

**REDACTED**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Complaint and request for emergency relief ) Docket No. 070691-TP  
 against Verizon Florida LLC for anticompetitive )  
 behavior in violation of Sections 364.01(4), 364.3381, )  
 and 364.10, F.S., and for failure to facilitate transfer )  
 of customers' numbers to Bright House Networks )  
 Information Services (Florida), LLC and its affiliate, )  
 Bright House Networks, LLC )

In re: Complaint and request for emergency relief ) Docket No. 080036-TP  
 against Verizon Florida LLC for anticompetitive )  
 behavior in violation of Sections 364.01(4), 364.3381, )  
 and 364.10, F.S., and for failure to facilitate transfer )  
 of customers' numbers to Comcast Phone of )  
 Florida, LLC d/b/a Comcast Digital Phone )

**DIRECT TESTIMONY OF ALAN F. CIAMPORCERO  
ON BEHALF OF VERIZON FLORIDA LLC**

**REDACTED**

- CMP   1
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- EOR \_\_\_\_\_
- GC \_\_\_\_\_
- OPC \_\_\_\_\_
- PCA \_\_\_\_\_
- SCR \_\_\_\_\_
- SCA \_\_\_\_\_
- SEC \_\_\_\_\_
- OTH \_\_\_\_\_

**MAY 30, 2008**

DOCUMENT NUMBER - DATE  
**04604 MAY 30 08**  
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1 broadband provider.” Moffett, *Project FiOS* at 3 (“we fully concur with  
2 the assessment that [FiOS] is a terrific product”). In its March 2008  
3 issue, *Consumer Reports* rated Verizon FiOS number one in the country  
4 for high-definition TV service. See *High-Def TV Service*, *Consumer*  
5 *Reports*, Mar. 2008, at 30 (attached as Exhibit AFC-4).

6

7 **Q. HAS THE ABILITY OF COMPETING PROVIDERS TO OFFER**  
8 **BUNDLED SERVICES AFFECTED THE COMMUNICATIONS**  
9 **MARKET?**

10 A. Yes. The ability to offer consumers multiple services has become  
11 important in the marketplace, because consumers increasingly insist on  
12 consolidating and reducing the number of their vendors. In addition,  
13 “bundling” involves significant efficiencies that allow multiple services to  
14 be provided at a lower overall cost than the provision of services on a  
15 stand-alone basis. Thus, providers that are able to offer multiple  
16 services can do so as lower-priced bundles that consumers value highly.  
17 Independent studies show that consumers value bundles both for the  
18 opportunity to receive discounts and also for the convenience of  
19 receiving a single bill for multiple services. A study conducted for  
20 Verizon in 2007 found that, of the consumers who have switched from  
21 Verizon to another provider, XX% did so in order to obtain a bundle of  
22 three services.

23

24 **Q. HAVE BRIGHT HOUSE AND COMCAST EXPERIENCED**  
25 **SUBSTANTIAL GAINS IN VOICE CUSTOMERS?**

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DIRECT TESTIMONY OF BETTE J. SMITH  
ON BEHALF OF VERIZON FLORIDA LLC

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1 the Southeast region, which includes Florida, South Carolina and North  
2 Carolina, in 2007 there were XXXXX customers in 2007 who elected to  
3 stay with or switch back to Verizon in response to a retention marketing  
4 offer. From January 1, 2008 to April 15, 2008, there were XXXXX  
5 customers in the Southeast region who elected to stay with or switch  
6 back to Verizon in response to a retention marketing offer.

7

8 **Q. WHY HAS VERIZON'S RETENTION MARKETING PROGRAM BEEN**  
9 **SUCCESSFUL?**

10 A. Verizon's retention marketing efforts have been successful for two basic  
11 reasons. First, Verizon provides consumers with information about  
12 Verizon's services that they may not have had at the time that they  
13 initially decided to switch providers. For example, some consumers who  
14 switch to a cable operator offering a bundle of voice, video, and high-  
15 speed Internet services are not aware that Verizon offers comparable  
16 bundles. Verizon's retention letters inform customers about this fact and  
17 ensure that consumers have all the information they need to make the  
18 best decision. Moreover, Verizon provides consumers information at the  
19 time they are likely to be most focused on their choice of provider, given  
20 their recent decision to switch, and often before they experience any  
21 inconvenience associated with making a switch (such as taking time off  
22 from work to wait for a service call).

23

24 **Q. WHAT IS THE SECOND REASON THE PROGRAM HAS BEEN**  
25 **SUCCESSFUL?**

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**DIRECT TESTIMONY OF PATRICK J. STEVENS  
ON BEHALF OF VERIZON FLORIDA LLC**

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1 experience, only a minority of LNP orders have a requested interval of  
2 three business days. For example, in 2007, only XXXX% of the LNP  
3 orders submitted by Bright House and XXXX% of the LNP orders  
4 submitted by Comcast requested an interval of 3 or fewer days. Cable  
5 companies often ask for extended periods to allow them to complete the  
6 necessary physical work at the customer's premises.

7

8 **Q. DOES VERIZON PUT THE TRIGGER IN PLACE ON TIME FOR LNP**  
9 **ORDERS?**

10 A. Yes. Verizon uses a process that puts the trigger in place for LNP  
11 orders upon the issuance of the internal retail order. Using this process,  
12 the trigger is established within 24 hours from the time the internal retail  
13 order is issued.

14

15 **Q. DOES VERIZON HAVE A RETAIL PROCESS THAT IT USES TO**  
16 **MAKE RETENTION MARKETING OFFERS TO CUSTOMERS?**

17 A. Yes. Verizon uses disconnect orders received by its retail organization  
18 to generate a lead list for retention marketing offers. This process is  
19 described in the Direct Testimony of Bette Smith.

20

21 **Q. WHEN A CUSTOMER ACCEPTS VERIZON'S RETENTION**  
22 **MARKETING OFFER, HOW DOES VERIZON INFORM THE OTHER**  
23 **CARRIER THAT VERIZON HAS RETAINED THE CUSTOMER?**

24 A. After the retention order verification process is complete, Verizon  
25 cancels the internal service order relating to the port request and

1 conflict code cannot be overridden by the competing provider. If the  
2 conflict code were not issued, the competing provider could attempt to  
3 override the customer's decision to remain with Verizon by attempting to  
4 proceed with the port. Use of a conflict code therefore ensures that the  
5 customer's wish to remain with Verizon will be honored. If the new  
6 service provider persuades the customer to switch after all – for  
7 example, by improving its offer to the customer – it can either seek  
8 resolution of the conflict code or, what is much more common, submit a  
9 new LSR.

10

11 **Q. DOES VERIZON DELAY PORTING NUMBERS TO ENGAGE IN THE**  
12 **RETENTION MARKETING PROGRAM?**

13 A. No. In 2007, Verizon completed the steps outlined above for XXXXX%  
14 of Bright House's and XXXXX% of Comcast's stand-alone porting  
15 requests on the requested due date.

16

17 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

18 A. Yes.

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