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Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

970172-TL
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June 9, 1997

Re: Docket No.
Tariff filing of GTE Florida Incorporated pursuant to
FCC Docket No. 96-128 in compliance with FCC Order No. 97-805

Dear Ms. Bayo:

Please find enclosed an original and fifteen copies of GTE Florida Incorporated's Request for Confidential Classification and Motion for Protective Order for filing in the above matter. If there are any questions regarding this matter, please contact me at (813) 483-2615.

Very truly yours,

Anthony P. Gillman

APG:tas
Enclosures

c: Walter D'Haeseleer (w/enc)

A part of GTE Corporation

X-ref 04940-97
DOCUMENT NUMBER-DATE
05693 JUN-97
FPSC-RECORDS/REPORTING

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Tariff filing of GTE Florida Incorporated)
pursuant to FCC Docket No. 96-128 in)
Compliance With FCC Order No. 97-805)
_____)

Docket No. 970699
Filed: June 9, 1997

GTE FLORIDA INCORPORATED'S REQUEST FOR CONFIDENTIAL CLASSIFICATION AND MOTION FOR PROTECTIVE ORDER

GTE Florida Incorporated (GTEFL) seeks confidential classification and a permanent protective order for certain information included with GTEFL's tariff filing for payphone related services. GTEFL's Notice of Intent to Seek Confidential Classification was filed on May 19, 1997. All of this information falls within Florida Statutes §364.183(3)(e), which defines the term "proprietary confidential business information" to include "information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of that information." The documents in question contain confidential revenue analyses and costing information relating to payphone services.

If competitors are able to acquire this detailed and sensitive costing information regarding GTEFL, they could more easily develop entry and marketing strategies to ensure success in competing with GTEFL. These competitors would be more adept at pricing their own services if they possess details about GTEFL's cost structure. This affords them an unfair advantage while severely jeopardizing GTEFL's competitive position. In a competitive business, any such knowledge obtained about a competitor can be used to the detriment of the entity to which it pertains. Furthermore, because the information would be disclosed to competitors through a regulatory proceeding--rather than through

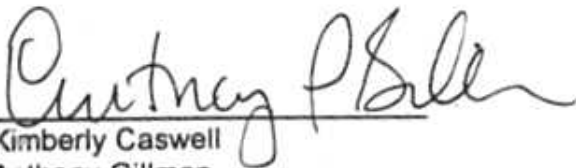
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FPSC-RECORDS/REPORTING

legitimate market trial and error processes—the marketplace will be skewed, to the ultimate detriment of the consumer. This effect is particularly troublesome in the context of this docket, which is intended to establish terms and conditions for rational and efficient competition, rather than providing any entity a competitive advantage.

While a ruling on this request is pending, GTEFL understands that the information at issue is exempt from Florida Statutes, Section 119.01(1) and Staff will accord it the stringent protection from disclosure required by Rule 25-22.006(3)(d). A more detailed justification of the confidentiality of the information at issue is attached as Exhibit C. Exhibits A and B are highlighted and redacted copies, respectively, of the confidential information.

Respectfully submitted on June 9, 1997.

By:



Kimberly Caswell
Anthony Gillman
Post Office Box 110, FLTC0007
Tampa, Florida 33601
Telephone: 813-483-2615

Attorneys for GTE Florida Incorporated

GTE Florida
Executive Summary

This filing relates to FCC Docket No. 96-128 and GTE's compliance with FCC Order No. 97-805.

The FCC requires GTE ("the company") to file intrastate tariffs for payphone related services consistent with the new services test of the federal guidelines required by said order. In essence, this requirement applies a cost based test for new services under the jurisdiction of the FCC to existing payphone related intrastate services which, in some cases, have been priced using residual pricing mechanisms and/or value of service pricing mechanisms. Restating, this requirement applies a cost based federal pricing guideline to intrastate services.

The new services test requires rates to be between a cost floor and a cost ceiling. The company believes the best representations of the cost floors are the costs that have been provided in arbitration proceedings, where applicable. The best representations of the cost ceilings are the cost floors plus allocations of joint & common costs, where applicable. The intrastate services that do not have arbitration cost studies were evaluated in a similar manner.

The company believes that the best way to evaluate the rates is to determine a statewide composite rate for those services that are not uniform. If the statewide composite rate did meet the new services test, then no rates were changed for that service. If the statewide composite rate did not meet the new services test, then the rates were changed. The company believes that the best way to change rates that do not meet the new services test is to do so as consistently as possible.

It would be convenient to supply a theoretical example with numbers to better portray the mechanics used to meet the new services test. However, no example could portray the complexities of the different types of services, the wide ranging impacts that a statewide, weighted average rate could have on individual rates, and the many different scenarios on the potential rate design impacts and revenue impacts.

The different categories of payphone related services are Public Telephone Access Service, (PATS), Customer-Owned Pay Telephone (COPT) Coin Line Service, PATS Optional Service Features, Answer Supervision and Billed Number Screening.

PATS - Item I on page 1 of Exhibit A shows that the current composite line rate, which consists of both measured and flat rate services, does not meet the new services test. Currently, the measured rate is approximately 80% of the Flat rate. This relationship was maintained throughout the rate restructure activity for this service. The proposed composite line rate of \$[REDACTED] represents a [REDACTED]% decrease to the individual tariffed flat rates. The annual revenue impact of the proposed rate change is [REDACTED].

COPT Coin Lines - Item II on page 1 of Exhibit A shows that the current composite line rate

REDACTED

does not meet the new services test. The proposed composite line rate of \$[REDACTED] represents a [REDACTED] decrease to the individual tariffed rates for the two-way and outward only services. The annual revenue impact of the proposed rate change is ([REDACTED]).

PATS Optional Service Features (outbound screening) - Item III on page 2 of Exhibit A shows that the current composite line rate for the Central Office Blocking with Operator Selective Class of Call Screening optional services does not meet the new services test. The proposed composite line rate of \$[REDACTED] represents a [REDACTED] decrease to the individual tariffed rates for two-way and outward-only services. The annual revenue impact of the proposed rate change is ([REDACTED]).

Answer Supervision - Item IV on page 2 of Exhibit A shows that the rate did not meet the new services test. The proposed rate of \$13.00 represents a [REDACTED] increase to the tariffed rate. The annual revenue impact of the proposed rate change is [REDACTED].

Billed Number Screening - Item V on page 2 of Exhibit A shows that the inbound screening rates for No Collect Billing, Third Number Billing and No Collect/Third Number Billing did not meet the new services test. The proposed rate of \$0.35 represents a [REDACTED] decrease to the tariffed rates. The annual revenue impact of the proposed rate change is ([REDACTED]).

The overall annual revenue impact of the proposed rate changes is ([REDACTED]) as shown on Item VII on Page 3 of Exhibit A.

REDACTED

GTE FLORIDA

Service	Units	Present Rate	Proposed Rate	Present Monthly Revenue	Proposed Monthly Revenue	Monthly Revenue Change	Annual Revenue Change
I. Public Telephone Access Service (PATS)							
Measured Ser							
Rate Group 1		\$19.20	\$17.56				
Rate Group 2		21.04	\$19.25				
Rate Group 3		22.00	\$20.13				
Rate Group 4		23.00	\$21.05				
Rate Group 5		23.96	\$21.93				
Sub Total							
Usage							
Total Measure							
Flat Rate Serv							
Rate Group 1		\$23.95	\$21.91				
Rate Group 2		26.25	\$24.02				
Rate Group 3		27.45	\$25.12				
Rate Group 4		28.70	\$26.26				
Rate Group 5		29.90	\$27.36				
Total Flat Rate							
State PATS							
Federal SLC							
Total PATS							
Cost Floor							
Proposed Comp							
Cost Floor + Fix							
Present Composite Line							
II. COPT Line							
2-Way / 1-Way							
Rate Group 1			\$24.38				
Rate Group 2			\$26.81				
Rate Group 3			\$29.49				
Rate Group 4			\$32.44				
Rate Group 5			\$35.69				
Total COPT Line							
Federal SLC							
Total COPT Line							
Cost Floor							
Proposed Composite Line							
Cost Floor + Fixed Allocat							
Present Composite Line f							

REDACTED

GTE FLORIDA

Service	Units	Present Rate	Proposed Rate	Present Monthly Revenue	Proposed Monthly Revenue	Monthly Revenue Change	Annual Revenue Change
III. PATS Optional Services:							
Outbound Options							
Option 1		\$2.00	\$1.90				
Option 2		2.00	1.90				
Option 3		1.00	0.95				
Option 4		1.00	0.95				
Option 5		3.00	2.85				
Option 6		3.00	2.85				
Option 7		2.00	1.90				
Option 8		2.00	1.90				
Option 9		3.00	2.85				
Option 10		3.00	2.85				
Total							
Cost Floor							
Proposed Composite Line Rate							
Cost Ceiling (per LAPP model)							
Present Composite Line Rate							
IV. Answer Supervision							
		\$5.00	\$13.00				
Cost Floor							
Proposed Rate							
Cost Ceiling (per LAPP model)							
Present Rate							
V. Billed Number Screening:							
Inbound Options							
No Third Number Billing and / or Collect Billing - Options A, B and C		\$1.00	\$0.35				
Cost Floor							
Proposed Composite Line Rate							
Cost Ceiling (per LAPP model)							
Present Composite Line Rate							
VI. Miscellaneous Services *							
Set Use Fee - Billing & Collection	N/A	:					

REDACTED

GTE FLORIDA

Service	Units	Present Rate	Proposed Rate	Present Monthly Revenue	Proposed Monthly Revenue	Monthly Revenue Change	Annual Revenue Change
VII. Summary of Revenue Impact							
PATS Lines							
COPT Lines							
PATS Optional Services							
Answer Supervision							
Billed Number Screening							
Miscellaneous Services *							
GRAND TOTAL							

Note (*) No impact on this Rate Element from the New Services test.

REDACTED

06/31/96

GTE TELEPHONE OPERATIONS - FLORIDA SERVICE SUMMARY

AUGUST 1996

BUSINESS ONE-PARTY

HIGH MEDIUM LOW WEIGHTED REFERENCE

BUSINESS 1 PARTY SERVICE

LOOP (w/o DROP)
DROP FACILITY
MOF & PROTECTOR
JUMPER WIRE
SWTCH INTERFACE - LINE TERM.
USAGE (LOCAL/EAS)
DTMF
DIRECTORY (BOOK)
DIRECTORY ASSISTANCE
BILLING AND COLLECTION

TOTAL

DENSITY PERCENTAGES

REDACTED

CONFIDENTIAL INFORMATION

Highly Sensitive Confidential Information

State: Florida
Jurisdiction: TE

Measured

Rate Grp 1	Rate Grp 2	Rate Grp 3	Rate Grp 4	Rate Grp 5
\$19.20	\$21.04	\$22.00	\$23.00	\$23.96

Usage

<u>Per Completed Call</u>	<u>Per Minute</u>	<u>Calls</u>	<u>MOU</u>	<u>Tot Usage</u>
\$.0125*	\$.0125*	[REDACTED]	[REDACTED]	[REDACTED]

*REPRESENTS 50% PEAK AND 50% OFF-PEAK

CONFIDENTIAL

REDACTED

GTE Florida
Customer Owned Pay Telephone Service and
Answer Supervision Revenue
Requirement Summary

COPT Coin

- 1 COMPONENTS
- 2
- 3 Central Office Switching Equipment (Page
- 4
- 5 Local Loop Facility (Page 27, L11)
- 6
- 7 Billing System Modification Cost
- 8 Florida Prorate Percentage
- 9 Florida Prorate Amount
- 10 Forecasted Lines/Feature
- 11 Cost by Lines/Feature
- 12 Amortization of Cost (See Note)
- 13 Allocated Cost per Month
- 14
- 15 Call Completion Calculator (Page 28, P10)
- 16
- 17 Total Monthly Rev. Requirement (L3 + L5 +
- 18
- 19 Proposed Monthly Rate, per
- 20 Rate Group 1
- 21 Rate Group 2
- 22 Rate Group 3
- 23 Rate Group 4
- 24 Rate Group 5
- 25

Note: The amortization is calculated at [REDACTED] Cost of Money per month for [REDACTED] months. The monthly factor is based on an annual Cost of Money of [REDACTED].

REDACTED

GTE TELEPHONE OPERATING COMPANIES
INVESTMENT AND COST DATA
SUMMARY

PAGE 1 OF 1

Service: PATS Optional Service Features

State: FLORIDA

- I. Cost and Salvage Value of Equipment
 1. Circuit Equipment Material
 2. Outside Plant Material
 3. Central Office Equipment Material
 4. Total Material Cost (1)+(2)+(3)
 5. Circuit Equipment Net Salvage (Incl. Cost of Removal)
 6. Outside Plant Net Salvage (Incl. Cost of Removal)
 7. Central Office Equipment Net Salvage (Incl. Cost of Removal)
 8. Net Material Cost (4)-(5)-(6)-(7)

- II. Installation Cost
 9. Circuit Equipment Engineering Labor
 10. Outside Plant Engineering Labor
 11. Central Office Equipment Engineering Labor
 12. Total Engineering Labor (9)+(10)+(11)
 13. Circuit Equipment Installation Labor
 14. Outside Plant Installation Labor
 15. Central Office Equipment Installation Labor
 16. Total Installation Labor (13)+(14)+(15)
 17. Total Installed Cost (4)+(12)+(16)

- III. Non-Reusable Cost
 18. Engineering/Installation Labor Cost (12)+(16)
 19. Cost of Removal Net of Salvage
 20. Total Non-Reusable Cost (18)+(19)

- IV. Net Investment
 21. Total Net Investment (17)-(8)-(6)-(7)

- V. Total Annual Cost
 22. Circuit Equipment Depreciation
 23. Outside Plant Depreciation
 24. Central Office Equipment Depreciation
 25. Return
 26. Federal and State Income Tax
 27. Maintenance
 28. Administration/Marketing
 29. Other Taxes
 30. Other
 31. Total Annual Cost (22)..(30)

- VI. Amounts to be Tariffed
 32. Proposed Non-Recurring Charge
 33. Credit for NRC
 34. Fully Allocated Monthly Cost (31)/12 = (33)
 35. Proposed Monthly Recurring Charge
 36. Unit Cost (34) = (33)/12

REDACTED

GTE TELEPHONE OPERATING COMPANIES
INVESTMENT AND COST DATA
SUMMARY

PAGE 1 OF 1

Service: COPT ANSWER SUPERVISION
Rate Element: COPT ANSWER SUPERVISION

State: FLORIDA

- I. Cost and Salvage Value of Equipment
 1. Circuit Equipment Material
 2. Outside Plant Material
 3. Central Office Equipment Material
 4. Total Material Cost (1)+(2)+(3)
 5. Circuit Equipment Net Salvage (Incl. Cost of Removal)
 6. Outside Plant Net Salvage (Incl. Cost of Removal)
 7. Central Office Equipment Net Salvage (Incl. Cost of Removal)
 8. Net Material Cost (4)-(5)-(6)-(7)

- II. Installation Cost
 9. Circuit Equipment Engineering Labor
 10. Outside Plant Engineering Labor
 11. Central Office Equipment Engineering Labor
 12. Total Engineering Labor (9)+(10)+(11)
 13. Circuit Equipment Installation Labor
 14. Outside Plant Installation Labor
 15. Central Office Equipment Installation Labor
 16. Total Installation Labor (13)+(14)+(15)
 17. Total Installed Cost (4)+(12)+(16)

- III. Non-Reusable Cost
 18. Engineering/Installation Labor Cost (12)+(16)
 19. Cost of Removal Net of Salvage
 20. Total Non-Reusable Cost (18)+(19)

- IV. Net Investment
 21. Total Net Investment (17)-(5)-(6)-(7)

- V. Total Annual Cost
 22. Circuit Equipment Depreciation
 23. Outside Plant Depreciation
 24. Central Office Equipment Depreciation
 25. Return
 26. Federal and State Income Tax
 27. Maintenance
 28. Administration/Marketing
 29. Other Taxes
 30. Other
 31. Total Annual Cost (22)..(30)

- VI. Amounts to be Tariffed
 32. Proposed Non-Recurring Charge
 33. Credit for NRC
 34. Fully Allocated Monthly Cost (31)/12 - (33)
 35. Proposed Monthly Recurring Charge
 36. Unit Cost (34) - (28)/12

REDACTED

GTE TELEPHONE OPERATING COMPANIES
INVESTMENT AND COST DATA
SUMMARY

PAGE 1 OF 1

Service: ONA

Rate Element: BILLED NUMBER SCREENING

State: FLORIDA

- I. Cost and Salvage Value of Equipment
 1. Circuit Equipment Material
 2. Outside Plant Material
 3. Central Office Equipment Material
 4. Total Material Cost (1)+(2)+(3)
 5. Circuit Equipment Net Salvage (Incl. Cost of Removal)
 6. Outside Plant Net Salvage (Incl. Cost of Removal)
 7. Central Office Equipment Net Salvage (Incl. Cost of Removal)
 8. Net Material Cost (4)-(5)-(6)-(7)

- II. Installation Cost
 9. Circuit Equipment Engineering Labor
 10. Outside Plant Engineering Labor
 11. Central Office Equipment Engineering Labor
 12. Total Engineering Labor (9)+(10)+(11)
 13. Circuit Equipment Installation Labor
 14. Outside Plant Installation Labor
 15. Central Office Equipment Installation Labor
 16. Total Installation Labor (13)+(14)+(15)
 17. Total Installed Cost (4)+(12)+(16)

- III. Non-Reusable Cost
 18. Engineering/Installation Labor Cost (12)+(16)
 19. Cost of Removal Net of Salvage
 20. Total Non-Reusable Cost (18)+(19)

- IV. Net Investment
 21. Total Net Investment (17)-(18)-(19)-(20)

- V. Total Annual Cost
 22. Circuit Equipment Depreciation
 23. Outside Plant Depreciation
 24. Central Office Equipment Depreciation
 25. Return
 26. Federal and State Income Tax
 27. Maintenance
 28. Administration/Marketing
 29. Other Taxes
 30. Other
 31. Total Annual Cost (22)..(30)

- VI. Amounts to be Tariffed
 32. Proposed Non-Recurring Charge
 33. Credit for NRC
 34. Fully Allocated Monthly Cost (11/12 - (33)
 35. Proposed Monthly Recurring Charge
 36. Unit Cost (34) - (28)/12

REDACTED

EXHIBIT C

Pages 1-2 (all numbers)
(Executive Summary)

The Executive Summary contains confidential numbers regarding the costs and revenue impacts of GTE's filing. These same number appear on the detailed cost support which is also been designated as confidential. Disclosure of this information to GTE's competitors will provide such competitors insight into GTE's specific costs of providing the payphone services. With this information, such competitors may be better able to offer competing services.

Page 3: (Exhibit A)

This page provides a revenue analysis of two of GTE's services, public telephone access service (PATS) and a customer-owned pay telephone (COPT) line. This analysis provides the number of units sold as well as the revenue generated from the provision of such services. This confidential market information could be very valuable to competitors seeking to enter the market. A revenue analysis such as that provided with respect to these services could assist competitors in determining whether to enter the market, and if they do, which services would be the most profitable. If competitors are able to acquire this information, especially to this level of detail, they will be better able to compete with GTE in offering their own services.

Page 4: (Exhibit A)

This page provides a revenue analysis of several GTE services, including PATS Optional Services, Answer Supervision, Billed Number Screening and other miscellaneous services. This analysis provides the number of units sold as well as the revenue generated from the provision of such services. This confidential market information could be very valuable to competitors seeking to enter the market. A revenue analysis such as that provided with respect to these services could assist competitors in determining whether to enter the market, and if they do, which services would be the most profitable. If competitors are able to acquire this information, especially to this level of detail, they will be better able to compete with GTE in offering their own services.

Page 5 (Exhibit A):

This page summarizes revenue analysis of the GTE services set forth on pages 3 and 4 of Exhibit A. As with the detailed pages, this confidential market information

could be very valuable to competitors seeking to enter the market. A revenue analysis such as that provided with respect to these services could assist competitors in determining whether to enter the market, and if they do, which services would be the most profitable. If competitors are able to acquire this information, especially to this level of detail, they will be better able to compete with GTE in offering their own services.

Page 6 (all numbers):

This page provides the costs for Business-One Party (B1) service broken down by element and density. These cost figures, especially when broken down to the detail shown here, could prove to be invaluable to GTE's competitors. The competition in the local market is expected to be especially fierce with respect to business customers. Therefore, specific information about GTE's costs in providing B1 service could be used by its competitors to gain insight regarding their own prices to charge. With this information, such competitors will also be better able to predict GTE's response to competitive offerings and to otherwise compete with GTE.

Page 7:

This page computes the total usage for a projected number of calls and minutes of use. These cost figures could prove to be very valuable to GTE's competitors. Specific information about GTE's usage costs could be used by its competitors to gain insight regarding their own usage services. With this information, such competitors will also be better able to predict GTE's response to competitive offerings and to otherwise compete with GTE.

Page 8 (numbers on lines 1-17):
(numbers appearing in "Note")

This page contains detailed cost information regarding customer owned pay telephone service and answer supervision. These cost figures would be very valuable to GTE's competitors. Specific information about GTE's costs could be used by its competitors to gain insight regarding their own competing products. With this information, such competitors will also be better able to predict GTE's response to competitive offerings and to otherwise compete with GTE.

Page 9 (numbers on lines 1-36)

This page contains detailed cost information regarding PATS optional services and features. These cost figures would prove to be very valuable to GTE's competitors. Specific information about GTE's costs

could be used by its competitors to gain insight regarding their own PATS services. With this information, such competitors will be better able to predict GTE's response to competitive offerings and to otherwise compete with GTE.

Page 10 (numbers on lines 1-36) This page contains detailed cost information regarding PATS optional services and features. These cost figures would be very valuable to GTE's competitors. Specific information about GTE's costs could be used by its competitors to gain insight regarding their own PATS services. With this information, such competitors will be better able to predict GTE's response to competitive offerings and to otherwise compete with GTE.

Page 11 (numbers on lines 1-36) This page contains detailed cost information regarding billed number screening service. These cost figures would be very valuable to GTE's competitors. Specific information about GTE's costs could be used by its competitors to gain insight regarding their own services. With this information, such competitors will be better able to predict GTE's response to competitive offerings and to otherwise compete with GTE.