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July 15, 2005

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PUBLIC SERVICE  
COMMISSION

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

**RE: Case No. 2004-00234; Petition by AT&T Communications of the 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:

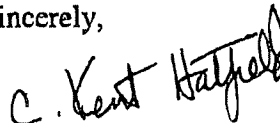
Pursuant to the Commission's procedural Order in the above-referenced matter issued on June 20, 2005, this is to provide the Commission with an original and ten copies of the updated issues list for the Arbitration between AT&T and BellSouth. As you will note from the attached Issues Matrix, the parties have resolved all issues except Issues 14, 30 and 35. The parties are continuing negotiations on these issues. In addition, one additional copy of this letter and attachment are enclosed. Please file stamp the extra copy and return to me in the enclosed envelope.

In addition, the parties are currently in negotiations regarding amendments to the interconnection agreement that will be required as a result of the TRO and TRRO. To the extent that an agreement cannot be reached on those matters, the parties have agreed to participate in and utilize the results of the Commission's decisions in Case No. 2004-00427, Petition to Establish Generic Docket to Consider Amendments to Interconnection Agreements Resulting from Changes in Law for that purpose.

Elizabeth O'Donnell  
July 15, 2005  
Page 2

I am authorized to state that AT&T has consulted with BellSouth and that BellSouth is in agreement with the contents of this letter. Should you have any question about the enclosed, please advise.

Sincerely,



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

CKH:jms

enc.

cc: Dorothy Chambers, Esq.  
David Eppsteiner, Esq.

Enclosure



AT&T / BELLSOUTH ARBITRATION

|          |  |                        |
|----------|--|------------------------|
|          | <p>Is it appropriate to include in the Interconnection Agreement ("ICA") rates, terms and conditions for services BST agrees to provide or is required to provide under authority other than Section 251 of the Act?</p>   | <p>Issue Resolved.</p> |
| <p>2</p> | <p>What unbundled network elements and combinations of unbundled network elements is BellSouth required to provide and at what rates, terms and conditions?</p>  | <p>Issue Resolved</p>  |
| <p>3</p> | <p>Under what circumstances, if any, can AT&amp;T commingle section 251 Network Elements and Other Services with facilities and services BST otherwise provides or is required to provide?</p>   | <p>Issue Resolved.</p> |
| <p>4</p> | <p>What language, including specific, language dealing with any required transition of existing Network Elements and Other Services, should be included in the ICA to address (a) the vacature of FCC Rules and Orders by <i>USTA II</i>; and (b) those portions of the TRO and other FCC rules and orders that were unaffected by a final decision in <i>USTA II</i>?</p> | <p>Issue Resolved.</p> |
| <p>5</p> | <p>What language, if any, should be in the ICA to address provisioning and coordinated Call-Covers (Call-Cuts)?</p>  | <p>Issue Resolved</p>  |
| <p>6</p> | <p>Is BellSouth obligated to provide loops that are longer than 18,000 feet from BellSouth's serving wire center?</p>  | <p>Issue Resolved</p>  |

|           |  |                                  |
|-----------|--|----------------------------------|
| <p>7</p>  | <p>Is BellSouth required to provide line conditioning on copper loops longer than 18,000 feet, if so, at what rates, and upon what terms and conditions?</p>   | <p>Issue Resolved</p>            |
| <p>8</p>  | <p>Is BellSouth required to remove bridged tap on copper loops that are between 0 and 2,500 feet in length? If so, at what rates, terms and conditions?</p>  | <p>Issue Resolved</p>            |
| <p>9</p>  | <p>Is line conditioning limited to a certain Network Modification that BSI regularly undertakes to provide to BSI's own customers?</p>   | <p>Issue Resolved</p>            |
| <p>10</p> | <p>What is the appropriate threshold for the application of Project Management requirements for the provisioning of loops?</p>   | <p>Issue Resolved</p>            |
| <p>11</p> | <p>What are BSI's obligations relating to the retirement of existing copper loops?</p>   | <p>Issue Resolved</p>            |
| <p>12</p> | <p>Should BSI be allowed to charge line access fees or other NREs when AT&amp;T orders loops to serve a particular location that BSI has chosen to serve via Integrated Digital Loop Carrier ("IDLC")?</p> | <p>Issue Resolved</p>            |
| <p>13</p> | <p>Should AT&amp;T have the right to audit BSI's billings to AT&amp;T for services provided pursuant to the ICA, and if so, under what terms and conditions should the audit be conducted?</p>             | <p>Issue Resolved</p>            |
| <p>14</p> | <p>Under what circumstances will AT&amp;T be allowed to move or rearrange BSI's facilities while AT&amp;T is performing "Make-Ready" work?</p>   | <p>Negotiations are ongoing.</p> |
| <p>15</p> | <p>Is BellSouth required to provide expedited for AT&amp;T service orders? If so, at what rates, and upon what terms and conditions?</p>   | <p>Issue Resolved</p>            |

| QUESTIONS | ANSWERS   | DATE SHOULD    |
|-----------|---|----------------|
| 16        | Under what circumstances can BST charge AT&T a secondary service order charge?  | Issue Resolved |
| 17        | Under what circumstances, if any, should BST be responsible in a Meet Point Billing (MPB) situation for payment to AT&T when the originating carrier's Operating Company Number (OCN) or Carrier Identification Code (CIC) is not forwarded to AT&T by BST? | Issue Resolved |
| 18        | For what period can a Party be back billed for network elements and services provided under this agreement?   | Issue Resolved |
| 19        | Is BST obligated to split collocation bills to send Non Recurring and Recurring charges to different billing addresses? If so, subject to what rates, terms and conditions?   | Issue Resolved |
| 20        | What rate can BST charge AT&T when BST is required to dispatch a technician to an end user's location more than once due to incomplete or inaccurate information provided by AT&T?  | Issue Resolved |
| 21        | When the cost of a Routing Network Modification is not already recovered in the Commission approved Recurring and Nonrecurring charges for the element, can BST require pre-payment of the costs for the Routing Network Modification?                      | Issue Resolved |
| 22        | Should BellSouth be allowed to charge AT&T a Multiple Tandem Access charge if BellSouth currently recovers its costs through another Commission approved rate element?  | Issue Resolved |
| 23        | What are BellSouth's obligations to accurately measure and record traffic usage at a BellSouth Tandem switch before charging for that usage?  | Issue Resolved |



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| 24 | Should Collocation Power charges (AC and DC) be based on the amps used by AT&T or based on fused amps installed for AT&T? Under either scenario, what terms and conditions will apply?  | Issue Resolved..          |
| 25 | What is the appropriate charge for transport and termination of long distance calls originated by a carrier that serves the customer using LATA, but  | Issue Resolved            |
| 26 | How should BST and AT&T compensate each other for calls that originate and terminate in the same LATA, where each party's local calling area is not coterminous with the LATA boundaries?   | Issue Resolved.           |
| 27 | Should BellSouth be permitted to modify "Call Flow" diagrams that accurately reflect how compensation for the transport and termination of originating and terminating traffic are based solely on the resolution of the RCA?                               | Issue Resolved            |
| 28 | What is the definition of non-Information Service Provider ("ISP") "Enhanced (Information) Service Provider ("ESP") traffic," and how should it be compensated, if at all?  | Issue Resolved.           |
| 29 | What are the appropriate rates, terms and conditions under which BellSouth can impose the four line limit "cave out" when providing access to unbounded switching in AT&T for those customers with four lines or more in density zone 1 to the top 50 MSAs? | Issue Resolved            |
| 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?   | Negotiations are ongoing. |

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| 31 | <p>Is it appropriate for the Commission to consider for inclusion in the ICA in a § 252 arbitration new UNE rates and new collocation fees or should those rates and fees be determined in separate generic proceedings? If considered in this proceeding, what are the appropriate rates and fees.</p> | Issue Resolved            |
| 32 | <p>Should BellSouth have the right to audit AT&amp;T's records to verify compliance with the high capacity EHL service eligibility requirements provided in submit to the ICA and if so under what terms and conditions should the audit be conducted?</p>  | Issue Resolved            |
| 33 | <p>What compensation if any is due for the transport of 976 and other information services calls?</p>   | Issue Resolved            |
| 34 | <p>Under what circumstances can BellSouth modify NUNMs that have been previously approved by the Commission?</p>  | Issue Resolved            |
| 35 | <p>Should AT&amp;T be required to provide BellSouth with reciprocal access to network terminating wire (NTW) installed by, or on behalf of, AT&amp;T?</p>   | Negotiations are ongoing. |