COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

in the Matter of:

PETITION BY MCI FOR ARBITRATION OF CERTAIN TERMS AND CONDITIONS OF A PROPOSED AGREEMENT WITH BELLSOUTH TELECOMMUNICATIONS, INC. CONCERNING INTERCONNECTION AND RESALE UNDER THE TELECOMMUNICATIONS ACT OF 1996

CASE NO. 96-431

<u>ORDER</u>

On September 27, 1996, BellSouth Advertising and Publishing Corporation ("BAPCO") moved for limited intervention in this proceeding and moved to limit the scope of the arbitration between BellSouth Telecommunications, Inc. ("BellSouth") and MCI Telecommunications Corporation ("MCI"). In support of its motions, BAPCO asserts that on September 3, 1996 MCI filed a petition with the Commission to arbitrate certain issues in its proposed agreement with BellSouth pursuant to the Telecommunications Act of 1996. Portions of MCI's petition for arbitration concern matters directly related to directory publication which affect the interests of BAPCO, not BellSouth. It is BAPCO that publishes directories, and not BellSouth. Thus, MCI and any other alternative local exchange carrier who have directory publication needs must negotiate and contract directly with BAPCO. BAPCO further asserts that on August 12, 1996 it entered into a complete directory publication agreement with MCI. Thus, according to BAPCO, all issues involving directory publication have been resolved, leaving nothing to arbitrate in this proceeding.

On October 9, 1996, MCI filed its response, and on October 17, 1996 BAPCO replied.

The petition for arbitration filed by MCI requests terms and conditions of a proposed agreement with BellSouth for interconnection and for resale. This proceeding should be limited to these parties alone and should not involve negotiations or requests for services from a separate corporation such as BAPCO. The Commission has not permitted intervention in these arbitration proceedings from any person other than the Attorney General, who has a statutory right pursuant to KRS 367.160. For the purposes of this arbitration proceeding, the Commission will not address issues involving BAPCO. However, this does not prejudice the rights of MCI to seek redress from the Commission for any terms and conditions regarding directory publication at a later time, should that become necessary. The Commission holds in abeyance any decision regarding the jurisdictionality of directory publications issues and their effect on the regulated operations of BellSouth.

Having considered the motion for limited intervention and the motion to limit the scope of the arbitration proceedings, the Commission HEREBY ORDERS that:

1. BAPCO's request for limited intervention is denied.

2. This arbitration proceeding will be limited to the terms and conditions for interconnection and resale between MCI and BellSouth and will not include directory publishing issues.

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Done at Frankfort, Kentucky, this 1st day of November, 1996.

PUBLIC SERVICE COMMISSION

For the Commission

ATTEST: Milla C

Executive Director