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July 29, 2010

RECEIVED

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VIA OVERNIGHT MAIL

PUBLIC SERVICE COMMISSION

Mr. Jeff Derouen Executive Director Public Service Commission 211 Sower Boulevard P. O. Box 615 Frankfort, KY 40602

Re:

South Central Telcom LLC, Complainant, v. BellSouth

Telecommunications, Inc., Defendant

KPSC 2006-00448

Dear Mr. Derouen:

Enclosed for filing in the above-captioned case are the original and ten (10) copies of AT&T Kentucky's Reply to South Central Telcom's Response to AT&T Kentucky's Motion for Clarification/Modification and for Extension of Time.

Sincerely.

Mary K. Keyer

Enclosures

CC:

Party of Record

835735

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:)
BELLSOUTH TELECOMMUNICATIONS, INC)
COMPLAINANT)
V.) CASE NO. 2006-00448
SOUTH CENTRAL TELCOM LLC)
DEFENDANT)

AT&T KENTUCKY'S REPLY TO SOUTH CENTRAL TELCOM'S RESPONSE TO AT&T KENTUCKY'S MOTION FOR CLARIFICATION/MODIFICATION AND FOR EXTENSION OF TIME

BellSouth Telecommunications, Inc., d/b/a AT&T Kentucky ("AT&T Kentucky"), by counsel, replies to South Central Telcom LLC's ("South Central Telcom") Response to AT&T Kentucky's Motion for Clarification/Modification and for Extension of Time.

AT&T Kentucky files its Reply to address three issues raised by South Central Telcom in its Response.

First, South Central (at 2) states that AT&T Kentucky claims that "the CLEC traffic it delivers to South Central Telcom's network should not be subject to access charges." That is not AT&T Kentucky's position. AT&T Kentucky's position is that to the extent access charges are applicable to such CLEC end-user originated traffic transiting AT&T Kentucky's network, AT&T Kentucky should not be responsible for paying them to South Central Telcom because AT&T Kentucky is not the originating carrier of such traffic. To find otherwise conflicts with the principle that the "calling

party's network pays," which has been a well-established principle of the Kentucky Public Service Commission ("Commission").

Second, contrary to South Central Telcom's conclusion (at 6) that "AT&T Kentucky is the cost causer to South Central Telcom," for this traffic and, therefore, should pay the access charges to South Central Telcom, such is not the case and is not supported by South Central Telcom's contradictory position (at 5, 6) that it does not object to AT&T Kentucky recovering these charges from the *originating CLECs*. The CLEC traffic at issue that AT&T Kentucky delivers to South Central Telcom is originated on the CLECs' switches by the CLECs' end users; therefore, it is the CLEC whose end user places the call that is the cost causer and, as such, the CLEC is responsible to South Central Telcom for any access charges that are applicable to such traffic. South Central Telcom admits such by stating (at 5) that the "Commission's Order does not prohibit AT&T Kentucky from collecting appropriate charges from the CLECs it serves when those CLECs' customers originate access traffic destined for South Central's network." (Emphasis added.) Such a statement further supports that the first paragraph on page 13 of the Commission's Order dated June 22, 2010, is inconsistent with the "calling party's network pays" principle since AT&T Kentucky is clearly not the calling party's network in the CLEC scenario described in that paragraph.

Third, South Central Telcom states (at 5) that the Commission's Order does not prohibit AT&T Kentucky from collecting the access charges from the originating CLECs, and (at 2) that AT&T Kentucky is "in an ideal position to do so." The evidence in the case, however, is contrary to South Central Telcom's statement. First, the Order as written states (at 13) that in those instances, "the call is deemed to have *originated on*

AT&T Kentucky's network" and that "AT&T Kentucky is functioning as an IXC and should pay access charges to South Central Telcom for the toll traffic." (Emphases added.) This language could be construed by a CLEC as preventing AT&T from attempting to seek reimbursement from the CLEC, as it finds that AT&T Kentucky is acting as an IXC and is thus the responsible party for the access charges. Second, AT&T Kentucky cannot bill and collect from the originating CLECs for such traffic because the originating carrier expects to see detailed invoices from the terminating carrier as proof that AT&T Kentucky paid for the originating carrier's traffic. (Tr. at 86) Because South Central Telcom bills AT&T Kentucky for an aggregate total of minutes with no detail records supporting such billing (id.), CLECs claim that AT&T Kentucky has failed to prove that it paid the terminating carrier, such as South Central Telcom, for the exact amount of minutes originated by that CLEC.

For the reasons stated herein and in its motion, AT&T Kentucky respectfully requests that the Commission modify its June 22, 2010, Order as indicated in AT&T Kentucky's motion.

Respectfully submitted,

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CERTIFICATE OF SERVICE - PSC 2006-00448

I hereby certify that a copy of the foregoing was served on the following individual by mailing a copy thereof, this 29th day of July 2010.

Honorable John E. Selent Dinsmore & Shohl, LLP 1400 PNC Plaza 500 West Jefferson Street Louisville, KY 40202

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