

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

December 18, 2007

IN RE:

**PETITION OF BELL SOUTH TELECOMMUNICATIONS, INC.
D/B/A AT&T TENNESSEE, TO INTERVENE AND REQUEST
FOR SUSPENSION OF LEVEL 3 COMMUNICATIONS, LLC
TARIFF NUMBER 2007-0388**

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**DOCKET NO.
07-00219**

INITIAL ORDER APPROVING SETTLEMENT

This matter initially came before Director Pat Miller, Director Sara Kyle and Director Ron Jones of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on October 8, 2007, to consider suspension of Level 3 Communications, LLC's ("Level 3") Tariff Filing 2007-0388. Level 3's tariff filing was received by the Authority on September 13, 2007. On September 21, 2007, AT&T Tennessee ("AT&T") filed a petition to intervene and request to suspend Level 3's tariff. The Verizon Companies¹ ("Verizon") filed a complaint and petition to intervene on October 2, 2007.

During the October 8, 2007 Authority Conference, the panel directed Level 3 to respond no later than October 22, 2007, to the petitions to intervene and request to suspend. Additionally, the panel suspended the tariff for thirty days through November 13, 2007 in order to gather additional information and consider Level 3's response to the petitions of AT&T and Verizon.

On October 25, 2007, Level 3 filed revised tariff pages. Thereafter, AT&T and Verizon made subsequent filings expressing ongoing concerns regarding Level 3's tariff filing and stating that

¹ The Verizon companies include MCIMetro Access Transmission Services, LLC d/b/a Verizon Access Transmission Services, MCI Communications Services, Inc., Bell Atlantic Communications, LLC, NYNEX Long Distance Company, and Verizon Select Services, Inc.

negotiations with Level 3 were continuing. On November 5, 2007, Level 3 responded to AT&T's and Verizon's continued concerns and agreed that consideration of the merits of its tariff filing should be postponed until the Authority Conference on December 3, 2007. During an Authority Conference on November 6, 2007, based upon the revised tariff filing, the responses submitted and the ongoing negotiations between the companies, the panel voted unanimously to suspend the revised tariff filing of Level 3 through December 3, 2007 and appoint General Counsel or his designee to address any issues that might arise prior to the December 3, 2007 Authority Conference.

In the weeks proceeding December 3, 2007, the parties informed the Hearing Officer that negotiations were ongoing. On December 3, 2007, the parties agreed that, because they were close to settlement, the revised tariff should be re-suspended through December 17, 2007. The parties stated at that time that should an agreement be reached as to a revised tariff prior to December 17, 2007, the intervention requests would be withdrawn and the parties would ask the Hearing Officer to approve the settlement and resulting revised tariff. The Hearing Officer entered an order on December 3, 2007, re-suspending the revised tariff through December 17, 2007.

On December 14, 2007, the Hearing Officer was notified that the parties had reached a settlement and that Level 3 would be filing a revised tariff reflecting the terms of the agreement. Level 3 filed the revised tariff with the TRA on December 14, 2007. The revised tariff was filed without an effective date but the parties agreed that the tariff could take effect on December 18, 2007.

The Hearing Officer convened a meeting of the parties on December 17, 2007.² During the meeting the Hearing Officer confirmed that the parties had reached an agreement regarding the terms of the revised tariff. Based on that agreement, the parties agreed further that AT&T and Verizon would withdraw the complaint and petition to intervene filed in this docket and that the Hearing

² Attorneys for Verizon were unable to attend the meeting but notified counsel for Level 3 of Verizon's agreement with the revised tariff.

Officer could proceed to act on the settlement and the resulting revised tariff. By agreement of the parties, the revised tariff was given an effective date of December 18, 2007.

Upon review of the terms of the revised tariff as filed by Level 3, the Hearing Officer finds that the Settlement Agreement should be approved and the tariff, as revised, should go into effect on December 18, 2007.

IT IS THEREFORE ORDERED THAT:

1. The Settlement Agreement of the parties is approved.
2. The tariff as revised by the filing on December 14, 2007 shall be effective as of December 18, 2007.
3. AT&T Tennessee and the Verizon Companies shall each file a letter in this docket withdrawing the complaint and request for intervention no later than December 26, 2007.
4. There being no further activity in this matter, this docket may be closed administratively on or after January 15, 2008.


Richard Collier, Hearing Officer