

ORIGINAL



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June 29, 2000

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RECORDS AND REPORTING

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

Re: Docket No. 990649-TP
Investigation into Pricing of Unbundled Network Elements

Dear Ms. Bayo:

Please find enclosed for filing in the above matter an original and fifteen copies of GTE Florida Incorporated's Objections to Staff's Fourth Request for Production of Documents. Also enclosed are an original and fifteen copies of GTE Florida Incorporated's Objections to Staff's Third Set of Interrogatories. Service has been made as indicated on the Certificate of Service. If there are any questions regarding this filing, please contact me at (813) 483-2617.

Sincerely,

Kimberly Caswell
Kimberly Caswell

KC:tas
Enclosures

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A part of GTE Corporation

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FPSC-RECORDS/REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into pricing of unbundled network elements)
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)

Docket No. 990649-TP
Filed: June 29, 2000

GTE FLORIDA INCORPORATED'S OBJECTIONS TO STAFF'S FOURTH REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 11-16)

GTE Florida Incorporated ("GTEFL"), by counsel and pursuant to the procedural order in this docket (Order No. PSC-00-0540-PCO-TP), hereby files its initial objections to Staff's Fourth Request for Production of Documents. GTEFL reserves the right to make additional and/or more complete objections when it files its responses to Staff's Fourth Set of Document Requests.

GENERAL OBJECTIONS

GTEFL generally objects to Staff's Fourth Set of Document Requests as follows:

1. GTEFL objects to Staff's document requests to the extent they seek the identification of documents or portions of documents protected by the attorney-client privilege, the attorney work product doctrine, or any other applicable privilege or immunity. The inadvertent production of any privileged document shall not be deemed to be a waiver of any applicable privilege with respect to such document or to the subject matter of the document. GTEFL specifically reserves the right to demand the return of any such privileged documents, without prejudice to any claim of privilege, in the event any such document is inadvertently produced.
2. GTEFL objects to Staff's document requests to the extent they seek production of documents or disclosure of information not relevant to the subject matter of this action and not reasonably calculated to lead the discovery of admissible evidence.

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3. GTEFL objects to Staff's document requests to the extent they are unduly burdensome, vague, ambiguous, overbroad, annoying, harassing or fail to specify clearly the documents requested. Moreover, GTEFL objects to these requests to the extent that they seek information that is obtainable from some other source that is more convenient, less burdensome, or less expensive.
4. GTEFL objects to Staff's document requests to the extent they purport to impose on GTEFL greater obligations than those imposed by the Florida Rules of Civil Procedure.
5. GTEFL objects to Staff's document requests to the extent they require GTEFL to concede the relevance, materiality, or admissibility of the documents sought by each request, as GTEFL reserves its right to raise all such objections in this or any other action.
6. GTEFL's later responses to Staff's Fourth Request for Production of Documents will be made subject to, qualified by, and without waiver of each of the foregoing General Objections and the following Specific Objections.

DOCUMENT REQUESTS

GTEFL specifically objects to Staff's Fourth Request for Production of Documents as follows:

11. According to 47 CFR 51.513(7), proxy-based rates for signaling, call-related database, and other elements 'shall be no greater than the effective rates for equivalent services in the interstate access tariffs.' Please provide a copy of the portion of your interstate access tariff that contains rates for signaling, call-related databases, and any other appropriate elements.

OBJECTION: GTEFL objects to this request on the grounds that the term “your” is vague and ambiguous.

12. Please provide any workpapers in your possession or under your control that support your response to Staff's Interrogatory 26.

OBJECTION: GTEFL objects to this request on the grounds that the term “your” is vague and ambiguous.

13. Please provide any workpapers in your possession or under your control that support your response to Staff's Interrogatory 29(b).

OBJECTION: GTEFL objects to this request on the grounds that the term “your” is vague and ambiguous.

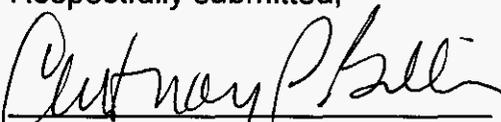
14. Please provide the current Standard & Poor's Financial Medians (formally Financial Benchmarks) for Telecommunications companies. This should include the median ranges for pretax interest coverage, the total debt to total capital percentages, funds from operations interest coverage ratios, and net cash flow to total debt percentages for AA, A, and BBB rated telecommunications companies.

15. Please provide GTE Florida's SEC Form 10-K for 1999.

16. Please provide copies of your responses to discovery requests served upon you by any other party to this proceeding.

OBJECTION: GTEFL objects to this request on the grounds that the term "you" is vague and ambiguous.

Respectfully submitted,

on 

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COUNSEL FOR GTE FLORIDA
INCORPORATED

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into pricing of unbundled network elements)
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)
_____)

Docket No. 990649-TP
Filed: June 29, 2000

GTE FLORIDA INCORPORATED'S OBJECTIONS TO STAFF'S THIRD SET OF INTERROGATORIES (NOS. 11-29)

GTE Florida Incorporated ("GTEFL"), by counsel and pursuant to the procedural order in this case (Order No. PSC-00-0540-PCO-TP), hereby files its initial objections to Staff's Third Set of Interrogatories. GTEFL reserves the right to make additional and/or more complete objections when it files its responses to Staff's Third Set of Interrogatories.

GENERAL OBJECTIONS

GTEFL generally objects to Staff's Third Set of Interrogatories as follows:

1. GTEFL objects to Staff's Third Set of Interrogatories to the extent that it seeks the disclosure of information or the identification of documents or portions of documents protected by the attorney-client privilege, the attorney work product doctrine, or any other applicable privilege or immunity. The inadvertent production of any privileged document shall not be deemed to be a waiver of any applicable privilege with respect to such document or to the subject matter of the document. GTEFL specifically reserves the right to demand the return of any such privileged documents, without prejudice to any claim of privilege, in the event any such document is inadvertently produced.
2. GTEFL objects to Staff's Third Set of Interrogatories to the extent it seeks the disclosure of information not relevant to the subject matter of this action and not reasonably calculated to lead the discovery of admissible evidence.

3. GTEFL objects to Staff's Third Set of Interrogatories to the extent it is unduly burdensome, vague, ambiguous, over broad, annoying, harassing or fails to specify clearly the information requested. Moreover, GTEFL objects to Staff's Third Set of Interrogatories to the extent that it seeks information that is obtainable from some other source that is more convenient, less burdensome, or less expensive.

4. GTEFL objects to Staff's Third Set of Interrogatories to the extent it purports to impose on GTEFL's greater obligations than those imposed by the Florida Rules of Civil Procedure.

5. GTEFL objects to Staff's Third Set of Interrogatories to the extent it requires GTEFL to concede the relevance, materiality, or admissibility of the documents sought by each request, as GTEFL reserves its right to raise all such objections in this or any other action.

6. GTEFL's later responses to Staff's Third Set of Interrogatories will be made subject to, qualified by, and without waiver of each of the foregoing General Objections and the following Specific Objections.

INTERROGATORIES

GTEFL specifically objects to Staff's Third Set of Interrogatories as follows:

11. What is the Florida specific factor for each tax listed in Account Code 724000 as listed on page 32 in the Expense Module, Book VI of VII, of the Integrated Cost Model Methodology?

12. In this filing, has the company consistently used Florida specific rates as opposed to default rates? If not, please explain where non-Florida rates have been used and why. [sic]

OBJECTION: GTEFL objects to this Interrogatory on the grounds that the terms “Florida specific rates” and “default rates” are vague and ambiguous.

13. Does GTE's model normalize state and federal income taxes? If not, where can such adjustments be made in the model to do so?

OBJECTION: GTEFL objects to this Interrogatory on the grounds that the term “GTE's model” is vague and ambiguous.

14. What is the treatment of investment tax credits in the model?

OBJECTION: GTEFL objects to this Interrogatory on the grounds that the term “the model” is vague and ambiguous.

15. a. What are GTE Florida's forecasted capital expenditures for 2000, 2001, and 2002?

OBJECTION: GTEFL objects to this Interrogatory because, to the extent responsive data exists, it is proprietary and highly confidential competitive information. GTEFL further objects to this Interrogatory on the grounds that planning forecast information is irrelevant to selecting a cost model to determine the long run, forward-looking cost of providing unbundled network elements, and is not otherwise relevant to any issue in this proceeding.

- b. How does GTE Florida plan to finance these capital expenditures? Please include the amounts of retained earnings, new common equity issues, new short-term debt issues, and new long-term debt issues in your response.

OBJECTION: GTEFL objects to this Interrogatory because, to the extent responsive data exists, it is proprietary and highly confidential competitive information. GTEFL further objects to this Interrogatory on the grounds that planning forecast information is irrelevant to selecting a cost model to determine the long run, forward-looking cost of providing unbundled network elements, and is not otherwise relevant to any issue in this proceeding.

16. a. What are GTE Florida's target capital structure ratios for financial planning purposes? For this response, please include the target common equity ratio, target long-term debt ratio, etc in your response. If the target is expressed as a range rather than a specific percentage, please state that range.

OBJECTION: GTEFL objects to this Interrogatory because, to the extent responsive data exists, it is proprietary and highly confidential competitive information. GTEFL further objects to this Interrogatory on the grounds that planning forecast information is irrelevant to selecting a cost model to determine the long run, forward-looking cost of providing unbundled network elements, and is not otherwise relevant to any issue in this proceeding.

- b. What is GTE Florida's rationale and basis for its target capital structure ratios?

OBJECTION: GTEFL objects to this Interrogatory because, to the extent responsive data exists, it is proprietary and highly confidential competitive information. GTEFL further objects to this Interrogatory on the grounds that planning forecast information is irrelevant to selecting a cost model to determine the long run, forward-looking cost of providing unbundled network elements, and is not otherwise relevant to any issue in this proceeding.

17. a. What are GTE Florida's target pretax interest coverage ratio and funds from operations interest coverage ratio for financial planning purposes? If the target is expressed as a range rather than a specific ratio, please state that range.

OBJECTION: GTEFL objects to this Interrogatory because, to the extent responsive data exists, it is proprietary and highly confidential competitive information. GTEFL further objects to this Interrogatory on the grounds that planning forecast information is irrelevant to selecting a cost model to determine the long run forward-looking cost of providing unbundled network elements, and is not otherwise relevant to any issue in this proceeding.

- b. What is GTE Florida's rationale and basis for its target coverage ratios?

OBJECTION: GTEFL objects to this Interrogatory because, to the extent responsive data exists, it is proprietary and highly confidential competitive information. GTEFL further objects to this Interrogatory on the grounds that planning forecast information is irrelevant to selecting a cost model to determine the long run, forward-looking cost of providing unbundled network elements, and is not otherwise relevant to any issue in this proceeding.

18. Referring to the capital structure and cost rates shown in GDJ-1, what is the pretax interest coverage implied by this capital structure and cost rates? Please show the calculation and assume a marginal income tax rate of 38.575%.

OBJECTION: GTEFL objects to this request on the grounds that it is unduly burdensome in that the calculation is not one that GTE Florida routinely makes and the information required to perform this analysis is available to Staff.

19. What is GTE Florida's book value capital structure as of December 31, 1999? Please include in your response the amounts and percentage weights for long-term debt, short-term debt, preferred stock, and common equity.

20. For financial planning purposes, does GTE Florida use capital structure ratios based on market values for common equity and debt? If yes, please explain and provide an example.

OBJECTION: GTEFL objects to this Interrogatory because, to the extent responsive data exists, it is proprietary and highly confidential competitive information. GTEFL further objects to this Interrogatory on the grounds that planning forecast information is irrelevant to selecting a cost model to determine the long run, forward-looking cost of providing unbundled network elements, and is not otherwise relevant to any issue in this proceeding.

21. Will GTE Florida use short-term debt during 2000 and 2001?

OBJECTION: GTEFL objects to this Interrogatory because, to the extent responsive data exists, it is proprietary and highly confidential competitive information. GTEFL further objects to this Interrogatory on the grounds that planning forecast information is irrelevant to selecting a cost model to determine the long run, forward-looking cost of providing unbundled network elements, and is not otherwise relevant to any issue in this proceeding.

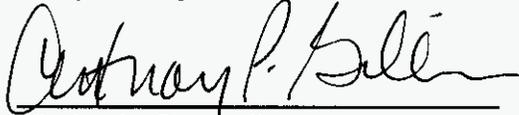
a. If the response to Interrogatory No. 21 is yes, what percentage of investor capital does GTE Florida project for short term debt for 2000 and 2001? If the response to Interrogatory No. 21 is no, please explain why not.

OBJECTION: GTEFL objects to this Interrogatory because, to the extent responsive data exists, it is proprietary and highly confidential competitive information. GTEFL further objects to this Interrogatory on the grounds that planning forecast information is irrelevant to selecting a cost model to determine the long run, forward-looking cost of providing unbundled network elements, and is not otherwise relevant to any issue in this proceeding.

22. What is GTE Florida's forward-looking cost of short-term debt? For purposes of this response, please explain how this rate is derived and state the assumptions which support it.
23. Witness Jacobson recommends a 7.03% cost of debt based on newly issued "A" rated Industrial Bonds. What is the maturity or range of maturities for these newly issued bonds?
24. How does GTE's ICM model account for the effect of deferred state and federal income taxes?
25. Refer to paragraph 104 of the FCC's Third Report and Order in CC Docket No. 96-115, released September 9, 1999. In paragraph 104, presumptively reasonable rates of \$0.04 per existing subscriber 911 listing and \$0.06 for updated subscriber list information are discussed.
- a) Are these rates appropriate for GTEFL?
 - b) If your response to a) is negative, please explain why these rates are not appropriate for GTEFL.
26. On page 9, beginning at line 17, Mr. Norris refers to accounting normalization adjustments that were used to develop "baseline" ARMIS data. Please list the specific adjustments and the amounts that were made to normalize expenses.

27. On page 12, beginning at line 8, Mr. Norris states that GTE treats the investment costs of General Support Facilities as an annual expense to more accurately match the cost of these facilities to the network functions or components they support.
- a) Please list the kinds of investment costs that are included in the annual expense.
 - b) Please explain how this methodology matches the cost of facilities to the network functions or components they support.
28. On page 14, beginning at line 8, Mr. Norris refers to service assurance expenses. Please describe these expenses.
29. On page 14, beginning at line 18, Mr. Norris refers to the billing and collection cost pool.
- a) Does this cost pool contain retail billing and collection costs?
 - b) If the response to a) is affirmative, please provide a breakdown of retail billing and collection costs and wholesale billing and collection costs.

Respectfully submitted,



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COUNSEL FOR GTE FLORIDA
INCORPORATED

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of GTE Florida Incorporated's Objections to Staff's Fourth Request for Production of Documents and Third Set of Interrogatories in Docket No. 990649-TP were sent via overnight mail(*) on June 28, 2000 and U.S. mail on June 29, 2000 to the parties on the attached list.



for Kimberly Caswell

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