COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION BY AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, INC. FOR ARBITRATION OF CERTAIN TERMS AND CONDITIONS OF A PROPOSED AGREEMENT WITH GTE SOUTH INCORPORATED CONCERNING INTERCONNECTION AND RESALE UNDER THE TELECOMMUNICATIONS ACT OF 1996

CASE NO. 96-478

<u>ORDER</u>

The Telecom Act of 1996 imposes strict deadlines upon this proceeding. Brevity, as well as clarity of expression and position, are of the essence. It is imperative that the Commission receive appropriate information in a timely manner. Accordingly, the following guidelines and procedural schedule shall apply to this proceeding.

The purpose of this proceeding is to explore specific arbitration issues, not to engage in tangential or philosophical debate. The broad framework for implementation of local competition in Kentucky was established in Administrative Case No. 355,¹ and issues decided therein shall not be reconsidered here. In addition, the legality of the Federal Communications Commission orders issued pursuant to the Act is currently in litigation in the Eighth Circuit Court of Appeals. This Commission will, of course, abide by orders issued by that Court. It will not hear argument on those issues in its arbitration proceedings under the Act.

¹ Administrative Case No. 355, An Inquiry Into Local Competition, Universal Service and the Non-Traffic Sensitive Access Rate.

The parties are also hereby notified that the Commission expects them to agree to comprehensive protection orders regarding confidential information to which each party must have access in order to participate meaningfully in this proceeding. In addition, when the parties essentially have agreed as to a particular issue, but they have not been able to agree as to the precise language to express the agreement, the Commission will not hear argument on the issue in this proceeding. Reduction of the proposed agreement to writing is the responsibility of the parties. Each party may submit its proposed version of the contract term in its best and final offer, which shall be submitted no later than December 20, 1996.

Although the Commission is not bound by the technical rules of legal evidence, KRS 278.310, the parties hereto are hereby put on notice that cumulative, repetitive, and irrelevant evidence will not be heard in the formal hearing in this matter. Opening and closing statements, if any, shall be brief and precise. In addition, unless special leave is granted, all direct testimony shall be prefiled. All testimony at the formal hearing shall be offered pursuant to cross examination or redirect examination. Finally, the Commission expects the parties to continue their negotiations, through mediation or otherwise, and to reach agreement on as many issues as possible prior to the formal hearing in this matter. If, at the conclusion of the hearing, the parties believe that posthearing briefs are necessary, they may request leave to file briefs at that time, stating with particularity those issues upon which they believe additional briefing is necessary.

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The Commission being sufficiently advised, IT IS THEREFORE ORDERED that:

1. A formal hearing in this matter is scheduled for 9 a.m., January 13, 1997, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort Kentucky.

Relevant cost studies, including workpapers, and any other documents and 2. information necessary to resolve outstanding issues shall be filed by November 15, 1996.

3. An informal conference with Commission Staff for the purpose of discussing unresolved issues in this matter is scheduled for 9 a.m., November 22, 1996, in Hearing Room 2 of the Commission's offices at 677 Comanche Trail, Frankfort, Kentucky.

Prefiled testimony shall be filed by December 20, 1996. 4.

Any agreed-upon portions of the parties' contract which have not already 5. been filed shall be filed by December 20, 1996.

Each party shall submit, in contract form, its best and final offer on each 6. disputed issue no later than December 20, 1996.

Done at Frankfort, Kentucky, this 21st day of October, 1996.

PUBLIC SERVICE COMMISSION

For the Commission

ATTEST:

:00 Executive Director