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August 15, 2005

Ms. Elizabeth O'Donnell Kentucky Public Service Commission 211 Sower Boulevard P.O. Box 615 Frankfort, Kentucky 40601

AUG 1 5 2005

Case No. 2004-00234; Petition by AT&T Communications of the RE: South Central States, LLC and TCG Ohio Inc. For Arbitration of Certain Terms and Conditions of a Proposed Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to 47 U.S.C. Section 252

Dear Ms. O'Donnell:

On July 15, 2005, AT&T and BellSouth advised the Commission that the parties had resolved all issues except Issues 14, 30 and 35. Pursuant to the Commission's Procedural Order in the above referenced matter, the parties will be filing Direct Testimony on August 15, 2005 on the Issues which remain in dispute.

This is to advise that the parties have resolved, in principal, Issue 14, "Under what circumstances will AT&T be allowed to move or rearrange BST facilities while AT&T is performing "Make-Ready" work ?" and Issue 35, " Should AT&T be required to provide BellSouth with reciprocal access to network terminating wire (NTW) installed by or on behalf of, AT&T ?" While the parties have not reached agreement on the contractual language to implement this agreement, the parties anticipate that such an agreement on language can be reached before September 1, 2005.

As a result, the parties have agreed that the testimony to be filed on August 15, 2005 will address the disagreement over Issue 30, "Does BST have an obligation under Section 251/252 to provide a transit function at TELRIC rates for local traffic originating or terminating to AT&T?" In the event that the parties are unable to reach agreement on the language to implement the disposition of Issues 14 and 35, the parties would propose to file Supplemental Direct Testimony

L O U I S V I I L E FRANKFORT Elizabeth O'Donnell August 15, 2005 Page 2

on those issues on September 1, 2005, with Rebuttal Testimony to follow on September 15, 2005.

Therefore, in the interest of efficiency and economy and to preserve the resources of the Commission and the parties, AT&T and BellSouth request modification of the Commission's procedural schedule to permit Supplemental Direct Testimony, if needed, on September 1, and to reschedule the filing of Rebuttal Testimony to September 15. While this letter is principally intended to be informative to the Commission on the current status of the parties' negotiations, to the extent the Commission believes a motion is required to permit the potential filing of Supplemental Direct Testimony, please consider this letter to be such a motion.

BellSouth concurs in this letter which is sent jointly by the parties. Thank you for your assistance.

Sincerely, C. Kent Hayful

C. Kent Hatfield

Counsel for AT&T of the South Central States, Inc.

CKH:jms

enc.

cc: Dorothy Chambers, Esquire David Eppsteiner, Esquire