

State of Florida



Public Service Commission

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COMMISSION
CLERK

DATE: June 24, 2004

TO: Blanca S. Bayó, Commission Clerk and Administrative Services Director

FROM: William F. Coston, Government Analyst I, Division of Competitive Markets & Enforcement *WFC*

RE: 040535-TL Redacted memo to General Counsel with staff option on BellSouth's request for Specified Confidential Classification-Review of BellSouth Telecommunications, Inc. Maintenance and Repair Practices

Please file the attached memorandum in docket 040535-TL. The redacted version of the memo, address to General Counsel, contains staff's opinion of BellSouth's claims of confidentiality on the *Review of BellSouth Telecommunications Inc. Maintenance and Repair Practices*.

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DOCUMENT NUMBER-DATE

06961 JUN 24 05

FPSC-COMMISSION CLERK



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: June 22, 2004
TO: Jeremy L. Susac, Senior Attorney, General Counsel
FROM: Tripp Coston, Government Analyst I, Division of Competitive Markets & Enforcement
RE: 040535-TL Staff opinion on BellSouth's request for Specified Confidential Classification -Review of BellSouth Telecommunications, Inc. Maintenance and Repair Practices

Attached is a May 24, 2004 letter from BellSouth counsel, Nancy White, which includes BellSouth Telecommunications, Inc.'s request for Specified Confidential Classification in regards to staff's *Review of BellSouth Telecommunications, Inc.'s Maintenance and Repair Practices*. This memo outlines staff's response to the confidentiality claim of certain text within the report.

BellSouth provides three separate explanations as to why certain text should be redacted. For each report passage cited, BellSouth specifies one or more of these reasons as the grounds for confidential treatment. The first reason relates to the text containing competitive business information. The second relates to the text containing proprietary information from internal audit work product. The third reason relates to the text containing proprietary information from external audit work products. Staff agrees that these reasons, as described, would warrant a confidential classification request, however, it disagrees that some portions of the passages cited apply to these reasons.

Below is staff's review of BellSouth's individual claims of confidentiality throughout the report:

1. Regarding Page 14, lines 37-39, staff does not agree that the information included in lines 37 and portions of 38 should be redacted. BellSouth claims the information is competitive business information. Lines 37-38 state "[REDACTED]". BellSouth does not seek confidential treatment of this title in the report on page 46, line 27. Staff does not believe the training material title itself is competitive in nature, and believes that the requested redaction should be denied.

Staff agrees with the company that the remainder of lines 38 and 39 is proprietary business information, and the redaction should be granted.

2. Staff agrees with BellSouth that the following report passages contain proprietary business information and believes that the lines should be redacted as proposed by BellSouth.

Page 15, lines 3-10.

Page 16, lines 15-17

Page 16, lines 23-38

Page 17, lines 1-6

Page 17, lines 9-12

Page 17, lines 15-21

Page 17, lines 23-26

Page 17, lines 28, 30-31

Page 18, lines 2

Page 18, lines 10

Page 18, lines 13-18

Page 18, lines 20-28

Page 18, lines 34-35

3. Regarding page 19, lines 3, staff does not believe the name of the incentive program in the passage harms BellSouth or provides a competitor with an advantage, and therefore, believes the request for redaction should be denied. Also, staff believes the word “[REDACTED]” should not be deemed competitive in nature. This word is used throughout this section of the report, and BellSouth does not seek confidential treatment of its other uses. For reasons of consistency, staff disagrees with this word being redacted.
4. Regarding page 19, lines 7-10, staff does not believe that in line 7 the name of the incentive program harms BellSouth or provides a competitor with an advantage, and therefore, believes the request for redaction should be denied. Also in line 7, staff believes the words “[REDACTED]” should not be deemed competitive in nature. This phrase is used throughout this section of the report, and BellSouth does not seek confidential treatment of the other uses of the phrase. For reasons of consistency, staff disagrees with these two words being redacted.

Staff agrees with BellSouth that the remaining portions of page 19, lines 7-10 contain proprietary business information and believes that the lines should be redacted as proposed by BellSouth.

5. Regarding page 19, lines 12-18, staff does not believe in line 16 and 18 that the disclosure of the name of the incentive program harms BellSouth or provides a competitor with an advantage, and therefore, believes the request for redaction should be denied.

Staff agrees with BellSouth that the remaining portions of page 19, lines 12-18 contain proprietary business information and believes that the lines should be redacted as proposed by BellSouth.

6. Regarding page 19, lines 21 and 23, staff does not believe disclosure of the name of the incentive program in the passages harms BellSouth or provides a competitor with an advantage, and therefore, believes the request for redaction should be denied.
7. Regarding page 19, lines 25-27, staff does not believe disclosure of the name of the incentive program in line 27 harms BellSouth or provides a competitor with an advantage, and therefore, believes the request for redaction should be denied.

Staff agrees with BellSouth that the remaining portions of lines 25-27 contain proprietary business information and that the lines should be redacted as proposed by BellSouth.

8. Staff agrees with BellSouth that the following report passages contain proprietary information from internal audits and the lines should be redacted as proposed by BellSouth.
Page 21, lines 36-38
Page 22, lines 10-12
Page 22, lines 14-23
Page 22, lines 25-35
Page 23, lines 1-7
9. Regarding page 23, lines 17-33, staff agrees with BellSouth that the passages contain proprietary information from external audits and believes the lines should be redacted as proposed by BellSouth.
10. Regarding page 24, lines 1-10, staff agrees with the majority of the requested redactions. The information is derived from external audits and should be redacted. Staff does not believe that the first four words in line 7, "[REDACTED]", should be redacted. On page 23, line 35 and page 24, line 8, the report [REDACTED], and BellSouth does not seek confidential treatment of these references. Therefore, for reasons of consistency, staff disagrees with these four words being redacted.
11. Regarding page 46, lines 6-17, and 20, staff agrees with BellSouth that the passages contain proprietary information from internal audits and believes the lines should be redacted as proposed by BellSouth.
12. Regarding page 46, lines 27-28 and 31-34, staff agrees with BellSouth that the passages contain proprietary business information and believes the lines should be redacted as proposed by BellSouth.
13. Regarding page 52, lines 6, 8-11, and 13, staff agrees with BellSouth that the passages contain proprietary information from both internal and external audits and believes the lines should be redacted as proposed by BellSouth.

BELLSOUTH'S FINAL COMMENTS

14. Regarding page 2, line 31, 36, and 38-39 and page 3, lines 1-6, staff agrees with BellSouth that the passages contain proprietary information from internal audits and believes the lines should be redacted as proposed by BellSouth.
15. Regarding Page 3, lines 11-15, 18, 22-28, and 30, staff agrees with BellSouth that the passages contain proprietary information from external audits and believes the lines should be redacted as proposed by BellSouth.
16. Regarding page 9, line 10, staff does not believe disclosing the name of the database in the passage harms BellSouth or provides a competitor with an advantage, and therefore, believes the request for redaction should be denied.
17. Regarding page 10, lines 23-25 and 28-33, staff agrees with BellSouth that the report passages contain proprietary information from both internal and external audits and believes the lines should be redacted as proposed by BellSouth.
18. Regarding page 11, line 32, staff does not believe disclosing the name of the database in the passage harms BellSouth or provides a competitor with an advantage, and therefore, believes the request for redaction should be denied.

NANCY B. WHITE
General Counsel - Florida
BellSouth Telecommunications, Inc.
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(305) 347-5558

May 24, 2004

Mrs. Blanca S. Bayó
Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

undocketed

**Re: Review of BellSouth Telecommunications, Inc.'s Maintenance and
Repair Practices**

Dear Ms. Bayó:

On May 24, 2004, BellSouth Telecommunications, Inc. provided certain information to Staff in connection with their request in the captioned matter. In that regard, BellSouth is now filing its Request for Specified Confidential Classification for certain information provided in connection that request.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me.

Sincerely,

Nancy B. White,
Nancy B. White *KH*

Enclosures

cc: Marshall M. Criser III
R. Douglas Lackey
Lisa Harvey

This request for confidentiality was filed by or on behalf of a telecommunications company for undocketed Confidential Document No. 05934-04. No ruling is required unless the material is subject to a request per 119.07, FS. Your division director must obtain written permission from the EXD/Tech for you to access the confidential material.

DOCUMENT NUMBER-DATE

05933 MAY 24 8

FDSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Review of BellSouth Telecommunications, Inc.'s) Undocketed
Maintenance and Repair Practices) Filed: May 24, 2004

**BELLSOUTH TELECOMMUNICATIONS, INC.'S REQUEST FOR
SPECIFIED CONFIDENTIAL CLASSIFICATION**

BellSouth Telecommunications, Inc. ("BellSouth") hereby files, pursuant to Rule 25-22.006, Florida Administrative Code, this Request For Specified Confidential Classification and states the following:

1. On April 8, 2004, the Staff of the Florida Public Service Commission (the "Staff") sent out its *Draft Report of the Review of BellSouth's Maintenance and Repair Practices*. The Staff also sent out a *Revised Draft Report* on April 28, 2004. BellSouth filed its *Initial Comments* on April 30, 2004. On May 14, 2004, the Staff issued the *Final Report*. The Staff also issued updated pages to the Final Report on May 20 and May 24, 2004. BellSouth's *Final Comments* are due to the Commission today. The Staff's Final Report, including updated pages, and BellSouth's Final Comments contain confidential business information.

2. Pursuant to Rule 25-22.06(3)(a), BellSouth is now filing a Request for Specified Confidential Classification for the Staff's Final Report, including updated pages, and BellSouth's Final Comments which contain, among other things, competitive business information that is considered confidential and proprietary to BellSouth. A more specific description of this information is contained in Attachment A.

3. BellSouth has treated and intends to continue to treat the information for which confidential classification is sought as private, and this information has not been generally disclosed.


4. Appended hereto as Attachment B are two copies of the requested documents with the confidential information deleted.

5. Appended hereto as Attachment C is a sealed envelope containing one copy of the documents including the material which is confidential and proprietary.

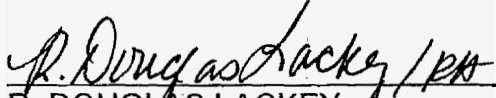
WHEREFORE, based on the foregoing, BellSouth moves the Commission to enter an order declaring the information described above to be confidential, proprietary business information that is not subject to public disclosure.

Respectfully submitted this 24th day of May, 2004.

BELLSOUTH TELECOMMUNICATIONS, INC.



NANCY B. WHITE
c/o Nancy Sims
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Tallahassee, Florida 32301
(305) 347-5558



R. DOUGLAS LACKEY
675 W. Peachtree Street
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Atlanta, Georgia 30375
(404) 335-0747

539194

ATTACHMENT A

**BellSouth Telecommunications, Inc.
Undocketed Matter
Request for Specified Confidential Classification
Page 1 of 3
05/24/04**

**Review of BellSouth Telecommunications, Inc.'s
Maintenance and Repair Practices**

Explanation of Proprietary Information

1. The information requested concerns competitive business information. This information if released would be unfair to Bellsouth for it would allow the competition to have free access to intellectual property which was developed at significant expense to BellSouth. Competitors would then have an advantage in bidding for such business since they would have few, if any, expenses such as market research and market development to recover, and would bid below BellSouth's cost level. Accordingly, this information is entitled to confidential classification pursuant to Florida Statutes Section 364.183.
2. **Information Derived from Internal Audits** – With respect to the portions of the documents contained in the Staff's audit report and BellSouth's comments for the Maintenance and Repair Practices Audit, containing internal audit report or information derived from internal audit reports, including the specific findings, conclusions, or recommendations contained in such reports, this information is entitled to confidential classification pursuant to Section 364.183(3)(b), Florida Statutes. BellSouth has noted the readily identifiable portions in Staff's Final Report which contain references to internal audit reports, findings, conclusions, recommendations and related information and requests that this information be classified as confidential information, and therefore exempt from the public inspection and examination provisions of Section 119.07(1)(a), Florida Statutes.

ATTACHMENT A

**BellSouth Telecommunications, Inc.
Undocketed Matter
Request for Specified Confidential Classification
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3. **Audit Strategy, Controls, Work Programs and Methodologies of External Auditors –**
With respect to the portions of Staff's Final Report and BellSouth's Final Comments containing information relating to the auditing strategy, controls, work programs, and methodologies used by BellSouth's external auditors, this information is entitled to confidential classification on the basis that they constitute the proprietary work product of such firm and is considered competitively valuable by these external auditors. Thus, pursuant to Section 364.183(3)(e), Florida Statutes, this information is entitled to confidential classification.

LOCATION

REASON

STAFF'S FINAL REPORT:

Page 14, lines 37-39	1
Page 15, lines 3-10 (the chart)	1
Page 16, lines 15-17	1
Page 16, lines 23-38	1
Page 17, lines 1-6	1
Page 17, lines 9-12	1
Page 17, lines 15-21	1
Page 17, lines 23-26	1
Page 17, lines 28, 30-31	1
Page 18, line 2	1
Page 18, line 10	1
Page 18, lines 13-18	1
Page 18, lines 20-28	1
Page 18, lines 34-35	1
Page 19, line 3	1
Page 19, lines 7-10	1
Page 19, lines 12-18	1
Page 19, line 21	1
Page 19, line 23	1
Page 19, lines 25-27	1
Page 21, lines 36-38	2
Page 22, lines 10-12	2
Page 22, lines 14-23	2
Page 22, lines 25-35	2
Page 23, lines 1-7	2

ATTACHMENT A

**BellSouth Telecommunications, Inc.
Undocketed Matter
Request for Specified Confidential Classification
Page 3 of 3
05/24/04**

Page 23, lines 17-33	3
Page 24, lines 1-10	3
Page 46, lines 6-17, 20	2
Page 46, lines 27-28	1
Page 46, lines 31-34	1
Page 52, lines 6, 8-11, 13	2, 3

BELLSOUTH'S FINAL COMMENTS

Page 2, line 31	2
Page 2, lines 36, 38-39	2
Page 3, lines 1-6	2
Page 3, lines 11-15	3
Page 3, line 18	3
Page 3, lines 22-28, 30	3
Page 9, line 10	1
Page 10, lines 23-25	2, 3
Page 10, lines 28-33	2, 3
Page 11, line 32	1