Cross Exhibit No.

Responses to United's Discovery Requests to Verizon In UTC Docket UT-081393

REDACTED VERSION

Confidential per Protective Order in UTC Docket UT-081393

Docket No. UT-081393 Verizon's Response to Embarq's Data Request EQ-VZ DR-6

EQ-VZ DR-6:

For each Verizon entity providing "interexchange services" in Washington:

- Separately identify total residential customers and total business customers served at years ending 2004, 2005, 2006, 2007 and 2008;
- b. Separately identify total residential customers and total business customers served at years ending 2004, 2005, 2006, 2007 and 2008 subscribing to stand-alone interexchange services. For purpose of this question, "stand-alone" means an interexchange plan, service or product that is not bundled by Verizon with any other service or product;
- c. Provide total annual access expense paid to Incumbent Local Exchange Carriers ("ILECs") (other than Embarq), separately identified by ILEC, at years ending 2004, 2005, 2006, 2007 and 2008;
- d. Starting January 1, 2006 to present, provide by month Verizon's originating and terminating intrastate access minutes of use (MOUs) subject to intrastate local switching access charges. Please separate these monthly originating and terminating MOUs totals by local exchange carrier in Washington;
- Provide any and all non-redacted reports filed or provided to the Washington Utilities and Transportation Commission for each year from January 2004 to present.

RESPONSE:

Verizon objects to subparts a and b of EQ-VZ DR-6 on the grounds that the information sought is irrelevant to Verizon's complaint, not reasonably calculated to lead to admissible evidence, and would require a burdensome special study to produce. Notwithstanding that request, Vz Attachment 6 hereto includes customer counts for residential and small business customers for years 2006, 2007, and 2008.

With respect to subparts c and d, Vz Attachment 6 includes the information requested for years 2006, 2007, and 2008. The data for 2006 is annualized based on billings for July through December of that year because data for prior periods are unavailable. The data are based on billings for all Verizon IXC affiliates that are parties to this proceeding; it was not possible to disaggregate the data by IXC entity.

With respect to subpart e of EQ-VZ DR-6, Verizon objects on the grounds that the information sought is beyond the scope of this proceeding and not relevant and not reasonably calculated to lead to admissible evidence. Verizon further objects on the ground that the request is

Date:

March 17, 2009

Preparer/Witness:

Paul Vasington

Cross	Exhibit	No.
UIU33		4 TV

burdensome, and the burden is not outweighed by any legitimate need for the documents requested.

Date: .
Preparer/Witness:

93
m
*
80
8
₽
-
$\overline{}$
7
- 2
-
9
- 9
c
_
О
×
\mathbf{L}
_
.=
•
7
-
Z
ō
•
6
- 1
-
7
- 2
7
- 8
ō
-
- 4
- 4
Ω
_
2
-7
- 7
-
_3
3
- 6
-7

Q .
DEO.

4
h
2
Ċ
ΪÏ
+
•
ą
ξ
Ξ
7
9
4
7
*
'n
Ť
Ε
ć
ē
C
_

Ciloxeid

Confidential Per Protective Order in UTC Docket UT-081393

Carry Carry

Confidential Per Protective Order in UTC Docket UT-081393

Confidential Attachment EQ-VZ 6d

5

Anger Co

Confidential Per Protective Order in UTC Docket UT-081393

Vz Attachment 6d CONFIDENTIAL

Capa Car

Confidential Per Protective Order in UTC Docket UT-081393

Confidential Attachment EQ-VZ 6d

7

Confidential Per Protective Order in UTC Docket UT-081393

Cappagas

/z. Attachment 6d CONFIDENTIAL

Carried Carried

Confidential Attachment EQ-VZ 6d

q

And Colon

Confidential Per Protective Order in UTC Docket UT-081393

Docket No. UT-081393 Verizon's Response to Embarq's Data Request EQ-VZ DR-7

EQ-VZ DR-7:

For the Verizon entity providing "switched local exchange" services in Washington:

- a. Separately identify total residential customers and total business customers at years ending 2004, 2005, 2006, 2007 and 2008;
- b. Separately identify total residential customers and total business customers served at years ending 2004, 2005, 2006, 2007 and 2008 subscribing to stand-alone switched local exchange service. For purpose of this question, "stand-alone" means a switched local exchange plan, service or product that is not bundled by Verizon with any other service or product;
- c. Provide total annual access expense paid to Incumbent Local Exchange Carriers ("ILECs") (other than Embarq), separately identified by ILEC, at years ending 2004, 2005, 2006, 2007 and 2008;
- d. Starting January 1, 2006 to present, provide by month Verizon's originating and terminating intrastate access minutes of use (MOUs) subject to intrastate local switching access charges. Please separate these monthly originating and terminating MOUs totals by local exchange carrier in Washington;
- e. Provide all non-redacted reports (including confidential reports) filed or provided to the Washington Utilities and Transportation Commission for each year from January 2004 to present.

RESPONSE:

Verizon objects to EQ-VZ DR-7 on the ground that it seeks information beyond the scope of this proceeding that is not relevant and not reasonably calculated to lead to admissible evidence. Verizon also objects to EQ-VZ DR-7 because production of the requested documents and data, including documents and data going back to 2004, would be unduly burdensome. Verizon is one of numerous competitors providing local exchange service in Washington, and the anticompetitive effects of unreasonable access charges affect all competitors. There is no basis for focusing on Verizon's local operations in Washington simply because Verizon filed a complaint regarding the reasonableness of Embarq's access charges, especially given that Embarq has not challenged Verizon's standing to file its complaint. Notwithstanding those objections, Vz Attachment 7 includes residential and small business customer counts for MCImetro Access Transmission Services, LLC, which is the only Verizon complainant offering local exchange service in Washington. Also notwithstanding that objection, Verizon states that the switched access rates of MCImetro Access Transmission Services, LLC are public.

Date: Preparer/Witness:

EQ-VZ DR-9:

Reference to page 3; lines 4-7 of Verizon witness Vasington's testimony. Is it Mr. Vasington's opinion that:

- a. Intrastate switched access rates charged by ILECs should not contain a subsidy element? Please explain your answer.
- b. Intrastate switched access rates charged by ILECs in Washington should all be identical? Please explain your answer.
- c. Intrastate switched access rates charged by ILECs in Washington should be set at the interstate level? Please explain your answer.
- d. Intrastate switched access rates should be set in relation to each ILEC's cost structure? Please explain your answer.
- e. If intrastate switched access rates were not identical across ILECs that ILECs with lower rates would be competitively disadvantaged? Please explain your answer.
- f. Intrastate switched access rates set above economic cost (i.e., containing a subsidy element) are anticompetitive? Please explain your answer.
- g. Qwest's intrastate switched access rates are anticompetitive?

RESPONSE:

- a. No, some level of subsidy may be appropriate in the context of a state commission's other regulatory goals, but an excessive rate either provides more subsidies than are necessary or provides monopoly profit. Verizon NW's intrastate access rate provides an appropriate benchmark for determining whether another carrier's rate is excessive.
- b. No, Verizon is only proposing in this case that Embarq's rate be reduced to the rate charged by Verizon NW.
- c. No. Please see Verizon's response to subpart b. above.
- d. No. Verizon is proposing that Embarq's intrastate switched access rate be set in accordance with a benchmark of Verizon NW's rate.
- e. Whether or not a competitive disadvantage exists "across ILECs" depends on whether the ILECs are competing with each other, the services for which they may be competing, and the amount of the difference between their access rates, among other factors.

Date:

Preparer/Witness;

- f. No, whether a rate above cost is anticompetitive is a function of a number of factors, including the amount by which the rate exceeds costs, implicit subsidies provided to other services for regulatory purposes, and the carrier's retail rates.
- g. Mr. Vasington has not studied whether Qwest's intrastate access rates are anticompetitive. *See also* n.31 on page 20 of Mr. Vasington's Direct Testimony.

Date:

Preparer/Witness:

Cross Exhibit No.

EQ-VZ DR-19: . .

Reference page 13, lines 12-15 of Verizon witness Vasington's testimony. Is it Mr. Vasington's understanding that the FCC "eliminated or significantly reduced" the CCLC for interstate access rates without introducing subscriber line charges and a federal universal service fund? Please explain your answer and provide all supporting documents, studies, workpapers, analyses, sources, calculations, cases, assumptions and related information.

RESPONSE:

No, the FCC's elimination or significant reduction in the carriers' interstate CCLCs often was accompanied by the creation of, or increase in, the federal subscriber line charges. Also, the FCC has created a federal USF mechanism from which Embarq draws millions of dollars in order to support its state-mandated universal service obligations.

Cross Exhibit No. ___

EQ-VZ DR-26:

Provide all documents, studies, workpapers, analyses, sources, calculations; cases, assumptions and related information demonstrating how Verizon's proposed access rate reductions in this proceeding will be passed on or "flowed through" to its Washington customers.

RESPONSE:

As Mr. Vasington detailed in his testimony, there is strong economic evidence that requiring competitors to compete on a level playing field is good policy. The consumer and other benefits of ensuring reasonable and pro-competitive switched access charges have been recognized by the FCC and numerous state commissions, including the Washington Utilities and Transportation Commission, and were substantiated in Mr. Vasington's Direct Testimony. Please see also Verizon's response to EQ-VZ DR-34.

Date: Preparer/Witness:

Cross Exhibit No.

EQ-VZ DR-27:

Provide a list of all current (for years 2007 and 2008) long distance calling plans, services, and products offered or provided by Verizon and exclusively available in Washington – i.e., long distance calling plans, services, and products which are not also available to Verizon's retail wireline customers in other states.

RESPONSE:

After a reasonable investigation, Verizon is not aware of any Verizon entity that currently offers long distance calling plans, services or products that are exclusively available in Washington.

Date: Preparer/Witness:

Cross Exhibit No. ____

EQ-VZ DR-28:

Provide copies of any current (for years 2007 and 2008) advertising and marketing materials for Verizon or any Verizon affiliate(s) for long distance services offered or provided by Verizon and exclusively available in Washington – i.e., long distance calling plans, services, and products which are not also available to Verizon's retail wireline customers in other

RESPONSE:

After a reasonable investigation, Verizon is not aware of any Verizon entity that currently offers long distance calling plans, services or products that are exclusively available in Washington.

Date:

Preparer/Witness:

March 17, 2009 - Paul Vasington

35

Cross Exhibit No. ____

EO-VZ DR-29:

Provide a list of all current (for years 2007 and 2008) long distance calling plans, services, and products offered or provided by Verizon on a standalone basis and exclusively available in Washington – i.e., long distance calling plans, services, and products which are not also available to Verizon's retail wireline customers in other states. For purpose of this question, stand-alone means a long distance plan, service or product that is not bundled by Verizon with any other service or product.

RESPONSE:

After a reasonable investigation, Verizon is not aware of any Verizon entity that currently offers long distance calling plans, services or products that are exclusively available in Washington.

Date: Preparer/Witness:

Cross Exhibit No. ____

EQ-VZ DR-31:

Do any Verizon affiliates operating in Washington currently assess an In-State Access Recovery Fee or similar charge to its retail end-user customers there? If yes:

- a. On what date did Verizon begin assessing an In-State Access Recovery Fee; and
- b. Provide all tariff pages (tariff original, tariff modifications, and current tariff) or hyperlink to the tariffs, price list or terms and conditions relating to Verizon's In-State Access Recovery Fee or similar fee.
- c. Identify and explain any changes in the rate for the In-State Access Recovery Fee or similar fee since it was implemented.

RESPONSE:

Yes.

- a. July 2004.
- b. Please see Vz Attachment 31.
- c. Verizon objects to subpart c on the grounds that the price list and catalogue pages in Vz Attachment 31 speak for themselves.

Cross Exhibit No. ____

EO-VZ DR-34:

If the access rate changes proposed by Verizon were adopted, explain and quantify the expected benefit that would accrue to:

- a. Verizon shareholders
- b. Verizon customers

RESPONSE:

Verizon objects to this request on the ground that it calls for speculation. Notwithstanding this objection, Verizon responds as follows:

Reduced intrastate access rates would lower costs for interexchange service. Interexchange calling is a competitive service. Savings will be passed through over time to customers via rates that will be lower than they otherwise would be. Mr. Vasington's testimony discusses in detail the numerous benefits that flow from a policy of ensuring reasonable and pro-competitive switched access rates.

Date: Preparer/Witness:

Cross Exhibit No.

EQ-VZ DR-38: Reference page 4, lines 5-8 of Verizon witness Vasington's testimony. Define the term "disproportionate" and provide all documents, analyses, sources, and related information supporting Mr. Vasington's claim that Embarq's switched access rates recover a disproportionate amount of its costs from its competitors.

RESPONSE:

In this context, "disproportionate" means greater than the portion of costs that would be recovered from carriers if Embarq's rate were reduced to the appropriate benchmark rate. No other documents or studies were used to support this argument, other than the evidence presented in the rest of Mr. Vasington's testimony.

Cross Exhibit No.

EQ-VZ DR-39: Reference page 4, lines 5-8 of Verizon witness Vasington's testimony. Does Verizon contend that Embarq's costs of providing switched access functions are "identical" with those of Verizon or Qwest? If so, provide all documents, analyses, sources and related information supporting such a conclusion.

RESPONSE:

Mr. Vasington offered no opinion on Embarq's costs of providing switched access relative to Verizon's costs, except to state that Embarq will earn the same contribution from intrastate access as Verizon NW does if it is required to benchmark Verizon NW's access rates. See Mr. Vasington's Direct Testimony at 21. Mr. Vasington also notes that Embarq is a "sizeable, sophisticated, and well-financed competitor," that should be placed in the same category as Qwest and Verizon NW. See page 24 of Mr. Vasington's Direct Testimony. Also, as Mr. Vasington discusses in his testimony, the benchmark Verizon advocates for Embarq is much higher than what Embarq charges for interstate switched access functions.

EQ-VZ DR-41: Reference page 15, lines 13-17 of Verizon witness Vasington's testimony:

- a. Is it Mr. Vasington's understanding that interstate access rates were reduced immediately? If not, please explain.
- b. Is it Mr. Vasington's understanding that interstate access rates were "simply" reduced without introducing other forms of cost recovery, such as subscriber line charges and the federal universal service fund? If not, please explain.
- c. Is it Mr. Vasington's recommendation that intrastate switched access rates are to be reduced without introducing other forms of cost recovery, such as subscriber line charges and/or establishing a state universal service fund? Please explain the reasoning behind your answer.
- d. List all carriers in Washington that Mr. Vasington believes are charging intrastate switched access rates equal to interstate switched access rates.

RESPONSE:

- a. Yes, interstate access rates were reduced immediately as a result of the CALLS plan, but the full reduction contemplated in the plan took place over several years.
- b. Verizon objects to this request on the ground that the word "simply" is not found in Mr. Vasington's testimony. Notwithstanding this objection, Verizon responds as follows: it is Mr. Vasington's understanding that the CALLS plan provided for increases to the federal subscriber line charge, as well as additional high-cost funding.
- c. Please see Mr. Vasington's Direct Testimony at 27, line 17 to page 28, line 5.
- d. Verizon objects to this request on the ground that it would require a burdensome special study.

Docket No. UT-081393 Verizon's Response to Embarq's Data Request EQ-VZ DR 43

EQ-VZ DR-43: Reference page 18, lines 9-10 of Verizon witness Vasington's testimony.

- a. For the years 2004, 2005, 2006, 2007 and 2008 please identify the minutes, long distance revenues and average revenue per minute for calls placed by Verizon long distance customers that both originate and terminate in Embarq service territory.
- b. Identify what percentage of Verizon's total long distance minutes and revenues the amounts provided in a represent.

RESPONSE:

Verizon objects to EQ-VZ DR-43 on the ground that the backup analyses relating to Mr. Vasington's statement in the references portion of his testimony can be found in the discussion following the above-referenced lines. Verizon further objects to this request on the ground that the information sought is unavailable and would require a burdensome special study to produce. Verizon further objects on the ground that the great majority of long distance customers in Embarq's service territory are served by Embarq. Notably, Embarq refused to respond to Verizon's discovery request relating to toll traffic within Embarq's Washington service territory.

Notwithstanding those objections, Verizon responds to subparts a and b as follows:

- a. Please see Verizon's response to subparts c and d of EQ-VZ DR-6.
- b. Please see Verizon's response to subparts c and d of EQ-VZ DR-6.

EO-VZ DR-50:

Reference to page 28, lines 1-2 of Verizon witness Vasington's testimony:

- a: Has Mr. Vasington performed any analysis of the level of competition faced by Embarq in Washington? If so, please provide all documents, studies, workpapers, analyses, sources, calculations, cases, assumptions and related information that support Mr. Vasington's findings.
- b. Is it Mr. Vasington's opinion that market forces discipline the prices for local exchange services? Please explain your answer.
- c. Is it Mr. Vasington's opinion that disciplining forces are uniform throughout Washington? If not, where does Mr. Vasington find competition to be the strongest and weakest? Please explain your answer.
- d. In which geographic areas does Mr. Vasington believe price increases are most likely to be sustainable? Please explain your answer.

RESPONSE:

- a. No, except to the extent that Mr. Vasington described a competitive advantage derived by Embarq in Washington from its excessive switched access rates.
- -b. -Market forces vary, and whether market forces are sufficient to discipline the prices of local exchange services in a particular region depends on market conditions for a particular region or service.
- c. Mr. Vasington has not studied "disciplining forces" in Washington.
- d. Please see Verizon's response to subpart c., above.

Cross.	Exh	ibi	t	No.
--------	-----	-----	---	-----

EO-VZ DR-58:

Reference to Verizon's response to data request EQ-VZ-DR-14, provide all documents, studies, work papers, analyses, sources, calculations, cases, assumptions and related information supporting Mr. Vasington's claim that the "need for contribution from access charges has been reduced."

RESPONSE:

Mr. Vasington did not rely on any specific "documents, studies, work papers, analyses, sources, calculations, cases, assumptions and related information" in preparing the response to EQ-VZ DR-14. With respect to the quoted portion of the response, Mr. Vasington was referring, inter alia, to the fact that Embarq receives substantial federal universal service disbursements, to the fact that Embarq today has numerous additional revenue sources (including the long distance services it provides to the great majority of its end users), to the below-market local rates that Embarq currently charges in its Washington service territory, and to the fact that the reasonableness of Embarq's intrastate switched access rates has not been evaluated in decades.

Date: April 8, 2009 Preparer/Witness: Paul Vasington

Docket No. UT-081393 Verizon's Response to Embarq's Data Request EQ-VZ DR-60

EQ-VZ DR-60;

If Embarq's intrastate switched access rates were to be adjusted as proposed by Verizon in this proceeding, will Verizon reduce its Instate Access Recovery Fee of \$1.25?

RESPONSE:

Verizon objects to this request on the ground that it calls for speculation. Notwithstanding that objection, please see Verizon's response to EQ-VZ DR-34.

Date: April 8, 2009 Prepare: Witness: Paul Vasington