Cross Exhibit No.
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Responses to United's Discovery Requests to AT&T 1 In UTC Docket UT-081393

### REDACTED VERSION

Confidential per Protective Order in UTC Docket UT-081393

Cross	Exhi	bit	No.
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Docket No. UT-081393 AT&T's Response to Embarq Data Request 1 Date 3/13/09

Embarg 1-6

Question: For each AT&T entity providing "interexchange services" in Washington:

- a. 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 AT&T with any other service or product;
- 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

  AT&T'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.

Objections & Response: AT&T objects to this request in that it is overly broad, unduly burdensome and seeks information regarding services and providers that are not at issue in this proceeding. AT&T further objects to this request in that it seeks irrelevant confidential and non-confidential information not reasonably calculated to lead to the discovery of admissible evidence. This proceeding involves a dispute over Embarq's intrastate switched access rates; AT&T affiliate interexchange services, their customers, their "stand alone" services, MOUs—by month and all unidentified reports filed with the Commission from 2004 to present are not relevant to whether Embarq's rates are just and reasonable. Without waiving its objections, AT&T states:

Cross Exhibit No.	
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Embarq 1-6 Continued

c&d. See Confidential Attachment 1-6.

Responsible Person: Hal Thompson and Scott Stewart

2006

Vz Attachment 6a CONFIDENTIAL

2008

### Confidential Attachment EQ-VZ 6a

### IXC Small Business Stand Alone Customer Counts

MCI Communications Services, Inc.
TTI National, Inc.
Teleconnect Long Distance Services and Systems Co.
Verizon Select Services, Inc.

### **IXC Small Business Total Customer Counts**

MCI Communications Services, Inc.
TTI National, Inc.
Teleconnect Long Distance Services and Systems Co.
Verizon Select Services; Inc.

REDACTED

2007

Vz Attachment 6b . CONFIDENTIAL

### Confidential Attachment EQ-VZ 6b

### IXC Residential Stand Alone Customer Counts

2006 2007

2008

MCI Communications Services, Inc. TTI National, Inc. Teleconnect Long Distance Services and Systems Co. Verizon Select Services, Inc.

IXC Residential Total Customer Counts

MCI Communications Services, Inc.
TTI National, Inc.
Teleconnect Long Distance Services and Systems Co.
Verizon Select Services, Inc.

REDACTED

# Confidential Per Protective Order in UTC Docket UT-081393

# Confidential Attachment EQ-VZ 6c

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Note: The 2006 bill amount was developed using July-December 200 Earlier data are not available.

Docket No. UT-081393 AT&T's Response to Embarq Data Request 1 Date 3/13/09

Embarq 1-7

Question: For the AT&T 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 AT&T 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 AT&T'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.

Objections: AT&T objects to this request in that it is overly broad, unduly burdensome, and it seeks information regarding services and providers that are not at issue in this proceeding. AT&T further objects to this request in that it seeks irrelevant confidential and non-confidential information not reasonably calculated to lead to the discovery of admissible evidence. This proceeding involves a dispute over Embarq's intrastate switched access rates; AT&T affiliate local services, their customers, their "stand alone" services, MOUs—by month and all reports

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Embarq 1-7 Continued

filed with the Commission from 2004 to present are not relevant to whether Embarq's access rates are just and reasonable.

### Cross Exhibit No. \_\_\_\_

Docket No. UT-081393 AT&T's Response to Embarq Data Request 1 Date 3/13/09

Embarq 1-13

Question:

Reference page 4, lines 8-11 of AT&T witness Bax's testimony, is it Mr. Bax's testimony that any and all costs savings that AT&T would experience if Embarq's intrastate switched access rates were lowered would be passed on in their entirety to AT&T's customers in Washington in the from of lower prices? If the answer is 'no,' please explain.

Objections & Response: AT&T objects to this request to the extent it mischaracterizes Mr. Bax's testimony. Without waiving its objections, Mr. Bax stated that the implicit subsidies imposed on intrastate interexchange service cause Washington consumers to pay more for intrastate long distance. As Embarq is well aware, Mr. Bax did not reference pass through or whether lower access rates would be passed through in their entirety to AT&T's customers in Washington.

### Cross Exhibit No. \_\_\_

Docket No. UT-081393
AT&T's Response to Embarq Data Request 1
Date 3/13/09

Embarq 1-15

Question: Reference page 4, lines 14-18 of AT&T witness Bax's testimony, please:

- a. Define the term "marketplace" and list all services that are contained in this "marketplace."
- b. Define the term "high access charges."
- c. Provide all documents, analyses, sources and related information supporting Mr. Bax's conclusion that high access charges prevent IXCs to "fairly compete."

Objections & Response: AT&T objects to the request as overly broad and unduly burdensome in its demand for "all" documents, analyses, sources and related information. Without waiving its objections, Mr. Bax defines the following as a lay person would likely employ and define such terms:

- a. Marketplace means the market for intrastate, interexchange toll service or its equivalent.
- b. High access charges means charges set at rates unfair, unjust, and unreasonable individual carriers' costs.
- c. See the discussion in the FCC's Calls Order, for example see ¶3 and ¶35.

### Cross Exhibit No. \_\_\_\_

Docket No. UT-081393 AT&T's Response to Embarq Data Request 1 Date 3/13/09

Embarq 1-18

Question: Reference page 4, lines 14-18 of AT&T witness Bax's testimony and the statement: "In addition to other problems, high access charges prevent interexchange carriers from being able to fairly compete in the marketplace with other communications providers (e.g., including, but not limited to, VoIP providers, wireless carriers, etc.) because those providers are not saddled with the subsidies implicit in access charges."

( )

- a. Do the AT&T entities named in this proceeding or any other AT&T entity, affiliate, subsidiary, or partnership provide wireless services in Washington? Identify which AT&T entities, affiliate, subsidiaries or partnerships provide wireless services in Washington;
- b. Do the AT&T entities named in this proceeding or any other AT&T entity, affiliate, subsidiary, or partnership provide VoIP services in Washington? Identify which AT&T entities, affiliate, subsidiaries or partnerships provide VoIP services in Washington.

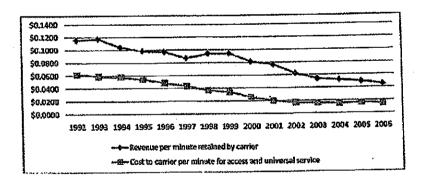
Objections: AT&T objects to this request in that it seeks irrelevant information not reasonably calculated to lead to the discovery of admissible evidence. This proceeding involves a dispute over Embarq's intrastate switched access rates. Whether AT&T offers wireless or VoIP service is not relevant to whether Embarq's rates are just and reasonable.

Docket No. UT-081393 AT&T's Response to Embarq Data Request 1 Date 3/13/09

Embarg 1-21

Question: Provide all documents, studies, workpapers, analyses, sources, calculations, cases, assumptions and related information demonstrating how AT&T's proposed access rate reductions in this proceeding will be passed on or "flowed through" to its Washington customers.

AT&T objects that this request is overly broad and unduly Objections & Response: burdensome in its demand for "all" documents, etc. AT&T further objects to this request to the extent it assumes facts not in evidence or contained in Mr. Bax's testimony. AT&T objects further to this request to the extent it seeks irrelevant information not reasonably calculated to lead to the discovery of admissible evidence. This proceeding involves a dispute over Embarq's intrastate switched access rates. Whether or not AT&T will flow through any Commission ordered access reductions or how it might do so is not relevant to whether Embarq's rates are just and reasonable. The following chart demonstrates that as costs have declined, so have the rates for toll. The data utilized in the chart is extracted from the FCC's Trends in Telephone Service, Industry Analysis and Technology Division, Wireline Competition Bureau, August 2008, Chart 13.1.



Docket No. UT-081393 AT&T's Response to Embarq Data Request 1 Date 3/13/09

Embarq 1-22

Question: Reference to page 4, line 22 through page 5, lines 1-2 of AT&T witness Bax's testimony:

- a. Is it Mr. Bax's understanding that interstate access rates were reduced immediately? If not, please explain.
- b. Is it Mr. Bax'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. Bax'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. Bax believes are charging intrastate switched access rates equal to interstate switched access rates.

Objections & Response: AT&T objects to the request as overly broad and unduly burdensome in its demand for a list of "all" carriers. AT&T further objects that the referenced testimony does not indicate that this Commission reduced interstate access rates immediately or otherwise. Without waiving its objections, AT&T states:

- a. No; see the FCC's CALLS order and the MAG order. 2
- b. No; see the FCC's CALLS order1 and the MAG order.2

<sup>&</sup>lt;sup>1</sup> Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, CC Docket Nos. 96-262 and 94-1, Sixth Report and Order, Low-Volume Long-Distance Users, CC Docket No. 99-249, Report and Order, Federal-State Join Board on Universal Service, CC Docket 96-45, Eleventh Report and Order, 15 FCC Red. 1292, 12965 CCALLS Order?

<sup>(&</sup>quot;CALLS Order").

Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, CC Docket Nos. 96-262 and 94-1, Sixth Report and Order, Low-Volume Long-Distance Users, CC Docket No. 99-249, Report and Order, Federal-State Join Board on Universal Service, CC Docket 96-45, Eleventh Report and Order, 15 FCC Red. 1292, 12965 ("CALLS Order").

Embarq 1-22 Continued

- c. It is Mr. Bax's testimony that to the extent Embarq shows that it is entitled to recover some subsidy over that provided by its intrastate switched access rates (after being reduced to interstate rates), its current federal USF receipts and its current retail rate levels the Commission should contemplate allowing Embarq to recover those revenues by raising its current retail rates and/or from an explicit competitively neutral mechanism.
- d. The instant proceeding only concerns Embarq and as such this question is not relevant.

Docket No. UT-081393 AT&T's Response to Embarq Data Request 1 Date 3/13/09

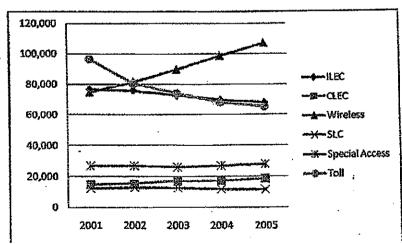
Embarq 1-23

Question: Reference page 5, lines 8-12 of AT&T witness Bax's testimony, is it Mr.
Bax's understanding that the decline in AT&T's Washington intrastate
toll volumes, revenue, and price are solely attributable to "excessive
intrastate switched access rates"? If no, state what percentage of the
decline is due to "excessive intrastate switched access rates." Provide all

supporting documentations, studies, analyses, calculations and related information. If AT&T does not know the answer to this question, please state so.

Objections & Response: AT&T objects to the request as overly broad and unduly burdensome in its demand for "all" documents, analyses, sources and related information. Without waiving its objections, AT&T believes that interexchange carriers generally have lost toll traffic volumes because customers find toll calling (both intrastate and interstate) more expensive than the alternatives. While this is a major cause of the decline in such service, AT&T concedes that it is not the sole factor causing such decline.

As shown in the following chart, while CLEC, SLC, and Special Access revenues have remained relatively constant and ILEC revenues have dropped, the revenues for wireless have risen commensurate with the decline in toll revenues. The data is extracted from the following sources: Industry Analysis and Technology Division Wireline Competition Bureau. Trends in Telephone Service: May 2002, Table 15.7, p. 15-9; May 2004, Table 15.7, p. 15-9; April 2005, Table 15.7, p. 15-9; February 2007, Table 15.7, p. 15-9; and, August 2008, Table 15.7, p. 15-9. Revenues are shown as dollars in millions.



Responsible Person: Lawrence Bax

( )

Docket No. UT-081393
AT&T's Response to Embarq Data Request 1
Date 3/13/09

Embarg 1-26

Question: Reference page 5, lines 19-22, of AT&T witness Bax's testimony, is it

Mr. Bax's recommendation that the Commission follow the FCC's example by "minimizing the implicit subsidies and the associated jeopardizes" and "implement explicit, more competitively neutral

universal service support mechanisms"? If not, why not.

Response: In general, yes. With regard to whether the Commission must take those same steps related to this proceeding, Mr. Bax notes that Embarq has as yet provided no proof that it would need state fund assistance.

Docket No. UT-081393 AT&T's Response to Embarq Data Request 1 Date 3/13/09

Embarg 1-28

Question:

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

Objections & Response: AT&T objects to this request in that it seeks irrelevant information not reasonably calculated to lead to the discovery or admissible evidence. This proceeding involves a dispute over Embarq's intrastate switched access rates. AT&T's calling plans, services and products, whether offered exclusively in Washington or otherwise, are not relevant to whether Embarq's rates are just and reasonable. Without waiving its objections, AT&T does not have any offerings publicly available in Washington that are not available in other states. See the AT&T website at <a href="http://serviceguide.att.com/tariff/business">www.att.com/tariff/business</a> or <a href="http://serviceguide.att.com/tariff/consumer.">http://serviceguide.att.com/tariff/consumer.</a>

Responsible Person: Denise Herb & Jim Archer

Docket No. UT-081393 AT&T's Response to Embarq Data Request 1 Date 3/13/09

Embarq 1-29

Question:

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

Objections & Response: AT&T objects to this request in that it seeks irrelevant information not reasonably calculated to lead to the discovery of admissible evidence. This proceeding involves a dispute over Embarq's intrastate switched access rates; AT&T advertising is not relevant to whether Embarq's rates are just and reasonable. Without waiving its objections, AT&T does not engage in state specific long-distance advertising.

Responsible Person: Denise Herb and Jim Archer

Docket No. UT-081393
AT&T's Response to Embarq Data Request 1
Date 3/13/09

Embarq 1-32

Question: Do any AT&T 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 AT&T 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 AT&T's In-State Access Recovery Fee or similar fee.
- Identify and explain any changes in the rate for the In-State Access Recovery Fee or similar fee since it was implemented.

Objections & Response: AT&T objects to this request in that it seeks irrelevant information not reasonably calculated to lead to the discovery of admissible evidence. This proceeding involves a dispute over Embarq's intrastate switched access rates, and AT&T's in-state connection fee is not relevant to whether Embarq's access rates are just and reasonable. Without waiving its objections, AT&T states for residential customers, please see as follows:

- a. AT&T implemented the In-State Connection Fee effective 12/28/03.
- b. Attached is original tariff page. In addition, a hyperlink to current
  In-State Connection Fee service guide for de-tariffed states is
  <a href="http://www.serviceguide.att.com/ACS/ext/mcs.cfm">http://www.serviceguide.att.com/ACS/ext/mcs.cfm</a>
- c. The In-State Connection Fee was implemented at a rate of \$1.40 and this rate has not changed since implementation.

For business customers, please see as follows:

a. Effective 3/01/2007 \$2.99

### Cross Exhibit No. \_\_\_\_

Embarq 1-32 Continued

- The following WA Service Guide Pages: Custom Network Service Terms and Conditions page 10 (definition of ISCF) and Custom Network Services Price List Page 91.
- c. There has been no change in the fee since inception.

Responsible Person: Eileen Somerville and Charlie Emanuel

Cross Exhibit No. \_\_\_\_

# Attachment 1-32a

AT&T COMMUNICATIONS OF THE PACIFIC NORTHWEST, INC.

PRICE LIST SCHEDULE 1 LONG DISTANCE SERVICE

 $(\ )$ 

PAGE: 11.2 RELEASE: 1

EFFECTIVE: DECEMBER 28, 2003

3. AT&T LONG DISTANCE SERVICE

### 3.10 In-State Connection Fee

A monthly service charge will be applied to each AT&T long distance residential Customer's account. This monthly charge is applied if a Customer has \$0.01 or more of AT&T new billable charges on their bill including, but not limited to, monthly recurring charges, or minimum usage charges. This charge does not contribute towards any applicable minimum monthly charge.

Customers in AT&T's Long Distance Lifeline Program are exempt from this service charge.

In State Connection Fee

MONTHLY CHARGE .

## Attachment 1-32b

TETA

Service Guide Custom Network Services Terms and Conditions Page 11 Effective: July 1, 2007

### GENERAL RECULATIONS

### 5. Payments and Charges (Cont'd)

### 5.7 Payphone Use Charge

In addition to all other charges for Custom Network Services under this service guide, a non-discountable Payphone Use Charge as specified in the state specific Price List shall apply to each coinless call which AT&T can identify as placed from a domestic payphone by or to the Customer or its permitted users. This charge does not apply to calls completed using AT&T 800 Plan P Service, AT&T EasyReach Service, AT&T 500 Personal Number Service, AT&T Commercial Prepaid Card Service, or calls that are subject to the payphone charge specified in the General Services Service guide. This charge is for the use of the payphone instrument to access AT&T services.

### 5.8 Carrier Line Charge (Indiana)

Customers of outbound services provided pursuant to this service guide are subject to an undiscountable Carrier Line Charge (CLC) which is a monthly recurring charge. The Carrier Line Charge will be applied subject to billing availability.

The line status determination is based on available AT&T and/or LBC provided information.

Refer to the state specific Price List for charges.

### 5.9 Instate Connection Fee

An Instate Connection Fee will be assessed as specified in the state specific Price List to customers who subscribe to the following services: AT&T Commercial Long Distance, AT&T All In One, AT&T CustomNet, AT&T Small Business Option, Distributed Network, AT&T PRO WAT\$/Plan Q and AT&T Clear Advantage. This fee will be charged to all customers who incur at least \$0.01 of long distance usage or long distance charges on their monthly bill. Billed charges can be in the form of billed usage or a billed monthly fee. This fee does not apply to customers that subscribe to only AT&T Local Services.

TSTA

Washington Custom Network Services Page 91 Effective: March 1, 2007

INSTATE CONNECTION FEE

\$2.99

Docket No. UT-081393 AT&T's Response to Embarq Data Request 1 Date 3/13/09

Embarq 1-43

Question:

Reference page 11, lines 12-13 of AT&T witness Bax's testimony, please list all economic benefits for residential and business customers in Washington that he believes have materialized because of the "significant reductions" in Verizon and Qwest's intrastate switched access rates.

Objections & Response: AT&T objects to this request as overly broad and unduly burdensome in its demand to produce "all" economic benefits. Without waiving its objections, please see the benefit discussed by the Commission in the following orders: Docket No. UT-020406 (2003), Eleventh Supplemental Order at para. 39. ("Eleventh Supplemental Order"); Docket No. UT-040788, Order No. 15 and Docket No. UT-040520, Narrative Supporting Settlement Agreement and Docket No. UT-950200 (1996), Fifteenth Supplemental Order at para. 112 ("Fifteenth Supplemental Order"). Furthermore, the FCC CALLS Order describes the consumer benefits resulting from access reform, which are also likely in Washington.

Docket No. UT-081393 AT&T's Response to Embarq Data Request 1 Date 3/13/09

Embarq 1-46

Question: Reference page 18, lines 2-4 of AT&T witness Bax's testimony and the statement "The hidden charges embedded in access charges, and therefore, in the prices consumers pay for wireline long-distance service, are forcing long-distance providers like AT&T to maintain higher-than-necessary retail rates for consumers."

- a. Please provide all documents, studies, workpapers, analyses, sources, calculations, cases, assumptions and related information that quantify the amount that AT&T contends long-distance consumers are paying in higher than necessary retail rates in Washington.
- b. Of the amount identified in response to a. above, how much does AT&T contend is related to Embarq's intrastate access rates?

Objections & Response: AT&T objects to this request as over broad and unduly burdensome in its demand for "all" documents, studies, etc. Without waiving its objections, AT&T states:

- a. It incorporates by reference its responses and objections to DR 32.
- b. Embarq's intrastate switched access rates are factored into the instate-connection fee as a part of a calculation setting an average fee for the state.

Docket No. UT-081393 AT&T's Response to Embarq Data Request 1 Date 3/13/09

Embarq 1-48

Question: Reference page 21, lines 1-5 of AT&T witness Bax's testimony and the statement "It is thus critical that policy makers find a means to transition from the increasingly anachronistic POTS/long distance/access charge business model to the business model of the 21st century which is based on the provision of broadband capacity, together with competitive prices for voice services and other applications on top of the broadband pipe."

- a. Explain and quantify the expected additional network investment in broadband that would result from the access rate changes proposed by AT&T for each of the following entities:
  - 1. Embarq
  - 2. AT&T
  - 3. Other IXCs
  - 4. Any other network providers

Objections & Response: AT&T objects to this request to the extent it calls for speculation and calculations based on information that AT&T does not possess or control. AT&T further objects to this request to the extent it seeks irrelevant information not reasonably calculated to lead to the discovery of admissible evidence. Additional network investment for broadband deployment is not at issue in this proceeding nor legally supported by implicit access subsidies. Without waiving its objections, AT&T states that it cannot speak for other carriers and what investment decisions they would make and AT&T has not performed its own investment analysis.

Responsible Person: Philip Bowie

Docket No. UT-081393 AT&T's Response to Embarq Data Request 1 Date 3/13/09

Embarq 1-52

Question: Reference the revenue shift per line included on page 24, line 10 and column J of Bax-Appendix 1 of AT&T witness Bax's testimony:

- a. Does Mr. Bax believe that Embarq can raise the price for its revenue producing access lines in all areas by the amount provided in his testimony? Please explain your response and provide any and all documents, workpapers, analyses, sources, calculations and assumptions that would support this belief. If there are no such studies, please state so.
- b. Does Mr. Bax believe than [sic] in areas where competitive forces discipline prices, Embarq will be able to raise prices by the amount reflected in the testimony? Please explain your response.

Objections & Response: AT&T objects to this request as overly broad and unduly burdensome in its request for "all" documents, workpapers, etc. Without waiving its objections, AT&T states:

- a. Mr. Bax does not take a position on whether Embarq "can raise the price for its revenue producing access lines in all areas by the amount provided in his testimony."
- b. Embarq may desire to raise its rates, but it may not be able to due to competitive forces, but Embarq has provided no evidence that such situation exits nor that it is entitled to recover its entire revenue loss, if any.