

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SOUTH CENTRAL BELL TELEPHONE COMPANY'S)	
APPLICATION FOR APPROVAL OF AN)	CASE NO.
AGREEMENT FOR INTERCONNECTION BY)	90-343
CELLULAR MOBILE CARRIERS)	

O R D E R

This matter arising upon petition of South Central Bell Telephone Company ("South Central Bell") filed January 22, 1991 and supplemented on April 2, 1991 pursuant to 807 KAR 5:001, Section 7 and KRS 61.878 for confidential protection of the cost support data developed in connection with a Cellular Interconnection Letter Agreement entered into between South Central Bell and Cellular Mobile Carriers operating in this state on the grounds that disclosure of the information is likely to cause South Central Bell competitive injury, and it appearing to this Commission as follows:

South Central Bell seeks approval of a Cellular Interconnection Letter Agreement between South Central Bell and Cellular Mobile Carriers operating in this state. The information was filed pursuant to a request by the Commission at an Informal Conference with South Central Bell.

The information sought to be protected is not known outside of South Central Bell and is not disseminated within South Central

Bell except to those employees who have a legitimate business need to know and act upon the information. South Central Bell seeks to preserve and protect the confidentiality of the information through all appropriate means, including the maintenance of security at its offices.

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.

South Central Bell has entered into an agreement with all Cellular Mobile Carriers who offer service in South Central Bell's exchange areas in this state, with the exception of United States Cellular. The agreement provides the terms, rates, and conditions under which the Cellular Mobile Carriers interconnect with South Central Bell. The information sought to be protected consists of the cost data supporting the agreement.

There are alternatives to the private line services offered by South Central Bell, such as those provided under the terms of the agreement. Because of technological innovations in the communications industry, the cost of providing dedicated private line channels has decreased significantly. Multiplexing equipment and lower priced microwave equipment have made it attractive for

customers to build their own networks and bypass South Central Bell. Since the incremental cost of adding additional bandwidth to a private network is relatively small, these customers are in a position to sell spare capacity subject to regulatory approval. Thus, providers of fiber optics, multiplexing equipment, and microwave equipment may compete with private line service offerings of South Central Bell. With the information sought to be protected, these potential competitors could determine South Central Bell's costs and contribution from the private line service, and could use the information to market their service to the detriment of South Central Bell. Thus, disclosure of the information may cause South Central Bell competitive injury, and the information should be protected as confidential.

This Commission being otherwise sufficiently advised,

IT IS ORDERED that the cost support data developed in connection with the Cellular Interconnection Letter Agreement, which South Central Bell has petitioned be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

Done at Frankfort, Kentucky, this 6th day of May, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director