

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**DOCUMENT  
FOLDER**

Investigation Regarding Intrastate Access	:	
Charges and IntraLATA Toll Rates of Rural	:	
Carriers and the Pennsylvania Universal	:	I-00040105
Service Fund	:	

**ORDER DISPOSING OF THE MOTIONS TO COMPEL FILED BY THE  
OFFICE OF CONSUMER ADVOCATE AND VERIZON AGAINST THE  
PENNSYLVANIA TELEPHONE ASSOCIATION AND EMBARQ**

On December 20, 2004, the Pennsylvania Public Utility Commission (Commission) entered an Order instituting this proceeding to investigate whether to implement further access charge reductions and intraLATA toll rate reductions in the service territories of rural incumbent local exchange carriers (RLECs). The investigation was stayed pending the outcome of a parallel federal investigation which was expected to impact the PUC's own investigation, or until further consideration.

By Order entered April 24, 2008, the Commission reopened the matter docketed at I-00040105 and directed that the Office of Administrative Law Judge conduct appropriate proceedings to carry out the following:

1. To address whether the cap of \$18.00 on residential monthly service rates and any corresponding cap on business monthly service rates should be raised, whether funding for the Pennsylvania Universal Service Fund should be increased, and whether or not a "needs based" test (and applicable criteria) for rural ILEC support funding from the PaUSF in conjunction with the federal USF support payments that the rural ILECs receive should be established in order to determine which rural ILECs qualify for PaUSF funding as described in the body of the April 24, 2008 Order; and
2. That the proceedings also address the following issues:

(a) Whether the Commission has the authority under Chapter 30 and other relevant provisions of the Public Utility Code to perform a just and reasonable rate analysis of the rural ILECs' residential rates for basic local exchange services when such rates exceed the appropriate residential rate benchmark.

(b) The appropriate benchmark for the rural ILEC residential rate for basic local exchange service taking into account the statutory requirements for maintaining and enhancing universal telecommunications services at affordable rates. Participating parties are encouraged to submit appropriate studies and testimony, including economic cost studies that can provide the necessary information for the establishment of the appropriate residential benchmark rate for maintaining and enhancing universal telephone service goals in Pennsylvania.

(c) Whether PaUSF funding support should be received by rural ILECs that incrementally pierces the appropriate residential rate cap because of the regular annual Chapter 30 revenue increases, and whether the Commission's PaUSF regulations at 52 Pa. Code § 63.161 et seq. should be accordingly revised. The relevant inquiry should include the role of non-expired "banked revenues" that rural ILECs may have accumulated through the operation of their respective Chapter 30 modified alternative regulation plans and corresponding price stability mechanisms.

(d) Whether the potential availability of PaUSF support distributions to those rural ILECs that pierce the appropriate residential rate cap because of their respective annual Chapter 30 annual revenue increases has any anti-competitive or other adverse effects, especially with respect to the currently established PaUSF support contribution mechanism and its participating telecommunications utility carriers.

(e) The "needs based" test should address the following interlinked areas that involve the operations of the rural ILECs:

- (i) The Chapter 30 annual rural ILEC price stability mechanism revenue increases:
- (ii) The annual federal USF support that the Pennsylvania rural ILECs receive;
- (iii) The fact that most of the Pennsylvania rural ILECs are “average schedule” telephone utility companies that do not jurisdictionalize a number of revenue, expense, and asset parameters for their regulations operations;
- (iv) Whether there is any relevance that rural ILEC assets and facilities may be used both for the provision of regulated intrastate telecommunications services, but also for the provision of non-jurisdictional services that potentially include unregulated services;
- (v) Whether the overall financial health of the rural ILECs that continue to get both PaUSF and federal USF support should play a role for continuing to receive PaUSF support distributions; and
- (vi) Whether the PaUSF level of support distributions to the recipient rural ILECs should be adjusted in relation to the revenue increases in local exchange rates that have been or are implemented through their respective Chapter 30 modified alternative regulation plans and price stability mechanisms.

The Order also directs that the Recommended Decision in this matter be issued within twelve (12) months of the entry date of the order, April 24, 2008.

On May 30, 2008, a Notice of prehearing conference was issued and served to those entities served with the Commission’s April 24, 2008 Order. I issued a Prehearing Order which directed those entities wishing to participate to file an entry of

appearance. Those who entered appearances would comprise the service list for the remainder of this portion of the reactivated case.

Entries of appearance were filed by Sprint Communications Company, L.P. (Sprint); the Office of Consumer Advocate (OCA); Cellco Partnership d/b/a Verizon Wireless (Verizon Wireless); Verizon Pennsylvania Inc., Verizon North Inc. and MCImetro Access Transmission Services, LLC d/b/a Verizon Access Transmission Services, LLC (Verizon); Rural Telephone Company Coalition (RTCC); AT&T Communications of Pennsylvania, LLC, TCG Pittsburgh, Inc. and TCG New Jersey, Inc. (AT&T); Office of Small Business Advocate (OSBA); The United Telephone Company of Pennsylvania LLC d/b/a Embarq Pennsylvania (Embarq); Omnipoint Communications Inc. d/b/a T-Mobile, Omnipoint Communications Enterprises LLC d/b/a T-Mobile and VoiceStream Pittsburgh LP d/b/a T-Mobile (T-Mobile).

Prehearing memos were filed by these same entities as well as the Broadband Cable Association of Pennsylvania (BCAP), and Comcast Phone of Pennsylvania LLC d/b/a Comcast Digital Phone and Comcast Business Communications (Comcast). The Prehearing Conference was held as scheduled on June 18, 2008, and each entity was represented by counsel. Numerous matters were considered, as indicated in the following discussion.

On March 10, 2008, Comcast filed a Petition to Intervene, alleging that it is impacted by the rates charged for access by RLECs and is also a contributor to the PaUSF. No objections or responses were filed, and it was granted as unopposed. On June 17, 2008, a Motion for Admission Pro Hac Vice was filed by Deanne M. O'Dell, Esq. for John C. Dodge, Esq. The Motion was unopposed at the prehearing conference and was granted.

A Petition to Intervene was filed by BCAP on June 6, 2008. At the prehearing conference, no party indicated opposition, and the petition was granted.

On June 11, 2008, a Motion to Substitute a Representative Organization was filed jointly by the RTCC and the Pennsylvania Telephone Association (PTA) seeking to substitute the PTA for the RTCC, which had previously been involved in the case. The Motion indicates, and counsel confirmed at the prehearing conference, that the PTA and RTCC sought to have the PTA take over the representation of thirty-one companies.<sup>1</sup> Counsel for the PTA stated that the PTA has agreed to take discovery for all thirty-one companies, and that the responses will be those of the individual companies.

On June 17, 2008, a Motion for Admission Pro Hac Vice was filed by Sue Benedek, Esq., for Joseph R. Stewart, Esq. At the prehearing conference, no party indicated opposition, and the petition was granted.

The parties agreed to a procedural schedule, which was adopted by the Scheduling Order, and subsequent Amended Scheduling Order dated June 24, 2008.

All parties agreed to electronic service of discovery, answers and briefs on the due date prior to 4:00 pm, followed by hard copy. Parties shall use overnight mail if the electronic copy omits exhibits or attachments.

In addition, the parties were informed that they would be expected to file briefs according to a uniform outline. They may develop a joint outline or submit individual proposals, but their initial suggestions are due with the direct testimony. The outline is not meant to limit the subject matter of the evidentiary presentations but to

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<sup>1</sup> The list includes: Armstrong Telephone Company – PA; Armstrong Telephone Company – North; Bentleyville Telephone Company; Buffalo Valley Telephone Company; Citizens Telecommunications Company – New York; Citizens Telephone Company of Kecksburg; Commonwealth Telephone Company LLC d/b/a Frontier Communications Commonwealth Telephone Company; Frontier Communications of Breezewood, LLC; Frontier Communications of Canton, LLC; Frontier Communications of Lakewood, LLC; Frontier Communications of Oswayo River, LLC; Frontier Communications of PA, LLC; Conestoga Telephone & Telegraph Company; Denver and Ephrata Telephone and Telegraph Company; Hickory Telephone Company; Ironton Telephone Company; Lackawaxen Telecommunications Services; Laurel Highland Telephone Company; TDS Telcom/Mahanoy & Mahantango Telephone Company; Marianna and Scenery Hill Telephone Company; The Northeastern PA Telephone Company; North Penn Telephone Company; Consolidated Communications of PA Company; Palmerton Telephone Company; PA Telephone Company; Pymatuning Independent Telephone Company; South Canaan Telephone Company; TDS Telcom/Sugar Valley Telephone Company; Venus Telephone Corporation; Windstream PA, LLC., and Yukon-Waltz Telephone Company.

facilitate it. If the parties cannot agree upon an outline, they will be given one at or shortly after the evidentiary hearings. With eleven active parties and four weeks to produce a recommended decision, this type of ruthless organization is essential. Briefs which do not follow the outline will not be as easy to reference, thus reducing my ability to rely on them in formulating my recommendation.

A protective order was issued prior to the stay of the case and remains in effect.

Discovery disputes have arisen, and both Verizon and the OCA filed Motions to Compel against both Embarq and the PTA. This Order disposes of all four motions. In addition, AT&T requested that the Answers filed by Embarq and PTA be disregarded as untimely. By e-mail on Wednesday, August 6, 2008, followed by hard copy service of the notice, the parties were informed that oral argument would be held on August 12, 2008 to discuss the motions. By Order issued August 8, 2008, the AT&T request to disregard the answers as untimely was denied.

Oral argument was held as scheduled, with all parties afforded an opportunity to weigh in regarding the subject matter. This Order disposes of the motions.

#### DISCUSSION

On July 24, 2008, Verizon sent an e-mail to the undersigned and the following: Bradford Stern (T-Mobile), Joel Cheskis and Cammie Shoen (OCA), Martin C. Rothfelder (T-Mobile), Michelle Painter (AT&T), Pamela Polacek (BCAP) and Zsuzsanna Benedek (Embarq). The first e-mail was sent at 3:59 pm.

On July 24, 2008, Verizon sent another e-mail at 6:36 pm, directed to the above persons as well as the rest of the parties to the case, which stated: The electronic copies of the Verizon Companies' motions to dismiss the objections of the PTA's and Embarq's objections and to compel answers to discovery sent earlier today were

incomplete and had production problems. Please discard and replace them with the attached copies of the final documents. I apologize for any inconvenience.”

On July 29, 2008, AT&T filed its Answer in support of Verizon motions to compel, and on July 31, 2008, OCA filed its own Motions to Compel Embarq and PTA to file responses to discovery requests.

On August 1, 2008 Embarq filed its Response to the Verizon motion to compel, and on that same date, PTA filed its Answer to Verizon’s motion to compel.

On August 4, 2008, AT&T filed a letter requesting that the PTA and Embarq Answers be dismissed as untimely. On August 6, 2008, PTA filed both a letter explaining the timing and its Answer to OCA’s Motion to Compel. Embarq also filed its Answer to the OCA Motion to Compel on August 6, 2008, and included a note supporting the PTA explanation of the timing of answers. By Order dated August 12, 2008, the AT&T request was denied along with an explanation of the application of PUC regulations which resulted in a finding that the answers were timely filed.

### **The OCA Motions to Compel**

The OCA seeks information from the PTA members and Embarq to provide to its expert witness, who will run an economic cost study used by the Federal Communications Commission (FCC), known as the Synthesis Model. The individual interrogatories in OCA Set III ask for the individual elements necessary to run the model. The subject matter includes facility and customer location, the cost of individual facilities and the depreciation value of various network accounts.

OCA explains that these elements are necessary to run the model, and the model will provide a cost study which determines the incremental cost of providing certain service for the companies. The customer location data will allow the model to determine customer density and cable distances required by the model, and the equipment

and operating costs will allow the model to estimate the cost of providing service given the customer locations. The result will be not only the total cost of providing service, but the incremental cost of providing residential basic service. This will aid in determining whether any service is being subsidized.

PTA and Embarq argue that this information far exceeds any reasonably acceptable measure of annoyance, oppression, burden, and expense; the cost study itself is not a relevant economic cost study as that term is used by the Commission in Ordering Paragraph 2(b) of its April 24, 2008 Order and has been discredited for use by or on behalf of rural ILECs such as the PTA Companies, and they would require the companies to violate the Commission's regulations governing the privacy of customer information.

The standard for permissible discovery is in the Commission's regulations:

**§ 5.321. Scope.**

(a) *Applicability.* This subchapter applies to a proceeding in which:

\* \* \*

(2) The Commission institutes an investigation.

\* \* \*

(b) *Discretion.* The presiding officer may vary provisions of this subchapter as justice requires.

(c) *Scope.* Subject to this subchapter, a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action, whether it relates to the claim or defense of the party seeking discovery or to the claim or defense of another party, including the existence, description, nature, content, custody, condition and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of a discoverable matter. It is not ground for objection that the information

sought will be inadmissible at hearing if the information sought appears reasonably calculated to lead to the discovery of admissible evidence.

\* \* \*

52 Pa. Code § 5.321(a)-(c).

It is important to remember that the material sought to be discovered need not be admissible. Rather, it must be reasonably expected to lead to the discovery of admissible evidence. The limitations are broad:

**§ 5.361. Limitation of scope of discovery and deposition.**

(a) Discovery or deposition is not permitted which:

(1) Is sought in bad faith.

(2) Would cause unreasonable annoyance, embarrassment, oppression, burden or expense to the deponent, a person or party.

(3) Relates to matter which is privileged.

(4) Would require the making of an unreasonable investigation by the deponent, a party or witness.

\* \* \*

52 Pa. Code § 5.361.

Initially, note that matter which is privileged is not excluded in this case since there is a protective order in place to protect the responding party. In addition, this Commission-instituted investigation is not a rate proceeding within the meaning of Section 5.361(b), and the claim that the information is not kept in the format requested, in the normal course of business or because the discovery request requires that the answering party make a special study or analysis when, as here, the requesting party cannot perform the study or analysis since the necessary information is in the hands of the telephone companies is not applicable here. Therefore, the reasons remaining are

that the information requested would cause unreasonable annoyance, embarrassment, oppression, burden or expense to the deponent, a person or party. 52 Pa. Code § 5.361(a)(2).

The Companies allege that the burden on them is unreasonable:

12. Based upon specific inquiry to its member companies of the effort that would be required to provide responses to OCA's Set III discovery, PTA described the burden as follows:

The level of detail demanded is not maintained by the companies in a format that is responsive to the OCA's Set III interrogatories. There is no set data source from which the requested information can be readily extracted. Answering requires that personnel be re-assigned from their normal responsibilities to develop the answers. In many cases, the OCA is requesting that invoices be located and reported. Moreover, physical customer location is a challenge to identify. Even if street location were used in lieu of latitude and longitude for responses, which the OCA has suggested informally would be acceptable; the time commitment being demanded is substantial.

Windstream estimates one employee hour for each of its wire centers for a total of 350 hours just to answer OCA Set III-2. Palmerton states that responses would take hundreds of hours to research continuing property records and sift out the information for the years in question. Consolidated estimates that the completion of all requests excluding OCA Set III-2, would require about 120 employee hours, with OCA Set III-2 requiring hundreds of man-hours to complete. Denver and Ephrata estimates a commitment close to 1,000 employee-hours total for its three affiliated companies (D&E, Conestoga and Buffalo Valley). Responding to these interrogatories would be burdensome and realistically, cannot be provided within sufficient time for the OCA to incorporate the date into a cost study for its direct testimony (September 26, 2008). PTA Answer to Motion to Compel, p. 6.

The Companies state that the discovery in question imposes a "highly unreasonable burden and oppression on the PTA Companies, the development of which

could be made only at highly unreasonable cost and annoyance to the responding companies.” PTA Answer to Motion to Compel, p. 8.

OCA’s Motion avers that the PTA is not expected to perform any unreasonable investigation or incur any unreasonable expense in responding to the OCA’s discovery. The information requested is kept within the normal course of business. OCA states that “best estimates” are acceptable, and that since some of the companies figure rates based on averages of multiple companies, OCA will accept the requested information from the “cost companies” only<sup>2</sup>: Armstrong Telephone Company, the Frontier Companies, Marianna and Scenery Hill Telephone Company, Mahanoy and Mahatango Telephone Company, Sugar Valley Telephone Company, Windstream Pennsylvania, Lackawaxen Telephone Company and North Penn Telephone Company. OCA Motion to Compel, p. 5, fn 5.

What is striking is the rich use of rhetoric and the non-existent use of actual figures to back up the Companies’ claims. When asked at the oral argument to examine the specific questions one at a time, neither the PTA Companies nor Embarq could provide any numbers to support their claims. For example, when I asked Embarq for the number of any of the devices in questions 15 through 18 which were installed in 2007 (residential network interface devices, business network interface devices, distribution terminal or cross connect boxes), no number was available. Even a ballpark figure (twenty or two hundred?) was unknown. There is a point where the research necessary might become unreasonably burdensome, but here, the Companies have made a claim of unreasonably burdensome without supplying any facts to support the claim.

Interrogatory No. 19 asks for information which is compiled for inclusion in each company’s tax returns. It is reasonable to assume that each company compiles and keeps information for inclusion with these accounts, and the claim of unreasonably burdensome is not supported.

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<sup>2</sup> The remaining members of the PTA are “average schedule” companies for whom individual company cost data may be more difficult to obtain. OCA Motion to Compel, p. 5, fn. 5.

The customer-specific information in Interrogatories 1 and 2 were characterized by the Companies as the most burdensome. As each Company is capable of and required to bill each customer for the service provided, it is reasonable to assume that each Company can identify the locations of the facilities it provides, the nature of the facilities, and other information necessary to the provision and billing of service. The Companies and OCA are directed to work together to develop the least burdensome format for the provision of the information necessary for use in the OCA's cost study.

Interrogatory No. 3 requests an electronic map in MapInfo format that provides wire center boundaries for each PTA member companies' service territory. Since neither party explained what this means, and no specific objection was offered to support not providing it, the Companies shall provide this.

Interrogatories 4 through 14 seek information regarding costs of purchasing and installing telephone facilities, which are clearly relevant to the determination of the cost of providing service.

OCA has stated that its goal is to run a program which will result in a cost study for rural companies in order to aid the investigation itself. When asked at the oral argument which other parties intend to provide a cost study, not a single party responded.

PTA argued that the goal of the investigation was to address the substantive matter set forth in the first ordering paragraph reactivating this investigation,<sup>3</sup> opining that a study would comport with addressing the \$18.00 affordability cap. PTA Answer to Motion to Compel, p. 9. The Commission enlarged the investigation to encompass other points, including:

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<sup>3</sup> To address whether the cap of \$18.00 on residential monthly service rates and any corresponding cap on business monthly service rates should be raised, whether funding for the Pennsylvania Universal Service Fund should be increased, and whether or not a "needs based" test (and applicable criteria) for rural ILEC support funding from the PaUSF in conjunction with the federal USF support payments that the rural ILECs receive should be established in order to determine which rural ILECs qualify for PaUSF funding as described in the body of the April 24, 2008 Order. Paragraph 1.

(b) The appropriate benchmark for the rural ILEC residential rate for basic local exchange service taking into account the statutory requirements for maintaining and enhancing universal telecommunications services at affordable rates. Participating parties are encouraged to submit appropriate studies and testimony, **including economic cost studies** that can provide the necessary information for the establishment of the appropriate residential benchmark rate for maintaining and enhancing universal telephone service goals in Pennsylvania. Order Of April 24, 2008, ¶2(b).

PTA points out that the FCC model was developed for an entirely different set of companies and had determined that “the Synthesis Model was not the appropriate tool to recommend for use for developing federal universal service support for Rural Carriers.” *A Review of the FCC’s Non-Rural Universal Service Fund Method and the Synthesis Model for Rural Telephone Companies*, Rural Task Force White Paper 4, September 2000 at 48. PTA Answer to OCA Motion, p. 10. PTA objects to this model on the basis of relevance.

The interrogatories promulgated do not have to produce information which is, itself, admissible at hearing. Rather, the information *must reasonably lead to* information which is admissible at hearing. Therefore, the admissibility of the cost study is not the standard by which this discovery dispute is decided. The cost study will have to withstand the scrutiny of the opposing parties when and if it is introduced into the record. The information necessary to support the cost study falls within the permitted limit.

Unspoken by the parties is the concern present in every telecommunications case that uncontrolled discovery will open the company books to competitors who will exploit that information to the harm of the company providing the information. This case has a protective order in place which will shield the responding companies from this exploitation if each and every party complies with the terms of the protective order. Even more of a concern for companies existing in the highly competitive telecommunications market is the customer base. The information sought in

OCA Set III Nos. 1 and 2 is enough to lead to customer identification, as well as the type of service preferred by the customers. Routinely, each party to litigation is entitled to answers to discovery. However, under the specific facts of this investigation, more protection for the PTA members and Embarq may be warranted.

The intent of this investigation is not to initiate a marketing free-for-all for competing companies. The OCA has set out to create a cost study, and no other party is planning to perform one. Therefore, the information necessary to complete the cost study as indicated in the Interrogatories Set III shall be provided for the cost-based companies only, and it shall be provided to the OCA and to no other party. The resulting cost study shall be provided to each other party upon its completion. If the information is not provided in time for the cost study to be included with the OCA's direct testimony, OCA may file supplemental direct testimony with its rebuttal on or before October 24, 2008. Other parties may respond in surrebuttal.

### **The Verizon Motions to Compel**

Following oral argument, Verizon indicated that the only remaining interrogatories in question are Nos. 18, 19, 26, 27 and 32.

In No. 18, Verizon seeks the individual companies' intrastate switched access charges revenue, total minutes of use, average rates per minute, and the total number of access lines configured to handle the traffic generating intrastate switched access revenue for 2005, 2006, 2007 and 2008 to date. No. 19 seeks the same information for interstate access charges. Embarq and the PTA claim that this is overbroad and burdensome, as well as irrelevant in light of the fact that the access charge reform portion of this investigation is still stayed.

PTA responds that they have provided complete information on total access line counts; revenues and expenses for the last three years showing a break-out of revenues received from local, access and other sources (including the federal and state

USFs), changes in basic residential and business rates over the last five years, in addition to other information. PTA Answer, p. 9, ¶23.

This information seems sufficient to provide information relevant to this investigation, and more detail will not be ordered. While the charges themselves are relevant, the cost studies and even whether cost studies exist, are not relevant to this investigation.<sup>4</sup> Embarq and PTA will not be required to respond further to Verizon No. 26.

Verizon No. 27 seeks information regarding whether any entity owns more than 10% of the responding companies and if so, seeks a copy of the balance sheet as well as annual and quarterly reports for the past five years. Embarq claims that this is unduly burdensome and irrelevant but will provide a verified answer regarding its ownership.

Each company can be reasonably expected to identify its ownership. This information is public record for a public utility and is not burdensome. Verizon has withdrawn its request for annual and quarterly reports regarding publicly traded companies which files those reports with the SEC. The owning entity's information is not relevant, however, and the companies shall be required to identify its ownership but not to provide balance sheets for the owning entities.

The remaining interrogatory is Verizon No. 32, which asks whether the responding company uses assets or facilities for the provision of both regulated intrastate telecommunications services and non-jurisdictional or unregulated services. Since this is

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<sup>4</sup> Note that whether cost studies exist was an important issue in the two access charge cases considered at the Commission's public meeting of August 7, 2008, *Verizon Pennsylvania Inc. et al. v. CTSI, LLC*, PUC Docket No. C-20077332, and *Verizon Pennsylvania Inc. et al. v. Penn Telecom, Inc.*, PUC Docket No. C-20066987, and a suspicious mind might think that this case is being used to collect information to support future complaint cases against those companies which charge access fees. There is no reason to explore this any further since the cost studies to support access charges are not relevant to this proceeding.

specifically included in the Commission's Order as a point for discussion,<sup>5</sup> there is no reason to block its development. The Motion to Compel an answer to Verizon No. 32 will be granted.

THEREFORE,

IT IS ORDERED:

1. That the Office of Consumer Advocate Motion to Compel Answers to Interrogatories and Dismiss Objections of the Pennsylvania Telephone Association is granted consistent with the discussion in this Order.
2. That the Office of Consumer Advocate Motion to Compel Answers to Interrogatories and Dismiss Objections of Embarq Pennsylvania is granted consistent with the discussion in this Order.
3. That the Pennsylvania Telephone Association shall provide full and complete responses to OCA Set III within ten (10) days of the date of this Order unless the parties agree upon a different due date.
4. That Embarq Pennsylvania shall provide full and complete responses to OCA Set III within ten (10) days of the date of this Order unless the parties agree upon a different due date.
5. That consistent with the discussion in this Order the Verizon Motion to Compel Answers to Interrogatories and Dismiss Objections of the Pennsylvania Telephone Association and Embarq is:

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<sup>5</sup> (iv) Whether there is any relevance that rural ILEC assets and facilities may be used both for the provision of regulated intrastate telecommunications services, but also for the provision of non-jurisdictional services that potentially include unregulated services. April 24, 2008 Order, ¶2(e)(iv).

a. granted insofar as it requires PTA companies and Embarq to provide complete information on total access line counts; revenues and expenses for the last three years showing a break-out of revenues received from local, access and other sources (including the federal and state USFs), changes in basic residential and business rates over the last three years, in addition to other information in response to Verizon No.18;

b. granted insofar as it requires PTA companies and Embarq to provide complete information on total access line counts; revenues and expenses for the last three years showing a break-out of revenues received from local, access and other sources (including the federal and state USFs), changes in basic residential and business rates over the last five years, in addition to other information in response to Verizon No.19;

c. denied regarding Verizon No. 26;

d. granted insofar as it requests the identification of any entity which owns 10% or more of a responding company in response to Verizon No. 27;

e. granted regarding Verizon No. 32.

6. The parties are directed to provide, along with the direct testimony on or before September 26, 2008, a proposed outline for use in the main briefs which contains all topics the parties expect to discuss in the briefs.

Dated: August 20, 2008

  
Susan D. Colwell  
Administrative Law Judge

