

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION BY MCI FOR ARBITRATION)
OF CERTAIN TERMS AND CONDITIONS)
OF A PROPOSED AGREEMENT WITH)
BELLSOUTH TELECOMMUNICATIONS,) CASE NO. 96-431
INC., CONCERNING INTERCONNECTION)
AND RESALE UNDER THE TELECOM-)
MUNICATIONS ACT OF 1996)

THE INTERCONNECTION AGREEMENT)
NEGOTIATIONS BETWEEN AT&T)
COMMUNICATIONS OF THE SOUTH) CASE NO. 96-482
CENTRAL STATES, INC., AND)
BELLSOUTH 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 March 31, 1997, pursuant to 807 KAR 5:001, Section 7, for confidential protection of the TELRIC cost study information filed pursuant to Commission Order, on the grounds that disclosure of the information is likely to cause BellSouth competitive injury, and it appearing to this Commission as follows:

Pursuant to Commission Order, BellSouth has filed 19 cost studies, including seven which it considers proprietary. These seven studies provide information regarding Unbundled Network Interface Device, CCS7, Interoffice Dedicated Transport - DS1 Level, Sub-Loop 2-Wire Analog Loop Concentration, Unbundled 2-Wire Analog Sub-Loop (Distribution), Unbundled ADSL and HDSL Compatible Loop, and Directory Transport -

Switched Local Channel and Switched Dedicated DS1. BellSouth maintains that disclosure of the information maintained in these cost studies would benefit its competitors and be detrimental to its interests.

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 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 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.

With the enactment of the Telecommunications Act of 1996 by Congress, BellSouth faces competition in the local exchange market. AT&T and MCI have publicly announced their intention to enter the market and several potential competitors have likewise indicated their intention to enter the market. Disclosure of the information would assist BellSouth's

competitors in developing competitive business strategies, networks and operations, designing their service offerings, and marketing plans for those 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,

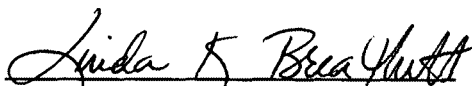
IT IS ORDERED that :

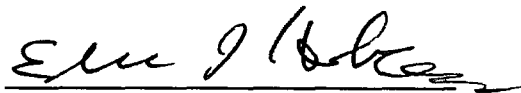
1. The TELRIC cost study information, filed pursuant to Commission Order, which BellSouth has petitioned to be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

2. BellSouth shall, within 20 days from the date of this Order, file edited copies of the cost studies with the confidential information obscured for inclusion in the public record.

Done at Frankfort, Kentucky, this 30th day of April, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director