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April 27, 2007

RECEIVED

APR 30 2007

PUBLIC SERVICE
COMMISSION

Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

**Re: In the Matter of Petition of Compsoth Pursuant to KRS 278.512 for an
Exemption for Competing Local Exchange Carriers and Interexchange
Carrier from the Requirements of 807 KAR 5:006(3)
Case No. 2007-00084**

Dear Ms. O'Donnell:

Enclosed please find and accept for filing the original and ten (10) copies of Verizon's Comments in the above-referenced matter. Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the extra copy provided and return it to me in the enclosed self-addressed stamped envelope.

Should you have any questions or need any additional information, please contact me at your convenience.

Very truly yours,

C. Kent Hatfield

CKH/cja
Enclosures
cc: Dennis Howard, II

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF COMPSOUTH PURSUANT)
TO KRS 278.512 FOR AN EXEMPTION)
FOR COMPETING LOCAL EXCHANGE)
CARRIERS AND INTEREXCHANGE) Case No. 2007-00084
CARRIER FROM THE REQUIRMENTS OF)
807 KAR 5:006(3))

COMMENTS OF VERIZON

MCI Communications Services, Inc. d/b/a Verizon Business Services, MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services, Teleconnect Long Distance Services and Systems Company, and TTI National, Inc. (collectively, "Verizon") file these comments in support of CompSouth's petition ("*Petition*") for an exemption from the annual reporting requirements of 807 KAR 5:006(3) for non-dominant telecommunications providers, including competing local exchange carriers ("CLECs") and interexchange carriers ("IXCs). In support thereof, Verizon states the following:

1.

As indicated in the *Petition*, the Commission's oversight of the operations of non-dominant carriers has decreased over time. The petition cited the following examples:

- (1) CLECs and IXCs are no longer required to obtain certificates for initial operations;
- (2) non-dominant carrier rates are determined by notice filings rather than rate proceedings;

(3) acquirers of non-dominant providers need not prove managerial, technical, or financial capacity to operate a utility;

(4) proof of demand for service is not required before construction of a non-dominant carrier facility; and,

(5) the Commission does not review a non-dominant carrier's decision to issue evidences of indebtedness.

Petition at 3-4.

The Commission should continue its path of reduced regulatory oversight of non-dominant carriers and grant the *Petition*.

2.

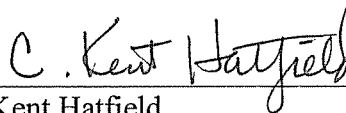
In 2006, with the adoption of House Bill 337, the legislature provided dominant carriers with the ability to opt out of numerous statutory reporting requirements, including Commission requirements for the filing of financial reports. As indicated in the *Petition*, the three largest incumbent providers in the state have taken advantage of this legislation and are exempt from filing annual reports. Today, BellSouth, by far the largest provider of telecommunications services in the Commonwealth, has no requirement to file annual reports. The public interest dictates that non-dominant carriers should be afforded the same rights.

3.

The *Petition* demonstrates that the statutory requirements under KRS 278.512 for exemption for regulatory requirements have been met.

For the foregoing reasons, Verizon respectfully requests that the Commission grant the *Petition*, and that all CLECs and IXCs operating within the Commonwealth be exempted from the annual filing requirements of 807 KAR 5:006(3).

Respectfully submitted this 27th day of April 2007.



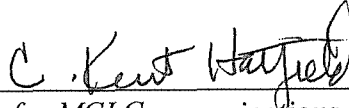
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d/b/a Verizon Business Services, MCI metro Access
Transmission Services LLC d/b/a Verizon Access
Transmission Services, Teleconnect Long Distance
Services and Systems Company, and TTI National,
Inc.*

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served upon the following, this 27th day of April, 2007.

Dennis Howard, II
Acting Director
Office of Rate Intervention
Office of the Attorney General
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601



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Transmission Services LLC d/b/a Verizon Access
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