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April 29, 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
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Re: Docket No. 990649B-TP
Investigation into Pricing of Unbundled Network Elements (Sprint/Verizon track)

Dear Ms. Bayo:

At the request of Commission Staff, Verizon Florida Inc. is enclosing supplemental documentation for previously submitted Requests for Confidential Classification as follows:

1. Responses to Staff's Amended First Set of Interrogatories (Nos. 1, 2, 12, 14, 15, 20, 21, 54, 55, 66, 67) (original request filed November 7, 2001); 04645-02
04646-02
2. Confidential Exhibit DBT-3 (Direct Testimony of Dennis B. Trimble) (original request filed November 7, 2001); 04647-02
04648-02
3. Responses to Staff's Second Set of Interrogatories (No. 59) and Second Request for Production of Documents (Nos. 27 and 44) (original request filed January 16, 2002); 04649-02
04650-02
4. Responses to Staff's Third Request for Production of Documents (Nos. 49, 50, 53, 57, 58, 59) (original request filed January 25, 2002); 04651-02
04652-02
5. Responses to AT&T/MCI's First Set of Interrogatories (No. 43) and First Request for Production of Documents (Nos. 3,6,13,14) (original request filed February 27, 2002); 04653-02
04654-02
6. Responses to Staff's Fifth Set of Interrogatories (No. 108) (original request filed February 28, 2002); 04655-02
04656-02


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7. Responses to Staff's Fifth Request for Production of Documents (Nos. 65 and 67) (original request filed March 6, 2002);
04657-02
04658-02
8. Confidential Exhibit DGT-5 (Surrebuttal Testimony of David G. Tucek) (original response filed March 18, 2002); and
04659-02
04660-02
9. Responses to Staff's First Request for Production of Documents (No. 3) (original request filed December 21, 2001).
04661-02
04662-02

Highlighted copies of the confidential information are attached in sealed envelopes together with one redacted copy and a line-by-line justification (Exhibit-C).

If there are any questions regarding this filing, please contact me at 813-483-2617.

Sincerely,


KC
Kimberly Caswell

KC:tas
Enclosures

c: Jason Fudge, Staff Counsel (w/e)

ORIGINAL

9906498-TP

Exhibit C

Staff's Amended First Set of Interrogatories
Nos. 1, 2, 12, 14, 15, 20, 21, 54, 55, 66 and 67

Page/Int. No.	Line(s)/Column(s)	Reason
P. 2/Int. 1-2	L5-7 & 18-20, Col. B	Competitive loss data which would allow competitors to design entry and marketing strategies to ensure success in competing with Verizon.
P. 5/Int. 12 P. 6/Int. 12 P. 24/Int. 54 P. 24/Int. 55	L16-22, Col. C & L27-28 L7-9, Col. C & L12-16 L8 L14	Outside plant specific data detailing breakdown of metallic and fiber facilities in VZ Florida's network. Disclosure would give competitors unfair advantage in designing their network and competing with Verizon.
P. 7/Int. 14 P. 7/Int. 15 P. 9/Int. 20 P. 9/Int. 21	L3-10 L21-23 L1-5 L17-19	Business plans for deployment of ADSL/HDSL, SONET and ATM technologies and deployment strategy for fiber cable in the feeder, interoffice and distribution portion of the network. Disclosure would give competitors unfair advantage by enabling them to know how best to define entry and marketing strategies to compete with Verizon.
P. 27/Int. 66 P. 28/Int. 66 P. 29/Int. 66 P. 30/Int. 67 P. 31/Int. 67 P. 32/Int. 67	L14-19 and L22-28 Columns A and B Columns A and B L5-16; L19-36, col. A-C All lines, col. A-C L1-28, col. A-C	Outside plant specific data identifying location of remote and concentrator locations in VZ Florida's network and projected in the network in VZ's cost model. Disclosure would give competitors unfair advantage in designing their network to compete with Verizon.

DOCUMENT NUMBER-DATE

04645 APR 29 88

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Verizon Florida Inc.'s Responses to Staff's
Amended First Set of Interrogatories (Nos. 1-99)
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1 territory. This information does not, however, include lines lost due to bypass and
2 other technologies (e.g., wireless, cable, etc.), which are significant.

3 The following information is confidential.

4	<u>A</u>	<u>B</u>
	<u>Line Type</u>	<u>Dec-00</u>
5	Resale Lines	
6	Unbundled Loops	
7	Unbundled Platforms	

8 2. How many residential lines have ALECs captured in Verizon's exchanges in
9 Florida?

10 Response

11 Verizon cannot answer this question, as only the ALECs know how many lines
12 they have captured in Verizon's exchanges. Below, Verizon is only able to provide
13 information on number of resold lines, unbundled loops and platforms in its
14 territory. This information does not, however, include lines lost due to bypass and
15 other technologies (e.g., wireless, cable, etc.), which are significant.

16 The following information is confidential.

17	<u>A</u>	<u>B</u>
	<u>Line Type</u>	<u>Dec-00</u>
18	Resale Lines	
19	Unbundled Loops	
20	Unbundled Platforms	

21 3. Explain in detail how Verizon factored into its proposed economic lives the threat of
22 bypass by emerging technologies such as wireless local loop technologies.

23 Response

24 As explained in the testimony of Verizon witness Sovereign, Verizon considers
25 competitive risk, as well as technological developments, in determining
26 depreciation inputs. Bypass, whether by wireless local loop, cable technology, or
27 competitors' fiber and/or switches must all be considered when determining
28 depreciation inputs. Mr. Sovereign lists ample evidence of competition for Verizon
29 Florida in his direct testimony.

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1 Broadband and Cox already offer local telephone service over its cable television
2 lines in some parts of the country. Cable modems from competitors such as AT&T
3 Broadband, Time Warner, and Cox offer direct competition to Verizon's DSL
4 services.

5 11. When does Verizon plan to no longer add any metallic cable plant in Florida?

6 **Response**

7 There are no plans to stop the deployment of metallic cable plant installations in
8 Florida.

9 12. Please provide a percentage breakdown as of 1/1/2000 of the metallic cable
10 facilities between interoffice, feeder, and distribution. The response should also
11 include a detailed explanation as to how this percentage breakdown was
12 determined.

13 **Response**

14 The following information is confidential.

	A	B	C
15	A. Percentage figures:		
16	• IOF	Metallic	
17	• Feeder	Metallic	
18	• Distribution	Metallic	
19	• IOF	Fiber	
20	• Feeder	Fiber	
21	• Distribution	Fiber	
22	• Total:		

23 **B. Explanation of how percentage breakdown was determined:**

24 1. A special study was conducted to identify metallic footage feeder and
25 distribution in service on 1/1/2000. The source of this data was the ICGS Data
26 Base.

- 27 • Metallic IOF facilities in Verizon Florida is
- 28

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1 2. A special study was conducted to identify the footage of Fiber Optic Cable
2 which was in service on 1/1/2000. The source of this data was the ICGS Data
3 Base.

4 3. Available fiber optic data does not differentiate between IOF, Feeder, and
5 Distribution. This information was developed based on a three-year average of the
6 major Program Category (PCAT) codes associated with work orders:

- 7 • IOF (GX03) % of fiber
8 • Feeder (GH00) % of fiber
9 • Access (GH23) % of fiber

10 By multiplying the Total Fiber Optic Footage from ICGS by these percentage
11 figures, the footage associated with these categories was developed.

12
13
14
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16

17 4. From the footages, relative percentages were developed.

18 13. Please list the services that cannot be provided over copper facilities.

19 **Response**

20 Typically, DS3 (44.7Mb/s) and above services cannot be provided over copper. In
21 addition, SONET type services cannot be provided over copper. But, there are
22 other loop parameters (length, /gauge, etc.) that may require conditioning or
23 repeaters to be installed to provide lower services (1.5Mb/s for example).

24 14. What are Verizon's plans for deploying ADSL or HDSL technologies?

25 **Response**

26 Verizon Florida objects to this interrogatory because, to the extent responsive data
27 exists, it is proprietary and highly confidential competitive information. Verizon
28 Florida further objects to this interrogatory on the grounds that planning information
29 is irrelevant to selecting a cost model to determine the long run, forward-looking
30 cost of providing unbundled network elements and is not otherwise relevant to any
31 issue in this proceeding.

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1 Notwithstanding the above objection, Verizon Florida responds as follows:

2 The following information is confidential.
3 ADSL Strategy:
4
5
6
7

8 HDSL Strategy:
9
10

11 15. What are Verizon's plans for deploying SONET?

12 **Response**

13 Verizon Florida objects to this interrogatory because, to the extent responsive data
14 exists, it is proprietary and highly confidential competitive information. Verizon
15 Florida further objects to this interrogatory on the grounds that planning information
16 is irrelevant to selecting a cost model to determine the long run, forward-looking
17 cost of providing unbundled network elements and is not otherwise relevant to any
18 issue in this proceeding.

19 Notwithstanding the above objection, Verizon Florida responds as follows:

20 The following information is confidential.
21
22
23

24 16. How does Verizon determine when a feeder or distribution transmission facility
25 needs to be replaced?

26 **Response**

27 Verizon replaces these facilities when the facilities cause excessive troubles and
28 when an approved business case supports this replacement.

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6 21. What is Verizon's current deployment strategy for fiber cable in the feeder,
7 interoffice, and distribution portions of the network?

8 **Response**

9 Verizon objects to this interrogatory because, to the extent responsive data exists,
10 it is proprietary and highly confidential competitive information. Verizon further
11 objects to this interrogatory on the grounds that planning information is irrelevant to
12 selecting a cost model to determine the long run, forward-looking cost of providing
13 unbundled network elements and is not otherwise relevant to any issue in this
14 proceeding.

15 Notwithstanding the above objection, Verizon Florida responds as follows:

16 The following information is confidential.

17
18
19

20 22. (a) Provide an exhaustive list of all competitors Verizon benchmarked its asset
21 lives against.

22 (b) Of the competitors Verizon used for benchmarking purposes, identify those
23 who are currently involved in bankruptcy proceedings.

24 **Response**

25 (a) All competitors used as benchmarks are identified in the direct testimony of
26 Verizon witness Sovereign.

27 (b) Mr. Sovereign has not completed an exhaustive survey on the financial status
28 of the benchmarked competitors, although he is aware that both NorthPoint
29 and Rhythms are involved in bankruptcy. Verizon notes that regardless of the
30 financial status of a specific competitor, the competitor's assets have value

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1 The SS7 module contains investment for STP locations in Virginia, Indiana, and
2 California. Verizon utilized each of these state's material loadings when
3 developing investment for SS7 as these loadings are more representative of cost
4 at these locales. See also the responses to Interrogatory Number 31 (d).

5 54. What portion of the feeder portion of the Verizon Florida network is currently fiber?

6 **Response**

7 The following information is confidential.
8 of the feeder portion of the Verizon Florida network was on fiber as of
9 1/1/2000.

10 55. What portion of the distribution portion of the Verizon Florida network is currently
11 fiber?

12 **Response**

13 The following information is confidential.
14 of the distribution portion of the Verizon Florida network is on fiber.
15 See the response to question 12.

16 56. Does Verizon track or maintain data on the number of customers and the amount
17 of revenue it has lost due to increased competition in Florida as a result of the
18 passage of the Telecommunications Act of 1996? If so, how many customer and
19 how much revenue did Verizon lose in the period 1996-2000?

20 **Response**

21 It would be impossible for Verizon to accurately track such information. For
22 instance, Verizon does not know how many customers it would have gained, but
23 didn't, because of competition. It also doesn't know the amount of revenue it could
24 have received from any given customer lost to a competitor. As explained above,
25 Verizon does maintain information on the number of resold lines, UNE loops and
26 UNE-Ps; however, this data is reported on a line basis, not by customer, and
27 represents only a fraction of the total lost lines since it does not include the number
28 of lines lost due to network bypass and substitute technologies such as wireless
29 and cable.

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1 density grids, the road feet adjustment factor is not applied. The plant mix inputs
2 affect the placement costs of the cable as well as the quantity of poles, pull boxes,
3 manholes and conduit placed.

4 65. Is the network protected in Verizon's cost model a packet switched network or a
5 circuit switch-based network?

6 **Response**

7 ICM models a circuit switched network for voice services.

8 66. Identify all existing remotes and concentrators by exchange in Florida.

9 **Response**

10 Verizon Florida has undertaken a special study to compile the current list of
11 remotes and concentrators in the Florida service area.

12 The following information is Company confidential.

13 The list of Central Office remotes, which currently operate as remote switches is:

14
15
16
17
18
19

20 The current list of concentrators by exchange is as follows.

21	A	B
22	Exchange	Concentrators
23		
24		
25		
26		
27		
28		

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A

B

67. Identify all remotes and concentrators by exchange projected in the network in Verizon's cost model.

1 Response

2 The following information is Company confidential.

3 The remote switches are the following wire centers:

	<u>A</u>	<u>B</u>	<u>C</u>
4	<u>CLLI</u>	<u>NAME</u>	<u>Switch Type</u>

- 5
- 6
- 7
- 8
- 9
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17 ICM-FL models DLCs in each wire center as shown below:

	<u>A</u>	<u>B</u>	<u>C</u>
18	<u>CLLI</u>	<u>NAME</u>	<u>Number of DLCs</u>

- 19
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29 68. Discuss the capacity considerations of SONET rings.

30 **Response**

31 SONET rings are sized to accommodate the total interoffice traffic offered, both
32 switched and non-switched.

33 69. Explain how the model would be modified if additional parties were to add to a
34 structure. For example, if an additional party added cable to a pole how would
35 the new structure sharing rates be determined.