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Legal Department

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April 29, 2002

Ms. Blanca S. Bayo, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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02 APR 29 AM 11:48
COMMISSION
CLERK

Re: Docket No. 990649B-TP
Investigation into Pricing of Unbundled Network Elements (Sprint/Verizon track)

Dear Ms. Bayo:

At the request of Commission Staff, Verizon Florida Inc. is enclosing supplemental documentation for previously submitted Requests for Confidential Classification as follows:

1. Responses to Staff's Amended First Set of Interrogatories (Nos. 1, 2, 12, 14, 15, 20, 21, 54, 55, 66, 67) (original request filed November 7, 2001); 04645-02
04646-02
2. Confidential Exhibit DBT-3 (Direct Testimony of Dennis B. Trimble) (original request filed November 7, 2001); 04647-02
04648-02
3. Responses to Staff's Second Set of Interrogatories (No. 59) and Second Request for Production of Documents (Nos. 27 and 44) (original request filed January 16, 2002); 04649-02
04650-02
4. Responses to Staff's Third Request for Production of Documents (Nos. 49, 50, 53, 57, 58, 59) (original request filed January 25, 2002); 04651-02
04652-02
5. Responses to AT&T/MCI's First Set of Interrogatories (No. 43) and First Request for Production of Documents (Nos. 3,6,13,14) (original request filed February 27, 2002); 04653-02
04654-02
6. Responses to Staff's Fifth Set of Interrogatories (No. 108) (original request filed February 28, 2002); 04655-02
04656-02


Ms. Blanca S. Bayo
April 29, 2002
Page 2

7. Responses to Staff's Fifth Request for Production of Documents (Nos. 65 and 67) (original request filed March 6, 2002);
04657-02
04658-02
8. Confidential Exhibit DGT-5 (Surrebuttal Testimony of David G. Tucek) (original response filed March 18, 2002); and
04659-02
04660-02
9. Responses to Staff's First Request for Production of Documents (No. 3) (original request filed December 21, 2001).
04661-02
04662-02

Highlighted copies of the confidential information are attached in sealed envelopes together with one redacted copy and a line-by-line justification (Exhibit-C).

If there are any questions regarding this filing, please contact me at 813-483-2617.

Sincerely,


KC
Kimberly Caswell

KC:tas
Enclosures

c: Jason Fudge, Staff Counsel (w/e)

ORIGINAL

9906498-TP

Exhibit C

Staff's First Request for Production of Documents (No. 3)

PageNos.	Line(s)/Column(s)	Reason
1260, 1262, 1263, 1265- 1284, 1288- 1290, 1292, 1293, 1295- 1297, 1299- 1301, 1303, 1304, 1306, 1307, 1309- 1320, 1322, 1324-1332	All highlighted text	This information was included in a Verizon management presentation to industry rating agencies. It addresses Verizon's financial condition and details its strategies for competing in wireless and wireline markets, both domestically and internationally. Rating agency presentations are typically considered highly confidential within the industry. Public disclosure of Verizon's potential competitive strengths and weaknesses by market sector would give competitors an obvious and unfair advantage.

DOCUMENT NUMBER DATE

04661 APR 29 88

FPSC-COMMISSION CLERK

**Verizon Communications Inc.
Rating Agency Meetings
June 12 & 19, 2000
Agenda**

	<u>Executive</u>	<u>Approximate time</u>	<u>Topics</u>
TAB 1	Bill Heitmann	5 minutes	Opening Remarks Introduction of Senior Management Team
TAB 2	Fred Salerno	30 minutes	Verizon Overview Verizon Organization Overview Financial Policies Rating Agency Credit Ratios International Overview
TAB 3	Larry Babbio	30 minutes	Telecom Segment
TAB 4	Denny Strigl	30 minutes	Wireless Segment
TAB 5	Larry Whitman	30 minutes	Verizon Financials
TAB 6	Fred Salerno	5 minutes	Summary and Conclusion
	Ali	30 minutes	Questions and Answers (Asked during presentations)
	Bill Heitmann	5 minutes	Closing remarks
TAB 7			Verizon Senior Executive Biographies
TAB 8			Rating Agency Biographies



William Heitmann
Senior Vice President and Treasurer



OPENING REMARKS

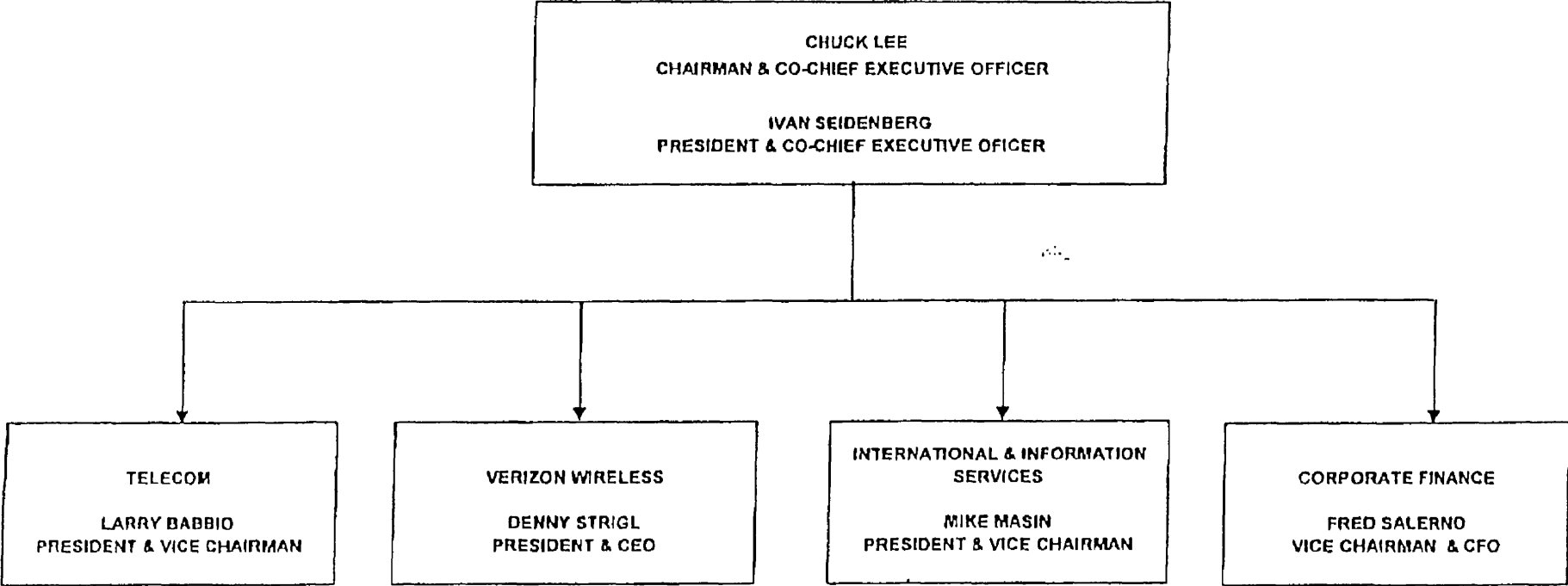


INTRODUCTION OF SENIOR MANAGEMENT TEAM



Fred Salerno
Vice Chairman and CFO

Organization





Financial Priorities

- Establish Verizon's Financial Targets
- Allocate Verizon's Capital Resources to Attain the Targets
- Acquire Verizon's Capital Resources in a Cost Effective Manner



Establish Financial Targets

- Revenue Growth
- Expense Containment
- EBITDA Growth
- EPS Growth

*Allocate Verizon's Capital Resources
to Attain the Targets*



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Acquire Verizon's Capital Resources in a Cost Effective Manner

- Internal Funds
- Rationalization of Assets
- Joint Ventures
- Debt
- Equity

Key Credit Ratios



REDACTED

Key Credit Ratios



REDACTED



International Highlights

- Presence in over 30 Countries
- Complimentary Portfolios Resulting from Merger
- High Growth Prospects in Stable & Developing Areas
- Significant Contribution to Net Income & Growth Drivers



International Strategies

REDACTED

International Strategies



REDACTED



International Strategies

REDACTED

International Highlights



Americas

Investment	Country	Ownership	Key Stats	Accounting Treatment
REDACTED				

International Highlights



Americas

Investment	Country	Ownership	Key Stats	Accounting Treatment
REDACTED				

International Highlights



Europe

Investment	Country	Ownership	Key Stats	Accounting Treatment
REDACTED				

International Highlights



Europe & Global

Investment	Country	Ownership	Key Stats	Accounting Treatment
REDACTED				

International Highlights



Asia

Investment	Country	Ownership	Key Stats	Accounting Treatment
REDACTED				

International Highlights



Asia

Investment	Country	Ownership	Key Stats	Accounting Treatment
REDACTED				

International Highlights



REDACTED

All data as of 12-31-99

International Highlights



REDACTED

International Highlights



REDACTED

International Highlights



REDACTED

International Highlights



REDACTED

All data as of 12-31-99

International Highlights



REDACTED

International Highlights



REDACTED

All data as of 12-31-99

International Highlights



REDACTED

All data as of 12-31-99



Integration Priorities

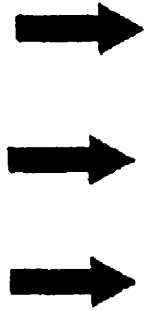
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Financial Objectives

Long Term Growth

REDACTED



Summary

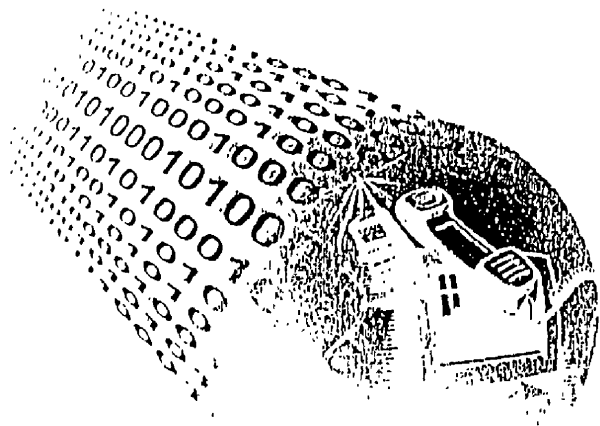


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Larry Babbio

President
and
Vice Chairman





Agenda

- Telecom Group Profile
- Performance Highlights
- Business Model
- Efficiency Opportunities
- Capital Program
- Merger Activities
- Financial Targets

Telecom Group

Profile



1999
Pro-Forma
Combined

	BEL	GTE	Pro-Forma Combined
Assets	\$ 43B	\$26B	\$69B
Revenues	\$ 26B	\$18B	\$44B
Op. Income	\$ 6B	\$ 6B	\$12B
EBITDA	\$ 12B	\$ 8B	\$20B
Capital Spending	\$ 7B	\$ 4B	\$11B
Access Lines	43M	20M	63M
Employees	129,000	77,000	206,000

76 of Top 100 Markets

1Q 2000 Performance Highlights



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Solid Demand for Services

Model for Success

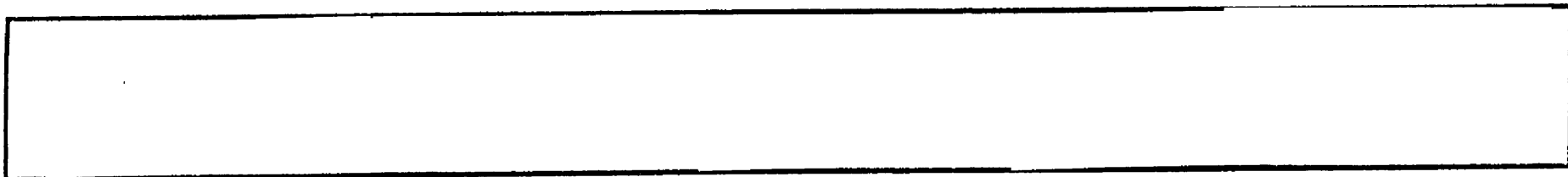


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NY Long Distance Status



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Long Distance Filing Plans

2000 Filings

- Massachusetts
- Pennsylvania
- New Jersey

2001 Filings

- Maryland
- Virginia

“Me too” filings

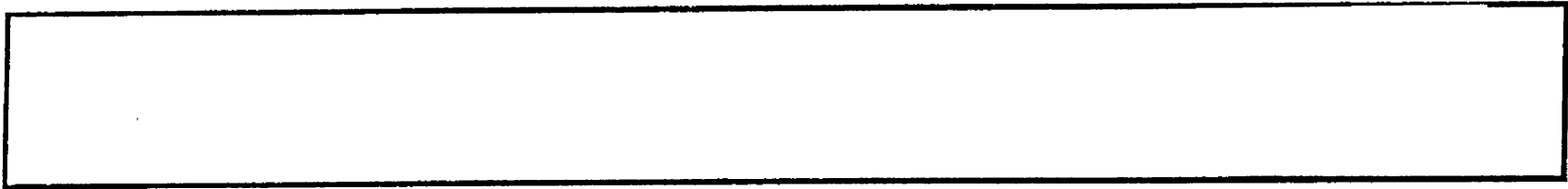
- Connecticut
- Maine, New Hampshire, Rhode Island, Vermont
- Delaware
- Wash. D.C., West Virginia

3 Part Strategy

DSL Status



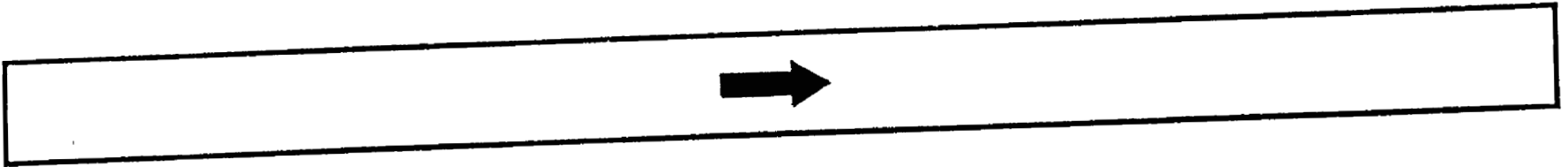
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Telecom Growth
Long Term Growth



REDACTED



Efficiency Opportunities



- Efficient capital deployment
- Productivity initiatives
- Synergy opportunities

Technology Profile



REDACTED

Capital Program



(Dollars in Billions)

1998	1999	2000E	2001E
------	------	-------	-------

REDACTED

Synergy Opportunities



REDACTED



Merger Activities

Telecom Organization Structure

- Enterprise Solutions
Marketing, National Non-Reg., Network Integration
- Retail Markets
Consumer, General Business, Sales and Marketing
- Field Operations
Installation, Repair, Construction and Maintenance
- Network Services
Marketing, Operations, Engineering, Technology
- Advanced Services
DSL, Long Distance, ISP, CLEC, eLEC

Integration Priorities



REDACTED



Financial Objectives

Long Term Growth

REDACTED



Summary



REDACTED



Denny Strigl

**President & CEO
Verizon Wireless**

Mission and Market Leadership



- **Mission**

- To be the leading provider of wireless communications services and the recognized market leader nationwide

REDACTED

- **Wireless Phone**

- The wireless phone will be the centerpiece of information and services for customers...anytime, anywhere.



Ownership Structure

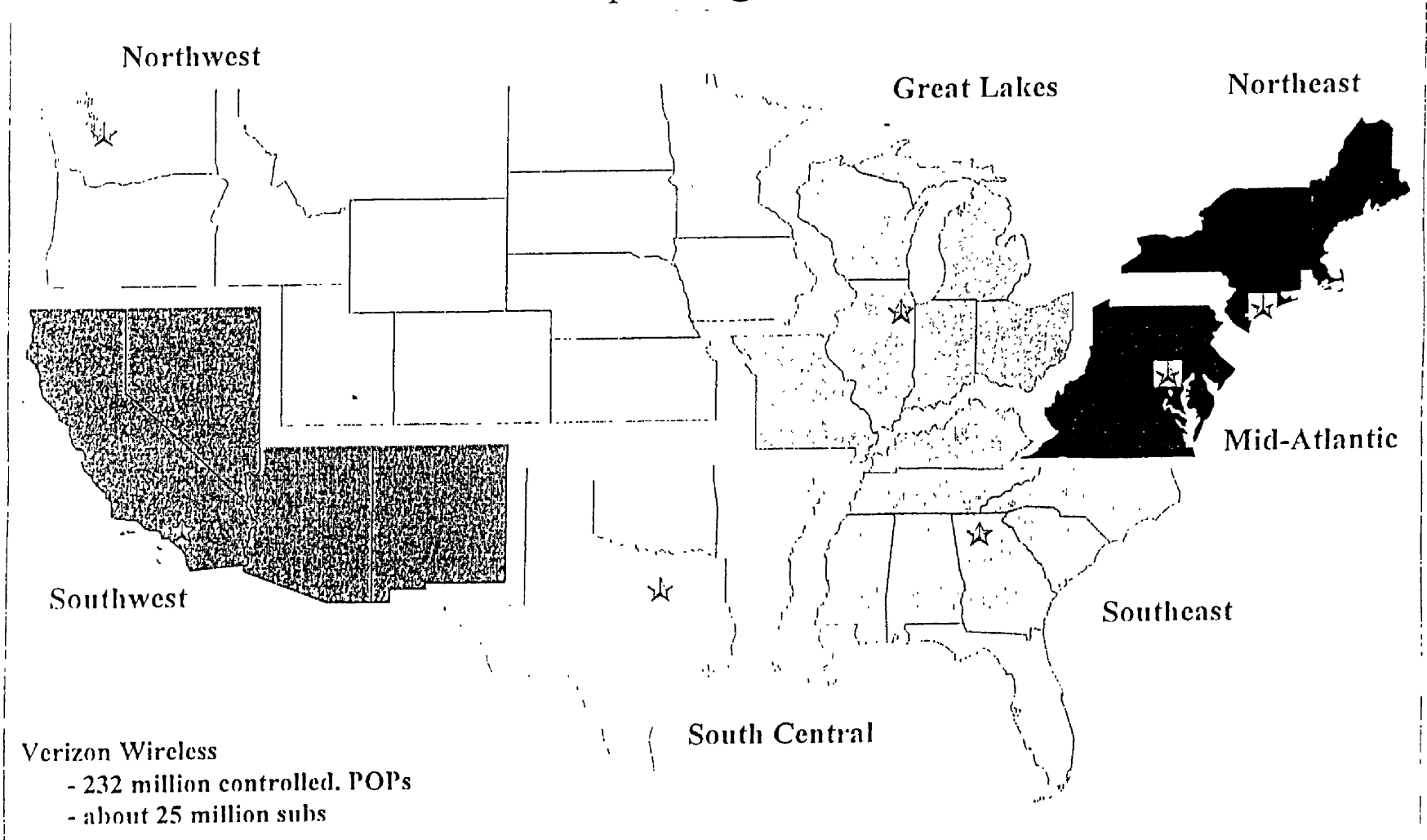
- Ownership - Post Phase II Closing
 - BEL/GTE
 - VOD
- BEL/GTE Management and Operating Control
- Seven Member Board of Directors
 - Four Representatives from BEL/GTE
 - Three from Vodafone
- Financing Structure:
 - Debt Contribution
 - BEL/GTE
 - VOD
- Dividend Policy

REDACTED

Organization Structure



Seven Operating Areas



U.S. Industry Growth Drivers



REDACTED



Major Competitors



<u>Carrier</u>	<u>1Q'00 Subs (000)</u>	<u>Technology Employed</u>	<u>Controlled POPs (M) (4)</u>	<u>Net POPs (M) (5)</u>
<i>Verizon Wireless (1)</i>	<i>25,000 (6)</i>	<i>CDMA</i>	<i>232</i>	<i>223</i>
SBC / BellSouth (2)	17,311	TDMA / GSM	179	167
AT&T Wireless	9,987	TDMA	121	268
Sprint PCS	6,555	CDMA	170	271
Nextel	5,056	ESMR	201	233
VoiceStream (3)	2,941	GSM	159	222

- (1)
- (2)
- (3)
- (4)
- (5)
- (6)

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Merger Status



- **Phase I - Vodafone / AirTouch - Completed**
- **Phase II - GTE Wireless**
 - Resolve Overlap Properties
 - Obtain Remaining Regulatory Approvals
 - Integrate Operations

Preliminary Targets



2000

2001

Operating Metrics:

Revenue Growth

Subscriber Growth

Penetration

Churn

Financial Performance:

ARPU

Cash Exp/Sub

COA

EBITDA

Cash Flow Margin

REDACTED

2000 Strategic Priorities



REDACTED

2000 Strategic Priorities



Network Quality

REDACTED

2000 Strategic Priorities



Network Quality

REDACTED

2000 Strategic Priorities



Nationwide Products and Services - Products / Pricing

REDACTED

2000 Strategic Priorities



Nationwide Products and Services - Wireless Data / Internet Portal

REDACTED

2000 Strategic Priorities



Nationwide Products and Services - Prepaid / SMS / OnStar

REDACTED

2000 Strategic Priorities



Distribution

REDACTED

2000 Strategic Priorities



Customer Care

REDACTED

2000 Strategic Priorities



Cost Management

REDACTED

2000 Strategic Priorities



Transition Management

REDACTED

Cornerstones of Success

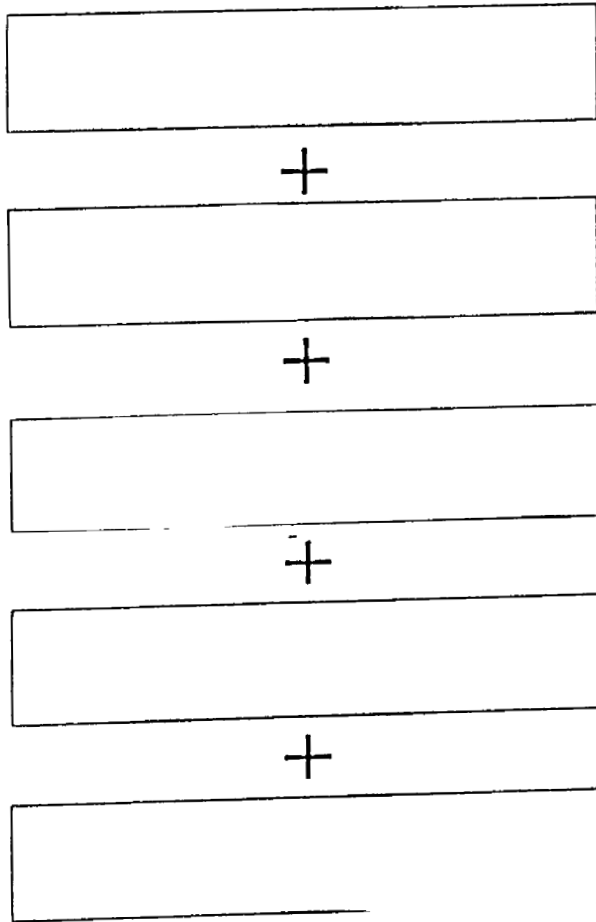


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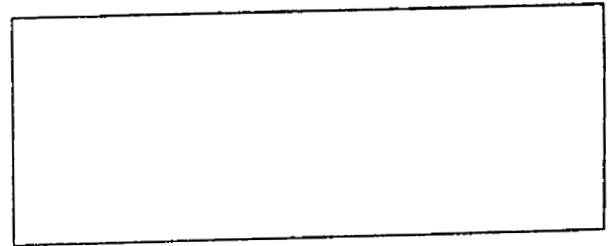


Larry Whitman
Senior Vice President and
Controller

The New Verizon - 2000



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Segment Definitions

<u>Segment</u>	<u>Major Entities</u>
Telecom:	
Core Operations	Operating Telephone Companies
Advanced Solutions	Long Distance, Data, Video, Internet
Other Non-Regulated	GTE Labs, Federal, Public Communications
Wireless	BAM, GTE Wireless, ATI/VOD, PrimeCo
International:	
Americas	Iusacell, Quebec, Telus, Codetel, CANTV, CTI
Europe	C&W, Omnitel, FLAG
Asia	TCNZ, PCC Taiwan
Directory:	
Domestic	Core Publishing
Electronic	SuperPages/BigYellow, Web Hosting
International	Dominion Directory, other International Directories
Other:	Headquarters, Leasing, Asset Management, Insurance

On-Going Changes



REDACTED



Major Highlights

REDACTED



1999-2001 Revenue

(\$ Millions)

	1999	2000	2001	Reported Yr/Yr % growth 00vs99	01vs00	On-Going Yr/Yr % growth 00vs99	01vs00
Telecom	43,755						
Domestic Wireless	7,682						
International	1,955						
Information Services	3,600						
All Other	1,518						
Total	58,510						

REDACTED

Growth Driven By:



1999-2001 Cash Expense

(\$ Millions)

	1999	2000	2001	Reported		On-Going	
				Yr/Yr % growth	Yr/Yr % growth	Yr/Yr % growth	Yr/Yr % growth
				00vs99	01vs00	00vs99	01vs00
Telecom	23,895						
Domestic Wireless	5,184						
International	1,339						
Information Services	1,977						
All Other	1,216						
Total	33,612						

REDACTED

Cash Expense Driven By:

1999-2001 Income Statement - As Reported



(\$ Millions)

	1999	2000	2001	Reported		On-Going	
				Yr/Yr % growth		Yr/Yr % growth	
				00vs99	01vs00	00vs99	01vs00
Revenue	58,510						
Cash Expenses	33,612						
EBITDA	24,898						
Depreciation & Amortization	9,893						
Interest Expense	2,616						
Other (Income)/Expense	(562)						
Income Taxes	4,741						
Net Income	8,210						
EPS	2.96						
Cash EPS	2.96						

REDACTED

Highlights:



2000-2001 Synergies

(\$ Millions)

	<u>2000</u>	<u>2001</u>
Revenue		
Expense		
Capital		
Synergy Drivers:		REDACTED



2000-2001 Regulatory Concessions

(\$ Millions)

2000 2001

REDACTED



1999-2001 Cash Flow

(\$ Millions)

	1999	2000	2001	Yr/Yr % growth	
				00vs99	01vs00
Net Income	8,210				
Depreciation	9,893				
Income from unconsolidated subs-net	(239)				
Other	(902)				
Total Cash From Operations	16,962				
Capital Expenditures	(13,615)				
Other	(3,764)				
Total Cash From Investing Activities	(17,379)				
Dividend Paid	(4,233)				
Debt Proceeds	6,838				
Other	(847)				
Total Cash From Financing Activities	1,758				
Increase (Decrease) in Cash	1,341				
Free Cash Flow*	3,347				

REDACTED

* Cash from Operations less CapEx

1999-2001 Balance Sheet

(\$ Millions)



	1999	2000	2001	Yr/Yr % growth	
				00vs99	01vs00
Current Assets	20,039				
Net Plant, Property, & Equipment	62,195				
Investments	17,106				
Other Long Term Assets	13,769				
Total Assets	113,109				
Short Term Debt	15,070				
Other Current Liabilities	14,750				
Long Term Debt	32,420				
Other Long Term Liabilities	22,454				
Minority Interest	1,723				
Total Equity	26,692				
Total Liabilities and Equity	113,109				

REDACTED



Fred Salerno
Vice Chairman and CFO



Summary

- Excellent Growth Prospects
- Strong Competitor Leader with a Proven Track Record
- Strong Financial Strategies
- Strong Credit Protection Measures
- Equity Opportunities