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December 23, 2008 - VIA ELECTRONIC MAIL

Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 080234-TP

In re: Implementation of Florida lifeline program involving bundled service packages and placement of additional enrollment requirements on customers

Dear Ms. Cole:

Enclosed for filing in the above matter is Verizon Florida LLC's Notice of Service of Objections and Responses to Commission Staff's First Set of Interrogatories. Service has been made as indicated on the Certificate of Service. If there are any questions regarding this filing, please call me at 678-259-1449.

Sincerely,

s/ Dulaney L. O'Roark III

Dulaney L. O'Roark III

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of Florida lifeline program) Docket No. 080234-TP
involving bundled service packages and) Filed: December 23, 2008
placement of additional enrollment requirements)
on customers)
_____)

**NOTICE OF SERVICE OF VERIZON FLORIDA LLC'S OBJECTIONS AND
RESPONSES TO COMMISSION STAFF'S FIRST SET OF INTERROGATORIES**

NOTICE IS HEREBY GIVEN that Verizon Florida LLC, by and through its undersigned counsel, has served its Objections and Responses to Staff's First Set of Interrogatories via electronic mail and U.S. mail to Charles W. Murphy, Staff Counsel, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850.

A copy of this Notice was also sent via electronic mail and U.S. Mail on December 23, 2008 to the Office of Commission Clerk at the Commission. Further service on other parties of record is as set forth on the Certificate of Service, appended hereto.

Respectfully submitted on December 23, 2008.

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Attorney for Verizon Florida LLC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of the foregoing were sent via electronic mail and U.S. Mail on December 23, 2008 to:

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s/ Dulaney L. O'Roark III
Dulaney L. O'Roark III

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of Florida lifeline program) Docket No. 080234-TP
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**VERIZON FLORIDA LLC’S OBJECTIONS AND RESPONSES TO
COMMISSION STAFF’S FIRST SET OF INTERROGATORIES**

Pursuant to the Order Establishing Procedure in this docket dated September 15, 2008, Verizon Florida LLC (“Verizon”) submits the following objections and responses to Commission Staff’s First Set of Interrogatories to Verizon dated November 19, 2008 (the “Discovery Requests”).

<u>Interrogatory No.</u>	<u>Responses provided by:</u>
1, 3, 5-7, 9, 10, 13	Demetria Clark and David Christian
2, 11, 14	Paul Vasington
4	Susan Miller
8	Counsel for Verizon
12	William Bradley

GENERAL OBJECTIONS

1. Verizon objects to the Discovery Requests and all Definitions associated with the Discovery Requests to the extent they purport to impose obligations that are different from, or go beyond, the obligations imposed under Rules 1.280, 1.340, and 1.351 of the Florida Rules of Civil Procedures and the Rules of the Commission.

2. Verizon objects to the Discovery Requests to the extent they seek documents or information protected by the attorney-client privilege, the attorney

work-product doctrine, or any other applicable privileges or doctrines. Any inadvertent disclosure of such privileged documents or information shall not be deemed to be a waiver of the attorney-client privilege, attorney work-product doctrine, or other applicable privileges or doctrines.

3. Verizon objects to the Discovery Requests to the extent that they are vague and ambiguous, particularly to the extent that it uses terms that are undefined or vaguely defined.

4. Verizon objects to the Discovery Requests to the extent they seek confidential business, financial, or other proprietary documents or information. Verizon further objects to the Discovery Requests to the extent they seek documents or information protected by the privacy protections of the Florida or United States Constitutions, or any other law, statute, or doctrine.

5. Verizon objects to the Discovery Requests to the extent they seek documents or information equally available to Staff as to Verizon through public sources or records or which is already in the possession, custody or control of the Commission.

6. To the extent Verizon responds to Staff's Discovery Requests, Verizon reserves the right to amend, replace, supersede, or supplement its responses as may become appropriate in the future, but it undertakes no continuing or ongoing obligation to update its responses.

7. Verizon objects to the Discovery Requests to the extent that they seek to impose an obligation on Verizon to respond on behalf of subsidiaries,

affiliates, or other persons that are not subject to the jurisdiction of the Commission.

8. Verizon objects to the Discovery Requests to the extent they seek information that is not reasonably calculated to lead to the discovery of admissible evidence and not relevant to the subject matter of this proceeding.

9. Verizon objects to the Discovery Requests to the extent they are duplicative and overlapping, cumulative of one another, overly broad, or seek responses in a manner that is unduly burdensome.

INTERROGATORIES

1. At Paragraph 15 of Verizon's Request to Initiate Formal Proceedings, that was filed in this docket, Verizon asserts that the \$3.50 portion of the Lifeline discount "has the potential to cause competitive harm to wireline carriers, especially incumbent local exchange carriers."

Section 364.025(3), Florida Statutes, provides the following:

If any party, prior to January 1, 2009, believes that circumstances have changed substantially to warrant a change in the interim mechanism, that party may petition the commission for a change, but the commission shall grant such petition only after an opportunity for a hearing and a compelling showing of changed circumstances, including that the provider's customer population includes as many residential as business customers. The commission shall act on any such petition within 120 days.

Has Verizon filed a Section 364.025(3) petition with the FPSC indicating the need to be reimbursed the \$3.50 portion of the Lifeline discount?

RESPONSE: Subject to and without waiving the General Objections, Verizon states that it has not filed such a petition.

2. By letter dated November 30, 2000, to the FPSC's Director of Competitive Services, Walter D'Haeseleer, from Verizon's Director-Regulatory

Affairs, Michelle Robinson, regarding the possible establishment of an interim Lifeline fund in Florida to reimburse the \$3.50 credit provided to customers by ETCs, Verizon stated that it, "is opposed to any universal service-like funding mechanism to be imposed on Florida's local exchange carriers at this time." Verizon continued, "Our position on this matter, however, should in no way be construed that Verizon is any less committed to Florida's Lifeline and Link Up programs. We strongly encourage the Commission's objective to increase enrollment in these programs through cost-effective targeted efforts." Do the statements quoted from Verizon's November 30, 2000, letter still reflect Verizon's position?

RESPONSE: Subject to and without waiving the General Objections, Verizon states that Staff did not provide a copy of the letter it references and Verizon therefore cannot assess the quoted statements in context. In an effort to be responsive, Verizon states that it has not requested the establishment of a state universal fund in Florida; that it remains committed to Florida's Lifeline and Link Up programs; and that it supports the Commission's objective of promoting these programs through cost-effective, targeted efforts.

2a. If the answer to 2 is "No," please describe how Verizon's position has changed.

RESPONSE: See response to Interrogatory No. 2.

2b. If the answer to 2 is "No," please describe why Verizon's position has changed.

RESPONSE: See response to Interrogatory No. 2.

3. Has Verizon ever permitted any Florida customer with a bundled service package to receive the Lifeline discount for that service?

RESPONSE: Subject to and without waiving the General Objections, Verizon states that to the best of its knowledge, it has not done so.

3a. If the answer to 3 is “yes,” how many of Verizon’s Florida customers have received the Lifeline discount for a bundled service package?

RESPONSE: Not applicable.

3b. If the answer to 3 is “yes,” is the practice ongoing?

RESPONSE: Not applicable.

3c. If the answer to 3 is “yes” and the answer to 3b is “no,” when did Verizon cease permitting its Florida customer(s) to receive the Lifeline discount for a bundled service package?

RESPONSE: Not applicable.

3d. If the answer to 3 is “yes” and the answer to 3b is “no,” why did Verizon cease permitting its Florida customer(s) to receive the Lifeline discount for a bundled service package?

RESPONSE: Not applicable.

4. Does any Verizon affiliate provide a Lifeline discount to any customer for a bundled service package in any state in which the affiliate operates? If yes, please list the affiliate(s) and state(s).

RESPONSE: Yes. Verizon California Inc. offers the Lifeline discount on service packages in California; Verizon South Inc. offers the Lifeline discount on service packages in North Carolina; Verizon Northwest Inc. offers the Lifeline discount on service packages in Oregon; and GTE Southwest Incorporated (d/b/a Verizon Southwest) offers the Lifeline discount on service packages in Texas. Each of these affiliates is fully reimbursed for all Lifeline discounts.

5. How many Florida consumers who have applied for service directly with Verizon have requested the Lifeline discount?

RESPONSE: Subject to and without waiving the General Objections, Verizon states that it does not track the number of Lifeline discount applications it receives based on the origin of the request.

5a. Of the customer total identified by Verizon in response to 5, how many received the Lifeline discount?

RESPONSE: See response to No. 5.

5b. Of the customer total identified by Verizon in response to 5, how many did not receive the Lifeline Discount?

RESPONSE: See response to No. 5.

5c. Of the customer total identified by Verizon in response to 5b, please list the reason(s) why the customers did not receive the Lifeline discount and the number of customers who failed to receive the Lifeline discount for each reason identified.

RESPONSE: See response to No. 5.

6. Since the inception of the Lifeline automatic enrollment process, how many Lifeline automatic enrollment applicants have been turned down for the Lifeline discount by Verizon because the applicant requested, or already had, a bundled service package?

RESPONSE: Subject to and without waiving the General Objections, Verizon states that its systems do not track this data. In an effort to be responsive, Verizon has manually compiled data it has received from the automatic enrollment process and determined that, based on data from February 2008 through early December 2008, approximately 6,500 applicants were denied the Lifeline discount because they had a bundled service package.

7. Has Verizon's customer enrollment in Lifeline service declined in the past two years?

RESPONSE: Subject to and without waiving the General Objections, Verizon states that from September 2006 to September 2008, Verizon experienced a decrease of approximately 13% in the number of customers receiving the Lifeline discount. Verizon notes that this percentage is substantially lower than the percentage decrease in Verizon's total residential access lines during the same period. Thus, the percentage of Verizon's residential customers who receive the Lifeline discount increased during that time.

7a. If the answer to 7 is "yes," to what does Verizon attribute the decline?

RESPONSE: Subject to and without waiving the General Objections, Verizon states that it has not conducted a study analyzing the decline in the number of its customers who receive the Lifeline discount. Verizon further states that competition, which has caused the overall decrease in its subscribership, probably has played a significant role in the decrease in Lifeline customers.

7b. If the answer to 7 is "yes," could the decline be related to Verizon not applying the Lifeline discount to bundled service offerings?

RESPONSE: Subject to and without waiving the General Objections, Verizon states that it has not analyzed the reasons for the decline in the number of its customers who receive the Lifeline discount. Verizon further notes that its policy of not applying the Lifeline discount to bundled service offerings remained the same over the two years in question.

8. Section 364.10(3)(a) Florida Statutes, provides the following:

Effective September 1, 2003, any local exchange telecommunications company authorized by the commission to reduce its switched network access rate pursuant to s. 364.164 shall have tariffed and shall provide Lifeline service to any otherwise eligible customer or potential customer who meets an income eligibility test at 135 percent or less of the federal poverty income guidelines for Lifeline customers. (emphasis added).

Does refusing to offer a Lifeline discount on bundled service packages conflict with the intent of Section 364.10(3)(a)?

RESPONSE: Subject to and without waiving the General Objections, Verizon states that not offering the Lifeline discount on bundled service packages does not conflict with the intent of Section 364.10(3)(a) because other sections of Chapter 364 make clear that telecommunications carriers are not required to offer the Lifeline discount to customers with service bundles.

9. How much universal service fund support has Verizon received over the last three years from the high-cost federal universal service program? Please include any embedded high-cost loop support, local switching support, interstate access support, or interstate common-line support.

RESPONSE: Subject to and without waiving the General Objections, Verizon states that it has received federal universal service support and interstate access support for Study Area 210328 in the following amounts:

2006	\$20,833,977
2007	\$16,996,560
YTD 2008 (Nov)	\$13,740,122
Total	\$51,570,659

10. What percentage of Verizon customers subscribe to bundled service packages?

RESPONSE: Subject to and without waiving the General Objections, Verizon states that as of November 2008 **CONFIDENTIAL** _____% **END CONFIDENTIAL** of Verizon's residential access lines were used for bundled services.

11. Is it in the public interest to not allow a Lifeline discount on bundled service packages?

RESPONSE: Subject to and without waiving the General Objections, Verizon states that it is not in the public interest to require telecommunications companies to provide the Lifeline discount on residential access lines used for bundled services, for the reasons explained in the Direct Testimony of Paul Vasington.

12. If a person calls Verizon to request telephone service, does a Verizon sales representative sometimes attempt to sell that person a bundled service package?

RESPONSE: Subject to and without waiving the General Objections, Verizon states that when appropriate its service representatives seek to sell bundled services to prospective customers who call Verizon.

12a. If, the answer to 12 is "yes," what percentage of callers requesting telephone service does Verizon attempt to sell a bundled service package?

RESPONSE: Subject to and without waiving the General Objections, Verizon states that it does not track the percentage of times its representatives attempt to sell bundled service packages to prospective customers.

12b. If the answer to 12 is "yes," does Verizon's practice of attempting to sell callers requesting telephone service a bundled service package also apply to callers who request the Lifeline discount?

RESPONSE: Subject to and without waiving the General Objections, Verizon states that when a customer requests the Lifeline discount, the Verizon representative informs the customer that the discount only is available with basic service. If the customer is interested, the customer representative will discuss service bundles with the customer so he or she can make a fully informed decision.

13. What does Verizon tell a Lifeline applicant who applies for the Lifeline discount through the Lifeline automatic enrollment process when that applicant has an existing bundled service package with Verizon?

RESPONSE: Subject to and without waiving the General Objections, Verizon states that when a Verizon customer subscribing to a bundled service package applies for Lifeline, Verizon mails a letter to the customer explaining that the customer has the option of subscribing to basic service and receiving the Lifeline discount or subscribing to a bundled service package without the Lifeline discount.

14. Please identify a Verizon employee who is an expert in Verizon's Lifeline service that is offered in the State of Florida.

RESPONSE: Subject to and without waiving the General Objections, Verizon states that Paul Vasington has policy expertise concerning the Lifeline discount Verizon offers in Florida.

Respectfully submitted on December 23, 2008.

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