

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Washington Utilities and Transportation Commission

v.

Verizon

Docket No. UT-040788

**RESPONSE OF PUBLIC COUNSEL, AARP AND WeBTEC TO DATA REQUESTS OF
VERIZON NORTHWEST**

Request No: 109
Directed to: Simon ffitich
Date Received: December 15, 2004
Date Produced: December 30, 2004
Prepared by: Michael Brosch
Witness: Michael Brosch

DATA REQUEST P.C. NO. 109.

Mr. Brosch states at page 5, lines 18-21, in his Testimony that “telephone companies use their relationships with customers, their brand name and business reputation, their billing and collection systems, their financial resources and shared corporate administrative and management capabilities to dominate the directory publishing industry.” What economic meaning, if any, does Mr. Brosch ascribe to the word “dominate?” Is it Mr. Brosch’s contention that directory publishers do not compete with suppliers of other forms of local advertising? If so, provide copies of all analyses undertaken by Mr. Brosch that support this position.

RESPONSE:

By “dominate”, Mr. Brosch means that the ILEC-affiliate publishers consistently maintain high market share percentages in spite of generally higher advertising prices that produce higher profit margins than are typically achieved by independent publishers. See page 6, line 10 through page 7, line 8 of Mr. Brosch’s Testimony. See also pages 18, 19 and 37 of Mr. Brosch’s Testimony. It is not Mr. Brosch’s contention that directory publishers do not compete with other forms of local advertising, but instead that the effect of such competition is fully recognized in the calculation of imputation.