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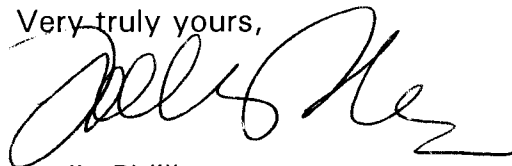
Hon. Eddie Roberson, Chairman  
c/o Sharla Dillon  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37238

Re: *Rulemaking for Competitive Exemptions for Price Regulated and  
Competitive Carriers*  
Docket No. 09-00032

Dear Chairman Roberson:

Enclosed for filing in the referenced docket are the original and four copies of  
AT&T Tennessee's *Comments on Rules for Exemption Petitions*.

Very truly yours,



Joelle Phillips

BEFORE THE TENNESSEE REGULATORY AUTHORITY  
Nashville, Tennessee

In Re:       *Rulemaking for Competitive Exemptions for Price Regulated and Competitive Carriers*

Docket No. 09-00032

**AT&T'S COMMENTS ON RULES FOR EXEMPTION PETITIONS**

As noted during the Authority's public hearing, AT&T raises the concerns outlined below with respect to the draft rules being considered in this docket. Both of these concerns relate to the pending legislation (HB 1698/SB 1954), which has now been passed by both the Senate and the House.

I.       **Given the pending legislation, HB 1698 / SB 1954, the rules as drafted could create confusion.**

The pending legislation creates a process, which is similar to the "exemption petition" process addressed by the proposed rules for certain (more rural) exchanges. In the event the bill becomes law, the proposed rules should be clarified to state that the rules are not applicable to cases brought pursuant to the new law.

II.       **The rules fail to address the situation in which evidence cannot be compelled from intervening competitors.**

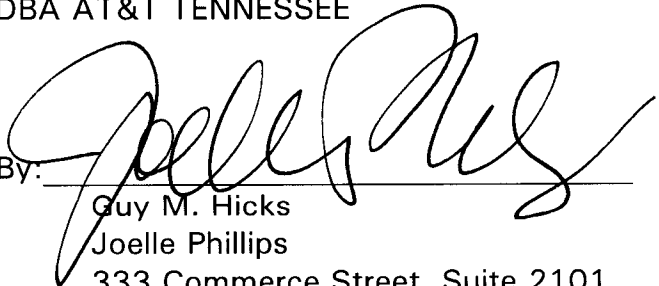
The pending legislation includes a provision for addressing the situation in which a proponent of relief from regulation is unable to obtain evidence from an intervening competitor. In such a case, the pending legislation provides that the failure to produce such information creates a rebuttable presumption about the facts at issue.

This provision is essential to providing due process to those parties regulated by the TRA. The TRA has found, in the context of granting past exemption petitions, that it is appropriate to consider the impact of intermodal competition. While this evidence is relevant to the exemption process, often the parties who possess evidence of the existence and extent of such intermodal competition are beyond the jurisdiction of the TRA and cannot be compelled to provide evidence in TRA dockets. The inability of regulated parties to marshal this relevant evidence creates a significant procedural and substantive due process issue.

This substantial issue has been addressed in the pending legislation by the inclusion of the provisions discussed above. A similar provision should be made part of these rules as well.

Respectfully submitted,

BELLSOUTH TELECOMMUNICATIONS, INC.  
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