

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:)	
)	
BELLSOUTH TELECOMMUNICATIONS,)	
INC. DBA AT&T TENNESSEE PETITION)	DOCKET NO. 10-00108
TO EXTEND MARKET REGULATION)	
TO RATE GROUPS 1 AND 2)	

**JOINT STIPULATION OF THE CONSUMER ADVOCATE AND
AT&T RECOMMENDING THE PARTIES FILE POSITION BRIEFS IN LIEU OF A
HEARING**

Robert E. Cooper, Jr., the Attorney General and Reporter for the State of Tennessee, by and through the Consumer Advocate and Protection Division ("Consumer Advocate") and BellSouth Telecommunications, Inc. dba AT&T Tennessee ("AT&T") respectfully provide the following stipulation, subject to Tennessee Regulatory Authority ("TRA" or "Authority") approval, in regard to the determination as to whether a live hearing, with testimony from witnesses subject to cross-examination, or Position Briefs will be necessary in this matter.

Since the first status conference called in this matter, the parties have agreed upon a procedural schedule, and the parties have had no discovery disputes. The parties also agree as follows:

The Consumer Advocate and AT&T stipulate that, in light of the Affidavit and Report of David Weed (attached to AT&T's Petition), Direct Testimony of Consumer Advocate witness John Hughes, and the Rebuttal Testimony of AT&T witness Paul Stinson, no additional live testimony or cross examination is necessary in this matter. A review of the testimony establishes

that the underlying facts, as opposed to any characterization or interpretation of the legal relevance of those facts, are not in dispute. Accordingly, live testimony and cross-examination would add virtually nothing to the record in this case. The parties propose that each party should designate which items (whether testimony or discovery) should be entered into the record and that the parties file a complete set of those items for the purpose of entering the items into the record on or before August 13.

The Consumer Advocate is the sole intervenor in the case as of this date, and it does not refute that AT&T has submitted evidence sufficient to demonstrate that "each exchange has at least two (2) non-affiliated telecommunications providers that offer service to customers in each zone rate area of each exchange" and that at least one provider is "facilities based and currently serving residential customers" as set forth in Tenn. Code Ann. § 65-5-109(o). It is AT&T's position that the sole matter to be determined in this docket is whether that competitive standard has been satisfied. It is the Consumer Advocate's position that Tenn. Code Ann. § 65-5-109(o)(1) is permissive and policy considerations are relevant in this docket and can be considered by the TRA.

The Consumer Advocate has submitted testimony to support its arguments that extension of market regulation to Rate Groups 1 and 2 is not in the public interest because the exchange areas contained in AT&T's petition are located in counties with low per capita incomes, high unemployment rates and high poverty levels. AT&T does not dispute the underlying employment and income data presented in that testimony, but AT&T does dispute whether such issues are relevant matters for the TRA to consider in this docket.

Therefore, the parties do not believe that this case presents an evidentiary dispute. Instead, the parties wish to present differing views on the proper legal interpretation of the statute – specifically whether or not the TRA is empowered to deny the petition on policy grounds if the competitive test has been satisfied. Because this difference is a matter of legal analysis, rather than a factual evidentiary dispute, the parties agree that the filing of Position Briefs would be a more efficient use of resources and will further expedite the process, with the option of oral argument by each side if the TRA so wishes. Because of the statutory deadline in this matter, the parties suggest the filing of simultaneous Position Briefs by Friday, August 13, 2010, at 2:00 p.m., to ensure the Hearing Panel in this matter has adequate time to review the record before the upcoming August 23, 2010 Directors Conference, at which time counsel for the parties will be available to answer any questions from the Directors regarding the issues in this docket.

The parties further agree to waive the opportunity for cross examination of witnesses and recommend the TRA to deliberate and issue a decision based upon the written record of filings in this docket, including the Position Briefs. However, should the TRA Directors desire any additional briefing, testimony or oral argument, the parties will proceed as directed by the Authority.

RESPECTFULLY SUBMITTED,

ROBERT E. COOPER JR., (BPR# 10934)

Attorney General and Reporter



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Dated: August 3rd, 2010.

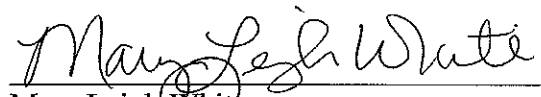
CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Stipulation was served via U.S. Mail or electronic mail upon:

Director Eddie Roberson
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This the 3 day of August, 2010.



Mary Leigh White