

BellSouth Telecommunications, Inc.
601 W. Chestnut Street
Room 407
Louisville, KY 40203

Mary.Keyer@BellSouth.com

Mary K. Keyer
General Counsel/Kentucky

502 582 8219
Fax 502 582 1573

August 30, 2006

Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

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AUG 31 2006

**PUBLIC SERVICE
COMMISSION**

Re: A Certification of the Carriers Receiving Universal Service High-Cost Support, Administrative Case 381

Dear Ms. O'Donnell:

The Commission's September 27, 2002 Order in Administrative Case 381 requires that recipients of Federal Universal Service High-Cost Support provide information to the Commission by September 1 of each year regarding the use of those funds. The Commission, in turn, must certify to the FCC pursuant to the state certification process set out in 47 C.F.R §54.313 that such funds are used appropriately. The attached Affidavit from Joan Coleman, Vice President – Regulatory and External Affairs, serves as BellSouth's response regarding the use of those funds for 2007.

Should you wish any further information, please do not hesitate to contact me.

Sincerely,



Mary K. Keyer

Enclosure

cc: Parties of Record

646708

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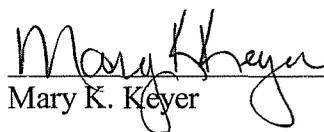
AFFIDAVIT OF JOAN COLEMAN

Comes the Affiant, Joan Coleman, and after being duly sworn states as follows:

1. I have personal knowledge of the facts stated herein. I am competent to testify to the facts, which are stated to the best of my knowledge and recollection.
2. I have been employed by BellSouth Telecommunications, Inc. ("BellSouth") or its predecessor corporations for 20 years. I currently am Vice President – Regulatory and External Affairs for BellSouth in the Commonwealth of Kentucky.
3. In the Kentucky Public Service Commission's September 27, 2002 Order in Administrative Case No. 381, carriers were ordered to file with the Commission their plans for use of high-cost federal support by September 1st of each year.
4. BellSouth has approximately \$500,000 of rate reductions embedded in its rate structure related to hold harmless support. In 2000, BellSouth received approximately \$500,000 of incremental new support that was offset by a reduction in intrastate access charges.

CERTIFICATE OF SERVICE

It is hereby certified that a true and correct copy of the foregoing was served on the individuals on the attached service list by mailing a copy thereof on the 30th day of August, 2006.


Mary K. Keyer

SERVICE LIST - ADMINISTRATIVE CASE 381

Hon. Dennis G. Howard
Assistant Attorney General
Public Service Litigation Branch
P. O. Box 2000
1024 Capital Center Drive
Frankfort, KY. 40602 2000

Patricia L. Rupich
Cincinnati Bell Telephone Co.
221 East Fourth Street
P.O. Box 2301
Cincinnati, OH. 45202-2301

Hon. Christopher J. Wilson
Staff Attorney
Cincinnati Bell Telephone Company
221 East Fourth Street
P.O. Box 2301
Cincinnati, OH. 45201

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street. S.W., TW-A306
Washington, DC. 20554

Daniel Logsdon
Windstream Kentucky East
Windstream Kentucky West
130 W. New Circle Road, Suite 170
Lexington, KY 40505

Harlon E. Parker
General Manager
Ballard Rural Telephone Cooperative
159 W. 2nd Street
P. O. Box 209
LaCenter, KY. 42056 0209

Allison T. Willoughby
Assistant General Manager
Brandenburg Telephone Company, Inc.
200 Telco Road
P. O. Box 599
Brandenburg, KY. 40108

William W. Magruder
Executive Vice President
Duo County Telephone Cooperative
215 N. Main Street
P. O. Box 80
Jamestown, KY. 42629

Thomas E. Preston
General Manager
Foothills Rural Telephone
Cooperative Corporation, Inc.
1621 Kentucky Route 40 W
P. O. Box 240
Staffordsville , KY. 41256

John Schmoldt
Director of Operations
Inter-Mountain Cable
d/b/a MTS Communications
P.O. Box 159
5 Laynesville Road
Harold, KY. 41635

James Hamby
Office Manager
Highland Telephone Cooperative
P. O. Box 119
7840 Morgan County Highway
Sunbright, TN. 37872

Kristine M. Haskin
Manager-Federal Affairs
TDS-Telecom
P. O. Box 5158
525 Junction Road, Suite 700S
Madison, WI 53705

Greg Hale
General Manager
Logan Telephone Cooperative, Inc.
P. O. Box 97
10725 Bowling Green Road
Auburn, KY. 42206

W. A. Gillum
General Manager
Mountain Telephone Cooperative
405 Main Street
P. O. Box 399
West Liberty, KY. 41472 0399

F. Thomas Rowland
North Central Communications, Inc.
872 Highway 52 By-Pass E
P. O. Box 70
Lafayette, TN. 37083 0070

Keith Gabbard
Manager
Peoples Rural Telephone Coop.
P. O. Box 159
McKee, KY. 40447

Forrest Wilson
General Manager
South Central Rural Telephone
1399 Happy Valley Road
P. O. Box 159
Glasgow, KY. 42141 0159

William K. Grigsby
Assistant Manager
Thacker-Grigsby Telephone Co.
9500 Communications Lane
P. O. Box 789
Hindman, KY. 41822

Trevor R. Bonnstetter
General Manager
West Kentucky Rural Telephone
237 North Eighth Street
P. O. Box 649
Mayfield, KY. 42066 0649

Ms. Irene Flannery
Universal Svc. Administrative Co.
2120 L Street, N.W.
Suite 200
Washington, DC 20037-0000

S. Kelly Moore
Vice President
SouthEast Telephone, Inc.
106 Power Drive
P.O. Box 1001
Pikeville, KY 41502-1001

A.D. Wright
President
e-Tel, LLC
607 Broadway, Suite B
Paducah, KY 42001

Rebeka Rouch
Cinergy Communications Company
1419 W. Lloyd Expressway
Evansville, IN 47710

Donald J. Manning
Vice President & General Counsel
NCPR, Inc.
4500 Carillon Point
Kirkland, WA 98033

Hon. Noelle M. Holladay
Wyatt, Tarrant & Combs
250 W. Main Street, Suite 1600
Lexington, KY 40507-1746

Hon. Holland N. CmTyeire, V
Greenebaum Doll & McDonald PLLC
3300 National City Tower
101 South Fifth Street
Louisville, KY 40203-3197

Ronald Ripley
Secretary
American Cellular Corp.
14201 Wireless Way
Oklahoma City, OK 73134

Gerald Robinette
General Manager
East Kentucky Network, LLC
d/b/a Appalachian Wireless
355 Village Drive
P.O. box 405
Prestonsburg, KY 41653

Ron Smith
General Manager
Bluegrass Wireless LLC
Ky. RSA #4 Cellular
Ky. RSA #3 Cellular
Cumberland Cellular
2902 Ring Road
P.O. Box 5012
Elizabethtown, KY 42701