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**BellSouth Telecommunications, Inc.**

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September 5, 2006

**RECEIVED**

SEP 06 2006

PUBLIC SERVICE  
COMMISSION

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

Re: Petition of SouthEast Telephone, Inc., for Arbitration of Certain Terms and Conditions of Proposed Agreement with BellSouth Telecommunications, Inc. Concerning Interconnection Under the Telecommunications Act of 1996  
PSC 2006-00316

Dear Ms. O'Donnell:

This letter is in response to SouthEast Telephone's ("SouthEast") letter to the Commission dated September 1, 2006, in the above-referenced matter.

SouthEast states in its letter that it anticipates that it will modify its positions with respect to several arbitration issues when it files its direct testimony on October 27, 2006. It would be inappropriate for SouthEast to wait until that time to set forth its positions. First, section 252 of the 1996 Act requires a carrier petitioning for arbitration to set forth any issues and its positions with respect to each in the arbitration petition. Second, it would be patently unfair to BellSouth for SouthEast to be permitted to spring new positions on BellSouth when SouthEast files its testimony. SouthEast will have the opportunity to address BellSouth's positions in both its direct and rebuttal testimony and BellSouth should have the same opportunity. If the Commission is going to allow SouthEast to alter its positions, it should require SouthEast to do so sufficiently in advance of the direct testimony filing date so that BellSouth can address the positions in its testimony. SouthEast states that its modified positions will be based on information it receives from BellSouth on September 29, 2006. BellSouth requests that, in the interests of fairness, the Commission require SouthEast to notify BellSouth and the Commission by no later than October 9, 2006, of any modifications to its positions.

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SouthEast also stated in its letter that it intends to introduce evidence of a rate issue that is not properly before the Commission in this case. That issue, as SouthEast acknowledges in its letter, arose in a separate case. BellSouth objects to SouthEast's attempt to incorporate non-arbitration issues into this section 252 arbitration, and requests that the Commission make clear to SouthEast that its attempt to do so is inappropriate and will not be permitted.

Thank you for your consideration.

Sincerely,

  
Mary K. Keyer

cc: Parties of Record

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