

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

US SPRINT COMMUNICATIONS COMPANY)
LIMITED PARTNERSHIP'S PETITION FOR) CASE NO.
CONFIDENTIAL TREATMENT OF INFORMATION) 90-117
CONTAINED IN ITS 1989 ANNUAL REPORT)

O R D E R

This matter arising upon petition of US Sprint Communications Company Limited Partnership ("US Sprint") filed May 30, 1990 pursuant to 807 KAR 5:001, Section 7, for confidential protection of portions of its 1989 Annual Report on the grounds that disclosure is likely to cause US Sprint competitive injury, and it appearing to this Commission as follows:

On April 2, 1990, US Sprint petitioned the Commission for confidential protection of the information in Part IV and Schedules A, B, and C of its 1989 Annual Report. By Order entered May 22, 1990, the petition was denied and US Sprint, by this petition, has requested reconsideration of that Order. In addition, US Sprint has requested that the information contained in Part IV of the annual report be protected from public disclosure.

As stated in the earlier Order, 807 KAR 5:001, Section 7, protects information as confidential when it is established that disclosure is likely to cause substantial competitive harm to the party from whom the information was obtained. In order to satisfy this test, the party claiming confidentiality must demonstrate

actual competition and a likelihood of substantial competitive injury if the information is disclosed. Competitive injury occurs when disclosure of the information gives competitors an unfair business advantage.

The supplemental petition demonstrates that US Sprint, as a facilities based interLATA, intrastate telecommunications carrier, competes with other facilities-based carriers providing the same service. These include AT&T Communications of the South Central States, Inc., MCI Telecommunications Corporation, LiTel Telecommunications Corporation, Allnet Communications Services, Inc., and Metromedia Long Distance, Inc. US Sprint also competes against non-facilities based interLATA, intrastate carriers such as AmeriCall Systems of Louisville, Cincinnati Bell Long Distance, Inc., Long Distance Telephone Savers, Inc., and LDDS, Inc. Therefore, information which would provide these competitors with an unfair advantage and which is otherwise unavailable to them should be protected from disclosure when filed with this Commission. However, the information sought to be protected here is general in nature and is not of any beneficial value to competitors of US Sprint and, therefore, the original Order denying confidentiality should be reaffirmed.

The information in Part IV contains the total number of US Sprint's Kentucky customers, divided between residential and business categories. US Sprint contends that competitors could use this information to analyze US Sprint's position in the

Kentucky intrastate market relative to their own, and to evaluate US Sprint's penetration of the Kentucky intrastate market and the its success in marketing to business and residential customers. The information, however, merely provides the total number of customers in each of these two categories and does not identify them by name, location, telephone number, size, usage, type of service provided, or any other statistic that can be used by competitors to make a meaningful analysis.

US Sprint also contends that competitors could use the information in Part IV to estimate US Sprint's Kentucky intrastate revenue; and, in conjunction with the actual intrastate revenues, to analyze average usage levels of US Sprint's customers and determine whether to target US Sprint's customers for marketing efforts. Such an analysis requires specific usage information of each US Sprint customer. Since such information is not provided in Part IV, it cannot be used to make such an analysis.

Schedule A contains US Sprint's Kentucky allocation factor and the Kentucky intrastate statement of operations. Since the company's total revenues are in the public record, revelation of either the allocation factor or the derived Kentucky expense and income figures would enable a competitor to calculate US Sprint's actual 1989 Kentucky intrastate revenues. However, such information would not be beneficial to competitors because it would not provide an analysis of how the revenue is derived. For

example, it does disclose minutes of use, calling patterns, or any other pertinent variable.

Schedule B contains the Kentucky intrastate net revenue and Kentucky allocation factor. US Sprint contends knowledge of this information would allow US Sprint competitors to learn valuable market sharing information and it demonstrates US Sprint's ability to expand its Kentucky services and meet pricing challenges from competitors in this state. This is the same type of information US Sprint seeks to protect in Schedule A and is too broad to allow competitors to use it to make any meaningful analysis.

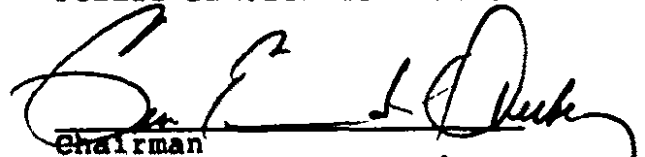
Schedule C contains the net book value of US Sprint's assets in Kentucky as of December 31, 1989, including in-service plant and construction work in progress. US Sprint contends this information would provide competitors with an indication of the volume of traffic US Sprint can handle and of its ability to expand to serve the Kentucky intraLATA market on a facilities basis. The information does not describe by type of plant what is included in the gross numbers and, therefore, the analysis of US Sprint's ability to handle traffic and expand service cannot be made from the information.

This Commission being otherwise sufficiently advised,

IT IS ORDERED that the Order of May 22, 1990 denying confidential protection of the information contained in Part IV and Schedules A, B, and C of US Sprint's 1989 Annual Report which US Sprint has petitioned be withheld from public disclosure is affirmed.

Done at Frankfort, Kentucky, this 11th day of June, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director