



STOLL · KEENON · OGDEN
PLLC

2650 AEGON Center
400 West Market Street
Louisville, KY 40202-3377
(502) 568-9100
Fax: (502) 568-5700
www.skofirm.com

DOUGLAS F. BRENT
502-568-5734
douglas.brent@skofirm.com

April 6, 2006

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

RECEIVED
APR 10 2006
PUBLIC SERVICE
COMMISSION

Re: Case No. 2005-00479

Dear Ms. O'Donnell:

Enclosed are the responses of Dialog Telecommunications, Inc. ("Dialog") to the Commission staff's information requests in the referenced case. Please return a stamped copy of this letter in the enclosed envelope.

By Order dated December 16, 2005 the Commission published notice of Dialog's application for ETC status. That order stated that comments were due to be filed no later than December 26, 2005. There were no comments on Dialog's application and no requests for intervention. That procedural order also contemplated that any request for a public hearing should be filed within 15 days after Dialog filed its responses to information requests. Accordingly, unless the Commission determines that a hearing is necessary, Dialog respectfully requests that Dialog's request for status as an eligible telecommunications carrier be granted 15 days from today.

Very truly yours,

STOLL KEENON OGDEN PLLC

Douglas F. Brent

Enc.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF DIALOG)
TELECOMMUNICATIONS, INC. FOR)
DESIGNATION AS A COMPETITIVE ELIGIBLE)
TELECOMMUNICATIONS CARRIER)
PURSUANT TO SECTION 214(E) OF THE)
TELECOMMUNICATIONS ACT OF 1996)
)

RECEIVED

APR 10 2006

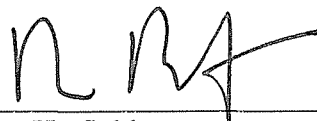
PUBLIC SERVICE
COMMISSION

CASE NO. 2005-00479

**DIALOG TELECOMMUNICATIONS, INC.'S RESPONSE
TO COMMISSION STAFF'S DATA REQUESTS**

Dialog Telecommunications, Inc. ("Dialog") hereby files its responses to the Commission staff's data requests. The responses are organized as requested, with each response on a separate page or pages, which follow.

Respectfully submitted,



C. Kent Hatfield
Douglas F. Brent
STOLL KEENON OGDEN PLLC
2650 AEGON Center
400 West Market Street
Louisville, Kentucky 40202
(502) 568-9100 telephone
(502) 568-5700 facsimile

Counsel for Dialog Telecommunications, Inc.

1. Dialog states in its application that it offers all supported services enumerated in 47 C.F.R. Section 54.101(a)(1)-(9). Provide a tariff reference that shows all supported services offered.

RESPONSE: Dialog will provide the enumerated supported services immediately upon designation as an eligible telecommunications carrier. Dialog has recently filed a new tariff for its retail services offered in Kentucky, including various updates relevant to the relief requested in this proceeding. Tariff references shown below correlate to the new tariff, Dialog tariff KY PSC No. 4, which is to become effective April 17, 2006. The supported services to be offered include:

- 1) Voice grade access to the public switched telephone network: Dialog meets this requirement primarily by using a combination of its own switching system deployed in the past year and unbundled loops provided by BellSouth Telecommunications (“BST” or “BellSouth”) pursuant to an interconnection agreement. Dialog may exercise its statutory resale rights, also available pursuant to the agreement with BST, and wireless local loop technology to provide service where it has not yet deployed its own network. All of Dialog’s customers are able and will continue to be able to make and receive calls on the public switched telephone network. *See* Dialog Tariff No. 4, Section 7.1.
- 2) Local usage: Dialog meets the free of charge local usage requirement. All local service products include local calling without usage charges. *See* Dialog Tariff No. 4, Section 7.1.b.
- 3) Dual-tone, multi-frequency signaling, or its functional equivalent: Utilizing either its own class 5 switching system or providing service based on an interconnection agreement with BellSouth, Dialog complies with this requirement for each customer to which it offers service in this service area. Applicant will continue to comply with this requirement. *See* Dialog Tariff No. 4, Section 7.2.

- 4) Single-party service or its functional equivalent: By utilizing its own class 5 switching system and/or unbundled ports, features, switching, and transport Dialog currently provides and will continue offering single party service which provides a dedicated message path via exclusive use of a subscriber loop for every customer call. *See* Dialog Tariff No. 4, Section 7.1.
- 5) Access to emergency services: Dialog's switching is interconnected with the PSAPs in each subscriber's area, and as provided in the interconnection agreement with BellSouth, Dialog currently provides and will continue offering access to emergency services by utilizing unbundled ports, features, switching, and transport. *See* Dialog Tariff No. 4, Section 7.1.b.
- 6) Access to operator services: Access to operator services is defined as any automatic or live assistance provided to a customer to arrange for the billing or completion, or both, of a telephone call. *See* 47 C.F.R. § 54.201(a)(6). Dialog meets this requirement by contracting for operator services from BST and interconnecting such services to its switching system and/or unbundled switching obtained through an interconnection agreement with BST. *See* Dialog Tariff No. 4, Section 5.8.
- 7) Access to interexchange service: Dialog directly interconnects with Qwest at its switch, and indirectly connects to all other carriers at the appropriate access tandems. Customers are able to purchase interexchange service from Dialog or to reach the services of other available IXCs. *See, e.g.*, Dialog Tariff No. 4, Section 7.1.d.
- 8) Access to directory assistance: *See* Dialog Tariff No. 4, Section 5.7.
- 9) Toll limitation for qualifying low-income consumers: *See* Dialog Tariff No. 4, Section 5.9.1.c.

2. Eligible Telecommunications Carriers must provide the services enumerated in 47 C.F.R. Section 54.101(a)(1)-(9) by either using their own facilities or a combination of their own facilities and resale of the services of another facilities-based carrier. Provide a description of how Dialog provides these services to its customers and include a description of the facilities that Dialog owns and the percentage of customers served by these facilities. Also include the percentage of customers served by purchasing Unbundled Network Elements (“UNEs”) and by resale from other facilities-based carriers.

RESPONSE: Dialog has provided service in Kentucky exclusively through facilities, *i.e.* network elements. Concurrent with negotiations for a new interconnection agreement with BST, Dialog has deployed switching in Kentucky and installed co-location facilities in nine BST end offices in its service territory. When Dialog’s network project is completed, approximately 95% of Kentucky customers will be served via Dialog facilities, including UNEs. Dialog expects fewer than 5% of its existing customers would be served via resale. However, a resale agreement with BST does enable Dialog to serve its entire territory.

3. The Federal Communications Commission's orders commonly referred to as the TRO and TRRO exempted ILECs from providing certain UNEs and eliminated the product commonly known as UNE-P. Dialog does not purport to own or have access to switching to provide service to its customers. The interconnection agreement on file with the Commission between Dialog and BST predates the TRO and TRRO orders.

Explain what steps have been made to secure contracts to enable Dialog to continue to serve its customers after March 11, 2006 when switching will no longer be required to be provided to Dialog by Incumbent Local Exchange Carriers.

RESPONSE: Dialog's Kentucky service area is currently wholly within exchanges also served by BST. While the TRRO has eliminated the obligation of incumbent carriers to provide switching as a Section 251 network element, BellSouth has an independent legal obligation to provide switching to Dialog and other CLECs. See 47 U.S.C. § 271(c)(2)(B)(vi). In addition, Dialog has deployed switching to serve customers in the Kentucky service territory. *See* Dialog's response to data request No. 2.

4. Confirm that Dialog has no facilities in place in Kentucky.

RESPONSE: Dialog has facilities. *See* Response to data request No. 2. Dialog will offer the supported services either through combining UNE loops and UNE transport with its own switching or through services available from its ICA with BST including resale.

5. Does Dialog have any plans to build any facilities in Kentucky?

RESPONSE: Yes. In addition to facilities that have been deployed (switching and nine collocations) Dialog intends to deploy additional collocations and/or wireless local loop replacement infrastructure where density supports such investments.

6. Under 47 C.F.R. 54.201(d)(2), a common carrier designated as an Eligible Telecommunications Carrier under this section shall be eligible to receive universal service support in accordance with section 254 of the Act and shall, throughout the service area for which the designation is received:

(2) Advertise the availability of such services and the charges therefore using media of general distribution.

Provide examples of advertising that Dialog has done in the past. Include information such as dates, circulation numbers for print advertising, number of pieces mailed for direct mail, and market information for television and radio advertisements.

RESPONSE: As Dialog does not currently provide Lifeline services, it cannot provide examples of Lifeline advertising. If granted ETC status, however, Dialog will advertise the availability of Lifeline service using media of general distribution, consistent with 47 C.F.R. 54.201(d)(2). Dialog will evaluate options to satisfy the FCC regulation, including print media, outdoor advertising and direct marketing. With regard to non-Lifeline advertising, Dialog has utilized Yellow Page Directory advertising which emphasizes its expanded local calling area, and has used a television advertising campaign consisting of 30 second ad spots. Sample advertising collateral is on file as part of Dialog's responses to data requests in Case No. 2005-00186.

7. Provide the budgeted amounts for future advertising and full descriptions of planned advertisements.

RESPONSE: Dialog intends to invest up to 25% of its 2006 marketing budget on marketing and advertising that incorporates Lifeline and Link-Up services. In addition to direct mail campaigns designed specifically to educate customers that are not currently using any telephony service (this segment represents about 10% of Dialog's current customer base), these services will be incorporated into outdoor and print advertising campaigns. Dialog does not intend to use any radio or TV advertising in 2006. Testing during 2005 showed this advertising to be ineffective for Dialog.

8. Describe the sales network through which Dialog secures customers, such as retail stores, telemarketing, or other means.

RESPONSE: Dialog does have authorized sales agents and does sell service via inbound telemarketing to a toll-free number included in Dialog advertising, but these channels are insubstantial. Approximately 80% of Dialog's customers are simply referrals from other Dialog customers. Positive word of mouth has been exceptionally successful in promoting customer additions, and this experience is expected to continue among potential customers that qualify for Lifeline and Link-Up services. Currently, 10% of sales are to customers who did not previously have telephone service, and we expect this to increase with the availability of these services.