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Kimberly Caswell Vice President and General Counsel, Southeast Legal Department DISTRIBUTION CENTER

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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

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

Dear Ms. Bayo:

March 20, 2002

Please find enclosed for filing in the above matter an original and 15 copies of Verizon Florida Inc.'s Motion to Compel Discovery to ALEC Coalition. Also enclosed for filing are an original and 15 copies of Verizon Florida Inc.'s Motion to Compel Discovery to Z-Tel Communications, Inc. 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,

Kimberly Caswell KC:tas Enclosures

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CERTIFICATE OF SERVICE

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I HEREBY CERTIFY that copies of Verizon Florida Inc.'s Motion to Compel Discovery to ALEC Coalition and Motion to Compel Discovery to Z-Tel Communications, Inc. in Docket No. 990649B-TP were sent via overnight mail(*) on March 19, 2002 and/or U.S. mail on March 20, 2002 to the parties on the attached list.

Mhy Phi Br Kimberly Caswell

Staff Counsel* Florida Public Service Commission • 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

BellSouth Telecommunications Nancy B. White c/o Nancy H. Sims 150 South Monroe St., Suite 400 Tallahassee, FL 32301-1556

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William H. Weber Covad Communications Co. 19th Floor, Promenade II 1230 Peachtree Street N.E. Atlanta, GA 30309 Rodney L. Joyce Shook Hardy & Bacon LLP 600 14th St. N.W., Suite 800 Washington, DC 20005-2004

Florida Digital Network, Inc.* 390 North Orange Avenue Suite 2000 Orlando, FL 32801

John D. McLaughlin, Jr. KMC Telecom III, Inc. 1755 North Brown Road Lawrenceville, GA 30034

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

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Docket No. 990649B-TP Filed: March 20, 2002

MOTION TO COMPEL DISCOVERY TO ALEC COALITION

Pursuant to Rules 28-106.204 and 28-106.206 of the Florida Administrative Code, and Rule 1.380 of the Florida Rules of Civil Procedure, Verizon Florida Inc. ("Verizon") submits this Motion to Compel Discovery asking the Florida Public Service Commission ("Commission") to order AT&T Communications of the Southern States, LLC, ("AT&T"), MCI WorldCom, Inc. ("MCI") and Florida Digital Network, Inc. ("FDN") (together, "ALEC Coalition") to immediately provide complete responses to Verizon's Second Set of Interrogatories ("Second Set") and Third Request for Production of Documents ("Third Request") (together, "Discovery Requests").

On February 13, 2002, Verizon served the ALEC Coalition with its Discovery Requests (attached as Ex. A). The ALEC Coalition filed objections to the Discovery Requests on February 25. 2002 and responses on March 5, 2002 ("Response," attached as Ex. B). For the reasons stated below, the ALEC Coalition's objections to the Discovery Requests are without merit and its Response is incomplete and unresponsive.

As Verizon explains below, the ALEC Coalition indicated it would provide information in response to Verizon's interrogatories 26 and 27 and its document requests 15 and 16 "as soon as the information is available." That was over two weeks ago, and still the ALEC Coalition has produced nothing.

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Verizon intended to use the responses to its Discovery Requests in its Surrebuttal Testimony, filed on March 18, 2002. Well before that Testimony was due, Verizon's counsel asked counsel for AT&T and MCI when the information promised might be made available. Verizon's counsel received no response. Now, the date for Surrebuttal Testimony has passed, so Verizon has been prejudiced by the ALEC Coalition's failure to either produce the information or admit that no responsive information exists.

This Motion is necessary because the ALEC Coalition has shown no intention of substantively responding to Verizon's Discovery Requests. With the hearing approaching, it is imperative that the ALEC Coalition provide full responses immediately or state that no responsive information and/or documentation exists.

Interrogatory No. 25:

Interrogatory No. 25 asks the ALEC Coalition to identify the "cost of capital" used to evaluate local exchange projects for each member of the ALEC Coalition, noting whether the data is "after-tax or before-tax," and describing the "cost of equity models that each member . . . uses to develop the cost of capital," "specify[ing] all model assumptions and inputs." (Ex. A.) The ALEC Coalition objected to this request, claiming that "the information sought is not relevant or reasonably calculated to lead to the discovery of admissible evidence." (Ex. B.) This objection is inappropriate and completely without merit.

Contrary to the ALEC Coalition's assertion that the "cost of equity for any CLEC is not in any way probative of the appropriate cost of capital to be used . . . [in this proceeding]," the data requested is probative of and germane to the question of pricing

unbundled network elements. In fact, the very data Verizon seeks here has been produced by AT&T and WorldCom, both voluntarily and pursuant to record requests, discovery and cross-examination, in several recent Verizon UNE pricing proceedings. See, e.g., Before the Federal Communications Commission, Docket Nos. 00-218, -249, -251, AT&T's Responses to Record Request Nos. 2-10 (Dec. 12, 2001); Before the Federal Communications Commission, Docket Nos. 00-218, -249, -251, WorldCom's Responses to Record Request No. 1 (Jan. 18, 2002); Before the Pennsylvania Public Utilities Commission, Docket No. R-00016683, Hearing Exhibit No. 19 (AT&T/WorldCom's Supplemental Responses to Verizon-PA's Second Set of Data Requests, Request No. 71) (Feb. 21, 2001) ("PA Hearing Exh. No. 19"); Before the Massachusetts Department of Telecommunications and Energy, D.T.E. 01-20, Hearing Transcripts (Jan. 7, 2002) at 191-195.¹ Notably, in the recent Pennsylvania UNE proceeding, Verizon moved the competitive local exchange carriers' ("CLECs") cost of capital information into the record without objection. See PA Hearing Ex. No. 19.

Furthermore, as AT&T/WorldCom witness, John Hirshleifer, admitted during questioning by the FCC Staff in the recent Virginia UNE arbitration, the cost of equity for a CLEC "should be considered by the Commission....all information should be used and considered so that the full spectrum is looked at." (Before the FCC, Docket Nos. 00-218, -249, and –251, *Hearing Transcript* (Oct. 24, 2001) at 3642-43). Accordingly, the ALEC Coalition is incorrect in claiming that its members' cost of capital data is

¹ The cost of capital data produced elsewhere by AT&T and WorldCom is protected from disclosure pursuant to the terms of appropriate agreements or protective orders. Thus, Verizon is unable to rely on such data in this or any other proceeding, requiring Verizon to again issue a discovery request seeking the same cost of capital data from the ALEC Coalition here. Verizon and each member of the ALEC Coalition have executed a protective agreement in this case, thereby ensuring that the data will remain confidential.

irrelevant; there is no reason why they should not be required to provide the requested information, as they have in other proceedings.

Finally, FDN claims that "[t]he Commission ruled in the BellSouth phase of this docket that only information on companies comparable to the LEC may be germane to an evaluation of LEC cost of capital when setting UNE prices." (AT&T, MCI and FDN's Objections to Verizon Florida, Inc.'s Second Set of Interrogatories, at 6-7 (Feb. 25, 2002).) For this proposition, FDN cites to page 169 of the BellSouth UNE Order (Order no. PSC-01-1181-FOF-TP). The cited page falls within the depreciation section of the BellSouth Order and does not state what FDN claims it does. Regardless of what FDN may have intended to cite, Verizon's explanation of the relevancy of the ALEC Coalition members' cost of capital—supported by the above citations from FCC and state proceedings--stands.

Interrogatory Nos. 26 and 27/Document Request Nos. 15 and 16:

In his Rebuttal Testimony, ALEC Coalition witness, Dr. August Ankum, claims that IDLC GR-303 unbundling is technically feasible and that even Verizon's own DLC equipment manufacturer states that GR-303 is capable of accommodating unbundled loops in the integrated mode (*See* Ankum Rebuttal Testimony at 49-50 (Jan. 30, 2002).) To enable it to challenge this notion, Verizon asked the ALEC Coalition (in Interrogatory Nos. 26 and 27) to "identify all suppliers that have available for purchase NGDLC RT equipment that has the functionality to support multi-carrier operation and 2-wire analog loop unbundling," and "identify all switch vendors that have available for purchase digital circuit switching equipment and associated application software that has the

functionality to support multi-carrier GR-303 operation and 2-wire analog loop," respectively.² (Ex. A.)

The ALEC Coalition objected to these discovery requests on the grounds that they are "oppressive, unduly burdensome and overly broad" and that it is "unreasonably burdensome to investigate all such [suppliers and/or vendors]." (Ex. B.) Notwithstanding these objections, for each item, the ALEC Coalition indicated that it was "investigating this request and intend to provide relevant examples as soon as the information is available." (*Id.*)

The ALEC Coalition's objections are inappropriate and meritless, and its failure to produce information or admit there is none is inexcusable. Contrary to the ALEC Coalition's assertion that it would be "unreasonably burdensome" to identify specific suppliers or vendors, it is Verizon's experience that there are in fact *no* such vendors or suppliers that meet the requirements stated.

Indeed, AT&T and WorldCom have previously been unable to identify any such suppliers or vendors, nor any local exchange carrier that has deployed GR-303 unbundling in its network, in any of the recent UNE proceedings where Verizon has participated. For example, AT&T/WorldCom witness, Mr. Joseph Riolo, has testified before the Federal Communications Commission that, to his knowledge, "[n]o local exchange carrier . . . is presently unbundling with GR303 technology." (Before the Federal Communications Commission, Docket Nos. 00-218, -249, -250, *Hearing Transcript* (Oct. 30, 2001) at 4619.) In addition, AT&T was ultimately forced, in another proceeding, to admit in that it knew of no GR-303 unbundling solution that has been

² The corresponding Document Request Nos. 15 and 16 ask the Joint Parties to "provide product documentation and/or references to such documentation" for each "supplier" and "vendor" listed in Interrogatory Nos. 26 and 27. (Ex. A.)

deployed in any carrier's network anywhere in the country. (*See* Before the Maryland Public Service Commission, Case No. 8879, *Hearing Exhibit VZ-MD 65 (AT&T Response to VZ-MD 4-11)*).

Consequently, as opposed to being "overly burdensome," the question likely requires little or no "investigating." However, in the interest of efficiency and expediency, if the Commission finds the Discovery Requests burdensome and oppressive, which Verizon does not believe is the case, Verizon would agree to limiting the questions posed to require the ALEC Coalition to identify only *five* vendors or suppliers that are responsive to the Discovery Requests, and to provide the accompanying documentation, as welf.

CONCLUSION

The ALEC Coalition has failed to produce any information or documentation whatsoever in response to Verizon's Discovery Requests, and its objections to straightforward and plainly relevant questions are groundless. For the foregoing reasons, Verizon respectfully requests that this Commission grant this Motion to Compel Discovery and order the ALEC Coalition to immediately provide complete responses to Verizon's Second Set of Interrogatories and Third Request for Production of Documents or state that there are no documents or relevant information responsive to the Discovery Responses.

Respectfully submitted on March 20, 2002.

By:

Kimberly Caswell Post Office Box 110, FLTC0007 Tampa, Florida 33601 Telephone: 813-483-2617

Attorney for Verizon Florida Inc.

EXHIBIT A



FLTC0007 201 North Franklin Street (33602) Post Office Box 110 Tampa, Flonda 33601-0110

Phone 813 483-2606 Fax 813 204-8870 kimberly.caswell@verizon.com

Kimberly Caswell Vice President and General Counsel. Southeast Legal Department

February 13. 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

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 one copy of Verizon Florida Inc.'s Notice of Service of First Set of Interrogatories (No. 1) to Z-Tel Communications, Inc. and Notices of Service of Third Request for Production of Documents (Nos. 15-17) and Second Set of Interrogatories (Nos. 25-31) to AT&T Communications of the Southern States, Inc., MCImetro Access Transmission Services, LLC. MCI WorldCom, Inc. and Florida Digital Network, Inc. (collectively, the "ALEC Coalition").

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,

Kimberly Caswell

KC:tas Enclosures

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

Docket No. 990649B-TP Filed: February 13, 2002

NOTICE OF SERVICE OF VERIZON FLORIDA INC.'S FIRST SET OF INTERROGATORIES (NO. 1) TO Z-TEL COMMUNICATIONS, INC.

NOTICE IS HEREBY GIVEN that Verizon Florida Inc., by and through its undersigned counsel, has served its First Set of Interrogatories on Z-Tel Communications. Inc. by U.S. mail and electronic mail on February 13, 2002 to <u>jmcglothlin@mac-law.com</u>.

The original and one copy of this Notice were sent via overnight delivery on February 13, 2002 to the Director, Division of the Commission Clerk and Administrative Services, at the Commission. Further service on other parties of record is as set forth on the Certificate of Service, appended hereto.

Respectfully submitted on February 13, 2002.

Bv:

Kimberly Caswell
 Post Office Box 110, FLTC0007
 Tampa, Florida 33601
 Telephone: 813-483-2617

Attorney for Verizon Florida Inc.

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

Docket No. 990649B-TP

VERIZON FLORIDA INC.'S FIRST SET OF INTERROGATORIES (NO. 1) TO TO Z-TEL COMMUNICATIONS, INC.

Verizon Florida Inc. (Verizon), pursuant to Rule 1.340, Florida Rules of Civil Procedure and Order Nos. PSC-01-1592-PCO-TP, PSC-02-0090-PCO-TP, and PSC-02-0130-PCO-TP issued in this docket, hereby serves its First Set of Interrogatories to Z-Tel Communications, Inc. (Z-Tel).

DEFINITIONS AND INSTRUCTIONS

A. In these definitions and instructions, and in this set of interrogatories, the term "Z-Tel" means Z-Tel Communications, Inc., including its present or past employees, predecessors, divisions, departments, officers, directors, managers, supervisors, attorneys, consultants, agents, representatives, and all other persons acting for or purporting to act for Z-Tel.

B. Whenever appropriate in these definitions and instructions and in this set of interrogatories, "and" as well as "or" shall be construed either disjunctively or conjunctively, as necessary to bring within the scope of these interrogatories any information which might otherwise be construed to be outside their scope.

C. Each interrogatory shall be construed to include any supplemental information, knowledge, or data responsive to these interrogatories that you discover after responding to these interrogatories but before hearing if the answer was incomplete at the time it was made.

D. With respect to any communication, information or documents otherwise responsive to these interrogatories which you withhold or refuse to divulge on a claim of privilege or work product, provide a statement. signed by an attorney, setting forth as to each such item of information or document:

- (i) The name(s) of the sender(s) of the document;
- (ii) the name(s) of the author(s) of the document;
- (iii) the name(s) of the person(s) to whom copies were sent;
- (iv) the job title(s) of every person(s) named in (i), (ii) and (iii) above;
- (v) the date of the document:
- (vi) the date on which the document was received by each person;
- (vii) a brief description of the nature and subject matter of the document; and
- (viii) the statute, rule or decision which is claimed to give rise to the privilege or immunity.

In the case of any document relating in any way to a meeting or conversation, provide the

date and place of such meeting or conversation and a list of the participants.

INTERROGATORIES

1. What cost of capital does Z-Tel use to evaluate local exchange projects? Please specify whether this cost of capital is after-tax or before-tax. Please fully describe the cost of equity models that Z-Tel uses to develop the cost of capital and specify all model assumptions and inputs.

Respectfully submitted on February 13, 2002.

Bv:

Kimberly Caswell Post Office Box 110, FLTC0007 Tampa, Florida 33601 Telephone: 813-483-2617 Attomey for Verizon Florida Inc.

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

Docket No. 990649B-TP Filed: February 13, 2002

NOTICE OF SERVICE OF VERIZON FLORIDA INC.'S THIRD REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 15-17) TO AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC., MCIMETRO ACCESS TRANSMISSION SERVICES, LLC, MCI WORLDCOM, INC., AND FLORIDA DIGITAL NETWORK, INC.

NOTICE IS HEREBY GIVEN that Verizon Florida Inc., by and through its

undersigned counsel, has served its Third Request for Production of Documents (Nos.

15-17) on AT&T Communications of the Southern States, Inc., MCImetro Access

Transmission Services, LLC, MCI WorldCom, Inc. and Florida Digital Network, Inc.

(collectively, the "ALEC Coalition") by U.S. mail and electronic mail on February 13,

2002 to thatch@lawfla.com, donna.mcnulty@wcom.com, and

mfeil@floridadigital.net.

The original and one copy of this Notice were sent via overnight delivery on February 13, 2002 to the Director, Division of the Commission Clerk and Administrative Services, at the Commission. Further service on other parties of record is as set forth on the Certificate of Service, appended hereto.

Respectfully submitted on February 13, 2002.

non P. Gul. By:

Kimberly Caswell Post Office Box 110, FLTC0007 Tampa, Florida 33601 Telephone: 813-483-2617

Attorney for Verizon Florida Inc.

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

Docket No. 990649B-TP

VERIZON FLORIDA INC.'S THIRD REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 15-17) TO AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC., MCIMETRO ACCESS TRANSMISSION SERVICES, LLC, MCI WORLDCOM, INC., AND FLORIDA DIGITAL NETWORK, INC.

Verizon Florida Inc. (Verizon), pursuant to Rule 1.340, Florida Rules of Civil Procedure and Order Nos. PSC-01-1592-PCO-TP, PSC-02-0090-PCO-TP, and PSC-02-0130-PCO-TP issued in this docket, hereby serves its Third Request for Production of Documents to AT&T Communications of the Southern States, Inc., MCImetro Access Transmission Services, LLC, MCI WorldCom, Inc., and Florida Digital Network, Inc. (collectively, the "ALEC Coalition").

DEFINITIONS AND INSTRUCTIONS

With respect to any communication, information or documents otherwise responsive to this request for production of documents which you withhold or refuse to divulge on a claim of privilege or work product, provide a statement, signed by an attorney, setting forth as to each such item of information or document:

- (i) The name(s) of the sender(s) of the document;
- (ii) the name(s) of the author(s) of the document;
- (iii) the name(s) of the person(s) to whom copies were sent;
- (iv) the job title(s) of every person(s) named in (i), (ii) and (iii) above;
- (v) the date of the document;

- (vi) the date on which the document was received by each person;
- (vii) a brief description of the nature and subject matter of the document; and
- (viii) the statute, rule or decision which is claimed to give rise to the privilege or immunity.

In the case of any document relating in any way to a meeting or conversation, provide the

date and place of such meeting or conversation and a list of the participants.

DOCUMENT REQUESTS

- 15. For each supplier identified in the ALEC Coalition's response to Verizon's Interrogatory 26, please provide product documentation and/or references to such documentation that describes the product, its functionality and its availability for purchase.
- 16. For each vendor identified in the ALEC Coalition's response to Verizon's Interrogatory 27, please provide product documentation and/or references to such documentation that describes the product, its functionality and its availability for purchase.
- 17. With respect to the ALEC Coalition's response to Verizon's Interrogatory 4, please provide all work papers and other documents supporting the determination of each objective fill provided. Please provide these work papers in both hard copy and electronic form. In particular, please provide any spreadsheets in their native format.

Respectfully submitted on February 13, 2002.

D Julo Putron Bv:

Kimberly Caswell Post Office Box 110, FLTC0007 Tampa, Florida 33601 Telephone: 813-483-2617

Attorney for Verizon Florida Inc.

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

Docket No. 990649B-TP Filed: February 13, 2002

NOTICE OF SERVICE OF VERIZON FLORIDA INC.'S SECOND SET OF INTERROGATORIES (NOS. 25-31) TO AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC., MCIMETRO ACCESS TRANSMISSION SERVICES, LLC, MCI WORLDCOM, INC., AND FLORIDA DIGITAL NETWORK, INC.

NOTICE IS HEREBY GIVEN that Verizon Florida Inc., by and through its

undersigned counsel, has served its Second Set of Interrogatories (Nos. 25-31) on

AT&T Communications of the Southern States, Inc., MCImetro Access Transmission

Services, LLC, MCI WorldCom, Inc. and Florida Digital Network, Inc. (collectively, the

"ALEC Coalition") by U.S. mail and electronic mail on February 13, 2002 to

thatch@lawfla.com, donna.mcnulty@wcom.com, and m.feil@floridadigital.net.

The original and one copy of this Notice were sent via overnight delivery on February 13, 2002 to the Director, Division of the Commission Clerk and Administrative Services, at the Commission. Further service on other parties of record is as set forth on the Certificate of Service, appended hereto.

Respectfully submitted on February 13, 2002.

Bv:

Kimberly Caswell Post Office Box 110, FLTC0007 Tampa, Florida 33601 Telephone: 813-483-2617

Attorney for Verizon Florida Inc.

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

Docket No. 990649B-TP

VERIZON FLORIDA INC.'S SECOND SET OF INTERROGATORIES (NOS. 25-31) TO AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC., MCIMETRO ACCESS TRANSMISSION SERVICES, LLC, MCI WORLDCOM, INC., AND FLORIDA DIGITAL NETWORK, INC.

Verizon Florida Inc. (Verizon) requests that AT&T Communications of the Southern States. Inc., MCImetro Access Transmission Services, LLC, MCI WorldCom, Inc., and Florida Digital Network, Inc. (collectively, the "ALEC Coalition") answer the following joint interrogatories pursuant to Florida Rule of Civil Procedure 1.340. Each interrogatory is to be answered separately and fully under oath by the responsible individual who is qualified and who is to be identified, in accordance with the definitions and instructions set forth below.

DEFINITIONS AND INSTRUCTIONS

A. In these definitions and instructions, and in this set of interrogatories, the term, "AT&T" means AT&T Communications of the Southern States, Inc., including its predecessors, divisions, departments, officers, directors, managers, supervisors, attorneys, consultants, agents, representatives, and all other persons acting for or purporting to act for AT&T. The term, "MCI" means MCI WorldCom Inc., including its predecessors, divisions, departments, officers, directors, managers, supervisors, attorneys, consultants, agents, representatives, and all other persons acting for or purporting to act for MCI.

B. Whenever appropriate in these definitions and instructions and in this set of interrogatories, "and" as well as "or" shall be construed either disjunctively or conjunctively,

as necessary to bring within the scope of these interrogatories any information which might otherwise be construed to be outside their scope.

C. Each interrogatory shall be construed to include any supplemental information, knowledge, or data responsive to these interrogatories that you discover after responding to these interrogatories but before hearing if the answer was incomplete at the time it was made.

D. With respect to any communication, information or documents otherwise responsive to these interrogatories which you withhold or refuse to divulge on a claim of privilege or work product, provide a statement, signed by an attorney, setting forth as to each such item of information or document:

- (i) The name(s) of the sender(s) of the document;
- (ii) the name(s) of the author(s) of the document;
- (iii) the name(s) of the person(s) to whom copies were sent;
- (iv) the job title(s) of every person(s) named in (i), (ii) and (iii) above;
- (v) the date of the document;
- (vi) the date on which the document was received by each person;
- (vii) a brief description of the nature and subject matter of the document; and
- (viii) the statute, rule or decision which is claimed to give rise to the privilege or immunity.

In the case of any document relating in any way to a meeting or conversation, provide the

date and place of such meeting or conversation and a list of the participants.

INTERROGATORIES

25. What cost of capital does each member of the ALEC Coalition use to evaluate local exchange projects? As to each member of the ALEC Coalition, please

specify whether this cost of capital is after-tax or before-tax. Please fully describe the cost of equity models that each member of the ALEC Coalition uses to develop the cost of capital and specify all model assumptions and inputs.

- 26. Please identify all suppliers that have available for purchase NGDLC RT equipment that has the functionality to support multi-carrier operation and 2-wire analog loop unbundling.
- 27. Please identify all switch vendors that have available for purchase digital circuit switching equipment and associated application software that has the functionality to support multi-carrier GR-303 operation and 2-wire analog loop unbundling.
- 28. For each component of Verizon Florida Inc.'s network for which Dr. Ankum has recommended a fill factor in this proceeding, please specify the value that Dr. Ankum believes to be the appropriate objective fill. If Dr. Ankum has no belief as to the appropriate objective fill for Verizon's network components, please specify the value that each member of the ALEC Coalition believes to be the appropriate objective fill.
- 29. With respect to Dr. Ankum's Rebuttal Testimony at page 58, line 21 through page 59, line 1, please specify the geocoding success rate experienced by AT&T and MCI WorldCom for each incumbent local exchange carrier network in Florida. In addition, please specify the geocoding success rate for each of the wire centers in Verizon Florida Inc.'s network.
- 30. With respect to Dr. Ankum's Rebuttal Testimony at page 59, lines 1-5, please state whether or not Dr. Ankum knows the geocoding success rate BellSouth experienced for its Florida network. If the response is "yes," please provide the success rate.
- 31. Please specify what value for the number of equivalent business days Dr. Ankum believes should be used in a switching cost study.

Respectfully submitted on February 13, 2002.

Bv:

Kimberly Caswell Post Office Box 110, FLTC0007 Tampa, Florida 33601 Telephone: 813-483-2617

Attorney for Verizon Florida Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of Verizon Florida Inc.'s Notices of Service, First Set of Interrogatories (No. 1) to Z-Tel Communications, Inc., Third Request for Production of Documents (Nos. 15-17) and Second Set of Interrogatories (Nos. 25-31) to AT&T Communications of the Southern States, Inc., MCImetro Access Transmission Services, LLC, MCI WorldCom, Inc. and Florida Digital Network, Inc. (collectively, the "ALEC Coalition") in Docket No. 990649B-TP were sent via U.S. mail and/or electronic mail on February 13, 2002 to the parties on the attached list.

Cuthay Phile Bu Kimberly Caswell

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February 25, 2002

BY HAND DELIVERY

Ms. Blanca Bayó, Director The Commission Clerk and Administrative Services Room 110, Easley Building Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, Florida 32399-0850

Re: Docket No. 990649B-TP

Dear Ms. Bayó:

Enclosed for filing on behalf of AT&T Communications of the Southern States, LLC, MCI WorldCom, Inc, and Florida Digital Network, Inc. are the following documents:

- 1. An original and fifteen copies the AT&T, MCI, and FDN's Objections to Verizon Florida. Inc.'s Second Set of Interrogatories; and
- 2. An original and fifteen copies the AT&T, MCI, and FDN's Objections to Verizon Florida, Inc.'s Third Request for Production of Documents.

Please acknowledge receipt of this letter by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely yours,

Tracy W. Hatch

TWH/amb Enclosures

In re: Investigation into pricing of) unbundled network elements - Sprint) and Verizon track Docket No. 990649B-TP Filed: February 25, 2002

AT&T. MCI AND FDN'S OBJECTIONS TO VERIZON FLORIDA, INC.'S SECOND SET OF INTEROGATORIES

AT&T Communications of the Southern States, LLC (hereinafter "AT&T"), MCI WorldCom, Inc. (hereinafter "MCI") and Florida Digital Network, Inc. (hereinafter "FDN"), pursuant to Rules 25-22.034 and 25-22.035, Florida Administrative Code and Rules 1.350 and 1.280(b), Florida Rules of Civil Procedure, hereby submits the following Objections to Verizon Florida, Inc.'s (hereinafter "Verizon") Second Set of Interrogatories to AT&T Communications of the Southern States, LLC, MCI WorldCom, Inc., and Florida Digital Network, Inc.

The Objections stated herein are preliminary in nature and are made at this time for the purpose of complying with the ten-day requirement set forth in Order No. PSC-01-1592-PCO-TP issued by the Florida Public Service Commission (hereinafter the "Commission") in the above-referenced docket. Should additional grounds for objection be discovered as AT&T, WorldCom and FDN prepare its Responses to the above-referenced set of requests, AT&T/MCI/FDN reserve the right to supplement, revise, or modify its objections at the time that it serves its Responses on Verizon. Moreover, should AT&T/MCI/FDN determine that a Protective Order is necessary with respect to any of the material requested by Verizon, AT&T/MCI/FDN reserve the right to file a motion with the Commission seeking such an order at the time that it serves its Responses on Verizon.

General Objections

- AT&T/MCI/FDN make the following General Objections to Verizon's Second Set of Interrogatories which will be incorporated by reference into AT&T, WorldCom and FDN's specific responses when its Responses are served on Verizon.

2. AT&T/MCI/FDN have interpreted Verizon's requests to apply to AT&T/MCI/FDN's regulated intrastate operations in Florida and will limit its Responses accordingly. To the extent that any request is intended to apply to matters other than Florida intrastate operations subject to the jurisdiction of the Commission, AT&T/MCI/FDN object to such request as irrelevant, overly broad, unduly burdensome, and oppressive.

3. AT&T/MCI/FDN object to each and every request and instruction to the extent that such request or instruction calls for information which is exempt from discovery by virtue of the attorney-client privilege, work product privilege or other applicable privilege.

4. AT&T/MCI/FDN object to each and every request insofar as the request is vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of these requests. Any Responses provided by AT&T/MCI/FDN in response to Verizon's requests will be provided subject to, and without waiver of, the foregoing objection.

5. AT&T/MCI/FDN object to each and every request insofar as the request is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this action. AT&T/MCI/FDN will attempt to note each instance where this objection applies.

6. AT&T/MCI/FDN object to Verizon's general instructions, definitions or specific discovery requests insofar as they seek to impose obligations on AT&T, WorldCom and FDN which exceed the requirements of the Florida Rules of Civil Procedure or Florida law.

7. AT&T/MCI/FDN object to providing information to the extent that such information is already in the public record before the Florida Public Service Commission.

8. AT&T/MCI/FDN object to each and every request, general instruction, or definition insofar as it is unduly burdensome, expensive, oppressive, or excessively time consuming as written.

9. AT&T/MCI/FDN object to each and every request to the extent that the information requested constitutes "trade secrets" which are privileged pursuant to Section 90.506, Florida Statutes. To the extent that Verizon's requests seek proprietary

confidential business information which is not the subject of the "trade secrets" privilege, AT&T/MCI/FDN will make such information available to counsel for Verizon pursuant to an appropriate Protective Agreement, subject to any other general or specific objections contained herein.

10. AT&T/MCI/FDN are large corporations with employees located in many different locations in Florida and in other states. In the course of its business, AT&T/MCI/FDN create countless documents that are not subject to Florida Public Service Commission or FCC retention of records requirements. These documents are kept in numerous locations and are frequently moved from site to site as employees change jobs or as the business is reorganized. Rather, these responses will provide all of the information obtained by AT&T/MCI/FDN after a reasonable and diligent search conducted in connection with this discovery request. AT&T/MCI/FDN will comply with Verizon's request that a search be conducted of those files that are reasonably expected to contain the requested information. To the extent that the discovery request purports to require more, AT&T/MCI/FDN object on the grounds that compliance would impose an undue burden or expense.

11. AT&T/MCI/FDN object to the definitions of "AT&T", "MCI" and "FDN" to the extent that such definitions seek to impose an obligation on AT&T Communications of the Southern States, LLC, MCI WorldCom, Inc. or Florida Digital Network, Inc. to respond on behalf of subsidiaries. affiliates, or other persons that are not parties to this case on the grounds that such definition is overly broad, unduly

burdensome, oppressive, and not permitted by applicable discovery rules. Without waiver of its general objection, and subject to other general and specific objections, Answers will be provided on behalf of AT&T Communications of the Southern States, LLC, MCI WorldCom, Inc. or Florida Digital Network, Inc. which is the entity - certificated to provide regulated telecommunications services in Florida and which is a party to this docket. All references to "AT&T", "MCI" or "FDN" in responding to Verizon's requests should be taken to mean AT&T Communications of the Southern States, LLC, MCI WorldCom, Inc. or Florida Digital Network, Inc.

12. AT&T/MCI/FDN object to the definitions of "you" and "your" to the extent that such definitions seek to impose an obligation on AT&T Communications of the Southern States, LLC, MCI WorldCom. Inc. or Florida Digital Network, Inc. to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such definition is overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules. Without waiver of its general objection, and subject to other general and specific objections, Answers will be provided on behalf of AT&T Communications of the Southern States, LLC, MCI WorldCom, Inc. or Florida Digital Network, Inc. which is the entity certificated to provide regulated telecommunications services in Florida and which is a party to this docket. All references to "AT&T", "MCI" or FDN in responding to Verizon's requests should be taken to mean AT&T Communications of the Southern States, LLC, MCI WorldCom, Inc. or Inc. or Florida communications of the Southern States, LLC, MCI WorldCom, Inc. All references to "AT&T", "MCI" or FDN in responding to Verizon's requests should be taken to mean AT&T Communications of the Southern States, LLC, MCI WorldCom, Inc. or Florida Inc. or Florida Digital Network, Inc.

SPECIFIC OBJECTIONS

INTERROGATORY NO. 25: What cost of capital does each member of the ALEC Coalition use to evaluate local exchange projects? As to each member of the ALEC Coalition, please specify whether this cost of capital is after-tax or before-tax. Please fully describe the cost of equity models that each member of the ALEC Coalition uses to develop the cost of capital and specify all model assumptions and inputs.

OBJECTION: AT&T, and WorldCom object to this interrogatory on the grounds that it seeks information that is not relevant to the subject matter of this proceeding and is not reasonably calculated to lead to the discovery of admissible evidence.

Florida Digital objects to this interrogatory on the basis that it seeks information that is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. The interrogatory seeks cost of capital information which Florida Digital uses to evaluate local exchange projects. As a small ALEC, Florida Digital's corporate structure, business profile, investment risk, and cost of capital are so drastically different from the corresponding characteristics of a large LEC like Verizon that information regarding Florida Digital's cost of capital is irrelevant to the issues in this case. The Commission

ruled in the BellSouth phase of this docket that only information on companies comparable to the LEC may be germane to an evaluation of LEC cost of capital when setting UNE prices. See Order No. PSC-01-1181-FOF-TP at 169. Florida Digital also objects to this interrogatory on the grounds that the interrogatory requests highly sensitive, confidential, proprietary information and is designed to harass Florida Digital rather than being reasonably tailored to obtain information that could be of any relevance or use in this proceeding.

INTERROGATORY NO. 26: Please identify all suppliers that have available for purchase NGDLC RT equipment that has the functionality to support multi-carrier operation and 2-wire analog loop unbundling.

OBJECTION: AT&T, WorldCom, and FDN object to this interrogatory on the grounds that it is overly broad and unduly burdensome.

INTERROGATORY NO. 27: Please identify all switch vendors that have available for purchase digital circuit switching equipment and associated application software that has the functionality to support multi-carrier GR-303 operation and 2-wire analog loop unbundling.

OBJECTION: AT&T, WorldCom, and FDN object to this interrogatory on the grounds that it is overly broad and unduly burdensome.

INTERROGATORY 31: Please specify what value for the number of equivalent business days Dr. Ankum believes should be used in a switching cost study.

OBJECTION: AT&T, WorldCom and FDN object to this interrogatory on the grounds that it seeks information that is not relevant to the subject matter of this proceeding and is not reasonably calculated to lead to the discovery of admissible evidence.

SUBMITTED this 25th day of February 2002.

TRACY W. HATCH, ESQ. FLOYD R. SELF, ESQ. MESSER, CAPARELLO & SELF, P. A. Post Office Box 1876 Tallahassee, FL 32302-1876 (850) 222-0720

Attorney for AT&T Communications of the Southern States, LLC

and

Donna McNulty, Esq. MCI WorldCom, Inc. The Atrium Building, Suite 105 325 John Knox Road Tallahassee, FL 32303 and

_ _

Matthew Feil, Esq. Florida Digital Network, Inc. 390 North Orange Avenue, Suite 2000 Orlando, Elorida 32801

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of AT&T, MCI and FDN's Objections to Verizon Florida, Inc.'s Second Set of Interrogatories in Docket 990649B-TP has been served on the following parties by Hand Delivery (*) and/or U. S. Mail this 25th day of February, 2002.

Jason Fudge, Esq.* Division of Legal Services, Room 370 Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850

Nancy B. White c/o Nancy H. Sims BellSouth Telecommunications. Inc. 150 South Monroe Street, Suite 400 Tallahassee, FL 32301

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Ms. Catherine F. Boone Covad Communications Company 10 Glenłake Parkway, Suite 650 Atlanta, GA 30328-3495

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Andrew O. Isar Miller Isar, Inc. 7901 Skansie Avenue, Suite 240 Gig Harbor, WA 98335

Tracy

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into pricing of) unbundled Network. Inc. elements)

Docket No. 990649B-TP Filed: February 25, 2002

AT&T. MCI AND FDN'S OBJECTIONS TO VERIZON FLORIDA, INC.'S THIRD REQUEST FOR PRODUCTION OF DOCUMENTS

AT&T Communications of the Southern States, LLC (hereinafter "AT&T") and MCI WorldCom. Inc. (hereinafter "MCI") and Florida Digital Network, Inc., Inc. (hereinafter "FDN"), pursuant to Rules 25-22.034 and 25-22.035, Florida Administrative Code and Rules 1.350 and 1.280(b), Florida Rules of Civil Procedure, hereby submits the following Objections to Verizon's Third Request for Production of Documents to AT&T Communications of the Southern States, LLC, MCI WorldCom, Inc. and Florida Digital Network, Inc.

The Objections stated herein are preliminary in nature and are made at this time for the purpose of complying with the ten-day requirement set forth in Order No. PSC-00-0540-PCO-TP issued by the Florida Public Service Commission (hereinafter the "Commission") in the above-referenced docket. Should additional grounds for objection be discovered as AT&T, WorldCom and FDN prepare its Responses to the above-referenced set of requests, AT&T/MCI/FDN reserve the right to supplement, revise, or modify its objections at the time that it serves its Responses on Verizon. Moreover, should AT&T/MCI/FDN determine that a Protective Order is necessary with respect to any of the material requested by Verizon, AT&T/MCI/FDN reserve the right to file a motion with the Commission seeking such an order at the time that it serves its Responses on Verizon.

General Objections

AT&T/MCI/FDN make the following General Objections to Verizon's Third -Request for Production of Documents which will be incorporated by reference into AT&T, WorldCom and Florida Digital Network, Inc.'s specific responses when its Responses are served on Verizon.

1. AT&T/MCI/FDN object to Verizon's Third Request for Production of Documents to the extent that it is overly broad, unduly burdensome, oppressive, not permitted by applicable discovery rules, and would require AT&T, WorldCom and Florida Digital Network, Inc. to disclose information which is privileged.

2. AT&T/MCI/FDN have interpreted Verizon's requests to apply to AT&T/MCI/FDN's regulated intrastate operations in Florida and will limit its Responses accordingly. To the extent that any request is intended to apply to matters other than Florida intrastate operations subject to the jurisdiction of the Commission, AT&T/MCI/FDN object to such request as irrelevant, overly broad, unduly burdensome, and oppressive.

3. AT&T/MCI/FDN object to each and every request and instruction to the extent that such request or instruction calls for information which is exempt from discovery by virtue of the attorney-client privilege, work product privilege or other applicable privilege.

4. AT&T/MCI/FDN object to each and every request insofar as the request is vague, ambiguous, overly broad. imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of these requests. Any Responses provided by AT&T/MCI/FDN in response to Verizon's requests will be provided subject to, and without waiver of, the foregoing objection.

5. AT&T/MCI/FDN object to each and every request insofar as the request is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this action. AT&T/MCI/FDN will attempt to note each instance where this objection applies.

6. AT&T/MCI/FDN object to Verizon's general instructions, definitions or specific discovery requests insofar as they seek to impose obligations on AT&T, WorldCom and Florida Digital Network, Inc. which exceed the requirements of the Florida Rules of Civil Procedure or Florida law.

7. AT&T/MCLFDN object to providing information to the extent that such information is already in the public record before the Florida Public Service Commission.

8. AT&T/MCI/FDN object to each and every request, general instruction, or definition insofar as it is unduly burdensome, expensive, oppressive, or excessively time consuming as written.

9. AT&T/MCI/FDN object to each and every request to the extent that the information requested constitutes "trade secrets" which are privileged pursuant to Section 90.506, Florida Statutes. To the extent that Verizon's requests seek proprietary

confidential business information which is not the subject of the "trade secrets" privilege, AT&T/MCI/FDN will make such information available to counsel for Verizon pursuant to an appropriate Protective Agreement, subject to any other general or specific objections contained herein.

10. AT&T/MCUFDN are large corporations with employees located in many different locations in Florida and in other states. In the course of its business, AT&T/MCUFDN create countless documents that are not subject to Florida Public Service Commission or FCC retention of records requirements. These documents are kept in numerous locations and are frequently moved from site to site as employees change jobs or as the business is reorganized. Rather, these responses will provide all of the information obtained by AT&T/MCUFDN after a reasonable and diligent search conducted in connection with this discovery request. AT&T/MCUFDN will comply with Verizon's request that a search be conducted of those files that are reasonably expected to contain the requested information. To the extent that the discovery request purports to require more, AT&T/MCUFDN object on the grounds that compliance would impose an undue burden or expense.

11. AT&T/MCI/FDN object to the definitions of "AT&T", "MCI" and "FDN" to the extent that such definitions seek to impose an obligation on AT&T Communications of the Southern States, LLC, MCI WorldCom, Inc. and Florida Digital Network, Inc. to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such definition is overly broad, unduly

burdensome, oppressive, and not permitted by applicable discovery rules. Without waiver of its general objection, and subject to other general and specific objections, Answers will be provided on behalf of AT&T Communications of the Southern States, LLC, MCI WorldCom. Inc. and Florida Digital Network, Inc. which is the entity certificated to provide regulated telecommunications services in Florida and which is a party to this docket. All references to "AT&T", "MCI" and "FDN" in responding to Verizon's requests should be taken to mean AT&T Communications of the Southern States, LLC, MCI WorldCom, Inc. and Florida Digital Network, Inc.

12. AT&T.MCI/FDN object to the definitions of "you" and "your" to the extent that such definitions seek to impose an obligation on AT&T Communications of the Southern States, LLC, MCI WorldCom, Inc. and Florida Digital Network, Inc. to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such definition is overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules. Without waiver of its general objection, and subject to other general and specific objections, Answers will be provided on behalf of AT&T Communications of the Southern States, LLC, MCI WorldCom, Inc. and Florida Digital Network, Inc. which is the entity certificated to provide regulated telecommunications services in Florida and which is a party to this docket. All references to "AT&T", "MCI" and "FDN" in responding to Verizon's requests should be taken to mean AT&T Communications of the Southern States, LLC, MCI WorldCom, Inc. and Florida Digital Network, Inc.

SPECIFIC OBJECTIONS

REQUEST NO. 15: For each supplier identified in the ALEC Coalition's response to Verizon's Interrogatory 26, please provide product documentation and/or references to such documentation that describes the product, its functionality and its availability for purchase.

OBJECTION: AT&T, WorldCom, and FDN object to this request for production on the grounds that it is overly broad and unduly burdensome.

REQUEST NO. 16: For each vendor identified in the ALEC Coalition's response to Verizon's Interrogatory 27, please provide product documentation and/or references to such documentation that describes the product, its functionality and its availability for purchase.

OBJECTION: AT&T, WorldCom, and FDN object to this request for production on the grounds that it is overly broad and unduly burdensome.

SUBMITTED this 25th day of February, 2002.

TRACY W. HATCH, ESQ. FLOYD R. SELF, ESQ. MESSER, CAPARELLO & SELF, P. A. Post Office Box 1876 Tallahassee, FL 32302-1876 (850) 222-0720

Attorney for AT&T Communications of the Southern States, LLC

and

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and

Matthew Feil, Esq. Florida Digital Network, Inc. 390 North Orange Avenue, Suite 2000 Orlando, Florida 32801

CERTIFICATE OF SERVICE

1 HEREBY CERTIFY that a true and correct copy of AT&T, MCI and FDN's Objections to Verizon Florida, Inc.'s Third Request for Production of Documents in Docket 990649B-TP has been served on the following parties by Hand Delivery (*) and/or U. S. Mail this 25th day of February, 2002.

Jason Fudge, Esq.* Division of Legal Services. Room 370 Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850

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Claudia Davant-DeLoach, Esq. AT&T 101 N. Monroe St., Suite 700 Tallahassee, FL 32301

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> > March 5, 2002

BY HAND DELIVERY

Ms. Blanca Bayó, Director The Commission Clerk and Administrative Services Room 110, Easley Building Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, Florida 32399-0850

Re: Docket No. 990649B-TP

Dear Ms. Bayó:

AT&T Communications of the Southern States. LLC, MCI WorldCom, Inc. and Florida Digital Network., Inc. is an original and one copy of AT&T Communications of the Southern States, LLC, MCI WorldCom, Inc. and Florida Digital Network., Inc.'s Joint Notice of Service of Joint Responses to Verizon's Second Set of Interrogatories and Third Request for Production of Documents in the above referenced docket.

Please acknowledge receipt of this letter by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely yours,

Tracy W. Hatch

TWH/amb Enclosures cc: Claudia Davant-DeLoach, Esq. Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into pricing of unbundled network elements Docket No. 990649B-TP Filed: March 5, 2002

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC, MCI WORLDCOM, INC. AND FLORIDA DIGITAL NETWORK, INC.'S JOINT NOTICE OF SERVICE OF JOINT RESPONSES TO VERIZON'S SECOND SET OF INTERROGATORIES AND THIRD REQUEST FOR PRODUCTION OF DOCUMENTS

AT&T Communications of the Southern States. LLC. MCI WorldCom, Inc. and Florida Digital Network, Inc. by and through their undersigned counsel. hereby file and serve Notice that they have served their Joint Responses to Verizon's Second Set of Interrogatories and Third Request for Production of Documents by e-mail on Kimberly Caswell, Esq. at <u>kimberly.caswell@verizon.com</u> and overnight delivery on Kimberly Caswell, Esq., Verizon Select Services, 201 N. Franklin Street. Tampa, Florida, 33602-5166, on this 5th day of March, 2002.

Respectfully submitted.

TRACY W.¹HATCH, ESQ. FLOYD R. SELF, ESQ. MESSER, CAPARELLO & SELF, P. A. Post Office Box 1876 Tallahassee, FL 32302-1876 (850) 222-0720

Attorneys for AT&T Communications .of the Southern States, LLC

and

Donna Canzano McNulty, Esq. MCI WorldCom. Inc. The Atrium Building, Suite 105 325 John Knox Road Tallahassee, FL 32303

Attorney for MCI WorldCom, Inc.

and

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Matthew Feil, Esq. Florida Digital Network, Inc. 390 North Orange Avenue. Suite 2000 Orlando. Florida 32801

Attorney for Florida Digital Network, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of AT&T, MCI and FDN's Notice of Service of Joint Responses to Verizon's Second Set of Interrogatories and Third Request for Production of Documents in Docket 990649B-TP has been served on the following parties by Hand Delivery (*). Overnight Delivery (**), and/or U S. Mail this 5th day of March, 2002.

Jason Fudge, Esq.* Division of Legal Services. Room 370 Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee. FL 32399-0850

Nancy B. White c/o Nancy H. Sims BellSouth Telecommunications. Inc. 150 South Monroe Street, Suite 400 Tallahassee, FL 32301

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Kimberly Caswell** Verizon Select Services P.O. Box 110 (FLTC0007) Tampa, FL 33601-0110 or 201 N. Franklin Street Tampa, FL 33602-5166

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BlueStar Networks, Inc. Norton Cutler/Michael Bressman 5 Corporate Centre 801 Crescent Centre Drive, Suite 600 Franklin, TN 37067 Mr. John Spilman Broadslate Networks of Florida, Inc. 675 Peter Jefferson Parkway, Suite 310 Charlottesville, VA 22911

Ms. Catherine F. Boone Covad Communications Company 10 Glenlake Parkway, Suite-650 Atlanta. GA 30328-3495

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Mr. Don Sussman Network Access Solutions Corporation Three Dulles Tech Center 13650 Dulles Technology Drive Herndon, VA 20171-4602

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Michael Sloan Swidler & Berlin 3000 K Street. NW #300 Washington, DC 20007-5116

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Lisa Korner Butler Vice President Regulatory & Industry Affairs Network Plus, Inc. 41 Pacella Park Drive Randolph, MA -2368

Andrew O. Isar Miller Isar, Inc. 7901 Skansie Avenue, Suite 240 Gig Harbor, WA 98335

Tracy W. Hateh

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Investigation into pricing of) unbundled network elements

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Docket No. 990649B-TP

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC, MCI WORLDCOM, INC. AND FLORIDA DIGITAL NETWORK, INC.'S **RESPONSES TO VERIZON'S THIRD REQUEST** FOR PRODUCTION OF DOCUMENTS

AT&T Communications of the Southern States, LLC ("AT&T", MCI WorldCom, Inc. ("MCI") and Florida Digital Network. Inc. ("FDN"), pursuant to Rule 28-106.206, Florida Administrative Code and Rules 1.350 and 1.280, Florida Rules of Civil Procedure, hereby submit the following Responses to Verizon's Third Request for Production of Documents to ALEC Coalition.

DOCUMENT REQUESTS

<u>REQUEST NO. 15</u>: For each supplier identified in the ALEC Coalition's response to Verizon's Interrogatory 26, please provide product documentation and/or references to such documentation that describes the product, its functionality and its availability for purchase.

AT&T/WorldCom/FDN Response: As soon as this information is available it will be produced.

REQUEST NO. 16: For each vendor identified in the ALEC Coalition's response to Verizon's Interrogatory 27, please provide product documentation and/or references

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to such documentation that describes the product, its functionality and its availability for purchase.

AT&T/WorldCom/FDN Response: As soon as this information is available it will be produced.

<u>REQUEST NO. 17</u>: With respect to the ALEC Coalition's response to Verizon's Interrogatory 28, [corrected] please provide all work papers and other documents supporting the determination of each objective fill provided. Please provide these work papers in both hard copy and electronic form. In particular, please provide any spreadsheets in their native format.

AT&T/WorldCom/FDN Response: Other than Verizon's own engineering documents referenced in Dr. Ankum's testimony there are no other responsive documents.

Date this 5th day of March. 2002.

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TRACY W/HA^tTCH, ESQ. FLOYD R. SELF. ESQ. MESSER, CAPARELLO & SELF, P. A. Post Office Box 1876 Tallahassee, FL 32302-1876 (850) 222-0720

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Attorney for MCI WorldCom, Inc.

and

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Matthew Feil, Esq. Florida Digital Network, Inc. 390 North Orange Avenue, Suite 2000 Orlando, Florida 32801

Attorney for Florida Digital Network. Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of AT&T. MCI and FDN's Joint Responses to Verizon's Third Request for Production of Documents in Docket 990649B-TP has been served on the following parties by Hand Delivery (*). Overnight Delivery (**), and/or U.S. Mail this 5th day of March, 2002.

Jason Fudge, Esq.* Division of Legal Services, Room 370 Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850

Kimberly Caswell** Verizon Select Services P.O. Box 110 (FLTC0007) Tampa, FL 33601-0110 or 201 N. Franklin Street Tampa, FL 33602-5166

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Florida Digital Network, Inc. 390 North Orange Avenue, Suite 2000 Orlando, Florida 32801

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Tracy W. Hat

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

)

In re: Investigation into pricing of unbundled network elements

Docket No. 990649B-TP

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC. MCI WORLDCOM, INC. AND FLORIDA DIGITAL NETWORK, INC.'S RESPONSES TO VERIZON'S SECOND SET OF INTERROGATORIES

AT&T Communications of the Southern States. LLC ("AT&T", MCI WorldCom, Inc. ("MCI") and Florida Digital Network. Inc. ("FDN"). pursuant to Rule 28-106.206. Florida Administrative Code and Rules 1.350 and 1.280. Florida Rules of Civil Procedure, hereby submit the following Responses to Verizon's Second Set of Interrogatories to ALEC Coalition.

INTERROGATORIES

INTERROGATORY NO. 25: What cost of capital does each member of the ALEC Coalition use to evaluate local exchange projects? As to each member of the ALEC Coalition, please specify whether this cost of capital is after-tax or before-tax. Please fully describe the cost of equity models that each member of the ALEC Coalition uses to develop the cost of capital and specify all model assumptions and inputs.

<u>AT&T/WorldCom/FDN Response</u>: AT&T/WorldCom/FDN object to this interrogatory on the grounds that the information sought is not relevant or reasonably calculated to lead to the discovery of admissible evidence. The cost of equity for any CLEC is not in any way probative of the appropriate cost of capital to be used in establishing the appropriate TELRIC price to be charged by Verizon-Florida for unbundled network elements. AT&T, WorldCom and particularly Florida Digital Network, as competitive ALECs attempting to enter the local

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telecommunications service market, bear no resemblance to the least cost forward looking company serving all customers in the Verizon-Florida territory on a wholesale only basis.

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INTERROGATORY NO. 26: Please identify all suppliers that have available for purchase NGDLC RT equipment that has the functionality to support multi-carrier operation and 2-wire analog loop unbundling.

AT&T/WorldCom/FDN Response: AT&T/WorldCom/FDN object to this interrogatory on the grounds that it is oppressive. unduly burdensome and overly broad to the extent it asks AT&T/WorldCom/FDN to identify each and every supplier in the United States or elsewhere that has available for purchase NGDLC RT equipment that has the functionality to support multi-carrier operation and 2-wire analog loop unbundling. It is unreasonably burdensome to investigate all such suppliers. Notwithstanding this objection, AT&T/WorldCom/FDN are investigating this request and intend to provide relevant examples as soon as the information is available.

<u>INTERROGATORY NO. 27</u>: Please identify all switch vendors that have available for purchase digital circuit switching equipment and associated application software that has the functionality to support multi-carrier GR-303 operation and 2wire analog loop unbundling.

<u>AT&T/WorldCom/FDN Response</u>: AT&T/WorldCom/FDN object to this interrogatory on the grounds that it is oppressive, unduly burdensome and overly broad to the extent it asks AT&T/WorldCom/FDN to identify each and every switch vendor in the United States or elsewhere that has available for purchase digital circuit switching equipment and associated application software that has the functionality to support multi-carrier GR-303 operation and 2-wire analog loop unbundling. It is unreasonably burdensome to investigate all such vendors. Notwithstanding this objection. AT&T/WorldCom/FDN are investigating this request and intend to provide relevant examples as soon as the information is available.

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INTERROGATORY NO. 28: For each component of Verizon Florida Inc.'s network for which Dr. Ankum has recommended a fill factor in this proceeding, please specify the value that Dr. Ankum believes to be the appropriate objective fill. If Dr. Ankum has no belief as to the appropriate objective fill for Verizon's network components, please specify the value that each member of the ALEC Coalition believes to be the appropriate objective fill.

<u>AT&T/WorldCom/FDN Response</u>: All recommendations regarding fill factors by Dr. Ankum have been discussed in Dr. Ankum's testimony. Also, see answer to data request number 5. Due to the black-box nature of the ICM model. Dr. Ankum is not able to identify all instances in which VZ is applying fill factors.

INTERROGATORY NO. 29: With respect to Dr. Ankum's Rebuttal Testimony at page 58, line 21 through page 59, line 1, please specify the geocoding success rate experienced by AT&T and MCI WorldCom for each incumbent local exchange carrier network in Florida. In addition, please specify the geocoding success rate for each of the wire centers in Verizon Florida Inc.'s network. <u>AT&T/WorldCom/FDN Response</u>: The available geocode success rates for ILECs in Florida are:

GTE 79%

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Centel 72%

United 69%

BellSouth 55%

This information is contained in a filing with the FCC in an ex parte on May 20, 1999 in the Universal Service Proceeding (CC Docket Nos. 96-45 and 97-160). See Attachment No. 29.

INTERROGATORY NO. 30: With respect to Dr. Ankum's Rebuttal Testimony at page 59, lines 1-5, please state whether or not Dr. Ankum knows the geocoding success rate BellSouth experienced for its Florida network. If the response is "yes," please provide the success rate.

AT&T/WorldCom/FDN Response: No.

INTERROGATORY NO. 31: Please specify what value for the number of equivalent business days Dr. Ankum believes should be used in a switching cost study. <u>AT&T/WorldCom/FDN Response</u>: Dr. Ankum has not made a recommendation on this issue. Respectfully submitted this 5th day of March. 2002.

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TRACY W. HATCH. ESQ. FLOYD R. SELF, ESQ. MESSER. CAPARELLO & SELF. P. A. Post Office Box 1876 Tallahassee. FL 32302-1876 (850) 222-0720

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Tracy W Hateh

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Suite 1000

1120 20th Street, N.W.

Washington, DC 20036 202 457-3810

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9991 0 2 YAM FEDERAL COMPLETICATIONS COMPOSISION OFFICE OF THE SECRETARY

May 20, 1999

RECEIVED

Ms. Magalie Roman Salas Secretary Federal Communications Commission 445 Twelfth Street, S.W. Washington, D.C. 20554

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FEIGHAL CONNIGNISHING CONSIGNING OFFICE OF THE SECRETARY

RE: Ex Parte Presentation

CC Docket No. 96-45 - Universal Service/Proxy Cost Models CC Docket No. 97-160 - Forward-Looking Cost Mechanism

Dear Ms. Salas:

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Accurate customer location data are essential inputs to a cost proxy model for local telephone networks. If the data used are inaccurate, customers will not be located correctly, and clusters of customers will escape identification. There is no question but that actual geocode data for customer locations will provide the best inputs into a cost proxy model, and that use of "data" that assign customers to surrogate locations can provide only inferior estimates of loop network costs.

There are two reasons why use of road-surrogate data is inferior to use of actual geocode data.

- The road surrogating process will place customers in locations where they do not I. actually exist; and
- 2. will disperse customers who actually are concentrated in clusters out to widely separated locations along roads.

Unfortunately, these effect from road-surrogating are neither random nor benign. Rather, both of these surrogating effects will cause cost models to return upward-biased estimates of the cost of local loops - relative to the more accurate costs that would be calculated if actual geocode data were employed.

AT&T and MCI WorldCom pointed out these dangers of ignoring actual geocode points in favor of all road surrogate data sets in our ex parte submission of May 4, 1999. We can now quantify the magnitude of the resulting cost bias. Attached Table A provides the percent change in calculated monthly cost of basic local service when the available actual geocode data are discarded in favor of road surrogate data. Overall, this results in a monthly cost elevation of 2.7%. But perhaps more significantly, this upwards bias is not uniform across all study areas. Rather, it ranges from 0.0% for the Roseville Telephone Company, up to 13.0% for Pacific Northwest Bell in Oregon. Thus, failure to use available actual geocode data results in some telephone companies/states being "winners," and others being "losers." Whether a state will be

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a winner or loser will depend primarily on factors such as its ratio of road length to population. or the average size of its Census blocks.1

For the above reasons, AT&T and MCI WorldCom believe that the Commission should use actual geocode location data in its Synthesis Model whenever these data are available. It should use road surrogate data only when actual geocode data are not available.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(2) of the Commission's rules.

Sincerely,

Pill Cale

Richard N. Clarke

Attachments

cc: Craig Brown Bob Loube Richard Cameron Sheryl Todd

Chuck Keller Jeff Prisbrey

Mark Kennet Bill Sharkcy

Katte King **Richard Smith**

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^{&#}x27; in particular, the percent of customer locations within a study area for which actual geocode data are available appears not to be a significant driver of the upwards bias. Regressing the upwards bias on the percent successful geocode for that study area (which indicates the portion of locations what will be moved by the substitution of an all road surrogate data set) demonstrates that the explanatory effect of percent geocode success is very small. These regression statistics are provided in attached Table B.

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AMOUNT OF COST ESTIMATE BIAS FROM DISCARDING ACTUAL GEOCODE POINTS IN FAVOR OF ALL ROAD SURROGATES

		Change in Cost From Discarding Actual	Percent Successful	
State	Company	Geocodes Geocode Rate		
California	Roseville Telephone Company	0.0%	49%	
Alabama	Contel Of The South Dba Gte South	0.7%	33%	
Vermont	New England Tel-Vt	D.8%	44%	
Texas	Contel Of Texas Inc Dba Gle Texas	0.9%	21%	
Missouri	Contel Missouri Dba Gte Missouri	1. 0%	35%	
West Virginia	C And P Tel Co Of W Va	1.2%	57%	
Missouri	Gte North Inc - Missouri	1.4%	5 6%	
Oklahoma	Southwestern Bell-Okiahoma	1.4%	60%	
Nebraska	Lincoln Tel And Tele Co	1.4%	6 9%	
Maine District of the second	New England Tel-Maine	1.5%	56%	
District of Columbia	C And P Telephone Company Of Wa Dc	1.5%	77%	
North Carolina	Contel Of North Carolina Dba Gte No Carolina	1.5%	27%	
Alabama	Gte And Contel Of Alabama	1.6%	56%	
New Hampshire	New England Tel-Nh	1.6%	61%	
California North Counting	Pacific Bell	1.6%	62%	
North Carolina	North State Tel Co-Nc	1.6%	6 6%	
South Dakota	Northwestern Bell-South Dakota	1 5%	74%	
Oklahoma	Gte Southwest Inc - Oklahoma	1.8%	61%	
California	Gte Of California	18%	69%	
Nebraska	Northwestern Bell-Nebraska	1.8%	76%	
Indiana	Contel Of Indiana Inc Dba Gte - Indiana	18%	40%	
Washington	Gte Northwest Inc - Washington	19%	51%	
North Dakota	Northwestern Bell-North Dakota	19%	81%	
	Diamond State Tel Co	2.0%	71%	
Illinois	Gle Of Illinois	2.0%	56%	
North Carolina	Central Tel Co-Nc	2.0%	5 5%	
New York	New York Tel	2.0%	71%	
Florida	Southern Bell-Fl	2.0%	55%	
Illinois	Illinois Bell Tel Co	2 0%	7 9%	
North Carolina	Carolina Tel And Tel Co	2.1%	47%	
Missouri	Southwestern Bell-Missouri	2.1%	73%	
Nevada	Nevada Bell	2.1%	54%	
Washington	Pacific Northwest Bell-Washington	2.2%	61%	
Texas	Gte Southwest Inc - Texas	2 2%	70%	
Pennsylvania	Bell Of Pennsylvania	2.2%	76%	
Pennsylvania	Gle North Inc-Pa And Contei	2.2%	66%	
New Jersey	New Jersey Bell	2.3%	7 9%	
Massachusetts	New England Tel-Ma	2.4%	84%	
Mississippi North Constinut	South Central Bell-Mississippi	2.4%	62%	
North Carolina	Southern Bell-Nc	2.4%	71%	
Utah Taura	Mountain Bell-Utah	2.4%	70%	
Texas	Southwestern Bell-Texas	2.6%	78%	
Texas	Central Telephone Company Of Texas	2.6%	71%	

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AMOUNT OF COST ESTIMATE BIAS FROM DISCARDING ACTUAL GEOCODE POINTS IN FAVOR OF ALL ROAD SURROGATES

		Change in Cost From Discarding Actual	Percent Successful
State	Company	Geocodes	Geocode Rate
Arizona	Mountain Bell-Arizona	2.6%	73%
Ohio	Ohio Bell Tel Co	2.6%	89%
Kansas	Southwestern Bell-Kansas	2.6%	73%
New York	Rochester Telephone Corp	2.7%	83%
Wisconsin	Wisconsin Bell	2.7%	81%
Rhode Island	New England Tel-Ri	2.7%	88%
Alabama	South Central Bell-Al	2.8%	75%
Tennessee	South Central Bell-Tn	2.8%	77%
Michigan	Michigan Bell Tel Co	2.8%	80%
Minnesota	Contel Of Minnesota Inc Dba Gte Minnesota	2.9%	50%
Ohio	Cincinnati Bell-Ohio	2.9%	88%
Florida	Gte Floridainc	2.9%	7 9%
New Mexico	Mountain Bell-New Mexico	2.9%	78%
Minnesota	Northwestern Bell-Minnesota	3.0%	87%
Arkansas	Southwestern Bell-Arkansas	3.1%	75%
Indiana	Indiana Bell Tel Co	3.1%	83%
South Carolina	Gte South Inc - South Carolina	3.1%	64%
Louisiana	South Central Bell-La	3.1%	80%
North Carolina	Gte South Inc - North Carolina	3.1%	74%
Georgia	Southern Bell-Ga	3.1%	81%
Maryland	C And P Tel Co Of Md	3.2%	78%
Connecticut	Southern New England Tel	3.2%	86%
Tennessee	United Inter-Mountain Tel Co-Tn	3.2%	7 0%
Florida	United Tel Co Of Florida	3.3%	69%
Indiana	Gte Of Indiana	3.4%	7 9%
Kentucky	Cincinnati Bell-Ky	4.0%	81%
Colorado	Mountain Bell-Colorado	4.1%	77%
lllinols	Contel Of Illinois Inc Dba Gte - Illinois	4.3%	5 6%
Fiorida	Central Tel Co Of Florida	4 3%	7 2%
Oregon	Gle Of The Northwest	4.5%	17%
South Carolina	Southern Bell-Sc	4.5%	7 9%
Kentucky	Gte South Inc - Kentucky	4.6%	74%
Kentucky	South Central Bell-Ky	4.7%	76%
Wisconsin	Gte North Inc-Wi	5.0%	60%
Ohio	United Tel Co Of Ohio	5.0%	75%
Idaho	Mountain Bell-Idaho	5.2%	6 9%
Michigan	Gte North Inc-Mi	5.2%	71%
Ohio	Gte North Inc-Oh	5.4%	73%
California	Contel Of California - California	5.4%	65%
Montana	Mountain Bell-Montana	5.8%	77%
Wyoming	Mountain Bell-Wyoming	8.4%	77%
Oregon	Pacific Northwest Bell-Oregon	13.0%	41%
	-		

Weighted Average

2.7%

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SUMMARY OUTPUT

Regression of Percent Successful Geocode Rate on Cost Difference

Regression Statistics		•						
Multiple R	0.148489196							
R Square	0.022049041							
Adjusted R Square	0.0102665							
Standard Error	0.017400438							
Observations	85							
ANOVA								
	đí	SS	MS	F	Significance F			
Regression	1	0.000566593	0 000568593	1.871331504	0,175014924			
Residual	83	0.025130344	0 000302775					
Tolal	84	0.025696937						
	Coefficients	Standard Error	l Stat	P-yalue	Lower 95%	Upper 95%	Lower 95.0%	U
	COGMCIGING							
intercept	0.017232487	0.008563286	2.012368637	0.047423945	0.000200452	0.034264523	0 000200452	(

(

Upper 95 0%

0.034264523

0 041748406

54

FROM