

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into  
pricing of unbundled network  
elements (Sprint/Verizon track).

DOCKET NO. 990649B-TP  
ORDER NO. PSC-02-0427-CFO-TP  
ISSUED: March 28, 2002

ORDER GRANTING CONFIDENTIAL TREATMENT OF  
DOCUMENT NO. 14134-01

On November 7, 2001, Verizon Florida Inc. (Verizon) filed CD-ROMs containing its recurring cost study and its nonrecurring cost study, Document No. 14134-01. On November 28, 2001, Verizon filed a Request for Confidential Classification and Motion for Protective Order for certain information contained in those studies. In support of its request for confidential treatment, the Company asserts that:

1. The Company has filed this request pursuant to Rule 25-22.006, Florida Administrative Code.
2. The filing contains information that falls within the definition of "proprietary confidential business information" set forth in Section 364.183(3)(e), Florida Statutes.
3. The confidential information concerns Verizon's costs of providing network elements and services, including third-party confidential data. Knowledge of this information would aid Verizon's competitors in pricing their own services.
4. Furthermore, if competitors are able to acquire this detailed and sensitive costing information, competitors would have an unfair advantage over Verizon in their ability to develop marketing, expansion, and entry strategies.

DOCUMENT NUMBER DATE

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FPSC-001 MAIL ROOM CLERK

5. If the Commission orders disclosure of this information, Verizon would be harmed, as well as telecommunications consumers.

Florida law presumes that documents submitted to governmental agencies shall be public records. The only exceptions to this presumption 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 presumption is based on the concept that government should operate in the "sunshine." Rule 25-22.006(4)(c), 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.

Attachment A, attached hereto and incorporated herein, contains a detailed justification of the confidentiality of the information at issue. Tab designations are used to identify the location of the confidential files on the nonrecurring charge CD-ROM; .pdf designations are used to locate the confidential information on the recurring charge (ICM) CD-ROM.

Upon review, it appears that the material for which Verizon seeks confidential classification in Attachment A is proprietary business information in accordance with Section 364.183, Florida Statutes, and Rule 25-22.006, Florida Administrative Code. Pursuant to Section 364.183, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, the confidentiality granted to the material specified herein shall expire eighteen (18) months from the date of the issuance of this Order, in the absence of a renewed request for confidentiality pursuant to Section 364.183, Florida Statutes.

Based on the foregoing, it is

ORDERED by Braulio L. Baez, as Prehearing Officer, that Verizon Florida Inc.'s Request for Confidential Classification and

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Motion for Protective Order of Document No. 14134-01, as set forth in Attachment A is hereby granted and incorporated by reference into this Order. 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 material specified herein shall expire eighteen (18) months from the date of the issuance of this Order in the absence of a renewed request for confidentiality pursuant to Section 364.183, Florida Statutes. 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 Braulio L. Baez, as Prehearing Officer, this 28th day of March, 2002.



BRAULIO L. BAEZ  
Commissioner and Prehearing Officer

( S E A L )  
JKF

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.

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Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

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 25-22.0376, 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 the Commission Clerk and Administrative Services, 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.

	<u>FILE NAME</u>	<u>Redacted Files &amp; Reason #</u>
<u>\ICM Setup\</u>	SETUP.EXE SETUP.INI SETUP.INS SETUP.ISS SETUP.PKG AUTORUN.INF DISK1.ID _INST321.EX_ _ISDEL.EXE _SETUP.1 _SETUP.DLL _SETUP.LIB	
<u>\READ FIRST\</u>	Filing Overview.pdf	
<u>\STUDY RESULTS\</u>	TELRIC Summary .pdf	
	BNF Summary.pdf	
<u>\VCM MANUALS\</u>		
<u>\Model Methodology\</u>	conceptualframeworkfl.PDF	
	loopfl.pdf	
	switchfl.pdf	
	interoffice modulefl.pdf	
	ss7modulefl.pdf	

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		expmodulefl.pdf	
		mappingmodulefl.pdf	
	<u>\User Guide\</u>	user_guidefl.PDF	
	<u>\System Manual\</u>	sysman1tables.pdf	
		sysman2tables.pdf	
<b><u>SUPPORTING DOCUMENTATION</u></b>			
	<u>\EXPENSE MODULE\</u>		
	<u>\Avoided Cost Study\</u>	Avoided Cost Study.pdf	
	<u>\Billing and Collection\</u>	Billing and Collection.PDF	Reason # 5
	<u>\Directory Cost\</u>	Directory Cost.PDF	Reason #5
	<u>\ICM Expense\</u>	Section 1.pdf	
		Section 2.pdf	
		Section 3.pdf	Reason #5
		Section 4.pdf	Reason #5
		Section 5.pdf	Reason #5
		Section 6.pdf	Reason #4

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	Section 7.pdf	Reason #1
	Section 8.pdf	
<u>\IT DP\</u>	FL - itdp.pdf	Reason #5
<u>\Service Assurance\</u>	Service Assurance.pdf	Reason #5
<u>\SM&amp;A\</u>	SM&A Study.pdf	Reason #5
	Fixattach00.XLS	Reason #5
<u>\Native\</u>		
<u>\LOOP MODULE\</u>		
<u>\Algorithms\</u>	Loopcode.pdf	
<u>\Material Support\</u>		
<u>\Material Cost Workpapers\</u>	FLmatl.pdf	Reason # 4
	FL_Matcst5.xls	Reason # 4
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<u>\GTEAMS\</u>	Mat_gteams.pdf	Reason # 1
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	FLdlcr.pdf	Reason # 1
<u>\Native\</u>	FL_LCret5.xls	Reason # 1
<u>\GTEAMS\</u>	DLC_gteams.pdf	Reason # 1
<u>\Placement Support\</u>		
<u>\Workpapers\</u>	FLnewlabr.pdf	Reason # 1
<u>\Native\</u>	FL_Newlabr5.xls	Reason # 1
	FLsspbid.pdf	Reason # 1
<u>\Native\</u>	FLsspbid01-25-2001.xls	Reason # 1
<u>\Sources\</u>	SSP Contract DOCreasman.pdf	Reason # 1
	SSP Contract WMKriston.pdf	Reason # 1
	SSP ContractHenkelsMcCoy.pdf	Reason # 1
	SSP Contract Volt.pdf	Reason # 1
<u>MISC. DOCUMENTATION\</u>		
<u>\Labor Rates\</u>	Labor.pdf	
<u>\Native\</u>	FL 2000 Labor Group Rates - Nonmanagement.xls	
<u>\Map Text\</u>	Map to Text.pdf	
	Maptxt4.exe	
<u>\Material Loadings\</u>	Material Loading.pdf	
<u>\Native\</u>	FL 2000 Material Loading Factors.xls	



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**\Outboard Cost Studies\**

**\Dark Fiber\**

**\Native\**

Dark Fiber.pdf  
 fldrkrfiber.xls

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 Reason #1 & #4

**\Riser Cable**

**\Native\**

FLintrabld.pdf  
 flintrabld.xls

Reason #1  
 Reason #1

**\HiCap - UNE\**

**\Native\**

DS1 DS3 WC Cost.pdf  
 FLHiCapWtg.xls

Reason # 4  
 Reason # 4

**\Sources\**

**\Native\**

Fiber Terminals.pdf  
 Fiber Loop.pdf  
 FL Fiber Loop.xls

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 Reason # 1 & # 4  
 Reason # 1 & # 4

**\Source Code\**

Listing.pdf

**\RUN TIME OPTIONS\**

**\Distribution\**

OSP Distribution.pdf

3wr\_drp3.pdf

Drops and Terminals Inputs.pdf

**\Native\**

FLdfactor.pdf  
 distfact.xls

Reason # 2  
 Reason # 2

**\Native\**

FLlnefactor.pdf  
 linesper.xls

Reason # 2  
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**\Native\**

FLshare.pdf  
 Fshare.xls

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**\Feeder\**

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GTEP 938-010-070.pdf

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	GTEP 938-624-000.pdf	
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<u>Native\</u>	FLefactor.pdf	Reason # 2
	engfeeder factor.xls	Reason # 2
	FLshare.pdf	Reason # 4
<u>Native\</u>	FLshare.xls	Reason # 4
<u>Expense\</u>	Expense User Options.pdf	
<u>General\</u>	OSP General.pdf	
	%Handig.pdf	
	98flhd&con.pdf	Reason # 4
<u>Native\</u>	98FLHd&Con.xls	Reason # 4
	Additional Investments for Manholes and Pull Boxes.pdf	
	anchorcalc.pdf	Reason # 4
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	Conduit Flowchart.pdf	
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	GTEP 911-400-071.pdf	

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	lpidcalc.pdf	
	Material Cost of Concrete.pdf	
	Par-074.pdf	
<u>\Native\</u>	spanlengthcu PDF FL%CLLlcopper.xls	Reason # 4 Reason # 4
<u>\Native\</u>	spanlengthfi PDF FL%CLLlfiber.xls	Reason # 4 Reason # 4
	Trenching and Plowing.pdf	
<u>\Interoffice\</u>	IOT.pdf	
	lpidcalc.pdf	
<u>\SS7 MODULE\</u>		
<u>\Algorithms\</u>	SS7 Algorithms.pdf	
<u>\Network\</u>	Network Diagram.pdf	
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<u>\SS7 Investment-Lease Support\</u>	Lease Support.pdf	Reason # 1
<u>\Native\</u>	Loading Factors and Labor Rates.pdf CA 1999 Labor Group Rates - Nonmanagement.xls CA 1999 Material Loading Factors.xls FL 2000 Labor Group Rates - Nonmanagement.xls FL 2000 Material Loading Factors.xls in97lbr.xls In97matl.wk4 va97lbr.xls	

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<u>\Native\</u>	SS7inv.pdf	Reason # 1
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<u>\SWITCH MODULE\</u>		
<u>\Algorithms\</u>	Swalgo.pdf	
<u>\Costmod\</u>		
<u>\Wholesale\</u>	FL_gtd5w.pdf	Reason # 3
<u>\Retail\</u>	FL_gtd5r.pdf	Reason # 3
<u>\SCIS\</u>		
<u>\Wholesale\</u>	FL 5ESS WHOLESAL ANALOG TRUNK REPORT.pdf	Reason # 3
	FL 5ESS WHOLESAL FEATURE RUNS SET 1 (1ST HALF).pdf	Reason # 3
	FL 5ESS WHOLESAL FEATURE RUNS SET 1 (2ND HALF).pdf	Reason # 3
	FL 5ESS WHOLESAL FEATURE RUNS SET 2.pdf	Reason # 3
	FL 5ESS WHOLESAL ISDN FEATURE REPORT.pdf	Reason # 3
	FL 5ESS WHOLESAL MODEL OFFICE REPORT.pdf	Reason # 3
	FL 5ESS WHOLESAL USAGE FEATURE REPORT.pdf	Reason # 3
	FL DMS100 WHOLESAL ANALOG ATTENDANT FEATURES.pdf	Reason # 3
	FL DMS100 WHOLESAL ANALOG TRUNK REPORT.pdf	Reason # 3
	FL DMS100 WHOLESAL FEATURE RUNS SET 1.pdf	Reason # 3
	FL DMS100 WHOLESAL FEATURE RUNS SET 2.pdf	Reason # 3
	FL DMS100 WHOLESAL FEATURE RUNS SET 3.pdf	Reason # 3
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	FL DMS100 WHOLESAL MODEL OFFICE REPORT.pdf	Reason # 3
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	FL 5ESS RETAIL FEATURE RUNS SET 1 (1ST HALF).pdf	Reason # 3
	FL 5ESS RETAIL FEATURE RUNS SET 1 (2ND HALF).pdf	Reason # 3
	FL 5ESS RETAIL FEATURE RUNS SET 2.pdf	Reason # 3
	FL 5ESS RETAIL ISDN FEATURE REPORT.pdf	Reason # 3
	FL 5ESS RETAIL MODEL OFFICE REPORT.pdf	Reason # 3
	FL 5ESS RETAIL USAGE FEATURE REPORT.pdf	Reason # 3
	FL DMS100 RETAIL ANALOG ATTENDANT FEATURES.pdf	Reason # 3
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	FL DMS100 RETAIL ISDN FEATURE REPORT.pdf	Reason # 3
	FL DMS100 RETAIL MODEL OFFICE REPORT.pdf	Reason # 3
	FL DMS100 RETAIL USAGE FEATURE REPORT.pdf	Reason # 3
	FL DMS100 RETAIL TANDEM OFFICE REPORT.pdf	Reason # 3
	FL DMS100 RETAIL TANDEM USAGE REPORT.pdf	Reason # 3
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<u>\Engineering Practices\</u>	Eng Practices.pdf	Reason # 1
<u>\EF&amp;I\</u>	EF&I Overview.pdf	
	FLefi.pdf	Reason # 1
<u>\Native\</u>	FL EFI 01A_1295.xls	Reason # 1
<u>\Investment Adjust Factor\</u>	Iaf Overview.pdf	Reason # 1
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<u>\Native\</u>	fl_iaf_1295.xls	Reason # 2
<u>\Discounts\</u>	FL Discount.pdf	Reason # 1
	SCIS Costmod Disc Dev.pdf	Reason # 1
<u>\Native\</u>	FL Discount Factors1295.xls	Reason # 1
<u>\Vendor Quotes\</u>	VENDOR PDF	Reason # 1
<u>\Loop Test\</u>	FL Loop Test.pdf	Reason # 1
<u>\Native\</u>	Loop_Test_4-1_orig.xls	Reason # 1
<u>\Source\</u>	Looptest_gteams.pdf	Reason # 1
<u>\Power\</u>	FL PWR.pdf	Reason # 1
<u>\Native\</u>	FL PWR 01A_1295.xls	Reason # 1
	Power Overview.pdf	
<u>\Processor Utilization Factor\</u>	PUFoverview.pdf	
	puf.pdf	Reason # 2 & # 3
<u>\Native\</u>	puf3c6.xls	Reason # 2 & # 3
<u>\Switch Test\</u>	FL SW TST.pdf	Reason # 1 & # 4
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Source Documents pdf

ICM-FL IOT Algorithm PDF

TRANSPORT pdf

TRANSPORT MODULE

Algorithms

Overview

## **VERIZON REDACTION REASONS RECURRING COST STUDY**

1. The information contained in these files constitutes and is derived from code and/or algorithms and is based on proprietary and confidential information provided to Verizon by its third party vendors. Verizon's contractual obligations to those parties include the obligation not to disclose or distribute such proprietary or confidential information. Aside from violating contract terms, disclosure of this information would harm Verizon's future ability to contract for goods and/or services on favorable terms.
2. This information details Verizon's second line information, residential and business line penetration and forecasted line growth. This detail consists of historical trends and future estimates. Cost information of this nature will give competitors an artificial competitive advantage in offering services where Verizon expects growth and to avoid offering competitive services in slower-growth areas.
3. This information is developed through the results of the SCIS and COSTMOD systems. The formulas are specific to each central office switch vendor and include information covered by proprietary agreements. Disclosure of these data would violate Verizon's contracts with its third party vendors and harm Verizon's ability to continue negotiating favorable contract terms.
4. This information contains central office, and outside-plant specific data. Disclosure of this information gives competitors an unfair advantage in designing their networks and in competing against Verizon in the most efficient manner. The fact that Verizon cannot obtain such knowledge about its competitors exacerbates the unfairness of disclosing this detailed cost information.
5. This information contains the detailed cost components 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 Verizon in the most efficient manner. The fact that Verizon cannot obtain such knowledge about its competitors exacerbates the unfairness of disclosing this detailed cost information.

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List of Files and Redacted Files

Non-recurring Cost Study

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		File Name	Reason for Redaction	
FL UNE (11-07-2001)	\Appendix\ \Tab 1 - Ordering\ \Tab 2 - Provisioning\ \Tab 3 - Field Installation\ \Tab 4 - OSS\ \Tab 5 - LLR\ \Tab 6 - Customized Routing\ \Custom Routing\ 	FL Wholesale Ordering Appendix.xls UNE Appendix Advance.xls UNE Appendix Exchange.xls FW Calculations and Appendix.xls OSS Appendix 1 Project Financial Detail.xls Allr-1.xls CR BFR Note.doc CR BFR Note.doc	5 5 5 4,5 5 5 n/a n/a	Not Included Not Included



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Non-recurring Cost Study

	File Name	Reason for Redaction
\Field Work\ 	FL CO and Field Installation Summaries.xls	4,5
	FL Fieldwork Narrative.doc	n/a Not Redacted
\Ordering\ 	FL Wholesale Ordering.xls	5
	FL Ordering Narr 2001.doc	n/a Not Redacted
\OSS\ 	FL OSS Summary.xls	5
	FL OSS Note	n/a Not Redacted
\Provisioning\ 	UNE Advance Provisioning.xls	5
	UNE Exchange Provisioning.xls	5
	UNE Provisioning (Combined).xls	5
	Provisioning Narr 2001.doc	n/a Not Redacted
\Summary\ 	Summary.xls	n/a Not Redacted
	Summary Narr 2001.doc	n/a Not Redacted

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## **VERIZON REDACTION REASONS NONRECURRING COST STUDY**

1. This information contains descriptions and details of business practices and processes Verizon uses to run its business. Disclosure of this information would give competitors an unfair advantage in assessing how best to structure their operations to compete with Verizon, without the usual marketplace trial and error. The fact that Verizon cannot obtain such knowledge about its competitors exacerbates the unfairness of disclosing this detailed cost information.
2. This information contains loaded labor rates used by Verizon for specific job functions. Unilateral disclosure of these rates could adversely affect Verizon's ability to compete for talent in the marketplace.
3. This information contains the detailed cost components of various Operations Support Systems (OSS) used by Verizon. Disclosure of these detailed cost components would give competitors an unfair advantage in designing their networks and in competing against Verizon in the most efficient and effective manner. The fact that Verizon cannot obtain such knowledge about its competitors exacerbates the unfairness of disclosing this detailed cost information.
4. This information details historical trends and future estimates. Cost information of this nature will give competitors an artificial competitive advantage in offering services where Verizon expects growth and to avoid offering competitive services in slower-growth areas.
5. This information contains the detailed cost components 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 Verizon in the most efficient manner. The fact that Verizon cannot obtain such knowledge about its competitors exacerbates the unfairness of disclosing this detailed cost information.