

ORIGINAL



Richard A. Chapkis  
Vice President -- General Counsel, Southeast Region  
Legal Department

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

Phone 813 483-1256  
Fax 813 273-9825  
[richard.chapkis@verizon.com](mailto:richard.chapkis@verizon.com)

106 East College Avenue, Suite 810  
Tallahassee, FL 32301

Phone 850.222.6300  
Fax 850.222.2912

September 23, 2003

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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Re: Docket No. 030867-TL  
Petition of Verizon Florida Inc. to Reform Its Intrastate Network Access and Basic  
Local Telecommunications Rates in Accordance with Florida Statutes, Section  
364.164

Dear Ms. Bayo:

Please find enclosed for filing an original and 15 copies of Verizon Florida Inc.'s  
Response to Citizens' First Motion to Compel Production of Documents in the above  
matter. Service has been made as indicated on the Certificate of Service. If there are  
any questions regarding this filing, please contact me at 813-483-1256.

Sincerely,

*Richard Chapkis/BF*  
Richard Chapkis

RC:tas  
Enclosures

AUS \_\_\_\_\_  
CAE \_\_\_\_\_  
CMP \_\_\_\_\_  
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that copies of Verizon Florida Inc.'s Response to Citizens' First Motion to Compel Production of Documents in Docket No. 030867-TL were sent via electronic mail and hand-delivery(\*) or overnight delivery(\*\*) on September 23, 2003 to:

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

Nancy White c/o Nancy Sims(\*\*)  
BellSouth Telecomm. Inc.  
150 S. Monroe Street, Suite 400  
Tallahassee, FL 32301-1556

Tracy Hatch(\*\*)  
AT&T  
101 N. Monroe, Suite 700  
Tallahassee, FL 32301

Michael Gross(\*\*)  
Florida Cable Telecomm. Assn.  
246 East 6<sup>th</sup> Avenue  
Tallahassee, FL 32303

Susan Masterton(\*\*)  
Charles Rehwinkel  
Sprint-Florida  
1313 Blairstone Road  
MC FLTLHO0107  
Tallahassee, FL 32301


Donna McNulty(\*\*)  
MCI WorldCom, Inc.  
1203 Governors Square Blvd.  
Suite 201  
Tallahassee, FL 32301-2960

Charles J. Beck(\*)  
H. F. Mann  
Office of Public Counsel  
111 W. Madison Street, Room 812  
Tallahassee, FL 32399-1400

John Fons(\*\*)  
Ausley & McMullen, P.A.  
227 South Calhoun Street  
Tallahassee, FL 32302

Michael B. Twomey(\*\*)  
AARP  
8903 Crawfordsville Road  
Tallahassee, FL 32305

Mark Cooper(\*\*)  
AARP  
504 Highgate Terrace  
Silver Spring, MD 20904

  
Richard Chapkis

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition of Verizon Florida Inc. to Reform )  
Its Intrastate Network Access and Basic Local )  
Telecommunications Rates in Accordance with )  
Florida Statutes, Section 364.164 )  
\_\_\_\_\_ )

Docket No. 030867-TL  
Filed: September 23, 2003

**VERIZON FLORIDA INC.'S RESPONSE TO CITIZENS'  
FIRST MOTION TO COMPEL PRODUCTION OF DOCUMENTS**

Verizon Florida Inc. (Verizon) respectfully submits this Response to Florida Citizens' (Citizens) First Motion to Compel Production of Documents (Motion to Compel).

**I. INTRODUCTION**

This case involves the specific issues to be considered by the Commission under Section 364.164(1), Florida Statutes.<sup>1</sup> The Citizens have served an overbroad and burdensome request seeking documents that are: (1) beyond the scope of the issues to be considered by the Commission; and (2) outside the discovery limitations established by the Legislature. Notwithstanding the oppressive nature of the Citizens' document request, Verizon has produced all non-privileged, documents in its possession that relate to the issues that are appropriately considered in this proceeding. Accordingly, the Citizens' Motion to Compel should be denied in its entirety.

**II. VERIZON'S OBJECTIONS TO CITIZENS' DOCUMENT REQUESTS ARE PROPER AND SHOULD BE SUSTAINED.**

As an initial matter, the Citizens take issue with Verizon's use of general objections. Nothing contained within Order No. PSC-03-0994-POC-TL precludes the use of general objections, and in light of the expedited discovery timeframes in this proceeding, Verizon's use of general objections – in which it lists standard discovery objections and reserves its

<sup>1</sup> Hereinafter, all statutory references are to the Florida Statutes.

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rights – is entirely appropriate. See, e.g., Order No. PSC-03-0223-PCO-TP and Order No. PSC-02-1613-PCO-GU (prior proceedings in which parties availed themselves of general objections without any FPSC preclusion or prohibition concerning such use).

In this instance, Verizon has not withheld any documents based on its general objections. Verizon has interposed specific objections to requests that seek documents outside the proper scope of discovery, and Verizon has only exercised its right not to produce documents where it has interposed specific objections.

In order to present a self-contained document, Verizon first states verbatim the Request, Verizon's objection and Public Counsel's argument supporting why documents should be produced. Verizon then demonstrates why production should not be required. As discussed below, Verizon's specific objections are well founded and should be sustained.

**Request No. 1:**

Provide Verizon Wireless's intrastate access rates and associated terms and conditions for each wireless and Interexchange carrier for which Verizon Wireless interconnects in Florida.

**Specific Objection to Request No. 1:**

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this request on the grounds that it seeks information relating to entities other than Verizon Florida Inc. and therefore is overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules. Verizon also objects to this request on the grounds that it seeks documents belonging to an entity that is not within the jurisdiction of this Commission. Moreover, Verizon objects to this request on the grounds

that it seeks information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3). The information sought in this request is not discussed in Verizon's Petition or the testimony of its witnesses. Finally, Verizon objects to this request on the grounds that it is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this proceeding. The information sought in this request has no bearing on the criteria the Commission must consider under Florida Statutes, Section 364.164(1).

**Citizens' Motion to Compel a Response to Request No. 1:**

Verizon has filed tariffs in this docket that purport to reduce its intrastate access charges by \$76.8 million and has provided extensive testimony regarding the increased competition it faces in the Florida telecommunications market. (See testimony of Verizon witness Leo. Page 14-16 of witness Leo's 1<sup>st</sup> exhibit quantify the impact of wireless competition with wireline services. On page 15, witness Leo's exhibit states "that wireless calling prices are already competitive with, and in some case better than, wireline calling rates." The Citizens seek relevant information in this POD in order to determine the part that access charges plays in the pricing of Verizon's competitive wireless services. Such comparative information is essential if the Commission is to make an informed decision that will shift \$76.8 million in access charges to Verizon's basic customers. Verizon has introduced this topic in its testimony and the Citizens have the right to test the assumptions that Verizon has introduced in support of its contention that the changes proposed by the company will benefit basic residential customers.

## **Verizon's Response to Citizens' Motion to Compel a Response to Request No. 1:**

The Citizens fail to address two of Verizon's specific objections. Verizon objected to this request on the grounds that it seeks documents (1) relating to an entity other than Verizon Florida Inc. and (2) belonging to an entity that is not within the jurisdiction of the Commission. These objections are proper and unchallenged and therefore should be sustained.

Moreover, the Citizens fail to show that this request seeks documents within the scope of discovery allowable under Section 364.164(3). That subsection provides that:

Any discovery or information requests under this section shall be limited to a verification of historical pricing units necessary to fulfill the commission's specific responsibilities under this section of ensuring that the company's rate adjustments make the revenue category revenue neutral for each annual filing.<sup>2</sup>

In other words, the Citizens must limit their discovery requests to the verification of historical pricing units; they cannot engage in a "fishing expedition," as they have done here.

The Citizens also fail to show that this request seeks documents within the scope of discovery allowable under Section 364.164(1). That subsection provides that the Commission shall consider whether granting Verizon's Petition will:

- 1) remove current support for basic local telecommunications services that prevents the creation of a more attractive competitive local exchange market for the benefit of residential consumers;
- 2) induce enhanced market entry;
- 3) require intrastate switched network access rate reductions to parity over a period of not less than two years or more than four years; and

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<sup>2</sup> Emphasis added.

4) be revenue neutral.

Because the documents sought by this request are not relevant to any of the foregoing issues, they are not the proper subject of discovery.

Even if the Commission broadly construes Subsections 364.164(1) and (3) to mean that discovery is limited to issues addressed in Verizon's Petition (which it should not), Citizens' attempt to compel a response to this request should be rejected. Verizon's Petition does not focus on whether reducing wireless access charges would create a more attractive competitive local exchange market and/or induce enhanced market entry by enhancing the ability of wireless carriers to compete with Verizon. Rather, Verizon's Petition explains that increasing basic local rates will make basic local customers more attractive targets to competitors, including wireless competitors. Therefore, wireless intrastate access rates and associated terms are beyond the scope of discovery permitted in this proceeding.

**Request No. 4:**

Please provide all documents in your possession, custody or control discussing or evaluating the impact of rate rebalancing in general, or the rate rebalancing petition you filed in this proceeding, on customers' bills.

**Specific Objection to Request No. 4:**

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this request on the grounds that it seeks documents that are exempt from discovery under the attorney-client and work product privileges.



**Citizens' Motion to Compel a Response to Request No. 4:**

Consistent with Rule 1.280(b)(5) of the Florida Rules of Civil Procedure, the first instruction included in Citizens' first request for documents stated the following:

If any document is withheld under any claim of privilege, please furnish a list identifying each document for which privilege is claimed, together with the following information: date, sender, recipients, recipients of copies, subject matter of the document, and the basis upon which such privilege is claimed.

Verizon's objections based on claims of privilege ignore Rule 1.280(b)(5), Florida Rules of Civil Procedure, which provides that when a party responds to a discovery request with a claim of privilege, the party "shall describe the nature of the documents, communications, or things not produced or disclosed in a manner that, without revealing the information itself privileged or protected, will enable other parties to assess the applicability of the privilege or protection." Rule 28-106.206, F.A.C., makes Rule 1.280(b)(5) of the Florida Rules of Civil Procedure directly applicable to this proceeding. Citizens' discovery instructions requiring the Company to identify documents withheld on account of a claim of privilege merely implement the provisions of the Florida Rules of Civil Procedure; the Company, in its response, has failed to identify such documents, even though it is required to do so by the Florida Rules of Civil Procedure.

Additionally, work product is not automatically exempt from discovery, but rather may be subject to discovery upon a proper showing pursuant to Florida Rule of Civil Procedure 1.280(b)(3).

**Verizon's Response to Citizens' Motion to Compel a Response to Request No. 4:**

The Citizens' claim that Verizon ignored Rule 1.280(b)(5) of the Florida Rules of Civil Procedure is flatly incorrect. Prior to the date on which Public Counsel filed its Motion to

Compel, Public Counsel sent Verizon an e-mail asking whether Verizon would produce a privilege log. Verizon responded that it would, and Verizon served Public Counsel with a privilege log on September 19, 2003. That privilege log makes clear that the documents responsive to this request are protected from disclosure by the attorney-client and work-product privileges. Public Counsel has made no showing to the contrary, and therefore has no basis to compel the production of the documents listed on the privilege log.

**Request No. 5:**

Please provide all documents in your possession, custody or control discussing or showing the mean, median, or other distribution of customer intrastate long distance calling in Florida.

**Specific Objection to Request No. 5:**

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this request on the grounds that it seeks documents that are exempt from discovery under the attorney-client and work product privileges.

**Citizens' Motion to Compel a Response to Request No. 5:**

See Citizens' Response to Request No. 4.

**Verizon's Response to Citizens' Motion to Compel a Response to Request No. 5:**

See Verizon's Response to Citizens' Motion to Compel a Response to Request No. 4.

**Request No. 6:**

Please provide all documents in your possession, custody or control discussing or evaluating the typical, average, or median bill of customers for local telecommunications services, including ancillary services.

**Specific Objection to Request No. 6:**

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this request on the grounds that it seeks documents that are exempt from discovery under the attorney-client and work product privileges.

**Citizens' Motion to Compel a Response to Request No. 6:**

See Citizens' Response to Request No. 4.

**Verizon's Response to Citizens' Motion to Compel a Response to Request No. 6:**

See Verizon's Response to Citizens' Motion to Compel a Response to Request No. 4.

**Request No. 8:**

Please provide all documents in your possession, custody or control discussing or evaluating criteria or business cases for entering new markets in Florida for local telecommunications services.

**Specific Objection to Request No. 8:**

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this request on the grounds that it seeks information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3). In its Petition and supporting testimony, Verizon discusses how its plan will affect competition in its territory, not the territories of the other incumbent local exchange carriers.

**Citizens' Motion to Compel a Response to Request No. 8:**

Verizon's petition states, "Because Verizon's rate rebalancing plan advances the public interest by spurring competition and creating a more attractive local exchange market for residential consumers." The internal plans of Verizon regarding the reasons

why it has not yet entered the residential markets readily available to them in Florida, and its future commitments and plans to either enter those markets or continue to fail serving them is critical for this Commission to understand whether the company is simply making speeches or aggressively pursuing actions that will achieve a fully competitive residential telephone market in Florida.

**Verizon's Response to Citizens' Motion to Compel a Response to Request No. 8:**

This discovery request runs afoul of the discovery limitations imposed by Subsection 364.164(1). Whether Verizon "is aggressively pursuing actions that will achieve a fully competitive residential telephone market in Florida" is not one of the four issues to be considered by the Commission under Section 364.164(1). Therefore, it is futile to argue, as the Citizens do, that the request seeks information that is "critical" to understanding that issue.

Moreover, this discovery request is prohibited by the discovery limitations imposed by Section 364.164(3). Even if the Commission broadly construes that subsection to mean that discovery is limited to issues addressed in Verizon's Petition, as opposed to the verification of historical pricing units (which it should not), Citizens' attempt to compel a response to this request should be rejected. Verizon's Petition explains how rebalancing its retail rates will promote competition in its service territory by enhancing the ability of competitors to enter and serve its basic local customers. Bell South and/or Sprint's service territories are not the subject of Verizon's Petition. Accordingly, Verizon should not be required to respond to this request.

**Request No. 11:**

Please provide all Verizon internal data and documents reviewed by Evan T. Leo in preparation of his testimony or exhibit.

**Specific Objection to Request No. 11:**

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this request on the grounds that it seeks confidential and customer proprietary information. Subject to the foregoing objection, Verizon will produce responsive documents in accordance with the Commission's confidentiality procedures.

**Citizens' Motion to Compel a Response to Request No. 11:**

The Citizens assume Verizon's objection to mean that it intends to comply with this production request, in compliance with the Commission's confidentiality procedures, notwithstanding the Company's recital of its superfluous "initial" and "preliminary" objections and its assertion of a specific objection based upon confidential and proprietary information. In the event that Verizon's meaning is something other than that it will comply with the request, Citizens emphasize that the Company's recourse is to follow the Prehearing Officer's direction that is set forth in his Order Establishing Procedure.

**Verizon's Response to Citizens' Motion to Compel a Response to Request No. 11:**

Verizon has already produced all documents that are responsive to this request.

**Request No. 15:**

Provide all studies or other documents concerning the companies choices for products and services that would be increased in order to obtain revenue neutral recovery of the access line reductions requested in this docket.

**Specific Objection to Request No. 15:**

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this request on the grounds that it seeks documents that are exempt from discovery under the attorney-client and work product privileges.

**Citizens' Motion to Compel a Response to Request No. 15:**

See Citizens' Response to Request No. 4.

**Verizon's Response to Citizens' Motion to Compel a Response to Request No. 15:**

See Verizon's Response to Citizens' Motion to Compel a Response to Request No. 4.

**Request No. 16:**

Provide all cost studies or other documents completed since January 1, 1998 the company used to evaluate and quantify the existing cost of intrastate switched network access.

**Specific Objection to Request No. 16:**

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this request on the grounds that it is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this proceeding. Pursuant to Section 364.164(1)(i), the Commission must consider whether granting Verizon's plan will remove support for Verizon's basic local telecommunications services. The cost of intrastate switched network access does not bear on this criterion or any of the other criteria the Commission must consider under Florida Statutes, Section 364.164(1).

**Citizens' Motion to Compel a Response to Request No. 16:**

The cost of switched network access is highly relevant to this docket and it is surprising that Verizon has failed to have already introduced its cost studies to demonstrate the amount of support its access services are contributing to basic telecommunications services. Section 364.164 requires the Commission to consider whether the Company's petition will remove such support. If the Company is to meet its burden of proof regarding this criterion, the cost studies supporting its filing are absolutely critical for the Commission to make an informed determination. Additionally, Verizon continues to be subject to Section 364.3381 (1), (2) and (3), Florida Statutes (2002), that requires it to ensure that all of its services cover their respective costs, and do not result in subsidy from basic local telecommunications services and are not anti-competitive. Accordingly, for the Commission to fulfill its responsibility of weighing the benefits and detriments that basic residential service ratepayers will experience as a result of the Company's filing, a review of these cost studies is necessary.

Furthermore, Verizon's witness, Mr. Fulp, states that "The Rate Rebalancing Plan Removes Current Support for Basic Local Telecommunications Services" (See Page 19, Lines 18-19), and then attempts to demonstrate this fact by providing a cost study of basic local exchange service. Since any support for basic local exchange service, if in fact there is any, could emanate from any or all of the Company's broad spectrum of service offerings, it is Verizon's to demonstrate the amount of support that comes from access services if it is to prove that the changes it recommends are beneficial to basic residential service customers and in compliance with section 364.164.

**Verizon's Response to Citizens' Motion to Compel a Response to Request No. 16:**

Subsection 364.164(1)(i) provides that the Commission shall consider whether granting Verizon's Petition will "remove current support for basic local telecommunications services that prevents the creation of a more attractive competitive local exchange market for the benefit of residential customers." Because this request seeks information regarding an issue that is outside the scope of Subsection 364.164(1) (i.e. the source of the support), this request seeks information that is outside the scope of the issues deemed relevant by the Legislature, and thus outside the scope of discovery. That Verizon continues to be subject to Subsections 364.3381 (1), (2) and (3) of the Florida Statutes is wholly irrelevant to this proceeding.

**Request No. 17:**

Referring to the testimony of witness Fulp, please provide copies of all regulatory decisions received by Verizon in its operating territory since January 1, 2001 where regulatory agencies did not agree with the recommendations of Verizon witnesses TSLIRIC based cost study proposals.

**Specific Objection to Request No. 17:**

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this request on the grounds that it seeks documents that are in the public record and thus are equally available to Citizens. Moreover, Verizon objects to this request on the grounds that it seeks information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3).



**Citizens' Motion to Compel a Response to Request No. 17:**

Witness Fulp has worked for Verizon (GTE) since 1991, when he became the Manager-Access Pricing for GTE Telephone Operations and he has submitted testimony before 12 state commissions over that period of time. (Page 2, L3-18) The Citizens are asking Verizon to produce information that is well known to the witness, is readily available to the company, and is essential for the Commission to consider, so that Mr. Fulp's testimony before this Commission may be properly evaluated in light of his testimony regarding TSLRIC-based cost studies before other regulatory agencies.

**Verizon's Response to Citizens' Motion to Compel a Response to Request No. 17:**

This request seeks all decisions, without any limitation as to time, where a regulatory agency disagreed with a TSLRIC cost study submitted by any Verizon witness. Nevertheless, in its Motion to Compel, the Citizens appear to be limiting this request to instances in which a regulatory agency disagreed with a TSLRIC cost study submitted by Verizon witness Fulp. If the Citizens agree to so limit this request, Verizon will produce the responsive documents, if any, in its possession.

**Request No. 18:**

Provide all studies made by Verizon since January 1, 1998 that calculate the costs of basic residential service in Florida or any other Verizon state based on an assumption that the loop costs are common costs shared by all services, including vertical services and interstate and intrastate access services.

**Specific Objection to Request No. 18:**

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this request on the grounds that it seeks information relating to entities

other than Verizon Florida Inc. and therefore is overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules. Finally, Verizon objects to this request on the grounds that it seeks information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3). The cost of basic residential telephone service in other states is not discussed in Verizon's Petition or the testimony of its witnesses. Subject to the foregoing objections, Verizon will identify responsive studies, if any, made by Verizon Florida Inc. since January 1, 1998.

**Citizens' Motion to Compel a Response to Request No. 18:**

Verizon objects to providing cost studies in this docket that have been completed in other jurisdictions. Contrary to the Company's assertion, Verizon's witnesses, Gordon and Danner, freely utilize data from jurisdictions outside of Florida in an attempt to bolster their market testimony. Mr. Danner specifically refers to the pricing reform order of 1994, by the California Public Utility Commission that was similar to the price increase proposed here by Verizon in the Florida case. (Page 25, line 22; Page 26-line 17) The Citizens are requesting the cost studies the Company has used to help establish its case in other jurisdictions, such as California, and if the Company is going to use arguments made in those jurisdictions to bolster its testimony here, then the Commission and the Citizens need to know the alleged facts that were submitted in those cases by Verizon. The information requested here is both well known to the witness and readily available to Verizon.

It is noted also that, contrary to the Company's assertion, witness Gordon refers extensively to state policies pricing basic local service "below cost" in a number of states and the resultant frustrations of the policy goal of Federal and state regulators because of the continuation of those policies. (Page 8, lines 10-20). Mr. Gordon's testimony compares

Florida rates to national average rates (Page 10, table 1), despite the fact that the statute says nothing about the cost of telephone services in other parts of the country. Witness Gordon even calculates the ranking of Florida rates compared with those of Georgia, Alabama, Louisiana and Virginia, yet the Company seeks to prevent the Citizens from obtaining similar cost comparisons for the Commission's consideration.

**Verizon's Response to Citizens' Motion to Compel a Response to Request No. 18:**

The Citizens argue that Verizon should be compelled to produce out-of-state cost studies that allocate the cost of the loop to all services because Verizon has referred to decisions from other states and the experiences of its witnesses in other states. This argument should be rejected. Verizon referred to out-of-state orders and the experiences of its witnesses in other states to demonstrate that granting its petition will: (1) remove current support for basic local telephone services that prevents the creation of a more attractive competitive local exchange market for the benefit of residential customers; and (2) induce enhanced market entry. It did not refer to this information to address the loop allocation theory. Accordingly, even if the Commission broadly construes Subsections 364.164(1) and (3) to mean that discovery is limited to issues addressed in Verizon's Petition (which it should not), this request falls outside the scope of permissible discovery.

**Request No. 19:**

Please provide the results of all Verizon cost studies developed in Florida or other Verizon states for bundled services since January 1, 2000, where the basic residential local exchange service component was bundled with additional products and services and provided at a single reduced rate.

**Specific Objection to Request No. 19:**

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this request on the grounds that it is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this proceeding. Pursuant to Florida Statutes Section 364.164(1)(i), the Commission must consider whether Verizon's basic residential local telecommunications services receive support, not whether bundles that include residential local telecommunications services receive support. Bundles that include residential local telecommunications services are classified under Verizon's price-cap plan as non-basic services, and therefore are not relevant to the rebalancing of basic local telecommunications rates in accordance with Section 364.164. Moreover, Verizon objects to this request on the grounds that it seeks information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3). Bundled services are not discussed in Verizon's Petition or the testimony of its witnesses.

**Citizens' Motion to Compel a Response to Request No. 19:**

Verizon has filed a request for \$71.4 million in increased rates for basic residential service customers in Florida, alleging that the price of residential service is below its cost. The Citizens and the Commission should have a right to review all of Verizon's cost studies that characterize the revenue/cost relationships of basic residential services, including those instances where Verizon has specifically introduced competitive package plans that include the basic residential service component. This information is highly relevant and extremely critical to the evaluation of the benefits or the harm that basic residential telecommunication customers will experience as a result of the Verizon petition.

Furthermore, the testimony of witness Leo, page 17, Table VI, includes specific references to bundled service offerings of six Florida competitors. Consequently, our request is relevant to Verizon's testimony.

**Verizon's Response to Citizens' Motion to Compel a Response to Request No. 19:**

This discovery request runs afoul of the discovery limitations imposed by Subsection 364.164(1). As Verizon stated in its specific objections, under Subsection 364.164(1)(i), the Commission must consider whether granting Verizon's Petition will remove support for basic local services. Bundles that include residential local telecommunications services are not basic local services as defined in Section 364. Consequently, such services are outside the scope of the issues to be considered by the Commission under Subsection 364.164(1)(i).

The Citizens argue that Verizon should be compelled to respond to this request because Citizens is seeking information regarding the "revenue/cost relationships of basic residential services." The Citizens' reliance on this argument is misplaced. Given that bundles are non-basic services, cost studies for bundled services have no bearing on the "revenue/cost relationship of basic services." Moreover, the "revenue/cost relationship of basic residential services" is not germane to any issue deemed relevant by the Legislature under Section 364.164(1).

This request is also prohibited by the discovery limitations imposed by Section 364.164(3). Even if the Commission broadly construes this subsection to mean that discovery is limited to issues addressed in Verizon's Petition, as opposed the verification of historical pricing units (which it should not), Verizon should not be required to respond to this request because bundle costs are not addressed in its Petition.

**Request No. 20:**

Please provide copies of all documents in the company's possession relating to the average long distance bill of the company's residential subscribers.

**Specific Objection to Request No. 20:**

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this request on the grounds that it seeks documents that are exempt from discovery under the attorney-client and work product privileges.

**Citizens' Motion to Compel a Response to Request No. 20:**

See Citizens' Response to Request No. 4.

**Verizon's Response to Citizens' Motion to Compel a Response to Request No. 20:**

See Verizon's Response to Citizens' Motion to Compel a Response to Request No. 4.

**Request No. 21:**

Please provide copies of all documents in the company's possession relating to the number or percentage of customers who do not make a long distance call during a given month or any documents that quantify low usage long distance customers.

**Specific Objection to Request No. 21:**

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this request on the grounds that it seeks documents that are exempt from discovery under the attorney-client and work product privileges.

**Citizens' Motion to Compel a Response to Request No. 21:**

See Citizens' Response to Request No. 4.

**Verizon's Response to Citizens' Motion to Compel a Response to Request No. 21:**

See Verizon's Response to Citizens' Motion to Compel a Response to Request No. 4.

**Request No. 22:**

Please provide copies of all documents in the company's possession relating to the relationship between the proposed increase for residential customers and the average savings those customers will gain in reduced long distance rates.

**Specific Objection to Request No. 22:**

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this request on the grounds that it seeks documents that are exempt from discovery under the attorney-client and work product privileges.

**Citizens' Motion to Compel a Response to Request No. 22:**

See Citizens' Response to Request No. 4.

**Verizon's Response to Citizens' Motion to Compel a Response to Request No. 22:**

See Verizon's Response to Citizens' Motion to Compel a Response to Request No. 4.

**Request No. 23:**

Please provide all documents in the company's possession relating to elasticity of demand for residential services resulting from the proposed rate increases in this docket.

**Specific Objection to Request No. 23:**

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this request on the grounds that it is not limited to any stated period of time and, therefore, is overly broad and unduly burdensome. Moreover, Verizon objects to

this request on the grounds that it is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this proceeding. The legislation provides that revenues shall be calculated using the most recent 12 months demand units and multiplying that number by the price of the service as of January 1, 2003. Finally, Verizon objects to this request on the grounds that it seeks information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3). The information sought in this request is not discussed in Verizon's Petition or the testimony of its witnesses.

**Citizens' Motion to Compel a Response to Request No. 23:**

Verizon states five reasons why this POD request should not be granted and none of them has any merit. This request seeks to determine whether Verizon has calculated in this docket how many residential customers it will lose as a result of the price increases it has proposed. The issue goes squarely to the question of whether the proposals by Verizon will benefit or harm Florida customers. Citizens believe that every single residential customer who is forced to leave the network due to Verizon's proposal, is harmed. The Citizens have a right to know what Verizon's analysis has produced in this regard.

**Verizon's Response to Citizens' Motion to Compel a Response to Request No. 23:**

As an initial matter, Citizens fails to address Verizon's objection that the request is overbroad and unduly burdensome on the grounds that it is not limited to any stated period of time. This objection is proper and unchallenged and therefore should be sustained.

Moreover, the Citizens fail to show that this request seeks documents within the scope of discovery allowable under Sections 364.164(1) and (3). The Citizens argue that



this request is relevant to determining whether granting Verizon's rate rebalancing plan will benefit customers because this request bears on how many customers Verizon will lose if its Petition is granted. The Citizens' argument is wrong. First, a showing that customers may leave Verizon in response to an increase in basic local rates does not show customer harm. Customers that leave Verizon may not be leaving the network, as the Citizens suggest, but may instead be switching to another provider. Second, the broad issue of whether Verizon's rate rebalancing plan will benefit or harm customers is not before the Commission. Rather, the Legislature tasked the Commission with deciding the narrow issue of whether granting Verizon's Petition "will remove current support for basic local telecommunications services that prevents the creation of a more attractive competitive local exchange market for the benefit of residential consumers." Discovery relating to elasticity of demand for residential services has no bearing on that narrow issue.

Subject to the foregoing, Verizon has determined that it has not conducted any studies, and does not possess any documents, relating to elasticity of demand for residential services resulting from the proposed rate increases in this docket.

**Request No. 24:**

Provide all Verizon documents produced since 1990 that characterize, describe or quantify the elasticity of demand for basic residential services.

**Specific Objection to Request No. 24:**

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this request on the grounds that it is overbroad and unduly burdensome with respect to the stated period of time. Moreover, Verizon objects to this request on the grounds that it is not reasonably calculated to lead to the discovery of admissible evidence

and is not relevant to the subject matter of this proceeding. The legislation provides that revenues shall be calculated using the most recent 12 months demand units and multiplying that number by the price of the service as of January 1, 2003. Finally, Verizon objects to this request on the grounds that it seeks information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3). The information sought in this request is not discussed in Verizon's Petition or the testimony of its witnesses.

**Citizens' Motion to Compel a Response to Request No. 24:**

See Citizens' response to Request No. 23. Citizens agree that this request may seem overly broad and thus clarifies its request to limit any residential elasticity of demand analyses that discuss overall residential elasticity that are readily available, plus the elasticity of demand analysis used in its last general rate case in Florida, Docket No. 920188-TL.

**Verizon's Response to Citizens' Motion to Compel a Response to Request No. 24:**

See Verizon's Response to Citizens' Motion to Compel a Response to Request No. 23.

**Request No. 25:**

Provide all documents that identify, by month, the number of residential customers in Florida who have been temporarily denied due to non-payment for year 2000, 2001 and 2002.

**Specific Objection to Request No. 25:**

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this request on the grounds that it seeks information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3). The number

of residential customers in Florida who have been temporarily denied due to non-payment is not discussed in Verizon's Petition or the testimony of its witnesses. Moreover, Verizon objects to this Request on the grounds that it is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this proceeding. In short, the information sought does not bear on the criteria the Commission must consider under Florida Statutes, Section 364.164(1).

**Citizens' Motion to Compel a Response to Request No. 25:**

Verizon witness Gordon states that the Verizon proposal will not make (residential) service unaffordable to Florida consumers. (Page 12, line 10-20) Likewise, Section VI of witness Danner's testimony, starting on Page 26, goes to great lengths to show that Verizon's proposed price increases will not cause "notable difficulties for customers." The beginning point for the evaluation of customer harm is the current number of residential customer disconnections for non-payment that Verizon is experiencing at the present rates. This information is vital if the Commission is to understand fully the implications for customers resulting from the Verizon proposals in this docket.

**Verizon's Response to Citizens' Motion to Compel a Response to Request No. 25:**

After reviewing Citizens' reasons for moving to compel a response to this request, Verizon has determined that it does not track the number of its residential customers in Florida who have been temporarily denied due to non-payment. However, Verizon does track the total number of residential and business customers (combined) who have been temporarily denied for non-payment. Accordingly, Verizon will provide the total number of residential and business customers in Florida who have been temporarily denied due to non-payment for the years that it maintains this data.

**Request No. 26:**

Provide all documents that identify, by month, the number of residential customers in Florida who have been disconnected for non-payment for year 2000, 2001 and 2002.

**Specific Objection to Request No. 26:**

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this request on the grounds that it seeks information precluded from discovery by the limitations imposed by Florida Statutes, Section 364.164(3). The number of residential customers in Florida who have been disconnected for non-payment is not discussed in Verizon's Petition or the testimony of its witnesses. Moreover, Verizon objects to this Request on the grounds that it is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this proceeding. In short, the information sought does not bear on the criteria the Commission must consider under Florida Statutes, Section 364.164(1).

**Citizens' Motion to Compel a Response to Request No. 26:**

See response to Request No. 25.


**Verizon's Response to Citizens' Motion to Compel a Response to Request No. 26:**

After reviewing Citizens' reasons for moving to compel a response to this request, Verizon has determined that it does not track the number of its residential customers in Florida who have been disconnected due to non-payment. However, Verizon does track the total number of residential and business customers (combined) who have been disconnected for non-payment. Accordingly, Verizon will provide the total number of residential and business customers in Florida who have been disconnected due to non-payment for the years that it maintains this data.

### III. CONCLUSION

For the foregoing reasons, the Commission should deny Citizens' Motion to Compel in its entirety.

Respectfully submitted on September 23, 2003.

By:   
RICHARD A. CHAPKIS  
201 North Franklin Street, FLTC0717  
P. O. Box 110  
Tampa, FL 33601  
Tel: 813-483-1256  
Fax: 813-273-9825  
e-mail: [richard.chapkis@verizon.com](mailto:richard.chapkis@verizon.com)

Attorney for Verizon Florida Inc.