

FLORIDA PUBLIC SERVICE COMMISSION  
Capital Circle Office Center @ 2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

**M E M O R A N D U M**

**MAY 7, 1997**

**TO:** DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

**FROM:** DIVISION OF COMMUNICATIONS (WIDELL) *stue*  
DIVISION OF LEGAL SERVICES (STOVER) *RS NCB*

**RE:** DOCKET NO. 970302-TP - REQUEST FOR APPROVAL OF RESALE AGREEMENT NEGOTIATED BETWEEN BELLSOUTH TELECOMMUNICATIONS, INC. AND EAST FLORIDA COMMUNICATIONS, INC., PURSUANT TO SECTIONS 251 AND 252 OF THE TELECOMMUNICATIONS ACT OF 1996.

**AGENDA:** MAY 19, 1997 - REGULAR AGENDA - PAA PARTIES MAY PARTICIPATE

**CRITICAL DATES:** COMMISSION MUST APPROVE OR DENY BY 6/9/97 PER TELECOMMUNICATIONS ACT OF 1996

**SPECIAL INSTRUCTIONS:** S:\PSC\CNU\WP\970302TP.RCM

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**CASE BACKGROUND**

On March 21, 1997, BellSouth Telecommunications, Inc. (BST) and East Florida Communications, Inc. (EFC) filed a request for approval of a resale agreement. The agreement was executed on February 19, 1997, and the parties are seeking approval of the agreement under the Telecommunications Act of 1996.

DOCUMENT NUMBER-DATE

04511 MAY-76

FPSC-RECORDS/REPORTING

DOCKET NO. 970302-TP  
DATE: MAY 7, 1997

### **DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission approve the resale agreement between BST and EFC?

**RECOMMENDATION:** Yes. The Commission should approve the proposed resale agreement between BST and EFC. The Commission should require BST and EFC to file any subsequent supplements or modifications to their agreement for Commission review under the provisions of 47 U.S.C. § 252(e).

**STAFF ANALYSIS:** As stated in the Case Background, BST and EFC are seeking approval of their resale agreement (Attachment A) under the federal Telecommunications Act of 1996 (the Act). Both the Act and revised Chapter 364, Florida Statutes, encourage parties to enter into negotiated agreements to bring about local exchange competition as quickly as possible. If the parties reach a negotiated agreement, under 47 U.S.C. § 252(e), the agreement is to be filed with the state commission for approval. 47 U.S.C. § 252(a)(1) requires that "the agreement shall include a detailed schedule of itemized charges for interconnection and each service or network element included in the agreement." Under 47 U.S.C. § 252(e)(4), the state commission must approve or reject the agreement within 90 days after submission, or the agreement shall be deemed approved.

The agreement is a two-year agreement governing the relationship between the companies regarding resale of various services. The wholesale discounts from the resale rates are 18% residence and 12% business. Staff has reviewed the BST and EFC proposed agreement for compliance with the Act and recommends that the Commission approve it pursuant to § 252(e)(2)(A).

**DOCKET NO. 970302-TP**  
**DATE: MAY 7, 1997**

**ISSUE 2:** Should Docket No. 970302-TP be closed?

**RECOMMENDATION:** Yes, with the adoption of staff's recommendation in Issue 1, and issuance of the Commission's order approving the agreement, Docket No. 970302-TP should be closed.





BellSouth Telecommunications, Inc.    804 234-7700  
Suite 400                                    Fax 804 234-8873  
190 South Monroe Street  
Tallahassee, Florida 32301-1900

A. M. Lombardo  
Regulatory Vice President

March 11, 1997

Mrs. Blanca S. Bayo  
Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399

970302-TP

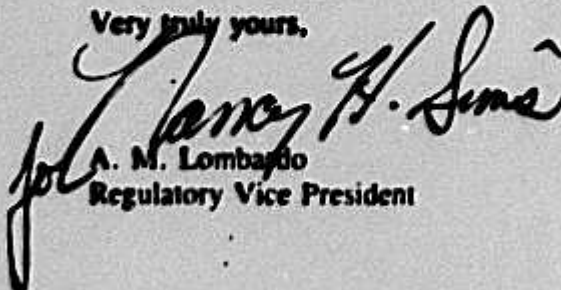
Re: Approval of the Resale Agreement Negotiated by BellSouth Telecommunications, Inc. ("BellSouth") and East Florida Communications pursuant to Sections 251 and 252 of the Telecommunications Act of 1996

Dear Mrs. Bayo:

Pursuant to section 252(e) of the Telecommunications Act of 1996, BellSouth and East Florida Communications are submitting to the Florida Public Service Commission their negotiated agreement for the purchase of BellSouth's telecommunications services for the purpose of resale to end users by East Florida Communications.

Pursuant to section 252(e) of the Act, the Commission is charged with approving or rejecting the negotiated agreement between BellSouth and East Florida Communications within 90 days of its submission. The Act provides that the Commission may only reject such an agreement if it finds that the agreement or any portion of the agreement discriminates against a telecommunications carrier not a party to the agreement or the implementation of the agreement or any portion of the agreement is not consistent with the public interest, convenience and necessity. Both parties aver that neither of these reasons exist as to the agreement they have negotiated and therefore, are very hopeful that the Commission shall approve their agreement.

Very truly yours,

  
A. M. Lombardo  
Regulatory Vice President

- C. **END USER** means the ultimate user of the telecommunications services.
- D. **END USER CUSTOMER LOCATION** means the physical location of the premises where an end user makes use of the telecommunications services.
- E. **NEW SERVICES** means functions, features or capabilities that are not currently offered by BellSouth. This includes packaging of existing services or combining a new function, feature or capability with an existing service.
- F. **OTHER LOCAL EXCHANGE COMPANY (OLEC)** means a telephone company certified by the public service commissions of the Company's franchised area to provide local exchange service within the Company's franchised area.
- G. **RESALE** means an activity wherein a certified OLEC, such as Reseller, subscribes to the telecommunications services of the Company and then resells those telecommunications services to the public (with or without "adding value").
- H. **RESALE SERVICE AREA** means the area, as defined in a public service commission approved certificate of operation, within which an OLEC, such as Reseller, may offer resale local exchange telecommunications services.

### **III. General Provisions**

- A. Reseller may avail the certified local exchange and toll telecommunications services of BellSouth subject to the terms, and conditions specifically set forth herein. Notwithstanding the foregoing, the following are not available for purchase: Credit-based services; promotional and trial retail service offerings; lifeline and backup services; contract service arrangements; installment billing options; 911 and E911 services; interconnection services for mobile service providers; legislatively or administratively mandated specialized discounts (e.g., education institution discount) and discounted services to meet competitive situations.
- B. The provision of services by the Company to Reseller does not constitute a joint undertaking for the furnishing of any service.
- C. Reseller will be the customer of record for all services purchased from BellSouth. Except as qualified herein, the Company will take orders from, bill and expect payment from Reseller for all services.
- D. Reseller will be the Company's single point of contact for all services purchased pursuant to this Agreement. The Company shall have no contact with the end user except to the extent provided for herein.
- E. The Company will continue to bill the end user for any services that the end user specifies it wishes to receive directly from the Company.
- F. The Company maintains the right to serve directly any end user within the service area of Reseller. The Company will continue to directly market its own telecommunications products and services and is doing so they establish independent relationships with end users of Reseller.

4. Create hazards to any employees or the public.

F. Reseller assumes the responsibility of notifying the Company regarding less than standard operations with respect to services provided by it.

G. Facilities and/or equipment utilized by BellSouth to provide service to Reseller remain the property of BellSouth.

H. White page directory listings will be provided in accordance with regulations set forth in Section A6 of the General Subscriber Service Tariff and will be available for resale.

#### IV. BellSouth's Provision of Services to Reseller

A. Reseller agrees that its resale of BellSouth services shall be as follows:

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

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

3. Hotel and Hospital PBX services are the only telecommunications services available for resale to Hotel/Hotel and Hospital end users, respectively. Similarly, Access Line Service for Customer Provided Coin Telephones is the only local service available for resale to COCOTS customers. Shared Tenant Service customers can only be sold those telecommunications services available in the Company's A33 Shared Tenant Service Tariff.

4. Reseller is prohibited from furnishing both flat and measured rate service on the same business premises to the same subscribers (and users) as stated in A3 of the Company's Tariff except for backup service as indicated in the applicable state tariff Section A3.

5. If telephone service is established and it is subsequently determined that the class of service restriction has been violated, Reseller will be notified and billing for that service will be immediately changed to the appropriate class of service. Service charges for changes between class of service, back billing, and interest as described in this subsection shall apply at the Company's sole discretion. Interest at the rate of 0.000790 per day, compounded daily for the number of days from the back billing date to and including the date that Reseller actually makes the payment to the Company may be assessed.



**DOCKET NO. 970302-TP**  
**DATE: MAY 7, 1997**

**ISSUE 2:** Should Docket No. 970302-TP be closed?

**RECOMMENDATION:** Yes, with the adoption of staff's recommendation in Issue 1, and issuance of the Commission's order approving the agreement, Docket No. 970302-TP should be closed.



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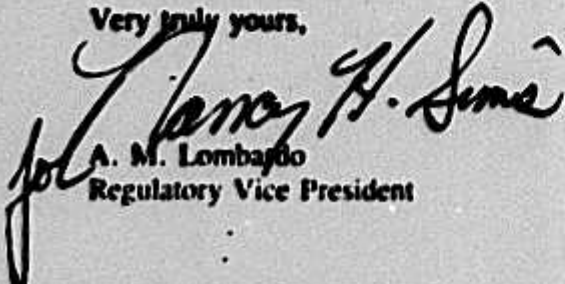
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Dear Mrs. Bayo:

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Pursuant to section 252(e) of the Act, the Commission is charged with approving or rejecting the negotiated agreement between BellSouth and East Florida Communications within 90 days of its submission. The Act provides that the Commission may only reject such an agreement if it finds that the agreement or any portion of the agreement discriminates against a telecommunications carrier not a party to the agreement or the implementation of the agreement or any portion of the agreement is not consistent with the public interest, convenience and necessity. Both parties aver that neither of these reasons exist as to the agreement they have negotiated and therefore, are very hopeful that the Commission shall approve their agreement.

Very truly yours,

  
A. M. Lombardo  
Regulatory Vice President



**Agreement Between BellSouth Telecommunications, Inc. and East Florida Communications  
Regarding The Sale of BBT's Telecommunications Services to Rascal For The Purpose of Resale**

**THIS AGREEMENT** is by and between BellSouth Telecommunications, Inc., ("BellSouth or Company"), a Georgia corporation, and East Florida Communications ("Rascal"), a Florida Corporation, and shall be deemed effective as of February 19, 1997.

**WITNESSETH**

**WHEREAS**, BellSouth is a local exchange telecommunications company authorized to provide telecommunications services in the state of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee; and

**WHEREAS**, Rascal is an alternative local exchange telecommunications company authorized to provide telecommunications services in the state of Florida.

**WHEREAS**, Rascal desires to resell BellSouth's telecommunications services; and

**WHEREAS**, BellSouth has agreed to provide such services to Rascal for resale purposes and pursuant to the terms and conditions set forth herein;

**NOW, THEREFORE**, for and in consideration of the mutual promises and promises contained herein, BellSouth and Rascal do hereby agree as follows:

**I. Term of the Agreement**

**A.** The term of this Agreement shall be two years beginning February 19, 1997 and shall apply to all of BellSouth's serving territory as of January 1, 1995, in the state(s) of Florida.

**B.** This Agreement shall be automatically renewed for two additional one year periods unless either party indicates its intent not to renew the Agreement. Notice of such intent must be provided, in writing, to the other party no later than 60 days prior to the end of the then-existing contract period. The terms of this Agreement shall remain in effect after the term of the existing agreement has expired and while a new agreement is being negotiated.

**C.** The rates pursuant by which Rascal is to purchase services from BellSouth for resale shall be at a discount rate off of the retail rate for the telecommunications service. The discount rates shall be as set forth in Exhibit A, attached hereto and incorporated herein by this reference. Such discount shall reflect the costs avoided by BellSouth when selling a service for wholesale purposes.

**II. Definition of Terms**

**A. CUSTOMER OF RECORD** means the entity responsible for placing application for service; requesting additions, rearrangements, maintenance or discontinuance of service; payment in full of charges incurred such as toll, directory assistance, etc.

**B. DEPOSIT** means assurance provided by a customer in the form of cash, surety bond or bank letter of credit to be held by the Company.

- C. **END USER** means the ultimate user of the telecommunications services.
- D. **END USER CUSTOMER LOCATION** means the physical location of the premises where an end user makes use of the telecommunications services.
- E. **NEW SERVICES** means functions, features or capabilities that are not currently offered by BellSouth. This includes packaging of existing services or combining a new function, feature or capability with an existing service.
- F. **OTHER LOCAL EXCHANGER COMPANY (OLXC)** means a telephone company certified by the public service commission of the Company's franchised area to provide local exchange service within the Company's franchised area.
- G. **RESELL** means an activity wherein a certified OLXC, such as Reseller, subscribes to the telecommunications services of the Company and then resells those telecommunications services to the public (with or without "adding value").
- H. **RESELL SERVICE AREA** means the area, as defined in a public service commission approved certificate of operation, within which an OLXC, such as Reseller, may offer resale local exchange telecommunications services.

### **III. General Provisions**

- A. Reseller may resell the resold local exchange and toll telecommunications services of BellSouth subject to the terms and conditions specifically set forth herein. Notwithstanding the foregoing, the following are not available for purchase: Grandfathered services; promotional and trial retail services offerings; lifeline and lifeline services; contract service arrangements; installment billing options; 911 and E911 services; interconnection services for mobile service providers; legislatively or administratively mandated special discounts (e.g., education institution discount) and discounted services to most competitive situations.
- B. The provision of services by the Company to Reseller does not constitute a joint undertaking for the furnishing of any service.
- C. Reseller will be the customer of record for all services purchased from BellSouth. Except as specified herein, the Company will take orders from, bill and expect payment from Reseller for all services.
- D. Reseller will be the Company's single point of contact for all services purchased pursuant to this Agreement. The Company shall have no contact with the end user except to the extent provided for herein.
- E. The Company will continue to bill the end user for any services that the end user specifies it wishes to receive directly from the Company.
- F. The Company maintains the right to serve directly any end user within the service area of Reseller. The Company will continue to directly market its own telecommunications products and services and is doing so may establish independent relationships with end users of Reseller.

- Q.** Reseller shall not interfere with the right of any person or entity to obtain service directly from the Company.
- R.** Telephone numbers are the property of the Company and are assigned to the service furnished. Reseller has no property right in the telephone number or any other call number designation associated with service furnished by the Company, and no right to its continuation of service through any particular central office. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, whenever the Company deems it necessary to do so in the conduct of its business.
- S.** The Company may provide any service or facility for which a charge is not established herein, as long as it is offered on the same terms to Reseller.
- T.** Service is furnished subject to the condition that it will not be used for any unlawful purpose.
- U.** Service will be discontinued if any law enforcement agency advises that the service being used is in violation of the law.
- V.** The Company can refuse service when it has grounds to believe that service will be used in violation of the law.
- W.** The Company accepts no responsibility to any person for any unlawful act committed by Reseller or its end users as part of providing service to Reseller for purposes of resale or otherwise.
- X.** The Company will cooperate fully with law enforcement agencies with subpoenas and court orders for assistance with the Company's customers. Law enforcement agency subpoenas and court orders regarding end users of Reseller will be directed to Reseller. The Company will bill Reseller for implementing any requests by law enforcement agencies regarding Reseller end users.
- Y.** The characteristics and methods of operation of any circuits, facilities or equipment provided by other than the Company shall not:
1. Interfere with or impair service over any facilities of the Company, its affiliates, or its connecting and connecting entities involved in its service;
  2. Cause damage to their plant;
  3. Impair the privacy of any communications; or



4. Create lawsuits to any employees or the public.

F. Reseller assumes the responsibility of notifying the Company regarding less than standard operations with respect to services provided by it.

G. Facilities and/or equipment utilized by BellSouth to provide services to Reseller remain the property of BellSouth.

H. White page directory listings will be provided in accordance with regulations set forth in Section A6 of the General Subscriber Service Tariff and will be available for resale.

#### IV. BellSouth's Provision of Services to Reseller

A. Reseller agrees that its resale of BellSouth services shall be as follows:

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

2. To the extent Reseller is a telecommunications carrier that serves greater than 5 percent of the Nation's population within a state, Reseller shall not jointly market its intraLATA services with the telecommunications services purchased from BellSouth pursuant to this Agreement in any of the states covered under this Agreement. For the purposes of this education, to jointly market means any advertisement, marketing effort or billing in which the telecommunications services purchased from BellSouth for purposes of resale to customers and intraLATA services offered by Reseller are packaged, tied, bundled, discounted or offered together in any way to the end user. Such offers include, but are not limited to, sales contracts, resale arrangements, sales agencies or billing agreements. This education shall be void and of no effect for a particular state covered under this Agreement as of February 8, 1999 or on the date BellSouth is authorized to offer intraLATA services in that state, whichever is earlier.

3. Local and Hospital PBX services are the only telecommunications services available for resale to Residential and Hospital end users, respectively. Similarly, Access Line Service for Customers Provided Coin Telephones is the only local service available for resale to CDDOTS customers. Shared Tenant Service customers can only be sold those telecommunications services available in the Company's A33 Shared Tenant Service Tariff.

4. Reseller is prohibited from furnishing both flat and measured rate services on the same business premises to the same subscribers (and users) as stated in A2 of the Company's Tariff except for backup services as indicated in the applicable state tariff Section A3.

5. If telephone service is established and it is subsequently determined that the class of service restriction has been violated, Reseller will be notified and billing for that service will be immediately changed to the appropriate class of service. Service charges for changes between class of service, back billing, and interest as described in this education shall apply at the Company's sole discretion. Interest at the rate of 0.000990 per day, compounded daily for the number of days from the back billing date to and including the date that Reseller actually makes the payment to the Company may be assessed.

6. The Company reserves the right to periodically audit services purchased by Reseller to establish actuality of use. Such audit shall not occur more than once in a calendar year. Reseller shall make any and all records and data available to the Company or the Company's auditor's on a reasonable basis. The Company shall bear the cost of said audit.

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

C. Reseller may resell services only within the specific resale service area as defined in its certificate.

D. Telephone numbers transmitted via any resold service feature are intended solely for the use of the end user of the feature. Resale of this information is prohibited.

E. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. Reseller is strictly prohibited from any use, including but not limited to sales, marketing or advertising, of any BellSouth name or trademark.

#### V. Maintenance of Service

A. Services resold under the Company's Tariff and facilities and equipment provided by the Company shall be maintained by the Company.

B. Reseller or its end users may not rearrange, move, disconnect, remove or attempt to repair any facilities owned by the Company, other than by connection or disconnection to any interface device used, except with the written consent of the Company.

C. Reseller accepts responsibility to notify the Company of situations that arise that may result in a service problem.

D. Reseller will be the Company's single point of contact for all repair calls on behalf of Reseller's end users.

E. Reseller will contact the appropriate repair center in accordance with procedures established by the Company.

F. For all repair requests, Reseller accepts responsibility for adhering to the Company's processing guidelines prior to referring the trouble to the Company.

G. The Company will bill Reseller for handling troubles that are found not to be in the Company's network pursuant to its standard time and material charges. The standard time and material charges will be no more than what BellSouth charges to its retail customers for the same services.

11. The Company reserves the right to contact Reseller's customers, if deemed necessary, for maintenance purposes.

**VI. Establishment of Service**

A. After receiving certification as a local exchange company from the appropriate regulatory agency, Reseller will provide the appropriate Company service under the necessary documentation to enable the Company to establish a master account for Reseller. Such documentation shall include the Application for Master Account, proof of authority to provide telecommunications services, an Operating Company Number ("OCN") assigned by the National Exchange Carriers Association ("NECA") and a tax exemption certificate, if applicable. When necessary deposit requirements are met, the Company will begin taking orders for the sale of service.

B. Service orders will be in a standard format designated by the Company.

C. When certification is received from Reseller that a customer customer of the Company will subscribe to Reseller's service, standard service order intervals for the appropriate class of service will apply.

D. The Company will not require end user authorization prior to establishing service for Reseller's end user customer. Reseller must, however, be able to demonstrate end user authorization upon request.

E. Reseller will be the single point of contact with the Company for all subsequent ordering activity resulting in additions or changes to service except that the Company will accept a request directly from the end user for extension of the end user's service from Reseller to the Company or will accept a request from another CLIC for extension of the end user's service from the Reseller to the other LSC. The Company will notify Reseller that such a request has been processed.

F. If the Company determines that an unauthorized change in local service to Reseller has occurred, the Company will reestablish service with the appropriate local service provider and will name Reseller as the CLIC initiating the unauthorized change, an unauthorized change charge similar to that described in F.C.C. Tariff No. 1, Section 13.3.1. Appropriate metering charges, as set forth in Section A4. of the General Subscriber Service Tariff, will also be assessed to Reseller.

These charges can be adjusted if Reseller provides satisfactory proof of authorization.

	Restoring Charge
(a) each Residence or Business line	\$25.00

G. The Company will, in order to safeguard its interest, require Reseller to make a deposit to be held by the Company as a guarantee of the payment of rates and charges, when satisfactory credit has already been established. Any such deposit may be held during the continuance of the service as security for the payment of any and all amounts owing for the service.

H. Such deposit may not exceed two months' estimated billing.



I. The fact that a deposit has been made in no way relieves Reseller from complying with the Company's regulations as to advance payments and the prompt payment of bills on presentation nor does it constitute a waiver or modification of the regular practices of the Company providing for the discontinuance of service for non-payment of any bills due the Company.

J. The Company reserves the right to increase the deposit requirements when, in its sole judgment, the conditions justify such action.

K. In the event that Reseller defaults on its account, service to Reseller will be terminated and any deposits held will be applied to its account.

L. In the case of a cash deposit, interest at the rate of six percent per annum shall be paid to Reseller during the continuance of the deposit. Interest on a deposit shall accrue annually and, if requested, shall be annually credited to Reseller by the annual date.

## VI. Payment And Billing Arrangements

A. When the initial service is ordered by Reseller, the Company will establish an accounts receivable master account for Reseller.

B. The Company shall bill Reseller on a current basis all applicable charges and credits.

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

D. The Company will render bills each month on established bill days for each of Reseller's accounts.

E. The Company will bill Reseller, in advance, charges for all services to be provided during the ensuing billing period except charges associated with service usage, which charges will be billed in arrears. Charges will be calculated on an individual end user account level, including, if applicable, any charges for usage or usage allowances. BellSouth will also bill all charges, including but not limited to 911 and 2911 charges, telecommunications relay charges, and franchise fees, on an individual end user account level.

F. The payment will be due by the next bill date (i.e., same date in the following month as the bill date) and is payable in immediately available funds. Payment is considered to have been made when received by the Company.

If the payment due date falls on a Sunday or on a Holiday which is observed on a Monday, the payment due date shall be the first non-Holiday day following such Sunday or Holiday. If the payment due date falls on a Saturday or on a Holiday which is observed on Tuesday, Wednesday, Thursday, or Friday, the payment due date shall be the last non-Holiday day preceding such Saturday or Holiday. If payment is not received by the payment due date, a late payment penalty, as set forth in I. following, shall apply.

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

**H.** As the customer of record, Reseller will be responsible for, and remit to the Company, all charges applicable to its resold services for emergency services (911 and 911) and Telecommunications Safety Service (TSS) as well as any other charges of a similar nature.

**I.** If any portion of the payment is received by the Company after the payment due date as set forth preceding, or if any portion of the payment is received by the Company in funds that are not immediately available to the Company, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the payment due date times a late factor. The late factor shall be as set forth in Section A3 of the General Subscriber Service Tariff and Section B2 of the Private Line Service Tariff.

**J.** Any switched access charges associated with interexchange carrier access to the resold local exchange lines will be billed by, and due to, the Company. No additional charges are to be assessed to Reseller.

**K.** The Company will not perform billing and collection services for Reseller as a result of the execution of this Agreement. All requests for billing services should be referred to the appropriate entity or operational group within the Company.

**L.** Pursuant to 47 CFR Section 51.517, the Company will bill the charges shown below which are identical to the EUCL rates billed by BCT to its end user.

	Monthly Rate
1. Residential (a) Each Individual Line or Trunk	\$3.50
2. Single Line Business (b) Each Individual Line or Trunk	\$3.50
3. Multi-Line Business (c) Each Individual Line or Trunk	\$4.00

**M.** In general, the Company will not become involved in disputes between Reseller and Reseller's end user customers over resold services. If a dispute does arise that cannot be settled without the involvement of the Company, Reseller shall contact the designated Service Center for resolution. The Company will make every effort to assist in the resolution of the dispute and will work with Reseller to resolve the matter in as timely a manner as possible. Reseller may be required to submit documentation to substantiate the claim.

**VIII. Discontinuation of Service**

**A. The procedure for discontinuing service to an end user are as follows:**

1. Where possible, the Company will deny service to Reseller's end user on behalf of, and at the request of, Reseller. Upon restoration of the end user's service, related charges will apply and will be the responsibility of Reseller.
2. At the request of Reseller, the Company will disconnect a Reseller end user customer.
3. All requests by Reseller for denial or discontinuation of an end user for nonpayment must be in writing.
4. Reseller will be made solely responsible for notifying the end user of the proposed discontinuation of the service.
5. The Company will continue to process calls made to the Anonymous Call Center and will advise Reseller when it is determined that anonymous calls are originated from one of their end user's locations. The Company shall be indemnified, defended and held harmless by Reseller and/or the end user against any claim, loss or damage arising from providing this information to Reseller. It is the responsibility of Reseller to take the corrective action necessary with its customers who make anonymous calls. Failure to do so will result in the Company's discontinuing the end user's service.

**B. The procedure for discontinuing service to Reseller are as follows:**

1. The Company reserves the right to suspend or terminate service for nonpayment or in the event of prohibited, unlawful or improper use of the facilities or service, abuse of the facilities, or any other violation or noncompliance by Reseller of the rules and regulations of the Company's Tariffs.
2. If payment of account is not received by the bill day in the month after the original bill day, the Company may provide written notice to Reseller, that additional applications for service will be refused and that any pending orders for service will not be completed if payment is not received by the fifteenth day following the date of the notice. If the Company does not refuse additional applications for service on the date specified in the notice, and Reseller's noncompliance continues, nothing contained herein shall preclude the Company's right to refuse additional applications for service without further notice.
3. If payment of account is not received, or arrangements made, by the bill day in the second consecutive month, the account will be considered in default and will be subject to denial or discontinuation, or both.
4. If Reseller fails to comply with the provisions of this Agreement, including any payments to be made by it on the dates and times herein specified, the Company may, on thirty days written notice to the person designated by Reseller to receive notices of noncompliance, discontinue the provision of existing services to Reseller at any time thereafter. In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due. If the Company does not



discontinue the provision of the services involved on the date specified in the thirty days notice, and Reseller's discontinuance of services, making certain herein shall preclude the Company's right to discontinue the provision of the services to Reseller without further notice.

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

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

## **IX. Liability**

A. The liability of the Company for damages arising out of mishaps, omissions, interruptions, suspensions, delays, errors or defects in transmission, or failures or defects in facilities furnished by the Company, occurring in the course of furnishing service or other facilities and not caused by the negligence of Reseller, or of the Company in failing to maintain proper standards of maintenance and operation and to exercise reasonable supervision shall in no event exceed an amount equivalent to the proportionate charge to Reseller for the period of service during which such mishap, omission, interruption, suspension, delay, error or defect in transmission or defect or failure in facilities occur. The Company shall not be liable for damage arising out of mishaps, omissions, interruptions, suspensions, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the service of the Company, (1) caused by customer-provided equipment (except where a contributing cause is the malfunctioning of a Company-provided connecting arrangement, in which event the liability of the Company shall not exceed an amount equal to a proportional amount of the Company billing for the period of service during which such mishap, omission, interruption, suspension, delay, error, defect in transmission or injury occurs), or (2) not prevented by customer-provided equipment but which would have been prevented had Company-provided equipment been used.

B. The Company shall be indemnified and saved harmless by Reseller against any and all claims, actions, causes of action, damages, liabilities, or demands (including the costs, expenses and reasonable attorney's fees, on account thereof) of whatever kind or nature that may be made by any third party as a result of the Company's furnishing of service to Reseller.

C. The Company shall be indemnified, defended and held harmless by Reseller and/or the end user against any claim, loss or damage arising from the use of services offered for resale involving:

1. Claims for libel, slander, invasion of privacy or infringement of copyright arising from Reseller's or end user's own communications.
2. Claims for patent infringement arising from acts combining or using Company services in connection with facilities or equipment furnished by the end user or Reseller.
3. All other claims arising out of an act or omission of Reseller or its end user in the course of using services.

B. Reader accepts responsibility for providing access for maintenance purposes of city services under the provisions of this Title. The Company shall not be responsible for any failure on the part of Reader with respect to any and all use of Reader.

#### **V. Treatment of Proprietary and Confidential Information**

A. Both parties agree that it may be necessary to provide each other during the term of this Agreement with certain confidential information, including trade secret information, including but not limited to, technical and business plans, technical information, proposals, qualifications, drawings, procedures, customer account data and like information (hereinafter collectively referred to as "information"). Both parties agree that all information shall either be in writing or other tangible format and clearly marked with a confidential, private or proprietary legend, or, when the information is communicated orally, it shall also be understood that the information is confidential, private or proprietary. The information will be returned to the owner within a reasonable time. Both parties agree that the information shall not be copied or reproduced in any form. Both parties agree to receive such information and not disclose such information. Both parties agree to protect the information received from distribution, disclosure or dissemination to anyone except employees of the parties with a need to know such information and which employees agree to be bound by the terms of this Section. Both parties will use the same standard of care to protect information received as they would use to protect their own confidential and proprietary information.

B. Notwithstanding the foregoing, both parties agree that there will be no obligation to protect any portion of the information that is either: 1) made publicly available by the owner of the information or lawfully disclosed by a category to this Agreement; 2) lawfully obtained from any source other than the owner of the information; or 3) previously known to the receiving party without an obligation to keep it confidential.

#### **XI. Resolution of Disputes**

Except as otherwise stated in this Agreement, the parties agree that if any dispute arises as to the interpretation of any provision of this Agreement or as to the proper implementation of this Agreement, the parties will petition the applicable state Public Service Commission for a resolution of the dispute. However, each party reserves any rights it may have to seek judicial review of any ruling made by that Public Service Commission concerning this Agreement.

#### **XII. Limitation of Use**

The parties agree that this Agreement shall not be proffered by either party in another jurisdiction as evidence of any admission or as a waiver of any position taken by the other party in that jurisdiction or for any other purpose.

#### **XIII. Waiver**

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



**XIV. Governing Law**

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Georgia, without regard to its conflict of laws principles.

**XV. Airtel's Length Negotiations**

This Agreement was entered after airtel's length negotiations between the undersigned parties and reflects the conclusion of the undersigned that this Agreement is in the best interests of all parties.

**XVI. More Favorable Provisions**

**A. The parties agree that if --**

1. the Federal Communications Commission ("FCC") or the Commission finds that the terms of this Agreement are inconsistent in one or more material respects with any of its or their respective decisions, rules or regulations, or

2. the FCC or the Commission presumps the effect of this Agreement, then, in either case, upon such order being issued and no longer subject to administrative or judicial review, the parties shall immediately commence good faith negotiations to conform this Agreement to the requirements of any such decision, rule, regulation or presumption. The revised agreement shall have an effective date that coincides with the effective date of the original FCC or Commission action giving rise to such regulations. The parties agree that the rules, terms and conditions of any new agreement shall not be applied retroactively to any period prior to such effective date except to the extent that such retroactive effect is expressly required by such FCC or Commission decision, rule, regulation or presumption.

B. In the event that BellSouth, either before or after the effective date of this Agreement, enters into an agreement with any other telecommunications carrier (an "Other Service Agreement") which provides for the provision within the state(s) of Florida of any of the arrangements covered by this Agreement upon rates, terms or conditions that differ in any material respect from the rates, terms and conditions for such arrangements set forth in this Agreement ("Other Terms"), BellSouth shall be deemed thereby to have offered such Other Service Agreement to Frontier in its entirety. In the event that Frontier accepts such offer within sixty (60) days after the Commission approves such Other Service Agreement pursuant to 47 U.S.C. § 252, or within thirty (30) days after Frontier acquires actual knowledge of an Other Service Agreement not requiring the approval of the Commission pursuant to 47 U.S.C. § 252, as the case may be, such Other Terms shall be effective between BellSouth and Frontier as of the effective date of such Other Service Agreement. In the event that Frontier accepts such offer more than sixty (60) days after the Commission approves such Other Service Agreement pursuant to 47 U.S.C. § 252, or more than thirty (30) days after acquiring actual knowledge of an Other Service Agreement not requiring the approval of the Commission pursuant to 47 U.S.C. § 252, as the case may be, such Other Terms shall be effective between BellSouth and Frontier as of the date on which Frontier accepts such offer.

C. In the event that after the effective date of this Agreement the FCC or the Commission enters an order (a "Service Order") requiring BellSouth to provide within the state(s) of Florida any of the arrangements covered by this agreement upon Other Terms, then upon such Service Order becoming final and not subject to further administrative or judicial review, BellSouth shall be deemed to have offered such arrangements to Frontier upon such Other Terms, in their entirety, which Frontier may only accept in their



entirety, as provided in Section XVI.E. In the event that Rasilter accepts such offer within sixty (60) days after the date on which such Service Order becomes final and not subject to further administrative or judicial review, such Other Terms shall be effective between BellSouth and Rasilter as of the effective date of such Service Order. In the event that Rasilter accepts such offer more than sixty (60) days after the date on which such Service Order becomes final and not subject to further administrative or judicial review, such Other Terms shall be effective between BellSouth and Rasilter as of the date on which Rasilter accepts such offer.

D. In the event that after the effective date of this Agreement BellSouth files and subsequently receives approval for one or more licenses (with each, a "Service Order") offering to provide within the state of Florida any of the arrangements covered by this Agreement upon Other Terms, then upon such Service Order becoming effective, BellSouth shall be deemed thereby to have offered such arrangements to Rasilter upon such Other Terms, which Rasilter may accept as provided in Section XVI.E. In the event that Rasilter accepts such offer within sixty (60) days after the date on which such Service Order becomes effective, such Other Terms shall be effective between BellSouth and Rasilter as of the effective date of such Service Order. In the event that Rasilter accepts such offer more than sixty (60) days after the date on which such Service Order becomes effective, such Other Terms shall be effective between BellSouth and Rasilter as of the date on which Rasilter accepts such offer.

E. The terms of this Agreement, other than those affected by the Other Terms accepted by Rasilter, shall remain in full force and effect.

F. **Corrective Payment.** In the event that --

1. BellSouth and Rasilter revise this Agreement pursuant to Section XVI.A, or

2. Rasilter accepts a revised offer of an Other Service Agreement or Other Terms, then BellSouth or Rasilter, as applicable, shall make a corrective payment to the other party to correct for the difference between the rates set forth herein and the rates in such revised agreement or Other Terms for substantially similar services for the period from the effective date of such revised agreement or Other Terms until the date that the parties execute such revised agreement or Rasilter accepts such Other Terms, plus simple interest at a rate equal to the thirty (30) day commercial paper rate for high-grade, unsecured notes sold through dealers by major corporations in multiples of \$1,000,000 as regularly published in *The Wall Street Journal*.

## XVII. Notices

A. Every notice, consent, approval, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered in person or given by postage prepaid mail, address to:

BellSouth Telecommunications, Inc.  
OLBC Account Team  
3335 Columbia Parkway  
Room 5421  
Birmingham, Alabama 35203

Rasilter  
J. Gordon Whitley  
Sun Florida Communications  
221 S. Ridgewood Avenue  
Daytona, Florida 32114

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

2. Where specifically required, notices shall be by certified or registered mail. Unless otherwise provided in this Agreement, notice by mail shall be effective on the date it is officially recorded as delivered by return receipt or equivalent, and in the absence of such record of delivery, it shall be presumed to have been delivered the fifth day, or next business day after the fifth day, after it was deposited in the mails.

**XVII. Amendments**

This Agreement may be amended at any time upon written agreement of both parties.

**XIII. Entire Agreement**

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

**SaltSouth Telecommunications, Inc.**

BY: Jerry D. Hendrix  
Signature

NAME: Jerry D. Hendrix  
Printed Name

TITLE: Director

**Reader**

BY: I. B. Whitley  
Signature

NAME: I. B. Whitley  
Printed Name

TITLE: Pres.

**EXHIBIT "A"**

**APPLICABLE DISCOUNTS**

The telecommunications services available in parishes by landline for the purpose of resale to families and users shall be available at the following discount off of the retail rate.

<b>STATE</b>	<b>DISCOUNT</b>	<b>DISCOUNT</b>	<b>DISCOUNT</b>
ALABAMA	10%		10%
FLORIDA	10%		12%
GEORGIA	20.9%		17.9%
KENTUCKY	10%		0%
LOUISIANA*	20.72%		20.72%
MISSISSIPPI	9%		0%
NORTH CAROLINA	12%		9%
SOUTH CAROLINA	10%		9%
TENNESSEE**	10%		10%

\* Effective as of the Commission's Order in Louisiana Docket No. U-22000 dated November 12, 1996.

\*\* The Wholesale Discount is set as a percentage off of the retail rate. If OLEC provides its own operator services and directory services, the discount shall be 23.50%. These rates are effective as of the Tennessee Regulatory Authority's Order in Tennessee Docket No. 99-01331 dated January 17, 1997.