REDACTED

Voice | Data | Internet | Wireless | Entertainment

EMBARQ

Embarq
Mailstop: FLTLHO0102
1313 Blair Stone Rd.
Tallahassee, FL 32301
embarq.com

080308-TP

June 6, 2008

VIA HAND DELIVERY
Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Docket No. ________________
Embarq Florida, Inc.'s Complaint against MCI Communications Services d/b/a Verizon Wireless

Dear Ms. Cole:

Enclosed for filing please find the original and seven (7) copies of Embarq's Complaint against MCI Communications Services d/b/a Verizon Wireless.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same.

Sincerely,

Susan S. Masterton

Susan S. Masterton

Enclosure

Susan S. Masterton
SENIOR COUNSEL
Voice: (850) 599-1560
Fax: (850) 878-0777
susan.masterton@embarq.com

CERTIFICATE OF SERVICE
DOCKET NO. __________

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by regular U.S. Mail and electronic mail on this 6th day of June, 2008 to the following:

MCI Communications Services, Inc. d/b/a Verizon Business Services
David Christian
Demetria Clark
106 East College Avenue, Suite 710
Tallahassee, FL 32301-7721
David.christian@verizon.com
demetria.g.clark@verizon.com

Dulaney L. O'Roark III
5055 North Point Parkway
Alpharetta, GA 30022
de.oroark@verizon.com

Florida Public Service Commission
Divsion of Competitive Markets and Enforcement
Beth Salak
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
bsalak@psc.state.fl.us

Florida Public Service Commission
General Counsel's Office
Adam Teitzman, Esq.
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
ateitzman@psc.state.fl.us

Susan S. Masterton
Susan S. Masterton

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Complaint of Embarq Florida, Inc. against MCI Communications Services, Inc. d/b/a Verizon Business Services for failure to pay intrastate Access charges pursuant to Embarq's tariffs	Docket No. 080308 Filed: June 6, 2008

COMPLAINT

Embarq Florida, Inc. ("Embarq"), through its undersigned counsel and in accordance with Rules 28-106.201, and 25-22.036, Florida Administrative Code, files this complaint against MCI Communications Services, Inc. d/b/a Verizon Business Services ("Verizon") for its unlawful refusal to pay intrastate access charges, billed by Embarq in accordance with Embarq's intrastate access tariff, for certain interexchange traffic that was originated and terminated in Florida.[1] In support of its Complaint, Embarq states as follows:

Parties

1. Embarq is a certificated local exchange telecommunications company ("LEC") in Florida, authorized to provide local exchange telecommunications services, including exchange access services, under its tariffs on file with the Florida Public Service Commission ("Commission or "FPSC").

2. The name and address of Petitioner is:

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[1] In May 2006 the Embarq local companies were separated from their former parent, Sprint Corporation. In conjunction with this separation, Sprint-Florida, Incorporated changed its name to Embarq Florida, Inc. A portion of the billings that are the subject of this dispute occurred prior to the separation and were billed under the Sprint-Florida name. For the purposes of consistency, the name "Embarq" will be used throughout the Complaint either to refer to Sprint-Florida, Incorporated or Embarq Florida, Inc. Upon information and belief, in January 2006, Verizon concluded its acquisition of MCI. The certificated MCI Florida intrastate interexchange entity changed its name to MCI Communications Services, Inc. d/b/a Verizon Business Services. Again, that entity will be referred to as Verizon throughout this Complaint.

Embarq Florida, Inc.
555 Lake Border Drive
Apopka, FL 32703-5815

3. All pleadings, orders, notices and other correspondence with respect to this docket should be addressed to:

Susan S. Masterton, Esq.
1313 Blair Stone Road
P.O. Box 2214
Tallahassee, FL 32316-2214
(850) 599-1560 (phone)
(850) 878-0777 (fax)
susan.masterton@embarq.com

4. Upon information and belief, Verizon is a registered intrastate interexchange carrier ("IXC") in Florida and provides intrastate interexchange services to customers in Florida.

5. Upon information and belief, the names and addresses of respondents as they appear on the Commission's website, are:

MCI Communications Services, Inc. d/b/a Verizon Business Services
106 East College Avenue, Suite 710
Tallahassee, FL 32301-7721

Jurisdiction

6. The Commission has jurisdiction over this Complaint pursuant to section 152 of the federal Communications Act, as amended, and chs. 350 and 364, Florida Statutes.

Background

7. IXCs interconnect with the networks of LECs, such as Embarq, in order to access these companies' end user customers for the origination and termination of long distance calls. When a customer originates an interexchange call, that customer's local provider transports the call over the local provider's network to the network of the selected IXC.

This part of the interexchange call is known as the "originating" segment. The IXC then transports the call to the network of the called party's local provider. The called party's local provider receives the call from the IXC and delivers it to the called party. This part of the call is the "terminating" segment.

8. When a LEC's end user makes an interexchange call and the IXC carrying that call utilizes the LEC's network for either originating or terminating the call, federal and state laws require the IXC to pay access charges to the originating and terminating LECs to compensate them for the use of their networks. The caller's LEC receives "originating access" charges, and the called party's LEC receives "terminating access" charges. And the IXC carrying that call must pay originating and terminating access charges pursuant to the LECs' tariffs for these services.

9. Charges for access to the local exchange networks for the origination and termination of interexchange traffic are governed by section 201 of the Communications Act for interstate interexchange traffic and by s. 364.163, F.S. for intrastate interexchange traffic. In accordance with these statutes, applicable access charges are set forth in Embarq's federal and state tariffs on file with the Federal Communications Commission ("FCC") and the FPSC, respectively. These tariffs detail the methodology for classifying the jurisdiction of interexchange traffic as either interstate or intrastate for the purposes of applying the jurisdictionally appropriate access charges.

10. The tariffed rates that Embarq charges for access services vary according to whether the interexchange call physically originates and terminates in different states or internationally (i.e., interstate) or within the same state (i.e., intrastate). Historically, in an effort to keep local service rates low, intrastate access rates have been higher than

interstate access rates, thereby creating an intentional rate disparity between interstate access and intrastate access rates. Specifically, Embarq's current composite originating interstate access charge is $.006426 per minute of use, and its current composite originating intrastate access charge is $.023424 per minute of use. Embarq's current composite terminating interstate access charge is $.006426 per minute of use, while its current composite terminating intrastate access charge is $.023424 per minute of use.[2]

11. In 1995, the Florida Legislature rewrote ch. 364, F. S., to, among other things, establish the level of switched access charges that incumbent local exchange companies could charge pursuant to their tariffs (See, s. 364.163, F.S.). In 2003, the Legislature enacted ch. 2003-32, Laws of Florida, the Tele-competition Innovation and Infrastructure Enhancement Act, ("Telecompetition Act"), which partially deregulated intrastate interexchange telecommunications carriers. However, it explicitly maintained these carriers' obligation to pay appropriate charges for access to the local telecommunications network. (See s. 364.02(14), F.S.)

12. Because Embarq's tariffed access charge rates for origination or termination of interstate interexchange traffic are significantly lower than Embarq's tariffed access charge rates for intrastate interexchange traffic, Verizon has an incentive to avoid paying the higher intrastate access charges. In this context, it appears that Verizon has unilaterally determined, without support in either federal or state law, that all calls

[2] These rates reflect Embarq's current composite rate implemented in November 2006. As a result of rebalancing, the rate has changed during the time frame covered by this complaint. As of August 2005, Embarq's composite originating intrastate rate was $ .045952 and its composite terminating intrastate rate was $.053752. As of November 2005 Embarq's composite originating intrastate rate was $.036244 and its composite terminating interstate rate was $.036244.

transported using voice over Internet protocol ("VoIP") are subject to interstate access charges, regardless of the physical endpoints of a call.[3]

13. Contrary to the position taken by Verizon, the jurisdiction of long distance telecommunications traffic, that is, whether it is interstate or intrastate interexchange traffic, has historically been determined by the originating and terminating physical end points of the call.[4] This continues to be the law today.

14. While the FCC has considered various facets of regulation applicable to VoIP traffic, it has never determined the jurisdiction of VoIP traffic for intercarrier compensation purposes. In fact, in its decision regarding the jurisdiction of Vonage's VoIP traffic for regulatory purposes (which Verizon cites as the basis for its assertion that only interstate access charges apply to VoIP traffic), the FCC specifically declined to rule on the jurisdiction for compensation purposes.[5]

15. In addition, Florida law specifically provides that, while VoIP is not included in the definition of "service" for regulatory purposes, nothing in the law is intended to "affect the rights and obligations of any entity related to the payment of switched network

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[3] In rulemakings at the FCC, Verizon recently has encouraged the FCC to deem all VoIP traffic jurisdictionally interstate, a position the FCC has not adopted. Other commenters have opposed such a policy and have noted that it would require a change in existing rules that do not exempt VoIP traffic from intrastate access charges. See, e.g., *IP Enabled Services*, Notice of Proposed Rulemaking, WC Docket No. 04-35, 19 FCC Rcd 4863 (2004); *Developing a Unified Intercarrier Compensation Regime*, Further Notice of Proposed Rulemaking, CC Docket No. 01-92, 20 FCC Rcd 4685 (2005).

[4] See, e.g., Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; Intercarrier Compensation for ISP-Bound Traffic, Declaratory Ruling in CC Docket No. 96-98 and Notice of Proposed Rulemaking, 14 FCC Rcd 3689 (rel. Feb. 26, 1999) at ¶¶ 10, 11 (discussing the end-to-end analysis as the historical method for determining jurisdiction). See also In re: Investigation into appropriate methods to compensate carriers for exchange of traffic subject to Section 251 of the Telecommunications Act of 1996, FPSC Docket No. 000075-TP, Order No. PSC-02-1248-FOF-TP (issued Sept. 10, 2002) at p. 30 (recognizing the end-to-end analysis as the historical method for determining whether a call is local or non-local).

[5] See, *Vonage Holdings Corporation Petition for Declaratory Ruling Concerning an Order of the Minn. Pub. Utils Comm'n.*, Memorandum Opinion and Order, 19 FCC Rcd 22404 (rel. Nov. 12, 2004) at ¶¶ 14, 44.

access rates or other intercarrier compensation, if any, related to voice-over-Internet protocol service." (See, s. 364.02(13), F.S.)

Allegations of Material Facts

16. On January 27, 2005, Verizon notified Embarq of its position that interstate access charges applied to all interexchange VoIP traffic and its intent to identify VoIP traffic for these purposes. (See Letter from Michael A. Beach to Jim Patterson and Bill Cheek, included as Attachment 1.)

17. Embarq responded to Verizon's January 27th letter on March 29, 2005, refuting Verizon's mischaracterization of the applicable law and its self-serving position regarding the appropriate access charges for intrastate interexchange VoIP traffic. (See Letter from Bill Cheek to Michael A. Beach, included as Attachment 2.)

18. On July 21, 2005, MCI sent Embarq a "notice" that it had implemented a reporting system that purportedly had identified VoIP traffic for which Embarq had billed intrastate access charges. Verizon did not dispute that this traffic was intrastate traffic based on the endpoints of the identified calls; rather it asserted that interstate charges applied solely because of the VoIP nature of the traffic. (See Letter from Jeffrey M. Quinn, included as Attachment 3.)

19. In calculating the amount of Embarq's access billings in dispute, Verizon has self-identified a subset of the minutes of total interexchange traffic terminated to Embarq that it alleges to be VoIP. Verizon has represented that its classification of VoIP traffic as either interstate or intrastate is based on the actual endpoints of each call. Of the 99.7M minutes Verizon identified as VoIP minutes from August 2005 through February 2008, Verizon classified 30.7M minutes to be interstate minutes, 68.8M minutes to be intrastate

minutes and 0.2M as unknown jurisdiction. However, Verizon's classification of interstate versus intrastate minutes for its VoIP traffic differs substantially from the jurisdictional percentages for Verizon interexchange traffic Embarq has developed in accordance with its tariffs, using actual traffic data compiled through the industry-standard Agilent call tracking system. Using Agilent, the percent interstate usage ("PIU") Embarq has applied in Florida for the period August 2005 through February 2008 to all Verizon interexchange traffic is 67%. However, comparing the minutes of use that Verizon claimed was VoIP traffic to the interstate-intrastate breakdown Verizon claimed for this VoIP traffic, it appears that Verizon has classified only 31% of this VoIP traffic as being interstate in nature. This PIU is a significant difference from the 67% PIU for all of Verizon's traffic that Embarq calculated using Agilent.

20. Verizon's classification of the traffic as interstate or intrastate is important, because Verizon has wrongly claimed that all of the VoIP minutes it has identified as intrastate were billed by Embarq at intrastate access rates. This unfounded assumption is the basis for the amount of Embarq's access billings that Verizon has disputed and withheld from payment.

21. Verizon has challenged Embarq's billings by repeatedly filing disputes of the amounts billed, by unilaterally deciding what amounts to pay, and ignoring that Embarq has properly denied Verizon's individual bill disputes. Verizon has no legal right to engage in self help and withhold payment of these lawful, tariffed charges.

22. On November 11, 2005, Embarq again replied to Verizon, again refuting Verizon's mischaracterization of the law related to VoIP traffic and reiterating that intrastate access charges apply to intrastate interexchange VoIP traffic. Embarq denied

Verizon's disputes of Embarq's billings and demanded immediate payment of the disputed amounts. (See Letter from Ted Hart to Jeffrey M. Quinn, included as Attachment 4.)

23. To date, Verizon has failed to pay the disputed amounts and has continued to dispute Embarq's access billings based on its self-serving identification and classification of VoIP traffic and its false assertion that all interexchange VoIP traffic is entitled to access services at interstate rates, notwithstanding the provisions of Embarq's tariff.

24. From August 2005 until the present, Verizon has failed to pay approximately $1,801,924 in intrastate access charges that are lawfully due to Embarq. A detailed summary of the disputed billings is included as Attachment 5.

Violation of Embarq's Lawful Tariffs

25. Embarq's intrastate access terms and charges are set forth in its Florida Access Service Tariff filed with the Florida Public Service Commission. Under Florida law, tariffs duly filed by a local exchange telecommunications company have the force and effect of law.[6]

26. Sections E2, E3 and E6 of Embarq's Florida Access Service Tariff set forth the rates, terms and conditions applicable for originating and terminating intrastate interexchange switched access services. Embarq fully performed all of its obligations under the tariff, except for those it was prevented from or excused from performing by, or which were waived by, Verizon's actions.

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[6] See *BellSouth v. Jacobs*, 834 So. 2d 855, 859 (Fla. 2002); *Maddalena v. Southern Bell*, 382 So. 2d 1246 (Fla. 4th DCA 1980); *In re: Complaint by Mr. Paul Leon and Mr. Joseph Olazabal Against Florida Power & Light Co. re: Tariff for Moving Electric Light Poles*, Docket No. 981216-EI, Order No. PSC-98-1385-FOF-EI (issued Oct. 15, 1998) at pg. 2.

27. Section E2.3.11 of Embarq's Access Services Tariff sets forth the manner in which the jurisdiction of interexchange traffic is to be determined for billing purposes.[7] Consistent with federal and Florida law, this section makes clear that the end user endpoints of a call determine the jurisdiction of the call. Specifically, E2.3.11.A.1. states:

> Pursuant to Federal Communications order F.C.C. 85-145 adopted April 16, 1985, intrastate usage is to be developed as though every call that enters a customer network from a calling location within the same state as that in which the called station (as designated by the called station number) is situated is an intrastate communication and every call for which the point of entry is in a state other than that where the called station (as designated by the called station number) is situated is an interstate communication. <u>The manner in which a call is routed through the telecommunications network does not affect the jurisdiction of a call,</u> i.e., a call between two points within the same state is an intrastate communication even if the call is routed through another state. (emphasis added)

28. In addition, section E2.3.11B sets forth the manner in which Embarq is to establish factors to determine the amount of interexchange traffic that will be billed at interstate access rates and the amount that will be billed at intrastate rates. Specifically the tariff provides, in part:

> When the Company has the capability to develop the PIU based on actual usage data, the PIU will be developed by the Company on a state-wide level. Using the actual usage data, the interstate percentage will be developed on a quarterly basis by dividing the measured interstate originating or terminating access minutes (the access minutes where the calling number is in one state and the called number is in another state) by the total measured originating or terminating access minutes. The Company will begin to utilize the Company developed PIU factors as soon as sufficient call detail is available, and will implement subsequent Company developed PIU factors on a quarterly basis in accordance with the provisions set forth in (7) following.

[7] Section E2.3.11, relating to jurisdictional reporting, is included as Attachment 6.

29. Embarq uses the Agilent system, an industry-standard technology that identifies the actual originating and terminating endpoints of the interexchange calls terminated by Verizon.[8] In accordance with the tariff, Embarq applies a factor based on this actual Agilent traffic data.

30. There is no dispute that a portion of Verizon's access traffic, identified by Verizon as VoIP traffic, is intrastate traffic to which intrastate access charges apply under the terms of Embarq's tariff. Verizon's treatment of this traffic as interstate traffic violates the terms of Embarq's tariff.

31. Embarq has both the right and duty to recover the charges set forth in its tariff under Florida law. (See ss. 364.04, 364.08, 364.09, 364.10 and 364.163, F.S.)

32. As a result of Verizon's violation of Embarq's tariff by classifying all of its VoIP traffic as interstate, Verizon has failed to pay Embarq approximately $1,801,924 in intrastate access charges, an amount that continues to grow. As of the date of this Complaint, the total amount due to Embarq is estimated to be $2,615,712, including applicable late payment penalties.[9]

33. In addition, even if one accepted Verizon's patently wrong and self-serving claim that interstate access charges, rather than intrastate access charges, apply to all VoIP traffic regardless of the physical endpoints, Verizon has identified more VoIP minutes to be jurisdictionally intrastate than Embarq billed at intrastate rates (see ¶19, supra). Because Verizon has significantly understated the percentage of its VoIP traffic that is interstate, it has in turn significantly underpaid Embarq for non-VoIP intrastate traffic for

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[8] Agilent technology cannot accurately identify originating and terminating endpoints where traffic has been stripped of identifying data, has been misrouted to disguise origin, or is deliberately mislabeled. Such instances typically understate the percentage of traffic that is intrastate.

[9] Provisions related to late payment penalties are set forth in the Embarq Florida Access Tariff, Section E2.4.1.B.3

which intrastate access charges are unquestionably due. As a result of Verizon's misclassification of so much of its VoIP traffic as intrastate, Verizon has failed to pay Embarq approximately $1,204,599 of intrastate access charges that are rightfully due Embarq, irrespective of the question whether interstate access charges apply to all VoIP traffic. As of the filing of this Complaint, the total due to Embarq solely as a result of this misclassification of the VoIP traffic is approximately $1,750,567, including applicable late payment penalties and the total continues to grow.

Violations of State Law

34. Section 364.02(14), F.S. (enacted as part of the Telecompetition Act in 2003) provides limited relief from Florida Public Service Commission regulation for intrastate interexchange telecommunications carriers. However, the section explicitly provides:

> Each intrastate interexchange telecommunications company...shall continue to pay intrastate switched network access charges or other intercarrier compensation to the local exchange telecommunications company or the competitive local exchange telecommunications company for the origination and termination of interexchange telecommunications service.

By failing to pay Embarq the applicable intrastate access charges that were due on its intrastate interexchange VoIP traffic, Verizon has failed to fulfill its obligations under this statute.

35. Section 364.02(13), F.S., specifically provides:

> (13) "Service" is to be construed in its broadest and most inclusive sense. The term "service" does not include broadband service or voice-over-Internet protocol service for purposes of regulation by the commission. Nothing herein shall affect the rights and obligations of any entity related to the payment of switched network access rates or other intercarrier compensation, if any, related to voice-over-Internet protocol service. Notwithstanding s. 364.013, and the exemption of services pursuant to this subsection,

> the commission may arbitrate, enforce, or approve interconnection agreements, and resolve disputes as provided by 47 U.S.C. ss. 251 and 252, or any other applicable federal law or regulation. With respect to the services exempted in this subsection, regardless of the technology, the duties of a local exchange telecommunications company are only those that the company is obligated to extend or provide under applicable federal law and regulations. (emphasis added)

36. In addition, by its unilateral refusal to pay access charges in accordance with Embarq's tariffs, Verizon effectively has claimed for itself an unlawful discount for services for which similarly situated access customers paid the higher intrastate rates, contrary to ss. 364.08, 364.09 and 364.10, F.S., and other anti-discrimination and anti-competition prohibitions in ch. 364, F.S.

37. Finally, Florida law requires all telecommunications companies to pay regulatory assessment fees ("RAFs") on the gross intrastate revenues that they report. See s. 364.336, F.S. and s. 350.113, F.S. Commission Rule 25-4.0161, F.A.C., implements these statutory provisions. If Verizon's reclassification of its intrastate interexchange VoIP traffic as interstate traffic caused it to under-report its intrastate revenue in Florida, then Verizon improperly underpaid its Florida RAFs. The Commission has jurisdiction to require Verizon to pay the appropriate amount of its RAFs pursuant to Commission Rule 25-24.480, F.A.C. An Order requiring Verizon to pay access charges in accordance with Embarq's tariffs, moreover, would result in a corresponding increase in Embarq's Florida intrastate revenues and payment of RAFs during the period in which Verizon complies with the Order. If Verizon has similarly misclassified Florida intrastate traffic with other Florida LECs, the result would be a similar under-recovery by Florida of those LECs' RAFs. The discriminatory and anti-competitive effects of Verizon's unlawful evasion of intrastate access charges apply similarly to avoiding RAFs.

Request for Relief

WHEREFORE, Embarq asks the Commission promptly to initiate appropriate proceedings to consider the issues set forth in this Complaint and to rule in favor of Embarq and against Verizon as follows:

1. Find that Verizon has violated the terms of Embarq's tariffs and Florida law by wrongfully designating certain intrastate interexchange traffic as interstate interexchange traffic and failing to pay intrastate access charges that are due to Embarq.

2. Order Verizon to pay Embarq the difference between the access charges on intrastate calls Verizon has paid and the access charges on intrastate calls Verizon is required to pay under Embarq's tariffs, an amount estimated to be $1,801,924.

3. Order Verizon to pay Embarq late payment penalties on the difference between the access charges on intrastate calls AT&T has paid and the access charges on intrastate calls Verizon is required to pay under Embarq's tariffs, an amount estimated to be $813,788 which continues to grow.

4. Order any and all other relief deemed appropriate by the Commission.

Respectfully submitted this 6th day of June 2008.

Susan S. Masterton, Esq.
P.O. Box 2214
1313 Blair Stone Road
Tallahassee, FL 32301
(850) 599-1560 (phone)
(850) 878-0777 (fax)
susan.masterton@embarq.com

COUNSEL FOR EMBARQ FLORIDA, INC.

MCI

COPY

Michael A. Beach

Vice President - Carrier Management
6415 Business Center Drive, W-427
Highlands Ranch, CO 80130
303-305-5099 (phone)
303-305-1802 (fax)

January 27, 2005

Jim Patterson
VP – Carrier Access / Wholesale Markets
6360 Sprint Parkway
Overland Park, KS 66251

Bill Cheek
AVP – Strategic Sales & Account Mgmt.
6480 Sprint Parkway
Overland Park, KS 66251

Dear Jim and Bill:

Recent technology and industry developments with respect to voice-over-IP ("VoIP") traffic, coupled with the FCC's preemption of both enhanced and certain VoIP services, highlight the need for our companies to implement practical ways of identifying enhanced traffic, including VoIP traffic, in order to bill each other and other carriers at the correct rates.

As part of the ongoing dialogue we have had on issues of mutual interest, I would like to provide you with input on MCI's plans on this topic and schedule further dialogue.

MCI has developed plans for routing traffic subject to the enhanced services rules, including VoIP traffic that undergoes a net protocol conversion between IP and TDM protocols, and is implementing mechanisms to identify this traffic so that it can be properly billed. Since this issue also impacts the traffic your company terminates to others, including MCI, we anticipate you may also have an interest in such mechanisms.

Specifically, for enhanced traffic, including VoIP traffic MCI will initially identify and track this traffic using a reporting tool that will allow MCI to provide you with monthly reports that identify the enhanced and VoIP traffic that MCI terminated to you over either Feature Group D connections or local interconnection trunks. Later this year, we also expect to be able to tag this traffic using SS7 signaling capability so that terminating carriers can identify this type of traffic as it is delivered on a real time basis. We have a technical proposal for achieving this that we would like to brief you on and discuss in more detail.

MCI believes the proper billing rates for enhanced or VoIP traffic delivered over FGD connections would not exceed the interstate switched access rates. Such traffic delivered over the local interconnect trunks should be billed at reciprocal compensation rates for local traffic.

Please let me know a convenient time and location for knowledgeable personnel from both companies to discuss this topic in detail as we explore mutual agreement on ways to efficiently identify and bill local, long distance and enhanced services traffic exchanged between our companies.

Sincerely,

cc: Ihab Tarazi, Pat Woods, Norbert White, John Trofimuk (MCI)

Attachment 1

Sprint.

William E. Cheek
Assistant Vice President
Strategic Sales & Account
Management

Sprint Business Solutions
6480 Sprint Parkway
Mailstop: KSOPHM0310-3A253
Overland Park, KS 66251
Voice 913 315 8026
Fax 913 315 0628

March 29, 2005

Michael A. Beach
MCI
Vice President – Carrier Management
6415 Business Center Drive, W427
Highlands Ranch, CO 80130

Dear Michael,

Thank you for your January 27, 2005 letter regarding the applicability of access charges for VoIP traffic. Unfortunately, Sprint does not share your view regarding when or the amount of access charges that apply for the VoIP traffic you appear to be referencing.

To date, the FCC VoIP-related decisions are limited to the pulver.com decision, the AT&T Phone-to-Phone Telephony order, and the November 2004 order preempting the states from regulating Vonage-type traffic. We assume your letter references something other than computer-to-computer traffic addressed in the pulver.com decision or the phone-to-phone traffic addressed in the AT&T Declaratory Ruling, as the applicability or non-applicability of access charges has been decided in those cases. As you know, in the Vonage decision the FCC did not decide whether Vonage's DigitalVoice service should be classified as an unregulated "information service" under the Telecom Act or as a telecommunications service, but instead the commission deferred that decision to its IP-Enabled Services Proceeding. In addition, the FCC made it clear in the Vonage decision that they were not addressing the inter-carrier compensation issue.

Sprint has consistently maintained that traffic that is converted from TDM to IP and back to TDM prior to termination is subject to full access charges. This applies whether the traffic is terminated over FGD circuits or local interconnection trunks. Until such time as the FCC issues rules to the contrary, Sprint will continue to bill and expects MCI to pay interstate and intrastate access charges on all VoIP traffic that is not originated as IP traffic and that does not undergo a network protocol conversion. We believe that Level 3's recent withdrawal of its Forbearance Petition at the FCC is a good indication that the commission still supports the assessment and payment of access charges on VoIP traffic that originates or terminates over the PSTN. None of MCI's interconnection agreements currently allow MCI to deliver interexchange traffic over local interconnection trunks. Furthermore, the interconnection agreement between Sprint and MCI in NV prohibits either party from sending VoIP traffic over local interconnection trunks until the parties have negotiated an amendment, and the Sprint-MCI interconnection agreements in NC and FL do not allow for the combination of Local/IntraLATA and interexchange traffic on

Attachment 2

interconnection trunks until it is deemed feasible by the parties and the ordering and billing procedures have been established.

If MCI is terminating interexchange traffic (either interstate or intrastate) over local interconnection facilities, Sprint asserts that MCI is liable for full access charges consistent with existing Federal and State regulations and with the terms of its interconnection agreements with Sprint. It is inappropriate for MCI or any other carrier to implement traffic termination schemes that are designed solely to avoid paying access charges lawfully due for the termination of such traffic. If MCI is terminating access traffic over local interconnection facilities, I respectfully request that MCI cease and desist from such activity so as to avoid any possible violation of MCI's interconnection agreements or Sprint's access tariffs.

I will ask my administrative assistant to coordinate a meeting in the near future where we can discuss this matter in more detail.

Sincerely,

Bill Cheek

BEC/lr

MCI

Jeffrey M. Quinn

Senior Manager – Telco Cost Management
205 North Michigan Avenue, suite 1100
Chicago, IL 60601
312-260-3445 (phone)
312-470-5574 (fax)

July 21, 2005

Regarding MCI Reporting of Enhanced FGD Traffic

As indicated in a previous notice to your company, MCI has deployed enhanced services in its network which include Enhanced PrePaid and VoIP. MCI has also implemented reporting for your company, providing details of the traffic which has passed between our companies on FGD trunks.

MCI believes the proper billing rates for VoIP or other enhanced traffic delivered over switched access connections would not exceed the interstate switched access rate levels. The reporting your company has received includes a calculation for traffic which your company invoiced MCI at rates that exceed the interstate access rates for your area.

For your reference, the attached document provides a description of the fields included in the report and an explanation of the role of each field in the calculation of the excess invoiced charges.

If you have any questions regarding this notice or billing and payment for this traffic between MCI and your company, please do not hesitate to contact your normal MCI contact.

Sincerely,

Jeffrey M. Quinn

Attachment 3

Attachment - Enhanced Voice Report – Field Description

Column	Column Name	Short Description	Source	Long Description
A	LEC	Name of Telco	MCI Assigned	The MCI Assigned Name of the Holding/Parent telephone company invoicing access traffic for this report.
B	Telco	Telco Code as invoiced by the LEC	LEC Invoice	The Telco Code used in the LEC invoice to identify itself as the carrier of the traffic.
C	ST	State location for the LEC Switch	LEC CABS or SECABS Invoice	State derived from 5th and 6th characters of the CLLI code, not from the Billing Account Number State code.
D	CLLI	LEC Switch 11-char CLLI Code	LEC CABS or SECABS Invoice	CLLI Code as LEC invoiced.
E	Bill Cycle From Date	Beginning date of the LEC billing cycle in this report	LEC CABS or SECABS Invoice	Beginning date of the billing cycle in this report.
F	Bill Cycle To Date	Ending date of the LEC billing cycle in this report	LEC CABS or SECABS Invoice	Ending date of the billing cycle in this report.
G	Bill INTER MOUs	LEC IntERstate switching minutes for this category	LEC CABS or SECABS Invoice	LEC IntERstate switching minutes in total for this LEC CLLI for this bill cycle.
H	Bill INTRA MOUs	LEC IntRAstate switching minutes for this category	LEC CABS or SECABS Invoice	LEC IntRAstate switching minutes in total for this LEC CLLI for this bill cycle.
I	UNEP Factor	Percent of switched access traffic to and from UNEP users	MCI Internal Reporting	MCI internal reporting identifies traffic to/from this LEC CLLI related to MCI's UNEP end users, and then uses that as a basis to estimate the traffic for all UNEP carriers.
J	ORIG TERM INDICATOR	Directionality Indicator - Originating vs. Terminating	LEC CABS or SECABS Invoice	Provides an indication which traffic direction is being reported on each line of the report.
K	TERM INTRA INTRA MOUs	EPP Terminating Minutes-Of-Use with apparent jurisdiction of IntRAstate-IntRAlata	MCI captured switch CDR's	Terminating minutes from an MCI Enhanced service which would appear to LEC as jurisdiction IntRAstate-IntRAlata.
L	TERM INTRA INTER MOUs	EPP Terminating Minutes-Of-Use with apparent jurisdiction of IntRAstate-IntERlata	MCI captured switch CDR's	Terminating minutes from an MCI Enhanced service which would appear to LEC as jurisdiction IntRAstate-IntERlata.
M	TERM INTER INTRA MOUs	EPP Terminating Minutes-Of-Use with apparent jurisdiction of IntERstate-IntRAlata	MCI captured switch CDR's	Terminating minutes from an MCI Enhanced service which would appear to LEC as jurisdiction IntERstate-IntRAlata.

N	TERM INTER INTER MOUs	EPP Terminating Minutes-Of-Use with apparent jurisdiction of IntERstate-IntERlata	MCI captured switch CDR's	Terminating minutes from an MCI Enhanced service which would appear to LEC as jurisdiction IntERstate-IntERlata.
O	TERM JUR UNKNOWN MOUs	Terminating Minutes-Of-Use without CPN - LEC could not determine an apparent jurisdiction	MCI captured switch CDR's	Terminating minutes from an MCI Enhanced service which would be of unknown jurisdiction in LEC CABS processing.
P	ORIG JUR UNKNOWN MOUs	Originating Toll free Minutes-Of-Use where LEC could determine no apparent jurisdiction	MCI captured switch CDR's	Originating toll-free (8yy) minutes to an MCI Enhanced service which would be of unknown jurisdiction in LEC CABS processing.
Q	ITE CPM	Average Interstate cost per minute	LEC CABS or SECABS Invoice	Average variable cost per local switching minute for IntERstate jurisdiction - calculated from the LEC CABS or SECABS invoices.
R	ITA CPM	Average Intrastate cost per minute	LEC CABS or SECABS Invoice	Average variable cost per local switching minute for IntRAstate jurisdiction - calculated from the LEC CABS or SECABS invoices.
S	PIU FACTOR	PIU % Factor used to jurisdictionalize the unmeasurable traffic	MCI Filed PIU Factor	PIU Factors utilized by the LEC in determining jurisdiction of traffic where adequate calling detail information is unavailable - Orig 8xx PIU Factor OR Term traffic PIU Factor
T	TOTAL PIU APPLICABLE MOUs	Calculated Field=O+P	Calculation	Totals the traffic for which the LEC must apply a PIU factor as the apparent jurisdiction cannot be determined from call details by the LEC
U	ITA MOUs FROM PIU	Calculated Field=T*(1-S)	Calculation	IntRAstate invoiced minutes calculated using inverse of the PIU Factor (1-PIU%) against the "Total PIU Applicable MOUs"
V	ITA MEAS BY ILEC	Calculated Field=K+L	Calculation	IntRA state minutes measurable by the LEC.
W	TOTAL ITA FROM EPP	Calculated Field=U+V	Calculation	Total IntRA minutes combined from two preceding columns.
X	UNEP ADJUSTED ITA MOUs TO DISPUTE	Calculated Field=W*(1-I)	Calculation	Total IntRA minutes are reduced by the UNEP% calculated above.
Y	CPM DELTA	Calculated Field=R-Q	Calculation	The difference between the average IntRAstate and IntERstate costs per minute.
Z	DISPUTE AMOUNT	Calculated Field=Y*X	Calculation	The final value of charges that exceed IntERstate access costs.

Sprint®

Ted Hart

Senior Manager – Local Markets

Wholesale Markets

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Ted.C.Hart@sprint.com

November 11, 2005

VIA EMAIL & FIRST CLASS MAIL

Mr. Jeffrey M. Quinn
MCI
205 North Michigan Avenue, Suite 1100
Chicago, Illinois 60601

Dear Mr. Quinn:

Sprint has received and reviewed the notification from MCI dated January 27, 2005 regarding MCI's plan's to reclassify certain jurisdiction of traffic according to MCI's internal processes and contrary to tariffs governing such classifications. We have also received and reviewed your July 21, 2005 letter, related disputes and numerous spreadsheets detailing and attesting to MCI's methods of such reclassification(s). Sprint is hereby denying the disputes MCI has filed for the reasons stated below.

VOIP Enhanced Traffic

MCI claims that it has enhanced its VOIP traffic pursuant to, and in a manner that is consistent with, FCC regulation governing such traffic. Sprint understands that MCI believes its enhancements allow for the reclassification of VOIP traffic. Sprint's analyses of the traffic in question indicate that it begins as an intrastate TDM call and ends as an intrastate TDM call. Sprint has analyzed the traffic using endpoints of the calls, and we also note that the traffic undergoes no net change in protocol. As a result, Sprint has concluded that MCI's actions -- involving adjunct and optional information services offered in connection with an intrastate call -- constitute nothing more than an attempt to "wash" the calls of their true nature in order an effort to circumvent and avoid paying higher intrastate access rates. Additionally, even if there traffic were VoIP traffic that undergoes a net change in protocol, it would be considered IP-enabled traffic. The regulatory treatment of IP-enabled Voice traffic is currently before the FCC, and that docket includes a discussion of the proper forms of inter-carrier compensation. Until there is an order from the FCC changing the current compensation schemes, there is no basis for suggesting the traditional inter-carrier compensation scheme in place today doesn't also apply to IP-enabled Voice traffic.

Attachment 4

Sprint is denying the disputes logged by MCI from January 18, 2005 through and including September 18, 2005 currently totaling $923,621.82. Sprint also expects that it will deny any future disputes submitted by MCI that are based on the same grounds as the current disputes, unless there are additional or changed facts different from the facts relied upon in this letter.

For these reasons Sprint is asking MCI to make immediate payment of the amounts disputed. Because of the size and length of time these disputes have been pending, Sprint cannot guarantee that after November 30 it will complete orders for MCI should the amounts associated with the above disputes remain unpaid.

If you have any questions or need additional information about this, please do not hesitate to contact us.

Sincerely,

Ted Hart
Senior Manager – Local Markets

CC: Mike Jewell, Sprint (via e-mail)
Bill Cheek, Sprint (via e-mail)
Mitch Danforth, Sprint (via e-mail)
Jackie Pickard, Sprint (via e-mail)
Tom Carroll, Sprint (via e-mail)
Kevin Shaw, MCI (via e-mail)
Karen Burgess, MCI (via e-mail)

VERIZON VOIP DISPUTE SUMMARY BY MONTH - FLORIDA as of 6/6/08

TOTAL DISPUTED ORIGINATING AND TERMINATING

(2) DETAIL AS PROVIDED BY VERIZON FOR TERMINATING ONLY

[redacted]

CONFIDENTIAL

Attachment 5

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.9 Network Blockage

It shall be the responsibility of the IC to provide adequate trunking capacity, to avoid any adverse affects to the telecommunications network.

E2.3.10 Coordination with Respect to Network Contingencies

The IC shall, in cooperation with the Company, coordinate in planning the actions to be taken to maintain maximum network capability following natural or man-made disasters which affect telecommunications services.

E2.3.11 Jurisdictional Report Requirements

A. Percent Interstate Usage (PIU)

1. Pursuant to Federal Communications Commission order F.C.C. 85-145 adopted April 16, 1985, intrastate usage is to be developed as though every call that enters a customer network from a calling location within the same state as that in which the called station (as designated by the called station number) is situated is an intrastate communication and every call for which the point of entry is in a state other than that where the called station (as designated by the called station number) is situated is an interstate communication. The manner in which a call is routed through the telecommunications network does not affect the jurisdiction of a call, i.e.; a call between two points within the same state is an intrastate communication even if the call is routed through another state.

2. The projected interstate percentages will be used by the Company to apportion the usage between interstate and intrastate until a revised report is received as set forth in B.7 following.

B. Jurisdictional Reports

When the Company has the capability to develop the PIU based on actual usage data, the PIU will be developed by the Company on a state wide level. Using the actual usage data, the interstate percentage will be developed on a quarterly basis by dividing the measured interstate originating or terminating access minutes (the access minutes where the calling number is in one state and the called number is in another state) by the total measured originating or terminating access minutes. The Company will begin to utilize the Company developed PIU factors as soon as sufficient call detail is available, and will implement subsequent Company developed PIU factors on a quarterly basis in accordance with the provisions set forth in (7) following.

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (Cont'd)

When the Telephone Company receives insufficient call detail to identify the calling station to determine the jurisdiction, the Telephone Company will charge the applicable rates for terminating switched access as set forth in this Tariff. It is not possible for customers using multifrequency address signaling to transmit calling party number (CPN) to interconnecting carriers. In addition, there may be a percentage of usage where it is not possible for customers using CCS7 to know, and therefore to send to the Telephone Company, the needed originating information. Accordingly, the Telephone Company will charge the intrastate terminating switched access rates to customers using CCS7 only for those minutes lacking originating information that are in excess of the average percentage of minutes for which CPN is not transmitted, initially 22% (the "floor"). For example, if 40% of a customer's minutes sent to the Telephone Company do not contain sufficient originating information to allow the Telephone Company to determine the originating location, then the Telephone Company would apply these provisions to those minutes exceeding the "floor," or 18% in this example. The Telephone Company will apply the customer's provided PIU to the residual traffic that does not apply to the provision of this tariff section (82% in this example).

Minor fluctuations in the "floor" are expected. As a result, the Telephone Company will not apply charges based on the floor when the customer's percentage of calls lacking sufficient originating information is within 5 percentage points of the floor.

The Telephone Company will recalculate the overall switched access customer average "floor" quarterly.

In the event that the Telephone Company applies the intrastate terminating access rates to calls without sufficient originating information as specified herein, customers will have the opportunity to request backup documentation of the Telephone Company's basis for such application. The customer can request that the Telephone Company change the application of the intrastate access rates upon an acceptable showing of why the intrastate rate should not be applied.

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (Cont'd)

For all other minutes of use for which the Company is unable to develop the PIU from actual usage data, the Company will apply the customer's projected PIU factor, provided as set forth in (1) through (13) following, to apportion the usage between interstate and intrastate.

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (Cont'd)

1. When a customer orders Feature Group A, Feature Group B, 500 Access Service and/or Toll Free Code (TFC) Access Service, the customer shall state in its order the projected Interstate percentage for interstate usage for each Feature Group A, Feature Group B, 500 Access Service and/or TFC Access Service ordered. If the customer discontinues some but not all of the Feature Group A, Feature Group B, 500 Access Service and/or TFC Access Services in a group, it shall provide an updated projected interstate percentage for the remaining services in the group. Additionally, upon employing the 700 access code over Feature Group D, the customer must provide a projected interstate percentage for the 700 calls. If the customer fails to provide a 700 projected interstate percentage, a default percentage of 100% interstate will be assumed.

2. For single connection arrangements, the interstate Feature Group A, Feature Group B, and/or TFC Access Service information reported as set forth in (1) preceding will be used to determine the charges. The number of access minutes (either the measured minutes or the assumed minutes) for a connection will be multiplied by the projected interstate percentage to develop the interstate access minutes. The number of access minutes for the connection minus the developed interstate access minutes for the connection will be the developed intrastate access minutes.

3. For multiline hunt group or trunk group arrangements, the interstate Feature Group A, Feature Group B, and/or TFC Access Service information reported as set forth in (1) preceding will be used to determine the charges. The number of access minutes (either the measured minutes or the assumed minutes) for a service will be multiplied by the projected interstate percentage to develop the interstate access minutes. The number of access minutes for the service minus the developed interstate access minutes for the service will be the developed intrastate access minutes.

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (Cont'd)

4. When a customer orders Feature Group C, Feature Group D, TFC or 900 Access Service, the projected interstate percentage will be determined as set forth in (a) through (c) following:

a. For originating Feature Group C and originating Feature Group D used in the provision of a MTS/MTS-like service, the Company will determine the projected interstate percentage of use from the call detail

b. For terminating Feature Group C used in the provision of MTS/MTS-like service, and terminating Feature Group C used in the provision of 900 service, the projected interstate percentage of use will be determined through the factors as set forth in Section E6.7.7 following.

c. For terminating Feature Group D used in the provision of MTS/MTS-like service, terminating Feature Group D used in the provision of 900 service, originating Feature Group C and Feature Group D used in the provision of 900 service, and originating and terminating Feature Group D used in the provision of Toll Free Code (TFC) service, the customer shall provide the projected interstate usage percentage in its access service order. In the event the customer fails to provide a projected interstate percentage, the Company will determine the projected interstate percentage as follows:

For originating access minutes, the projected interstate percentage will be developed on a monthly basis when the Feature Group C or Feature Group D Switched Access Service minutes are measured by dividing the measured interstate originating minutes (the minutes where the calling number is in one state and the called number is in another state) by the total originating minutes when the call detail is adequate to determine the appropriate jurisdiction.

For terminating access minutes, the data used by the Company to develop the projected interstate percentage for originating access minutes will be used to develop projected interstate percentage for such terminating access minutes.

When originating call details are insufficient to determine the jurisdiction for the call, the prior months's projected interstate percentage shall be used by the Company as the projected interstate percentage for originating and terminating access minutes. The projected intrastate percentage of use will be obtained by subtracting the projected interstate percentage for originating and terminating access minutes from 100 (i.e., 100 - interstate percentage = intrastate percentage).

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (Cont'd)

5. When a customer orders Directory Assistance Access Service, the customer shall state in its order the projected interstate percentage for terminating use for each Directory Assistance Access Service group ordered. (A method the customer may wish to adopt could be to use its terminating traffic from its premises to the involved Directory Assistance Location and calculate the projected interstate percentage as set forth in 4. preceding). The Company will designate the number obtained by subtracting the projected interstate percentage furnished by the customer from 100 (100-customer provided interstate percentage = intrastate percentage as the projected intrastate percentage of use.

6. Except where Company measured access minutes are used as set forth in 4 preceding, the customer reported number of interstate services or interstate percentage of use as set forth in 1, 4, or 5 preceding will be used until the customer reports a different projected interstate percentage for an in service end office. When the customer adds or discontinues lines or trunks to an existing end office, the customer shall furnish an updated projected interstate percentage that applies to the end office. The revised report will serve as the basis for future billing and will be effective on the next bill date. No prorating or back billing will be done based on the report.

7. No later than the 15th day of January, April, July and October of each year the customer shall provide a revised jurisdictional report showing the interstate and intrastate percentage of use for the past three months ending the last day of December, March, June and September, respectively, for each service arranged for interstate use.The revised report

   If the customer does not supply the revised report, the Company will assume the percentages to be the same as those provided in the last quarterly report. For those cases in which quarterly reports has never been received from the customer, the Company will assume the percentages to be the same as those provided in the order for service as set forth in 1, 4 and 5 preceding.

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (Cont'd)

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (Cont'd)

8. Entrance Facility and Direct-Trunked Transport

Entrance Facility and Direct-Trunked Transport will be made available in conformance with the restructure of Local Transport. In order to provide these new services, customers of Switched Access services must provide new PIU factors that reflect all Switched Access services using these restructured facilities.

When an Entrance Facility is provided for both interstate and intrastate Switched Access, the customer must provide a Switched Access Entrance Facility PIU factor on a serving wire center or study area level. The Entrance Facility PIU must account for all Switched Access originating and terminating usage carried over the Entrance Facility.

When Direct-Trunked Transport is provided for both interstate and intrastate Switched Access, the customer must provide a Switched Access Direct-Trunked Transport PIU factor on a study area level. The Direct-Trunked Transport PIU must account for all Switched Access originating and terminating usage carried over the Direct-Trunked Transport facilities.

If the customer does not provide a Switched Access PIU factor for an Entrance Facility or Direct-Trunked Transport as set forth above, the Company will develop a PIU for the Entrance Facility and Direct-Trunked Transport using the most current representative period.

The Entrance Facility and Direct-Trunked Transport PIU Report must be provided to the Company upon ordering service, and thereafter, on a quarterly basis. Provisions for updating the interstate and intrastate jurisdictional report as specified in Section E2.3.11 B 7 preceding will also apply for the Entrance Facility and Direct-Trunked Transport PIU Report.

Verification provisions to maintenance of records as specified in E2.3.11.C of this tariff will apply to the Entrance Facility and Direct Trunked Transport PIU report.

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (Cont'd)

9. The jurisdictional report will serve as the basis for all future billing except as provided in D. following and will be effective on the next bill date.

10. Dedicated Access Service must be reported as 100% interstate use or 100% intrastate use and the jurisdiction will be determined as follows:

- If the customer's estimate of the interstate traffic on the service involved constitutes 10 percent or less of the total traffic on that service, the service will be provided in accordance with the applicable rules and regulations of this Tariff.

- If the customer's estimate of the interstate traffic on the service involved constitutes more than 10 percent of the total traffic on that service, the service will be provided in accordance with the appropriate interstate tariff.

Any change in a Dedicated Access Service that would result in a change of jurisdiction must be reported immediately.

11. Reserved for Future Use

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (Cont'd)

12. When a customer orders Common Channel Signaling/Signaling System 7 (CCS/SS7) Interconnection Service, the customer shall provide to the Company in its order for the service, a CCS/SS7 Interconnection Service PIU Report.

Customers who provide the CCS/SS7 Interconnection Service PIU Report shall supply the Company with an interstate percentage of 0 through 100 per Signaling Transfer Point (STP) Port Termination. This STP Port Termination PIU will be an average PIU based upon the jurisdiction (interstate versus intrastate) of those originating end user calls that require use of the specified STP Port Termination for signaling purposes.

The PIU provided by the customer for the STP Port Termination will be used by the Company to determine the jurisdiction (interstate versus intrastate) of the customer's STP Access Mileage charges.

The CCS/SS7 Interconnection Service PIU must be provided to the Company upon ordering service, and thereafter, on a quarterly basis. Provisions for updating the interstate and intrastate jurisdictional report as specified in E2.3.11 B7 preceding will also apply for updating the CCS/SS7 Interconnection Service PIU Report. The Company will utilize the quarterly CCS/SS7 Interconnection Service PIU Report for the STP Port Termination to update the STP Access Mileage PIU effective on the bill date for the service.

All provisions pertaining to maintenance of records as specified in E2.3.11. C of this tariff will apply to the CCS/SS7 Interconnection Service.

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (Cont'd)

12. When a customer orders Line Information Data Base (LIDB) Access Service, the customer shall in its order provide to the Company a LIDB Access Service PIU Report. Customers who provide the LIDB Access Service PIU Report shall supply the Company with an interstate percentage per originating point code (OPC) ordered. The LIDB Access Service PIU will be an average PIU based upon the jurisdiction (interstate versus intrastate) of those originating end user calls for which the Company LIDB is being queried.

The LIDB Access Service PIU Report must be provided to the Company upon ordering service, and thereafter, on a quarterly basis. Provisions for updating the interstate and intrastate jurisdictional report are as specified in E2.3.11.B.7, and will also apply for the LIDB Access Service PIU Report.

All provisions pertaining to maintenance of records as specified in E2.3.11.C of this tariff will apply for LIDB Access Service PIU Report.

C. Maintenance of Customer Records

The customer shall maintain and retain for a minimum of six months, complete, detailed and accurate records, workpapers and backup documentation in form and substance to evidence the percentage data provided to the Company as set forth in A. preceding. All of the records, workpapers and backup documentation shall be made available during normal business hours, at the location named in the report, upon reasonable request by the Company in order to permit a review by the Company Auditor or outside auditor under contract to the Company or a mutually agreed upon outside auditor to be paid for by the customer, or an outside auditor under contract to the Joint LEC.

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

C. Maintenance of Customer Records (Cont'd)

Audit Committee, or an auditor of a state regulatory commission. Such records shall consist of one of the following:

1. All of the records, workpapers and backup documentation (including magnetic tapes of call detail records of raw and billable traffic, a listing of all originating and terminating trunk groups, billing information from other companies and customer billing information); or

2. If the customer has a mechanized system in place that calculates its PIU, then a description of that system and the methodology used to calculate the PIU must be furnished and any other pertinent information (such as but not limited to flowcharts, source codes, etc.) relating to such system, or

3. Mutually agreed upon records which contain data sufficient to evidence the reported PIU, such as summary data compiled from the records in 1. preceding. If the customer and the Company cannot agree on mutually agreed upon records, the customer and the Company will jointly and informally solicit the assistance of the appropriate regulatory body or its staff to resolve any disagreement.

D. Audit and Reconciliation of Customer Records

1. When the customer reports a projected PIU as set forth in E2.3.11.B preceding or when a billing dispute arises or when a regulatory commission questions the reported PIU, the Company may, upon written request, require the customer to provide call detail records which will be audited to substantiate the reported PIU provided to the Company. This written request shall be considered as the initiation of the audit.

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

D. Audit Reconciliation of Customer Records (Cont'd)

2. In the event of an audit, the customer shall provide the data specified in E2.3.11.C preceding to the agreed upon auditor within thirty days. The data will be provided at an agreed upon location during normal business hours.

3. If the customer fails to provide the requested data within thirty days of the written request, or audit notice, the customer will be in violation of this tariff and subject to those actions specified in E2.1.8 preceding. Should the Company elect to take such measures, appropriate documentation will be provided to the Florida Public Service Commission prior to the refusal of any orders for additional service and/or disconnection of service.

4. Audits may be conducted by (a) an independent auditor under contract to the Company; (b) a mutually agreed upon independent auditor paid for by the customer; (c) an independent auditor selected and paid for by the customer; or (d) an independent auditor under contract to the Joint LEC Audit Committee. If the customer selects option (c), the selected auditor must certify that the audit was performed following FCC procedures for measuring interstate and intrastate traffic as established by Commission orders, and provide to the Company a report with supporting documentation to verify such procedures. If the customer selects option (b), (c) or (d), the auditor shall produce an attestation audit report upon completion of the audit.

5. When an auditor cannot be agreed upon within thirty days after receipt of the initial audit notice, the independent auditor under contract to the Joint LEC Audit Committee shall perform the audit.

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

D. Audit and Reconciliation of Customer Records (Cont'd)

6. Changes to the reported PIU will not be accepted by the Company for the audit test period.

7. The Company will audit data from one quarter unless a longer period is requested by the customer and agreed to by the Company.

8. Audit results will be furnished to the customer via Certified U.S. Mail (return receipt requested).

9. The Company will adjust the customer's PIU based upon the audited results. The PIU resulting from the audit shall be applied to the usage for the quarter the audit was completed, the usage for the quarter prior to the completion of the audit, and to the usage for the two quarters following the completion of the audit. After this adjustment period, the customer may report a revised PIU pursuant to E2.3.11.B preceding. If the revised PIU submitted by the customer represents a deviation of five percentage points or more from the audited PIU, and that deviation is not due to identifiable reasons documented and provided with the revised PIU, the Company retains the right to refuse the revised report and/or initiate audit procedures.

10. Both credit and debit adjustments will be made to the customer's interstate and intrastate access charges for the period specified in E2.3.11.D.9 preceding to accurately reflect the usage for the customer's account consistent with E2.4.1 following.

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

D. Audit and Reconciliation of Customer Records (Cont'd)

11. If, as a result of an audit performed by an independent auditor under contract to the Company or an independent auditor under contract to the Joint LEC Audit Committee, the customer is found to have misreported its PIU by greater than or equal to five percentage points, the Company shall require reimbursement from the customer for the cost of the audit. Where applicable, such cost shall be proven by submission of the bill(s) submitted to the Company by the auditor. Such bill(s) shall be due and paid in immediate funds thirty days from receipt and shall carry a late payment penalty as set forth in E2.4.1 following.

12. Contested audits may be referred to the Florida Public Service Commission by the customer or the Company within thirty days of receipt of the audit results.

13. Correspondence between the Company and the customer shall be conducted solely by U.S. Mail, return receipt requested, for the following audit phases and limited to the timeframes specified:

Choice of auditor:	30 days from the date of the initial audit notice.
Choice of test period:	10 business days from the date of the initial audit notice.
Provision of audit results:	30 days from the completion of field work by the designated auditor.
Concurrence of audit results:	30 days from receipt of the audit results.

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

D. Audit and Reconciliation of Customer Records (Cont'd)

13. (Cont'd)

In the absence of a proper response within the stated timeframes, concurrence will be assumed on the content of the correspondence from the other party.

14. The Company will work cooperatively with other local exchange companies to develop joint audits of a customer and thus limit the customer's total state PIU audits to one per year. If, however, the audit results represent what the Company considers to be a substantial deviation from the customer's reported PIU for the period upon which the audit was based or if subsequent customer-initiated changes to the reported PIU appear to be extreme or excessive, the Company will request an audit of the call detail records more than once annually.

15. All audits of customer-provided PIUs shall be conducted pursuant to the rules and regulations stated in this tariff. If a customer fails to comply with the provisions contained in this tariff, the Company may refuse additional applications for service and/or may refuse to complete any pending orders for service. After the Company has refused additional applications and/or completion of pending orders for service for a period of 30 days, and the customer has continued to remain noncompliant with the provisions of this tariff, the Company may disconnect the customer for noncompliance as set forth in E2.1.8 preceding without further notice.