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February 7, 2006

John Hamman
BellSouth Interconnection Services
675 West Peachtree Street
Atlanta, GA 20275

RE: Unbundled Network Element Platform Transition

Dear Mr. Hamman:

On behalf of SouthEast Telephone, Inc. ("SouthEast"), this letter responds to your January 23, 2006 letter to Darrell Maynard regarding an orderly transition of the embedded base of UNE-P lines pursuant to the FCC's *Triennial Review Remand Order*. We appreciate your efforts to work cooperatively with us regarding this transition.

SouthEast does not plan to transition these lines to UNE-L (unbundled loops connected to SouthEast collocations in BellSouth wire centers) before March 10, 2006. Instead, we intend to retain the existing physical arrangements for these lines.

I anticipate that our companies will disagree about the regulatory and financial treatment of these lines going forward. SouthEast believes that these lines should be considered Section 251 loops commingled with Section 271 switching and transport elements, subject to "just and reasonable" rates. As outlined in your letter, BellSouth believes that these lines must be treated either as resold BellSouth telecommunications services (at retail rates less a specified discount) or as "wholesale local platform" services for which a "commercial agreement" would be required (with unregulated rates).

This difference of opinion between our companies regarding the treatment of the embedded base of pre-*TRRO* lines raises issues identical to those raised in the pending dispute regarding lines activated after the *TRRO* effective date (March 11, 2005). As you know, this dispute is the core of the pending administrative litigation between our companies before the Kentucky PSC (*SouthEast Telephone, Inc. v. BellSouth Telecommunications, Inc.*, Case

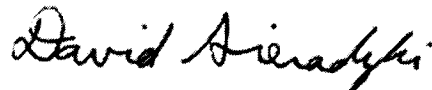
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No. 2005-00533), the generic rulemaking docket (Case No. 2004-00427), and other pending proceedings.

Given that the pending administrative litigation and other proceedings will determine the status of the post-*TRRO* lines and that the same resolution undoubtedly will apply to the pre-*TRRO* lines (the “embedded base”), we suggest that it would be pointless and wasteful to physically reconfigure these lines. Such a conversion would be costly and burdensome to both of our companies. Instead, SouthEast proposes that we agree to disagree, for the time being, and that we leave the existing physical arrangements in place for now. SouthEast will continue paying BellSouth as it currently does, with the financial matters regarding this service to be resolved in the future.

I look forward to discussing this issue with you. While unfortunately our companies have not been able to reach agreement on the major issues in dispute, I am hopeful that we can at least reach a “stand-still” agreement regarding the existing lines, pending resolution of the larger issues between the companies in the long term.

Very truly yours,



David L. Sieradzki
Counsel for SouthEast Telephone, Inc.

cc: Darrell Maynard