

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Verizon Telephone Companies)	WC Docket No. 02-237
)	
Section 63.71 Application to Discontinue)	
Expanded Interconnection Service Through)	
Physical Collocation)	
)	
)	

ORDER

Adopted: October 16, 2002

Released: October 17, 2002

By the Chief, Wireline Competition Bureau:

1. On August 16, 2002, the Verizon Telephone Companies (Verizon) filed an application pursuant to section 214 of the Communications Act of 1934, as amended,¹ and section 63.71 of the Commission's rules,² to discontinue providing expanded interconnection through physical collocation in its federal tariffs.³ Pursuant to section 63.71(c) of the Commission's rules, in this order we provide notice to Verizon that grant of its application will not be automatically effective on the 60th day after its filing.⁴

2. In its application, Verizon seeks authority to discontinue federally-tariffed physical collocation services in the Verizon East (the former Bell Atlantic) region.⁵ Verizon states that expanded interconnection through virtual collocation will continue to be available in its interstate tariffs, and physical collocation will continue to be available through Verizon's state tariffs and interconnection agreements.⁶ Verizon will allow customers the option of retaining

¹ 47 U.S.C. § 214.

² 47 C.F.R. § 63.71.

³ Verizon Telephone Companies Section 63.71 Application, WC Docket No. 02-237 (filed Aug. 16, 2002) (Verizon Application).

⁴ 47 C.F.R. § 63.71(c).

⁵ Verizon Application at 1.

⁶ Verizon Application at 1.

existing physical collocation arrangements under the interstate tariffs, or converting those arrangements to rates, terms, and conditions in Verizon's state tariffs and interconnection agreements.⁷ Verizon proposes that supporting services, including DC power and new cross-connects, for all physical collocation arrangements will no longer be available through the interstate tariff, but will remain available to collocators through state tariffs and interconnection agreements.⁸

3. By Public Notice dated August 19, 2002, we sought comment on Verizon's application, and notified the public that, in accordance with section 63.71(c) of the Commission's rules, Verizon's application for discontinuance authority would be deemed granted on the 60th day after the release date of the notice, unless Verizon received notice that the grant would not automatically be effective.⁹ Accordingly, the automatic grant date for this application would be October 18, 2002.

4. Numerous Verizon customers and interested parties filed oppositions to Verizon's application. The commenters raise a variety of issues, including: 1) challenges to Verizon's proposal to provide DC power and cross-connects from state tariffs and interconnection agreements; 2) challenges to Verizon's proposal to offer a "conversion credit" to collocators in the Verizon New England region that convert from the federal tariff to a state tariff or interconnection agreement; 3) the inability of non-carrier collocators to obtain physical collocation under Verizon's proposal; 4) the unavailability of reasonable substitutes for federal physical collocation; 5) arguments that the proposal would greatly increase collocators' costs and is therefore unreasonable and contrary to the public interest; and 6) the lack of evidence that continued provision of federal physical collocation imposes any financial or economic burden on Verizon.

5. Given the many concerns raised by the commenters, we require additional time to consider Verizon's application. Therefore, we decline to grant the application until we have had an opportunity to further analyze these issues. We therefore provide notice that the application will not be automatically granted on October 18, 2002. At a later date, an order will issue addressing the merits of the application. Until then, Verizon is not authorized to discontinue providing federally-tariffed physical collocation services.

⁷ Verizon Application at 2.

⁸ Verizon Application at 5-6.

⁹ *Comments Invited on Verizon's Application to Discontinue Federally-Tariffed Physical Collocation Service*, WC Docket No. 02-237, Public Notice (Wireline Comp. Bur. Aug. 19, 2002).

6. Accordingly, pursuant to sections 1, 4(i), and 214 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 214, and sections 0.91, 0.291, and 63.71 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, 63.71, IT IS ORDERED that the application of Verizon to discontinue expanded interconnection services through physical collocation WILL NOT BE AUTOMATICALLY EFFECTIVE.

FEDERAL COMMUNICATIONS COMMISSION

William F. Maher, Jr.
Chief, Wireline Competition Bureau