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A. M. Lombardo
Regulatory Vice President

August 21, 1996

960968-TP


Ms. Blanca S. Bayo
Director, Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Rm. 110
Tallahassee, Florida 32399-0850

Re: Approval of the Resale Agreement Negotiated by BellSouth
Telecommunications, Inc. ("BellSouth") and National Tel pursuant to Section 251
and 252 of the Telecommunications Act of 1996

Dear Ms. Bayo:

Pursuant to section 252(e) of the Telecommunications Act of 1996, BellSouth and National Tel are submitting to the Florida Public Service Commission their negotiated agreement for the interconnection of their networks, the unbundling of specific network elements offered by BellSouth and the resale of BellSouth telecommunication services to National Tel. The agreement was negotiated pursuant to sections 251, 252 and 271 of the Act.

Pursuant to section 252(e) of the Act, the Commission is charged with approving or rejecting the negotiated agreement between BellSouth and National Tel within 90 days of its submission. The Commission may only reject such an agreement if it finds that the agreement or any portion of the agreement discriminates against a telecommunications carrier not a party to the agreement or the implementation of

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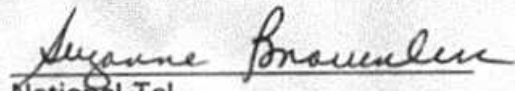
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the agreement or any portion of the agreement is not consistent with the public interest, convenience and necessity. Both parties represent that neither of these reasons exist as to the agreement they have negotiated and that the Commission should approve their agreement.

Very truly yours,


BellSouth Telecommunications, Inc.


National Tel

for A. M. Lombardo
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ORIGINAL
FILE COPYINTERCONNECTION AGREEMENT

THIS AGREEMENT is made by and between BellSouth Telecommunications, Inc. ("BellSouth"), a Georgia corporation, and National Tel, a Florida corporation, and shall be deemed effective as of the 19th day of July, 1996. This agreement may refer to either BellSouth or National Tel or both as a "party" or "parties".

RECITALS AND PRINCIPLES

A. BellSouth is an incumbent local exchange telecommunications company authorized to provide telecommunications services in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee (the "Territory");

B. National Tel has made application for and has been granted authority to provide competitive and alternative local exchange telecommunications services in portions of the territory and will continue to expand its authority to provide such services throughout the territory for the purpose of providing alternative or competitive services;

C. The parties desire to interconnect their telecommunications facilities and networks, purchase unbundled services and features, and exchange traffic so that their respective customers may communicate with one another over and through such networks and facilities;

D. The parties desire to enter into this agreement

consistent with all applicable federal, state and local statutes, rules and regulations in effect as of the date of its execution including, without limitation, the Telecommunications Act of 1996 ("Act") at Sections 251, 252, and 271;

E. To the extent that items are not included in this agreement, either by themselves or as an element of items not included in this agreement, such items are subject to further negotiations between the parties; and

F. The parties enter into this agreement for the purpose of facilitating the introduction of local exchange telephone competition on an expedited basis and avoiding the uncertainty and expense of mediation, arbitration and/or litigation and to establish the rates, terms, conditions and mechanisms necessary to facilitate such competition.

NOW THEREFORE, in consideration of the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, BellSouth and National Tel agree as follows:

ARTICLE I

TERM OF AGREEMENT; EFFECTIVENESS

1.01 The parties shall file this agreement with the appropriate commissions as soon as practicable following its execution in accordance with the Act and unless rejected by any commission, it shall become effective pursuant to its terms with respect to any state in the territory when approved by the

appropriate commission or when deemed approved under the Act.

1.02 The parties agree to interconnect their networks pursuant to the terms of this agreement in each state in the territory for a period of two (2) years from the effective date of this agreement, and thereafter the agreement shall continue in full force and effect unless and until terminated as provided herein. In the sole discretion of BellSouth and National Tel, the effective date of the agreement may be treated as the date of its execution or the date of the completion of the first call in any state within the territory. In no event, however, shall the effective term of this agreement exceed two (2) years from the date of the completion of the first call in any state within the territory, unless this agreement is modified pursuant to the provisions of Article XXIII, Paragraph 23.02.

1.03 Upon delivery of written notice at least one hundred sixty (160) days prior to the expiration of this agreement, any party may require negotiations of the rates, terms and conditions of the interconnection arrangements to be effective upon such expiration. Unless deemed to be inconsistent with the Act, if the parties are unable to satisfactorily negotiate such new terms within 135 days of commencing the negotiations, any party may petition the appropriate state commission within the territory to arbitrate any unresolved issues. In the event that any commission does not issue its order prior to the scheduled expiration date of the agreement in such state, the parties agree that the rates,

terms and conditions ultimately ordered by such commission or negotiated by the parties will be effective retroactive to the expiration date. Until the revised interconnection agreement becomes effective, the parties shall continue to exchange traffic pursuant to the terms of this agreement.

ARTICLE II

SCOPE OF AGREEMENT; DEFINITIONS

2.01 The parties agree to interconnect their respective networks for the purpose of terminating calls (local and toll) intended for a customer of one of the parties and for transit calls. Transit calls are intraLATA calls (local and toll) sent between the parties originating or terminating to an end user of a third party incumbent local exchange company, alternative local exchange company (ALEC), wireless provider, or other carrier or calls sent between the parties destined for or originating from an interexchange carrier (IXC).

2.02 Local interconnection means the equipment and facilities that provide for the termination of local traffic and intraLATA toll telephone traffic. Local traffic means any telephone call that originates and terminates in the same LATA and is billed by the originating party as a local call, including any call terminating in an exchange outside of BellSouth's service area with respect to which BellSouth has a local interconnection arrangement with an independent LEC, with which National Tel is not directly interconnected. The parties further agree that the

exchange of traffic on BellSouth's Extended Area Service, Extended Calling Service, and other toll substitute calling routes shall be considered local traffic.

2.03 Act - means the Telecommunications Act of 1996, Public Law 104-104 of the 104th United States Congress effective February 8, 1996.

2.04 Access Service Request ("ASR") - means an industry standard form used by the parties to add, establish, change or disconnect trunks for the purposes of interconnection.

2.05 Alternative local exchange carrier ("ALEC") - means any local exchange telecommunications company authorized to provide telecommunications services or exchange services in one or more states within the territory after January 1, 1995.

2.06 Calling party number ("CPN") - means a common channel signaling parameter which refers to the number transmitted through the network identifying the calling party.

2.07 Central office switch ("Central office") ("CO") - means a switching entity within the public switched network, including, but not limited to:

a. End office switches which are Class 5 switches from which end user telephone exchange services are directly connected and offered.

b. Tandem office switches which are Class 4 switches which are used to connect and switch trunk circuits between and among central office switches.

2.08 Billing number - means the number to which charges for a call are billable.

2.09 Carrier identification code ("CIC") - means a three or four digit number assigned to an IXC that identifies that carrier's traffic.

2.10 Common channel interoffice signaling ("CCIS") - means a signaling system, developed for use between switching systems with stored-program control, in which all of the signaling information for one or more groups of trunks is transmitted over a dedicated high-speed data link using SS7 protocol.

2.11 Control office - is an exchange carrier center or office designated as its company's single point of contact for the provisioning and maintenance of its portion of interconnection arrangements.

2.12 Digital Service - Level 0 ("DS-0") - means a digital signal rate of 64 kilobits per second ("kbps").

2.13 Digital Service - Level 1 ("DS-1") - means a digital signal rate of 1.544 Megabits per second ("Mbps").

2.14 Digital Service - Level 3 ("DS-3") - means a digital signal rate of 44.736 Mbps.

2.15 Exchange access - means the offering of access to telephone exchange services or facilities for the purpose of the origination or termination of telephone toll services from or to exchange service customers in a given area pursuant to a switched access tariff. Exchange access does not include traffic exchanged

between LECs and ALECs for purpose of local traffic interconnection.

2.16 Exchange service - means the definition of telephone exchange service found at §3(1)(a) and (b) of the Act which shall be interpreted to include any services offered to end users which provides the end user with a telephonic connection to, and a unique local telephone number address on, the public switched telecommunications network, and which enables such end user to generally place calls to, or receive calls from, other stations the public switched telecommunications network. Exchange service includes basic residence and business line service, PBX trunk line service, pay phone access line service, Centrex line service and ISDN line services. Exchange service does not include private line, exchange and special access services.

2.17 Interconnection - means the connection of equipment and facilities within, between or among networks for the transmission and routing of exchange service and exchange access. Interconnection shall include nondiscriminatory access to signaling systems, routing databases, facilities and information and provision of Service Provider Number Portability as required to ensure interoperability of networks and efficient, timely provision of services to end-user customers without permitting access to network proprietary network information, unless otherwise permitted.

2.18 Interexchange carrier ("IXC") - means a

telecommunications service provider authorized by the FCC to provide interstate long distance communications services between LATAs and authorized by a state commission to provide long distance communications services but not exchange services within the state borders (except under separate authority as a LEC or ALEC).

2.19 Integrated services digital network ("ISDN") - means a switched network service providing end-to-end digital connectivity for the simultaneous transmission of voice and data.

2.20 Local exchange carrier ("LEC") - means any person or entity engaged in the provision of exchange service or exchange access.

2.21 Meet-point billing - means an arrangement whereby two exchange access providers (including a LEC and an ALEC) provide exchange access to an IXC and each such provider receives its share of the tariffed element revenues by agreement.

2.22 Mutual traffic exchange - means that the sole compensation to a party for termination of specified categories of traffic shall be the reciprocal services provided by the other party. Each party shall bill its own customers for such categories of traffic and retain all revenues resulting therefrom.

2.23 Percent local usage - means a calculation representing a ratio of the local minutes to the sum of the local and intraLATA toll minutes and interLATA minutes, if any, between LECs, sent over local interconnection trunks. PLU does not include directory assistance, busy line verification, busy line

verification interrupt, 900 and 976 calls.

2.24 Wire center - means a building or space within a building which serves as an aggregation point on a network, where transmission facilities and circuits are connected to or switched. Wire center can also denote a building in which one or more central offices, used for the provision of exchange services and access service, are located. However, for purposes of expanded interconnection service ("EIS"), wire center shall mean those points eligible for such connections as specified in the FCC Docket No. 91-141, and rules adopted pursuant thereto.

2.25 The parties acknowledge that terms may appear in this agreement which are not defined and agree that any such terms shall be construed in accordance with their customary usage in the telecommunications industry as of the effective date of this agreement.

ARTICLE III

LOCAL INTERCONNECTION

3.01 The delivery of local traffic shall be reciprocal and compensation shall be mutual.

a. The parties shall make available to each other one-way trunks for the reciprocal exchange of local traffic and intraLATA toll traffic.

b. The parties will provide CCIS to one another in conjunction with all trunk groups where applicable. National Tel may establish CCIS interconnections either directly or through a

third party. The parties will exchange TCAP messages to facilitate full interoperability of CCIS-based features between their respective networks, including all CLASS features and functions, to the extent each party offers such features and functions to its own end users. All CCIS signaling parameters will be provided including CPN. All privacy indicators will be honored.

c. BellSouth will make available to National Tel, as needed, 64 Kbps clear channel capability (64K CCC) trunks. Upon receipt of National Tel's initial forecast of 64K CCC quantities, the parties will begin joint planning for the engineering, procurement, and installation of the segregated 64K CCC local interconnection trunk groups, and the associated Bipolar 8 Zero Substitution (B8ZS) ESF facilities, for the sole purpose of transmitting 64K CCC data calls between National Tel and BellSouth. In no case will these trunks be used for voice calls. Where such trunks and/or additional equipment is required, such equipment and trunks will be obtained, engineered, and installed on the same basis and with the same intervals as any other similar growth job for IXC, ALEC, or BellSouth internal customer demand for 64K CCC trunks. Where technically feasible, these trunks will be established as two-way.

d. National Tel may opt at any time to terminate to BellSouth some or all local traffic and intraLATA toll traffic originating on its network via a combined two-way trunk group. In such case, National Tel will provide a PLU to BellSouth or actual minutes of use.

e. No party shall represent exchange access traffic as local interconnection traffic.

f. BellSouth shall deliver all traffic destined to terminate at National Tel's central office in accordance with the serving arrangements defined in the LERG.

g. When National Tel delivers over the local interconnection trunk group miscellaneous non-local calls (i.e., time, weather, 900, mass calling codes) destined for BellSouth, it shall deliver such traffic in accordance with the serving arrangements defined in the LERG.

h. Calls completed using N11 codes (i.e., 411, 511, 911) shall not be sent between National Tel and BellSouth's networks over the local interconnection trunk groups.

3.02 Subject to the method of calculation set forth in this Paragraph 3.02, the parties shall pay each other \$.010 per minute of use for terminating local traffic (other than transit calls constituting local traffic) on each other's networks. The parties acknowledge that this per minute compensation represents an average of the tariffed exchange access rates in all of the states within BellSouth's territory. If for any reason, there is a decrease of any such tariffed exchange access rate, at any time during the term of this agreement, in one or more states by an amount of \$.001 or more, the per minute rate of compensation required by this Paragraph 3.02 shall be automatically reduced by a corresponding amount. For example, for the purposes of this

agreement, the parties have agreed that the tariffed exchange access rate in Tennessee is \$.018. If the Tennessee rate is reduced by \$.01, the regional average per minute of use compensation to be paid pursuant to this agreement shall be reduced to \$.009.

3.03 For purposes of this Paragraph 3.03 there shall be four (4) calculation periods of six (6) months each. In calculating the compensation required by Paragraph 3.02 no party shall owe compensation to the other unless the net minutes of use (i.e., the difference between the parties's minutes of use calculated by subtracting the lower number of minutes used by the party with the lower number from the number of minutes used by the party with the higher number) for terminating local traffic results in a dollar amount in excess of the amount designated for each month during the calculation period as follows:

a. During the first six month period of operation, there shall be no charges accrued, or compensation paid for the termination of local traffic; however, the parties shall exchange billing information and usage data during this initial period for the purpose of reviewing same for accuracy only;

b. During the second six month period, \$ 40,000 per month/billing period;

c. During the third six month period, \$30,000 per month/billing period;

d. During the fourth six month period, \$20,000 per

month/billing period; and

e. During any extension this agreement, pursuant to Article I, Paragraph 1.03, \$0 per month/billing period.

Parties acknowledge and agree that any compensation which might accrue in an amount less than that required by this paragraph shall be considered de minimis. The "initial six month period" for purposes of applying this de minimis rule in each state shall begin with the date the first call is completed under the interconnection arrangement provided for herein in each state, and each subsequent period shall begin when the prior period ends. As a result, the periods described in this paragraph may not run concurrently in the various states. In the event that the first call is completed on a date other than the first day of a month, the balance of that month shall be treated as included in the initial six month period, but such period will end on the last day of the sixth full calendar month after the date of such first call completion so that thereafter the six month periods referred to in this Paragraph 3.03 shall always be determined on a calendar month basis. In the event that the parties so agree, monthly billing and calculation periods for any state under this paragraph may begin on a day other than the 1st day of the month.

3.04 If after applying the de minimis rule calculations in accordance with Paragraph 3.03 to a particular billing month a party would be required to compensate another party, the compensation due shall not exceed 105% of the total billed local

traffic minutes of use of the party with the lower total billed local traffic minutes of use in the same billing period. For this purpose the number of minutes of the party with the lower total billed minutes of use shall be deemed to be such party's actual billed local minutes of use (excluding local traffic minutes of use constituting transit calls). Total billed local traffic minutes of use of a party for the purposes of this paragraph shall be as recorded by the party receiving the terminating traffic (subject to reconciliation with the party originating the traffic if its recordings of such minutes of use materially differ) and shall be aggregated for each party and any of its affiliates providing local exchange telecommunications services under the party's certificate of authorization. The parties shall submit bills for terminating local traffic minutes of use on a monthly basis by the 30th day of the following month, but payment shall be due within 45 days after the end of the six month periods referred to in clauses (b) - (e) of Paragraph 3.03.

ARTICLE IV

ESTABLISHING POIs

4.01 Interconnection obligation. The parties agree to interconnect their networks through facilities to be established pursuant to this agreement between National Tel's central offices and BellSouth's central offices as designated by the companies from time to time.

4.02 POI. For each BellSouth central office where

National Tel and BellSouth interconnect for the exchange of local and intraLATA toll and meet point access traffic, National Tel and BellSouth agree that there will be Point(s) of Interconnection ("POI") located at the demarcation point between National Tel's network and BellSouth's central office. Subject to the Act, National Tel may elect to establish the POI for each central office through physical collocation, virtual collocation, or may purchase transport facilities. BellSouth shall not charge rearrangement, reconfiguration, disconnection or other non-recurring fees associated with the reconfiguration of National Tel's interconnection arrangement at any BellSouth central office.

4.03 Sizing and structure of interconnection facilities. The parties shall determine the appropriate sizing for its interconnection facilities based hereunder on the standards set forth in Article VI, below. The interconnection facilities provided by each party shall be at either the DS-0, DS-1 or DS-3 level, according to mutual forecasts and sound engineering practice, as mutually agreed to by the parties during planning-forecasting meetings.

4.04 Trunks. Interconnection for local and intraLATA toll traffic will be provided via one-way trunks, or such interconnection may be provided via two way trunks by issuance of an ASR from National Tel. Two-way trunks will be established to exchange interLATA toll and meet point access traffic. No party will construct facilities which require another party to build

unnecessary facilities.

4.05 Signaling protocol. The parties will interconnect their networks using SS7 signaling as defined in GR-317 and GR-394, including ISDN user part ("ISUP") for trunk signaling and transaction capabilities application part ("TCAP") for CCIS-based features. National Tel will establish outgoing multifrequency ("MF") trunks of BellSouth for 911 traffic. The parties will interconnect their network using two-way MF signaling for traffic originating from carriers that do not have SS7 networks.

4.06 In the event that BellSouth must decommission a central office or switch, BellSouth shall not charge National Tel for moving EIS/collocation arrangements.

4.07 Pursuant to §251(c)(5) of the Act, BellSouth shall provide forty-five (45) days written notice to National Tel before making any changes to BellSouth's network configuration that may have an impact on National Tel's interconnection, facilities, network or operations.

4.08 Nothing herein shall prevent National Tel from utilizing existing collocation facilities, purchased from the interexchange tariffs, for local interconnection; provided, however, that if National Tel orders new facilities for interconnection or rearranges any facilities presently used for its interexchange carrier business in order to use such facilities for local interconnection hereunder and a BellSouth charge is applicable thereto, BellSouth shall only charge National Tel the lower of the

interstate or intrastate tariffed rate or promotional rate.

4.09 ALEC to ALEC connections. BellSouth will allow National Tel and all other carriers collocated at the same BellSouth central office to directly connect their facilities at such central office for the purpose of exchanging local traffic without the use of the BellSouth tandem office switch. Tariffed cross connect charges shall apply.

ARTICLE V

MEET-POINT TRUNKING ARRANGEMENTS

5.01 Two-way meet point trunks which are separate from the local interconnection trunk groups will be established to enable the National Tel and BellSouth to provide exchange access services to IXCs via a BellSouth central office. No party shall charge the other any amount for any meet point facilities unless one party is ordering trunks from the other.

5.02 The parties will provide CCIS to each other, where and as available, in conjunction with meet point two-way trunk groups. National Tel may establish CCIS interconnections either directly or through a third-party. The parties will exchange TCAP messages to facilitate full inter-operability of CCIS-based features between their respective networks, including all CLASS features and functions to its own end users. The parties will provide all CCIS signaling, billing number, originating line information ("OLI") and any such other similar service. For terminating Feature Group D ("FGD") calls, BellSouth will pass CPN if it receives CPN from FGD

carriers. All privacy indicators will be honored. Where available, network signaling information, such as transit network selection ("TNS") parameter (CCIS platform) and OZZ/CIC information (non-CCIS environment) will be provided by National Tel whenever such information is needed for call routing or billing. The parties will follow all OBF adopted standards pertaining to TNS and IZZ/CIC codes.

5.03 CCIs will be utilized in conjunction with two way meet point trunks; except MF signaling must be used on a separate meet point trunk group for originating FGD access to exchange access customers that use MF FGD signaling protocol.

5.04 All originating toll free service calls for which BellSouth performs the service switching point ("SSP") function (e.g., performs the data base query) shall be delivered by National Tel using GR-394 format over a trunk group designated toll free service. Carrier code "0110" and circuit code of "08" shall be used for all such calls. In the event National Tel becomes a toll free service provider, BellSouth shall deliver traffic using the GR-394 format over a trunk group designated for toll free service.

5.05 All originating toll free service calls for which National Tel performs the SSP function, if delivered to BellSouth, shall be delivered by National Tel using GR-394 format over the meet-point trunk group for calls destined to IXCs, or shall be delivered by National Tel using GR-317 format over the local interconnection trunk group for calls destined to end offices that

directly subtend BellSouth access tandems.

5.06 Originating Feature Group B calls ("FGI") calls shall be delivered to BellSouth's tandem using the interLATA trunk groups.

ARTICLE VI

TRUNK FORECASTING AND SERVICING

6.01 The parties shall work toward the development of joint forecasting responsibilities for the traffic utilization over trunk groups. Intercompany forecast information must be provided by the parties to each other semi-annually. The semi-annual forecasts shall include:

a. Yearly forecasted trunk quantities including, without limitation, measurements that reflect actual tandem local interconnection and meet point trunks and tandem-subtending local interconnection and office equivalent trunk requirements for a minimum of three (current and plus-1 and plus-2 years);

b. The use of common language location identifier (CLLI-MSG), which is described in Bellcore documents BR 795-100-100 and BR 795-400-100; and

c. A description of major trunk capacity additions anticipated for the following six months.

6.02 Each party shall provide a specified point of contact for planning, forecasting and trunk servicing purposes.

6.03 Orders between the parties to establish, add, change or disconnect trunks shall be processed by use of an access service request ("ASR").

6.04 All parties shall work cooperatively to manage the capacity of local interconnection trunk groups. Any party may send another an ASR to initiate changes to the local interconnection trunk groups that the ordering party desires based on the ordering party's capacity assessment. The receiving party will issue a firm order confirmation ("FOC") and a design layout record ("DLR") to the ordering party within 5 business days after receipt of the ASR, upon review of and in response to, the ordering party's ASR, to begin the provisioning process.

6.05 Orders that comprise a major project (i.e., new switch deployment) shall be submitted in a timely fashion, and their implementation shall be jointly planned and coordinated.

6.06 Service provided for in an ASR shall be installed within 14 business days of receipt of the ASR.

6.07 In the event that a party requires trunk servicing within shorter time intervals than those provided for in this article due to a bona fide end user demand, such party may designate its ASR as "expedite" and the other party shall issue its FOC and DLR and install service within the requested interval, subject to resource and facilities availability.

6.08 National Tel shall be responsible for engineering its network on its side of the POI. BellSouth, after consultation with National Tel, shall be responsible for engineering the POI. BellSouth shall be responsible for engineering its network on its side of the POI.

ARTICLE VII**NETWORK MANAGEMENT**

7.01 The parties agree to work cooperatively to install and maintain reliable interconnected telecommunications networks, including but not limited to, the exchange of appropriate information concerning network changes that affect services to the other party, maintenance contact numbers and escalation procedures.

7.02 The interconnection of all networks will be based upon accepted industry/national guidelines for transmission standards and traffic blocking criteria.

7.03 The parties will work cooperatively to apply sound network management principles by invoking appropriate network management controls, e.g., call gaping, to alleviate or prevent network congestion.

7.04 The parties agree to provide each other with the proper call information, i.e., originated call party number and destination call party number, CIC, and OZZ, including all proper translations for routing between networks and any information necessary for billing where BellSouth provides recording capabilities. The exchange of information is required to enable each party to route traffic and bill properly.

7.05 The parties will cooperate to determine the performance of their respective networks and will implement joint management controls to further overall service integrity.

7.06 Protective Controls Any party may use or request

protective network traffic management controls such as 7-digit and 10-digit code gaps on traffic toward or from each others network, when required to protect the public switched network from congestion due to facilities failures, switch congestion or failure or focused overload. The parties will immediately notify each other of an protective control action planned or executed.

7.07 Expansion Controls Where the capability exists, originating or terminating traffic reroutes may be implemented by any party to temporarily relieve network congestion due to facility failures or abnormal calling patterns. Reroutes will not be used to circumvent normal trunk servicing. Expansive controls will only be used when the parties mutually agree.

7.08 Mass Calling The parties shall cooperate and share pre-planning information regarding cross-network call-ins expected to generate large or focused temporary increases in call volumes, to prevent or mitigate the impact of these events on the public switched network.

7.09 Existing Loop Configuration

Within a reasonable time BellSouth will provide National Tel information concerning existing loop configurations upon the written request for such information by National Tel.

ARTICLE VIII

TRANSIT TRAFFIC WITH LOCAL EXCHANGE COMPANIES OTHER
THAN BELLSOUTH, INDEPENDENT COMPANIES AND WIRELESS
PROVIDERS

Each party who provides intermediary tandem switching and transport services for the other party's connection of its end user to a local end user of: (1) an ALEC other than National Tel; (2) an incumbent independent local exchange telecommunications company; or (3) a wireless telecommunications service provider, shall be compensated on the basis of mutual traffic exchange.

ARTICLE IX

TRANSIT TRAFFIC WITH IXC

9.01 If any party provides intermediary functions for network access service connection between an IXC and another party for the purpose of completing intraLATA and interLATA toll calls, each party will provide their own network access services to the IXC on a meet-point basis. The meet-point billing arrangement will be Multiple Bill/Single Tariff option as defined by MECAB. Each party will bill its own network access services rates to the IXC with the exception of the residual interconnection charge. Each party shall bill 50% of its residential interconnection charges in such case.

9.02 Each party will provide the other access records sufficient to enable billing to the IXCs. Records shall be provided in the Exchange Message Record format, BellCore Standard BR 010-200-010, as amended.

9.03 BellSouth shall provide to National Tel, on a daily basis, Switched Access Detail Usage data (EMR Category 1101XX records) for calls from IXCs that have transited BellSouth's

tandems and terminated to National Tel's switching centers.

9.04 National Tel shall provide to BellSouth, on a monthly basis, Switched Access Detail Usage Data (EMR Category 1150XX records) for calls to IXCs which originate at National Tel's switching centers.

9.05 The parties will mail necessary billing information on magnetic tape or tape cartridge using EMR format to:

Attention: Billing Department
National Tel
6363 N.W. 5th Way
Suite 1000
Ft. Lauderdale, FL 33309

Attention:

or at such other address as the intended recipient previously shall have designated by written notice to the other party.

9.06 The parties will exchange test files to support the initial implementation of the processes defined in Article IX of this agreement. Exchange of test data shall be actual recorded usage records.

9.07 The parties shall coordinate and exchange the billing account reference (BAR as defined by MECAB) and bill account cross reference (BACR as defined by MECAB) numbers for meet point billing service. Each party shall notify the other if the level of billing or other BAR/BACR elements change, resulting in a new BAR/BACR number.

9.08 The parties shall negotiate the appropriate allocation of transport associated with each tandem.

ARTICLE X

INTRALATA TRAFFIC BETWEEN BELL SOUTH AND NATIONAL TEL

10.01 The delivery of intrastate toll traffic between National Tel and BellSouth shall also be reciprocal and compensation will be mutual. Each party shall pay each other identical rates for terminating the same type of traffic on each other's network.

10.02 The parties will pay each other BellSouth's intrastate exchange access rate elements on a per minute of use basis for originating and terminating intrastate toll traffic as appropriate. The following service elements shall apply to intraLATA calls (including Toll Free Service Calls whether the provider is National Tel or BellSouth), except that certain elements may be inapplicable with collocation:

- Tandem switched transport:
 - Fixed - per minute of use
 - Variable - per minute per mile of use; provided, however, that an average of 5 miles shall apply to all intraLATA toll traffic regardless of the actual mileage between access tandem and the BellSouth end office.
- Tandem switching - per minute of use
- Interconnection charge (IC) - per minute of use
- Local switching - per minute of use
- Carrier common line - per minute of use
- 800 query charge - per query

- Record provisioning charge for intraLATA 800 records - per record

The applicable rates for the above elements can be found by reference to BellSouth access tariffs.

10.03 For intraLATA toll free services, access shall be charged by the party originating the call rather than the party terminating the call.

10.04 Each party will calculate terminating interconnection minutes of use based on standard Automatic Message Accounting ("AMA") recordings made within each party's network.

10.05 Measurement of minutes of use over local interconnection trunk groups shall be in actual conversation seconds. The total conversation seconds over each individual local interconnection trunk group will be totaled for the entire monthly billing cycle and then rounded to the next whole minute.

10.06 National Tel will assign telephone numbers to its customers using at least one NXX per BellSouth tariffed exchange; provided, that sufficient quantities of numbering resources are made available to National Tel. For so long as BellSouth serves as numbering administrator within the territory, BellSouth shall ensure that National Tel has on a nondiscriminatory basis sufficient numbering resources so that the parties can distinguish local traffic (measured and flat rate) from intraLATA toll traffic. To the extent that BellSouth controls numbering resources and does not comply with the foregoing, all affected calls will be treated

upon execution of this agreement via remote call forwarding ("RCF").

b. Parties will migrate from RCF to permanent number portability as soon as practically possible, without interruption of service (to the degree possible) to their respective customers.

c. The parties shall provide RCF arrangements to each other at identical monthly rates. Recurring charges shall not exceed the actual cost of providing service. There shall be no non-recurring charges. Until otherwise verified by reliable cost studies, actual cost for recurring charges are as follows:

1. Residential services - \$1.15 per line, including 6 call paths;
2. Business services - \$2.25 per line, including 10 call paths;

and

3. Each additional path - \$.50.

d. Upon the final adoption of FCC regulations issued pursuant to Section 251(b)(2) of the Act, the parties agree to comply with such regulations.

e. In those instances where toll traffic is terminated to a number ported to National Tel using RCF, then Bellsouth will bill access to the IXC under the meet point arrangements agreed to in Article IV. Notwithstanding the foregoing, if National Tel is directly interconnected to MCI Telecommunications Corporation and to AT&T Corporation for traffic other than that which involves

remote call forwarding, then BellSouth will remit to National Tel all access revenues that it is entitled to charge any IXC. Although this provision will provide access revenues to National Tel for traffic involving IXCs with which it is not directly interconnected, the parties have reached this agreement because it is administratively efficient and convenient for BellSouth.

11.02 Access to 911/E911 Emergency Network

a. For basic 911 service, BellSouth will provide National Tel a list consisting of each municipality within the territory that subscribes to Basic 911 service. The list will also provide, if known, the E911 conversion date for each municipality and, for network routing purposes, a ten-digit directory number representing the appropriate emergency answering position for each municipality subscribing to 911. National Tel will arrange to accept 911 calls from the end users in municipalities that subscribe to Basic 911 service and translate the 911 call to the appropriate 10-digit directory number as stated on the list provided by BellSouth. National Tel will route that call to BellSouth at the appropriate tandem or end office. When a municipality converts to E911 service, National Tel shall discontinue the Basic 911 procedures and begin the E911 procedures set forth in subsection (b) below.

b. For E911 service, National Tel shall install a minimum of two dedicated trunks originating from National Tel's serving wire center and terminating to the appropriate E911 tandem. The dedicated trunks shall be, a minimum, DSO level trunks configured

either as a 2 wire analog interface or as part of a digital (1.544 Mb/s) interface. Either configuration shall use CAMA type signaling with multifrequency (MF) pulsing that will deliver automatic number identification (ANI) with the voice portion of the call. If the user interface is digital, MF pulses, as well as other AC signals, shall be encoded per the U-255 law convention. National Tel will provide BellSouth updates to the E911 database in a timely manner.

c. If a municipality has converted to E911 service, National Tel will forward 911 calls to the appropriate E911 primary tandem, along with ANI, based upon the current E911 end office to tandem homing arrangement as provided by BellSouth. If the primary tandem trunks are not available, National Tel will alternatively route the call to a designated 7-digit local number residing in the appropriate PSAP. This call will be transported over BellSouth's interoffice network and will not carry the ANI of the calling party.

d. BellSouth and National Tel agree that the practices and procedures contained in the E911 Local Exchange Carrier Guide for Facility-Based Providers ("LEC Carrier Guide") as it is amended from time to time during the term of this agreement by BellSouth ~~with the agreement of National Tel~~, shall determine the appropriate procedures and practices of the parties as to the provision of 911/E911 Access. The LEC Guide shall at a minimum include, or BellSouth shall separately provide, ALI database update procedures,

911 trunk restoration procedures, and special handling procedures for operator assisted emergency calls.

e. If National Tel requires transport to the BellSouth 911 tandem, National Tel may, at National Tel's option, purchase such transport from BellSouth at rates set forth in either BellSouth's intrastate switched access services tariff or intrastate special access services tariff.

f. BellSouth shall provide to National Tel at no charge an initial Master Street Address Guide and quarterly updates by NPA, NXX or county.

g. Where BellSouth is responsible for maintenance of the E911 database and can be compensated for maintaining National Tel's information by the municipality, BellSouth shall seek such compensation. BellSouth may seek compensation for its costs from National Tel only if and to the extent BellSouth is unable to obtain such compensation from the municipality. Within 30 days of the date of this agreement, BellSouth shall identify for National Tel those municipalities for which BellSouth will seek compensation from National Tel and the amount of such compensation.

11.03 Directory Listings and Directory Distribution

a. Subject to execution of an agreement between BellSouth's affiliate, BellSouth Advertising and Publishing Co. ("BAPCO"), attached as Exhibit A, the execution thereof to be a condition precedent to the effectiveness of this agreement, (1) National Tel's customers primary listings shall be included in the

appropriate white page (residence and business listings) or alphabetical directories, as well as the directory assistance database, (2) National Tel's business subscribers' listings will be included in all appropriate Yellow Pages or classified directories, and (3) copies of directories shall be delivered to National Tel's customers; all without charge.

b. BellSouth shall provide National Tel with a magnetic tape or computer disk containing the proper format to employ in submitting directory listings and timely updates to those listings (including new, changed and deleted listings) in a mutually acceptable format. BellSouth shall include National Tel's customers in directory assistance databases associated with the areas in which each company provides exchange services to such customers within the same time frame as it includes its own customers in such databases.

c. BellSouth and its affiliates will afford National Tel's directory listings information the same level of confidentiality which BellSouth affords its own directory listing information, and BellSouth shall ensure that access to National Tel's customer proprietary confidential directory information will be limited solely to those employees who immediately supervise or are directly involved in the processing and publishing of listings and directory delivery. BellSouth will not use National Tel's directory listings for the marketing of BellSouth's telecommunications services.

11.04 800 Traffic

a. BellSouth agrees to compensate National Tel pursuant to National Tel's published originating switched access charges, including database query charge, for the origination of 800 traffic terminated to BellSouth.

b. National Tel will provide to BellSouth the appropriate records necessary for BellSouth to bill BellSouth's intraLATA 800 customers. The records provided by National Tel will be in a standard EMR format for a fee, paid by BellSouth to National Tel of \$0.013 per record.

c. If National Tel provides 800 services to its end users during the term of this agreement, it agrees to compensate BellSouth, pursuant to BellSouth's originating switched access charges, including the database query charge, for the origination of 800 traffic terminating to National Tel. BellSouth agrees to provide National Tel the appropriate records for National Tel to bill its 800 customers. The records provided will be in a standard EMR format for a fee, paid by National Tel to BellSouth, of \$0.013 per record.

d. If during the term of this agreement, BellSouth is permitted to provide interLATA 800 services, BellSouth will compensate National Tel for the origination of such traffic pursuant to subsection a. above. National Tel shall provide the appropriate records for billing pursuant to subsection b. above.

e. If National Tel uses BellSouth's 800 database for query purposes only, the rates and charges shall be as set forth in

BellSouth's intrastate access services tariff, as said tariff is amended from time to time during the term of this agreement.

f. Should National Tel require 800 access ten-digit screening service from BellSouth, it shall have signaling transfer points connecting directly to BellSouth's local or regional signaling transfer point for service control point database query information. National Tel shall utilize SS7 signaling links, ports and usage from BellSouth's intrastate access services tariff. National Tel will not utilize switched access FGD service. 800 access ten digit screening service is an originating service that is provided via 800 switched access service trunk groups from BellSouth's SSP equipped end offices or access tandem providing an IXC identification function and delivery of call to the IXC based on the dialed ten digit number. The rates and charges for said service shall be as set forth in BellSouth's intrastate access services tariff as said tariff is amended from time to time during the term of this agreement.

11.05 Operator Services and Signaling

a. The parties agree to mutually provide busy line verification and emergency interrupt services pursuant to each party's published rates as those rates are amended from time to time during the term of the agreement. The parties agree to cooperate with each other in formulating appropriate engineering solutions for this service.

b. BellSouth will also offer to National Tel, pursuant to

published tariff as the tariffs are amended from time to time during the term of the agreement, directory assistance access service, directory assistance call completion access service and number service intercept access services. The offering of directory assistance call completion access service and number service intercept access services is subject to state commission approval.

c. BellSouth will enter National Tel line information into its line information database ("LIDB") pursuant to the terms and conditions contained in Exhibit B, which agreement shall be incorporated herein and made a part hereof by reference. National Tel's presence in BellSouth's LIDB will enable National Tel's end users to participate or not participate in alternative billing arrangements such as collect or third number billed calls.

11.06 Access to Poles, Ducts, Conduits and Right of Way

BellSouth agrees to provide to National Tel, pursuant to 47 U.S.C. §224, as amended by Section 703 of the Act, nondiscriminatory access to any pole, duct, conduit or right of way owned or controlled by BellSouth.

11.07 Service Orders BellSouth agrees that upon receiving a service order from National Tel (which may be transmitted by any means accepted as reliable in the industry) for any customer of BellSouth who wishes to disconnect its service and receive National Tel's service, it shall complete the disconnect and provision RCF, if applicable, within 24 hours of BellSouth's receipt of the

service order. Whenever possible, disconnects shall be coordinated between parties to avoid breaks in service to the end user.

11.08 Dialing parity The parties will ensure that the customers of the other shall not have to dial additional digits or incur dialing delays in order to complete calls as a result of interconnection.

11.09 Non-published numbers The parties will reciprocally provide their respective numbers and contract names for their non-published bureaus so that each party's operators will have the capability to contact the other in order to request that a party's operator notify that party's end user with a non-published number of an urgent call or emergency at the request of an user of the other party.

11.10 Disconnection of customers BellSouth shall accept any requests from National Tel to disconnect the service of an existing BellSouth end user, except for BellSouth Public and Semipublic telephone service, subject to effective contracts with location providers. BellSouth will not require end user confirmation prior to disconnecting the end user's service. BellSouth will accept a request directly from an end user for conversion of the end user's service from National Tel to BellSouth or will accept a request from another ALEC for conversion of the SPNP service associated with an end user's service change from National Tel to the ALEC. BellSouth will notify National Tel that such a request has been processed. This paragraph shall be subject

to Section 258(a) and (b) of the Act which prohibits illegal changes of carrier selections and assesses liability for such changes, and any change of service verification procedures which may be promulgated by the FCC. National Tel and BellSouth shall each execute a blanket letter of authorization substantially in the form attached as Exhibit C hereto with respect to customer disconnections. Each party shall be entitled to adopt their own internal processes for verification of customer authorization of disconnection of service; provided, however, that such processes shall comply with applicable state and federal law and until superseded shall be deemed adequate for purposes of this agreement if such processes comply with FCC guidelines applicable to pre-subscribed interexchange carriers (PIC) changes.

11.11 Regale

~~a. BellSouth agrees to offer to National Tel for resale all telecommunications services that it offers to retail customers other than limited promotional offers and grandfathered services that are no longer available to new customers, lifeline or link up services, contract service arrangements, installment billing options, 911 and E911 services, interconnection for mobile service providers, services with legislatively or commission-mandated special discounts) at its retail prices less the avoided costs referred to in Section 252(d)(3) of the Act, which to the extent not covered in this agreement, shall be determined by subsequent agreement. Nothing herein shall preclude the parties from agreeing~~

PLB/mm

~~that there are no such avoided costs. If at any time during the term of this agreement a commission or court of competent jurisdiction makes a final determination of avoided costs, then that determination shall prevail for the purposes of this paragraph unless the parties have previously agreed upon the avoided costs. If the parties cannot agree upon avoided costs, then either party may invoke the process set forth in Article XV for resolution of the issue.~~

*MM
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b. BellSouth agrees to offer an unbundled 2-wire local loop to National Tel in the State of Florida at a rate of \$1.00/month/loop. The charges for unbundled 2-wire local loops in other states in the territory shall be subsequently negotiated by the parties. Non-recurring charges associated with an unbundled 2-wire local loop which reflect the difference in price between a new loop and an existing loop will be subsequently negotiated between the parties. Cost studies prepared by BellSouth regarding these issues will be provided to National Tel as quickly as possible pursuant to a mutually acceptable confidentiality agreement in order to facilitate the continued good faith negotiation by both parties on these issues. Special construction charges, if applicable, will be as set forth in BellSouth's intrastate special access tariff as said tariff is amended from time to time. The unbundled local loop provides the connection from the serving central office to a subscriber's premises and is engineered to meet the same parameters as a residence or business

exchange access line.

c. BellSouth agrees to offer loop concentration to National Tel. This rate element provides the multiplexing function for unbundled exchange access loops. This function can convert up to 96 voice grade loops to DS1 level for connection with the National Tel's point of interface. The multiplexing can be done on a concentrated basis (delivers 2 DS1 level to customer premises) or on a non-concentrated basis (delivers at 4 DS1 level to customer premise) at the option of National Tel. National Tel agrees that 1.544 Mbps local channel and/or interoffice channel facilities may be required in certain circumstances and those facilities shall be provided pursuant to E7 of BellSouth's intrastate access service tariff at tandems and end offices where National Tel is not collocated. The charges for loop concentration shall be as follows:

- a. \$555.00/month/unbundled loop channelization system and
- b. \$490.00 non-recurring charge for the first such system.

Upon review of cost studies to be promptly provided by BellSouth pursuant to a mutually acceptable confidentiality agreement, the parties will continue to negotiate in good faith on the issue of the appropriateness of recurring and non-recurring central office channel interface charges per circuit.

d. Notwithstanding the provisions of paragraphs (b) and (c) above, National Tel may purchase services from BellSouth for resale at a discount rate off the retail rate for each telecommunications

service offered by BellSouth. The discount rates shall be as set forth in Exhibit D, attached hereto and incorporated by this reference.

e. National Tel may resell the tariffed telecommunications of BellSouth including any broadband exchange line or SynchroNet® service, subject to the terms and conditions specifically set forth herein. BellSouth agrees that National Tel may resell the broadband exchange line or SynchroNet service as provided by BellSouth in any technically feasible manner alone or in conjunction with its own service offering.

f. The provision of services by BellSouth to National Tel does not constitute a joint undertaking for the furnishing of any service.

g. National Tel will be the customer of record for all services purchased from BellSouth. Except as specified herein, BellSouth will take orders from, bill and expect payment from National Tel for all services.

h. National Tel will be BellSouth's single point of contact for all services purchased pursuant to this agreement including all ordering activities and repair calls. For all repair requests, National Tel accepts responsibility for adhering to BellSouth's prescreening guidelines prior to referring the trouble to BellSouth. BellSouth may bill National Tel for handling troubles that are found not to be in the BellSouth network. The parties agree that BellSouth may contact National Tel's customers if

BellSouth deems it necessary for maintenance purposes. BellSouth shall have no other contact with the end user except to the extent provided for herein.

i. In most circumstances, the current telephone number of an end user may be retained by the end user unless the end user has past due charges associated with the BellSouth account for which payment arrangements have not been made. BellSouth will not, however, make the end user's previous telephone number available to National Tel until the end user's outstanding balance has been paid. Denied service means that the service of an end user provided by a local exchange telecommunications company, including BellSouth has been temporarily suspended for nonpayment and subject to complete disconnection.

j. BellSouth may provide any service or facility for which a charge is not established herein, as long as it is offered on the same terms to National Tel, for a charge not less than BellSouth's cost.

k. The characteristics and methods of operation of any circuits, facilities or equipment provided by an person or entity other than BellSouth shall not:

1. Interfere with or impair service over any facilities of BellSouth, its affiliates, or its connecting and concurring carriers involved in its service;
2. Cause damage to their plant;
3. Impair the privacy of any communications; or

4. Create hazards to any employees or the public.

National Tel assumes the responsibility of notifying BellSouth regarding less than standard operations with respect to services provided by National Tel.

1. National Tel agrees that its resale of BellSouth services shall be as follows:

1. The resale of telecommunications services shall be limited to users and uses conforming to the class of service restrictions.

a. To the extent that National Tel is a telecommunications carrier that serves greater than 5 percent of the nation's presubscribed access lines, National Tel shall not jointly market its interLATA services with the telecommunications services purchased from BellSouth pursuant to this agreement in any of the states covered under this agreement. For purposes of this section, to jointly market means any advertisement, marketing effort or billing in which the telecommunications service purchased from BellSouth for resale to customers and interLATA services are packaged, tied, bundled, discounted or offered together in any way to the end user. Such efforts include, but are not limited to, sales referrals, resale arrangements, sales agencies or billing agreements. This subsection shall be void and of no effect for a particular state covered under this agreement as of February 8, 1999 or on the date BellSouth is authorized to offer interLATA services in that state, whichever is earlier. Both parties agree

that National Tel does not currently serve greater than 5% of the nation's presubscribed access lines.

2. Hotel and hospital PBX service are the only telecommunications services available for resale to hotel/motel and hospital end users, respectively. Similarly, access line service for customer provided coin telephone is the only local service available for resale to COCOTS customers. Shared tenant service customers can only be sold those telecommunications services available in BellSouth's A23 or A27 shared tenant service tariff, as appropriate.

3. National Tel is prohibited from furnishing both flat and measured service on the same business premises to the same subscribers (end users) as stated in A2.3.2.A of BellSouth's tariff.

4. Resold services can only be used in the same manner as specified in BellSouth's tariff. Resold services are subject to the same terms and conditions as are specified for such services when furnished to an individual end user of BellSouth in the appropriate section of BellSouth's tariffs. Specific tariff features, e.g., a usage allowance per month, shall not be aggregated across multiple resold services. Resold services cannot be used to aggregate traffic from more than one end user customer except as specified in Section A23. of BellSouth's tariff referring to shared tenant service.

5. Telephone numbers transmitted via any resold service

feature are intended solely for the use of the end user of the feature. Resale of this information is prohibited.

6. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this agreement. National Tel is strictly prohibited from any use, including but not limited to, sale, marketing or advertising, of any BellSouth name or trademark.

7. Services resold under BellSouth's tariffs and facilities and equipment provided by BellSouth shall be maintained by BellSouth. National Tel or its end users may not rearrange, move, disconnect, remove or attempt to repair any facilities owned by BellSouth, other than by connection or disconnection to any interface means used, except with the written consent of BellSouth.

8. BellSouth will not perform billing and collection services for National Tel as a result of the execution of this agreement. All requests for billing services should be referred to the appropriate entity or operational group within BellSouth.

9. Until such time as BellSouth receives permission from the FCC to bill the end user common line (EUCL) charge to National Tel, BellSouth will, on an interim basis, bill National Tel the charges shown below which are identical to the EUCL rates billed by BellSouth to its end users.

- | | | |
|----|-----------------------------------|--------------|
| 1. | Residential | |
| | (a) Each individual line or trunk | \$3.50/month |
| 2. | Single line business | |

- (b) Each individual line or trunk \$3.50/month
3. Multi-line business
- (c) Each individual line or trunk \$6.00/month

m. The procedures for discontinuing end user service purchased by National Tel for resale to an end user are as follows:

1. Where possible, BellSouth will deny service to National Tel's end user on behalf of, or at the request of, National Tel. Upon restoration of the end user's service, restoral charges will apply and will be the responsibility of National Tel.

2. At the request of National Tel, BellSouth will disconnect a National Tel end user customer.

3. All requests by National Tel for denial or disconnection of an end users for nonpayment must be in writing.

4. National Tel will be made solely responsible for notifying the end user of the proposed disconnection of the service.

5. BellSouth will continue to process calls made to the annoyance call center and will advise National Tel when it is determined that annoyance calls are originated from one of their end user customers. BellSouth shall be indemnified, defended and held harmless by National Tel and/or the end user against any claim, loss or damage arising from providing this information to National Tel. It is the responsibility of National Tel to take the corrective action necessary with its customers who make annoying calls. Failure to do so will result in BellSouth's disconnecting

the end user's service.

n. The procedures for discontinuing service to National Tel are as follows:

1. BellSouth reserves the right to suspend or terminate service for nonpayment or in the event of prohibited, unlawful or improper use of the facilities or service, abuse of the facilities, or any other violation or noncompliance by National Tel of the rules and regulations of BellSouth's tariffs.

2. If payment of account is not received by the bill day in the month after the original bill day, BellSouth may provide written notice to National Tel, that additional applications for service will be refused and that any pending orders for service will not be completed if payment is not received by the fifteenth day following the date of the notice. If BellSouth does not refuse additional applications for service on the date specified in the notice, and National Tel's noncompliance continues, nothing contained herein shall preclude BellSouth's right to refuse additional applications for service without further notice.

3. If payment for the account is not received, or arrangements made, by the bill day of the second consecutive month, the account will be considered in default and will be subject to denial or disconnection, or both.

4. If National Tel fails to comply with the provisions of this agreement, including any payments to be made by it on the dates and times herein specified, BellSouth may, on thirty days

written notice to the person designated by National Tel to receive notices of noncompliance, discontinue the provision of existing services to National Tel at any time thereafter. In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due. If BellSouth does not discontinue the provision of the services involved on the date specified in the thirty days notice, and National Tel's noncompliance continues, nothing contained herein shall preclude BellSouth's right to discontinue the provision of the services to National Tel without further notice.

5. If payment is not received or arrangements made for payment by the date given in the written notification, National Tel's services will be discontinued. Upon discontinuance of service on a National Tel account, service to National Tel's end users will be denied. BellSouth will also reestablish service at the request of the end user or National Tel upon payment of the appropriate connection fee and subject to BellSouth normal application procedures.

6. If within fifteen days after an end user's service has been denied no contact has been made in reference to restoring service, the end user's service will be disconnected.

c. BellSouth may require National Tel to provide evidence of good credit when purchasing services for resale purposes. Deposit requirements shall be commensurate with previously established credit.

p. The ordering and provision of services purchased from BellSouth for resale purposes by National Tel shall be as set forth in the OLEC-to-BellSouth Ordering Guidelines (reseller) as those guidelines are amended by BellSouth from time to time during the term of this agreement.

q. When the initial service is ordered by National Tel, BellSouth will establish an accounts receivable master account for National Tel.

r. BellSouth shall bill National Tel on a current basis all applicable charges and credits.

s. Payment of all charges will be the responsibility of National Tel. National Tel shall make payment to BellSouth for all services billed. BellSouth is not responsible for payments not received by National Tel from National Tel's customer. BellSouth will not become involved in billing disputes that may arise between National Tel and its customer. Payments made to BellSouth as payment on account will be credited to an accounts receivable master account and not to an end user's account.

t. BellSouth will render bills each month on established days for each of National Tel's accounts.

u. BellSouth will bill National Tel in advance for all services to be provided during the ensuing billing period except charges associated with service usage, which charges will be billed in arrears. Charges will be calculated on an individual end user account level, including, if applicable, any charges for usage or

usage allowances. BellSouth will also bill all charges, including, but not limited to 911 and E911 charges, telecommunications relay charges, and franchise fees, on an individual end user account level.

v. The payment will be due by the next bill date (i.e., the same date in the following month as the bill date) and is payable in immediately available U.S. funds. Payment is considered made when received by BellSouth. If the payment due date falls on a Sunday or a holiday which is observed on a Monday, the payment due date shall be the first non-holiday day following such Sunday or holiday. If the payment due date falls on a Saturday or on a holiday which is observed on Tuesday, Wednesday, Thursday, or Friday, the payment due date shall be the last non-holiday day preceding such Saturday or holiday.

w. Upon proof of tax exempt certification from National Tel, the total amount billed to National Tel will not include any taxes due from the end user. National Tel will be solely responsible for the computation, tracking, reporting and payment of all federal, state and/or local jurisdiction taxes associated with the services provided to the end user.

x. As the customer of record, National Tel will be responsible for, and remit to BellSouth, all charges applicable to its resold services for emergency services (E911 and 911) and telecommunications relay services (TRS) as well as any other charges of a similar nature.

x. Any carrier common line charges (CCL) associated with interexchange carrier access to the resold local exchange lines will be billed by, and due to, BellSouth.

aa. If a dispute arises between National Tel and its end user customer which cannot be resolved without the involvement of BellSouth, National Tel shall contact the designated service center for resolution. BellSouth will make every effort to assist in the resolution of the dispute and will work with National Tel to resolve the matter in as timely a fashion as possible. National Tel may be required to submit documentation to substantiate the claim.

bb. National Tel is responsible for payment of all appropriate charges for completed calls, services, and equipment. If objection in writing is not received by BellSouth within twenty-nine days after the bill is rendered, the account shall be deemed correct and binding upon National Tel.

ARTICLE XII

LIMITATION OF LIABILITY AND INDEMNITY

12.01 No party shall be liable for any act or omission of another telecommunications company providing a portion of the services provided under this agreement.

12.02 With respect to any claim or suit, whether based in contract, tort or any other theory of legal liability, by National Tel, any National Tel customer or by any other person or entity, for damages associated with any of the services provided by

BellSouth pursuant to or in connection with this agreement, including but not limited to the installation, provision, preemption, termination, maintenance, repair or restoration of service, and subject to the provisions of the remainder of this Article XIII, BellSouth's liability shall be limited to an amount equal to the proportionate charge for the service provided pursuant to this agreement for the period during which the service was affected. Notwithstanding the foregoing, claims for damages by National Tel, any National Tel customer, or any other person or entity resulting from the gross negligence or willful misconduct of BellSouth and claims for damages by National Tel resulting from the failure of BellSouth to honor in one or more material respects any one or more of the material provisions of this agreement shall not be subject to any such limitation of liability.

12.03 With respect to any claim or suit, whether based in contract, tort or any other theory of legal liability, by BellSouth, any BellSouth customer or by any other person or entity, for damages associated with any of the services provided by BellSouth pursuant to or in connection with this agreement, including but not limited to the installation, provision, preemption, termination, maintenance, repair or restoration of service, and subject to the provisions of the remainder of this Article XIII, National Tel's liability shall be limited to an amount equal to the proportionate charge for the service provided pursuant to this agreement for the period during which the service

was affected. Notwithstanding the foregoing, claims for damages by BellSouth, any BellSouth customer, or any other person or entity resulting from the gross negligence or willful misconduct of National Tel and claims for damages by BellSouth resulting from the failure of National Tel to honor in one or more material respects any one or more of the material provisions of this agreement shall not be subject to any such limitation of liability.

12.04 No party to this agreement shall be liable for damages to the other's terminal location, POI or other party's customers' premises resulting from the furnishing of a service, including, but not limited to, the installation and removal of equipment or associated wiring, except to the extent caused by such party's negligence or willful misconduct.

12.05 Notwithstanding subsections 13.02 and 13.03, the party providing services under this agreement, its affiliates, and its parent company shall be indemnified, defended and held harmless by the party receiving such services against any claim, loss or damage arising from the receiving party's use of the services provided under this agreement involving: 1) claims for libel, slander, invasion of privacy or copyright infringement arising from the content of the receiving party's own communications; 2) any claim, loss, or damage claimed by the receiving party's customer(s) arising from such customer's use of any service, including 911/E911, that the customer has obtained from the receiving party and that the receiving party has obtained from the supplying party

under this agreement; or 3) all other claims arising out of an act or omission of the receiving party in the course of using services provided pursuant to this agreement. Notwithstanding the foregoing, to the extent that a claim, loss or damage is caused by the negligence or willful misconduct of a supplying party, the receiving party shall have no obligation to indemnify, defend and hold harmless the supplying party hereunder.

12.06 No license under patents (other than the limited license to use) is granted or deemed implied with respect to any service offered by any party pursuant to this agreement. A party providing a service pursuant to this agreement will defend the party receiving such service against claims of patent infringement arising solely from the use by the receiving party of service offered pursuant to this agreement and will indemnify the receiving party for any damages awarded based solely on such claims.

12.07 Promptly after receipt of notice of any claim or the commencement of any action for which a party may seek indemnification pursuant to this Article XIII, such party (the "indemnified party") shall promptly give written notice to the other party (the "indemnifying party") of such claim or action, but the failure to so notify the indemnifying party shall not relieve the indemnifying party of any liability it may have to the indemnified party except to the extent the indemnifying has actually been prejudiced thereby. The indemnifying party shall be obligated to assume the defense of such claim, at its own expense.

The indemnified party shall cooperate with the indemnifying party's reasonable requests for assistance or information relating to such claim, at the indemnifying party's expense. The indemnified party shall have the right to participate in the investigation and defense of such claim or action, with separate counsel chosen and paid for by the indemnified party.

12.08 No party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such party; regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this agreement, including, without limitation: fire, explosion, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, or ordinance of any government or legal body; strikes; or delays caused by another party or any other circumstances beyond the party's reasonable control. In such event, the party affected shall, upon giving prompt notice to the other parties, be excused from such performance on a day-to-day basis to the extent of such interference (and the other party shall likewise be excused from performance of its obligations on a day-for-day basis to the extent such party's obligations relate to the performance so interfered with). The affected party shall use its best efforts to avoid or remove the cause of non-performance and the parties shall proceed to perform with dispatch once the causes are removed or cease.

ARTICLE XIII

TREATMENT OF PROPRIETARY AND CONFIDENTIAL INFORMATION

13.01 The parties agree that it may be necessary to exchange certain confidential information during the term of the agreement including, without limitation, technical and business plans, technical information, proposals, specifications, drawings, procedures, customer count data and similar information (hereafter referred to as "information". The information shall either be in writing or other tangible forms and clearly marked with a confidential, private or proprietary legend or when the information is communicated orally, it shall also be communicated that the information is confidential, proprietary or private. The parties agree that the information shall not be copied or reproduced in any form. The parties further agree not to disclose such information and to protect the information from distribution, disclosure, or dissemination to anyone except employees of the parties with a need to know such information and which employees agree to be bound by the terms of this article. Neither party shall use the other party's information for any purpose other than the performance of this agreement. The parties will use the standard of care to protect the information received as they would use to protect their own confidential and proprietary information.

13.02 Notwithstanding the provisions of paragraph 13.01, the parties agree that there will be no obligation to protect any portion of the information that is either:

- (1) made publically available by the owner of the information

or lawfully disclosed by a non-party to this agreement;

(2) lawfully obtained from any source other than the owner of the information;

(3) previously known to the receiving party; without an obligation to keep it confidential; or

(4) independently developed by the receiving party without use of the information received.

13.03 Disclosure of information received shall not be prohibited to the extent such disclosure is compelled by a court or administrative agency having jurisdiction over the receiving party or is otherwise required by law. In such event, however, the receiving party shall use reasonable efforts to notify the other party prior to making such disclosure and shall cooperate in the other party's efforts to object to such disclosure or to obtain confidential treatment of the information to be disclosed.

13.04 This Article XIV shall survive the termination or expiration of this agreement with respect to any information disclosed by one party to the other while this agreement was in effect. All information shall be returned to the disclosing party within a reasonable time following the disclosing party's request or the termination or expiration of this agreement, whichever is earliest.

13.05 Notwithstanding any other provision of this agreement to the contrary, the proprietary information provisions of this agreement shall apply to all information furnished by any

party to the other in furtherance of the purpose of this agreement, even if furnished before the date of this agreement.

ARTICLE XIV

DISPUTE RESOLUTION

The parties agree that in the event of a default or violation hereunder, or for any dispute arising under this agreement or related agreements the parties may have in connection with this agreement, the parties shall first confer to discuss the dispute and seek resolution prior to taking any action before any court or regulator, or before authorizing any public statement about or authorizing disclosure of the nature of the dispute to any third party. Such conference shall occur at least at the Vice President level for each party. In the case of BellSouth, its or equivalent officer, shall participate in the meeting, and National Tel's general manager, or equivalent officer, shall participate. Thereafter, the parties shall submit any dispute that remains unresolved to arbitration conducted in the state where the default or violation allegedly occurred in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect on the date that such notice is given. The decision of the arbitrators shall be final and binding upon the parties and judgment may be obtained thereon by either party in a court of competent jurisdiction. Each party shall bear the cost of preparing and presenting its case. The costs of arbitration, including the fees and expenses of the arbitrators, will be shared

equally by the parties unless the award otherwise provides. The resolution of disputes under this article shall be consistent with the Act.

ARTICLE XV

WAIVERS

Any failure by either party to insist upon the strict performance by the other party of any of the provisions of this agreement shall not be deemed a waiver of any of the provisions of this agreement, and each party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this agreement.

ARTICLE XVIGOVERNING LAW

This agreement shall be governed by, and construed and enforced in accordance with, the law of the state of Florida, without regard to its conflict of laws principles, and the federal Communications Act of 1934, as amended by the Act.

ARTICLE XVIIASSIGNMENT

This agreement may be assigned by any party upon sixty (60) days written notice to all parties.

ARTICLE XVIIINOTICES AND DEMANDS

18.01 Except as otherwise provided under this agreement, all notices, demands or requests which may be given by any party shall be in writing and shall be deemed to have been duly given on the date delivered in person, receipt acknowledged, or deposited, postage prepaid, in the United States mail, certified mail, return receipt requested, and addressed to such party at the address set forth below or at such other address as either party may specify in writing.

BellSouth Telecommunications, Inc.
Rich Dender - Account Manager
South E4E1 Colonnade Parkway
Birmingham, Alabama 35243

National Tel
6363 N.W. 6th Way
Suite 1000
Ft. Lauderdale, Florida 33309

Attention: Mark Mansour

18.02 Each party shall inform the other of any changes in the above addresses.

ARTICLE XIV

ENTIRE AGREEMENT

This agreement sets forth the entire understanding and supersedes prior agreements between the parties relating to the subject matter contained herein including and merges all prior discussions between them, and neither party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise other than as expressly stated in this agreement or as is contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the party to be bound thereby.

ARTICLE XV

COUNTERPARTS

This agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Signatures transmitted by the parties by facsimile shall have the same effect as original signatures as of the date transmitted by the executing party.

ARTICLE XVI

RECIPROCITY

If a provision of this agreement by its terms applies only to

one party because it is currently inapplicable to the other, such provision shall be deemed to apply reciprocally if and when such other party's circumstances change such that the provision becomes applicable.

ARTICLE XXII

MORE FAVORABLE PROVISIONS

22.01 If as a result of any proceeding before any court, commission, or the Federal Communications Commission ("FCC"), voluntary agreement or arbitration proceeding pursuant to the Act or pursuant to any applicable state law, BellSouth becomes obligated to provide interconnection, number portability, unbundled access to network elements or any other services related to interconnection, whether or not presently covered by this agreement, to another telecommunications carrier operating within a state within the territory at rates or on terms and conditions more favorable to the carrier than the applicable provisions of this agreement, the parties, subject to Paragraph 24.02, shall be entitled to substitute such more favorable rates, terms or conditions for the relevant provisions of this agreement which shall apply to the same states as such other carrier and such substituted rates, terms or conditions shall be deemed to have been effective under this agreement as of the effective date thereof to such other carrier.

22.02 If the more favorable provision is a result of the action of an appropriate regulatory agency or judicial body whether

commenced before or after the effective date of this agreement, after the waiver or exhaustion of all administrative and judicial remedies, the parties agree to incorporate such order in this agreement as of its effective date. In the event BellSouth files and receives approval for a tariff offering to provide any substantive service of this agreement in a way different than that provided for herein, the parties agree that the parties shall be eligible for subscription to said service at the rates, terms and conditions contained in tariffs as of the effective date of the tariff.

22.03 The parties acknowledge that BellSouth will guarantee the provision of universal service as the carrier of last resort throughout Florida until at least January 1, 1998 without contribution from National Tel.

ARTICLE XXIII

MISCELLANEOUS PROVISIONS

23.01 Severability If any provision of this agreement, or the application of such provision to any party or circumstance, shall be held invalid, the remainder of this agreement, or the application of such provision to the parties or circumstances other than those to which it is held invalid, shall not be affected thereby; provided that the parties shall attempt to reformulate such invalid provision to give effect to such provision thereof as may be valid without defeating the intent of such provision.

23.02 Modification No modification of this agreement and

no waiver of any of its terms and conditions shall be valid unless in writing and signed by the duly authorized officers of the party or parties sought to be charged. The parties acknowledge that this agreement may be subject to change or modification by each state commission within the territory as an exercise of their jurisdictions. However, unless otherwise agreed to by the parties, any such modification or revision required to comply with federal or state laws, rules or regulations shall be reduced to writing and appended to this agreement as an addendum and executed by all parties affected thereby.

23.03 Headings The headings of the sections, articles and paragraphs of this agreement have been inserted for convenience of reference only and shall not restrict or otherwise modify any of the terms and provisions hereof.

23.04 Grammatical changes Whenever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and plural, and pronouns stated in either the masculine, the feminine or the neuter gender shall include the masculine, feminine and neuter gender as the circumstances require.

ARTICLE XXIV

IN WITNESS WHEREOF, the parties have executed this agreement to be effective as of the day and year first above written.

BELLSOUTH TELECOMMUNICATIONS, INC.

NATIONAL TEL

By: Robert Scheye
Signature

By: Mark C. Mansour
Signature

Name: ROBERT C SCHEYE
Print

Name: Mark Mansour

Title: SR DIR

Title: Vice President of
Operations, National
Tel

Date: 7/25/96

Date: 7/18/96

c:1580

EXHIBIT A

ALPHABETICAL DIRECTORY SIDE AGREEMENT

- I. CARRIER agrees to provide to BellSouth Advertising & Publishing Corporation ("BAPCO"), through BELLSOUTH, at CARRIER's expense and at no charge, listing information concerning its subscribers (designating any who do not desire published listings), consisting of: customer, name, address, telephone number and all other information reasonably requested by BAPCO for BAPCO's use in publishing directories of whatever type and format and for other derivative purposes. Such information shall be provided on a schedule and in a format mutually acceptable to BAPCO and CARRIER. CARRIER shall advise BAPCO promptly regarding any directory-related inquiries, requests or complaints which it shall receive from CARRIER's subscribers and shall provide reasonable cooperation to BAPCO in response to or resolution of the same. CARRIER shall respond promptly regarding corrections or queries raised by BAPCO and to process listing changes requested by subscribers. BAPCO will continue yellow page advertisements purchased by customers without regard to whether they switch their local service to Company.
- II. BAPCO shall include one standard listing for each CARRIER subscriber per hunting group in BAPCO's appropriate local alphabetical directory as published periodically by BAPCO unless nonlisted or nonpublished status is designated by subscribers. BAPCO shall also include one standard listing for each CARRIER business subscriber per hunting group in an appropriate heading as selected by the subscriber in BAPCO's appropriate local classified directory as published periodically by BAPCO unless nonlisted or nonpublish status is designated by subscriber. Such listings shall be interfiled with the listings of other local exchange telephone company subscribers and otherwise published in the manner of such other listings according to BAPCO's generally applicable publishing policies and standards. Multi-line customers of CARRIER shall receive additional listings in applicable directories to the extent of and in accordance with BAPCO's usual policy with respect to multi-line customers of any LEC or ALEC. BAPCO shall deliver such local alphabetical and classified directory to CARRIER's subscribers according to BAPCO's generally applicable policies and standards.
- III. BAPCO shall maintain full authority over its publishing schedules, policies, standards, and practices and over the scope and publishing schedules of its directories.
- IV. Each party agrees to defend, indemnify and hold harmless the other from all damages, claims, suits, losses or expenses, including without limitation costs and attorneys fees, to the extent of such party's relative fault, arising out of or resulting from any error, omission or act of such party hereunder. CARRIER agrees to limit its liability and that of BAPCO by contract with CARRIER's subscribers or by tariff to no more than the cost of service for any errors or omission in any listings published hereunder for CARRIER

subscribers. Each party shall notify in writing the other promptly of any claimed error or omission affecting this paragraph and of any claim or suit arising hereunder or relating to this Agreement and shall provide reasonable and timely cooperation in its resolution of the same. Without waiver of any rights hereunder, the indemnified party may at its expense undertake its own defense in any such claim or suit.

- V. BAPCO's and CARRIER'S liability, whether in contract, tort or otherwise, shall be limited to direct damages. Under no circumstances shall BAPCO be liable for indirect, incidental, special or consequential damages.
- VI. BAPCO shall provide a process whereby Carrier is afforded a reasonable time to correct its customers' alphabetical directory listings in advance of directory publication and shall have a reasonable opportunity to verify customers' listings on an ad hoc basis.
- VII. BAPCO will include, without charge, in its directory "Customer Guide" pages or comparable section of its ~~white-page~~ directories in all areas served by Carrier, listings provided by Carrier for its installation, repair and billing information in accordance with BAPCO's generally applicable policies.
- VIII. BAPCO will afford CARRIER's directory listings information the same level of confidentiality which BAPCO affords its own directory listing information, and BAPCO shall not provide such information to other LBCs or ALECs without CARRIER'S approval, except as may be required in relation to publishing of directories
- IX. This Side Agreement shall be subject to the term and cancellation provisions of the Agreement to which it is appended, except that BAPCO shall have the right to terminate this Side Agreement upon ninety days prior written notice given at any time following the initial two year term of the Master Interconnection Agreement between CARRIER and BellSouth.
- XI. A separate Agreement may be entered into between BAPCO and CARRIER concerning directory related issues not addressed herein

BAPCO:

BY: David W. Scobey Jr.
 NAME: DAVID W. SCOBAY JR
 TITLE: Executive Vice President
 DATE: 5/31/96

CARRIER:

BY: William G. Williams
 NAME: William G. Williams
 TITLE: V.P. Sales
 DATE: 7/18/96

DRAFT 5/20/96

AGREEMENT

In consideration of the mutual promises contained herein, BellSouth Advertising & Publishing Corporation, a Georgia corporation ("BAPCO") and National Tel
1 _____ corporation ("CARRIER") agree as follows:

1. **RECITALS.** BAPCO is the publisher of alphabetical and classified directories for certain communities in the southeastern region of the U.S. (the "Directories"). CARRIER provides, or intends to provide, local exchange telephone service in communities in which BAPCO publishes Directories. BAPCO and CARRIER hereby establish the terms by which BAPCO will include listings of CARRIER subscribers in such Directories and by which BAPCO will provide such Directories to CARRIER subscribers.

2. **CARRIER OBLIGATIONS.** CARRIER agrees as follows:

(a) CARRIER shall provide to BAPCO, or its designee, at CARRIER's expense and at no charge, listing information concerning its subscribers (designating any who do not desire published listings), consisting of customer name, address, telephone number and all other information reasonably requested by BAPCO as set forth on Exhibit A for BAPCO's use in publishing Directories of whatever type and format and for other derivative purposes. Such subscriber listing information shall be provided in the format and on the schedule set forth in said Exhibit, or as otherwise mutually agreed between the parties from time to time.

(b) CARRIER shall also provide directory delivery information to BAPCO as set forth in Exhibit A for all subscribers.

(c) CARRIER shall advise BAPCO promptly of any directory-related inquiries, requests or complaints which it may receive from CARRIER subscribers and shall provide reasonable cooperation to BAPCO in response to or resolution of the same.

(d) CARRIER shall respond promptly regarding corrections or queries raised by BAPCO to process listing changes requested by subscribers.

3. **BAPCO OBLIGATIONS.** BAPCO agrees as follows:

(a) BAPCO shall include one standard listing for each CARRIER subscriber per hunting group in BAPCO's appropriate local alphabetical Directory as published periodically by BAPCO unless nonlisted or nonpublished status is designated by subscribers. Such listings shall be interfiled with the listings of other local exchange telephone company subscribers and otherwise published in the manner of such other listings according to BAPCO's generally applicable publishing policies and standards.

(b) BAPCO shall publish additional listings, foreign listings and other alphabetical Directory listings of CARRIER subscribers upon their request consistent with BAPCO's generally applicable policies in BAPCO's alphabetical Directories at BAPCO's prevailing rates, terms and conditions.

(c) BAPCO will distribute its regularly published alphabetical and classified Directories to local CARRIER subscribers in accordance with BAPCO's prevailing practices, including delivery following Directory publication and upon establishment of new CARRIER service, if a current Directory for that geographic area has not previously been provided. Such deliveries may include separate advertising material accompanying the Directories.

(d) BAPCO will include CARRIER information in the customer guide pages of its alphabetical Directories for communities where CARRIER provides local exchange telephone service at the time of publication in accordance with BAPCO's prevailing standards for the same. CARRIER will provide information requested by BAPCO for such purpose on a timely basis.

(e) BAPCO shall make available at no charge to CARRIER or its subscribers one listing for CARRIER business customers per hunting group in one appropriate heading in BAPCO's appropriate local classified directory as published periodically by BAPCO. Such listings shall be published according to BAPCO's generally applicable publishing policies and standards.

(f) BAPCO agrees to solicit, accept and publish directory advertising from business subscribers for CARRIER in communities for which BAPCO publishes classified Directories in the same manner and upon substantially the same terms as it solicits, accepts and publishes advertising from advertisers who are not CARRIER subscribers.

4. **PUBLISHING POLICIES.** BAPCO shall maintain full authority over its publishing schedules, policies, standards, and practices and over the scope and publishing schedules of its Directories.

5. **LIABILITY AND INDEMNITY.**

(a) BAPCO's liability to CARRIER for any errors or omissions in directories or for any default otherwise arising hereunder shall be limited to One Dollar (\$1) for errors or omissions in any subscriber listing in any directory published by BAPCO.

(b) Each party agrees to defend, indemnify and hold harmless the other from all damages, claims, suits, losses or expenses, including without limitation costs and attorneys fees, to the extent of such party's relative fault, arising-out of or resulting from any error, omission or act of such party hereunder. CARRIER agrees to limit its liability and that of BAPCO by contract with CARRIER's subscribers or by tariff to no more than

the cost of service for any errors or omissions in any listings published hereunder for CARRIER subscribers. Each party shall notify in writing the other promptly of any claimed error or omission affecting this paragraph and of any claim or suit arising hereunder or relating to this Agreement and shall provide reasonable and timely cooperation in its resolution of the same. Without waiver of any rights hereunder, the indemnified party may at its expense undertake its own defense in any such claim or suit.

6. TERM. This Agreement shall be effective on the date of the last signature hereto for a term of two (2) years and shall relate to Directories published by BAPCO during such period. Thereafter, it shall continue in effect unless terminated by either party upon sixty days prior written notice.

7. ASSIGNMENT. This Agreement shall be binding upon any successors or assigns of the parties during its Term.

8. RELATIONSHIP OF THE PARTIES. This Agreement does not create any joint venture, partnership or employment relationship between the parties or their employees, and the relationship between the parties shall be that of an independent contractor. There shall be no intended third party beneficiaries to this Agreement.

9. NONDISCLOSURE.

(a) During the term of this Agreement it may be necessary for the parties to provide each other with certain information ("information") considered to be private or proprietary. The recipient shall protect such information from distribution, disclosure or dissemination to anyone except its employees or contractors with a need to know such information in conjunction herewith, except as otherwise authorized in writing. All such information shall be in writing or other tangible form and clearly marked with a confidential or proprietary legend. Information conveyed orally shall be designated as proprietary or confidential at the time of such oral conveyance and shall be reduced to writing within forty-five (45) days.

(b) The parties will not have an obligation to protect any portion of information which: (1) is made publicly available lawfully by a nonparty to this Agreement; (2) is lawfully obtained from any source other than the providing party; (3) is previously known without an obligation to keep it confidential; (4) is released by the providing party in writing; or (5) commencing two (2) years after the termination date of this Agreement if such information is not a trade secret under applicable law.

(c) Each party will make copies of the information only as necessary for its use under the terms hereof, and each such copy will be marked with the same proprietary notices as appear on the originals. Each party agrees to use the information solely in support of this Agreement and for no other purpose.

10. FORCE MAJEURE. Neither party shall be responsible to the other for any delay or failure to perform hereunder to the extent caused by fire, flood, explosion, war, strike.

not, embargo, governmental requirements, civic or military authority, act of God, or other similar cause beyond its reasonable control. Each party shall use best efforts to notify the other promptly of any such delay or failure and shall provide reasonable cooperation to ameliorate the effects thereof.

11. **PUBLICITY.** Neither party shall disclose the terms of this Agreement nor use the trade names or trademarks of the other without the prior express written consent of the other.

12. **REPRESENTATIVES AND NOTICES**

(a) Each party shall name one or more representatives for contacts between the parties which shall be authorized to act on its behalf. Such representatives may be changed from time to time upon written notice to the other party.

(b) Notices required by law or under this Agreement shall be given in writing by hand delivery, certified or registered mail, or by facsimile followed by certified or registered mail, addressed to the named representatives of the parties with copies to:

If to BAPCO:

Director-LEC/BST Interface
BellSouth Advertising & Publishing Corporation
Room 270
59 Executive Park South
Atlanta, GA 30329

With Copy to:

Associate General Counsel
BellSouth Advertising & Publishing Corporation
Room 430
59 Executive Park South
Atlanta, GA 30329

If to CARRIER:

13. **MISCELLANEOUS.** This Agreement represents the entire Agreement between the parties with respect to the subject matter hereof and supersedes any previous oral or

written communications, representations, understandings, or agreements with respect thereto. It may be executed in counterparts, each of which shall be deemed an original. All prior and contemporaneous written or oral agreements, representations, warranties, statements, negotiations, and/or understandings by and between the parties, whether express or implied, are superseded, and there are no representations or warranties, either oral or written, express or implied, not herein contained. This Agreement shall be governed by the laws of the state of Georgia.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives in one or more counterparts, each of which shall constitute an original, on the dates set forth below.

BELLSOUTH ADVERTISING & PUBLISHING CORPORATION

By: [Signature]
Title: Dir. - Lec. Entelco
Date: 8/1/96

CARRIER:

National Tel
By: [Signature]
Title: VP Executives
Date: 7/18/96

EXHIBIT B

**LINE INFORMATION DATA BASE (LIDB)
STORAGE AGREEMENT
FOR RESOLD LOCAL EXCHANGE LINES OR
SERVICE PROVIDER NUMBER PORTABILITY ARRANGEMENTS**

June 18th
This agreement, effective as of 7/18/, 1996, is entered into by and
between BellSouth Telecommunications, Inc. ("BST"), a Georgia corporation, and
National Tel ("Local Exchange Company").

WHEREAS, in consideration of the mutual covenants, agreements and obligations set forth below, the parties hereby agree as follows:

I. SCOPE

This Agreement sets forth the terms and conditions for inclusion in BST's Line Information Data Base (LIDB) of billing number information associated with BST exchange lines used for Local Exchange Company's resale of local exchange service or Service Provider Number Portability (SPNP) arrangements requested by Local Exchange Company on behalf of Local Exchange Company's end user. BST will store in its data base the relevant billing number information, and BST will provide responses to on-line, call-by-call queries to this information for purposes specified below.

LIDB is accessed for:

- * Billed Number Screening
- * Calling Card Validation for Calling Cards issued by BellSouth
- * Fraud Control

II. DEFINITIONS

- 2.01. **Billing number** - a number used by BST for the purpose of identifying an account liable for charges. This number may be a line or a special billing number.
- 2.02. **Line number** - a ten digit number assigned by BST that identifies a telephone line associated with a resold local exchange service, or with a SPNP arrangement.
- 2.03. **Special billing number** - a ten digit number that identifies a billing account established by BST in connection with a resold local exchange service or with a SPNP arrangement.
- 2.04. **Calling Card number** - a billing number plus PIN number assigned by BST.
- 2.05. **PIN number** - a four digit security code assigned by BST which is added to a billing number to compose a fourteen digit calling card number.
- 2.06. **Toll billing exception indicator** - associated with a billing number to indicate that it is considered invalid for billing of collect calls or third number calls or both, by the Local Exchange Company.
- 2.07. **Billed Number Screening** - refers to the activity of determining whether a toll billing exception indicator is present for a particular billing number.
- 2.08. **Calling Card Validation** - refers to the activity of determining whether a particular calling card number exists as stated or otherwise provided by a caller.
- 2.09. **Billing number information** - information about billing number or Calling Card number as assigned by BST and toll billing exception indicator provided to BST by the Local Exchange Company.

III. RESPONSIBILITIES OF PARTIES

3.01. BST will include billing number information associated with resold exchange lines or SPNP arrangements in its LIDB. The Local Exchange Company will request any toll billing exceptions via the Local Service Request (LSR) form used to order resold exchange lines, or the SPNP service request form used to order SPNP arrangements.

3.02. Under normal operating conditions, BST shall include the billing number information in its LIDB upon completion of the service order establishing either the resold local exchange service or the SPNP arrangement, provided that BST shall not be held responsible for any delay or failure in performance to the extent such delay or failure is caused by circumstances or conditions beyond BST's reasonable control. BST will store in its LIDB an unlimited volume of the working telephone numbers associated with either the resold local exchange lines or the SPNP arrangements. For resold local exchange lines or for SPNP arrangements, BST will issue line-based calling cards only in the name of Local Exchange Company. BST will not issue line-based calling cards in the name of Local Exchange Company's individual end users. In the event that Local Exchange Company wants to include calling card numbers assigned by the Local Exchange Company in the BST LIDB, a separate agreement is required.

3.03. BST will provide responses to on-line, call-by-call queries to the stored information for the specific purposes listed in the next paragraph.

3.04. BST is authorized to use the billing number information to perform the following functions for authorized users on an on-line basis:

(a) Validate a 14 digit Calling Card number where the first 10 digits are a line number or special billing number assigned by BST, and where the last four digits (PIN) are a security code assigned by BST.

(b) Determine whether the Local Exchange Company has identified the billing number as one which should not be billed for collect or third number calls, or both.

3.05. BST will provide seven days per week, 24-hours per day, fraud control and detection services. These services include, but are not limited to, such features as sorting Calling Card Fraud detection according to domestic or international calls in order to assist the pinpointing of possible theft or fraudulent use of Calling Card numbers; monitoring bill-to-third number and collect calls made to numbers in BST's LIDB, provided such information is included in the LIDB query, and establishing Account Specific Thresholds, at BST's sole discretion, when necessary. Local Exchange Company understands and agrees BST will administer all data stored in the LIDB, including the data provided by Local Exchange Company pursuant to this Agreement, in the same manner as BST's data for BST's end user customers. BST shall not be responsible to Local Exchange Company for any lost revenue which may result from BST's administration of the LIDB pursuant to its established practices and procedures as they exist and as they may be changed by BST in its sole discretion from time to time.

3.06. Local Exchange Company understands that BST currently has in effect numerous billing and collection agreements with various interexchange carriers and billing clearing houses. Local Exchange Company further understands that these billing and collection customers of BST query BST's LIDB to determine whether to accept various billing options from end users. Additionally, Local Exchange Company understands that presently BST has no method to

differentiate between BST's own billing and line data in the LIDB and such data which it includes in the LIDB on Local Exchange Company's behalf pursuant to this Agreement. Therefore, until such time as BST can and does implement in its LIDB and its supporting systems the means to differentiate Local Exchange Company's data from BST's data and the parties to this Agreement execute appropriate amendments hereto, the following terms and conditions shall apply:

(a) The Local Exchange Company agrees that it will accept responsibility for telecommunications services billed by BST for its billing and collection customers for Local Exchange Customer's end user accounts which are resident in LIDB pursuant to this Agreement. Local Exchange Company authorizes BST to place such charges on Local Exchange Company's bill from BST and agrees that it shall pay all such charges. Charges for which Local Exchange Company hereby takes responsibility include, but are not limited to, collect and third number calls.

(b) Charges for such services shall appear on a separate BST bill page identified with the name of the entity for which BST is billing the charge.

(c) Local Exchange Company shall have the responsibility to render a billing statement to its end users for these charges, but Local Exchange Company's obligation to pay BST for the charges billed shall be independent of whether Local Exchange Company is able or not to collect from Local Exchange Company's end users.

(d) BST shall not become involved in any disputes between Local Exchange Company and the entities for which BST performs billing and collection. BellSouth will not issue adjustments for charges billed on behalf of an entity to Local Exchange Company. It shall

be the responsibility of the Local Exchange Company and the other entity to negotiate and arrange for any appropriate adjustments.

IV. COMPLIANCE

Unless expressly authorized in writing by the Local Exchange Company, all billing number information provided pursuant to this Agreement shall be used for no purposes other than those set forth in this Agreement.

V. TERMS

This Agreement will be effective as of June 19, 1996, and will continue in effect for one year, and thereafter may be continued until terminated by either party upon thirty (30) days written notice to the other party.

VI. FEES FOR SERVICE AND TAXES

6.01. The Local Exchange Company will not be charged a fee for storage services provided by BST to the Local Exchange Company, as described in Section I of this Agreement.

6.02. Sales, use and all other taxes (excluding taxes on BST's income) determine by BST or any taxing authority to be due to any federal, state or local taxing jurisdiction with respect to the provision of the service set forth herein will be paid by the Local Exchange Company. The Local Exchange Company shall have the right to have BST contest with the imposing jurisdiction, at the Local Exchange Company's expense, any such taxes that the Local Exchange Company deems are improperly levied.

VII. INDEMNIFICATION

To the extent not prohibited by law, each party will indemnify the other and hold the other harmless against any loss, cost, claim, injury, or liability relating to or arising out of

negligence or willful misconduct by the indemnifying party or its agents or contractors in connection with the indemnifying party's provision of services, provided, however, that any indemnity for any loss, cost, claim, injury or liability arising out of or relating to errors or omissions in the provision of services under this Agreement shall be limited as otherwise specified in this Agreement. The indemnifying party under this Section agrees to defend any suit brought against the other party for any such loss, cost, claim, injury or liability. The indemnified party agrees to notify the other party promptly, in writing, of any written claims, lawsuits, or demands for which the other party is responsible under this Section and to cooperate in every reasonable way to facilitate defense or settlement of claims. The indemnifying party shall not be liable under this Section for settlement by the indemnified party of any claim, lawsuit, or demand unless the defense of the claim, lawsuit, or demand has been tendered to it in writing and the indemnifying party has unreasonably failed to assume such defense.

VIII. LIMITATION OF LIABILITY

Neither party shall be liable to the other party for any lost profits or revenues or for any indirect, incidental or consequential damages incurred by the other party arising from this Agreement or the services performed or not performed hereunder, regardless of the cause of such loss or damage.

IX. MISCELLANEOUS

9.01. It is understood and agreed to by the parties that BST may provide similar services to other companies.

9.02. All terms, conditions and operations under this Agreement shall be performed in accordance with, and subject to, all applicable local, state or federal legal and regulatory tariffs, rulings, and other requirements of the federal courts, the U. S. Department of Justice and state and federal regulatory agencies. Nothing in this Agreement shall be construed to cause either party to violate any such legal or regulatory requirement and either party's obligation to perform shall be subject to all such requirements.

9.03. The Local Exchange Company agrees to submit to BST all advertising, sales promotion, press releases, and other publicity matters relating to this Agreement wherein BST's corporate or trade names, logos, trademarks or service marks or those of BST's affiliated companies are mentioned or language from which the connection of said names or trademarks therewith may be inferred or implied; and the Local Exchange Company further agrees not to publish or use advertising, sales promotions, press releases, or publicity matters without BST's prior written approval.

9.04. This Agreement constitutes the entire agreement between the Local Exchange Company and BST which supersedes all prior agreements or contracts, oral or written representations, statements, negotiations, understandings, proposals and undertakings with respect to the subject matter hereof.

9.05. Except as expressly provided in this Agreement, if any part of this Agreement is held or construed to be invalid or unenforceable, the validity of any other Section of this Agreement shall remain in full force and effect to the extent permissible or appropriate in furtherance of the intent of this Agreement.

9.06. Neither party shall be held liable for any delay or failure in performance of any part of this Agreement for any cause beyond its control and without its fault or negligence, such as acts of God, acts of civil or military authority, government regulations, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, strikes, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities, or acts or omissions of transportation common carriers.

9.07. This Agreement shall be deemed to be a contract made under the laws of the State of Georgia, and the construction, interpretation and performance of this Agreement and all transactions hereunder shall be governed by the domestic law of such State.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their fully authorized officers.

BELLSOUTH TELECOMMUNICATIONS, INC.

By: Robert Cochran
Title: SR DIR. SALES MGMT
Date: 6-1-96
Address: 675 W PEACHTREE ST
ATLANTA GA 30375

THE LOCAL EXCHANGE COMPANY

By: Mark A. Cannon
Title: V.P. Ops
Date: 7-1-96
Address: 565 NW 63 Way
FL. Land. In. Co. FL 33309

EXHIBIT C

BLANKET AGENCY AGREEMENT LETTER

I am an official of National Tel ["Company"] and am authorized to commit my company to the conditions stated herein:

1. Company will not submit any requests or inquiries for Resale or Facility Based local service provisioning under Blanket Agency Agreement procedures to [BellSouth] for which it does not have proper authorization from the End User upon whose behalf service is offered.

2. Company will instruct its End Users to deal directly with Company on all inquiries concerning their Local Service. This may include, but is not limited to, billing, repair, directory listings, and number portability.

3. Company is authorized to release all information regarding the End User's local service to [BellSouth].

4. In the event that an End User challenges action taken by [BellSouth] as a result of the above mentioned service request, Company will indemnify and hold harmless [BellSouth] for any damages or losses, resulting from Company's preparation and submission of service requests for which it did not have proper End User authorization.

5. In the event that an End User challenges billing which resulted from local service requests submitted to [BellSouth] by Company under this Blanket Agency Agreement, then Company will indemnify and hold harmless [BellSouth] for any damages, losses, costs and attorney's fees, if any, arising from [BellSouth] provisioning and maintenance of the End User's local service due to errors in the ordering of said service by Company.

6. In the event that an End User disputes actions taken by Company as a result of a submission by Company of a service request for disconnection or termination of a previously submitted local service request for which it did not have proper End User authorization, then Company will indemnify and hold harmless [BellSouth] for any damages, losses, costs and attorney's fees, if any, resulting from said dispute.

7. This Agreement shall continue in effect unless canceled by prior written notice by Company or [BellSouth] thirty (30) days prior to the effective date of cancellation. Cancellation shall not release or limit any matters occurring prior to the cancellation of this Blanket Agency Agreement.

EXHIBIT D

APPLICABLE DISCOUNTS

The telecommunications services available for purchase by National Tel for the purposes of resale to National Tel end users shall be available at the following discount off of the retail rate.

STATE	DISCOUNT	
	RESIDENCE	BUSINESS
ALABAMA	10%	10%
FLORIDA	18%	12%
GEORGIA	20.3%*	17.3%*
KENTUCKY	10%	8%
LOUISIANA	11%	10%
MISSISSIPPI	9%	8%
NORTH CAROLINA	12%	9%
SOUTH CAROLINA	10%	9%
TENNESSEE	11%	9%

*The Georgia discount is subject to change as a result of final resolution of the order of the Georgia Public Service Commission issued on June 12, 1996.

Discounts will not apply to: unbundled port service; nonrecurring charges; federal or state subscriber line charges; inside wire maintenance plans; pass-through charges (e.g., N11 end user charges); and taxes.