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August 27, 2004

Ms. Beth O'Donnell
Executive Director
Commonwealth of Kentucky
Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, KY 40602

RECEIVED

AUG 27 2004

**PUBLIC SERVICE
COMMISSION**

Re: A Certification of the Carriers Receiving Universal Service High Cost Support
Administrative Case No. 381

Dear Ms. O'Donnell:

Pursuant to the Commission Order issued on September 25, 2001 in the above case, by September 1st of each year all incumbent local exchange carriers must submit plans for their intended use of any federal high-cost support they expect to receive in the ensuing calendar year. Cincinnati Bell Telephone Company (CBT) hereby files this letter in compliance with the Commission's Order for calendar year 2005 federal high-cost fund support.

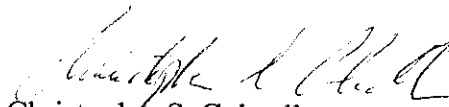
At this time, the Universal Service Administrative Company (USAC) has not released its estimates for federal universal service high-cost support for 2005. The most recent estimates available from USAC are for the fourth quarter of 2004 (released by the USAC on August 2, 2004). That report projects that CBT will receive \$179,149 (\$59,717/month) in high cost model support during the fourth quarter of 2004. If this level of funding were to continue throughout 2005, CBT would receive approximately \$716,000. However, CBT's experience has been that current year funding is not always a good predictor of future USF high-cost fund receipts. Since 2000, CBT's receipts have ranged from zero to \$700,000.

Given the unpredictable nature of the federal universal service high-cost funding from year to year, it is difficult for CBT to develop a concrete proposal for how it would spend any funds it might receive in 2005. However, CBT commits that any such funds it receives will be directed to investment initiatives designed to maintain and upgrade its network to improve reliability, enhance feature availability, or expand broadband deployment in its rural wire centers in Kentucky. Such initiatives will be consistent with the directives of Section 254(e) of the

Telecommunications Act of 1996 and the Federal Communications Commission's rules that require universal service high-cost support to be used for the provision, maintenance, and upgrading of facilities and services.¹

If you have any questions regarding this matter please contact Mark Romito at 513-397-1366 or Pat Rupich at 513-397-6671.

Sincerely,

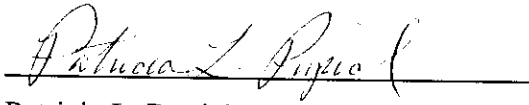


Christopher S. Colwell

¹ 47 U.S.C. § 254(e) and 47 C.F.R. § 54.313.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing filing of Cincinnati Bell Telephone was sent by U. S. mail, postage prepaid, to the following parties on this 27th day of August 2004.

A handwritten signature in cursive script, reading "Patricia L. Rupich", is written over a solid horizontal line.

Patricia L. Rupich

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