

BellSouth Telecommunications, Inc.
Suite 400
150 South Monroe Street
Tallahassee, Florida 32301-1556

904 224-7798
Fax 904 224-5073

A. M. Lombardo
Regulatory Vice President

July 8, 1997

970536-TP

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

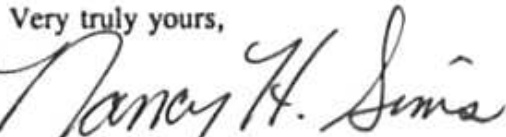
Re: Approval of the Interconnection Agreement Negotiated by BellSouth Telecommunications, Inc. ("BellSouth") and Competitive Communications Inc. ("CCI") pursuant to Sections 251, 252 and 271 of the Telecommunications Act of 1996.

Dear Mrs. Bayo:

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

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

Very truly yours,


A. M. Lombardo
Regulatory Vice President

AGREEMENT

THIS AGREEMENT is made by and between BELLSOUTH Telecommunications, Inc., ("BELLSOUTH"), a Georgia corporation, and Competitive Communications, Inc. ("CCI"), a California corporation and shall be deemed effective as of October 1, 1996. This agreement may refer to either BELLSOUTH or CCI or both as a "party" or "parties."

WITNESSETH

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

WHEREAS, CCI is an alternative local exchange telecommunications company ("ALEC" or "OLEC") authorized to provide or is intending to be authorized to provide telecommunications services in the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee; and

WHEREAS, the parties wish to interconnect their facilities, purchase unbundled elements, and exchange traffic for the purposes of fulfilling their obligations pursuant to sections 251, 252 and 271 of the Telecommunications Act of 1996 and to replace any and all other prior agreements, both written and oral;

NOW THEREFORE, in consideration of the mutual agreements contained herein, BELLSOUTH and CCI agree as follows:

I. Definitions

A. **Affiliate** is defined as a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term "own" means to own an equity interest (or equivalent thereof) of more than 10 percent.

B. **Commission** is defined as the appropriate regulatory agency in each of BELLSOUTH's nine state region, Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee.

C. **Intermediary function** is defined as the delivery of local traffic from a local exchange carrier other than BELLSOUTH; an ALEC other than CCI; another

telecommunications company such as a wireless telecommunications provider through the network of BELLSOUTH or CCI to an end user of BELLSOUTH or CCI.

D. Local Traffic is defined as any telephone call that originates in one exchange and terminates in either the same exchange, or a corresponding Extended Area Service ("EAS") exchange. The terms Exchange, and EAS exchanges are defined and specified in Section A3. of BELLSOUTH's General Subscriber Service Tariff.

E. Local Interconnection is defined as 1) the delivery of local traffic to be terminated on each party's local network so that end users of either party have the ability to reach end users of the other party without the use of any access code or substantial delay in the processing of the call; 2) the LEC unbundled network features, functions, and capabilities set forth in this Agreement; and 3) Service Provider Number Portability sometimes referred to as temporary telephone number portability to be implemented pursuant to the terms of this Agreement.

F. Percent of Interstate Usage (PIU) is defined as a factor to be applied to terminating access services minutes of use to obtain those minutes that should be rated as interstate access services minutes of use. The numerator includes all interstate "nonintermediary" minutes of use, including interstate minutes of use that are forwarded due to service provider number portability less any interstate minutes of use for Terminating Party Pays services, such as 800 Services. The denominator includes all "nonintermediary", local, interstate, intrastate, toll and access minutes of use adjusted for service provider number portability less all minutes attributable to terminating party pays services.

G. Percent Local Usage (PLU) is defined as a factor to be applied to intrastate terminating minutes of use. The numerator shall include all "nonintermediary" local minutes of use adjusted for those minutes of use that only apply local due to Service Provider Number Portability. The denominator is the total intrastate minutes of use including local, intrastate toll, and access, adjusted for Service Provider Number Portability less intrastate terminating party pays minutes of use.

H. Telecommunications Act of 1996 ("Act") means Public Law 104-104 of the United States Congress effective February 8, 1996. The Act amended the Communications Act of 1934 (47, U.S.C. Section 1 et. seq.).

I. Multiple Exchange Carrier Access Billing ("MECAB") means the document prepared by the Billing Committee of the Ordering and Billing Forum ("OBF"), which functions under the auspices of the Carrier Liaison Committee of the Alliance for Telecommunications Industry Solutions ("ATIS") and by Bellcore as Special Report SR-BDS-000983, Containing the recommended guidelines for the billing of Exchange Service access provided by two or more LECs and/or ALECs or by one LEC in two or more states within a single LATA.

II. Purpose

The parties desire to enter into this Agreement consistent with all applicable federal, state and local statutes, rules and regulations in effect as of the date of its execution including, without limitation, the Act at Sections 251, 252 and 271 and to replace any and all other prior agreements, both written and oral. The access and interconnection obligations contained herein enable CCI to provide competing telephone exchange service within the nine state region of BELLSOUTH.

III. Term of the Agreement

A. The term of this Agreement shall be two years, beginning October 1, 1996.

B. The parties agree that by no later than August 1, 1997, they shall commence negotiations with regard to the terms, conditions and prices of local interconnection to be effective beginning October 1, 1998.

C. If, within 135 days of commencing the negotiation referred to in Section II (B) above, the parties are unable to satisfactorily negotiate new local interconnection terms, conditions and prices, either party may petition the commissions to establish appropriate local interconnection arrangements pursuant to 47 U.S.C. 252. The parties agree that, in such event, they shall encourage the commissions to issue its order regarding the appropriate local interconnection arrangements no later than September 1, 1998. The parties further agree that in the event the Commission does not issue its order prior to October 1, 1998 or if the parties continue beyond October 1, 1998 to negotiate the local interconnection arrangements without Commission intervention, the terms, conditions and prices ultimately ordered by the Commission, or negotiated by the parties, will be effective retroactive to October 1, 1998. Until the revised local interconnection arrangements become effective, the parties shall continue to exchange traffic pursuant to the terms and conditions of this Agreement.

IV. Local Interconnection

A. The delivery of local traffic between the parties shall be reciprocal and compensation will be mutual according to the provisions of this Agreement. The parties agree that the exchange of traffic on BELLSOUTH's EAS routes shall be considered as local traffic and compensation for the termination of such traffic shall be pursuant to the terms of this section. EAS routes are those exchanges within an exchange's Basic Local Calling Area, as defined in Section A3 of BELLSOUTH's General Subscriber Services Tariff.

B. Each party will pay the other for terminating its local traffic on the other's network the local interconnection rates as set forth in Attachment B-1, by this reference incorporated herein. The charges for local interconnection are to be billed monthly and payable quarterly after appropriate adjustments pursuant to this Agreement are made. Late payment fees, not to exceed 1% per month after the due date may be assessed, if interconnection charges are not paid, within thirty (30) days of the due date of the quarterly bill.

C. The first six month period after the execution of this Agreement is a testing period in which the parties agree to exchange data and render billing. However, no compensation during this period will be exchanged. If, during the second six month period, the monthly net amount to be billed prior to the cap being applied pursuant to subsection (D) of this section is less than \$40,000.00 on a state by state basis, the parties agree that no payment is due. This cap shall be reduced for each of the subsequent six month periods as follows: 2nd period--\$40,000.00; 3rd period--\$30,000.00; and 4th period--\$20,000.00. The cap shall be \$0.00 for any period after the expiration of this Agreement but prior to the execution of a new agreement.

D. The parties agree that neither party shall be required to compensate the other for more than 105% of the total billed local interconnection minutes of use of the party with the lower total billed local interconnection minutes of use in the same month on a statewide basis. This cap shall apply to the total billed local interconnection minutes of use measured by the local switching element calculated for each party and any affiliate of the party providing local exchange telecommunications services under the party's certificate of necessity issued by the Commission. Each party will report to the other a Percentage Local Usage ("PLU") and the application of the PLU will determine the amount of local minutes to be billed to the other party. Until such time as actual usage data is available or at the expiration of the first year after the execution of this Agreement, the parties agree to utilize a mutually acceptable surrogate for the PLU factor. The calculations, including examples of the calculation of the cap between the parties will be pursuant to the procedures set out in Attachment A, incorporated herein by this reference. For purposes of developing the PLU, each party shall consider every local call and every long distance call. Effective on the first of January, April, July and October of each year, the parties shall update their PLU.

E. The parties agree that there are three appropriate methods of interconnecting facilities: (1) virtual collocation where physical collocation is not practical for technical reasons or because of space limitations; (2) physical collocation; and (3) interconnection via purchase of facilities from either party by the other party. Rates and charges for collocation are set forth in Attachment C-13, incorporated herein by this reference. Facilities may be purchased at rates, terms and conditions set forth in BELLSOUTH's intrastate Switched Access (Section E6) or Special Access (Section E7) services tariff or as contained in Attachment B-1 for local interconnection, incorporated herein by this reference.

F. The parties agree to accept and provide any of the preceding methods of interconnection. Reciprocal connectivity shall be established at each and every BELLSOUTH access tandem within the local calling area CCI desires to serve for interconnection to those end offices that subtend the access tandem or may elect to interconnect directly at the end offices for interconnection to end users served by that end office. BELLSOUTH will connect at each end office or tandem inside that local calling area. Such interconnecting facilities shall conform, at a minimum, to the telecommunications industry standard of DS-1 pursuant to BellCore Standard No. TR-NWT-00499. Signal transfer point, Signaling System 7 ("SS7") connectivity is required at each interconnection point. BELLSOUTH will provide out-of-band signaling using Common Channel Signaling Access Capability where technically and economically feasible, in accordance with the technical specifications set forth in the BELLSOUTH Guidelines to Technical Publication, TR-TSV-000905. The parties agree that their facilities shall provide the necessary on-hook, off-hook answer and disconnect supervision and shall hand off calling party number ID when technically feasible. The parties further agree that in the event a party interconnects via the purchase of facilities and/or services from the other party, the appropriate intrastate access tariff, as amended from time to time will apply.

G. Nothing herein shall prevent CCI from utilizing existing collocation facilities, purchased from the interexchange tariffs, for local interconnection; provided, however, that if CCI orders new facilities for interconnection or rearranges any facilities presently used for its alternate access business in order to use such facilities for local interconnection hereunder and a BELLSOUTH charge is applicable thereto, BELLSOUTH shall only charge CCI the lower of the interstate or intrastate tariffed rate or promotional rate.

H. The parties agree to establish trunk groups from the interconnecting facilities of subsection (E) of this section such that each party provides a reciprocal of each trunk group established by the other party. Notwithstanding the foregoing, each party may construct its network, including the interconnecting facilities, to achieve optimum cost effectiveness and network efficiency. The parties agree that either no charges will be assessed or reciprocal charges will be assessed for network to network interfaces where the parties are certified as providers of local exchange services. BELLSOUTH's treatment of CCI as to said charges shall be consistent with BELLSOUTH treatment of other local exchange carriers for the same charges.

I. Whenever BELLSOUTH delivers traffic to CCI for termination on CCI's network, if BELLSOUTH cannot determine because of the manner in which CCI has utilized its NXX codes whether the traffic is local or toll BELLSOUTH will not compensate CCI pursuant to this section but will, instead, charge CCI originating intrastate network access service charges as reflected in BELLSOUTH's intrastate Access Service Tariff. Notwithstanding the foregoing, BELLSOUTH will make the appropriate billing adjustments if CCI can provide sufficient information for BELLSOUTH to make a determination as to whether said traffic was local or toll. If

BELLSOUTH deploys an NXX code across its local calling areas in such a manner that CCI cannot determine whether the traffic it delivers to BELLSOUTH is local or toll, this subsection shall apply to the parties.

J. If either party provides intermediary tandem switching and transport services for the other party's connection of its end user to a local end user of: (1) an ALEC other than CCI; (2) a local exchange telecommunications company other than BELLSOUTH ("ICO"); or (3) another telecommunications company such as a wireless telecommunications service provider, the parties agree that compensation shall be on the basis of mutual traffic exchange. The parties agree that any billing to the ICO or other telecommunications company under this section shall be pursuant to subsection (L) of this section.

K. When the parties provides an access service connection between an interexchange carrier ("IXC") and each other, each party will provide their own access services to the IXC on a multi-bill, multi-tariff meet-point basis. Each party will bill its own access services rates to the IXC with the exception of the interconnection charge. The interconnection charge will be billed by the party providing the intermediary tandem function.

L. The parties agree to adopt MECAB as the terms and conditions for meet point billing for all traffic to which MECAB applies, including traffic terminating to ported numbers, and to employ 30 day billing periods for said arrangements. The recording party agrees to provide to the initial billing company, at no charge, the switched access detailed usage data within a reasonable time after the usage is recorded. The initial billing company will provide the switched access summary usage data to all subsequent billing companies within 10 days of rendering the initial bill to the IXC. The parties agree that there will be technical, administrative, and implementation issues associated with achieving the intent of this subsection. As such, the parties further agree to work cooperatively toward achieving the intent of this provision within nine months of the effective date of this Agreement.

M. The ordering and provision of all services purchased from BELLSOUTH by CCI shall be as set forth in the OLEC-to-BELLSOUTH Ordering Guidelines (Facilities Based) as those guidelines are amended by BELLSOUTH from time to time during the term of this Agreement.

V. IntraLATA and InterLATA Toll Traffic Interconnection

A. The delivery of intrastate toll traffic by a party to the other party shall be reciprocal and compensation will be mutual. For terminating its toll traffic on the other party's network, each party will pay BELLSOUTH's intrastate terminating switched access rate, inclusive of the interconnection charge and the Carrier Common Line rate elements of the switched access rate. The parties agree that their terminating switched

access rates may change during the term of this Agreement and that the appropriate rate shall be the rate in effect when the traffic is terminated.

B. For originating and terminating intrastate toll traffic, each party shall pay the other BELLSOUTH's intrastate switched network access service rate elements on a per minute of use basis. Said rate elements shall be as set out in BELLSOUTH's Intrastate Access Services Tariff as that tariff is amended from time to time during the term of this Agreement. The appropriate charges will be determined by the routing of the call.

If CCI is the BELLSOUTH end user's presubscribed interexchange carrier or if the BELLSOUTH end user uses CCI as an interexchange carrier on a 10XXX basis, BELLSOUTH will charge CCI the appropriate tariff charges for originating network access services. If BELLSOUTH is serving as the CCI end user's presubscribed interexchange carrier or if the CCI end user uses BELLSOUTH as an interexchange carrier on a 10XXX basis, CCI will charge BELLSOUTH the appropriate BELLSOUTH tariff charges for originating network access services.

C. The parties agree that to the extent CCI provides intraLATA toll service to its customers, it may be necessary for it to interconnect to additional BELLSOUTH access tandems that serve end office outside the local calling area.

D. Each party agrees to compensate the other, pursuant to the appropriate originating switched access charges, including the database query charge, for the origination of 800 traffic terminated to the other party.

E. Each party will provide to the other party the appropriate records necessary for billing intraLATA 800 customers. The records provided will be in a standard EMR format for a fee of \$0.013 per record.

F. If during the term of this Agreement, either party provides interLATA 800 services, it will compensate the other for the origination of such traffic pursuant to subsection A, above. Each party shall provide the appropriate records for billing pursuant to subsection B, above.

G. Should CCI require 800 Access Ten Digit Screening Service from BELLSOUTH, it shall have signaling transfer points connecting directly to BELLSOUTH's local or regional signaling transfer point for service control point database query information. CCI shall utilize SS7 Signaling links, ports and usage as set forth in Attachment C-7, incorporated herein by this reference. CCI will not utilize switched access FGD service. 800 Access Ten Digit Screening Service is an originating service that is provided via 800 Switched Access Service trunk groups from BELLSOUTH's SSP equipped end office or access tandem providing an IXC identification function and delivery of call to the IXC based on the dialed ten digit number. The rates and charges for said service shall be as set forth in BELLSOUTH's

Intrastate Access Services Tariff as said tariff is amended from time to time during the term of this Agreement.

VI. Service Provider Number Portability

A. Service Provider Number Portability (SPNP) is an interim service arrangement provided by each party to the other whereby an end user, who switches subscription of his local exchange service from BELLSOUTH to CCI, or vice versa, is permitted to retain use of his existing assigned telephone number, provided that the end user remains at the same location for his local exchange service or changes locations and service providers but stays within the same serving wire center of his existing number. SPNP services are available in two arrangements, SPNP-Remote and SPNP-DID. Notwithstanding the foregoing, SPNP is not available when the end user's existing account has been denied or disconnected for nonpayment and an outstanding balance remains unpaid.

B. SPNP services and facilities will only be provided, where technically feasible, subject to the availability of facilities and may only be furnished from properly equipped central offices. SS7 Signaling is required for the provision of SPNP services. SPNP is available from either party on either a per DS0, DS1 or DS3 basis. Where SPNP-DID is provided on a DS1 or a DS3 basis, applicable channelization rates as specified in Attachment C-16, incorporated herein by this reference. SPNP is available only for basic local exchange service. Section E6.8.1.H of the BELLSOUTH intrastate Switched Access tariff, as said tariff is amended from time to time during the term of this Agreement.

C. SPNP is available only where CCI or BELLSOUTH is currently providing, or will begin providing concurrent with provision of SPNP, basic local exchange service to the affected end user. SPNP for a particular CCI assigned telephone number is available only from the central office originally providing local exchange service to the end user. SPNP for a particular assigned telephone number will be disconnected when any end user, Commission, BELLSOUTH, or CCI initiated activity (e.g. a change in exchange boundaries) would normally result in a telephone number change had the end user retained his initial local exchange service.

D. SPNP-Remote is a telecommunications service whereby a call dialed to an SPNP-Remote equipped telephone number, is automatically forwarded to an assigned seven or ten digit telephone number within the local calling area as defined in Section A3 of the BELLSOUTH General Subscriber Service Tariff. The forwarded-to number is specified by CCI or BELLSOUTH, as appropriate. Where technologically feasible, the forwarding party will provide identification of the originating telephone number, via SS7 signaling, to the receiving party. Neither party guarantees, however, identification of the originating telephone number to the SPNP-Remote end user. SPNP-Remote provides a single call path for the forwarding of no more than one simultaneous call to the receiving party's specified forwarded-to number. Additional call

E. SPNP-DID service provides trunk side access to end office switches for direct inward dialing to other company's premises equipment from the telecommunications network to lines associated with the other company's switching equipment and must be provided on all trunks in a group arranged for inward service. A SPNP-DID trunk termination, provided with SS7 Signaling only, charge applies for each trunk voice grade equivalent. In addition, direct facilities are required from the end office where a ported number resides to the end office serving the ported end user customer. The rates for a switched local channel and switched dedicated transport apply as contained in Section E6 of BELLSOUTH's intrastate Access Services tariff, as said Tariff is amended from time to time during the term of this Agreement. Transport mileage will be calculated as the airline distance between the end office where the number is ported and the POI using the V&H coordinate method. SPNP-DID must be established with a minimum configuration of 2 channels and one unassigned telephone number per switch, per arrangement for control purposes. Transport facilities arranged for SPNP-DID may not be mixed with any other type of trunk group, with no outgoing calls placed over said facilities. SPNP-DID will be provided only where such facilities are available and where the switching equipment of the ordering party is properly equipped. Where SPNP-DID service is required from more than one wire center or from separate trunk groups within the same wire center, such service provided from each wire center or each trunk group within the same wire center shall be considered a separate service. Only customer dialed sent paid calls will be completed to the first number of a SPNP-DID number group, however there are no restrictions on calls completed to other numbers of a SPNP-DID number group. Interface group arrangements provided for terminating the switched transport at the party's terminal location are as set forth in E6.1.3.A. of BELLSOUTH's intrastate Access Services tariff, as amended from time to time during the term of this Agreement.

F. SPNP services will be provided at the charges contained in Attachment B-3 for SPNP-RCF and Attachment B-4 for SPNP-DID. Both Attachments are incorporated herein by this reference.

G. The calling party is responsible for payment of the applicable charges for sent-paid calls to the SPNP number. For collect, third-party, or other operator-assisted non-sent paid calls to the ported telephone number, BELLSOUTH or CCI is responsible for the payment of charges under the same terms and conditions for which the end user would have been liable for those charges. Either party may request that the other block collect and third party non-sent paid calls to the SPNP assigned telephone number. If the party does not request blocking, the other party will provide itemized local usage data for the billing of non-sent paid calls on the monthly bill of usage charges, provided at the individual end user account level. The detail will include itemization of all billable usage. As an alternative to the itemized monthly bill, each party shall have the option of receiving this usage data on a daily basis via a data file transfer arrangement. This arrangement will utilize the existing industry uniform standard, known as EMR standards, for exchange of billing data. Files of usage data

will be created daily for the optional service. Usage originated and recorded in the sending BELLSOUTH RAO will be provided in unrated format. CCI usage originated elsewhere and delivered via CMDS to the sending BELLSOUTH RAO will be provided in rated format.

H. Each party is responsible for obtaining authorization from the end user for the handling of the disconnection of the end user's service, the provision of new local service and the provision of SPNP services. Each party is responsible for coordinating the provision of service with the other to assure that its switch is capable of accepting SPNP ported traffic. Each party is responsible for providing equipment and facilities that are compatible with the other's service parameters, interfaces, equipment and facilities and is required to provide sufficient terminating facilities and services at the terminating end of an SPNP call to adequately handle all traffic to that location and is solely responsible to ensure that its facilities, equipment and services do not interfere with or impair any facility, equipment, or service of the other party or any of its end users. In the event that either party determines in its sole judgment that the other party will likely impair or is impairing, or interfering with any equipment, facility or service or any of its end users, that party may either refuse to provide SPNP service or terminate SPNP to the other party.

I. Each party is responsible for providing an appropriate intercept announcement service for any telephone numbers subscribed to SPNP services for which it is not presently providing local exchange service or terminating to an end user. Where either party chooses to disconnect or terminate any SPNP service, that party is responsible for designating the preferred standard type of announcement to be provided.

J. Each party will be the other's party's single point of contact for all repair calls on behalf of each party's end user. Each party reserves the right to contact the other party's customers, if deemed necessary, for maintenance purposes.

K. Neither party is responsible for adverse effects on any service, facility or equipment for the use of SPNP services. End-to-end transmission characteristics may vary depending on the distance and routing necessary to complete calls over SPNP facilities and the fact that another carrier is involved in the provisioning of service. Therefore, end-to-end transmission characteristics can not be specified by either party for such calls. Neither party is responsible to the other if any necessary change in protection criteria or in any of the facilities, operation, or procedures of either renders any facilities provided by the other party obsolete or renders necessary modification of the other party's equipment.

L. For that terminating IXC traffic ported to either party which requires use of either party's tandem switching, the tandem provider will bill the IXC tandem switching, the interconnection charge, and a portion of the transport, and the other party will bill the IXC local switching, the carrier common line and a portion of the transport. If the

tandem provider is unable to provide the necessary access records to permit the other party to bill the IXCs directly for terminating access to ported numbers, then the parties agree to work cooperatively to develop a surrogate method to approximate the access minutes, and a settlement process to recover those access revenues due it as a co-provider of access services to IXCs. During the interim, while the surrogate is being developed, the tandem provider will bill the IXC full terminating switched access charges, keep the interconnection charge, tandem switching and a portion of transport, and remit the local switching, a portion of transport and CCL revenues to the other party. If a toll intraLATA call is delivered, the delivering party will pay terminating access rates to the other party. This subsection does not apply in cases where SPNP-DID is utilized for number portability.

M. If either party has direct connections to the IXCs for the termination of all interLATA traffic and it is only through the use of SPNP services that the tandem is being utilized and the tandem provider receives network access service revenues from the terminating IXC, the other party will bill the network access charges for the terminating facilities used for that interLATA traffic. This circumstance may also arise where an intraLATA toll call from one party's customer is sent to a number that is, in turn, forwarded through the use of SPNP services to the other party's customer. If so, terminating party will bill the other party the network access charges for the terminating facilities used for that intraLATA toll traffic.

N. If during the term of this Agreement, the Federal Communications Commission issues regulations pursuant to 47 U.S.C. §251 to require number portability different than that provided pursuant to this subsection, the parties agree to fully comply with those regulations.

VII. Provision of Unbundled Elements

A. BELLSOUTH will offer an unbundled local loop to CCI at the current rates as set forth in Attachment C-15, incorporated herein by this reference. Special construction charges, if applicable, will be as set forth in BELLSOUTH's Intrastate Special Access Tariff as said tariff is amended from time to time during the term of this Agreement. BELLSOUTH will also offer, as a new service loop concentration as set forth in Attachment C-16, incorporated herein by this reference. The parties agree that loop concentration service as offered above is not an unbundled element.

B. BELLSOUTH will offer to CCI unbundled loop channelization system service which provides the multiplexing function to convert 96 voice grade loops to DS1 level for connection with CCI's point of interface. Rates are as set forth in Attachment C-16, incorporated herein by this reference.

C. BELLSOUTH will offer to CCI unbundled local transport from the trunk side of its switch at the rates as set forth in Attachment B-1, incorporated herein by this reference.

D. BELLSOUTH will offer to CCI unbundled local switching at the rates as set forth in Attachment C-17, incorporated herein by this reference, for the unbundled exchange service port.

E. BELLSOUTH shall, upon request of CCI, and to the extent technically feasible, provide to CCI access to its Network Elements for the provision of an CCI telecommunications service. Any request by CCI for access to a BELLSOUTH Network Element that is not already available shall be treated as a Network Element bona fide request. CCI agrees to pay the costs associated with the bona fide request if CCI cancels the request or fails to purchase the service once completed. CCI shall provide BELLSOUTH access to its Network Elements as mutually agreed by the Parties or as required by a state commission or the FCC.

F. A Network Element obtained by one Party from the other Party under this section may be used in combination with the facilities of the requesting Party only to provide a telecommunications service, including obtaining billing and collection, transmission, and routing of the telecommunications service.

VIII. Access To Poles, Ducts, Conduits, and Rights of Way

BELLSOUTH agrees to provide to CCI, pursuant to 47 U.S.C. § 224, as amended by the Act, nondiscriminatory access to any pole, duct, conduit, or right-of-way owned or controlled by BELLSOUTH.

IX. Access to 911/E911 Emergency Network

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

B. For E911 service, CCI shall install a minimum of two dedicated trunks originating from CCI's serving wire center and terminating to the appropriate E911

tandem. The dedicated trunks shall be, at minimum, DS0 level trunks configured either as a 2 wire analog interface or as part of a digital (1.544 Mb/s) interface. Either configuration shall use CAMA type signaling with multifrequency (MF) pulsing that will deliver automatic number identification (ANI) with the voice portion of the call. If the user interface is digital, MF pulses, as well as other AC signals, shall be encoded per the u-255 Law convention. CCI will provide BELLSOUTH daily updates to the E911 database.

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

D. BELLSOUTH and CCI agree that the practices and procedures contained in the E911 Local Exchange Carrier Guide For Facility-Based Providers, as it is amended from time to time during the term of this Agreement by BELLSOUTH, shall determine the appropriate procedures and practices of the parties as to the provision of 911/E911 Access.

E. The applicable rate elements are as set forth in Attachment C-3, incorporated herein by this reference.

X. Provision of Operator Services

A. The parties agree to mutually provide busy line verification and emergency interrupt services pursuant to each party's published Tariffs as the Tariffs are amended from time to time during the term of this Agreement.

B. BELLSOUTH will offer to CCI Operator Call Processing Access Service; and Directory Assistance Access Services (Number Services). Rates, terms and conditions are set forth in Attachment C-8 for Operator Call Processing Access Service and Attachment C-9 for Directory Assistance Access Services. Both Attachments are incorporated herein by this reference.

C. BELLSOUTH will offer to CCI CMDS Hosting and the Non Sent Paid Report System pursuant to the terms and conditions set forth in Attachment C-11, incorporated herein by this reference.

XI. Directory Listings

A. Subject to execution of an agreement between CCI and BELLSOUTH's affiliate, BELLSOUTH Advertising & Publishing Corporation, ("BAPCO"), substantially in the form set forth in Attachment C-1, (1) listings shall be included in appropriate White

Pages or alphabetical directories; (2) CCI's business subscribers' listings shall also be included in appropriate Yellow Pages, or classified directories; and (3) copies of such directories shall be delivered to CCI's subscribers.

B. BELLSOUTH will include CCI's subscriber listings in BELLSOUTH's directory assistance databases and BELLSOUTH will not charge CCI to maintain the Directory Assistance database. The parties agree to cooperate with each other in formulating appropriate procedures regarding lead time, timeliness, format and content of listing information.

C. BELLSOUTH will provide CCI a magnetic tape or computer disk containing the proper format for submitting subscriber listings. CCI will provide BELLSOUTH with its directory listings and daily updates to those listings, including new, changed, and deleted listings, in an industry-accepted format.

D. BELLSOUTH and BAPCO will accord CCI's directory listing information the same level of confidentiality which BELLSOUTH and BAPCO accords its own directory listing information, and BELLSOUTH shall limit access to CCI's customer proprietary confidential directory information to those BELLSOUTH or BAPCO employees who are involved in the preparation of listings.

E. Additional listings and optional listings may be provided by BELLSOUTH at the rates set forth in the General Subscriber Services Tariff as the tariff is amended from time to time during the term of this Agreement.

XII. Access to Telephone Numbers

A. BELLSOUTH, during any period under this Agreement in which it serves as a North American Numbering Plan administrator for its territory, shall ensure that CCI has nondiscriminatory access to telephone numbers for assignment to its telephone exchange service customers. It is mutually agreed that BELLSOUTH shall provide numbering resources pursuant to the BellCore Guidelines Regarding Number Assignment and compliance with those guidelines shall constitute nondiscriminatory access to numbers. CCI agrees that it will complete the NXX code application in accordance with Industry Carriers Compatibility Forum, Central Office Code Assignment Guidelines, ICCF 93-0729-010. This service will be as set forth in Attachment C-2, incorporated herein by this reference.

B. If during the term of this Agreement BELLSOUTH is no longer the North American Numbering Plan administrator, the parties agree to comply with the guidelines, plan or rules adopted pursuant to 47 U.S.C. § 251(e).

XIII. Access to Signaling and Signaling Databases

A. Each party will offer to the other party use of its signaling network and signaling databases on an unbundled basis at published tariffed rates. Signaling functionality will be available with both A-link and B-link connectivity.

B. BELLSOUTH agrees to input the NXXs assigned to CCI into the Local Exchange Routing Guide ("LERG").

C. BELLSOUTH will enter CCI line information into its Line Information Database ("LIDB") pursuant to the terms and conditions contained in Attachment C-5, incorporated herein by this reference. Entry of line information into LIDB will enable CCI's end users to participate or not participate in alternate billing arrangements such as collect or third number billed calls.

D. If CCI utilizes BELLSOUTH's 800 database for query purposes only, the rates and charges shall be as set forth in Attachment C-4, incorporated herein by this reference.

XIV. BELLSOUTH's Offer of Services Available for Resale

A. The rates pursuant by which CCI 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 Attachment D, attached hereto and incorporated herein by this reference. Such discount shall reflect the costs avoided by BELLSOUTH when selling a service for wholesale purposes.

B. CCI may resell the tariffed telecommunications services of BELLSOUTH, including any broadband exchange line or SynchroNet® service, 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 service offerings; lifeline and linkup 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 institutions discount); and discounted services to meet competitive situations. BELLSOUTH agrees that CCI may resell the broadband exchange line or SynchroNet service as provided by BELLSOUTH in any technically feasible manner alone or in conjunction with its own service offering.

C. The provision of services by BELLSOUTH to CCI does not constitute a joint undertaking for the furnishing of any service.

D. CCI will be the customer of record for all services purchased from BELLSOUTH. Except as specified herein, BELLSOUTH will take orders from, bill and expect payment from CCI for all services.

E. CCI will be BELLSOUTH's single point of contact for all services purchased pursuant to this Agreement including all ordering activities and repair calls. For all repair requests, CCI accepts responsibility for adhering to BELLSOUTH's prescreening guidelines prior to referring the trouble to BELLSOUTH. BELLSOUTH may bill CCI for handling troubles that are found not to be in the BELLSOUTH network. The parties agree that BELLSOUTH may contact CCI's customers, if in its sole discretion it deems necessary for maintenance purposes. BELLSOUTH shall have no other contact with the end user except to the extent provided for herein.

F. BELLSOUTH will continue to bill the end user for any services that the end user specifies it wishes to receive directly from BELLSOUTH. BELLSOUTH maintains the right to serve directly any end user within the service area of CCI and ALEC agrees not to interfere with the right of any end user to obtain service directly from BELLSOUTH. BELLSOUTH will continue to directly market its own telecommunications products and services and in doing so may establish independent relationships with end users of CCI

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

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

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

1. Interfere with or impair service over any facilities of BELLSOUTH, its affiliates, or its connecting and concurring carriers involved in its service;
2. Cause damage to their plant;

3. Impair the privacy of any communications; or
4. Create hazards to any employees or the public.

CCI assumes the responsibility of notifying BELLSOUTH regarding less than standard operations with respect to services provided by CCI.

J. CCI agrees that its resale of BELLSOUTH services shall be as follows:

1. The resale of telecommunications services shall be limited to users and uses conforming to the class of service restrictions.
2. To the extent CCI is a telecommunications carrier that serves greater than 5 percent of the Nation's presubscribed access lines, CCI shall not jointly market its interLATA services with the telecommunications services purchased from BELLSOUTH pursuant to this Agreement in any of the states covered under this Agreement. For purposes of this 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 CCI are packaged, tied, bundled, discounted or offered together in any way to the end user. Such efforts include, but are not limited to, sales referrals, resale arrangements, sales agencies or billing agreements. This subsection shall be void and of no effect for a particular state covered under this Agreement as of February 8, 1999 or on the date BELLSOUTH is authorized to offer interLATA services in that state, whichever is earlier.
3. Hotel and Hospital PBX service are the only telecommunications services available for resale to Hotel/Motel and Hospital end users, respectively. Similarly, Access Line Service for Customer Provided Coin 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 BELLSOUTH's A23 or A27 Shared Tenant Service Tariff, as appropriate.
4. CCI is prohibited from furnishing both flat and measured rate service on the same business premises to the same subscribers (end users) as stated in A2.3.2.A. of BELLSOUTH's Tariff.

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

K. 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.

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

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

N. BELLSOUTH will not perform billing and collection services for CCI as a result of the execution of this Agreement. All requests for billing services should be referred to the appropriate entity or operational group within BELLSOUTH.

O. Until such time as BELLSOUTH receives permission from the FCC to bill the End User Common Line (EUCL) charge to CCI, BELLSOUTH will, on an interim basis, bill CCI the charges shown below which are identical to the EUCL rates billed by BST to its end users.

	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	\$6.00

P. The procedures for discontinuing end user service purchased by CCI for resale to an end user are as follows:

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

Q. The procedures for discontinuing service to CCI are as follows:

- 1. BELLSOUTH reserves the right to suspend or terminate service for nonpayment or in the event of prohibited, unlawful or improper use of the facilities or service, abuse of the facilities, or any other violation or noncompliance by CCI of the rules and regulations of BELLSOUTH's Tariffs.**
- 2. If payment of account is not received by the bill day in the month after the original bill day, BELLSOUTH may provide written notice to CCI, that additional applications for service will be refused and that any pending orders for service will not be completed if payment is not received by the fifteenth day following the date of the notice. If BELLSOUTH does not refuse additional applications for service on the date specified in the notice, and CCI's noncompliance continues, nothing contained herein shall preclude BELLSOUTH's right to refuse additional applications for service without further notice.**

3. If payment of the 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 disconnection, or both.
4. If CCI fails to comply with the provisions of this Agreement, including any payments to be made by it on the dates and times herein specified, BELLSOUTH may, on thirty days written notice to the person designated by CCI to receive notices of noncompliance, discontinue the provision of existing services to CCI at any time thereafter. In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due. If BELLSOUTH does not discontinue the provision of the services involved on the date specified in the thirty days notice, and CCI's noncompliance continues, nothing contained herein shall preclude BELLSOUTH's right to discontinue the provision of the services to CCI without further notice.
5. If payment is not received or arrangements made for payment by the date given in the written notification, CCI's services will be discontinued. Upon discontinuance of service on a CCI's account, service to CCI's end users will be denied. BELLSOUTH will also reestablish service at the request of the end user or CCI upon payment of the appropriate connection fee and subject to BELLSOUTH's normal application procedures.
6. If within fifteen days after an end user's service has been denied no contact has been made in reference to restoring service, the end user's service will be disconnected.

R. BELLSOUTH may require CCI to make a deposit, if evidence of good credit cannot be provided, when purchasing services for resale purposes to be held by BELLSOUTH as a guarantee of the payment of rates and charges. Any such deposit may be held during the continuance of the service and may not exceed two month's estimated billing. The fact that a deposit has been made in no way relieves CCI from the prompt payment of bills on presentation nor does it constitute a waiver or modification of the regular practices of BELLSOUTH providing for the discontinuance of service for non-payment of any sums due BELLSOUTH. In the event that CCI defaults on its account, service to CCI will be terminated and any deposits held will be applied to its account. In the case of a cash deposit, interest at the rate of six percent per annum shall be paid to CCI during the continuance of the deposit. Interest on a deposit shall accrue annually and, if requested, shall be annually credited to CCI by the accrual date.

XV. Ordering of Services From BELLSOUTH For Resale Purposes

A. The ordering and provision of services purchased from BELLSOUTH for resale purposes by CCI shall be as set forth in the OLEC-to-BELLSOUTH Ordering Guidelines (Reseller) as those guidelines are amended by BELLSOUTH from time to time during the term of this Agreement.

B. When the initial service is ordered by CCI, BELLSOUTH will establish an accounts receivable master account for CCI.

C. BELLSOUTH shall bill CCI on a current basis all applicable charges and credits.

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

E. BELLSOUTH will render bills each month on established bill days for each of CCI's accounts.

F. BELLSOUTH will bill CCI 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 E911 charges, telecommunications relay charges, and franchise fees, on an individual end user account level.

G. 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 U.S. funds. Payment is considered to have been made when received by BELLSOUTH.

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.

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

I. As the customer of record, CCI will be responsible for, and remit to BELLSOUTH, all charges applicable to its resold services for emergency services (E911 and 911) and Telecommunications Relay Service (TRS) as well as any other charges of a similar nature.

J. If any portion of the payment is received by BELLSOUTH after the payment due date as set forth preceding, or if any portion of the payment is received by BELLSOUTH in funds that are not immediately available to BELLSOUTH, then a late payment penalty shall be due to BELLSOUTH. 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 the lesser of:

1. The highest interest rate (in decimal value) which may be levied by law for commercial transaction, compounded daily for the number of days from the payment due date to and including the date that CCI actually makes the payment to BELLSOUTH, or
2. 0.000590 per day, compounded daily for the number of days from the payment due date to and including the date that CCI actually makes the payment to BELLSOUTH.

K. Any Carrier Common Line charges (CCL) associated with interexchange carrier access to the resold local exchange lines will be billed by, and due to, BELLSOUTH.

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

M. CCI is responsible for payment of all appropriate charges for completed calls, services, and equipment. If objection in writing is not received by BELLSOUTH

within twenty-nine days after the bill is rendered, the account shall be deemed correct and binding upon CCI.

XVI. Network Design and Management

A. The parties agree to work cooperatively to install and maintain reliable interconnected telecommunications networks, including but not limited to, maintenance contact numbers and escalation procedures. BELLSOUTH agrees to provide public notice of changes in the information necessary for the transmission and routing of services using its local exchange facilities or networks, as well as of any other changes that would affect the interoperability of those facilities and networks.

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

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

D. Neither party intends to charge rearrangement, reconfiguration, disconnection, termination or other non-recurring fees that may be associated with the initial reconfiguration of either party's network interconnection arrangement contained in this Agreement. However, the interconnection reconfigurations will have to be considered individually as to the application of a charge. Notwithstanding the foregoing, the parties do intend to charge non-recurring fees for any additions to, or added capacity to, any facility or trunk purchased..

E. The parties agree to provide LEC-to-LEC Common Channel Signaling (CCS) to one another, where available, in conjunction with all traffic in order to enable full interoperability of CLASS features and functions except for call return. All CCS signaling parameters will be provided, including automatic number identification (ANI), originating line information (OLI) calling party category, charge number, etc. All privacy indicators will be honored, and the parties agree to cooperate on the exchange of Transactional Capabilities Application Part (TCAP) messages to facilitate full interoperability of CCS-based features between the respective networks.

F. For network expansion, the parties agree to review engineering requirements on a quarterly basis and establish forecasts for trunk utilization as required by Section V of this Agreement. New trunk groups will be implemented as state by engineering requirements for both parties.

G. The parties agree to provide each other with the proper call information, i.e. originated call party number and destination call party number, CIC, and OZZ, including all proper translations for routing between networks and any information

necessary for billing where BELLSOUTH provides recording capabilities. The exchange of information is required to enable each party to bill properly.

XVII. Disconnection of Existing End User Service

A. BELLSOUTH will accept requests from CCI to disconnect the service of an existing BELLSOUTH end user. BELLSOUTH will accept a request directly from an end user for conversion of the end user's service from CCI to BELLSOUTH or will accept a request from another ALEC or CCI for conversion of the Service Provider Number Portability service associated with an end user's service from CCI to the second ALEC or Reseller. BELLSOUTH will notify CCI that such a request has been processed. BELLSOUTH will not require end user confirmation prior to disconnecting the end user's service. CCI must, however, provide proof of authorization upon request.

B. If BELLSOUTH determines that an unauthorized change in local service provider has occurred, BELLSOUTH will reestablish service with the appropriate local service provider as requested by the end user and will assess CCI an Unauthorized Change Charge of \$19.41 per line or trunk for Residence or Business. The appropriate nonrecurring charges to reestablish the customer's service with the appropriate local service provider will also be assessed to CCI because of the unauthorized change. These charges may be adjusted if CCI provides satisfactory proof of authorization.

C. BELLSOUTH may designate BELLSOUTH as the preferred provider of local exchange service for its own pay telephones.

XVIII. Implementation of Agreement

The parties agree that within 30 days of the execution of this Agreement they will adopt a schedule for the implementation of this Agreement. The schedule shall state with specificity, conversion, reconfiguration, ordering, testing, and full operational time frames. Both parties agree to provide the appropriate staff support to ensure effective implementation, administration of this Agreement and conversion of existing services to the appropriate rates contained in this Agreement. Any changes in billing to CCI shall be as of the effective date of this Agreement. The implementation schedule shall be attached to this Agreement as an addendum and specifically incorporated herein by this reference.

XIX. Auditing Procedures

A. Upon thirty (30) days written notice, each party must provide the other the ability and opportunity to conduct an annual audit to ensure the proper billing of traffic between the parties. The parties agree to retain records of call detail for a minimum of nine months from which the PLU can be ascertained. The audit shall be accomplished

during normal business hours at an office designated by the party being audited. Audit request shall not be submitted more frequently than one (1) time per calendar year. Audits shall be performed by a mutually acceptable independent auditor paid for by the party requesting the audit. The PLU shall be adjusted based upon the audit results and shall apply 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. If, as a result of an audit, either party is found to have overstated the PLU by twenty percentage points (20%) or more, that party shall reimburse the auditing party for the cost of the audit.

B. For combined interstate and intrastate CCI traffic terminated by BELLSOUTH over the same facilities, CCI shall provide a projected Percentage Interstate Usage ("PIU") as defined herein to BELLSOUTH. All jurisdictional report requirements, rules and regulations for Interexchange Carriers specified in E2.3.14 of BELLSOUTH's Intrastate Access Services Tariff will apply to CCI. After interstate and intrastate traffic percentages have been determined by use of PIU procedures, the PLU factor will be used for application and billing of local interconnection and intrastate toll access charges.

C. BELLSOUTH reserves the right to periodically audit services purchased by CCI for the purposes of resale to confirm that such services are being utilized in conformity with this Agreement. CCI agrees to make any and all records available to BELLSOUTH or its auditors on a timely basis. BELLSOUTH shall bear the cost of said audit that shall not occur more than once in a calendar year. If the audit determines that the services are being utilized in violation of this Agreement, CCI shall be notified and billing for the service will be immediately changed to conform with this Agreement. Service charges, back billing and interest may be applied.

XX. Liability and Indemnification

A. With respect to any claim or suit by CCI, an CCI customer or by any other person or entity, other than for willful misconduct, for damages associated with any of the services provided by BELLSOUTH pursuant to this Agreement or otherwise, including but not limited to the installation, provision, preemption, termination, maintenance, repair or restoration of service, and subject to the provisions of B. through G. following, BELLSOUTH's liability shall not exceed an amount equal to the proportionate charge for the service provided pursuant to this Agreement for the period during which the service was affected.

B. BELLSOUTH shall not be liable for any act or omission of any other telecommunications company providing a portion of a service, nor shall BELLSOUTH hold liable any other telecommunications company providing a portion of a service for any act or omission of BELLSOUTH.

C. BELLSOUTH is not liable for damages to CCI's terminal location, POI nor CCI's customer's premises resulting from the furnishing of a service, including but not limited to the installation and removal of equipment and associated wiring, unless the damage is caused by BELLSOUTH's gross negligence.

D. BELLSOUTH shall be indemnified, defended and held harmless by CCI against any claim, loss or damage arising from CCI's use of services provided by BELLSOUTH under this Agreement, involving: 1) Claims for libel, slander, invasion of privacy, or infringement of copyright arising from CCI's own communications; 2) Claims for patent infringement arising from CCI's acts combining or using the service furnished by BELLSOUTH in connection with facilities or equipment furnished by CCI or CCI's customer; 3) any claim, loss, or damage claimed by a CCI customer, arising from CCI's uses of services provided by BELLSOUTH under this Agreement; or 4) all other claims arising out of an act or omission of CCI in the course of using services provided pursuant to this Agreement.

E. BELLSOUTH assumes no liability for the accuracy of the data provided to it by CCI and CCI agrees to indemnify and hold harmless BELLSOUTH for any claim, action, cause of action, damage, injury whatsoever, that may result from the supply of data from CCI to BELLSOUTH in conjunction with the provision of any service provided pursuant to this Agreement.

F. BELLSOUTH does not guarantee or make any warranty with respect to its services when used in an explosive atmosphere. BELLSOUTH shall be indemnified, defended and held harmless by CCI or CCI's customer from any and all claims by any person relating to CCI's or CCI's customer's use of services so provided.

G. No license under patents (other than the limited license to use) is granted by BELLSOUTH or shall be implied or arise by estoppel, with respect to any service offered pursuant to this Agreement. BELLSOUTH will defend CCI against claims of patent infringement arising solely from the use by CCI of services offered pursuant to this Agreement and will indemnify CCI for any damages awarded based solely on such claims.

H. BELLSOUTH's failure to provide or maintain services offered pursuant to this Agreement shall be excused by labor difficulties, governmental orders, civil commotion, criminal actions taken against BELLSOUTH, acts of God and other circumstances beyond BELLSOUTH's reasonable control.

I. This obligations of the Parties contained within this section shall survive the expiration of this Agreement.

XXI. More Favorable Provisions

A. In the event an appropriate regulatory agency or judicial body orders or directs BELLSOUTH or CCI to provide any substantive portion of this Agreement in a way different than that provided for herein, including but not limited to BELLSOUTH's provision of broadband exchange line services, the parties agree to implement said order so that the parties can incorporate the order on the same day that the order becomes effective. The parties agree that such action shall take place only after all administrative and judicial remedies have been exhausted. The party pursuing any administrative or judicial remedy agrees to apply the regulatory or judicial order retroactively to the date that the order was initially entered and apply simple interest at a rate based on the thirty day commercial paper rate for high grade, unsecured notes sold through dealers by major corporations in multiples of \$1,000.00 as regularly published in the Wall Street Journal. The preceding sentence shall survive the expiration of this Agreement.

B. In the event BELLSOUTH executes an interconnection, unbundling and resale agreement with any other local exchange carrier, the parties agree that CCI shall be eligible to supersede this Agreement with the identical rates, terms and conditions contained in the BELLSOUTH agreement with the other local exchange carrier. If CCI chooses to adopt another agreement in its entirety, the parties agree that the effective day shall be the date the agreement is approved by the Commission.

C. In the event BELLSOUTH files and receives approval for a tariff offering to provide any substantive service of this Agreement in a way different than that provided for herein, the parties agree that CCI shall be eligible for subscription to said service at the rates, terms and conditions contained in the tariff. The parties agree that such eligibility shall be as of the effective date of the tariff.

D. The Parties acknowledge that BELLSOUTH will guarantee the provision of universal service as the carrier-of-last-resort throughout its territory in Florida until January 1, 1998 without contribution from CCI.

XXII. 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, specifications, drawings, procedures, customer account data, call detail records and like information (hereinafter collectively referred to as "Information"). Both parties agree that all Information shall be in writing or other tangible form and clearly marked with a confidential, private or proprietary legend and that 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 nonparty 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.

XXIII. 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 initially refer the issue to the individuals in each company that negotiated the Agreement. If the issue is not resolved within 30 days, either party may petition the 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 the Commission concerning this Agreement.

XXIV. Limitation of Use

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

XXV. Waivers

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

XXVI. 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.

XXVII. Arm's Length Negotiations

This Agreement was executed after arm'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.

XXVIII. 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. CCI-
Rich Dender -Acct. Manager
South E4E1 Colonnade Prkwy
Birmingham, AL 35243

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

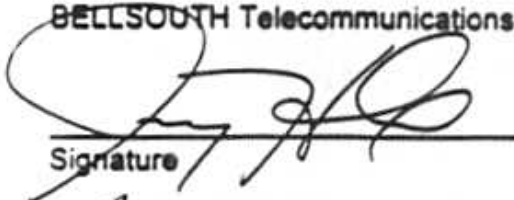
B. Where specifically required, notices shall be by certified or registered mail. Unless otherwise provided in this Agreement, notice by mail shall be effective on the date it is officially recorded as delivered by return receipt or equivalent, and in the absence of such record of delivery, it shall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

XXIX. Entire Agreement

This Agreement and its Attachments, incorporated herein by this reference, sets forth the entire understanding and supersedes prior agreements between the parties, relating to the subject matter contained herein and merges all prior discussions between them, and neither party shall be bound by any definition, condition, provision,

representation, warranty, covenant or promise other than as expressly stated in this Agreement or as is contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the party to be bound thereby.

BELLSOUTH Telecommunications, Inc.



Signature

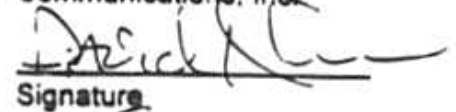
Manager

Title

8-27-96

Date

Competitive
Communications, Inc.



Signature

C.F.C.

Title

Date

ATTACHMENT A
EXAMPLE OF "5% CAP"

Case 1:

**BELLSOUTH terminates 10,000 min. to
ALEC X**

ALEC X bills BELLSOUTH for 10,000 min.

**ALEC X terminates 15,000 min. to
BELLSOUTH**

**BELLSOUTH bills ALEC X for 10,500 min.
(10,000 + 5%)**

Case 2:

**BELLSOUTH terminates 15,000 min. to
ALEC X**

**ALEC X bills BELLSOUTH for 10,500 min.
(10,000 + 5%)**

**ALEC X terminates 10,000 min. to
BELLSOUTH**

BELLSOUTH bills ALEC X for 10,000 min.

Case 3:

**BELLSOUTH terminates zero min. to
ALEC X**

ALEC X bills BELLSOUTH zero

**ALEC X terminates 10,000 min. to
BELLSOUTH**

BELLSOUTH bills ALEC X zero

Case 4:

**BELLSOUTH terminates 10,000 min. to
ALEC X**

ALEC X bills BELLSOUTH zero

**ALEC X terminates zero min. to
BELLSOUTH**

BELLSOUTH bills ALEC X zero

Case 5:

**BELLSOUTH terminates 10,000 min. to
ALEC X**

ALEC X bills BELLSOUTH for 10,000 min.

**ALEC X terminates 10,200 min. to
BELLSOUTH**

**BELLSOUTH bills ALEC X for 10,200 min.
(difference is less than cap)**

Case 6:

BELLSOUTH terminates 10,200 min. to
ALEC X

ALEC X bills BELLSOUTH for 10,200 min.
(difference is less than cap)

ALEC X terminates 10,000 min. to
BELLSOUTH

BELLSOUTH bills ALEC X for 10,000 min.

Case 7:

BELLSOUTH and ALEC X both terminate
10,000 min.
to each other

ALEC X and BELLSOUTH both bill each
other
10,000 min.

Attachment B-1
Local Interconnection Service

Service: Local Interconnection*

Description: Provides for the use of BellSouth Switching and transport facilities and common subscriber plant for connecting calls between an ALEC's Point of Interface (POI) and a BellSouth end user.

It can also be used to connect calls between an ALEC and an Interexchange Carrier (IC) and Independent Exchange Telephone Company (ICG) or a Mobile Service Service Provider (MSP) or between two ALECs.

It is furnished on a per-minute basis. Trunks are differentiated by traffic type and directionality. There are two major traffic types: (1) Local and (2) Intermediary. Local represents traffic from the ALEC's POI to a BellSouth tandem or end office and intermediary represents traffic originated or terminated by an ALEC which is interconnected with an IC, ICG, MSP or another ALEC.

Rates and charges will be applied as indicated below.

STATE:	Alabama						Florida					
	Per MOU	Applied Per	Monthly Regur.	Applied Per	Non-Regur.	Applied Per	Per MOU	Applied Per	Monthly Regur.	Applied Per	Non-Regur.	Applied Per
DS1 Local Channel	-	-	\$133.81 LC	-	\$688.97 LC - First	-	-	\$133.81 LC	-	\$688.97 LC - First	-	-
DS1 Dedicated Transport	-	-	\$23.90 per min	-	-	-	-	\$18.75 per min	-	-	-	-
DS1 Common Transport	\$0.00004 per min	-	\$80.00 fac term	-	\$100.49 fac term	-	\$0.00004 per min	-	\$80.00 fac term	-	\$100.49 fac term	-
Local Switching L32 (FOI)	\$0.00036 fac term	-	-	-	-	-	\$0.00036 fac term	-	-	-	-	-
Tandem Switching	\$0.00788 access min	-	-	-	-	-	\$0.00788 access min	-	-	-	-	-
Information Surcharge	\$0.00074 access min	-	-	-	-	-	\$0.00068 access min	-	-	-	-	-
Tandem Intermediary Charge**	\$0.00218 100 min	-	-	-	-	-	\$0.00218 access min	-	-	-	-	-
Compensation Credit (CAP) - DS1 Dedicated	\$0.00078	-	-	-	-	-	\$0.00078	-	-	-	-	-
Compensation Credit (CAP) - Tandem Sw	\$0.00081	-	-	-	-	-	\$0.00081	-	-	-	-	-

STATE:	Georgia						Kentucky					
	Per MOU	Applied Per	Monthly Regur.	Applied Per	Non-Regur.	Applied Per	Per MOU	Applied Per	Monthly Regur.	Applied Per	Non-Regur.	Applied Per
DS1 Local Channel	-	-	\$133.81 LC	-	\$688.97 LC - First	-	-	\$133.81 LC	-	\$688.97 LC - First	-	-
DS1 Dedicated Transport	-	-	\$23.90 per min	-	-	-	-	\$23.90 per min	-	-	-	-
DS1 Common Transport	\$0.00004 per min	-	\$80.00 fac term	-	\$100.49 fac term	-	\$0.00004 per min	-	\$80.00 fac term	-	\$100.49 fac term	-
Local Switching L32 (FOI)	\$0.00036 fac term	-	-	-	-	-	\$0.00036 fac term	-	-	-	-	-
Tandem Switching	\$0.00788 access min	-	-	-	-	-	\$0.00788 access min	-	-	-	-	-
Information Surcharge	-	-	-	-	-	-	\$0.00318 (Priority) 100 min	-	-	-	-	-
Tandem Intermediary Charge**	\$0.00218 access min	-	-	-	-	-	\$0.00218 (Priority) 100 min	-	-	-	-	-
Compensation Credit (CAP) - DS1 Dedicated	\$0.00078	-	-	-	-	-	\$0.00078	-	-	-	-	-
Compensation Credit (CAP) - Tandem Sw	\$0.00081	-	-	-	-	-	\$0.00081	-	-	-	-	-

*Rates are disclosed at the DS1-1.544 Mbps level. Per rates and charges applicable to other arrangements levels, refer to Section 60 of BellSouth Telecommunications. **The Tandem Intermediary Charge applies only to Intermediary Traffic.

DS1 Local Channel: connects a DS1 dedicated transport facility between the ALEC's serving wire center and the ALEC's POI, also called an Entrance Facility. The entrance will apply when associated with services ordered by an ALEC which utilizes a BellSouth facility. This entrance is not required when an ALEC is connected from the ALEC's serving wire center to the end office and office or from the ALEC's serving wire center to the tandem.

DS1 Dedicated Transport: provides transmission and facility termination. The facility termination applies for each DS1 wireline channel terminated. Can be used from the ALEC's serving wire center to the end office and office or from the ALEC's serving wire center to the tandem.

Common Transport: Composed of Common Transport facilities as determined by BellSouth and permits the transmission of calls terminated by BellSouth. Access Tandem Switching: provides function of switching traffic from or to the Access Tandem from or to the end office switch(es). The Access Tandem Switching charge is assessed on all terminating minutes of use switched at the access tandem.

Compensation Credit (CAP): BellSouth and the ALECs will not be required to compensate each other for more than 100% of the total billed local interconnection minutes of use of the party with the lower total billed local interconnection minutes of use in the same month.

Local Interconnection Service

Service: Local Interconnection* (Cont'd)

STATE:	Louisiana						Mississippi					
	Per MOU	Applied Per	Monthly Regur	Applied Per	Non-Regur	Applied Per	Per MOU	Applied Per	Monthly Regur	Applied Per	Non-Regur	Applied Per
DS1 Local Channel	-	-	\$133.81	LC	\$488.97	LC - Fwd	-	-	\$133.81	LC	\$488.97	LC - Fwd
DS1 Dedicated Transport	-	-	\$18.75 per min	-	\$488.83	LC - Add	-	-	\$23.50 per min	-	\$488.83	LC - Add
DS1 Common Transport	\$0.00004	per min	-	-	-	-	\$0.00004	per min	-	-	-	-
Local Switching LSI (FGO)	\$0.00038	fee term	-	-	-	-	\$0.00038	fee term	-	-	-	-
Tandem Switching	\$0.00889	access min	-	-	-	-	\$0.01787	access min	-	-	-	-
Information Surcharge	\$0.00080	access min	-	-	-	-	\$0.00174	access min	-	-	-	-
Tandem Intermediary Charge**	\$0.002	access min	-	-	-	-	\$0.018	access min	-	-	-	-
Composite Rate-DS1 Dedicated	\$0.01031						\$0.00978					
Composite Rate-DS1 Tandem Sw	\$0.01028						\$0.00981					

STATE:	North Carolina						South Carolina					
	Per MOU	Applied Per	Monthly Regur	Applied Per	Non-Regur	Applied Per	Per MOU	Applied Per	Monthly Regur	Applied Per	Non-Regur	Applied Per
DS1 Local Channel	-	-	\$133.81	LC	\$488.97	LC - Fwd	-	-	\$133.81	LC	\$488.97	LC - Fwd
DS1 Dedicated Transport	-	-	\$23.50 per min	-	\$488.83	LC - Add	-	-	\$23.50 per min	-	\$488.83	LC - Add
DS1 Common Transport	\$0.00004	per min	-	-	-	-	\$0.00004	per min	-	-	-	-
Local Switching LSI (FGO)	\$0.00038	fee term	-	-	-	-	\$0.00038	fee term	-	-	-	-
Tandem Switching	\$0.01140	access min	-	-	-	-	\$0.01080	access min	-	-	-	-
Information Surcharge	\$0.00074	access min	-	-	-	-	\$0.00074	access min	-	-	-	-
Tandem Intermediary Charge**	\$0.002	access min	-	-	-	-	\$0.00741	fee term	-	-	-	-
Composite Rate-DS1 Dedicated	\$0.01331						\$0.01333					
Composite Rate-DS1 Tandem Sw	\$0.01328						\$0.01330					

STATE:	Tennessee					
	Per MOU	Applied Per	Monthly Regur	Applied Per	Non-Regur	Applied Per
DS1 Local Channel	-	-	\$133.81	LC	\$488.97	LC - Fwd
DS1 Dedicated Transport	-	-	\$23.50 per min	-	\$488.83	LC - Add
DS1 Common Transport	\$0.00004	per min	-	-	-	-
Local Switching LSI (FGO)	\$0.00038	fee term	-	-	-	-
Tandem Switching	\$0.01780	access min	-	-	-	-
Information Surcharge	\$0.00074	access min	-	-	-	-
Tandem Intermediary Charge**	\$0.002	access min	-	-	-	-
Composite Rate-DS1 Dedicated	\$0.01861					
Composite Rate-DS1 Tandem Sw	\$0.01858					

* Rates are displayed at the DS1-1.544 Mbps level. For rates and charges applicable to other arrangement levels, refer to Section 66 of South Carolina Telecommunications and the Tennessee Access Tariff.

** The Tandem Intermediary Charge applies only to Intermediary Traffic.

DS1 Local Channel: denotes a DS1 dedicated transport facility between the ALEC's serving wire center and the ALEC's PCF, also called an Entrance Facility. The entrance will apply when established with service ordered by an ALEC which utilizes a SouthSouth facility. This entrance is not required when an ALEC is connected from the ALEC's serving wire center to the end user's end office or from the ALEC's serving wire center to the tandem.

DS1 Dedicated Transport: provides transmission and facility termination. The facility termination applies for each DS1 interface channel terminated. Can be used from the ALEC's serving wire center to the end user's end office or from the ALEC's serving wire center to the tandem.

Common Transport: Composed of Common Transport facilities as determined by SouthSouth and permits the transmission of each terminated by SouthSouth.

Access Tandem Switching: provides function of switching traffic from or to the Access Tandem from or to the end office entrance(s). The Access Tandem Switching charge is assessed on all terminating minutes of use switched at the access tandem.

Compensation Credit (CAP): SouthSouth and the ALECs will not be required to compensate each other for more than 100% of the total billed local interconnection minutes of use of the party with the lower total billed local interconnection minutes of use in the same month.

Local Interconnection Service

Service: Toll Switched Access

Description: Provides the Switched Local Channel, Switched Transport, Access Tandem Switching, local end office switching and end user termination functions necessary to complete the transmission of ALEC intrastate and interstate calls from outside the BellSouth's basic local calling area.

Provided in the terminating direction only. Provides trunk side access to a BellSouth tandem/end office for the ALEC's use in terminating long distance communications from the ALEC to BellSouth end users.

Provided at BellSouth tandem/end office as trunk side terminating switching through the use of tandem/end office trunk equipment. The switch trunk equipment may be provided with wink start-pulsing signals and answer and disconnect supervisory signaling, or without signaling when out of band signaling is provided.

Provided with multifrequency address or out of band signaling. Ten digits of the called party number, as appropriate, will be provided by the ALEC's equipment to a BellSouth tandem/end office.

State(s): All

Rates, Terms and Conditions:

In all states, rates, terms and conditions will be applied as set forth in Section E6 of BellSouth Telecommunication's, Inc.'s Intrastate Access Service Tariffs and in Section 6 of the BellSouth Telecommunication's, Inc. Interstate Access Tariff, F.C.C. No. 1.

Attachment B-3

Local Interconnection Service

Service: Service Provider Number Portability-Remote

Description: Service Provider Number Portability (SPNP) is an interim service arrangement provided by BellSouth to ALECs whereby an end user, who switches subscription to local exchange service from BellSouth to an ALEC, is permitted to retain use of the existing BellSouth assigned telephone number provided that the end user remains at the same location.

SPNP-Remote is a telecommunications service whereby a call dialed to an SPNP-Remote equipped telephone number, assigned by BellSouth, is automatically forwarded to an ALEC assigned seven or ten digit telephone number within BellSouth's basic local calling area as defined in Section A3 of BellSouth's General Subscriber Service Tariff. The forwarded-to number is specified by the ALEC.

SPNP-Remote provides a single call path for the forwarding of no more than one simultaneous call to the ALEC specified forwarded-to number. Additional call paths for the forwarding of multiple simultaneous calls are available on a per path basis, and are in addition to the rate for SPNP-Remote service.

State(s): ALL

	<u>Monthly Rate</u>	<u>Nonrecurring Charge</u>
Per Number Ported		
- Residence / 6 paths	\$1.15	-
- Business / 10 paths	\$2.25	-
Each Additional Path	\$0.50	-
Per Order, per end user location	-	None

Attachment B-4

Local Interconnection Service

Service: Service Provider Number Portability-Direct Inward Dialed (DID)*

Description: Service Provider Number Portability (SPNP) is an interim service arrangement provided by BellSouth to ALECs whereby an end user, who switches subscription to local exchange service from BellSouth to an ALEC is permitted to retain use of the existing BellSouth assigned telephone number provided that the end user remains at the same location.

SPNP-DID provides trunk side access to BellSouth end office switched for direct inward dialing to ALEC premises from the telecommunications network directly to lines associated with ALEC switching equipment.

SPNP-DID will be available on either a DSO, DS1 or DS3 basis.

SPNP-DID Trunk Termination will only be provided with SS7 Signaling at rates set forth in E6 of BellSouth Telecommunication's, Inc.'s intrastate Access Tariffs.

Direct facilities are required from the BellSouth end office where a ported number resides to the ALEC end office serving the ALEC end user.

RATE ELEMENTS	Alabama				Florida			
	Monthly Recurring	Applied Per	Non-Recurring	Applied Per	Monthly Recurring	Applied Per	Non-Recurring	Applied Per
Per Number Ported - Business	\$0.01	each	\$1.00	each	\$0.01	each	\$1.00	each
Per Number Ported - Residence	\$0.01	each	\$1.00	each	\$0.01	each	\$1.00	each
Per Order	-	-	\$25.00	end user location	-	-	\$25.00	end user location
SPNP-DID Trunk Termination	\$13.00	trunk	\$160.00	trunk-int. \$80.00 trunk-sub.	\$15.00	trunk	\$170.00	trunk-int. \$85.00 trunk-sub.
OS1 Local Channel**	\$133.81	LC	\$688.97	LC - First \$488.83 LC - Add'l	\$133.81	LC	\$688.97	LC - First \$488.83 LC - Add'l
OS1 Dedicated Transport**	\$23.50	per mile	-	-	\$18.75	per mile	-	-
	\$80.00	fee term	\$100.48	fee term	\$58.75	fee term	\$100.48	fee term

RATE ELEMENTS	Georgia				Kentucky			
	Monthly Recurring	Applied Per	Non-Recurring	Applied Per	Monthly Recurring	Applied Per	Non-Recurring	Applied Per
Per Number Ported - Business	\$0.01	each	\$1.00	each	\$0.01	each	\$1.00	each
Per Number Ported - Residence	\$0.01	each	\$1.00	each	\$0.01	each	\$1.00	each
Per Order	-	-	\$25.00	end user location	-	-	\$25.00	end user location
SPNP-DID Trunk Termination	\$14.00	trunk	\$165.00	trunk-int. \$83.00 trunk-sub.	\$13.00	trunk	\$150.00	trunk-int. \$80.00 trunk-sub.
OS1 Local Channel**	\$133.81	LC	\$688.97	LC - First \$488.83 LC - Add'l	\$133.81	LC	\$688.97	LC - First \$488.83 LC - Add'l
OS1 Dedicated Transport**	\$23.50	per mile	-	-	\$23.50	per mile	-	-
	\$80.00	fee term	\$100.48	fee term	\$80.00	fee term	\$100.48	fee term

* Rates are displayed at the OS1-1 544 Mbps. level. For rates and charges applicable to other arrangement levels, refer to Section E6 of BellSouth's intrastate Access Tariffs.

** May not be required if the ALEC is collocated at the ported number end office.

Attachment B-4

Local Interconnection Service

Service: Service Provider Number Portability-Direct Inward Dialed (DID)* (Cont'd)

RATE ELEMENTS	Louisiana				Mississippi			
	Monthly Recurring	Applied Per	Non-Recurring	Applied Per	Monthly Recurring	Applied Per	Non-Recurring	Applied Per
Per Number Ported - Business	\$0.01	each	\$1.00	each	\$0.01	each	\$1.00	each
Per Number Ported - Residence	\$0.01	each	\$1.00	each	\$0.01	each	\$1.00	each
Per Order	-	-	\$25.00	end user location	-	-	\$25.00	end user location
SPNP-DID Trunk Termination	\$13.00	trunk	\$170.00	trunk-int.	\$13.00	trunk	\$150.00	trunk-int.
			\$66.00	trunk-sub.			\$60.00	trunk-sub.
OS1 Local Channel**	\$133.81	LC	\$668.97	LC - First	\$133.81	LC	\$668.97	LC - First
			\$468.63	LC - Add'l			\$468.63	LC - Add'l
OS1 Dedicated Transport**	\$16.75	per mile	-	-	\$23.50	per mile	-	-
	\$59.75	fee term	\$100.48	fee term	\$90.00	fee term	\$100.48	fee term

RATE ELEMENTS	N. Carolina				S. Carolina			
	Monthly Recurring	Applied Per	Non-Recurring	Applied Per	Monthly Recurring	Applied Per	Non-Recurring	Applied Per
Per Number Ported - Business	\$0.01	each	\$1.00	each	\$0.01	each	\$1.00	each
Per Number Ported - Residence	\$0.01	each	\$1.00	each	\$0.01	each	\$1.00	each
Per Order	-	-	\$25.00	end user location	-	-	\$25.00	end user location
SPNP-DID Trunk Termination	\$13.00	trunk	\$160.00	trunk-int.	\$13.00	trunk	\$164.00	trunk-int.
			\$63.00	trunk-sub.			\$61.00	trunk-sub.
OS1 Local Channel**	\$133.81	LC	\$668.97	LC - First	\$133.81	LC	\$668.97	LC - First
			\$468.63	LC - Add'l			\$468.63	LC - Add'l
OS1 Dedicated Transport**	\$23.50	per mile	-	-	\$23.50	per mile	-	-
	\$90.00	fee term	\$100.48	fee term	\$90.00	fee term	\$100.48	fee term

RATE ELEMENTS	Tennessee			
	Monthly Recurring	Applied Per	Non-Recurring	Applied Per
Per Number Ported - Business	\$0.01	each	\$1.00	each
Per Number Ported - Residence	\$0.01	each	\$1.00	each
Per Order	-	-	\$25.00	end user location
SPNP-DID Trunk Termination	\$13.00	trunk	\$164.00	trunk-int.
			\$63.00	trunk-sub.
OS1 Local Channel**	\$133.81	LC	\$668.97	LC - First
			\$468.63	LC - Add'l
OS1 Dedicated Transport**	\$23.50	per mile	-	-
	\$90.00	fee term	\$100.48	fee term

*Rates are displayed at the OS1-1.544 Mbps. level. For rates and charges applicable to other arrangement levels, refer to Section E8 of BellSouth Telecommunication's Inc.'s intrastate Access Tariff.

**May not be required if the ALEC is collocated at the ported number end office.

Attachment C-1

Unbundled Products and Services and New Services

Service: Subscriber Listing Information

Description: Subscriber primary listing information provided at no charge and in an acceptable format will be published at no charge as standard directory listings in an alphabetical directory published by or for BellSouth at no charge to each ALEC end user customer.

State(s): All

Rates: (1) No charge for ALEC-1 customer primary listings.
(2) Additional listings and optional listings may be provided by BellSouth at rates set forth in BellSouth's intrastate General Subscriber Services Tariffs.

EXHIBIT _____

ALPHABETICAL DIRECTORY SIDE AGREEMENT

CARRIER agrees to provide to BellSouth Advertising & Publishing Corporation ("BAPCO"), through BST, at CARRIER's expense and at no charge, listing information concerning its subscribers (designating any who do not desire published listings), consisting of: customer, name, address, telephone number and all other information reasonably requested by BAPCO for BAPCO's use in publishing directories of whatever type and format and for other derivative purposes. Such information shall be provided on a schedule and in a format reasonably acceptable to BAPCO. CARRIER shall advise BAPCO promptly regarding any directory-related inquiries, requests or complaints which it shall receive from CARRIER's subscribers and shall provide reasonable cooperation to BAPCO in response to or resolution of the same. CARRIER shall respond promptly regarding corrections or queries raised by BAPCO and to process listing changes requested by subscribers.

- II. BAPCO shall include one standard listing for each CARRIER subscriber per hunting group in BAPCO's appropriate local alphabetical directory as published periodically by BAPCO unless nonlisted or nonpublished status is designated by subscribers. BAPCO shall also include one standard listing for each CARRIER business subscriber per hunting group in an appropriate heading as selected by the subscriber in BAPCO's appropriate local classified directory as published periodically by BAPCO unless nonlisted or nonpublish status is designated by subscriber. Such listings shall be interfiled with the listings of other local exchange telephone company subscribers and otherwise published in the manner of such other listings according to BAPCO's generally applicable publishing policies and standards. BAPCO shall deliver such local alphabetical and classified directory to CARRIER's subscribers according to BAPCO's generally applicable policies and standards.
- III. BAPCO shall maintain full authority over its publishing schedules, policies, standards, and practices and over the scope and publishing schedules of its directories.
- IV. Each party agrees to defend, indemnify and hold harmless the other from all damages, claims, suits, losses or expenses, including without limitation costs and attorneys fees, to the extent of such party's relative fault, arising out of or resulting from any error, omission or act of such party hereunder. CARRIER agrees to limit its liability and that of BAPCO by contract with CARRIER's subscribers or by tariff to no more than the cost of service for any errors or

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

- VI BAPCO's liability to CARRIER for any errors or omissions in directories or for any default otherwise arising hereunder shall be limited to One Dollar (\$1) for any error or omission in any subscriber listing in any directory published by BAPCO
- VII This Side Agreement shall be subject to the term and cancellation provisions of the agreement to which it is appended ("the Agreement"), except that BAPCO shall have the right to terminate this Side Agreement upon sixty days prior written notice given at any time following the initial term of the Agreement.
- VIII A separate Agreement may be entered into between BAPCO and CARRIER concerning Yellow Pages, or classified directories, directory delivery, CallGuide pages, and other directory related issues.

BAPCO:

BY: _____

NAME: _____

TITLE: _____

DATE: _____

CARRIER:

BY: David Kline

NAME: DAVID KLINE

TITLE: CEO

DATE: 8/23/96

AGREEMENT

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

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

2. CARRIER OBLIGATIONS. CARRIER agrees as follows:

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

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

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

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

3. BAPCO OBLIGATIONS. BAPCO agrees as follows:

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

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

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

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

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

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

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

5. LIABILITY AND INDEMNITY.

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

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

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

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

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

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

8. NONDISCLOSURE.

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

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

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

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

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

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

12. REPRESENTATIVES AND NOTICES

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

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

If to BAPCO:

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

With Copy to:

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

If to CARRIER:

COMPETITIVE COMMUNICATIONS INC
11731 STERLING AVE "F"
RIVERSIDE CA 92503

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

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

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

BELLSOUTH ADVERTISING &
PUBLISHING CORPORATION

By: _____

Title: _____

Date: _____

CARRIER:

COMPETITIVE COMMUNICATIONS, INC.

By: *David R. [Signature]*

Title: CEO

Date: 8/23/96

EXHIBIT A

- CARRIER Listing Information, Format, Schedule for Provision
- CARRIER Delivery Information, Format, Schedule for Provision

Attachment C-2

Unbundled Products and Services and New Services

Service: Access to Numbers

Description: For that period of time in which BellSouth serves as North American Numbering Plan administrator for the states in the BellSouth region, BellSouth will assist ALECs applying for NXX codes for their use in providing local exchange services.

State(s): All

Rates: No Charge

Attachment C-3

Unbundled Products and Services and New Services

Service: Access to 911 Service

Description: Provides a universal, easy-to-remember number which is recognized nationally as the appropriate number to call in an emergency.

Additionally, ALEC-1 must provide a minimum of two dedicated trunk groups originating from ALEC-1's serving wire center and terminating to the appropriate 911 tandem. These facilities, consisting of a Switched Local Channel from ALEC-1's point of interface to it's serving wire center and Switched Dedicated Transport to the 911 tandem, may be purchased from BellSouth at the Switched Dedicated Transport rates set forth in Section E6 of BellSouth Telecommunication's Inc.'s Intrastate Access Service Tariffs.

State(s): All

Rates: Will be billed to appropriate municipality.

Attachment C-4

Unbundled Products and Services and New Services

Service: 800 Database

Description: Provides for utilization of the BellSouth 800 Service Control Points for obtaining 800 Service routing information.

800 Database service is provided using a common nationwide 800 Database. The BellSouth network components utilized in the provision of this service are the Service Switching Point (SSP), the Common Channel Signaling Seven Network, the Signal Transfer Point (STP), and the Service Control Point (SCP). Additionally, the Service Management System functions nationally as the central point for the administration of all 800 numbers and downloads 800 number information to BellSouth's SCPs.

ALEC's with STPs will be able to connect directly to BellSouth local or regional STP for obtaining 800 database routing information from BellSouth's SCP and will not be required to order FGD or TSBSA Technical Option 3 Service. For this connection the ALECs may utilize Signaling System Seven Terminations interconnected in Birmingham, AL and Atlanta, GA with BellSouth's local or regional STP.

State(s): All

Rates, Terms and Conditions:

In all states, the 800 Database rates, terms and conditions will be applied as set forth in Sections E2, E5, E6 and E13 of BellSouth Telecommunication's, Inc.'s Intrastate Access Service Tariffs.

Attachment C-5

Unbundled Products and Services and New Services

Service: Line Information Database (LIDB)- Storage Agreement

Description: The LIDB Storage Agreement provides the terms and conditions for inclusion in BellSouth's LIDB of billing number information associated with BellSouth exchange lines used for Local Exchange Companies' resale of local exchange service or Service Provider Number Portability arrangements requested Local Exchange Companies' on behalf of the Local Exchange company's end user. BellSouth will store in it's database, the relevant billing number information and will provide responses to on-line, call-by-call queries to this information for purposes of Billed Number Screening, Calling Card Validation and Fraud Control.

Each time an ALECs data is used BellSouth will compensate that ALEC at a rate of 40% of BellSouth's LIDB Validation rate per query as displayed in Attachment C-5 following.

State(s): All

Rates: No Charge

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

This agreement, effective as of OCT 1 1996, is entered into by and between BellSouth Telecommunications, Inc. ("BST"), a Georgia corporation, and SIMPLEX COMMUNICATIONS INC ("Local Exchange Company").

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

I. SCOPE

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

LIDB is accessed for:

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

II. DEFINITIONS

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

III. RESPONSIBILITIES OF PARTIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IV. COMPLIANCE

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

V. TERMS

This Agreement will be effective as of Oct 1, 1996, and will continue in effect for one year, and thereafter may be continued until terminated by either party upon thirty (30) days written notice to the other party.

VI. FEES FOR SERVICE AND TAXES

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

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

VII. INDEMNIFICATION

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

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

VII. LIMITATION OF LIABILITY

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

IX MISCELLANEOUS

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

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

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

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

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

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

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

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

BELLSOUTH TELECOMMUNICATIONS, INC.

By: [Signature]
Title: [Signature]
Date: 8/27/96
Address: 2965 BellSouth Center
675 West Peachtree Street, N.W.
Atlanta, Ga. 30375

THE LOCAL EXCHANGE COMPANY

By: [Signature]
Title: CEO
Date: 8/23/96
Address: 11731 STEELING AVE "F"
RIVERSIDE CA
92503

Attachment C-6

Unbundled Products and Services and New Services

Service: Line Information Database Access Service (LIDB) - Validation

Description: Provides a customer the ability to receive validation of billing information through query of data stored in BellSouth's LIDB data base. See below for additional information.

State(s): All

Rate Elements	Description	Monthly	Non- Recurring
LIDB Common Transport	Provides for transport of the customer's query from the LIDB Location (RSTP) to the data base (SCP). This charge will apply each time the customer requests and receives validation of a BellSouth calling card or requests and receives the status of a billed number associated with a LEC line stored in the BellSouth LIDB.	\$0 00030	-
LIDB Validation	Provides for query of data resident in BellSouth's LIDB. This rate will apply each time a customer requests and receives validation of LEC calling card or requests and receives the status of a billed number associated with a LEC line stored in BellSouth's LIDB. As set forth in Attachment C-5 (LIDB Storage Agreement), preceding, each time an ALEC data is used, BellSouth will compensate that ALEC at a rate of 40% of BellSouth's LIDB Validation rate per query.	\$0 03600	-
Originating Point Code Establishment or Change	Provides for the establishment or change of a customer requested Originating Point Code. This charge will apply each time the customer establishes or changes a point code destination identifying one of his locations or a location of one of his end users.	-	\$91 00
CC37 Signaling Connections	Rates, terms and conditions for CC37 Signaling Connections are as set forth in Section E6.8 of BellSouth Telecommunication's Inc.'s Intrastate Access Services Tariff.		

Attachment C-7

Unbundled Products and Services and New Services

Service: Signaling

Description: Provides for connection to and utilization of BellSouth's Signaling System 7 network for both call setup and non-call setup purposes.

State(s): All

Rate Elements	Monthly Rate	Recurring Rate	Non-Recurring	Applied Per
CCS7 Signaling Connection - Provides a two-way digital 56 Kbps dedicated facility connecting a customer's signaling point of interface in a LATA to a BellSouth STP. Each customer's connection requires either a pair or a quad of signaling connections.	\$155.00	-	\$510.00	56 Kbps facility
CCS7 Signaling Termination - Provides a customer dedicated point of interface at the BellSouth STP for each of the customer's SS7 connections.	\$355.00	-	-	STP Port
CCS7 Signaling Usage* - Refers to the messages traversing the BellSouth signaling network for call set-up and non call set-up purposes.	-	\$0.000023	-	Call Set Up Msg.
		\$0.000050	-	TCAP Msg.
CCS7 Signaling Usage Surrogate*	\$395.00	-	-	56 Kbps facility

*Where signaling usage measurement and billing capability exists, CCS7 Signaling Usage will be billed on a per message basis. Where measurement capability does not exist, CCS7 Signaling Usage Surrogate will be billed on a per 56 Kbps facility basis.

Attachment C-8

Unbundled Products and Services and New Services

Service: Operator Call Processing Access Service

Description: Provides Operator and Automated call handling. This includes processing and verification of alternate billing information for collect, calling card, and billing to a third number. Operator Call Processing Access Service also provides customized call branding; dialing instructions; and other operator assistance the customer may desire.

Rate Elements	State(s)	Monthly Recurring	Applied Per
Operator Provided Call Handling	All	\$1.17	Per Work Minute
Call Completion Access Termination Charge This charge will be applicable per call attempt and is in addition to the Operator Provided Call Handling charge listed above.	Alabama	\$0.08	Per Call Attempt
	Florida	\$0.08	Per Call Attempt
	Georgia	\$0.08	Per Call Attempt
	Kentucky	\$0.08	Per Call Attempt
	Louisiana	\$0.08	Per Call Attempt
	Mississippi	\$0.08	Per Call Attempt
	N Carolina	\$0.08	Per Call Attempt
	S. Carolina	\$0.08	Per Call Attempt
	Tennessee	\$0.12	Per Call Attempt
Fully Automated Call Handling	All	\$0.15	Per Attempt
Operator Services Transport Operator Services transport rates, terms and conditions are as set forth in E6 of BellSouth Telecommunications, Inc.'s Intrastate Access Service Tariff			

Attachment C-9

Unbundled Products and Services and New Services

Service: Directory Assistance Access Service (Number Services)

Description: See below

Rate Elements	Description	State(s)	Monthly Rate
Directory Assistance Call Completion Access Service	Optional service provided to an Access subscriber of BellSouth's DA Access Service. Given a listed telephone number at the request of an Access subscriber's end user, BellSouth will provide or attempt to provide from the DA Operator System, call completion to the number requested. All local and interstate call completion attempts are routed over an internal trunk facility directly to the terminating end office that serves the designated number. An Automatic Message Account (AMA) record that includes conversation time, originating, terminating, and billing number details is made for each call completion attempt. This record is in addition to the record made for the DA transaction.	All	10.25 per call attempt
Call Completion Access Termination Charge	This charge will be applicable per call attempt and is in addition to the DACC Access Service charge listed above.	Alabama Florida Georgia Kentucky Louisiana Mississippi N Carolina S Carolina Tennessee	10.08 10.08 10.08 10.08 10.08 10.08 10.08 10.12
Number Services Intercept Access Service	Number Services Intercept Access refers calls from disconnected numbers to the proper number or numbers. A separate dedicated intercept trunk facility to the Number Services switch for intercept calls is required. Standard trunk signaling is used to send the intercepted number to the Number Services switch and a database look-up is performed to retrieve the referral number. The referral number is provided to the calling party by a mechanized audio announcement. The subscribing Access customer must provide the updates to the intercept database to support the service.	All	10.30 per intercept query
Directory Assistance Service Call	Rates, terms and conditions will be applied as set forth in ES 1.7 for Georgia and as set forth in ES 5.3 for AL, FL, KY, LA, MS, NC, SC, TN of BellSouth Telecommunications's Inc.'s Interstate Access Service Tariff.		
Directory Transport	Rates, terms and conditions will be applied as set forth in ES 1.7 for Georgia and as set forth in ES 5.3 for AL, FL, KY, LA, MS, NC, SC, TN of BellSouth Telecommunications's Inc.'s Interstate Access Service Tariff.		
Directory Assistance Interconnection	Rates, terms and conditions will be applied as set forth in ES 1.7 for Georgia and as set forth in ES 5.3 for AL, FL, KY, LA, MS, NC, SC, TN of BellSouth Telecommunications's Inc.'s Interstate Access Service Tariff.		
Directory Assistance Database Service	Rates, terms and conditions will be applied as set forth in A38.1 of BellSouth Telecommunications's Inc.'s General Subscriber Service Tariff.		
Direct Access to DA Service	Rates, terms and conditions will be applied as set forth in Section 9.3 of BellSouth Telecommunications's Inc.'s Interstate Access Service Tariff P.C.C. No. 1.		

Unbundled Products and Services and New Services

Service: Busy Line Verification and Emergency Interrupt

Description: BellSouth will provide Inward Operator Service for Busy Line Verification and Verification and Emergency Interrupt.

State(s): All

Rates, Terms and Conditions: In all states, rates, terms and conditions will be applied as set forth in Section E18 of BellSouth Telecommunication's, Inc.'s Intrastate Access Service Tariff.

Attachment C-11

Unbundled Products and Services and New Services

Service: Centralized Message Distribution System - Hosting (CMDS-Hosting)

Description: CMDS-Hosting is the Bellcore administered national system used to exchange Exchange Message Record (EMR) formatted message data among host companies.

All intraLATA and local messages originated and billed in the BellSouth Region involving BellSouth CMDS hosted companies will be processed through the Non-Send Paid Report System described in Attachment C-12 following.

State(s): All

Rate Elements	Description	Monthly
Message Distribution	Message Distribution is routing determination and subsequent delivery of message data from one company to another. Also included is the interface function with CMDS, where appropriate. This charge is applied on a per message basis.	\$0 004
Data Transmission	This charge is applied on a per message basis.	\$0 001

Unbundled Products and Services and New Services

Service: Non-Sent Paid Report System (NSPRS)

Description: NSPRS includes: 1) a mechanized report system that provides to the BellSouth CMDS hosted companies within the BellSouth Region information regarding Non-Sent Paid message and revenue occurring on calls originated and billed within the BellSouth region; 2) distribution of Bellcore produced Credit Card and Third Number System (CATS) reports and administration of associated elements; 3) distribution of Bellcore produced non-conterminous CATS reports and administration of associated settlements.

State(s): All

Rate Elements	Billing and Collections Fee Retained by Billing Co.	Applied Per
NSPRS - intrastate FL and NC	\$0.066	message
NSPRS - intrastate all other BellSouth states	\$0.05	message
NSPRS - CATS	\$0.05	message
NSPRS - non-conterminous	\$0.16	message

Contract Provisions for RAO Hosting and NSPRS

SECTION 1. SCOPE OF AGREEMENT

- 1.01 This Agreement shall apply to the services of Revenue Accounting Office (RAO) Hosting and the Non-Sent Paid Report System (NSPRS) as provided by BellSouth to the ALEC. The terms and conditions for the provisions of these services are outlined in the Exhibits to this Agreement.

SECTION 2. DEFINITIONS

- 2.01 A. Centralized Message Distribution System is the BellCore administered national system, based in Kansas City, Missouri, used to exchange Exchange Message Record (EMR) formatted data among host companies.
- B. Compensation is the amount of money due from BellSouth to the ALEC or from the ALEC to BellSouth for services and/or facilities provided under this Agreement.
- C. Exchange Message Record is the nationally administered standard format for the exchange of data among Exchange Carriers within the telecommunications industry.
- D. Intercompany Settlements (ICS) is the revenue associated with charges billed by a company other than the company in whose service area such charges were incurred. ICS on a national level includes third number and credit card calls. ICS within the BellSouth region includes third number, credit card and collect calls.
- E. Message Distribution is routing determination and subsequent delivery of message data from one company to another. Also included is the interface function with CMDS, where appropriate.
- F. Non-Sent Paid Report System (NSPRS) is the system that calculates ICS amounts due from one company to another in the state of Florida.
- G. Revenue Accounting Office (RAO) Status Company is a local exchange company/alternate local exchange company that has been assigned a unique RAO code. Message data exchanged among RAO status companies is grouped (i.e. packed) according to From/To/Bill RAO combinations.

SECTION 3. RESPONSIBILITIES OF THE PARTIES

- 3.01 RAO Hosting and NSPRS services provided to the ALEC by BellSouth will be in accordance with the methods and practices regularly adopted and applied by BellSouth to its own operations during the term of this Agreement, including such revisions as may be made from time to time by BellSouth.
- 3.02 The ALEC shall furnish all relevant information required by BellSouth for the provision of RAO Hosting and NSPRS.

SECTION 4. COMPENSATION ARRANGEMENTS

- 4.01 Applicable compensation amounts will be billed by BellSouth to the ALEC on a monthly basis in arrears. Amounts due from one party to the other (excluding adjustments) are payable within thirty (30) days of receipt of the billing statement.

SECTION 5. ASSOCIATED EXHIBITS

- 5.01 Listed below are the exhibits associated with this Agreement.

Exhibit A	Message Distribution Service (RAO Hosting)
Exhibit B	Intercompany Settlements (NSPRS)

- 5.02 From time to time by written agreement of the parties, new Exhibits may be substituted for the attached Exhibits, superseding and canceling the Exhibits then in effect.

SECTION 6. TERM OF AGREEMENT

6.01 This agreement is effective Oct 1, 1996 and will continue in force and terminated, with or without cause, by thirty (30) days prior notice in writing from either party to the other. This Agreement may be amended from time to time upon written agreement of the parties.

Executed this 23 day of August 1996.

WITNESS:

THE ALEC

Ann Bues

Computer VP
(title)

WITNESS:

SELLSOUTH TELECOMMUNICATIONS, INC

Ida Lavin

Manager
(title)

SECTION 1. SCOPE OF EXHIBIT

- 1.01 This exhibit specifies the terms and conditions, including compensation, under which BellSouth shall provide message distribution service to the ALEC. As described herein, message distribution service includes the following:
- 1) Message Forwarding to intraregion LEC/ALEC - function of receiving an ALEC message and forwarding the message to another LEC/ALEC in the BellSouth region.
 - 2) Message Forwarding to CMDS - function of receiving an ALEC message and forwarding that message on the CMDS.
 - 3) Message Forwarding from CMDS - function of receiving a message from CMDS and forwarding that message to the ALEC.

SECTION 2. RESPONSIBILITIES OF THE PARTIES

- 2.01 An ALEC that is CMDS hosted by BellSouth must have its own unique RAO code. Requests for establishment of RAO status where BellSouth is the selected CMDS interfacing host, require written notification from the ALEC to BellSouth at least six (6) weeks prior to the proposed effective date. The proposed effective date will be mutually agreed upon between the parties with consideration given to time necessary for the completion of required BellCore functions. BellSouth will request the assignment of an RAO code from its connecting contractor, currently BellCore, on behalf of the ALEC and will coordinate all associated conversion activities.
- 2.02 BellSouth will receive messages from the ALEC that are to be processed by BellSouth, another LEC/ALEC in the BellSouth region or a LEC outside the BellSouth region.
- 2.03 BellSouth will perform invoice sequence checking, standard EMR format editing and balancing of message data with the EMR trailer record counts on all data received from the ALEC.
- 2.04 All data received from the ALEC that is to be processed or billed by another LEC/ALEC within the BellSouth region will be distributed to that LEC/ALEC in accordance with the agreement(s) which may be in effect between BellSouth and the involved LEC/ALEC.
- 2.05 All data received from the ALEC that is to be placed on the CMDS network for distribution outside the BellSouth region will be handled in accordance with the agreement(s) which may be in effect between BellSouth and its connecting contractor (currently BellCore).
- 2.06 BellSouth will receive messages from the CMDS network that are destined to be processed by the ALEC and will forward them to the ALEC on a daily basis.

- 2.07 Transmission of message data between BellSouth and the ALEC will be via electronic data transmission.
- 2.08 All messages and related data exchanged between BellSouth and the ALEC will be formatted in accordance with accepted industry standards for EMR formatted records and packed between appropriate EMR header and trailer records, also in accordance with accepted industry standards.
- 2.09 The ALEC will ensure that the recorded message detail necessary to recreate files provided to BellSouth will be maintained for back-up purposes for a period of three (3) calendar months beyond the related message dates.
- 2.10 Should it become necessary for the ALEC to send data to BellSouth more than sixty (60) days past the message date(s), that ALEC will notify BellSouth in advance of the transmission of the data. If there will be impacts outside the BellSouth region, BellSouth will work with its connecting contractor and the ALEC to notify all affected parties.
- 2.11 In the event that data to be exchanged between the two parties should become lost or destroyed, both parties will work together to determine the source of the problem. Once the cause of the problem has been jointly determined and the responsible party (BellSouth or the ALEC) identified and agreed to, the company responsible for creating the data (BellSouth or the ALEC) will make every effort to have the affected data restored and retransmitted. If the data cannot be retrieved, the responsible party will be liable to the other party for any resulting lost revenue. Lost revenue may be a combination or revenues that could not be billed to the end users and associated access revenues. Both parties will work together to estimate the revenue amount based upon historical data through a method mutually agreed upon. The resulting estimated revenue loss will be paid by the responsible party to the other party within three (3) calendar months of the date of problem resolution, or as mutually agreed upon by the parties.
- 2.12 Should an error be detected by the EMR format edits performed by BellSouth on data received from the ALEC, the entire pack containing the affected data will not be processed by BellSouth. BellSouth will notify the ALEC of the error condition. The ALEC will correct the error(s) and will resend the entire pack to BellSouth for processing. In the event that an out-of-sequence condition occurs on subsequent packs, the ALEC will resend these packs to BellSouth after the pack containing the error has been successfully reprocessed by BellSouth.
- 2.13 In association with message distribution service, BellSouth will provide the ALEC with associated intercompany settlements reports (national and regional) as appropriate.
- 2.14 In no case shall either party be liable to the other for any direct or consequential damages incurred as a result of the obligations set out in this agreement.

SECTION 3. COMPENSATION

- 3.01 For message distribution service provided by BellSouth for the ALEC, BellSouth shall receive the following as compensation:

Rate Per Message \$0.004

- 3.02 For data transmission associated with message distribution service, BellSouth shall receive the following as compensation:

Rate Per Message \$0.001

- 3.03 Data circuits (private line or dial-up) will be required between BellSouth and the ALEC for the purpose of data transmission. Where a dedicated line is required, the ALEC will be responsible for ordering the circuit, overseeing its installation and coordinating the installation with BellSouth. The ALEC will also be responsible for any charges associated with this line. Equipment required on the BellSouth end to attach the line to the mainframe computer and to transmit successfully ongoing will be negotiated on a case by case basis. Where a dial-up facility is required, dial circuits will be installed in the BellSouth data center by BellSouth and the associated charges assessed to the ALEC. Additionally, all message toll charges associated with the use of the dial circuit by the ALEC will be the responsibility of the ALEC. Associated equipment on the BellSouth end, including a modem, will be negotiated on a case by case basis between the parties.
- 3.04 All equipment, including modems and software, that is required on the ALEC end for the purpose of data transmission will be the responsibility of the ALEC.

SECTION 1. SCOPE OF EXHIBIT

- 1.01 This Exhibit specifies the terms and conditions, including compensation, under which BellSouth and the ALEC will compensate each other for intercompany Settlements (ICS) messages.

SECTION 2. RESPONSIBILITIES OF THE PARTIES

- 2.01 BellSouth will remit to the ALEC the revenue, less a billing charge, for intraLATA ICS messages, Local ICS messages, and charges for other services when related messages and/or services are provided by the ALEC and billed to:
- 1) a BellSouth customer.
 - 2) another company within the BellSouth region (excluding Florida) associated with the exchange of message data with BellSouth (excluding CIID and 891 messages).
 - 3) another company within the conterminous United States that utilizes CMDS directly or indirectly and settles with BellSouth directly or indirectly through the Credit Card and Third Number Settlement System (CATS) administered by BellCore.
 - 4) another company utilizing the non-conterminous RAO codes associated with AT&T's Transport and Tracking Intercompany System settlements with BellSouth.
- 2.02 These other services include, but are not limited to:
- 1) Maritime Mobile Radiotelephone Services radio link charges as set forth in the FCC's Maritime Mobile Radiotelephone Services tariff.
 - 2) Aviation Radiotelephone Service radio link charges as set forth in the FCC's Aviation Radiotelephone Service tariff.
 - 3) Public Land Mobile Radiotelephone Transient-Unit Non-Toll Service charges as approved by the authorized state regulatory commission (or municipal regulatory authority).
 - 4) Non-Toll Service Charges billed to a calling card or to a third number as filed with and approved by the authorized state regulatory commission (or municipal regulatory authority).
 - 5) Directory Assistance Call Charges to a calling card or to a third number as approved by the authorized regulatory commission.

2.03 The ALEC will bill, collect and remit to BellSouth the charges for intraLATA and/or local ICS messages and other services as described above where such messages and/or services are provided by:

- 1) BellSouth,
- 2) another company within the BellSouth region (excluding Florida) associated with the exchange of message data with BellSouth (excluding CIID and 891 messages),
- 3) another company within the conterminous United States that utilizes CMDS directly or indirectly and settles with BellSouth directly or indirectly through the Credit Card and Third Number Settlement System (CATS).

2.04 For ICS revenues involving the ALEC and other non-BellSouth LECs/ALECs within the state, BellSouth will provide the ALEC with monthly reports summarizing the ICS revenues for messages that originated with the ALEC and were billed by each of the other Florida LECs/ALECs and those messages that originated with each of the other Florida LECs/ALECs and were billed by the ALEC.

SECTION 3. COMPENSATION

3.01 The following compensation shall be retained by the billing company for the billing of ICS messages and services:

	<u>Rate Per Message</u>
1) Calls originated and billed in Florida or originated and billed in North Carolina	\$0.0666
Calls originated in any of the states within BellSouth region and billed in that same state	\$0.05
2) Calls originated in a state within BellSouth's region and billed in another state or originated in another state and billed in a state within BellSouth's region	\$0.05
3) Calls originated in a state within BellSouth's region and billed outside the conterminous United States	\$0.16

Unbundled Products and Services and New Services

Service: Virtual Collocation

Description: Virtual Expanded Interconnection Service (VEIS) provides for location interconnection in collocator-provided/BellSouth leased fiber optic facilities to BellSouth's switched and special access services, and local interconnection facilities.

State(s): All

Rates, Terms and Conditions: In all states, the rates, terms and conditions will be applied as set forth in Section 20 of BellSouth Telecommunication's Inc.'s Interstate Access Service Tariff, F.C.C. No. 1.

Service: Physical Collocation

Description: Per FCC - (10/19/92 FCC Order, para 39) Physical Collocation is whereby "the interconnection party pays for LEC central office space in which to locate the equipment necessary to terminate its transmission links, and has physical access to the LEC central office to install, maintain, and repair this equipment."

State(s): All

Rates, Terms and Conditions: Rates as attached

Rates for Physical Interconnection

Rate Element	Application/Description	Type of Charge	Rate
Application Fee	Applies per arrangement per location	Nonrecurring	Tariff Rates (Same as Virtual)
Space Preparation Fee	Applies for survey and design of space, covers shared building modification costs	Nonrecurring	ICB - See Note 1 Will not be less than \$1800 - not to exceed \$8500 unless HVAC or power plant upgrade. If so, rates to be ICB
Space Construction Fee	Covers materials and construction of optional cage in 100 square foot increments	Nonrecurring	\$29,744.00 See Note 2
Cable Installation Fee	Applies per entrance cable	Nonrecurring	Tariff Rates (Same as Virtual)
Floor Space	Per square foot, for Zone A and Zone B offices respectively	Monthly Recurring	\$7.50 / \$6.75 See Note 3
Power	Per ampere based on manufacturer's specifications	Monthly Recurring	\$5.14 per ampere
Cable Support Structure	Applies per entrance cable	Monthly Recurring	\$13.35 per cable
POT Bay	Optional Point of Termination bay; rate is per DS1/DS3 cross-connect respectively	Monthly Recurring	\$1.20 / \$5.00 See Note 4
Cross-Connects	Per DS1/DS3 respectively	Monthly Recurring	\$8.00 / \$72.48
Security Escort	First and additional half hour increments, per tariff rate in Basic time (B), Overtime (O) and Premium time (P)	As Required	\$41.00 / \$25.00 B \$48.00 / \$30.00 O \$55.00 / \$35.00 P

- Note 1: Will be determined at the time of the application based on building and space modification requirements for shared space at the requested CO
- Note 2: Applies only to collocators who wish to purchase a steel-gauge cage enclosure. Carriers may also pay \$330.00 per square foot for the first 100 square feet and \$242.00 for each additional 100 square feet in the same CO in lieu of space preparation and construction fees. This option does not apply where HVAC, power plant or both upgrade is required.
- Note 3: See attached list for Zone A offices as of May 1996. This list will be amended monthly.
- Note 4: Applies when collocator does not supply their own POT bay.

BellSouth Zone A Offices - as of May 1996

EX=Exempt from Physical

STATE	CITY	OFFICE	CLLI	STATUS
AL	Birmingham	Main & Toll	BRHFMALMA	EX
	Montgomery	Main & Toll	MTGMALMT	
	Mobile	Azalea	MOBLALAZ	
FL	Boca Raton	Boca Teeca	BCRTFLBT	
	Fort Lauderdale	Main Relief	FTLDFLMR	
		Cypress	FTLDFLCY	
		Plantation	FTLDFLPL	
	Jacksonville Beach	Main	JCBHFLMA	
	Jacksonville	Arlington	JCVLFLAR	
		Beachwood	JCVLFLBW	
		Clay Street	JCVLFLCL	
		Southpoint	JCVLFLJT	EX
		Normandy	JCVLFLNO	
		Riverside	JCVLFLRV	
		San Jose	JCVLFLSJ	EX
		San Marco	JCVLFLSM	
		Westconnett	JCVLFLWC	
		Mandarin Avenues	MNDRFLAV	EX
		Mandarin Loretto	MNDRFLLO	
	Lake Mary	Lake Mary	LKMRFLMA	EX
	Miami	Grande	MIAMFLGR	
		Palmetto	MIAMFLPL	
		Alhambra	MIAMFLAE	
		Bayshore	MIAMFLBA	
		Metro	MIAMFLME	
	Melbourne	Main	MLBRFLMA	
	Orlando	Magnolia	ORLDFLMA	
		Azalea Park	ORLDFLAP	
		Sand Lake	ORLDFLSL	
		Pinecastle	ORLDFLPC	
		Pinehills	ORLDFLPH	
	West Palm Beach	Annex (Main Annex)	WPBHFLAN	

GA	Athens	Athens	ATHNGAMA	
	Atlanta	Courtland St	ATLNGACS	
		Peachtree Pl	ATLNGAPP	
		Buckhead	ATLNGABU	
		East Point	ATLNGAEP	
		Toco Hills	ATLNGATH	
		Sandy Springs	ATLNGASS	
	Lilburn	Lilburn	LLBNGAMA	
	Smyrna	Power Ferry	SMYRGAPF	
		Smyrna Main	SMYRGAMA	
	Tucker	Tucker Main	TUKRGAMA	EX
	Roswell	Roswell Main	RSWLGAMA	
	Norcross	Norcross Main	NRCRGAMA	
	Marionetta	Marionetta Main	MRRTGAMA	
	Dunwoody	Dunwoody Main	DNWDGAMA	
	Alpharetta	Alpharetta Main	ALPRGAMA	
	Columbus	Columbus Main	CLMBGAMT	
KY	Louisville	Armory Place	LSVLKYAP	EX
		Westport Rd	LSVLKYWE	EX
		Beechmont	LSVLKYBE	
		Bardstown Road	LSVLKYBR	EX
		Fern Creek	LSVLKYFC	
		JTown	LSVLKYJT	
		Mathews	LSVLKYSM	
		Third Street	LSVLKYTS	
LA	New Orleans	Main	NWORLAMA	
	Baton Rouge	Main	BTRGLAMA	
MS	Hattiesburg	Hattiesburg Main	HTBGMSMA	
	Jackson	Cap Pearl	JCSNMSCP	
	Vicksburg	Vicksburg	VCBGMSMA	
NC	Cary	Central	NARYNCCE	
	Chapel Hill	Rosemary	CPHLNCRO	
	Charlotte	Caldwell	CHRLNCCA	
		South Boulevard	CHRLNCBO	

	Denta	CHRLNCDE	
	Erwin	CHRLNCER	
	Lake Point	CHRLNCLP	
	Reid	CHRLNCRE	EX
	Sharon Amity	CHRLNCSH	
	University	CHRLNCUN	EX
Greensboro	Eugene St	GNBONCEU	
Raleigh	Morgan	RLGHNCMO	
	New Hope	RLGHNCHO	
Salisbury	Main	SLBRNCMA	
Winston Salem	Fifth Street	WNSLNCFI	
Ashville	O'Henry	AHVLNCOH	
SC	Charleston	Dial & Toll	CHTNSCDT
	Columbia	Senate St	CLMASC SN EX
		At Andrews	CLMASC SA
	Greenville	D&T	GNVLS CDT
		Woodruff Road	GNVLS CWR EX
	Spartenburg	Main	SPBGSCMA
TN	Knoxvill	Main	KNVLTNMA
	Memphis	Bartlett	MMPHTNBA
		Chickasaw	MMPHTNCT
		Eastland	MMPHTNEL
		Germantown	MMPHTNGT
		Main	MMPHTNMA EX
		Oakville	MMPHTNOA
		Southland	MMPHTNSL
	Nashville	Main & Toll	NSVLTNMT
		Airport	NSVLTNAP
		Brentwood	NSVLTNBW
		Crieve Hall	NSVLTNCH
		Donelson	NSVLTNDO
		Inglewood	NSVLTNIN
		Sharondale	NSVLTNST
		University	NSVLTNUN

Attachment C-14

Unbundled Products and Services and New Services

Service: Poles, Ducts, Conduits and Rights of Way

State(s): All

Rates, terms and conditions: This service will be provided via a Standard License Agreement.

Attachment C-15

Unbundled Products and Services and New Services

Service: Unbundled Exchange Access Loop

Description: Provides the connection from the serving central office to a subscriber's premises. It is engineered to meet the same parameters as a residence or business exchange access line.

Information relative to multiplexing of the Unbundled Exchange Access Loop is described in Attachment C-16 following.

Rate Elements	Alabama			Florida			Georgia		
	Monthly	Nonrecurring Charges		Monthly	Nonrecurring Charges		Monthly	Nonrecurring Charges	
		First	Add'l		First	Add'l		First	Add'l
Unbundled Exchange Access Loop	\$25.00	\$140.00	\$48.00	\$17.00	\$140.00	\$48.00	\$25.00	\$140.00	\$48.00
Unbundled Exchange Access iOC									
- Fixed	\$30.00	\$87.00	N/A	\$28.50	\$87.00	N/A	\$32.00	\$108.00	N/A
- 1 - 8 Miles	\$2.08	N/A	N/A	\$1.88	N/A	N/A	\$2.08	N/A	N/A
- 9 - 25 Miles	\$2.00	N/A	N/A	\$1.80	N/A	N/A	\$2.00	N/A	N/A
- Over 25 Miles	\$1.95	N/A	N/A	\$1.55	N/A	N/A	\$1.95	N/A	N/A

Rate Elements	Kentucky			Louisiana			Mississippi		
	Monthly	Nonrecurring Charges		Monthly	Nonrecurring Charges		Monthly	Nonrecurring Charges	
		First	Add'l		First	Add'l		First	Add'l
Unbundled Exchange Access Loop	\$25.00	\$140.00	\$48.00	\$18.50	\$140.00	\$48.00	\$25.00	\$140.00	\$48.00
Unbundled Exchange Access iOC									
- Fixed	\$30.00	\$93.00	N/A	\$30.00	\$100.00	N/A	\$30.00	\$88.00	N/A
- 1 - 8 Miles	\$2.08	N/A	N/A	\$2.08	N/A	N/A	\$2.08	N/A	N/A
- 9 - 25 Miles	\$2.00	N/A	N/A	\$2.00	N/A	N/A	\$2.00	N/A	N/A
- Over 25 Miles	\$1.95	N/A	N/A	\$1.95	N/A	N/A	\$1.95	N/A	N/A

Rate Elements	N. Carolina			S. Carolina			Tennessee		
	Monthly	Nonrecurring Charges		Monthly	Nonrecurring Charges		Monthly	Nonrecurring Charges	
		First	Add'l		First	Add'l		First	Add'l
Unbundled Exchange Access Loop	\$30.00	\$140.00	\$48.00	\$25.00	\$140.00	\$48.00	\$25.00	\$140.00	\$48.00
Unbundled Exchange Access iOC									
- Fixed	\$11.88	\$71.87	N/A	\$50.00	\$87.00	N/A	\$30.00	\$98.00	N/A
- 1 - 8 Miles	\$2.15	N/A	N/A	\$2.08	N/A	N/A	\$2.08	N/A	N/A
- 9 - 25 Miles	\$2.15	N/A	N/A	\$2.00	N/A	N/A	\$2.00	N/A	N/A
- Over 25 Miles	\$2.15	N/A	N/A	\$1.95	N/A	N/A	\$1.95	N/A	N/A

Unbundled Products and Services and New Services

Service: Channelization System for Unbundled Exchange Access Loops

Description: This new rate element provides the multiplexing function for Unbundled Exchange Access Loops. It can convert up to 96 voice grade loops to DS1 level for connection with the ALEC's point of interface. The multiplexing can be done on a concentrated basis (delivers at 2 DS1 level to customer premise) or on a non-concentrated basis (delivers at 4 DS1 level to customer premise) at the option of the customer.

In addition to the following rates elements, 1.544 Mbps local channel and/or interoffice channel facilities may be required as set forth in E7 of BellSouth Telecommunication's, Inc.'s Intrastate Access Service Tariff for non-collocated ALECs.

State(s)	Alabama			Florida			Georgia		
	Monthly Rate	Nonrecurring Charge First	Charge Add'l	Monthly Rate	Nonrecurring Charge First	Charge Add'l	Monthly Rate	Nonrecurring Charge First	Charge Add'l
Unbundled Loop Channelization System (DS1 to VG), Per System	\$575.00	\$525.00	N/A	\$585.00	\$480.00	N/A	\$585.00	\$480.00	N/A
Central Office Channel Interface (circuit specific plug-in equipment), 1 per circuit	\$1.70	\$8.00	\$8.00	\$1.70	\$7.00	\$7.00	\$1.70	\$7.00	\$7.00

State(s)	Kentucky			Louisiana			Mississippi		
	Monthly Rate	Nonrecurring Charge First	Charge Add'l	Monthly Rate	Nonrecurring Charge First	Charge Add'l	Monthly Rate	Nonrecurring Charge First	Charge Add'l
Unbundled Loop Channelization System (DS1 to VG), Per System	\$540.00	\$485.00	N/A	\$530.00	\$510.00	N/A	\$580.00	\$450.00	N/A
Central Office Channel Interface (circuit specific plug-in equipment), 1 per circuit	\$1.60	\$8.00	\$8.00	\$1.60	\$8.00	\$8.00	\$1.70	\$8.00	\$8.00

State(s)	N. Carolina			S. Carolina			Tennessee		
	Monthly Rate	Nonrecurring Charge First	Charge Add'l	Monthly Rate	Nonrecurring Charge First	Charge Add'l	Monthly Rate	Nonrecurring Charge First	Charge Add'l
Unbundled Loop Channelization System (DS1 to VG), Per System	\$545.00	\$475.00	N/A	\$520.00	\$480.00	N/A	\$530.00	\$520.00	N/A
Central Office Channel Interface (circuit specific plug-in equipment), 1 per circuit	\$1.60	\$7.00	\$7.00	\$1.60	\$8.00	\$8.00	\$1.60	\$8.00	\$8.00

Unbundled Products and Services and New Services

Service: Unbundled Exchange Ports

Description: An exchange port is the capability derived from the central office switch hardware and software required to permit end users to transmit or receive information over BellSouth's public switched network. It provides service enabling and network features and functionality such as translations, a telephone number, switching, announcements, supervision and touch-tone capability.

In addition, a BellSouth provided port with outgoing network access also provides access to other services such as operator services, long distance service, etc. It may also be combined with other services available in BellSouth's Intrastate Access Service Tariffs as technically feasible.

When an Unbundled Port is connected to BellSouth provided collocated loops, cross-connection rate elements are required as set forth in Section 20 of BellSouth Telecommunications's, Inc.'s Interstate Access Tariff, FCC No.1.

Alabama			Florida		Georgia	
Rate Elements	Rate	Per	Rate Elements	Rate	Rate Elements	Rate
Monthly			Monthly		Monthly	
Residence Port	\$2.50		Residence Port	\$2.00	Residence Port	\$2.28
Business Port	\$7.00		Business Port	\$4.50	Business Port	\$4.60
PBX Trunk Port	\$7.00		PBX Trunk Port	\$7.50	PBX Trunk Port	\$7.37
Rotary Service	\$2.00		Rotary Service	\$2.00	Rotary Service	\$2.77
Primary Rate ISDN NAS	\$20.00					
Usage-Mileage Bands			Usage-(STS)		Usage-(STS)	
A (0 miles)	\$0.02	int. min.	- int. min.	\$0.0275	- setup per call	\$0.02
	\$0.01	Add'l min.	- add'l min.	\$0.0125	- per minute or fraction thereof	\$0.02
B (1-10 miles)	\$0.04	int. min.				
	\$0.02	Add'l min.				
C (11-16 miles)	\$0.06	int. min.				
	\$0.04	Add'l min.				
D (17-22 miles & existing LCA described in A3 & greater than 22 mi.)	\$0.10	int. min.				
	\$0.07	Add'l min.				
E (23-30 miles)	\$0.10	int. min.				
	\$0.10	Add'l min.				
F (31-40 miles)	\$0.10	int. min.				
	\$0.10	Add'l min.				
G (Special Band)*	\$0.10	int. min.				
	\$0.10	Add'l min.				

* In addition to the local calling described in A3 of BellSouth's General Subscriber Service Tariff, if any wire center in an exchange is located within 40 miles of any wire center in the originating exchange, local calling will be provided from the entire originating exchange to the entire terminating exchange. The usage charges for Band G are applicable for distances greater than 40 miles.

Attachment C-17

Unbundled Products and Services and New Services

Service: Unbundled Exchange Ports (Cont'd)

Kentucky			Louisiana		
Rate Elements	Rate	Per	Rate Elements	Rate	Per
Monthly			Monthly		
Residence Port	\$3.50		Residence Port	\$2.50	
Business Port	\$10.00		Business Port	\$7.00	
PBX Trunk Port	\$10.00		PBX Trunk Port	\$7.00	
Rotary Service	\$3.50		Rotary Service	\$3.50	
Usage-Mileage Bands			Usage-Mileage Bands		
A (0 miles)	\$0.04	line min.	A (0 miles)	\$0.02	line min.
	\$0.02	Add'l min.		\$0.01	Add'l min.
B (1-10 miles)	\$0.04	line min.	A (1-10 miles)	\$0.04	line min.
	\$0.02	Add'l min.		\$0.02	Add'l min.
C (Greater than 10 miles Limited LCA)	\$0.08	line min.	B (11-18 miles)	\$0.08	line min.
	\$0.04	Add'l min.		\$0.04	Add'l min.
D (11-10 miles beyond Limited LCA)	\$0.04	line min.	C (17-22 miles)	\$0.10	line min.
	\$0.02	Add'l min.		\$0.07	Add'l min.
E (11-18 miles beyond Limited LCA)	\$0.08	line min.	D (23-30 miles Basic LCA and Intra Parish Expanded LCA)	\$0.14	line min.
	\$0.04	Add'l min.		\$0.10	Add'l min.
F (17-22 miles beyond Limited LCA)	\$0.08	line min.		\$0.10	Add'l min.
	\$0.07	Add'l min.	E (Greater than 30 miles Basic LCA and Intra Parish Expanded LCA)	\$0.14	line min.
G (23-30 miles beyond Limited LCA)	\$0.08	line min.		\$0.14	line min.
	\$0.07	Add'l min.	F (23-30 miles Inter-Parish Expanded LCA)	\$0.14	line min.
H (31-40 miles beyond Limited LCA)	\$0.08	line min.		\$0.10	Add'l min.
	\$0.07	Add'l min.	G (31-40 miles Inter-Parish Expanded LCA)	\$0.14	line min.
I (Greater than 40 miles beyond Limited LCA)	\$0.08	line min.		\$0.14	Add'l min.
	\$0.07	Add'l min.	H (Greater than 40 miles Inter-Parish)	\$0.14	Add'l min.

Mississippi			N. Carolina			S. Carolina		
Rate Elements	Rate	Per	Rate Elements	Rate	Rate Elements	Rate	Rate	
Monthly			Monthly		Monthly			
Residence Port	\$3.75		Residence Port	\$2.00	Residence Port	\$4.00		
Business Port	\$7.50		Business Port	\$6.00	Business Port	\$10.50		
PBX Trunk Port	\$7.50		PBX Trunk Port	\$8.00	PBX Trunk Port	\$10.50		
Rotary Service	\$3.75		Rotary Service	\$1.50	Rotary Service	\$3.00		
Usage - Mile Bands			Usage - (STS)		Usage - (STS)			
A (0 miles)	\$0.02	line min.	- line min.	\$0.08	- Basic Svc Area	\$0.02		
	\$0.01	Add'l min.	- Add'l min.	\$0.02	- Expanded Svc Area	\$0.12		
B (1-10 miles)	\$0.04	line min.						
C (11-18 miles existing LCA described in A3 & greater than 18 miles, and also to county seat greater than 18 miles)	\$0.02	Add'l min.						
	\$0.08	line min.						
	\$0.04	Add'l min.						
D (17-30 miles)	\$0.08	line min.						
	\$0.07	Add'l min.						
E (31-55 miles Basic LATA)	\$0.08	line min.						
	\$0.07	Add'l min.						
F (31-55 miles Jackson LATA)	\$0.12	line min.						
	\$0.10	Add'l min.						
G (56-85 miles Basic LATA)	\$0.18	line min.						
	\$0.14	Add'l min.						

Tennessee		
Rate Elements	Rate	Per
Monthly		
Residence Port	\$4.00	
Business Port	\$10.00	
PBX Trunk Port	\$10.00	
Rotary Service	\$8.50	
Usage - Mile Bands		
A (0-18 miles)	\$0.02	line min.
B (17-30 miles)	\$0.08	line min.
C >30 miles	\$0.10	line min.

Attachment C-18

Unbundled Products and Services and New Services

Service: Local Calling Area Boundary Guide

Description: Provided to ALECs to assist in deployment of numbers on their network to conform with BellSouth existing local calling area geographics.

State: All

Rate(s): No Charge

ATTACHMENT "D"

APPLICABLE DISCOUNTS

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

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

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

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

SUPPLEMENTAL AGREEMENT

Supplemental agreement made September 20, 1996, 1996, between BellSouth Telecommunications, Inc. of 675 W. Peachtree Street, Atlanta, Georgia referred to as BellSouth, and Competitive Communications Inc., of 11731 Sterling Ave. "F", Riverside, California 92503, referred to as CCI.

RECITALS

A. On August 27, 1996, the parties entered into an agreement relative to the interconnection of the two parties' networks as well as the unbundling of BellSouth's network elements and the resale of BellSouth services by CCI.

B. In consideration of the mutual promises and other valuable consideration, the parties are desirous of modifying the provisions of the prior contract by this Agreement.

AGREEMENT

The prior contract of the parties is modified, altered, and changed in the following respects only:

ELIMINATIONS AND INSERTIONS

Section IV

By eliminating and striking out from the agreement of August 27, 1996, all of Section IV(C) and (D) and inserting in its place a new Section IV(C).

C. Each party will report to the other a Percentage Local Usage ("PLU") and the application of the PLU will determine the amount of local minutes to be billed to the other party. Until such time as actual usage is available or at the expiration of the first year after the execution of this Agreement, the parties agree to utilize a mutually acceptable surrogate for the PLU factor. For purposes of developing the PLU, each party shall consider every local call and every long distance call. Effective on the first of January, April, July and October of each year, the parties shall update their PLU.

Subsequent subsections of Section IV shall be renumbered.

Attachment A

By eliminating and striking out from the agreement of August 27, 1996, all of Attachment A.

In witness whereof, the parties have executed this supplemental agreement the day and year first above written.

BellSouth Telecommunications, Inc.

BY: 
Signature

NAME: Jerry D. Hendrix
Printed Name

TITLE: Director

Competitive Communications,
Inc.

BY: 
Signature

NAME: DAVID KLINE
Printed Name

TITLE: CEO