BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Investigation into Pricing Unbundled Network Elements	)))	Docket 990649B-TP

DIRECT TESTIMONY OF

DENNIS B. TRIMBLE
ON BEHALF OF

VERIZON FLORIDA INC.

SUBJECT: POLICY

November 7, 2001

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DIRECT TESTIMONY OF DENNIS B. TRIMBLE

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND TITLE.

A. My name is Dennis B. Trimble, and I am currently employed as Executive Director – Regulatory at Verizon Services Group. My business address is 600 Hidden Ridge Drive, Irving, Texas.

Q. PLEASE SUMMARIZE YOUR EDUCATION AND WORK EXPERIENCE.

A. I received an undergraduate degree in business and an MBA from Washington State University in the early 1970s. I also served as an Assistant Professor at the University of Idaho, where I taught undergraduate courses in statistics, operations research, and decision theory. From 1973 to 1976, I completed course work towards a Ph.D. degree in business at the University of Washington.

I joined GTE in 1976 as an Administrator of Pricing Research for General Telephone Company of the Northwest. From 1976 until 1985, I held various positions within GTE Northwest and GTE Service Corporation in the areas of demand analysis, market research, and strategic planning. In 1985, I was named Director of Market Planning for GTE Florida Incorporated, and in 1987, I became GTE Florida's Director of Network Services Management. From 1989 to 1994, I was

the Director of Demand Analysis and Forecasting for GTE Telephone Operations. In October 1994, I became Director of Pricing and Tariffs for GTE Telephone Operations, and in 1996, I was named Assistant Vice President of Marketing Services. In February 1998, I assumed the position of Assistant Vice President - Pricing Strategy for GTE. I assumed my current position in September 2000. Currently, I am responsible for assisting the Company in its development of pricing policies and supporting those policies in the various regulatory arenas.

Q. ON WHOSE BEHALF ARE YOU PRESENTING TESTIMONY IN THIS PROCEEDING?

A. I am presenting testimony on behalf of Verizon Florida Inc. (Verizon Florida), formerly known as GTE Florida Incorporated.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE STATE REGULATORY COMMISSIONS?

A. Yes. I have presented testimony on behalf of GTE and Verizon companies before various state commissions, including the commissions in Alabama, California, Florida, Hawaii, Indiana, Oregon, Pennsylvania, South Carolina, Texas, Virginia, and Washington.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. My testimony addresses the policy issues presented by this proceeding, and sets forth Verizon Florida's proposed monthly recurring charges (MRCs) for unbundled network elements (UNEs). I

will provide testimony addressing the Commission's specifically designated Issues 1 - 5, 9, 10, 12 and 13.

I am sponsoring the monthly recurring rates in Verizon's Wholesale UNE Pricing Schedule, which is being submitted at Staff's request with Verizon's cost studies. I am also sponsoring the following exhibits:

(a) Exhibit DBT-1, which supports the development of the "cost mark-up" factor Verizon Florida used to develop rates that would theoretically allow the Company an opportunity to recover its hypothetical forward-looking direct (*e.g.*, FCC-defined total element long-run incremental costs (TELRICs)) and common costs,

(b) Exhibit DBT-2, which lists Verizon Florida's proposed MRCs for the various items that are the subject of this testimony. These MRC rates can also be found in Verizon Florida's Wholesale UNE Pricing Schedule, and

(c) Exhibit DBT-3, which provides a summary of the development of Verizon Florida's proposal for deaveraging UNE loops.

Q. WHAT OTHER COMPANY WITNESSES HAVE FILED DIRECT TESTIMONY IN THIS PROCEEDING?

A. In addition to my testimony, Verizon Florida is presenting the testimony of five witnesses who support the Company's proposed costs and prices for specific UNEs. These costs and prices fall into two

categories: (1) the costs and prices of the UNEs themselves, which are reflected in Verizon Florida's proposed MRCs; and (2) the costs and prices for ordering and provisioning UNEs, which are reflected in the Company's proposed non-recurring charges (NRCs).

Bert Steele sponsors the Company's proposed NRCs for ordering and provisioning activities.

David Tucek sponsors Verizon Florida's cost model, the Integrated Cost Model (ICM), which calculates the TELRICs of the various UNEs. Mr. Tucek sponsors the ICM's investment and expense calculations, as well as Verizon Florida's wholesale-only common cost calculations.

Larry Richter sponsors Verizon Florida's NRC Study, which calculates the variable and fixed/shared costs associated with ordering and provisioning UNEs.

Professor James Vander Weide and **Alan Sovereign** sponsor Verizon Florida's proposed forward-looking cost of capital and depreciation rates, respectively. Mr. Tucek and Mr. Richter used these inputs to help calculate the TELRICs and NRC-related costs.

I use Mr. Tucek's cost calculations to develop monthly recurring prices for UNEs. Mr. Steele uses Mr. Richter's cost calculations to develop a set of non-recurring charges for ordering and provisioning activities.

II. GENERAL PRICING POLICY

Q. SHOULD UNE PRICES BE BASED SOLELY ON TELRIC PLUS A SHARE OF FORWARD-LOOKING COMMON COSTS?

A. No, Verizon Florida has long maintained that UNE prices must, in the aggregate, reflect an ILEC's actual costs. But FCC pricing rules require UNE prices to be based solely on TELRICs plus a share of forward-looking common costs. Even though Verizon has long disagreed with the FCC's hypothetical TELRIC methodology, it has been required to use this methodology to prepare studies for state commission proceedings, including this one.

On July 18, 2000, the U.S. Court of Appeals for the Eighth Circuit disapproved many of the FCC's UNE pricing rules and found the FCC's hypothetical TELRIC methodology to be unlawful. *Iowa Utilities Bd., et al. v. FCC*, 219 F.3d 744 (8th Cir. 2000). This ruling is consistent with the position Verizon has previously taken before this Commission.

On September 22, 2000, the Eighth Circuit stayed the portion of its Order concerning the FCC's hypothetical cost methodology, pending U.S. Supreme Court review of the Order. The issue of appropriate cost methodology will not be settled at the federal level at least until

the Supreme Court has ruled on appeals of the Eighth Circuit's Order. Verizon reserves its right to propose new UNE rates once the appeals conclude and it is clear what pricing methodology should be used.

Q. SHOULD UNE PRICES BE DEAVERAGED IN THE ABSENCE OF COST-BASED, DEAVERAGED RETAIL RATE STRUCTURES AND LEVELS?

A. Absolutely not. UNE rates and retail rates are inextricably linked. Today, retail rates reflect implicit supports that promote universal service. For example, rates for many business and vertical services are set well above cost in order to support below-cost rates for basic residential service. Retail rate "averaging" is another form of implicit support; residential subscribers in low-cost, high-density areas are charged the same averaged rate as residential subscribers in high-cost, low-density areas. These implicit supports, however, are not sustainable in a competitive environment and do not promote efficient competition. Rather, implicit supports encourage competitive local exchange carriers (CLECs) to cream-skim the low-cost, high-price business customers and to ignore the high-cost, low-price residential customers.

The FCC recognized this point when it stayed its UNE deaveraging rule until completion of its universal service proceeding. The FCC reasoned that a stay was required to afford the FCC and the states "the opportunity to consider in a coordinated manner the deaveraging

issues that are arising in a variety of contexts," such as retail rate deaveraging and universal service reform:

> By linking the duration of the stay to the universal service proceeding, we afford the states and ourselves the opportunity to consider in a coordinated manner the deaveraging issues that are arising in a variety of contexts affecting local competition. We are considering in the universal service proceeding what level of geographic deaveraging to use in determining the universal service support available to non-rural LECs serving high-cost areas. States are confronting similar issues. In addition, in the access charge reform proceeding, we are continuing to assess the application of deaveraging policies to the interstate access rates of incumbent LECs. Applying different standards for, or degrees of, geographic deaveraging in different contexts might create arbitrage opportunities or distort entry incentives for new competitors. Temporarily staying the effectiveness of section 51.507(f) will afford regulators the opportunity to consider the ramifications of deaveraging for the pricing of unbundled network elements, for universal service support in high-cost areas, and for interstate access services.

Implementation of the Local Competition Provisions of the Telecomm. Act of 1996; Deaveraged Rate Zones for Unbundled Network Elements, Stay Order, 14 FCC Rcd 8300 (1999) (emphasis added).

In sum, deaveraged UNE rates should not be established in a vacuum. They are inextricably linked to deaveraged retail rates and universal service support.

Q. DO THE ARBITRAGE PROBLEMS DISCUSSED ABOVE EXIST IN FLORIDA TODAY?

A. Yes. Even in the absence of deaveraged UNE rates, Verizon Florida's competitors are exploiting arbitrage opportunities. CLECs are building facilities in Verizon Florida's highest-density serving areas (such as Tampa, Clearwater, and St. Petersburg) and are cream-skimming Verizon Florida's business customers. At the same time, residential customers are generally being ignored. The CLECs are, in essence, engaged in "deaveraged" facilities-based competition, selectively choosing the customers and geographic areas they serve. Since they are not required to serve high-cost customers in high-cost areas, they only target Verizon Florida's low-cost, high-value customers in our more dense serving areas.

Q. WHAT SHOULD THE COMMISSION DO TO PREVENT OR MITIGATE THIS CREAM-SKIMMING?

A. The Commission should not further deaverage UNE prices until retail rates are deaveraged. As described below, the soundest policy would be to retain the existing, ILEC-specific zones. This approach complies with the FCC deaveraging mandate and is the only way to avoid making the existing arbitrage problem worse.

III. VERIZON FLORIDA'S RESPONSES TO ISSUES

A. ISSUE 1: FACTORS FOR ESTABLISHING UNE RATES

Q. WHAT FACTORS SHOULD THE COMMISSION CONSIDER IN ESTABLISHING RATES AND CHARGES FOR UNES (INCLUDING DEAVERAGED UNES AND UNE COMBINATIONS)?

A. First, as discussed above, the Commission should consider the effect of UNE rates on the preservation and advancement of universal service and on the development of fair and efficient competition.

Generally, UNE rates should reflect a reasonable share of common costs, and should be deaveraged only for those UNEs that exhibit material variations in cost based on geography.

Moreover, UNE costs should be calculated at a wire center level, should the Commission choose to engage in further deaveraging. If costs vary significantly between wire centers, then the wire centers should be mapped into rate zones so that a single UNE price can be established for each zone. In creating these rate zones, the

Commission must weigh the costs of deaveraging (*e.g.*, the administrative and billing costs) as well as the potential for increased rate arbitrage against the expected consumer gains.

Likewise, the rate structure for each UNE should reflect a balance of (1) cost-causation principles, *e.g.*, the matching of costs to prices, (2) the opportunity for cost recovery, and (3) ease of administration, *e.g.*, the costs of billing.

Q. CAN YOU PROVIDE AN EXAMPLE OF HOW THESE FACTORS WILL APPLY?

A. Yes, based on cost causation attributes, the cost of unbundled local switching could be divided into two cost sub-categories: (1) local call set-up and (2) local call duration. Theoretically, Verizon Florida could develop two separate rate elements for recovery of local switching costs. Verizon Florida, however, charges an average per minute-of-use (MOU) rate that assumes an average holding time (local call duration) of about four minutes. Most other Incumbent local exchange carriers (ILECs) also use this same rate structure. For typical local calls, this rate structure makes sense – it captures the average cost-causative attributes for what the Company has historically observed as an average local call, it's easier to administer and bill a single MOU rate, and this rate allows the ILEC to recover its costs because the typical local call historically has had an average holding time of about four minutes.

Q. DO THE COMPANY'S PROPOSED RATE STRUCTURES BALANCE THE THREE OBJECTIVES YOU CITED ABOVE?

A. The rate structures proposed by the Company satisfy two of the objectives in that they reflect cost-causative principles and they are easily administered by Verizon Florida. The remaining objective cited (*i.e.*, cost recovery) is not likely to be met. The proposed rate structures will, by their design, not give the Company an opportunity to recover its total costs because the proposed UNE rates do not reflect a rational relationship with current retail rate structures. This imbalance between UNE rates and retail rates will only facilitate rate arbitrage by entering CLECs, which necessarily destroys the Company's opportunity to recover its total costs.

In terms of future ease of administration, Verizon Florida may, over time, desire to alter its rate structures for various UNEs as efforts unfold to migrate to rate structures that are consistent across the entire Verizon footprint.

Q. WHAT CAUSES THIS IMBALANCE BETWEEN UNE RATES AND RETAIL RATES?

A. There are three major causes. First, retail rates were designed to give the Company an opportunity to recover its total actual costs, which may or may not be closely related to estimates of the Company's total long-run incremental costs. Second, retail rates were designed for a

closed monopoly-like market, which allowed for a rate design that could support public policy objectives (*e.g.*, universal service) without exposure to competitive arbitrage. This public policy orientation resulted in most retail rates not being reflective of their underlying cost characteristics.

Third, the UNE rates proposed in this proceeding are based totally on estimates of the TELRIC of the UNE plus a share of forward-looking common costs. As such, UNE rates are intended to reflect their underlying "long-run" cost characteristics. But, given the various assumptions employed in long-run, forward looking cost estimates, TELRIC-based rates, when viewed in aggregate across all UNEs, may not reflect the Company's total actual costs. Even if the UNE rates do, in a theoretical total market, reflect the Company's total actual costs, the disorientation between "cost-based" UNE rates and "non-cost-based" retail rates mandates a market imbalance between these rate structures. As previously stated, this imbalance leads to CLEC arbitrage (the targeting of low cost, high priced retail services), which undermines the Company's ability to recover its total actual costs.

Q. BUT AREN'T UNE PRICES REQUIRED TO BE BASED SOLELY ON TELRIC PLUS A SHARE OF "FORWARD-LOOKING" COMMON COSTS?

A. Yes, the FCC's pricing rules (at present) require UNE prices to be based solely on TELRICs plus a share of forward-looking common

costs. Verizon Florida does not agree with the FCC's costing and pricing rules, but is proposing rates in accordance with them. To be specific, Verizon Florida continues to strongly oppose the use of proxy models or hypothetical cost studies for determining the costs and rates for UNEs. Permanent rates should reflect the actual forward-looking costs that Verizon Florida is expected to realize during the time period that UNE rates are in effect. As noted above, Verizon reserves the right to propose changes to its rates once the cost methodology question is settled at the federal level.

B. ISSUE 2: GEOGRAPHIC DEAVERAGING

Q. WHAT IS THE APPROPRIATE METHODOLOGY TO DEAVERAGE UNES, AND WHAT IS THE APPROPRIATE RATE STRUCTURE FOR DEAVERAGED UNES?

A. Given that the FCC's rules require UNE prices to be deaveraged into at least three zones per state based on geographic differences in cost, the Commission has two options for establishing UNE rates for the Company. Verizon Florida's preferred option is for the Commission to retain a single rate for Verizon Florida to go along with the different cost-based rates established for BellSouth and Sprint. In this way, the Commission would have established at least three zones per state, each of which reflects different cost characteristics. Since this option would result in UNE rates that are more rationally aligned with retail rates, it would mitigate the potential for undue CLEC rate arbitrage.

If the Commission rejects the first option, then Verizon Florida proposes three cost-based zones for its specific service area. Ideally, however, and consistent with sound public policy, the Commission would not implement this option until Verizon Florida's retail and wholesale UNE rates are rationally aligned. Such an approach is not only appropriate from a public policy perspective – it is also consistent with the Act and the FCC's requirements for deaveraging. Verizon Florida's methodology for developing these zones is fairly straightforward: first, we calculate the average costs for UNEs at a wire center level; second, we identify those UNEs that have significant cost differences between wire centers; third, we map or group each wire center into one of three cost-based zones. The deaveraged rate proposals discussed in Section III of this testimony are based on this option, should the Commission require Verizon Florida to have rates for three Company-specific geographic zones.

Q. WHAT FACTORS SHOULD THE COMMISSION CONSIDER IN ESTABLISHING DEAVERAGED RATES FOR UNES?

A. First, as previously stated, the Commission should consider the effect of UNE rates on the preservation and advancement of universal service and on the development of fair and efficient competition. These considerations would necessarily lead to an objective of creating UNE price sets that exhibit a rational relationship with retail rates.

If the Commission were to ignore the misalignment between UNE rates and retail rates and mandate the further deaveraging of UNEs, then UNE rates should minimally reflect a reasonable share of the Company's common costs and should be deaveraged only for those UNEs that exhibit material variations in cost.

Moreover, UNE costs should be calculated at a wire center level. If costs vary significantly between wire centers, then the wire centers should be mapped into rate zones so that a single UNE price can be established for each zone. In creating these rate zones, the Commission must weigh the costs of deaveraging (*e.g.*, the administrative and billing costs) against the expected consumer gains.

Q. IF VERIZON FLORIDA IS REQUIRED BY THE COMMISSION TO DEAVERAGE UNE RATES, FOR WHICH OF THE FOLLOWING UNES SHOULD THE COMMISSION SET DEAVERAGED RATES?

(1) LOOPS (ALL)

(2) LOCAL SWITCHING

(3) INTEROFFICE TRANSPORT (DEDICATED AND SHARED)

(4) OTHER (INCLUDING COMBINATIONS)

A. At this time, only loop prices should be considered for deaveraging, because only loop costs show significant variation between different geographic areas. Although switching costs do vary somewhat based upon the size of switch and traffic volumes, they are not significant enough to warrant deaveraged unbundled switching prices (if anything,

switching costs vary more based on call set-up and call duration characteristics). Additionally, the TELRICs Mr. Tucek presents for interoffice transmission facilities already reflect distance, traffic, and volume characteristics that effectively will result in deaveraged rates for these UNE offerings.

It appears that CLECs agree. In BellSouth's UNE pricing proceeding, all parties and Staff recommended deaveraging of only loop UNEs and combinations that include such loops, and this is what the Commission approved. *(Investigation into Pricing of Unbundled Network Elements*, Order No. PSC-01-1181-FOF-TP, at 42 (May 25, 2001).)

Verizon Florida, however, would not propose deaveraged prices for all facilities that the FCC defines as "loops." In its UNE Remand Order, the FCC included the following in its definition of loop: inside wiring; loop conditioning; dark fiber; attached electronics (*e.g.*, multiplexing equipment); high-capacity loops (*e.g.*, DS-1s); private line and special access facilities; and cross connects. *Implementation of the Local Competition Provisions of the Telecomm. Act of 1996*, Third Report & Order and Fourth Further Notice of Proposed Rulemaking, 15 FCC Rcd 3696 (UNE Remand Order), at ¶ 167 (1999). The Company is not proposing to deaverage prices for inside wiring, dark fiber, loop conditioning, attached electronics, or cross connects, which do not seem to possess cost characteristics that vary by geography. Verizon Florida believes that only 2-wire, 4-wire, and various high-capacity

loops (which also will allow for CLEC provisioning of private line and special access facilities) should be considered for geographic deaveraging – when the time is right to deaverage. Likewise, if the Commission orders the deaveraging UNE prices for these loops, then it would be appropriate to deaverage prices for all UNE combinations that include these loops.

Q. IS VERIZON FLORIDA PRESENTING ANY DEAVERAGED UNE RATES IN THIS PROCEEDING?

A. Again, the Company believes that the Commission should maintain a statewide rate structure for Verizon Florida's UNEs. But, if the Commission rejects this option, I am also providing a geographically deaveraged rate proposal for various UNEs (in addition to proposed statewide average rates).

Q. IF THE COMMISSION CHOOSES TO DEAVERGE UNE RATES IN THIS PROCEEDING, THEN HOW COULD IT DO SO WHILE MINIMIZING THE RATE DISPARITY BETWEEN RETAIL AND WHOLESALE UNE RATES?

A. The Commission could adopt Verizon Florida's proposed three zones in structure, but leave the rates for each of the three zones the same at this time. This alternative would clearly inform the Company and CLECs that the Commission fully intends to deaverage Verizon Florida's rates but not at this point, given public policy implications. Again, the Commission is under no legal obligation to deaverage

Verizon Florida's UNE rates at this time. Deaveraging the UNE rates within the three-zone structure, under this alternative, would be addressed at a later date in conjunction with an examination of Verizon Florida's retail rates.

C. ISSUE 3: XDSL CAPABLE LOOPS

Q. WHAT ARE XDSL-CAPABLE LOOPS?

A. Simply stated, an xDSL-capable loop is a basic 2-wire or 4-wire UNE loop that possesses the electrical characteristics that allow for the transmission of xDSL-based technology signals. xDSL-based services require that the end-user be provisioned with copper facilities. At this time, the major technical parameters that define whether a UNE loop is capable of successfully transmitting xDSL services concern the length of the specific loop, the gauge of copper wire that makes up the loop, as well as the existence of load coils or bridged taps that are necessary for the efficient provision of voice-grade services. Each of these attributes can affect and potentially degrade the ability of the xDSL service to work properly. If load coils or bridged taps affect the required transmission characteristics of a specific loop (to facilitate the provision of any proposed service), the Company will attempt to condition the loops in order to transform them into "clean" copper facilities that have the appropriate transmission characteristics. Company witness Steele addresses this loop conditioning activity.

Q. SHOULD A COST STUDY FOR XDSL-CAPABLE LOOPS MAKE

DISTINCTIONS BASED ON LOOP LENGTH AND/OR THE PARTICULAR DSL TECHNOLOGY TO BE DEPLOYED?

A. No. As a matter of public policy, the characteristics of a specific technology to be placed on a UNE loop should never be considered a driver for the price of the underlying UNE facility. In the UNE world, loops are loops and must be service-independent. The specific technology that a CLEC intends to put on a UNE loop should have no bearing in the pricing of that loop. This potential deaveraging of loop prices based on what type of technologies will work on each loop only leads to increased arbitrage and, if taken to the extreme, would be an administrative nightmare. UNE loops that have the technical parameters to facilitate xDSL transmission also have the technical parameters to facilitate plain old voice transmission. Thus, purchasers of UNE loops would never pay a geographic zone-based average rate for a two-wire UNE loop if they could get a cheaper price out of an alternative loop-length-derived rate schedule that has been developed to support some technology-specific requirement. Technologies come and go, but the underlying UNE loop remains relatively unchanged.

Loop length should never drive rate deaveraging unless it is accompanied by significant differences in customer density within the wire center. Rate structures based on loop length just result in another mechanism to facilitate rate arbitrage. What sense does it make for a CLEC to build its switch on the other side of town, self-provision its short loops, and pay short-loop prices to the ILEC for loops that would

be long loops to the CLEC? If density characteristics are relatively homogeneous, then what is of real concern in the setting of competitively efficient and neutral rates is the average cost in that homogeneous area. The placement of a wire center, along with the technologies used to deploy loops, are designed to provide the most efficient means of serving all customers in a given serving area. Loop-length characteristics (or even basic loop technology characteristics) should not create rate differentials that result in one customer being more coveted by CLECs than another, identical customer in a given homogeneous area.

In addition, any proposal to deaverage UNE loops based on length considerations appears to be inconsistent with FCC rules. The FCC's rules are clear: they require geographically deaveraged rate zones, not different length-based rates in the same geographic zone. My dictionary defines a zone as "a region or area set off as distinct from surrounding or adjoining parts," or "one of the sections of an area created for a particular purpose," or "a distance within which the same fare is charged by a common carrier" (Webster's Ninth New Collegiate Dictionary, 1989). A loop length-based pricing proposal would not fall within this definition: it would not establish rate zones, as this term is commonly defined, and it would not establish geographically deaveraged rates – instead, it would establish length-based rates that would result in different rates for the same UNE loops within the same geographic area, based solely on what equipment is used with the

loop.

The loop length-derived pricing proposal also would not address the effect of "loop length"-specific UNE prices on retail costing and pricing issues, or on universal service support issues. If wholesale rates are based on loop length, then retail rates (including any universal service support) must also be based on loop length; otherwise, the Commission would just be exacerbating arbitrary and inconsistent wholesale and retail rate structures, which would be perpetuating arbitrage and economically inefficient rate structures.

Historically, loop-length based pricing structures have turned into administrative nightmares to the point that service representatives resort to assuming most loops fall in the shortest-length category. The administration of such a pricing mechanism is definitely not reasonable or efficient for the provider of such an offering.

Finally, as it concerns xDSL-capable loops, the CLECs don't really desire any form of geographic deaveraging. What they want is deaveraging based on facility make-up (*i.e.*, copper versus fiber), which they relate to geographic deaveraging through the use of hypothetical, non-existent network assumptions.

In sum, any proposal for a UNE loop defined by a specific technology-driven loop length consideration conflicts with rational pricing

objectives (including administration concerns) and is inconsistent with FCC rules.

D. ISSUE 4: SUPLOOPS

Q. FOR WHAT SUBLOOP ELEMENTS IS VERIZON FLORIDA PROPOSING PRICES?

A. Verizon Florida is proposing rates for three separate subloop elements for both 2-wire and 4-wire UNE loops: (1) feeder, (2) distribution, and (3) drop. In addition, since Verizon Florida owns significant intra-building related house and riser cable, the Company is also providing rates for use of those facilities.

The feeder subloop is the loop facility that extends from Verizon Florida's central office main distribution frame (MDF) to a feeder distribution interface (FDI). The distribution facility extends from the FDI to, and including, the NID (or Verizon Florida's cross connect terminal at a building's minimum point of entry (MPOE)) at the customer's premises. The "drop," is a 2-wire or 4-wire metallic facility that extends from the pedestal or terminal serving the customer's premise to, and including, the NID (or the cross connect terminal at the MPOE of the customer's building) that serves the customer's premise. Where it exists, house and riser cable is a 2-wire or 4-wire metallic intra-building distribution facility that extends from the cross connect terminal at a building's MPOE to the demarcation point or NID at the customer's actual location.

For dark fiber loops, the Company proposes to provide only two subloop elements – feeder and distribution.

Q. HOW DO CLECs GAIN ACCESS TO THE 2-WIRE, 4-WIRE, AND/OR DARK FIBER SUBLOOP FACILITIES?

A. The existence of and ability to access subloop elements is very customer-specific and must be evaluated on a case-by-case basis. Access to subloop elements may occur at an MDF, the FDI, or at the terminal serving the customer's premise. In all cases, the requesting CLEC must first pre-position at the point (or points) where access to the subloop is requested or otherwise establish a point of connection (POC) at those points. A point of connection is like a meet-point arrangement in that it is a physical interface that establishes the point at which the ILEC's facilities will be connected with the CLEC's facilities. In order to establish a POC at the requested FDI or terminal location, the CLEC must first submit a feeder/distribution interface application to its Verizon account management team. The application initiates the process to pre-position or otherwise establish a POC at the FDI or terminal. It will determine the technical feasibility of the CLEC's unbundled subloop request. In addition, the CLEC must collocate at the Verizon central office where the MDF is located and can either collocate or otherwise establish a presence at the FDI or terminal by utilizing the Collocation Application process. The application processes, both feeder/distribution interface and

collocation will determine the labor and/or capital costs for which the CLEC is responsible, and the proposed provisioning time frames to facilitate the creation of a point of connection with the CLEC.

Q. HOW DO CLECs GAIN ACCESS TO INTRA-BUILDING HOUSE AND RISER CABLE FACILITIES?

A. First, if the CLEC uses either the Company's UNE loop or UNE distribution subloop, the CLEC automatically receives access to any required house and riser cable (noting that the MRC for house and riser cable will also apply in addition to the MRC charges for the UNE loop or UNE distribution subloop).

If the CLEC desires to bring its own distribution facilities into a building/campus where Verizon Florida owns house and riser cable, then to gain access to the house and riser cable, the CLEC must locate a compatible terminal block within cross connect distance of the MPOE for such cable. In addition, only Verizon Florida personnel will perform the necessary provisioning work on Verizon Florida equipment. The specific NRC charges for required Verizon Florida provisioning activities are sponsored by Mr. Bert Steele.

E. ISSUE 5: SS-7 SIGNALING NETWORK & CALL RELATED DATABASES

Q. FOR WHAT SIGNALING NETWORK RELATED ITEMS IS VERIZON FLORIDA PROPOSING RATES?

A. FCC Rule § 51.319(e) requires ILECs to provide access to signaling networks, call-related databases, and service management systems on an unbundled basis. The Rule specifies that "[S]ignaling networks include, but are not limited to, signaling links and signaling transfer points." (47 C.F.R. § 319(e)(1)). It states further that: For purposes of switch query and database response through a signaling network, an incumbent ILEC shall provide access to its call-related databases, including but not limited to, the Calling Name Database, 911 Database, E911 Database, Line Information Database, Toll Free Calling Database, Advanced Intelligent Network Databases, and downstream number portability databases by means of physical access at the signaling transfer point linked to the unbundled databases. *(47 C.F.R.* § 51.319(e)(2)(A).)

Verizon Florida is proposing TELRIC-based prices for access to its SS-7 signaling network and for the databases enumerated by the FCC, with one exception. The prices and price structures for both access to Verizon's signaling network and associated database queries are set forth in Exhibit DBT-2.

Since customer requirements are highly variable, Verizon Florida is not proposing prices for access to the Verizon advanced intelligent network (AIN) service creation environment and associated databases.

Verizon Florida proposes to establish these arrangements on a case-by-case basis.

F. ISSUE 9(a): MRC PRICING PROPOSALS

Q. WHAT PROCEDURES HAS VERIZON FLORIDA USED TO DEVELOP ITS PROPOSED MRC RATES?

A. As previously stated, Verizon Florida is proposing rates that are consistent with the FCC's rules, which dictate that UNE prices should be based on a forward-looking cost-based pricing methodology (47 C.F.R. § 51.503(b)(1)), where forward-looking economic costs are defined by the FCC as the sum of:

(1) the TELRIC of the element, and

(2) a reasonable allocation of forward-looking common costs. (47 C.F.R. § 51.505(a))

As such, Verizon Florida's general pricing methodology for UNEs and collocation can briefly be summarized as follows: MRCs for UNEs will include an equal percentage mark-up above their TELRIC for recovery of the Company's forward-looking common costs (*e.g.*, a fixed-allocation pricing procedure). The TELRIC costs in support of each proposed MRC element are addressed in the Direct Testimony of Verizon Florida witness Tucek.

Q. DOES A FIXED-ALLOCATION APPROACH COMPLY WITH THE FCC'S CURRENT PRICING RULES?

A. Yes. In its First Report and Order implementing the Act, the FCC held that a fixed-allocator is a "reasonable allocation method." *Implementation of the Local Competition Provisions in the Telecomm. Act of 1996*, First Report & Order, 11 FCC Rcd 15499 (Local Competition Order), at ¶696 (1996).

Q. DOES THE FIXED-ALLOCATOR PROCEDURE RESULT IN PRICE SETS THAT MIMIC THOSE THAT WOULD BE FOUND IN A COMPETITIVE MARKETPLACE?

A. A fixed-allocation based procedure does not necessarily result in price sets that reflect the competitive market. Where, as here, significant common costs must be recovered, "the orthodox concept of second best pricing is the inverse elasticity principle, or Ramsey pricing." *Nat'l Rural Telecom Assoc. v. FCC*, 988 F.2d 174, 182 (D.C. Cir. 1993). Currently however, the FCC expressly forbids the use of Ramsey pricing in setting UNE rates because it could "raise the prices" of "relatively inelastic" UNEs, such as the local loop. Local Competition Order at ¶ 696. In other words, economic efficiency and competitive markets dictate Ramsey-based prices, but the FCC expressly prohibits such prices. Verizon Florida does not agree with the FCC's self-contradictory analysis or the FCC's pricing rules. Nevertheless, Verizon Florida has complied with these rules in developing UNE prices in this proceeding.

Q. WHAT COMMON COST RECOVERY FACTOR IS USED AS THE

BASIS FOR THE FIXED ALLOCATOR FOR DETERMINING COST-BASED MRCS?

A. The fixed-allocation factor was determined using the following formula:

Fixed Allocator = TWCC / DC

where: TWCC = Total Wholesale-Related Common Costs, and

DC = Direct Costs

Within this formula, Direct Costs equal the sum of all direct costs for all UNEs that would be needed by CLECs to serve all existing customers. The Direct Costs also include the direct costs for the MRC elements of collocation. Please note, however, that the Direct Costs that are the denominator of Verizon Florida's equation include only the direct costs of those elements that are being marked up. If an MRC does not include a mark-up, then the direct costs of those facilities or activities associated with the MRC are not included in the denominator. Verizon Florida does not propose to mark up any of its NRCs; therefore, the direct costs associated with these NRCs are excluded from Verizon Florida's calculation.

As shown in the Company's cost study filing, Verizon Florida's total forward-looking common costs equal $169.8 million per year. The sum of the TELRICs for all UNEs and other direct costs of facilities to be marked up is $1,205 million per year (this calculation is shown on Exhibit DBT-1). Taking these figures and applying the above formula

results in a fixed-allocation factor of 0.1409 ($169.8 million / $1,205 million).

Q. HOW IS THE FIXED-ALLOCATION FACTOR USED TO ARRIVE AT THE MRC FOR A GIVEN UNE?

A. The proposed MRC for each item presented in this proceeding is computed using the following formula:

MRC = TELRIC * (1 + Fixed-Allocation Factor),

which, given the costs filed by Verizon Florida in this proceeding, results in:

MRC = TELRIC * (1 + 0.1409)

As an example computation using this formula, if the TELRIC of a specific UNE were $30 per month, we would multiply it by 1.1409 to arrive at a price for that UNE of $ 34.23.

UNBUNDLED LOCAL LOOPS (ISSUES 9(a)(1)-9(a)(9))

Q. WHAT ARE UNBUNDLED LOCAL LOOPS?

A. As described in the FCC's Rule § 51.319(a), a local loop UNE is defined as a transmission facility between a distribution frame (or its equivalent) in an ILEC central office and the loop demarcation point at an end-user customer premises, including any inside wiring owned by the ILEC.

Q. FOR WHAT SPECIFIC UNBUNDLED LOOPS IS VERIZON FLORIDA

PROVIDING RATES FOR IN THIS PROCEEDING?

A. Rates are being proposed for 2-wire and 4-wire UNE loops, high capacity DS-1 and DS-3 UNE loops, and dark fiber loops.

2-WIRE, 4-WIRE, DS-1, AND DS-3

Q. WHAT IS A 2-WIRE LOOP?

A. A two-wire loop is a transmission circuit consisting of two wires that is used to both send and receive either voice or data transmissions.

Q. WHAT IS A 4-WIRE LOOP?

A. A 4-wire loop consists of two pairs of wires, one to transmit and one to receive. These loops are usually used in certain private line and data service applications.

Q. CAN THESE 2-WIRE AND 4-WIRE UNE LOOPS BE USED TO PROVIDE BOTH ANALOG AND DIGITAL SERVICES?

A. Yes, with certain qualifications. Depending on the technical parameters of each digital offering, it may be necessary to condition the loop to assure that those technical parameters can be achieved over the specific individual loop. The specific charges for conditioning loops are addressed by Mr. Steele. In some cases, it may be impossible for Verizon Florida to assure that a specific loop can sustain the technical parameters required to provision a specific digital service *(e.g.*, the loop length is too long to technically support the desired service). In these cases, the specific loop, whether

conditioned or not, will be unable to support the provision of a digital service.

Q. PLEASE DESCRIBE THE HIGH CAPACITY LOOPS FOR WHICH VERIZON FLORIDA IS PROPOSING RATES IN THIS PROCEEDING.

A. Verizon Florida is proposing rates for DS-1 and DS-3 high capacity loops. A DS-1 loop is generally a 4-wire loop that has been conditioned to support DS-1 transmission, including associated electronics. It can be used to provide full-period services (*e.g.*, private line) and switched services (*e.g.*, ISDN Primary Rate Interface) to end-users. In contrast, DS-3 UNE loops are necessarily provisioned over fiber optic cable and include the electronics necessary to facilitate DS-3 transmission.

Q. ARE VERIZON FLORIDA'S RATE PROPOSALS FOR UNE LOOPS DEAVERAGED BY GEOGRAPHIC AREA?

A. The cost studies sponsored by Verizon Florida witness David Tucek indicate that only 2-wire, 4-wire, and DS-1 UNE loops exhibit cost characteristics that support geographic deaveraging, while the various costs for DS-3 UNE loops exhibit minimal levels of geographic variation. Therefore, I am only proposing to consider geographically deaveraged rates for 2-wire, 4-wire, and DS-1 UNE loops.

Q. HOW DID VERIZON FLORIDA DEVELOP THESE COST-BASED

ZONES AND THE RESULTING MRCS?

A. As discussed earlier, Verizon Florida calculated loop costs at the wire center level and then "mapped" each wire center into one of three cost-based zones.

In Florida, Verizon Florida has 90 wire centers. The loop costs in each wire center are shown on Exhibit DBT-3. As illustrated by that exhibit, the wire center TELRICs of unbundled 2-wire loops vary from a low that is less than $10 per line to a high that is almost $200 per line, with the resulting statewide average cost being $22.94.

All wire centers in which the average loop cost is less than the statewide average loop cost of $22.94 were mapped to Zone 1. All wire centers in which the average loop cost is between the statewide average and 200% of the statewide average were mapped to Zone 2. All wire centers in which the average loop cost is greater than 200% of the statewide average were mapped to Zone 3.

Once the wire centers were mapped, we calculated the average UNE loop cost for each zone. These calculations are shown on Exhibit DBT-3. The specific UNE loop rate for each zone was then determined by adding to the zone-specific TELRICs a uniform amount for recovery of common costs. The determination of the uniform amount for recovery of common costs and the resulting zone-specific rates are shown in Exhibit DBT-1.

Q. PLEASE FURTHER DISCUSS THE CONCEPT OF ADDING A UNE-SPECIFIC UNIFORM AMOUNT FOR RECOVERY OF COMMON COSTS WHEN DEVELOPING THE COMPANY'S PROPOSED GEOGRAPHICALLY DEAVERAGED RATE LEVELS.

A. This procedure results in the same "absolute" amount of common cost recovery being obtained from the sale of a UNE loop regardless of the geographic zone in which the loop is sold. Since it is based on a fixed percent of direct costs, the fixed allocator procedure would result in a large absolute amount of common cost assignment to "high-cost" rural areas and a small absolute amount to low-cost urban areas when geographic deaveraging is implemented. Verizon Florida believes it is not reasonable to assign a much larger share of common cost recovery to rural UNE loops than to urban UNE loops. Thus, to spread the burden of common cost recovery equitably, an equal "absolute" amount was assigned to each geographic zone. This equal, absolute amount was determined by computing the fixed-allocation amount for common cost recovery using only the statewide average TELRIC for each item to be deaveraged. This uniform amount was then added to the deaveraged TELRICs for each geographic zone to determine the UNE loop price for each zone.

For example, assume the following table presents the geographic-specific costs of a 2-wire loop.

ZONE	TELRIC COST
Statewide Average	$20.00
Zone 1	$10.00
Zone 2	$20.00
Zone 3	$40.00

If the common cost mark-up factor were 15 percent, then, on average, $3.00 would be recovered from each UNE loop sold. But, applying the 15 percent mark-up to each deaveraged cost would result in Zone 1 UNE loops contributing $1.50 toward the recovery of the Company's common costs, while the sale of a Zone 3 UNE loop would result in a $6.00 contribution toward recovery of common costs. The burden of common cost recovery should not be skewed based on the geographic location of a given UNE. Verizon Florida's proposed methodology rectifies this potential outcome by assigning an amount for recovery of common costs based solely on the statewide average cost of that UNE. Thus, in this example, the price of a 2-wire UNE loop in each of the 3 zones would include the average $3.00 mark-up for recovery of common costs.

ISDN AND COIN LOOP EXTENDERS

Q. WHEN ARE ISDN AND COIN LOOP EXTENDERS NECESSARY?

A. In many cases, CLECs should be able to provision ISDN Basic Rate Interface (ISDN BRI) services to their end-users through the use of a basic 2-wire UNE loop. However, when the characteristics of the

specific UNE loop do not meet the technical requirements for provisioning ISDN BRI service (*e.g.*, the loop transits through a fiber-fed digital loop carrier), then an ISDN BRI loop extender UNE in conjunction with the basic 2-wire loop UNE would be required to allow the CLEC to provide ISDN BRI service to the end-user that is served by the specific loop.

Likewise, when a UNE loop does not meet the technical requirements for provisioning "dumb" coin phones, a coin loop extender may be required to enable the coin control attributes these phones rely upon.

Q. WHAT PRICES IS VERIZON FLORIDA PROPOSING FOR AN ISDN OR COIN LOOP EXTENDER AND WHEN WOULD THESE PRICES APPLY?

A. Exhibit DBT-2 contains the proposed MRC for both an ISDN loop extender and a coin loop extender. These loop extension rates apply only when required to facilitate the provision of the ISDN BRI or coin service.

NETWORK INTERFACE DEVICE (NID)

Q. WHAT IS A NID?

A. As described by FCC Rule § 51.319(b), a NID is defined as any means of interconnection of end-users' customer premise wiring to the ILEC's distribution plant. The NID can be thought of in two ways: (1) it may, consistent with Verizon Florida's proposed UNE loop rates, be

considered a component of the total UNE loop, and (2) it is a network element subject to unbundling in its own right.

Q. WHAT RATES DOES VERIZON FLORIDA PROPOSE FOR USE OF A NID?

A. The fixed allocation-derived rates to support the interconnection of 2-wire loops and 4-wire loops are presented in Exhibit DBT-2.

UNBUNDLED SUBLOOP ELEMENTS

Q. WHAT RATES IS VERIZON FLORIDA PROPOSING FOR UNE SUBLOOP ELEMENTS?

A. Verizon Florida's proposed TELRIC-derived, deaveraged MRC rates are depicted in Exhibit DBT-2, while the appropriate ordering and service connection NRCs are discussed by Company witness Steele.

Q. HOW WERE THE MRC RATES FOR SUBLOOPS DEVELOPED?

A. Mr. Tucek provided wire center-specific TELRIC estimates for 2-wire and 4-wire feeder, distribution, and drop categories. These wire center-specific estimates were then mapped to the three deaveraged zones that were established for the total loop UNEs. Based on this mapping of wire centers to deaveraged zones, zone-specific average costs were then developed for feeder, distribution, and the drop. Similar to the development of the total loop UNE prices, a uniform amount for each subloop category (based on the appropriate statewide

TELRIC) was determined for recovery of common costs. Thus, the resulting proposed price for each subloop category was determined based on the following:

MRC = TELRIC + Subloop's Uniform Common Cost Recovery Amount

House and riser cable costs were not developed at a wire center level, since the cost of such facilities was not deemed to vary by geography. Thus, the MRC for riser cable was not deaveraged by geographic zone.

Q. WILL THE RISER CABLE UNE CHARGE APPLY TO CLECS WHENEVER RISER CABLE IS PART OF THE FACILITIES SERVING AN END USER CUSTOMER?

A. Yes. None of the Company's proposed UNE loop or subloop rates include any amounts for recovery of Company-owned riser cable costs. Therefore, it is appropriate to implement this charge whenever any CLEC requests UNE access to an end user served by riser cable facilities.

CIRCUIT SWITCHING UNES

Q. HOW DOES VERIZON FLORIDA DEFINE LOCAL CIRCUIT SWITCHING?

A. Consistent with FCC Rule §51.319(c)(1)(A), Verizon Florida defines

local circuit switching UNEs to include all the necessary facilities and functions required to support the connection of end-user loops to a switch card and facilitate the switching of calls to their appropriate destination. In addition, switch features that allow for the provision of enhanced vertical offerings are also included in the Company's definition of local circuit switching.

Q. WHAT LOCAL SWITCHING RATE ELEMENTS IS VERIZON FLORIDA PROPOSING?

A. Three categories of elements are being proposed: (1) end-user ports, (2) local end-office switch usage, and (3) vertical feature usage.

PORTS

Q. WHAT UNES IS VERIZON FLORIDA PROPOSING FOR SWITCH PORTS?

A. The Company is proposing UNE rates for five types of switch ports: (1) a basic port, (2) a coin line port, (3) an ISDN BRI line side port, (4) a DS-1 trunk side port, and (5) an ISDN PRI trunk side port.

Q. WHAT RATES ARE YOU PROPOSING FOR EACH OF THESE VARIOUS SWITCH PORTS?

A. Verizon Florida's proposed MRCs can be found in Exhibit DBT-2.

END OFFICE SWITCHING

Q. WHAT RATE IS VERIZON FLORIDA PROPOSING FOR END-

OFFICE SWITCHING?

A. The proposed rate, based on a per minute-of-use structure, is also presented in Exhibit DBT-2.

SWITCH FEATURES

Q. HOW DOES VERIZON FLORIDA PROPOSE TO RECOVER THE COSTS OF PROVIDING UNBUNDLED ACCESS TO THE VARIOUS FEATURES OF A SWITCH?

A. Verizon Florida proposes that feature-specific rates be adopted, where the rates are based on each feature's specific TELRIC plus a reasonable allocation of the Company's common costs (*e.g.*, the fixed-allocator pricing process). Verizon Florida has never included the cost of various switch features in the cost of its switch ports or end-office switching UNEs. The rational method for recovery of switch feature costs is to charge the CLECs only for what they use – *i.e.*, on a per switch feature usage basis. Verizon Florida's proposed MRCs for the most common switch features are depicted in Exhibit DBT-2. As that Exhibit shows, several of the offered vertical services are quite costly for Verizon Florida to provide to CLECs. Thus, from a policy perspective, individual prices for each of the various vertical services is the appropriate price structure to assure recovery of costs from the CLEC that causes the costs to be incurred.

Q. IF A CLEC DESIRES TO PURCHASE A GIVEN SWITCH FEATURE THAT IS NOT LISTED IN EXHIBIT DBT-2, HOW WOULD THAT

CLEC GAIN ACCESS TO THAT FEATURE?

A. If such a feature exists on a given switch platform, Verizon Florida proposes that a bona fide request (BFR) process be employed by the CLEC. Upon receipt of the BFR, Verizon Florida will determine if the specific switch has the capability to deliver the requested feature. If the feature exists, Verizon Florida will develop costs and prices based on the FCC's rules and negotiate the proposed offering with the requesting CLEC.

TANDEM SWITCHING

Q. WHAT RATE IS VERIZON FLORIDA PROPOSING FOR USAGE OF UNBUNDLED TANDEM SWITCHING?

A. The TELRIC-based rate for this service can be found in Exhibit DBT-2. The rate structure is on a per MOU basis.

PACKET SWITCHING

Q. IS VERIZON FLORIDA PROPOSING SPECIFIC RATES FOR PACKET SWITCHING?

A. No, Verizon Florida is not proposing rates for packet switching. The FCC, in its UNE Remand Order, held that ILECs need not unbundle packet switching, except when: (1) the ILEC has placed its own digital subscriber line access multiplexer (DSLAM) in a remote terminal and is offering advanced services, (2) the ILEC does not permit the CLEC to collocate its DSLAM in that remote terminal, (3) Digital Loop Carrier technology is deployed, and (4) no spare copper loops are available.

UNE Remand Order, ¶ 313. ILECs are only required to provide packet switching capabilities to CLECs if all four of these conditions are met.

At this time, Verizon Florida does not offer advanced services and, as such, Verizon Florida does not deploy nor own any DSLAMs. Given this fact, Verizon Florida is not required to offer packet switching as a UNE. If, at some time in the future, Verizon Florida begins offering advanced services and deploying DSLAMs, the Company will, at that time, comply with the packet switching rules established by the FCC.

LOCAL TRANSPORT

Q. WHAT LOCAL / INTEROFFICE TRANSPORT OFFERING IS VERIZON FLORIDA PROPOSING IN THIS PROCEEDING?

A. Verizon Florida is proposing rates for three separate categories of local transport: (1) Common / Shared Transport, (2) Interoffice Dedicated Transport, and (3) CLEC Dedicated Transport.

Common/Shared Transport

Q. WHAT IS COMMON / SHARED TRANSPORT?

A. As defined by FCC Rule § 51.319(d)(1)(C), shared transport is the use of facilities by more than one carrier to facilitate the transport of calls between end-office switches, end-office switches and tandem switches, and between tandem switches in the ILEC network.

Q. HOW DOES VERIZON FLORIDA PROPOSE TO RECOVER THE

COSTS OF UNE COMMON / SHARED TRANSPORT?

A. The Company proposes to recover these costs using a rate structure that is identical to its switched access rate structure in Florida. Specifically, TELRIC costs were developed for transport facilities based on a per MOU, per airline mile (ALM) cost structure. Costs were also developed for transport terminations that facilitate the termination of each transport facility segment at each central office. Based on the identified TELRICs for each of these categories of cost, the resulting fixed-allocation-derived prices can be found in Exhibit DBT-2.

<u>Dedicated Transport</u>

Q. WHAT IS DEDICATED TRANSPORT?

A. As defined by FCC Rule § 51.319(d)(1)(A), dedicated transport consists of ILEC transmission facilities "that provide telecommunications between wire centers owned by incumbent LECs or requesting telecommunications carriers, or between switches owned by incumbent LECs or requesting telecommunications carriers."

Verizon FL offers two types of dedicated transport (1) interoffice dedicated transport and (2) CLEC dedicated transport. Interoffice dedicated transport is similar to common/shared transport (in that it is between two ILEC offices) except that the transport facility is dedicated to one particular customer or carrier. Access to interoffice dedicated transport is provided from the CLEC's collocation arrangement in a

Verizon Florida central office through an appropriate cross-connection made on a Verizon Florida digital signal cross connect bay or a fiber distribution frame.

CLEC dedicated transport is defined by Verizon Florida as a transport facility between a CLEC's collocation cage in a Verizon Florida central office and a CLEC's switch or facility office within the local exchange area served by the specific Verizon Florida central office where the collocation cage is located. This dedicated transport facility offering is very similar to the entrance facility offerings found in most intrastate and interstate access tariffs.

Q. FOR WHAT INTEROFFICE DEDICATED TRANSPORT ELEMENTS IS VERIZON FLORIDA PROPOSING RATES?

A. Verizon Florida is proposing rates for three capacity-based categories of direct-trunked transport between two Verizon Florida offices: (1) a single channel voice grade or digital facility (often called a DS-0 level facility), (2) a DS-1 level facility, and (3) a DS-3 level facility. The rate structure for the transport facilities is based on a per central office termination basis as well as a per airline mile basis. Verizon Florida's proposed TELRIC-based MRC rates for each type of facility can be found in Exhibit DBT-2.

Q. FOR WHAT CLEC DEDICATED TRANSPORT ELEMENTS IS VERIZON FLORIDA PROPOSING RATES?

A. Verizon Florida will offer four different types of CLEC dedicated transport facilities: (1) 2-wire, (2) 4-wire, (3) DS-1, and (4) DS-3. It must be noted that if facilities do not exist between Verizon Florida's central office and the CLEC switch location, Verizon Florida is under no obligation and will not build new facilities for provisioning of this offering. The specific fixed-allocation derived rates for each of the various offerings can be found in Exhibit DBT-2.

DARK FIBER

Q. WHAT IS DARK FIBER?

A. Dark fiber is defined as currently deployed, unused continuous fiber strands through which no light is transmitted. It is "dark" because it does not have electronics on either end of the fiber segment to energize it to transmit a telecommunications service. A strand shall not be deemed to be continuous if splicing is required to provide fiber continuity between two locations. Dark fiber will only be offered on a route-direct basis where facilities exist. The CLEC buying the dark fiber is expected to put its own electronics and signals on the fiber to make it "lit." Spare wavelengths on a fiber, which may result from the use of wave division multiplexing or dense wave division multiplexing equipment, are not considered spare dark fiber.

The FCC provided additional definition of dark fiber by identifying it as unused fiber that is "in place and easily called into service" and "can be used by competitive LECs without installation by the incumbent."

(UNE Remand Order, ¶ 174 n.323.)

The FCC further clarified, "we do not require incumbent LECs to construct new transport facilities to meet specific competitive LEC point-to-point demand requirements for facilities that the incumbent LEC has not deployed for its own use." (UNE Remand Order, ¶ 324.)

Although Verizon Florida does not agree with the FCC's ruling that dark fiber satisfies the "necessary and impair" standards required to be deemed a UNE, the Company recognizes that the FCC's rules are currently binding upon state commissions and Verizon Florida will abide by them.

CLEC access to the Company's dark fiber will only be allowed at a fiber patch panel. Patch panels are usually found at the customer's premises, the Company's central office, and potentially at a remote hut or a digital loop carrier location. Access to dark fiber will not be allowed at the various fiber splice points that may exist in Verizon Florida's network.

Q. HOW WILL CLECs BE ABLE TO DETERMINE IF DARK FIBER IS AVAILABLE ON A SPECIFIC ROUTE?

A. As discussed by Company witness Steele, a pre-ordering process has been established to allow CLECs to determine if dark fiber is available on a specific route, as well as the physical parameters of the given

dark fiber facility. This process will be initiated upon receipt of an access service request (ASR) service inquiry request from a CLEC. The charge for this pre-ordering activity is also discussed by Company witness Steele.

DARK FIBER LOOP

Q. WHAT IS VERIZON FLORIDA'S PROPOSED MRC FOR AN UNBUNDLED DARK FIBER LOOP?

A. First, an unbundled dark fiber loop is defined by Verizon Florida to mean "one" continuous dark fiber optic strand between a Verizon Florida central office's fiber distribution panel and the main termination point, such as a fiber distribution or patch panel located within the premises of an end-user customer. Exhibit DBT-2 provides the "per strand" MRC for a dark fiber UNE loop, as well as associated distribution and feeder sub-loop elements. The fixed-allocation pricing computations that derive these rates are also depicted in Exhibit DBT-2.

Q. WHY DIDN'T YOU PROPOSE TO DEAVERAGE THE PRICE FOR DARK FIBER LOOPS ON A GEOGRAPHIC BASIS?

A. Dark fiber loops were assumed to exhibit the same relative level of cost variation between geographic zones as DS-3 loops exhibit, since a DS-3 loop is a fiber-based loop. The geographic cost variation for DS-3 loops does not support the deaveraging of that offering; therefore, there is no rationale to support the deaveraging of dark fiber

loops.

DARK FIBER INTEROFFICE FACILITIES

Q. WHAT IS A DARK FIBER INTEROFFICE FACILITY (IOF)?

A. Dark fiber IOF is any existing, continuous dark fiber strand that exists between a fiber patch panel located within one Verizon Florida central office and a fiber patch panel in either (a) another Verizon Florida central office through which the fiber is routed or (b) a CLEC central office.

Q. WHAT TELRIC-BASED RATES DOES VERIZON FLORIDA PROPOSE FOR DARK IOF?

A. The proposed MRC rates between two Verizon Florida central offices are based on a per termination and per airline mile rate structure and are depicted in Exhibit DBT-2. The MRC rates for IOF between a Verizon Florida central office and a CLEC central office, identified as the dark fiber loop rates, are also depicted in Exhibit DBT-2. Since the composite rate paid for dark fiber IOF is mileage-sensitive, Verizon Florida considers dark fiber IOF to be sufficiently deaveraged to reflect geographic cost differences. Thus, deaveraged rates for this element are inappropriate; the IOF price structure inherently accounts for geographic cost differences.

G. ISSUE 9(b): ADDITIONAL UNE ELEMENTS

Q. SUBJECT TO THE STANDARDS OF THE FCC'S THIRD REPORT

AND ORDER, SHOULD THE COMMISSION REQUIRE ILECS TO UNBUNDLE ANY OTHER ELEMENTS OR COMBINATIONS OF ELEMENTS? IF SO, WHAT ARE THEY AND HOW SHOULD THEY BE PRICED?

A. No. Under FCC rules, the Commission cannot require unbundling of any additional elements unless it determines that access to an element is "necessary" and failure to provide it "impairs" the CLEC's ability to compete. There are no additional elements that meet this test. The Commission should decline to require unbundling of additional elements or combination of elements here, as it did in BellSouth's UNE pricing proceeding.

H. ISSUE 10 & 9(a)(19): CUSTOMIZED ROUTING

Q. WHAT IS THE APPROPRIATE RATE, IF ANY, FOR CUSTOMIZED ROUTING?

A. ILECs are no longer required to provide Operator Services/Directory Assistance (OS/DA) on an unbundled basis where they offer customized routing. Verizon Florida offers customized routing in all areas, subject only to site-specific technical limitations. Since 1996, however, Verizon Florida has not received any requests for customized routing. As such, the Company does not believe it is necessary to establish costs and prices for customized routing in this proceeding, but will instead do so on a case-by-case basis.

I. ISSUE 12: UNE COMBINATIONS

Q. HOW DOES THE FCC'S UNE REMAND ORDER ADDRESS THE ISSUE OF UNE COMBINATIONS?

A. The FCC's UNE Remand Orderrequires ILECs to provide currently combined elements to CLECs without disassembling them. (UNE Remand Order, ¶¶ 474-89.

There are basically two types of combinations that are at issue here: (1) UNE-Platform (UNE-P) combinations and (2) Enhanced Extended Link (EEL) combinations.

Due to the then-pending litigation on combinations in the Eighth Circuit Court, the FCC did not elect to define combinations as separate network elements, nor did it address whether an ILEC must combine network elements that are not already combined in the network. (UNE Remand Order, ¶ 481.)

However, in its July, 2000 opinion, the Eighth Circuit reaffirmed its previous decision that FCC Rules § 51.315 (c)-(f) remain vacated *Iowa Utils. Bd. v. FCC*, 219 F.3d at 759. Thus, Verizon Florida is under no obligation to combine UNE elements that are not already combined in its network.

Q. WILL VERIZON FLORIDA COMBINE NETWORK ELEMENTS EVEN THOUGH IT IS NOT LEGALLY OBLIGATED TO DO SO?

A. No. The Company will comply scrupulously with the requirements of the Telecommunications Act of 1996 and the lawful regulations of the FCC, as determined by the courts. Complying with the Act to meet its pro-competitive goals means, however, not only offering what Congress determined competition requires, but also withholding those things that Congress determined the CLECs should do for themselves. The development of robust competition requires no less — not only making certain of our facilities available to assist the CLECs, but also encouraging them to build their own networks where ours does not immediately meet their needs. Accordingly, Verizon Florida will make available to CLECs all required UNEs and will provide them in their combined state if they are already combined, in accordance with the Act and the FCC's rules. With one exception, where UNEs are not already combined, Verizon Florida will not combine them for the CLECs, but will, in full accordance with the law, make them available individually for the CLECs to combine themselves. The exception to this rule concerns new EEL combinations, which will be discussed later in this testimony.

Q. PLEASE FURTHER DESCRIBE THE VARIOUS CATEGORIES OF UNE COMBINATIONS.

A. A UNE-P is a combination of a loop, local circuit switching and shared transport. It is essentially a working local service that can be used by a CLEC to provide retail local services such as R1 or B1 service. An EEL is a combination of an unbundled loop, multiplexing as required,

and interoffice dedicated transport that facilitates the "extension" of an unbundled loop beyond the central office that serves an end-user customer--a configuration that is often found in the special access product set today. By using an EEL, the CLEC can avoid the need to collocate at every central office to gain access to the unbundled loops within each central office. EEL combinations do not include local circuit switching.

UNE-PLATFORMS

Q. UNDER WHAT CONDITIONS WILL VERIZON FLORIDA OFFER UNE-P COMBINATIONS?

A. Verizon Florida will offer UNE-P combinations throughout its Florida operating territory with one exception. As previously stated, Verizon Florida is not required to combine UNEs into platforms when the specific UNEs are not combined in the Company's network.

Q. FOR WHAT UNE PLATFORMS IS VERIZON FLORIDA PROPOSING RATES?

A. Based on Verizon Florida's proposed UNE loop and port offerings, CLECs will technically have the capability to create four different platforms, which are integrated combinations of a UNE loop and a UNE port as follows:

(1) Basic Analog Platform, which would be comprised of a 2-wire UNE loop and a basic analog line side port;

(2) ISDN BRI Platform, which would be comprised of a 2-wire UNE

loop and an ISDN BRI digital line side port; (ISDN BRI Loop Extension charges may apply.)

(3) ISDN PRI Platform, which would be comprised of a DS-1 UNE loop and an ISDN PRI digital port; and,

(4) DS-1 Platform, which would be comprised of a DS-1 UNE loop and a DS-1 digital trunk side port.

Q. WHAT PRICE STRUCTURE AND PRICE LEVELS IS VERIZON FLORIDA PROPOSING FOR EACH UNE PLATFORM?

A. Verizon Florida is not proposing specific platform rates. The ultimate MRC for a platform will equal the sum of the MRCs for the individual UNEs that are required by the CLEC to create the platform that is currently serving the end-user customer. Thus, the total MRC paid by the CLEC will include a deaveraged UNE loop MRC and a UNE port MRC. The Company's switch usage rates (end-office and tandem) and common/shared transport rates will apply, as appropriate, for all minutes of use generated from the platform. Likewise, Verizon Florida's proposed rates for switch features would apply when specific switch features are ordered, as well as Verizon Florida's proposed rates for "non-call set-up" queries to the Company's databases.

Q. PLEASE EXPLAIN VERIZON FLORIDA'S ORDERING AND PROVISIONING PROCESS FOR UNE-P.

A. CLECs will order UNE-P from Verizon Florida using the standard Local Service Request form. Additional information, to be provided on a

data gathering form, may be required in conjunction with the more complex switch features such as CentraNet. Prior to ordering, a CLEC is not required to be collocated to purchase UNE-P since no handoff of facilities to the CLEC is necessary. A UNE-P is a standalone working service. Currently, Verizon Florida requires the CLEC to update the E911 Database records associated with end-user customers they serve via UNE-P. However, Verizon Florida is modifying its systems and plans to be able to perform these updates for the CLEC in the near future.

Verizon Florida will provision UNE-P in a manner similar to how it provisions resale or its own retail services. Also, UNE-P is always provisioned as a measured service. The CLEC will be billed for local switching usage, as well as shared transport. Verizon Florida will provide local and access usage files to the CLEC so it can, in turn, bill its end-users and any IXCs. (Verizon Florida does not, at present, charge for usage files provided to the CLECs)

Finally, vertical services can be added to any platform at the CLEC's option; additional charges, of course, apply for such vertical services.

Q. WILL VERIZON FLORIDA PROVIDE NEW COMBINATIONS OF LOOP AND SWITCHING?

A. As noted, Verizon Florida is not required to provide "new" combinations of unbundled elements which do not already exist. *Iowa*

Utils. Bd. v. FCC, 219 F.3d 744. Thus, Verizon Florida will only offer UNE-Ps when the desired elements have already been combined to offer retail or resale services.

EEL COMBINATIONS

Q. WHAT WILL VERIZON FLORIDA OFFER IN THE WAY OF NON-SWITCHED EEL COMBINATIONS?

A. Verizon Florida will offer combinations of network elements that are already combined, including combinations of loop, multiplexing/concentrating equipment, dedicated transport and entrance facilities. In addition, the Company will provide new (not already combined) EEL combinations for CLECs provisioning customers served by Verizon Florida's local circuit switches that are located in the FCC's density zone 1 in the "Tampa–St. Petersburg–Clearwater" Metropolitan Statistical Area. Per FCC rule 51.319, the offering of new EEL combinations will exempt the Company from providing unbundled local circuit switching to requesting CLECs when the CLEC intends to serve a customer with four or more voice grade (DS0) equivalent lines in the Tampa–St. Petersburg–Clearwater area.

There are many potential combinations of loop types, multiplexing arrangements, and transport bandwidth that could be provided under an EEL arrangement. Accordingly, Verizon Florida proposes that the rate for each EEL UNE combination be the sum of the individual loop, transport and multiplexing rates for each of the individual UNEs that

make up the combination. Exhibit DBT-2 also presents the rates for various types of multiplexing that are likely to be requested in conjunction with the provisioning of EEL combinations.

Q. UNDER WHAT CONDITIONS CAN EXISTING SPECIAL ACCESS ARRANGEMENTS BE CONVERTED TO EEL COMBINATIONS?

A. The FCC issued a Supplemental Order in CC Docket No. 96-98 on November 24, 1999, (*Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Supplemental Order, 15 FCC Rcd 1760 (Supplemental Order) (1999)), which set up a temporary constraint on the circumstances under which carriers could convert special access combinations to UNE combinations. The FCC constrained carriers from substituting entrance facilities and combinations of unbundled loops and dedicated interoffice transport network elements for the ILECs' special access service. Because it was concerned that carriers that provide exchange access service would be able to arbitrage special access rates and harm universal service, the FCC allowed conversions of special access services to UNE rates only if the carrier provides a significant amount of local exchange service on the facility.

On June 2, 2000, the FCC issued a Supplemental Order Clarification, (*Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Supplemental Order Clarification, 15 FCC Rcd 9587 (Supplemental Order Clarification) (2000)), in which it

extended the temporary constraint and provided further definition of what constitutes a significant amount of local traffic. The FCC said that one of three circumstances must be met. (*See* Supplemental Order Clarification, ¶ 22). First, the requesting carrier certifies that it is the exclusive provider of an end-user's local exchange service. Under this condition, collocation is required in at least one ILEC central office within the LATA, and loop-transport combinations cannot be connected to the ILEC's tariffed services.

Second, the requesting carrier certifies that it provides local exchange and exchange access service to the end-user customer's premises and handles at least one third of the end-user customer's local traffic (percent local traffic factors are different for DS1 and higher). Collocation at a minimum of one central office within the LATA is also required under the second condition. The EEL combinations must terminate to the collocation arrangement(s) and cannot be connected to the ILEC's tariffed services.

Under the third and last condition, the requesting carrier certifies that at least 50% of the activated channels on a circuit are used to provide local dial tone service, that at least 50% of the traffic on each of these local channels is local voice traffic, and that the entire loop facility has at least 33% local voice traffic. Collocation is not required with condition three; however, the restriction on connecting loop-transport combinations to ILEC tariffed services still applies.

The FCC also required ILECs to allow CLECs to self-certify that they are providing a significant amount of local exchange service over combinations of UNEs. ILECs are allowed to subsequently conduct limited audits by an independent third party to verify the requesting carrier's compliance with the local usage requirements. (Supplemental Order Clarification, ¶ 29). When converting from special access rates to UNE rates, the full termination liability will apply, if applicable.

J. ISSUE 13: RATE EFFECTIVE DATE

Q. WHEN SHOULD THE RECURRING AND NON-RECURRING RATES AND CHARGES TAKE EFFECT?

A. Verizon's Interconnection, Resale, and Unbundling Agreements (Interconnection Agreements) with CLECs set forth the interconnection terms, conditions and prices for Verizon's local network. Verizon's position is that once this Commission adopts final rates, then the UNE prices in Verizon's Interconnection Agreements would be modified according to the provisions in those contracts.

Thus, the Commission's approval process must incorporate the timing requirements necessary to amend (if possible) any existing interconnection agreements to reflect any new rate structures and rate levels, as well as the time requirements necessary to have those agreements approved by the Commission. In addition, Verizon Florida must be allowed sufficient time to make any necessary billing and

systems changes. Verizon asks the Commission to give it thirty days to implement the rates after the Commission formally approves the first updated or new interconnection agreement.

If a rate for a particular UNE is established in this proceeding, but a CLEC's current interconnection agreement does not include that UNE, the CLEC is not entitled to the UNE until the parties execute an appropriate amendment. In this way, the parties can ensure that all related terms and conditions are included.

IV. SUMMARY

Q. WOULD YOU PLEASE SUMMARIZE YOUR TESTIMONY?

A. UNE prices should not be further deaveraged in the absence of cost-based, deaveraged retail rates. Wholesale deaveraging alone will only exacerbate existing CLEC arbitrage opportunities, thus undermining this Commission's goals of promoting efficient competition and universal service. The best approach is to leave the ILEC-specific zones in place until retail and wholesale rates can be made consistent.

If the Commission, however, decides to move forward with further deaveraging here, it should deaverage only those UNEs that exhibit material cost variations with geography. UNE costs should be calculated at a wire center level, with wire centers mapped into rate zones and a single UNE price set for each zone. At this time, only

loop prices should be considered for deaveraging, because only loop costs display significant geographical variation.

The Commission should also reject any notion of deaveraging UNE loops based on the specific end-user technology to be used in conjunction with each specific loop (*e.g.*, xDSL technologies). Like geographic deaveraging, this activity would not only exacerbate existing CLEC arbitrage opportunities. In addition, it would have the irrational outcome of resulting in prices that would vary for the "same" UNE loop in a given geographic area based solely on the technology employed for an end-user. This type of technology-based deaveraging would be at total odds with any rational pricing policy objectives.

The Commission should approve Verizon Florida's proposed costs for use in pricing UNEs. Verizon Florida's cost studies are comprehensive and comply fully with the FCC's hypothetical TELRIC methodology, even though the Eighth Circuit has invalidated that methodology. Verizon Florida reserves the right to modify its UNE prices as necessary when the issue of cost methodology is finally settled at the federal level.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

VERIZON FLORIDA INC.
(Formerly GTE Florida Incorporated)
STATE OF FLORIDA

CALCULATION OF COMMON COST PERCENTAGE

A. NUMERATOR **$169,821,794**

Total forward-looking common costs. These costs are set forth in Verizon's Cost Study in Attachment O at page 4 of 6 on the ICM-FL CD.

B. DENOMINATOR

Total forward-looking direct costs. These costs include four components:

1. Annual Capital Charges	$645,067,831	Note 1
2. Annual Property Taxes	$29,954,453	Note 2
3. Annual Operating Expenses	$523,349,401	See Section C below
4. Collocation Direct Costs	$6,668,784	Collocation Study (Page 2 of Exhibit DBT-1)
Total Direct Costs	**$1,205,040,469**	

C. ANNUAL OPERATING EXPENSES

All these costs are found in Verizon's cost study and workpapers. The annual operating expenses were calculated below:

1. Total Operating Expenses	$718,710,367	Attachment I, Column B (ICM-FL CD)
2. Adjustments		
A. NRC Expenses	($99,739,025)	Attachment I, Column F (ICM-FL CD)
B. General Support	$132,306,665	Attachment K, Column J (ICM-FL CD)
C. Miscellaneous	($58,106,812)	Note 3
D. Common Costs	($169,821,794)	See Section A above
Annual Operating Expenses	**$523,349,401**	

D. COMMON COST PERCENTAGE CALCULATION:

$$\text{Common Cost Percentage} = \frac{\text{Common Costs}}{\text{Direct Costs}} = \frac{\$169,821,794}{\$1,205,040,469} = 14.09\%$$

Note 1 - Calculated as the total depreciation and return associated with the ICM investments shown in Attachment J4 on the ICM-FL CD.
Note 2 - The total property tax expense associated with the applicable ICM investments shown in Attachment J4 on the ICM-FL CD.
Note 3 - Reflects recognition of merger savings, elimination of certain accounts, etc. on the ICM-FL CD.

Verizon Florida Inc.
State of Florida
Calculation of Collocation Costs

Line Nos.	Elements	TELRIC
1	Building Modification	$ 148.59
2	Environmental Conditioning	$ 165.60
3	Caged Floor Space	$ 231.00
4	Cable Subduct Space - Manhole	$ 4.70
5	Cable Subduct Space	$ 5.94
6	Cable Rack Space - Fiber	$ 1.25
7	DC Power	$ 961.60
8	Facility Termination - DS3	$ 16.88
9	BITS Timing	$ 8.14
10	Total Collocation MRCs	$ 1,543.70
11		
12	Collocation MRC Annual Total (line 10 * 12)	$ 18,524.40
13		
14	Total Florida Central Offices/Wire Centers	90
15	Collocators per Office	4
16	Total Collocators (line 14 * line 15)	360
17		
18	**TOTAL COLLOCATION COST (line 12 * line 16)**	**$ 6,668,784**

VERIZON FLORIDA INC.
(formerly GTE Florida, Inc.)
Unbundled Network Elements

			(a)	(b)=(a)x(d)	(c)=(a)+(b)
				Common Cost Percentage =	(d) 14.09%
	Unbundled Network Elements		TELRIC	Common Cost	Price/ Rate
1	(1)	**LOCAL LOOPS (Includes NID)**			
2					
3		**2-Wire Loop**			
4		Statewide Average (Preferred Rate Structure)	$22.94	$3.23	$26.17
5					
6		Alternative Zone Structure Rates:			
7		Zone 1	$18.94	$3.23	$22.17
8		Zone 2	$27.68	$3.23	$30.91
9		Zone 3	$74.16	$3.23	$77.39
10					
11		**4-Wire Loop**			
12		Statewide Average (Preferred Rate Structure)	$54.01	$7.61	$61.62
13					
14		Alternative Zone Structure Rates:			
15		Zone 1	$45.99	$7.61	$53.60
16		Zone 2	$63.99	$7.61	$71.60
17		Zone 3	$150.10	$7.61	$157.71
18					
19		**DS-1 Loop**			
20		Statewide Average (Preferred Rate Structure)	$210.82	$29.70	$240.52
21					
22		Alternative Zone Structure Rate:			
23		Zone 1	$205.54	$29.70	$235.24
24		Zone 2	$222.50	$29.70	$252.20
25		Zone 3	$279.57	$29.70	$309.27
26					
27		**DS-3 Loop**			
28		Statewide Average	$935.97	$131.88	$1,067.85
29					
30		**Supplemental Features**			
31					
32		ISDN BRI Line Loop Extension	$5.65	$0.80	$6.45
33		COIN Loop Extension	$19.56	$2.76	$22.32
34					
35		**House and Riser Cable**			
36		Intrabuilding Cable - Note 1	$2.47	$0.35	$2.82
37					
38	(2)	**SUB-LOOPS**			
39					
40		**2-Wire Feeder**			
41		Statewide Average (Preferred Rate Structure)	$8.79	$1.24	$10.03
42					
43		Alternative Zone Structure Rate:			
44		Zone 1	$8.17	$1.24	$9.41
45		Zone 2	$9.74	$1.24	$10.98
46		Zone 3	$13.85	$1.24	$15.09
47					
48		**4-Wire Feeder**			
49		Statewide Average (Preferred Rate Structure)	$27.17	$3.83	$31.00
50					
51		Alternative Zone Structure Rate:			
52		Zone 1	$25.60	$3.83	$29.43
53		Zone 2	$30.12	$3.83	$33.95
54		Zone 3	$33.32	$3.83	$37.15
55					
56		**2-Wire Distribution (Includes NID)**			
57		Statewide Average (Preferred Rate Structure)	$16.89	$2.38	$19.27
58					
59		Alternative Zone Structure Rate:			
60		Zone 1	$13.50	$2.38	$15.88
61		Zone 2	$20.67	$2.38	$23.05
62		Zone 3	$63.04	$2.38	$65.42

Note 1 - Assumes an average of five floors.

VERIZON FLORIDA INC.
(formerly GTE Florida, Inc.)
Unbundled Network Elements

					(d)
				Common Cost Percentage =	14.09%
		Unbundled Network Elements	(a) TELRIC	(b)=(a)x(d) Common Cost	(c)=(a)+(b) Price/ Rate
63		**4-Wire Distribution (Includes NID)**			
64		Statewide Average (Preferred Rate Structure)	$29.57	$4.17	$33.74
65					
66		Alternative Zone Structure Rate:			
67		Zone 1	$23.12	$4.17	$27.29
68		Zone 2	$36.60	$4.17	$40.77
69		Zone 3	$119.52	$4.17	$123.69
70					
71		**2-Wire Drop (Includes NID)**			
72		Statewide Average (Preferred Rate Structure)	$2.47	$0.35	$2.82
73					
74		Alternative Zone Structure Rate:			
75		Zone 1	$2.19	$0.35	$2.54
76		Zone 2	$2.90	$0.35	$3.25
77		Zone 3	$4.71	$0.35	$5.06
78					
79		**4-Wire Drop (Includes NID)**			
80		Statewide Average (Preferred Rate Structure)	$2.84	$0.40	$3.24
81					
82		Alternative Zone Structure Rate:			
83		Zone 1	$2.62	$0.40	$3.02
84		Zone 2	$3.18	$0.40	$3.58
85		Zone 3	$4.96	$0.40	$5.36
86					
87	(3)	**NETWORK INTERFACE DEVICE**			
88					
89		Per 2-Wire Loop	$1.37	$0.19	$1.56
90		Per 4-Wire Loop	$1.75	$0.25	$2.00
91					
92	(4)	**LOCAL END-OFFICE SWITCHING**			
93					
94		***Ports***			
95		Basic Port	$2.95	$0.42	$3.37
96		Coin Port	$6.26	$0.88	$7.14
97		DS-1 Port	$61.51	$8.67	$70.18
98		ISDN BRI Port	$11.75	$1.66	$13.41
99		ISDN PRI Port	$232.10	$32.70	$264.80
100					
101		**End-Office Switching** (must purchase Port)			
102		Per MOU	0.0025869	$0.0003645	$0.0029514
103					
104		**Features & Functions**	**See Section (12)**		
105					
106	(5)	**TANDEM SWITCHING**			
107					
108		Per MOU	$0.0016633	$0.0002344	$0.0018977
109					
110	(6)	**LOCAL TRANSPORT**			
111					
112		**Common/Shared Transport**			
113		Transport Facility (Per MOU times ALM)	$0.0000007	$0.0000001	$0.0000008
114		Transport Termination (Per MOU times Term)	$0.0000917	$0.0000129	$0.0001046
115					
116		**Interoffice Dedicated Transport**			
117		IDT DS0/VG Transport Facility Per ALM	$0.03	$0.00	$0.03
118		IDT DS0/VG Transport Per Termination	$11.58	$1.63	$13.21
119		IDT DS-1 Transport Facility Per ALM	$0.26	$0.04	$0.30
120		IDT DS-1 Transport Per Termination	$23.70	$3.34	$27.04
121		IDT DS-3 Transport Facility Per ALM	$1.30	$0.18	$1.48
122		IDT DS-3 Transport Per Termination	$57.88	$8.16	$66.04
123					

VERIZON FLORIDA INC.
(formerly GTE Florida, Inc.)
Unbundled Network Elements

				(d)
			Common Cost Percentage =	14.09%
	Unbundled Network Elements	(a) TELRIC	(b)=(a)x(d) Common Cost	(c)=(a)+(b) Price/ Rate
124	**CLEC Dedicated Transport**			
125	CDT 2-Wire	$32.90	$4.64	$37.54
126	CDT 4-Wire	$63.97	$9.01	$72.98
127	CDT DS-1	$210.82	$29.70	$240.52
128	CDT DS-3	$935.97	$131.88	$1,067.85
129				
130	**(7) DARK FIBER**			
131				
132	**Unbundled DF Loops & Subloops (per Fiber Strand)**			
133	Dark Fiber Loop	$71.80	$10.12	$81.92
134	Dark Fiber Sub-Loop Feeder	$61.33	$8.64	$69.97
135	Dark Fiber Sub-Loop Distribution	$12.42	$1.75	$14.17
136				
137	**Unbundled DF Dedicated Transport (per Fiber Strand)**			
138	*Dark Fiber IDT - Facility per ALM*	$48.86	$6.88	$55.74
139	Dark Fiber IDT - per Termination	$1.94	$0.27	$2.21
140				
141	**(8) UNE COMBINATIONS (i.e. UNE-Ps or EELs)**			
142				
143	The resulting charges for a UNE Combination are based on applying the individual UNE rates			
144	for the desired loop, the desired transport, the desired port, the desired			
145	switch features and any usage charges related to end office switching, tandem switching, transport			
146	and SS7 Call Related Database Transport and Queries. In addition, if multiplexing is required			
147	the following rates will apply:			
148				
149	**Multiplexing (when EELs are ordered)**			
150	DS1 to Voice Grade Multiplexing	$163.87	$23.09	$186.96
151	DS3 to DS1 Multiplexing	$451.14	$63.57	$514.71
152				
153	**(9) SIGNALING SYSTEM 7**			
154				
155	***SS-7 STP Access Service (w/o Verizon Switching)***			
156	DSAL 56 KB	$65.96	$9.29	$75.25
157	DSAL DS-1	$117.94	$16.62	$134.56
158	DSAT 56 KB Facility per ALM	$2.34	$0.33	$2.67
159	DSAT DS-1 Facility per ALM	$12.24	$1.72	$13.96
160	STP Port Termination	$456.27	$64.29	$520.56
161				
162	**SS-7 Transport**			
163				
164	**Fixed Transport (w/o Verizon Switching)**			
165	Transport - Local STP to Regional STP	$928.49	$130.82	$1,059.31
166	Transport - Regional STP to Regional STP	$1,173.80	$165.39	$1,339.19
167				
168	**Query-Based Transport (only when Verizon Switching used)**			
169	DB800 Query Setup - End-Office to Local STP	$0.0002914	$0.0000411	$0.0003325
170	CNAM/LIDB Query Setup - End-Office to Local STP	$0.0002573	$0.0000363	$0.0002936
171				
172	*DB800 Query Transport - Local STP to Regional STP*	$0.0004543	$0.0000640	$0.0005183
173	CNAM/LIDB Query Transport - Local STP to Regional STP	$0.0002917	$0.0000411	$0.0003328
174				
175	**SS-7 SCP Database Queries (when CLEC or Verizon Switching used)**			
176	DB800 Query - Carrier Selection Service	$0.0003985	$0.0000561	$0.0004546
177	LIDB Query	$0.0003544	$0.0000499	$0.0004043
178	CNAM Query	$0.0019601	$0.0002762	$0.0022363
179				
180	**(10) SWITCH FEATURES**			
181				
182	Three Way Calling	$1.28	$0.18	$1.46
183	Call Forwarding Variable	$0.24	$0.03	$0.27
184	Cust. Changeable Speed Call 1-Digit	$0.18	$0.03	$0.20
185	Cust. Changeable Speed Call 2-Digit	$0.31	$0.04	$0.35
186	Call Waiting	$0.09	$0.01	$0.10
187	Cancel Call Waiting	$0.06	$0.01	$0.07
188	Automatic Callback	$0.25	$0.04	$0.29
189	Automatic Recall	$0.13	$0.02	$0.15
190	Calling Number Delivery	$0.40	$0.06	$0.46
191	Calling Number Delivery Blocking	$0.22	$0.03	$0.25
192	Distinctive Ringing / Call Waiting	$0.33	$0.05	$0.38
193	Customer Originated Trace	$0.12	$0.02	$0.14
194	Selective Call Rejection	$0.38	$0.05	$0.44
195	Selective Call Forwarding	$0.34	$0.05	$0.39
196	Selective Call Acceptance	$0.40	$0.06	$0.45
197	Call Forwarding Variable CTX	$0.18	$0.03	$0.21
198	Call Forwarding Incoming Only	$0.16	$0.02	$0.19

VERIZON FLORIDA INC.
(formerly GTE Florida, Inc.)
Unbundled Network Elements

				(d)
			Common Cost Percentage =	14.09%
Unbundled Network Elements		(a) TELRIC	(b)=(a)x(d) Common Cost	(c)=(a)+(b) Price/ Rate
199	Call Forwarding Within Group Only	$0.11	$0.02	$0.13
200	Call Forwarding Busy Line	$0.15	$0.02	$0.17
201	Call Frwding Don't Answer All Calls	$0.15	$0.02	$0.17
202	Remote Call Forward	$2.40	$0.34	$2.74
203	Call Waiting Originating	$0.11	$0.02	$0.13
204	Call Waiting Terminating	$0.05	$0.01	$0.05
205	Cancel Call Waiting CTX	$0.01	$0.00	$0.01
206	Three Way Calling CTX	$0.22	$0.03	$0.26
207	Call Transfer Individual All Calls	$0.17	$0.02	$0.20
208	Add-On-Consult Hold Incoming Only	$0.15	$0.02	$0.17
209	Speed Calling Individual-1 Digit	$0.07	$0.01	$0.08
210	Speed Calling Individual-2 Digit	$0.14	$0.02	$0.16
211	Direct Connect	$0.05	$0.01	$0.06
212	Distinct Alerting / Call Waiting Indic	$0.06	$0.01	$0.07
213	Call Hold	$0.19	$0.03	$0.22
214	Semi-Restricted (Orig/Term)	$1.06	$0.15	$1.21
215	Fully Restricted (Orig/Term)	$1.06	$0.15	$1.21
216	Toll Restricted Service	$0.15	$0.02	$0.17
217	Call Pick-Up	$0.05	$0.01	$0.06
218	Directed Call Pick-Up W/Barge-In	$0.05	$0.01	$0.05
219	Directed Call Pick-Up W/Obarge-In	$0.06	$0.01	$0.07
220	Special Intercept Announce (per C/G)	$7.36	$1.04	$8.40
221	Conference Call 6-Way Station Contr	$1.88	$0.26	$2.14
222	Stn Msg Dtl Rcrdng To Rao (per G)	$1.52	$0.21	$1.73
223	Stn Msg Dtl Rcrdng To Prem (per G)	$3.28	$0.46	$3.74
224	Fixed Night Service - Key (per C/G)	$2.55	$0.36	$2.91
225	Attd Camp-On (Non-DI Console)	$0.35	$0.05	$0.40
226	Attd Busy Line Verification (per C/G)	$13.78	$1.94	$15.73
227	Control Of Facilites (per C/G)	$0.04	$0.01	$0.05
228	Fixed Night Serv - Call Fwd (per C/G)	$1.83	$0.26	$2.09
229	Attd Conference (per C/G)	$41.84	$5.90	$47.74
230	Circular Hunting	$0.08	$0.01	$0.09
231	Preferential Multiline Hunting	$0.02	$0.00	$0.03
232	Uniform Call Distribution (per G)	$0.94	$0.13	$1.08
233	Stop Hunt Key	$3.88	$0.55	$4.43
234	Make Busy Key	$3.88	$0.55	$4.43
235	Queuing	$13.52	$1.90	$15.42
236	Automatic Route Selection	$2.72	$0.38	$3.11
237	Facility Restriction Level	$0.16	$0.02	$0.19
238	Expensive Route Warning Tone	$0.03	$0.00	$0.03
239	Time-Of-Day Rout Control (per C/G)	$6.07	$0.86	$6.93
240	Foreign Exchange Facilities (per T/G)	$3.83	$0.54	$4.37
241	Anonymous Call Rejection	$3.52	$0.50	$4.01
242	Basic Bus Group Sta-Sta ICM	$0.31	$0.04	$0.35
243	Basic Business Group CTX	$0.15	$0.02	$0.17
244	Basic Bus Grp Direct Out Dialing	$0.01	$0.00	$0.01
245	Basic Bus Grp Auto ID Out Dialing	$0.00	$0.00	$0.00
246	Basic Bus Grp Direct In Dialing	$0.00	$0.00	$0.00
247	Bus Set Grp Intercom All Calls	$3.41	$0.48	$3.89
248	Dial Call Waiting	$0.08	$0.01	$0.09
249	Loudspeaker Paging (per T/G)	$3.77	$0.53	$4.30
250	Recrded Phone Dictation (per T/G)	$3.99	$0.56	$4.55
251	On-Hook Queuing-Outgoing Trks	$0.23	$0.03	$0.26
252	Off-Hook Queuing-Outgoing Trks	$0.02	$0.00	$0.02
253	Teen Service	$0.07	$0.01	$0.08
254	Bg - Automatic Call Back	$0.10	$0.01	$0.11
255	Voice/Data Protection	$0.00	$0.00	$0.01
256	Authorization Codes For Afr	$0.05	$0.01	$0.06
257	Account Codes For Afr	$0.18	$0.03	$0.21
258	Code Restriction & Diversion	$0.17	$0.02	$0.19
259	Code Calling (per T/G)	$5.60	$0.79	$6.38
260	Meet-Me Conference	$3.04	$0.43	$3.47
261	Call Park	$0.08	$0.01	$0.09
262	Executive Busy Override	$0.06	$0.01	$0.06
263	Last Number Redial	$0.09	$0.01	$0.11
264	Direct Inward System Access (per G)	$0.08	$0.01	$0.10
265	Auth Code Immediate Dialing	$0.00	$0.00	$0.00
266	Bg - Speed Calling Shared	$0.00	$0.00	$0.01
267	Attnd'T Recall From Satellite	$1.05	$0.15	$1.19
268	Bg - Speed Calling 2-Shared	$0.01	$0.00	$0.01
269	Business Set - Call Pick-Up	$0.08	$0.01	$0.09
270	Authorization Code For Mdr	$0.00	$0.00	$0.00
271	Locked Loop Operation	$0.00	$0.00	$0.00
272	Attnd'T Position Busy	$2.86	$0.40	$3.27
273	Two-Way Splitting (per A/G)	$4.14	$0.58	$4.72

VERIZON FLORIDA INC.
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				(d)
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	Unbundled Network Elements	(a) TELRIC	(b)=(a)x(d) Common Cost	(c)=(a)+(b) Price/ Rate
274	Call Forwarding - All (Fixed)	$0.26	$0.04	$0.30
275	Business Group Call Waiting	$0.00	$0.00	$0.00
276	Music On Hold (per C/G)	$0.95	$0.13	$1.09
277	Automatic Alternate Routing	$0.25	$0.04	$0.29
278	Dual-Tone Multifrequency Dialing	$0.00	$0.00	$0.00
279	BG Dual-Tone Multifreq Dialing	$0.00	$0.00	$0.00
280	Business Set Access To Paging	$1.89	$0.27	$2.15
281	Call Flip-Flop (Ctx-A)	$0.25	$0.03	$0.28
282	Selective Call Waiting (Class)	$0.32	$0.04	$0.36
283	Direct Inward Dialing	$6.39	$0.90	$7.29
284	Customer Dialed Acct Recording	$0.60	$0.08	$0.68
285	Deluxe Automatic Route Selection	$33.24	$4.68	$37.92
286	MDC Attn'd Console (per A/G)	$7.83	$1.10	$8.93
287	Warm Line	$0.03	$0.00	$0.04
288	Calling Name Delivery	$0.06	$0.01	$0.06
289	Call Forwarding Enhance (Multipath)	$0.00	$0.00	$0.00
290	Caller ID Name and Number	$0.24	$0.03	$0.27
291	Call Waiting ID	$0.04	$0.01	$0.04
292	Att'd ID on Incoming Calls	$1.24	$0.17	$1.42
293	Privacy Release	$0.49	$0.07	$0.56
294	Display Calling Number	$0.24	$0.03	$0.28
295	Six-Port Conference	$26.91	$3.79	$30.71
296	Business Set Call Back Queing	$0.01	$0.00	$0.02
297	ISDN Code Calling-Answer	$0.21	$0.03	$0.23
298	Att'd Call Park	$0.49	$0.07	$0.56
299	Att'd Autodial	$0.19	$0.03	$0.22
300	Att'd Speed Calling	$0.69	$0.10	$0.79
301	Att'd Console Test	$0.14	$0.02	$0.16
302	Att'd Delayed Operation	$0.00	$0.00	$0.00
303	Att'd Lockout	$0.00	$0.00	$0.00
304	Att'd Multiple Listed Directory No.	$0.00	$0.00	$0.00
305	Att'd Secrecy	$1.00	$0.14	$1.14
306	Att'd Wildcard Key	$0.41	$0.06	$0.47
307	Att'd Flexible Console Alerting	$0.00	$0.00	$0.00
308	Att'd VFG Trk Grp Busy Attd Console	$0.21	$0.03	$0.24
309	Att'd Console Act/Deact of CFU/CFI	$0.31	$0.04	$0.36
310	Att'd Displ of Queued Calls ICI Key	$0.02	$0.00	$0.02
311	Att'd Interposition Transfer	$0.27	$0.04	$0.31
312	Att'd Automatic Recall	$0.85	$0.12	$0.97
313	Att'd Serial Call	$0.49	$0.07	$0.56
314	Proprietary Set Interface	$0.42	$0.06	$0.48
315	Tie Facility Access (per ckt)	$3.53	$0.50	$4.03
316	WATS Access (per G)	$5.24	$0.74	$5.97
317	800 Service Access	$4.92	$0.69	$5.62
318	Call Waiting Deluxe	$0.23	$0.03	$0.26
319	Call Waiting Incoming Only	$0.04	$0.01	$0.05
320	Call Transfer Outside	$0.21	$0.03	$0.24
321	Camp On with Music	$0.00	$0.00	$0.00
322	Station Billing on Attd Handled Call	$2.00	$0.28	$2.28
323	Multiple Console Operations	$1.03	$0.15	$1.18
324	Business Set Intercom	$0.09	$0.01	$0.11
325	Display Called Number	$0.09	$0.01	$0.10
326	Bus Set Mult Appear Dir No Calls	$0.06	$0.01	$0.07
327	Bus Set Make Set Busy	$0.00	$0.00	$0.00
328	Direct Station Set / Busy Lamp Field	$0.26	$0.04	$0.29
329	MBS Auto Inspect Mode	$0.00	$0.00	$0.00
330	Electronic Business Set as Message Center	$0.06	$0.01	$0.07
331	Call Park Recall Identification	$0.05	$0.01	$0.06
332	MADN Bridging	$3.91	$0.55	$4.46
333	Business Set Dial Call Waiting	$0.18	$0.02	$0.20
334	Business Set Call Waiting Orig	$0.05	$0.01	$0.06
335	Non-Data Link Console Call Extension	$0.00	$0.00	$0.00

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Unbundled Network Elements		(a) TELRIC	(b)=(a)x(d) Common Cost	(c)=(a)+(b) Price/ Rate
336	MADN Cut Off On Disconnect	$0.00	$0.00	$0.00
337	Bus Set Call Fwd Universal / Key Basis	$0.00	$0.00	$0.00
338	Business Set Malicious Call Hold	$0.07	$0.01	$0.09
339	Basic Automatic Call Distribution	$99.48	$14.02	$113.50
340	Basic ACD on 2500 Sets	$0.07	$0.01	$0.08
341	ACD Directory Numbers	$0.00	$0.00	$0.00
342	ACD Agent Status Lamp	$6.31	$0.89	$7.20
343	Call Forcing	$5.38	$0.76	$6.14
344	Emergency Answer Backup	$2.17	$0.31	$2.47
345	Call Supervisor	$0.15	$0.02	$0.17
346	Display Queue Status	$0.18	$0.03	$0.21
347	Night Treatment	$0.64	$0.09	$0.73
348	Observe Agent Extended	$3.54	$0.50	$4.04
349	Acd Queue Status Lamp	$2.57	$0.36	$2.94
350	Music on Delay	$2.74	$0.39	$3.12
351	Call Agent	$0.00	$0.00	$0.00
352	Acd Second/Third Announcements	$7.78	$1.10	$8.87
353	ACD Overflow of Enqueued Calls	$0.72	$0.10	$0.82
354	Multistage-Queue Status Display	$7.24	$1.02	$8.26
355	ACD Walkaway/Closed Key Operation	$1.21	$0.17	$1.39
356	Transfer to In-Calls Key	$0.00	$0.00	$0.00
357	Display Agents Key	$2.24	$0.32	$2.56
358	Through Dialing	$0.52	$0.07	$0.59
359	Business Set 3-Way Calling/Call	$3.16	$0.45	$3.61
360	Business Set Auto Answer Back	$0.00	$0.00	$0.00
361	Business Set Automatic Dial	$0.29	$0.04	$0.33
362	Business Set Automatic Line	$0.07	$0.01	$0.08
363	Business Set Busy Override	$0.58	$0.08	$0.67
364	Query Time Key	$0.11	$0.01	$0.12
365	MADN Ring Forward	$0.93	$0.13	$1.06
366	Individual Page from Group Intercom	$10.63	$1.50	$12.12
367	Preset Conference	$0.02	$0.00	$0.02
368	Bus Set Network Class of Service	$0.00	$0.00	$0.00
369	Business Set Feature Code Access	$0.00	$0.00	$0.00
370	Console Release	$0.07	$0.01	$0.07
371	Message Waiting	$0.02	$0.00	$0.03
372	Code Red / Code Blue	$0.05	$0.01	$0.06
373	Flexible Display Language	$0.00	$0.00	$0.00
374	IBN Attd Console Oper Measure (/console)	$65.85	$9.28	$75.13
375	Peg Counts on LDN's on Attd Consoles	$0.00	$0.00	$0.00
376	Immediate Notifi. of Prior. Enqueued Calls	$0.00	$0.00	$0.00
377	Attd Console DTMF End to End Signalling	$0.05	$0.01	$0.05
378	Trunk Busy Verify Tone	$0.00	$0.00	$0.00
379	Uniform Call Distribution from Queue	$0.00	$0.00	$0.00
380	Meet Me Page	$13.30	$1.87	$15.18
381	Business Set Listen On Hold	$0.00	$0.00	$0.00
382	Business Set Held Calls	$0.00	$0.00	$0.00
383	Business Set Private Business Line	$0.00	$0.00	$0.00
384	Business Set On-Hook Dialing	$0.00	$0.00	$0.00
385	Business Set Ring Again	$1.71	$0.24	$1.96
386	Seconday MADN Call Forward	$0.00	$0.00	$0.00
387	Bus Set Orig / Term Line Select	$0.00	$0.00	$0.00
388	Make Set Busy Except GIC	$0.00	$0.00	$0.00
389	Ring Again From Idle Bus Set	$0.56	$0.08	$0.64
390	Calling Name Display MADN Sec Members	$2.69	$0.38	$3.07
391	EBS Music On Hold	$0.20	$0.03	$0.23
392	Station Camp-On for MBS	$2.96	$0.42	$3.38
393	Business Set Station Activiated Call Forward	$0.17	$0.02	$0.19
394	Feature Function Button	$0.00	$0.00	$0.00
395	Emergency Alert Enhanced	$0.03	$0.00	$0.03
396	Network Name Display for Attd Consoles	$0.00	$0.00	$0.00
397	Message Service	$18.10	$2.55	$20.65
398	Bill Number Screen	$0.35	$0.05	$0.40
399	ETS Access	$16.23	$2.29	$18.52
400	ACD 2500 Login/Logout	$1.37	$0.19	$1.56
401	ACD Automatic Overflow	$1.73	$0.24	$1.98
402	ACD MIS Interface	$29.82	$4.20	$34.02
403	ACD Call Transfer with Time	$1.08	$0.15	$1.23
404	ACD Forced Availability	$0.20	$0.03	$0.23
405	ACD Calling Name / No. Display	$1.86	$0.26	$2.12
406	ACD Observe Agent from 2500 Set	$0.66	$0.09	$0.75
407	ACD Distinctive Ringing	$0.25	$0.04	$0.28

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408	**ISDN Features**			
409				
410	ISDN Att'd Busy Verif Lines/Trunks	$0.00	$0.00	$0.00
411	ISDN Att'd Call Thru Test	$0.00	$0.00	$0.00
412	ISDN Shared Call Appearances DN	$0.26	$0.04	$0.29
413	ISDN Bridged Call Exclusion	$0.03	$0.00	$0.03
414	ISDN Key Sys Coverage Analog Line	$1.37	$0.19	$1.56
415	ISDN Queuing for ISDN Att'ds w/CWI	$0.02	$0.00	$0.03
416	ISDN Att'd Control - Voice Terminals	$0.06	$0.01	$0.06
417	ISDN Att'd Night Svc (Fixed/Flexible)	$0.07	$0.01	$0.09
418	ISDN Emergency Access to Att'd	$0.00	$0.00	$0.00
419	ISDN Att'd Direct Trk Grp Selection	$0.00	$0.00	$0.00
420	ISDN Att'd Emergency Override	$0.00	$0.00	$0.00
421	ISDN Auto Dropback to Att'd	$0.09	$0.01	$0.10
422	ISDN Att'd Orig. Permission Display	$0.01	$0.00	$0.01
423	ISDN Att'd Timed Reminder	$0.03	$0.00	$0.04
424	ISDN Att'd Trunk Identification	$0.00	$0.00	$0.00
425	ISDN ISAT Trunk Queuing	$0.82	$0.12	$0.94
426	ISDN Att'd Trunk Group Indicators	$0.04	$0.01	$0.04
427	ISDN Aggr Wrk Time/# Calls Handled	$0.01	$0.00	$0.01
428	ISDN Total No. Calls Handled Display	$0.12	$0.02	$0.14
429	ISDN Att'd Traffic	$0.03	$0.00	$0.04
430	ISDN Att'd Number of Calls on Queue	$0.00	$0.00	$0.00
431	ISDN Primary Rate Interface	$77.92	$10.98	$88.90
432	ISDN Circuit Swtch Voice/Data - PRI	$20.67	$2.91	$23.58
433	ISDN Call by Call Access	$122.01	$17.19	$139.21
434	ISDN Calling Number Delivery to PRI	$0.94	$0.13	$1.07
435	ISDN Pckt Swtch IEO On Dmnd B Ch	$4.28	$0.60	$4.89
436	ISDN Circuit Switched Voice	$0.82	$0.12	$0.93
437	ISDN Basic Circuit Switched Data	$9.19	$1.29	$10.48
438	ISDN Pack Swtch IAO D Channel	$0.76	$0.11	$0.87
439	ISDN X.25 Hunt Groups	$1.01	$0.14	$1.15
440	ISDN Outgoing Calling Line ID	$0.03	$0.00	$0.03
441	ISDN Att'd - Power Failure Transfer	$0.01	$0.00	$0.01
442	ISDN EDS Calling Name Display	$0.04	$0.01	$0.04
443	ISDN Att'd Camp-On	$0.00	$0.00	$0.00
444	ISDN Att'd Uniform Call Distribution	$0.25	$0.04	$0.29
445	ISDN Call Forwarding Variable	$0.02	$0.00	$0.02
446	ISDN Att'd Control of Facilities	$0.12	$0.02	$0.14
447	ISDN Att'd ID on Incoming Calls	$0.00	$0.00	$0.00
448	ISDN Att'd Direct Station Selection	$0.02	$0.00	$0.02
449	ISDN Att'd Conference	$6.32	$0.89	$7.22
450	ISDN Multiline Hunt Group	$0.70	$0.10	$0.80
451	ISDN Circular Hunting	$0.12	$0.02	$0.14
452	ISDN Att'd Position Busy	$0.03	$0.00	$0.04
453	ISDN Att'd Call Hold	$0.10	$0.01	$0.12
454	ISDN Call Hold	$0.22	$0.03	$0.25
455	ISDN Att'd Call Splitting	$1.11	$0.16	$1.27
456	ISDN Call Pick Up	$0.36	$0.05	$0.42
457	ISDN Business Group Auto Callback	$0.03	$0.00	$0.03
458	ISDN Toll Restricted Service	$0.13	$0.02	$0.15
459	ISDN Att'd Through Dialing	$0.00	$0.00	$0.00
460	ISDN Intercom Functions	$0.01	$0.00	$0.01
461	ISDN Terminal Management	$0.00	$0.00	$0.00
462	ISDN Priority Calling Incoming Only	$0.00	$0.00	$0.00
463	ISDN Mult Directory Number Button	$0.00	$0.00	$0.00
464	ISDN X.25 Closed User Groups	$0.00	$0.00	$0.00
465	ISDN X.25 Fast Select	$0.00	$0.00	$0.00
466	ISDN X.25 Fast Select Acceptance	$0.00	$0.00	$0.00
467	ISDN X.25 1-Way Out Logical Chnnl	$0.00	$0.00	$0.00
468	ISDN X.25 Reverse Charge	$0.00	$0.00	$0.00
469	ISDN X.25 Reverse Charge Accept	$0.00	$0.00	$0.00
470	ISDN X.25 Perm Virtual Call Service	$0.00	$0.00	$0.00
471	ISDN Direct Connect	$0.17	$0.02	$0.19
472	ISDN Switched Fractional DS1/Orig	$3.33	$0.47	$3.80
473	ISDN Switched Fractional DS1/Term	$3.34	$0.47	$3.81
474	ISDN PRI D-Channel Backup	$0.08	$0.01	$0.09
475	ISDN PRI B Channel	$2.74	$0.39	$3.12
476	ISDN Non-Facility Assoc Signaling	$0.58	$0.08	$0.66
477	ISDN Facility Restriction Level	$0.14	$0.02	$0.16
478	ISDN Time and Data Display	$0.03	$0.00	$0.03
479	ISDN Inspect ISDN Terminals	$0.09	$0.01	$0.10
480	ISDN Trunking Answer Any Station	$0.18	$0.03	$0.20
481	ISDN X.25 Flow Control Prmtr Negot.	$0.00	$0.00	$0.00
482	ISDN X.25 Incoming Calls Barred	$0.00	$0.00	$0.00

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483	ISDN X.25 Outgoing Calls Barred	$0.00	$0.00	$0.00
484	ISDN X.25 Throughput Class Negot.	$0.00	$0.00	$0.00
485	ISDN Xmit Delay Selection / Indication	$0.00	$0.00	$0.00
486	ISDN Bridging	$0.57	$0.08	$0.65
487	ISDN Delayed & Abbreviated Ringing	$0.01	$0.00	$0.02
488	ISDN Display Ringing Call Appear. Only	$0.00	$0.00	$0.00
489	ISDN Feature Inspect	$0.02	$0.00	$0.03
490	ISDN Intercom Alerting	$0.01	$0.00	$0.01
491	ISDN Initiated Priority Calling	$0.06	$0.01	$0.06
492	ISDN Remote Access to Features	$0.40	$0.06	$0.45
493	ISDN Additional Call Offering	$0.01	$0.00	$0.02

VERIZON FLORIDA INC.
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Unbundled Network Elements

Deaveraging Proposal Based on 2-Wire UNE Loops
Zone 1

Deaveraged Zone	Avg 2-Wire Loop Costs *	Number of Wire Centers	Number of Lines	Percent of Lines
Zone 1	$18.94	45	1,661,905	66.8%
Zone 2	$27.68	32	765,779	30.8%
Zone 3	$74.16	13	59,111	2.4%
Statewide:	$22.94	90	2,486,795	100.0%

* Average Loop Costs are from ICM-FL and include the NID

ZONE 1 = VZ Statewide Average 2-Wire Loop Costs = $22.94
ZONE 2 = 200% of VZ Statewide Average 2-Wire Loop Costs = $45.88
ZONE 3 = Greater than 200% of VZ Statewide Average 2-Wire Loop Costs

CLLI Code	Wire Center Name	Avg. Cost per Loop	Number of Lines	Zone
TAMPFLXX22H	TAMPA MAIN			1
BHPKFLXA28H	BEACH PARK			1
UNVRFLXA97H	UNIVERSITY			1
SPBGFLXA89H	ST. PETERSBURG MAIN			1
SEKYFLXA34H	SIESTA KEY			1
SRSTFLXA95H	SARASOTA MAIN			1
SARKFLXARSA	ST. ARMANDS KEY			1
GNDYFLXA57H	GANDY			1
WSSDFLXA87H	WESTSIDE			1
SGBEFLXA36H	SOUTH GULF BEACH			1
INRKFLXX59H	INDIAN ROCKS			1
SWTHFLXA88H	SWEETWATER			1
FHSDFLXA57H	FEATHER SOUND			1
CLWRFLXA44H	CLEARWATER			1
SPBGFLXS86H	ST. PETERSBURG SOUTH			1
LRGOFLXA58H	LARGO			1
HYPKFLXADS0	HYDE PARK			1
CNSDFLXA79H	COUNTRYSIDE			1
TMTRFLXADS0	TEMPLE TERRACE			1
PSDNFLXA34H	PASADENA			1
ANMRFLXA77H	ANNA MARIA			1
BRBAFLXA75H	BRADENTON BAY			1
PNLSFLXA53H	PINELLAS			1
SNSPFLXA37H	SEVEN SPRINGS			1
DNDNFLXA73H	DUNEDIN			1
LGBKFLXA38H	LONGBOAT			1
WLCRFLXA83H	WALLCRAFT			1
BAYUFLXA54H	BAYOU			1
SLSPFLXA93H	SULPHUR SPRINGS			1
NGBHFLXA39H	NORTH GULF BEACH			1
SMNLFLXA23H	SEMINOLE			1
LLMNFLXADS0	LEALMAN			1
YBCTFLXA24H	YBOR CITY			1
VENCFLXA48H	VENICE MAIN			1
ENWDFLXA47H	ENGLEWOOD			1
OLDSFLXA85H	OLDSMAR			1
BRTNFLXX74H	BRADENTON MAIN			1
SKWYFLXADS0	SKYWAY			1
STGRFLXA78H	ST. GEORGE			1
CRWDFLXA96H	CARROLLWOOD			1
SSDSFLXA92H	SOUTHSIDE			1
LKLDFLXA68H	LAKELAND MAIN			1
NPRCFLXA84H	NEW PORT RICHEY			1
PLSLFLXA79H	PALMA SOLA			1
VENCFLXSDS0	VENICE SOUTH			1

REDACTED

VERIZON FLORIDA INC.
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Unbundled Network Elements

Deaveraging Proposal Based on 2-Wire UNE Loops
Zone 2

CLLI Code	Wire Center Name	Avg. Cost per Loop	Number of Lines	Zone
BRNDFLXA68H	BRANDON			2
NRSDFLXA35H	NORTHSIDE			2
TAMPFLXEDS0	TAMPA EAST			2
TRSPFLXA93H	TARPON SPRINGS			2
HGLDFLXA64H	HIGHLANDS			2
SPRGFLXA37H	SARASOTA SPRINGS			2
CYGRFLXA32H	CYPRESS GARDENS			2
WNHNFLXC29H	WINTER HAVEN			2
LUTZFLXA94H	LUTZ			2
OSPRFLXA96H	OSPREY			2
ABDLFLXA96H	AUBURNDALE			2
LKLDFLXE66H	LAKELAND EAST			2
HDSNFLXA86H	HUDSON			2
BARTFLXA53H	BARTOW MAIN			2
ZPHYFLXA78H	ZEPHYR HILLS			2
PLMTFLXA72H	PALMETTO			2
WLCHFLXA97H	WESLEY CHAPEL			2
ALFAFLXA67H	ALAFIA			2
LKWLFLXA67H	LAKE WALES MAIN			2
RSKNFLXA64H	RUSKIN			2
NRPTFLXA42H	NORTHPORT			2
LKLDFLXN85H	LAKELAND NORTH			2
HNCYFLXA42H	HAINES CITY MAIN			2
KYSTFLXA92H	KEYSTONE			2
MLBYFLXARSA	MULBERRY			2
PTCYFLXA75H	PLANT CITY			2
BYSHFLXA84H	BAYSHORE			2
POINFLXARSA	POINCIANA			2
THNTFLXADS0	THONOTOSASSA			2
WIMMFLXA63H	WIMAUMA			2
MNLKFLXA85H	MOON LAKE			2
HNCYFLXN424	HAINES CITY NORTH			2

REDACTED

VERIZON FLORIDA INC.
(formerly GTE Florida, Inc.)
Unbundled Network Elements

Deaveraging Proposal Based on 2-Wire UNE Loops
Zone 3

CLLI Code	Wire Center Name	Avg. Cost per Loop	Number of Lines	Zone
BBPKFLXARSA	BABSON PARK			3
LKALFLXA95H	LAKE ALFRED			3
DUNDFLXA43H	DUNDEE			3
LNLKFLXA99H	LAND O' LAKES			3
ALTRFLXARSA	ALTURAS			3
PNCRFLXA73J	PINECREST			3
PKCYFLXARSA	POLK CITY			3
FRSTFLXA63H	FROSTPROOF			3
LKWLFLXERSA	LAKE WALES EAST			3
BRJTFLXARSA	BRADLEY			3
PRSHFLXARSA	PARRISH			3
INLKFLXARSA	INDIAN LAKE			3
MYCYFLXA32H	MYAKKA CITY			3

REDACTED

VERIZON FLORIDA INC.
STATE OF FLORIDA
Unbundled Network Elements
Deaveraging Proposal Based on 2-Wire UNE Loops
Resulting Deaveraged Costs for 4-Wire and Subloop Elements

Zone 1 Wire Centers									
Wire Center Name	CLLI Code	4-Wire Avg Loop	DS-1 Loop	2-Wire Avg Feeder	4-Wire Avg Feeder	2-Wire Avg Distribution	4-Wire Avg Distribution	2-Wire Avg Drop	4-Wire Avg Drop
TAMPA MAIN	TAMPFLXX22H								
BEACH PARK	BHPKFLXA28H								
UNIVERSITY	UNVRFLXA97H								
ST. PETERSBURG MAIN	SPBGFLXA89H								
SIESTA KEY	SEKYFLXA34H								
SARASOTA MAIN	SRSTFLXA95H								
ST. ARMANDS KEY	SARKFLXARSA								
GANDY	GNDYFLXA57H								
WESTSIDE	WSSDFLXA87H								
SOUTH GULF BEACH	SGBEFLXA36H								
INDIAN ROCKS	INRKFLXX59H								
SWEETWATER	SWTHFLXA88H								
FEATHER SOUND	FHSDFLXA57H								
CLEARWATER	CLWRFLXA44H								
ST. PETERSBURG SOUTH	SPBGFLXS86H								
LARGO	LRGOFLXA58H								
HYDE PARK	HYPKFLXADS0								
COUNTRYSIDE	CNSDFLXA79H								
TEMPLE TERRACE	TMTRFLXADS0								
PASADENA	PSDNFLXA34H								
ANNA MARIA	ANMRFLXA77H								
BRADENTON BAY	BRBAFLXA75H								
PINELLAS	PNLSFLXA53H								
SEVEN SPRINGS	SNSPFLXA37H								
DUNEDIN	DNDNFLXA73H								
LONGBOAT	LGBKFLXA38H								
WALLCRAFT	WLCRFLXA83H								
BAYOU	BAYUFLXA54H								
SULPHUR SPRINGS	SLSPFLXA93H								
NORTH GULF BEACH	NGBHFLXA39H								
SEMINOLE	SMNLFLXA23H								
LEALMAN	LLMNFLXADS0								
YBOR CITY	YBCTFLXA24H								
VENICE MAIN	VENCFLXA48H								
ENGLEWOOD	ENWDFLXA47H								
OLDSMAR	OLDSFLXA85H								
BRADENTON MAIN	BRTNFLXX74H								
SKYWAY	SKWYFLXADS0								
ST. GEORGE	STGRFLXA78H								
CARROLLWOOD	CRWDFLXA96H								
SOUTHSIDE	SSDSFLXA92H								
LAKELAND MAIN	LKLDFLXA68H								
NEW PORT RICHEY	NPRCFLXA84H								
PALMA SOLA	PLSLFLXA79H								
VENICE SOUTH	VENCFLXSDS0								

REDACTED

VERIZON FLORIDA INC.
STATE OF FLORIDA
Unbundled Network Elements
Deaveraging Proposal Based on 2-Wire UNE Loops
Resulting Deaveraged Costs for 4-Wire and Subloop Elements

Zone 2 Wire Centers									
Wire Center Name	CLLI Code	4-Wire Avg Loop	DS-1 Loop	2-Wire Avg Feeder	4-Wire Avg Feeder	2-Wire Avg Distribution	4-Wire Avg Distribution	2-Wire Avg Drop	4-Wire Avg Drop
BRANDON	BRNDFLXA68H								
NORTHSIDE	NRSDFLXA35H								
TAMPA EAST	TAMPFLXEDS0								
TARPON SPRINGS	TRSPFLXA93H								
HIGHLANDS	HGLDFLXA64H								
SARASOTA SPRINGS	SPRGFLXA37H								
CYPRESS GARDENS	CYGRFLXA32H								
WINTER HAVEN	WNHNFLXC29H								
LUTZ	LUTZFLXA94H								
OSPREY	OSPRFLXA96H								
AUBURNDALE	ABDLFLXA96H								
LAKELAND EAST	LKLDFLXE66H								
HUDSON	HDSNFLXA86H								
BARTOW MAIN	BARTFLXA53H								
ZEPHYR HILLS	ZPHYFLXA78H								
PALMETTO	PLMTFLXA72H								
WESLEY CHAPEL	WLCHFLXA97H								
ALAFIA	ALFAFLXA67H								
LAKE WALES MAIN	LKWLFLXA67H								
RUSKIN	RSKNFLXA64H								
NORTHPORT	NRPTFLXA42H								
LAKELAND NORTH	LKLDFLXN85H								
HAINES CITY MAIN	HNCYFLXA42H								
KEYSTONE	KYSTFLXA92H								
MULBERRY	MLBYFLXARSA								
PLANT CITY	PTCYFLXA75H								
BAYSHORE	BYSHFLXA84H								
POINCIANA	POINFLXARSA								
THONOTOSASSA	THNTFLXADS0								
WIMAUMA	WIMMFLXA63H								
MOON LAKE	MNLKFLXA85H								
HAINES CITY NORTH	HNCYFLXN424								

REDACTED

VERIZON FLORIDA INC.
STATE OF FLORIDA
Unbundled Network Elements
Deaveraging Proposal Based on 2-Wire UNE Loops
Resulting Deaveraged Costs for 4-Wire and Subloop Elements

Zone 3 Wire Centers									
Wire Center Name	CLLI Code	4-Wire Avg Loop	DS-1 Loop	2-Wire Avg Feeder	4-Wire Avg Feeder	2-Wire Avg Distribution	4-Wire Avg Distribution	2-Wire Avg Drop	4-Wire Avg Drop
BABSON PARK	BBPKFLXARSA								
LAKE ALFRED	LKALFLXA95H								
DUNDEE	DUNDFLXA43H								
LAND O' LAKES	LNLKFLXA99H								
ALTURAS	ALTRFLXARSA								
PINECREST	PNCRFLXA73J								
POLK CITY	PKCYFLXARSA								
FROSTPROOF	FRSTFLXA63H								
LAKE WALES EAST	LKWLFLXERSA								
BRADLEY	BRJTFLXARSA								
PARRISH	PRSHFLXARSA								
INDIAN LAKE	INLKFLXARSA								
MYAKKA CITY	MYCYFLXA32H								

REDACTED