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August 17, 2004

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

Re: Transmittal No. 483, Request for Confidential Treatment

Dear Ms. Dortch:

The Verizon Telephone Companies ("Verizon") request confidential treatment of certain cost support and demand data filed in conjunction with Transmittal No. ___, which introduces a Wireless Service Number Portability ("WSPNP") surcharge. *See* 47 C.F.R. §§ 0.457, 0.459. The attached document contains commercially sensitive cost and demand information relating to Verizon's costs of providing WSPNP. This data constitutes "trade secrets and commercial or financial information" that is "confidential" and exempt from disclosure under the Exemption 4 of the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552(b)(4). The information for which protection is requested has been redacted and marked as "proprietary." Verizon requests that the material marked as proprietary be withheld from public release except to persons who execute the Commission's standard protective agreement. *See Implementation of Section 402(b)(1)(A) of the Telecommunications Act of 1996*, 12 FCC Rcd 2170 (1997) ("*Tariff Streamlining Order*").

In support of this request, Verizon submits the following information as required by section 0.459(b) of the Commission's FOIA rules.

1) Identification of the specific information for which confidential treatment is sought.

Verizon requests that the redacted information, which is marked as "proprietary" in the attached versions of the Transmittal No. ___, be treated as confidential information under FOIA Exemption 4. This data includes proprietary cost and other commercially confidential data associated with Verizon's provision of WSPNP.

2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstance giving rise to the submission.

Verizon submitted this information as part of the cost support for Verizon's Transmittal No. ____ to introduce a surcharge to recover the costs associated with provision of WSPNP.

3) Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged.

Verizon seeks confidential treatment for certain demand data and information about the costs that Verizon incurs to provide WSPNP. This is commercially sensitive information that telecommunications carriers normally keep confidential. Verizon keeps this data confidential and does not voluntarily disclose the information outside the company unless compelled by law or under the protections of a nondisclosure agreement.

4) Explanation of the degree to which the information concerns a service that is subject to competition.

The information concerns Verizon's introduction of a surcharge to recover costs associated with provision of intermodal number portability pursuant to Section 251(b)(2) of the Telecommunications Act of 1996. The ability of customers to port their existing telephone numbers is essential to facilitate intermodal competition and removes a barrier to selection of an alternate provider for telecommunications service.

5) Explanation of how disclosure of the information could result in substantial competitive harm.

Disclosure of this data would subject Verizon to substantial competitive harm. Disclosure of this data would also give competitors insight into Verizon's supplier switch and software upgrade costs as well as Verizon's ability to respond to competitive challenges for switch-based services. Knowledge of the costs Verizon incurs to purchase telecommunications equipment would give competitors an edge in negotiating purchases of similar equipment from suppliers and negate the advantages Verizon obtains through superior negotiating ability. The demand data reveals Verizon's expectations of competitive success, or failure, in securing new, or retaining existing, customers. Disclosure of Verizon's cost and demand data would put Verizon at a disadvantage because it lacks similar information about its competitors. That Verizon's competitors treat this information as highly confidential demonstrates the competitive harm that Verizon would suffer if this information were made public.

- 6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure, and**
- 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 information is kept confidential within Verizon and is not ordinarily disclosed to persons outside the company. This information is restricted within the company on “a need to know” basis. Company practices instruct employees not to disclose this information unless required to do so by competent authority. When such information is disclosed in regulatory proceedings voluntarily or by order of a commission, it is accompanied by requests for confidential treatment.

- 8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure.**

The material must be kept confidential for an indefinite period. Confidential treatment must be accorded for as long as the information would provide a basis for competitors to assess Verizon’s financial condition and marketing plans for telecommunications services. Verizon cannot determine at this time any date by which the information would become “stale” for these purposes.

- 9) Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidentiality should be granted.**

Under applicable Commission and court rulings, this material should be kept confidential and should not be disclosed to the public. FOIA Exemption 4 shields information from public disclosure that is (1) commercial or financial in nature; (2) obtained from a person outside the government; and (3) privileged or confidential. *See Washington Post Co. v. United States Dep’t of Health and Human Services*, 690 F.2d 252 (D.C. Cir. 1982). The attached information clearly meets this test. The information for which Verizon seeks confidential treatment is, as explained herein, commercial or financial in nature and obtained outside the government, i.e., from Verizon.

With respect to the third element, information is considered “confidential” if disclosure is likely to (1) impair the government’s ability to obtain necessary information in the future, or (2) disclosure is likely to harm substantially the competitive position of the person from whom the information was obtained. *See National Parks and Conservation Ass’n v. Morton*, 498 F. 2d 765, 770 (D.C. Cir. 1974). The Commission has itself recognized that competitive harm can result from the disclosure of confidential business information that gives competitors insight into a company’s costs, pricing plans, market strategies, and customer identities. *See, e.g., Pan American Satellite Corp.*, 4 FCC Rcd 4586 (1989). As discussed above, the information for which Verizon seeks confidential treatment would provide Verizon’s competitors with

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substantial information about Verizon's pricing, costs, and demand forecasting and therefore fully satisfies this test.

10) Protective Order Requested

Pursuant to the *Tariff Streamlining Order*, the Commission should permit disclosure of the unredacted information only to persons (other than Commission employees working directly on the matter) who sign and agree to abide by the Commission's standard protective agreement. Prior to any public disclosure, please provide me with reasonable advance notice to allow Verizon to pursue appropriate remedies to preserve the confidentiality of the information.

Thank you for your assistance with this matter. Should you have any questions about this request, please contact me at 703-351-3039.

Sincerely,

Joshua E. Swift

cc: Judith Nitsche