

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF BELLSOUTH	)	
TELECOMMUNICATIONS, INC. SEEKING	)	CASE NO.
RESOLUTION OF THIRD PARTY TRANSIT	)	2003-00045
TRAFFIC ISSUES	)	

O R D E R

On February 26, 2003, BellSouth Telecommunications, Inc. ("BellSouth") filed a petition seeking resolution of third party transit traffic issues. BellSouth requested the Commission resolve a dispute between it and a number of the Independent Telephone Companies ("ICOs") and certain Commercial Mobile Radio Service ("CMRS") providers. BellSouth and the ICOs currently have an agreement which was approved by the Commission for transiting toll and local calls from BellSouth's network to the ICOs. BellSouth had entered into agreements with CMRS providers which would permit calls from CMRS providers to terminate on the ICOs' networks. This meant that CMRS providers did not have to individually interconnect with each ICO in the state and allowed all of their calls to be terminated to the proper party in Kentucky. The dispute revolves around the compensation mechanism when BellSouth transits a CMRS call through its network to the networks of the ICOs.

All of the affected CMRS providers and the ICOs are parties to the case. In addition, AT&T Communications of the South Central States, Inc. ("AT&T") and TCG Ohio ("TCG") requested and were granted intervention. Doris A. Tichenor, a customer of Logan Telephone Cooperative, requested and was granted intervention.

The Commission set up a procedural schedule, including an informal conference on March 26, 2003. Shortly thereafter, parties jointly requested that the Commission stay its procedural schedule to allow for negotiations. The Commission granted the motion and several motions thereafter to hold the proceeding in abeyance while parties continued to negotiate the issues.

On April 26, 2004, BellSouth filed a proposal for the resolution of third party transit traffic issues associated with CMRS providers and the ICOs. As noted by BellSouth in its filing, the proposal represents more than a year of negotiations regarding the rates and terms of third party CMRS transit traffic. All of the CMRS providers and the ICOs who are parties in this proceeding have signed the proposal. However, some intervenors in this proceeding are not signatories to the proposal.

The Commission has reviewed the agreement and finds that the compensation arrangements contained in the proposal appear to be reasonable and should be placed in effect, subject to refund and adjustment, pending resolution of any issues that may affect those parties who are not signatories. In addition, the following procedural schedule is established in order to conclude this proceeding.

IT IS THEREFORE ORDERED that:

1. The compensation arrangements contained in the April 26, 2004 proposal shall be placed in effect on an interim basis, subject to refund and adjustment, pending final resolution of this matter.

2. An informal conference with Commission Staff shall be held May 11, 2004, at 1:30 p.m., Eastern Daylight Time, in the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.

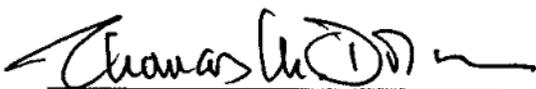
3. A formal hearing in this matter is scheduled for May 26, 2004, at 9:00 a.m., Eastern Daylight Time, in the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, subject to paragraph 4 below.

4. Should no party request that the Commission conduct a public hearing on the April 26, 2004 proposal by May 19, 2004, then the hearing scheduled herein will be canceled without further Order of this Commission.

Done at Frankfort, Kentucky, this 29<sup>th</sup> day of April, 2004.

By the Commission

ATTEST:

  
Executive Director