

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
ORDER NO. PSC-98-0350-CFO-TP
ISSUED: March 2, 1998

ORDER GRANTING GTE FLORIDA INCORPORATED'S REQUEST FOR
CONFIDENTIAL CLASSIFICATION FOR DOCUMENT NOS. 10366-96,
10607-96, 10843-96, AND 11663-96

Pursuant to Rule 25-22.006(4), Florida Administrative Code, GTE Florida Incorporated (GTEFL or the company) requested confidential treatment for certain information. This information is contained in Document Nos. 10366-96, 10607-96, 10843-96, and 11663-96.

Documents submitted to governmental agencies in Florida are public records. The only exceptions are the specific statutory exemptions provided in the law and exemptions granted by governmental agencies pursuant to the specific terms of a statutory provision. This is based on the concept that government should operate in the "sunshine." Rule 25-22.006(4), Florida Administrative Code, provides that it is the company's burden to demonstrate that the documents fall into one of the statutory examples set out in Section 364.183, Florida Statutes, or to demonstrate that the information is proprietary confidential information, the disclosure of which will cause the company or its ratepayers harm.

Section 364.183(3), Florida Statutes, provides the following definition for proprietary confidential business information.

The term 'proprietary confidential business information' means information, regardless of form or characteristics, which is owned or controlled by the person or company, is

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intended to be and is treated by the person or company as private in that the disclosure of the information would cause harm to the ratepayers or the person's or company's business operations, and has not been disclosed unless disclosed pursuant to a statutory provision, an order of a court or administrative body, or private agreement that provides that the information will not be released to the public. The term includes, but is not limited to:

- (a) Trade secrets.
- (b) Internal auditing controls and reports of internal auditors.
- (c) Security measures, systems, or procedures.
- (d) Information concerning bids or other contractual data, the disclosure of which would impair the efforts of the company or its affiliates to contract for goods or services on favorable terms.
- (e) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of information.
- (f) Employee personnel information unrelated to compensation, duties, qualifications, or responsibilities.

Rule 25-22.006(4)(c), Florida Administrative Code, requires that the company demonstrate by a line-by-line or field-by-field justification how the information asserted to be confidential qualifies as one of the statutory examples listed in Section 364.183(3), Florida Statutes. If no statutory example is applicable, then the company shall include a statement explaining how the ratepayers or the company's operations will be harmed by disclosure.

Specifically, GTEFL requested confidential classification for the information located on the pages described in Attachment A. The materials were provided in response to staff's First Request for Production of Documents to GTEFL.

Based upon the foregoing, it is

ORDERED by Commissioner J. Terry Deason, as Prehearing Officer, that GTEFL's Request for Confidential Classification for

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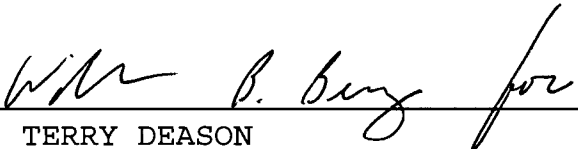
Based upon the foregoing, it is

ORDERED by Commissioner J. Terry Deason, as Prehearing Officer, that GTEFL's Request for Confidential Classification for Document Nos. 10366-96, 10607-96, 10843-96, and 11663-96 is granted. It is further

ORDERED that pursuant to Section 364.183, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, any confidentiality granted to the documents specified herein shall expire eighteen (18) months from the date of issuance of this Order in the absence of a renewed request for confidentiality pursuant to Section 364.183. It is further

ORDERED that this Order will be the only notification by the Commission to the parties concerning the expiration of the confidentiality time period.

By ORDER of Commissioner J. Terry Deason, as Prehearing Officer, this 2nd day of March, 1998.



J. TERRY DEASON
Commissioner and Prehearing Officer

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

Exhibit C

Pages 1-10, 32-36, 88-89, 184, 280-282, 373-374, 380, 459, 462, 465, 470-472, 492-494, and 527, 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 trial and error. 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 11-16A, all lines, all columns containing figures. This information contains a sensitivity analysis for Florida as well as information on the GTD-5 as a least cost technology. Disclosure of this information would give competitors information regarding GTE's strengths and weaknesses from a technology standpoint.

Pages 26-29, all lines, all columns containing figures. These pages set forth volume insensitive factors for switching and land and building factors as well as the percentage of host versus remote lines.

Pages 185-186, and 283, 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 proprietary and very valuable intellectual property.

Pages 25, 90-133, 187-229, 284-326, 375, 381, 460, 463, 466, 473-490, 528-530, 553-555, 564-647, 755-843, 2430-2432, 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 134-172, 230-268, and 327-365, all lines, all columns. These pages reveal inputs used by the Costmod system, loop technology module. The information here would again give competitors an unfair advantage in competing with GTE because they would know GTE's costs for particular functions. This would enable them to design their networks in the most efficient manner to compete with GTE. Furthermore, Costmod is the intellectual property of GTE Telephone Operations, developed through great expense. Disclosure of the inputs and outputs could allow a competitor to discern what calculations were used in the model. Public disclosure of any of this information would violate GTE's rights in its intellectual property and give away for free a model developed at substantial time and expense. This would be patently unfair to GTE and advantageous to its competitors.

Pages 173-176, 269-272, 366-369, and 543-545, all lines, all columns. These figures detail GTE's outside plant drop and protector costs. Again, cost information of this nature will allow competitors an artificial competitive advantage in devising the most efficient networks and in determining entry and pricing strategies that will ensure success in competing against GTE without the usual market trial and error. In addition, these pages contain data inputs and outputs related to proprietary cost models obtained from third-party vendors. GTE cannot disclose this information publicly without violating its confidentiality agreements with the vendors.

Pages 178-179, 181-183, 274-275, 277-279, 371-372, 382, 464, 467, and 753-754, all lines, all columns. These pages central office and outside plant specific data as well as labor rates. Disclosure of this information would allow competitors to determine GTE's most lucrative areas and plan their entry into the market accordingly.

Pages 180, 276, and 379, all lines, all columns. These pages contain plant balance totals. These costs will allow competitors an unfair advantage in designing their networks and competing with GTE. In addition, these pages contains proprietary cost model information that GTE cannot disclose publicly without violating confidentiality agreements with its vendor.

Pages 383-458, 1516-1602, all lines, all columns containing figures. These pages contains cost information developed through use of the Costmod System, GTD5-EAX Switching Application Technology Module and the switching cost information system for the DMS and 5ESS switches. Knowledge of GTE's cost for unbundled elements, as revealed here, would allow competitors to develop entry, marketing, and network development strategies that would unfairly assure their success in competing with GTE. In addition, these pages contain proprietary cost modeling information, the disclosure of which would violate GTE's intellectual property rights in the model.

Page 531, all lines, all columns containing figures. These pages contain data concerning GTE's expanded interconnection costs, and DS0, DS1, and DS3 interconnection. 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 30, 177, 273, 370, 461, 532-533, and 750-752, all lines, all columns containing figures. This page contains directory and billing and collection costs for GTE. Directories are an unregulated, competitive business. Billing and collection is also a competitive business. Competitors' knowledge of these costs will allow them to devise more effective competitive strategies against GTE.

Pages 468-469, and 844-1515, all lines, all columns. These pages reveal detailed cost information for intelligent network features. Features are broken down by discrete components, which would give competitors detailed information with which to design their own networks or devise entry and marketing strategies to ensure success in competing with GTE. In addition, these pages contain inputs and outputs associated with the SCIS model, which is proprietary to Bellcore. None of this information can be disclosed publicly without violating GTE's protective agreements with its vendors.

Pages 21-24, 491, and 749, 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 495-526, and 546-552, 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 376-378, 556-563, and 648-739, all lines, all columns. This information on fiber optic costs is derived from a proprietary cost model. The cost data shown here would give competitors an advantage in designing their networks in a way that would best allow them to compete with GTE. In addition, the costing model used here is vendor-proprietary, and GTE cannot disclose inputs or outputs associated with it without breaching protective agreements with the vendor.

Pages 534-542, and 740-748, 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.