

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPROVAL OF THE RESALE)
AGREEMENT NEGOTIATED BY)
BELLSOUTH TELECOMMUNICATIONS,)
INC. AND PREFERRED PAYPHONES,) CASE NO. 97-413
INC. PURSUANT TO SECTIONS 251)
AND 252 OF THE)
TELECOMMUNICATIONS ACT OF 1996)

O R D E R

On September 30, 1997, BellSouth Telecommunications, Inc. ("BellSouth") and Preferred Payphones, Inc. ("Preferred Payphones") submitted to the Commission their negotiated agreement for resale of BellSouth services. The agreement was negotiated pursuant to the Telecommunications Act of 1996 ("1996 Act"), 47 U.S.C. Sections 251 and 252. Section 252(e) of the 1996 Act requires the parties to an interconnection agreement adopted by negotiation to submit the agreement for approval to the Commission.

The Commission has reviewed the agreement and finds that no portion of the agreement discriminates against a telecommunications carrier not a party to the agreement. The Commission also finds that the implementation of this agreement is consistent with the public interest, convenience, and necessity.

Preferred Payphones must comply with all relevant Commission mandates for serving in this Commonwealth including the submission of documents verifying the establishment of an escrow account or the posting of a bond to cover 6 percent of

Preferred Payphones' gross receipts from the provision of intrastate service for Universal Service Fund obligations.¹

The Commission, having been otherwise sufficiently advised, HEREBY ORDERS that:

1. The negotiated agreement between BellSouth and Preferred Payphones is approved.

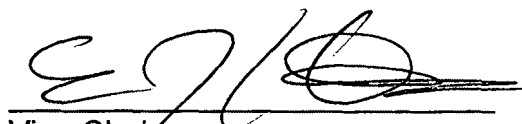
2. Within 20 days of the date of this Order, Preferred Payphones shall file documents demonstrating that an escrow account or bond has been established to pay its Universal Service Fund obligations.

3. Preferred Payphones shall file a tariff for local service prior to providing local service giving 30-days' notice to the Commission and shall comply with all Commission regulations and orders as directed.

Done at Frankfort, Kentucky, this 20th day of November, 1997.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

¹ See Administrative Case No. 355, An Inquiry Into Local Competition, Universal Service, and the Non-Traffic Sensitive Access Rate, Order dated September 26, 1996 at 51 and 54.