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October 9, 1998

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

Re: Docket No. 980696-TP
Determination of the cost of basic local telecommunications service,
pursuant to Section 364.025, Florida Statutes

Dear Ms. Bayo:

Please find enclosed for filing an original and fifteen copies of GTE Florida Incorporated's Request for Confidential Classification regarding information included in its responses to Staff's Third Request for Production of Documents in the above matter. 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.

Very truly yours,


Kimberly Caswell

KC:tas
Enclosures

RECEIVED & FILED

A part of GTE Corporation


FISCAL BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

11149 OCT-98

FILED RECORDS & MAILING

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
Filed: October 9, 1998

**GTE FLORIDA INCORPORATED'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Under Commission Rule 25-22.006, GTE Florida Incorporated (GTE) seeks confidential classification and a protective order for certain information included in GTEFL's responses to Staff's Third Request for Production of Documents. (GTE earlier filed the required Notice of Intent to Request Confidential Classification for these items.) While a ruling on the Request is pending, GTE understands that the information at issue is exempt from Florida Statutes section 119.07(1) and Staff will accord it the stringent protection from disclosure required by Rule 25-22.006(3)(d). (A highlighted, unredacted copy and a redacted copy of the confidential material were filed with the Notice of Intent to Request Confidential Classification.)

All of the information for which GTE seeks confidential treatment falls within Florida Statutes section 384.183(3)(e), which defines the term, "proprietary confidential business information," to include "information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of information." If the information at issue were publicly disclosed, it would allow competitors to tailor their marketing, entry and expansion plans accordingly, avoiding much of the trial and error that is the hallmark of an openly competitive marketplace. In addition, some of the information covered by this Request is considered to be

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proprietary and confidential by GTE's third-party vendors, as well as by GTE.

In a competitive business, any knowledge obtained about a competitor can be used to the detriment of the entity to which it pertains, often in ways that cannot be fully anticipated. This unfair advantage skews the operation of the market, to the ultimate detriment of the telecommunications consumer. As such, it is essential for the Commission to afford confidential treatment to the information designated below.

(Please note that Bates-stamped pages 373, 375, 377, 379, 381, 383, 385, 387, 389, 391, 395, and 578-625 are not confidential. They may have been erroneously marked as such in the notice of intent.)

Bates-stamped page 712, columns labelled Units, Old Revenue, New Revenue, and Revenue Change (except the Revenue Change column for second half of the year at current rates and full year for priceout). This page contains detailed information on current and forecasted units and revenues for GTE's Easy Savings toll plan. The number of units for business and residence are given, along with forecasts for the second half of this year and the full year, broken down by contract terms from one to three years. Old revenue, new revenue, and revenue change figures are also given. These data are confidential and highly sensitive because toll is a highly competitive product. Information about revenues for certain of GTE's discount offerings, particularly when coupled with information about forecasts for those services, would be very helpful to competitors in structuring their own toll offerings to ensure their success in competing with GTE. Such an advantage, when gained through the regulatory process, rather than through market trial and error, is patently unfair and inimical to efficient

competition.

Bates-stamped pages 2241 and 2242, all columns except for Account Code column;
page 2243, all numbers except for those in "Line Count Y/E 1997, Total Lines Inserv"
and associated R1, B1 and SPL categories, as well as the account numbers and
ARMIS amounts; and page 2244, all columns containing numbers. These pages show labor rate detail from GTE's labor contracts. They show, by account code, total hours, hourly loaded labor rate, field service order activity, total orders for 1997 (with this figure broken into I,T, and C orders), percentage of orders requiring jumpers, circuits per service order, jumpers per circuit, number of jumpers required, time per jumper, and a detailed breakdown of salary and labor load information by job classification. This kind of information, which reveals aspects of GTE's cost structure, is customarily granted confidential treatment by the Commission. These data would help competitors to structure their own operations (particularly their repair and maintenance functions) to better compete with GTE, and to better understand the profitability of certain types of services and/or methods of operation. As such, their public disclosure would harm GTE, as well as undermine market efficiency.

Bates-stamped page 2942-46, all columns containing numbers. These pages provide a detailed snapshot of GTE's units, costs and revenues for GTE's vertical services, broken down into business and residential figures. Vertical services are, and increasingly will be, a chief market differentiator as between local competitors. With the information on these pages, GTE's actual and potential competitors will know how

much of a particular service GTE has sold, the revenues GTE has gained from the service, and the underlying cost. They will then be able to pick and choose which kinds of services might be most profitable for them to provide, and the services they could most successfully furnish in competition with GTE. The harm to GTE from disclosure of these data is obvious.

Bates-stamped page 3504, the numbers associated with lines 1-4 (the shared conduit, solely owned conduit and total figures at the bottom are not confidential; they may have been labelled as such when originally submitted). This is information about conduit ownership. It shows how much conduit is occupied by GTE, how much is jointly occupied, and how much is jointly owned. This information is considered confidential to GTE and has not been publicly disclosed. GTE believes it would give competitors (particularly facilities-based competitors) an advantage in designing their physical network in the least expensive manner. This kind of advantage, when gained through the regulatory process, rather than in the market, is unfair.

Bates-stamped page 3505, the numbers in all columns, except for the spacing figures under the "BCPM 3.1 Defaults" heading at the top; page 3506, all columns including numbers. These are GTE's input conversions for poles, broken down into details relevant to type of installation. Material, installation, freight, engineering and labor costs and utilization factors are shown. GTE does not publicly disclose such information about its costs, and these kind of data are customarily granted confidential treatment by the Commission. Much of this specific information on GTE's costs associated with pole

placement derives from GTE's contracts with its third party vendors. Thus, the information is treated by those vendors, as well as GTE, as confidential. Its disclosure could harm the vendors' relationships with its potential and actual clients, as well as compromise GTE's own ability to obtain favorable pricing from the vendors.

Bates-stamped page 3507, columns entitled "# of Poles" and "% to Total." This page shows GTE-specific BCPM inputs for pole utilization rates, broken down by number of poles and percent of total for a number of categories, including GTE-owned poles, jointly owned poles, and totals by type. This information has not been publicly disclosed. Again, GTE believes it could provide competitors, particularly facilities-based competitors, an unfair advantage in designing their networks in the least expensive manner.

Bates-stamped pages 3508-3510, columns entitled "Total Business Lines," "Number of Residential Lines," "Number of Single Business Lines," and "Total GRID Lines Served." These columns contain GTE's lines counts, broken down into business, residential, and Grid categories, by central office. These data would be very valuable to a competitor trying to discern which of GTE's areas would be most profitable to serve and what services might be feasible to provide there.

Bates-stamped pages 3520-3522, the three categories under the heading of "Loop Investment Detail Per GRID Line": pages 3523-3525, all columns except "Wire Center",

pages 3526-3534, the three columns under "Monthly Cost Detail per GRID Line"; pages 3535-3537, all columns under GRID Line Detail, except for Number of Households; pages 2528-3540, the last three columns under the GRID Line Length Detail heading. These pages provide very specific investment detail by GTE wire center. This type of information would help competitors know which of GTE's areas might be most cost-effective, and thus most profitable, to serve. The information would also help them know where GTE might be most vulnerable in its cost structure.

Disk provided in response to production request number 43. The confidential information on this disk is at the tabs marked "Sizing GTE," "BCPM WC," and "Rates." However, the whole disk must be considered to be confidential because there is no way of redacting just this information. All of the confidential data is wire-center-specific information. The Sizing GTE tab reflects the information also shown in GTE witness Seaman's Exhibit 2 to his prefiled direct testimony. GTE has already requested confidential treatment for this information. In short, these are the detailed calculations, by wire center, broken down into business and residential, and intrastate and interstate jurisdictions, supporting Mr. Seaman's total universal service fund sizing number. These data would be useful for competitors in discerning the size and composition of GTE's market on a geographically disaggregated basis. The support information would reveal to competitors GTE's costs of serving particular areas and which areas would be the most lucrative. The information in the other two tabs mentioned above is likewise competitively sensitive, as it shows wire-center specific costs per line for various types of lines. All of this information, if publicly disclosed, would give GTE's actual and

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of GTE Florida Incorporated's Request for Confidential Classification regarding its responses to Staff's Third Request for Production of Documents in Docket No. 980696-TP were sent via U.S. mail on October 9, 1998 to the parties on the attached list.



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