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February 14, 2002

VIA HAND DELIVERY

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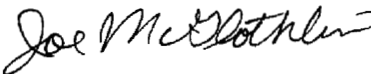
Re: Docket No.: 990649B-TL

Dear Ms. Bayo:

On behalf of the Z-Tel Communications, Inc., enclosed for filing and distribution is the original 15 copies of Response of Z-Tel Communications, Inc. to Verizon Florida's Extension of Time to file Surrebuttal Testimony.

Please acknowledge receipt of the above on the extra copy and return the stamped copy to me. Thank you for your assistance.

Sincerely,


Joseph A. McGlothlin

JAM/mls
Enclosure

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 990649B-TP
Filed: February 14, 2002

**RESPONSE OF Z-TEL COMMUNICATIONS, INC. TO
VERIZON FLORIDA'S MOTION FOR EXTENSION OF TIME
TO FILE SURREBUTTAL TESTIMONY**

Z-Tel Communications, Inc. ("Z-Tel"), through its undersigned counsel, responds to the motion of Verizon Florida, Inc. ("Verizon") for an extension of time to file surrebuttal testimony in this proceeding, and states:

1. On January 30, 2002, Z-Tel timely filed the rebuttal testimony of Dr. George Ford.

2. On February 11, 2002, Verizon filed its motion, in which Verizon requests an extension of time through and including April 9, 2002 to file surrebuttal testimony. In its motion, Verizon refers to the testimony filed by several ALECs. In this response, Z-Tel will address only Verizon's contentions with respect to its claimed need for additional time to respond to the testimony of Z-Tel's witness, Dr. Ford.

3. In its motion, Verizon states, "Z-Tel's testimony presents a special problem." Verizon recites that Verizon's counsel "informed Staff and Z-Tel counsel that Mr. (sic) Ford's presentation of the HCPM for the first time in rebuttal testimony was improper, and that Verizon would seek appropriate relief for this impropriety." Verizon then portrays the requested extension of time as the remedy for the alleged impropriety.

4. Verizon's characterization of Z-Tel's testimony as "improper" is groundless. Verizon attempts to include Dr. Ford with those witnesses who performed model runs for the purpose of advocating, in direct testimony, specific UNE rate values. (Verizon acknowledges in its motion that Verizon was at first under the mistaken impression that Dr. Ford had performed runs with the HCPM model.) As is stated in his testimony, Dr. Ford does not contend the HCPM model should be used to determine specific UNE rate *values* in this proceedings; nor does Dr.

Ford employ HCPM for this purpose. Rather, Dr. Ford testifies to the usefulness of the relationship between a carrier's costs -- *as uniformly measured* for the same carrier in different states or between carriers within the same state -- and the UNE rates that correspond to those costs. He says the comparison can provide a "sanity test" when evaluating whether proposed rates emanating from the use of a model appear reasonable or whether they instead invite further scrutiny. "While this comparative analysis does not produce specific rates -- that is the role of the cost models -- it does provide some indication of the TELRIC "zone of reasonableness" and operates as a sanity check on the rates proposed by Verizon." (Ford Rebuttal at p. 20). In his testimony, Dr. Ford reacts to and critiques the UNE rates proposed by Verizon -- the proper role of a rebuttal witness. He observes that while Verizon's costs (as measured with HCPM) are lower than BellSouth's (as also measured with HCPM), Verizon has proposed UNE rates that are substantially higher than those set for BellSouth in May 2001. He concludes that this topsy-turvy relationship renders Verizon's proposed rates facially suspect and in need of detailed analysis.

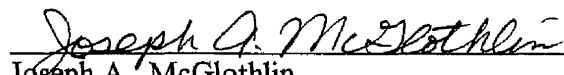
5. As the source of BellSouth's costs and Verizon's costs, *consistently and uniformly measured*, Dr. Ford used the *output reports* of the generic, non-proprietary HCPM model as it was employed by the FCC in the FCC's universal service docket. Dr. Ford uses the HCPM output reports solely to provide a uniform and consistent frame of reference for his comparison. For his purpose, the choice of a model matters far less than the use of the *same* model to quantify costs for both carriers. These output reports are available to the public. Moreover, *Verizon was a party to the FCC docket*. Further, the calculations performed by Dr. Ford using the output files of the HCPM are the same calculations made and reported by the FCC in the Verizon-Massachusetts and Verizon-Pennsylvania 271 Orders. *No doubt, Verizon was a party to that FCC docket*. Accordingly, the notions that Verizon is unfamiliar with the model, unfamiliar with the output reports used by Dr. Ford, and in sudden need of an outside consultant who can dissect the HCPM model, are individually and collectively disingenuous.

6. When contacted by counsel for Verizon, counsel for Z-Tel offered to discuss a

possible extension of time. Contrary to the impression that Verizon's motion seeks to impart, Z-Tel's willingness to discuss a reasonable extension was *not* a response to Verizon's unfounded assertion that Dr. Ford's testimony was "improper." Rather, as a result of the time made available by the change in the hearing schedule, Z-Tel simply was prepared to consider Verizon's plea for more time. Speaking solely for itself, and only as the request pertains to Verizon's desire for more time to respond to Dr. Ford's testimony, Z-Tel remains willing to agree to a reasonable extension of time. However, under the circumstances, Verizon's request for an extension until April 9, 2002, is beyond all reason. Z-Tel has already provided to Verizon (in response to Verizon's informal request) the HCPM output reports on which Dr. Ford's testimony relies. Z-Tel has offered to make Dr. Ford available for deposition at a mutually agreeable time and place during the week of February 23, 2002. Even taking into account Verizon's stated desire to obtain discovery before filing testimony directed to Dr. Ford, an extension through March 15, 2002 is more than adequate to serve Verizon's legitimate needs.

CONCLUSION

Z-Tel denies Verizon's baseless assertion that Z-Tel's rebuttal testimony is "improper." Z-Tel agrees to an extension of time through March 15, 2002, within which Verizon may file surrebuttal to Dr. Ford's testimony. Z-Tel objects to a longer extension. To the extent that the last paragraph of Verizon's motion is treated by the Commission as a motion to strike Dr. Ford's testimony "about the HCPM," for the reasons stated herein Z-Tel opposes the motion.


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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of Response of Z-Tel Communications, Inc. to Verizon Florida's Extension of Time to File Surrebuttal Testimony has on this 14th day of February, 2002 been served (*) Hand Delivery, E-mail and U.S. Mail to the following:

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