

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DEREGULATION OF LOCAL EXCHANGE) ADMINISTRATIVE
COMPANIES' PAYPHONE SERVICE) CASE NO. 361

O R D E R

This matter arising upon petition of Cincinnati Bell Telephone Company ("CBT"), filed March 24, 1997, pursuant to 807 KAR 5:001, Section 7, for confidential protection of the cost information provided in Attachments A and B to its petition and upon petition filed April 14, 1997, for confidential protection of the cost information requested by the Commission in its Order of March 6, 1997 on the grounds that disclosure of the information is likely to cause CBT competitive injury, and it appearing to this Commission as follows:

This proceeding concerns payphone service provided by local exchange companies. As part of the proceeding, CBT has filed information relating to its cost in providing payphone service and now seeks to protect that information as confidential.

The information sought to be protected is not known outside of CBT and is not disseminated within CBT except to those employees who have a legitimate business need to know and to act upon the information. CBT seeks to preserve the confidentiality of the cost data through all appropriate means, including the maintenance of proper security at its offices.

KRS 61.872(1) requires information filed with the Commission to be available for public inspection unless specifically exempted by statute. Exemptions from this

requirement are provided in KRS 61.878(1). That subsection of the statute exempts several categories of information. One category exempted in paragraph (c)1 of that subsection is commercial information confidentially disclosed to the Commission which if made public would permit an unfair commercial advantage to competitors of the party from whom the information was obtained. To qualify for the exemption, 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 technology necessary to offer telecommunication service at issue in this proceeding is currently available to CBT's competitors, many of whom are parties to this proceeding. Disclosure of the cost information would assist CBT's competitors in developing market entry strategy to the detriment of CBT. Therefore, disclosure of the information is likely to cause CBT competitive injury, and the information should be protected as confidential.


This Commission being otherwise sufficiently advised,


IT IS ORDERED that the cost information provided in Attachments A and B to its petition and provided in response to the Commission's Order of March 6, 1997, which CBT has petitioned to 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 7th day of May, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DEREGULATION OF LOCAL EXCHANGE) ADMINISTRATIVE
COMPANIES' PAYPHONE SERVICE) CASE NO. 361

O R D E R

This matter arising upon petition of BellSouth Telecommunications, Inc. ("BellSouth"), filed March 24, 1997, pursuant to 807 KAR 5:001, Section 7, for confidential protection of the cost support data for Central Office Coin Services on the grounds that disclosure of the information is likely to cause BellSouth competitive injury, and it appearing to this Commission as follows:

On March 6, 1997, the Commission directed the local exchange companies participating in this proceeding to respond to certain data requests concerning their Central Office Coin Phone Transmission Service provided to companies offering payphone service. Item 2(b) of the data requests required the local exchange companies to provide cost support for their Central Office Coin Services. In responding to that data request, BellSouth has requested that the cost support information be protected as confidential.

The information sought to be protected is not known outside of BellSouth and is not disseminated within BellSouth except to those employees who have a legitimate business need to know and act upon the information. BellSouth seeks to preserve and protect the confidentiality of the information through all appropriate means, including the maintenance of appropriate security at its offices.

KRS 61.872 requires information filed with the Commission to be available for public inspection unless specifically exempted by statute. Exemptions from this requirement are provided in KRS 61.878(1). That subsection of the statute exempts several categories of information. One category exempted in paragraph (c)1 of that subsection is commercial information confidentially disclosed to the Commission which if made public would permit an unfair commercial advantage to competitors of the party from whom the information was obtained. To qualify for the exemption, the party claiming confidentiality must demonstrate actual competition and the likelihood of substantial competitive injury if the information is disclosed.

BellSouth's competitors in the coin operator service market are alternate operate service providers. The information sought to be protected consists of cost studies that reflect vendor material prices negotiated specifically for company use and are under contract. Disclosure of this information will assist its competitors in negotiating purchase contracts with these same vendors and thereby negate any discounts gained by BellSouth as a result of its negotiations.

Additionally, BellSouth seeks to protect the methodology which it developed to produce the cost studies at its own expense. Disclosure of the cost studies would benefit BellSouth's competitors by providing them the methodology to analyze their own operations without incurring any development expense. Therefore, the information should be protected as confidential.

BellSouth also seeks to protect that part of the cost study which provides operator service volumes generated from coin lines and the associated costs. This information would enable alternate operator service providers to identify the market potential for their

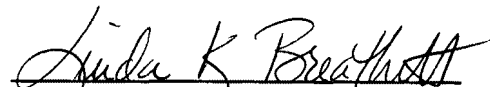
competing services which they could use in marketing their service. Therefore, disclosure of that portion of the cost study is entitled to confidential protection.

This Commission being otherwise sufficiently advised,

IT IS ORDERED that those portions of the cost study for Central Office Coin Services, which BellSouth has petitioned to protect 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 7th day of May, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director