



STOLL · KEENON · OGDEN
PLLC

2000 PNC PLAZA
500 WEST JEFFERSON STREET
LOUISVILLE, KY 40202-2828
MAIN: (502) 333-6000
FAX: (502) 333-6099
www.skofirm.com

DOUGLAS F. BRENT
DIRECT DIAL: 502-568-5734
DIRECT FAX: 502-333-6099
douglas.brent@skofirm.com

March 30, 2010

RECEIVED

MAR 30 2010

PUBLIC SERVICE
COMMISSION

Jeffrey DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40601

2010-00138

RE: *The Petition of Smart Connections, Inc.'s for Designation as an
Eligible Telecommunications Carrier in the Commonwealth of Kentucky
Case No. 2010- _____*

Dear Mr. DeRouen:

Enclosed please find and accept for filing the original and ten copies of Smart Connection, Inc.'s Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Kentucky.

Please confirm receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copy and return to me via our runner. Upon the assignment of a case number we will begin the process to obtain admission for Mr. Steinhart to practice in this case.

Should you have any questions please contact me at your earliest convenience.

Sincerely yours,

Douglas F. Brent

c: Lance Steinhart

DFB: jms
Enclosures

113122.136029/624075.1

COMMONWEALTH OF KENTUCKY

RECEIVED

BEFORE THE PUBLIC SERVICE COMMISSION

MAR 30 2010

IN THE MATTER OF

PUBLIC SERVICE COMMISSION

PETITION OF)
 SMART CONNECTIONS, INC.)
 FOR DESIGNATION AS AN ELIGIBLE)
 TELECOMMUNICATIONS CARRIER) CASE NO. 2010-00138
 IN THE COMMONWEALTH OF KENTUCKY)

PETITION OF SMART CONNECTIONS, INC. FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE COMMONWEALTH OF KENTUCKY

Smart Connections, Inc. (“Smart Connections” or the “Applicant”), pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the “Act”)¹ and Sections 54.101 through 54.207 of the Rules of the Federal Communications Commission (“FCC”),² and the rules and regulations of the Kentucky Public Service Commission (the “Commission”), hereby applies to the Commission for certification as an Eligible Telecommunications Carrier (“ETC”) throughout the BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky (“AT&T”) service territory (the “Designated Service Area”) for the purpose of receiving federal universal service support.³ The Applicant is seeking only low income support, and is not requesting high cost support. As demonstrated below, Smart Connections satisfies all of the statutory and regulatory requirements for designation as an ETC in the Designated Service Area. Furthermore, designation of Smart Connections as an ETC in the Designated Service Area will serve the public interest. Accordingly, Smart Connections respectfully requests that the Commission grant this Application.

¹ 47 U.S.C. § 214(e)(2).

² 47 C.F.R. §§ 54.101-54.207.

³ A list of each wire center which the Applicant is requesting ETC status in the Commonwealth of Kentucky is attached hereto as Exhibit 1.

All correspondence, communications, pleadings, notices, orders and decisions relating to this Application should be addressed to:

Lance J.M. Steinhart
Lance J.M. Steinhart, P.C.
Attorney for Applicant
1720 Windward Concourse, Suite 115
Alpharetta, Georgia 30005
(770) 232-9200 (Phone)
(770) 232-9208 (Fax)
E-Mail: lsteinhart@telecomcounsel.com

With a copy to Applicant's local counsel:

Douglas F. Brent
STOLL KEENON OGDEN PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, KY 40202
(502) 333 6000 (Phone)
(502) 333-6099(Fax)
Email: douglas.brent@skofirm.com

I. BACKGROUND

1. Smart Connections, Inc. is a Delaware Corporation⁴ and is authorized to conduct business as a foreign Corporation in the Commonwealth of Kentucky. Copies of the Applicant's Certificate of Incorporation and authority to transact business in the Commonwealth of Kentucky are on file with the Commission and incorporated herein by reference. The Applicant is authorized to provide competitive local exchange services throughout Kentucky (Utility ID No. 5056450). The principal office of the Applicant is located at 12815 Emerald Coast Parkway, Suite 124, Destin, Florida 32550. The telephone number of the Applicant is (850) 650-6161. The Applicant will provide local exchange and exchange access services in the Designated Service Area using a combination of resale and facilities obtained as unbundled network

⁴ Smart Connections was incorporated in the State of Delaware on January 26, 2009.

elements (“UNEs”) obtained through agreements that allow end-to-end switching and delivery of calls.

2. As set forth in Section 214(e)(2) of the Act, the Commission “shall upon its own motion or upon request designate a common carrier that meets the requirements of [Section 214(e)(1)] as an eligible telecommunications carrier for a service area designated by the State commission.”⁵ Upon designation as an ETC, the carrier shall be eligible to receive universal support in accordance with Section 254 of the Act.⁶

3. The requirements for designation as an ETC set forth in Section 214(e)(1) are that the carrier must:

(a) offer the services that are supported by Federal universal support mechanisms under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier’s services (including the services offered by another eligible telecommunications carrier); and

(b) advertise the availability of such services and the charges therefore using the media of general distribution.⁷

II. SMART CONNECTIONS SATISFIES THE REQUIREMENTS FOR DESIGNATION AS AN ETC TO SERVE THE DESIGNATED SERVICE AREA

1. Smart Connections is a common carrier as that term is defined in the Act.⁸ The Applicant will provide the supported services in the Designated Service Area pursuant to its Utility ID No. 5056450 referenced above.

2. Smart Connections will offer all of the supported services enumerated under Section 254(c) using facilities obtained as UNEs, or the equivalents thereof. According to FCC

⁵ 47 U.S.C. § 214(e)(2); *see* 47 C.F.R. § 54.201(b) (FCC Rules citing the Act’s requirements).

⁶ 47 U.S.C. § 214(e)(1).

⁷ *Id.*

⁸ *See* 47 U.S.C. § 153(10) (“the term ‘common carrier’ or ‘carrier’ means any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy . . .”).

Rules, facilities obtained as UNEs satisfy the requirement that an ETC provide the supported services using either its own facilities or a combination of its own facilities and resale of another carrier's services.⁹ Accordingly, the Applicant satisfies the requirement set forth in Section 214(e)(1)(A).

3. The services that are supported by Federal universal support mechanisms under section 254(c) are enumerated in the rules of the Federal Communications Commission ("FCC") at 47 C.F.R. § 54.101(a)(1)-(9). These services are:

- (a) Voice grade access to the public switched network. "Voice grade access" is defined as a functionality that enables a user of telecommunications services to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call. For the purposes of this part, bandwidth for voice grade access should be, at a minimum, 300 to 3,000 Hertz. Applicant meets this requirement by providing voice-grade access to the public switched telephone network. All customers of Applicant are able to make and receive calls on the public switched telephone network within the specified bandwidth;
- (b) Local usage. "Local usage" means an amount of minutes of use of exchange service, prescribed by the FCC, provided free of charge to end users. Applicant includes specified quantities of usage in its rate plans and thereby complies with the requirement. It is important to note, that currently, there is no specific rule that requires an ETC to include any particular amount of local usage;
- (c) Dual tone multi-frequency signaling or its functional equivalent. "Dual tone multi-frequency" (DTMF) is a method of signaling that facilitates the transportation of signaling through the network, shortening call set-up time. Applicant provides DTMF signaling to its customers, which is the equivalent of that offered by the incumbent LEC to its customers;

⁹ Section 54.201(f) of the FCC's Rules states, "[f]or the purposes of this section, the term 'own facilities' includes, but is not limited to, facilities obtained as unbundled network elements pursuant to Part 51 of this chapter, provided that such facilities meet the definition of the term 'facilities' under this subpart." 47 C.F.R. § 54.201(f). The term "facilities" under Section 54.201 is defined as "any physical components of the telecommunications network that are used in the transmission or routing of the services that are designated for support pursuant to subpart B of this part." 47 C.F.R. § 54.201(e). Applicant's use of UNEs, including § 251 loops, or equivalents thereof, commingled with § 271 elements provided pursuant to an agreement filed with the Commission pursuant to § 252, meets this definition of "facilities."

- (d) Single-party service or its functional equivalent. "Single-party service" is telecommunications service that permits users to have exclusive use of a wireline subscriber loop or access line for each call placed, or, in the case of wireless telecommunications carriers, which use spectrum shared among users to provide service, a dedicated message path for the length of a user's particular transmission. Applicant meets the requirement of single-party service by providing a dedicated message path for the length of all customer calls;
- (e) Access to emergency services. "Access to emergency services" includes access to services, such as 911 and enhanced 911, provided by local governments or other public safety organizations. 911 is defined as a service that permits a telecommunications user, by dialing the three-digit code "911," to call emergency services through a Public Service Access Point (PSAP) operated by the local government. "Enhanced 911" is defined as 911 service that includes the ability to provide automatic numbering information (ANI), which enables the PSAP to call back if the call is disconnected, and automatic location information (ALI), which permits emergency service providers to identify the geographic location of the calling party. "Access to emergency services" includes access to 911 and enhanced 911 services to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems. Through its agreements with AT&T, Applicant currently provides its subscribers access to 911 emergency services, and also provides Enhanced 911 services including Phase I and Phase II E911 services where requested by local public safety authorities ready to receive the information and where the local exchange carrier supports such services;
- (f) Access to operator services. "Access to operator services" is defined as access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call. Operator services are offered by Applicant;
- (g) Access to interexchange service. "Access to interexchange service" is defined as the use of the loop, as well as that portion of the switch that is paid for by the end user, or the functional equivalent of these network elements in the case of a wireless carrier, necessary to access an interexchange carrier's network. Applicant provides long distance access to its customers;
- (h) Access to directory assistance. "Access to directory assistance" is defined as access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings. Applicant provides access to directory assistance to its customers; and

- (i) Toll limitation for qualifying low-income consumers. Toll limitation for qualifying low-income consumers is linked to participation in the Lifeline program, which Applicant will participate in and offer upon designation as an ETC. Applicant will use the appropriate toll limitation technology to provide this required service at no additional charge to Lifeline customers.

4. Upon certification as an ETC, Smart Connections will participate in, and offer LifeLine and Link-Up programs to qualifying low-income consumers and publicize the availability of Lifeline and Link-Up services in a manner reasonably designed to reach those likely to qualify for those services, as required by FCC Rules.¹⁰ The FCC has concluded that even pure resellers may qualify as an ETC and properly use universal service support for the purposes for which it was intended by offering reduced price Lifeline service.¹¹

5. Smart Connections will advertise the availability of the above-referenced services and the charges for those services in the Designated Service Area using media of general distribution, as required by FCC Rules.¹²

III. AREA FOR WHICH ETC DESIGNATION IS REQUESTED

1. Smart Connections will serve the exchanges in the Designated Service Area where it leases UNEs or resells the services of AT&T Kentucky. Smart Connections does not seek certification as an ETC in any areas served by rural telephone companies.

IV. GRANTING THE APPLICATION WILL SERVE THE PUBLIC INTEREST

1. Congress requires that the Commission grant competitive ETC applications in non-rural areas.¹³ No specific public interest test is mentioned, as is the case for areas served by

¹⁰ See 47 C.F.R. §§ 54.401-54.417; 54.405(b) & 54.411(d).

¹¹ See *Federal-State Joint Board on Universal Service, Petition of Tracfone Wireless, Inc.*, 20 FCC Rcd 15095 (2005) (finding that because Lifeline support is customer-specific and is directly reflected in the price that the eligible customer pays, it is impossible for any carrier to receive a double recovery of the support).

¹² See 47 C.F.R. §§ 54.201(d)(2).

¹³ See 47 U.S.C. 214(e)(2).

rural telephone companies.¹⁴ Thus, the Act provides that the Commission “shall” designate Smart Connections as an ETC upon finding that the company meets the nine-point list of services and that it agrees to advertise the supported services throughout the Designated Service Area. Notwithstanding, the designation of Smart Connections as an ETC will serve the public interest.

2. Smart Connections will announce and advertise telecommunications services as an ETC where it provides service in its Designated Service Area in Kentucky and will publicize the availability of Lifeline and Link-Up services in a manner reasonably designed to reach those likely to qualify for those services. Accordingly, more low-income Kentucky residents will be made aware of the opportunities afforded to them under the Lifeline and Link-Up programs and will be able to take advantage of those opportunities by subscribing to Smart Connections’s service. Smart Connections advertises its services through several different media of general distribution including (but not limited to) marketing at targeted retail locations, and intends to advertise via television. A sample sales brochure is attached hereto as Exhibit 2. Since Smart Connections’s service is of particular interest to credit-challenged customers—many of whom are low income—who generally cannot obtain service from the incumbent carrier, the granting of ETC status is clearly in the public interest; access to Lifeline and Link-Up programs can be critically important to a significant portion of the eligible low income consumers. To Applicant’s knowledge, Lifeline and Link-Up services are not being sufficiently advertised and made available to eligible low income consumers in the Designated Service Area. Statistics suggest that there are many eligible customers who are not yet aware of the programs. According to the best data available to Applicant, as of December 31, 2008, fewer than twenty per cent (20%) of consumers eligible for Lifeline and Linkup Services in the Commonwealth of

¹⁴ *See Id.*

Kentucky were being provided such services.¹⁵ The FCC's own statistics show how additional efforts are needed to promote awareness of the programs. On September 14, 2009 the FCC noted how Lifeline and Link Up programs have been active for years but at least half of eligible consumers nationwide do not take advantage of this assistance.¹⁶ When additional carriers enter the market with programs designed specifically for such customers, it increases the likelihood that eligible customers will become generally aware of these valuable options for telecommunications service.

3. Smart Connections will provide universal service as an ETC in all of its Designated Service Area.

4. Smart Connections is willing to accept carrier of last resort obligations throughout the universal service areas in which Smart Connections is designated as an ETC by the Commission.

5. Smart Connections will provide equal access to interexchange service.

6. Under FCC guidelines, an ETC Applicant must submit a five-year plan that describes with specificity proposed improvements or upgrades to the applicant's network on a wire center-by-wire center basis throughout its proposed Designated Service Area. This guideline has no application where an applicant's requested ETC serving territory would qualify it to receive no "high cost" USF support, but only "low income" USF support. Because Smart Connections seeks ETC designation solely for purposes of reimbursement for provision of subsidized Lifeline and Link-Up services to eligible customers, submission of a Five-Year

¹⁵ See attached Exhibit 3, 2008 Lifeline Participation Rates by State, which was obtained from the Universal Service Administrative Company ("USAC"), an independent not-for-profit corporation designated as the administrator of the federal Universal Service Fund by the Federal Communications Commission (FCC). USAC administers Universal Service Fund (USF) programs for high cost companies serving rural areas, low-income consumers, rural health care providers, and schools and libraries. Also attached is an FCC News Release dated September 14, 2009.

¹⁶ Exhibit 3 includes the FCC's News Release.

Network Improvement Plan is not required. Since Lifeline support is designed to reduce the monthly cost of telecommunications services for eligible consumers, and is distributed on a per-household basis and is directly reflected in the price that the eligible customer pays, it is assured that all support received by the carrier is used to provide Lifeline services to consumers, thus promoting Lifeline and the availability of telephone service to low income users, which is clearly in the public interest.

7. Applicant will offer a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which it seeks designation. Applicant will offer a local usage plan with unlimited calling within the customer's local calling area for a flat monthly fee with the same calling scope as AT&T Kentucky.

8. Under FCC guidelines, an ETC Applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards. 47 CFR §54.202(a)(3); *see In the Matter of Federal-State Joint Board on Universal Service*, Report and Order, CC Dkt. No. 96 45, 20 FCC Rcd 6371, para. 28 (2005) ("FCC ETC Order"). Applicant will satisfy all such standards. As part of its certification requirements for providing local exchange services, Applicant must abide by the service quality and consumer protection rules. In addition, Applicant commits to reporting information on consumer complaints per 1,000 lines on an annual basis consistent with the FCC ETC Order. Applicant in general commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality standards.

9. Under FCC guidelines, an ETC Applicant must demonstrate its ability to remain functional in emergency situations. 47 CFR §54.202(a)(2); *see* FCC ETC Order at para. 25. Applicant provides to its customers the same ability to remain functional in emergency situations

as currently provided by AT&T Kentucky to its own customers, including access to a reasonable amount of back-up power, rerouting of traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations.

10. Under FCC guidelines, an ETC Applicant must commit to provide service throughout its proposed designated service area to all customers making a reasonable request for service. FCC ETC Order at para. 22; 47 CFR §54.202(a)(1)(i). Applicant commits to provide service throughout its proposed ETC-designated service area to all customers making a reasonable request for service.

11. Applicant's account is current with the FCC in regards to regulatory fees; and its account is current with the Universal Service Administrative Company in regards to universal service contributions. The Applicant is aware that there may be an audit of the use of universal service funds and that the eligible telecommunications service designation is reviewed annually by state commissions.

12. No state has denied any ETC petition filed by Applicant, nor have any such petitions been withdrawn.

13. By this application, Applicant hereby asserts its willingness and ability to comply with all the rules and regulations that the Commission may lawfully impose upon Applicant's provision of service contemplated by this application.

14. Upon Commission request, Applicant is prepared to answer questions or present additional testimony or other evidence about its services within the state.


V. RELIEF REQUESTED

For the foregoing reasons, Smart Connections respectfully requests that the Commission grant its application and designate the Applicant as an ETC in the Designated Service Area.

Respectfully submitted this 30th day of March, 2010.

By: /s/ Lance J.M. Steinhart
Lance J.M. Steinhart, Esq.
Lance J.M. Steinhart, P.C.
1720 Windward Concourse, Suite 115
Alpharetta, Georgia 30005
(770) 232-9200 (Phone)
(770) 232-9208 (Fax)
lsteinhart@telecomcounsel.com (E-mail)

and

By: 
Douglas F. Brent
STOLL KEENON OGDEN PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, KY 40202
(502) 333-6000 (Phone)
(502) 333-6099 (Fax)
Email: douglas.brent@skofirm.com

Counsel for Smart Connections, Inc.

List of Exhibits

- Exhibit 1** **Wire Centers**
- Exhibit 2** **Sample Sales Brochures**
- Exhibit 3** **2008 Lifeline Participation Rates by State and FCC News Release**

Exhibit 1

Wire Centers

STATE	STUDY AREA CODE	ILEC	WIRE CENTER CLLI	WIRE CENTER NAME
KY	265182	BELL SOUTH	ALLNKYMA	ALLEN
KY	265182	BELL SOUTH	AURRKYMA	AURORA
KY	265182	BELL SOUTH	BDFRKYMA	BEDFORD
KY	265182	BELL SOUTH	BGDDKYMA	BAGDAD
KY	265182	BELL SOUTH	BLFDKYMA	BLOOMFIELD
KY	265182	BELL SOUTH	BLSPKYMA	BLUFF SPRINGS
KY	265182	BELL SOUTH	BNLYKYMA	BENHAM LYNCH
KY	265182	BELL SOUTH	BNTNKYMA	BENTON
KY	265182	BELL SOUTH	BRGNKYMA	BURGIN
KY	265182	BELL SOUTH	BRMNKYMA	BREMEN
KY	265182	BELL SOUTH	BRTWKYES	BARDSTOWN
KY	265182	BELL SOUTH	BVDMKYMA	BEAVER DAM
KY	265182	BELL SOUTH	BWLGYMA	BOWLING GREEN STATE STREET
KY	265182	BELL SOUTH	BWLGYRV	BOWLING GREEN RICHARDSVILLE
KY	265182	BELL SOUTH	BYVLKYMA	BEATTYVILLE
KY	265182	BELL SOUTH	CADZKYMA	CADIZ
KY	265182	BELL SOUTH	CHPLKYMA	CHAPLIN
KY	265182	BELL SOUTH	CLAYKYMA	CLAY
KY	265182	BELL SOUTH	CLH NKYMA	CALHOUN
KY	265182	BELL SOUTH	CLPTKYMA	CLOVERPORT
KY	265182	BELL SOUTH	CLTNKYES	CLINTON
KY	265182	BELL SOUTH	CMBGKYMA	CAMPBELLSBURG
KY	265182	BELL SOUTH	CNCYKYMA	CENTRAL CITY
KY	265182	BELL SOUTH	CNTNKYMA	CANTON
KY	265182	BELL SOUTH	CNTWKYMA	CENTERTOWN
KY	265182	BELL SOUTH	COTNKYMA	CROFTON
KY	265182	BELL SOUTH	CRBNKYMA	CORBIN
KY	265182	BELL SOUTH	CRBOKYMA	CRAB ORCHARD
KY	265182	BELL SOUTH	CRLSKYMA	CARLISLE
KY	265182	BELL SOUTH	CRTNKYMA	CARROLLTON
KY	265182	BELL SOUTH	CYDNKYMA	CORYDON
KY	265182	BELL SOUTH	CYNTKYMA	CYNTHIANA
KY	265182	BELL SOUTH	DAVLKYMA	DANVILLE
KY	265182	BELL SOUTH	DIXNKYMA	DIXON
KY	265182	BELL SOUTH	DRBOKYES	DRAKESBORO
KY	265182	BELL SOUTH	DWSPKYES	DAWSON SPRINGS
KY	265182	BELL SOUTH	EDVLKYMA	EDDYVILLE
KY	265182	BELL SOUTH	EKTNKYMA	ELKTON
KY	265182	BELL SOUTH	ELCYKYES	ELKHORN CITY
KY	265182	BELL SOUTH	EMNNKYES	EMINENCE
KY	265182	BELL SOUTH	EMNNKYPL	CROPPER
KY	265182	BELL SOUTH	ENSRKYMA	ENSOR
KY	265182	BELL SOUTH	ERTNKYMA	EARLINGTON

KY	265182	BELL SOUTH	FDCKKYES	FEDSCREEK
KY	265182	BELL SOUTH	FDVLKYMA	FORDSVILLE
KY	265182	BELL SOUTH	FEBRKYMA	FREEBURN
KY	265182	BELL SOUTH	FKLNKYMA	FRANKLIN
KY	265182	BELL SOUTH	FLTNKYMA	FULTON
KY	265182	BELL SOUTH	FNVLKYMA	FINCHVILLE
KY	265182	BELL SOUTH	FORDKYMA	FORD
KY	265182	BELL SOUTH	FRDNKYMA	FREDONIA
KY	265182	BELL SOUTH	FRFTKYES	FRANKFORT EAST
KY	265182	BELL SOUTH	FRFTKYMA	FRANKFORT MAIN
KY	265182	BELL SOUTH	GBVLKYMA	GILBERTSVILLE
KY	265182	BELL SOUTH	GHNTKYMA	GHENT
KY	265182	BELL SOUTH	GNVLKYMA	GREENVILLE
KY	265182	BELL SOUTH	GRACKYMA	GRACEY
KY	265182	BELL SOUTH	GRTWKYMA	GEORGETOWN
KY	265182	BELL SOUTH	GTHRKYMA	GUTHRIE
KY	265182	BELL SOUTH	HABTKYMA	HABIT
KY	265182	BELL SOUTH	HANSKYMA	HANSON
KY	265182	BELL SOUTH	HBVLKYMA	HEBBARDSVILLE
KY	265182	BELL SOUTH	HCMNKYMA	HICKMAN
KY	265182	BELL SOUTH	HDBGKYMA	HARRODSBURG
KY	265182	BELL SOUTH	HNSNKYMA	HENDERSON
KY	265182	BELL SOUTH	HPVLKYMA	HOPKINSVILLE
KY	265182	BELL SOUTH	HRBGKYES	HARDINSBURG
KY	265182	BELL SOUTH	HRFRKYMA	HARTFORD
KY	265182	BELL SOUTH	HRLNKYMA	HARLAN
KY	265182	BELL SOUTH	HWVLKYMA	HAWESVILLE
KY	265182	BELL SOUTH	INEZKYMA	INEZ
KY	265182	BELL SOUTH	ISLDKYMA	ISLAND
KY	265182	BELL SOUTH	JCSNKYMA	JACKSON
KY	265182	BELL SOUTH	JNCYKYMA	JUNCTION CITY
KY	265182	BELL SOUTH	KKVLKYMA	KIRKSVILLE
KY	265182	BELL SOUTH	LBJTKYMA	LEBANON JUNCTION
KY	265182	BELL SOUTH	LFYTKYMA	LAFAYETTE
KY	265182	BELL SOUTH	LGRNKYES	LAGRANGE
KY	265182	BELL SOUTH	LOUSKYES	LOUISA
KY	265182	BELL SOUTH	LRBGKYMA	LAWRENCEBURG
KY	265182	BELL SOUTH	LSVLKY26	26TH STREET
KY	265182	BELL SOUTH	LSVLKYAN	ANCHORAGE
KY	265182	BELL SOUTH	LSVLKYAP	CHESTNUT STREET
KY	265182	BELL SOUTH	LSVLKYBE	BEECHMONT
KY	265182	BELL SOUTH	LSVLKYBR	BARDSTOWN ROAD
KY	265182	BELL SOUTH	LSVLKYCW	CRESTWOOD
KY	265182	BELL SOUTH	LSVLKYFC	FERN CREEK

KY	265182	BELL SOUTH	LSVLKYHA	HARRODS CREEK
KY	265182	BELL SOUTH	LSVLKYJT	JEFFERSONTOWN
KY	265182	BELL SOUTH	LSVLKYO	OKOLONA
KY	265182	BELL SOUTH	LSVLKYSH	SHIVELY
KY	265182	BELL SOUTH	LSVLKYSL	SIX MILE LANE
KY	265182	BELL SOUTH	LSVLKYSM	ST MATTHEWS
KY	265182	BELL SOUTH	LSVLKYTS	THIRD STREET
KY	265182	BELL SOUTH	LSVLKYVS	VALLEY STATION
KY	265182	BELL SOUTH	LSVLKYWE	WESTPORT ROAD
KY	265182	BELL SOUTH	LVMRKYMA	LIVERMORE
KY	265182	BELL SOUTH	MACEKYMA	MACEO
KY	265182	BELL SOUTH	MARNKYMA	MARION
KY	265182	BELL SOUTH	MARTKYMA	MARTIN
KY	265182	BELL SOUTH	MCDNKYMA	MCDANIELS
KY	265182	BELL SOUTH	MCWLKYMA	MCDOWELL
KY	265182	BELL SOUTH	MDBOKYMA	MIDDLESBORO
KY	265182	BELL SOUTH	MDVIKYMA	MADISONVILLE
KY	265182	BELL SOUTH	MGFDKYMA	MORGANFIELD
KY	265182	BELL SOUTH	MGTWKYMA	MORGANTOWN
KY	265182	BELL SOUTH	MLBGKYMA	MILLERSBURG
KY	265182	BELL SOUTH	MLTNKYMA	MILTON
KY	265182	BELL SOUTH	MRGPKYMA	MORTONS GAP
KY	265182	BELL SOUTH	MRRYKYMA	MURRAY
KY	265182	BELL SOUTH	MTEDKYMA	MT EDEN
KY	265182	BELL SOUTH	MTSTKYMA	MT STERLING
KY	265182	BELL SOUTH	MYFDKYMA	MAYFIELD
KY	265182	BELL SOUTH	MYVLKYMA	MAYSVILLE
KY	265182	BELL SOUTH	NEBOKYMA	NEBO
KY	265182	BELL SOUTH	NEONKYES	NEON
KY	265182	BELL SOUTH	NRVLKYMA	NORTONVILLE
KY	265182	BELL SOUTH	NWHNKYMA	NEW HAVEN
KY	265182	BELL SOUTH	OKGVKYES	OAK GROVE
KY	265182	BELL SOUTH	OWBOKYMA	OWENSBORO
KY	265182	BELL SOUTH	OWTNKYMA	OWENTON
KY	265182	BELL SOUTH	PARSKYMA	PARIS
KY	265182	BELL SOUTH	PDCHKYIP	PADUCAH IFORMATION PARK
KY	265182	BELL SOUTH	PDCHKYLO	PADUCAH LONE OAK
KY	265182	BELL SOUTH	PDCHKYMA	PADUCAH KENTUCKY STREET
KY	265182	BELL SOUTH	PDCHKYRL	PADUCAH REIDLAND
KY	265182	BELL SOUTH	PIVLKYMA	PINEVILLE
KY	265182	BELL SOUTH	PKVLKYMA	PIKEVILLE
KY	265182	BELL SOUTH	PKVLKYMT	PIKEVILLE META
KY	265182	BELL SOUTH	PLRGKYMA	PLEASANT RIDGE
KY	265182	BELL SOUTH	PMBRKYMA	PEMBROKE

KY	265182	BELL SOUTH	PNTHKYMA	PANTHER
KY	265182	BELL SOUTH	PNVLKYMA	PAINTSVILLE
KY	265182	BELL SOUTH	PRBGKYES	PRESTONSBURG
KY	265182	BELL SOUTH	PRTNKYES	PRINCETON
KY	265182	BELL SOUTH	PRVDKYMA	PROVIDENCE
KY	265182	BELL SOUTH	PRVLKYMA	PERRYVILLE
KY	265182	BELL SOUTH	PTRYKYMA	PORT ROYAL
KY	265182	BELL SOUTH	RBRDKYMA	ROBARDS
KY	265182	BELL SOUTH	RCMDKYMA	RICHMOND
KY	265182	BELL SOUTH	RLVLKYMA	RUSSELLVILLE
KY	265182	BELL SOUTH	RSTRKYES	ROSE TERRACE
KY	265182	BELL SOUTH	SCRMKYMA	SACRAMENTO
KY	265182	BELL SOUTH	SDVLKYMA	SADIEVILLE
KY	265182	BELL SOUTH	SEBRKYMA	SEBREE
KY	265182	BELL SOUTH	SHGVKYMA	SHARON GROVE
KY	265182	BELL SOUTH	SHVLKYMA	SHELBYVILLE
KY	265182	BELL SOUTH	SLGHKYMA	SLAUGHTERS
KY	265182	BELL SOUTH	SLPHKYMA	SULPHUR
KY	265182	BELL SOUTH	SLVSKYMA	SALVISA
KY	265182	BELL SOUTH	SNTNKYMA	STANTON
KY	265182	BELL SOUTH	SPFDKYMA	SPRINGFIELD
KY	265182	BELL SOUTH	SRGHKYMA	SORGHO
KY	265182	BELL SOUTH	SSVLKYMA	SIMPSONVILLE
KY	265182	BELL SOUTH	STCHKYMA	ST CHARLES
KY	265182	BELL SOUTH	STFRKYMA	STANFORD
KY	265182	BELL SOUTH	STGRKYMA	STAMPING GROUND
KY	265182	BELL SOUTH	STNLKYMA	STANLEY
KY	265182	BELL SOUTH	STONKYMA	STONE
KY	265182	BELL SOUTH	STRGKYMA	STURGIS
KY	265182	BELL SOUTH	SWSNKYMA	SOUTH WILLIAMSON
KY	265182	BELL SOUTH	TRE NKYMA	TRENTON
KY	265182	BELL SOUTH	TYVLKYMA	TAYLORSVILLE
KY	265182	BELL SOUTH	UTICKYMA	UTICA
KY	265182	BELL SOUTH	VIRGKYMA	VIRGIE
KY	265182	BELL SOUTH	WACOKYMA	WACO
KY	265182	BELL SOUTH	WDDYKYMA	WADDY
KY	265182	BELL SOUTH	WHBGKYMA	WHITESBURG
KY	265182	BELL SOUTH	WHVLKYMA	WHITESVILLE
KY	265182	BELL SOUTH	WLBGKYMA	WILLIAMSBURG
KY	265182	BELL SOUTH	WLCKKYES	WALLINS CREEK
KY	265182	BELL SOUTH	WLVLKYMA	WEST LOUISVILLE
KY	265182	BELL SOUTH	WNCHKYMA	WINCHESTER
KY	265182	BELL SOUTH	WNCHKYPV	PILOT VIEW
KY	265182	BELL SOUTH	WRFDKYMA	WARFIELD

KY	265182	BELL SOUTH	WSBGKYMA	WILLISBURG
KY	265182	BELL SOUTH	WSPNKYMA	WEST POINT
KY	265182	BELL SOUTH	WYLDKYES	WAYLAND

Exhibit 2

Sample Sales Brochures

IMPORTANT INFORMATION ABOUT GOVERNMENT BENEFITS!



DID YOU KNOW?

If you get **Food Stamps**
Medicaid
SSI
Section 8 Public Housing
TANF
School Lunch Program

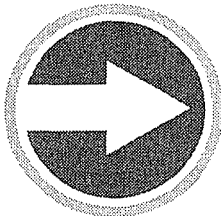
You may also qualify for another **government** benefit that helps **pay your home phone service!** There's no obligation, no credit check or ID, no deposit or contract. You'll also get **FREE** installation, call waiting, caller ID and long distance minutes!



HOME PHONE FREE FIRST MONTH!

Then just \$20/month
(+ taxes & fees)

WWW.SMARTCONNECTIONSPHONES.COM



smart
CONNECTIONS

ORDER NOW

call 1-877-515-SMRT

for your FREE month!

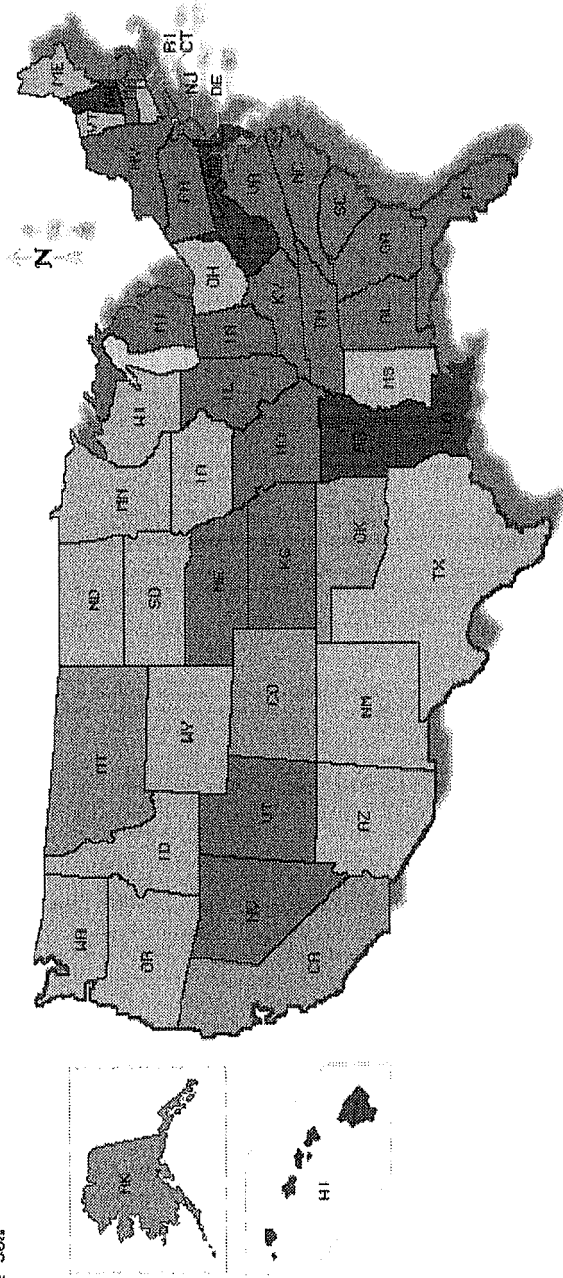
***Here is what you get:** If you are on any form of government assistance (Food Stamps, Social Security Income, Medicaid, Section 8 Public Housing, TANF, School Lunch Program), you qualify for government discounted home phone service—a free first month including new hook-ups. You'll save up to \$100 on your first month and \$13.50 per month for a total of \$262 savings a year! After your free month, you will continue to get your government discount and only pay as little as \$20 per month.

*Service not available in some markets.
Toll Limitation and 1+ Dialing are available to all Lifeline and Non-Lifeline customers.
Free first month available to Lifeline customers only.

Exhibit 3 2008 Lifeline Participation Rates by State and FCC News Release

2008 Lifeline Participation Rates by State

- - Below 10%
- - 10%-20%
- - 20%-50%
- - Above 50%



6-10-09

Notes:

Due to the intricacy and range of criteria that are used to determine eligibility for the Lifeline program and the limitations of the data used, the methodology employed to create this map involves several estimates, assumptions, simplifications, and omissions. Therefore, the rates generated on this map should be treated as estimates only.

District of Columbia = Below 10%



NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

News Media Information 202 / 418-0500
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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).

FOR IMMEDIATE RELEASE:
September 14, 2009

NEWS MEDIA CONTACT:
Rosemary Kimball (202) 418-0511
Email: rosemary.kimball@fcc.gov

FCC SUPPORTS “NATIONAL LIFELINE AND LINK UP TELEPHONE DISCOUNT AWARENESS WEEK” - SEPTEMBER 14 – 20, 2009

WASHINGTON, DC -- Today, the Federal Communications Commission (FCC) joined the effort to call attention to the “National Lifeline and Link Up Telephone Discount Awareness Week,” which takes place September 14 – 20, 2009. Various state and local agencies throughout the country will be participating with outreach activities and events. The “Lifeline” and “Link Up” programs provide financial assistance to low-income consumers in connecting a residential phone line and paying their monthly bill. The programs have been active for years and are administered by the FCC and state public utility commissions, but at least half of eligible consumers nationwide do not take advantage of this assistance.

“Lifeline” involves discounts on monthly charges for a primary residential telephone line, including wireless service. “Link Up” involves a discount on the cost of initiating the primary telephone service for a residence, including the activation of a wireless phone that serves as the primary residential telephone. The discounts are available throughout the country, including an enhanced discount on Tribal lands. In general, consumers at or below 135% of the federal poverty guidelines, or who participate in one or more of a number of other assistance programs, are eligible for Lifeline and Link Up.

To help call attention to the availability of these programs, the FCC joins the National Association of Regulatory Utility Commissioners (NARUC) and the National Association of State Utility Consumer Advocates (NASUCA), and urges government agencies and non-profit organizations to help disseminate information on Lifeline and Link Up to their constituents. More information about the programs and how to apply is available at www.lifeline.gov or <http://www.usac.org/li/low-income/apply-for-support.aspx>.

-- FCC --