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Mr. Thomas N. Dorman
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40601

***RE: Case No. 2003-00379 – NewSouth’s Clarification concerning BellSouth’s
Comments on Staff Memorandum***

Dear Mr. Dorman,

On February 2, 2004, BellSouth filed a letter with the Commission attempting to characterize oral comments made by NewSouth during the January 14, 2004 informal conference. BellSouth’s letter is subject to misinterpretation, particularly by anyone who was not present at the meeting. Accordingly, this letter is offered to clarify the BellSouth remarks concerning NewSouth.

On January 14, 2004, Jake E. Jennings, Senior Vice President of Regulatory Affairs and Ron Rice, Louisville Switch Manager of NewSouth Communications Corp. (“NewSouth”), provided a tour of NewSouth’s collocation facilities and switch in Louisville. During the tour, Mr. Jennings and Mr. Rice made a number comments regarding access to BellSouth’s facilities and other alternative transport providers.

The first point of clarification is in response to BellSouth’s statement that Mr. Rice “observed that intercity transport is competitive, and he noted there were so many players that CLECs are able to ‘play’ others against each other for price.” While Mr. Rice did make the statement that “intercity” transport is competitive, it is not relevant to the proceedings before the Commission. The issue in the Commission’s Triennial Review inquiry is whether *intra-city* (interoffice) transport routes are competitive, in particular, transport routes between BellSouth

offices.¹ It is NewSouth's hope that in time the intra-city transport market becomes as competitive as the intercity market.

Another area requiring clarification concerns references to "hot cuts." BellSouth states that NewSouth complimented BellSouth "regarding the thousands of lines that were successfully cut by BellSouth, which were the equivalent of 48,000 voice lines." This is a fair characterization made misleading by BellSouth's juxtaposition with an alleged statement about hot cuts.

BellSouth claims Mr. Rice claimed "the hot cut process works well." NewSouth could not have made such an affirmative statement, because NewSouth does not use hot cuts. The hot cut process relates to migration of unbundled *analog* loops from an ILEC switch to a CLEC switch. NewSouth provisions its customers with a different type of facility, i.e. *digital* T-1. These are not provisioned in the same manner as analog loops, and there is no equivalent to the desired migration process (bulk "hot cuts") for live analog loops. As Mr. Jennings had explained earlier during the tour of BellSouth's collocation area, NewSouth does not use "hot cuts" because NewSouth has used UNE-P only in limited circumstances, e.g., when an analog circuit is required for a fax machine.

Finally, BellSouth states that NewSouth referenced the "benefit of project management." Again, this is accurate in a literal sense yet misleading when taken out of context. The "project" that NewSouth was referring to was not a coordinated cut over or "hot cut", as defined by the FCC in the Triennial Review Order.² Hot cuts involve migrating a live customer from the ILEC's switch to a CLEC switch, and there was discussion during the morning's informal conference about "project management" as an area of concern. Mr. Jennings was not present during the morning session of the informal conference. The project that Mr. Jennings referred to during the tour was a migration of special access circuits from NewSouth's point of presence to NewSouth's collocation arrangement. These circuits were not analog voice lines, they were high capacity DS1 and DS3 circuits. Obviously, the project management Mr. Jennings was referring to was not the same project management discussed earlier in the context of the need for a workable bulk hot cut process. Rather, NewSouth had purchased the project management from BellSouth's FCC tariff. NewSouth's remarks were not an endorsement of BellSouth's batch hot cut process – NewSouth is not using hot cuts.

Please contact me if you have any questions

Sincerely yours,



¹ At paragraph 365 of the TRO the FCC clearly defined dedicated transport as transport routes between ILEC switches and wire centers in a LATA.

² See generally paragraphs 464-466 of the TRO.

Douglas F. Brent

DFB:jms