no explanation to support this laundry list of unrelated contract language. To the contrary, in Verizon's Response, pre-filed testimony, and post-hearing brief, Verizon explained how its contract proposals -- whether or not related to Issue 1 -- are consistent with applicable law or industry standards, and the Panel should recommend their adoption.

II. Neither the *Virginia Arbitration Order* Nor Global's Repeated Arguments Require Reconsideration Or Alteration Of The Arbitration Panel Report As It Relates To Allocation Of Financial Responsibility Associated With Global's Designation Of A Single Physical Point Of Interconnection (Issue 2).

After spending an inordinate amount of time discussing the undisputed single POI issue, Global claims that "the FCC issued a definitive recitation of the relevant federal law" that favors adoption of Global's contract proposals related to allocation of financial responsibility associated with Global's designation of a single point of interconnection in this proceeding. The *Virginia Arbitration Order* is not "definitive" authority that controls the Commission's resolution of Issue 2.

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[6] *See* Verizon Exceptions at 1-2; Verizon Post-Hearing Br. at 6-7; Verizon Ex. 6 at 3-4 (all discussing Global Glossary § 2.66, Interconnection Attachment § 2.1).

[7] *See* Global Exceptions at 7 (listing Glossary §§ 2.45, 2.66, Interconnection Attachment §§ 2.1, 2.1.2, 2.3, 2.4, 3, 5.2.2, 5.3, and 7.1.1). As noted by Verizon in other pleadings, Global also asserted that Interconnection Attachment §§ 2.3 and 2.4 were related to Issue 7 (two-way trunking) and Interconnection Attachment § 7.1.1 to Issue 2 (financial responsibility for choice of POI).

First, as noted above, the *Virginia Arbitration Order* was not issued by the FCC, but rather by the Bureau. Indeed, the Bureau's decision is subject to review by the full Commission, and is therefore not yet final.[8] Second, the Bureau's decision fails to address or to distinguish relevant FCC decisions, which favor Verizon's position, not Global's. To start, the *Virginia Arbitration Order* never addresses the FCC's holding in the *Local Competition Order* that "a requesting carrier that wishes a 'technically feasible' but expensive interconnection would, pursuant to section 252(d)(1), be required to bear the cost of that interconnection, including a reasonable profit."[9] The FCC has relied on this very passage in arguing in court that an incumbent LEC may "obtain additional compensation if a specific request for interconnection warrants it."[10] The Bureau's failure, in the *Virginia Arbitration Order*, to address ¶ 199 and the FCC's prior interpretation of that paragraph is especially noteworthy because the Bureau found that "Verizon raises serious concerns about the apportionment of costs caused by a competitive LEC's choice of points of interconnection."[11]

Moreover, the Bureau acknowledged that, in approving Verizon's section 271 application in Pennsylvania, the FCC itself "declined to find that policies similar to GRIPs and VGRIPs violated the Act."[12] The Bureau nonetheless concluded that the "*Pennsylvania 271 Order* is not determinative of the question we address here, which is whether Verizon's or petitioners'

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[8] *See* 47 C.F.R. § 1.115(a).

[9] *In re Implementation of the Local Competition Provision in the Telecommunications Act of 1996, First Report and Order*, 11 FCC Rcd. 15499 (1996) *("Local Competition Order")* ¶ 199.

[10] Memorandum of the FCC as *Amicus Curiae*, US WEST Communications v. AT&T Communications of the Pacific Northwest, No. CV 97-1575 JE (D. Ore.), Aug. 16, 2000, pp. 21-22.

[11] *Virginia Arbitration Order* ¶ 54. The Bureau similarly fails to address the FCC's statement that, "because competing carriers must usually compensate incumbent LECs for the additional costs incurred by providing interconnection, competitors have an incentive to make economically efficient decisions about where to interconnect." *Local Competition Order* ¶ 209.

[12] *Virginia Arbitration Order* ¶ 53 n.123.

language is more consistent with the Act and our rules," because the FCC has not "required that all 'new and unresolved interpretive disputes about the precise content of an incumbent LEC's obligations' be resolved in a Bell Operating Company's (BOC) favor in order for the BOC's section 271 application to be granted."[13] The FCC, however, resolved this issue *in Verizon's favor* in the *Pennsylvania 271 Order*.[14] Although it noted that Verizon would have to comply with any new rules adopted in its *Intercarrier Compensation NPRM*,[15] it expressly found that "Verizon's policies *do not represent a violation of our existing rules*."[16]

The Bureau, a subordinate body within the FCC, attempted to ascertain which parties' competing proposals the FCC would find is "more consistent" with federal law.[17] Given the Bureau's failure to grapple with the FCC's recognition that CLECs must bear the cost of "expensive" interconnection choices, its conclusion that the CLECs' "proposed language more closely conforms to our existing rules and precedent than do Verizon's proposals" is wrong and should not control here.[18] The Bureau did not find that Verizon's proposal was inconsistent with

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[13] *Virginia Arbitration Order* ¶ 53 n.123 (quoting *Joint Application by SBC Communications Inc., et al., for Provision of In-Region, InterLATA Services in Kansas and Oklahoma*, 16 FCC Rcd 6237 ¶ 19 ("*Kansas/Oklahoma 271 Order*"), *aff'd in part and remanded, Sprint Communications Co. v. FCC*, 274 F.3d 549 (D.C. Cir. 2001).

[14] *In the Matter of Verizon Pennsylvania Inc., Verizon Long Distance, Verizon Enterprise Solutions, Verizon Global Networks, Inc. and Verizon Select Services, Inc. for Authorization to Provide In-Region InterLATA Services in Pennsylvania,* Memorandum Opinion and Order, CC Docket No. 01-328, FCC 01-209 ¶ 100 ("*Pennsylvania 271 Order*") (Sept. 21, 2001).

[15] Notice of Proposed Rulemaking, *Developing a Unified Intercarrier Compensation Regime*, 16 FCC Rcd 9610 (2001) ("*Intercarrier Compensation NPRM*").

[16] *Pennsylvania 271 Order* ¶ 100 & n.346 (emphasis added).

[17] Verizon notes that the Bureau stopped well short of Global's claim here, which is that Verizon's VGRIP proposal is contrary to federal law and the FCC's rules. Indeed, Global's claim is squarely precluded by the FCC's holding in the *Pennsylvania 271 Order*.

[18] *Virginia Arbitration Order* ¶ 53.

the Act or applicable federal law.[19] Accordingly, this Commission's choice between the two proposals should be guided by its own past decisions on this matter and by the Third Circuit's conclusion that, "[t]o the extent . . . [a CLEC's] decision on interconnection points may prove more expensive to Verizon, the PUC should consider shifting costs to [that CLEC]."[20]

In light of the fact that neither the FCC nor the Bureau has found that Verizon's proposal *violates* FCC rules, this Commission should not ignore Ohio rules and precedent. Neither the Bureau nor the FCC considered the impact of Virginia law in the *Virginia Arbitration Order* and they certainly did not consider the impact of Ohio law on resolution of this issue in this arbitration. The Commission has addressed the issue and decided that an interconnecting carrier should be responsible financially for the facilities used in "long haul calls."[21] This Commission, consistent with ¶¶ 109 and 209 of the *Local Competition Order* and *MCI Telecommunications Corp.*,[22] held that "long haul calls" result in additional transport facility obligations that a carrier

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[19] *See id.* Global also contends that Verizon's VGRIP proposal is a *per se* violation of § 253 of the Act. *See* Global Exceptions at 5 n.5. Again, Global overstates its case. In fact, the FCC has specifically held that Verizon's interconnection proposal does not violate the Act. *See Pennsylvania 271 Order* ¶ 100 ("We find, therefore, that Verizon complies with the clear requirement of our rules, i.e., that incumbent LECs provide for a single physical point of interconnection per LATA. Because the issue is open in our Intercarrier Compensation NPRM, we cannot find that Verizon's policies in regard to the financial responsibility for interconnection facilities fail to comply with its obligations under the Act").

[20] *MCI Telecommunications Corp. v. Bell Atlantic Pennsylvania*, 271 F.3d 491, 518 (3d Cir. 2001) (citing *Local Competition Order* ¶ 209).

[21] *In the Matter of the Petition of Global NAPs, Inc. for Arbitration of Interconnection Rates, Terms and Conditions and Related Arrangements with United Telephone Company dba Sprint and Ameritech Ohio*, Arbitration Award, Case Nos. 01-2811-TP-ARB and 01-3096-TP-ARB (May 9, 2002) ("*GNAPs Consolidated Arbitration*"). On July 18, 2002, the Commission denied Global's application for rehearing of the *GNAPs Consolidated Arbitration*. *In the Matter of the Petition of Global NAPs, Inc. for Arbitration of Interconnection Rates, Terms and Conditions and Related Arrangements with United Telephone Company dba Sprint and Ameritech Ohio*, Entry on Rehearing, Case Nos. 01-2811-TP-ARB and 01-3096-TP-ARB (July 18, 2002) ("*Entry on Rehearing*"). *See also In the Matter of the Commission Investigation Relative to the Establishment of Local Exchange Competition and Other Related Matters*, Case No. 95-845-TP-COI (Appendix A, Entry on Rehearing issued February 20, 1997).

[22] *See supra* note 20.

should not have to bear without compensation.[23] As discussed by Verizon in its pleadings, for "long haul calls," Global is faced with the choice of paying Verizon to use its network or providing the transport facilities itself. Of the two carriers' proposals in this proceeding, Verizon's is the most fair and efficient proposal and it is consistent with applicable federal and Ohio law.

Global's contract language in this proceeding is different from the proposals offered by the various Petitioners in the *Virginia Arbitration Order*. Contrary to Global's position in this proceeding, the Petitioners in the *Virginia Arbitration Order* recognized that Verizon may deliver its originating traffic to a point that is different from where the CLECs would deliver their originating traffic.[24] In addition, the Bureau recognized that "although it is true that the statute permits competitive LECs to choose where they may deliver their traffic to the incumbent, carriers do not always deliver originating traffic and receive terminating traffic at the same place."[25] The Bureau emphasized that the single POI rules benefits a CLEC by allowing it to "interconnect for delivery of *its* traffic to the incumbent LEC network at a single point"[26] and that this rule "does not prevent the parties from agreeing that the incumbent may deliver its traffic to a different point or additional points that are more convenient for it."[27] Before this Commission, however, Global has steadfastly refused to recognize that Verizon may deliver traffic to a point that is different from where Global would deliver its originating traffic.

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[23] *See Entry on Rehearing* at 2-4; *GNAPs Consolidated Arbitration* at 5-7.

[24] *See Virginia Arbitration Order* ¶ 71.

[25] *Id.*

[26] *Id.* (emphasis in original).

[27] *Id.*

The Commission's past decisions and local rules -- neither of which were factors in the Bureau's decision -- favor adoption of Verizon's proposed contract language as recognized in the Arbitration Panel Report. Global provides no authoritative or persuasive basis for changing the Panel's recommendation on this issue.

III. Neither the *Virginia Arbitration Order* Nor Global's Repeated Arguments Provide Any Basis For Disregarding The Commission's Rules Requiring Use Of ILEC Calling Areas To Distinguish Local and Toll Calls For Purposes Of Intercarrier Compensation (Issue 4).

Under state and federal law, intercarrier compensation is determined with reference to the actual originating and terminating points of the complete end-to-end communication and not by reference to the assigned NPA-NXX code. Although the NPA-NXX code is a tool that carriers' billing systems may use to ascertain the end points of a call, neither federal nor state law requires that this "tool" become the unrebuttable standard by which to judge the call's jurisdiction and resulting intercarrier compensation. To the contrary, both federal and Ohio law require carriers to look behind the NPA-NXX to the actual originating and terminating points of the call to determine intercarrier compensation. In connection with Issue 4, Global has argued that the assigned NPA-NXX should be determinative of the end points of the call, despite its admission that it routinely assigns NPA-NXX's to customers who are not located within the rate center to which the NPA-NXX is assigned.

Global's argument confuses the rating of calls for the purpose of assessing retail end-user charges and the treatment of calls for intercarrier compensation purposes. Before the widespread introduction of local competition following the adoption of the Telecommunications Act of 1996, the most important type of intercarrier compensation was the access charges that interLATA long distance carriers paid to local telephone companies. Such intercarrier

compensation has always been governed by the originating and terminating points of the end-to-end call, not the NPA-NXX of the calling and called party.

For example, AT&T has offered customers interLATA FX service, described by the FCC as one "which connects a subscriber ordinarily served by a local (or 'home') end office to a distant (or 'foreign') end office through a dedicated line from the subscriber's premises to the home end office, and then to the distant end office."[28] An airline with a reservation office in Atlanta could provide customers in Charleston, South Carolina a locally rated number, but all calls would still be routed to Atlanta. The FCC ruled, in that situation, that AT&T was required to pay access charges for the Charleston end of that call – even though the call was locally rated for the caller, because AT&T was still using access service to complete an interLATA call to the called party.[29] The fact that the calling party and the called party were assigned NPA-NXX's in the same local calling area was totally irrelevant to the proper treatment of the call for intercarrier compensation purposes.

Another example is "Feature Group A" access, one method that interexchange carriers ("IXCs") use to gain access to the local exchange. In that arrangement, the caller first dials a seven-digit number to reach the IXC, and then dials a password and the called party's area code and number to complete the call. Notwithstanding this dialing sequence, the service the LEC provides is considered *interstate* access service, not a separate local call, and the IXC must pay access charges.

In its Exceptions, Global again mistakenly suggests that the *Virginia Arbitration Order* provides binding legal precedent that requires the Panel to change its recommendation in

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[28] *AT&T Corp. v. Bell Atlantic-Pennsylvania*, 14 FCC Rcd 556, 587, ¶ 71 (1998) ("*AT&T v. BA-PA*"), *reconsideration denied*, 15 FCC Rcd 7467 (2000).

[29] *Id.* at 590, ¶ 80.

connection with Issue 4 and prevents Verizon and this Commission from looking behind the assigned NPA-NXX to ascertain the end points of a call to determine intercarrier compensation. It does not.

In the *Virginia Arbitration Order*, the Bureau based its decision to adopt the Petitioners' proposed use of NPA-NXX codes to rate calls based on its review of the record, which it mistakenly claimed lacked a basis for concluding that the parties had identified any other viable way to rate calls.[30] The Bureau, however, did not suggest that the legal standard, which looks to the actual originating and terminating points of the complete end-to-end communication, had changed.

This Commission's policy and precedent require the parties to use the physical end points and not the NPA-NXX codes alone. This policy is consistent with federal law, so the Panel need not and should not contradict Commission policy and precedent by adopting Global's proposal. In light of Ohio law, Global's suggestion for the first time in its Exceptions that "Verizon has not provided any evidence that its proposed solution . . . is workable, or viable"[31] points out Global's failure and not Verizon's. In the face of Commission precedent favoring Verizon's proposal, it was Global who failed to develop a record in this arbitration to support its current assertion that looking beyond NPA-NXX codes is not viable. In fact, contrary to Global's belated complaint, carriers can easily conduct traffic studies and develop traffic factors to determine the proportion of calls exchanged between the parties that are not subject to reciprocal compensation but that should be subject to access charges.

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[30] *See Virginia Arbitration Order* ¶ 301.

[31] Global Exceptions at 15.

Global also complains that it is at a competitive disadvantage in offering its customers a toll-free calling service as a result of Commission rules and precedent, and the Arbitration Panel Report on Issue 4. Although Global compares its virtual NXX service to a traditional FX or 800 service, its comparison is flawed. For both of these services, the customer that receives the call pays the carrier providing the facilities for the "local" presence.[32] With respect to Global's virtual NXX service, Global uses Verizon's network to provide toll-free calling service without providing any compensation to Verizon for use of its network while charging ***both*** its customers ***and*** Verizon. Global's proposal thus does not seek fair competition, but instead an opportunity for regulatory arbitrage. If Global wishes to offer toll-free calling services, it should either deploy facilities or pay for the facilities it uses.

The FCC's rules have always made clear that reciprocal compensation under 47 U.S.C. § 251(b)(5) "do[es] not apply to the transport and termination of interstate or intrastate interexchange traffic."[33] The FCC confirmed that result in its April 2001 *ISP Remand Order*, in which it held that reciprocal compensation does not apply to "interstate or intrastate exchange access, information access or exchange services for such access."[34] The FCC has made clear that this exclusion covers all interexchange communications: whenever a LEC provides service "in order to connect calls *that travel to points – both interstate and intrastate – beyond the local*

[32] Verizon Ex. 4 at 20, 22-24.

[33] *Local Competition Order*, 11 FCC Rcd at 16013 ¶ 1034. This portion of the *Local Competition Order* has never been challenged and remains binding federal law.

[34] 47 C.F.R. § 51.701(b)(1).

exchange," it is providing an access service.[35] "Congress excluded all such access traffic from the purview of section 251(b)(5)."[36]

The factual record on this issue is clear. By definition, the traffic that is the subject of the dispute is interexchange traffic, that is, traffic that travels from one local calling area or "exchange" to another. If a Verizon customer located in one Verizon local calling area – say, in Ashland – calls a Global customer located in another local calling area in the same LATA – say, in Bowling Green – such a call is ordinarily an intraLATA toll call. But Global maintains that if Global simply assigns its Bowling Green customer a telephone number associated with the Ashland local calling area, the identical transmission is transformed into a local call for reciprocal compensation purposes.

The problem does not end there. Global may not limit its assignment of numbers to customers that are located in the same LATA, or even the same state as the local calling area with which the assigned number is associated. A Verizon customer might call a Global customer in Illinois, and, under Global's proposed language, Global would *still* claim reciprocal compensation for the interstate long-distance call, so long as Global had chosen to assign its Illinois customer an Ashland number.[37] This situation is commonly referred to as "interstate FX service." As noted above, in *AT&T Corp. v. Bell Atlantic-Pennsylvania*,[38] the FCC specifically held that interstate FX service is subject to access charges and not reciprocal compensation. The same reasons that it is flatly wrong to treat an interLATA interexchange call as a local call for

[35] *ISP Remand Order*, 16 FCC Rcd at 9168, ¶ 37 (emphasis added).

[36] *Id.* (emphasis added).

[37] Tr. at 128-129.

[38] 14 FCC Rcd 556, 587 ¶ 71 (1998), *recon. denied* 15 FCC Rcd 7467 (2000). To the extent the Bureau's decision on the virtual NXX issue in the *Virginia Arbitration Order* permits the assignment of virtual NPA-NXX codes for out of state customers, it is inconsistent with federal precedent.

inter-carrier compensation purposes also apply to intraLATA interexchange calls. Global's proposal is inconsistent with federal law, which explicitly provides that reciprocal compensation does not apply to interexchange traffic.

The Arbitration Panel Report and the Commission's rules and precedent appropriately recognize the distinction between traffic that is subject to reciprocal compensation and interexchange traffic. Further, this Commission has the discretion to limit Global's designation of virtual NXXs when Global has no customers in the rate center to which the NPA-NXX is associated. In the *Virginia Arbitration Order*, the Bureau found that by allocating NPA-NXXs to rate centers where the CLEC has no customers, a CLEC abuses NPA-NXX assignments.[39] The Bureau pointed out that state commissions have the authority to correct such number assignment abuses. As this Commission is aware, Global has no customers in Ohio. Accordingly, this Commission, through its numbering authority, may prevent such abuses by requiring Global to assign NPA-NXXs that correlate to the physical rate center in which these customers reside.

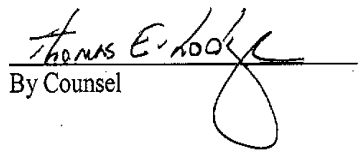
IV. Conclusion.

Global provides the Panel no basis to reconsider or change its recommendations as reflected in the Arbitration Panel Report. After clarifying its recommendation as requested by Verizon in its Exceptions, the Panel should confirm its recommendations consistent with federal and state law.

[39] *Virginia Arbitration Order* ¶ 303.

DATED: August 7, 2002

Respectfully submitted,



By Counsel

THOMAS E. LODGE
CAROLYN S. FLAHIVE
Thompson Hine LLP
10 West Broad Street
Columbus, Ohio 43215-3435
Phone (614) 469-3294
Fax (614) 469-3361

A. RANDALL VOGELZANG
Vice President and General Counsel
Verizon North Inc.
600 Hidden Ridge
Irving, TX 75038
(972) 718-2170

KELLY L. FAGLIONI
EDWARD P. NOONAN
Hunton & Williams
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, VA 23219
Tel: 804-788-8200
Fax: 804-788-8218

DAVID K. HALL
Attorney for Verizon
1515 North Court House Road
Fifth Floor
Arlington, Virginia 22201
(703) 351-3100

Attorneys for Verizon North Inc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the attached Exceptions of Verizon North Inc. to the Arbitration Panel Report by email and by overnight, express mail on James Scheltema, Director of Regulatory Affairs, Global NAPs Inc., 5042 Durham Road West, Columbia, MD 21044, William J. Rooney, Jr. ,Vice President and General Counsel, Global NAPs, Inc., 89 Access Road, Norwood, MA 02062, John Dodge, Cole, Raywid and Braverman, L.L.P., 1919 Pennsylvania Ave., N.W., 2nd Floor, Washington, D.C. 20006, and by email and U.S. mail on Thomas J. O'Brien, Esq., Bricker & Eckler LLP, 100 South Third Street, Columbus, OH 43215, on this 7th day of August, 2002.

Thomas E. Lodge

The following parties were also provided copies by electronic mail, this 7th day of August, 2002:

Dan Fullin (dan.fullin@puc.state.oh.us);
Richard Morehouse (richard.morehouse@puc.state.oh.us);
Lori Sternisha (lori.sternisha@puc.state.oh.us);
Cheryl Williams (Cheryl.williams@puc.state.oh.us