

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

Commonwealth of Massachusetts

D.T.C. Docket No. 07-9

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

REQUEST: RNK Communications, Inc., Set #2

DATED: July 28, 2008

ITEM: RNK - VZ 2 -6 With reference to Verizon's response to RNK-VZ-1-17, please provide tariff pages reflecting Verizon's intrastate switched access rates in Massachusetts for the preceding fifteen (15) years.

REPLY: Verizon objects to this request on the grounds that it is overly broad and unduly burdensome. Notwithstanding this objection, Verizon states as follows:

Please see Attachments (a) and (b) which contain Verizon's tariff pages for intrastate switched access rates from 1997 and 1999. Current tariff rates can be found on Verizon's tariff website, www.verizon.com/tariffs.

**SUPPLEMENTAL
REPLY:** Please see Attachment (c) which contains Verizon's tariff pages for Carrier Common Line Access Service.

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REQUEST: RNK Communications, Inc., Set #2

DATED: July 28, 2008

ITEM: RNK - VZ 2 -13 In response to RNK-VZ-1-3 and XO-VZ-1-25, Verizon states that any exemption from Verizon's proposed CLEC rate proxy/cap "must be limited to the costs for providing switched access only." Please state whether or not, prior to its switched access rate decrease in DTE 01-31, Verizon's usage based intrastate switched access rates only allowed Verizon to recover its "costs for providing switched access only" as Verizon understood the phrase to mean in its response to RNK-VZ-1-3.

REPLY: See Response to XO-VZ 1-4 and AG-VZ 1-34

**SUPPLEMENTAL
REPLY:** In D.T.E. 01-31, Paula Brown testified for Verizon that "Currently, both switched access and toll rates contain levels of contribution that ensure lower residence exchange rates." Therefore, Verizon's switched access rates, prior to the ordered decrease resulting from D.T.E. 01-31, allowed Verizon to recover more than its costs for providing switched access, in order to promote universal service.

As noted in response to RNK-VZ 1-18, "Rates set to provide some contribution to fixed and common costs are not *per se* unreasonable ...", and this is particularly true where, as a matter of regulatory policy, the contribution substitutes for cost recovery or contribution from other services, such as residence exchange rates. As noted in response to RNK-VZ 2-16, "Social policy considerations have not been imposed on CLEC operations and rates and thus cannot serve as a justification for charging rates for a monopoly service, *i.e.*, switched access, significantly above cost. Therefore, CLEC switched access rates that exceed the level charged by Verizon are not just and reasonable."

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REQUEST: RNK Communications, Inc., Set #2

DATED: July 28, 2008

ITEM: RNK - VZ 2 -15 In response to RNK-VZ-1-11(d), Verizon objects to the use of “actual costs.” Please answer that question, with the understanding that the phrase “actual costs,” for the purposes of this question, has the same meaning as Verizon understands the meaning of the phrase “costs for providing switched access only” as stated in its response to RNK-VZ-1-3.

REPLY: RNK’s characterization of Verizon’s objection to RNK-VZ 1-11(d) is incorrect and incomplete.

Verizon objects to this request on the grounds that it is not relevant to the issues in this proceeding and would require a burdensome special study.

**SUPPLEMENTAL
REPLY:** Without a burdensome special study, Verizon does not know the current relationship of costs and rates for its ILEC operations in the six states referenced in response to RNK-VZ 1-11(a). However, given the historic regulatory policy of requiring ILEC switched access rates to provide contribution for social policy, it would not be surprising if ILEC switched access rates in those states recovered more than the costs of switched access service. See Supplemental Reply to RNK-VZ 2-13.

In any event, the value of the ILEC rate as a benchmark for reasonableness is not a function of the absolute level of the ILEC rate or its relation to costs. Rather, the value of the ILEC rate as a benchmark is in the fact that it is the product of the most regulatory attention and consideration. Each state may consider different factors and may place its own weighting of the various factors that go into a determination of a just and reasonable intrastate switched access rate, but the fact that a state has set the ILEC rate at a particular level makes that rate the most

RNK - VZ 2 -15
SUPPLEMENTAL
REPLY cont'd:

appropriate benchmark, as the FCC, numerous other states, and the Department itself (in other similar contexts) have recognized.

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REQUEST: RNK Communications, Inc., Set #2

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ITEM: RNK - VZ 2 -18 With reference to Verizon's response to RNK-VZ-1-22(a), please provide the total revenue on an annual basis resulting from the \$2.44 increase in Verizon's dial-tone line charge resulting from D.T.E. 01-31? If exact figures are not available, please estimate to the nearest thousand dollars.

REPLY: Verizon objects to this request on the ground that it is requests information that is not relevant to the issues in this proceeding, and seeks information that would require a burdensome special study.

SUPPLEMENTAL Notwithstanding this objection, Verizon responds as follows:

REPLY: Please see Table III of the 2002 and 2003 FCC ARMIS 43-08 reports for Verizon New England, at <http://fjallfoss.fcc.gov/eafs7/paper/43-08/PaperReport08.cfm>

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