

REQUEST: State, for calendar years 2009 and 2010 separately, the amount of access revenue shift you would have experienced if your **intrastate terminating** switched access rates mirrored your **interstate terminating** switched access rates.

RESPONSE: This request is inapplicable as AT&T Kentucky indicated in its April 15, 2011 filing in this case that there is no access revenue shift for AT&T Kentucky.

REQUEST: Provide the number of your **terminating** interstate and intrastate access minutes for 2009 and for 2010 (separately).

RESPONSE: AT&T Kentucky's terminating interstate and intrastate access minutes for 2009 and 2010 (separately) are:

Interstate
2009 [REDACTED]
2010 [REDACTED]

Intrastate
2009 [REDACTED]
2010 [REDACTED]

The information requested is proprietary and confidential pursuant to KRS 61.878, and is provided pursuant to non-disclosure agreements with the parties in this case. Accordingly, and concurrent with its response to this Data Request, AT&T Kentucky is filing a Petition for Confidentiality with the Kentucky Public Service Commission.

EDITED

REQUEST: State, for calendar years 2009 and 2010 separately, the amount of access revenue shift you would have experienced if your intrastate and interstate **terminating** switched access rates mirrored your **reciprocal compensation** rates.

RESPONSE: Objection. The information requested is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, AT&T states that it does not have the requested information readily available.

REQUEST: Provide the number of your **reciprocal compensation** minutes for 2009 and for 2010 (separately). This request is for the number of minutes on which you assess reciprocal compensation charges, not the number of minutes on which you paid reciprocal compensation.

RESPONSE: AT&T Kentucky's reciprocal compensation minutes for 2009 and 2010 (separately) are:

2009	██████████
2010	██████████

The information requested is proprietary and confidential pursuant to KRS 61.878, and is provided pursuant to non-disclosure agreements with the parties in this case. Accordingly, and concurrent with its response to this Data Request, AT&T Kentucky is filing a Petition for Confidentiality with the Kentucky Public Service Commission.

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REQUEST: Produce all workpapers, calculations, and formulas — in native format, including spreadsheets (Excel preferred) — for the revenue shift numbers stated in requests #1 and #3 above.

RESPONSE: AT&T has no documents responsive to this request. AT&T Kentucky's intrastate switched access rates are already at parity with its interstate switched access rates.

REQUEST: Do you (or an affiliate) accept residential customers' presubscription to your intrastate long distance service in the areas in Kentucky not served by you (or an affiliate) as an ILEC? If yes, provide a link to a webpage (or similar citation to a publicly-available electronic document) that describes each residential intrastate long distance service available to such customers.

RESPONSE: Yes. The following web link is to the AT&T Long Distance Kentucky State Long Distance Price List and Guidebook:

http://www.att.com/Large-Files/RIMS/SBC_Long_Distance/Kentucky/Interexchange_Guidebooks/Voice_Guidebook/KYVM_GBRATES.pdf

REQUEST: State the respective percentages of your business customers and of your residential customers who take bundled long-distance and local service.

RESPONSE: Objection. The information requested is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, AT&T provides the following information:

Business:

Residence:



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REQUEST: Provide the average intrastate and interstate switched access rate per minute of use paid by AT&T long distance in 2010 in the following states:

Alabama Colorado Georgia Indiana Iowa Kentucky Louisiana Maine
Michigan Mississippi Montana Nevada North Carolina North Dakota Ohio
Oregon Pennsylvania South Carolina South Dakota Tennessee Vermont
Washington Wisconsin Wyoming

RESPONSE: Objection. This request seeks information that is irrelevant, overly broad and not reasonably calculated to lead to the discovery of admissible evidence. Intrastate switched access rates paid by AT&T to local exchange carriers in 23 states other than Kentucky are not at issue in this case. Without waiving this objection, AT&T is providing an Attachment to this response, which contains the information requested.

The information requested is proprietary and confidential pursuant to KRS 61.878, and is provided pursuant to non-disclosure agreements with the parties in this case. Accordingly, and concurrent with its response to this Data Request, AT&T Kentucky is filing a Petition for Confidentiality with the Kentucky Public Service Commission.

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State/type	Unit Cost	
	Intra	Inter
ALABAMA		
CLEC		
ICO		
RBOC		
COLORADO		
CLEC		
ICO		
RBOC		
GEORGIA		
CLEC		
ICO		
RBOC		
INDIANA		
CLEC		
ICO		
RBOC		
IOWA		
CLEC		
ICO		
RBOC		
KENTUCKY		
CLEC		
ICO		
RBOC		
LOUISIANA		
CLEC		
ICO		
RBOC		
MAINE		
CLEC		
ICO		
RBOC		
MICHIGAN		
CLEC		
ICO		
RBOC		
MISSISSIPPI		
CLEC		
ICO		
RBOC		

State/type	Unit Cost	
	Intra	Inter
MONTANA		
CLEC		
ICO		
RBOC		
NEVADA		
CLEC		
ICO		
RBOC		
NORTH CAROLINA		
CLEC		
ICO		
RBOC		
NORTH DAKOTA		
CLEC		
ICO		
RBOC		
OHIO		
CLEC		
ICO		
RBOC		
OREGON		
CLEC		
ICO		
RBOC		
PENNSYLVANIA		
CLEC		
ICO		
RBOC		
SOUTH CAROLINA		
CLEC		
ICO		
RBOC		
SOUTH DAKOTA		
CLEC		
ICO*		
RBOC		
TENNESSEE		
CLEC		
ICO		
RBOC		

State/type	Unit Cost	
	Intra	Inter
VERMONT		
CLEC		
ICO		
RBOC		
WASHINGTON		
CLEC		
ICO		
RBOC		
WISCONSIN		
CLEC		
ICO		
RBOC		
WYOMING		
CLEC		
ICO		
RBOC		

Source/Notes:

Averages are per Local Switching MOU

Includes AT&T Communications

Includes Interstate and Intrastate switched usage expenses

Includes all 2010 charges.

*Reflects tariff rate for majority of ICOs. Local Switching MOUs not included with billing records.

REQUEST: Provide, in electronic spreadsheet form (Excel preferred), the data underlying (confidential) Figure 6 on page 50 of Dr. Debra J. Aron's direct testimony filed July 8, 2011.

RESPONSE: The information requested is provided in the Attachment to this response.

The information requested is proprietary and highly confidential pursuant to KRS 61.878, and is provided pursuant to non-disclosure agreements with the parties in this case. Accordingly, and concurrent with its response to this Data Request, AT&T Kentucky is filing a Petition for Confidentiality with the Kentucky Public Service Commission.

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**This entire page is proprietary.
There is no edited version.**

A&T Intrastate toll ARPM and average expense per minute (data plotted in Figure 6)

State	Year	LDPrice	LD Price with ISCF	lagAccessCost
AK	2005			
AK	2006			
AK	2007			
AK	2008			
AL	2005			
AL	2006			
AL	2007			
AL	2008			
AR	2005			
AR	2006			
AR	2007			
AR	2008			
AZ	2005			
AZ	2006			
AZ	2007			
AZ	2008			
CA	2005			
CA	2006			
CA	2007			
CA	2008			
CO	2005			
CO	2006			
CO	2007			
CO	2008			
CT	2005			
CT	2006			
CT	2007			
CT	2008			
DE	2005			
DE	2006			
DE	2007			
DE	2008			
FL	2005			
FL	2006			
FL	2007			
FL	2008			
GA	2005			
GA	2006			
GA	2007			
GA	2008			
HI	2005			
HI	2006			
HI	2007			
HI	2008			

A&T Intrastate toll ARPM and average expense per minute (data plotted in Figure 6)

State	Year	LDPrice	LD Price with ISCF	lagAccessCost
IA	2005			
IA	2006			
IA	2007			
IA	2008			
ID	2005			
ID	2006			
ID	2007			
ID	2008			
IL	2005			
IL	2006			
IL	2007			
IL	2008			
IN	2005			
IN	2006			
IN	2007			
IN	2008			
KS	2005			
KS	2006			
KS	2007			
KS	2008			
KY	2005			
KY	2006			
KY	2007			
KY	2008			
LA	2005			
LA	2006			
LA	2007			
LA	2008			
MA	2005			
MA	2006			
MA	2007			
MA	2008			
MD	2005			
MD	2006			
MD	2007			
MD	2008			
ME	2005			
ME	2006			
ME	2007			
ME	2008			
MI	2005			
MI	2006			
MI	2007			
MI	2008			

A&T Intrastate toll ARPM and average expense per minute (data plotted in Figure 6)

State	Year	LDPrice	LD Price with ISCF	lagAccessCost
MN	2005			
MN	2006			
MN	2007			
MN	2008			
MO	2005			
MO	2006			
MO	2007			
MO	2008			
MS	2005			
MS	2006			
MS	2007			
MS	2008			
MT	2005			
MT	2006			
MT	2007			
MT	2008			
NC	2005			
NC	2006			
NC	2007			
NC	2008			
ND	2005			
ND	2006			
ND	2007			
ND	2008			
NE	2005			
NE	2006			
NE	2007			
NE	2008			
NH	2005			
NH	2006			
NH	2007			
NH	2008			
NJ	2005			
NJ	2006			
NJ	2007			
NJ	2008			
NM	2005			
NM	2006			
NM	2007			
NM	2008			
NV	2005			
NV	2006			
NV	2007			
NV	2008			

A&T Intrastate toll ARPM and average expense per minute (data plotted in Figure 6)

State	Year	LDPrice	LD Price with ISCF	lagAccessCost
NY	2005			
NY	2006			
NY	2007			
NY	2008			
OH	2005			
OH	2006			
OH	2007			
OH	2008			
OK	2005			
OK	2006			
OK	2007			
OK	2008			
OR	2005			
OR	2006			
OR	2007			
OR	2008			
PA	2005			
PA	2006			
PA	2007			
PA	2008			
RI	2005			
RI	2006			
RI	2007			
RI	2008			
SC	2005			
SC	2006			
SC	2007			
SC	2008			
SD	2005			
SD	2006			
SD	2007			
SD	2008			
TN	2005			
TN	2006			
TN	2007			
TN	2008			
TX	2005			
TX	2006			
TX	2007			
TX	2008			
UT	2005			
UT	2006			
UT	2007			
UT	2008			

A&T Intrastate toll ARPM and average expense per minute (data plotted in Figure 6)

State	Year	LDPrice	LD Price with ISCF	lagAccessCost
VA	2005			
VA	2006			
VA	2007			
VA	2008			
VT	2005			
VT	2006			
VT	2007			
VT	2008			
WA	2005			
WA	2006			
WA	2007			
WA	2008			
WI	2005			
WI	2006			
WI	2007			
WI	2008			
WV	2005			
WV	2006			
WV	2007			
WV	2008			
WY	2005			
WY	2006			
WY	2007			
WY	2008			

REQUEST: Has Dr. Aron ever compared AT&T's long distance prices in any state before and after change(s) to intrastate switched access rates that you contend constitute access reform? If so, provide each such analysis and describe the respective change(s) to intrastate switched access rates.

RESPONSE: Yes. Dr. Aron co-authored a paper, Debra J. Aron, *et al.*, "An Empirical Analysis of Regulator Mandates on the Pass Through of Switched Access Fees for In-State Long-Distance Telecommunications in the U.S.," (October 14, 2010), available at SSRN: <http://ssrn.com/abstract=1674082>, containing a statistically valid analysis of time series and cross sectional data that assessed the change in AT&T's intrastate long distance prices in relation to changes in the intrastate switched access prices it paid in each state. The intrastate switched access prices AT&T paid varied over the time in each state during the time period studied, whether there was access reform or not. Hence, the use of data over several years and 50 states, in which the variable of interest (average intrastate access rates paid) varied over time in each state, permitted a valid analysis of the relationship between intrastate toll prices and intrastate access rates.

An analysis of a small number of individual states does not necessarily provide a valid statistical sample for purposes of drawing broader inferences, and therefore in general a statistical analysis such as the one Dr. Aron performed and reported in her testimony is the preferred analytical method over a more anecdotal approach such as that described in the question. However, looking at the two states in which reform occurred during the time period of the data, the rates are strongly consistent with the conclusion drawn from the statistical analysis.

Specifically, there are two states in which the major ILEC was ordered to reduce intrastate rates to interstate levels between 2004 and 2008, the time period of Dr. Aron's data. In all other states where there is a mirroring mandate, it happened either before or after this time period. Table 1 below shows AT&T's intrastate long distance average revenues per minute and AT&T's intrastate access expenses per minute for the two relevant states from 2004 to 2008. Table 2 shows the total reduction in

intrastate access expenses and revenues per minute in those two states from 2004 to 2008.

Table 1 Intrastate Access Rates and Long Distance Rates						
	Year reform became effective	2004	2005	2006	2007	2008
NEW MEXICO						
Intrastate Long Distance Annual Average Revenue per Minute	2008 ¹	██████	██████	██████	██████	██████
Intrastate Access Annual Average Expense per Minute	2008 ¹	██████	██████	██████	██████	██████
TEXAS						
Intrastate Long Distance Annual Average Revenue per Minute	2008 ²	██████	██████	██████	██████	██████
Intrastate Access Annual Average Expense per Minute	2008 ²	██████	██████	██████	██████	██████
<i>Source: Navigant Economics analysis of data provided by AT&T.</i>						
<u>Notes:</u>						
1. NMAC at 17.11.10.8.C instructs LECs to set rates at or below the rates as of January 1, 2006, effective January 1, 2008.						
2. TX Utilities Code§65.201-205 requires rates to be at parity by July 1, 2008.						

Table 2 Total Change in Intrastate Access Rates and Long Distance Rates per Minute in New Mexico and Texas		
	Change in Intrastate Long Distance Annual Average Revenue per Minute, 2004-2008	Change in Intrastate Access Annual Average Expense per Minute, 2004-2008
New Mexico	██████	██████
Texas	██████	██████
<i>Source: Navigant Economics analysis of data provided by AT&T</i>		

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In both cases, mirroring was implemented gradually beginning in 2006, and parity was achieved in 2008. Dr. Aron does not have data for years after the reform in 2008. It is apparent from the tables that intrastate toll rates were lower in the year that the reform became effective than before the reform became effective, and that the toll rates fell in each year during the process of reform, as access rates fell in each of those years as well. It is also apparent from the tables that average intrastate per minute toll rates fell by about the same dollar amount (just over [REDACTED] per minute in New Mexico) or more (nearly twice as much in Texas) as the decline in the respective state's average intrastate access rates between the beginning of the sample in 2004 and the end in 2008.

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EDITED

REQUEST: Has Dr. Ola A. Oyefusi ever compared AT&T's long distance prices in any state before and after change(s) to intrastate switched access rates that you contend constitute access reform? If so, provide each such analysis and describe the respective change(s) to intrastate switched access rates.

RESPONSE: *See* AT&T Response to Item No. 5 above, as well as Dr. Oyefusi Direct Testimony at page 23, line 11 to page 24, line 9, and AT&T Response to RLECs First Data Request No. 12.

REQUEST: On page 31, lines 13-14 of Dr. Oyefusi's direct testimony filed July 8, 2011, it is claimed: "The FCC has established a cost-based rate for local call termination of 0.07¢ per minute...." Please provide all citations, documents and/or analyses on which Dr. Oyefusi relied to support this claim that \$0.0007 per minute is a cost-based rate.

RESPONSE: The referenced testimony has been taken out of context because the request does not reference the full text of the paragraph cited and may have implied incorrect conclusions. The complete relevant text is as follows:

The FCC has established a cost-based rate for local call termination of 0.07 cents per minute (which some ILECs also apply to ISP and intra-MTA wireless calls), specifically finding that rate would be "sufficient to provide a reasonable transition from dependence on intercarrier payments *while ensuring cost recovery.*" (footnote citing FCC's orders omitted) (emphasis added).

This paragraph contains a direct quote of the FCC's statement describing 0.07 cents as being above cost, and the appropriate citations have been provided. To be clear, the purpose of this citation is not to suggest that the Commission should adopt 0.07 cents to reform the Kentucky ILECs' intrastate access rates in this proceeding. Rather, it only suggests that as for the ILECs to which this ISP remand decision applies, the 0.07 cent rate is significantly lower than their interstate switched access rates, and since the FCC had already declared that 0.07 cents was above cost then the higher interstate rates will mathematically be above cost. In fact, the FCC recently observed that interstate access rates are above cost.¹ The point of the testimony is that since the AT&T Plan does not suggest that the LECs' rates should be reduced to cost, there is no need to delay the benefits of access reform by engaging in the unnecessary preparation and investigation of cost studies.

¹ See 2011 NPRM, ¶ 40 (access rates "remain . . . well above carriers' incremental costs").

REQUEST: Provide all workpapers, including those in native electronic spreadsheet form (Excel preferred), underlying the calculations presented in (confidential) Exhibit OAO-6 to Dr. Oyefusi's direct testimony.

RESPONSE: Please see the Attachment to this response, parts of which constitute AT&T's intellectual property, all rights reserved.

The information requested is proprietary and highly confidential pursuant to KRS 61.878, and is provided pursuant to non-disclosure agreements with the parties in this case. Accordingly, and concurrent with its response to this Data Request, AT&T Kentucky is filing a Petition for Confidentiality with the Kentucky Public Service Commission.

EDITED

AT&T
tw telecom of Kentucky,
Level 3 Communications,
PAETEC Second Set of Data Requests
Item 8 – Attachment

**The entire Attachment is
proprietary. There is no edited
version.**

REQUEST: On July 29, 2011, a group of six companies including you or your affiliate filed “America’s Broadband Connectivity Plan” (ABC Plan) in FCC WC Docket No. 10-90 *et al.* Provide any estimate or analysis, and the supporting spreadsheets, assumptions, calculations, formulae, and other work papers, of the effect the ABC Plan would have on Kentucky.

RESPONSE: Objection. AT&T objects to this request as being overly broad, vague and unclear. Without waiving this objection, please see the August 16, 2011 *ex parte* submission (*Developing a Unified Intercarrier Compensation Regime Ex Parte.pdf*) to the FCC by the sponsors of the ABC Plan, which provides, on a state by state basis, the amount of support that would be provided to price cap ILECs under the ABC Plan, and is an Attachment to this response.



August 16, 2011

EX PARTE

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92; High-Cost Universal Service Support, WC Docket No. 05-337; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; Connect America Fund, WC Docket No. 10-90; A National Broadband Plan for Our Future, GN Docket No. 09-51; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Lifeline and Link-Up, WC Docket No. 03-109

Dear Ms. Dortch:

In response to questions from FCC staff, the America's Broadband Connectivity (ABC) plan group submits the following information. Attachment A breaks out the number of residential and business locations in served and unserved areas as modeled under the plan, as well as the number of residential and business locations in areas that would be served by satellite. Attachment B provides, on a state-by-state basis, the amount of support that would be provided under the ABC plan as calculated under the plan's suggested solution. Letter from Robert W. Quinn, Jr., AT&T, Steve Davis, CenturyLink, Michael T. Skrivan, FairPoint, Kathleen Q. Abernathy, Frontier, Kathleen Grillo, Verizon, and Michael D. Rhoda, Windstream, to Marlene H. Dortch, FCC, WC Docket No. 10-90, et al. (filed July 29, 2011), Attachment 2 at 2 (Solution 3).

Pursuant to Commission rules, please include a copy of this filing in each of the above-referenced dockets.

Sincerely,

A handwritten signature in blue ink that reads "Jonathan Banks".

Jonathan Banks

Attachments

ATTACHMENT A

Of the (a) 2 million locations that have broadband today and would get support and (b) the 2 million that would get broadband for the first time: specify for each group how many are residential locations and how many are business locations. (c) Of the locations that are above the alternative tech cap, how many are residential locations and how many are business locations?

	served svc	unserved svc	Satellite served svc
Pt. a	locations	locations	locations
res	1,776,699	1,958,624	650,554
bus	222,839	199,192	77,648
tot	1,999,538	2,157,816	728,202
Pt. b			
res			
bus			
tot			
Pt. c			
res			
bus			
tot			

ATTACHMENT B

ABC Plan CAF Funding Distribution by State
 (Does not include geographic areas served by rate-of-return carriers)

State Abbr	Annual Funding (\$M)	% of Total Funding
AL	\$55.007	2.5%
AK	\$6.649	0.3%
AZ	\$35.341	1.6%
AR	\$79.622	3.6%
CA	\$124.799	5.7%
CO	\$45.732	2.1%
CT	\$1.221	0.1%
DE	\$1.180	0.1%
DC	\$0.000	0.0%
FL	\$35.629	1.6%
GA	\$69.841	3.2%
HI	\$3.669	0.2%
ID	\$30.171	1.4%
IL	\$108.412	4.9%
IN	\$36.734	1.7%
IA	\$76.175	3.5%
KS	\$44.098	2.0%
KY	\$60.142	2.7%
LA	\$51.328	2.3%
ME	\$10.826	0.5%
MD	\$9.611	0.4%
MA	\$8.245	0.4%
MI	\$83.586	3.8%
MN	\$95.646	4.3%
MS	\$70.555	3.2%
MO	\$156.986	7.1%
MT	\$17.082	0.8%
NE	\$34.919	1.6%
NV	\$5.880	0.3%
NH	\$4.282	0.2%
NJ	\$1.696	0.1%
NM	\$26.731	1.2%
NY	\$69.646	3.2%
NC	\$19.887	0.9%
ND	\$6.815	0.3%
OH	\$75.018	3.4%
OK	\$56.604	2.6%
OR	\$34.113	1.5%
PA	\$56.324	2.6%
RI	\$0.320	0.0%
SC	\$19.573	0.9%
SD	\$8.688	0.4%
TN	\$38.143	1.7%
TX	\$158.464	7.2%
UT	\$7.347	0.3%
VT	\$5.678	0.3%
VA	\$49.446	2.2%
WA	\$42.639	1.9%
WV	\$53.376	2.4%
WI	\$97.012	4.4%
WY	\$11.321	0.5%
Total	\$2,202.208	100.0%