

BellSouth Telecommunications, Inc.
Suite 2101
333 Commerce Street
Nashville, Tennessee 37201-3300

615 214-6301
Fax 615 214-7406

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Guy M. Hicks
General Counsel

August 13, 1999

OFFICE OF THE
EXECUTIVE SECRETARY

VIA HAND DELIVERY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Proceeding for the Purpose of Addressing Competitive Effects of Contract Service Arrangements Filed by BellSouth Telecommunications, Inc. in Tennessee*
Docket No. 98-00559

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of BellSouth Telecommunications, Inc.'s Response to Hearing Officer's Request Regarding Proprietary Documents. Copies of the enclosed are being provided to counsel of record for all parties.

Very truly yours,

Guy M. Hicks

GMH:ch
Enclosure

BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee

REC'D
REGULATOR

'99 AUG 13

In Re: *Proceeding for the Purpose of Addressing Competitive Effects of Contract Service Arrangements Filed by BellSouth Telecommunications, Inc. in Tennessee*
Docket No. 98-00559

OFFICE
EXECUTIVE S

BellSouth Telecommunications, Inc.'s Tariff to Offer Contract Service Arrangement TN98-6766-00 for Maximum 13% Discount on Eligible Tariffed Services
Docket No. 98-00210

BellSouth Telecommunications, Inc.'s Tariff to Offer Contract Service Arrangement KY98-4958-00 for an 11% Discount on Various Services
Docket No. 98-00244

**BELLSOUTH'S RESPONSE TO HEARING OFFICER'S
REQUEST REGARDING PROPRIETARY DOCUMENTS**

The CAD's motion to "publicize" documents is premature because the CAD itself does not know which particular documents it wishes to use during Tuesday's hearing. As the discussions during the August 12, 1999 Pre-Hearing Conference reveal, attempting to address the CAD's motion as it applies to literally thousands of pages of documents – the vast majority of which the CAD will not actually use during the hearing – is time-consuming and unproductive. It is also unnecessary.

BellSouth proposes that the TRA postpone consideration of the CAD's motion until the conclusion of the hearing next week. When the hearing has been completed, the TRA and the parties can address the CAD's motion as it relates to the relatively few documents the CAD will actually use during the hearing, rather than wrangling over how it may relate to documents which, in reality, will not be used during the hearing. This approach would not prejudice the CAD – it may use proprietary information during the presentation of its case as provided in the Protective Order. This approach, however, would foster the timely completion of the hearing on

the merits and allow the TRA and the parties to focus the inquiry on the relatively few documents to which the motion actually relates, rather than on the thousands of documents to which it may relate.

In the meantime, BellSouth submits the following description of information that should be treated as proprietary in this proceeding. The parties agree that names of individual CSA customers should be treated as proprietary. Additionally, cost information should be treated as proprietary – competitors who know BellSouth's cost of providing services gain an unfair competitive advantage by learning the minimum rate BellSouth can charge for the services. BellSouth is not privy to its competitors' costs of providing their services, and these competitors should not be privy to BellSouth's costs of providing its services.

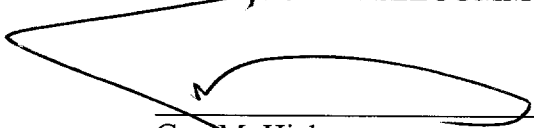
Similarly, any information which allows competitors to determine BellSouth's cost of providing services should be treated as proprietary. Contribution figures, for instance, are proprietary because a competitor easily can learn the cost of a service by subtracting that service's contribution from that service's rate. Clearly, confidential marketing strategies and business plans also are proprietary.

Additionally, rating information, plans or proposals; actuarial information; specifications for specific services provided; and any other similar commercial or financial information which, if known to BellSouth's competitors, would give them an advantage or an opportunity to gain an advantage over BellSouth when providing or offering to provide the same or similar services to customers should be treated as proprietary. *Cf.* §8-44-102(b)(1)(E)(ii)(b)(1). Finally, any technical information, design, process, procedure, formula or improvement which is of value to BellSouth and which BellSouth takes measures to prevent from becoming available to persons

other than those selected by BellSouth should be treated as confidential. Cf. §8-44-102(b)(1)(E)(ii)(b)(2).

Respectfully submitted,

BELLSOUTH TELECOMMUNICATIONS, INC.



Guy M. Hicks
Patrick Turner
333 Commerce Street, Suite 2101
Nashville, Tennessee 37201-3300
(615) 214-6301

CERTIFICATE OF SERVICE

I hereby certify that on August 13, 1999, a copy of the foregoing document was served on the parties of record, via the method indicated:

☐ Hand
☐ Mail
☒ Facsimile
☐ Overnight

Richard Collier, Esquire
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0500

☐ Hand
☒ Mail
☒ Facsimile
☐ Overnight

Henry Walker, Esquire
Boult, Cummings, et al.
414 Union Ave., #1600
P. O. Box 198062
Nashville, TN 39219-8062

☐ Hand
☐ Mail
☒ Facsimile
☐ Overnight

Jon Hastings, Esquire
Boult, Cummings, et al.
414 Union St., #1600
Nashville, TN 37219

☐ Hand
☐ Mail
☒ Facsimile
☐ Overnight

Charles B. Welch, Esquire
Farris, Mathews, et al.
511 Union St., #2400
Nashville, TN 37219

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

James Lamoureux, Esquire
AT&T
1200 Peachtree St., NE
Atlanta, GA 30309

☐ Hand
☐ Mail
☒ Facsimile
☐ Overnight

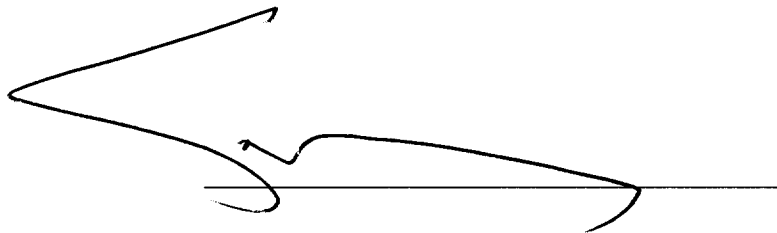
Vance Broemel, Esquire
Consumer Advocate Division
426 5th Avenue, N., 2nd Floor
Nashville, TN 37243

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

Carolyn Tatum Roddy, Esquire
Sprint Communications Co., L.P.
3100 Cumberland Circle, N0802
Atlanta, GA 30339

☐ Hand
☒ Mail
☒ Facsimile
☐ Overnight

Val Sanford, Esquire
Gullett, Sanford, et al.
230 4th Ave., N., 3rd Fl.
P. O. Box 198888
Nashville, TN 37219-8888

A handwritten signature in black ink, appearing to read "Val Sanford", is written over a horizontal line. The signature is stylized with a large, sweeping initial "V" and a long, horizontal stroke extending to the right.