

INTERROGATORIES

060763-TP

20. Is Embarq providing unbundled local loops to any facilities-based CLEC in the Naples area? If so, please identify the CLEC(s).

Response: Yes. [REDACTED]

21. To Embarq's knowledge, are there any facilities-based CLECs providing voice service in the Naples area without using Embarq UNE loops? If so, please identify the CLEC(s).

Response: Embarq does not have specific knowledge of the business plans of all potential competitors in the Naples area or the types and location of their facilities. Embarq is aware that [REDACTED]

22. To Embarq's knowledge, do any of the CLECs identified in response to Interrogatories 20 or 21 serve areas contiguous to Treviso Bay? If so, please identify the CLEC(s).

Response: Embarq does not have specific knowledge of the business plans of all potential competitors in the Naples area, the location of their facilities or their ability to serve areas contiguous to Treviso Bay. Embarq is aware of the following CLECs providing service in the Fort Myers/Naples area:

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- RCA _____
- SCR _____
- SGA _____
- SEC _____
- OTH _____

[REDACTED]

In addition, Embarq is aware that other competitors, including Comcast and other VoIP-based providers, while not certified as CLECs, are providing voice services in areas contiguous to Treviso Bay.

(a) Does Embarq currently serve customers residing in any private gated communities in the Naples area?

Response: Likely yes, although Embarq has not performed any analysis specifically looking for "private gated communities". Conducting such an analysis would be a manual

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an effectively zero probability of the 100% Embarq customer and voice bundle penetration assumptions occurring.

3. Admit or deny that setting the penetration rate at 75% and Percent Buying Bundle at 100%, while holding all else constant, yields a positive cumulative NPV.

Response: Denied. While the mathematical result of the postulated 75% penetration for customers and 100% purchase of bundles yields a positive cumulative NPV, Embarq denies that this mathematical exercise yields a positive NPV relative to Embarq's petition given what Embarq believes to be an effectively zero probability of the assumed Embarq customer and voice bundle penetration assumptions occurring.

4. Admit or deny that setting the penetration rate at 50% and Percent Buying Bundle at 100%, while holding all else constant, yields a positive cumulative NPV.

Response: Denied. While the mathematical result of the postulated 50% penetration for customers and 100% purchase of bundles yields a positive cumulative NPV. Embarq denies that this mathematical exercise yields a positive NPV relative to Embarq's petition given what it believes to be an effectively zero probability of the assumed Embarq customer and voice bundle penetration assumptions suggested in this request for admission actually occurring. Embarq further denies the mathematical exercise as it does not reflect the impacts of customer churn and price declines that Embarq noted were not reflected in its NPV analysis for simplicity sake, having already demonstrated unworkable economics without inclusion of these additional negative impacts. Further, the Cost of Capital assumptions utilized in the NPV analysis were also conservatively left at the average level that Embarq predicts relative to overall economic business opportunities. Were Embarq to attempt to finance the Treviso Bay construction project, it is likely financing would be unavailable or if available would be at a substantially higher cost than the cost conservatively used in Embarq's NPV analysis. Finally, Embarq would clarify that even the mathematical outcome resulting from the stated assumptions herein, requires capital outlays of approximately [REDACTED] and yet does not produce a positive NPV until year [REDACTED]. The inherent risk linked to this [REDACTED] year payback is a financial result that is not reasonably deemed a viable business opportunity, were it even to be an obtainable one, which it is not.

5. Admit or deny that setting the Revenue Per Sub equal to the sum of one bundle and one a la carte offering, while holding all else constant, yields a positive cumulative NPV.

Response: Embarq objects to this Request on the grounds that it is vague and ambiguous such that Embarq is unable to either admit or deny the statement. Specifically, the phrase "one a la carte offering" is not defined so that a revenue stream based on that assumption cannot be predicted.