

May 8, 2001

Mr. Bill Feldman
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

05001400 - ACTIVE

05018400 - INACTIVE

Re: Gietel, Inc. Annual Report – ALEC, Inc. & Gietel, Inc. d/b/a Crescent Telephone
And Case No. 2001-075

05051400 - INACTIVE

Mr. Feldman:

I received a letter from you dated April 16, 2001 regarding Gietel, Inc.'s failure to file an annual report as required by 807 KAR 5:006, Section 3(1). We did not file an Annual Report for Gietel, Inc. based upon our verbal understanding during our meeting in March with you and Mr. Neel. We apologize for the confusion surrounding the CLEC entities acquired by DURO Communications, Inc. and will attempt to explain the situation as it is today. During the past 18 months, DURO acquired Gietel, Inc. d/b/a Crescent Telephone, a North Carolina Corporation, then Touchtone Communications and finally ALEC, Inc. both Kentucky Corporations.

Gietel, Inc. d/b/a Crescent Telephone adopted the existing Touchtone Tariff and Interconnection Agreements with BellSouth and GTE (now Verizon). With Gietel, Inc. adopting the Touchtone Communications tariff and Interconnection Agreements, it became the only DURO Communications entity doing business in Kentucky at that time. (See Attachment A)

Then DURO acquired ALEC, Inc. which also had a BellSouth Interconnection Agreement. DURO then decided to merge Gietel, Inc. d/b/a Crescent Telephone into ALEC, Inc. which occurred in August of 2000. (See Attachment B)
Now ALEC, Inc. was the only DURO Communications entity doing business in Kentucky. DURO attorney's thought everything had been finalized in Kentucky at that time. In December, 2000, ALEC, Inc. negotiated an Interconnection Agreement with Cincinnati Bell.

On December 16, 2000, I received requests for three annual reports – (1) Gietel, Inc. (2) Gietel, Inc. d/b/a Crescent Telephone and (3) ALEC, Inc. I suspected something had not been taken care of at the Kentucky PSC.

On March 6, 2000 Richard McDaniel and I met with you and Mr. Jordan Neel. We tried to understand and alleviate the confusion at the KYPSC. With ordering from the ILEC's still being done under the names, ACNA's and OCN's of ALEC and Touchtone, it was

decided by the four of us that day to file two annual reports – one for ALEC, Inc. and one for ALEC, Inc. d/b/a Touchtone along with a letter of explanation. That is the way we handled it. (See Attachment C)

Then I got a call from you asking me to send another letter of explanation and upon discussing the situation again, I learned that the PSC database still showed Gietel, Inc and Gietel, Inc. d/b/a Crescent Telephone having Interconnection Agreements with BellSouth and Verizon South. Before I could get another letter of explanation mailed, I was notified by our attorney that Gietel, Inc. was named in Case No. 2001-075 for failure to comply with orders issued in Case No. 360 and subject to penalties pursuant to KRS 278.990. I thought I had taken care of this issue last year with a phone call and letter to Mr. Jim Stevens. (See Attachment D)

Finally, I received a letter from you dated April 16, 2001 addressed to Gietel, Inc. for failure to file the 2000 annual report or the Report of Gross Operating Revenues. DURO had already filed the two reports I mentioned earlier for ALEC, Inc. and ALEC, Inc. d/b/a Touchtone.

I would like to explain what records need to be revised at the Commission in Kentucky. Letters of the mergers have been sent to the Commission, the Secretary of State, and the ILEC's.

Remove these Interconnection Agreements from the KYPSC database
2000-104 Gietel, Inc. BellSouth Interconnection
1998-553 Gietel, Inc. d/b/a Crescent Telephone BellSouth Interconnection

Name Change in KYPSC database to ALEC, Inc.
1999-318 Gietel, Inc. d/b/a Crescent Telephone (formerly Touchtone)
Verizon South Interconnection. (See Attachment E)

That will leave ALEC, Inc. as the only DURO owned CLEC doing business in the state of Kentucky. ALEC, Inc. will have on file there:

1-Local Service Tariff
2-IntraState Access Tariff
3-Interconnection Agreements
1997-256 - BellSouth
1999-318 – Verizon South
2000-544 – Cincinnati Bell

I hope this letter helps to set the records straight. If you have any questions or further concerns, please call me on (770) 425-4725 or email jtinsley@durocom.com.

Sincerely,

Judy Tinsley
Director - Regulatory
DURO Communications, Inc.