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July 13, 2016

Verizon Request for Confidential Treatment of Customer Financial Information

In support of Amended Transmittal No. 1335
Transmittal No. 1335 was filed on a streamlined basis
on 15 days' notice under Section 204(a)(3) of the Communications Act.

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Attention: Wireline Competition Bureau

Dear Ms. Dortch:

Today, the Verizon Telephone Companies¹ are submitting an amendment to Transmittal No. 1335 for Tariff FCC Nos. 1, 11, and 16, Access Services, and Tariff FCC No. 14, Facilities for Interstate Access. Transmittal No. 1335 was filed on July 1, 2016 to submit tariff modifications and price cap supporting information in compliance with the FCC's Tariff Investigation Order.² With the Amended Transmittal No. 1335, Verizon is submitting additional backup information in support of the filing. Because some of this is specific customer financial information, Verizon has redacted certain figures contained in columns x, x, x, and x found on Verizon's Computation for Modified Shortfall Penalty worksheet. Accordingly, pursuant to Sections 0.457 and 0.459 of the Commission's rules, Exemption 4 of the Freedom of Information Act ("FOIA"), as well as the Tariff Streamlining Order and the rules adopted thereunder, Verizon is hereby requesting that such customer financial information be treated as confidential and be made subject to the standard Protective Order and Declaration adopted by the Commission in the Tariff

¹ Verizon Delaware LLC, Verizon Maryland LLC, Verizon New England Inc., Verizon New Jersey Inc., Verizon New York Inc., Verizon North LLC, Verizon Pennsylvania LLC, Verizon South Inc., Verizon Virginia LLC, and Verizon Washington, D.C. Inc.

² See *Business Data Services in an Internet Protocol Environment Investigation of Certain Price Cap Local Exchange Carrier Business Data Services Tariff Pricing Plans; Special Access for Price Cap Local Exchange Carriers; AT&T Corporation Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services*, WC Docket Nos. 16-143, 15-247, 05-25, RM-10593, Tariff Investigation Order and Further Notice of Proposed Rulemaking, FCC 16-54 (rel. May 2, 2016) .

Streamlining Order and published in Appendix B thereof. 47 C.F.R. §§ 0.457, 0.459; 5 U.S.C. § 552(b)(4); *Washington Post Co. v. U.S. Dep't of Health and Human Servs.*, 690 F.2d 252 (D.C. Cir. 1982) (FOIA exemption 4 protects from public disclosure confidential commercial or financial information obtained from a person outside of the government). Information in support of this request for confidential treatment and response to Section 0.459(b) of the Commission's rules, 47 C.F. R. § 0.459(b), is provided below.

(1) Identification of the specific information for which confidential treatment is sought. The information for which Verizon seeks confidential treatment is customer financial information which, if made available to competitors and alternative providers, would provide such entities with valuable information regarding Verizon's customer base. It would also provide customers with proprietary and confidential information related to other customers' demand data.

(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission. Compliance with the FCC's Tariff Investigation Order³ for Tariff FCC Nos. 1, 11, and 16, Access Services, and Tariff FCC No. 14, Facilities for Interstate Access, under Transmittal No. 1335, which was filed on 15 days' notice pursuant to the Commission's Tariff Streamlining Order.

(3) Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged. The customer financial information for which Verizon requests confidential treatment is commercial and financial information, not routinely available for public inspection. *See, e.g.*, 47 C.F.R. §0.457(d). Verizon has not filed this type or level of data and considers this valuable information at the level of services and locations to be proprietary. Similarly, the Commission has consistently treated information relating to carriers' demand data as protected confidential information not subject to public inspection. *See e.g., John E. Wall, Jr.; On Request for Inspection of Records*, 22 FCC Rcd 2561 ¶ 3 (2007) ("the records sought by Wall may be withheld pursuant to FOIA Exemption 4 [because].... the information sought would result in competitive harm by enabling competitors to identify demand for individual types of services, thereby targeting facility construction and service marketing to the detriment of Verizon Business").

(4) Explanation of the degree to which the information concerns a service that is subject to competition. These financial data relate to demand in a highly competitive marketplace in which Verizon is subject to actual and potential competition.

(5) Explanation of how disclosure of information could result in substantial competitive harm. Disclosure of confidential financial information, among other things, could "provide 'valuable information about where [a] filer is focusing its efforts to acquire customers and [about] the overall financial health of the filer.'" *Center for Public Integrity v. FCC*, 505 F. Supp. 2d 106, 116 (D.D.C. 2007). This information would assist competitors in understanding how certain Verizon customers are allocating their marketing efforts with respect to certain TDM-based services in the areas covered by the subject tariffs.

³ *Id.*

(6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure.

Verizon does not customarily make available to the public this type or level of information with respect to itself or its customers.

(7) Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties. This financial information for which confidentiality is sought are not made available to the public and has not been disclosed to third parties.

(8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure. Given the sensitive nature of the customer financial information for which confidentiality is requested, Verizon requests that confidential treatment apply indefinitely. This period of time is necessary to prevent an unfair competitive advantage for Verizon's competitors (and Verizon's customers' competitors) who may be able to use historical data to gain insight into Verizon's and Verizon's customers' competitive offerings and strategies.

(9) Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidentiality should be granted. Here, as described above, the information for which the exemption is requested is confidential demand information, submitted by Verizon, a non-government entity and thus should be considered confidential. *See* 5 U.S.C. § 552(b)(4); *Nat'l Parks and Conservation Ass'n v. Morton*, 498 F.2d 765, 770 (D.C. Cir. 1974) (information submitted to the government involuntarily is considered to be "confidential" if disclosure is likely to harm substantially the competitive position of the person from whom the information was obtained); *see also Critical Mass Energy Project v. Nuclear Regulatory Comm'n*, 975 F.2d 871, 873 (D.C. Cir. 1992). Moreover, for purposes of the issues in this proceeding, the identity of particular customers and their specific demand data is irrelevant, and there is no legitimate basis for any third parties to receive such data.

Therefore, pursuant to Sections 0.457 and 0.459 of the Commission's rules, Verizon respectfully requests that the customer financial information filed herewith be treated under the Commission's rules as not available for public inspection. Verizon additionally requests that its information not be included in any publication while this request is pending. Verizon respectfully requests that the Commission grant confidential treatment to certain customer financial information, submitted in support of Amended Transmittal No.1335, and that such information be subject to the standard protective order provided for in the Tariff Streamlining Order.

Pursuant to the non-disclosure agreement that provides for review of information granted confidential treatment by interested parties, for the specific purpose of review and comment on the instant amended transmittal only, Verizon will provide access and review of such information to signatories of such an agreement made with the contact at the location listed below.

July 13, 2016

Page 4

All correspondence and inquiries in connection with this request should be forwarded to Frederick Moacdieh, Executive Director, Federal Regulatory Affairs, via facsimile on (202) 336-7922 or by hand-delivery to 1300 I Street, NW, Suite 400 West, Washington, DC 20005.

A handwritten signature in black ink, appearing to read 'F. Moacdieh', is positioned above a thin horizontal line.

Frederick Moacdieh
Executive Director