

140 West Street
27th Floor
New York, NY 10007
Tel (212) 321-8115
Fax (212) 962-1687
richard.fipphen@verizon.com

Richard C. Fipphen
Assistant General Counsel



December 29, 2010

Catrice C. Williams, Secretary
Department of Telecommunications and Cable
1000 Washington Street, Suite 820
Boston, Massachusetts 02118-6500

***Re: D.T.C. 10-2 – Petition of Choice One Communications of Massachusetts Inc.,
Conversent Communications of Massachusetts Inc., CTC Communications
Corp. and Lightship Telecom LLC for Exemption from Price Cap on Intrastate
Switched Access Rates as Established in D.T.C. 07-9***

Dear Ms. Williams:

Enclosed please find Verizon's revised responses to One Communications' requests One Comm-VZ-4-7 and 4-8, along with Verizon's Motion for Confidential Treatment.

Thank you for your assistance in this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard C. Fipphen".

Richard C. Fipphen

cc: Service List

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND CABLE

Petition of Choice One Communications of Massachusetts)
Inc., Conversent Communications of Massachusetts Inc.,)
CTC Communications Corp. and Lightship Telecom LLC)
for Exemption from Price Cap on Intrastate Switched)
Access Rates as Established in D.T.C. 07-9)

D.T.C. 10-2

VERIZON'S MOTION FOR CONFIDENTIAL TREATMENT

Verizon New England Inc., d/b/a Verizon Massachusetts, MCImetro Access Transmission Services of Massachusetts, Inc., d/b/a Verizon Access Transmission Services, MCI Communications Services, Inc., d/b/a Verizon Business Services, Verizon Long Distance LLC, and Verizon Select Services, Inc. (collectively "Verizon") hereby request that the Massachusetts Department of Telecommunications and Cable ("Department") grant this motion for confidential treatment of certain proprietary cost information of two Verizon ILEC affiliates provided in a revised response to One Comm-VZ-4-7 and 4-8, filed concurrently with this motion. As grounds for this request, Verizon states that information from cost studies submitted by Verizon ILEC affiliates in proceedings before the Pennsylvania and New Jersey state commissions is competitively sensitive information and constitutes a trade secret under Massachusetts law. Specifically, Verizon seeks confidential treatment for the switching fill factors contained in incremental cost studies for switched access services submitted by Verizon ILEC affiliates (Verizon Pennsylvania Inc. and Verizon New Jersey Inc.) in proceedings before the

Pennsylvania Public Utility Commission (Docket No. C-2002-7195) and the New Jersey Board of Public Utilities (Docket No. TX08090830). The information for which Verizon seeks protection here was treated as protected information in the Pennsylvania and New Jersey proceedings.

STANDARD OF REVIEW

Under Massachusetts General Laws c. 25, § 5D, the Department is empowered to protect from public disclosure trade secrets or other proprietary information that is produced in the course of Department proceedings. In determining whether certain information qualifies as a “trade secret,”¹ Massachusetts courts have considered the following:

- (1) the extent to which the information is known outside of the business;
- (2) the extent to which it is known by employees and others involved in the business;
- (3) the extent of measures taken by the employer to guard the secrecy of the information;

¹ Massachusetts law defines a trade secret as “anything tangible or electronically kept or stored which constitutes, represents, evidences or records a secret scientific, technical, merchandising, production or management information design, process, procedure, formula, invention or improvement.” Mass. General Laws c. 266, § 30; see also Mass. General Laws c. 4, § 7. The Massachusetts Supreme Judicial Court, quoting from the Restatement of Torts, § 757, has further stated that “[a] trade secret may consist of any formula, pattern, device or compilation of information which is used in one's business, and which gives him an opportunity to obtain an advantage over competitors ... It may be a formula treating or preserving material, a pattern for a machine or other device, or a list of customers ...” *J.T. Healy and Son, Inc. v. James Murphy and Son, Inc.*, 260 N.E.2d 723, 729 (1970).

- (4) the value of the information to the employer and its competitors;
- (5) the amount of effort or money expended by the employer in developing the information; and
- (6) the ease of difficulty with which the information could be properly acquired or duplicated by others.

Jet Spray Cooler, Inc. v. Crampton, 282 N.E.2d 921, 925 (1972). The protection afforded to trade secrets is widely recognized under both federal and state law. In *Board of Trade of Chicago v. Christie Grain & Stock Co.*, 198 U.S. 236, 250 (1905), the U.S. Supreme Court stated that the board has “the right to keep the work which it had done, or paid for doing, to itself.” Similarly, courts in other jurisdictions have found that “[a] trade secret which is used in one's business, and which gives one an opportunity to obtain an advantage over competitors who do not know or use it, is private property which could be rendered valueless ... to its owner if disclosure of the information to the public and to one's competitors were compelled.” *Mountain States Telephone and Telegraph Company v. Department of Public Service Regulation*, 634 P.2d 181, 184 (1981).

ARGUMENT

Verizon seeks to restrict from public disclosure only information that, if made available to the public, would allow Verizon's competitors to know valuable information about Verizon's costs. Cost information about a competitor is valuable to competing firms seeking to find ways to gain advantages in a highly competitive marketplace. Public disclosure of cost information thus hands to those competitors a distinct competitive advantage over Verizon in the

telecommunications marketplace and would potentially cause substantial harm to the competitive position of Verizon in the Commonwealth as well as in the states that are the subject of this discovery request, *i.e.* Pennsylvania and New Jersey. Verizon takes extensive measures to protect cost information when it is made available to non-employees and employees alike, which is done only under limited circumstances.

Verizon's competitors might gain valuable insights into its business operations and benefit from the disclosure of such sensitive commercial information. Specifically, making cost data public would allow a competitor to access otherwise unavailable information to benchmark Verizon's data against its own, and draw inferences about Verizon's cost structure. A competing firm would not be able to gain this information from any publicly available sources.

The changed landscape in Massachusetts requires the Department to take account of competition and to encourage businesses to fairly compete. That means that competitors such as Verizon must be allowed to maintain the confidentiality of data which, if released, would give its competitors an advantage in the marketplace. Accordingly, Verizon has a legitimate need to maintain the confidentiality of the cost study data, and that interest far outweighs any minor benefit to be obtained through public disclosure of the material.

WHEREFORE, Verizon respectfully requests that the Department grant this motion.

Respectfully submitted,

VERIZON NEW ENGLAND INC., MCIMETRO
ACCESS TRANSMISSION SERVICES OF
MASSACHUSETTS, INC., MCI
COMMUNICATIONS SERVICES, INC., VERIZON
LONG DISTANCE LLC, and VERIZON SELECT
SERVICES, INC.

By their Attorneys,



Alexander W. Moore
125 High Street, Oliver Tower, 7th Floor
Boston, Massachusetts 02110-1585
(617) 743-2265

Richard C. Fipphen
140 West Street – 27th Floor
New York, New York 10007
(212) 321-8115

Dated: December 29, 2010