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November 23, 2005

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

PUBLIC SERVICE COMMISSION

Re: Dialog Telecommunications, Inc. Application for Designation as an ETC

Dear Ms. O'Donnell:

Enclosed please find an original and four copies of Dialog Telecommunications, Inc.'s Application for Designation as an Eligible Telecommunications Carrier. Please indicate receipt of this filing by placing your file-stamp on the extra copy and returning to me in the enclosed self-addressed, postage-paid envelope.

Sincerely yours

Douglas F. Brent

Counsel for Dialog Telecommunications, Inc.

DFB:jms

Enc.

COMMONWEALTH OF KENTUCKY

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BEFORE THE PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DIALOG TELECOMMUNICATIONS, INC.

Dialog Telecommunications, Inc. ("Dialog"), by its undersigned counsel and pursuant to Section 214(e) of the Telecommunications Act of 1996 (the "1996 Act") and Sections 54.101, 54.201 and 54.203 through 54.207 of the Rules of the Federal Communications Commission ("FCC"), hereby requests that the Kentucky Public Service Commission ("Commission") designate Dialog as an Eligible Telecommunications Carrier ("ETC") for its current service area throughout the State of Kentucky. In further support of its Application, Dialog states as follows:

- 1. Dialog is a North Carolina corporation with its principal offices located at 540 Griffith Road, Charlotte, NC 28217. Dialog is a utility as defined by KRS § 278.010(3)(e) and is authorized by the Commission to provide telecommunications services in Kentucky.
- 2. Dialog provides service in Kentucky pursuant to its tariffs No. 1 and No. 2 filed and approved by the Commission.

- 3. As a result of the work and cooperation of federal and state regulators, the FCC has adopted a number of cost recovery policies and mechanisms designed to promote and maintain universal service (the "Universal Service Fund"). The Universal Service Fund was established, in part, to provide support for network infrastructure investment in areas such as those serviced by Dialog which are generally characterized as high cost due to their rural nature. Mechanisms were also established in an effort to moderate the amount of costs to be recovered through basic, recurring charges to users, thereby assisting efforts to maintain reasonable basic rate levels.
- 4. Since January 1, 1998, a competitive local exchange carrier qualifies to receive the universal service support set forth above only if it has been designated by a state regulatory agency as an ETC. The Universal Service Fund therefore represents significant untapped resources which could greatly benefit the consumers and businesses of the State of Kentucky upon the designation of Dialog as an ETC.
- 5. Dialog requests that the Commission, by order, designate the company as an ETC for its current service area throughout the Commonwealth of Kentucky. Such action is entirely consistent with both the 1996 Act and the public interest of the State of Kentucky. Dialog is not requesting certification within the exchange territory of any Rural telephone company.

- 6. Dialog provides local and interexchange services in approximately fifty Kentucky counties. The majority of Dialog's customers are in less densely populated areas of Western Kentucky. All of Dialog's customers are located within the exchange territory of BellSouth Telecommunications, Inc. Exhibit "A" to this application identifies those BellSouth wire centers in which Dialog provides service and in which ETC status is sought.
- 7. Dialog strives to assist in bringing premier telecommunications services to these areas and is committed to the provision of high quality, reasonably priced services. As an ETC, Dialog will provide telecommunications services to customers within predominantly non-urban areas of Kentucky, and will also be permitted to participate in certain cost recovery mechanisms established by the FCC.
- 8. In order to be designated as an ETC, the FCC's rules require that carriers must publicize and offer the list of services supported by the federal universal service mechanisms.

 As demonstrated below, Dialog satisfies these requirements and should be granted ETC status. Under the applicable federal rule,

 47 CFR § 54.101(a), the ETC must offer the following services:
 - a) Voice grade access to the public switched network;
 - b) Access to free-of-charge "local usage" defined as an amount of minutes of use of exchange service;

- c) Dual tone multi-frequency signaling or its functional equivalent;
- d) Single-party service or its functional equivalent;
- e) Access to emergency services;
- f) Access to operator services;
- g) Access to interexchange services;
- h) Access to directory assistance; and
- i) Toll limitations services for qualifying low-income customers.
- 9. Qualified ETCs must offer these services either using their own facilities or a combination of their own facilities and the resale of services of another facilities-based carrier. Further, ETCs must advertise the availability of, and the prevailing prices for, the universal services throughout the area in which they have been designated an ETC. Dialog will comply with each of these requirements regarding service provisions and advertisement, and will utilize all universal service support for the provision, maintenance, and upgrading of the supported services.
- 10. Dialog will implement a program to advertise the availability of the above referenced services and related charges using media of general distribution in its service area as required by Section 214(e)(1)(B) of the 1996 Act and Section 54.201(d)(2) of the FCC's rules.

- 11. Dialog meets all eligibility requirements in order to be designated an ETC as codified in the federal statute and as promulgated in FCC rules. In addition, once designated as an ETC, Dialog will be obligated to offer Lifeline service under 47 CFR § 54.405, and will file with the Commission tariff revisions to include service descriptions and rates for Lifeline and Linkup services.
- 12. Attached hereto as Exhibit "B" and incorporated herein by reference is the affidavit of James A. Bellina, President of Dialog, in support of this Application.

CONCLUSION

Having demonstrated that Dialog satisfies the conditions necessary for designation as an ETC, and having shown that the public and universal service interests of the telecommunications consumers of the State of Kentucky will be served, Dialog respectfully requests that the Commission designate it as an ETC.

Respectfully submitted,

DIALOG TELECOMMUNICATIONS, INC.

C. Kent Hatfield

Douglas F. Brent

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Louisville, KY 40202

502-568-9100

Attorneys for Dialog Telecommunications

EXHIBIT A

| CLLI | RateCenter |
|----------|------------|
| ALLNKYMA | ALLEN |
| AURRKYMA | AURORA |
| BDFRKYMA | |
| BGDDKYMA | |
| BLFDKYMA | BLOOMFIELD |
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| BNLYKYMA | BENHAMLNCH |
| BNTNKYMA | BENTON |
| BRGNKYMA | BURGIN |
| BRMNKYMA | BREMEN |
| BRTWKYES | |
| 1 | BEAVER DAM |
| BYVLKYMA | BEATTYVL |
| CADZKYMA | CADIZ |
| 1 | |
| CHPLKYMA | CHAPLIN |
| CLAYKYMA | CLAY |
| CLHNKYMA | CALHOUN |
| CLPTKYMA | CLOVERPORT |
| CLTNKYES | CLINTON |
| CMBGKYMA | |
| CNCYKYMA | CENTRAL CY |
| CNTNKYMA | CANTON |
| CNTWKYMA | |
| COTNKYMA | CROFTON |
| CRBNKYMA | CORBIN |
| CRBOKYMA | CRAB ORCH |
| CRLSKYMA | CARLISLE |
| CRTNKYMA | CARROLLTON |
| CYDNKYMA | |
| CYNTKYMA | |
| DAVLKYMA | DANVILLE |
| DIXNKYMA | DIXON |
| DRBOKYES | DRAKESBORO |
| DWSPKYES | |
| EDVLKYMA | EDDYVILLE |
| EKTNKYMA | ELKTON |
| ELCYKYES | ELKHORN CY |
| EMNNKYES | EMINENCE |
| EMNNKYPL | CROPPER |
| ERTNKYMA | EARLINGTON |
| FDCKKYES | FEDSCREEK |
| FDVLKYMA | FORDSVILLE |
| FEBRKYMA | MCCARR |
| FKLNKYMA | FRANKLIN |
| FLTNKYMA | WATER VLY |
| FNVLKYMA | FINCHVILLE |
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FORDKYMA FORD FRDNKYMA FREDONIA GBVLKYMA GILBERTSVL GHNTKYMA GHENT GNVLKYMA GREENVILLE GRACKYMA GRACEY GRTWKYMA GEORGETOWN GTHRKYMA GUTHRIE HANSKYMA HANSON HBVLKYMA HEBBARDSVL **HICKMAN HCMNKYMA HDBGKYMA CORNISHVL HRBGKYES HARDINSBG HRFRKYMA HARTFORD HRLNKYMA HARLAN HAWESVILLE HWVLKYMA INEZKYMA** INEZ **ISLDKYMA** ISLAND **JACKSON JCSNKYMA JELLICO** JLLCTNMA **JNCYKYMA** JUNCTIONCY **KKVLKYMA** KIRKSVILLE LBJTKYMA LEBANONJCT **LOUSKYES** LOUISA **LRBGKYMA LAWRENCEBG** LIVERMORE LVMRKYMA MARNKYMA MARION **MARTIN** MARTKYMA **MCDNKYMA MCDANIELS** MCWLKYMA **MCDOWELL MIDDLESBO MDBOKYMA MDVIKYMA MADISONVL MGFDKYMA** MORGANFLD **MGTWKYMA** MORGANTOWN MLBGKYMA **MILLERBURG MLTNKYMA** MILTON **MORTONSGAP** MRGPKYMA **MRRYKYMA MURRAY** MTEDKYMA MOUNT EDEN **MTSTERLING MTSTKYMA MYFDKYMA MAYFIELD MAYSVILLE** MYVLKYMA **NEBOKYMA NEBO NEONKYES** NEON **NRVLKYMA NORTONVL NWHNKYMA NEW HAVEN OWTNKYMA NEWLIBERTY** PARSKYMA **NOMIDDLETN PDCHKYIP PADUCAH PDCHKYLO PADUCAH**

PDCHKYMA PADUCAH PDCHKYRL SYMSONIA PIVLKYMA PINEVILLE PKVLKYMA PIKEVILLE PKVLKYMT PIKEVILLE **PLRGKYMA PLEASATRDG PEMBROKE PMBRKYMA PNTHKYMA PANTHER PAINTSVL** PNVLKYMA **PRBGKYES PRESTONSBG PRTNKYES PRINCETON PRVDKYMA PROVIDENCE PRVLKYMA** PERRYVILLE **PTRYKYMA** PORT ROYAL **ROBARDS RBRDKYMA RCMDKYMA RICHMOND SCRMKYMA SACRAMENTO SDVLKYMA** SADIEVILLE **SEBRKYMA** SEBREE **SHGVKYMA** SHARON GRV SHVLKYMA SHELBYVL **SLGHKYMA SLAUGHTERS SLPHKYMA SULPHUR** SALVISA SLVSKYMA **SNTNKYMA** STANTON **SPFDKYMA MACKVILLE SSVLKYMA** SIMPSONVL **STCHKYMA** ST CHARLES **STFRKYMA STANFORD STAMPNGRND STGRKYMA** STNLKYMA STANLEY STONE STONKYMA **STURGIS** STRGKYMA **SWSNKYMA** SOWILLIMSN **TPVLTNMA BESSIEBEND TRENKYMA** TRENTON **TAYLORSVL TYVLKYMA JORDAN UNCYTNMA UTICKYMA UTICA VIRGKYMA VIRGIE** WACOKYMA WACO WDDYKYMA WADDY WHITESBURG WHBGKYMA WHVLKYMA WHITESVL WILLIAMSBG WLBGKYMA WLCKKYES WALLINSCRK WARFIELD WRFDKYMA WSBGKYMA WILLISBURG WYLDKYES WAYLAND