

**CONFIDENTIAL ORIGINAL**

DR. MARK N. COOPER'S WRITTEN PREFILED TESTIMONY CONTAINS NO INFORMATION OR DATA CLAIMED AS "CONFIDENTIAL" BY ANY OF THE THREE PETITIONERS IN THESE THREE CONSOLIDATED CASES

*030867-TL et al.*

THE ONLY "CONFIDENTIAL" DATA UTILIZED IN DR. COOPER'S TESTIMONY IS CONTAINED IN HIS UNRADACTED EXHIBITS, WHICH ARE ENCLOSED WITH THIS COVER SHEET.

GIVEN THAT DR. COOPER'S TESTIMONY IS THE SAME BOTH FOR HIS REDACTED AND UNREDACTED VERSIONS, AARP IS ONLY FILING ONE VERSION OF HIS RADACTED TESTIMONY, INCLUDING THE REDACTED EXHIBITS, WHILE FILING THE UNRADACTED EXHIBITS HERE SEPARATELY.

**CONFIDENTIAL PROPRIETARY MATERIALS**

EXHIBITS MNC-1, MNC-2, MNC-3, MNC-4, MNC-5, MNC-5, MNC-6, MNC-7

STAFF AND PUBLIC COUNSEL COPIES

*ALL 6.13.05*  
**DECLASSIFIED**  
**CONFIDENTIAL**

*declass 6-12-05 appeal*

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10846 OCT 31 8  
**000634**  
FPSC-COMMISSION CLERK

REDACTED VERSION

000635

**EXHIBIT MNC-1:  
BASIC SERVICE COSTS AND CONTRIBUTION  
WHEN LOOP IS A SHARED COST**

**EXHIBIT MNC-1:  
DETAIL ON BELL SOUTH  
BASIC LOCAL RESIDENTIAL COST AND CONTRIBUTION**

Sources: Bell South, Basic Local Service Cost Summary, p. 1; Exhibit DCC2, p. 1.; Response to Citizens 1<sup>st</sup> Interrogatories, 11.

**EXHIBIT MNC-1:  
DETAIL ON SPRINT  
BASIC LOCAL RESIDENTIAL COST AND CONTRIBUTION**

Sources: Sprint-Florida, Inc. Cost of Local Service Study, Residential Cost Summary, Exhibit KWD-2, p .2; Response to Citizens 1<sup>st</sup> Interrogatories, 10.

**EXHIBIT MNC-2:  
BELLSOUTH  
BASIC LOCAL RESIDENTIAL COST, VERTICAL SERVICES AND  
ACCESS CONTRIBUTION**

a/ See Exhibit MNC-1

b/ FCC composite for cost of switching (from Hendrix Exhibit JH-2, page 3 of 3); average residential usage (from Response to Citizens' First Request for Production of Documents, Item 3.

c/ At system average, Response to Citizens' First Set of Interrogatories, Item No. 20, Complete Choice, Area Plus with Complete Choice, Contribution Analysis, Year 1.

**EXHIBIT MNC-3:  
COMPETITION IN THE LOCAL TELEPHONE MARKET**

STATE	INTENSITY		EXTENSIVENESS				BALANCE	
	CLEC RES		NO CLECS		6 OR CLECS		RES RATIO	
	MKT SHARE		IN ZIP CODE		IN ZIP CODE		CLEC%/ILEC%	
	%	RANK	%	RANK	%	RANK	RATIO	RANK
New York	23.6	1	5.0	7	52.6	2	0.93	7
Rhode Island	21.2	2	2.8	5	0.0	34	0.97	6
Michigan	20.6	3	8.8	10	39.6	8	0.99	5
Illinois	19.2	4	32.6	27	22.8	13	1.04	2
Nebraska	16.7	5	66.9	38	0.0	38	0.93	8
Kansas	14.6	6	58.6	36	0.9	33	0.82	12
Iowa	14.3	7	36.3	30	0.0	35	1.10	1
Massachusetts	13.4	8	1.0	1	41.5	6	0.77	13
Colorado	13.3	9	26.4	20	19.2	20	0.84	9
Utah	13.1	10	32.3	26	10.9	25	0.83	10
Virginia	13.0	11	21.9	17	21.7	15	1.00	4
District of Columbia	12.6	12	11.1	12	44.4	4	0.76	14
Texas	12.4	13	17.9	15	47.3	3	0.70	23
Georgia	11.6	14	23.5	19	41.5	7	0.74	16
New Hampshire	11.4	15	3.2	6	1.4	32	0.74	17
Minnesota	11.1	16	33.7	28	8.8	26	0.59	32
Pennsylvania	10.7	17	19.5	16	28.9	11	0.61	30
Wisconsin	10.0	18	35.5	29	3.5	29	0.72	20
Arizona	8.9	19	27.5	22	28.9	12	0.71	22
New Jersey	8.6	20	1.5	3	41.7	5	0.83	11
California	8.3	21	10.1	11	37.3	9	0.72	21
<b>Florida</b>	<b>7.7</b>	<b>22</b>	<b>6.7</b>	<b>8</b>	<b>60.9</b>	<b>1</b>	<b>0.58</b>	<b>33</b>
Oklahoma	6.9	23	56.9	35	8.3	28	0.61	31
Arkansas	6.9	24	61.1	37	0.0	37	0.64	28
Ohio	6.9	25	30.0	25	19.3	18	0.73	18
Missouri	6.8	26	48.8	34	11.0	24	0.67	25
Washington	6.2	27	29.8	24	21.8	14	0.58	34
Oregon	5.9	28	17.4	13	2.1	30	0.67	26
Louisiana	5.7	29	26.8	21	20.9	17	0.75	15
Maryland	5.6	30	1.6	4	31.7	10	0.73	19
Mississippi	5.6	31	8.0	9	1.6	31	1.01	3
Indiana	5.4	32	39.8	32	0.0	36	0.70	24
Alabama	5.0	33	36.9	31	8.4	27	0.63	29
Connecticut	4.9	34	1.1	2	21.0	16	0.49	35
Nevada	3.7	35	22.4	18	11.2	23	0.32	37
South Carolina	3.2	36	29.0	23	17.5	21	0.45	36
Tennessee	3.1	37	42.2	33	16.3	22	0.31	38
Kentucky	2.9	38	79.1	39	0.0	39	0.67	27
North Carolina	2.2	39	17.7	14	19.2	19	0.27	39

SOURCE: Industry Analysis Division, *Local Telephone Competition: Status as of December 31, 2002* (Federal Communications Commission, June 2003)

**EXHIBIT MNC-4:  
BELLSOUTH STATES  
CLEC PENETRATION IN RESIDENTIAL/SMALL BUSINESS MARKET**

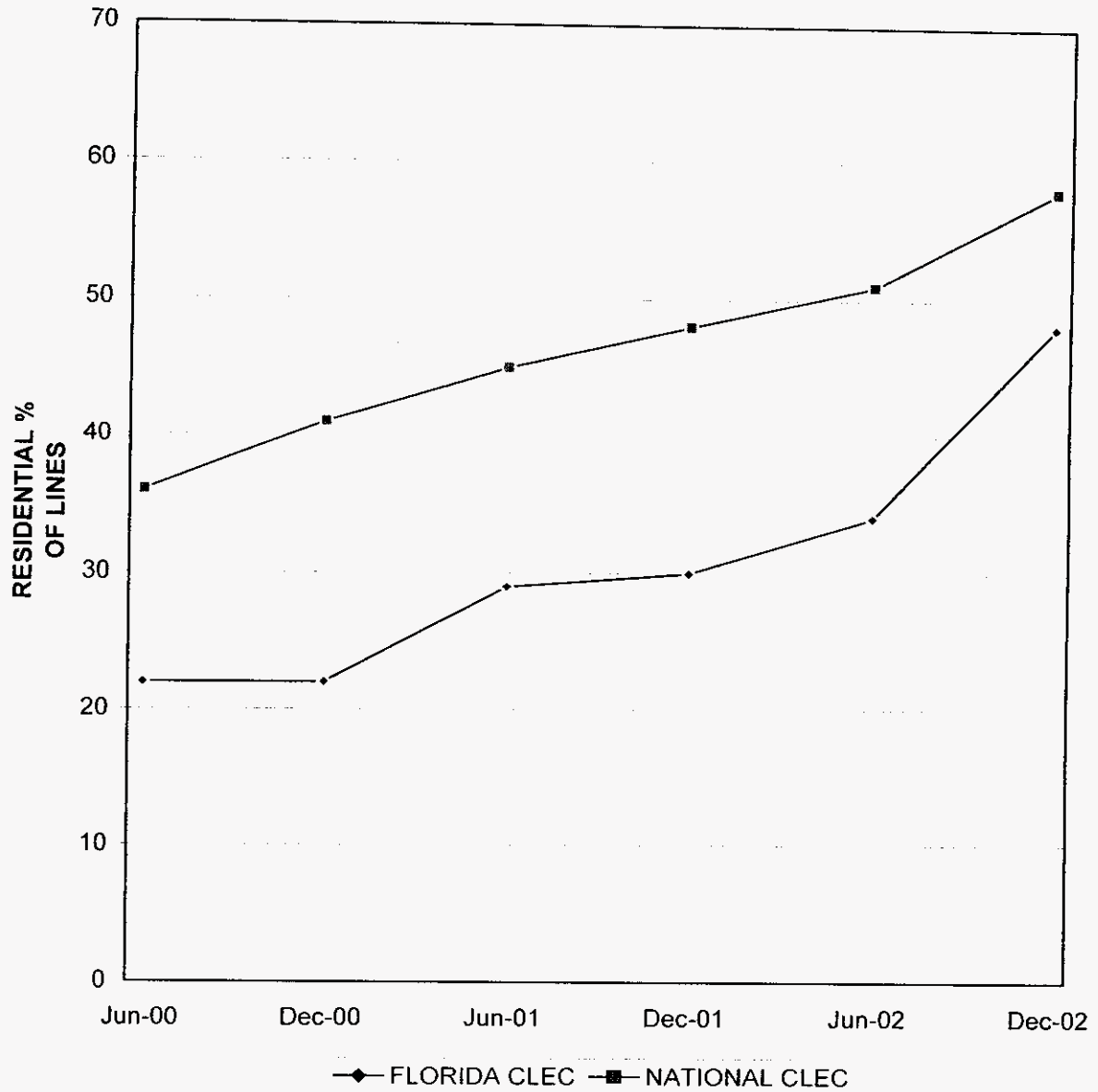
(% of residential/Small Business Lines Served by CLECs, Ranked by Current Market Share; penetration at entry in bold)

STATE	RBOC	01/00	06/00	01/01	06/01	01/02	06/02	01/03
Georgia	BS	2.62	1.97	4.37	5.14	7.04	<b>9.40</b>	11.60
Florida	BS	2.15	2.19	2.25	2.68	2.94	3.87	<b>7.74</b>
Louisiana	BS	1.10	1.48	1.25	0.60	1.22	<b>2.36</b>	5.65
Mississippi	BS	2.60	*	2.66	2.21	2.81	1.98	<b>5.59</b>
Alabama	BS	0.51	0.40	0.46	0.46	0.77	1.13	<b>5.01</b>
South Carolina	BS	*	*	1.80	0.27	0.65	1.81	<b>3.21</b>
Tennessee	BS	0.76	1.34	1.40	1.57	2.05	2.36	<b>3.14</b>
Kentucky	BS	*	*	2.71	*	*	*	<b>2.86</b>
North Carolina	BS	0.82	0.59	0.65	1.67	1.20	1.06	<b>2.23</b>

SOURCE: Industry Analysis Division, *Local Telephone Competition: Status as of December 31, 2002*  
(Federal Communications Commission, June 2003);



**EXHIBIT MNC-5:  
RESIDENTIAL CLEC LINES AS A PERCENT OF CLEC LINES**



Source: Industry Analysis Division, *Local Telephone Competition* (Federal Communications Commission, various issues)

**EXHIBIT MNC-6:  
ALLOCATION OF RATE REBALANCING REVENUE INCREASES**

RESIDENTIAL      BUSINESS      TOTAL

**EXHIBIT MNC-6:  
DETAIL ON BELL SOUTH  
ALLOCATION OF REVENUE RATE REBALANCING REVENUE INCREASES**

RESIDENTIAL      BUSINESS      TOTAL

Sources: Bell South, Market Basket Summary of Annual Revenue; Present and Proposed Rates and Revenues

**EXHIBIT MNC-6:  
DETAIL ON SPRINT  
ALLOCATION OF REVENUE RATE REBALANCING REVENUE INCREASES**

RESIDENTIAL      BUSINESS      TOTAL

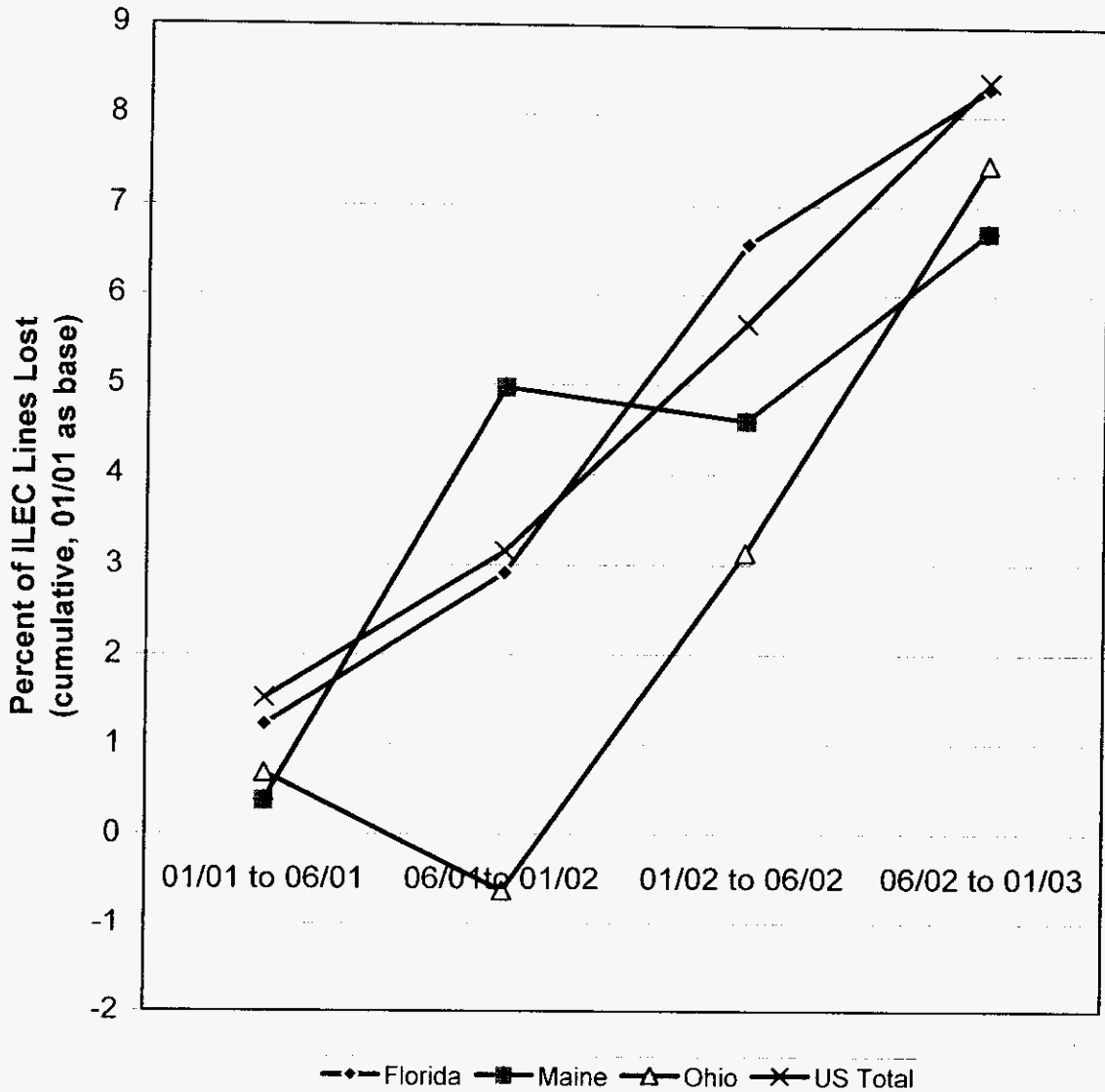
Sources: Sprint-Florida, Exhibit JMF-12.

**EXHIBIT MNC-6:  
DETAIL ON VERIZON  
ALLOCATION OF REVENUE RATE REBALANCING REVENUE INCREASES**

RESIDENTIAL      BUSINESS      TOTAL

Sources: Verizon, Exhibit ODF-2

**EXHIBIT MNC-7:  
COMPETITIVE PENETRATION IN FLORIDA, MAINE AND OHIO**



Source: Industry Analysis Division, *Local Telephone Competition* (Federal Communications Commission, June 12, 2003), Table 9.

CONFIDENTIAL VERSION

000648

**EXHIBIT MNC-1:  
BASIC SERVICE COSTS AND CONTRIBUTION  
WHEN LOOP IS A SHARED COST**

<b>COMPANY CONTRIBUTION</b>	<b>DIRECT COST</b>	<b>PRICE INCLUDING SLC</b>	
BELL SOUTH	\$3.03	\$16.76	\$13.73
SPRINT	\$4.68	\$16.46	\$11.80



**EXHIBIT MNC-1:  
DETAIL ON BELL SOUTH  
BASIC LOCAL RESIDENTIAL COST AND CONTRIBUTION**

USAGE	\$1.17
RETAIL	\$1.86
TOTAL DIRECT	\$3.03
REVENUE	\$16.76
CONTRIBUTION	\$13.73

Sources: Bell South, Basic Local Service Cost Summary, p. 1; Exhibit DCC2, p. 1.; Response to Citizens 1<sup>st</sup> Interrogatories, 11.

**EXHIBIT MNC-1:  
DETAIL ON SPRINT  
BASIC LOCAL RESIDENTIAL COST AND CONTRIBUTION**

USAGE	\$1.65
RETAIL	\$3.03
TOTAL DIRECT	\$4.68
REVENUE	\$16.46
CONTRIBUTION	\$11.80

Sources: Sprint-Florida, Inc. Cost of Local Service Study, Residential Cost Summary,  
Exhibit KWD-2, p .2; Response to Citizens 1<sup>st</sup> Interrogatories, 10.

**EXHIBIT MNC-2:  
BELLSOUTH  
BASIC LOCAL RESIDENTIAL COST, VERTICAL SERVICES AND  
ACCESS CONTRIBUTION**

	DIRECT	CONTRIBUTION	CONTRIBUTION AS A % OF DIRECT
BASIC LOCAL <sup>a/</sup>	\$3.03	\$13.73	453
ACCESS <sup>b/</sup>	\$1.95	\$6.83	254
VERTICAL BUNDLES <sup>c/</sup>	\$4.99	\$11.75	236

a/ See Exhibit MNC-1

b/ FCC composite for cost of switching (from Hendrix Exhibit JH-2, page 3 of 3); average residential usage (from Response to Citizens' First Request for Production of Documents, Item 3.

c/ At system average, Response to Citizens' First Set of Interrogatories, Item No. 20, Complete Choice, Area Plus with Complete Choice, Contribution Analysis, Year 1.

**EXHIBIT MNC-3:  
COMPETITION IN THE LOCAL TELEPHONE MARKET**

STATE	INTENSITY		EXTENSIVENESS				BALANCE	
	CLEC RES	NO CLECS	6 OR CLECS		RES RATIO			
	MKT SHARE % RANK	IN ZIP CODE % RANK	IN ZIP CODE % RANK		CLEC%/ILEC% RATIO RANK			
New York	23.6	1	5.0	7	52.6	2	0.93	7
Rhode Island	21.2	2	2.8	5	0.0	34	0.97	6
Michigan	20.6	3	8.8	10	39.6	8	0.99	5
Illinois	19.2	4	32.6	27	22.8	13	1.04	2
Nebraska	16.7	5	66.9	38	0.0	38	0.93	8
Kansas	14.6	6	58.6	36	0.9	33	0.82	12
Iowa	14.3	7	36.3	30	0.0	35	1.10	1
Massachusetts	13.4	8	1.0	1	41.5	6	0.77	13
Colorado	13.3	9	26.4	20	19.2	20	0.84	9
Utah	13.1	10	32.3	26	10.9	25	0.83	10
Virginia	13.0	11	21.9	17	21.7	15	1.00	4
District of Columbia	12.6	12	11.1	12	44.4	4	0.76	14
Texas	12.4	13	17.9	15	47.3	3	0.70	23
Georgia	11.6	14	23.5	19	41.5	7	0.74	16
New Hampshire	11.4	15	3.2	6	1.4	32	0.74	17
Minnesota	11.1	16	33.7	28	8.8	26	0.59	32
Pennsylvania	10.7	17	19.5	16	28.9	11	0.61	30
Wisconsin	10.0	18	35.5	29	3.5	29	0.72	20
Arizona	8.9	19	27.5	22	28.9	12	0.71	22
New Jersey	8.6	20	1.5	3	41.7	5	0.83	11
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Oklahoma	6.9	23	56.9	35	8.3	28	0.61	31
Arkansas	6.9	24	61.1	37	0.0	37	0.64	28
Ohio	6.9	25	30.0	25	19.3	18	0.73	18
Missouri	6.8	26	48.8	34	11.0	24	0.67	25
Washington	6.2	27	29.8	24	21.8	14	0.58	34
Oregon	5.9	28	17.4	13	2.1	30	0.67	26
Louisiana	5.7	29	26.8	21	20.9	17	0.75	15
Maryland	5.6	30	1.6	4	31.7	10	0.73	19
Mississippi	5.6	31	8.0	9	1.6	31	1.01	3
Indiana	5.4	32	39.8	32	0.0	36	0.70	24
Alabama	5.0	33	36.9	31	8.4	27	0.63	29
Connecticut	4.9	34	1.1	2	21.0	16	0.49	35
Nevada	3.7	35	22.4	18	11.2	23	0.32	37
South Carolina	3.2	36	29.0	23	17.5	21	0.45	36
Tennessee	3.1	37	42.2	33	16.3	22	0.31	38
Kentucky	2.9	38	79.1	39	0.0	39	0.67	27
North Carolina	2.2	39	17.7	14	19.2	19	0.27	39

SOURCE: Industry Analysis Division, *Local Telephone Competition: Status as of December 31, 2002*  
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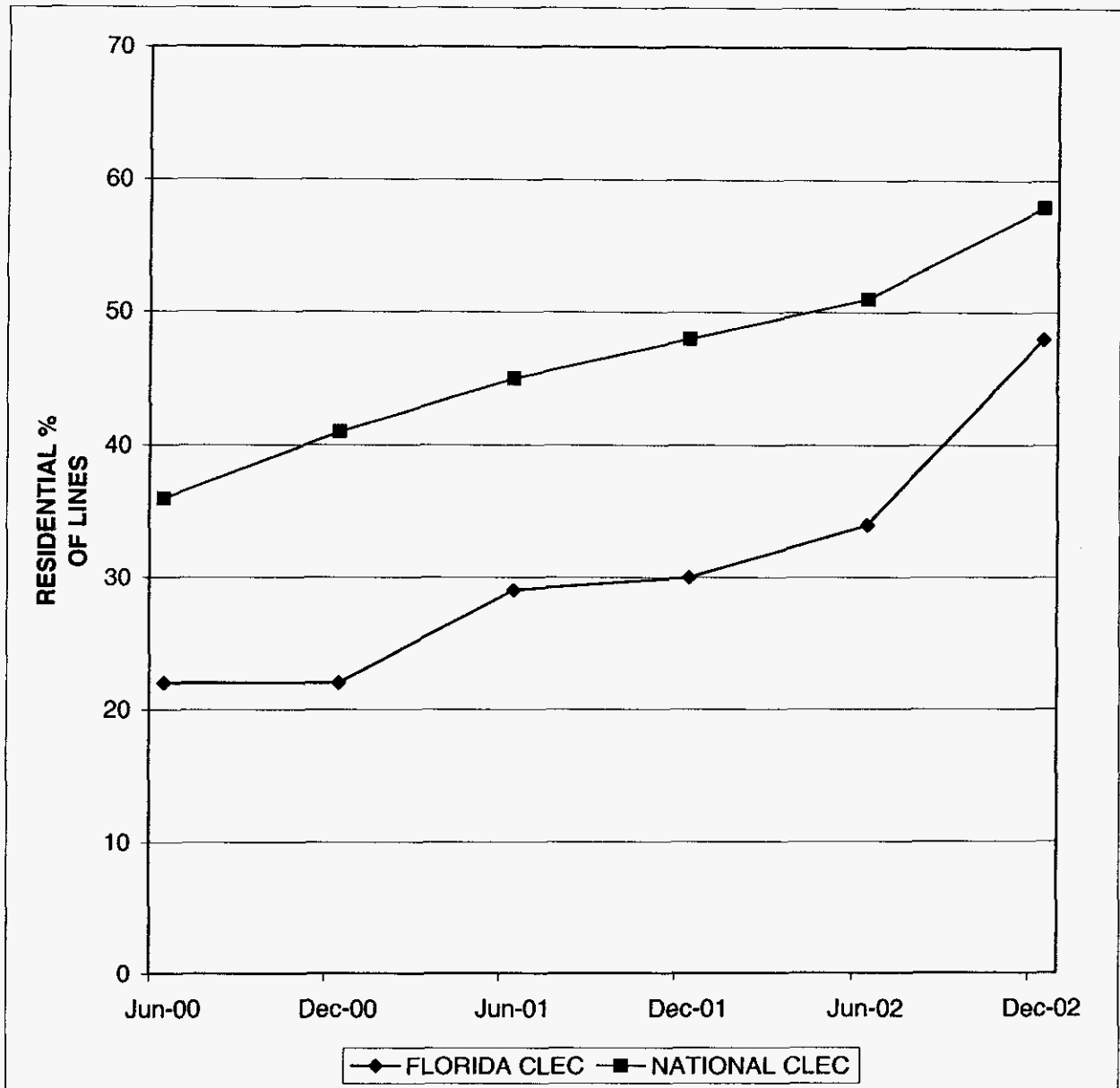
**EXHIBIT MNC-4:  
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(% of residential/Small Business Lines Served by CLECs, Ranked by Current Market Share; penetration at entry in bold)

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Florida	BS	2.15	2.19	2.25	2.68	2.94	3.87	<b>7.74</b>
Louisiana	BS	1.10	1.48	1.25	0.60	1.22	<b>2.36</b>	5.65
Mississippi	BS	2.60	*	2.66	2.21	2.81	1.98	<b>5.59</b>
Alabama	BS	0.51	0.40	0.46	0.46	0.77	1.13	<b>5.01</b>
South Carolina	BS	*	*	1.80	0.27	0.65	1.81	<b>3.21</b>
Tennessee	BS	0.76	1.34	1.40	1.57	2.05	2.36	<b>3.14</b>
Kentucky	BS	*	*	2.71	*	*	*	<b>2.86</b>
North Carolina	BS	0.82	0.59	0.65	1.67	1.20	1.06	<b>2.23</b>

SOURCE: Industry Analysis Division, *Local Telephone Competition: Status as of December 31, 2002* (Federal Communications Commission, June 2003);

**EXHIBIT MNC-5:  
RESIDENTIAL CLEC LINES AS A PERCENT OF CLEC LINES**



Source: Industry Analysis Division, *Local Telephone Competition* (Federal Communications Commission, various issues)

**EXHIBIT MNC-6:  
ALLOCATION OF RATE REBALANCING REVENUE INCREASES**

	RESIDENTIAL	BUSINESS	TOTAL
BELL SOUTH	97%	3%	100
SPRINT	87	13	100
VERIZON	93	7	100

**EXHIBIT MNC-6:  
DETAIL ON BELL SOUTH  
ALLOCATION OF REVENUE RATE REBALANCING REVENUE INCREASES**

	RESIDENTIAL	BUSINESS	TOTAL
RECURRING	\$107.8	\$2.1	\$109.8
NONRECURRING	\$ 14.0	\$1.3	\$ 15.3
TOTAL			
\$	\$121.8	\$3.4	\$125.1
%	97	3	100

Sources: Bell South, Market Basket Summary of Annual Revenue; Present and Proposed Rates and Revenues



**EXHIBIT MNC-6:  
DETAIL ON SPRINT  
ALLOCATION OF REVENUE RATE REBALANCING REVENUE INCREASES**

	RESIDENTIAL	BUSINESS	TOTAL
RECURRING	\$107.8	\$2.1	\$109.8
NONRECURRING	\$ 14.0	\$1.3	\$ 15.3
TOTAL			
\$	\$122.5	\$19.1	\$141.6
%	87	13	100

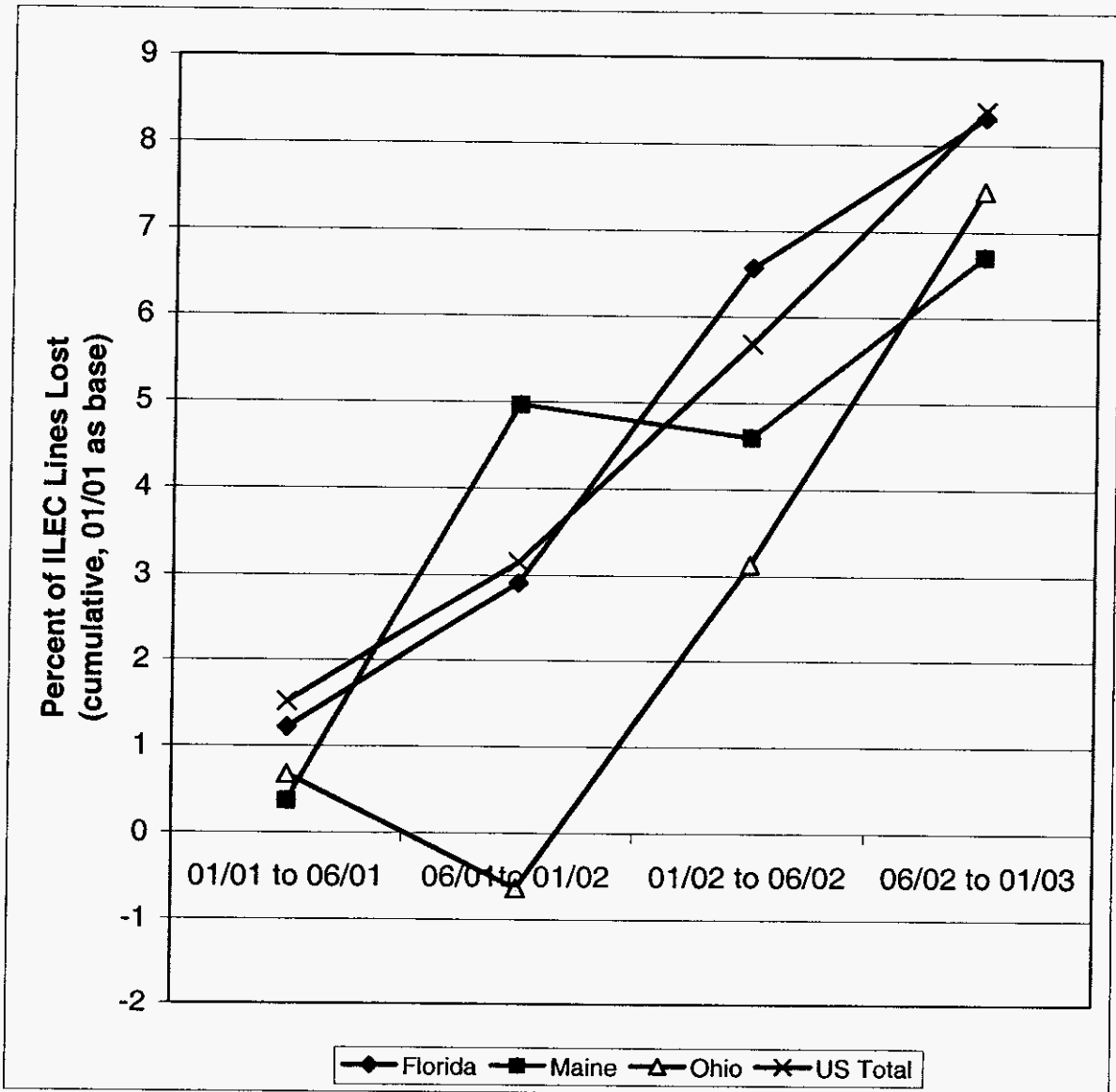
Sources: Sprint-Florida, Exhibit JMF-12.

**EXHIBIT MNC-6:  
DETAIL ON VERIZON  
ALLOCATION OF REVENUE RATE REBALANCING REVENUE INCREASES**

	RESIDENTIAL	BUSINESS	TOTAL
RECURRING	NA	NA	NA
NONRECURRING	NA	NA	NA
TOTAL			
\$	\$71.4	\$5.4	\$76.8
%	93	7	100

Sources: Verizon, Exhibit ODF-2

**EXHIBIT MNC-7:  
COMPETITIVE PENETRATION IN FLORIDA, MAINE AND OHIO**



Source: Industry Analysis Division, *Local Telephone Competition* (Federal Communications Commission, June 12, 2003), Table 9.