

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE INTERCONNECTION AGREEMENT)
NEGOTIATIONS BETWEEN BLUESTAR)
NETWORKS, INC. AND BELL SOUTH) CASE NO. 99-498
TELECOMMUNICATIONS, INC. PURSUANT)
TO THE TELECOMMUNICATIONS ACT OF 1996)

O R D E R

On March 7, 2000, BlueStar Networks, Inc. ("BlueStar") filed a dual motion for a continuance of the scheduled hearing and to compel BellSouth Telecommunications, Inc. ("BellSouth") to produce complete current cost studies utilized as a basis to establish rates for asymmetric digital service lines ("ADSL") and high-bit rate digital service lines ("HDSL") compatible loops, unbundled copper loops ("UCL"), and loop conditioning. BellSouth agreed with the rescheduling of the hearing date to May 10, 2000.

BellSouth filed a response to BlueStar's motion stating that the Commission had set interim rates for unbundled network elements ("UNEs") in July 1997, that its UNE cost studies are currently being updated but will not be completed until July 2000, and that it plans to request the Commission to open a generic cost proceeding to set permanent rates for such elements.

BlueStar filed a reply to BellSouth's response.

Having considered the record, including BlueStar's motion to compel, the response, and the reply, and being otherwise sufficiently advised, the Commission finds

that delaying the filing of necessary cost information until July 2000 is unnecessary. BlueStar is entitled to arbitration on these pricing issues. Moreover, the Commission is particularly concerned at the allegations of record in this docket that BellSouth is charging prices in Kentucky that are up to six times higher than prices charged in other BellSouth states.

IT IS THEREFORE ORDERED that:

1. BlueStar's motion to compel is granted. BellSouth shall produce on or before March 31, 2000 all current cost studies utilized as a basis to establish rates for ADSL and HDSL compatible loops, UCL loops, and loop conditioning.

2. BellSouth shall produce on or before March 31, 2000 any interim, permanent, or currently pending UNE rates for ADSL and HDSL compatible loops, UCL loops, and loop conditioning in the states of Georgia, Florida, Tennessee, Alabama, Louisiana, Mississippi, North Carolina, and South Carolina.

Done at Frankfort, Kentucky, this 22nd day of March, 2000.

By the Commission

ATTEST:



Executive Director