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1 JUDGE MACE: Let's be on the record in
2 Docket UT-023003. This is the review of unbundled
3 loop -- the review of unbundled loop and switching
4 rates and the review of deaveraged zone rate
5 structure, Docket Number UT-023003, which I just
6 indicated.

7 My name is Theodora Mace. I'm the
8 Administrative Law Judge assigned to the case. We're
9 going to have a number of people on the conference
10 bridge and we also have counsel in the hearing room.
11 I'm going to run through the list of people that are
12 on the conference bridge that I know of, and if I
13 have not recited your name, then please let me know.

14 David Gabel, Steven Burns, Karen Frame,
15 Catherine Ronis and Robert Strayer, Marsha Prosini,
16 Pam Beinar, Mike Matthews, Greg Kopta, Natalie Baker,
17 and let me indicate that Shannon Smith, counsel for
18 Staff, is in the hearing room.

19 Have I missed anyone?

20 MR. COOK: David Cook, representing AT&T.

21 JUDGE MACE: David Cook.

22 MR. TURNER: And Steve Turner, I'm on here,
23 as well, also for AT&T.

24 JUDGE MACE: Thank you. A number of people
25 are not counsel in this case, they're not lawyers,

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1 and that's fine. The main purposes of this
2 proceeding is to discuss the bench requests that the
3 Commission issued on December 3rd, and also to
4 discuss the availability of the Turner Price Index.

5 I'm just going to briefly go through some
6 items here that relate to those issues and then we'll
7 begin.

8 On November 30th, the Commission sent out to
9 Verizon a request for the Turner Price Index.
10 Verizon responded with a December 2nd filing, but it
11 appears that that does not meet the needs of the
12 Commission to -- in its deliberations in this case,
13 and we need to request some further information of
14 Verizon about the Turner Price Index. So that will
15 be one item that we'll cover today.

16 With regard to Bench Request Number 22, it's
17 a fairly lengthy request, and we have Dr. Gabel and
18 Mr. Burns, his associate, here today to respond to
19 questions about the request, if there are any, and of
20 course also questions about the Turner Price Index.

21 The bench request itself is pretty
22 self-explanatory, but there may be questions that you
23 have about it. And the things that we're going to
24 need to know are when you would be able to have that
25 information, if not by December 10th, although we

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1 hope that you can have it to us by December 10th, and
2 I'm addressing Verizon in that respect.

3 With regard to Bench Request 23, I want to
4 give my apologies to the parties. What went out to
5 you as Bench Request 23 was a foreshortened version
6 of it, and I'm going to read now what I think should
7 have been in the bench request: Please provide the
8 adjustment files created by AT&T Witness Turner in VZ
9 Cost and referred to in his testimony. Please
10 include complete, detailed information describing how
11 he made the adjustments to the model. Since Mr.
12 Turner's changes may reside on Verizon's computer
13 network, this response may require the parties to
14 coordinate with each other to provide the
15 information.

16 Similar to what I just talked about with
17 regard to Bench Request 22, if there are any
18 questions about the request or any problems with it,
19 we'll discuss those, too. Is there anything that I
20 should address before we continue with this agenda?
21 Any items that anyone wants to bring up? All right.

22 With regard to the Turner Price Index, Dr.
23 Gabel, I'm going to ask you to talk about that
24 briefly, and to talk about the response that you saw
25 from Verizon and any problems that you perceive with

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1 it.

2 DR. GABEL: Okay. In 960369, I asked GTE to
3 provide me with a copy of the Turner Price Index, and
4 the Turner Price Index that was provided in that
5 proceeding provided a price index for a number of
6 years, maybe 10 or 15 years for every investment
7 sub-account.

8 What was identified in Verizon's response to
9 the bench request was the current to book cost ratio,
10 and as I understand the current to book cost ratio,
11 that is constructed using the Turner Price Index by
12 applying the Turner Price Indexes to the investments
13 that are made each year and aggregating those
14 products and dividing them by embedded costs in order
15 to get the Turner Price Index.

16 But this is what I was expecting to see,
17 based upon what GTE had provided me in 960369, with
18 an index which said, for example, if the price index
19 for digital switching machine was 100 in 1994, it
20 might be 101 in 1995, in '98, 1996, and a similar
21 string of numbers for all accounts and also for a
22 number of years.

23 MS. RONIS: Dr. Gabel, this is Catherine
24 Ronis. We do have that raw data, because, as you
25 just said, it goes into the CC to BC. We gave you

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1 what we thought you needed to then run our model.
2 And Marsha proceeded on to explain how -- and maybe
3 you have your own ideas of what you're going to do --
4 how just putting the raw Turner indexes in our model
5 probably isn't going to do anything.

6 So maybe it was our confusion over what you
7 intended to do with our model using this information.
8 And we apologize if we weren't responsive, but we
9 thought we were giving you the next step that then
10 would be used in our model. But we do have the raw
11 data and can provide that to you.

12 DR. GABEL: Is that in your work papers,
13 filed work papers? I guess the question -- I don't
14 really want to explain what I'm going to do with it.

15 MS. RONIS: Okay. No, we can provide that
16 today by e-mail.

17 DR. GABEL: All right. Thank you.

18 MS. RONIS: So you don't -- I mean, Ms.
19 Prosini can explain what can and cannot be then used
20 in our model, but we can hold off on that. I think
21 it would be important.

22 DR. GABEL: Well, if Ms. Prosini wants to
23 explain that, that's fine with me. I just don't want
24 to explain what I intend to do, because that really
25 involves what the Commission -- well, anyway. I

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1 don't want to explain that.

2 JUDGE MACE: Right, I don't want us to be
3 discussing --

4 MS. RONIS: No, and I'm not asking -- I'm
5 not asking for that. Why don't we just move on to
6 the next subject, then.

7 JUDGE MACE: Well, a couple of things. Hold
8 on. Just a second. We have to remember, there's a
9 court reporter here, and so it's helpful if we don't
10 sort of jump on each other's answers in our talking
11 here today. Otherwise, the court reporter can't make
12 a record.

13 I'm confused, because I understood that Ms.
14 Prosini was going to address what can and cannot be
15 done with the Turner Price Index raw data at this
16 point. Dr. Gabel, is that what you would want to
17 hear at this point?

18 DR. GABEL: Yes.

19 JUDGE MACE: Ms. Prosini?

20 MS. PROSINI: Yes. The Turner Price Index
21 is used in a very small part of the study. It's not
22 actually an input to the model at all. The table,
23 there is a table in VZ Cost with the TPIs in there,
24 but it's not used at all in the study at all. It's
25 used only in the calculation of the CC to BC ratios,

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1 which are really used only to calculate the support
2 investments in the factored development.

3 JUDGE MACE: But Verizon can provide the
4 actual raw data of the Turner Price Index today; is
5 that correct?

6 MS. PROSINI: That's correct.

7 JUDGE MACE: And to all the parties and to
8 the Commission by e-mail; is that correct?

9 MS. RONIS: Yes, it is proprietary, so we'll
10 send it to those who've signed the third proprietary
11 agreement.

12 DR. GABEL: And the years of the index will
13 be --

14 JUDGE MACE: Hold on just a moment. Hold on
15 just a moment. We're having a little trouble picking
16 up the interchange that just took place. I think Dr.
17 Gabel asked what years the Turner Price Index data
18 would cover?

19 DR. GABEL: Yes.

20 JUDGE MACE: And Ms. Ronis, you were going
21 to respond?

22 MS. RONIS: 1946 through 2002.

23 DR. GABEL: It's not available for later
24 years?

25 MS. RONIS: Marsha, do you know?

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1 MS. PROSINI: We actually -- we purchased
2 that from a service that develops the numbers. They
3 develop it in the first quarter of each year, and
4 that's the latest one available.

5 JUDGE MACE: Dr. Gabel, do you have any
6 concerns about that?

7 DR. GABEL: They can only provide what they
8 have.

9 JUDGE MACE: All right. Then I'll expect
10 that Verizon will be sending that out via e-mail
11 today. What I would like to see Verizon do is make
12 that a filing, an electronic filing with the
13 Commission so that that comes into the Record Center.
14 Ms. Ronis?

15 MS. RONIS: Yes, we will do that.

16 JUDGE MACE: All right. Thank you. Let's
17 turn next to the question of Bench Request Number 22.
18 I think that that request is, again, relatively
19 self-explanatory, except that I understand there may
20 be some questions about it, so I'd ask Ms. Ronis
21 whether or not Verizon will be able to provide that
22 by the 10th, provide the information requested in
23 that bench request by the 10th of December?

24 MS. RONIS: We will be able to provide much
25 of it by CD on Tuesday, because it has to come from

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1 Verizon, then to me, and then we make the copies and
2 then send them out to the service list. We're going
3 to get that out by Monday night.

4 And there is a portion of the request,
5 though, that we won't be able to complete and get
6 copies made for another week, and we intend to do
7 that on the 22nd. I can list in an e-mail which
8 portions will be coming next Tuesday versus the week
9 later, or I can do it now, but --

10 JUDGE MACE: How lengthy -- sorry.

11 MS. RONIS: A lot of it will be coming next
12 week, and then the rest the week after.

13 JUDGE MACE: How lengthy is the list of what
14 you -- which is the shorter list, what you can or
15 can't provide by the 14th?

16 MS. RONIS: I'm looking at it now. Just
17 looking at your list, looks like slightly more items
18 on the December 22nd deadline, but in terms of
19 volume, like, we'll be able to get all the training
20 materials requested out by next week.

21 JUDGE MACE: Can you go through the items?
22 I believe there are 18 items. I know that it will
23 take a little bit of time, but I'd like to have that
24 information on the record if I could. If you could
25 go through the items one-by-one and just tell us

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1 which date you'll be providing them?

2 MS. RONIS: Okay. First, this is on the
3 first page, the training materials.

4 JUDGE MACE: Is it Item Number One?

5 MS. RONIS: Yes.

6 JUDGE MACE: Oh, well, I guess -- hold on.
7 It would be Part One?

8 MS. RONIS: Right.

9 JUDGE MACE: Before you get to the numbers.
10 Okay. Go ahead.

11 MS. RONIS: That will be provided on
12 December 14th.

13 JUDGE MACE: Go ahead.

14 MS. RONIS: And then number one, the
15 adjustments to maximum fiber and copper cable size
16 request, that would be provided on December 22nd.
17 And then I'm moving to Number 2. Is everyone with
18 me?

19 JUDGE MACE: Go ahead.

20 MS. RONIS: That would be provided on
21 December 14th. That would cover all those subparts
22 in Number 2.

23 Number 3 would be provided on December 14th.
24 Number 4 would be provided on December 22nd. Number
25 5 would be provided on December 22nd. Number 6 would

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1 be provided on December 22nd. Number 7 would be
2 provided on December 22nd. Number 8 would be
3 provided on December 22nd. Number 9 would be
4 provided on December 22nd. Number 10 would be
5 provided on December 22nd, and Number 11 would be
6 provided on December 22nd.

7 Number 12 would be provided on December
8 14th. Number 13 would be provided on December 22nd.
9 Numbers 14, 15 and 16 would be provided on December
10 14th. Number 17 would be provided on December 22nd,
11 and Number 18 would be provided on December 22nd.

12 And then, as to Part Two, that would be
13 provided on December 14th, and Part Three would be
14 provided on December 22nd.

15 JUDGE MACE: Dr. Gabel, you've heard the
16 schedule. Do you have any concerns?

17 DR. GABEL: I do.

18 JUDGE MACE: Go ahead.

19 DR. GABEL: Well, I'm a little reluctant to
20 talk about them --

21 JUDGE MACE: Okay.

22 DR. GABEL: -- in this hearing.

23 JUDGE MACE: All right. You and I will
24 discuss the schedule after.

25 DR. GABEL: And maybe you want to just take

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1 a brief recess and we can talk offline for a minute
2 or two.

3 JUDGE MACE: Why don't I go ahead with Bench
4 Request Number 23, and then we'll take a brief
5 adjournment, and you and I will discuss it.

6 DR. GABEL: Okay.

7 JUDGE MACE: With regard to Bench Request
8 Number 23, let me turn first to AT&T. Mr. -- Mr.
9 Kopta, are you --

10 MR. KOPTA: Yes, Your Honor. Just for the
11 benefit of Mr. Turner, who will be the one actually
12 compiling the information and I presume working with
13 Verizon to the extent necessary, would you read the
14 full bench request, which I'm assuming is the
15 official bench request, as opposed to the one
16 sentence that's in the notice?

17 JUDGE MACE: Please provide the adjustment
18 files created by AT&T Witness Turner in VZ Cost and
19 referred to in his, Mr. Turner's, testimony. Please
20 include complete, detailed information describing how
21 he made the adjustments to the model. Since Mr.
22 Turner's changes may reside on Verizon's computer
23 network, this response may require the parties to
24 coordinate with each other to provide the
25 information.

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1 MR. KOPTA: And that would be the request,
2 rather than what's in the notice. Is my
3 understanding correct?

4 JUDGE MACE: That's my understanding. If
5 there is any lack of clarity or any problem about
6 this particular request, I'd turn to Dr. Gabel and
7 ask if this covers the information that he's seeking
8 here?

9 DR. GABEL: Yes, what Judge Mace just read
10 is what we're seeking, so where there is a number of
11 issues that Mr. Turner addressed in his testimony,
12 it's not always apparent to me how he implemented
13 those concepts in VZ Cost, and so that's what I'm
14 seeking from him, is guidance when he identified an
15 issue, how did he modify the inputs to the model in a
16 way that was consistent with his representation in
17 his testimony about the issue that he was concerned
18 about.

19 MR. KOPTA: Okay. At this point I will ask
20 Mr. Turner if he has any questions or needs any
21 clarification of what's being requested.

22 MR. TURNER: Well, unfortunately, the
23 document that I had, and it sounds like, Greg, the
24 document you had describing the bench request, what
25 has now been read to us over the phone here is a

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1 little bit more elaborate, and I do have just a
2 couple of questions.

3 One is would you need, then -- if I
4 understand what you're asking, are you seeking, then,
5 like an explanation for each change that's in an
6 input table to VZ Loop that we made, what the basis
7 for that change was?

8 DR. GABEL: Not what the basis was, but just
9 where would we -- where did you go in VZ Cost to make
10 the change and what was the change that you put into
11 the input files?

12 MR. TURNER: Okay. So for each -- in other
13 words, for each thing that's discussed in my
14 testimony, where is that change implemented in VZ
15 Loop and what was the change that was implemented?

16 DR. GABEL: Yes, yes. So you were prepared
17 to address the Hatfield model, so let me give you an
18 analogy. So you would say to me, in the Hatfield
19 model, Well, I went to such and such folder and in
20 cell H13, I changed the value from .5 to .4. I'm
21 looking for some comparable guidance within the VZ
22 Cost model.

23 MR. TURNER: Okay. I think I understand
24 what you're looking for, and so -- and you would like
25 that -- are you wanting that connected back to the

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1 testimony that I filed? In other words, what I'm not
2 sure of the linkage -- I can go through the changes
3 in the tables, but it seems to me that you're also
4 looking for a linkage back to where the issue is
5 described in the testimony down to where I actually
6 made changes into the tables in VZ Loop.

7 DR. GABEL: Yes, I'm looking for that
8 linkage. So for example, if you testified on the
9 issue of loop utilization, you would say, Loop
10 utilization, I went to this folder and this cell and
11 made this change.

12 MR. TURNER: Okay. I understand the
13 request.

14 JUDGE MACE: And Mr. Turner, you will be
15 able to provide that information to us? We don't --
16 do we need to have some information from Verizon,
17 also, in order to obtain the information from you?

18 MR. TURNER: Well, I have Dave Cook here on
19 the line. When we -- my understanding of the bench
20 request was that Dr. Gabel was also wanting to have
21 access to the actual modified tables that are
22 contained inside of VZ Cost that we had changed. And
23 there has -- since our Washington filing, there has
24 been an improvement that has been made by Verizon in
25 terms of allowing parties to be able to have access

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1 to the tables. And it appears to me that, Dr. Gabel,
2 you would still want to have access to that, if I'm
3 understanding properly what you're seeking. Is that
4 correct, the actual modified tables inside of VZ
5 Cost?

6 DR. GABEL: I'm going to ask for assistance
7 here from Steven Burns. Steven?

8 MR. BURNS: Yes, that information would be
9 helpful.

10 MR. TURNER: Okay. We -- Dave Cook is on
11 the line, because I believe we are able to do that,
12 but we may need to work with Verizon, to some extent,
13 to actually make those available to the Commission
14 Staff IDs. And if you have any specific questions
15 about that, we can talk about that now, but I don't
16 believe it is -- if not extraordinary assistance,
17 it's just -- I believe they have to make a change
18 inside of VZ Cost that would actually allow any IDs
19 inside the Commission Staff's use to actually be able
20 to access our tables once we publish a filing.

21 MS. RONIS: Yeah, this is Catherine Ronis.
22 Pam Beinar's on to address this very issue. We can
23 work it offline or, Pam, I don't know if you have a
24 quick reaction or comment to what was just said.

25 MS. BEINAR: Can everybody hear me?

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1 MS. RONIS: Yes.

2 JUDGE MACE: We can hear you in the hearing
3 room.

4 MS. BEINAR: In summary, we have a couple of
5 options, depending on the number of tables or partial
6 tables. I can work that offline with Mr. Turner or
7 -- to save time, but yes, we can provide that, but I
8 would need the names of the tables and to set them up
9 so that a selected group can see them.

10 MS. RONIS: Okay. So it doesn't look like
11 that is going to be a problem at all.

12 JUDGE MACE: Well, let me just interject
13 here. I'm a little concerned about offline with Mr.
14 Turner. One of the problems is to try to make this
15 as transparent as possible so that any party that
16 wants to see the information that's being provided,
17 who signed the appropriate agreements to do so, can
18 view what's happening here. If you're offline with
19 Mr. Turner, does that preclude that information being
20 disseminated?

21 MS. RONIS: One idea -- this is Catherine.
22 One idea would be for anyone who wants to view those
23 tables, as Dr. Gabel and Mr. Burns will be doing, to
24 notify us, and they would be given access just like
25 Dr. Gabel and Mr. Burns. I don't know if people in

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1 the room are ready now to say yes and to give us some
2 information or want to e-mail me or whether we want
3 to have a follow-up call, whatever you prefer, but
4 that doesn't -- it's not a problem if AT&T's willing
5 to give access to their files to everybody. Sounds
6 like they are.

7 JUDGE MACE: Is that correct, Mr. Turner, or
8 Mr. Kopta?

9 MR. TURNER: Well, I should probably have
10 Mr. Kopta answer that.

11 MR. KOPTA: Well, obviously, you know, we
12 have some concern here in terms of work product, and
13 if we're talking about the tables that Mr. Turner
14 actually relied on for his testimony, we have no
15 objection. If it goes to other tables that might
16 have been prepared in terms of evaluating the model
17 or were used in a way that were not part of the
18 testimony, then that we would have a problem with.

19 But it sounds to me as though the data
20 request or the bench request is directed only to
21 those tables that were used in preparing the
22 testimony in which Mr. Turner relied. And as to
23 those, we would not have an objection to other
24 people, as well as Dr. Gabel, having access to those.

25 DR. GABEL: Mr. Kopta's correct.

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1 JUDGE MACE: This is Dr. Gabel.

2 DR. GABEL: Mr. Kopta's correct that we're
3 only interested in seeing the work files associated
4 with the testimony.

5 MR. KOPTA: On that basis, we don't have any
6 objection to other parties, to the extent that they
7 have signed the appropriate protective agreements,
8 also having access to that data, since it is, in our
9 view, you know, related or part of the testimony that
10 we filed in this case.

11 JUDGE MACE: Let me try to inquire now of
12 other parties on the line, besides Verizon and AT&T,
13 whether they want to be a part of the sharing of this
14 information. Ms. Frame?

15 MS. FRAME: Yes, Your Honor. No, Covad
16 doesn't feel a need to be a part of it at this point.

17 JUDGE MACE: Thank you. Ms. Smith.

18 MS. SMITH: No, Your Honor.

19 JUDGE MACE: No, Staff indicates that they
20 don't need to be a part of this either. Just so I
21 have a complete understanding, then, when will this
22 process take place? Can this process take place by
23 December 10th?

24 MR. TURNER: Well, I had been asked by --

25 JUDGE MACE: This is Mr. Turner, right?

1 MR. TURNER: This is Mr. Turner, yes. I had
2 been asked by Mr. Kopta and Ms. Baker, of AT&T, as to
3 whether or not we could have this work completed by
4 Friday. And I cannot speak for Verizon, but our
5 experience has been that taking the tables that are
6 inside of VZ Loop and VZ Cost, putting them into a
7 filing that could then be accessible by Dr. Gabel is
8 something that we could readily have done by Friday,
9 which would be, I believe, your December 10th date.

10 JUDGE MACE: Correct.

11 MR. TURNER: And the only complication here
12 is that, based on what I had read the bench request
13 was, I thought that was the extent of what was being
14 sought, so I conveyed to Ms. Baker and Mr. Kopta that
15 we could have that done by Friday.

16 The description that was read today as to
17 what this bench request is seeking in terms of a
18 cross-reference of my testimony into each of the
19 changes that were made in the tables, that is a work
20 product that does not exist and it's one that will
21 require me to give some thought to how long it would
22 take to create it. And it's -- again, I just did not
23 know that that was what was being sought till we got
24 on this conference, so I hesitate to give you a time
25 estimate right now without first sitting down and

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1 giving some thought to how much work this is going to
2 take to actually create that cross-reference.

3 MR. KOPTA: This is Greg Kopta. Might I
4 suggest something? And Dr. Gabel, let me know if
5 this isn't acceptable, but one thing we might
6 consider doing is allowing or setting it up so that
7 you can have access to the tables and the corrections
8 or the revisions to the model that Mr. Turner made,
9 and to the extent that it's not apparent what the
10 changes were and why they were made, then if you
11 could issue or maybe perhaps seek follow-up in terms
12 of how certain things were done, rather than kind of
13 a blanket how did you do everything.

14 Would that suit your purposes, or do you
15 really need the soup to nuts?

16 DR. GABEL: well, the VZ Cost has -- what
17 you will provide me, will it have something
18 equivalent to what's in the Hatfield model that says
19 here are all the changes that were made in this
20 scenario?

21 MR. KOPTA: Mr. Turner?

22 MR. TURNER: I don't believe -- this is Mr.
23 Turner speaking, of course. I don't believe -- the
24 answer to that is no.

25 DR. GABEL: So in that case, Mr. Kopta, it's

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1 going to be pretty hard for me to just trace through
2 all of his files and identify the changes that he
3 made.

4 MR. KOPTA: Well, I was just -- this is Mr.
5 Kopta again. I was just trying to see if there was
6 some way we could short-circuit this, but if there
7 isn't a way, then we just need to do what we can do.

8 MR. TURNER: Right. And the only reason --
9 this is Steve Turner speaking again. The only reason
10 I'm hesitating, Greg, to immediately identify a time
11 is it's been a bit of time since this case, we had
12 the hearing. I've got to go back and -- I just don't
13 -- it sounds to me like this could be quite a bit of
14 work to actually produce a linkage from a section of
15 the testimony to what the number was in Verizon's
16 filing to what our number was.

17 I don't believe I need to then explain why
18 the change, but I heard that that was possibly a
19 request, as well, why the change was made to be
20 consistent with what's in the testimony, but that
21 could be a fair amount of work, and I just would need
22 to go through my records to compile that for Dr.
23 Gabel, and I just don't know how much time that would
24 take, just sitting here right now. The bench request
25 that was e-mailed to me was much briefer than that

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1 request.

2 JUDGE MACE: Mr. Turner, and my apologies.
3 What was to have gone out was to have been the longer
4 version, but in the haste of trying to get it out,
5 there was a slip. So again, my apologies about that.

6 In any event, I need to confer with Dr.
7 Gabel about the timing of the provision of this
8 information, but I need to find out from you, is
9 there a chance that you would be able to have this
10 information, for example, by December 14th?

11 DR. GABEL: Judge Mace, before he responds,
12 let me just provide clarification --

13 JUDGE MACE: Sure. Go ahead.

14 DR. GABEL: -- on what Mr. Turner just said.
15 I'm not asking for why; I'm just asking for linkage.
16 I just want you to identify the linkage between
17 changes made to the inputs to the Verizon cost model
18 and where that topic was identified in your
19 testimony.

20 MR. TURNER: Right, and you know, the
21 specifics of this could -- there are hundreds and
22 thousands of changes. Some of these I'll be able to
23 address globally, but the -- and I understand you're
24 not asking for an explanation; it's just that there
25 is a very large number of changes to a very large

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1 number of tables that you're asking -- and I'm not
2 saying that the request isn't, you know, something
3 that would be helpful for you in facilitating why or
4 what -- the linkages back to testimony to why things
5 were changed, but it's just a work product that I
6 don't have consolidated into a document right now.

7 And you know, the provisions -- or the
8 providing of the tables to you and your ability to
9 access it, those tables that we actually used in our
10 filing, is something that Verizon has actually
11 created a mechanism to allow that to happen, and I'm
12 not trying to over -- you know, overstate this, but
13 they've actually created a mechanism that's fairly
14 simple to do that.

15 But the other is what I would characterize
16 as a new work product, and sitting here right now, I
17 don't -- I don't know if that could be done by the
18 14th, either, but I, you know, I will -- if you have
19 to have an answer on the call right now, I don't know
20 what to say, but what I plan to do is, after the
21 call, is to talk with Mr. Kopta and Ms. Baker and
22 confer as to -- I need to do some research on my own
23 just to figure out how much work this would be, and
24 then I'm sure that we would be able to convey that
25 back to you guys.

1703

1 JUDGE MACE: Well, I'm going to -- again, I
2 will confer with Dr. Gabel. We do need to have some
3 sort of a deadline, and I think we need to have it
4 today. It may be that there will have to be some
5 slippage of that deadline, but I do want to put
6 something on the record today, before we finish up,
7 that will let us know at least a target date.

8 So you -- let's not deal with it anymore
9 right now. I would like to talk with Dr. Gabel
10 separately. Is there anything else that we should
11 address?

12 MS. RONIS: Yes, yes, this is Catherine
13 Ronis. I might as well raise this now, because it
14 may be relevant to your discussion with Dr. Gabel.
15 That is, as we talked about during the training in --
16 I think it was June, during the hearing, we think it
17 would be a good idea to perhaps do -- walk through
18 with Dr. Gabel how to make changes, whether he wants
19 to give us specific changes he's thinking of making
20 or not. We think that would be helpful and we, of
21 course, can do it anywhere the parties would like and
22 all parties could attend, but given the amount of
23 time that has elapsed, we think that would be very
24 useful to do.

25 And so we're offering that up, and we can go

1704

1 wherever Dr. Gabel or the Commission would like us to
2 go, and it may short-circuit, I think, a lot of this,
3 and we could do it all sitting down, exactly how you
4 make a change and what you do and what the various
5 steps are. So we're offering that up. And we could
6 do it this month, we could do it, you know, next
7 week. So that may expedite some things.

8 JUDGE MACE: Anything else? All right. Dr.
9 Gabel?

10 DR. GABEL: Yes.

11 JUDGE MACE: I'm going to call you
12 separately, if that's all right, and I'd like the
13 other parties to stay on the line. And if you were
14 in the hearing room, this would be just a brief
15 adjournment while I confer off the record and out of
16 the room. If you'll just stay on the line, I'll be
17 back shortly.

18 MS. RONIS: This is Catherine again. I'm
19 sorry to do this. There's one additional fact I
20 should make --

21 JUDGE MACE: Sure.

22 MS. RONIS: -- point I should make before
23 you break. And that is, you may recall that we did
24 file, of course, in June of '03. And then, in
25 January of '04, we did an updated filing in which we

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1 filed an updated version of the VZ Loop model, and
2 then we actually filed another version closer to the
3 hearing based on some data requests, is that correct,
4 and that's Version -- what we refer to as 7RA, and
5 those are the versions that are available on the web
6 right now.

7 So we are assuming, Dr. Gabel, that you will
8 be using those versions as VZ Loop. And the reason I
9 raise this is, of course, some of the other studies
10 are still using the initial versions, so in terms of
11 going back and forth, depending on which model or
12 study you're going to use, you know, we need to be
13 very careful in documenting how you would do that,
14 and we will document that, but that, again, may be
15 another reason it makes sense to walk through this in
16 person.

17 JUDGE MACE: Dr. Gabel?

18 DR. GABEL: We'll discuss this offline and
19 then --

20 MS. RONIS: Okay.

21 JUDGE MACE: All right. We're adjourned.

22 (Recess taken.)

23 JUDGE MACE: Thank you for your patience.

24 Well, there was one more item I wanted to take care
25 of off the record, but I'm not going to do that right

1706

1 now. Mr. Burns, are you back on?

2 MR. BURNS: Yes, I am.

3 JUDGE MACE: And Dr. Gabel? Okay. We've
4 obviously spent some time conferring about the
5 schedule for providing information, and we wish we
6 would have been able to get it sooner than Verizon is
7 able to have it, but we recognize that there's quite
8 a bit of information that's being requested here,
9 too, so we need to ask a couple of questions. Dr.
10 Gabel, is that you?

11 DR. GABEL: Yes.

12 JUDGE MACE: Okay. Thank you. We need to
13 ask a couple of questions in light of the offer of
14 Verizon to conduct a tutorial.

15 Ms. Ronis, if Verizon were to conduct a
16 tutorial, let's say next week in Boston, on
17 Wednesday, would that have any impact on your
18 provision of the information on the dates you said
19 you'd provide it?

20 MS. RONIS: No, we would still be able to
21 meet those same dates.

22 JUDGE MACE: Thank you. I want to stay with
23 the subject for a minute, because I know that a
24 question of the tutorial and its location came up
25 earlier in this proceeding, and some parties had some

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1 difficulty with attending the tutorial that was
2 scheduled and located in a place other than the state
3 of Washington.

4 Because of the time parameters we have here
5 and Dr. Gabel's and Mr. Burns' availability, it
6 appears that the tutorial would be beneficial, but
7 that the best thing to do would be to schedule it on
8 the East Coast.

9 Is there any objection from the parties to
10 holding a tutorial in Boston, and hopefully next
11 week, but we'll have to find out about that from
12 Verizon. Can I ask now, for example, Staff, whether
13 you have any objection to that?

14 MS. SMITH: May we confer, Your Honor?

15 JUDGE MACE: Surely. While you're
16 conferring, I'll talk to AT&T. Mr. Kopta. Mr.
17 Kopta?

18 MR. KOPTA: Would there be telephone access
19 so that we wouldn't have to actually travel to
20 Boston?

21 JUDGE MACE: Okay. Well, then, let's put
22 the ball in Verizon's court. Let me ask, number one,
23 Ms. Ronis, if Verizon would be able to provide a
24 tutorial on the East Coast next week?

25 MS. RONIS: I am sure next week will be

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1 fine, and we will do all we can to make sure that
2 Wednesday works. I just need to call some people,
3 and some of whom may not be there right now, because
4 it's 6:00 East Coast time, to make sure, but I do
5 think we can make it work. We'll just have to make
6 it work. We can provide a bridge and perhaps even a
7 video conference with web access or something along
8 those lines. I can send an e-mail tomorrow with more
9 detail.

10 JUDGE MACE: I'm not sure Staff was aware,
11 but Ms. Ronis just responded that Verizon would be
12 exploring providing a bridge and a video conference
13 link to the tutorial.

14 MS. SMITH: If there is a bridge, we
15 wouldn't have an objection. If there's -- if there's
16 no conference bridge or video conference or other
17 means available, then we would object, because I
18 cannot arrange that travel in my schedule, nor can
19 Mr. Spinks, so without that assurance, then we
20 object.

21 MS. RONIS: This is Catherine. We
22 absolutely can do an audio conference, and now that
23 my firm has merged with a big Boston firm, I'm sure
24 we can provide video conference, and then possibly
25 even web access, so -- which allows you to follow

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1 actually what's being done on the screen in the room.

2 That last piece I need to verify, so --

3 JUDGE MACE: I'm sorry. Go ahead.

4 MS. RONIS: I'm certain we can do both video
5 and audio.

6 JUDGE MACE: Mr. Kopta.

7 MR. KOPTA: I think, under those
8 circumstances, we would be okay with it.

9 JUDGE MACE: All right. When can we know
10 whether or not you can do such a conference on
11 Wednesday in Boston, or such a tutorial?

12 MS. RONIS: By tomorrow noon your time,
13 perhaps earlier.

14 JUDGE MACE: All right. By tomorrow noon.
15 You'll advise me and advise me of the details, you
16 know, where and et cetera?

17 MS. RONIS: Right.

18 JUDGE MACE: Also, please advise me exactly
19 what will be available in terms of audio conference,
20 video, web access, et cetera.

21 MS. RONIS: I will do it now.

22 JUDGE MACE: All right. Thank you. Then
23 the information that pertains to Bench Request 22,
24 you'll provide on the 14th of December and the 22nd
25 of December, as you indicated. If there is any

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1 possibility that, at the tutorial, you have provided
2 adequate explanation so that Mr. Burns and Dr. Gabel
3 don't need some of the information that would have
4 been provided on the 22nd, they'll advise me and I'll
5 advise you of that so that you're not burdened with
6 providing that information unnecessarily.

7 MS. RONIS: Thank you.

8 JUDGE MACE: I have a couple of other items
9 I need to address. Ms. Beinar indicated that she
10 could provide Mr. Turner's files to Dr. Gabel. And
11 Ms. Beinar, when can you provide those?

12 MS. BEINAR: I would need a list of the
13 tables that they would like to have shared and then,
14 based on the time frame I receive those tables, I
15 would need approximately 24 hours to make them
16 available.

17 MR. TURNER: This is Mr. Turner. If I could
18 just ask a brief question before pursuing this too
19 far? In Exhibit SET-3 to my testimony, we provided
20 on CD-ROM a copy of all the input tables that we have
21 modified, as well as all the output tables that were
22 modified by our runs and provided those in
23 directories entitled Restated Loop Input Files and
24 Restated Loop Output Files.

25 And my question was -- is because of the

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1 other request that I'm going to be doing, it would
2 seem to me -- and those input files correspond to
3 equivalent input files that Verizon also utilized.
4 Their CSV files comma -- I believe that stands for
5 comma separated values files, but when you open them
6 up in Excel, they look pretty much like normal Excel
7 files.

8 But my question was is there something about
9 those that are not sufficient? Because it would
10 actually facilitate the work product that Dr. Gabel's
11 asked me to do in response to Number 23 if those were
12 sufficient. And I raise the question, too, because
13 it may be easier to just utilize those files than
14 having Verizon have to do this additional day of
15 work. I wanted to at least ask that before we
16 proceeded further.

17 JUDGE MACE: Dr. Gabel?

18 DR. GABEL: I'd have to defer to Mr. Burns.

19 JUDGE MACE: Mr. Burns.

20 MR. BURNS: Mr. Turner, so these -- the CSV
21 files, these are the ones that you say you downloaded
22 the template, changed different inputs, and then
23 uploaded to adjust your runs; is that correct?

24 MR. TURNER: That is exactly right.

25 MR. BURNS: Okay. Well, I was wondering,

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1 are these files still on the VZ Cost system? When
2 you go on into the data management, can you filter to
3 them?

4 MR. TURNER: They would be, yes.

5 MR. BURNS: Okay.

6 MR. TURNER: I mean, they're the same files
7 that we use. We haven't made any changes or anything
8 of that nature.

9 MR. BURNS: Well, what I was hoping for, if
10 Verizon was able to give me access so I could see
11 what they filter to, it would save me the trouble of
12 uploading them. So it might shorten the time into
13 examining them.

14 MR. TURNER: Okay.

15 JUDGE MACE: All right. So --

16 MR. TURNER: You still -- bottom line is you
17 would like to have access to them in the VZ Cost
18 environment. That's fine. I just wanted it at
19 least pointed out that they were there, but that's --
20 that's fine.

21 MS. RONIS: I think -- this is Catherine.
22 So Steve Turner, we need, I guess, a list of files
23 from you, and Pam, you need a day to then create
24 separate stand-alone kind of environment for then Dr.
25 Gabel and Mr. Burns to access?

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1 MS. BEINAR: Yes.

2 MR. TURNER: And I'm going to have Dave Cook
3 work with Pam for that, but I believe --

4 JUDGE MACE: Now, Mr. Turner -- that's Mr.
5 Turner; right?

6 MR. TURNER: Yes.

7 JUDGE MACE: Okay. Please introduce
8 yourself before you start, so the reporter can know
9 who it is. Go ahead.

10 MR. TURNER: I'm going to have Dave Cook
11 work with Pam on that, but it would seem to me that
12 we're going to probably identify all of the files
13 that we ended up using, including those that did not
14 change, so that Dr. Gabel and -- I apologize, I
15 didn't catch the name of the other person that's
16 wanting to see the files.

17 JUDGE MACE: Steven Burns.

18 MR. TURNER: Mr. Burns, so they can actually
19 see the entire collection of files that we used to do
20 our loop runs. But I'll have Mr. Cook get with
21 Pamela Beinar to do that.

22 JUDGE MACE: I want to make sure that I have
23 an understanding of what's happening here. We have
24 two separate things that would be happening. One is
25 that Verizon, after it gets the list from you, Mr.

1714

1 Turner, would be making tables available to Dr.
2 Gabel, and the other thing is that you yourself will
3 be providing information to Dr. Gabel.

4 MR. TURNER: That's correct. That's the way
5 I understand it at this point.

6 JUDGE MACE: All right. Then, first of all,
7 I want to know when you can have the list to Ms.
8 Beinar?

9 MR. TURNER: I believe we're going to be
10 able to have that list to Ms. Beinar by tomorrow
11 afternoon.

12 JUDGE MACE: So by 12/9, okay. And Ms.
13 Beinar, you can then turn that around by Friday?

14 MS. BEINAR: Yes, we'll have it done --
15 we'll try to have it done within the 24-hour time
16 frame.

17 JUDGE MACE: All right. And how is it that
18 you're exactly going to provide that? Is -- will
19 that come to the parties electronically or will Dr.
20 Gabel and Steven Burns then just be able to access VZ
21 Cost or VZ Loop?

22 MS. BEINAR: Well, I have a couple of
23 options. The first option is -- and I'm going back
24 to a portion of the discussion that just occurred.
25 If the choice is to provide all tables that have been

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1 used by the third party, then I can provide Dr. Gabel
2 and Mr. Burns with an ID as part of the AT&T tables.
3 If AT&T would prefer that I only provide selected
4 access based on this particular (inaudible), then I
5 will create a filing version that will consist of
6 only the tables that are in question to avoid any
7 additional confusion.

8 JUDGE MACE: Dr. Gabel.

9 DR. GABEL: I would prefer the latter option
10 to avoid confusion.

11 MS. BEINAR: All right. That's the route
12 that we will choose.

13 JUDGE MACE: All right. I want to ask
14 another question. When Dr. -- or when Mr. Turner's
15 files are made available to Dr. Gabel, will his or
16 the Commission's files somehow be made available to
17 other people? In other words, will there be a mutual
18 sharing?

19 MS. BEINAR: By Dr. Gabel or by -- for the
20 tables?

21 DR. GABEL: This is David Gabel. My concern
22 is I want to make sure that the access is one way.
23 We have access to Mr. Turner's files, but Mr. Turner
24 doesn't immediately have access to our files because
25 he has granted us access to his files.

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1 MS. BEINAR: Yes. And therefore, we will
2 set it up in the second choice that I mentioned, so
3 that you -- only you will have access to those
4 tables.

5 DR. GABEL: Okay. And he does not have
6 access to our files?

7 MS. BEINAR: Right. And I will have to make
8 sure that he does not have access to your files.

9 MR. KOPTA: Your Honor, this is Greg Kopta.
10 In response to your question in terms of access, I
11 believe that what Mr. Turner was saying is the tables
12 to which we're talking about in terms of access
13 within the VZ Loop or VZ Cost models are the same as
14 those that are in Mr. Turner's exhibit to his
15 testimony.

16 So in terms of the substance, Dr. Gabel will
17 not have any more information than any other party;
18 he will just be able to use it within the model. So
19 I guess the question really is, rather than whether
20 other parties have the information, is whether other
21 parties want to be able to manipulate the model using
22 the tables within the model.

23 And as I understand from Ms. Frame, who I
24 neglected to mention needed to excuse herself, and I
25 apologize, she had to leave before you came back, and

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1 Ms. Smith, it sounds like the other parties that are
2 interested at this point would not be interested in
3 taking that option.

4 JUDGE MACE: Forgive me, Mr. Kopta. I'm not
5 exactly sure what you meant.

6 MR. KOPTA: Okay. Let me repeat it. The
7 substance of the files is the same in Mr. Turner's
8 Exhibit SET-3 -- I'm sorry, I don't have the exhibit
9 number available to me -- as the files that are in
10 the VZ Loop. The only difference between what Dr.
11 Gabel is getting and what's already in the record is
12 that he and Mr. Burns would have the ability to use
13 those files within the Verizon cost model.

14 JUDGE MACE: Okay.

15 MR. KOPTA: So it's not a question of
16 whether people have access to the information; it's a
17 question of whether other parties would want to be
18 able to use that information as part of the Verizon
19 model without having to upload the same files from
20 what's in the record currently.

21 JUDGE MACE: And are there any parties, any
22 that are on the line at this point or in the hearing
23 room, who desire that option of being able to
24 manipulate the cost model?

25 MS. SMITH: Not at this point, Your Honor.

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1 JUDGE MACE: Ms. Smith says no, as far as
2 Staff is concerned. Anyone else? All right. It
3 looks like it's the second option, Ms. Beinar, and
4 you're going to make sure --

5 THE REPORTER: I don't think they can hear
6 you when it's blinking red.

7 JUDGE MACE: What's the matter? Are people
8 hearing what I'm saying?

9 MR. KOPTA: There was a long gap there.

10 JUDGE MACE: It looks like it's the second
11 option, Ms. Beinar, and you're going to facilitate
12 that by December 10th, so that Dr. Gabel will -- and
13 Mr. Burns will have access to it, and you will
14 provide them access according to the second option
15 that you described.

16 MS. BEINAR: Yes.

17 JUDGE MACE: And we're assured, then, with
18 that second option, that there won't be any --
19 somehow sharing or access to the Commission's own
20 files and deliberations with regard to the provision
21 of the information.

22 MR. TURNER: And this is Steve Turner, just
23 asking a quick question. Pam Beinar, they're going
24 to have access, but they're not going to be -- the
25 run that we did, they're not going to be able to

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1 change it on our IDs; is that correct?

2 MS. BEINAR: That's correct. I'm not going
3 to put them into your organization. I'm going to set
4 them up a separate filing that they will have access
5 to.

6 MR. TURNER: You're basically going to copy
7 our filing over so that they can have access to it
8 under their IDs, but they wouldn't be able to change
9 what we have on our IDs?

10 MS. BEINAR: Correct.

11 MR. TURNER: Okay.

12 JUDGE MACE: All right. So that leaves us
13 with getting dates from Mr. Turner for the
14 information he's going to provide and the question
15 about which version of Verizon's cost model Dr. Gabel
16 and Mr. Burns want to have access to.

17 And my understanding that it is the Version
18 7RA. Is that correct, Mr. Burns and Dr. Gabel?

19 DR. GABEL: Yes, that's -- Ms. Ronis asked
20 us right before we took the break about which version
21 we needed access to, and it is the version that you
22 identified.

23 JUDGE MACE: All right. Thank you.

24 MS. RONIS: Thank you.

25 MR. BURNS: Theo, I have one question, Steve

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1 Burns, a question about the access to Mr. Turner's
2 files.

3 JUDGE MACE: Go ahead.

4 MR. BURNS: I understand that Verizon is
5 essentially making a copy of the changes he's made
6 and we'll have access to them. My question is, in
7 the pulldown menu, the owner of the different files,
8 the data version filter, will I see these files as --
9 will they say Steven Turner there, or will they
10 indicate that they're his, or will they just come
11 under my name, Dr. Gabel's name, or VZ Cost?

12 MS. BEINAR: No, they will reflect the
13 original creator, which would be the AT&T. And I
14 can't remember exactly what the organization name is
15 off the top of my head, but it will show them as the
16 owner.

17 JUDGE MACE: Is that Ms. Beinar -- hold on,
18 hold on. Is that Ms. Beinar who just responded?

19 MS. BEINAR: Yes.

20 JUDGE MACE: All right. Thank you. Go
21 ahead, Mr. Burns.

22 MR. BURNS: Okay. I just wanted to be
23 certain that the owner would be distinct from files
24 that I've created?

25 MS. BEINAR: Yes.

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1 MR. BURNS: Okay. All right.

2 DR. GABEL: Judge Mace?

3 JUDGE MACE: Go ahead.

4 DR. GABEL: David Gabel. I'm sorry, I'm
5 going to have to get off.

6 JUDGE MACE: All right. Thank you, David.

7 DR. GABEL: Okay. Bye.

8 JUDGE MACE: I just want to make sure that
9 I've covered everything here. Let me just reiterate
10 that the Turner Price Index will be provided by the
11 close of business today Pacific time. Is that right,
12 Ms. Ronis?

13 MS. RONIS: Yes.

14 JUDGE MACE: That you will advise me by noon
15 tomorrow whether or not a tutorial for Dr. Gabel and
16 Mr. Burns can be provided on Wednesday next week.
17 That's Wednesday, December 15th, in Boston. And you
18 will also advise me the nature of the conferencing
19 that will be provided for that tutorial.

20 MS. RONIS: Yes.

21 JUDGE MACE: You will be providing certain
22 aspects of Bench Request 22 on December 14th, as you
23 described earlier, and certain portions on December
24 22nd; is that correct?

25 MS. RONIS: Yes.

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1 JUDGE MACE: And I've noted what those are.

2 MS. RONIS: Yes.

3 JUDGE MACE: With regard to Bench Request
4 23, Ms. Beinar is going to receive the list of files
5 or tables that are to be shared by tomorrow, and on
6 December 10th, she will have set up an ability for
7 Dr. Gabel to have access to those files on the
8 Verizon models; is that correct?

9 MS. RONIS: That's my understanding. This
10 is Catherine.

11 JUDGE MACE: All right. Thank you. Now,
12 Mr. Turner, the last outstanding item is when you're
13 going to be able to have your information to us.
14 Have you done any further thought about that? Have
15 you thought any further about that?

16 MR. TURNER: Yes, I have, and I was going to
17 suggest that we would have that to you by the 22nd,
18 the -- some of the dates that I heard Verizon's for,
19 and it would be, as I described earlier, based on my
20 understanding of Dr. Gabel's request, it would
21 contain a matrix that would have Verizon's value, our
22 alternative value, and then a cross-reference to the
23 discussion in our testimony.

24 JUDGE MACE: All right. Mr. Turner, if
25 there's any chance that you can provide that sooner

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1 than the 22nd, that would be extremely helpful, but

2 I'll accept that date at this point.

3 Is there anything else that any of the

4 parties want to address at this point? Then I thank

5 you very much for your patience and your time, and I

6 hope all of our arrangements work smoothly and we can

7 accomplish getting an order out as soon as possible.

8 Thank you very much.

9 MR. KOPTA: Thank you, Your Honor.

10 MS. RONIS: Thank you. Bye-bye.

11 (Proceedings adjourned at 3:10 p.m.)

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