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State Government Affairs

May 27, 2014

**Transmittal Letter No. 14-01**

**VIA E-FILING**

Mr. Steve Reed  
Secretary  
Missouri Public Service Commission  
200 Madison Street, Suite 100  
Jefferson City, Missouri 65101

**Re: Verizon Access Transmission Services: Tariff No. 2  
Reduce Terminating Access Rates Pursuant to Federal Communications  
Commission *Connect America Fund Order* (FCC 11-161)**

Dear Mr. Reed:

MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services ("Verizon Access") is filing with your office revisions to its MO P.S.C. Tariff No. 2. The effective date of this filing is July 1, 2014, in accordance with the Federal Communications Commission's ("FCC") 2011 *Connect America Fund Order*, 26 FCC Red 17663.

The *Connect America Fund Order* requires that Verizon Access reduce its default terminating switched access rates – both interstate and intrastate – effective July 1, 2014, as part of a multi-step transition towards "bill and keep" rates. See, *Connect America Fund Order* at Figure 9, summarizing the steps in the transition. Competitive LECs ("CLECs") such as Verizon Access are subject to the FCC's "benchmarking rule" for their interstate access charges. Para. 807 of the *Connect America Fund Order* states:

For interstate switched access rates, competitive LECs are permitted to tariff interstate access charges at a level no higher than the tariffed rate for such services offered by the incumbent LEC serving the same geographic area (the benchmarking rule).

The *Connect America Fund Order* also adopted rule §51.911, which states in pertinent part:

(c) Effective July 1, 2013, notwithstanding any other provision of the Commission's rules, all Competitive Local Exchange Carrier Access Reciprocal Compensation rates for switched exchange access services subject to this subpart shall be no higher than the Access Reciprocal Compensation rates charged by the competing incumbent local exchange carrier, in accordance with the same procedures specified in §61.26 of this chapter.

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The "benchmarking rule," FCC Rule 61.26, states:

c) The benchmark rate for a CLEC's switched exchange access services will be the rate charged for similar services by the competing ILEC. If an ILEC to which a CLEC benchmarks its rates, pursuant to this section, lowers the rate to which a CLEC benchmarks, the CLEC must revise its rates to the lower level within 15 days of the effective date of the lowered ILEC rate.

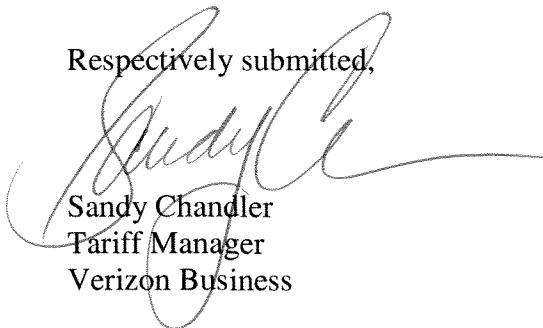
These requirements differ from those applicable to the incumbent LECs. Whereas the ILECs' access rates are calculated in accordance with prescriptive rules adopted by the FCC, the benchmark rule for CLECs is reactive, based on the competing ILEC's rates. The effect of this benchmark rule means that Verizon Access will not have data to calculate its new default terminating switched access rates until mid-June when the ILECs file their interstate rates with the FCC.

For this reason and for administrative simplicity, Verizon Access' tariff amendments contained herein make express reference to its interstate tariff for terminating switched access rates. Verizon Access will revise its default terminating interstate rates in accordance with 47 C.F.R. 61.26 when the relevant ILEC rates become available, and at that time, the Verizon Access intrastate tariff will likewise reference those new rates.

Verizon Access's interstate rates are located in MCImetro Access Transmission Services LLC Tariff FCC No. 1, Section E.4.3, and may be viewed at the following web address: <http://www.verizon.com/tariffs/PDFViewer.aspx?doc=169129>.

If you have questions regarding this filing, please contact me at (888) 215-5680 or [sandy.chandler@verizon.com](mailto:sandy.chandler@verizon.com).

Respectively submitted,



Sandy Chandler  
Tariff Manager  
Verizon Business

Enclosure

ACCESS SERVICES

2. REGULATIONS

2.3 Obligations of the Customer (Cont.)

2.3.3 Jurisdictional Reporting (Cont.)

2.3.3.5 Identification and Rating of VoIP-PSTN Traffic

2.3.3.5.1 Scope

2.3.3.5.1.1 VoIP-PSTN Traffic is defined as traffic exchanged between a Verizon Access end user and the customer in time division multiplexing ("TDM") format that originates and/or terminates in Internet protocol ("IP") format. This section governs the identification of VoIP-PSTN Traffic that is required to be compensated at interstate access rates by the Federal Communications Commission in its Report and Order in WC Docket Nos. 10-90, etc., FCC Release No. 11-161 (Nov. 18, 2011) ("Order"), as modified by its Second Order on Reconsideration, FCC Release No. 12-47 (Apr. 25, 2012), and as codified in 47 C.F.R. § 51.319 ("Reconsideration Order"), and unless Verizon Access and the Customer have agreed otherwise. Specifically, this section establishes the method of separating such traffic (referred to in this tariff as "Relevant VoIP-PSTN Traffic") from the customer's traditional intrastate access traffic, so that such Relevant VoIP-PSTN Traffic can be billed in accordance with the FCC Orders.

2.3.3.5.1.2 This section will be applied to the billing of switched access charges to a customer that is a local exchange carrier only to the extent that the customer has also implemented billing of interstate access charges for Relevant VoIP-PSTN Traffic in accordance with the FCC Orders.

2.3.3.5.2 Rating of VoIP-PSTN Traffic

The Relevant VoIP-PSTN Traffic identified in accordance with this tariff Section will be billed at rates equal to the Verizon Access' applicable tariffed interstate switched access rates as specified in Tariff FCC No. 1. Intrastate access minutes of use not required to be billed at interstate rates pursuant to this Section 2.3.3.5 will be billed in accordance with the other rate provisions of this Tariff (absent an agreement between Verizon and the customer on a different compensation mechanism). For ease of reference, the applicable interstate rates corresponding to the rate elements in Section 7 of this Tariff are as follows:

Direct Connect Charges

per originating or terminating minute of use: \* C/R

Tandem Overflow/Tandem Connect Charges

per originating or terminating minute of use: \* C/R

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\* Refer to MCImetro Access Transmission Services LLC Tariff FCC No. 1, Section E.4.3. N/R

ACCESS SERVICES

7. Switched Access Rates (Cont'd)

7.3 Rates and Charges

7.4.4 Switched Access

7.4.4.1 Direct Connect Charges:

Per Access Minute of Use

Originating: \$0.02269  
Terminating: \*

C/R

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\* For terminating rates, refer to MCImetro Access Transmission Services LLC Tariff FCC No. 1, Section E.4.3.

N/R

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7. Switched Access Rates (Cont'd)

7.4 Rates and Charges (Cont'd)

7.4.4 Switched Access (Cont'd)

7.4.4.2 Tandem Connect Charges

Per Access Minute of Use

Originating: \$0.02269

Terminating:

Tandem Connect – Without Tandem Switching: \* C/R  
Tandem Connect – With Tandem Switching: \* C/R

7.4.4.3 Toll Free 8YY Transit Traffic Service<sup>1</sup>

Per Direct Transit Minute of Use  
\$0.003659

Per Indirect Transit Minute of Use  
\$0.007317

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\* For terminating rates, refer to MCImetro Access Transmission Services LLC Tariff FCC No. 1, Section E.4.3. N/R

<sup>1</sup>This is a blended rate comprised of the following ILEC rate elements at the time of this filing. The Direct Transit Minute of Use rate includes: Tandem Switching, one-half of the Transport Termination rate; one mile of Transport Facility, and one-half of the Common Multiplexer rate. The Indirect Transit Minute of Use rate includes: Tandem Switching, Transport Termination, two miles of Transport Facility, and the Common Multiplexer rate.