

July 11, 2011

Honorable Mary W. Freeman, Chairman
c/o Sharla Dillon, Docket & Records Manager
Tennessee Regulatory Authority
460 James Roberson
Nashville, Tennessee 37243

filed electronically in docket office on 07/11/11

Re: BellSouth Telecommunications, Inc., d/b/a AT&T Southeast d/b/a AT&T
Tennessee v. BLC Management, LLC d/b/a/ Angles Communication Solutions
Docket No. 10-00008

Dear Chairman Freeman:

On behalf of Angles Communications, OneTone Telecom, and American Dial Tone (the "Resellers")¹, I would like to propose the following approach to resolving the dispute between AT&T and the Resellers over the "Tennessee Lifeline subsidy" issue.

First, the Resellers will discontinue disputing the \$3.50 subsidy effective immediately, so the amount in dispute will not increase.

Second, the Resellers and AT&T will move forward with a hearing in the above-captioned, consolidated billing cases and will address the Lifeline subsidy issue along with the other three issues agreed upon by the parties.² Because the other issues have already been litigated several times, I would estimate the parties can be ready for a hearing in 90 to 120 days.

Third, in the meantime, AT&T will withdraw its threat of termination over the long pending Lifeline subsidy issue.³

¹ NewPhone has paid AT&T the amount in dispute over the Lifeline subsidy issue but has reserved its right to argue the merits of the issue. dPi Teleconnect has not yet responded to this proposal.

² The initial round of hearings in four other states has been completed. The parties are now ready to go to the remaining five states. Tennessee could be the first.

³ The parties have long been aware of the Lifeline subsidy issue but did not include it in the consolidated cases because the amount of money at issue was, in comparison to the other issues, relatively small. Furthermore, the Lifeline subsidy dispute is not in dispute in all the states.

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Very truly yours,

BRADLEY ARANT BOULT CUMMINGS LLP

By:



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HW/dnr

cc: Guy Hicks
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