

REQUEST: Does AT&T or any of its affiliates offer access to broadband internet services (defined here as service providing a bandwidth of 4 megabits per second (“Mbps”) or greater) on a stand-alone basis? For example, can an end-user customer of AT&T or any of its affiliates purchase broadband internet services without also subscribing to local, long distance, or wireless service(s) from AT&T or any of its affiliates? If so, please specifically identify the name or designation of such plan(s), and provide a detailed description of the terms and conditions (including pricing, term commitments, and minute or data volume (e.g., bit) limitations) associated with such plan(s).

RESPONSE: AT&T objects to this request as being irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, AT&T states that it does offer “stand-alone” broadband services, which plans are publicly available at:

<http://www.wireless.att.com/cell-phone-service/specials/netbooks.jsp?wtSlotClick=1-005P5S-0-4> and  
<http://www.att.com/shop/internet>

REQUEST: What is the minimum bandwidth that AT&T associates with the term “broadband,” as used throughout its testimony, comments, discovery responses, and other filings (“filings”) in this matter? Please identify the authority for AT&T’s definition of “broadband” in that manner, and please indicate whether the authority is consistent with the FCC’s current bandwidth definition of “broadband” services. If AT&T’s usage of “broadband” is inconsistent (from a bandwidth, or other, perspective) with the FCC’s current definition of “broadband,” please identify all instances in previous filings where AT&T’s use of the term “broadband” should be modified, and please explain how those instances should be modified.

RESPONSE: Objection. This request is overly broad and virtually impossible to answer without knowing each and every reference of “broadband” to which the request refers. In addition, the request does not set forth the FCC’s “current bandwidth definition” to which it refers. Without waiving this objection, AT&T states that references to the term “broadband,” as used in testimony, comments, discovery responses and other filings in this docket unless otherwise noted, are not specific to a minimum broadband bandwidth.

**REQUEST:** Please state whether AT&T considers its wireless EDGE, 3G, and 3GS technologies to be broadband technologies, as the term “broadband” is used by the FCC.

**RESPONSE:** AT&T objects to this request as being irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. In addition to the Kentucky Public Service Commission having no jurisdiction over wireless services, AT&T’s wireless technologies are not at issue in this case and have no relevance to whether the RLECs’ intrastate switched access charges should be reduced to the equivalent rates and structure of their interstate switched access charges.

REQUEST: Please identify the bandwidth provided by AT&T's wireless EDGE technology, its wireless 3G technology, its wireless 3GS technology, and any other wireless data transmission technologies available or planned to be available in Kentucky during the next three (3)years.

RESPONSE: AT&T objects to this request as being irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. In addition to the Kentucky Public Service Commission having no jurisdiction over wireless services, AT&T's wireless technologies are not at issue in this case and have no relevance to whether the RLECs' intrastate switched access charges should be reduced to the equivalent rates and structure of their interstate switched access charges.

**REQUEST:** Please provide coverage maps showing the current availability of AT&T's wireless EDGE, 3G, 3GS, and other data transmission service(s) in Kentucky.

**RESPONSE:** AT&T objects to this request as being irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. In addition to the Kentucky Public Service Commission having no jurisdiction over wireless services, AT&T's wireless coverage is not at issue in this case and has no relevance to whether the RLECs' intrastate switched access charges should be reduced to the equivalent rates and structure of their interstate switched access charges.

REQUEST: Please provide coverage maps showing the current availability of T-Mobile (and T-Mobile affiliate) wireless EDGE, 3G, 3GS, and other data transmission service(s) in Kentucky.

RESPONSE: AT&T objects to this request as being irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. In addition to the Kentucky Public Service Commission having no jurisdiction over wireless services, information regarding T-Mobile and T-Mobile affiliates should be obtained from T-Mobile and not AT&T. Furthermore, T-Mobile's wireless coverage is not at issue in this case and has no relevance to whether the RLECs' intrastate switched access charges should be reduced to the equivalent rates and structure of their interstate switched access charges.

**REQUEST:** Please provide coverage maps showing the anticipated availability of wireless EDGE, 3G, 3GS, and other data transmission service(s) as of January 2014, or as close to that date as is currently planned or projected for Kentucky.

**RESPONSE:** AT&T objects to this request as being irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. The request is also vague and unclear. In addition to the Kentucky Public Service Commission having no jurisdiction over wireless services, wireless coverage is not at issue in this case and has no relevance to whether the RLECs' intrastate switched access charges should be reduced to the equivalent rates and structure of their interstate switched access charges.

REQUEST: Identify all flat-rate calling plans that AT&T or any of its affiliates offer in Kentucky for long distance calls? Please specifically identify the name or designation of such plan(s), and provide a detailed description of the terms and conditions (including pricing, term commitments, and minute limitations) associated with such plan(s). For purposes of this request and any others using the term “flat-rate calling plans,” “flat-rate calling plans” shall mean a calling plan by which a customer pays a flat amount for a set number of long distance minutes, without regard to the inter- or intrastate nature of the calls to be made.

RESPONSE: Objection. The information requested is overly broad and is information that is publicly available to the RLECs. Without waiving this objection, information regarding AT&T service offerings can be found at <http://www.att.com>.

**REQUEST:** If AT&T has any flat-rate calling plans in Kentucky, please identify the percentage of the long distance customer base that currently subscribes to such plans where they are offered.

**RESPONSE:** The percentage of the long distance customer base that currently subscribes to flat rate calling plans as defined in Item No. 8 is 2.8%.

REQUEST: With respect to Dr. Oyefusi's testimony at page 14, lines 10-15, please identify all concrete and specific examples known to AT&T or its affiliates whereby any of the RLECs has taken the actions theorized by Dr. Oyefusi. Dr. Oyefusi's testimony contains the economic theory underlying his suppositions; please provide any specific examples by which the RLECs have illustrated the concerns of this theory.

RESPONSE: The referenced discussion is a concern the FCC raised to support its push for the current national broadband initiative. The FCC expressed that this statement was based on **evidence**, and **not theory** as erroneously characterized in this request. Specifically, the FCC stated “[e]vidence indicates that the current [access] system is hindering progress to all IP networks.”<sup>1</sup> The FCC explained that “the current regime creates the perverse incentive to maintain and invest in legacy, circuit-switched-based, time-division multiplexing (TDM) networks **to collect intercarrier compensation revenue, hindering the transformation of America's networks to broadband.**”<sup>2</sup> It further stated, “... current rules actually *disincentivize* something necessary for our global competitiveness: the transition from analog circuit-switched networks to IP networks.”<sup>3</sup> Conversely, the FCC recognized that “intercarrier compensation reform will encourage carriers to more rapidly deploy broadband facilities” and the advanced services those facilities carry.<sup>4</sup>

As of the time of this response, based on publicly available information, it appears that some RLECs require the purchase of local POTS service in order for customers to obtain a broadband service, thereby potentially deterring customers from purchasing only broadband services.

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<sup>1</sup> See *In re Connect America Fund: A National Broadband Plan For Our Future*, 2011 WL 466775, ¶ 554 (Notice of Proposed Rulemaking, rel. Feb. 9, 2011) (“2011 NPRM”), ¶ 506 (emphasis added).

<sup>2</sup> *Id.* Emphasis added.

<sup>3</sup> *Id.* ¶ 6.

<sup>4</sup> *Id.* ¶ 506.

REQUEST: Does AT&T propose to abolish carrier of last resort (“COLR”) obligations for Kentucky incumbent local exchange carriers? If so, please explain how it proposes the statutory objective of universal service will be satisfied. If not, please explain how incumbent local exchange carriers will be able to meet their COLR obligations under the AT&T Plan.

RESPONSE: Objection. The information requested is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. AT&T’s proposed access plan submitted in this case does not address carrier of last resort obligations and such are not the subject of this case.

Without waiving this objection, AT&T states that its plan establishes paths for recovery of the access revenue shift created by moving intrastate switched access rates to mirror each carrier’s interstate switched access rates. First, the plan makes available the opportunity to increase local rates to a PSC determined benchmark rate. Essentially this permits the local service rate to move toward the cost of providing service in high cost areas. Second, the plan makes allowance for a Kentucky Universal Service Fund (USF) to recover portions of the access revenue shift that aren’t recovered from local increases. Please see the AT&T plan for further details.

Notwithstanding the above, there are public policy questions regarding the validity of a continued COLR requirement to provide traditional landline dial tone service when there is significant movement of customers to other technologies and the availability of other facility based carriers. AT&T’s proposed access plan submitted in this case, however, does not address carrier of last resort obligations and such are not the subject of this case.

REQUEST: Does AT&T contend that the historical customer migration from wireline long distance to intermodal alternatives such as wireless, VOIP, text, video chat, etc., has been driven solely by price considerations? If not, what other considerations have driven this migration? Please provide all studies or analyses performed by AT&T with respect to this subject matter.

RESPONSE: Objection. This request is overly broad and burdensome. Without waiving this objection, AT&T states that it has not asserted that customer migration was due **“solely”** to price disparities. AT&T recognizes that rate disparities are a contributing factor affecting demand decisions regarding migration among technologies, as are other factors including service characteristics such as mobility, convenience, call quality, customer service, and available features. To the extent these other factors may have caused and will continue to cause migration of lines or access minutes from wireline to other technologies, allowing the rate disparities to continue will exaggerate or exacerbate the identified decline and cause the collapse of the implicit subsidy system as predicted.

Many studies have addressed demand for wireline long distance service vis a vis other technologies, including, *e.g.*, Michael Ward and Glenn Woroch, “Usage Substitution between Mobile Telephone and Fixed line in the U.S.,” University of Texas, Arlington, working paper (2004); Keith Mallinson, “Personal Wireless Calling Surpasses Wireline Calling: A Wireless Substitution Update,” Yankee Group Report, August 2005; Rich Luhr and David Chamberlain, “Cutting the Cord: Consumer Profiles and Carrier Strategies for Wireless Substitution,” In-Stat/MDR Report, October 2005; and Amy Cravens, “Cutting the Cord: Consumer Wireline Erosion,” In-Stat, December 2005; and Caves, Kevin W., Quantifying Price-Driven Wireless Substitution in Telephony (December 1, 2010). Available at SSRN: <http://ssrn.com/abstract=1670433>.

REQUEST: Which RLECs does AT&T contend are engaged in “call pumping,’ ‘phantom traffic,’ and similar arbitrage schemes?” (See Test. Of O. Oyefusi at 25:3-9.)

RESPONSE: Objection. The request contains a false assumption regarding AT&T’s contentions and, therefore, cannot be responded to as written. Without waiving this objection, AT&T states that the referenced testimony does not assert that any RLEC in the proceeding is involved in “call pumping,’ ‘phantom traffic,’ and similar arbitrage schemes.” There have been many instances across the country, however, where some LECs have been found to be involved in these types of schemes. See AT&T Letter dated October 27, 2009, to Congress regarding traffic pumping schemes, attached as Attachment 1 to AT&T Responses to RLEC First Data Request No. 14. See also, *In re Qwest Communications Corp. v. Superior Telephone Coop., et al.*, Iowa Department of Commerce, Utilities Division Docket No. FCU-07-2 (Qwest complaint, in which AT&T and Sprint intervened, against 10 rural carriers alleging that the carriers and their free calling partners engaged in illegal traffic stimulation activities that violate Iowa law, the carriers’ tariffs and their certificates).

There have also been allegations of “traffic pumping” in Kentucky. See, e.g., *In the Matter of Complaint of Sprint Communications Company L.P. against Bluegrass Telephone Company, Inc. d/b/a Kentucky Telephone Company for the Unlawful Imposition of Access Charges*, Case No. 2010-00012 (case documents can be found at: <http://psc.ky.gov/Home/Library?type=Cases&folder=2010%20cases/2010-00012>).

REQUEST: Please provide the analysis (including all work papers) that Dr. Oyefusi testifies he performed in advocating a local rate benchmark of between \$18.50 and \$23.50 for the Kentucky ICOs.

RESPONSE: *See Attachment 1 to Item No. 14.*

Title:		Gross Domestic Product: Chain-type Price Index																														
Series ID:		GDPCTPI																														
Source:		U.S. Department of Commerce: Bureau of Economic Analysis																														
Release:		Gross Domestic Product																														
Seasonal Adjustment:		Seasonally Adjusted																														
Frequency:		Quarterly																														
Units:		Index 2005=100																														
Date Range:		1947-01-01 to 2011-01-01																														
Last Updated:		2011-06-24 10:46 AM CDT																														
Notes:		A Guide to the National Income and Product Accounts of the United States (NIPA) - ( <a href="http://www.bea.gov/national/pdf/nipaguid.pdf">http://www.bea.gov/national/pdf/nipaguid.pdf</a> )																														
Download URL:		<a href="http://research.stlouisfed.org/fred2/series/GDPCTPI?cid=21">http://research.stlouisfed.org/fred2/series/GDPCTPI?cid=21</a>																														
Qtr	GDPP	Quarterly % Change	CBT - Band 1 (1999)	CBT - Band 2 (1999)	CBT - Band 3 (1999)	CBT - Band 4 (1999)	Ballard Tel - Wickliffe Exch (1985)	Ballard Tel - Heath Exch (1985)	Ballard Tel - Kevill Exch (1985)	Bradenburg Tel - All Exch (1985)	Duo County Tel - All Exch, RG2 (1998)	Foothill Rural All Exch, RG2 (1996)	Gearhart Comm - All Exch (1999)	Highland Tel All Exch (2011)	Logan Tel - All Exch (1997)	Mountain Rural - All Exch(2009)	N. Central Tel - All Exch (2008)	People's Tel - All Exch (1998)	S. Central Rural - All Exch Blka (1997)	S. Central Rural - All Exch BlkB (1997)	S. Central Rural - All Exch BlkC (1997)	S. Central Rural - All Exch BlkD (1997)	Leslie County Tel Bledsoe Exch (2003)	TDS, Leslie County Tel - Dwarf Exch (2003)	TDS, Lewisport (2003)	TDS, Salem (2003)	Thacker-Grisby Tel All Exch (1985)	West KY Rural (1997)	Windstream West (2001)	Windstream East (2000)		
1947-01-01	13.400																															
1947-04-01	13.595	1.46%																														
1947-07-01	13.823	1.68%																														
1947-10-01	14.106	2.05%																														
1948-01-01	14.264	1.12%																														
1948-04-01	14.422	1.11%																														
1948-07-01	14.679	1.78%																														
1948-10-01	14.676	-0.02%																														
1949-01-01	14.634	-0.29%																														
1949-04-01	14.541	-0.64%																														
1949-07-01	14.419	-0.84%																														
1949-10-01	14.416	-0.02%																														
1950-01-01	14.362	-0.37%																														
1950-04-01	14.421	0.41%																														
1950-07-01	14.714	2.03%																														
1950-10-01	14.964	1.70%																														
1951-01-01	15.480	3.45%																														
1951-04-01	15.568	0.57%																														
1951-07-01	15.619	0.33%																														
1951-10-01	15.821	1.29%																														
1952-01-01	15.838	0.11%																														
1952-04-01	15.905	0.42%																														
1952-07-01	16.025	0.75%																														
1952-10-01	16.081	0.36%																														
1953-01-01	16.096	0.09%																														
1953-04-01	16.133	0.23%																														
1953-07-01	16.187	0.33%																														
1953-10-01	16.241	0.33%																														
1954-01-01	16.309	0.42%																														
1954-04-01	16.334	0.15%																														
1954-07-01	16.324	-0.06%																														
1954-10-01	16.343	0.12%																														
1955-01-01	16.407	0.39%																														
1955-04-01	16.497	0.55%																														
1955-07-01	16.617	0.73%																														
1955-10-01	16.727	0.66%																														
1956-01-01	16.891	0.98%																														
1956-04-01	17.050	0.94%																														
1956-07-01	17.244	1.14%																														
1956-10-01	17.348	0.60%																														
1957-01-01	17.550	1.16%																														
1957-04-01	17.671	0.69%																														
1957-07-01	17.809	0.78%																														
1957-10-01	17.904	0.53%																														
1958-01-01	18.056	0.85%																														
1958-04-01	18.134	0.43%																														
1958-07-01	18.179	0.25%																														
1958-10-01	18.199	0.11%																														
1959-01-01	18.267	0.37%																														
1959-04-01	18.309	0.23%																														
1959-07-01	18.369	0.33%																														
1959-10-01	18.446	0.42%																														
1960-01-01	18.483	0.20%																														
1960-04-01	18.561	0.42%																														
1960-07-01	18.646	0.46%																														
1960-10-01	18.726	0.43%																														
1961-01-01	18.750	0.13%																														
1961-04-01	18.796	0.19%																														
1961-07-01	18.835	0.26%																														
1961-10-01	18.884	0.26%																														
1962-01-01	18.992	0.57%																														
1962-04-01	19.040	0.25%																														
1962-07-01	19.091	0.27%																														
1962-10-01	19.159	0.36%																														
1963-01-01	19.213	0.28%																														







25. Provide a schedule reflecting your local rates for residence and business customers by rate group.

ILEC	Residential								
	Rate 1			Rate 2			Rate 3		
	Rate	Exchange	Effective Date	Rate	Exchange	Effective Date	Rate	Effective Date	
Ballard Telephone	\$7.40	Wickliffe	1985						
	\$8.75	Heath	1985						
	\$9.15	Kevil	1985						
Brandenburg Telephone	\$5.60	All exchanges	1985						
Cincinnati Bell	16.95	Rate Band 1	1999						
	17.95	Rate Band 2	1999	16.69					
	18.95	Rate Band 3	1999						
	\$12.40	Rate Band 4	1999						
Duo County Telephone	\$12.37	All exchanges	1985	\$13.37	All exchanges	1998			
Foothills Rural	\$10.50	All exchanges	1985	\$12.00	All exchanges	1996			
Gearhart Communications aka Coalfields Telephone	\$13.05	All exchanges	1985	\$10.58	All exchanges	1999			
Highlands Telephone	\$9.73	All exchanges	1985	\$14.73	All exchanges	2011			
Logan Telephone	\$15.00	All exchanges	1985	\$16.50	All exchanges	1997			
Mountain Rural Telephone	\$9.38	All exchanges	1985	\$10.63	All exchanges	2009			
North Central Telephone	\$11.90	All exchanges	1985	\$14.90	All exchanges	2008			
Peoples Telephone	\$12.00	All exchanges	1985	\$14.00	All exchanges	1998			
South Central Rural Telephone	\$18.65	Block A	1985	\$16.65	Block A	1997			
	\$18.95	Block B	1985	\$16.95	Block B	1997			
	\$19.25	Block C	1985	\$17.25	Block C	1997			
	\$19.55	Block D	1985	\$17.55	Block D	1997			
TDS - Leslie County Telephone	\$11.55	Bledsoe, etc.	2003						
	\$12.25	Dwarf	2003						
TDS - Lewisport	\$10.65	Lewisport	2003						
TDS - Salem	\$10.91	One-Party	2003						
Thacker-Grigsby Telephone	\$5.74	All exchanges	1985						
West Kentucky Rural Telephone	Not available	All exchanges	1985	\$14.56	All exchanges	1997			
Windstream East		Objects; overly burdensome and seeks info		\$15.63		2001			
Windstream West		Objects; overly burdensome and seeks info		\$9.30		2001			

	Rate 1			Rate 2			Business		Rate 3	
	Rate	Exchange	Effective Date	Rate	Exchange	Effective Date	Rate	Effective Date	Rate	Effective Date
Ballard Telephone	\$9.80	Wickliffe	1985							
	\$13.50	Heath	1985							
	\$13.75	Kevil	1985							
Brandenburg Telephone	\$8.40	All exchanges	1985							
Cincinnati Bell	\$46.25	Rate Band 1	1999							
	\$48.00	Rate Band 2	1999	\$45.31						
	\$49.75	Rate Band 3	1999							
	\$55.00	Rate Band 4	1999							
Duo County Telephone	\$19.87	All exchanges	1985	\$20.87	All exchanges	1998				
Foothills Rural	\$17.40	All exchanges	1985	\$19.40	All exchanges	1996				
Gearhart Communications aka Coalfields Telephone	\$21.30	All exchanges	1985	\$18.33	All exchanges	1999				
Highlands Telephone	\$15.98	All exchanges	2011	\$23.98	All exchanges	2011				
Logan Telephone	\$22.00	All exchanges	1985	\$24.80	All exchanges	1997				
Mountain Rural Telephone	\$16.38	All exchanges	1985	\$17.63	All exchanges	2009				
North Central Telephone	\$18.03	All exchanges	1985	\$23.03	All exchanges	2008				
Peoples Telephone	\$18.60	All exchanges	1985	\$21.10	All exchanges	1998				
South Central Rural Telephone	\$28.35	Block A	1985	\$26.35	Block A	1997				
	\$28.75	Block B	1985	\$26.75	Block B	1997				
	\$29.15	Block C	1985	\$27.15	Block C	1997				
	\$29.55	Block D	1985	\$27.55	Block D	1997				
TDS - Leslie County Telephone	\$16.40	Bledsoe, etc	2003							
	\$17.35	Dwarf	2003							
TDS - Lewisport	\$21.40	Lewisport	2003							
TDS - Salem	\$16.06	One-Party	2003							
Thacker-Grigsby Telephone	\$9.16	All exchanges	1985							
West Kentucky Rural Telephone	Not available	All exchanges	1985	\$21.06	All exchanges	1997				
Windstream East		Objects; overly burdensome and seeks info		\$30.70		2001				
Windstream West		Objects; overly burdensome and seeks info		19.99		2001				

### Calculating Low End of a Benchmark Range in Kentucky - Retail Rates Adjusted by GDPPI Inflation Factor

Kentucky		Scenario 1 - All Carriers				Scenario 2 - Remove Outliers < \$10 Rate			
Rural LECs (RLECs)	Access Shift per Line	Initial Historical Res Rates		Inflation Adjusted Res Rates		Initial Historical Res Rates		Inflation Adjusted Res Rates	
		Min	Max	Min	Max	Min	Max	Min	Max
LESLIE COUNTY TEL CO	\$ 22.18	\$ 11.55	\$ 12.25	\$ 13.80	\$ 14.64	\$ 11.55	\$ 12.25	\$ 13.80	\$ 14.64
LEWISPORT TEL CO	\$ 9.31	\$ 10.65	\$ 10.65	\$ 12.73	\$ 12.73	\$ 10.65	\$ 10.65	\$ 12.73	\$ 12.73
SALEM TEL CO	\$ 8.90	\$ 10.91	\$ 10.91	\$ 13.04	\$ 13.04	\$ 10.91	\$ 10.91	\$ 13.04	\$ 13.04
BALLARD RURAL COOP	\$ 8.87	\$ 7.40	\$ 9.15	\$ 13.52	\$ 16.72	n/a	n/a	n/a	n/a
BRANDENBURG TEL CO	\$ 15.68	\$ 5.60	\$ 5.60	\$ 10.23	\$ 10.23	n/a	n/a	n/a	n/a
DUO COUNTY TEL COOP	\$ 11.68	\$ 13.37	\$ 13.37	\$ 17.55	\$ 17.55	\$ 13.37	\$ 13.37	\$ 17.55	\$ 17.55
FOOTHILLS RURAL COOP	\$ 15.49	\$ 12.00	\$ 12.00	\$ 16.24	\$ 16.24	\$ 12.00	\$ 12.00	\$ 16.24	\$ 16.24
GEARHEART-COALFIELDS	\$ 19.21	\$ 10.58	\$ 10.58	\$ 13.70	\$ 13.70	\$ 10.58	\$ 10.58	\$ 13.70	\$ 13.70
LOGAN TEL. COOP. INC	\$ 8.00	\$ 16.50	\$ 16.50	\$ 21.93	\$ 21.93	\$ 16.50	\$ 16.50	\$ 21.93	\$ 21.93
MOUNTAIN RURAL COOP	\$ 15.62	\$ 10.63	\$ 10.63	\$ 10.85	\$ 10.85	\$ 10.63	\$ 10.63	\$ 10.85	\$ 10.85
PEOPLES RURAL COOP	\$ 17.30	\$ 14.00	\$ 14.00	\$ 18.37	\$ 18.37	\$ 14.00	\$ 14.00	\$ 18.37	\$ 18.37
SOUTH CENTRAL RURAL	\$ 9.93	\$ 16.65	\$ 17.55	\$ 22.13	\$ 23.32	\$ 16.65	\$ 17.55	\$ 22.13	\$ 23.32
THACKER/GRIGSBY TEL	\$ 17.02	\$ 5.74	\$ 5.74	\$ 10.49	\$ 10.49	n/a	n/a	n/a	n/a
WEST KENTUCKY RURAL	\$ 9.73	\$ 14.56	\$ 14.56	\$ 19.35	\$ 19.35	\$ 14.56	\$ 14.56	\$ 19.35	\$ 19.35
HIGHLAND TEL COOP -KY	\$ 12.71	\$ 14.73	\$ 14.73	\$ 14.73	\$ 14.73	\$ 14.73	\$ 14.73	\$ 14.73	\$ 14.73
NORTH CENTRAL TEL COOP - KY	\$ 10.53	\$ 14.90	\$ 14.90	\$ 15.49	\$ 15.49	\$ 14.90	\$ 14.90	\$ 15.49	\$ 15.49
<b>Total RLECs</b>									
CINCINNATI BELL-KY	\$ 0.95	\$ 12.40	\$ 18.95	\$ 16.06	\$ 24.55	\$ 12.40	\$ 18.95	\$ 16.06	\$ 24.55
WINDSTREAM KY WEST	\$ 15.37	\$ 9.30	\$ 9.30	\$ 11.55	\$ 11.55	n/a	n/a	n/a	n/a
WINDSTREAM LEXINGTON	\$ 5.74	\$ 15.63	\$ 15.63	\$ 19.86	\$ 19.86	\$ 15.63	\$ 15.63	\$ 19.86	\$ 19.86
WINDSTREAM LONDON	\$ 5.74	\$ 15.63	\$ 15.63	\$ 19.86	\$ 19.86	\$ 15.63	\$ 15.63	\$ 19.86	\$ 19.86
<b>Combined Windstream</b>		<b>\$15.38</b>		<b>\$19.52</b>					
<b>Total Price Cap</b>									
<b>Blended Kentucky Rate Range</b>		<b>\$ 14.05</b>	<b>\$ 15.33</b>	<b>\$ 18.03</b>	<b>\$ 19.69</b>	<b>\$ 14.60</b>	<b>\$ 15.96</b>	<b>\$ 18.57</b>	<b>\$ 20.33</b>
<b>Statewide Weighted Average</b>		<b>\$14.71</b>		<b>\$18.89</b>		<b>\$15.35</b>		<b>\$19.53</b>	

Note: Statewide Average Includes only ICOs that are parties to this proceeding.  
Outliers in red font are removed from Scenario 2 analysis  
Line Counts from Financial Reports filed with the Commission

Calculating High End of Benchmark Range based on Comparability with Highest Urban Rates in Kentucky			
Scenario 3 - Urban/Rural Comparability (Using 125% Factor)			
	Urban Area	Current Rate	Benchmark Results
Windstream	Lexington	\$ 18.95	\$ 23.69
	Louisville		
AT&T Kentucky	(Rate Grp 5)	\$ 18.40	\$ 23.00
	Florence		
Cincinnati Bell Telephone	(Rate Bd 1)	\$ 16.95	\$ 21.19

Title:		Gross Domestic Product: Chain-type Price Index																							
Series ID:		GDPCTPI																							
Source:		U.S. Department of Commerce: Bureau of Economic Analysis																							
Release:		Gross Domestic Product																							
Seasonal Adjustment:		Seasonally Adjusted																							
Frequency:		Quarterly																							
Units:		Index 2005=100																							
Date Range:		1947-01-01 to 2011-01-01																							
Last Updated:		2011-06-24 10:46 AM CDT																							
Notes:		A Guide to the National Income and Product Accounts of the United States (NIPA) - ( <a href="http://www.bea.gov/national/pdf/nipaguid.pdf">http://www.bea.gov/national/pdf/nipaguid.pdf</a> )																							
Download URL:		<a href="http://research.stlouisfed.org/fred2/series/GDPCTPI?cid=21">http://research.stlouisfed.org/fred2/series/GDPCTPI?cid=21</a>																							
Qtr	GDPII	Quarterly % Change	CBT - Band 1 (1999)	CBT - Band 2 (1999)	CBT - Band 3 (1999)	CBT - Band 4 (1999)	Duo County Tel - All Exch, RG2 (1998)	Foothill Rural All Exch, RG2 (1996)	Gearhart Comm - All Exch (1999)	Highland Tel All Exch (2011)	Logan Tel - All Exch (1997)	Mountain Rural - All Exch(2009)	N. Central Tel - All Exch (2008)	People's Tel - All Exch (1998)	S. Central Rural - All Exch B1KA (1997)	S. Central Rural - All Exch B1KB (1997)	S. Central Rural - All Exch B1KC (1997)	S. Central Rural - All Exch B1KD (1997)	Leslie County Tel Bledsoe Exch (2003)	TDS, Leslie County Tel - Dwarf Exch (2003)	TDS, Lewisport (2003)	TDS, Salem (2003)	West KY Rural (1997)	Windstream East (2000)	
1947-01-01	13.400																								
1947-04-01	13.595	1.46%																							
1947-07-01	13.823	1.68%																							
1947-10-01	14.106	2.05%																							
1948-01-01	14.264	1.12%																							
1948-04-01	14.422	1.11%																							
1948-07-01	14.679	1.78%																							
1948-10-01	14.676	-0.02%																							
1949-01-01	14.634	-0.29%																							
1949-04-01	14.541	-0.64%																							
1949-07-01	14.419	-0.84%																							
1949-10-01	14.416	-0.02%																							
1950-01-01	14.362	-0.37%																							
1950-04-01	14.421	0.41%																							
1950-07-01	14.714	2.03%																							
1950-10-01	14.964	1.70%																							
1951-01-01	15.480	3.45%																							
1951-04-01	15.568	0.57%																							
1951-07-01	15.619	0.33%																							
1951-10-01	15.821	1.29%																							
1952-01-01	15.838	0.11%																							
1952-04-01	15.905	0.42%																							
1952-07-01	16.025	0.75%																							
1952-10-01	16.081	0.35%																							
1953-01-01	16.096	0.09%																							
1953-04-01	16.133	0.23%																							
1953-07-01	16.187	0.33%																							
1953-10-01	16.241	0.33%																							
1954-01-01	16.309	0.42%																							
1954-04-01	16.334	0.15%																							
1954-07-01	16.324	-0.06%																							
1954-10-01	16.343	0.12%																							
1955-01-01	16.407	0.39%																							
1955-04-01	16.497	0.55%																							
1955-07-01	16.617	0.73%																							
1955-10-01	16.727	0.66%																							
1956-01-01	16.891	0.98%																							
1956-04-01	17.050	0.94%																							
1956-07-01	17.244	1.14%																							
1956-10-01	17.348	0.60%																							
1957-01-01	17.550	1.16%																							
1957-04-01	17.671	0.69%																							
1957-07-01	17.809	0.78%																							
1957-10-01	17.904	0.53%																							
1958-01-01	18.056	0.85%																							
1958-04-01	18.134	0.43%																							
1958-07-01	18.179	0.25%																							
1958-10-01	18.199	0.11%																							
1959-01-01	18.267	0.37%																							
1959-04-01	18.309	0.23%																							
1959-07-01	18.369	0.33%																							
1959-10-01	18.446	0.42%																							
1960-01-01	18.483	0.20%																							
1960-04-01	18.561	0.42%																							
1960-07-01	18.646	0.46%																							
1960-10-01	18.726	0.43%																							
1961-01-01	18.750	0.13%																							
1961-04-01	18.786	0.19%																							
1961-07-01	18.835	0.26%																							
1961-10-01	18.884	0.26%																							
1962-01-01	18.992	0.57%																							
1962-04-01	19.040	0.25%																							
1962-07-01	19.091	0.27%																							
1962-10-01	19.159	0.36%																							
1963-01-01	19.213	0.28%																							







### Calculating Low End of a Benchmark Range in Kentucky - Retail Rates Adjusted by GDPPI Inflation Factor

Kentucky	Scenario 1 - All Carriers				Scenario 2 - Remove Outliers < \$10 Rate			
	Rates		Rates		Rates		Rates	
	Min	Max	Min	Max	Min	Max	Min	Max
<b>Rural LECs (RLECs)</b>								
LESLIE COUNTY TEL CO	\$ 11.55	\$ 12.25	\$ 13.80	\$ 14.64	\$ 11.55	\$ 12.25	\$ 13.80	\$ 14.64
LEWISPORT TEL CO	\$ 10.65	\$ 10.65	\$ 12.73	\$ 12.73	\$ 10.65	\$ 10.65	\$ 12.73	\$ 12.73
SALEM TEL CO	\$ 10.91	\$ 10.91	\$ 13.04	\$ 13.04	\$ 10.91	\$ 10.91	\$ 13.04	\$ 13.04
BALLARD RURAL COOP	\$ 7.40	\$ 9.15	\$ 13.52	\$ 16.72	n/a	n/a	n/a	n/a
BRANDENBURG TEL CO	\$ 5.60	\$ 5.60	\$ 10.23	\$ 10.23	n/a	n/a	n/a	n/a
DUO COUNTY TEL COOP	\$ 13.37	\$ 13.37	\$ 17.55	\$ 17.55	\$ 13.37	\$ 13.37	\$ 17.55	\$ 17.55
FOOTHILLS RURAL COOP	\$ 12.00	\$ 12.00	\$ 16.24	\$ 16.24	\$ 12.00	\$ 12.00	\$ 16.24	\$ 16.24
GEARHEART-COALFIELDS	\$ 10.58	\$ 10.58	\$ 13.70	\$ 13.70	\$ 10.58	\$ 10.58	\$ 13.70	\$ 13.70
LOGAN TEL. COOP. INC	\$ 16.50	\$ 16.50	\$ 21.93	\$ 21.93	\$ 16.50	\$ 16.50	\$ 21.93	\$ 21.93
MOUNTAIN RURAL COOP	\$ 10.63	\$ 10.63	\$ 10.85	\$ 10.85	\$ 10.63	\$ 10.63	\$ 10.85	\$ 10.85
PEOPLES RURAL COOP	\$ 14.00	\$ 14.00	\$ 18.37	\$ 18.37	\$ 14.00	\$ 14.00	\$ 18.37	\$ 18.37
SOUTH CENTRAL RURAL	\$ 16.65	\$ 17.55	\$ 22.13	\$ 23.32	\$ 16.65	\$ 17.55	\$ 22.13	\$ 23.32
THACKER/GRIGSBY TEL	\$ 5.74	\$ 5.74	\$ 10.49	\$ 10.49	n/a	n/a	n/a	n/a
WEST KENTUCKY RURAL	\$ 14.56	\$ 14.56	\$ 19.35	\$ 19.35	\$ 14.56	\$ 14.56	\$ 19.35	\$ 19.35
HIGHLAND TEL COOP -KY	\$ 14.73	\$ 14.73	\$ 14.73	\$ 14.73	\$ 14.73	\$ 14.73	\$ 14.73	\$ 14.73
NORTH CENTRAL TEL COOP - KY	\$ 14.90	\$ 14.90	\$ 15.49	\$ 15.49	\$ 14.90	\$ 14.90	\$ 15.49	\$ 15.49
<b>Total RLECs</b>								
CINCINNATI BELL-KY	\$ 12.40	\$ 18.95	\$ 16.06	\$ 24.55	\$ 12.40	\$ 18.95	\$ 16.06	\$ 24.55
WINDSTREAM KY WEST	\$ 9.30	\$ 9.30	\$ 11.55	\$ 11.55	n/a	n/a	n/a	n/a
WINDSTREAM LEXINGTON	\$ 15.63	\$ 15.63	\$ 19.86	\$ 19.86	\$ 15.63	\$ 15.63	\$ 19.86	\$ 19.86
WINDSTREAM LONDON	\$ 15.63	\$ 15.63	\$ 19.86	\$ 19.86	\$ 15.63	\$ 15.63	\$ 19.86	\$ 19.86
<b>Combined Windstream</b>	<b>\$15.38</b>		<b>\$19.52</b>					
<b>Total Price Cap</b>								
<b>Blended Kentucky Rate Range</b>	<b>\$ 14.05</b>	<b>\$ 15.33</b>	<b>\$ 18.03</b>	<b>\$ 19.69</b>	<b>\$ 14.60</b>	<b>\$ 15.96</b>	<b>\$ 18.57</b>	<b>\$ 20.33</b>
<b>Statewide Weighted Average</b>	<b>\$14.71</b>		<b>\$18.89</b>		<b>\$15.35</b>		<b>\$19.53</b>	

Note: Statewide Average Includes only ICOs that are parties to this proceeding.  
Outliers in red font are removed from Scenario 2 analysis  
Line Counts from Financial Reports filed with the Commission

Calculating High End of Benchmark Range based on Comparability with Highest Urban Rates in Kentucky			
Scenario 3 - Urban/Rural Comparability (Using 125% Factor)			
	Urban Area	Current Rate	Benchmark Results
Windstream	Lexington	\$ 18.95	\$ 23.69
AT&T Kentucky	Louisville (Rate Grp 5)	\$ 18.40	\$ 23.00
Cincinnati Bell Telephone	Florence (Rate Bd 1)	\$ 16.95	\$ 21.19

REQUEST: Please produce all documents that evidence, support, or relate to AT&T's responses to these data requests.

RESPONSE: Objection. The information requested is overly broad. Without waiving this objection, there are no documents responsive to this request.

AT&T  
KY PSC Docket No. 2010 - 00398  
RLECs Second Data Requests  
August 5, 2011  
Item No. 16  
Page 1 of 1

**REQUEST:** Please provide copies of all correspondence and other filings made at the FCC in conjunction with the pending ICC reform (WC Docket Nos. 10-90, 07-135, 05-337, 03-109; CC Docket No. 01-92, 96-45; and GN Docket No. 09-51).

**RESPONSE:** Objection. The information requested is voluminous and publicly available on the website of the Federal Communications Commission.

REQUEST: Please explain how AT&T's position with respect to ICC reform at the FCC affects its position in this matter.

RESPONSE: Kentucky's intrastate switched access reform efforts complement, and are directionally consistent with, the intercarrier compensation (ICC) reform proposals contained in both the ABC Plan as well as the FCC's recommendations contained in the National Broadband Plan. The ABC Plan establishes a glide path to transition each carrier's per minute terminating intrastate access rates to be at parity with their interstate rates, and then further to transition those parity rates to a low unitary terminating rate of \$0.0007. Kentucky's reform efforts would bring intrastate access rates into alignment with interstate access rates and provide for some explicit state USF support, which would better position Kentucky in the context of comprehensive federal reform if the ABC Plan is adopted.

None of these proposals conflicts with the reform that this Commission should accomplish for the benefit of Kentucky consumers and all of the reforms AT&T proposes here would benefit Kentucky consumers whether or not the ABC Plan is adopted.