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RECEIVED

June 2, 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 – Response to Staff Data Request

Dear Ms. O'Donnell:

On May 13, 2005, the Commission served on AT&T and BellSouth its Staff's Data Request which asks that the parties file a detailed report of the status of their negotiations, including a discussion of the status of each unresolved issue and plans to conclude this proceeding, including a proposed procedural schedule. This is to provide a response to Commission Staff's Data Request.

Attached is an updated copy of the Issues Matrix filed by AT&T on June 8, 2004 with the original Petition for Arbitration. The updated Issues Matrix indicates the status of the negotiations of each issue. The parties are continuing to negotiate and would request that the Commission establish a schedule whereby the parties would present the Commission with a list of unresolved Issues to be arbitrated on July 15, 2005; require the filing of Direct Testimony thirty days thereafter on August 15, 2005; require the filing of Rebuttal Testimony fifteen days thereafter on August 30, 2005 and schedule a one day hearing on a date convenient to the Commission in September 2005.

I am authorized to state that AT&T has consulted with BellSouth and that BellSouth is in agreement with this representation of the status of each unresolved issue and with the schedule proposed.

Elizabeth O'Donnell
June 2, 2005
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Please indicate receipt of this filing by your office by placing a file stamp on the extra copy and returning to me the enclosed, self-addressed stamped envelope.

Sincerely,

A handwritten signature in black ink that reads "C. Kent Hatfield" followed by a small mark that looks like "1/2/05".

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

CKH:jms

enc.

cc: Parties of Record

AT&T / BELLSOUTH ARBITRATION
 KPSC DOCKET NO. 2004-00234
 JUNE 2, 2005 STATUS REPORT

ISSUE NO.	ISSUE DESCRIPTION	CURRENT STATUS
1	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?	Negotiations are ongoing.
2	What unbundled network elements and combinations of unbundled network elements is BellSouth required to provide and at what rates, terms and conditions?	Negotiations are ongoing.
3	Under what circumstances, if any, can AT&T commingle section 251 Network Elements and Other Services with facilities and services BST otherwise provides or is required to provide?	Negotiations are ongoing.
4	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 III</i> ?	Negotiations are ongoing.
5	What language, if any, should be in the ICA to address Provisioning and Coordinated Cut-Overs ("Hot Cuts")?	Issue Resolved.
6	Is BellSouth obligated to unbundle loops that are longer than 18,000 feet from BellSouth's serving wire center?	Issue Resolved.

ISSUE NO.	ISSUE DESCRIPTION	CURRENT STATUS
7	Is BellSouth required to provide line conditioning on copper loops longer than 18,000 ft? If so, at what rates, and upon what terms and conditions?	Issue Resolved.
8	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?	Issue Resolved.
9	Is line conditioning limited to a Routine Network Modification that BST regularly undertakes to provide xDSL services to BST's own customers?	Issue Resolved.
10	What is the appropriate threshold for the application of Project Management requirements for the provisioning of loops?	Issue Resolved.
11	What are BST's obligation relating to the retirement of existing copper loops?	Issue Resolved.
12	Should BST be allowed to charge design fees or other NRCs when AT&T orders loops to serve a particular location that BST has chosen to serve via Integrated Digital Loop Carrier ("IDLC")?	Issue Resolved.
13	Should AT&T have the right to audit BST's billings to AT&T for services provided pursuant to the ICA, and if so, under what terms and conditions should the audit be conducted?	Issue Resolved.
14	Under what circumstances will AT&T be allowed to move or rearrange BST's facilities while AT&T is performing "Make-Ready" work?	Negotiations are ongoing.
15	Is BellSouth required to provide expedites for AT&T service orders? If so, at what rates, and upon what terms and conditions?	Issue Resolved.

ISSUE NO.	ISSUE DESCRIPTION	CURRENT STATUS
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?	Negotiations are ongoing.
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 Routine 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 Routine 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.

ISSUE NO.	ISSUE DESCRIPTION	CURRENT STATUS
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?	Negotiations are ongoing.
25	What is the appropriate charge for transport and termination for inter-office calls originated by a carrier that serves the customer using UNE-P?	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?	Negotiations are ongoing.
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 subsequent to the execution of the ICA?	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?	Negotiations are ongoing.
29	What are the appropriate rates, terms and conditions under which BellSouth can impose the four line limit "carve out" when providing access to unbundled switching to AT&T for those customers with four lines or more in density zone 1 in 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.

ISSUE NO.	ISSUE DESCRIPTION	CURRENT STATUS
31	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.	Negotiations are ongoing.
32	Should BellSouth have the right to audit AT&T's records to verify compliance with the high capacity EEL service eligibility requirement provided pursuant to the ICA, and if so, under what terms and conditions should the audit be conducted?	Issue Resolved.
33	What compensation, if any, is due for the transport of 976 and other information service calls?	Issue Resolved.
34	Under what circumstances can BellSouth modify SQMs that have been previously approved by the Commission?	Issue Resolved.
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?	Negotiations are ongoing.