

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

Docket No. D.T.C. 09-1

Respondent: John Conroy
Title: Vice President-Regulatory

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-1

Please refer to page 2, lines 12-14 of Verizon's Supplemental testimony filed on April 23, 2010 ("Verizon Supplemental testimony"). Fully describe what is "unclear" about the penalty mechanism described in the Department's Hypothetical plan. What information would Verizon require in order to clarify the penalty mechanism described in the Department's Hypothetical plan?

REPLY:

See Supplemental Testimony of Verizon MA, at 10, n. 4; 11, lines 3-10. In addition, see the Attorney General's response to Record Request 5 stating "It is not clear from the HSQI whether the Department's intention is to utilize the current SQI threshold (i.e.33 points) to trigger a penalty."

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

Docket No. D.T.C. 09-1

Respondent: John Conroy/Paul B. Vasington
Title: Vice President-
Regulatory/Director-State Public
Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-2

Please refer to page 2, line 14 of Verizon's Supplemental testimony. Fully describe what is "arbitrary" about the standards described in the Department's Hypothetical plan. What information would Verizon require in order to clarify the standards described in the Department's Hypothetical plan? In this context, how does Verizon define "arbitrary"?

REPLY:

See Supplemental Testimony of Verizon MA, at 11-13, 15-16. The cited testimony does not address whether or not the standards are clear; however, in order to fully evaluate any proposed standards for a Service Quality Plan, Verizon MA would need to review and explore the evidentiary basis for those standards.
Verizon MA defines arbitrary in this context to have the same meaning as it has in G.L. c. 30A, §14.

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Respondent: John Conroy
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DATED: April 30, 2010

ITEM: AG-VZ 15-3

Please refer to page 4 at line 22 of Verizon's Supplemental testimony. How does Verizon define "stringent" when referring to the current targets in the Service Quality Plan? Why does Verizon deem these current targets to be stringent?

REPLY:

Please see Verizon MA's Direct Panel testimony page 7, which describes the Department's Service Quality Plan. There are two levels of performance for each metric in the Plan – the "standard" level and the "target" level. The target level is the more difficult level to achieve and is, therefore, "stringent" when compared to the standard level.

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Docket No. D.T.C. 09-1

Respondent: Paul Vasington
Title: Director-State Public Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-4

Please refer to page 7, lines 8-9 of Verizon's Supplemental testimony. Is it Verizon's position that the only "appropriate and legally-permitted remedies" available in this proceeding are reports?

REPLY:

Yes. As stated in Verizon MA's Supplement Testimony, at 44, the Department could order Verizon MA to file regular reports on the progress of its ongoing open plant work. The record before the Department, however, demonstrates that service quality across Western Massachusetts is just, reasonable and adequate, so there is no need for such reports and no other alleged "remedy" is appropriate in this proceeding. The language quoted in the request was in the context of Verizon MA's position that findings regarding individual wire centers would be beyond the scope of this proceeding but that even if they were within the scope of the case, they would not support the Hypothetical Plan. In full, the cited portion of testimony reads: "On such findings, the only appropriate and legally-permitted remedies would be tailored to specific improvements in those wire centers."

In addition, the particular "remedies" advocated by the IBEW and the Attorney General, and the Hypothetical Plan, would not be consistent with the requirements of G.L. c. 159, Section 16.

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Respondent: John Conroy
Title: Vice President-Regulatory

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-5

Please refer to page 13, lines 15-17 of Verizon's Supplemental testimony. What is Verizon's opinion on the effect of the current open plant work on the number of repeat troubles? Does the company believe the work is likely to cause the quantity of repeat troubles to decline, stay the same or increase? Please provide a detailed explanation of your response.

REPLY:

Verizon MA has testified that closing open plant will decrease the number of trouble reports. When the number of trouble reports decreases – all else equal -- it is reasonable to expect that the number of repeat reports will decrease as well

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Respondent: John Conroy/Paul B. Vasington
Title: Vice President-
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Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-6

Please refer to page 7 of Verizon's Supplemental testimony at lines 16-17. Please describe fully and in detail what the Company means when it asserts that, "A service quality plan that penalizes or makes changes to service quality levels in wire centers where there is no evidence of inadequate service would not be consistent with the requirements of M.G.L. Chapter 30A?" Please refer to a section and/or paragraph of M.G.L. c. 30A and describe how it would be violated.

REPLY:

Verizon MA meant that where there is no evidence of inadequate service in a given wire center, there is no evidentiary basis for changing the service quality standards applicable to that wire center or for imposing penalties on the Company for its performance in that wire center, and any order to that effect would be inconsistent with the requirements in G.L. c. 30A, §14, which requires that agency decisions be supported by substantial evidence, be warranted by the facts on the record and not be arbitrary or capricious, among other things. Our point in the Supplemental Testimony is that any findings that the RPHL in a few wire centers was sub-standard would not support implementation of the Hypothetical Service Quality Plan across Western Massachusetts or the state as a whole. As we testified, in 2009, only six wire centers in Western Massachusetts would have exceeded the Department's former RPHL wire center standard of 4.0 for three consecutive months.

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Respondent: Counsel
Title:

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-7

Refer to page 12 of Verizon's Supplemental testimony at lines 8-10. Is it Verizon's position that the testimony provided by Towns and customers is irrelevant in this proceeding?

REPLY:

Objection: The request is entirely unrelated to the cited testimony, which states that there is no standard or benchmark by which to assess Verizon MA's performance with respect to repeat troubles. The request is not within the scope of discovery at this stage of the proceeding.

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Docket No. D.T.C. 09-1

Respondent: John Conroy/Paul B. Vasington
Title: Vice President-
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Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-8

Please refer to page 22, lines 19-20 of Verizon's Supplemental testimony. Please explain how the RPHL measure is "in large part a function of circumstances beyond Verizon MA's control." For every 100 trouble reports what percentage does Verizon estimate arise from "circumstances beyond Verizon MA's control":

- i) in Western Massachusetts?
- ii) in Eastern Massachusetts?
- ii) statewide?

Is it Verizon's position that RPHL is not a meaningful measure of service quality in Western Massachusetts? If yes, what would be a meaningful and quantifiable measure of service quality in Western Massachusetts?

REPLY:

See Verizon MA Direct Testimony page 50 line 15 through Page 52 line 16 and hearing transcripts Volume 4 page 652 line 24 through page 653 line 22 and Volume 5 page 910 line 17 through page 913 line 3.

Verizon MA does not have data to estimate the percentage of trouble reports arising from "circumstances beyond Verizon MA's control." Verizon MA has testified that RPHL is the best indicator of the overall health of Verizon MA's network, but that it is subject to volatility on a month-to-month basis and in smaller wire centers. The Department's Service Quality Plan establishes the standard of service quality performance for Verizon MA.

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Docket No. D.T.C. 09-1

Respondent: Paul B. Vasington
Title: Director-State Public Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-9

Refer to page 14 of Verizon's Supplemental testimony at lines 20-22. What significance does Verizon derive from the fact that Ms. Baldwin served as a witness in a case in Illinois involving the transfer of Verizon assets in that state to Frontier?

REPLY:

During hearings and again in her response to Record Requests 3-5, at 10, Ms. Baldwin cited Frontier's agreement in a proposed settlement in Illinois to a RPHL of 1.03 as evidence for a lower RPHL standard in Massachusetts. As stated in Verizon MA's supplemental testimony at page 14 lines 20-22, it is relevant that Ms. Baldwin's client in Illinois opposed that settlement in part due to its allegation that Frontier was not financially capable of meeting current service quality standards. Also, in her evaluation of the Department's Hypothetical Service Quality Plan, Ms. Baldwin's criteria do not include the financial capability of Verizon MA to meet the plan.

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Docket No. D.T.C. 09-1

Respondent: John Conroy/Paul B. Vasington
Title: Vice President-
Regulatory/Director-State Public
Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-10	Refer to Verizon's Supplemental testimony at page 15, lines 18-19. Provide a citation or other evidence showing that the Department's "Troubles Cleared" standards reflect "the more critical need for restoration for business customers."
REPLY:	See Verizon MA Direct Testimony at page 27 lines 8-13 and response to AG-VZ 9-19.

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Respondent: Counsel/John Conroy/Paul B.
Vasington

Title: Vice President-
Regulatory/Director-State Public
Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-11 Refer to Verizon's Supplemental testimony at page 15, lines 20-21. Does Verizon possess any evidence showing that business customers require access to emergency services including E911 or 911 more regularly than residential customers? If so, please provide this evidence.

REPLY:

Objection: The request is vague and confusing in that the cited testimony does not address access to emergency services.

Subject to this objection, Verizon MA responds as follows: Verizon MA did not contend, and does not believe, that business customers require access to emergency services more regularly than residential customers.

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Respondent: John Conroy/Paul B. Vasington
Title: Vice President-
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Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-12

Refer to Verizon's Supplemental testimony at page 17, lines 5-9. Does Verizon believe that resources may be freed up if it continues to reduce the total volume of troubles? Why or why not? If not, why is Verizon trying to reduce the total volume of troubles? In addition, if not, what should be done to reduce the total volume of troubles?

REPLY:

No. Please see Verizon MA's Supplemental Testimony at 17, lines 9-20 where we explain that the reduction of trouble reports does not "free-up" resources, it provides an opportunity to eliminate them. In addition, as explained at hearing (see e.g. Tr. Vol. 3 at 485; Vol. 4 at 651, 677-678, 689, 699 - 700, 727 - 728, 752; Vol. 5 at 780- 781) Verizon MA attempts to reduce the number of trouble reports received from customers in order to reduce expenses and provide excellent service quality in the competitive marketplace throughout the state. The steps Verizon MA is taking to reduce troubles are the most appropriate procedures to reduce the total volume of troubles.

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Respondent: Counsel
Title:

REQUEST: AG to Verizon, Set #15

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ITEM: AG-VZ 15-13 Refer to Verizon's Supplemental Testimony at page 17, lines 14-17. What can be done to make it easier for Verizon MA to restore service?

REPLY: Objection: The request misinterprets Verizon MA's testimony. The point was not that it is difficult to restore service but that line losses do not reduce the overall scope of Verizon MA's network, so that the company must still devote resources to restore service even though the facility at issue now serves fewer customers than in the past. That is an example of why it is difficult for Verizon MA to meet the Troubles Cleared standard and to reduce expenses as fast as its revenues have been declining - even with reduced trouble report volume. See also Tr. Volume 5 page 902 line 8 through page 903 line 3.

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Respondent: John Conroy/Paul Vasington
Title: Vice President-Regulatory

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-14 Refer to Verizon's Supplemental testimony at page 18 lines 13-20. Is it Verizon's position that data and metrics from other states have any bearing on this case? If not, why not? If so, which states, which dockets and which metrics should have relevance to this case?

REPLY:

Verizon MA does not believe that other states' data or metrics are determinative of whether or not service quality in Western Massachusetts is adequate.

However the experience in other states can inform the Department as examples of what other state regulators have done with respect to service quality, but the Department should evaluate the entire context of any particular state's experience and all of the components of a state's service quality regime, including the many states that have no service quality regulatory plan. The value of other states' experience and service quality regimes is not limited to any particular state or subset of states or metrics.

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ITEM: AG-VZ 15-15 Please refer to Verizon's Supplemental testimony at page 19, lines 14-16. Please explain the process by which Verizon customers in Western Massachusetts can use automated systems to place trouble reports or can go on-line to enter a repair ticket directly into carriers' systems.

REPLY: Verizon's website provides customers with the ability to report a trouble with their service. The customer accesses the website, inputs their telephone number and reports their trouble.

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Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-16

Refer to Verizon's Supplemental testimony at page 19, lines 11-13. Is it Verizon's position that the current service quality plan is obsolete and irrelevant 1) in Massachusetts; 2) in every part of Massachusetts; 3) in Western Massachusetts; and 4) for each customer in Massachusetts? Why or why not?

REPLY:

No. The referenced testimony was related to Service Response metrics.

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REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-17

Refer to Verizon's Supplemental testimony at page 19, lines 14-16. Do customers require internet access to "go on-line to enter a repair ticket?"

REPLY:

Yes.

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Respondent: John Conroy/Paul Vasington
Title: Vice President/Director-State
Public Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-18 Refer to Verizon's Supplemental testimony at page 20, lines 17-20. Is it appropriate in this investigation to use analyses of service quality reporting metrics and service quality performance metrics from other states? Why or why not?

REPLY: See response to AG-VZ 15-14

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Respondent: John Conroy/Paul B. Vasington
Title: Vice President-
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Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-19

Refer to Verizon's Supplemental testimony at page 22, line 13. Define and fully describe what is meant by "the natural volatility of small, rural wire centers." What is natural? What is volatile? Why is there a "natural volatility?"

REPLY:

See Verizon MA Supplemental Testimony page 23 line 6 through page 27 line 8. See also Verizon MA's Direct Testimony page 24 lines 2-12, page 25 line 6 through page 27 line 2 and page 52 lines 5-16.

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REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-20 Refer to Verizon's Supplemental testimony at page 22, line 20. What circumstances related to service quality in Western Massachusetts can Verizon control? How does Verizon work to control these circumstances?

REPLY: See Verizon MA Direct Testimony page 45 line 3 through page 57 line 17.

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Respondent: Counsel/John Conroy
Title: Vice President-Regulatory

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-21	Refer to Verizon's Supplemental testimony at page 29, lines 1-3. How many towns in Western Massachusetts have complained to Verizon, state, local or federal officials or the Department informally outside of a section 16 complaint? How many customers in Western Massachusetts have complained to Verizon, state, local or federal officials or the Department informally outside of a section 16 complaint? Provide the names of each municipality and customer that has lodged a complaint outside of the section 16 process, the date of the complaint and how those complaints came to Verizon's attention.
REPLY:	<p><i>Objection:</i> The request is vague in that it does not specify any time frame, nor does it define the terms "complained" or "complaint." Verizon MA assumes that the request does not mean for it to include or identify each customer that has made a trouble report to Verizon MA. Moreover, the request seeks information that is neither related to the subject matter of this phase of the proceeding nor reasonably calculated to lead to the discovery of admissible evidence.</p> <p>Subject to this objection Verizon MA states the following. Verizon MA does not know how many towns or customers in Western Massachusetts have complained to state, local or federal officials, or to the Department informally outside a section 16 complaint.</p>

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Respondent: John Conroy/Paul B. Vasington
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Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-22

Refer to Verizon's Supplemental testimony at page 31, lines 12-14. What studies, statistics or other evidence does Verizon MA rely upon to show the change in competition in Western Massachusetts over the last seven (7) years? Provide said studies, statistics or other evidence relied upon by Verizon MA.

REPLY:

See Response to AG-VZ 8-2.

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Respondent: Counsel/John Conroy/Paul B.
Vasington

Title: Vice President-
Regulatory/Director-State Public
Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-23 Refer to Verizon's Supplemental testimony at page 31, lines 15-19. What does Verizon MA rely upon as the reason or reasons why the Department cannot make the recovery of costs, exogenous or not, part of the scope of this proceeding?

REPLY: Objection. The request mis-states the testimony. Verizon MA did not say that the recovery of costs is beyond the scope of this proceeding.

Subject to this objection, Verizon MA responds as follows: The Department's Order opening this proceeding does not address the recovery of costs through the exogenous provision of Verizon MA's Regulation Plan, and virtually no evidence on this issue has been presented in the proceeding.

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Respondent: Counsel/Paul B. Vasington
Title: Director-State Public Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-24 Refer to Verizon's Supplemental testimony at page 33, lines 13-14. If the Department imposed the penalty discussed, what would Verizon do differently, if anything, to avoid the penalty? If Verizon would do nothing differently, please explain the reasons for this choice.

REPLY: Objection. The request calls for speculation.

Subject to this objection, Verizon MA responds as follows: As we have testified in our Rebuttal and Supplemental testimonies, the additional costs associated with meeting the standards proposed by the Attorney General or in the Department's Hypothetical Service Quality Plan are so great that they are not consistent with the financial ability of Verizon MA to comply

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Respondent: Counsel/Paul Vasington

Title: Director – State Public Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-25

Refer to Verizon's Supplemental testimony at page 33, lines 13-14. If the Department imposed a penalty under the current Service Quality Plan for troubles cleared - residence, what would Verizon do differently, if anything, to avoid the penalty? If Verizon would do nothing differently, please explain the reasons for this choice.
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REPLY:

See objection and response to AG-VZ 15-24.
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Respondent: Counsel/John Conroy/Paul B. Vasington
Title: Vice President-Regulatory/Director-State Public Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-26 Refer to Verizon's Supplemental testimony at page 40, lines 6-10. Are there any ways that Verizon MA could accomplish the goals of the Hypothetical plan without incurring substantial, unnecessary labor costs? If so, please describe fully. If not, why not?

REPLY:

Objection. The request is vague and ambiguous in that it is not apparent what the "goals of the Hypothetical plan" are.

Subject to this objection, Verizon MA responds as follows. The referenced portion of testimony states, "Verizon MA would have to maintain a workforce large enough to meet the metrics in the Hypothetical Plan in each wire center in the peak load months even though that force would be far larger than would be necessary to meet the work load in the other months, causing Verizon MA to incur substantial, unnecessary labor costs." Four out of the five metrics that would be measured on a monthly wire center basis in the Hypothetical Plan are related to a Troubles Cleared standard, and Verizon MA testified in Rebuttal Testimony at 36, lines 1-3, that "The ability to clear troubles within a certain time period is largely a function of the personnel available to respond to Out of Service ("OOS") and other service-affecting conditions..." Therefore, Verizon MA cannot meet the standards in the Hypothetical Plan without incurring substantial, unnecessary labor costs.

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Title: Vice President-
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Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-27 Refer to Verizon's Supplemental testimony at page 40, line 22. Please explain fully and in greater detail Verizon's concern that there is a risk of violating Constitutional requirements against confiscation.

REPLY:

Objection: The request calls for legal analysis.

Subject to this objection, Verizon MA states the following:
See Verizon Rebuttal testimony at 44-45, stating that:

“The Department is no less bound by the requirements of the United States Constitution and the court decisions applying Constitutional requirements to regulated industries. In order to avoid violating the Fifth Amendment, the Department must afford an opportunity for Verizon MA to recover its costs and earn a return on its investment. But as the Department is aware, Verizon MA is already operating at a loss. The record in this case clearly demonstrates that in the five years from 2004 to 2008, Verizon MA has had negative net operating income of (\$103 million) in 2004, (\$69 million) in 2005, (\$145 million) in 2006, (\$138 million) in 2007, and (\$75 million) in 2008. A Department order approving the Attorney General's proposal to increase Verizon MA's operating and capital costs without somehow also providing a cost-recovery mechanism would violate the Department's statutory and constitutional obligations. ... Given that Verizon MA has been operating its Massachusetts business at a loss over a multi-year period of time, the Department cannot impose these additional costs on Verizon MA unless the Department also and at

the same time provides Verizon MA with a viable means to recover these costs -- a requirement for which none of the Intervenor's account, but one that the Department cannot ignore." (footnote omitted)

While the above passage refers only to the remedies proposed by the Attorney General, it applies with equal force to the Hypothetical Plan, which as demonstrated in Verizon MA's Supplemental Testimony would impose even greater additional costs on Verizon MA.

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Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-28

Refer to Verizon's Supplemental testimony at page 41, lines 3-4. Is it Verizon's position that Verizon is not legally required to meet the current service quality standards? If so, by what authority? Is it Verizon's position that the Department has no recourse to require or attempt to require that Verizon meet the current standards or proposed standards? If yes, on what authority do the witnesses rely?

REPLY:

Verizon MA currently meets, and has met for years, the SQI standard in the Service Quality Plan. Failure of Verizon MA to meet that standard or any individual metric is not a violation of law. Rather, it could subject Verizon MA to penalties as provided in that Plan.

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Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-29

Refer to Verizon's Supplemental testimony at page 41, lines 12-16. Are the revenues derived from "new services" available to Verizon MA to use for its Proactive Cable Maintenance process?

REPLY:

Verizon MA does not allocate revenues from specific services to fund specific expenses. The example provided in the Supplemental Testimony is intended to point out the business reality that Verizon MA's resources are limited and if Verizon MA is required to expend its financial resources to meet outdated regulatory requirements, it cannot use those resource on other expenditures that would benefit customers and the state.

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Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-30

Refer to Verizon's Supplemental testimony at page 43, lines 1-5. Where in the record or in any other source of authority is it shown that Verizon MA is facing robust and/or growing competition in Western Massachusetts? With respect to Verizon's claims that it has declining lines, how are declining lines measured? Is a change in service from only CORE service to a bundled or other package considered a line loss?

REPLY:

See Response to AG-VZ 8-2.

The last two questions in this request were asked and answered at hearing – see Tr. Volume 4 page 752 line 20 through page 753 line 20. Only lines that leave Verizon MA are considered a line loss.

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Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-31

Refer to Verizon's Supplemental testimony at page 43, lines 6-11. Is it Verizon's conclusion that the Department can do nothing under M.G.L. c. 159, §16 to remedy service quality, if it finds service quality to be inadequate?

REPLY:

No, but the particular "remedies" advocated by the IBEW and the Attorney General and implementation of the Hypothetical Plan would not be consistent with the requirements of G.L. c. 159, Section 16.

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Respondent: Counsel/John Conroy

Title: Vice President-Regulatory

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DATED: April 30, 2010

ITEM: AG-VZ 15-32 Refer to Verizon's Supplemental testimony at page 44, line 4. Here Verizon describes that it reinvigorated a number of programs to manage the network more aggressively in 2007. Please describe every program that was reinvigorated in 2007. When will Verizon cease its reinvigoration? Why? How has it made this projection or decision?

REPLY: Objection: The request is beyond the scope of discovery at this stage of this proceeding.

Subject to this objection Verizon MA states the following: There has been substantial prefiled testimony, discovery and discussion at hearing regarding Verizon MA's Proactive Cable Maintenance process. For example, see Verizon MA's Direct Testimony starting at page 54.

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REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-33 Refer to Verizon's Supplemental testimony at page 44, line 10. Please fully describe Verizon's "Quality Inspection program." When was the program implemented? How was it implemented? Please provide the titles of the employees who run and oversee the program? Who has overall responsibility for the program? Who has financial decision making responsibility for the program? How much does the program cost quarterly? How much does the program cost annually?

REPLY: Objection: The request is beyond the scope of discovery at this stage of this proceeding.

Subject to the objection Verizon MA states the following.
See Verizon MA's Direct Testimony page 57 line 3 through line 17.

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

Docket No. D.T.C. 09-1

Respondent: John Conroy
Title: Vice President-Regulatory

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-34 Refer to Verizon's Supplemental testimony at page 44, lines 13-14. Why did Verizon MA voluntarily survey its outside plant in 31 wire centers in Western Massachusetts?

REPLY: See Verizon MA's Rebuttal Testimony page 3 lines 6-12 and page 11 line 3 through line 21. See, also, response to AG-VZ 14-5.

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

Docket No. D.T.C. 09-1

Respondent: John Conroy
Title: Vice President-Regulatory

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-35 Refer to Verizon's Supplemental testimony at page 44, lines 17-18. What is Verizon's plan for work on open plant in Western Massachusetts after the end of June 2010? Does Verizon expect open plant to no longer be an issue after June 2010?

REPLY: Verizon MA will continue to apply the Proactive Cable Maintenance process in western Massachusetts and the rest of the state to identify and remediate open plant. See, also, Tr. Vol. 4 page 656 lines 6-9, and page 700 line 11 through page 701 line 4.

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

Docket No. D.T.C. 09-1

Respondent: John Conroy/Paul B. Vasington
Title: Vice President-
Regulatory/Director-State Public
Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-36

Please refer to Verizon's Supplemental testimony at page 2, lines 3-6, which states in part, "The evidence...calls, at most, for local remedies focused on the particular issue or wire center." How does Verizon harmonize this testimony with its previous testimony that the Department cannot make wire center findings in this case because the Department created a regional investigation? (Tr. Vol. 4, pp. 635-636, Tr. Vol. 5, pp. 876-877).

REPLY:

The quoted portion of testimony does not indicate that the "local remedies" would be appropriate or consistent with the scope in this proceeding. The Supplemental Testimony at 7, lines 6-10, noted that "even if findings on individual wire centers were within the scope of this proceeding ... the only appropriate and legally-permitted remedies would be tailored to specific improvements in those wire centers."

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

Docket No. D.T.C. 09-1

Respondent: Counsel/Paul Vasington
Title: Director-State Public Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-37 Please refer to Figure 2 on page 24 of Verizon's Supplemental testimony. Please provide any workpapers, spreadsheets, notes or other documentation showing the method used to calculate the standard deviations contained in Figure 2. Please provide the standard deviation calculation for the balance of the Bay Path SBU consisting of the Marlboro wire centers.

REPLY: Objection: With respect to wire centers in the Marlborough District, the request seeks information that is neither related to the subject matter of this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

Subject to this objection, Verizon MA responds as follows: See proprietary attachment AG-VZ 15-37 for the workpaper used to produce Figure 2. Verizon MA conducted a special study to produce Figure 2, and the data to provide the same calculations for the Marlborough District wire centers are not readily available.

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

Docket No. D.T.C. 09-1

Respondent: Paul Vasington
Title: Director-State Public Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-38 Please refer to page 33, lines 14-16 of Verizon's Supplemental testimony. What does the company estimate it would cost to disaggregate annual revenues between the 126 LATA and 128 LATA?

REPLY: In order to disaggregate annual intrastate retail revenues by LATA, Verizon MA would have to conduct a manual, line-by-line analysis of billing data in order to determine which revenues are intrastate and which are interstate. This would be a burdensome manual process, but without conducting such a study, Verizon MA cannot provide a supportable cost estimate.

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

Docket No. D.T.C. 09-1

Respondent: John Conroy
Title: Vice President-Regulatory

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-39 Refer to page 5 of Verizon's Supplemental testimony, line 19 through page 6, line 3. What is your understanding of why the Department no longer requires "Hot Spot" reports?

REPLY: Verizon MA believes that the Department agreed with Verizon MA in 1996 that the so-called "Hot Spot" reports were no longer necessary. In letters to the Department dated June 25, 1996, and September 20, 1996, Verizon MA provided a new Monthly Quality of Service Report designed to incorporate changes resulting from D.P.U. 94-50. The new Monthly Quality of Service Report did not contain the "Hot Spot" reports. Verizon MA has provided the Monthly Quality of Service Report in that "new" format for every month since September, 1996.

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

Docket No. D.T.C. 09-1

Respondent: Counsel/John Conroy
Title: Vice President-Regulatory

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-40

Refer to page 7 of Verizon's Supplemental testimony, lines 10 through 12, page 44, lines 12 through 18, and also Verizon's response to Record Request #20.

a) Please confirm that the 31 wire centers referenced on page 7, lines 10 through 20 are the same 31 wire centers shown in response to Record Request #20.

b) Please provide the underlying data (the numerators and the denominators) used to derive the percentages shown in the response to Record Request #20.

c) Please explain the meaning of "% Complete" in the response to Record Request #20. What units are being used to compute the percentages?

d) Please provide totals (in units and in percentages) for the percent of work completed as of April 16, 2010 for the entire 31 wire centers in the aggregate.

e) For each of the 31 wire centers and also for the wire center serving Williamstown please provide the estimated completion date for the work summarized in response to Record Request #20.

f) Please indicate who by name and title is responsible for determining the speed by which the work is completed.

g) After Verizon completes its "remediation efforts in 31 Western Massachusetts wire centers and Williamstown," when and where does Verizon intend to conduct open plant surveys in Western Massachusetts? Will it be within the next five years?

h) How frequently should open plant surveys be conducted – please explain fully?

i) When and where does Verizon intend to conduct open plant surveys? Please explain fully the criteria that Verizon will use to determine when and where Verizon will conduct open plant surveys. Does

Verizon expect that the open plant work that it is doing will result in a reduction of trouble reports?

j) Does Verizon expect that the open plant work that it is doing will result in a reduction of initial trouble reports? Does Verizon expect that the open plant work that it is doing will result in a reduction of repeat trouble reports?

REPLY:

Objection: Parts b through f of this request are beyond the scope of discovery at this stage of this proceeding

a. They are the same

g. See response to AG-VZ 15-35.

h. As needed. See response to AG-VZ 15-35.

i. See g. and h. above. Yes, Verizon MA expects that the open plant work will reduce the volume of trouble reports in the subject wire centers, and it has previously testified to the success of the open plant surveys. See, for example, Verizon MA's Direct Testimony page 58 line 3 and Tr. transcript Volume 4 page 672 line 22 through page 673 line 13.

j. See i. above and response to AG-VZ 15-5 which asks the same question.

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

Docket No. D.T.C. 09-1

Respondent: Counsel/John Conroy

Title: Vice President-Regulatory

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-41 Refer to page 14 of Verizon's Supplemental testimony, lines 4 through 10, specifically the phrase "(not including the Southeast District, which Ms. Baldwin cursorily dismisses as an 'outlier')." In Verizon's view is the Southeast District an outlier? In Verizon's view, are there extenuating circumstances that explain the relatively higher RPHL in the Southeast District? Absent an investigation by the Department, what criteria would Verizon use to decide to focus resources to lower the report rate in the Southeast District? In Verizon's view, does the average report rate in the Southeast District signal any possible need for Verizon's attention? In Verizon's view, should it only conduct open plant surveys in those parts of the state where communities have complained about service quality?

REPLY: Objection: The request seeks information that is neither relevant to the subject matter of this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

Subject to this objection, Verizon MA states the following:
Verizon MA does not consider the Southeast District an "outlier." The Southeast District – Cape Cod in particular – is subject to some of the same circumstances that make it difficult to meet certain service quality metrics in Western Massachusetts. These include overhead plant, weather, and seasonal demand.

Verizon MA has testified that it conducts open plant surveys throughout the state. See, for example, Verizon MA's Direct Testimony at page 56 lines 1-8 and Tr. Vol. 4 page 677 line 20 through page 678 line 17. Various factors lead the company to conduct open plant surveys, including report rates and complaints to the DTC.

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

Docket No. D.T.C. 09-1

Respondent: Counsel/John Conroy/Paul B. Vasington
Title: Vice President-Regulatory/Director-State Public Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-42 Refer to page 17, lines 10 through 17 of Verizon’s Supplemental testimony discussing among other things “a race between declining revenues and reducing expenses for Verizon MA to return to profitability.” Please describe fully the ways in which Verizon balances the goals of maintaining adequate service quality and “return[ing] to profitability.” Please provide any and all internal presentations, memoranda, analyses, studies, reports prepared by or on behalf of Verizon Massachusetts and/or Verizon Corporate that provide guidance to Verizon Massachusetts regarding how they might “return to profitability.”

REPLY: Objection: The request is overbroad, unduly burdensome and seeks information that is neither relevant to the subject matter of this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

Subject to the objection Verizon MA states the following:
Verizon MA’s Direct Testimony, Rebuttal Testimony, responses to data requests and various portions of the hearing transcripts detail the many policies, practices and actions by which Verizon MA provides good quality service to its customers in Massachusetts. In our Direct Testimony, at 80-91, we discuss at length the need to balance the goals of providing good service quality while responding to declining demand and revenues. We concluded there that “Verizon MA faces the challenge of making necessary and extraordinary investments to compete, while at the same time managing the decline in demand, revenues, and expenses in the traditional telephone business served primarily over a copper-based network. One of the most difficult parts of this challenge is to manage this transformation while

delivering to all customers the service quality that they expect and demand.” And as evidenced by the results outlined in Verizon MA’s testimonies, the Company has been successful in providing good quality service in spite of the fact that, for at least the last 6 years, Verizon MA has had negative net income in the state. See, for example, Verizon MA’s Direct Panel testimony page 53 through page 58, Verizon MA’s Rebuttal testimony at page 4 line 17 through page 7 line 20, transcript Volume 4 page 651 lines 1- 14, page 678 lines 3-12.

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

Docket No. D.T.C. 09-1

Respondent: John Conroy/Paul B. Vasington
Title: Vice President-
Regulatory/Director-State Public
Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-43

Refer to page 17, lines 10 through 17 of Verizon's Supplemental testimony, given Verizon Massachusetts' interest in "return[ing] to profitability," are there any commitments that Verizon Massachusetts would be willing to make in this proceeding to the Department regarding Verizon's intention not to "backslide," that is, not to allow service quality to deteriorate in Western Massachusetts after the conclusion of this investigation? If so, please describe fully such commitments and how the Department would monitor and measure Verizon's compliance with such commitments, and the "base" level against which Verizon would propose to measure backsliding. If not, why not? In the response indicate how the Department can ensure that service quality in Western Massachusetts does not decline relative to today's performance as Verizon seeks to "return to profitability."

REPLY:

There is no evidence showing any need for additional commitments in this proceeding. Verizon MA has demonstrated that it is providing good service quality, and there is no basis for a determination that service is inadequate. There is also no evidence that Verizon MA's service in Western Massachusetts or the state as a whole has demonstrated any "backsliding." In fact, just the opposite is true. As shown in Verizon MA's Direct Panel testimony, page 10 Figure 2, in almost every month in 2009 the RPHL for Western MA is better than it was in 2007. Of course, this is an improvement over results that were already exceeding the Department's standards for RPHL.

However, Verizon MA noted in the Supplemental Testimony at 44-45, regarding its current work closing open plant in Western Massachusetts, that "If the Department is concerned ... about the

results of these processes and the surveys, it could require regular progress reports for a set period of time to ensure itself that the work is being completed.”

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

Docket No. D.T.C. 09-1

Respondent: Counsel/John Conroy

Title: Vice President-Regulatory

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-44

Refer to page 29, lines 1 through page 30, line 20 of Verizon's Supplemental testimony. In referring to Verizon, this question refers to Verizon or its predecessor company. When did Verizon first become aware of possible service quality problems in:

- i) the five districts addressed in D.P.U. 89-300;
- ii) Mission Hill;
- iii) Athol; and
- iv) Middlefield?

a) Please describe fully how Verizon became aware of possible service quality problems, describing fully any internal metrics, staff meetings, consumer complaints, discussions with employees, etc. that Verizon relied upon to become aware of problems in these areas of the state.

b) What steps, if any, did Verizon take to prevent backsliding in the five districts addressed in D.P.U. 89-300 (Western Region – Springfield and Worcester districts, p. 346; Dorchester District, p. 352; Merrimack Valley and Brockton Districts; p. 354); Mission Hill; Athol; and Middlefield.

c) Is the geographic area addressed by the Mission Hill Order part of the geographic area encompassed by the Dorchester District addressed by D.P.U. 89-300?

d) Separately for each of the four orders that Verizon references in its testimony, please specify the date that Verizon's reporting obligations to the Department ceased.

REPLY:

Objection: Parts a, b and c of the request seek information that is neither relevant to the subject matter of this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

Subject to this objection, Verizon MA states the following:

d. Reporting for the districts in DPU 89-300 ended in June, 1996.

Reports for the Mission Hill proceeding were required 30 days after the Order was issued. In addition, reporting for major service outages continues.

Reporting for Athol ended in March 2002.

Reporting for Middlefield ended in October, 2009.

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

Docket No. D.T.C. 09-1

Respondent: Paul Vasington
Title: Director-State Public Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-45 Refer to page 36, line 12 through page 37, line 23 of Verizon's Supplemental testimony. Please confirm that the Connecticut Order to which Verizon cites is a draft and not a final order by the Department of Public Utility Control.

REPLY: Confirmed. The Connecticut Department of Public Utility Control, in a "Notice of Written Exceptions, Briefs, and Oral Arguments," issued April 20, 2010, stated that it expects to render a final decision on May 12, 2010.

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

Docket No. D.T.C. 09-1

Respondent: Counsel/Paul Vasington
Title: Director- State Public Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-46	Refer to page 41, lines 12 through 15 of Verizon's Supplemental testimony. Is it Verizon's position that its investments in DSL compete with investments in Proactive Cable Maintenance? Please explain fully. Are DSL investments booked to intrastate regulated accounts? Is it Verizon's position that it intends to invest in DSL in Western Massachusetts? If so, please provide evidence of such intentions.
REPLY:	<p><u>Objection:</u> The request is vague and confusing, in that it is asking whether a retail service, DSL, "competes" with an operational process, Proactive Cable Maintenance. For purposes of responding to this request, Verizon MA assumes that the Attorney General intends the word "compete" to mean in terms of Verizon MA funding.</p> <p>Verizon MA has limited funds to invest, such that a requirement for uneconomic investment to meet an outdated service quality standard would necessarily require Verizon MA to reduce other expenses. Verizon MA currently invests in both DSL and PCM.</p> <p>Verizon MA does invest in DSL in Western Massachusetts. For evidence, please see http://massbroadband.org/docs/West_mass_broadband_VZ_DSL.pdf, and the response to AG-VZ 12-23.</p>

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

Docket No. D.T.C. 09-1

Respondent: Paul Vasington
Title: Director-State Public Policy

REQUEST: AG to Verizon, Set #15

DATED: April 30, 2010

ITEM: AG-VZ 15-47 Refer to page 41, line 15 through page 42, line 8 of Verizon's Supplemental testimony. Please explain how the National Broadband Plan relates to this proceeding. Is Verizon taking steps to or making commitments to deploy DSL in unserved areas in Western Massachusetts? Is it Verizon's position that consumers in Western Massachusetts must choose between DSL and Proactive Cable Maintenance? Please explain. Is it Verizon's position that consumers in Western Massachusetts are more interested in moving beyond dial-up access to the Internet than they are in improved service quality for basic local service? If so, please describe fully all broadband commitments to which Verizon would voluntarily agree to better serve Western Massachusetts and to bring DSL to unserved areas in the near future.

REPLY:

The relevance of the National Broadband Plan is described on pp. 41-42 of the Supplemental Testimony of Verizon MA. In particular, the policy goal of investment in advanced services is relevant to consideration of whether it is appropriate to require Verizon MA to undertake uneconomic investments, which could reduce funds available for investment in advanced services.

In terms of Verizon's investment "to deploy DSL in unserved areas in Western Massachusetts," please see Response to AG-VZ 15-46.

DSL is a retail service and PCM is an operational process, so it is not Verizon MA's position that consumers must choose between DSL and PCM.

Verizon MA does not know the relative weight those consumers in Western Massachusetts who have dial-up access to the Internet place on broadband subscription compared to "improved service quality for

basic local service,” particularly because consumers in Western Massachusetts already have good quality basic local service.