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GTE Telephone Operations

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October 25, 1996

Ms. Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket Nos. 960847-TP and 960980-TP
Petitions by AT&T Communications of the Southern States, Inc.,
MCI Telecommunications Corporation and MCI Metro Access
Transmission Services, Inc. for arbitration of certain terms and conditions
of a proposed agreement with GTE Florida Incorporated concerning
interconnection and resale under the Telecommunications Act of 1996

Dear Ms. Bayo:

ACK Please find enclosed for filing an original and fifteen copies of GTE Florida
AFA _____ Incorporated's (GTEFL) Request for Confidential Classification and Motion for
APP _____ Protective Order in connection with information submitted with GTEFL's response to
CAF _____ AT&T's Petition for Arbitration in the above matter. Due to the voluminous nature of
CMU _____ this filing, GTEFL is submitting only two redacted copies of the documents. If
CTR _____ additional copies are needed, please let me know.

EAG _____
LEG _____
LIN _____
OPC _____
RCH _____
SEC _____
WAS _____
OTH _____

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FPSC-BUREAU OF RECORDS

A part of GTE Corporation

DOCUMENT NUMBER-DATE

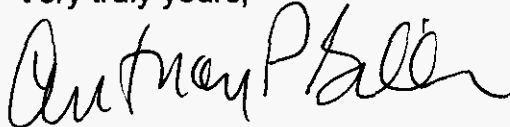
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Ms. Blanca S. Bayo
October 25, 1996
Page 2

If there are any questions regarding this filing, please contact me at (813) 483-2615.

Very truly yours,

A handwritten signature in black ink, appearing to read "Anthony P. Gillman". The signature is fluid and cursive, with the first name being the most prominent.

Anthony P. Gillman

APG:tas
Enclosures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by AT&T Communications)
of the Southern States, Inc. for arbitration)
of certain terms and conditions of a proposed)
agreement with GTE Florida Incorporated)
concerning interconnection and resale under)
the Telecommunications Act of 1996)
_____)

Docket No. 960847-TP
Filed: October 25, 1996

In re: Petition by MCI Telecommunications)
Corporation and MCI Metro Access)
Transmission Services, Inc. for arbitration of)
certain terms and conditions of a proposed)
agreement with GTE Florida Incorporated)
concerning interconnection and resale under)
the Telecommunications Act of 1996)
_____)

Docket No. 960980-TP

**GTE FLORIDA INCORPORATED'S REQUEST FOR CONFIDENTIAL
CLASSIFICATION AND MOTION FOR PROTECTIVE ORDER**

GTE Florida Incorporated (GTEFL) seeks confidential classification and a permanent protective order for certain information submitted with GTEFL's Response to AT&T's Petition for Arbitration.

All of this information falls within Florida Statutes §364.183(3)(e), which defines the term "proprietary confidential business information" to include "information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of that information." The documents in question are GTEFL's comprehensive cost studies for unbundled network elements and its analysis for calculating wholesale costs for resold services. If competitors are able to acquire this detailed and sensitive costing information regarding GTEFL, they could more easily develop entry and marketing

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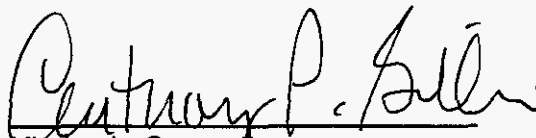
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strategies to ensure success in competing with GTEFL. These competitors would be more adept at pricing their own services if they possess details about GTEFL's cost structure. This affords them an unfair advantage while severely jeopardizing GTEFL's competitive position. In a competitive business, any such knowledge obtained about a competitor can be used to the detriment of the entity to which it pertains. This unfair advantage skews the operation of the market, to the ultimate detriment of the consumer. Furthermore, because the information would be disclosed to competitors through a regulatory proceeding--rather than through legitimate market trial and error processes--the marketplace will be skewed, to the ultimate detriment of the consumer. This effect is particularly troublesome in the context of this docket, which is intended to set rules for encouraging rational and efficient competition, rather than providing any entity a competitive advantage.

While a ruling on this request is pending, GTEFL understands that the information at issue is exempt from Florida Statutes, Section 119.01(1) and Staff will accord it the stringent protection from disclosure required by Rule 25-22.006(3)(d). One highlighted, unredacted copy of the confidential material, labeled Exhibit A, is contained in the binder attached to the original of this Request. Redacted copies of these items are attached to this Request as Exhibit B. A detailed justification of the confidentiality of the information at issue is attached as Exhibit C.

Respectfully submitted on October 25, 1996.

By: 
Kimberly Caswell
Anthony Gillman
Post Office Box 110, FLTC0007
Tampa, Florida 33601
Telephone: 813-483-2615

Attorneys for GTE Florida Incorporated

Exhibit C

Note: Tabs 2 and 3 have been declassified and are no longer considered to be confidential.

Pages A1, A48, A95, A97, and A124 all lines, all columns containing figures. These pages set forth the total service long-run incremental cost (TSLRIC) of GTE's unbundled loops and ports. The data are broken down by relative frequency of particular density categories. Competitors could use this information to discern how to most effectively compete with GTE. They could devise successful entry and pricing strategies without the usual market disadvantage. The fact that GTE cannot obtain this sort of information from its competitors through the regulatory process exacerbates the unfairness of allowing its public disclosure.

Pages A2, A49-A50, A99, A144, A191, A195, A199, and A206 all lines, all columns containing figures. This is pricing and tariff support for particular unbundled elements that will be offered by GTE. Loops are detailed by percentage of distribution per particular kilofeet lengths and by particular type of service. Basic network functions costs are given for each length, along with weighted cost. In some cases, assumptions from proprietary cost models are given. With these detailed data, competitors could discern the makeup of GTE's loop plant, and the costs for discrete components. This information would better allow them to determine GTE's strength and weaknesses from a cost standpoint and design their entry and pricing strategies accordingly. The fact that GTE cannot obtain these kind of detailed data--through the regulatory process or otherwise--exacerbates the unfairness of its noncensural public disclosure. Further, the information pertaining to cost modeling assumptions is not GTE's property and its disclosure will violate confidentiality agreements between GTE and third-party vendors.

Pages A3-A47, A51-A93, A96, A98, A125-A127, A130, A145-A188, A208-A247, A249-A266, A344-A356, A364, A373-A379, A382, A384-A406, A504-A505, and A557-A655 all lines, all columns containing figures. These pages contain the detailed cost components (e.g., investment and expenses by USOA) underlying discrete basic network functions. Disclosure of such detailed costs for such small pieces of the network would give competitors an advantage in designing their networks and in competing against GTE in the most efficient manner. The fact that GTE cannot obtain such knowledge about its competitors exacerbates the unfairness of disclosing this detailed cost information.

Pages A101, A112-A116, and A123 all lines, all columns containing figures. These pages reveal cost underlying various rate elements necessary to provide expanded interconnection. Details such as cost and salvage value of plant, installation cost, non-reusable cost, net investment, and total annual costs are shown. With information about these discrete cost components of interconnection, competitors could more effectively compete against GTE without undergoing the usual market trial and error. They could also consider this information in designing their own networks.

Pages A102, A103-A111, and A117-A122 all lines, all columns containing figures. These are GTE's cost for building modification, power and other such components related to providing collocation in an expanded interconnection environment. Figures include detailed breakdowns of material and labor, depreciation, taxes, return, nonrecurring charges, etc. for simple, moderate, and complex modifications, respectively. As with all of GTE's confidential cost information, public disclosure of these data will allow competitors to design more effective strategies in competing with GTE. Furthermore, these pages contain inputs and assumptions used in GTE's Levelized Annuity Pricing Program. GTE considers this program highly proprietary. The cost of developing this program was very substantial and disclosure of its operations would allow competitors to unfairly gain this important costing tool without any payment.

Pages A128, A129, and A129.1 all lines, all columns containing figures. These pages contain data concerning GTE's expanded interconnection costs, DS0, DS1, and DS3 interconnection, and interim number portability, respectively. These costs cannot be revealed to competitors without giving them an unfair advantage in structuring their operations and designing entry and market strategies to ensure their success in competing with GTE.

Pages A132-A141.2 all lines, all columns containing figures. The information here concerns GTE's wholesale service connection charge study. This study contains detailed information on all the activities underlying service connections in a resale environment. With this information, GTE's competitors--which now include, potentially, other incumbent local exchange carriers going out of their traditional serving areas--will be able to structure their own operations in the most efficient manner without the usual research and planning. They will also know where GTE is most vulnerable in its cost structure, and can tailor their entry and pricing strategies accordingly.

Pages A142-A143, A189-A190, A193-A194, A197-A198, A201-A205, and A248 all lines, all columns containing figures. These pages show the underlying cost components for various GTE services. Costs are broken down by high, medium, and low densities for each component and weighting assignments are given. These data will give competitors an advantage in structuring their plant and operations in a way that will best ensure their success in competing with GTE without the usual trial and error in the marketplace.

Pages A267-A343 all lines, all columns containing figures. These pages set forth in detail GTE's long-run incremental costs of providing toll service. The toll market is extremely competitive and disclosure of GTE's costs in this area, especially a breakdown as detailed as included here, would give competitors an unfair advantage in tailoring their marketing and pricing strategies to ensure success in competing with GTE.

Pages A357, A359-A363, A365-A372, and A380-A381 all lines, all columns containing figures. These are summaries of TSLRICs for GTE's switched access. They include cost

components for entrance facilities, direct trunked transport, tandem switching, and end office switching. This information, if disclosed to competitors, would give them an unfair advantage in structuring their operations and their entry and marketing strategies to ensure their success in competing with GTE. This is particularly true in the transport area, which is already very competitive.

Pages A407-A464 all lines, all columns containing figures. This is GTE's avoided cost study for determining the appropriate wholesale discount from retail rates. This comprehensive analysis of retail and resale costs for GTE's services would be very valuable to any actual or potential competitor of GTE. It would allow them to determine where GTE is most vulnerable in its retail operations and how best to devise a pricing and marketing strategy that will best ensure success in competing with GTE.

Pages A466-A469 all lines, all columns containing figures. These pages detail the results of the benchmark cost model 2. The model estimates a benchmark cost of providing basic local telephone service for both business and residence customers in small geographic areas for the entire U.S. and its territories. Results using default inputs are included. This section includes vendor-confidential contract prices.

Pages A502-A503, A506, A520, A523-A526, and A540-A551 all lines, all columns containing figures. These pages detail GTE's costs of SS7 functionalities, including call-related database investments and costs, and call-related data base query costs and pricing. Actual and potential competitors can use these cost data in designing their own network and services in the way that will best ensure success with GTE, without the usual marketplace trial and error.

Pages A555-A556 all lines, monthly cost column containing figures. These pages show the monthly cost for numerous GTE optional features. Competition in providing such vertical features can be expected to be fierce. Actual and potential competitors can thus use these cost data to tailor their entry and marketing strategies to ensure their success in competing with GTE.

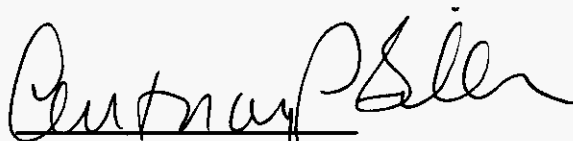
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of GTE Florida Incorporated's Request for Confidential Classification and Motion for Protective Order in connection with information submitted with GTEFL's response to AT&T's Petition for Arbitration in Docket Nos. 960847-TP and 960980-TP were sent via hand-delivery (*) or U.S. mail (**) on October 25, 1996 to the parties listed below.

Donna Canzano (*)
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