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May 19, 2004

RECEIVED

Ms. Beth O'Donnell Executive Director Public Service Commission 211 Sower Boulevard P. O. Box 615 Frankfort, KY 40602 MAY 2 0 2004

PUBLIC SERVICE COMMISSION

Re: Petition for Arbitration of US LEC of Tennessee Inc. of an Amendment to an Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to Section 252(b) of the Communications Act of 1934, as Amended.

Petition of US LEC of Tennessee Inc. to Resolve Dispute with BellSouth Telecommunications, Inc. on Change of Law Provisions to the Interconnection Agreement.

PSC 2004-00087

Dear Ms. O'Donnell:

This is to inform the Commission that US LEC and BellSouth have resolved all outstanding issues in this proceeding; therefore, a hearing is not necessary.

With respect to the Commission Staffs' question regarding the issue of routine network modifications, there is no direct relationship between a service inquiry (SI) and a routine network modification (RNM). For instance, with many products and services that BellSouth offers, a CLEC submits an LSR and, through the provisioning process, the RNM is performed automatically. Some products and services, however, require an SI to confirm the availability of the product or service prior to an LSR actually being submitted by the CLEC. If during the course of BellSouth responding to the Local Service Request (LSR) or SI, BellSouth determines that a RNM is required (beyond BellSouth's normal provisioning activities), BellSouth will advise the CLEC that such a RNM is required and BellSouth will Ms. Beth O'Donnell May 19, 2004 Page 2

obtain permission from the CLEC to perform the RNM. BellSouth requires advance payment for performing the RNM only in those circumstances where the cost of the RNM is not already recovered in the recurring and/or non-recurring TELRIC price approved by the Commission.

The parties anticipate that the appropriate documentation of this settlement, along with the executed Interconnection Agreement, will be filed with the Commission in the near future.

Very truly yours, Dowth JCh

Dorothy J. Chambers

cc: Parties of Record

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