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Ms. Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, FL 32399-0850

August 17, 1994

Re: Docket No. ~~921074-TP~~
Expanded Interconnection Phase II and Local Transport
Restructure

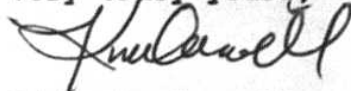
Dear Ms. Bayo:

Please find enclosed for filing an original and fifteen copies of a Request for Confidential Classification and Motion for Permanent Protective Order regarding certain material produced in response to Commission Staff's Second Request for Production of Documents.

The confidential information has been highlighted in yellow and placed in a separate envelope marked "Confidential" for your convenience. Also submitted with this package are two edited versions of the confidential information.

Service has been made on the parties of record as evidenced by the Certificate of Service.

Very truly yours,



Kimberly Caswell

KC:tas
Enclosures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Expanded Interconnection Phase II) Docket No. 921074-TP
and Local Transport Restructure) Docket No. 930955-TL
_____) Docket No. 940014-TL
Docket No. 940020-TL
Docket No. 931196-TL
Docket No. 940190-TL

Filed: August 17, 1994

**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 produced in response to the Commission Staff's Second Request for Production of Documents. This information has been available for viewing by Staff in GTEFL's Tallahassee office, but no documents have been turned over to Staff until now. GTEFL earlier filed a Motion for Temporary Protective Order to exempt this information from Florida Statutes section 119.07(1) until it could file this request for permanent protection.

Highlighted, unredacted copies of the confidential material, labelled Exhibit A, are submitted in a separate envelope accompanying only the original of this Request. Redacted copies of these items are attached to this Request as Exhibit B. The required line-by-line justification of confidentiality appears at Exhibit C.

The confidential information covered by this Request is very sensitive information about GTEFL's assessment of its vulnerability to competition and its planned response to that competition. All of it fits within Florida Statutes section 364.183(3)(e), which defines the term "proprietary confidential business information" to

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include "information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information."

The Commission's Phase I policy decisions, along with the analogous FCC ruling to allow expanded interconnection at the interstate level, substantially increase the opportunities for competition with the LECs' access services. In this phase of the proceeding, the Commission is contemplating further opening up the access market and restructuring local transport to enhance competition. These developments underscore the need for GTEFL to maintain the confidentiality of its competitive assessments, its estimation of "at risk" revenues, and its planned responses to competition in various market segments. The descriptions below (along with Exhibit C) will more specifically explain what the documents at issue show and why certain information they contain is confidential.

Document 0000001 is a GTE-wide estimation of the dollar amount of special and switched access revenues at risk for 1994 through 1998. An estimation for Florida-specific losses is also given. This information, especially when coupled with other, publicly filed data about GTEFL's revenues, will allow actual and potential competitors to know how much of GTEFL's access market it believes it may lose in the next few years. They will know specifically what percentage of GTE's access losses will be associated with the Florida market. Competitors can compare these estimates with their own to determine if their competitive entry and expansion strate-

gies are consistent with GTEFL's assessment of its own vulnerability. To the extent that they are not, competitors could revise their entry and expansion plans accordingly.

Document 0000002 shows GTE's 1993 and 1994 estimated revenues and expenditures associated with physical and virtual collocation. It also reveals the number of collocators expected for these two years, with a detailed outlook as of April 1994. Again, this would be useful for competitors in tailoring their competitive strategies to fit GTEFL's evaluation of its own vulnerability. The knowledge of GTEFL's estimated revenue gains or losses from collocation will also give competitors an unfair advantage in fashioning their advocacy strategies.

The remaining documents--numbered 0000015-18, 0000020-21, 0000029-30, 0000032, and 0000040--come from a detailed analysis of GTE's specific areas of competitive vulnerability and its planned response strategies. The documents contain a wealth of information that would allow competitors to know exactly how to compete successfully with GTEFL in the access and transport markets. These data include projected access growth, planned price reductions, and market loss estimates; information about presence of competition and level of the competitive threat to access; a comparison of GTE's cost levels with those of competitors; an enumeration of GTE's disadvantages vis-a-vis its competitors; a method of assessing the point at which competitive access providers will enter a particular market; central offices where competitive access providers are located or prospecting; GTE's beliefs about competi-

tors' advocacy strategies in regulatory proceedings; estimated market losses for various access-related services; the competitive exposure for each access service and GTE's planned response; GTE's competitive pricing strategy; and GTE's investment and expense exposure.

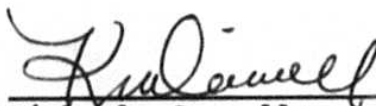
The harm to GTEFL in publicly disclosing such data is obvious. This information reveals exactly what GTE believes its advantages and disadvantages are relative to its access competitors. Based on this frank assessment, the documents establish what the GTE operating companies' responses would be for specific services under different competitive scenarios. Knowledge of GTEFL's detailed competitive strategies would allow competitors to develop their own pricing, marketing, entry and expansion strategies without the usual marketplace trial and error. This will afford competitors an insurmountable competitive advantage.

Because access has been one of the more profitable of the LECs' traditional lines of business, it is subject to intense competition. In this environment, any information gained about a competitor can be used to its detriment. Compelling public disclosure of such information is patently unfair. It is, moreover, contrary to the public interest. If firms are permitted to gain advantages through disclosure of sensitive information in regulatory proceedings--rather than through the operation of the market--the market will never attain the efficient state which produces maximum consumer gains.

For these reasons, GTEFL asks the Commission to grant this Request for confidential treatment of the specified information and to issue a permanent protective order with regard to these data. GTEFL further requests return of the confidential information upon conclusion of this proceeding.

Respectfully submitted on August 17, 1994.

By:



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GTE Florida Incorporated

Exhibit C

<u>Page</u>	<u>Column</u>	<u>Line</u>	<u>Reason</u>
1	B-F	1	Access revenues at risk
1	C	3	Florida-specific factor for calculation of access revenue loss estimate
1	C	4	Revision of 1994 revenue loss estimate
2	B-F	1	1993 revenues and expenditures associated with collocation; estimated number of collocators
2	B-F	2	1994 revenues and expenditures associated with collocation; estimated number of collocators
2	A	3	Number of requests for physical collocation
2	B-D	4	NRC revenues, expenses, and capital
2	A-B	5	Number of MRCs and revenues
2	A-B	6	Number of MRCs and revenues
2	B-D	7	Revenues, expense, and capital totals for physical collocation
2	A	8	Number of collocation requests
2	B-D	9	NRC revenues, expenses, and capital
2	A-B	10	Number of MRCs and associated revenues
2	A-B	11	Number of MRCs and associated revenues

2	B-D	12	Revenues, expense, and capital totals for additional physical collocation
2	A	13	Number of virtual collocation requests
2	B-D	14	NRC revenues, expenses, and capital
2	A-B	15	Number of MRCs and associated revenues
2	A-B	16	Number of MRCs and associated revenues
2	B-D	17	Total revenues, expenses, and capital for virtual collocation requests
2	B-F	18	Total revenues, expenses, and capital for all collocation requests, along with number of physical and virtual collocators
15	A	8-13	Areas investigated in GTE's competitive access assessment
15	B	chart	Access growth estimates, planned price reductions, market loss, and net loss (graphic representation)
15	B	17-20	Access growth estimates, planned price reductions, market loss, and net revenue loss
16	C	1-2	Discussion of impact of competition on GTE
16	A	3-5, 7-8, 10-14	Discussion of impact of competition on GTE
16	C	chart	Investment and expense comparison
16	C	16-20	Discussion of competitive effects on GTE

17	A	1-2	CAP entry conditions
17	A	chart	CAP entry conditions (graphic representation)
17	C	1-14	Discussion of CAP entry and GTE's response
18	A-B	1-5	Level of CAP entry
18	A	chart	Access market segmentation
18	B	chart	CAP entry by market segment
20	A	first graph	Means of CAP entry
20	A	10	At-risk transport dollars
20	A	second graph	Means of CAP entry
20	A	18-19	At-risk switched access dollars
20	B	3-19	Likely regulatory actions and GTE's responses
21	A-B	1-7	Expected behavior of competitive access market
21	A-B	chart, 8-24	Access revenue exposure, market loss, and rationale for predictions
29	A	1-25	Expected CAP technical configurations
29	B	2-25	Competitive exposure in various segments
29	C	2-25	GTE's response to compe- tition
30	A	1-32	Expected CAP technical configurations
30	B	1-32	Competitive exposure in various segments
30	C	1-26	GTE's response to compe- tition
32	A	1	Purpose of particular evaluation

32	A	chart	Graphic representation of GTE's response to competition
32	B	2-10	Discussion of GTE's response to competition
40	A-C	chart	Investment and expense exposure
40	(no column)	8-13	Discussion of GTE's response to competition

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of GTE Florida Incorporated's Request for Confidential Classification and Motion for Permanent Protective Order in Docket No. 921074-TP were sent by U.S. mail on August 17, 1994, to the parties on the attached list.



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MEMORANDUM

August 17, 1994

TO: _____ DIVISION OF APPEALS
_____ DIVISION OF AUDITING AND FINANCIAL ANALYSIS
 _____ DIVISION OF COMMUNICATIONS
_____ DIVISION OF ELECTRIC AND GAS
_____ DIVISION OF RESEARCH
_____ DIVISION OF WATER AND WASTEWATER
_____ DIVISION OF LEGAL SERVICES

FROM: DIVISION OF RECORDS AND REPORTING (FLYNN)

RE: CONFIDENTIALITY OF CERTAIN INFORMATION

DOCUMENT NO. 08387-94

DESCRIPTION: Information produced in response to
Staff's 2nd Request for POD

SOURCE: GTEFL

DOCKET NO.: 921074-TP

The above material was received with a request for confidentiality (attached). Please prepare a recommendation for the attorney assigned to the case by completing the section below and forwarding a copy of this memorandum, together with a brief memorandum supporting your recommendation, to the attorney. Copies of your recommendation should also be provided to the Division of Records and Reporting and to the Division of Appeals.

Please read each of the following and check if applicable.

_____ The document(s) is (are), in fact, what the utility asserts it (them) to be.

_____ The utility has provided enough details to perform a