

FLORIDA PUBLIC SERVICE COMMISSION  
Capital Circle Office Center • 2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

M E M O R A N D U M

APRIL 4, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (WILLIAMS, WIGGINS) *AW*  
DIVISION OF AUDITING & FINANCIAL ANALYSIS (JONES) *AW*  
DIVISION OF LEGAL SERVICES (EDMONDS) *ALM*  
*APC*

RE: DOCKET NO. 960110-TX; APPLICATION FOR CERTIFICATE TO  
PROVIDE ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS  
SERVICE BY US WEST INTERPRISE AMERICA, INC. d/b/a  
INTERPRISE AMERICA, INC.

AGENDA: 04/16/96 - REGULAR AGENDA - PROPOSED AGENCY ACTION -  
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\CMU\WP\960110TX.RCM

CASE BACKGROUND

Section 364.337(1), Florida Statutes, reads as follows:

(1) Upon this act becoming a law, a party may file an application for a certificate as an alternative local exchange telecommunications company before January 1, 1996, and the commission shall conduct its review of the application and take all actions necessary to process the application. However, an application shall become effective no sooner than January 1, 1996. The commission shall grant a certificate of authority to provide alternative local exchange service upon a showing that the applicant has sufficient technical, financial, and managerial capability to provide such service in the geographic area proposed to be served. In no event may an alternative local exchange telecommunications company offer basic local telecommunications services within the territory served by a company subject to Chapter 364.052,

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Florida Statutes, prior to January 1, 2001, unless the small local exchange telecommunications company elects to be regulated under Chapter 364.051, Florida Statutes, or provides cable television programming services directly or as video dialtone applications authorized under 47 U.S.C., Chapter 214, except as provided for in compliance with part II of this chapter. It is the intent of the Legislature that the commission act expeditiously to grant certificates of authority under this section and that the grant of certificates not be affected by the application of any criteria other than that specifically enumerated in this subsection.

#### STAFF DISCUSSION

**ISSUE 1:** Should the Commission grant US WEST !NTERPRISE AMERICA, INC. d/b/a !NTERPRISE AMERICA, INC. (WEST) a certificate to provide statewide alternative local exchange telecommunications service within the State of Florida as provided by Section 364.337(1), Florida Statutes?

**RECOMMENDATION :** Yes, WEST should be granted:

**Florida Public Service Commission Certificate No. 4429**

**STAFF ANALYSIS:** Pursuant to Section 364.337 (1), Florida Statutes (effective July 1, 1995), WEST filed an appropriate application with this Commission on January 31, 1996.

WEST's exhibit of managerial qualifications reflects qualified employees in telecommunications management, marketing and service (pages 5-8). In regard to technical capability, WEST's exhibit indicates that WEST is a subsidiary of one of the Regional Bell Operating Companies and will rely on that expertise. Also, WEST will rely on the network operation and management of its underlying carrier(s).

The Division of Auditing and Financial Analysis reviewed WEST's financial statement to determine the company's financial viability (pages 9-10). Based on the information provided by WEST, the financial capability of the company appears adequate.

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**ISSUE 2:** Should the Commission require US WEST INTERPRISE AMERICA, INC. d/b/a INTERPRISE AMERICA, INC. (WEST) to provide access to 911 service effective on the date the company begins to provide basic local telecommunications service at a level equivalent to the 911 access services of the LEC serving in the same area?

**RECOMMENDATION:** Yes.

**STAFF ANALYSIS:** To ensure that Florida end users are allowed high quality access to emergency services, Section 364.337(2) provides that each alternative local exchange telecommunications company that provides basic local telecommunications service must provide access to 911 services.

The Commission has no specific rules on what a LEC or an ALEC must provide in terms of 911 service access. Section 364.337(2), F.S., requires that an ALEC must include access to 911 in its basic service but does not define what type of 911 services must be provided. This could result in an ALEC offering access to 911 service which is inferior in some way to the 911 service access provided by the LEC in that same area. For example, a LEC might provide both automatic number identification (telephone number) and automatic location (address) information to the public safety answering point while the ALEC might only provide the telephone number of the calling party.

Inferior 911 access could result in loss of life which is not something that can be corrected at a later date. The issue of 911 access was to some extent addressed in the number portability docket and the individual local interconnection agreements. If that issue is ultimately resolved, we may be able to remove this provision, but for now, it should be a specific requirement of the order that the ALEC's 911 service be at a level equivalent to that provided by the LEC serving that same area.

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ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes, if no person whose substantial interests are affected by the Commission's Proposed Agency Action files a protest within 21 days of the issuance date of the order.

STAFF ANALYSIS: Accordingly, this docket should be closed if no person whose substantial interests are affected by the Commission's Proposed Agency Action files a protest within 21 days of the issuance date of the order.

**JERI WAIT**  
**Vice President - General Manager National Expansion**  
**U S WEST !NTERPRISE America, Inc.**

**Professional Experience**

**U S WEST !NTERPRISE America, Inc.**

**Vice President-General Manager** **1995-Present**

Lead the effort to expand !NTERPRISE's presence outside of the 14-state U S WEST region. Responsible for: identifying and negotiating business relationships in markets identified for expansion, business case development, and general management for these new !NTERPRISE markets.

**U S WEST Communications, Inc.**

**Vice President Sales - Major Sector** **1993-1995**  
**Business & Government Services**

Direct sales channel responsible for \$470 million dollar revenue stream for large business customers. These customers are primarily located throughout the 14 western and mid-western states territory.

**Director Sales and Service** **1993-1992**  
**Business & Government Services**

Responsibilities included directing a sales and engineering team to sell voice, data and image services communications products to business customers. Accountable for profit and loss, service quality and revenue production for Oregon and Southwest Washington.

**Director Market/Product Support** **1990-1991**  
**Government and Education Market Unit**

Responsibilities included directing product management and market planning activities for Government and Education Services. This included developing and implementing market and product strategies. The position directed market research, assessed market opportunities, developed and delivered new product applications as well as life cycle product management. Responsibilities also included managing advertising, public relations, special events, vendor relationships, public policy and service assurance. It supported a \$300 million revenue stream across 14 western states.

**Director Sales** **1989-1990**  
**Government and Education Accounts**

Directed a sales team to sell communications services to large government and education accounts in Oregon and Washington. Total revenue for 1989 exceeded \$60M.

**JERI WAIT**

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**Director Market Planning  
Government and Education Market Unit**

**1988-1989**

Responsibilities included acquisition and alliance planning and implementation, strategic market development, market management, directing market research, and developing service quality strategies and standards. Supports a \$300 million sales organization that operates across 14 western states.

**Director Product Marketing  
Business and Residence Projects**

**1985-1988**

The scope of the job included life cycle management as well as new product development. Annual revenues for these products exceeded \$100 million. Staff was located in five different states.

**PACIFIC NORTHWEST BELL**

**Director Network and Technologies**

**1984-1985**

Directed a line operations organization that included 450 employees. This group provided maintenance and installation for telecommunications central offices, minicomputers, and radio sites. Excelled at motivating large occupational team, providing outstanding service to customers.

**Director Network Switching Systems**

**1983-1984**

Lead a team which designed complex services for telecommunications customers utilizing legacy systems including TIRKS, CRIS and LMOS. Provided leadership in the development and implementation of these systems working with AT&T Bell Labs and other Bell System companies.

**Director Budget and Personnel**

**1981-1983**

Managed a \$140 million expense budget and provided human resource support for a large operations department. During this assignment, I was a member of the management bargaining team negotiating a three-year labor agreement with the Communications Workers of America.

**Manager for Several Line and Staff Organizations**

**1974-1981**

Responsibilities included supervising small and large teams of occupational employees.

**EDUCATION**

University of Washington  
Executive Masters of Business Administration, 1989

Portland State University  
B.S. Speech Communications, 1974

**Grant Graham**  
Director Operations Integration/Program Manager

**PROFESSIONAL  
EXPERIENCE**

**Director Operations Integration/Program Manager - INTERPRISE Networking Services**  
*Division of U S WEST Communications, Minneapolis, MN (January 1994 - Present)*  
Responsible for all aspects of operational development and implementation for multiple market expansion initiatives for INTERPRISE Networking Services. Duties include; managing the development of service delivery and management strategies for product services, working with INTERPRISE partners to integrate operations, and developing and implementing billing capabilities to support business initiatives. Additional responsibilities include directing field operations for 40+ planned markets.

**Manager Customer Service Center - INTERPRISE Networking Services**  
*Division of U S WEST Communications, Minneapolis, MN (August 1993 - January 1994)*  
Managed a team of 30 individuals responsible for the service delivery of INTERPRISE products and services over a 14-state territory. Responsibilities of team included service order provisioning, coordinating service activation, activating billing, and handling customer inquiries. Coordinated the disposition of a \$7M backlog of sales orders which contribute entities ability to achieve financial objectives.

**Finance Manager- INTERPRISE Networking Services**  
*Division of U S WEST Communications, Minneapolis, MN (November 1991 - July 1993)*  
Served as financial counsel for \$70M corporate program. Responsibilities included analysis of financial information to assess, interpret and predict business performance. Specific analysis consisted of distribution channel analysis, sales compensation development, developing internal controls, and supporting new capital investment initiatives including business case development and evaluation.

**Manager - Financial Analysis**  
*U S WEST Communications, Minneapolis, MN (August 1991 - October 1991)*  
Provided financial analysis support to \$130M subsidiary. Evaluated financial and operational results and made recommendations for improving business performance.

**Manager - Business Case Analysis**  
*U S WEST Communications, Minneapolis, MN (March 1991 - July 1991)*  
Performed financial analysis of \$1B+ program portfolio in support of strategy and development organization within U S WEST Communications. Provided financial recommendations for resource allocation process to optimize corporate investment.

**Financial Analyst**  
*U S WEST Communications, Minneapolis, MN (June 1988 - February 1991)*  
Assisted in the management of the long range financial planning process for U S WEST Communications. Duties included the collection and control of planning assumptions and subject matter expert forecasts; coordination and integration of entity forecasts; financial analysis including risk, sensitivity and shareholder value analysis; production and presentation materials for upper management, U S West Inc.; and other special projects.

**EDUCATION**

**Master of Business Administration**  
University of Minnesota, Minneapolis, MN Major: Finance & Marketing, 1992

**Bachelor of Science in Business**  
University of Minnesota, Minneapolis, MN Emphasis: Finance, 1988

**G. H. (Jerry) Parrick**

8 Red Tail Drive, Highlands Ranch, Colorado 80126

Home: 303 791-1459 Work 303 965-9260

- 1995 to Present President - INTERPRISE Networking Services, USWEST  
Full P&L responsibility for 500 person network integration business.
- 1994 to 1995 Vice President, Chief Marketing Officer - INTERPRISE Networking Services; USWEST, Additional responsibility of supervision of Time Warner and other Joint Ventures in national INTERPRISE Networking Services business to be launched in 1995. 1994 sales of \$153.4 million in 14 state USWEST territory.
- 1991 to 1994 Vice President, Customer Solutions - Advanced Communications Services (ACS); USWEST, Responsible for Market Strategy, Product Development, and Sales of data applications in new business unit. Introduced LAN Integration Application, three fast packet transport products and joint marketed products from fifteen companies including Cisco, Novell, Synoptics, 3Com, Motorola, Netframe and Computervision in 14 state region in 1992. Awarded USWEST Chairman's Award for Marketing Excellence in 1992. Internally acknowledged as most successful start up since divestiture, externally as most successful RBOC entering Network Integration business. Created \$8 million in total bookings in 1992 and \$63 million in 1993, the first full calendar year of sales.
- 1989 to 1991 General Manager, Data Communications Group; Pacific Bell  
Initiation of and full P&L responsibility for strategic business unit selling data transport and LAN products to business markets; \$340M existing transport revenue stream targeted for 30% increase over five years.
- 1987 to 1989 Assistant Vice President, Market Assessment & Planning; Pacific Bell  
Direction of market strategy, research and competitive assessment. Directed preparation of 1987, 1988, 1989 Market Plans; Supervised 135 Managers, budget of \$19M.
- 1985 to 1987 Assistant Vice President, New Business Development; Pacific Bell  
Direction of product management, development, and strategic alliances. Supervised 180 management employees responsible for a business market revenue stream of \$2 Billion.
- 4/85 to 12/85 Marketing Manager, Bay Area General Business; Pacific Bell  
Directed 190 person sales force responsible for \$167M revenue stream from 6,000 business accounts; increased revenues 3% for the year, reversing 2 year decline.
- 1984 to 1985 Stanford Sloan Fellow (see education)
- 2/84 to 7/84 Division Staff Manager, Organizational Studies; Pacific Bell  
Directed task force study of Company organizational structure and produced first Pacific Bell annual business plan while serving on President's staff.
- 1982 to 1984 Division Staff Manager, Marketing Operations; Pacific Telephone  
Directed and implemented divestiture for the 14,000 person Marketing organization; Provided large scale project management to accomplish 1400 separate tasks.
- 1981 to 1982 Division Staff Manager, Business Service Centers; Pacific Telephone  
Directed inside service support. Implemented order systems credited with NPV of \$106M over 7 years. Increased ComKey sales from 1,700 in 1981 to 26,000 systems in 1982.
- 1980 to 1981 District Manager, San Francisco Financial Business Installation, Pacific Telephone  
Supervised 300 business system installers serving 75 Fortune 500 headquartered accounts.
- 1977 to 1980 District Staff Manager, Business Service Centers; Pacific Telephone  
Planning, methods and practices for 4,000 person inside sales & service force.
- 1974 to 1977 Sales Manager, Major Accounts, Pacific Telephone
- 1969 to 1974 Account Executive, Major Accounts, Pacific Telephone
- 1968 to 1969 President, Vencer, Inc.
- 1966 to 1968 President, Campaign Associates, Inc.
- Education: Alfred P. Sloan Fellow: Stanford University, 1984-1985  
Masters in Management Science, Stanford University 1985  
California State University Northridge, 1967-1969  
Associate of Arts, Los Angeles Valley College, 1966





# Public Service Commission

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

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**DATE:** March 20, 1996  
**TO:** Tom Williams, Division of Communications  
**FROM:** Sonja Jones, Division of Auditing and Financial Analysis *SLJ APC ALM 3/21/96*  
**RE:** Docket No. 960110-TX, U S West Enterprise America, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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Section 364.337 (1), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide alternative local exchange service upon a showing that the applicant has sufficient technical, financial, and managerial capability to provide such service in the geographic area proposed to be served.

Also Section 364.01 (3) and (4) states that:

(3) The Legislature finds that the competitive provision of telecommunications service, including local exchange telecommunications service, is in the public interest.  
and

(4)(d) The Commission shall exercise its exclusive jurisdiction in order to: (d) Promote competition by encouraging new entrants into telecommunications markets  
...

Regarding the showing of financial capability, the Finance staff has analyzed the audited financial statements of U S West Enterprise, Inc.'s (USWI) parent company, U S West, Inc. for the period ending December 31, 1994. As the attached schedule shows, USWI has adequate liquidity, ownership equity, and profitability.

In this matter, USWI is asking for a certificate to provide alternative local exchange telecommunications service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. For purposes of granting a certificate based on the financial information provided, the financial capability of the company appears adequate.

cc: Division of Legal Services  
Division of Records and Reporting

DOCKET NO. 960110-TX  
U S West Interprise America, Inc.  
LEC CERTIFICATE  
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS  
of U S West, Inc. (PARENT COMPANY)

	AS OF 12/31/94
CURRENT ASSETS	\$2,766,000,000
CURRENT LIABILITIES	3,177,000,000
CURRENT RATIO	0.87
CASH	209,000,000
COMMON EQUITY	7,382,000,000
TOTAL DEBT	7,938,000,000
NET INVESTOR CAPITAL	15,320,000,000
COMMON EQUITY RATIO	48%
NET INCOME	1,426,000,000
RETURN ON EQUITY	19%