

ORIGINAL



March 26, 2003

Ms. Blanca Bayó, Director
Division of the Commission Clerk
& Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

via Overnight Mail

030301-TP

Re: Docket No. _____ – Petition of Florida Digital Network, Inc. and Mpower Communications Corp. for Expedited Temporary and Permanent Relief Against BellSouth Telecommunications, Inc., for its Anticompetitive Conduct Regarding Florida Digital Network, Inc.'s Proposed Acquisition of the Assets and Customers of Mpower Communications Corp. in Florida.

Dear Ms. Bayó,

Please find enclosed for filing in a **new docket** an original and seven (7) copies of the above-captioned petition.

Also enclosed is a diskette containing a Microsoft Word for Windows 2000 file of the foregoing document.

If you have any questions regarding the enclosed, please call me at 407-835-0460.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew Feil".

Matthew Feil
Florida Digital Network
General Counsel

LOCAL

LONG DISTANCE

DOCUMENT NUMBER-DATE
INTERNET

390 N. Orange Avenue Suite 2000 & 200 Orlando, Florida 32800
407.835.0300 Fax 407. 835.0309 www.floridadigital.net

2891 MAR 27 03

CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of Florida Digital Network, Inc., and Mpower Communications Corp. for Expedited Temporary and Permanent Relief against BellSouth Telecommunications, Inc., For its Anti-competitive Conduct Regarding Florida Digital Network, Inc.'s Proposed Acquisition of the Assets and Customer Base of Mpower Communications Corp. In Florida.

Docket No. _____

PETITION OF FLORIDA DIGITAL NETWORK, INC., AND MPOWER COMMUNICATONS CORP. FOR EXPEDITED TEMPORARY AND PERMANENT RELIEF AGAINST BELL SOUTH TELECOMMUNICATIONS, INC. FOR ITS ANTICOMPETITIVE CONDUCT REGARDING FLORIDA DIGITAL NETWORK, INC.'S PROPOSED ACQUISITION OF THE ASSETS AND CUSTOMERS OF MPOWER COMMUNICIONS CORP. IN FLORIDA

Pursuant to Sections 364.01(4)(a) and (g), Florida Statutes, Florida Digital Network, Inc., ("FDN" or "Florida Digital") and Mpower Communications Corp. f/k/a MGC Communications, Inc. ("Mpower") hereby petition the Florida Public Service Commission ("PSC" or "Commission") to, on an expedited basis, issue an order requiring BellSouth Telecommunications, Inc., ("BellSouth") to, as further set forth herein, (1) permit FDN to operate assets acquired from Mpower utilizing Mpower's carrier identification information or (2) assess a reasonable fee for changing the carrier identification information in BellSouth's systems from Mpower to FDN. In support of this Petition, Mpower and FDN (collectively "Petitioners") state as follows:

DOCUMENT NUMBER-DATE
02891 MAR 27 88
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INTRODUCTION

1. FDN, Mpower, and certain of their affiliated companies, signed an Asset Purchase Agreement (“Purchase Agreement”) whereby FDN was to acquire the telecommunications and data services assets and customer bases of Mpower in Florida and Georgia. However, closing the transaction has been delayed because Petitioners have not been able to obtain satisfactory terms from BellSouth to enable FDN to operate the acquired Mpower business. Specifically, Petitioners have proposed either: (1) that FDN be permitted to use Mpower’s carrier identifications such as Mpower’s Access Customer Name Abbreviation (“ACNA”)¹ post-closing or (2) that BellSouth make the necessary name-change modifications to its systems to account for the transfer from Mpower to FDN. BellSouth has flatly refused the first approach and has placed prohibitive costs and conditions on the second.

2. If permitted to stand, BellSouth’s obstructionist tactics will pose a significant obstacle to CLEC consolidation in the state, and the ramifications to competition in the state are predictable. Competitors will not be able to gain strength through consolidation now or down the road. CLECs will thus remain fractured, relative small in size, and perpetually struggling to gain sustainability. Moreover, the obstacle posed by BellSouth to competitor market *exit* will significantly reduce new market *entry* and deter the efficient development of competition.

PARTIES

3. FDN and Mpower are an alternative local exchange carriers (“ALECs”) certificated by the PSC. FDN and Mpower have separate interconnection agreements with BellSouth, are interconnected with BellSouth, and obtain access to unbundled network

¹ For billing, accounting and other purposes, carrier service and facilities are associated with unique codes for identification such as the ACNA, Carrier Identification Code (“CIC”), and Operating Company Number (“OCN”).

elements (“UNEs”), collocation and other services from BellSouth. Therefore, Petitioners are substantially affected competitors of BellSouth and, as such, have standing to file this proceeding.

4. The Petitioners’ names, addresses and telephone number are:

Florida Digital Network, Inc.
390 North Orange Avenue
Suite 2000
Orlando, FL 32801
407-835-0300

Mpower Communications Corp.
175 Sully’s Trail
Suite 300
Pittsford, NY 14534
585-218-6550

The Petitioner’s representatives’ names, addresses and telephone numbers are:

Matthew Feil
Florida Digital Network, Inc.
390 North Orange Avenue
Suite 2000
Orlando, FL 32801
407-835-0460
mfeil@floridadigital.net

Russell I. Zuckerman, Esq.
Sr. Vice President and General Counsel
Mpower Communications Corp.
175 Sully’s Trail
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585-218-6567
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Richard E. Heatter, Esq.
Vice President Legal and Regulatory Affairs
Mpower Communications Corp.
175 Sully's Trail
Suite 300
Pittsford, NY 14534
585-218-6556
rheatter@mpowercom.com

5. BellSouth is a corporation organized and formed under the laws of the State of Georgia, having an office at 675 West Peachtree Street, Atlanta, Georgia, 30375. BellSouth provides local exchange and other services within its legacy franchised areas in Florida. BellSouth is a "Bell Operating Company" and an "incumbent local exchange carrier" ("ILEC") under the terms of the Federal Telecommunications Act ("the Act") and is certificated as a Florida ILEC.

BACKGROUND

6. On January 8, 2003, FDN and Mpower, and certain of their affiliated companies, signed a Purchase Agreement whereby FDN was to acquire the telecommunications and data services assets and customer bases of Mpower in the states of Florida and Georgia, including switches, collocations, fiber, customer accounts, etc. The Purchase Agreement provides that closing is subject to, among other things, receipt of requisite regulatory approvals by the Georgia and Florida Commissions and the FCC. These regulatory approvals have all been received as of the date hereof, and the parties now desire to close.

7. To complete closing on terms acceptable to both parties, however, FDN and Mpower also had to obtain satisfactory provision for either (a) securing a workable mechanism for FDN's perpetual use of Mpower carrier identifications post-closing such that all former Mpower carrier assets, services and uses would be associated with and billed to

FDN rather than Mpower or (b) transferring from the Mpower name to the FDN name interconnection trunks, special access circuits, collocation facilities, UNEs, and the like. Despite receipt of the required regulatory approvals, FDN and Mpower have not closed, principally because of BellSouth's outrageous demands regarding the UNEs Mpower obtained access to, and which FDN requires use of, post-closing. This Petition concerns BellSouth's demands regarding UNEs.²

8. Beginning in December 2002, FDN and Mpower informed BellSouth of the impending transaction and engaged in a series of conference calls with various BellSouth personnel to obtain information regarding the contemplated transfer. BellSouth personnel verbally provided some of the information FDN and Mpower requested. However, the information provided verbally had been inconsistent at times or simply incomplete. Because of concerns with the critical nature and amount of information informally exchanged and the variation in some of the responses, FDN wrote BellSouth on January 24, 2003, requesting written information regarding the proposed transfer. A copy of FDN's letter is attached hereto as Exhibit A. Though FDN requested a written response within ten (10) days, as of March 20, 2003, more than forty days after the response was due, BellSouth had not responded.³

² BellSouth has verbally indicated that for changing carrier information for other facilities/services, BellSouth charges are as follows: \$50 per BAN and \$6 per circuit for special access, \$60 per BAN and \$7 per trunk for interconnection trunks, and the Administrative Only Application Charges (\$742/collocation in Florida) and (\$740.83/collocation in Georgia). At this time, Petitioners do not object to these fees. However, if BellSouth's written explanation of its prices or procedures is different than expected or desired, Petitioners reserve the right to amend this Petition to seek redress for the charges or procedures BellSouth would impose for these services.

³ Long after the response was due, BellSouth more than once promised FDN the response by a date certain, but BellSouth did not meet those obligations and the response never came. FDN acknowledges that on March 17, 2003, FDN informed BellSouth that while the parties attempt to negotiate a suitable UNE transfer rate, BellSouth may hold the response in abeyance. Mpower and FDN provided BellSouth a written proposal for resolution of the disputed matters on March 18. On March 20, BellSouth representatives verbally rejected that proposal and stated BellSouth would reply in writing that it would not deviate from the position explained in the body of this Petition.

9. Through January and February of 2003, Mpower, FDN and BellSouth exchanged emails and phone calls regarding the transfer issues. Although, as noted above, BellSouth has not provided a formal written response, BellSouth's position has emerged to be the following: (1) BellSouth would not permit FDN to operate Mpower's former assets and UNEs post-closing utilizing Mpower's carrier identifications and (2) BellSouth would charge what may average up to **\$35 to \$40 per UNE loop** just to change carrier identifying information from the Mpower name to FDN's name.⁴ Further, BellSouth has indicated that changing carrier identification on UNEs is strictly a manual process, initiated only by manual LSRs (for which manual service order charges apply), and that this manual process will take several months to complete. Additionally, while BellSouth undertakes these manual tasks for the UNEs, each affected collocation will be under a "freeze" for up to 30 days, during which time BellSouth will not process any new orders for customers served out of that collocation.

10. The prices and processes BellSouth has indicated it will impose on the Mpower-FDN transaction are patently anticompetitive, unfair, unjust, and unreasonable, in violation of state statute and the Act. Further, BellSouth has no basis for purporting to exercise control over FDN's use of Mpower's codes, especially considering, as explained below, (1) FDN is utilizing Mpower's codes today without objection or difficulty, (2) Mpower has committed

⁴ Since BellSouth has not responded in writing to FDN's January 24 request, the actual amount Mpower and FDN are being asked to pay is unclear, though BellSouth has stated the amount may be \$35 to \$40 per UNE loop. BellSouth has maintained that to change carrier identifiers on UNEs, a manual service order charge will apply for each LSR and a secondary service charge for each circuit will apply. The manual service order charge in Florida is \$11.90 per LSR and in Georgia is \$18.94 for the first USOC and \$8.42 for each additional USOC on an LSR. The secondary service charge is contained in Section A4 of BellSouth's General Subscriber Service Tariff ("GSST") in the respective states. The Florida GSST lists a charge of \$10 for residential and \$19 for business; and the Georgia GSST lists a charge of \$9.95 for residential and \$15 for business. The vast majority of the UNE loops involved in this case are business customers. Both GSSTs indicate the charge is per "customer request," which is defined as "a customer request for service that is ordered at the same time to be provided on the same date, the same premises, the same system and the same account." See Florida and Georgia GSST A4.1. BellSouth has not explained how this definition means Petitioners are to pay a secondary service charge per line.

not to use that codes anywhere ever in BellSouth's region, and (3) there is no definitive "rule" against FDN's continued use of the Mpower codes in these specific circumstances (let alone authority for BellSouth to enforce some sort of rule of its own). Given the absence of any justification for its position, it is apparent BellSouth's refusal to "permit" FDN to use Mpower's codes is little more than pretext for BellSouth's extorting a king's ransom for the other alternative of changing the codes. Assuming some 65,000 UNE loops in BellSouth territory in Georgia and Florida (combined) and a price tag of up to \$40 per loop, BellSouth will seek to exact payment of up to **\$2.6 Million** to implement the change. That is \$2.6 Million, not to physically remove and reinstall UNE loops from one location to another or change the features or functions of those loops in any way, but simply to change the carrier identification codes in BellSouth's billing and other systems. As if the excessive price tag were not enough, BellSouth takes its anticompetitive stance one step further because (1) BellSouth claims that if FDN were to use Mpower's ACNA, BellSouth will not process any new orders for Mpower collocations once the FDN-Mpower deal is complete, and (2) the procedure of changing ACNAs will take several months, and, as the change procedure is performed, no orders will be processed for the affected Mpower collocations for up to 30 days per collocation. Basically, then, even with Petitioners paying the ransom, after the transaction is complete, BellSouth would have customers served through Mpower collocations foreclosed from new services for a protracted, if not indefinite, period.

CONTINUED USE OF MPOWER CODES

11. By virtue of a management agreement between FDN and Mpower, and requisite authorizations provided by Mpower in favor of FDN, FDN is operating and managing the Mpower business in Florida and Georgia in the contractual capacity of third-party provider. FDN, standing in Mpower's shoes as it were, and using Mpower's carrier identifying information, is able to submit orders to BellSouth as Mpower, and FDN has done so for months with BellSouth's acceptance.

12. Mpower will continue to provide telecommunications services as Mpower and using the Mpower ACNA elsewhere in the United States, **but not** in BellSouth's region. Indeed, Mpower has committed not to operate under the Mpower ACNA anywhere ever in BellSouth's nine-state region. Thus, as a practical matter, there should never be any confusion on the part of BellSouth regarding FDN's responsibility for issues relative to the Mpower ACNA, and FDN and Mpower are committed to resolve any issues that may arise between the two of them.

13. Though BellSouth can cite no technical reason preventing FDN from continuing use of Mpower's ACNA, BellSouth has contended FDN's using the Mpower ACNA post-closing is not permitted by virtue of a Telcordia White Paper regarding carrier codes (attached hereto as Exhibit B). A plain reading of the Telcordia White Paper reveals, however, that nothing in it bars one carrier from using another's codes in circumstances such as those presented here. Exhibit B is silent on the subject, or, at best, ambiguous. Moreover, BellSouth has referenced no authority whatsoever for the proposition that BellSouth itself has the right or power to enforce its own interpretation of the White Paper or that it may impose some rule of its own design regarding carrier codes.

14. BellSouth has verbally indicated that if Petitioners close the transaction, BellSouth would not process any new FDN orders for UNEs served from the former Mpower collocations, but it would process disconnects. Thus, if FDN were to attempt to operate using Mpower's ACNA post-closing, BellSouth will forbid FDN from fulfilling the needs of customers served through a former Mpower collocation who wish, for example, to order a new line, but BellSouth would be more than happy to disconnect the customer's service.

15. There is no meaningful difference between FDN's use of Mpower's codes today, which BellSouth has accepted, and what Mpower and FDN desire to do regarding those codes post-closing.

16. BellSouth's position regarding FDN's use of Mpower's ACNA post-closing appears little more than pretext to force Mpower and FDN into meeting BellSouth's ludicrous terms regarding changing the ACNA on UNEs.

CHANGING CARRIER CODES

17. BellSouth has stated that it may charge up to \$35 to \$40 per UNE loop for changing the ACNA on UNE loops from Mpower to FDN. The proposed price is simply outrageous, and the processes that BellSouth would have Mpower and FDN endure as part of the change are exceedingly onerous.

18. BellSouth's proposed price for simply changing carrier identification on UNE loops is completely out of line with what is charged by other incumbents for similar services. For instance, SBC in Texas recently charged \$2.50 per UNE loop (fourteen to sixteen times less than BellSouth's figures) for changing identifiers on UNEs such as at

issue here, even though that figure too should be considered high for what is essentially a records-only change.

19. BellSouth's asking price of up to \$35 to \$40 per UNE loop just for changing the ACNA equals or exceeds the already significant initial connection charges CLECs pay BellSouth for new customers. For instance, currently, in non-recurring initial connection charges alone for a three-loop SL-1 customer, in Florida a CLEC would pay \$95.23 and in Georgia, a CLEC would pay \$105.20. For changing the ACNA on those same three loops, at a \$35 per loop average, BellSouth would now demand \$105, and at \$40 per loop average, BellSouth would demand \$120 – not to perform some kind of cutover -- but just to change carrier identification in BellSouth's billing and other systems. Mpower already paid BellSouth substantial initial connection charges to serve the customers Mpower desires to transfer to FDN. BellSouth's demand for \$35 to \$40 a loop to change the carrier identification on UNEs equates to BellSouth's asking that Mpower and FDN pay the initial connection charges for those same customers all over again.

20. The process BellSouth proposes for changing identification information on UNEs is incredibly onerous. Aside from being required to submit manual rather than mechanized orders for the UNEs affected and the several months necessary to complete the change, FDN would have to endure rolling 30-day freezes at the Mpower collocations while BellSouth dithers with its records to change carrier information. BellSouth should have more efficient processes in place to accommodate CLEC business changes such as at issue here, with minimal inconvenience to the CLECs and the customers involved.

CONCLUSION

21. If permitted to stand, BellSouth's conduct in this matter will render it utterly impossible for any CLEC in this state to sell its assets and customers to any other CLEC, because the conditions and the price tag BellSouth places on such transfers are far too onerous. The consequences to competition in this state are bleak. Competitors will have very limited ability to strengthen their businesses through consolidation. CLECs will thus remain fractured, relatively small in size -- with 0.5%, 1% and 1.5% or less market share a piece -- and perpetually struggling to reach the scale that is essential for sustainability. In the long run, BellSouth's dominance will continue. When business factors make it desirable for a competitor to leave a market, the competitor will not be able to obtain a fair price for its assets because the offering price will always need to be offset by the homage BellSouth demands. CLECs may then face the choice of staying in the market and perpetuating losses and/or simply surrendering its customer base to whoever wants it. With economic signals like these, carriers will be much less likely to accept the business risks of ever entering the market in this state.

22. Mpower and FDN have attempted to negotiate with BellSouth a reasonable solution to the issues complained of in this Petition, but BellSouth has not compromised in the least. Therefore, Mpower and FDN were left with no choice but to pursue this Petition.

23. Consummation of the Mpower - FDN transaction is on hold pending the Commission's resolution of this matter. The Purchase Agreement provides that time is of the essence. If the Commission does not promptly stop the anticompetitive behavior of BellSouth in this case, this transaction, and all transactions like it, will be jeopardized.

Accordingly, expedited temporary relief and expedited permanent relief are warranted. The temporarily relief requested herein comes with no known cost or risk of loss to BellSouth.

WHEREFORE and in consideration of the above, FDN and Mpower respectfully requests the Commission to immediately enter an order or orders: (1) granting temporary relief barring BellSouth from interfering or impeding in any way with FDN's right to use and operate under Mpower's carrier identification codes after closing, pending a final disposition of this matter and (2) granting permanent relief (a) barring BellSouth from interfering or impeding in any way with FDN's right to use and operate under Mpower's carrier identification codes or (b) permitting BellSouth to charge no more than a fair, just, nondiscriminatory and competitively reasonable price for changing carrier identifications from Mpower to FDN and (c) requiring BellSouth not to place the unreasonable ordering limitations BellSouth has proposed on FDN's going-forward ability to order against former Mpower collocations and requiring a reasonable and coordinated program for changes resulting from the Mpower-FDN transfer and (d) providing for such other relief as the Commission deems just and necessary.

Respectfully submitted, this 26 day of March 2003.

A handwritten signature in black ink, appearing to read "Matthew Feil", written over a horizontal line.

Matthew Feil
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Orlando, FL 32801
407-835-0460
mfeil@floridadigital.net

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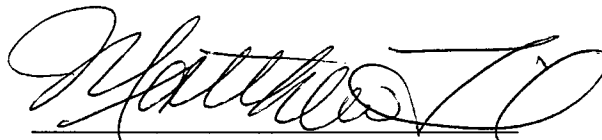
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was delivered by email and overnight mail to the persons listed below this 26 day of March, 2003.

Ms. Nancy White, c/o Nancy Sims
BellSouth Telecommunications, Inc.
150 S. Monroe Street
Suite 400
Tallahassee, FL 32301

Ms. Beth Keating
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850



Matthew Feil
Florida Digital Network, Inc
390 North Orange Ave.
Suite 2000
Orlando, FL 32801
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mfeil@floridadigital.net



January 24, 2003

BellSouth Telecommunications
Andrew Caldarello
600 North 19th Street
9th Floor
Birmingham, AL 35203

Re: Sale of Assets by Mpower Communications to Florida Digital Network

Dear Mr. Caldarello:

I write on behalf of Florida Digital Network, Inc. and its affiliates ("FDN") to request that you provide me specific written information to assist FDN in completing and transfer of certain assets from Mpower Communications and its affiliates ("Mpower") to FDN. As we have informed you, FDN is acquiring essentially all of Mpower's telecommunications assets in the states of Florida and Georgia.

FDN greatly appreciates the information that your company's representatives have provided verbally, through conference calls, and by email over the last several weeks. However, FDN must be certain of its and your company's course of conduct as part of this transfer and we believe that some detailed information is still lacking.

Accordingly, I ask that you please provide written response to the following requests for information: (1) state the specific costs, terms and conditions your company would propose for an assignment of MPower's interconnection, UNE, resale and collocation agreement(s) to FDN, (2) identify the mechanisms your company would expect to employ for having one FDN, rather than multiple (FDN and an Mpower legacy) agreements, going-forward, (3) itemize procedures, processes and prices for transferring ownership from Mpower to FDN on all Mpower collocations, loops, special access circuits, and interconnection trunks, etc. within your company's jurisdiction in Florida and Georgia, (4) explain (a) why your company maintains it cannot process the change of ownership as a simple records change (through mechanized and systemic applications that will switch the carrier name, billing and other identifying information in your company's systems and records), rather than, for instance, requiring FDN to submit a manual LSR to change carrier information on every UNE loop being transferred, and (b) if your company can develop a service/product that will achieve the desired transfer of ownership in a more streamlined fashion, more like a simple records change, and whether your company can and will expedite that development, (5) since your company representatives have acknowledged that changing carrier name, billing and identifying

information from Mpower to FDN on all Mpower collocations, loops, special access circuits, and interconnection trunks, etc. under your company's existing processes and procedures would take a significant period of time to achieve, please confirm (a) that your company commits to coordinate activities with FDN so as to achieve any conversion in an orderly fashion, while making efficient use of your company's and FDN's resources and minimizing any inconvenience to the end users and (b) that your company agrees not to disrupt FDN's operating the former Mpower assets and services until the transfer process is resolved.

I ask that you provide me a written response to this letter in no less than 10 days. If you have any questions, please contact me at 407-835-0460.

Sincerely,

COPY

Matthew Feil

WHITE PAPER IAC / EC CODES

- A. Introduction
- B. Assignment of new codes
- C. Required documentation
- D. Name Changes
- E. Mergers, acquisitions, buyouts, etc
- F. Consolidated codes
- G. Purchase of Assets
- H. Use of codes
- I. Z codes
- J. Invalid IAC codes (ZZZ, CUS, Codes not in D/B)

A. Introduction

The IAC and EC codes represent a company name and one code per company name is assigned. They identify Incumbent Local Exchange Carriers, Competitive Local Exchange Carriers, Interexchange Carriers, Resellers, Wireless Services Providers, Enhanced Service Providers, Telecommunications Billing and/or Processing Companies, Competitive Access Providers, Regional Holding Companies and any other type of company that is part of the telecommunications industry.

Separate codes are not assigned for different functions of a company. If a company falls into more than one of the above categories, the rule is as stated: The code represents a company name and one code per company name is assigned.

IAC formerly stood for Interexchange Access Customer. As changes have occurred in the telecommunications industry, the words "Interexchange" and "Access" became confusing to users of these codes. The COMMON LANGUAGE Technical Advisory Group recognized this dilemma and made the decision to refer to these codes as IAC codes.

An IAC is a telecommunications or information provider who may be classified as any of the functional entities listed above.

The code is not owned by the company to whom it is assigned. The code is part of the national database that serves as a repository for all codes assigned. The code is non-transferrable and cannot be part of a legal agreement to be sold or changed. When changes are needed, contact Telcordia and provide legal documentation from the state to substantiate the request.

An Exchange Carrier (EC) is a telecommunications entity that provides dial tone and local exchange switching of telecommunications services and has at least one wire center. Resellers of local exchange service are considered to be Exchange Carriers for coding purposes even though they are not the network provider. The codes are required for these companies to do business with the companies from whom they buy (or lease) numbers, dial tone, facilities, etc.

IAC codes and Exchange Carrier Name codes are assigned to these companies by Telcordia as the maintenance agent for ANSI T1.251. The attempt is made to make the codes mnemonic when such a code is available and not already assigned.

The IAC code is made up of three alphabetic characters.

The EC code is made up of four alphabetic characters. There are some two-character codes that are standard. These codes belonged to the former Bell System companies and at divestiture of the Bell System the judge allowed the companies to keep those codes to prevent having to change every record in every database. No other two-character codes were ever assigned and none ever will be.

These codes are used by the following types of organizations: Network Distribution, Switching Operations, Financial/Comptrollers and Regulatory/ External Affairs. They are particularly applicable to the following operations: Ordering, Circuit Provisioning, Billing and Bill Verification.

Two important uses of these codes are interfacing between companies and achieving flow-through. These codes serve as a trigger to get an order moving through the process in most companies.

When a company places an order with a provider, the IAC code (or ACNA/CCNA) or the EC code (or CC) and the company name on the order are verified against the Telcordia national database. If there is a discrepancy, the provider will refer the company to Telcordia to follow procedures to update the database.

Codes not in the national database are invalid.

B. Assignment of new codes

One code per company is assigned. Separate codes are not assigned for different functions of a company. If a company functions as more than one of the kinds of entities listed above, ONE CODE IS ASSIGNED to the company name, not individual codes to the functions. If it is necessary to define a function of a company, it is done in other ways, e.g., with the use of Field Identifiers on a Service Order.

(A given company may be assigned one IAC code as well as one EC code. The requirement for which code is needed is determined by the companies with whom the company does business, i.e., some companies require a three-character code for their processes and some companies require a four-character code.)

C. Required documentation

Documentation required to substantiate the request for a code or change to a code is legal documentation from the state; generally the office of the Secretary of State.

Per ANSI Standard T1.251, the IAC Code identifies a company. As the maintenance agent for the ANSI Standard, Telcordia upholds that definition. To that end, legal documentation is required showing a legal company name to be input into the database. This assures that the information going in is as correct as possible and that all users of the database can be confident about the information

Generally the legal document will be called Articles of Incorporation. However, not all companies are incorporated and not all states use the same name for the document. Here is a partial list of some document names that are acceptable as legal documentation:

- Amended Certificate of Convenience and Necessity
- Articles of Amendment
- Articles of Amendment to Articles of Incorporation
- Articles of Conversion
- Articles of Incorporation
- Articles of Merger
- Articles of Merger, Consolidation or Exchange
- Articles of Organization
- Articles of Organization Limited Liability Co
- Certificate of Amendment to Certificate of Incorporation
- Certificate of Assumed Name
- Certificate of Assumed or Trade Name
- Certificate of Convenience and Necessity
- Certificate of Existence
- Certificate of Existence with Status in Good Standing
- Certificate of Formation
- Certificate of Good Standing
- Certificate of Incorporation
- Certificate of Merger
- Certificate of Public Convenience and Necessity
- Certification of Fictitious Business Name
- Certified Fictitious Business Name Statement
- Registration of Fictitious Name
- Restated Articles of Incorporation with Amendments

Forms S-1 or 10K filed with Securities and Exchange Commission will very often be helpful in identifying subsidiaries.

D. Name Changes

To effect a name change for a particular IAC or EC code, Telcordia must be provided with legal documentation from a state government showing that the company name has **changed from what is shown in the database to what the client desires to have shown**. Documentation that does not specifically state a name change is not acceptable for a change to a company name in the national database.

Company name changes are requested when:

---a company changes its name
---a company purchases (or otherwise acquires) another company and the name of the "old" company changes to that of the purchasing company.

There may not be a direct, one-step link from the database name to what is desired because interim name changes may not have been provided to Telcordia. In this case, legal documentation that shows the links from the database name to what is desired is acceptable. For example:

Database Name = Company A / Desired Name = Company D
Documentation that depicts Company A to Company B to Company C to Company D is acceptable to change the name from Company A to Company D.

In some cases, for a variety of reasons, legal documentation of a name change is not available. Some of these reasons are:

---the company name did not actually change
---the "new" company bought assets, not the whole company
---the purchase occurred, but for business reasons, the name of the company will not be changed
---documentation cannot be found.

In these cases the company name associated with the company name in the database for the code will not be changed. That code and its name will remain as is.

To do business (account information, provisioning, billing, etc) with a provider, the company which made the purchase will contact the provider and negotiate for changes in account information for the code (the one where the name cannot be changed) to the purchasing company's own code. This negotiation will include, but not be limited to, the purchasing company showing the provider that the purchase was made, a list of the billable items that are now part of the purchasing company and the code that they are now a part of. The provider will then effect the changes in their systems.

The negotiation with the provider is NOT to change the name associated with the code that cannot be changed, but to change the code on the appropriate billable items to the purchasing company's code. Only Telcordia can make a name change for a code after review of the supporting legal state documentation.

The code that cannot be changed will not be used on any records that are identified as the purchasing company and it stays in the national database with its original meaning.

The reason for this is that legal state documentation supporting a name change has not been provided.

The difference in the requirements for the Telcordia national database and doing business with a provider goes back to the definition of the code. The code represents the legal company name and legal documentation from a state is required to substantiate it. The provider needs to know that a purchase of another company (total or partial) occurred and what billing items need to now be associated with the purchasing company.

Example :

Database before change:

ABC Alpha Beta Cellular.

With legal documentation of a name change, the database will show:

ABC New Company Name (Prev Alpha Beta Cellular).

Without legal documentation of a name change, the database will show:

ABC Alpha Beta Cellular (same as it was to start with).

It is not a problem to have an item in the database for a company that "no longer exists". If it truly no longer exists, that code will never be used. If part of the company still exists under that name, the code will validly be used by that company. The standard does not allow for database deletions, because if deleted, codes would be available for assignment and if some instances of the "old" code still exist in some database somewhere, incorrect billing could occur.

If a company purchases a company that does not have a code assigned to it, obviously there is nothing to change and the purchased company becomes part of the purchasing company using its IAC code.

If a code has been used invalidly, i.e., someone made it up, there is also nothing to change. The purchased company becomes part of the purchasing company using its code.

For an acquired company that does not have a code, a new code for that company will not be assigned for the purpose of changing it to the purchasing company. That would be a waste of a code and is not necessary. The purchased company becomes part of the purchasing company using its code.

Abbreviation/Acronym list:

ACNA = Access Customer Name Abbreviation
ANSI = American National Standards Institute
CCNA = Customer Carrier Name Abbreviation
EC = Exchange Carrier
IAC = (Interexchange Access Customer)
Prev = Previously

E. Mergers, acquisitions, buyouts, etc

When mergers, acquisitions or buyouts occur, the Telcordia COMMON LANGUAGE® Products Business Unit General Codes Chairperson should be informed so that the code(s) will reflect the way the "new" company is doing business. Telcordia works with each company to determine the best way for the change in structure to be represented, i.e., name change on existing code, referencing several existing codes to now use one overall code, etc.

To effect a name change for a particular IAC or EC code, Telcordia must be provided with legal documentation from a state government **showing that the company name has changed from what is shown in the database to what the client desires to have shown**. Documentation that does not specifically state a name change is not acceptable for a change to a company name in the national database.

F. Consolidated Codes

Codes are consolidated when a company purchases, merges with or otherwise acquires another company and the "new" company desires to do business with their trading partners under one IAC (ACNA) code. This decision is a business policy decision on the part of the "new" company and it is up to them how they choose to do business. When the decision is made to use one code, documentation is provided to Telcordia and the reference to the code that is to be used is shown in the database. Obviously, the "new" company will communicate to their trading partners what they have decided to do, how they will be doing business and the code they will use.

Example:

In the database **before the transaction:**

AVN Aviation Telecommunications Company
OHC Optical Horizons Company

Aviation buys Optical and chooses to use only the AVN code in their future business.

In the database **after the transaction** and after providing documentation to Telcordia:

AVN Aviation Telecommunications Company
OHC Use IAC Code AVN
(The "Other Previous Names" field in the database will show Optical Horizons Company on the OHC record.)

This means that OHC **is no longer** a valid IAC code.

G. Purchase of Assets

Generally, when one company purchases the assets of another company, a name change does not occur. The purchasing company is not acquiring the company, only its assets. In many cases, the original company name still exists and that company may remain in business. In addition, more than one company could buy portions of the assets of a particular company. These are more reasons to support the requirement of legal documentation to substantiate a company name change.

H. Use of codes

The IAC and EC codes **represent a company name**. (The IAC code is used to populate the ACNA field and is frequently referred to as the ACNA code.)

They do not represent

---general partnership,
---partial or total asset ownership or
---other financial involvement.

Separate codes are not assigned to a company for the purpose of internal tracking of different business items.

They also do not represent

---tax areas
---pricing plans
---tariffs
---functions within the company.

None of these examples are appropriate uses of the codes. In all of these cases there are other appropriate ways within the a company's processes to specify these kinds of scenarios, e.g., service order, LSR/ASR (Local Service Request/Access Service Request), account information, billing, etc.

I. Z codes

Codes that begin with the letter Z are for local assignment and use and are invalid IAC codes except for 1 real one in the database (ZPC). A company may have internal reasons for wanting to track various items through their processes and these codes can be the vehicle. There may also be reason during a trial or test of a new system or service to use these codes. They could also be used locally for other functions. Each company assigns their own Z codes if they have a need. They keep track of the meaning of the codes within their company. **THESE CODES ARE NOT TO BE USED TO INTERFACE WITH OTHER COMPANIES.**

26 codes, ZTA through ZTZ, all with the meaning "Locally assigned for internal testing purposes-Invalid IAC code" are in the national database for local company use. Assigning these values helps to streamline a company's processes.

J. Invalid IAC codes (ZZZ, CUS, Codes not in D/B)

ZZZ and CUS are not IAC Codes or ACNAs, but defaults for a required field in ordering and other processes. For example, they would be used for a customer who orders using the ASR / LSR process but who would never be assigned an IAC code. **Therefore, ZZZ and CUS should never appear in the EC / IAC field in CLONES.**

Note: Both ZZZ and CUS are in the national database showing that they are invalid. They carry the same definition:

CUS: Default Value for Casual Customer. Not a Valid IAC Code

ZZZ: Default Value for Casual Customer. Not a Valid IAC Code

Codes not in the national database are also invalid.

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January 30, 2002
Revised April 18, 2002