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March 27, 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 990649B-TP

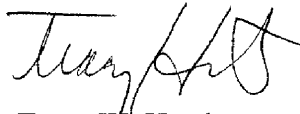
Dear Ms. Bayó:

Enclosed for filing on behalf of AT&T Communications of the Southern States, LLC, MCI WorldCom, Inc., and Florida Digital Network, Inc. are an original and fifteen copies of the Response of AT&T Communications of the Southern States, LLC, MCI WorldCom, Inc., and Florida Digital Network, Inc. to Verizon Florida's Motion to Compel Discovery and Motion for Protective Order 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: Parties of Record

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 990649B-TP
Filed: March 27, 2002

**RESPONSE OF AT&T COMMUNICATIONS OF THE SOUTHERN STATES,
LLC., MCI WORLDCOM, INC. AND FLORIDA DIGITAL NETWORK, INC.
TO VERIZON FLORIDA'S MOTION TO COMPEL DISCOVERY
AND
MOTION FOR PROTECTIVE ORDER**

AT&T Communications of the Southern States, Inc. ("AT&T"), MCI WorldCom, Inc. ("WorldCom") and Florida Digital Network, Inc. (FDN) (collectively the ALEC Coalition) through its undersigned counsel, responds to the motion of Verizon Florida, Inc. ("Verizon") to compel discovery in this proceeding, and states:

1. On March 20, 2002, Verizon filed its motion to compel discovery, in which Verizon requests that the ALEC Coalition be compelled to provide responses to Verizon's Second Set of Interrogatories to the ALEC Coalition, Nos. 25, 26 and 27 and Verizon's Third Request for Production of Documents, Nos. 15 and 16.

2. Interrogatory No. 25 asks for the internal cost of capital that each member of the ALEC Coalition uses to evaluate local exchange projects. The ALEC Coalition initially objected to Interrogatory No. 25 on the basis that the information sought was not relevant nor reasonably calculated to lead to the discovery of admissible evidence. In our response to Interrogatory No. 25, the ALEC Coalition maintained its initial objection and again objected to this request on the basis that the information sought is not relevant to this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. The ALEC coalition further stated that the cost of equity for a competitive CLEC is not 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. The

Coalition further stated that the members of the ALEC Coalition, as competitive ALECs attempting to enter the local 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.

3. In support of its motion to compel regarding Interrogatory 25, Verizon states that the ALEC Coalition's respective internal costs of capital are germane to the question of pricing UNEs. Verizon's entire argument on the issue of relevancy consists of two things: first, this information has been produced in FCC or other states proceedings and second, an AT&T/WorldCom witness made a statement in a hearing suggesting that all information should be used and considered so that the full spectrum is looked at. First, the fact that the information sought has been produced in other jurisdictions does not simply in and of itself guarantee relevance in this proceeding. Verizon does not make any claim that the issues in those other proceedings were the same or even close to the issues in this proceeding. Moreover, the statement of AT&T/WorldCom's witness in a proceeding in another jurisdiction was supplied without any context that would indicate that the issues are the same or the questions asked which lead to the witness's response have any bearing on the instant proceeding. Second, and more importantly, nowhere in its motion does Verizon state or otherwise indicate how an ALEC's internal cost of capital would be relevant to the determination of the prices that Verizon should charge for UNEs. There is no indication of which issue in this proceeding to which the information sought would be relevant. There is a complete absence of any explanation or argument on the question of relevance of the ALEC's respective costs of capital nor is there any claim that this information would lead to the

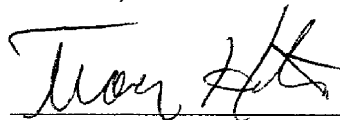
discovery of any admissible evidence. Black's Law Dictionary (5th Edition) defines relevancy as "That quality of evidence which renders it properly applicable in determining the truth and falsity of the matters in issue between the parties to a suit." Verizon presents no argument that in any way suggests that the cost of capital for the ALECs in evaluating whether to provide retail local exchange service prove or disprove the appropriate cost of capital for Verizon's wholesale provision of UNEs. None of the ALEC Coalition members and their attempts to enter the retail local exchange market dominated by Verizon can be reasonably compared to Verizon's monopoly provision of wholesale UNEs. The market risks of a competitive ALEC in providing local exchange service can not be validly compared to the market risk faced by Verizon in the essentially monopoly provision of UNEs. Verizon has failed to provide any basis to support a claim of relevance or that the information sought would lead to the discovery of admissible evidence. Therefore, Verizon's motion to compel response to Interrogatory No. 25 should be denied.

4. In Interrogatories 26 and 27 and the associated requests for production of documents nos. 15 and 16, Verizon asked for information regarding 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. In our response, the ALEC Coalition stated that we did not have possession of the requested information and documents and were investigating and would provide the requested information as soon as it was available. The requested information is not available at this time. The ALEC Coalition is continuing to seek to acquire this information. The simple response to Verizon's motion to compel is that the ALEC Coalition can not produce or otherwise

provide information that it does not have in its possession. If and when the information comes into our possession through our continuing investigation, the ALEC Coalition will provide the requested information. Accordingly, Verizon's motion to compel responses to Interrogatories Nos. 27 and 27 and Requests for Production Nos. 15 and 16 should be denied.

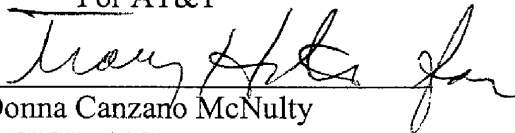
WHEREFORE, based on foregoing, AT&T, WorldCom and FDN oppose Verizon's Motion to Compel and request that the Motion be denied and that a protective order be entered accordingly.

RESPECTFULLY SUBMITTED 27th day of March, 2002.



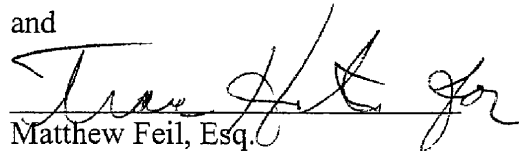
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing in Docket 990649B-TP has been served on the following parties by Hand Delivery (*), Overnight Delivery (**), and/or U. S. Mail this 27th day of March, 2002.

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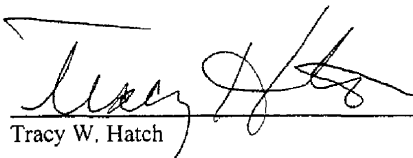
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