

DECLARATION OF MICHAEL K. HASSETT AND
VINCENT J. WOODBURY

EXHIBIT 9

Average Wireline Residential Monthly Toll Minutes (excluding wireless)

1995	1996	1997	1998	1999	2000	2001	2002
143	143	149	144	131	116	105	90
<i>Source: Industry Analysis & Technology Division, Wireline Competition Bureau, Statistics of the Long Distance Telecommunications Industry at Table 20 (May 2003) (includes: IntraLATA-Intrastate, InterLATA-Intrastate, IntraLATA-Interstate, InterLATA-Interstate, International, Others (toll-free mins. billed to residential customers, 900 mins., and mins. for calls that could not be classified)).</i>							



**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Unbundled Access to Network Elements)	WC Docket No. 04-313
)	
Review of the Section 251 Unbundling)	CC Docket No. 01-338
Obligations of Incumbent Local Exchange)	
Carriers)	

DECLARATION OF RONALD H. LATAILLE

1. My name is Ronald H. Lataille. My business address is 1095 Avenue of the Americas, 41st Floor, New York, New York. I am employed by Verizon Communications as Vice President – Financial Planning and Analysis for Domestic Telecom Finance. In this capacity, I am responsible for wholesale and retail revenue booking, analysis and reporting functions and the implementation of standardized financial business processes and systems platforms within Verizon’s domestic telephone operating companies.

2. I have more than 23 years of experience in the telecommunications industry in a variety of finance, accounting and auditing positions. I became a Certified Public Accountant in 1988. My education background includes a Master’s Degree with a concentration in Finance received in 1979 from the University of Rhode Island and a Bachelor’s Degree in Accounting received in 1977 from Providence College.

I. Purpose of Declaration

3. The purpose of my declaration is to show that competitors have widely deployed their own switches and are using them extensively to serve mass market lines. As I explain in further detail below, competing carriers have approximately 10,000 circuit switches and packet switches nationwide, and have used their switches to provide voice telephone service in wire centers in the top 150 Metropolitan Statistical Areas (“MSAs”) that contain 83 percent of Bell company access lines in those MSAs. In Verizon’s 50 top MSAs alone, ranked by number of Verizon access lines, competing carriers are using their own switches to serve at least 2.2 million mass market lines. In addition, as demonstrated in the declaration of Michael K. Hassett and Vincent J. Woodbury, intermodal competition is widespread throughout these MSAs.

4. This evidence shows that competitors are already providing significant and widespread competition for mass market local telephone services without using Verizon’s unbundled local switching services. Accordingly, competing carriers can provide voice telephone service to the mass market and are not impaired without access to incumbent carriers’ local switches.

5. My declaration and the exhibits to my declaration contain information collected from publicly available sources as well as information collected from internal Verizon databases. The sources of publicly available information used are identified in these documents. I supervised the collection of all data presented in these documents that was collected from Verizon’s internal databases. These documents accurately reflect the data contained in those databases.

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Facilities-Based Carriers.

6. Competitive carriers have a large number of switches that are being used to provide mass market voice telephone service. As of year-end 2003, facilities-based carriers have deployed approximately 10,000 switches nationwide, including about 1,200 circuit switches and about 8,800 packet switches.¹

7. Competitive carriers' switches have been used on a widespread basis throughout the country. In the top 150 MSAs nationwide, they are being used to serve customers in wire centers that contain approximately 83 percent of the former Bell companies' access lines in those MSAs.²

8. In Verizon's 50 top MSAs, competitive carriers are serving at least 2.2 million mass market lines using at least 182 of their own switches. According to the FCC, "voice-grade analog loops, DS0 loops, and loops that deploy xDSL services, are used to serve customers typically associated with the mass market." *Triennial Review Order* ¶ 197 n.624. Verizon therefore reviewed its wholesale records to identify the unbundled DS-0 loops provided to competitors and the competitive carrier's switch associated with each such loop in each of Verizon's 50 top MSAs. This is a conservative approach because it does not include the high capacity loops used to serve residential customers in apartment buildings or very small business customers in office buildings. Verizon also reviewed residential cable companies' E911 listings to identify the mass

¹ New Paradigm Resources Group, Inc., *CLEC Report 2004*, Ch. 4 at Tables 17 & 19 (18th ed. 2004).

² See *UNE Fact Report 2004*, II-42 – II-43, Table 10.

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market lines served by competitive carriers using their own switch and loop, and then identified the competitive switch serving each such line in each of Verizon's 50 top MSAs. The results of this analysis are shown in Exhibit 1.

9. Competitive carriers' switches are serving significant numbers of mass market lines in each of Verizon's 50 top MSAs. In the New York MSA, for example, competitive carriers are serving approximately 415,000 mass market lines using at least 28 of their own switches within the MSA. *See* Exhibit 1. In the Boston MSA, competitive carriers are serving approximately 392,000 mass market lines using at least 12 of their own switches within the MSA and 5 switches located outside the MSA. *Id.* In the Buffalo MSA, competitive carriers are serving approximately 51,000 mass market lines using at least 4 of their own switches within the MSA. *Id.*

10. In nearly all of Verizon's 50 top MSAs, multiple competitive carriers' switches are capable of and are being used to serve mass market lines. *See* Exhibit 2. For each of Verizon's 50 top MSAs, Verizon has prepared maps showing the number of competitive switches, the number of mass market lines served by each switch and the wire center area where those mass market customers are located. *See* Attachment O, Maps D. In order to fit the large number of lines on the maps (and to avoid identifying specific customer locations), these maps show the competing carriers' lines as disbursed throughout that wire center, and do not represent the exact customer location. Map D for each MSA is a composite showing the competitive carriers' switches serving the MSA and the mass market lines served by those switches. These maps demonstrate that

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competitive carriers' switches are capable of and are being used to serve customers located in wire centers throughout nearly all of Verizon's 50 top MSAs.

11. In Verizon's 50 top MSAs, competing carriers are using their own switches to serve lines in Verizon's wire centers that contain the vast majority of Verizon's access lines. In the New York MSA, for example, competitive carriers are serving lines in Verizon's wire centers that contain 93.2 percent of all access lines in the MSA. *See* Exhibit 3. In the Providence MSA, competitive carriers are serving lines in Verizon's wire centers that contain 99.7 percent of all access lines in the MSA. *Id.* In the Virginia Beach MSA, competitive carriers are serving lines in Verizon's wire centers that contain 88.9 percent of all access lines in the MSA. *Id.*

12. Competitive carriers' switches have extensive geographic reach and are capable of serving nearly all portions of Verizon's service areas in Verizon's 50 top MSAs. *See* Attachment O, Maps E. For each switch deployed by a competitor in one of Verizon's 50 top MSAs, Verizon determined the most distant mass market lines served by that switch. Verizon used that distance as the radius for a circle drawn around each switch. That circle represents the geographic area that could be served by that competitive switch based upon the furthest distance currently served by that switch. The geographic areas that could be served by each competitive switch were color-coded on Maps E to show the number of competitors that are or could serve each area in the MSA. *See* Attachment O, Maps E.

13. For switches located outside the MSA that do not serve any lines within the MSA, Verizon only considered those competitive switches that are located within 20

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miles of the MSA border and that serve at least 10 percent of their customers at a greater distance than their location to the MSA border. For example, if a switch was located 15 miles from the border of the MSA and 20 percent of the lines served by that switch were more than 15 miles away, that switch would be shown on the map because it could reasonably serve mass market lines in the MSA.

14. This is a conservative analysis in at least two respects. First, Verizon based the radius for each switch on the furthest mass market lines actually served by that competitive switch, rather than the furthest mass market lines of any switch serving the MSA. For example, in the Washington MSA, there is a competitive switch that is serving mass market lines that are 50 miles away, so other competitive switches serving the Washington MSA could likewise serve mass market lines that are 50 miles away. However, in order to provide a conservative analysis, Verizon only considered the furthest mass market lines served by each particular switch to show the area that could be served by that switch.

15. Second, Verizon's analysis does not include any of the many competitive switches outside the MSA that are not currently serving mass market customers within the MSA, but could easily do so. For example, there is a switch located 57.4 miles outside the Washington MSA border (near Philadelphia). That switch is serving over 3,000 mass market lines that are more than 57.4 miles away within the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA. That switch could therefore serve mass market lines in the Washington MSA, but is not included in Verizon's analysis.

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16. For several MSAs that have few or no mass market lines in Verizon's service areas that are actually served by competitive switches, Verizon identified competitive switches that could serve mass market lines in those areas. These switches are identified on Maps F for the Durham, NC, Fort Wayne, IN, Houston-Baytown-Sugar Land, TX, and Lakeland-Winter Haven, FL MSAs. Verizon has also drawn a circle around these switches that reflects the average reach of all competitive switches serving mass market lines in Verizon's 50 top MSAs. This is a conservative estimation of the areas that could be served by these switches because carriers are in fact serving mass market customers in other MSAs at a longer distance than shown on these maps.

17. Verizon has also prepared maps that show the geographic areas that are served or could be served by any carrier, including VoIP, wireless service or competitive switches. See Attachment O, Maps A. The geographic areas that are or could be served by one or more than one competitor were color-coded on Maps A to show the number of competitors that are serving or could serve each area in the MSA.

18. Verizon has also examined the density of wire centers where competing carriers are serving mass market lines. This analysis shows that competing carriers are not only serving the high density wire centers; they are also serving mass market customers in low density wire centers. For example, in the Boston MSA, competing carriers are serving mass market lines with their own switching facilities in 13 low density wire centers (wire centers with less than 5,000 access lines), and in 8 of those wire centers the competing carriers are serving more than 10 percent of the access lines. In the Pittsburgh MSA, competing carriers are serving mass market lines with their own

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facilities in 8 low density wire centers, and in half of those wire centers the competing carriers are serving more than 5 percent of the access lines. In the Providence MSA, competing carriers are serving over 4,200 mass market lines in 9 low density wire centers. And in the Worcester MSA, competing carriers are serving over 1,100 mass market lines in two low density wire centers. Since competing carriers are serving mass market customers in low density wire centers such as these, they can also serve customers in other low density wire centers.

19. While some parties have claimed that eliminating access to TELRIC priced UNE-P would mean the demise of local competition, that is factually false. Intermodal competition is replacing UNE-P as the predominant form of competition for residential mass market customers. In addition, even though competing carriers have significantly curtailed their purchases of UNE-P lines, Verizon is continuing to lose retail residential lines at a fairly constant rate. It appears that many residential customers are disconnecting their retail lines with Verizon as they replace them with wireless, cable and VoIP services. From December 2003 through August 2004, Verizon's losses of retail residential lines have remained steady at about **[BEGIN PROPRIETARY]** **[END PROPRIETARY]** per month, while orders for residential UNE-P lines, which had been consistently over **[BEGIN PROPRIETARY]** **[END PROPRIETARY]** per month, now have declined dramatically in recent months, including one month with as few as **[BEGIN PROPRIETARY]** **[END PROPRIETARY]**. See Exhibit 4. During this same period, Verizon's orders for resold residential lines and DS-0 loops have remained flat or have declined. Although some Verizon residential customers are

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replacing their retail lines with Verizon's DSL services, the additional DSL lines do not come close to making up for Verizon's retail residential line losses, especially in light of the dramatic drop in the number of orders for UNE-P lines.

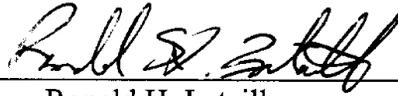
II. Conclusion

20. Recent technological and market developments demonstrate that competitors are not impaired without unbundled access to local switching. Competitors have significantly deployed their own facilities and are already providing significant and widespread competition for mass market local telephone services without using Verizon's unbundled local switching services. Accordingly, competing carriers can provide voice service to the mass market and are not impaired without access to incumbent carriers' local circuit switches.

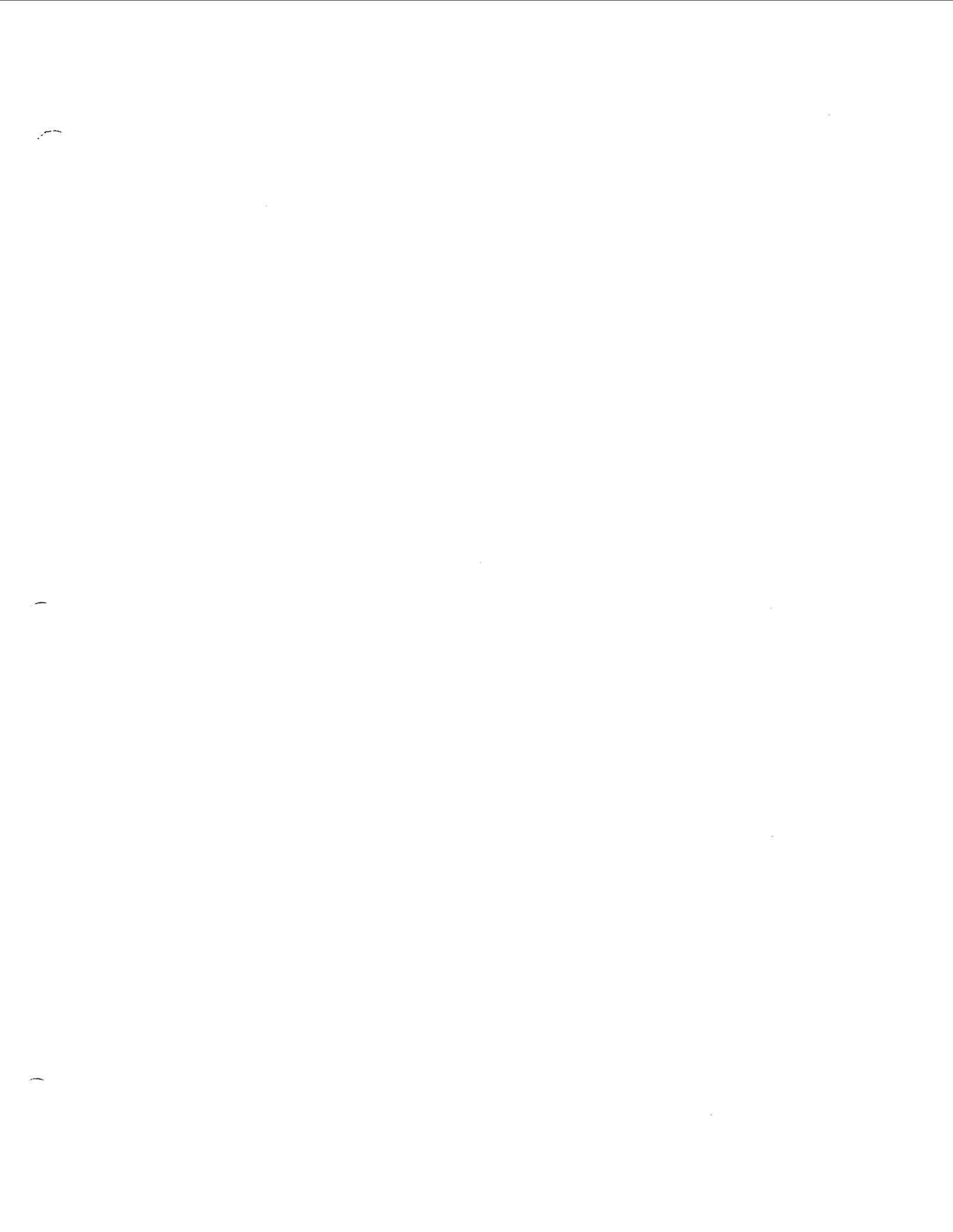
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I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on October 1, 2004

A handwritten signature in black ink, appearing to read "Ronald H. Lataille", written over a horizontal line.

Ronald H. Lataille



DECLARATION OF RONALD H. LATAILLE

EXHIBIT 1

**Mass Market Lines Served By CLEC Switches
In Verizon's Top 50 MSAs**

MSA	NO. OF CLECs SERVING MASS MARKET CUSTOMERS IN VZ'S PORTION OF THE MSA	NO. OF CLEC SWITCHES IN VZ'S PORTION OF THE MSA SERVING MASS MARKET CUSTOMERS IN VZ'S PORTION OF THE MSA	NO. OF CLEC SWITCHES OUTSIDE VZ'S PORTION OF THE MSA SERVING MASS MARKET CUSTOMERS IN VZ'S PORTION OF THE MSA	NO. OF MASS MARKET LINES SERVED BY CLEC SWITCHES
New York-Northern New Jersey-Long Island, NY-NJ-PA	10	28	0	415,000
Washington-Arlington-Alexandria, DC-VA-MD-WV	6	8	0	108,000
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	10	14	1	119,000
Boston-Cambridge-Quincy, MA-NH	10	12	5	392,000
Los Angeles-Long Beach-Santa Ana, CA	8	2	9	91,000
Baltimore-Towson, MD	5	6	0	52,000
Tampa-St. Petersburg-Clearwater, FL	6	6	0	28,000
Riverside-San Bernardino-Ontario, CA	*	1	1	*
Pittsburgh, PA	6	5	1	178,000
Providence-New Bedford-Fall River, RI-MA	7	6	2	179,000
Virginia Beach-Norfolk-Newport News, VA-NC	4	6	0	177,000
Richmond, VA	3	3	0	81,000

MSA	NO. OF CLECs SERVING MASS MARKET CUSTOMERS IN VZ'S PORTION OF THE MSA	NO. OF CLEC SWITCHES IN VZ'S PORTION OF THE MSA SERVING MASS MARKET CUSTOMERS IN VZ'S PORTION OF THE MSA	NO. OF CLEC SWITCHES OUTSIDE VZ'S PORTION OF THE MSA SERVING MASS MARKET CUSTOMERS IN VZ'S PORTION OF THE MSA	NO. OF MASS MARKET LINES SERVED BY CLEC SWITCHES
Dallas-Fort Worth-Arlington, TX	6	1	8	42,000
Buffalo-Niagara Falls, NY	4	4	0	51,000
Seattle-Tacoma-Bellevue, WA	3	3	1	6,000
Worcester, MA	6	4	2	27,000
Sarasota-Bradenton-Venice, FL	*	1	0	*
Albany-Schenectady-Troy, NY	4	4	0	26,000
Springfield, MA	4	4	0	13,000
Allentown-Bethlehem-Easton, PA-NJ	5	5	1	67,000
Portland-Vancouver-Beaverton, OR-WA	5	5	1	28,000
Trenton-Ewing, NJ	*	2	0	*
Lakeland-Winter Haven, FL	0	0	0	0
Syracuse, NY	4	4	0	21,000
Portland-South Portland, ME	4	4	0	8,300
Oxnard-Thousand Oaks-Ventura, CA	*	1	1	*
Harrisburg-Carlisle, PA	5	4	1	13,000
Santa Barbara-Santa Maria-Goleta, CA	*	0	1	*

MSA	NO. OF CLECs SERVING MASS MARKET CUSTOMERS IN VZ'S PORTION OF THE MSA	NO. OF CLEC SWITCHES IN VZ'S PORTION OF THE MSA SERVING MASS MARKET CUSTOMERS IN VZ'S PORTION OF THE MSA	NO. OF CLEC SWITCHES OUTSIDE VZ'S PORTION OF THE MSA SERVING MASS MARKET CUSTOMERS IN VZ'S PORTION OF THE MSA	NO. OF MASS MARKET LINES SERVED BY CLEC SWITCHES
Scranton--Wilkes-Barre, PA	4	7	0	18,000
Atlantic City, NJ	*	1	0	*
Manchester-Nashua, NH	6	6	0	32,000
Barnstable Town, MA	*	1	0	*
Houston-Baytown-Sugar Land, TX	0	0	0	0
Poughkeepsie-Newburgh-Middletown, NY	*	2	0	*
Chicago-Naperville-Joliet, IL-IN-WI	0	0	0	0
Fort Wayne, IN	*	1	0	*
York-Hanover, PA	*	2	0	*
Charleston, WV	*	2	0	*
Durham, NC	*	0	*	*
Reading, PA	3	2	1	9,500
Erie, PA	*	1	0	*
Hagerstown-Martinsburg, MD-WV	*	1	0	*
Roanoke, VA	3	3	0	8,700
Lynchburg, VA	*	1	0	*

MSA	NO. OF CLECs SERVING MASS MARKET CUSTOMERS IN VZ'S PORTION OF THE MSA	NO. OF CLEC SWITCHES IN VZ'S PORTION OF THE MSA SERVING MASS MARKET CUSTOMERS IN VZ'S PORTION OF THE MSA	NO. OF CLEC SWITCHES OUTSIDE VZ'S PORTION OF THE MSA SERVING MASS MARKET CUSTOMERS IN VZ'S PORTION OF THE MSA	NO. OF MASS MARKET LINES SERVED BY CLEC SWITCHES
Utica-Rome, NY	3	3	0	3,700
Ocean City, NJ	0	0	0	0
College Station-Bryan, TX	0	0	0	0
Burlington-South Burlington, VT	*	2	0	*
Lancaster, PA	4	3	1	8,200
Binghamton, NY	*	1	0	*
TOTAL		182		2,255,000

* Data withheld to maintain confidentiality.



DECLARATION OF RONALD H. LATAILLE

EXHIBIT 2

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DECLARATION OF RONALD H. LATAILLE

EXHIBIT 3

**Mass Market Lines Served By CLEC Switches
In Verizon's 50 Top MSAs**

MSA	Percentage of Verizon Wire Centers in MSA that have one or more CLEC switches serving mass market lines	Percentage of access lines contained within Verizon Wire Centers in MSA that have one or more CLEC switches serving mass market lines
New York-Northern New Jersey-Long Island, NY-NJ-PA	81.7%	93.2%
Washington-Arlington-Alexandria, DC-VA-MD-WV	56.9%	84.8%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	70.7%	88.4%
Boston-Cambridge-Quincy, MA-NH	81.9%	93.1%
Los Angeles-Long Beach-Santa Ana, CA	83.8%	92.0%
Baltimore-Towson, MD	43.2%	72.5%
Tampa-St. Petersburg-Clearwater, FL	65.3%	77.4%
Riverside-San Bernardino-Ontario, CA	*	45.9%
Pittsburgh, PA	67.7%	90.3%
Providence-New Bedford-Fall River, RI-MA	97.7%	99.7%
Virginia Beach-Norfolk-Newport News, VA-NC	71.2%	88.9%
Richmond, VA	51.9%	76.5%
Dallas-Fort Worth-Arlington, TX	57.4%	87.5%

MSA	Percentage of Verizon Wire Centers in MSA that have one or more CLEC switches serving mass market lines	Percentage of access lines contained within Verizon Wire Centers in MSA that have one or more CLEC switches serving mass market lines
Buffalo-Niagara Falls, NY	50.0%	86.5%
Seattle-Tacoma-Bellevue, WA	51.9%	77.7%
Worcester, MA	50.0%	80.8%
Sarasota-Bradenton-Venice, FL	*	47.9%
Albany-Schenectady-Troy, NY	42.5%	85.2%
Springfield, MA	41.3%	83.3%
Allentown-Bethlehem-Easton, PA-NJ	65.2%	85.5%
Portland-Vancouver-Beaverton, OR-WA	74.2%	94.7%
Trenton-Ewing, NJ	*	80.1%
Lakeland-Winter Haven, FL	0%	0%
Syracuse, NY	50.0%	86.9%
Portland-South Portland, ME	25.0%	58.3%
Oxnard-Thousand Oaks-Ventura, CA	*	82.4%
Harrisburg-Carlisle, PA	73.3%	96.3%
Santa Barbara-Santa Maria-Goleta, CA	*	99.4%
Scranton-Wilkes-Barre, PA	75.0%	95.2%

MSA	Percentage of Verizon Wire Centers in MSA that have one or more CLEC switches serving mass market lines	Percentage of access lines contained within Verizon Wire Centers in MSA that have one or more CLEC switches serving mass market lines
Atlantic City, NJ	•	42.8%
Manchester-Nashua, NH	61.5%	92.9%
Barnstable Town, MA	*	39.2%
Houston-Baytown-Sugar Land, TX	0.0%	0.0%
Poughkeepsie-Newburgh-Middletown, NY	*	59.1%
Chicago-Naperville-Joliet, IL-IN-WI	0.0%	0.0%
Fort Wayne, IN	*	85.7%
York-Hanover, PA	*	48.9%
Charleston, WV	*	90.0%
Durham, NC	*	62.8%
Reading, PA	46.2%	80.3%
Erie, PA	*	78.0%
Hagerstown-Martinsburg, MD-WV	*	60.0%
Roanoke, VA	70.0%	95.3%
Lynchburg, VA	*	67.6%
Utica-Rome, NY	23.1%	60.9%
Ocean City, NJ	0.0%	0.0%

MSA	Percentage of Verizon Wire Centers in MSA that have one or more CLEC switches serving mass market lines	Percentage of access lines contained within Verizon Wire Centers In MSA that have one or more CLEC switches serving mass market lines
College Station-Bryan, TX	0.0%	0.0%
Burlington-South Burlington, VT	•	65.4%
Lancaster, PA	66.7%	87.9%
Binghamton, NY	*	86.9%
Weighted Average	58.5%	83.7%

* Data withheld to maintain confidentiality.



DECLARATION OF RONALD H. LATAILLE

EXHIBIT 4

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