

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
(as Arbitrators)**

October 21, 1996

Nashville, Tennessee

**IN THE MATTER OF THE INTERCONNECTION AGREEMENT  
NEGOTIATIONS BETWEEN AT&T COMMUNICATIONS OF THE SOUTH  
CENTRAL STATES, INC. AND BELL SOUTH TELECOMMUNICATIONS, INC.  
PURSUANT TO 47 U.S.C. SECTION 252 DOCKET NO. 96-~~01271~~ 1152**

**PETITION BY MCI FOR ARBITRATION OF CERTAIN TERMS AND  
CONDITIONS OF A PROPOSED AGREEMENT WITH BELL SOUTH  
TELECOMMUNICATIONS, INC. CONCERNING INTERCONNECTION AND  
RESALE UNDER THE TELECOMMUNICATIONS ACT OF 1996  
DOCKET NO. 96-01271**

**ORDER RE: THE TREATMENT OF ISSUE NO. 9**

This matter came to be heard before the Directors of the Tennessee Regulatory Authority (the "Authority") acting as Arbitrators under Section 252 of the Federal Telecommunications Act of 1996 (the "Act") on the Petition for Declaratory Ruling filed on September 4, 1996, by BellSouth Advertising & Publishing Corporation ("BAPCO") in Docket No. 96-01152. Also under consideration at that time was the Petition for Declaratory Ruling filed by BAPCO on September 10, 1996, in Docket No. 96-01271. BAPCO's Petitions ask the Authority or the Arbitrators to declare that BAPCO is not subject to its jurisdiction generally and that issues related to directory publication matters are beyond the scope of arbitration as contemplated in Section 252 of the Act. The Arbitrators heard initial oral argument on this matter at a Pre-Arbitration Conference on September 5, 1996. Subsequent to that hearing, the Arbitrators requested pleadings from all parties, as well as answers to specific questions raised at the Pre-

Arbitration Conference. AT&T filed a Motion to Dismiss BAPCO's Petition(s) on September 13, 1996.

The Arbitrators convened a third Pre-Arbitration Conference on Tuesday, October 8, 1996, at which time the following appearances were entered:

Guilford F. Thornton, Jr., Attorney, 424 Church Street, Suite 2800, Nashville, Tennessee 37219, appearing on behalf of Petitioner, BellSouth Advertising & Publishing Corporation.

Randall J. Cadenhead, Associate General Counsel, BAPCO, 59 Executive Park South, NE, Atlanta., Georgia 30329, appearing on behalf of BellSouth Advertising & Publishing Corporation.

Guy Hicks, General Counsel, BellSouth Telecommunications, Inc., Suite 2101, 333 Commerce Street, Nashville, Tennessee 37201-3300, appearing on behalf of BellSouth Telecommunications, Inc.

Sandra Johnson, Attorney, P.O. Box 198062, Nashville, Tennessee 37219, appearing on behalf of MCI.

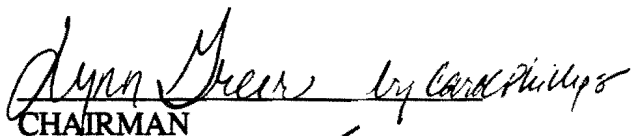
Henry Walker, Attorney, P.O. Box 198062, Nashville, Tennessee 37219, appearing on behalf of ACSI, although ACSI has no interest in the outcome of this particular matter.

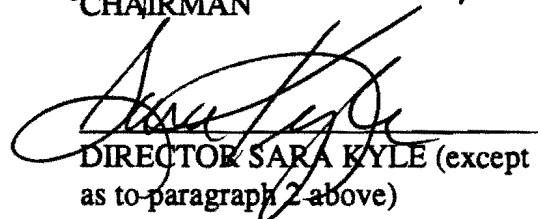
Val Sanford and Knox Walkup, Attorneys, 230 Fourth Avenue North, P.O. Box 198888, Nashville, Tennessee 37219, appearing on behalf of AT&T Communications of the South Central States, Inc.

BAPCO, AT&T, and MCI agree that the only remaining unresolved issues among them concerns Issue No. 9 as detailed in the list of unresolved issue submitted by BellSouth Telecommunications, Inc. ("BST") on September 4, 1996, and subsequently adopted by the Arbitrators. Issue No. 9 asks the question whether the Arbitrators can require that AT&T's and MCI's logos be placed on the cover of BAPCO directories.

After careful consideration of the arguments and comments and the documents filed with regard to this matter, the Arbitrators hereby order the following:

1. That the Petitions for Declaratory Ruling filed by BAPCO are denied.
2. That the the Motion to Dismiss BAPCO's Petition(s) filed by AT&T is also denied by a vote of two to one, with Director Kyle in the negative.
3. That private negotiations are the preferred method of resolving this issue, and the parties are encouraged to resolve this matter through negotiation.
4. That Issue No. 9 will not be addressed within the context of the AT&T/BST arbitration proceeding or the MCI/BellSouth arbitration proceeding.
5. Any party aggrieved with the Arbitrator's decision in this matter may file a Petition for Reconsideration with the Arbitrators within ten (10) days from and after the date of this Order.

  
CHAIRMAN

  
DIRECTOR SARA KYLE (except  
as to paragraph 2 above)

  
DIRECTOR MELVIN MALONE

ATTEST:

  
EXECUTIVE SECRETARY