

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

In the Matter of:

PETITION OF BELLSOUTH)	
TELECOMMUNICATIONS, INC. TO ESTABLISH)	
GENERIC DOCKET TO CONSIDER AMENDMENTS)	CASE NO.
TO INTERCONNECTION AGREEMENTS)	2004-00427
RESULTING FROM CHANGES OF LAW)	
)	

SOUTHEAST TELEPHONE, INC., STATUS REPORT

Southeast Telephone, Inc. (“SouthEast”), by and through counsel, hereby submits notification to the Commission of negotiations with BellSouth Telecommunications, Inc. (“BellSouth”) pursuant to the Commission’s Order of March 10, 2005. That Order directed that by April 15, 2005, parties were to “apprise the Commission, in writing, of the status of their negotiations, if they have not previously submitted negotiated agreements addressing these issues.”

BACKGROUND

On March 2, 2004, the United States Court of Appeals for the District of Columbia (“Court”) issued its opinion in the appeal of the FCC’s Triennial Review Order (*TRO*). The Court vacated the FCC’s rules associated with, among other things, mass market switching. In response to the Court’s Order, BellSouth presumptuously issued Carrier Notification SN91084043 on March 23, 2004. The Notification informed CLECs that, as a result of the Order, BellSouth’s obligation to provide unbundled switching had been eliminated, and therefore it had no obligation to provide Unbundled Network Elements-Platform (UNE-P) lines at TELRIC rates. (*See Exhibit 1*) BellSouth graciously offered to continue providing switching and

DSO loop/switching combinations at “*commercially reasonable*” and “*competitive*” rates. BellSouth also invited CLECs to “enter into “*good faith negotiations*” of market-based commercial agreements before the ILEC imposed deadline of May 1, 2004.

In order to get more than the basic information contained within the Carrier Notification to begin the “*good faith negotiations*,” CLECs were required to sign a nondisclosure agreement with BellSouth. SouthEast signed the nondisclosure agreement that was prepared by BellSouth on April 8, 2004.

SouthEast received the “**DSO Wholesale Local Voice Platform Services Commercial Agreement**” Summary Term Sheet from BellSouth on April 9, 2004. On April 27, 2004, SouthEast issued a counter-proposal to BellSouth’s Term Sheet which was subsequently denied. SouthEast conveyed its intent to continue the negotiations past the May 1, 2004, deadline in a letter dated April 19, 2004.

CURRENT STATUS OF NEGOTIATIONS

SouthEast is bound by the previously mentioned nondisclosure agreement and is therefore unable to share any information regarding the details of the communications and proposals exchanged between the company and BellSouth. However, SouthEast is prepared to report to the Commission the number and result of the communications/proposals exchanged between the parties during the negotiations process.

In anticipation of the impending release of the *TRRO*, SouthEast prepared a Wholesale Local Services Term Sheet and e-mailed it to their designated BellSouth Contract Negotiator, Vicki Wright, on February 11, 2005. BellSouth notified SouthEast via e-mail on February 18th, 2005, that the proposal was declined. On Thursday, February 24, representatives from both

companies participated in a conference call to discuss SouthEast's February 11th proposal, but failed to reach an agreement.

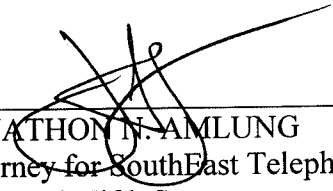
BellSouth submitted a proposal to SouthEast via e-mail on March 3, 2005. Finding the terms to be less than "just and reasonable," and the negotiation process to be stalling, SouthEast turned all future negotiations over to outside Counsel with the firm of Hogan and Hartson, L.L.P. ("Hogan"). On March 9, 2005, at SouthEast's request, the Hogan firm e-mailed to BellSouth a counter-proposal to BellSouth's March 3rd proposal which was declined by BellSouth via e-mail on March 21, 2005.

On March 23, 2005, again at the request of SouthEast, the Hogan firm contacted BellSouth via e-mail requesting a "substantive and forthcoming response" to the March 9th SouthEast offer. To date, SouthEast has not received a response to the March 23rd communication with BellSouth. However, in continuing SouthEast's year-long history of good faith negotiations with the ILEC, a new proposal was e-mailed to BellSouth by the Hogan firm on Wednesday, April 13, 2005.

CONCLUSION

Pursuant to the Commission's March 10, 2005, Order, SouthEast must regrettably inform the Commission that the negotiations have failed to render an agreement as of the date of this report. In fact, there has been no communication with SouthEast's Counsel on the part of BellSouth since March 21, 2005. SouthEast remains committed to negotiating with BellSouth to reach a mutually beneficial agreement at just and reasonable terms for both parties.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that the electronic version of this filing made with the Commission this the 15th day of April, 2005, is a true and accurate copy of the documents filed herewith in paper form, and the electronic version of the filing has been transmitted via e-mail to the parties set forth in the Commission's service list.



JONATHON N. AMLUNG