

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BELLSOUTH TELECOMMUNICATIONS, INC.'S)
REQUEST FOR CONFIDENTIAL TREATMENT)
OF INFORMATION FILED IN SUPPORT OF ITS) CASE NO. 97-095
CONTRACT WITH MIKRON INDUSTRIES, INC.)
FOR INTEGRATED SERVICES DIGITAL)
NETWORK - BUSINESS SERVICE (IBS))

O R D E R

This matter arising upon petition of BellSouth Telecommunications, Inc. ("BellSouth"), filed February 26, 1997, pursuant to 807 KAR 5:001, Section 7, for confidential protection of the cost support data developed in connection with a special service arrangement contract with Mikron Industries, Inc. ("Mikron") for Integrated Services Digital Network - Business Service ("IBS") 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 contracted with Mikron to provide IBS. Provision of the service will require an upgrade of the universal subscriber carriers system serving this customer. In support of the contract, BellSouth has provided cost data which it seeks to protect 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 to act upon the information. BellSouth seeks to preserve

and protect the confidentiality of the information through all appropriate means, including the maintenance of 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.

IBS allows business customers to transmit voice and data over ISDN channels through the exchange network. This service is an alternative to other local exchange service offerings, private line and data services, and dedicated private line networks. BellSouth's competitors for local exchange service will soon include alternate access providers and interexchange carriers.¹ BellSouth's competitors for private line and data services and networks are interexchange carriers, resellers, and vendors of microwave, digital radio, fiber, VSAT, and other wireless equipment and services. Disclosure of the

¹ In its petition BellSouth also maintains that Cable TV and Personal Communication Services (PCS) will soon provide such competition. While PCS will soon provide local service, it serves a distinct market from that served by BellSouth and it does not provide effective competition for local service. Similarly, Cable TV providers do not provide effective competition in the local market because they are unable to offer two-way transmission of information.

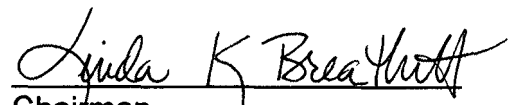
information sought to be protected would enable its competitors to determine BellSouth's cost and contribution from the service, which they could use in marketing their competing services to the detriment of BellSouth. Therefore, disclosure of the information is likely to cause BellSouth competitive injury, and the information should be protected as confidential.

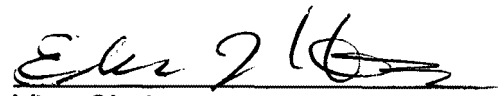
This Commission being otherwise sufficiently advised,

IT IS ORDERED that the cost support data filed in support of the proposed contract with Mikron for IBS, 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 19th day of March, 1997.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director