

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BELLSOUTH TELECOMMUNICATIONS, INC.'S)
REQUEST FOR CONFIDENTIAL TREATMENT) CASE NO. 96-590
OF INFORMATION FILED IN SUPPORT OF ITS)
CONTRACT FOR UNITED PARCEL SERVICE)

O R D E R

This matter arising upon petition of BellSouth Telecommunications, Inc. ("BellSouth"), filed December 9, 1996, pursuant to 807 KAR 5:001, Section 7, for confidential protection of the cost support data filed in support of its contract with United Parcel Service General Services Company ("UPS") on the grounds that disclosure of the information is likely to cause BellSouth competitive injury, and it appearing to this Commission as follows:

BellSouth has entered a contract with UPS which provides a discount to UPS commensurate with the overall level of billing from BellSouth over a nine state region. The agreement covers a variety of services, including basic business services (Area Calling Service, Business local exchange service, various vertical services, and private listings), PBX trunks and Direct Inward Dialing ("DID") Service, and SynchroNet® Service. In support of the contract, BellSouth has filed cost information which it seeks to protect as confidential on the grounds that its disclosure is likely to cause BellSouth competitive injury.

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 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(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.

Basic business services, PBX trunks, and DID services are primarily local exchange services. BellSouth's competitors for local exchange service include alternate access providers and will soon include providers of Personal Communication Services, cable TV providers, and interexchange carriers.

SynchroNet Service is a private line service. BellSouth's competitors for private line networks are interexchange carriers, competitive access providers, and providers of microwave service, digital radio and fiber networks.

Disclosure of the information sought to be protected would allow these competitors to determine the price or rate below which BellSouth cannot provide the services. Competitors could use this information to formulate strategic plans for entry, pricing,


marketing and overall business strategies concerning these services. Therefore, disclosure of the information is likely to cause BellSouth competitive injury and the information should be protected as confidential.

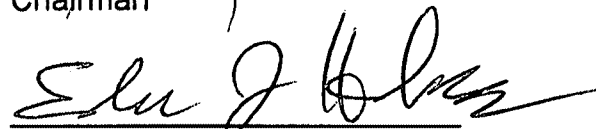
This Commission being otherwise sufficiently advised,

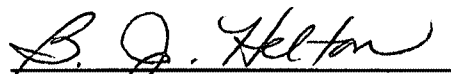
IT IS ORDERED that the cost information filed in support of BellSouth's agreement with UPS, which BellSouth has petitioned to be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

Done at Frankfort, Kentucky, this 24th day of January, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:



Executive Director