Patrick W. Turner
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1025 Lenox Park Blvd NE
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May 15, 2023

VIA ALTERNATIVE ELECTRONIC FILING

Ms. Sallie Tanner
Executive Secretary
244 Washington Street, SW
Atlanta, GA 30334

Re: Docket No. 32235: Generic Proceeding to Implement House Bill 168

Dear Ms. Tanner:

Enclosed for filing in the above-referenced proceeding are:

1) Statement of Confidentiality;

2) Trade Secret Affidavit; and

3) Public version of AT&T Georgia's Responses to Staff's First Set of Data Requests that were served on April 14, 2023.

Under protection of the trade secret rules, AT&T Georgia is separately providing to Mr. Patrick Reinhart a **TRADE SECRET** version of its Responses.

Thank you for your assistance.

Sincerely,



Patrick W. Turner

PWT/sh
Enclosures

cc: Mr. Patrick Reinhardt (via electronic mail at patrickr@psc.state.ga.us)

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

In Re:	)	
	)	
Generic Proceeding to Implement House Bill 168,	)	Docket No. 32235
	)	
	)	
	)	

AT&T GEORGIA'S STATEMENT OF CONFIDENTIALITY

AT&T Georgia[1] hereby files this Statement of Confidentiality pursuant to Section 515-3-1.11 of the Rules of the Georgia Public Service Commission and states as follows:

1. Rule 515-3-1.11 requires that a party claiming that information constitutes a trade secret provide, in writing, that basis of this claim. Rule 515-3-1.11(c) specifically requires that this statement detail (1) the economic benefit derived from the information not being generally known; (2) the economic benefit to others if disclosure were to occur and (3) the procedures utilized to maintain confidentiality. The statement is submitted to meet these requirements. The confidential trade secret information is identified in red in the TRADE SECRET version of AT&T Georgia's Responses to Staff's First Set of Data Requests that were served on April 14, 2023, which was delivered to Commission Staff member Patrick Reinhardt on May 15, 2023.

[1] BellSouth Telecommunications, LLC d/b/a AT&T Georgia

2. The subject trade secret material is comprised of information addressing internal AT&T Georgia processes and a granular level of detail regarding revenues and access lines of AT&T Georgia and certain of its affiliates.

3. Release of this trade secret information to the general public would provide AT&T Georgia's competitors an unfair advantage in a competitive market.

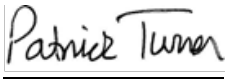
4. This trade secret information sought is not generally know, and this information is not readily ascertainable to third parties by any proper means. AT&T Georgia takes all appropriate and legal measures to ensure that such information is disseminated internally only to those with a need to know, and that all public measures are taken to protect the information when it is required to be filed in a public forum.

5. AT&T Georgia has provided this confidential information under protective seal as provided for in Commission Rule 515-3-1.11

6. The attached affidavit supports this Statement of Confidentiality.

Respectfully submitted this 15th day of May, 2023.

AT&T GEORGIA



Patrick W. Turner
1025 Lenox Park Blvd NE
Shared (5th Floor)
Atlanta, GA 30319
(803) 629-4195
pt1285@att.com

CERTIFICATE OF SERVICE

This is to certify that on this 15th day of May, 2023, I served a copy of the foregoing, via electronic mail as follows:

Patrick Reinhardt
Georgia Public Service Commission
244 Washington Street, S.W.
Atlanta, GA 30334
Via Email patrickr@psc.state.ga.us

s/ Susan M. Hodge
Susan M. Hodge, Assistant
AT&T Services, Inc.
1025 Lenox Park Blvd NE
Shared (5th Floor)
Atlanta, GA 30319

STATE OF Georgia

COUNTY OF Fulton

TRADE SECRET AFFIDAVIT
PURSUANT TO COMMISSION RULE 515-3-1.11

Personally appeared before me, the undersigned officer duly authorized to administer oaths, Patrick W. Turner who upon being sworn, deposes and states as follows:

1. My name is Patrick W. Turner. I am over the age of 18 years and am competent to testify to the matters herein. I made this Affidavit based upon my own personal knowledge and upon my review of the relevant information. This Affidavit is made in accordance with the provisions of Georgia Public Service Commission Rule 515-3-1.11.

2. I am Assistant Vice-President – Senior Legal Counsel for AT&T Services, Inc., and my office is at 1025 Lenox Park Blvd NE, Shared (5th Floor), Atlanta, Georgia 30319.

3. I am familiar with the information described in AT&T Georgia's Statement of Confidentiality to be submitted to the Georgia Public Service Commission in Docket No. 32235 on or about May 15, 2023.

4. That information constitutes confidential, proprietary, and trade secret information pursuant to O.C.G.A. §50-39-3 in that it addresses internal AT&T Georgia processes and a granular level of detail regarding revenues and access lines of AT&T Georgia and certain of its affiliates.

5. Release of that trade secret information to the general public would provide AT&T Georgia's competitors an unfair advantage in a competitive market.

6. That trade secret information is not generally known, and it is not readily ascertainable to third parties by any proper means. AT&T Georgia takes all appropriate and legal measures to ensure that such information is disseminated internally only to those with a need to know, and that all public measures are taken to protect the information when it is required to be filed in a public forum.

FURTHER, Affiant saith not.

Patrick W. Turner

Sworn to and subscribed
before me this 12 day
of May, 2023.

MICHAEL R HILL
NOTARY PUBLIC
FULTON COUNTY, GEORGIA
MY COMMISSION EXPIRES
MARCH 07, 2025

(Seal)

Notary Public
My Commission expires: 3/7/25

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

In Re:	)	
	)	
Generic Proceeding to Implement House Bill 168,	)	Docket No. 32235
	)	
	)	
	)	

RESPONSES TO STAFF'S FIRST SET OF DATA REQUESTS TO BELLSOUTH TELECOMMUNICATIONS, LLC D/B/A AT&T GEORGIA

AT&T Georgia[1] respectfully submits the following responses to Staff's First Set of Data Requests that were served on April 14, 2023.

STF-1-1 **On October 28, 2022, AT&T Georgia filed a letter with the Commission in Docket No. 32235, in which it stated that it had been including affiliate transaction revenue in the intrastate revenue that is subject to its contributions to the UAF.**

(a) **How is AT&T Georgia compensated by its affiliates for intrastate telecommunications services? (*e.g.* do affiliates make monetary payments to AT&T Georgia or are dollar amounts imputed?)**

[REDACTED TRADE SECRET]. Regardless of the method, however, those intrastate affiliate revenues should not be subject to contributions to the UAF, just as interstate affiliate revenues are not subject to contributions to the Federal USF.

(b) **Separately stated for the 3rd and 4th quarters of 2022, please identify the dollar amount of intrastate telecommunications services revenue from each AT&T affiliate, broken out by affiliate, that AT&T Georgia is now excluding from the UAF calculation.**

Please see the Attachment A, which has been identified as Trade Secret pursuant to Commission Rule 515-3-1-.11.

(c) **Please identify the number of retail access lines AT&T Georgia has.**

[1] BellSouth Telecommunications, LLC d/b/a AT&T Georgia.

AT&T Georgia respectfully objects to this Request on the grounds that it seeks information that is not relevant to the subject matter of this proceeding. Docket No. 32235 addresses administration of the UAF, and contributions to the UAF for all providers (not only AT&T Georgia) are based on revenues and not access lines. See, e.g., O.C.G.A. §46-5-167(b)(1); *Order Modifying Universal Access Fund Contribution Factor*, Document No. 193445 in Docket No. 32235 at 1 (Feb. 27, 2023)(noting that the Commission has "found that it 'is reasonable to base calculations for contributions to the UAF on *gross intrastate revenues*.'")(emphasis added); Staff Memo re Universal Access Fund Contribution Factor and Revenue Threshold, March 2, 2023 (noting that the new UAF contribution factor "will apply to *revenue* collected from April 1- June 30, 2023)(emphasis added); Georgia Public Service Commission Universal Access Fund (UAF) Quarterly Contribution Form (requiring "quarterly revenue" information but not access line information).

Without waiving that objection, on its most recent FCC Form 477, AT&T Georgia identified a total of [REDACTED TRADE SECRET] access lines as of December 31, 2022. This number does not include company official lines.

(d) Please identify the number of official access lines (i.e., for internal use at AT&T Georgia) AT&T Georgia has.

AT&T Georgia respectfully objects to this Request on the grounds that it seeks information that is not relevant to the subject matter of this proceeding. Docket No. 32235 addresses administration of the UAF, and contributions to the UAF for all providers (not only AT&T Georgia) are based on revenues and not access lines. See, e.g., O.C.G.A. §46-5-167(b)(1); *Order Modifying Universal Access Fund Contribution Factor*, Document No. 193445 in Docket No. 32235 at 1 (Feb. 27, 2023)(noting that the Commission has "found that it 'is reasonable to base calculations for contributions to the UAF on *gross intrastate revenues*.'")(emphasis added); Staff Memo re Universal Access Fund Contribution Factor and Revenue Threshold, March 2, 2023 (noting that the new UAF contribution factor "will apply to *revenue* collected from April 1- June 30, 2023)(emphasis added); Georgia Public Service Commission Universal Access Fund (UAF) Quarterly Contribution Form (requiring "quarterly revenue" information but not access line information).

Without waiving that objection, as of December 31, 2022, AT&T Georgia had [REDACTED TRADE SECRET] official access lines.

STF-1-2 **In its October 28, 2022 letter, AT&T Georgia stated that the affiliate transaction revenue is not included in revenue subject to its contributions under the Federal Universal Service Fund.**

(a) **Is it AT&T Georgia's position that because the affiliate transaction revenue is not included in revenue subject to its contributions under the Federal Universal Service Fund that the revenue should not be included in the revenue subject to its contributions to the UAF? If so, please provide any and all reasons in support of this position.**

(b) **Please state any other basis AT&T Georgia has for its position that affiliate transaction revenue should not be included in revenue subject to its contributions under the UAF.**

AT&T Georgia objects to this question on the grounds that it seeks information that is protected by the attorney-client privilege, the work product doctrine, and/or applicable prohibitions against "contention interrogatories."

Without waiving these objections, AT&T Inc. uses consolidated financial statements to report financial data for all of its wholly owned operating affiliates, including AT&T Georgia. Accordingly, generally accepted accounting principles ("GAAP") direct AT&T Georgia to eliminate intra-entity transactions and profits or losses in the preparation of such statements. See Financial Accounting Standards Board, Accounting Standards Codification § 810-10-45-1 ("In preparation of consolidated financial statements, intra-entity balances and transactions shall be eliminated. … As consolidated financial statements are based on the assumption that they represent the financial position and operating results of a single economic entity, such statements shall not include gain or loss on transactions among operating results from a single economic entity, such statements shall not include gain or loss on transactions among the entities in the consolidated group. Accordingly, any intra-entity profit or loss on assets remaining within the consolidated group shall be eliminated; the concept usually applied for this purpose is gross profit or loss …. "); § 810-10-45-10 ("If combined financial statements are prepared for a group of related entities, such as a group of commonly controlled entities, intra-entity transactions and profits or losses shall be eliminated, and noncontrolling interests …."); and § 810-10-45-19 ("Revenues, expenses, gains, losses, net

income or loss, and other comprehensive income shall be reported in the consolidated financial statements at the consolidated amounts, which include the amounts attributable to the owners of the parent and the noncontrolling interest."). In other words, affiliate transaction "revenue" simply is not revenue under GAAP.

Further, administering the UAF consistent with GAAP and with the Federal Communications Commission's (FCC) administration of the Federal USF is consistent with Georgia statutes and Commission rules. See, e.g., O.C.G.A. §46-2-20(f) (authorizing the Commission to adopt accounting principles consistent with those adopted by analogous federal agencies); §46-2-20 (for ratemaking purposes, certain income matters "will be accounted for as required by generally accepted accounting principles governing all businesses"); Commission Rule 515-3-1-.10 (generally requiring telephone and telegraph companies to adopt "the revised system of account devised by the Federal Communications Commission . . . .").

Additionally, courts have long recognized that internal use services are not "telecommunications services" under applicable law. See, United States v. Western Electric Co., 569 F. Supp. 1057, 1098-1100 (D.D.C. 1983).

Finally, upon information and belief, AT&T Georgia is not alone in eliminating intrastate affiliate revenue from the amounts that are subject to contributions to the UAF – we believe other contributors to the UAF, including without limitation members of the Georgia Cable Association, likely also eliminate intrastate affiliate revenue from the amounts that are subject to contributions to the UAF. Accordingly, AT&T Georgia respectfully submits that if this inquiry is to be pursued further, the scope of the inquiry should not be limited to AT&T Georgia but, instead, should be expanded to include all contributors to the UAF.

Respectfully submitted, this 15th day of May, 2023.

AT&T GEORGIA



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CERTIFICATE OF SERVICE

This is to certify that on this 15th day of May, 2023, I served a copy of the foregoing, via electronic mail as follows:

Patrick Reinhardt
Georgia Public Service Commission
244 Washington Street, S.W.
Atlanta, GA 30334
Via Email patrickr@psc.state.ga.us

Sallie Tanner
Executive Secretary
Georgia Public Service Commission
244 Washington Street S.W.
Atlanta, GA 30334-5701
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s/ Susan M. Hodge
Susan M. Hodge, Assistant
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