# Messer, Caparello & Self

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January 6, 2004

### BY HAND DELIVERY

Ms. Blanca Bayó, Director Commission Clerk and Administrative Services Room 110, Easley Building Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, Florida 32399-0850

Re: Docket No. 030867-TL, 030868-TL, 030869-TL and 030961-TI

Dear Ms. Bayó:

Enclosed for filing on behalf of AT&T Communications of the Southern States, LLC are an original and fifteen copies of AT&T's Request for Confidential Treatment in the above referenced dockets.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely yours,

FRS/amb Enclosures

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### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Flow-through of LEC Switched Access Reductions by IXCs, Pursuant to Section 364.163(2), Florida Statutes.

In re: Petition by Verizon Florida Inc. to reform intrastate network access and basic local telecommunications rates in accordance with Section 364.164, Florida Statutes.

In re: Petition by Sprint-Florida, Incorporated to reduce intrastate switched network access rates to interstate parity in revenue-neutral manner pursuant to Section 364.164(1), Florida Statutes.

In re: Petition for implementation of Section 364.164, Florida Statutes, by rebalancing rates in a revenue-neutral manner through decreases in intrastate switched access charges with offsetting rate adjustments for basic services, by BellSouth Telecommunications, Inc.

**DOCKET NO. 030961-TI** 

DOCKET NO. 030867-TL

DOCKET NO. 030868-TL

DOCKET NO. 030869-TL

FILED: January 6, 2004

## AT&T REQUEST FOR CONFIDENTIAL TREATMENT

AT&T Communications of the Southern States, LLC ("hereinafter "AT&T"), pursuant to section 364.183, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, requests confidential treatment of certain data previously field in these dockets pursuant to a claim for confidentiality. In support of this request AT&T hereby states:

1. Pursuant to the procedure established by the Commission in this docket, on November 19, 2003, AT&T prefiled Direct Testimony of Richard T. Guepe for presentation at the hearings which began December 10, 2003, and which were formally closed on Tuesday, December 16, 2003. The prefiled direct testimony included information considered to be and treated as

proprietary and confidential, and on November 19, 2003, AT&T filed the appropriate corresponding claim for confidentiality as to those portions of Mr. Guepe's testimony pursuant to section 364.183(1), Florida Statutes, and Rule 25-22.006, Florida Administrative Code.

- 2. During the scheduled hearings, Mr. Guepe did appear and sponsor his prefiled testimony and respond to cross-examination. The testimony which was admitted contains the information which was subject to the November 19, 2003 claim of confidentiality. Pursuant to Rule 25-22.006(8)(b), Florida Administrative Code, AT&T requests that the Commission grant confidential treatment to the information contained in the direct testimony of Mr. Richard Guepe, and specifically that information identified as confidential and which appears on page 1323, lines 6, 17-18, 18-19, and 21, and page 1324, lines 11 and 12 of the hearing transcript (pages 10 and 11 of the prefiled direct testimony). The public and redacted copies required by Rule 25-22.006(4) are not being filed at this time as they were filed with the claim filed on November 19, 2003.
- 3. In addition, during the hearing, an exhibit was created and later identified at page 1375 of the Hearing Transcript as Confidential Hearing Exhibit 75. This exhibit contains the confidential handwritten estimate of the relevant AT&T business/residence market share associated with the proposed flow through of access charge reductions. At the time this exhibit was first created and used, it was identified as containing confidential and proprietary business information, and during the course of its use this information was treated as confidential and the information was not publicly disclosed. Because Confidential Hearing Exhibit 75 was created during the hearing, a claim for confidentiality has not been previously filed for the information in this exhibit. In addition, because Confidential Hearing Exhibit 75 is already on file with the Commission, an additional copy is not being filed; for the record, all of the information contained on the one page document that has

been identified as Confidential Hearing Exhibit 75 is claimed as confidential by AT&T so a redacted version is not being provided as it would be a blank piece of paper.

- 4. All of the information for which confidential treatment is now being requested reveals the amount of access savings expected by AT&T (Line 6, Tr. 1323), the allocation between and the amounts to be allocated to AT&T consumer and business customers (Lines 17-18, 18-19, and 21 on page 1323; Confidential Hearing Exhibit 75), and the number of AT&T residential customers who will benefit from the proposed access charge reductions (Lines 11-12, Tr. 1324). AT&T considers such information to be trade secrets and proprietary, confidential business information which, if disclosed, would be of benefit to competitors and cause harm to the company and its customers. Such information provides AT&T an economic benefit, and is not known to or readily ascertainable by other persons. Such information is economically valuable to AT&T and its competitors, and AT&T treats such information as confidential and the company utilizes many processes and procedures to maintain its secrecy.
- 5. As was recognized throughout the hearing in this case, the long distance market in Florida is highly competitive, and the level of competition among interexchange carriers ("IXCs") is undisputed. Given the intensity of the Florida long distance market, any information or data that reveals or can be used to reveal customers, types of customers, or the percentages of residential and business customers is highly confidential. This information on lines 17-18, 18-19, and 21 on transcript page 1323, lines 11-12 of transcript page 1324, and on Confidential Hearing Exhibit 75, is, and is absolutely treated by AT&T, as confidential, proprietary, trade secret information. Over the years, AT&T has spent millions of dollars developing and implementing its marketing strategies. Such information, if publicly available, would reveal to AT&T's competitors AT&T's business

plans and the success of its marketing strategy. In the long distance business, a company's most valuable asset is its customer base, and any public disclosure of AT&T's customer base would be unfair, competitively adverse, and extremely damaging to AT&T's business position. This damage would be compounded in this situation by the fact that since there are only a few IXCs that have participated in this case, and the other IXCs would have the benefit of AT&T information while keeping their own information secret.

6. Disclosure of the amount of the expected access charge reduction flow-through on lines 6, 18-19, and 21, page 1323, would be equally damaging to AT&T's business. The amount of savings reveals not only AT&T's usage of access services, but discloses amounts that can be used by AT&T to offer reductions or new services to current and potential customers. In both instances, the information is valuable to AT&T because it is used in formulating plans and strategies, and it is also valuable to competitors because it provides them with better information as to the ability of AT&T to compete. Although AT&T's service offerings and products are public and advertised, the information for which confidential treatment is sought is not readily or easily ascertainable by other parties, and it is not disclosed by AT&T in a public manner. Indeed, any disclosure of the subject AT&T confidential information would be especially damaging since all of the information at issue pertains to <u>future</u> expected company actions in anticipation of the approval of the ILEC Petitions. In this instance, public disclosure of future business plans is extremely anti-competitive because it signals how AT&T is going to set future rates, months in advance. The antitrust laws recognize that information about future business conduct, especially a company's future prices for services to customers, is extremely valuable to competitors and can lead to a market where customers are subject to inappropriate conduct. While the instant situation is not an antitrust problem, the

consequences of a public disclosure of AT&T's future business plans can have the same type of consequences and place AT&T at a huge marketing disadvantage because all the other IXCs would be able to continue to retain their information as secret. The fact that when the access charge reductions take place AT&T will be required to file its actual new prices does not change the importance of protecting this information which is different than the prices end users will pay after the access charge reductions are implemented through lower rates. Further, when such tariff filings are later made, those tariff amendments under the Commission's rules will take effect on one day's notice. Thus, the future implementation filings will be a very different situation than being required to publicly disclose the sensitive information at issue in these testimony pages and in the confidential hearing exhibit.

- 7. A trade secret is defined in section 688.002 (4), Florida Statutes, the Uniform Trade Secrets Act, to mean:
  - . . . information, including a formula, pattern, compilation, program, devise, method, technique, or process that:
  - (a) Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and
  - (b) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

The information at issue fits plainly in this definition as set forth above. Accordingly, the Commission should grant the request for confidential treatment and find the information on page

1323, lines 6, 17-18, 18-19, and 21, and page 1324, lines 11 and 12 of the hearing transcript, and Confidential Hearing Exhibit 75, to be confidential and exempt from section 119.071(1), Florida Statutes, pursuant to section 364.183(3)(a).

Respectfully submitted,

Floyd R. Self, Esq.

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#### CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by Hand Delivery and/or U. S. Mail this 6<sup>th</sup> day of January, 2004.

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