



DATE
FILE NO.

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Vice President & General Counsel - Florida

GTE Telephone Operations

Associate General Counsel
Anthony P. Gillman**
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Kimberly Caswell
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** Certified in Florida as Authorized House Counsel

December 2, 1996

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

Re: Docket No. **961173-TP**
Petition of Sprint Communications Company Limited Partnership
for Arbitration of Proposed Interconnection Agreement with
GTE Florida Incorporated Pursuant to the Telecommunications Act
of 1996

Dear Ms. Bayo:

- ACK _____ Please find enclosed an original and fifteen copies of GTE Florida Incorporated's
- AFA _____ Notice of Adoption of Direct Testimony of Michael J. Doane by David S. Sibley for
- APP _____ filing in the above matter.
- CAF _____ Service has been made as indicated on the Certificates of Service. If there are any
- CMU _____ questions regarding this matter, please contact me at (813) 483-2615.
- CTR _____
- EAG _____ Very truly yours,
- LEG ³ _____ *Anthony P. Gillman*
- LIN ^{orig + 2} _____ Anthony P. Gillman
- OPC _____
- RPH _____ APG:tas
- SEC ¹ _____ Enclosures
- WAS _____
- GTH _____ A part of GTE Corporation

12/05

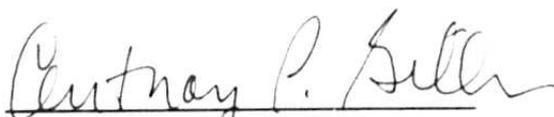
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Sprint Communications) Docket No. 961173-TP
Company Limited Partnership for Arbitration) Filed: December 2, 1996
of Proposed Interconnection Agreement with)
GTE Florida Incorporated Pursuant to the)
Telecommunications Act of 1996)
_____)

**GTE FLORIDA INCORPORATED'S
NOTICE OF ADOPTION OF DIRECT TESTIMONY OF
MICHAEL J. DOANE BY DAVID S. SIBLEY**

GTE Florida Incorporated (GTEFL), by and through its undersigned counsel, gives notice that witness David S. Sibley will adopt the prefiled direct testimony of Michael J. Doane submitted by GTEFL in this docket. Attached to this notice are substitute pages 1 and 2 which will replace pages 1 and 2 (lines 1-12) of the prefiled direct testimony of Michael J. Doane.

Respectfully submitted on December 2, 1996.

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

Attorney for GTE Florida Incorporated

1 GTE FLORIDA INCORPORATED

2 DIRECT TESTIMONY OF DAVID S. SIBLEY

3 DOCKET NO. 961173-TP

4

5 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

6 A. My name is David S. Sibley, University of Texas at Austin, 22nd and
7 Speedway, Austin, TX, 78712.

8

9 Q. PLEASE STATE YOUR PROFESSIONAL QUALIFICATIONS AND
10 EDUCATIONAL BACKGROUND.

11 A. I am the John Michael Stuart Professor of Economics at the
12 University of Texas at Austin. Prior to joining the University of Texas
13 at Austin, I was Head of the Economics Research Group at Bell
14 Communications Research. I also served as a member of technical
15 staff at Bell Laboratories. I have taught graduate level courses in
16 regulation at the University of Pennsylvania and Princeton
17 University, in addition to my work at the University of Texas.

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19 During the Carter Administration, I served as Senior Staff Economist
20 on the Council of Economic Advisors and as advisor to the Chairman
21 of the Civil Aeronautics Board. During the last twenty years, I have
22 carried out extensive research in the areas of regulation, industrial
23 organization, and microeconomic theory. I have published articles
24 on regulation and pricing in a number of academic journals, including
25 the *Journal of Economic Theory*, *Econometrica*, *American Economic*

3 Steven J. Brown of the textbook *The Theory of Public Utility Pricing*
4 published by Cambridge University Press in 1986 and now in its
5 fourth printing, and co-editor of *Telecommunications Demand*
6 *Analysis: An Integrated View*, published by North-Holland in 1989.
7 Currently, I serve as Associate Editor of the *Journal of Regulatory*
8 *Economics*.

9
10 I received a B.A. in Economics from Stanford University and a Ph.D.
11 in Economics from Yale University.

12
13 **Q. HAVE YOU PREPARED A VITAE THAT DESCRIBES YOUR**
14 **EDUCATION, PUBLICATIONS, AND EMPLOYMENT HISTORY?**

15 A. Yes. A copy of my most recent vitae is attached as Exhibit No. DSS-
16 1.

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DAVID S. SIBLEY

**Professor, Department of Economics
University of Texas at Austin
Austin, TX 78712
(512) 471-3211**

**806 W. 24th St., Apt. 318
Austin, TX 78705
(512) 480-9400**

EDUCATION:

1969 B. A. in Economics, Stanford University
1973 Ph.D. in Economics, Yale University

TEACHING FIELDS:

Industrial Organization, Economics of Information

RESEARCH FIELDS:

Economics of asymmetric information, telecommunications policy, public utility pricing, models of firm's internal organization.

PROFESSIONAL EXPERIENCE:

March, 1992 - Present: John Michael Stuart Centennial Professor of Economics, University of Texas at Austin.

August, 1991-March, 1992: Edward Everett Hale Centennial Professor of Economics, University of Texas at Austin.

September, 1983 - August, 1991: Research Manager, Bell Communications Research, Morristown, NJ. Head of Economics Research Group.

September 1981 - September 1983: Member of Technical Staff, Bell Laboratories, Murray Hill, NJ.

September 1980 - September 1981: Adviser to the Chairman of the Civil Aeronautics Board.

January 1980 - September 1980: Consultant, Civil Aeronautics Board, Washington, D.C.

September 1978 - January 1980: Senior Staff Economist, Council of Economic Advisers, Executive Office of the President, Washington, D.C.

October 1973 - September 1978: Member of Technical Staff, Bell Laboratories, Holmdel, NJ.

TEACHING:

Since September 1991: Introductory Microeconomics, undergraduate and graduate Industrial Organization.

Fall 1989: Visiting Lecturer, Woodrow Wilson School of Public and International Affairs, Princeton University. Graduate course in regulation and public choice.

September 1983 - December 1983: Adjunct Lecturer in Economics, University of Pennsylvania. Taught graduate course on regulation.

PUBLICATIONS:

A. Journal Articles:

"A Note on the Concavity of the Mean-Variance Problem," *Review of Economic Studies*, July 1975.

"Permanent and Transitory Income Effects in a Model of Optimal Consumption with Wage Income Uncertainty," *Journal of Economic Theory*, August 1975.

"Optimal Foreign Borrowing with Export Revenue Uncertainty," (with J. L. McCabe), *International Economic Review*, October 1976.

"Regulatory Commission Behavior: Myopic vs. Forward-Looking," (with E. E. Bailey), *Economic Inquiry*, June 1978.

"Optimal decisions with Estimation risk," (with L.C. Rafsky, R. W. Klein and R. D. Willig), *Econometrica*, November 1977.

"The Demand for Labor in a Dynamic Model of the Firm," *Journal of Economic Theory*, October 1977.

"Public Utility Pricing Under Risk: The Case of Self-Rationing," (with J. C. Panzar), *American Economic Review*, December 1978.

"A Dynamic Model of the Firm with Stochastic Regulatory Review," (with V. S. Bawa), *International Economic Review*, October 1980.

"Optimal Nonlinear Pricing for Multiproduct Monopolies," (with L. J. Mirman), *Bell Journal of Economics*, Autumn 1980.

"Efficiency and Competition in the Airline Industry," (with D. R. Graham and D. P. Kaplan), *Bell Journal of Economics*, Spring 1983.

"Optimal Non-Uniform Pricing," (with M. B. Goldman and H. E. Leland), *Review of Economic Studies*, April 1984.

- "Reply to Lipman and Further Results," *International Economic Review*, June 1985.
- "Public Utility Pricing Under Risk: A Generalization," *Economics Letters*, June 1985.
- "Optimal Consumption, the interest Rate and Wage Uncertainty," (with D. Levhari), *Economics Letters*, 21 (1986).
- "Regulating Without Cost Information: The Incremental Surplus Subsidy Scheme," (with D. M. Sappington), *International Economic Review*, May 1989.
- "Optimal Two Part Tariffs for Inputs," (with J. C. Panzar), *Journal of Public Economics*, 40 (1989) 237-249.
- "Asymmetric Information, Incentives and Price Cap Regulation," *Rand Journal of Economics*, Fall 1989.
- "Compensation and Transfer Pricing in a Principal-Agent Model," (with d.ZE. Besanko), *International Economic Review*, February, 1991.
- "Regulating Without Cost Information: Some Further Thoughts," (with D. M. Sappington), *International Economic Review*, November, 1990.
- "Thoughts on Nonlinear Pricing Under Price Cap Regulation," (with D. M. Sappington), *Rand Journal of Economics*, Spring, 1992.
- "Ex Ante vs. Post Pricing: Optional Calling Plans vs. Tapered Tariffs," (with K. Clay and Psrinagesh), *Journal of Regulatory Economics*, 4 (1992) 115-138.
- "Optimal Non-linear Pricing With Regulatory Preference over Customer Types," (with W. W. Sharkey), *Journal of Public Economics*.
- "A Bertrand Model of Pricing and Entry," (with W. W. Sharkey) *Economics Letters*, 41 (1993) 199-206.
- "Regulatory Incentive policies and Abuse," (with D. M. Sappington), forthcoming in *Journal of Regulatory Economics*, 2. 131-142, 1993.
- "Multiproduct Nonlinear Prices with Multiple Taste Characteristics," (with P. Srinagesh), forthcoming in *Rand Journal of Economics*.

B. Reports and Articles in Conference Volumes

- "The Dynamics of Price Adjustment in Regulated Industries," (with E. E. Bailey) , in *Proceedings of IEEE Conference on Systems Control*, 1974.
- "Optimal Non-Uniform Pricing for electricity: Some Illustrative Examples," (with R. W. Koenker), in Sichel (ed.) *Public Utility Ratemaking in an energy-Conscious Environment*, Praeger, 1979.

"Antitrust Policy in the Airline Industry," (with S. B. Jollie), civil Aeronautics Board, October 1982. Transmitted by the CAB to Congress as part of proposed sunset legislation.

"Deregulation and the Economic Theory of Regulation," (with W. W. Sharkey), *Proceedings of the Eleventh Annual Telecommunications Policy Research Conference*, 1983.

"An Analysis of Tapered Access Charges for End Users," (with W. E. Taylor, D. P. Heyman and J. M. Lazorchak), published in *the Proceedings of the Eighteenth Annual Williamsburg Conference on Regulation*, H. Treeing (ed.), Michigan state, 1987.

Report to the Governor, The Task Force on Market-Based Pricing of Electricity. Co-authored with D. M. Sappington, Appendix III.

"Optional Tariffs for Access in the FCC's Price Cap Proposal," (with D. P. Heyman and W. E. Taylor), forthcoming in M. Einhorn (ed.), *Price Caps and Incentive Regulation in the Telecommunications Industry*, Kluwer, 1990.

C. Books:

The Theory of Public Utility Pricing, (with S. J. Brown), Cambridge University Press, 1986. Second printing 1986. Third printing 1989. Revised edition planned.

Co-editor of *Telecommunications Demand Analysis: An Integrated View*, North-Holland, 1989.

COMPLETED PAPERS:

"A Repeated Game Model of Price Cap Regulation", (with S. J. Wilkie), submitted to *Journal of Economics and Management Strategy*.

"Incumbency and Bidding Behavior in the Dallas-Ft. Worth Milk Market," (with C. Hewitt and J. T. McClave), submitted to *American Economic Review*.

"Competitive Incentives of Vertically-Integrated Local Exchanges Carriers," (with D. Weisman), submitted to *Journal of Industrial Economics*.

CURRENT RESEARCH AREAS:

Telecommunications policy, especially price cap regulation and optional tariff design.

Design of Incentive Mechanisms

Organizational slack/informational asymmetries.

EDITORIAL DUTIES:

Associate Editor of the *Journal of Regulatory Economics*.

OTHER PROFESSIONAL ACTIVITIES:

Consultant to the Governor of New Jersey's Task Force on Market-Based Pricing of Electricity.

Referee for National Science Foundation and numerous professional journals.

Consulting for Bell operating companies on a variety of pricing and public policy issues.

Memberships: American Economic Association; listed in *Who's Who in the East* 1990.

REFERENCES:

Professor Robert B. Wilson, Graduate School of Business, Stanford University
Tel: (415) 723-8020.

Professor David Sappington, Department of Economics, University of Florida (Gainesville)
Tel: (904) 392-3904.

Professor John C. Panzar, Department of Economics, Northwestern University
Tel: (708) 491-8242.

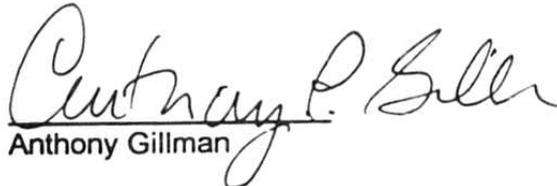
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of GTE Florida Incorporated's Notice of Adoption of Direct Testimony of Michael J. Doane by David S. Sibley in Docket No. 961173-TP were sent via overnight delivery on November 27, 1996 to the parties listed below.

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