

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE INTERCONNECTION AGREEMENT)
NEGOTIATIONS BETWEEN AT&T)
COMMUNICATIONS OF THE SOUTH) CASE NO. 96-482
CENTRAL STATES, INC., AND BELL SOUTH)
TELECOMMUNICATIONS, INC., PURSUANT)
TO 47 U.S.C. § 252)

O R D E R

This matter arising upon petition of BellSouth Telecommunications, Inc. ("BellSouth"), filed November 20, 1996, pursuant to 807 KAR 5:001, Section 7, for confidential protection of the cost study information filed in response to the Commission's Order of October 21, 1996 on the grounds that disclosure of the information is likely to cause BellSouth competitive injury, and it appearing to this Commission as follows:

In response to the Order in this proceeding of October 21, 1996, BellSouth has filed cost study information regarding Directory Assistance Access Service, Directory Assistance Call Completion Access Service, Number Services Intercept Access Service, Unbundled 4 - Wire DS1 Digital Grade Loop, as well as 2-wire analog, 4-wire analog, 2-wire ISDN Digital and Unbundled Loops. BellSouth seeks to protect the information as confidential on the grounds that its disclosure is likely to cause it competitive injury.

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 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.

BellSouth's current competitors include AT&T and MCI, both of whom are seeking to enter the local exchange market. Several potential competitors have likewise indicated their intention to enter the local exchange market to compete with BellSouth. Competitors in the local exchange market could use the information sought to be protected to formulate strategic plans for entry, pricing, marketing and overall business strategies. Additionally, the studies contain information which reflects vendor-specific prices negotiated by BellSouth. Disclosure of that information would impair BellSouth's ability to contract for goods and services on favorable terms. Therefore, disclosure of the information is likely to cause BellSouth competitive injury, and the information should be protected as confidential.

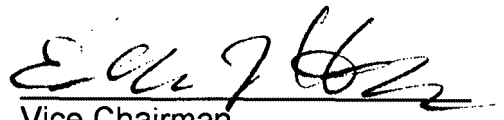
This Commission being otherwise sufficiently advised,

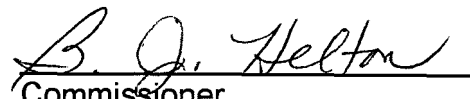
IT IS ORDERED that the cost studies filed in response to the Commission's Order of October 21, 1996, which BellSouth has petitioned to be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

Done at Frankfort, Kentucky, this 20th day of December, 1996.

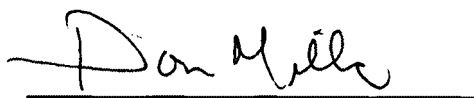
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director