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October 8, 2003

RECEIVED

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PUBLIC SERVICE
COMMISSION

Mr. Thomas M. Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

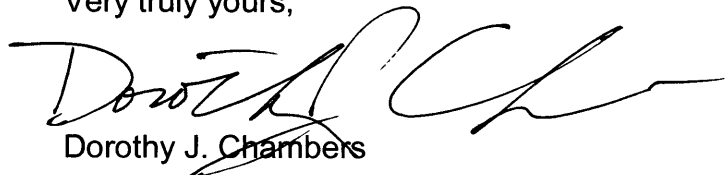
Re: Inquiry Into the Use of Contract Service Arrangements by
Telecommunications Carriers in Kentucky
PSC 2002-00456

Dear Mr. Dorman:

Enclosed for filing in the above-captioned case is a Joint Motion of BellSouth Telecommunications, Inc., Kentucky ALLTEL, Inc., and Cincinnati Bell Telephone Company for Consideration of a Joint Proposal. By permission of counsel for Kentucky ALLTEL and Cincinnati Bell, I have executed the Motion on their behalf.

One paper copy and a CD-ROM of today's filing are provided to the Commission. A paper copy is provided to all parties of record.

Very truly yours,


Dorothy J. Chambers

Enclosures

cc: Parties of Record

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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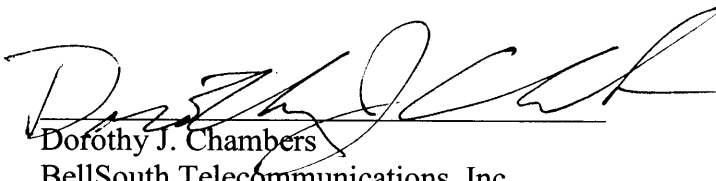
In the Matter of:

INQUIRY INTO THE USE OF CONTRACT SERVICE)
ARRANGEMENTS BY TELECOMMUNICATIONS) CASE NO.
CARRIERS IN KENTUCKY) 2002-00456

MOTION OF BELLSOUTH TELECOMMUNICATIONS, INC.;
KENTUCKY ALLTEL, INC.; AND CINCINNATI BELL TELEPHONE
COMPANY FOR THE CONSIDERATION OF A JOINT PROPOSAL

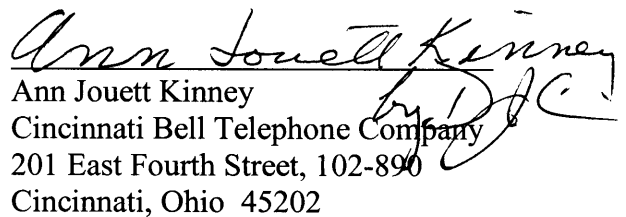
BellSouth Telecommunications, Inc. ("BellSouth"); Kentucky ALLTEL, Inc. ("ALLTEL"); and Cincinnati Bell Telephone Company ("CBT") hereby request that the Commission consider for adoption the Joint Proposal attached hereto. The grounds for this motion are set forth in the attached Memorandum in Support.

Respectfully submitted,



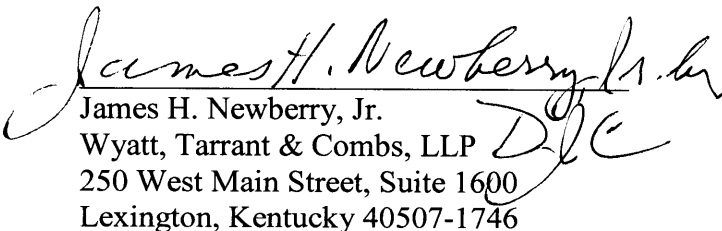
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Attorney for Kentucky ALLTEL, Inc.

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

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PUBLIC SERVICE
COMMISSION

In the Matter of:

INQUIRY INTO THE USE OF CONTRACT SERVICE)	
ARRANGEMENTS BY TELECOMMUNICATIONS)	CASE NO.
CARRIERS IN KENTUCKY)	2002-00456

**MEMORANDUM IN SUPPORT OF MOTION OF BELL SOUTH
TELECOMMUNICATIONS, INC.; KENTUCKY ALLTEL,
INC.; AND CINCINNATI BELL TELEPHONE COMPANY FOR
THE CONSIDERATION OF A JOINT PROPOSAL**

For the reasons set forth below, BellSouth Telecommunications, Inc. (“BellSouth”); Kentucky ALLTEL, Inc. (“ALLTEL”); and Cincinnati Bell Telephone Company (“CBT”) (collectively “Joint Parties”) hereby request that the Commission consider for adoption the Joint Proposal attached hereto. The Joint Proposal sets forth a process to govern the use and filing of contract service arrangements (“CSAs”) by incumbent local exchange carriers (“ILECs”), competitive local exchange carriers (“CLECs”), interexchange carriers (“IXCs”) in accordance with KRS 278.160(1) and KRS 278.512.

As established by the Commission’s orders, this case was opened by the Commission for the purpose of examining the use of CSAs by the telecommunications carriers in Kentucky. In particular, the Commission’s orders have stated that the Commission intends to review the filing requirements for CSAs and the relaxation of those requirements for BellSouth as well as carriers’ use of CSAs in lieu of tariffed rates. The Commission has also stated that it intends to determine standards to limit the use of CSAs, to provide criteria for pricing services, and to consider whether competition should be a factor in determining whether two customers are “similarly

situation” so that they should obtain service at the same rates. A hearing on these matters is currently scheduled for October 23, 2003.

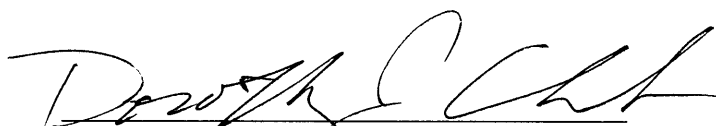
In advance of the hearing, the Commission granted CBT’s request to convene an industry workshop for the purpose of discussing the policy implications surrounding the existing CSA requirements as well as the Commission’s concerns regarding the requirements and carriers’ use of CSAs generally. Prior to the workshop held on October 1, 2003, CBT submitted a draft of the companies’ Joint Proposal attached hereto.

At the workshop, the Joint Parties, other interested parties, and Commission staff engaged in an informative discussion of the myriad issues surrounding CSAs. Among the issues discussed were the Commission staff’s positions with respect to the existing CSA requirements, understanding of the application of the requirements as to CLECs in light of the Commission’s orders in Administrative Case No. 370¹, parties’ concerns regarding the confidentiality of customer identifying information, trends in other states regarding the use of CSAs, various parties’ concerns regarding procedural matters related to the proceeding generally and to the hearing specifically, as well as the draft Joint Proposal. The Joint Parties believe that the industry workshop provided all participants with an opportunity to converse openly and candidly about the proceeding and their respective positions with respect to CSAs. In recognition of some of the concerns about the draft Joint Proposal expressed during the workshop, the Joint Parties have made several changes to the draft. Attached hereto for the Commission’s consideration is a revised Joint Proposal.

¹ Administrative Case No 359; Exemptions for Interexchange Carriers, Long-Distance Resellers, Operator Service Providers and Customer-Owned, Coin-Operated Telephone; and Administrative Case No. 370, Exemptions for Providers of Local Exchange Service Other than Incumbent Local Exchange Carrier; Order dated August 8, 2000.

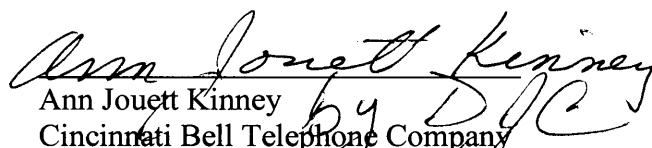
Finally, the Joint Parties would take this opportunity to commend the Commission for convening the industry workshop in this proceeding. Because they believe that the discussion was both useful and informative, the Joint Parties would like to suggest that the Commission encourage the use of the industry workshop process in future proceedings, particularly rulemaking proceedings, where collaboration and discussion would be beneficial to the outcome of the proceeding.

Respectfully submitted,



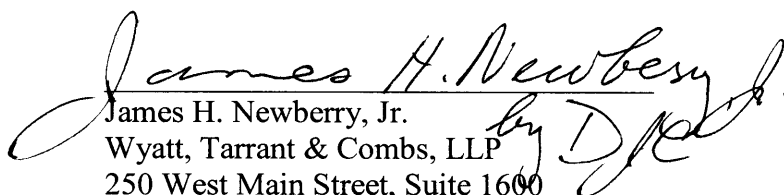
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Attorney for Kentucky ALLTEL, Inc.

Joint Industry Proposal to Kentucky PSC for CSA Standards


Administrative Case No. 2002-00456

October 1, 2003

1. The following standards apply to all telecommunications carriers providing service in Kentucky – including ILECs, CLECs, and IXC.
2. The industry recommendation for CSA standards, endorsed by the companies represented as signatories to this proposal, is as follows:
 - a. Companies may enter into contracts (CSAs) in order to meet competition or in other unique circumstances.
 - b. There are no filing requirements for these contracts or supporting information, except that the companies are required to file copies of signed contracts along with supporting cost information upon request from the KPSC or staff. CLECs will not be required to file cost information in support of any CSA.
 - c. If the Commission or staff requests the filing, companies will be allowed to redact the customer name and address on the contract that is filed for the public record. (This provision, which is consistent with the privacy expectations of some customers and protects the contracting company from providing valuable market information to competitors, is the standard in a number of other states served by BellSouth and Cincinnati Bell.)
3. For purposes of these standards, the following are examples of when a carrier may use CSAs in order to meet competition or to account for other unique circumstances:
 - a. A customer has an offer (written or oral) from a competitor or, because of general knowledge of the level of competition in an area or market segment, it is reasonable for a company to believe that a customer has an offer from a competitor;
 - b. Competitive offers have been made to customers in an area or market segment via some form of media or other communication;
 - c. A company determines that it should give a customer a discount for volume and term in recognition of the customer maintaining a specified service or group of services for a specified period of time;
 - d. A company determines that it should give a customer a discount in recognition of the total billed revenue a customer brings to the company or total volume of services purchased by the customer; and
 - e. A company determines that it should give a customer a discount in recognition of the potential that the customer will generate additional revenue by purchasing integrated service packages or bundles.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served on the individuals on the attached Service List by mailing a copy thereof, this 8th day of October 2003.


Dorothy J. Chambers

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