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June 9, 2003

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Mrs. Blanca S. Bayó
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket Nos. 981834-TP and 990321-TP (Generic Collocation)

Dear Ms. Bayó:

Enclosed are an original and fifteen copies of Verizon Florida Inc.'s Initial Objections to Staff's Eighth Set of Interrogatories and Eighth Request for Production of Documents, which we ask that you file in the captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

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Sincerely,

Catherine Ronis
Catherine Ronis

cc: All Parties of Record
Charles Schubart

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CERTIFICATE OF SERVICE
Docket No. 981834-TP and 990321 TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via Electronic Mail this 9th day of June, 2003 (with service via First Class U.S. Mail or Facsimile to follow) to the following:

Beth Keating, Staff Counsel
C. Lee Fordham, Staff Counsel
Adam Teitzman, Staff Counsel
Andrew Maurey; Betty Gardner
Cheryl Bulecza-Banks
David Dowds
Jackie Schindler
Jason-Earl Brown
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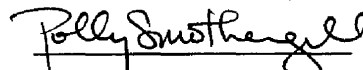
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Polly Smothergill

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition of Competitive)
Carriers for Commission Action) Docket No. 981834-TP
To Support Local Competition)
In Verizon FL's Service Territory)

In re: Petition of ACI Corp. d/b/a)
Accelerated Connections, Inc. for) Docket No. 990321-TP
Generic Investigation into Terms and)
Conditions of Physical Collocation)

Filed: May 9, 2003

**VERIZON FLORIDA INC.'S INITIAL OBJECTIONS TO
STAFF'S EIGHTH SET OF INTERROGATORIES AND
EIGHTH REQUEST FOR PRODUCTION OF DOCUMENTS**

Verizon Florida Inc. ("Verizon FL"), pursuant to Rule 28-106.206 of the Florida Administrative Code and Rules 1.340 and 1.280 of the Florida Rules of Civil Procedure, hereby files the following Initial Objections to Staff's Eighth Set of Interrogatories and Eighth Request for Production of Documents, both served on Verizon FL via e-mail on May 30, 2003.

The objections stated herein are preliminary in nature and are made at this time to comply with the requirement set forth in Order No. PSC-02-1513-PCO-TP, issued on November 4, 2002 by the Florida Public Service Commission ("Commission"). Should additional grounds for objection be discovered as Verizon FL prepares its answers to the above-referenced Interrogatories and Requests, Verizon FL reserves the right to supplement, revise, or modify its objections at the time it serves its responses.

GENERAL OBJECTIONS

1. Verizon FL objects to each Production Request and Interrogatory to the extent that it seeks to impose an obligation on Verizon FL to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such Interrogatory or Request is overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules.

2. Verizon FL objects to each Production Request and Interrogatory to the extent that it is intended to apply to matters other than Florida intrastate operations subject to the jurisdiction of the Commission. Verizon FL objects to each such Interrogatory and Request as being irrelevant, overly broad, unduly burdensome, and oppressive.

3. Verizon FL objects to each Production Request and Interrogatory to the extent that it requests information that is exempt from discovery by virtue of the attorney-client privilege, work product privilege, or other applicable privilege.

4. Verizon FL objects to each Production Request and Interrogatory to the extent that it is vague, ambiguous, overly broad, imprecise, or to the extent that it utilizes terms that are subject to multiple interpretations and are not properly defined or explained for purposes of this discovery. Any answers provided by Verizon FL in response to these Interrogatories and Production Requests will be provided subject to, and without waiver of, the foregoing objection.

5. Verizon FL objects to each Production Request and Interrogatory to the extent that it is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this action. Verizon FL will attempt to note in its responses each instance where this objection applies.

6. Verizon FL objects to providing information to the extent that such information is already in the public record before the Commission.

7. Verizon FL objects to each Production Request and Interrogatory to the extent that it seeks to impose obligations on Verizon FL that exceed the requirements of the Florida Rules of Civil Procedure or Florida Law.

8. Verizon FL objects to each Production Request and Interrogatory to the extent that responding to it would be unduly burdensome, expensive, oppressive, or excessively time consuming.

9. Verizon FL objects to each Production Request and Interrogatory to the extent that it is not limited to any stated period of time and, therefore, is overly broad and unduly burdensome.

10. Verizon is a large corporation with employees located in many different locations in Florida and in other states. In the course of its business, Verizon creates countless documents that are not subject to Commission or FCC retention of records requirements. These documents are kept in numerous locations that are frequently moved from site to site as employees change jobs or as the business is reorganized. Verizon FL will conduct a search of those files that are reasonably expected to contain the requested information. To the extent that the Production Requests or Interrogatories purport to require more, Verizon FL objects on the grounds that compliance would impose an undue burden or expense.

INITIAL SPECIFIC OBJECTIONS: EIGHTH INTERROGATORIES

In addition to the foregoing general objections, Verizon FL raises the following initial specific objections to the following individual Interrogatories in Staff's Eighth Set of Interrogatories:

157. With regards to Staff's PODs 75 and 76, please explain how the cost of land and buildings were estimated or developed for these cost studies.

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Interrogatory on the grounds that its cost studies relating to xDSL and Frame Relay services in Florida, including the costs of building and land associated therewith, are irrelevant to this collocation cost proceeding. Subject to this objection and Verizon FL's general objections, Verizon FL will provide information responsive to this request.

158. With regards to Staff's PODs 75 and 76, what is the cost per square foot of floor space used by Verizon in each of these cost studies.

A. If the estimated or derived cost per square foot of floor space varies between these studies please explain why such differences exist. (I.e. explain why the cost per square foot of floor space has changed over time and/or why the cost per square foot for floor space is not the same for both xDSL and Frame Relay.)

B. If the estimated or derived cost per square foot of floor space that appears in Verizon's xDSL or Frame Relay cost studies is different than the per square foot cost supported by Verizon in this proceeding, please describe in detail the source of these differences.

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Interrogatory on the grounds that its cost studies relating to xDSL and Frame Relay services in Florida, including its costs per square foot of floor space relating thereto, are irrelevant to this collocation cost proceeding. Subject to this objection and Verizon FL's general objections, Verizon FL will provide information responsive to this request.

160. With regards to Staff's PODs 75 and 76, has Verizon included costs comparable to those it seeks to recover from ALEC's in the proposed Building Modification rate element in its xDSL or Frame Relay cost studies. Explain.

- A. If so, explain how these costs are derived and specify where these costs are found within each of the studies.**
- B. If similar costs have not been included in Verizon's retail cost studies please explain why Verizon believes it is appropriate to recover such costs from collocators.**
- C. Please explain if these costs have been capitalized in account 2121 (buildings).**
 - 1. If these costs have been capitalized, explain how they are handled by Verizon in the development of land and building investment for its retail services. (I.e. were these costs backed out prior to calculation of the floor space rates?)**
 - 2. If these costs are not capitalized in account 2121 please explain how these expenses are recorded in Verizon's accounting system.**

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Interrogatory on the grounds that its cost studies relating to xDSL and Frame Relay services in Florida are irrelevant to this collocation cost proceeding. Subject to this objection and Verizon FL's general objections, Verizon FL will provide information responsive to this request.

- 163. Please provide a detailed step by step explanation of the specific job functions, work activities, and work times for all employees necessary to engineer and process each portion of the collocation arrangements cited in your response to Staff Interrogatories 157 through 160.**
- A. For each itemized cost please describe in detail the circumstances in which each charge would be incurred. (I.e. explain if the cost is incurred engineering or processing every comparable collocation element requested or if the charge is only applied in specific circumstances)**

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Interrogatory on the grounds that its deployment of xDSL and Frame Relay services in Florida, including the costs associated therewith, is irrelevant to this collocation cost proceeding. Subject to this objection and Verizon FL's general objections, Verizon FL will provide information responsive to this request.

- 176. Discuss in detail exactly how the Verizon telephone operating companies (VTOCs) as a group have used market value based capital structure ratios and the resulting cost of capital for capital budgeting decisions over the last 5 years.**

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Interrogatory on the grounds that the request refers to the Verizon telephone operating companies as a whole, and is therefore overly broad and irrelevant.

177. Discuss in detail exactly how Verizon Communications has used market value based capital structure ratios and the resulting cost of capital for capital budgeting decisions over the last 5 years.

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Interrogatory on the grounds that the request refers to the Verizon telephone operating companies as a whole, and is therefore overly broad and irrelevant.

179. Discuss in detail exactly how the Verizon telephone operating companies (VTOCs) as a group plan to use market value based capital structure ratios and the resulting cost of capital for capital budgeting decisions over the next 3 years.

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Interrogatory on the grounds that the request refers to the Verizon telephone operating companies as a whole, and is therefore overly broad and irrelevant.

180. Discuss in detail exactly how Verizon Communications plans to use market value based capital structure ratios and the resulting cost of capital for capital budgeting decisions over the next 3 years.

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Interrogatory on the grounds that the request refers to the Verizon telephone operating companies as a whole, and is therefore overly broad and irrelevant.

183. Other than for purposes of setting rates in regulatory proceedings, please discuss in detail exactly how Verizon Communications has used or plans to use market value based capital structure ratios in carrying out its operations.

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Interrogatory on the grounds that the request refers to the Verizon telephone operating companies as a whole, and is therefore overly broad and irrelevant.

191. Consistent with how the information is filed with the Securities and Exchange Commission, what is Verizon Communications' capital structure as of December 31, 2002? For purposes of this response, please identify the capital components (common equity, preferred stock, long-term debt and short-term debt), amounts, and relative percentages.

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Interrogatory on the grounds that the request refers to the Verizon telephone operating companies as a whole, and is therefore overly broad and irrelevant.

194. Identify Verizon Communications' earned return on equity for 2000, 2001, and 2002. For purposes of this response, identify the return on equity based upon the financial results reported to the Securities and Exchange Commission.

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Interrogatory on the grounds that the request refers to the Verizon telephone operating companies as a whole, and is therefore overly broad and irrelevant.

195. Identify Verizon Communications' earned return on equity for 2000, 2001, and 2002 on a market value basis. For purposes of this response, identify Verizon Communications' earned return on equity for each of these years based on the market value rather than book value of its equity.

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Interrogatory on the grounds that the request refers to the Verizon telephone operating companies as a whole, and is therefore overly broad and irrelevant.

200. Identify by year, the total equity issuances of Verizon Communications from January 1, 2000 through the present. For purposes of this response, specify the equity (number of shares and dollar amount) issued for benefit plans, purposes other than for benefit plans, and total. In addition, specify the annual equity shares and amounts reacquired each year. Finally, identify the net change in the number of shares, price per share, and total dollar amount over this period.

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Interrogatory on the grounds that the request refers to the Verizon telephone operating companies as a whole, and is therefore overly broad and irrelevant.

203. What was Verizon Communications' annual dividend payout ratio for 2000, 2001, and 2002?

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Interrogatory on the grounds that the request refers to the Verizon telephone operating companies as a whole, and is therefore overly broad and irrelevant.

204. What is Verizon Communications' projected annual dividend payout ratio for 2003, 2004, and 2005?

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Interrogatory on the grounds that the request refers to the Verizon telephone operating companies as a whole, and is therefore overly broad and irrelevant.

210. Identify the cashflow sources used to fund the 2000, 2001, and 2002 capital expenditures of the Verizon telephone operating companies as a group. For purposes of this response, identify the amount and relative percentage each source of capital (equity, net of dividends; long-term debt; short-term debt; and depreciation expense) represented on an annual basis.

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Interrogatory on the grounds that the request refers to the Verizon telephone operating companies as a whole, and is therefore overly broad and irrelevant.

INITIAL SPECIFIC OBJECTIONS: EIGHTH POD

In addition to its foregoing general objections, Verizon FL raises the following initial specific objections to the following individual Requests in Staff's Eighth Request for Production of Documents:

- 75. Please provide electronic copies of, and all supporting documents for, the three most recent cost studies submitted to the FCC for xDSL service in Florida. If electronic copies are not available please provide in paper format.**

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Request on the grounds that its cost studies relating to xDSL and Frame Relay services in Florida are irrelevant to this collocation cost proceeding. Subject to this objection and Verizon FL's general objections, Verizon FL will provide information responsive to this request.

- 76. Please provide electronic copies of, and all supporting documents for, the three most recent cost studies submitted to the FCC for retail Frame Relay service in Florida. If electronic copies are not available please provide in paper format.**

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Request on the grounds that its cost studies relating to Frame Relay service in Florida are irrelevant to this collocation cost proceeding. Subject to this objection and Verizon FL's general objections, Verizon FL will provide information responsive to this request.

- 77. Please provide all documents used to support or derive your answer to Interrogatory 160.**

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Request on the grounds that its cost studies relating to Frame Relay service in Florida are irrelevant to this collocation cost proceeding. Subject to this objection and Verizon FL's general objections, Verizon FL will provide information responsive to this request.

82. Please provide electronic copies of, and all supporting documents for, the cost studies filed by Verizon in FPSC Docket 990649B-TP. To the extent that electronic files are not available please provide in paper format.

Objection: In addition to its General Objections, which are incorporated herein by reference, Verizon FL objects to this Request on the grounds that this information (1) already has been provided to the Commission in FPSC Docket 990649B-TP, and (2) is irrelevant to this collocation cost proceeding. Subject to this objection and Verizon FL's general objections, Verizon FL will provide information responsive to this request.

Respectfully submitted,



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Dated: June 9, 2003

Attorneys for Verizon Florida Inc.

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