

- b. Explain the time period the company will maintain its reduced long distance rates, before it subsequently increases long distance rates and explain the rationale for this approach.
- c. Explain if the company will lower its "intrastate" long distance rates to match (or go below) the rates of all similar lower priced "interstate" long distance rates. Provide and list of these long distance services, and explain why the company will or will not reduce its intrastate rates to match (or go below) interstate rates.

Specific Objection to Interrogatory No. 29:

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this interrogatory (and its subparts) on the grounds that it seeks information relating to Verizon's long distance affiliate, which is not a party to this case, and is therefore overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules. Moreover, Verizon objects to this interrogatory, as it relates to Verizon Florida Inc., on two grounds. First, it is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this proceeding. Second, this interrogatory seeks information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3). Specifically, it seeks information about end-user long distance services, but such services are not the subject of Verizon's Petition. Moreover, to the extent end-user long distance service prices will be impacted by granting Verizon's Petition, the resulting long distance prices are required to be flowed through pursuant to Section 364.163(2), Florida Statutes. Therefore, for purposes of reaching a decision on Verizon's Petition, the Commission must assume that the flow-through of access rate reductions will take place as required by law.

Response:

Verizon has objected to this interrogatory and therefore no response is being provided.

Supplemental Response:

- a. Verizon Long Distance (VLD) plans to flow through the benefits realized from access reductions to both residential and business customers based on the relative proportion of access minutes associated with these classes of customers. Until an estimate of the amount of access reductions VLD will experience is available, an estimate of the rate impact is not possible. However, based on data for July through October 2003, VLD estimates that approximately *** Redacted *** of the rate reductions will flow to residential customers and *** Redacted *** to business. Verizon Select Services Inc. (VSSI) also plans to flow through savings to its customers.

Supplemental Response:

In testimony filed on November 19, 2003, Verizon's long distance affiliates committed to flow through the benefits realized from access reductions to both residential and business customers based on the relative proportion of access minutes associated with these classes of customers. Based on data for July through October 2003, VLD expects approximately *** Redacted *** of the rate reduction to flow to residential customers and *** Redacted *** to business customers. VSSI also plans to flow through savings to its large business customers.

33. Provide all known, quantifiable and explicit "net" benefits ("net" benefits infers showing both "positive" and "negative" impacts and showing that the positive impacts exceed the negative impacts) that will accrue to the average residential customer as a result of the access reduction and rebalance to local rates, assuming the company's proposal is adopted. Also, provide the known duration (time period) of each benefit. Benefits may include (but not be limited to) net reductions in rates paid by customers, and any other benefits determined by the company.

Specific Objection to Interrogatory No. 33:

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this interrogatory on the grounds that it seeks information regarding issues that are beyond the scope of the issues to be considered by the Commission in this proceeding. The first prong of Section 364.164(1) is the only prong that refers to residential customers. It limits inquiry to whether granting the petition "will remove current support for basic local telecommunications services that prevents the creation of a more attractive competitive local exchange market for the benefit of residential customers."

Response:

Verizon has objected to this interrogatory and therefore no response is being provided.

Supplemental Response:

The request appears to presume that Verizon must meet a quantifiable and explicit "net benefits" test to satisfy the requirements of the Act, when in fact the Act contains a criterion for consideration that the plans "[r]emove current support for basic local telecommunications services that prevents the creation of a more attractive competitive local exchange market for the benefit of residential consumers." The Act's criterion, therefore, speaks to removing support that impairs competition in the local exchange market which will benefit residential customers; and, it is only one of four considerations, not a pass-fail test. In particular, there is no requirement that