EXHIBIT A

AT&T PLAN FOR KENTUCKY SWITCHED ACCESS REFORM

This five year Access Reform Plan ("Plan") ensures that each Kentucky Incumbent Local Exchange Carrier ("ILEC") that reforms its Kentucky intrastate switched access charges to match, in rate level and rate structure, its interstate switched access charges will have the opportunity to recoup for each billable line in service 100% of any reduction in switched access revenues through a combination of increased retail rates and amounts drawn from the Kentucky Universal Service Fund ("KUSF"). The Plan also requires each Competitive Local Exchange Carrier ("CLEC") to reduce its intrastate access rates so that on average they are no higher than the rates of the ILECs with which they compete. The Plan is as follows:

1. Thirty (30) days following a Commission Order adopting the Plan, each CLEC's overall weighted average intrastate switched access rates are capped at, and must be maintained at no greater than, the overall weighted average intrastate rates of the ILEC(s) with which the CLEC competes. CLECs currently have full retail rate pricing flexibility that can be used, in each CLEC's discretion, to recoup any resulting switched access revenue reductions.

2. One-hundred eighty (180) days[1] following the Commission Order, each ILEC shall implement intrastate switched access rates that are identical, in rate level and rate structure, to the ILEC's interstate switched access rates. Whenever changes occur to an ILEC's interstate switched access rates and/or rate structure, the ILEC shall implement identical changes to its provision of intrastate switched access services.

3. The Commission Order will establish a single statewide local exchange service rate benchmark ("Benchmark") applicable to all billable retail local exchange lines in service. To the extent allowed by law, each ILEC will have pricing flexibility to increase its price for any retail basic local exchange service line[2] to the Benchmark level, except that, unless otherwise ordered by the Commission, the increase implemented in each year of the Plan shall be limited to $2.00 per line per month (the "Transitional Cap"). To the extent allowed by law, the Commission Order will grant ILECs additional pricing flexibility to increase retail basic local exchange service rates up to $2.00 per line per month each year of the Plan until rates reach the Benchmark.

[1] The additional 150 days (five months) provided to ILECs would be used to implement a Kentucky Universal Service Fund ("KUSF").
[2] The price of all billable local exchange lines of an ILEC, including those contained in a bundled offering, is assumed for purposes of the Plan to be the ILEC's basic local exchange rate in the exchange in which the line is being provided.

3.1. To the extent any ILEC, that elected alternative rate regulation under KRS 278.543 prior to January 1, 2010, has its rates capped at the time this Plan is implemented, the difference between the capped rates and the Benchmark will be replaced with KUSF distributions until the rate cap expires, at which point the ILEC will continue to draw from the KUSF as set forth below.

3.2. In the event an ILEC is allowed during the five years of the Plan to establish new rates for retail local exchange service above the Benchmark, the resulting revenue increase above the Benchmark will not be subtracted from the ILEC's KUSF distribution, if any.

4. Distributions from the KUSF will be determined as follows:

4.1. Each ILEC's Total Access Revenue Shift will be determined by calculating, for the calendar year prior to the Commission's order, the difference between the ILEC's total intrastate switched access revenues and the switched access revenues the ILEC would have collected had it applied its interstate switched access rates for the provision of intrastate switched access services.

4.2. Each ILEC's Per Line Access Shift will be determined by dividing the ILEC's Total Access Revenue Shift by the number of billable retail local exchange lines the ILEC had in service as of October 31 of the calendar year prior to the Commission's order. Administrative and official lines shall not be included in the calculation.

4.3. Each year of the Plan, each ILEC will recover from the KUSF its Annual Access Revenue Shift less its Additional Retail Revenue Opportunity, calculated prior to the beginning of the upcoming year ("the upcoming Plan year") as set forth below. If the calculations performed for an upcoming Plan year show that an ILEC's Annual Access Revenue Shift less its Additional Retail Revenue Opportunity produces a number at or less than zero, the ILEC will not be permitted to draw from the KUSF in the upcoming Plan year or in any subsequent year of the Plan. The specific calculations to be performed for each year of the Plan are set forth in Section 4.6, below, and are controlling.

4.4. The ILEC's Annual Access Revenue Shift for an upcoming Plan year is equal to the number of billable retail local exchange lines the ILEC had in service as of October 31 in the year prior to the upcoming Plan year times the ILEC's Per Line Access Shift as defined in Section 4.2, above.

4.5. The ILEC's Additional Retail Revenue Opportunity for each upcoming Plan year consists of two parts:

4.5.1. For each retail local exchange line which price (inclusive of any increases available, but not taken, under this Plan) is in a range from $0.01 to $2.00 below the Benchmark, as of October 31 of the year preceding the upcoming year of the Plan, the difference between the rate and the Benchmark, times 12, totaled for all such lines, plus

4.5.2. For each retail local exchange line which price (inclusive of any increases available, but not taken, under this Plan) is more than $2 below the Benchmark, as of October 31 of the year preceding the upcoming year of the Plan, $2 times 12, totaled for all such lines.

4.5.3. The specific calculations to be performed for each year of the Plan are set forth in Section 4.6, below, and are controlling.

4.6. Each ILEC will be entitled to recover from the KUSF for each year of the Plan as follows:

4.6.1. Year 1 – Each ILEC will be entitled to recover its Annual Access Revenue Shift less its Additional Retail Revenue Opportunity (as determined in the Commission Order and consistent with Sections 4.3, 4.4 and 4.5, above).

4.6.2. Year 2 – Each ILEC will be entitled to recover the amount it recovered in Year 1, with the following adjustments: (a) adjust for any change in the ILEC's number of billable retail local exchange lines as of October 31 of Year 1,[3] then subtract the sum of (b) for each billable retail local exchange line in service priced below the Benchmark, but within $2.00 of the Benchmark, as of October 31 in Year 1,[4] the difference between the rate and the Benchmark, summed for all such lines, times 12, plus (c) for each billable retail local exchange line in service priced more than $2.00 below the Benchmark as of October 31 of Year 1 (see fn. 3), $2.00 times the number of such lines, times 12.

[3] If the ILEC's number of billable lines in service increases from the prior October 31, add an amount equal to the increase in lines times the Per Line Access Shift times 12. If the ILEC's number of billable lines in service decreases from the prior October 31, subtract an amount equal to the decrease in lines times the Per Line Access Shift times 12.

[4] Nothing in the Plan precludes an ILEC from reducing any of its basic local service rates at any time, but any such reductions will be disregarded for purposes of calculating Kentucky USF distributions under the Plan so that an ILEC may not reduce its retail local exchange prices to increase its draw from the Kentucky USF. Likewise, an ILEC may not increase its distribution from the Kentucky USF by electing to forego available retail local exchange service price increases. The price used for this calculation shall be the highest price the ILEC had in effect during the preceding year, adjusted upward for any price increase the ILEC could have implemented under this Plan but elected to forego. *See* Sections 4.5.1 and 4.5.2.

4.6.3. Year 3 - Each ILEC will be entitled to recover the amount it recovered in Year 2, with the following adjustments: (a) adjust for any change in the ILEC's number of billable retail local exchange lines as of October 31 of Year 2 (see fn.2), then subtract the sum of (b) for each billable retail local exchange line in service priced below the Benchmark, but within $2.00 of the Benchmark, as of October 31 in Year 2 (see fn. 3), the difference between the rate and the Benchmark, summed for all such lines, times 12, plus (c) for each billable retail local exchange line in service priced more than $2.00 below the Benchmark as of October 31 of Year 2 (see fn. 3), $2.00 times the number of such lines, times 12.

4.6.4. Year 4 - Each ILEC will be entitled to recover the amount it recovered in Year 3, with the following adjustments: (a) adjust for any change in the ILEC's number of billable retail local exchange lines as of October 31 of Year 3 (see fn.2), then subtract the sum of (b) for each billable retail local exchange line in service priced below the Benchmark, but within $2.00 of the Benchmark, as of October 31 in Year 3 (see fn. 3), the difference between the rate and the Benchmark, summed for all such lines, times 12, plus (c) for each billable retail local exchange line in service priced more than $2.00 below the Benchmark as of October 31 of Year 3 (see fn. 3), $2.00 times the number of such lines, times 12.

4.6.5. Year 5 - Each ILEC will be entitled to recover the amount it recovered in Year 4, with the following adjustments: (a) adjust for any change in the ILEC's number of billable retail local exchange lines as of October 31 of Year 4 (see fn.2), then subtract the sum of (b) for each billable retail local exchange line in service priced below the Benchmark, but within $2.00 of the Benchmark, as of October 31 in Year 4 (see fn. 3), the difference between the rate and the Benchmark, summed for all such lines, times 12, plus (c) for each billable local exchange line in service priced more than $2.00 below the Benchmark as of October 31 of Year 4 (see fn. 3), $2.00 times the number of such lines, times 12.

5. No earnings test would be required of the ILECs to qualify for the Kentucky USF distributions.

6. Contributions to the KUSF will occur as follows.

6.1. All providers having Kentucky retail intrastate telecommunications revenues would contribute to the KUSF, including wireline ILECs, CLECs, wireless carriers and IXCs.

6.2. The KUSF contribution assessment will mirror the current Federal USF contribution methodology (*i.e.*, based on intrastate retail telecommunications revenues). If the Federal USF contribution methodology is changed in the future (*e.g.*, to be based upon telephone numbers and/or dedicated connections), then the Commission shall open a proceeding to evaluate the KUSF contribution methodology to consider whether the KUSF contribution methodology should be changed, and if so, how. If the KUSF contribution methodology is revised, the Commission shall allow a reasonable implementation period.

6.3. By November 15 of each year of the Plan, the Commission or its designee will calculate a KUSF assessment for the upcoming Plan year, expressed as a percentage of intrastate retail telecommunications revenues, by dividing the expected KUSF distributions by the expected Kentucky intrastate retail telecommunications revenues, adjusting for a prior-year fund surplus or deficit, if any. Providers will be able to file their Kentucky intrastate retail telecommunications revenue data on a confidential basis.

6.4. Providers are permitted, but not required, to recover their KUSF assessments from their end user customers, and may do so, e.g., through a separate line item for the KUSF assessment on retail customers' bills.

7. Not later than January 1 of Year 5 of the Plan, the Commission shall open a proceeding to review and reevaluate all aspects of the Plan, including the Benchmark and the necessity for continued KUSF distributions, which proceeding shall be completed by December 1 of Year 5 of the Plan. Interested parties shall be provided with notice and an opportunity to comment.

8. In the event the Federal Communications Commission (FCC) issues an order modifying its current methodology for establishing interstate switched access charges, the Kentucky Commission will open a proceeding to determine what changes, if any, are required to this Plan, such proceeding to be completed within 120 days of the effective date of any such FCC order.