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March 18, 2002

Ms. Blanca S. Bayo, Director  
Division of the Commission Clerk  
and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

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COMMISSION  
CLERK

Re: Docket No. 990649B-TP  
Investigation into Pricing of Unbundled Network Elements (Sprint/Verizon track)

Dear Ms. Bayo:

Please find enclosed for filing in the above matter an original and 15 copies of the Surrebuttal Testimonies of Terry R. Dye, Larry Richter, Allen E. Sovereign, Dennis B. Trimble and David G. Tucek, the Joint Surrebuttal Testimony of Timothy Tardiff and Frank Murphy, and the Rebuttal Testimony of James H. Vander Weide on behalf of Verizon Florida Inc. Also enclosed are an original and 15 copies of a Request for Confidential Classification in connection with Mr. Tucek's Surrebuttal Exhibit DGT-5.

Service has been made as indicated on the Certificate of Service. If there are any questions regarding this filing, please contact me at 813-483-2617.

Sincerely,

for Kimberly Caswell

DN 03118-02 thru 03127-02

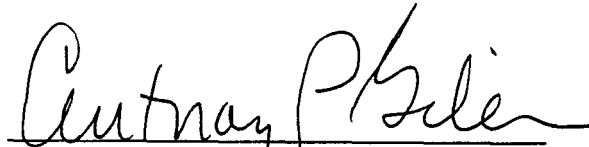
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Enclosures

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that copies of the Surrebuttal Testimonies of Terry R. Dye, Larry Richter, Allen E. Sovereign, Dennis B. Trimble and David G. Tucek, the Joint Surrebuttal Testimony of Timothy Tardiff and Frank Murphy, the Rebuttal Testimony of James H. Vander Weide, and Request for Confidential Classification in Docket No. 990649B-TP were sent via U. S. mail on March 18, 2002 to the parties on the attached list.

  
for Kimberly Caswell

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Investigation into Pricing  
Unbundled Network Elements .

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)  
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Docket 990649B-TP

**SURREBUTTAL TESTIMONY OF**

**TERRY R. DYE**

**On Behalf of**

**VERIZON FLORIDA INC.**

**SUBJECT: NON-RECURRING CHARGES**

**March 18, 2002**

DOCUMENT NUMBER-DATE

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**SURREBUTTAL TESTIMONY OF TERRY R. DYE**

**I. INTRODUCTION**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND TITLE.**

A. My name is Terry R. Dye. My business address is 600 Hidden Ridge Drive, Irving, Texas, 75038. I am employed by Verizon Services Group as Manager - Regulatory and am representing Verizon Florida Inc. ("Verizon" or "the Company") in this proceeding.

**Q. DID YOU FILE DIRECT TESTIMONY IN THIS PROCEEDING?**

A. No, but I am now adopting the Direct Testimony filed by Mr. Bert Steele, who retired from Verizon after he submitted his Direct Testimony in this case.

**Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCE.**

A. I received a Bachelor of Science Degree in Economics in 1977 and a Master of Arts Degree in Economics in 1979, both from the University of Missouri. Upon graduation, I was employed as a Planner with the Missouri Department of Natural Resources. In 1981, I took a job as an Economist in the Communications Department of the Missouri Public Service Commission. There, I was responsible for the review and preparation of testimony, exhibits and cost support data submitted in association with tariff filings and for making recommendations on those

1 filings.

2

3 In January 1984, I accepted a position as a Rate Manager in the  
4 Economics and Rates Department of the Illinois Commerce  
5 Commission. In that capacity, I had general rate design responsibility  
6 over telephone utility matters in the Rate Design Section.

7

8 I joined Contel Telephone Operations in January 1985 as a Senior  
9 Financial Analyst in the Pricing Group of the Revenue Department. I  
10 was promoted to Pricing Manager in December 1987.

11

12 With the merger of Contel and GTE in 1991, I accepted the position of  
13 Rate Design Manager with GTE Telephone Operations. From January  
14 1993 to January 1994, I held the position of New Services Manager in  
15 the Pricing Department, and then I was assigned my current position.

16

17

18 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY STATE**  
19 **COMMISSIONS?**

20 A. Yes. I testified here recently in the Verizon/Sprint arbitration case  
21 (Docket No. 010795-TP) and have testified on numerous occasions in  
22 the area of telecommunications ratemaking and cost methodologies in  
23 Missouri, Illinois, South Carolina, West Virginia, New York, Hawaii,  
24 Oregon, Pennsylvania, Ohio, Illinois, South Carolina, Indiana,  
25 Wisconsin, Kentucky, Arkansas, New Mexico, Alabama, Washington,

1 Texas, and New York.

2

3 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

4 A. The purpose of my testimony is to rebut Mr. Ankum's Rebuttal  
5 Testimony regarding Verizon's non-recurring charges (NRCs).

6

7 **Q. IS VERIZON'S A LA CARTE SWITCH FEATURE PROPOSAL**  
8 **CUMBERSOME FROM AN ORDERING STANDPOINT, AS DR.**  
9 **ANKUM ASSERTS (ANKUM REBUTTAL TESTIMONY (RT) AT P.**  
10 **89)?**

11 A. No. It is necessary for an ALEC to inform Verizon, on a customer-by-  
12 customer basis, which switch features the particular end-user desires  
13 to have. This information must be conveyed to Verizon's switch so that  
14 it knows how to provision those specific features. Verizon cannot  
15 automatically turn on all features for every ALEC line, as Dr. Ankum  
16 would suggest. Many switch features cannot co-exist with other switch  
17 features, and there is no need to activate features the customer does  
18 not want. Forcing Verizon to activate all switch features, regardless of  
19 what the end user orders, would be inefficient and would deny Verizon  
20 recovery of the specific costs incurred for particular switch features.  
21 Verizon's proposal properly contains prices for these individual  
22 features; they should not all be included in the recurring rate for the  
23 port, as Dr. Ankum suggests.

24

25 **Q. DR. ANKUM ALSO ASSERTS THAT "NON-RECURRING CHARGES**

1           **FOR INDIVIDUAL FEATURES...ARE ENTIRELY AVOIDED IF THE**  
2           **FEATURES COME AUTOMATICALLY WITH THE SWITCH PORT”**  
3           **(ANKUM RT, P. 90). PLEASE COMMENT ON THIS ASSERTION.**

4    A.    Mr. Ankum’s premise is incorrect. He implies that if there were no  
5           monthly recurring charges (MRCs) associated with the individual  
6           features, then all features would automatically be provisioned with the  
7           switch port. As I just explained, such an arrangement is not only  
8           inefficient and costly, it is not possible. Even if there were no recurring  
9           rates associated with provisioning individual features, the ALEC must  
10          still indicate on the Local Service Request (LSR) form which features  
11          they would like turned up for a particular port. The NRCs for ordering  
12          and provisioning the port and any associated features are independent  
13          of the MRC rate structure for the recovery of the switch feature costs.  
14          Under Verizon’s proposed NRC rate structure, there are no NRCs  
15          specifically for individual features on an initial order. There are,  
16          however, costs associated with change orders related to features and  
17          Verizon does charge an NRC if a CLEC makes a change in the switch  
18          features after the initial order. Again, regardless of the recurring rate  
19          structure for the individual features, the company will incur costs to  
20          process these orders and to activate and deactivate selected features.  
21          The NRCs associated with these change orders are independent of the  
22          recurring rate structure.

23  
24    **Q.    DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

25    A.    Yes, it does.