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Attorney

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September 8, 1998

Mrs. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 980696-TP

Dear Mrs. Bayo:

Enclosed for filing please find an original and fifteen (15) copies each of AT&T's Notice of Serving Its Objections to GTE Florida, Incorporated's Third Set of Interrogatories and Fourth Request for Production of Documents.

Copies of the foregoing are being served on the parties of record in accordance with the attached certificate of service.

Thank you for your assistance with this matter.

RECEIVED & FILED
[Signature]
FPSC BUREAU OF RECORDS

Yours truly,

[Signature]
Tracy Hatch

- ACK 2
- AFA 2
- APP _____
- CAF _____
- CMU 1 TH:kfj
- CTR _____
- EAG _____ cc: Parties of Record
- LEG 2
- LIN 5
- OPC _____
- RCH _____
- SEC 1
- WAS _____
- YTH _____

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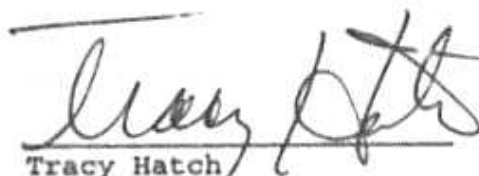
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re:)
)
Determination of the cost of)
basic local telecommunications) Docket No. 980696-TL
service pursuant to Section) Filed: September 8, 1998
364.025, Florida Statutes)
)

**AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.'S
NOTICE OF SERVING ITS OBJECTIONS TO GTE FLORIDA,
INCORPORATED'S THIRD SET OF INTERROGATORIES AND
FOURTH REQUEST FOR PRODUCTION OF DOCUMENTS**

AT&T Communications of the Southern States, Inc. (hereinafter "AT&T"), by and through its undersigned attorney, hereby files this Notice of Serving its Objections to GTE Florida, Incorporated's Third Set of Interrogatories and Fourth Request for Production of Documents on this 8th day of September, 1998.

Respectfully submitted,



Tracy Hatch
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(850) 425-6361 (fax)

ATTORNEY FOR AT&T
COMMUNICATIONS OF THE
SOUTHERN STATES, INC.

CERTIFICATE OF SERVICE
DOCKET 980696-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished via *hand delivery/**Federal Express and U.S. Mail to the following parties of record on this 8th day of September, 1998:

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Tallahassee, FL 32399-0850

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Troy Galt
ATTORNEY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Determination of the) DOCKET NO. 980696-TP
cost of basic local)
telecommunications service,) DATED: September 8, 1998
pursuant to Section 364.025,)
Florida Statutes.)

AT&T'S OBJECTIONS TO GTE FLORIDA, INCORPORATED'S
THIRD SET OF INTERROGATORIES

AT&T Communications of the Southern States, Inc. (hereinafter "AT&T"), pursuant to Rules 25-22.034 and 25-22.035, Florida Administrative Code and Rules 1.340 and 1.280(b), Florida Rules of Civil Procedure, hereby submits the following Objections to GTE Florida, Incorporated's (hereinafter "GTEFL") Third Set of Interrogatories to AT&T Communications of the Southern States, Inc.

The Objections stated herein are preliminary in nature and are made at this time for the purpose of complying with the five-day requirement set forth in Order No. PSC-98-0813-PCO-TP issued by the Florida Public Service Commission (hereinafter the "Commission") in the above-referenced docket on June 19, 1998. Should additional grounds for objection be discovered as AT&T prepares its Answers to the above-referenced set of interrogatories, AT&T reserves the right to supplement, revise, or modify its objections at the

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time that it serves its Answers on GTEFL. Moreover, should AT&T determine that a Protective Order is necessary with respect to any of the material requested by GTEFL, AT&T reserves the right to file a motion with the Commission seeking such an order at the time that it serves its Answers on GTEFL.

General Objections

AT&T makes the following General Objections to GTEFL's Third Set of Interrogatories which will be incorporated by reference into AT&T's specific responses when its Answers are served on GTEFL.

1. AT&T objects to the definitions of "AT&T" to the extent that such definitions seek to impose an obligation on AT&T Communications of the Southern States, Inc. to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such definition is overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules. In particular, AT&T objects to including HAI Consulting, Inc. within the definition of AT&T. HAI is not related to AT&T in any way. Neither is HAI a party to this proceeding. GTEFL's attempt to conduct discovery on an unrelated third party that is not a party to this proceeding is inappropriate and not allowed by the rules of civil procedure. Without waiver of its general objection, and

subject to other general and specific objections, Answers will be provided on behalf of AT&T Communications of the Southern States, Inc. which is the entity certificated to provide regulated telecommunications services in Florida and which is a party to this docket. All references to "AT&T" in responding to GTEFL's interrogatories should be taken to mean AT&T.

2. Unless otherwise indicated, AT&T has interpreted GTEFL's interrogatories to apply to AT&T's regulated intrastate operations in Florida and will limit its Answers accordingly. To the extent that any interrogatory is intended to apply to matters other than Florida intrastate operations subject to the jurisdiction of the Commission, AT&T objects to such interrogatory as irrelevant, overly broad, unduly burdensome, and oppressive.

3. AT&T objects to each and every interrogatory and instruction to the extent that such interrogatory or instruction calls for information which is exempt from discovery by virtue of the attorney-client privilege, work product privilege, or other applicable privilege.

4. AT&T objects to each and every interrogatory insofar as the request is vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of these interrogatories. Any Answers provided by AT&T in response to GTEFL's interrogatories will be

provided subject to, and without waiver of, the foregoing objection.

5. AT&T objects to each and every interrogatory insofar as the request is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this action. AT&T will attempt to note each instance where this objection applies.

6. AT&T objects to GTEFL's general instructions, definitions or specific discovery requests insofar as they seek to impose obligations on AT&T which exceed the requirements of the Florida Rules of Civil Procedure or Florida law.

7. AT&T objects to providing information to the extent that such information is already in the public record before the Florida Public Service Commission.

8. AT&T objects to each and every interrogatory, general instruction, or definition insofar as it is unduly burdensome, expensive, oppressive, or excessively time consuming as written.

9. AT&T objects to each and every interrogatory to the extent that the information requested constitutes "trade secrets" which are privileged pursuant to Section 90.506, Florida Statutes. To the extent that GTEFL's interrogatories request proprietary confidential business information which is not subject to the "trade secrets" privilege, AT&T will make such information available to counsel for GTEFL pursuant to an appropriate Protective

Agreement, subject to any other general or specific objections contained herein.

Objections to Specific Interrogatories

Subject to, and without waiver of, the foregoing general objections, AT&T enters the following specific objections with respect to GTEFL's interrogatories:

INTERROGATORY NO. 34: Without waiver, AT&T will provide the requested information in its possession custody or control subject to a determination of confidentiality by AT&T and the execution of an appropriate protective agreement.

INTERROGATORY NO. 35: AT&T objects to this request on the grounds that the information sought is not relevant to the scope of this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. The scope of the instant proceeding is to determine an appropriate cost proxy model for the provision of basic local exchange service to be recommended to the Florida Legislature for purposes of funding a Universal Service Mechanism. AT&T has not yet been able to provide more than a token amount of basic local telecommunications service. Further, AT&T's current plant is designed and operated to provide interstate and intrastate toll service. AT&T's toll service is provided in a highly competitive toll market with numerous facilities based competitors. The design and operation of AT&T's toll

network is not comparable to the design and operation of GTEFL's or any other ILEC's local network which continues to be operated as a defacto monopoly. The depreciation lives that AT&T uses in a competitive toll market for its toll network are not relevant or reasonably calculated to the discovery of admissible evidence. This document request is a blatant fishing expedition by GTEFL having no purpose other than to obtain highly confidential business information of AT&T. This information is in no way relevant to the determination of a USF cost proxy model.

Interrogatory No. 36: The depreciation salvage values that AT&T currently uses for each category of property, plant, and equipment are not relevant to the scope of this proceeding. See objection to Interrogatory No. 35.

Interrogatory No. 37: The depreciation rates that AT&T currently uses for each category of property, plant, and equipment are not relevant to the scope of this proceeding. See also objections to Interrogatory No. 35.

Interrogatory No. 38: The plant investment, accumulated reserve, and reserve ratio of AT&T's toll network are not relevant to the scope of this proceeding. See also objections to Interrogatory No. 35.

Interrogatory No. 39: AT&T objects to this request on the grounds that the information sought is not relevant to the scope of this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. The scope of the instant proceeding is to determine an appropriate cost proxy model for the provision of basic local exchange service to be recommended to the Florida Legislature for purposes of funding a Universal Service Mechanism. The acquisition of TCI by AT&T is not yet complete and may never be complete; to this extent, GTEFL's request is premature. Moreover, assuming the acquisition of TCI by AT&T comes to fruition, AT&T's plans, if any, to upgrade any cable systems acquired is in no way relevant to the determination of a cost proxy model for basic local exchange service; neither are any plans to enter the local market via cable facilities or the depreciation lives and salvages TCI uses for its property, plant, and equipment relevant to the scope of this proceeding. This request for information is another blatant fishing expedition by GTEFL having no purpose other than to obtain highly confidential potential market entry information of AT&T. This information is in no way relevant to the determination of a USF cost proxy model.

Interrogatory No. 40: AT&T objects to this request on the grounds that the information sought is not relevant to the

scope of this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. The scope of the instant proceeding is to determine an appropriate cost proxy model for the provision of basic local exchange service to be recommended to the Florida Legislature for purposes of funding a Universal Service Mechanism. The locations and types of TCG's facilities is not relevant. TCG has not yet begun to provide basic local telecommunications service in Florida. Its network has not been designed or built to provide basic local telecommunications service on any wide spread scale. This request is another blatant fishing expedition by GTEFL having no purpose other than to obtain highly confidential competitive market information of AT&T. This information is in no way relevant to the determination of a USF cost proxy model.

INTERROGATORY No. 41: AT&T objects to this request on the grounds that the information sought is not relevant to the scope of this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. The scope of the instant proceeding is to determine an appropriate cost proxy model for the provision of basic local exchange service to be recommended to the Florida Legislature for purposes of funding a Universal Service Mechanism. In addition, any choice of technology, for market entry, including "Project

Angel", is not relevant to the scope of this proceeding. The locations and results of any trials of wireless technology are not relevant. This document request is yet another blatant fishing expedition by GTEFL having no purpose other than to obtain highly confidential market entry information of AT&T. This information is in no way relevant to the determination of a USF cost proxy model.

Interrogatory No. 42: AT&T objects to this request on the grounds that the information sought is not relevant to the scope of this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. The scope of the instant proceeding is to determine an appropriate cost proxy model for the provision of basic local exchange service to be recommended to the Florida Legislature for purposes of funding a Universal Service Mechanism. AT&T and Time Warner have no agreement to allow AT&T to provide local service over Time Warner's facilities. Moreover, assuming Time Warner and AT&T conclude some sort of agreement that will allow AT&T to provide local service over Time Warner's cable facilities, AT&T's plans, if any, to provide local service over cable facilities is in no way relevant to the determination of a cost proxy model for basic local exchange service. This request for information is another blatant fishing expedition by GTEFL having no purpose other than to

obtain highly confidential potential market entry
information of AT&T. This information is in no way relevant
to the determination of a USF cost proxy model.

SUBMITTED this 8th day of September, 1998.



Tracy Hatch
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Tallahassee, FL 32301
(904) 425-6364

ATTORNEY FOR AT&T
COMMUNICATIONS OF THE
SOUTHERN STATES, INC.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Determination of the
cost of basic local
telecommunications service,
pursuant to Section 364.025,
Florida Statutes.

DOCKET NO. 980696-TP

DATE: September 8, 1998

**AT&T'S OBJECTIONS TO GTE FLORIDA INCORPORATED'S
FOURTH REQUEST FOR PRODUCTION OF DOCUMENTS**

AT&T Communications of the Southern States, Inc. (hereinafter "AT&T"), pursuant to Rules 25-22.034 and 25-22.035, Florida Administrative Code and Rules 1.350 and 1.280(b), Florida Rules of Civil Procedure, hereby submits the following Objections to GTE Florida Incorporated's (hereinafter GTEFL) Fourth Request for Production of Documents to AT&T Communications of the Southern States, Inc.

The Objections stated herein are preliminary in nature and are made at this time for the purpose of complying with the five-day requirement set forth in Order No. PSC-98-0813-PCO-TP issued by the Florida Public Service Commission (hereinafter the "Commission") in the above-referenced docket on June 19, 1998. Should additional grounds for objection be discovered as AT&T prepares its Responses to the above-referenced set of requests, AT&T reserves the

right to supplement, revise, or modify its objections at the time that it serves its Responses on GTEFL. Moreover, should AT&T determine that a Protective Order is necessary with respect to any of the material requested by GTEFL, AT&T reserves the right to file a motion with the Commission seeking such an order at the time that it serves its Responses on GTEFL.

General Objections

AT&T makes the following General Objections to GTEFL's Fourth Set of Requests for Production of Documents which will be incorporated by reference into AT&T's specific responses when its Responses are served on GTEFL.

1. AT&T objects to GTEFL's Fourth Set of Requests for Production of Documents to the extent that it is overly broad, unduly burdensome, oppressive, not permitted by applicable discovery rules, and would require AT&T to disclose information which is privileged.

2. AT&T has interpreted GTEFL's requests to apply to AT&T's regulated intrastate operations in Florida and will limit its Responses accordingly. To the extent that any request is intended to apply to matters other than Florida intrastate operations subject to the jurisdiction of the Commission, AT&T objects to such request as irrelevant, overly broad, unduly burdensome, and oppressive.

3. AT&T objects to each and every request and instruction to the extent that such request or instruction calls for information which is exempt from discovery by virtue of the attorney-client privilege, work product privilege or other applicable privilege.

4. AT&T objects to each and every request insofar as the request is vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of these requests. Any Responses provided by AT&T in response to GTEFL's requests will be provided subject to, and without waiver of, the foregoing objection.

5. AT&T objects to each and every request insofar as the request is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this action. AT&T will attempt to note each instance where this objection applies.

6. AT&T objects to GTEFL's general instructions, definitions or specific discovery requests insofar as they seek to impose obligations on AT&T which exceed the requirements of the Florida Rules of Civil Procedure or Florida law.

7. AT&T objects to providing information to the extent that such information is already in the public record before the Florida Public Service Commission.

8. AT&T objects to each and every request, general instruction, or definition insofar as it is unduly

burdensome, expensive, oppressive, or excessively time consuming as written.

9. AT&T objects to each and every request to the extent that the information requested constitutes "trade secrets" which are privileged pursuant to Section 90.506, Florida Statutes. To the extent that GTEFL's requests seek proprietary confidential business information which is not the subject of the "trade secrets" privilege, AT&T will make such information available to counsel for GTEFL pursuant to an appropriate Protective Agreement, subject to any other general or specific objections contained herein.

10. AT&T is a large corporation with employees located in many different locations in Florida and in other states. In the course of its business, AT&T creates countless documents that are not subject to Florida Public Service Commission or FCC retention of records requirements. These documents are kept in numerous locations and are frequently moved from site to site as employees change jobs or as the business is reorganized. Rather, these responses will provide all of the information obtained by AT&T after a reasonable and diligent search conducted in connection with this discovery request. AT&T will comply with GTEFL's request that a search be conducted of those files that are reasonably expected to contain the requested information. To the extent that the discovery request purports to require more, AT&T objects on the grounds that compliance would impose an undue burden or expense.

11. AT&T objects to the definitions of "AT&T" to the extent that such definitions seek to impose an obligation on AT&T Communications of the Southern States, Inc. to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such definition is overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules. In particular, AT&T objects to including HAI Consulting, Inc. within the definition of AT&T. HAI is not related to AT&T in any way. Neither is HAI a party to this proceeding. GTEFL's attempt to conduct discovery on an unrelated third party that is not a party to this proceeding is inappropriate and not allowed by the rules of civil procedure. Without waiver of its general objection, and subject to other general and specific objections, answers will be provided on behalf of AT&T Communications of the Southern States, Inc. which is the entity certificated to provide regulated telecommunications services in Florida and which is a party to this docket. All references to "AT&T" in responding to GTEFL's requests should be taken to mean AT&T Communications of the Southern States, Inc.

Objections to Specific Requests

Subject to, and without waiver of, the foregoing general objections, AT&T enters the following specific objections with respect to GTEFL's requests:

Request No. 39: Without waiver, AT&T will produce the requested documents in its possession custody or control

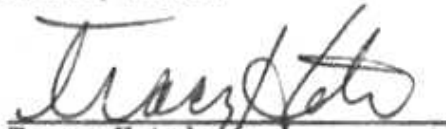
subject to a determination of confidentiality by AT&T and the execution of an appropriate protective agreement.

Request 40: AT&T objects to this request on the grounds that the information sought is not relevant to the scope of this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. The scope of the instant proceeding is to determine an appropriate cost proxy model for the provision of basic local exchange service to be recommended to the Florida Legislature for purposes of funding a Universal Service Mechanism. The acquisition of TCI by AT&T is not yet complete and may never be complete; to this extent, GTEFL's request is premature. Moreover, assuming the acquisition of TCI by AT&T comes to fruition, AT&T's plans, if any, to upgrade any cable systems acquired is in no way relevant to the determination of a cost proxy model for basic local exchange service. This document request is a blatant fishing expedition by GTEFL having no purpose other than to obtain highly confidential market entry information of AT&T. This information is in no way relevant to the determination of a USF cost proxy model.

Request No. 41: See response to 40.

Request No. 42: See response to 40. In addition, any choice of technology for market entry is not relevant to the scope of this proceeding. This document request is yet another blatant fishing expedition by GTEFL having no purpose other than to obtain highly confidential market entry information of AT&T. This information is in no way relevant to the determination of a USF cost proxy model.

SUBMITTED this 8th day of September, 1998.



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(904) 425-6364

ATTORNEY FOR AT&T
COMMUNICATIONS OF THE
SOUTHERN STATES INC.