Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #1 Page 1

1. On an ongoing basis, please provide NuVox and Covad with a copy of Joint Applicants' responses to all data requests submitted by other parties in this proceeding.

RESPONSE:

1. The Joint Applicants have provided NuVox, Covad, and Xspedius with service copies of the non-confidential materials they produced on May 4, 2006 in this docket in response to the Attorney General's First Set of Information Requests.¹ However, as explained in detail in the Petition for Confidential Treatment filed on May 5, 2006, the confidential material produced in response to the Attorney General's Requests is highly sensitive competitive information the release of which to competitors such as Covad, NuVox, and Xspedius would give those companies an unfair competitive advantage. These companies compete directly with the Joint Applicants, and they should not have access to the Joint Applicants' trade secrets and business plans and strategies. Any such production would be highly prejudicial to the Joint Applicants. Indeed, almost all the material at issue was provided to the United States Department of Justice, and, in that context, no competitor may obtain access to it, even subject to a protective agreement. For these reasons, the Joint Applicants object to this Request to the extent that it seeks the production of such confidential information.²

¹Please see the Cautionary Language Regarding Forward-Looking Statements attached as Exhibit A to this filing.

²Because information has been gathered from various sources to respond to these Requests, it is not reasonably possible to identify each person providing information in response to these Requests.

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2. Please provide in electronic spreadsheet form (Excel) each telecommunications facility that AT&T provides to any Commission-certified competitive local exchange carrier ("CLEC") in BellSouth's Kentucky service area and identify each such CLEC separately using a numerical or other coded designation assigned to the entity by AT&T. Separately identify the geographic location (*i.e.* the end termination points of a transport facility) of each such facility and separately identify each such facility as:

- a. A "transport" facility between two BellSouth wire centers, identified by CLLI code;
- b. Any facility between an AT&T network node and point of presence (POP); and
- c. Any "loop" facility, *i.e.*, a facility that terminates at one end at a location of an end user customer of the CLEC.

RESPONSE:

2. The Joint Applicants object to this Request on the grounds that it is overbroad and not reasonably calculated to lead to the discovery of relevant, admissible evidence. Furthermore, to the extent this Request seeks information about jurisdictionally interstate transmissions and facilities, such matters are beyond the jurisdiction of the Public Service Commission ("PSC") and thus the Request does not seek relevant information. Finally, the Joint Applicants object to this Request because it seeks confidential business information that is not provided in the normal course of business to the public or to competitors.

Subject to and without waiving the foregoing objections, the Joint Applicants will provide reasonably accessible information in response to this Request upon execution of an acceptable protective agreement.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #3 Page 1

3. For each facility listed in response to <u>Data Request No. 2</u> above, indicate whether the facility is owned by AT&T (or its affilitate), leased by AT&T from an entity other than BellSouth, or leased from BellSouth. If leased from BellSouth, indicate whether the facility is leased as special access or as a UNE.

RESPONSE:

3. Please see response to Data Request No. 2 above.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #4 Page 1

4. Please list each individual entity that connects to AT&T's Internet backbone facilities at one or more locations in BellSouth's Kentucky service territory and identify the location(s) where each connection occurs. In addition, identify each such entity separately using a numerical or other coded designation assigned by AT&T.

RESPONSE:

4. The Joint Applicants object to this Request on the grounds that issues relating to Internet backbone facilities, Internet access, and broadband generally are outside the PSC's jurisdiction. The delivery of broadband access to the Internet involves activities that the FCC has concluded are jurisdictionally interstate and subject to the exclusive jurisdiction of the FCC. *See, e.g.*, Memorandum Opinion and Order, *Vonage Holdings Corp. Petition for Declaratory Ruling Concerning an Order of the Minnesota Pub. Utils. Comm'n*, WC Docket No. 03-211, FCC 04-267 (rel. Nov. 12, 2004). Because the information sought in this Request is beyond the scope of the jurisdiction of the PSC, it is not relevant to this proceeding and is not likely to lead to the discovery of relevant evidence.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #5 Page 1

5. Please provide a listing of each wire center in Kentucky in which AT&T is a fiber based collocator.

RESPONSE:

5. The Joint Applicants object to this Request on the grounds that it is not reasonably calculated to lead to the discovery of relevant, admissible evidence. To the extent that the locations of AT&T fiber-based collocation sites are relevant to any issues, it is only as to whether the FCC's criteria for removing unbundling obligations for high-capacity loops and transport are satisfied in particular wire centers. That issue is currently before the PSC in Case No. 2004-00427. One of the issues in that docket, moreover, is whether mergers such as this one are relevant to determining the number of fiber-based collocators for purposes of the FCC's standards. These issues are thus fully presented in a different docket and are not relevant to the issues presented here. Finally, the information sought is confidential business information of AT&T that is not provided in the normal course of business to the public or to competitors.

Subject to and without waiving these objections, the Joint Applicants will respond to this Request upon execution of an acceptable protective agreement.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #6 Page 1

6. Please provide, for each wire center in Kentucky, the number of "business lines" attributable to AT&T claimed by BellSouth in business line count in Case No. 2004-00427.

RESPONSE:

6. The Joint Applicants will respond to this Request upon execution of an acceptable protective agreement.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #7 Page 1

7. Please provide all documents that have been created by, without limitation, any executives, managers, directors, staff or other personnel or agents of AT&T that are or were involved, whether directly or indirectly, in the consideration, analysis, planning, implementation, design or any other facets of the proposed merger between the Joint Applicants, from and after January 2006 and continuing until the present time, which in any way discuss or refer to the effect or possible effect of the proposed merger on any interconnection agreements, contracts, BellSouth Carrier Notifications or other documents affecting interconnection and any other relations, contractual or otherwise, between BellSouth and AT&T, between AT&T and any CLEC operating in Kentucky and between BellSouth and any CLEC operating in Kentucky.

RESPONSE:

7. The Joint Applicants object to this Request on the grounds that it is overbroad, unduly burdensome, and not reasonably calculated to lead to the discovery of relevant, admissible evidence. AT&T has more than 180,000 employees. It is not possible to determine whether any "executives, managers, directors, staff or other personnel or agents of AT&T" have documents responsive to this Request.

Subject to and without waiving these objections, as explained in the Joint Application filed on March 31, 2006, this merger will occur at the holding company level. Thus, the merger will not impact either BellSouth's or AT&T's certificated subsidiaries operating in Kentucky. For that reason, BellSouth Telecommunications, Inc. will remain subject to the same wholesale obligations to CLECs, including any interconnection agreements with NuVox, Covad and Xspedius, as it was before the merger. Moreover, the merger will in no way affect the PSC's regulatory authority over BellSouth Telecommunications, Inc., including its ability to enforce the terms of any interconnection agreements between NuVox, Covad or Xspedius and BellSouth Telecommunications, Inc. that are subject to the PSC's jurisdiction. Similarly, the merger will not affect the binding nature of any interconnection agreements entered into between any AT&T subsidiaries operating in Kentucky and other carriers such as NuVox, Covad, and Xspedius. Accordingly, this Request is not relevant to any issue in this proceeding, and it is not likely to lead to any relevant evidence.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #8 Page 1

8. Provide a list in the form of an Excel or other editable electronic spreadsheet of each fiber optic wireline telecommunications facility owned by AT&T that both originates and terminates telecommunications in BellSouth's Kentucky service territory, and provide:

- a. The location of each end point of termination of each such facility; and
- b. The capacity of each facility, on an end to end basis.

RESPONSE:

8. The Joint Applicants object to this Request on the grounds that it is overbroad and not reasonably calculated to lead to the discovery of relevant, admissible evidence. Furthermore, to the extent this Request seeks information about jurisdictionally interstate transmissions and facilities, it is beyond the jurisdiction of the PSC. Finally, the information sought is confidential business information of AT&T that is not provided in the normal course of business to the public or to competitors.

Subject to and without waiving the foregoing objections, the Joint Applicants will provide responsive information that can reasonably be obtained upon execution of an acceptable protective agreement.

9. As part of the spreadsheet referenced in <u>Data Request No. 8</u> above, identify and classify each point of termination served by the wireline telecommunications facility listed in response thereto. Classify each such point of termination and provide its geographic location as:

- a. An AT&T point of presence (POP);
- b. Another non-ILEC POP within BellSouth's Kentucky service territory;
- c. A BellSouth Kentucky wire center;
- d. Another ILEC wire center;
- e. A place known to contain one or more Internet Service Providers ("ISPs");
- f. A location known to contain one or more entities that are not a carrier certified in Kentucky or an ISP (note the same location on the list for both this and the proceeding category), or
- g. Each termination, if any, not covered by one of the above categories.

RESPONSE:

9. Please see response to Data Request No. 8 above.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #10 Page 1

10. Provide a list of each alternative provider[s] of special access services that currently serve the areas covered by AT&T's network showing the specific areas defined as:

- a. Each area corresponding to the on-net service territory of facilities owned by AT&T or one of its affiliates; and
- b. Each area corresponding to the service area of each BellSouth Kentucky wire center where at least one such alternative provider currently provides a special access service.

RESPONSE:

10. The Joint Applicants object to this Request on the grounds that it is unduly burdensome and not reasonably calculated to lead to the discovery of relevant, admissible evidence. Furthermore, to the extent this Request seeks information about jurisdictionally interstate transmissions and facilities, it is beyond the jurisdiction of the PSC. Finally, the information sought is confidential business information of AT&T that is not provided in the normal course of business to the public or to competitors. In particular, because this Request seeks information regarding alternative providers in areas in the "on-net service territory of facilities owned by AT&T or one of its affiliates," it seeks confidential information about the location of AT&T's facilities that is not ordinarily available to competitors or the public.

Subject to and without waiving these objections, the Joint Applicants will provide responsive information upon execution of an acceptable protective agreement.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #11 Page 1

11. Provide a listing of all providers of transport service (other than BellSouth) from which AT&T leases transport capacity in Kentucky. Identify the number of analog, DS1, DS3 and OC-level transport facilities AT&T leases by corresponding BellSouth wire center. (If AT&T is unable to determine the corresponding wire center, provide the information requested by city).

RESPONSE:

11. The Joint Applicants object to this Request on the grounds that it is unduly burdensome and not reasonably calculated to lead to the discovery of relevant, admissible evidence. Furthermore, to the extent this Request seeks information about jurisdictionally interstate transmissions and facilities, it is beyond the jurisdiction of the PSC. Finally, the information sought is confidential business information of AT&T that is not provided in the normal course of business to the public or to competitors.

Subject to and without waiving the foregoing objections, the Joint Applicants will provide responsive information that can reasonably be obtained upon execution of an acceptable protective agreement.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #12 Page 1

12. Provide a listing of all providers of loop facilities (other than BellSouth) from which AT&T leases loop capacity in Kentucky. Identify the number of analog, DS1, DS3 and OC-level loop facilities AT&T leases by corresponding BellSouth wire center. (If AT&T is unable to determine the corresponding wire center, provide the information requested by city).

RESPONSE:

12. The Joint Applicants object to this Request on the grounds that it is unduly burdensome and not reasonably calculated to lead to the discovery of relevant, admissible evidence. Furthermore, to the extent this Request seeks information about jurisdictionally interstate transmissions and facilities, such issues are beyond the jurisdiction of the PSC and thus this Request is not relevant to any issue in this proceeding. Finally, the information sought is confidential business information of AT&T that is not provided in the normal course of business to the public or to competitors.

Subject to and without waiving the foregoing objections, the Joint Applicants will provide responsive information that can reasonably be obtained upon execution of an acceptable protective agreement.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #13 Page 1

13. Provide a copy of the current contract/agreement under which AT&T leases special access service (interstate and intrastate) from BellSouth.

RESPONSE:

13. The Joint Applicants object to this Request to the extent that it seeks information regarding interstate services. Such services are not within the jurisdiction of the PSC and consequently are not relevant to this proceeding.

Subject to and without waiving that objection, the Joint Applicants state that AT&T buys intrastate access out of BellSouth's publicly filed tariffs.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #14 Page 1

14. Please set forth the number of Cingular subscribers, by year, since 2000: (a) in Kentucky; (b) in BellSouth's footprint in Kentucky; (c) in BellSouth's 9-state region; (d) in AT&T's footprint in legacy SBC's 13-state region and (e) nationwide.

RESPONSE:

14. The Joint Applicants object to this Request on the grounds that it seeks information regarding wireless services. Such services are not within the jurisdiction of the PSC and consequently are not relevant to this proceeding. *See* KRS 278.54611(1) ("The provision of commercial mobile radio services shall be market-based and not subject to Public Service Commission regulation.").

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #15 Page 1

15. State whether BellSouth considers AT&T an actual or potential competitor in the mass market in Kentucky. If the answer is no, please provide a full explanation.

RESPONSE:

15. As explained in the Joint Application, in 2004, AT&T Corp. made a unilateral and irreversible decision to cease actively marketing wireline local and longdistance service to residential customers in Kentucky and across the country. For that reason, as the FCC explained in the *SBC/AT&T Merger Order*, "[r]egardless of what role AT&T played in the past, . . . AT&T's actions to cease marketing and gradually withdraw from the mass market mean *it is no longer a significant provider (or potential provider) of local service, long distance service, or bundled local and long distance service to mass market consumers.*" *SBC/AT&T Merger Order* ¶ 103 (emphasis added). In this regard, the FCC specifically rejected as "speculative and unrealistic" arguments that AT&T "could readily and easily reverse its decision." *Id.* BellSouth agrees with that FCC assessment.

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16. State whether BellSouth considers AT&T an actual or potential competitor in the business market in Kentucky. If the answer is no, please provide a full explanation.

RESPONSE:

16. The competitive overlap between AT&T and the BellSouth entities in Kentucky is relatively narrow. AT&T focuses mainly on the largest retail business customers with a national and international presence, while the BellSouth entities focus predominantly on small- and medium-sized businesses within its region. Their core customer segments are thus largely complementary, and the combination of these companies will not limit the many choices available to business customers.

Those abundant choices available to business customers are laid out in the Joint Application and in the accompanying pre-filed testimony filed with that Application. That evidence demonstrates that, as the FCC recognized last year in approving the SBC/AT&T merger, "competition in the enterprise market is robust" and would continue to thrive in the wake of that merger. *SBC/AT&T Merger Order* ¶ 73 n.223. In this case, at least as much as in the SBC/AT&T merger, "competition for medium and large enterprise customers should remain strong after the merger because medium and large enterprise customers are sophisticated, high-volume purchasers of communications services that demand high-capacity communications services, and because there will remain a significant number of carriers competing in the market." *Id.* ¶ 56.

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17. Please provide copies of all internal memos and documents produced or amended in the last two (2) years that evaluate the nature and extent of competition in various product markets in Kentucky.

RESPONSE:

17. To the extent that this Request seeks "all" documents, it is overbroad and unduly burdensome.

Subject to and without waiving that objection, the Joint Applicants will provide reasonably accessible responsive documents upon execution of an acceptable protective agreement.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #18 Page 1

18. Please state whether AT&T continues to provision new orders for long distance service to residential customers in Kentucky.

RESPONSE:

18. The Joint Applicants object to this Request to the extent that it seeks information on interstate long-distance services that is outside the jurisdiction of the PSC because such information would not lead to the discovery of admissible information. Moreover, this Request is not relevant because long-distance service is no longer a valid indicator of a relevant market. Consumers no longer view long-distance and local communications as separate markets. Likewise, consumers can choose from wireline or wireless technology to obtain voice services, and a growing number of wireline customers are "cutting the cord" to buy these same services from a wireless provider. Finally, all communications services are constantly becoming entangled in the provision of broadband connectivity to the Internet. Because consumers often choose to use one provider or technology for some minutes while using a separate provider at other times, it is not possible to simply count the lines or even the customers of a particular service and get an accurate picture of any company's share of the market for communications service.

Subject to and without waiving those objections, the Joint Applicants state that AT&T does provision new orders, although, as emphasized in response to Request No. 15 above, AT&T made an irreversible decision in 2004 to discontinue marketing wireline mass-market long-distance services. For that reason, the FCC has concluded that AT&T is "is no longer a significant provider (or potential provider) of . . . long distance service, or bundled local and long distance service to mass market consumers." SBC/AT&T Merger Order ¶ 103 (emphasis added).

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #19 Page 1

19. Provide the number of new residential customers provisioned by AT&T in Kentucky since it closed its merger with SBC.

RESPONSE:

The Joint Applicants object to this Request to the extent that it seeks 19. information on interstate long distance services that are outside the jurisdiction of this PSC because such information would not lead to the discovery of admissible information. Moreover, this Request is not relevant because long-distance service is no longer a valid indicator of a relevant market. Consumers no longer view long-distance and local communications as separate markets. Likewise, consumers can choose from wireline or wireless technology to obtain voice services, and a growing number of wireline customers are "cutting the cord" to buy these same services from a wireless provider. Finally, all communications services are constantly becoming entangled in the provision of broadband connectivity to the internet. Because consumers often choose to use one provider or technology for some minutes while using a separate provider at other times, it is not possible to simply count the lines or even the customers of a particular service and get an accurate picture of any company's share of the market for communications service. Additionally, the information sought in this Request is confidential business information of AT&T that is not provided in the normal course of business to the public or to competitors.

Subject to and without waiving these objections, the Joint Applicants will respond to this request only upon execution of an acceptable protective agreement.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #20 Page 1

20. Please state whether AT&T continues to provision new orders for long distance service to business customers in Kentucky.

RESPONSE:

20. The Joint Applicants object to this Request to the extent that it seeks information on interstate long-distance services that is outside the jurisdiction of the PSC because such information would not lead to the discovery of admissible information. Moreover, this Request is not relevant because long-distance service is no longer a valid indicator of a relevant market. Consumers no longer view long-distance and local communications as separate markets. Likewise, consumers can choose from wireline or wireless technology to obtain voice services, and a growing number of wireline customers are "cutting the cord" to buy these same services from a wireless provider. Finally, all communications services are constantly becoming entangled in the provision of broadband connectivity to the Internet. Because consumers often choose to use one provider or technology for some minutes while using a separate provider at other times, it is not possible to simply count the lines or even the customers of a particular service and get an accurate picture of any company's share of the market for communications service.

Subject to and without waiving those objections, the Joint Applicants state that AT&T continues to provision new orders for long-distance service for business customers in Kentucky.

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21. Provide the number of new long distance business lines provisioned by AT&T to business customers in Kentucky since AT&T closed its merger with SBC.

RESPONSE:

21. The Joint Applicants object to this Request to the extent that it seeks information on interstate long-distance services that is outside the jurisdiction of the PSC because such information would not lead to the discovery of admissible information. Moreover, this Request is not relevant because the long-distance service is no longer a valid indicator of a relevant market. Consumers no longer view long-distance and local communications as separate markets. Likewise, consumers can choose from wireline or wireless technology to obtain voice services, and a growing number of wireline customers are "cutting the cord" to buy these same services from a wireless provider. Finally, all communications services are constantly becoming entangled in the provision of broadband connectivity to the Internet. Consequently, the FCC has increasingly considered all of these products to make up the "market" for communications services. Because consumers often choose to use one provider or technology for some minutes while using a separate provider at other times, it is not possible to simply count the lines or even the customers of a particular service and get an accurate picture of any company's share of the market for communications service. Additionally, the information sought in this Request is confidential business information of AT&T that is not provided in the normal course of business to the public or to competitors.

Subject to and without waiving these objections, the Joint Applicants will respond to this Request only upon execution of an acceptable protective agreement.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #22 Page 1

22. Please state how many local customers, residential and business, AT&T has in Kentucky together with the number of access lines and amount of revenue derived therefrom.

RESPONSE:

22. The information sought in this Request is confidential business information of AT&T that is not provided in the normal course of business to the public or to competitors. Thus, the Joint Applicants will respond to this Request only upon execution of an acceptable protective agreement.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #23 Page 1

23. Please provide all public filings and comments as well as internal memos dating from the announcement of the AT&T-SBC merger, addressing plans to compete outside of the SBC region, including anywhere in the nine BellSouth states and specifically in Kentucky.

RESPONSE:

23. The Joint Applicants object to this Request on the grounds that it is overbroad, unduly burdensome, and does not seek relevant information to the extent that it seeks "all" memos regarding "plans to compete outside of the SBC region," the vast majority of which is not within Kentucky. Moreover, the information sought in this Request is confidential business information of AT&T that is not provided in the normal course of business to the public or to competitors.

Subject to and without waiving these objections, responsive materials are being provided at ATT/BLS-KY-C-N-X 000001-000413.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #24 Page 1

24. Identify the thirty (30) out-of-region cities in the BellSouth region SBC expanded into as part of the "National-Local" strategy. Provide documentation supporting the claim of \$1 billion invested in this "strategy," including a break-down, by city, of where funds were invested and what types of investments were made. Provide copies of all media advertising and direct mail advertising used by SBC for the purpose of marketing local or long distance, mass market or enterprise services in each of the thirty (30) out-of-region markets in the BellSouth region that SBC was obligated to enter in fulfillment of the requirements of its merger with Ameritech.

RESPONSE:

24. The Joint Applicants object to this Request on the grounds that it seeks information that is not reasonably calculated to lead to the discovery of admissible evidence. The Ameritech merger occurred nearly seven years ago and has no relevance to this current merger. Moreover, SBC completed its obligations under the relevant Ameritech merger commitment in all states by August 2002, nearly four years ago, which was confirmed by the independent third-party audits of SBC's compliance with the SBC/Ameritech Merger Conditions. Subsequent to that date, in 2004, AT&T made the irreversible decision not to market wireline local and long-distance services to mass-market customers, which renders this pre-existing strategy irrelevant. For all these reasons, material responsive to this Request is irrelevant to this proceeding.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #25 Page 1

25. Separately for each of the thirty (30) out-of-region markets in the BellSouth region as described in <u>Data Request No. 24</u> above, and separately for each year commencing with the year in which SBC first began offering service in each market, provide total SBC revenues, total SBC expenditures on switched and special access services purchased from LECs, and SBC market shares separately for the mass market and enterprise segments.

RESPONSE:

25. Please see Joint Applicants' objection to Data Request No. 24.

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26. Describe and quantify the major types of cost savings, benefits, and/or efficiencies that SBC achieved through its acquisition of Ameritech. For each of these types of cost savings, benefits, or efficiencies, explain whether such savings, benefits and/or efficiencies will be achieved in the BellSouth/AT&T merger, and compare the amount of each cost savings, benefits, or efficiencies with its counterpart from the earlier merger.

RESPONSE:

26. The Joint Applicants object to this Request on the basis that it is not relevant to any issue presented here, nor is it reasonably calculated to lead to relevant information. The Ameritech merger occurred nearly seven years ago, in a different competitive, technological, and regulatory environment. Moreover, given the lack of relevance of this information, it would be unreasonably burdensome to compare the efficiencies of this merger with the Ameritech merger. Finally, the Joint Applicants object to this Request to the extent that it seeks information regarding merger benefits outside of Kentucky and note that they have not done a Kentucky-specific estimate of benefits and thus do not retain any relevant information in the form requested.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #27 Page 1

27. Describe and quantify any additional cost savings, benefits, or efficiencies that AT&T intends to achieve through its acquisition of BellSouth.

RESPONSE:

27. The benefits and efficiencies from this merger are described in the Joint Application and in the pre-filed testimony filed with that Application. The Joint Applicants have not analyzed merger synergies and benefits on a state-specific basis. Thus, Kentucky-specific data are not available. To the extent that this Request seeks information as to benefits *outside* of Kentucky, the Joint Applicants object because such issues are not within the jurisdiction of the PSC and thus are not relevant to this proceeding.

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28. Describe all plans Joint Applicants have to reduce wholesale and retail prices in Kentucky as a result of the cost savings that result from the merger.

RESPONSE:

28. The Joint Applicants have no current plans to change rates as a result of the merger.

Responding further, the Joint Applicants note that none of their operating subsidiaries is subject to cost-based, rate-of-return regulation in Kentucky. Under cost-based, rate-of-return regulation, fluctuations in cost can drive prices up or down, and the PSC has the authority to approve or require rate changes based on a company's costs and associated rate of return. In a price-regulation environment, on the other hand, prices are not driven by costs but rather by the marketplace. This distinction is important to this case, because unlike most other companies involved in previous merger dockets before the PSC, BellSouth Telecommunications, Inc., the regulated ILEC in parts of Kentucky, is not a rate-of-return regulated company. It is also critical to recognize that, pursuant to Kentucky law HB 337, basic local rates will be frozen for five years following election by BellSouth Telecommunications, Inc. after the effective date of the law, July 12, 2006.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #29 Page 1

29. Provide in electronic spreadsheet (Excel) form, for each wire center in Kentucky, the number of DS1 UNE loops without transport, the number of DS1 UNE loops with transport (*i.e.*, as part of an EEL), and the number of DS3 UNE loops provided by BellSouth as of the end of the most recent quarter for which information is available.

RESPONSE:

29. The Joint Applicants object to this Request on the grounds that BellSouth Telecommunications, Inc.'s wholesale obligations will remain unchanged after the merger and thus the information sought is not reasonably calculated to lead to the discovery of admissible evidence.

Subject to and without waiving this objection, the Joint Applicants will respond to this Request upon the execution of an acceptable protective agreement.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #30 Page 1

30. Provide in electronic spreadsheet (Excel) form, for each wire center in Kentucky, the number of retail DS1 loops, the number of retail DS3 loops and the number of retail OC-level loops (with retail defined for purposes of this Data Request as loops used to provide non-special access or non-UNE service, where the high capacity loop arrangement is a featured part of the retail service provided by BellSouth. That is, BellSouth should not include in this count, multi-business line services that happen to be offered using a high-capacity access connection, if the customer is unaware of the access technology used to connect to BellSouth's wire center). Provide the data requested in this interrogatory for the same quarter that BellSouth is providing data in response to Data Request No. 29 above.

RESPONSE:

30. The Joint Applicants object to this Request on the grounds that it is overbroad, unduly burdensome, and not reasonably calculated to lead to the discovery of relevant, admissible evidence. Additionally, the information sought is confidential business information of BellSouth that is not provided in the normal course of business to the public or to competitors.

Subject to and without waiving these objections, the Joint Applicants will respond to this Request upon the execution of an acceptable protective agreement.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #31 Page 1

31. Provide in electronic spreadsheet (Excel) form, for each wire center in Kentucky, the number of DS1 special access loops without transport, the number of DS1 special access loops with transport, and the number of DS3 special access loops provided by BellSouth as of the end of the quarter for which information is provided in response to Data Requests Nos. 29 and 30 above.

RESPONSE:

31. The Joint Applicants object to this Request on the grounds that it is overbroad, unduly burdensome, and not reasonably calculated to lead to the discovery of relevant, admissible evidence. Moreover, the vast majority of special access services provided by BellSouth are interstate services purchased out of Bellsouth's interstate tariff and thus outside the jurisdiction of the PSC. For that reason, the information sought by this request is not relevant to any issue in this proceeding. Finally, the information sought is confidential business information of BellSouth that is not provided in the normal course of business to the public or to competitors.

Subject to and without waiving these objections, the Joint Applicants will respond to this Request upon the execution of an acceptable protective agreement.

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32. Provide in electronic spreadsheet (Excel) form, for each wire center in Kentucky, the number of DS1 UNE loops without transport, the number of DS1 UNE loops with transport (*i.e.*, as part of an EEL), and the number of DS3 UNE loops provided by BellSouth to AT&T as of the end of the quarter for which information is provided in response to Data Requests Nos. 29, 30 and 31 above.

RESPONSE:

32. The Joint Applicants object to this Request on the grounds that BellSouth Telecommunications, Inc.'s wholesale obligations will remain unchanged after the merger and thus the information sought is not reasonably calculated to lead to the discovery of admissible evidence.

Subject to and without waiving that objection, the Joint Applicants will respond to this Request upon execution of an acceptable protective agreement.

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33. Provide in electronic spreadsheet (Excel) form, for each wire center in Kentucky, the number of DS1 special access loops without transport, the number of DS1 special access loops with transport, and the number of DS3 special access loops provided by BellSouth as of the end of the quarter for which information is provided in response to Data Requests Nos. 29, 30, 31 and 32 above. Please report interstate and intrastate special access separately.

RESPONSE:

33. The Joint Applicants object to this Request to the extent that it seeks information on interstate services that are outside the PSC's jurisdiction and thus will not lead to the discovery of admissible evidence. With respect to intrastate services, the Joint Applicants object to this request on the grounds that it is overbroad, unduly burdensome, and not reasonably calculated to lead to the discovery of relevant, admissible evidence. Finally, the information sought is confidential business information of BellSouth that is not provided in the normal course of business to the public or to competitors.

Subject to and without waiving these objections, the Joint Applicants will respond to this Request upon execution of an acceptable protective agreement.

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34. Provide in electronic spreadsheet (Excel) form, for each wire center in Kentucky, the number of DS1 special access loops without transport, the number of DS1 special access loops with transport, and the number of DS3 special access loops provided by BellSouth to AT&T as of the end of the quarter for which information is provided in response to Data <u>Requests Nos. 29, 30, 31, 32 and 33</u> above. Please provide interstate and intrastate special access separately.

RESPONSE:

34. The Joint Applicants object to this Request on the grounds that BellSouth's wholesale obligations will remain unchanged after the merger and thus the information sought is not reasonably calculated to lead to the discovery of admissible evidence.

Subject to and without waiving that objection, the Joint Applicants will respond to this Request upon execution of an acceptable protective agreement.

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35. Please provide a breakdown, for the most recent calendar year that such information is available, of the amount of BellSouth's Kentucky special access revenues (separately for interstate and intrastate), separated by term discount pricing plans (*i.e.*, the level of revenue under month-to-month pricing, 12 month commitment, *etc.*).

RESPONSE:

35. The Joint Applicants object to this Request to the extent that it seeks information on interstate services, which are outside the scope of the PSC's jurisdiction and thus will not lead to the discovery of admissible evidence. With respect to the intrastate information sought, the Joint Applicants object to this Request on the grounds that the information sought is not reasonably calculated to lead to the discovery of admissible evidence. This merger will occur at the holding company level. Thus, the merger will not impact the certificated subsidiaries operating in Kentucky. For example, BellSouth Telecommunications, Inc. will remain subject to the same wholesale obligations, including its interconnection agreements with NuVox, Covad or Xspedius and any term discount plans for special access, as it was before the merger. Moreover, the merger will in no way affect the PSC's regulatory authority over BellSouth Telecommunications, Inc. Finally, the information sought is confidential business information of BellSouth that is not provided in the normal course of business to the public or to competitors.

Subject to and without waiving these objections, the Joint Applicants will respond to this Request upon execution of an acceptable protective agreement.

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36. Has BellSouth obtained interstate special access pricing flexibility for any exchange in Kentucky? If so, identify each exchange and provide a listing of each rate change in that exchange from the end of 2000 to the present.

RESPONSE:

36. The Joint Applicants object to this Request because it seeks information on interstate services, which are outside the scope of the PSC's jurisdiction and thus will not lead to the discovery of admissible evidence. Additionally, to the extent that the FCC has granted pricing flexibility in Kentucky, such information is publicly available at the FCC and on its website.

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37. Provide the total revenues received from the lease of UNEs in Kentucky for each year since 1996. Please provide revenues received from UNE-P separately from the lease of all other UNEs and revenues received from the lease of UNEs.

RESPONSE:

37. The Joint Applicants object to this Request on the grounds that BellSouth Telecommunications, Inc.'s wholesale obligations will remain unchanged after the merger and thus the information sought is not reasonably calculated to lead to the discovery of admissible evidence.

Subject to and without waiving that objection, the Joint Applicants will respond to this Request upon the execution of an acceptable protective agreement.

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38. Provide the number of lines providing switched (*i.e.*, voice) business line service provided by AT&T over the UNEs and special access lines leased by AT&T from BellSouth in Kentucky for the most recent calendar year for which such information is available. For the same period, separately provide the number of analog UNE loops (leased without switching), DS1 UNE loops (including loops used in combination with UNE transport), DS3 loops, analog special access lines (both interstate and intrastate), DS1 special access lines (both interstate and intrastate) leased from BellSouth.

RESPONSE:

38. The Joint Applicants object to this Request on the grounds that it is overbroad, unduly burdensome, and not reasonably calculated to lead to the discovery of relevant, admissible evidence. Furthermore, to the extent this Request seeks information about jurisdictionally interstate transmissions and facilities, such matters are beyond the jurisdiction of the PSC and thus the Request does not seek relevant information. Finally, Joint Applicants object to this Request because it seeks confidential business information that is not provided in the normal course of business to the public or to competitors.

Subject to and without waiving these objections, the Joint Applicants will respond to this Request upon the execution of an acceptable protective agreement.

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39. Does BellSouth have any network construction projects completed, underway or planned in Kentucky either necessitated by, or accelerated because of, last year's hurricanes (Katrina, Rita, etc...) or other severe storms? If so, please identify such network construction projects.

RESPONSE:

39. The Joint Applicants respectfully incorporate by reference their response to the Attorney General's Data Request No. 13.

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40. Please provide a matrix of the performance metrics payments made by BellSouth to CLECs on a state-by-state basis for the last two (2) years. Please provide data in the aggregate and on a carrier-by-carrier basis. Include a list of actual performance metrics payments made to Kentucky CLECs for the last two (2) years and the manner in which those payments were made.

RESPONSE:

40. The Joint Applicants object to this Request on the grounds that BellSouth Telecommunications, Inc.'s wholesale obligations, including its obligations under the PSC's existing performance plan, will remain unchanged after the merger and thus the information sought is not reasonably calculated to lead to the discovery of admissible evidence. The Joint Applicants further object on the grounds that this Request is overbroad to the extent it seeks data outside Kentucky.

Subject to and without waiving these objections, the Joint Applicants will provide material responsive to this Request upon execution of an acceptable protective order.

Joint Applicants' Responses to Covad, Nuvox and Xspedius' Data Requests Case Number 2006-00136 Data Request #41 Page 1

41. Please describe the manner in which BellSouth makes state-by-state information available to CLECs about performance metrics payments, including recent payments and historical payments dating back two (2) years.

RESPONSE:

41. The Joint Applicants object to this Request on the grounds that BellSouth Telecommunications, Inc.'s wholesale obligations, including its obligations under the PSC's existing performance plan, will remain unchanged after the merger and thus the information sought is not reasonably calculated to lead to the discovery of admissible evidence. The Joint Applicants further object on the grounds that this Request is overbroad to the extent it seeks data outside Kentucky.

Subject to and without waiving the foregoing objections, the Joint Applicants respond as follows. The Transmitted Payment Report is posted to the PMAP website each month for individual CLECs and other authorized users to see Monthly SEEM payment information by state and by submetric. Each CLEC and authorized user has a dedicated login and password so that the CLECs can only see data related to their companies. Also, CLEC aggregate data are available for the CLECs to access and download to view the aggregate SEEM payments by state and submetric. The reports are maintained on the PMAP website for a period of 30 days, which allows the CLEC time to download and save their specific data. It is the responsibility of the CLEC to access and download its data each month, since the monthly reports are taken off to post the following month's data.

However, if a CLEC is unable to download their data within the 30-day window, or loses its historical data, it can submit a feedback report on the PMAP website, or call the CLEC Interface Group for assistance in receiving historical data. SEEM transmitted payment reports are archived and maintained in a file store in case historical data is required.