

Confidential Release

Case Number: 94-1467-TP-ATA

**Date of Confidential Document:
September 1, 1994**

**Today's Date:
August 20, 2009**

**Affidavit in support of request to maintain
confidentiality of certain information provided in
support of Cincinnati Bell Telephone's tariff
application, filed under seal.**

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DOCKETING DIVISION
PUBLIC UTILITIES COMMISSION OF OHIO

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the matter of the application of) Case No.
The Cincinnati Bell Telephone Company)
for approval of the Custom Calling tariff)

**AFFIDAVIT FILED UNDER SEAL IN SUPPORT OF REQUEST TO MAINTAIN
CONFIDENTIALITY OF CERTAIN COST DOCUMENTS PROVIDED IN SUPPORT
OF CBT'S TARIFF APPLICATION CASE NO. 94-1467-TP-ATA**

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

LINDA D. FRANK, first being duly cautioned and sworn, states as follows:

1. I am a director for Marketing for CBT, and this Affidavit is based on my personal knowledge.

2. The cost study provided to the PUCO Staff contains documents revealing specific information of CBT's Call Return, Repeat Dialing, and Three Way Calling ("Pay-Per-Use") services and CBT's network. Access to this document should be restricted.

3. The Pay-Per-Use cost study would provide current and potential competitors, such as Competitive Access Providers (CAPs), with information that would define specific capabilities of CBT's network. Access to this information would permit CBT's competitors to devise market entrance and competing strategies based upon the underlying cost structure of the aforementioned services and derive estimates of CBT's network design, efficiency, and cost.

4. In preparation of the cost study, the collective experience of CBT's employees in designing and constructing networks, extensive customer contact and research to develop an effective marketing strategy, and specific research and testing regarding equipment to provide these services were included. All of this expertise is reflected in the design of this

cost study. Access to this information would enable competitors to discover, free of charge, CBT's strategy for and cost to provide these services, as well as derive CBT's design of, future plans for, and cost of its network which was developed from years of experience, research, and acquired market knowledge.

5. CBT understands the value of the information contained in the Pay-Per-Use Cost Study and guards this information closely. The complete cost study exists in only one location in a locked departmental file within CBT's Regulatory Affairs Department. The portions of the cost study developed by a specific cost analyst are kept by that cost analyst in the file. Summaries of the cost study exist in only two locations: (1) on file with the tariff subject matter expert in the Regulatory Affairs Department and (2) on file with the Product Manager of Mass Market Services in the Marketing Department. Both cost study summaries are kept in locked files.

6. The cost study contains information as to the cost of the switch and other components of the service. The cost study also includes proprietary information from equipment and software vendors, and proprietary information in Bellcore costing models that must be protected. Access to this information would enable competitors to determine the type and capabilities of current and future network services and reveal vendor and Bellcore proprietary information.

7. Repeat Dialing, a Cell 4 service, carries a unique requirement for confidentiality. As a fully competitive service, multiple solutions exist that are competitive to Repeat Dialing. Access to costing information on this service could provide an immediate advantage for competitors already in the marketplace with similar solutions. Any access to the cost information for Repeat Dialing could have a direct, negative impact on the success of the service.

8. Call Return and Three-Way Calling, both Cell 3 services, are discretionary to basic telephone service. Competitors who enter the marketplace will certainly make similar services available to their customers and will be able to use the cost study information to develop entrance and competing strategies free of cost and risk. It is because of this fact that the cost study should be kept confidential. For previously stated reasons, access to the cost study would prove unfairly detrimental to CBT's position in the marketplace for these

services.

9. Also included in the cost study is the Minimum Price Catalog which contains a listing of each rate element and the minimum price that CBT could charge for each rate element. If competitors were given access to this information, they could develop market entrance and competitive strategies based upon the minimum Price Catalog capitalizing on the knowledge of CBT's lowest possible price.

10. In preparation of the Pay-Per-Use Minimum Price Catalog, the collective experience of CBT's extensive customer contact and market research to develop an effective marketing plan, and the effort to develop the cost study to support the minimum prices were included. All of this expertise is reflected in the Pay-Per-Use Minimum Price Catalog. Access to this information would allow potential competitors to discover, free of charge, CBT's underlying marketing strategy, which was developed from years of experience and acquired market knowledge. Some information could be used immediately in the marketing of competitive products to unfairly damage CBT's position in the marketplace.

11. CBT understands the value of the information contained in the Pay-Per-Use Minimum Price Catalog. The complete Minimum Price Catalog exists in only two locations: (1) on file with the tariff subject matter expert in the Regulatory Affairs Department and (2) on file with the Product Manager of Mass Market Services in the Marketing Department. Both minimum price summaries are kept in locked files.

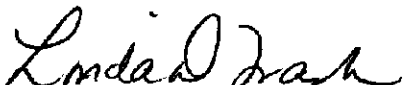
12. The Pay-Per-Use Minimum Price Catalog contains information as to the lowest price CBT could charge for this service. Access to this information would allow competitors to acquire accurate market intelligence on CBT, free of charge. In most markets, competitors would have to expend resources to acquire information that is not as accurate. With this freely acquired information, a competitor would be able to know, without risk, what price it would have to propose to underbid CBT for a potential customer or at the very least what the hurdle rate would be for a mass market entrance strategy.

13. Customers also should not have access to the information available in the Minimum Price Catalog. Modern markets respond to the price signals of products or services sent out by a company. These price signals are based upon the interaction of a customer's demand curve and a company's supply curve. If customers were to have access to the

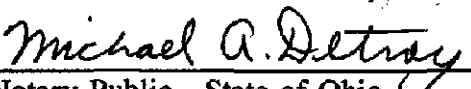
minimum prices that CBT could offer a service, the credibility of the current market price (above the minimum price) would be seriously, and unfairly damaged and would, therefore, send incorrect market signals to potential customers.

14. The commission should not release any of this information to the public; rather, it should remain confidential and subject to appropriate protection.

FURTHER AFFIANT SAYETH NAUGHT.


Linda D. Frank

Sworn and subscribed in my presence this 31ST day of August, 1994


Notary Public - State of Ohio

MICHAEL A. DETROY
Notary Public, State of Ohio
My Commission Expires Dec. 8, 1998