

JAMES E. "JIM" KING, JR.
PRESIDENT



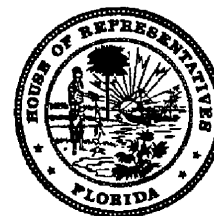
Charles J. Beck
Interim
Public Counsel

ORIGINAL

STATE OF FLORIDA
OFFICE OF THE PUBLIC COUNSEL

c/o THE FLORIDA LEGISLATURE
111 WEST MADISON ST.
ROOM 812
TALLAHASSEE, FLORIDA 32399-1400
850-488-9330

JOHNNIE BYRD
SPEAKER



September 17, 2003

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0870

COMMISSION
CLERK

SEP 17 PM 4: 26

COMMISSION CLERK

RE: Docket No. 030867-TL

Dear Ms. Bayó:

Enclosed are an original and fifteen copies of Citizens' First Motion to Compel Answers to Interrogatories from Verizon Florida, Inc. for filing in the above-referenced docket.

Please indicate receipt of filing by date-stamping the attached copy of this letter and returning it to this office. Thank you for your assistance in this matter.

Sincerely,

H F. Mann
Associate Public Counsel

HFM/dsb

AUS — Enclosures

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL 1 _____
- OPC _____
- MMS _____
- SEC 1 _____
- OTH _____

DOCUMENT NUMBER-DATE

08864 SEP 17 03

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Verizon Florida Inc. to Reform)
Its Intrastate Network Access and Basic Local)
Telecommunications Rates in Accordance with)
Florida Statutes, Section 364.164)
_____)

Docket No. 030867-TL
Filed: September 17, 2003

**CITIZENS' FIRST MOTION TO COMPEL ANSWERS TO INTERROGATORIES
FROM VERIZON FLORIDA, INC**

The Citizens of Florida (Citizens), through the Office of Public Counsel, pursuant to Rule 28-106.204, Florida Administrative Code, and Rules 1.280, 1.340, 1.350, and 1.380, Florida Rules of Civil Procedure, request the Prehearing Officer issue an order compelling Verizon Florida, Inc. ("Verizon" or "Company") to immediately answer all interrogatories described in the paragraphs identified below.

1. On September 10, 2003, Verizon served its Initial Objections to Citizens' First Set of Interrogatories, dated September 3, 2003.

2. Verizon lists twelve general objections, identified as "initial" and "preliminary," to Citizens' interrogatories, none of which identifies a single interrogatory to which any or all of them may apply. As such, the Company has presented to Citizens a wonderful game of "Read the Company's Mind."

3. Citizens emphatically assert that these general, "initial" and "preliminary" objections are wholly inapplicable to Citizens' discovery requests. The following are what the Company suggests are appropriate discovery objections made pursuant to the Florida Rules of Civil Procedure:

DOCUMENT NUMBER DATE

08864 SEP 17 8

FPSC-COMMISSION CLERK

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

2. Verizon objects to each 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 objects to each such interrogatory as being irrelevant, overly broad, unduly burdensome, and oppressive.

3. Verizon objects to each 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 objects to each 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 in response to the First Set will be provided subject to, and without waiver of, the foregoing objection.

5. Verizon objects to each 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 proceeding. Verizon will attempt to state in its responses each instance where this objection applies.

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

7. Verizon objects to the First Set to the extent that it seeks to have Verizon create documents not in existence at the time of the request.

8. Verizon objects to each interrogatory to the extent that it seeks to impose obligations on Verizon that exceed the requirements of the Florida Rules of Civil Procedure or Florida Law.

9. Verizon objects to each interrogatory to the extent that it seeks to impose obligations on Verizon that exceed the requirements of Florida Statutes, Section 364.164(3).

10. Verizon objects to each interrogatory to the extent that responding to it would be unduly burdensome, expensive, oppressive, or excessively time consuming.

11. Verizon objects to each interrogatory to the extent that it is not limited to any stated period of time and, therefore, is overly broad and unduly burdensome.

12. In light of the short period of time Verizon was afforded to respond to the First Set, discovery and the development of Verizon's position are necessarily ongoing, and Verizon's response may be subject to supplementation or further refinement. Verizon therefore reserves the right, at its discretion, to supplement or modify its response. However, Verizon does not assume an affirmative obligation to supplement its answers on an ongoing basis.

4. The Prehearing Officer, Commissioner Bradley, in his Order Establishing Procedure, No. PSC-03—0994-PCO-TL, instructed the parties regarding discovery, that “Any objection to . . . discovery requests shall be made within five business day of service of the discovery request.”

5. Citizens do not believe that that instruction envisioned a listing of any and all objections that might be available to a party in the event that some specific discovery request was made of that party to which one or more of those available objections could be claimed and argued.

6. Not one of the twelve general “initial” and “preliminary” objections made by Verizon identifies a single interrogatory to which it might apply. If these objections could actually be applied to Citizens’ discovery, Citizens would be faced with the impossibly absurd task of responding directly to twelve “initial” and “preliminary” objections, all of which address nothing in particular. Accordingly, these objections are wholly inappropriate and totally irrelevant to Citizens’ discovery requests.

7. After listing the above twelve general “initial” and “preliminary” objections to any and all of Citizens’ discovery as each of the objections may or may not apply, Verizon identifies some specific objections to particular discovery requests, as required by the Florida Rules of Civil Procedure. These Interrogatory Requests, the Company’s objections, and Citizens’ response to the objections follow below.

8. Interrogatory No. 3:

Please identify any studies made by Verizon in Florida or any of its operating states that quantifies the cost of basic residential telephone service

based on the assumption that all basic services, vertical services and access services share the cost of the loop.

SPECIFIC OBJECTION:

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this interrogatory on the grounds that it is not limited to any stated period of time and, therefore, is overly broad and unduly burdensome. Moreover, Verizon objects to this interrogatory on the grounds that it seeks information relating to entities other than Verizon Florida Inc. and therefore is overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules. Finally, Verizon objects to this interrogatory on the grounds that it seeks information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3).

The cost of basic residential telephone service in other states is not discussed in Verizon's Petition or the testimony of its witnesses. Subject to the foregoing objections, Verizon will identify responsive studies, if any, made by Verizon Florida Inc. since January 1, 2000.

CITIZENS' RESPONSE:

Please also refer to Citizens' response to Verizon's specific objection to Citizens' Production of Documents Request No. 18. Verizon objects to identifying cost studies in this docket that have been completed in other jurisdictions. Contrary to the Company's assertion, Verizon's witnesses, Gordon and Danner, freely utilize data from jurisdictions outside of Florida in an attempt to bolster their market testimony. Mr. Danner specifically refers to the pricing reform order of 1994, by the California Public Utility Commission that

was similar to the price increase proposed here by Verizon in the Florida case. (Page 25, line 22; Page 26-line 17) The Citizens are inquiring about cost studies the Company has used to help establish its case in other jurisdictions, such as California, and if the Company is going to use arguments made in those jurisdictions to bolster its testimony here, then the Commission and the Citizens need to know the alleged facts that were submitted in those cases by Verizon. The information requested here is both well known to the witness and readily available to Verizon.

It is noted also that, contrary to the Company's assertion, witness Gordon refers extensively to state policies pricing basic local service "below cost" in a number of states and the resultant frustrations of the policy goal of Federal and state regulators because of the continuation of those policies. (Page 8, lines 10-20). Mr. Gordon's testimony compares Florida rates to national average rates (Page 10, table 1), despite the fact that the statute says nothing about the cost of telephone services in other parts of the country. Witness Gordon even calculates the ranking of Florida rates compared with those of Georgia, Alabama, Louisiana and Virginia, yet the Company seeks to prevent the Citizens from learning of similar cost comparisons for the Commission's consideration. Finally, the Company's reliance on section 364.164(3), Florida Statutes, is misplaced. Citizens assert that the discovery addressed in that section pertains only to the rate adjustment filings identified in section 364.164(2), and further addressed in section 364.164(3) and section 364.164(7), Florida Statutes.

9. Interrogatory No. 4:

Please state whether Verizon has developed cost studies for bundled services since January 1, 2000, where the basic residential local exchange service

component was bundled with additional products and services and provided at a single reduced rate. If so, please state the date and identify the name of the cost study.

SPECIFIC OBJECTION:

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this interrogatory on the grounds that is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this proceeding. Pursuant to Florida Statutes Section 364.164(1)(i), the Commission must consider whether Verizon's basic residential local telecommunications services receive support, not whether bundles that include residential local telecommunications services receive support. Bundles that include residential local telecommunications services are classified under Verizon's price-cap plan as non-basic services, and therefore are not relevant to the rebalancing of basic local telecommunications rates in accordance with Section 364.164. Moreover, Verizon objects to this interrogatory on the grounds that it seeks information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3). Bundled services are not discussed in Verizon's Petition or the testimony of its witnesses.

CITIZENS' RESPONSE:

Please also refer to Citizens' Response to Verizon's Specific Objection to Citizens' Production of Documents Request No. 19. Verizon has filed a request for \$71.4 million in increased rates for basic residential service customers in Florida, alleging that the price of residential service is below its cost. The Citizens and the Commission should have a right

to have identified, as well as review, all of Verizon's cost studies that characterize the revenue/cost relationships of basic residential services, including those instances where Verizon has specifically introduced competitive package plans that include the basic residential service component. This information is highly relevant and extremely critical to the evaluation of the benefits or the harm that basic residential telecommunication customers will experience as a result of the Verizon petition. Furthermore, the testimony of witness Leo, page 17, Table VI, includes specific references to bundled service offerings of six Florida competitors. Consequently, our request is relevant to Verizon's testimony. Finally, regarding the Company's reliance on section 364.164(3), Florida Statutes, please see Citizens' response to Interrogatory 3 objection, above.

10. Interrogatory No. 5:

Explain how Verizon calculates the costs of SS7 in its costing of basic local exchange residential service as shown in DDC-1.

SPECIFIC OBJECTION:

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this interrogatory on the grounds that it seeks information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3). Exhibit DCC-1 is not attached to, nor discussed in, Verizon's Petition or the testimony of its witnesses. Rather, Exhibit DCC-1 is attached to, and discussed in, the testimony of a Bell South witness.

CITIZENS' RESPONSE:

Verizon witness Fulp's testimony states that the Company is proposing to remove \$76.8 million of intrastate switched access revenue support that goes to basic services and

he proposes that the basic services should be increased by the same amount. (Page 3, line 5-12) Witness Fulp then introduces his cost support to justify the proposed rate increases starting on page 19, line 13 of his testimony, and further amplified on pages 22 and 23, as well as specifically in the exhibit he has attached to his testimony. Citizen's request here is for witness Fulp to quantify the methodology he uses to calculate the costs of SS7 signaling. This information is critical to the Citizen's case, since SS7 is common equipment utilized by many, if not all, of the retail and wholesale services provided by the company. The parallel between SS7 and local loop costs is strong, and the Citizens seek to determine if Verizon's cost methodologies are consistent.

11. Interrogatory No. 6:

Explain how Verizon calculates the costs of SS7 signaling costs required for vertical services.

SPECIFIC OBJECTION:

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this interrogatory on the grounds that is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this proceeding. This is because Verizon relied on Commission-approved unbundled network element (UNE) rates to estimate the incremental cost of provisioning basic local telecommunications services, and these rates do not include vertical services.

CITIZENS' RESPONSE:

See Citizens' response to Verizon's Specific Objection to Interrogatory No. 5.

12. Interrogatory No. 10:

Please state the annual rate of growth for basic residential service access lines for each of the past five years starting with December 31, 1998 and ending with December 31, 2002.

SPECIFIC OBJECTION:

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this interrogatory on the grounds that it seeks information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3). The annual rate of growth for basic residential service access lines is not discussed in Verizon's Petition or the testimony of its witnesses. Moreover, Verizon objects to this interrogatory on the grounds that is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this proceeding. In short, the information sought does not bear on the criteria the Commission must consider under Florida Statutes, Section 364.164(1).

CITIZENS' RESPONSE:

The number of Verizon's residential customers in Florida is relevant to the issues in this case. Verizon proposes to implement this rate increase to the customers of record on two separate dates, during which, the number of customers will change, either upward or downward. The current growth rate for residential services is relevant to those issues. In addition, in order to characterize whether the price increase is beneficial to residential customers, it is important to know how the number of residential customers is changing, over time, at the present rates. Finally, regarding the Company's reliance on section

364.164(3), Florida Statutes, please see Citizens' response to Interrogatory 3 objection, above.

13. Interrogatory No. 11:

Please state the annual rate of growth in intrastate access line revenues for each of the past five years starting with December 31, 1999 and ending with December 31, 2002.

SPECIFIC OBJECTION:

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this interrogatory on the grounds that it seeks information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3). The annual rate of growth in intrastate access line revenues is not discussed in Verizon's Petition or the testimony of its witnesses. Moreover, Verizon objects to this interrogatory on the grounds that it is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this proceeding. In short, the information sought does not bear on the criteria the Commission must consider under Florida Statutes, Section 364.164(1).

CITIZENS' RESPONSE:

Verizon witness Fulp's testimony, starting on page 8, explains how the company has calculated the composite access rates over the past 12 months to calculate the amount of the increase for basic local exchange subscribers. The Citizens have a right to test the validity of witness Fulp's calculations, and the prior year revenues are highly relevant to the evaluation of the testimony offered by the Verizon witness's use of a composite rate. Witness Fulp takes two pages to explain why he has used a composite rate (page 8-9).

His testimony states that the composite rates are the only good way to compare inter- and intra-state access rates that have different demand characteristics. Citizens seek information about the demand characteristics for intra-state access charges in this request. Finally, regarding the Company's reliance on section 364.164(3), Florida Statutes, please see Citizens' response to Interrogatory 3 objection, above.

14. Interrogatory No. 13:

Please state whether Verizon has developed cost studies for bundled services since January 1, 2000, where the basic residential local exchange service component was bundled with additional products and services and provided at a single reduced rate. If so, please state the date and identify the name of the cost study.¹

SPECIFIC OBJECTION:

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this interrogatory on the grounds that is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this proceeding. Pursuant to Florida Statutes Section 364.164(1)(i), the Commission must consider whether Verizon's basic residential local telecommunications services receive support, not whether bundles that include residential local service receive support. Bundles that include residential local telecommunications services are classified under Verizon's price-cap plan as non-

¹ Interrogatory No. 13 is identical to Interrogatory No. 4.

basic services, and therefore are not relevant to the rebalancing of basic local telecommunications rates in accordance with Section 364.164.

CITIZENS' RESPONSE:

Please also refer to Citizens' Response to Verizon's Specific Objection to Citizens' Production of Documents Request No. 19. Verizon has filed a request for \$71.4 million in increased rates for basic residential service customers in Florida, alleging that the price of residential service is below its cost. The Citizens and the Commission should have a right to have identified, as well as review, all of Verizon's cost studies that characterize the revenue/cost relationships of basic residential services, including those instances where Verizon has specifically introduced competitive package plans that include the basic residential service component. This information is highly relevant and extremely critical to the evaluation of the benefits or the harm that basic residential telecommunication customers will experience as a result of the Verizon petition. Furthermore, the testimony of witness Leo, page 17, Table VI, includes specific references to bundled service offerings of six Florida competitors. Consequently, our request is relevant to Verizon's testimony. Finally, regarding the Company's reliance on section 364.164(3), Florida Statutes, please see Citizens' response to Interrogatory 3 objection, above.

15. Interrogatory No. 17:

What percentage of Verizon's CLEC lines in Florida are furnished to prepaid local exchange service companies?

SPECIFIC OBJECTION:

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this interrogatory on the grounds that it seeks

information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3). Prepaid local exchange service companies are not discussed in Verizon's Petition or the testimony of its witnesses.

CITIZENS' RESPONSE:

Verizon has submitted testimony in this docket relating to the amount of competition that exists in Florida, (See Direct Testimony of Evan T. Leo entitled "Local Competition in Florida") and through witness Gordon, the company has submitted testimony asserting that customers will not experience "rate shock" and that the proposal will not impact universal service. (Page 16, line 7; page 17, line 3) Citizens seek to fully explore the testimony of Verizon's witnesses. Prepaid local exchange companies provide local telephone service at rates that are typically \$50 per month. The rates charged by prepaid companies are not comparable to the ILEC charges for local service and could never be considered as competitive services under any objective analysis. Finally, regarding the Company's reliance on section 364.164(3), Florida Statutes, please see Citizens' response to Interrogatory 3 objection, above.

16. **Interrogatory No. 18:**

Referring to Danner testimony at page 4, lines 8-10, please state the amount of contribution that future intrastate access charges will make toward joint and common costs, based on the access charge rates filed in this docket.

SPECIFIC OBJECTION:

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this interrogatory on the grounds that is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the

subject matter of this proceeding. Pursuant to Section 364.164(1)(i), the Commission must consider granting Verizon's plan will remove support for Verizon's basic local telecommunications services. The amount of contribution that future intrastate access charges will make toward joint and common costs, based on access rates filed in this docket, does not bear on the criteria the Commission must consider under Florida Statutes, Section 364.164(1).

CITIZENS' RESPONSE:

Verizon witness Danner's testimony, on page 4, lines 1-10, clearly states that the access charge reductions and basic rate increases serve to remove support from access lines to basic services because the basic service is priced below its cost. He explains that the basic local service makes no contribution to Verizon's joint and common costs, and he references testimony submitted by Verizon witness Fulp. (Page 4, line 12-20) The Citizens' interrogatory deals directly with the testimony of Verizon's witnesses. Citizens have the right, and the Commission has the duty, to be assured that the rates proposed by the Company will not result in a reverse subsidy as defined by witness Danner, where intrastate access rates will not make a contribution towards joint and common costs.

17. Interrogatory No. 20:

Please state the company's future plans to increase the residential local rates in its territory in order to eliminate all support from other services.

SPECIFIC OBJECTION:

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this interrogatory on the grounds that is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the

subject matter of this proceeding. Pursuant to Section 364.164(1)(i), the Commission must consider granting Verizon's plan will remove support for Verizon's basic local telecommunications services. Whether Verizon has any future plans to increase residential local rates to eliminate support from other services does not bear on the criteria the Commission must consider under Florida Statutes, Section 364.164(1). Moreover, Verizon objects to this interrogatory on the grounds that it seeks information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3). Verizon's future plans to eliminate support from other services, if any, are not discussed in Verizon's Petition or the testimony of its witnesses.

CITIZENS' RESPONSE:

The testimony of Verizon witnesses Danner and Gordon is primarily devoted to the issue that basic local exchange rates in Verizon territory are furnished at rates that are below cost and they have alleged the customer benefits that will accrue when the support from other services is eliminated. Witness Gordon states that under the approach specified in the TeleCompetition Act that "there is still no guarantee that residential basic local services recover at least their forward-looking direct costs once intrastate access rates are set to parity with interstate switched access rates." (Page 21, line 22-25) In order to properly evaluate the benefits that this proposal will provide to customers, it is absolutely essential that Citizens know how much more the basic rates will be increased if the Commission adopts the cost philosophies of Verizon, as well as the specific plans the company may have to increase its rates, given future pricing flexibility that the company will receive if the Commission approves the Verizon petition. Finally, regarding the Company's

reliance on section 364.164(3), Florida Statutes, please see Citizens' response to Interrogatory 3 objection, above.

18. Interrogatory No. 21:

If basic local rates are supported by access charges, explain if this means that any bundled service that includes basic local service as a component is also being supported. Explain why or why not. Provide calculations and other information to show that each of the bundled services which include basic local service are not being supported by access charges or other services.

SPECIFIC OBJECTION:

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this interrogatory on the grounds that is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this proceeding. Pursuant to Florida Statutes Section 364.164(1)(i), the Commission must consider whether Verizon's basic residential local telecommunications services receive support, not whether bundles that include residential local telecommunications services receive support. Bundles that include residential local telecommunications services are classified under Verizon's price-cap plan as non-basic services, and therefore are not relevant to the rebalancing of basic local telecommunications rates in accordance with Section 364.164. Moreover, Verizon objects to this interrogatory on the grounds that it seeks information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3). Bundled services are not discussed in Verizon's Petition or the testimony of its witnesses.

CITIZENS' RESPONSE:

Please also refer to Citizens' Response to Verizon's Specific Objection to Citizens' Production of Documents Request No. 19. Verizon has filed a request for \$71.4 million in increased rates for basic residential service customers in Florida, alleging that the price of residential service is below its cost. The Citizens and the Commission should have a right to have identified, as well as review, all of Verizon's cost studies that characterize the revenue/cost relationships of basic residential services, including those instances where Verizon has specifically introduced competitive package plans that include the basic residential service component. This information is highly relevant and extremely critical to the evaluation of the benefits or the harm that basic residential telecommunication customers will experience as a result of the Verizon petition. Furthermore, the testimony of witness Leo, page 17, Table VI, includes specific references to bundled service offerings of six Florida competitors. Consequently, our request is relevant to Verizon's testimony. Finally, regarding the Company's reliance on section 364.164(3), Florida Statutes, please see Citizens' response to Interrogatory 3 objection, above.

19. Interrogatory No. 22:

The company asserts in various testimony that higher residential basic local rates will result in increased/improved competition by removing support. If this is the case, explain when and how the company plans to compete for basic residential customers in the Florida exchanges of other bell operating companies, Sprint, and other rural LECs. Explain why the company has no plan for competing with other carriers in Florida.

SPECIFIC OBJECTION:

In addition to its General Objections, which are incorporated herein by 1 reference, Verizon objects to this interrogatory on the grounds that it seeks information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3). In its Petition and supporting testimony, Verizon discusses how its plan will affect competition in its territory, not the territories of the other incumbent local exchange carriers.

CITIZENS' RESPONSE:

Verizon witness Leo's entire testimony relates to the amount of Local Competition that exists in Florida. Contrary to the objections of Verizon, witness Leo's testimony contains numerous references to the FPSC competitive studies and numerous references to national publications that utilize nationwide data in an effort to make specific points supporting his testimony of the witness Leo. Witness Leo's testimony on page 8, paragraph's 15 and 16, specifically quotes the Florida Commission's characterization of the entire Florida competitive market, not Verizon's Florida market. Citizens seek to know why the company has not entered any competitive markets in Florida, including the business markets of other companies that are currently priced at rate levels that Verizon has characterized in this case as sufficient to attract new competitors for the benefit of residential customers. (See Danner testimony, page 8, lines 1-20) Finally, regarding the Company's reliance on section 364.164(3), Florida Statutes, please see Citizens' response to Interrogatory 3 objection, above.

20. Interrogatory No. 23:

The company's testimony appears to assert that access provides greater support to residential basic local rates, versus business basic local rates (and some business rates may already be priced high enough that they don't receive any support from access). If basic business rates are already high enough in some exchanges (where there is no support) of other Florida bell operating companies, Sprint, and other rural LECs, explain why the company does not compete for basic business customers in these areas. Explain when and how the company plans to compete for these basic business customers in exchanges of other LECs. Explain why the company has no plan for competing with other carriers in Florida if this is so.

SPECIFIC OBJECTION:

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this interrogatory on the grounds that it seeks information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3). In its Petition and supporting testimony, Verizon discusses how its plan will affect competition in its territory, not the territories of the other incumbent local exchange carriers.

CITIZENS' RESPONSE:

See Citizens' Response to Verizon's Specific Objection to Citizens' Interrogatory No.

22.

Respectfully submitted,

CHARLES J. BECK
Interim Public Counsel
Florida Bar No. 217281



H F. Rick Mann
Associate Public Counsel
Florida Bar No. 763225

Office of Public Counsel
c/o The Florida Legislature
111 W. Madison Street, Room 812
Tallahassee, FL 32399-1400
(850) 488-9330
Attorney for Florida's Citizens

**CERTIFICATE OF SERVICE
DOCKET NO.: 030867-TL**

I HEREBY CERTIFY that a copy of the foregoing has been furnished by U.S. Mail or hand-delivery to the following parties on this 17th day of September, 2003.

Beth Keating, Esquire
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Richard Chapkis
Vice President & General Counsel
Verizon Florida, Inc.
201 North Franklin Street, FLTC0717
Tampa, Florida 33601


Tracy Hatch
AT&T
101 North Monroe, Suite 700
Tallahassee, FL 32301

Michael Gross
Florida Cable Telecomm. Assn.
246 East 6th Avenue
Tallahassee, FL 32303

Donna McNulty
MCI WorldCom, Inc.
1203 Governors Square Blvd.
Suite 201
Tallahassee, FL 32301-2960

Michael B. Twomey
Post Office Box 5256
Tallahassee, Florida 32314-5256

Mark Cooper
504 Highgate Terrace
Silver Spring, MD 20904


H F. Mann