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ORIGINAL

November 29, 1995

Tommy Williams  
Telecommunications Analyst  
Florida Public Service Commission  
2540 Shumard Oaks Boulevard  
Tallahassee, FL 32399-0866  
VIA FEDERAL EXPRESS (904-413-6600)



Re: **GTE TELECOMMUNICATION SERVICES INCORPORATED**  
**DOCKET NO. 941240-TI**

Dear Mr. Williams:

Please find enclosed and original and twelve (12) copies of the Supplement to the Application Form for GTE Card Services Incorporated for Authority to Provide Interexchange Telecommunications Service Within the State of Florida. It is our understanding that upon filing the enclosed evidence of GTE-TSI's managerial, financial and technical capabilities to provide the services proposed, GTE-TSI will have met all obligations required of it prior to the Commission's grant of authority.

Please note that the enclosed financial information is unaudited and confidential. GTE-TSI requests that the information contained herein remains confidential and does not become part of the public record. We appreciate your patience and continued consideration in this matter.

Enclosed an extra copy of this submission marked "Receipt Copy." Please mark or stamp the extra copy as received and return it in the envelope provided in order to confirm your receipt of the documents

Please address any questions regarding this application to Susan Cohen, Esq., or to the undersigned.

Respectfully submitted,

*Jessica H. Bridges*  
Jessica H. Bridges  
Paralegal

RECEIVED & FILED  
EPSC-BUREAU OF RECORDS  
Enclosures

This Notice of Intent was filed with Confidential Document No. 12015-95. The document has been placed in the confidential files pending receipt of a request for confidential treatment.

DOCKET NO. DATE  
12015 DEC-1 1995  
EPSC BUREAU OF RECORDS/REPORTING

**SUPPLEMENTAL  
EXHIBIT A**

DATE

12015 DEC-18

FPSC REPORTING

## **ATTACHMENT I**

### **Managerial Qualifications**

GTE Telecommunication Services Incorporated has contracted with professionals widely experienced in telecommunications in general and long-distance carrier ownership, operations and management in particular. GTE-TSI's officers exhibit distinguished records of managerial and technical experience in telecommunications services. Additionally, the Company's management team is experienced in telecommunications sales, marketing and service. The biographical material attached hereto details the telecommunications experience of GTE-TSI's principals, and demonstrates that GTE-TSI is therefore an experienced carrier fully able to provide the services proposed herein.

#### **GTE TELECOMMUNICATION SERVICES INCORPORATED OFFICERS AND DIRECTORS**

##### **OFFICERS (12)**

Terry S. Parker, President  
Todd E. Eliason, Vice President  
Paul A. Wilcock, Assistant Secretary  
Kenneth A Kochbeck, Vice President-Development  
Daniel S. Mead, Vice President-Operations  
Richard S. Kirby, Vice President-Sales  
Edward P. Aaronson, Vice President-General Manager- Intercarrier Service Bureau  
Rolando Espinosa, Vice President-General Manager- Call Processing & Intelligent Network Services  
William H. McCausland, Vice President-General Manager- Administrative & Decision Support Systems  
Barry Johnson, Vice President-General Manager- Call Box  
R. Michael Hill, Controller and Treasurer  
Kevin D. Balsley, Assistant Treasurer

##### **DIRECTORS (1)**

Terry S. Parker

**TODD E. ELIASON**  
**President**  
**GTE Telecommunication Services Inc.**

Todd E. Eliason was appointed president-GTE Telecommunication Services Inc. (TSI) in January 1995. He reports to Terry Parker, president of GTE Personal Communications Services. In his current assignment, Eliason is responsible for the overall operation of GTE TSI.

Eliason was most recently vice president-operations for Contel Cellular, a position he held since January 1994. He started his career with GTE Northwest in 1976 as a communications consultant and held positions of increasing responsibility in sales and marketing management during the next 10 years. In April 1987, he was named director-sales operations large business segment for GTE Telephone Operations. In January 1989, he was named director-premise systems and services for GTE Telephone Operations Headquarters in Irving, Texas, where he was later named assistant vice president-business sales. In August 1992, he was named vice president/general manager for Contel Cellular's National Region.

Eliason holds a bachelor of science degree in business administration from Montana State University and a master of business administration with emphasis in marketing from Seattle University.

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**Rolando (Ro) Espinosa**  
**Area Vice President & General Manager - Mobility Management**  
**GTE Telecommunication Services**

**Ro Espinosa is area vice president & general manager - mobility management for GTE Telecommunication Services, where he is responsible for intelligent network applications, call processing support services and network services. Prior to his current position, Mr. Espinosa served as the company's director of product management, responsible for fraud control, roamer administration and intelligent network products and services.**

**Mr. Espinosa joined GTE Telecommunication Services in 1990, to lead the product planning and market launch of GTE's IS-41-based services, including FraudManager<sup>SM</sup> Service, the industry's first precall validation system. His telecommunication industry experience spans 14 years in the cellular, local exchange, inter-exchange and information services industry sectors.**

**Mr. Espinosa joined GTE in 1984, managing the introduction of an enhanced 911 communications system for public safety agencies. Other positions within GTE have included responsibilities in direct marketing, market research, business planning and development of enhanced services targeting the consumer, financial services and manufacturing industries.**

**Prior to joining GTE, he worked for BellSouth and held various customer service and sales positions.**

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**Rick Kirby Bio  
Vice President  
GTE Telecommunication Services**

**Richard (Rick) S. Kirby is currently Vice President - Sales for Tampa, Florida-based GTE Telecommunication Services (GTE TSI). GTE TSI offers over 20 products and services which provide cellular carriers additional service offerings. Rick is responsible for the company's national and international sales, sales engineering, market strategies, and a pro-active customer relations program.**

**Kirby has more than 20 years of sales, technical and managerial experience. Kirby has an extensive background in data processing, with emphasis on system development, database design methodology and telecommunications. He also has founded and operated several successful computer software companies aimed at specialized markets.**

**Prior to his current position, he was Director of Sales at GTE TSI, where he managed IXC and Cellular Services, marketing and software development, directed sales representatives, and coordinated internal organizations to meet customers' needs. During this time period, he was also responsible for the international sales program and worked with carriers throughout Mexico and South America establishing international roaming.**

**Kirby graduated from Nova University in Fort Lauderdale, Florida, with a B.S. Degree in Professional Management and has a Degree in Computer Technology from Purdue University, in Lafayette, Indiana.**

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## ATTACHMENT 2

### Service Offering and Technical qualifications

GTE-TSI is a reseller of telecommunications services. GTE-TSI owns no facilities, nor does it have a switch. GTE-TSI proposes to provide outbound and inbound services primarily for cellular carrier infrastructure requirements over resold facilities. GTE-TSI's primary underlying carrier will be AT & T, though the services of MCI and Sprint will also be used on occasion. GTE-TSI will provide: (a) outbound switched access service with Feature Group D; (b) outbound dedicated access service utilizing dedicated access lines to access the underlying carrier's long distance switching equipment; (c) switched access 800 service terminated over the customer's local telephone lines; and (d) dedicated access 800 service terminated over dedicated access lines from the underlying carrier's point of presence (POP) to the customer's premises. GTE-TSI will not own or operate its own transmission or switching equipment.

As a switchless reseller, Applicant will provide competitively priced service for the interLATA long-distance telephone traffic of its subscribers, using the telecommunications facilities of facilities-based carriers certified to operate in the State of Florida. Because Applicant will rely on the network ownership, operation, and management of its underlying carrier(s)— principally AT&T, Applicant will not need to own, operate, or manage any telecommunications equipment or facilities of its own. However, as any underlying carrier will be certified as a common carrier in Florida, together, Applicant and its underlying carrier will ensure high reliability of call completion and prompt response to and resolution of service problems, including customer service troubleshooting 24 hours a day, seven days a week. Furthermore, Applicant will work closely with its underlying carrier and its management to ensure maintenance of the requisite technical qualifications and competence in providing its services.

Switchless resale has become an accepted telecommunications offering and continues to grow across the country. With regard to its application before the Florida Public Service Commission, GTE-TSI believes that the public convenience and necessity would be served by a grant of this application in that the increase in competition would ensure that (a) market entrants that do not provide acceptable levels of service will be eliminated by their competitors, (b) the public is protected by the broader range of carriers from which to select, so that the failure of any one carrier has no lasting impact on service, and (c) the history of traditional, or "switch-based," resale documents a similar form of development of publicly beneficial resale offerings, thus supporting Applicant's claim. In addition, Applicant submits the following reasons in support of its belief that public convenience and necessity require Commission approval of its application:

(a) Applicant's proposed resale services are designed to meet the long-distance telephone service needs of residential and commercial subscribers who do not realize the same level of cost savings in communications services that are available to larger users.

(b) While providing its subscribers with the cost advantages realized by the resale of facilities-based capacity, Applicant's proposed service will necessarily use existing

communications facilities more efficiently.

(c) Commission approval of the instant application and the resulting increased competition within the Florida intrastate communications market will bring the following long-term benefits to the state's telephone users:

- (i) lower-priced and high-quality services;
- (ii) innovative telecommunication service packaging and increased consumer choice;
- (iii) more efficient use of existing communications resources as well as increased diversity in the supply of communications services; and
- (iv) attendant operating efficiencies for business users located in Florida made possible by lower operating costs.



## **ATTACHMENT 3**

### **Financial qualifications**

GTE-TSI has sufficient financial resources to provide and maintain the proposed competitive telecommunications service for which it is requesting authorization, as evidenced by the financial information attached hereto, which includes the GTE-TSI Income Statement for the Period Ending September 30, 1995 and the GTE Telecommunication Services Balance Sheet as of September 30, 1995. As stated in the attached transmittal letter, the enclosed financial information is unaudited and confidential. GTE-TSI requests that the information contained herein remains confidential and does not become part of the public record.

GTE-TSI has more than sufficient resources to ensure quality service without any risk to Florida customers, and these statements clearly demonstrate that GTE-TSI has the financial resources to provide the proposed services. Moreover, as a switchless reseller, consumers would not suffer even if, in the worst case, the Company became insolvent. Grant of the application of GTE Telecommunication Services Incorporated would serve the public convenience and necessity. It would result in lower priced services, and increase consumer choice in services and providers.

**GTE TELECOMMUNICATION SERVICES  
BALANCE SHEET  
AS OF SEPTEMBER 30, 1996  
(\$ IN THOUSANDS)**

**ASSETS**

<b>CURRENT ASSETS</b>	<b>39,908</b>
<b>NET FIXED ASSETS</b>	<b>12,294</b>
<b>NET NONCURRENT ASSETS</b>	<b><u>13,096</u></b>
<b>TOTAL ASSETS</b>	<b><u>65,298</u></b>

**LIABILITIES & EQUITY**

<b>CURRENT LIABILITIES</b>	<b>24,318</b>
<b>LONG TERM LIABILITIES</b>	<b>6,174</b>
<b>PAID IN CAPITAL</b>	<b>10,780</b>
<b>RETAINED EARNINGS</b>	<b><u>24,026</u></b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>65,298</u></b>

**~~UNAUDITED & CONFIDENTIAL~~**

**GTE TELECOMMUNICATION SERVICES  
INCOME STATEMENT  
FOR THE PERIOD ENDING SEPTEMBER 30, 1995  
(\$ IN THOUSANDS)**

<b>REVENUE</b>	<b>96,229</b>
<b>COST OF SALES</b>	<b><u>46,099</u></b>
<b>GROSS MARGIN</b>	<b>49,130</b>
<b>PERIOD COSTS:</b>	
<b>SALES &amp; MARKETING</b>	<b>7,249</b>
<b>DEVELOPMENT</b>	<b>6,812</b>
<b>G&amp;A</b>	<b><u>10,235</u></b>
<b>TOTAL PERIOD</b>	<b><u>23,296</u></b>
<b>EBIT</b>	<b>25,834</b>
<b>TAXES/OTHER</b>	<b>10,756</b>
<b>NET INCOME</b>	<b><u>15,078</u></b>

~~**UNAUDITED AND CONFIDENTIAL**~~