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April 23, 2002

Ms. Blanca S. Bayo, Director  
Division of the Commission Clerk  
and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

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COMMISSION  
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Re: Docket No. 990649B-TP  
Investigation into Pricing of Unbundled Network Elements (Sprint/Verizon track)

Dear Ms. Bayo:

Please find enclosed for filing an original and 15 copies of Verizon Florida Inc.'s  
Opposition to Z-Tel Communications, Inc.'s Motion to Compel Answers to  
Interrogatories and Request for Expedited Ruling in the above matter. Service has  
been made as indicated on the Certificate of Service. If there are any questions  
regarding this filing, please contact me at 813-483-2617.

Sincerely,

Kimberly Caswell

KC:tas  
Enclosures

- AUS \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM 5
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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Investigation into pricing of unbundled  
network elements (Sprint/Verizon track)  
\_\_\_\_\_ )

) Docket No. 990649B-TP  
) Filed: April 23, 2002  
)

**VERIZON FLORIDA INC.'S OPPOSITION TO Z-TEL COMMUNICATIONS, INC.'S  
MOTION TO COMPEL ANSWERS TO INTERROGATORIES AND  
REQUEST FOR EXPEDITED RULING**

Verizon Florida Inc. ("Verizon") asks the Commission to deny Z-Tel Communications, Inc.'s Motion to Compel Answers to Interrogatories and Request for Expedited Ruling ("Motion"), filed April 17, 2002. Z-Tel has offered no legitimate reason to compel Verizon to undertake the extraordinary—and likely impossible—task Z-Tel asks of Verizon.

Z-Tel's Motion pertains to its Interrogatories 12 and 13. Interrogatory 12 asks Verizon to run the cost model used by Verizon New York Inc. ("Verizon New York") to set UNE rates in a New York Public Service Commission (NYPSC) proceeding, using the inputs the NYPSC approved there, but with Verizon Florida customer and wire-center location data, and to provide Z-Tel the resulting TELRIC cost estimates for each UNE in this proceeding. Interrogatory 13 asks for a second run and results of the Verizon New York cost model, but this time using the inputs Verizon Florida proposed in this case.

Verizon objected to Z-Tel's Interrogatories because they are not relevant to any issue in this proceeding or designed to lead to the discovery of any relevant information and because they are unduly burdensome and oppressive. Verizon explained that Verizon New York used a completely different cost model to set UNE rates for Verizon New York than Verizon Florida is using in this case, and that Verizon Florida does not

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possess the Verizon New York model and has not used it for any purpose. Verizon pointed out that it was probably impossible to comply with Z-Tel's request, in any event, because the inputs of the Verizon New York model are not compatible with the inputs Verizon Florida used in its model here. Verizon noted further that it would take months to even attempt to do the analysis Z-Tel seeks, and that the enormous burden on Verizon's resources would be all the more unreasonable given that running an entirely different cost model from a different state and a different company can shed no light on UNE ratesetting for Verizon in Florida. (Verizon's Objections to Z-Tel's Second Set of Interrogatories, Apr. 8, 2002.)

Z-Tel offers no convincing reasons to overrule Verizon's objections. As to relevancy, Z-Tel claims that Verizon's proposed rates in Florida are higher than "Verizon's UNE rates in other states." (Motion at 2.) Z-Tel argues that Verizon Florida's rates justify "a detailed analysis of the model and inputs that yielded the rates," but that Verizon's model here is "new and untested" and too "impenetrable" to perform any meaningful analysis. (Id.)

Z-Tel says little in response to Verizon's objection of undue burden. It speculates that Verizon "has at its disposal" Verizon New York's experience with its cost model and concludes that it should not be burdensome for Verizon to produce the analyses Z-Tel requests. In Z-Tel's view, "[a]ll that is required is to place existing inputs in an existing cost model, a task which cannot possibly be as difficult as Verizon complains." (Z-Tel Motion at 3.)

Z-Tel has no basis for its opinions as to the relevancy of the analyses it seeks or the burden of conducting those analyses.

Z-Tel states that it is necessary to perform a detailed analysis of Verizon's model in this proceeding, which is ICM-FL. Verizon does not dispute Z-Tel's right to do that analysis, *but it has not even attempted any such analysis*. It has not submitted any testimony analyzing ICM-FL and has not sponsored any model of its own. Z-Tel does not and cannot offer any explanation as to why running another company's cost model from a different state could possibly help Z-Tel analyze "the model and inputs that yielded the rates" Verizon proposes here—even if Z-Tel had shown any intention of doing any analysis of ICM-FL (which it has not).

Z-Tel's claims that ICM-FL is "impenetrable" and "new and untested" are false, as well as irrelevant to the dispute at hand. As noted, there is no indication that any Z-Tel witness has ever tried to work with ICM-FL, which is reason enough to reject Z-Tel's criticisms. Neither Z-Tel nor any other party to this case has produced any facts to support the claim of impenetrability, which appears to be a standard argument of all the ALECs when they don't agree with the results produced by a particular model. As to the claim that ICM-FL is "new and untested," Verizon filed a version of ICM in this very docket two years ago, in April 2000. Verizon also submitted ICM here in July 1998 in Docket number 980000A, and it has been used in numerous former GTE states where many of the ALECs here also operate. Moreover, the Verizon New York model is unquestionably "new and untested" in Florida, so it offers no benefits over ICM-FL in terms of familiarity of use here.

In any event, regardless of whether there is any basis for Z-Tel's claims that ICM-FL is impenetrable or new and untested (which there is not), these arguments are not relevant to Z-Tel's justification for the New York runs—that is, to enable a detailed

analysis of ICM and its inputs. Running the New York model will not help Z-Tel analyze ICM-FL (even if it had shown some intention of doing such an analysis).

If Z-Tel wishes to gain insight as to the rates ICM-FL has recommended here, then it should focus on the Company-specific and state-specific model Verizon filed here, rather than a model filed by another company in another state that has nothing to do with Verizon Florida's costs to be used as the basis for setting UNE rates in Florida.

The analysis Z-Tel seeks can provide no meaningful information, not only because it is based on a different model, a different company, and a different state, but because it is not possible to simply plug in inputs from one model into another. The problems with trying to populate a model with inputs developed for a different model have been examined extensively by state Commissions, including the Florida Commission. In the 1999 proceeding to determine the cost of basic local service, for example, AT&T and MCI refused to recommend inputs to the BCPM model, stating:

The structure and algorithms used in BCPM 3.1 are not comparable to the structure and algorithms used in HAI 5.0a. Simply attempting to modify the inputs to BCPM 3.1 to resemble those in HAI 5.0a will produce [no] meaningful answer. Moreover, there is insufficient time available in this proceeding to accomplish this task....the FCC spent three months on a similar project before abandoning this effort.

*Determination of the Cost of Basic Local Telecomms. Service*, Order No. PSC-99-0068-FOF-TP (Jan. 7, 1999), at 106, *quoting* AT&T's discovery response.)

The Commission accordingly observed that "the LECs' methodologies for input development are not necessarily comparable on an 'apples to apples' basis. In fact, for several inputs, it is unclear whether all the LECs included the same costs, let alone determined the costs the same way." (*Id.* at 107.) In this regard, the Commission quoted Verizon witness Tucek's testimony that "very little can be concluded from looking

at the differences among various sets of inputs....it's a futile endeavor to search for meaning in the differences between the inputs...." (*Id.*)

This principle, recognized by ALECs and ILECs alike, applies here in trying to compare Verizon New York's model and inputs with Verizon Florida's model and inputs. Neither Verizon Florida nor any other Verizon company has undertaken a comparison of the input values used in the Verizon New York model with those used in ICM-FL. Therefore, it is impossible to know whether even inputs that appear the same because they are like-named are, in fact, the same input and are, in fact, used in a consistent fashion within the respective models.

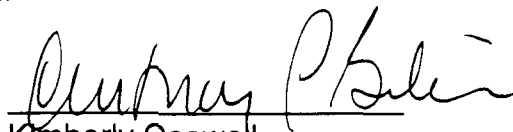
This Commission has never required Verizon or any other company to compare two models in order to determinate how inputs might be translated from one model to another, and there is no reason to impose this extraordinary burden on Verizon now. This process (which, like the above-discussed FCC's endeavor, would likely prove futile), would require employees who are only familiar with ICM-FL to review and analyze in detail both the model and inputs used in New York; and would require employees who are familiar only with the New York model to extensively analyze the ICM-FL model and inputs; and then to exchange what they've learned. Verizon has no employees who have knowledge of both models sufficient to determine, without extensive work and expense, what inputs might be migrated from one model to the other. And there is no guarantee that all, or even a significant number, of the respective inputs used in the models can ever be made compatible.

This effort would take months to even attempt, well beyond the conclusion of the hearing on May 1. Certainly, before Verizon could be expected to bear the enormous

burden and expense of such an effort—which may well be impossible in the end—Z-Tel would have to show the information is highly relevant and even indispensable to the Commission’s determination of UNE rates for Verizon Florida. As noted here and in Verizon’s Objections to Z-Tel’s Interrogatories, Z-Tel has made no such showing. This proceeding is intended to set UNE rates for Verizon Florida, which, under the Telecommunications Act of 1996, must be based on Verizon Florida’s own costs. The premise of the analysis Z-Tel requests is that the inputs ordered by the New York Commission are appropriate and accurately reflect the costs of both Verizon New York *and* Verizon Florida. Verizon vigorously maintains that this is not the case, and establishing the validity (or, more properly, lack of validity) of this assumption would essentially require this Commission to re-hear the entire New York proceeding.

Z-Tel has not effectively addressed Verizon’s objections to Z-Tel’s requests for Verizon Florida to perform extraordinarily burdensome and time-consuming analyses using an entirely different model from a different state and a different company. Aside from the burden of generating the information Z-Tel seeks, this information is not relevant to any issue in this case or designed to lead to the discovery of any relevant and otherwise admissible information. Verizon thus asks the Commission to deny Z-Tel’s Motion.

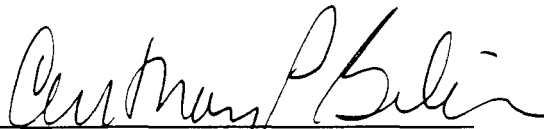
Respectfully submitted on April 23, 2002.

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that copies of Verizon Florida Inc.'s Opposition to Z-Tel Communications, Inc.'s Motion to Compel Answers to Interrogatories and Request for Expedited Ruling in Docket No. 990649B-TP were sent via electronic mail and/or U.S. mail on April 23, 2002 to the parties on the attached list.

  
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