

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

In the Matter of : DOCKET NO. 981008-TP
 :
 Request for arbitration :
 concerning complaint of :
 American Communications :
 Services of Jacksonville, Inc. :
 d/b/a e.spire Communications :
 Inc. and ACSI Local Switched :
 Services, d/b/a e.spire :
 Communications, Inc. against :
 BellSouth Telecommunications, :
 Inc. regarding reciprocal :
 compensation for traffic :
 terminated to internet :
 service providers :

VOLUME 2

PROCEEDINGS: HEARING

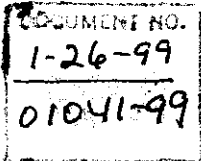
BEFORE: COMMISSIONER JULIA L. JOHNSON
 COMMISSIONER E. LEON JACOBS, JR.

DATE: Wednesday, January 20, 1999

TIME: Commenced at 9:30 a.m.
 Concluded at 4:40 p.m.

PLACE: Betty Easley Conference Center
 Room 148
 4075 Esplanade Way
 Tallahassee, Florida

REPORTED BY: Debra R. Krick
 Court Reporter



1 APPEARANCES:

2 NORMAN H. HORTON, JRS., Messer, Caparello &
3 Self, 215 South Monroe Street, Post Office Box 1876,
4 Tallahassee, FL 32302-1876; and
5 BRAD E. MUTSCHELKNAUS, Kelly, Drye & Warren, LLP, 1200
6 19th Street, Northwest, Suite 500, Washington, D.C.,
7 20036, appearing on behalf of American Communication
8 Services of Jacksonville, Inc., d/b/a e.spire
9 Communications, and ACSI Local Switched Services,
10 Inc., d/b/a e.spire Communications, Inc.

11 NANCY B. WHITE, BellSouth
12 Telecommunications, Inc., c/o Nancy Sims, 150 South
13 Monroe Street, Suite 400, Tallahassee, Florida 32301,
14 appearing on behalf of BellSouth Telecommunications,
15 Inc.

16 BETH KEATING and CLINTINA WATTS, Florida
17 Public Service Commission, Division of Legal Services,
18 2540 Shumard Oak Boulevard, Tallahassee, Florida
19 32399-0870, appearing of behalf of the commission
20 staff.
21
22
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

WITNESSES

NAME	PAGE NO.
------	----------

JERRY D. HENDRIX

Direct Examination by Ms. White	133
Prefiled Direct Testimony Inserted	138
Prefiled Rebuttal Testimony Inserted	165
Cross Examination by Ms. Keating	194
Cross Examination by Ms. Horton	214
Redirect Examination by Ms. White	217

ALBERT HALPRIN

Direct Examination by Ms. White	218
Prefiled Direct Testimony Inserted	224
Prefiled Rebuttal Testimony Inserted	256

EXHIBITS

NUMBER		ID.	ADMTD.
6	JH-1	136	218
7	JH-2	136	218
8	JH-3	136	218
9	JH-4	184	218

1 P R O C E E D I N G S

2 (Hearing reconvened at 3:22 p.m.)

3 (Transcript follows in sequense from Volume 1.)

4 COMMISSIONER JOHNSON: We are going to go back on
5 the record.

6 MS. WHITE: BellSouth calls Jerry Hendrix.

7 JERRY D. HENDRIX

8 was called as a witness on behalf of BellSouth
9 Communications and, having been duly sworn, testified as
10 follows:

11 DIRECT EXAMINATION

12 BY MS. WHITE:

13 Q Mr. Hendrix, would you please state your name
14 and address for the record?15 A Yes. My name is Jerry D. Hendrix. And my
16 address is 675 West Peachtree Street, Atlanta, Georgia.

17 Q By whom are you employed and in what capacity?

18 A BellSouth, director of pricing.

19 Q Have you previously caused to have prepared and
20 pre-filed in this case direct testimony consisting of 27
pages?

21 A Yes, I did.

22 Q Do you have any changes to make to that direct
testimony at this time?

23 A No, I do not.

24 MS. WHITE: Madam Chairman, I would like to have
25 the testimony inserted -- direct testimony inserted

1 into the record as if read.

2 COMMISSIONER JOHNSON: It is so inserted.

3 MR. HORTON: Madam Chairman, excuse me. I do
4 have an objection to a couple of parts of his direct
5 testimony. My objections also relate to some of the
6 exhibits, and it's the same objections with regard to
7 some of his rebuttal testimony that also relates to
8 an exhibit.

9 So I don't know if it -- what would be easier to
10 go ahead and insert the testimony subject to my
11 opportunity to address with a motion to strike, or if
12 you want to go ahead and take everything up at once.

13 COMMISSIONER JOHNSON: I am sorry. How did you
14 intend to address it? And do you have a line and
15 page?

16 MR. HORTON: I can -- yes, ma'am. My objections
17 are -- go to three of the exhibits and to his
18 testimony, and the direct and rebuttal which address
19 those exhibits. So which comes first, the chicken or
20 the egg now?

21 If you want to identify the rebuttal and the
22 exhibits and, subject to my objection and opportunity
23 to address those, then when it is all there, I will
24 be happy to address it before we go any further.

25 COMMISSIONER JOHNSON: Okay. Let's go ahead and do

1 that.

2 MS. WHITE: I'm sorry. Is he going to address
3 that later, the motion?

4 MR. HORTON: If you will go ahead and identify
5 his direct and rebuttal and the exhibits, and then I
6 will address everything at once.

7 MS. WHITE: All right.

8 BY MS. WHITE:

9 Q I think I forgot to ask you the question, Mr.
10 Hendrix, then, if I were to ask you the same questions
11 that are in your pre-filed direct testimony, would your
12 answers be the same?

13 A Yes.

14 MS. WHITE: And I would ask that the direct
15 testimony be inserted into the record. Okay?

16 MR. HORTON: Subject to the objection.

17 MS. WHITE: Well, subject to my objection to
18 your objection.

19 MR. HORTON: Whichever.

20 BY MS. WHITE:

21 Q Mr. Hendrix, in connection with your direct
22 testimony, did you have three exhibits attached, JH-1
23 through JH-3?

24 A Yes, I did.

25 Q And do you have any changes or corrections to

1 make to those exhibits?

2 A No, I do not.

3 MS. WHITE: I would like to have the exhibits
4 attached to Mr. Hendrix's direct testimony, marked
5 for identification.

6 COMMISSIONER JOHNSON: And are they going to be --
7 yes, ma'am. Are they going to be objections to the
8 different exhibits?

9 MR. HORTON: I'm going to object to JH-2, 3 and 4.

10 COMMISSIONER JOHNSON: Okay. Let's identify them.

11 MS. WHITE: Yes. I am just asking for
12 identification of those at this time.

13 COMMISSIONER JOHNSON: Oh.

14 MS. WHITE: You want separate identification?

15 COMMISSIONER JOHNSON: Yes. I want to separate
16 them. JH-1 will be identified as 6, JH-2 will be
17 identified as 7, JH-3 will be 8.

18 (Whereupon, Hearing Exhibit Nos. 6, 7 and 8 were
19 marked for identification.)

20 COMMISSIONER JOHNSON: You said you had a --

21 MS. WHITE: JH-4 is an exhibit to the rebuttal
22 testimony.

23 COMMISSIONER JOHNSON: Oh.

24 MS. WHITE: So I guess we can go there.

25 BY MS. WHITE:

1 Q Mr. Hendrix, did you file pre-filed rebuttal
2 testimony consisting of 19 pages?

3 A Yes, I did.

4 Q Do you have any changes to your rebuttal
5 testimony?

6 A I have one change. That change is at page 19,
7 line two; second word from the end, the word not, n-o-t,
8 should be removed.

9 Q Are those the only changes you have to your
10 rebuttal testimony?

11 A Yes.

12 Q If I were to ask you the same questions today
13 that are contained in your pre-filed rebuttal testimony,
14 would your answers to those questions be the same?

15 A Yes.

16 MS. WHITE: And, again, I would like to have the
17 rebuttal testimony inserted into the record as if
18 read.

19 COMMISSIONER JOHNSON: I am going to show it
20 inserted as though read, but there may be some
21 objections.

22 MR. HORTON: Yes, ma'am, the same.

23 COMMISSIONER JOHNSON: We will deal with it.
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BELLSOUTH TELECOMMUNICATIONS, INC.
DIRECT TESTIMONY OF JERRY HENDRIX
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 981008-TP
November 12, 1998

Q. PLEASE STATE YOUR NAME AND COMPANY NAME AND ADDRESS.

A. My name is Jerry Hendrix. I am employed by BellSouth Telecommunications, Inc., ("BellSouth") as Director - Interconnection Services Pricing. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

A. I graduated from Morehouse College in Atlanta, Georgia, in 1975, with a Bachelor of Arts Degree. I began employment with Southern Bell in 1979, and have held various positions in the Network Distribution Department before joining the BellSouth Headquarters Regulatory organization in 1985. On January 1, 1996, my responsibilities moved to Interconnection Services Pricing in the Interconnection Customer Business Unit. In my position as Director, I oversee the negotiations of interconnection agreements between BellSouth and Alternative Local Exchange Companies (ALECs).

1 Q. **HAVE YOU TESTIFIED PREVIOUSLY?**

2

3 A. Yes. I have testified in proceedings before the Alabama, Florida, Georgia,
4 Kentucky, Louisiana, Mississippi, and South Carolina Public Service
5 Commissions, the North Carolina Utilities Commission, and the Tennessee
6 Regulatory Authority.

7

8 Q. **WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

9

10 A. The purpose of my testimony is to discuss whether reciprocal compensation for
11 internet service provider (ISP) non-voice type traffic is required under the
12 interconnection agreements that have been negotiated between BellSouth and
13 e.spire Communications, Inc. ("e.spire"). As I explain below, calls made by an
14 end-user customer to access the internet or other services offered by an ISP do
15 not constitute local traffic, but instead are in the nature of exchange access
16 traffic that is jurisdictionally interstate. Therefore, these types of calls (ISP
17 traffic) are not subject to the reciprocal compensation requirements in the
18 Interconnection Agreement between BellSouth and e.spire (hereinafter "the
19 Agreement").

20

21 Q. **WHAT ARE THE RECIPROCAL COMPENSATION**
22 **REQUIREMENTS IN THE INTERCONNECTION AGREEMENT**
23 **NEGOTIATED BETWEEN BELL SOUTH AND e.spire?**

24

25 A. First, the Agreement with e.spire at Section VI. A states:

1 The Parties agree for the purpose of this Agreement only that local
2 interconnection is defined as the delivery of local traffic to be terminated
3 on each party's local network so that customers of either party have the
4 ability to reach customers of the other party, without the use of any
5 access code or delay in the processing of the call. The Parties further
6 agree that the exchange of traffic on BellSouth's Extended Area Service
7 (EAS) shall be considered local traffic and compensation for the
8 termination of such traffic shall be pursuant to the terms of this section.
9 (emphasis added.)

10 Attachment B of the Agreement states:

11 "Local Traffic" means telephone calls that originate in one exchange and
12 terminate in either the same exchange, or a corresponding Extended Area
13 Service ("EAS") exchange. The terms Exchange, and EAS exchanges
14 are defined and specified in Section A.3 of BellSouth's General
15 Subscriber Service Tariff.

16
17 Clearly, at a minimum, this agreement requires the termination of traffic on
18 either BellSouth's or e.spire's network for reciprocal compensation to apply.

19 As I explain below in more detail, call termination does not occur when an
20 ALEC, serving as a conduit, places itself between BellSouth and an ISP.

21 Further, the definition of local traffic requires the origination and termination of
22 telephone calls to be in the same exchange and EAS exchanges as defined and
23 specified in Section A.3 of BellSouth's General Subscriber Service Tariff
24 (GSST). Local traffic as defined in Section A.3 in no way implies ISP traffic.

25 The Federal Communications Commission (FCC) has concluded that enhanced

1 service providers (ESPs), of which ISPs are a subset, use the local network to
2 provide interstate services.

3
4 I am the person responsible for all negotiations with ALECs. I was specifically
5 involved with the negotiation of this agreement. BellSouth has entered into
6 hundreds of agreements with ALECs across its region and has included in
7 those agreements language discussing payment of reciprocal compensation.
8 Nowhere in those agreements has BellSouth acknowledged or agreed to define
9 ISP traffic as local traffic subject to reciprocal compensation. Further,
10 BellSouth has not knowingly paid reciprocal compensation to ALECs who
11 have transported traffic to their ISP customers, nor has BellSouth knowingly
12 billed ALECs for performing that same service.

13

14 **Q. IS BELLSOUTH CURRENTLY OBLIGATED TO COMPENSATE**
15 **e.spire FOR TERMINATING BELLSOUTH'S LOCAL TRAFFIC?**

16

17 **A.** No. The agreement between e.spire and BellSouth does not currently obligate
18 BellSouth to compensate e.spire for terminating BellSouth's local traffic.
19 Rather, Section VI.B of the Agreement provides that:

20 For purposes of this Agreement, the Parties agree that there will be no
21 cash compensation exchanged by the parties during the term of this
22 Agreement unless the difference in minutes of use for terminating local
23 traffic exceeds 2 million minutes per state on a monthly basis.

24

25

1 BellSouth does not believe that the difference in minutes of use for
2 terminating local traffic exceeds 2 million minutes on a monthly basis for the
3 state of Florida. However, even if the 2- million- minute difference had been
4 met, the Agreement further states in Section VI.B that:

5 In such an event, the Parties will thereafter negotiate the specifics of a
6 traffic exchange agreement which will apply on a going-forward basis.

7 (emphases added)

8

9 Thus, the Agreement only obligates BellSouth to commence negotiations with
10 e.spire that would lead to an agreement on the exchange of traffic, including a
11 mutually agreed-upon reciprocal compensation rate, once the 2- million-
12 minute threshold is met. If the parties are unable to reach a voluntary
13 agreement, either party would have the right to petition this Commission to
14 arbitrate that issue. e.spire has improperly attempted to circumvent this
15 process by filing its "complaint."

16

17 **Q. DO YOU AGREE THAT THE DIFFERENCE IN MINUTES OF USE**
18 **FOR TERMINATING LOCAL TRAFFIC BETWEEN BELLSOUTH**
19 **AND e.spire HAS EXCEEDED 2 MILLION MINUTES ON A**
20 **MONTHLY BASIS?**

21

22 A. No. BellSouth believes that e.spire is including ISP interstate minutes in its
23 calculation of local minutes of use. By letter dated August 12, 1997, BellSouth
24 advised the ALEC industry that pursuant to current FCC rules regarding ESPs,
25 of which ISPs are a subset, that ISP traffic is jurisdictionally interstate, not

1 local. The letter stated that due to this fact, BellSouth will neither pay nor bill
2 reciprocal compensation for this traffic. In the November 1997 meeting,
3 e.spire indicated that it used combined trunks to record minutes of use. Thus,
4 until such time as BellSouth is assured that e.spire's 2- million- minute
5 threshold calculation includes only local minutes of use, and a mutually
6 agreed-upon compensation rate has been negotiated, BellSouth is not obligated
7 to compensate e.spire for terminating BellSouth's local traffic.

8

9 **Q. DO YOU AGREE THAT e.spire IS ENTITLED TO THE RECIPROCAL**
10 **COMPENSATION RATE OF \$.009?**

11

12 A. No. e.spire seems to believe that the most favorable provisions language in
13 Section XXII.A allows e.spire to pick and choose rates from any existing
14 agreement in a particular state. As such, e.spire insists that it should be entitled
15 to the termination rate of \$.009 per minute.

16

17 While the language contained in Section XXII.A of the Agreement tracks
18 Section 252(i) of the Act concerning the availability of any interconnection,
19 service, or network element provided under an agreement with a LEC and one
20 carrier to another carrier, Section XXVII of the Agreement states that this
21 agreement shall be governed by, construed and enforced in accordance with
22 applicable federal law. As interpreted by the Eighth Circuit Court in Iowa
23 Utilities Board et al. v. FCC, 120 F.3d 753, 800-801 (8th Cir. 1997), federal law
24 does not permit e.spire to "pick and choose" individual provisions of a
25 negotiated agreement. The Eighth Circuit has determined that new entrants,

1 under Section 252(i), may accept the terms and conditions of prior agreements,
2 but only “in their entirety.” Thus, when read in light of the Eighth Circuit’s
3 decision in Iowa Utilities Board, Section XXII.A does not permit e.spire to
4 “pick and choose” the termination rate in an agreement without accepting all
5 the terms and conditions in that agreement.

6
7 Furthermore, Section XXII.A of the Agreement allows e.spire to “add” new
8 network elements or services or to “substitute” more favorable rates, terms, and
9 conditions. Here, there is nothing to “add” because the existing Agreement
10 covers the termination of local traffic, and nothing to “substitute” because the
11 existing Agreement does not contain a termination rate. e.spire’s position that
12 it can obtain reciprocal compensation under Section XXII.A is neither correct
13 nor is it contractually sound. e.spire and BellSouth did not insert specific
14 language into Section VI.B concerning the 2- million- minute threshold to be
15 rendered null and void by another Section of its own Agreement. Section
16 XXII.A was never intended to circumvent the negotiation process as e.spire
17 seeks to do.
18

19
20
21 **Q. IF e.spire AND BELLSOUTH DID NOT MUTUALLY INTEND TO**
22 **TREAT THIS TYPE OF TRAFFIC AS LOCAL TRAFFIC FOR**
23 **PURPOSES OF RECIPROCAL COMPENSATION, CAN EITHER**
24 **PARTY BE REQUIRED TO PAY RECIPROCAL COMPENSATION**
25 **FOR THAT TRAFFIC?**

1

2 A. No. If both of the parties did not mutually intend to treat this traffic as local
3 for purposes of reciprocal compensation, then BellSouth is under no
4 contractual obligation to pay reciprocal compensation for such traffic.
5 Moreover, considering current FCC rules regarding ESPs' traffic, this traffic is
6 clearly interstate, not local traffic, and as shown later, reciprocal compensation
7 should not apply for ISP traffic. I can unequivocally state that it was not
8 BellSouth's intent, nor was it discussed during negotiations, for ISP traffic to
9 be subject to reciprocal compensation.

10

11 **Q. DESCRIBE THE TYPE OF TRAFFIC IN DISPUTE.**

12

13 The following describes how a call by an end user is routed to the internet.

14 Internet service is a subset of the services that the FCC has classified as
15 enhanced services. As I explain below in more detail, the FCC has exempted
16 enhanced service providers from paying interstate access charges. Hence, ISPs
17 are permitted to obtain and use local exchange services to collect and terminate
18 their interstate traffic. End users gain access to the internet through an ISP.

19 The ISP location, generally referred to as an ISP Point of Presence (POP),
20 represents the edge of the internet and usually consists of a bank of modems.
21 ISPs can use the public switched network to collect their subscribers' calls to
22 the internet. In this case, ISP subscribers access the ISP by dialing a local
23 telephone number via their computer modem to connect to the ISP. The ISP
24 typically purchases business service lines from various local exchange
25 company end offices and physically terminates those lines at an ISP premise,

1 which are usually modem banks that connect to the internet. The ISP converts
2 the signal of the incoming call to a digital signal and routes the call, through its
3 modems, over its own network to a backbone network provider, where it is
4 ultimately routed to an internet-connected host computer. Internet backbone
5 networks can be regional or national in nature. These networks not only
6 interconnect ISP POPs but also interconnect ISPs with each other and with
7 online information content.

8
9 The essence of internet service is the ease with which a user can access and
10 transport information from any host connected to the internet. The internet
11 enables information and internet resources to be widely distributed and
12 eliminates the need for the user and the information to be physically located in
13 the same area. ISPs typically provide, in addition to internet access, internet
14 services such as e-mail, usenet news, and Web pages to their customers. ISPs
15 that have multiple local telephone numbers (as is the case for many ISPs)
16 would not have duplicate hosts for such services in each local dial location.
17 Indeed, such duplication would defeat a primary advantage of the internet.
18 Thus, when a user retrieves e-mail or accesses usenet messages, for example, it
19 is highly unlikely that the user is communicating with a host that is located in
20 the same local calling area as the user. To the contrary, the concentration of
21 information is more likely to result in an interstate, or even international,
22 communication.

23
24 In short, an ISP takes a call and, as part of the information service it offers to
25 the public, transmits that call to and from the communications network of other

1 telecommunications carriers (e.g., internet backbone providers such as MCI or
2 Sprint) whereupon it is ultimately delivered to internet host computers, almost
3 all of which are not located in the local serving area of the ISP.

4

5 Thus, the call from an end user to the ISP only transits through the ISP's local
6 point of presence; it does not terminate there. There is no interruption of the
7 continuous transmission of signals between the end user and the host
8 computers.

9

10 The fact that an ISP can now obtain local business service lines from an ALEC
11 switch in no way alters the continuous transmission of signals between an
12 incumbent local exchange company's (ILEC's) end user to a host computer. In
13 other words, if an ALEC puts itself in between a BellSouth end user and the
14 internet service provider, it is acting like an intermediate transport carrier or
15 conduit, not a local exchange provider entitled to reciprocal compensation.
16 The ALEC is adding no value to either the ISP service nor to the end user.
17 The ALEC is merely providing a local telephone number which the end user
18 dials to access the ISP. See Exhibit JH-1 attached to this testimony.

19

20 **Q. WHAT IS THE JURISDICTIONAL NATURE OF SUCH TRAFFIC?**

21

22 **A.** Internet traffic is not local traffic subject to reciprocal compensation
23 obligations. The vast majority of this traffic is interstate in nature. The fact
24 that a single internet call may simultaneously be interstate, international and
25 intrastate makes it inseverable for jurisdictional purposes. This inability to

1 distinguish the jurisdictional nature of each communication that traverses an
2 internet connection coupled with the predominant interstate nature of internet
3 communications leads to the inescapable conclusion that all internet traffic
4 must be considered jurisdictionally interstate.

5
6 One of the great values of the internet is that the hosts are not tied to a certain
7 geographic location. An ISP may have multiple local telephone numbers;
8 however, they would not typically have multiple locations for their hosts.
9 Instead, they would more economically provide these services by centralizing
10 at one location. This is a "best practice" engineering design. Even when the
11 content on a host is specifically designed and intended for a specific
12 geographic area, such content does not need to be, and rarely is, hosted in that
13 area. An example is Lycos CityGuide Service. According to information
14 made available by Lycos, its CityGuide service provides locally-related content
15 to over 1,000 cities. However, all of these CityGuide services are hosted
16 from servers located in Pittsburgh, Pennsylvania. Thus, even if I am at a
17 computer in Miami downloading information about Miami, my computer is
18 actually receiving that information from a server located in Pennsylvania.
19 This dispersion of servers world-wide and the lack of duplication attest to the
20 fact that use of the internet will invariably involve interstate communications.

21
22 Further illustration of the interstate nature of internet bound traffic is found in
23 looking at the most visited websites. A list of the top 100 Web sites in terms
24 of number of hits can be found at www.hot100.com. The following list
25 includes the top five sites for the week of October 7, 1998, and their

1 geographic locations, based on discussions with the owners of such sites,
2 information contained in the site or in their respective SEC filings, or other
3 such sources: 1) Yahoo: Silicon Valley, CA, Washington, D.C., Phoenix, and
4 New York City, 2) Netscape: Silicon Valley, CA, 3) Microsoft: Redmond,
5 WA, 4) Infoseek: Sunnyvale, CA, and 5) Altavista: Silicon Valley, CA. As
6 seen from this list, none of these sites are geographically located in Florida.
7 Thus, a Miami user who accesses one of these top Websites invariably utilizes
8 interstate exchange access facilities.

9

10 **Q. WHAT IS THE FCC'S POSITION ON THE JURISDICTIONAL**
11 **NATURE OF ISP TRAFFIC?**

12

13 The FCC has long held that the jurisdiction of traffic is determined by the end-
14 to-end nature of a call. The end-to-end nature of a call has been the subject of
15 many workshops (e.g., Percent Interstate Usage Workshops) with the Florida
16 Public Service Commission ("FPSC" or "Commission") as well. It is,
17 therefore, irrelevant that the originating end user and the ISP's POP are in the
18 same local calling area or that local interconnection trunks are used to transmit
19 calls to ISPs, because the ISP's POP is not the terminating point of this ISP
20 traffic. The FCC stated in Paragraph 12 in an order dated February 14, 1992,
21 in FCC Order Number 92-18, that:

22

23

24

25

Our jurisdiction does not end at the local switch, but continues to the
ultimate termination of the call. The key to jurisdiction is the nature of
the communication itself, rather than the physical location of the
technology.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

The FCC recently upheld this position in its Memorandum Opinion and Order for GTE's ADSL Service. Paragraph 17 of CC Docket No. 98-79 states:

The Commission traditionally has determined the jurisdictional nature of communications by the end points of the communication and consistently has rejected attempts to divide communications at any intermediate points of switching or exchanges between carriers.

In Paragraph 19, the Commission concluded that the ISP internet communications at issue in that proceeding, do not terminate at the ISP's local server, but continue to the ultimate destination, which is very often a long distance internet website.

Thus, the FCC has consistently upheld that the ending point of a call to an ISP is not the ISP POP, but rather the computer database or information source to which the ISP provides access. As such, calls to an ISP constitute exchange access traffic, not local telephone exchange service subject to reciprocal compensation. Calls that merely transit an ALEC's network cannot be eligible for reciprocal compensation.

The FCC has always recognized that the true nature of ISP traffic is access traffic. For example, in the 1983 order in which it initially established the ISP access charge exemption, the FCC stated: "Among the variety of users of access service are ... enhanced service providers." Likewise, in its 1987 Notice of Proposed Rulemaking in CC Docket No. 87-215 in which it proposed to lift the ISP access charge exemption, the FCC stated:

1 We are concerned that the charges currently paid by enhanced service
2 providers do not contribute sufficiently to the costs of the exchange
3 access facilities they use in offering their services to the public. As we
4 have frequently emphasized in our various access charge orders, our
5 ultimate objective is to establish a set of rules that provide for recovery
6 of the costs of exchange access used in interstate service in a fair,
7 reasonable, and efficient manner from all users of access service,
8 regardless of their designation as carriers, enhanced service providers, or
9 private customers. Enhanced service providers, like facilities-based
10 interexchange carriers and resellers, use the local network to provide
11 interstate services. To the extent that they are exempt from access
12 charges, the other users of exchange access pay a disproportionate share
13 of the costs of the local exchange that access charges are designed to
14 cover. (emphases added)

15
16 In both of these dockets, the FCC decided not to impose access charges on
17 ESPs, of which ISPs are a subset. In each case, however, the FCC – after
18 referring to the interstate nature of the call – cited only policy reasons for its
19 decision, in particular, its concern that imposing access charges at that time
20 upon ESPs could jeopardize the viability of what was still a fledgling industry.

21
22 Notably absent from any of these decisions is a determination by the FCC, or
23 even a question raised by it, that traffic to ISPs is local traffic, rather than
24 access traffic. Instead, in each case, the FCC granted or perpetuated an
25 exemption from the access charge regime, based solely on pragmatic (and

1 political) considerations regarding the impact of existing access charges on the
2 ESP / ISP industry. Moreover, in each instance, the FCC specifically noted the
3 possibility that access charges, either as currently structured or modified, might
4 be applied at some point in the future to ISPs. If the FCC had concluded that
5 traffic received by ISPs was local, there would have been no need for it to
6 exempt that traffic from the access charge regime; access charges would not
7 have been applied in the first place. In the October 30 GTE ruling, the FCC
8 emphasized that its decision to treat ISPs as end users for access charge
9 purposes in no way affects the FCC's ability to exercise jurisdiction over such
10 traffic.

11

12 Moreover, the FCC could not have held out the possibility that it might, in the
13 future, assess some sort of access charge on such traffic. It should be noted
14 that this exchange access arrangement parallels the Feature Group A (FGA)
15 arrangement, where access charges are applicable. On Feature Group A calls,
16 as with ISP calls, end users dial local numbers to make interstate interLATA
17 calls, and thus switched access charges apply to the FGA subscriber.

18

19 Therefore, under clear FCC precedent, calls bound for the internet through an
20 ISP's bank of modems can only be characterized as interstate exchange access
21 traffic because they do not "terminate" at the ISP's POP, but rather the call
22 continues to the database or information source to which the ISP provides
23 access. The FCC, for policy reasons, has exempted ISPs for almost sixteen
24 years from paying switched access charges to the local exchange companies for
25 originating computer-based non-voice enhanced service traffic to them. This

1 in no way alters the fact that the traffic they collect is interstate access traffic,
2 not local traffic. It is important to note that BellSouth's compliance with the
3 FCC access charge exemption (by not applying access charges for the
4 origination of computer-based non-voice enhanced service traffic to ISPs) in
5 no way implies that BellSouth must pay reciprocal compensation on such
6 traffic.

7

8 **Q. PLEASE ADDRESS TWO FCC DOCKETS FREQUENTLY CITED BY**
9 **ALECS AS JUSTIFICATION FOR THE PROPOSITION THAT THE**
10 **INFORMATION SERVICE PROVIDED BY THE ISP IS SEPARATE**
11 **AND DISTINCT FROM THE LOCAL EXCHANGE**
12 **TELECOMMUNICATIONS SERVICE PROVIDED WHEN**
13 **DETERMINING THE JURISDICTION OF THE TRAFFIC.**

14

15 A. The two FCC dockets are the Non-Accounting Safeguard Docket (CC Docket
16 No. 96-149) and the Universal Service Docket (CC Docket No. 96-45).
17 ALECs have taken the FCC's commentary in these dockets totally out of
18 context. The purpose of the Non-Accounting Safeguard docket was to deal
19 specifically with the issue of separate subsidiary requirements for interLATA
20 information service. The FCC ruled that there are two components of an
21 interLATA information service: 1) interLATA transport and 2) information
22 service. If an entity other than the local exchange company provides end users
23 with interLATA transport, the LEC would not be providing an interLATA
24 information service, therefore, would not be subject to the separate subsidiary
25 requirements. This docket did not set forth a two-call method for determining

1 the jurisdiction of a call, but rather defined components of a service.
2 Furthermore, in the October 30, 1998 GTE Order, the FCC specifically
3 rejected the two-call theory for internet-bound traffic.

4
5 The purpose of the Universal Service docket was to set forth plans to satisfy
6 statutory requirements and to put into place a universal support system that
7 will be sustainable in an increasingly competitive marketplace. The order
8 defines telecommunications services and information services for the sole
9 purpose of determining who should contribute to the universal service fund.
10 The order states that only telecommunications carriers that provide interstate
11 telecommunications services should contribute. Hence, by making a
12 distinction between telecommunications services and the ISP's offering, a valid
13 determination of required contributors can be made.

14
15 In neither of these dockets did the FCC contradict the long standing FCC
16 position that enhanced service provider's or internet service provider's services
17 are jurisdictionally interstate. The determination of jurisdiction must be based
18 on the end-to-end nature of a call, not on one component or a few components
19 of a service. This fact is clearly stated in Paragraph 12 of FCC Order Number
20 92-18:

21 Jurisdiction over interstate communications does not end at the local
22 switchboard, it continues to the transmission's ultimate destination . . .
23 This Commission has jurisdiction over, and regulates charges for, the
24 local network when it is used in conjunction with origination and
25 termination of interstate calls.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Moreover, the FCC stated in footnote 220 on page 52 of the April 10, 1998, Report to Congress in Docket No. 96-45:

We make no determination here on the question of whether competitive LECs that serve Internet Service Providers (or Internet service providers that have voluntarily become competitive LECs) are entitled to reciprocal compensation for terminating Internet traffic. That issue, which is now before the Commission, does not turn on the status of the Internet service provider as a telecommunications carrier or information service provider. (Emphasis added.)

Q. ARE THERE ANY NEGATIVE CONSEQUENCES THAT WOULD RESULT IF ISP TRAFFIC WERE CLASSIFIED AS LOCAL?

A. Yes. Attached as Exhibit JH-2 to my testimony is an ex parte filing by Bell Atlantic that was filed with the FCC on July 1, 1998. This ex parte filing accurately presents the extremely negative results of classifying ISP traffic as local traffic. Further, it also addresses how several State Commissions have mistakenly interpreted prior orders of the FCC in concluding that calls bound for the Internet are local.

Q. WHEN BELLSOUTH NEGOTIATED THE INTERCONNECTION AGREEMENTS IN QUESTION, WAS IT AWARE OF FCC RULINGS ADDRESSING THE JURISDICTIONAL NATURE OF ISP TRAFFIC?

1 A. Yes.

2

3 **Q. DID BELLSOUTH CONSIDER ISP TRAFFIC AS LOCAL TRAFFIC**
4 **SUBJECT TO RECIPROCAL COMPENSATION AT THE TIME IT**
5 **NEGOTIATED THESE OR ANY OTHER INTERCONNECTION**
6 **AGREEMENTS?**

7

8 A. Absolutely not. Considering the FCC rules currently in effect, BellSouth
9 would have had no reason to consider ISP traffic to be anything other than
10 jurisdictionally interstate traffic when it negotiated these agreements. Further,
11 had BellSouth understood that e.spire considered ISP traffic to be local traffic
12 subject to reciprocal compensation, the issue would have been discussed at
13 length. During the negotiations of the agreement with e.spire, as well as with
14 any ALEC, no party questioned the local traffic definitions referenced in the
15 GSST and utilized in the agreements or whether ISP traffic should be
16 considered local traffic. Had any party raised the ISP traffic issue, BellSouth
17 would not have agreed to either bill or pay for reciprocal compensation
18 associated with such traffic, because that traffic cannot possibly be considered
19 to be local traffic, as reflected by a review of the FCC Orders and rules
20 discussed above.

21

22 Again, BellSouth's interconnection agreements intend for reciprocal
23 compensation to apply only when local traffic is terminated on either party's
24 network. This interpretation is consistent with the Telecommunications Act of
25 1996, which established a reciprocal compensation mechanism to encourage

1 local competition. The payment of reciprocal compensation for ISP traffic
2 would impede local competition. The FCC, in its August 1996, Local
3 Interconnection Order (CC Docket No. 96-98), Paragraph 1034, made it
4 perfectly clear that reciprocal compensation rules did not apply to interstate or
5 interLATA traffic such as interexchange traffic:

6 We conclude that Section 251(b)(5), reciprocal compensation obligation,
7 should apply only to traffic that originates and terminates within a local
8 area assigned in the following paragraph . . We find that reciprocal
9 compensation provisions of Section 251(b)(5) for transport and
10 termination of traffic do not apply to the transport and termination of
11 interstate or intrastate interexchange traffic.

12 In Paragraph 1035 of that same Order, the FCC stated:

13 State Commissions have the authority to determine what geographic
14 areas should be considered “local areas” for the purpose of applying
15 reciprocal compensation obligations under section 251 (b)(5),
16 consistent with the state commissions’ historical practice of defining
17 local service areas for wireline LECs. Traffic originating or
18 terminating outside of the applicable local area would be subject to
19 interstate and intrastate access charges.

20

21 **Q. WOULD IT HAVE MADE ECONOMIC SENSE FOR BELLSOUTH TO**
22 **HAVE AGREED TO CLASSIFY ISP TRAFFIC AS LOCAL TRAFFIC**
23 **UNDER THE INTERCONNECTION AGREEMENTS AT ISSUE?**

24

25

1 A. Absolutely not, and this reality is further proof that BellSouth never intended
2 for ISP traffic to be subject to reciprocal compensation. A simple example will
3 illustrate that point. First, it should be realized that traffic collected by non-
4 voice ISPs will always be one-way, not two-way, as intended by the Act. That
5 is, the traffic will originate from an end user and transit through the ISP's
6 modem to a host computer on the internet. Reciprocal compensation becomes
7 one-way compensation to those ALECs specifically targeting large ISPs.
8 Hence, if ISP traffic were subject to payment of reciprocal compensation, the
9 originating carrier in most instances would be forced to pay the interconnecting
10 carrier more than the originating carrier receives from an end user to provide
11 local telephone service. BellSouth would have never agreed to such an absurd
12 result.

13
14 For example, assume a BellSouth residential customer in Miami subscribes to
15 an ISP and that ISP is served by an ALEC. That customer uses the internet
16 two hours a day and 30 days a month, which is a reasonable assumption given
17 the long holding times associated with internet usage. This usage would
18 generate a reciprocal compensation payment by BellSouth to the ALEC of
19 \$32.40 per month assuming a .9 cent per minute reciprocal compensation rate
20 [$$.009 * 2 \text{ hours} * 60 \text{ minutes/hr.} * 30 \text{ days}$]. BellSouth serves residence
21 customers in Miami at \$10.65 per month. Therefore, in this example,
22 BellSouth would be forced to pay the ALEC \$21.75 per month more than it
23 receives from the end user for local service. Further, a significant portion of
24 additional residential lines are bought primarily to access the internet and
25 would not require more than a simple flat-rate line with no additional features.

1 The originating carrier, BellSouth in this example, would not only be forced to
2 turn over to the ALEC that serves the ISP every penny of local service revenue
3 it receives from its end users, but it would also have to pay a significant
4 amount more to the ALEC, per month, in reciprocal compensation alone. This
5 situation makes no economic sense and would place an unfair burden on
6 BellSouth and its customers. It is incomprehensible that BellSouth would have
7 willingly agreed to pay e.spire, or any other ALEC, over \$21 more per month
8 per customer than it receives from those customers for providing local service.
9

10 **Q. WHAT IS THE ESTIMATED FINANCIAL IMPACT TO BELL SOUTH**
11 **AND OTHER INCUMBENT LOCAL EXCHANGE CARRIERS IF ISP**
12 **TRAFFIC WERE TREATED AS LOCAL?**

13
14 **A.** If ISP traffic were treated as local so as to trigger the payment of reciprocal
15 compensation for such traffic, BellSouth conservatively estimates that the
16 annual reciprocal compensation payments by incumbent local exchange
17 carriers in the United States for ISP traffic could easily reach \$2.6 billion by
18 the year 2002. This estimate is based on 64 million Internet users in the United
19 States, an average Internet usage of 6.5 hours per week, and a low reciprocal
20 compensation rate of \$.002/minute. This is a totally unreasonable and
21 unacceptable financial liability on the local exchange companies choosing to
22 serve residential and small business users which access ISPs that are customers
23 of other LECs. ALECs targeting large ISPs for this one-way traffic will
24 benefit at the expense of those carriers pursuing true residential and business
25 local competition throughout the country.

1

2 **Q. IT HAS BEEN SUGGESTED THAT ALECS WOULD SUFFER**
3 **FINANCIAL HARDSHIP IF THE FCC WERE TO ASSERT ITS**
4 **JURISDICTION OVER ISP TRAFFIC OR CLARIFY THAT SUCH**
5 **TRAFFIC IS NOT SUBJECT TO THE PAYMENT OF RECIPROCAL**
6 **COMPENSATION. DO YOU AGREE?**

7

8 A. No. James Henry of Bear Stearns has authored a report addressing this
9 issue, entitled "What Reciprocal Compensation Means to the CLECs."
10 According to Mr. Henry, "... the exposure of the CLEC group as a whole is
11 minimal" if reciprocal compensation were not paid for ISP traffic. A copy of
12 Mr. Henry's report was part of an ex parte filing by SBC Telecommunications,
13 Inc., that was filed with the FCC on August 14, 1998, a copy of which is
14 attached to my testimony as Exhibit JH-3.

15

16 **Q. IN FPSC DOCKET NUMBER 880423-TP, THE BELLSOUTH**
17 **WITNESS TESTIFIED THAT CONNECTIONS TO THE LOCAL**
18 **EXCHANGE NETWORK FOR THE PURPOSE OF PROVIDING AN**
19 **INFORMATION SERVICE SHOULD BE TREATED LIKE ANY**
20 **OTHER LOCAL EXCHANGE SERVICE. HOW DOES THAT**
21 **STATEMENT RELATE TO YOUR CURRENT POSITION?**

22

23 A. First, the statement of the BellSouth witness must be reviewed in the
24 context of that entire docket and the regulatory rulings in effect at the time. It
25 is inappropriate to consider the testimony from a previous FPSC hearing which

1 was held prior to the final FCC ruling on that issue. BellSouth ultimately lost
2 the argument it had advanced to this Commission when the matter came before
3 the FCC. Additionally, this Commission held that its finding was interim and
4 that it would be revisited again. Although this Commission did not revisit its
5 interim finding, the FCC has issued several rulings relating to ISP traffic.
6 Thus, BellSouth has acted in accordance with the subsequent FCC rulings.
7 Moreover, in its Order in that docket, the Florida Commission plainly
8 recognized that local exchange facilities provided to the ISP are used to carry
9 intrastate and interstate calls, not just local calls.

10

11 **Q. IS THE FCC CURRENTLY CONSIDERING THE PRECISE ISSUE**
12 **RAISED BY e.spire IN THIS PROCEEDING?**

13

14 A. Yes. The FCC initiated a proceeding in response to a June 20, 1997, letter
15 from the Association for Local Telecommunications Services (ALTS) in which
16 ALTS seeks a ruling from the FCC that “nothing in the [FCC’s] Local
17 Competition Order...altered the [FCC’s] long standing rule that calls to an
18 [ISP] made from within a local calling area must be treated as local calls by
19 any and all LECs involved in carrying those calls” (Docket No. CCB/CPD 97-
20 30). The ALTS sent a letter, dated July 2, 1998, to withdraw its request for
21 clarification on this matter. In a Public Notice, dated August 17, 1998, the
22 FCC essentially rolled this issue into CC Docket No. 96-98 (FCC’s “Local
23 Competition Order”).

24

25

1 the FCC sought comments on whether the current exemption from access
2 charges should continue for ISPs.

3

4 Further, the FCC filed a Memorandum of the Federal Communications
5 Commission as Amicus Curiae filed in Case No. MO-98-CA-43 before the
6 United States District Court for the Western District of Texas to clarify the
7 FCC's position on the issue of ISP traffic and reciprocal compensation. In its
8 Memorandum Brief the FCC made it clear that "[t]he FCC has not yet
9 determined whether competitive local exchange carriers . . . are entitled to
10 reciprocal compensation for terminating Internet traffic. That issue is currently
11 before the FCC in an administrative proceeding and remains unresolved." (See
12 FCC's Memorandum Filed in U.S. Dist. Ct., W. Dist., Texas, Case No. MO-98-
13 CA-43, dated June 29, 1998, at page 2).

14

15 Additionally, the FCC issued an order concerning GTE's tariffing of its DSL
16 service in the interstate tariff on October 30, 1998. In that Order, the FCC
17 rejected the theory that for jurisdictional purposes this type of traffic must be
18 separated into two components. Most importantly, the FCC upheld that this
19 traffic does not terminate at the ISPs local server, but continues to its ultimate
20 destination(s).

21

22 **Q. WHAT ACTION DOES BELLSOUTH RECOMMEND THIS**
23 **COMMISSION TAKE IN THIS PROCEEDING?**

24

25

1 A. The Commission should find that the Agreement between BellSouth and e.spire
2 does not obligate BellSouth to pay e.spire reciprocal compensation for traffic
3 terminating to Internet Service Providers. Should it be determined that e.spire
4 has met the 2- million- minute threshold, the Commission should find that the
5 parties should negotiate on a going forward basis, as stated in the Agreement.

6

7 **Q. WOULD YOU PLEASE SUMMARIZE YOUR TESTIMONY?**

8

9 A. Yes. First, BellSouth has not mutually agreed with any ALEC, specifically
10 e.spire, to treat the transport and termination of traffic to ISPs as local traffic
11 for purposes of reciprocal compensation. Further, BellSouth has not
12 acknowledged or agreed to define ISP traffic as local traffic. Hence, neither
13 BellSouth nor e.spire can be required to pay reciprocal compensation for such
14 traffic. Moreover, given that the traffic is clearly interstate traffic, such
15 compensation should not apply. According to unbroken FCC and judicial
16 precedent, the FCC's jurisdiction under the Communications Act extends from
17 the inception of the communication to its completion, regardless of any
18 intermediate facilities. This is the very jurisdictional underpinning that lies at
19 the heart of the current enhanced service provider exemption to interstate
20 access charges.

21

22 The Commission should find that the Agreement between BellSouth and e.spire
23 does not obligate BellSouth to pay e.spire reciprocal compensation for traffic
24 terminating to Internet Service Providers at this time. The Commission should

25

1 find that once the two-million- minute threshold is met, e.spire is required to
2 negotiate with BellSouth to obtain a rate for reciprocal compensation.

3

4 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

5

6 **A. Yes.**

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1

2

BELLSOUTH TELECOMMUNICATIONS, INC.

3

REBUTTAL TESTIMONY OF JERRY HENDRIX

4

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

5

DOCKET NO. 981008-TP

6

DECEMBER 10, 1998

7

8 **Q. PLEASE STATE YOUR NAME AND COMPANY NAME AND**
9 **ADDRESS.**

10

11 A. My name is Jerry Hendrix. I am employed by BellSouth Telecommunications,
12 Inc. ("BellSouth") as Director - Interconnection Services Pricing. My business
13 address is 675 West Peachtree Street, Atlanta, Georgia 30375.

14

15 **Q. ARE YOU THE SAME JERRY HENDRIX WHO FILED DIRECT**
16 **TESTIMONY IN THIS PROCEEDING?**

17

18 A. Yes.

19

20 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

21

22 A. The purpose of my testimony is to rebut testimony filed in this docket by
23 e.spire Communications, Inc.'s ("e.spire") witnesses, Mr. Kevin Cummings
24 and Mr. James C. Falvey, as to whether reciprocal compensation for internet
25 service provider (ISP) traffic is required under the interconnection agreement

1 that has been negotiated between BellSouth and e.spire (hereinafter “the
2 Agreement”).

3

4 **Rebuttal of Mr. Kevin Cummings’ Testimony**

5 **Q. ON PAGE 3 OF MR. CUMMINGS’ TESTIMONY, MR. CUMMINGS**
6 **STATES THAT BELLSOUTH COMMITTED TO USING ACSI’S**
7 **[NOW D/B/A E.SPIRE] USAGE REPORTS FOR DETERMINING THE**
8 **LOCAL TRAFFIC DIFFERENTIALS. DO YOU AGREE WITH HIS**
9 **ASSESSMENT OF BELLSOUTH’S POSITION?**

10

11 **A.** Mr. Cummings’ assessment is partially correct. Representatives from
12 BellSouth and e.spire met on November 3, 1997, to discuss the issue of
13 reciprocal compensation. During this meeting, BellSouth advised e.spire that it
14 was not yet technically capable of providing local traffic usage reports to
15 e.spire, but that BellSouth was continuing to work toward such capability.
16 e.spire indicated at that time that it already had in place a system called
17 “Traffic Master” that could track and record traffic, both originating and
18 terminating minutes, on its trunks. By letter dated January 8, 1998, BellSouth
19 stated its agreement to use e.spire’s existing usage reports for determining the
20 local traffic differentials. In that letter, BellSouth expressed its desire to audit
21 the process used by e.spire’s “Traffic Master” to jurisdictionalize traffic. The
22 purpose for such an audit was because “to the extent ACSI [now d/b/a e.spire]
23 is categorizing ISP traffic as local traffic, BellSouth’s position is that it should
24 not be counted toward the 2 million minute threshold.” Almost one year later,
25

1 e.spire has not agreed to allow BellSouth to conduct such an audit of the
2 Traffic Master's data collection and, thus, BellSouth has no reasonable means
3 of verifying whether e.spire's local traffic has exceeded the 2 million minutes
4 of use specified in Section VI.B of the Agreement to even trigger negotiations
5 for reciprocal compensation rates or their application to local traffic.
6

7 In conclusion, BellSouth did agree to use ACSI's usage reports, but in its
8 January 8, 1998, letter to e.spire, BellSouth clearly stated:

9 . . . during our meeting in November, you indicated that ACSI used
10 combined trunks for its traffic. In order to ensure that the 2 million
11 minute threshold has been reached, BellSouth would like to audit the
12 process used by ACSI to jurisdictionalize its traffic between local and
13 interexchange on these combined trunks.
14

15 BellSouth then stated its position, once again, that traffic to ISPs is not local
16 traffic, not subject to reciprocal compensation, and would not apply to the 2-
17 million- minute threshold.
18

19 **Q. PLEASE ADDRESS MR. CUMMINGS' STATEMENT ON PAGE 3**
20 **REGARDING BELLSOUTH'S REPORT OF LOCAL MINUTES TO**
21 **E.SPIRE.**

22 **A.** BellSouth has been pursuing the technical capability to provide e.spire with
23 copies of local traffic usage reports, and BellSouth is now capable of gathering
24 local minutes of use, originating and terminating. These minutes of use can be
25

1 inserted into an agreed-upon report format. However, as stated earlier,
2 BellSouth is agreeable to using e.spire's usage reports for determining the local
3 traffic differentials, but the data collected must be subject to reasonable audit
4 rights.

5
6 **Q. PLEASE COMMENT ON THE ABILITY OF BELL SOUTH TO TRACK**
7 **LOCAL USAGE AS COMPARED WITH MR. CUMMINGS' CLAIM**
8 **ON PAGE 4, LINES 8 – 11, THAT OTHER LOCAL EXCHANGE**
9 **COMPANIES HAVE SUCH ABILITY.**
10

11
12 While many Regional Bell Operating Companies and other local exchange
13 companies (LECs) offer measured local service, BellSouth, as ordered by this
14 Commission, must also offer flat-rated local service. Thus, the type of
15 equipment used to record local traffic over BellSouth's switches is different
16 from the type of equipment used by LECs who offer measured local calling
17 only. When BellSouth was ordered to offer flat-rated local service, the
18 investment of equipment capable of recording and processing local traffic was
19 not warranted. Once BellSouth agreed to track local usage for e.spire, plans
20 were initiated to develop this equipment and the processes to produce the
21 tracking reports. BellSouth discovered in this endeavor that the equipment
22 and process by which BellSouth must track local minutes of use, originating
23 and terminating, are more complicated than anticipated due to the complexity
24 of BellSouth's network. This process is further complicated by the fact that
25

1 BellSouth is attempting to track terminating minutes from an originating
2 standpoint. In contrast, e.spire is tracking terminating minutes from a
3 terminating standpoint. BellSouth has continued to work toward developing an
4 efficient manner of tracking this traffic and reporting the usage to e.spire. Due
5 to the complexity of the situation, it has unfortunately taken longer than desired
6 or expected.

7
8
9 **Rebuttal of Mr. James C. Falvey's Testimony**

10 **Q. DO YOU AGREE WITH MR. FALVEY'S "CONTRACTUAL BASIS**
11 **FOR E.SPIRE'S CLAIM THAT BELL SOUTH SHOULD PAY IT**
12 **RECIPROCAL COMPENSATION" AS EXPLAINED ON PAGES 3**
13 **THROUGH 5 OF HIS DIRECT TESTIMONY?**

14
15 **A.** Absolutely not. Mr. Falvey correctly quotes the Agreement between
16 BellSouth and e.spire. However, he does not correctly apply or interpret these
17 quotes.

18
19 Section VI(A) of the Agreement states:

20 The Parties agree for the purpose of this Agreement only that local
21 interconnection is defined as the delivery of local traffic to be
22 terminated on each party's local network so that customers of either
23 party have the ability to reach customers of the other party, without the
24 use of any access code or delay in the processing of the call. The
25 Parties further agree that the exchange of traffic on BellSouth's

1 Extended Area Service (EAS) shall be considered local traffic and
2 compensation for the termination of such traffic shall be pursuant to the
3 terms of this section. (emphasis added)

4 Attachment B of the Agreement states:

5 “Local Traffic” means telephone calls that originate in one exchange
6 and terminate in either the same exchange, or a corresponding Extended
7 Area Service (“EAS”) exchange. The terms Exchange, and EAS
8 exchanges are defined and specified in Section A.3 of BellSouth’s
9 General Subscriber Service Tariff.

10

11 Given that ISP traffic has always been defined by the FCC as interstate and
12 does not terminate on e.spire’s network, it is very clear that reciprocal
13 compensation does not and should not apply for ISP traffic. As explained in
14 my direct testimony, call termination does not occur when an ALEC, serving as
15 a conduit, places itself between a BellSouth end user and an ISP. The Federal
16 Communications Commission (FCC) has concluded that enhanced
17 service providers (ESPs), of which ISPs are a subset, use the local network to
18 provide interstate services, as stated in the FCC’s 1987 Notice of Proposed
19 Rulemaking (CC Docket No. 87-215).

20

21 In reference to Section VI(B) of the contract, Mr. Falvey again quotes the
22 contract accurately, but then chooses to ignore a pertinent provision. Section
23 VI(B) states:

24 For purposes of this Agreement, the Parties agree that there will be no
25 cash compensation exchanged by the parties during the term of this

1 Agreement unless the difference in minutes of use for terminating local
2 traffic exceeds 2 million minutes per state on a monthly basis.

3 In such an event, the Parties will thereafter negotiate the specifics of a
4 traffic exchange agreement which will apply on a going-forward basis.

5 (emphases added)

6

7 This language clearly provides that the 2- million- minute threshold must be
8 met before the Parties begin to negotiate a rate. It is then, and only then, that
9 e.spire and BellSouth must negotiate the “specifics of a traffic exchange
10 agreement which will apply on a going-forward basis.”

11

12 **Q. PLEASE COMMENT ON MR. FALVEY’S ANSWER TO THE**
13 **QUESTION ON PAGE 5 OF HIS DIRECT TESTIMONY, “WHY DO**
14 **YOU BELIEVE THAT CALLS PLACED TO ISPS FIT THIS**
15 **DEFINITION?”**

16

17 **A.** Let me begin by stating that due to the ambiguity of the question, I am
18 assuming that Mr. Falvey is intending for “this definition” to refer to the
19 definition of “local traffic.” Assuming such, I will proceed.

20

21 First, the FCC in the Access Charge Reform Order (CC Docket No. 96-262),
22 referred to by Mr. Falvey, did not address the jurisdiction of ISP traffic, but
23 attempted to reform the current access rate structure to bring it in line with
24 cost-causation principles. In fact, the FCC stated in its Access Charge Reform
25 Order that ISPs use incumbent LEC facilities for interstate calls and created an

1 exception for ISPs in not requiring them to pay interstate access charges for
2 their interstate traffic:

3 In the 1983 Access Charge Reconsideration Order, the Commission
4 decided that, although information service providers (ISPs) may use
5 incumbent LEC facilities to originate and terminate interstate calls,
6 ISPs should not be required to pay interstate access charges . . .

7
8 We decide here that ISPs should not be subject to interstate access
9 charges. The access charge system contains non-cost-based rates and
10 inefficient rate structures, and this Order goes only part of the way to
11 remove rate inefficiencies . . .

12
13
14 We therefore conclude that ISPs should remain classified as end users
15 for purposes of the access charge system.

16
17
18 Access Charge Reform Order, CC Docket No. 96-262, pp. 153-155
19 (released May 16, 1997) (emphases added).

20
21 In summary, through the Access Charge Reform Order, the FCC decided to
22 continue the access charge exemption offered to ISPs for what the FCC defines
23 as interstate calls. This exemption does not in any way imply that these calls
24 are local, but rather confirms that the calls are interstate in nature and,
25

1 therefore, require an exemption because of this status. In order to categorize
2 this exemption, the FCC decided to classify ISPs as end users only for the
3 purposes of the access charge system. This is evident in the meaning of the
4 Order and through the express language of Paragraph 348 of the Order.

5
6 The purpose of the FCC's Universal Service Docket (CC Docket No. 96-45),
7 referred to by Mr. Falvey, was to set forth plans to satisfy statutory
8 requirements and to put into place a universal support system that will be
9 sustainable in an increasingly competitive marketplace. The Order defines
10 telecommunications services and information services for the sole purpose of
11 determining who should contribute to the universal service fund. The Order
12 states that only telecommunications carriers that provide interstate
13 telecommunications services should contribute. Hence, by making a
14 distinction between telecommunications services and the ISP's offering, a valid
15 determination of required contributors can be made. Mr. Falvey is confusing
16 the issue by focusing on the fact that "telecommunications" has a different
17 definition than "information services." The issue at hand is the jurisdiction of
18 ISP traffic and whether reciprocal compensation applies for ISP traffic. The
19 FCC clearly stated in its April 10, 1998, Report to Congress (CC Docket No.
20 96-45), in Footnote 220:

21
22
23 That issue [reciprocal compensation for Internet traffic], which is now
24 before the Commission, does not turn on the status of the Internet
25

1 service provider as a telecommunications carrier or information service
2 provider.

3 The FCC specifically rejected Mr. Falvey's argument in its GTE Order issued
4 October 30, 1998, in CC Docket 98-79:

5
6 The Commission previously has distinguished between the
7 "telecommunications services component" and the "information
8 services component" of end-to-end Internet access for purposes of
9 determining which entities are required to contribute to universal
10 service. Although the Commission concluded that ISPs do not appear
11 to offer "telecommunications service," and thus are not
12 "telecommunications carriers" that must contribute to the Universal
13 Service Fund, it has never found that "telecommunication" ends where
14 "enhanced" information service begins.
15

16
17 Second, Mr. Falvey is blatantly wrong in his definition and explanation of what
18 constitutes call termination. The three criteria listed by Mr. Falvey as
19 requirements of call termination are that 1) a connection is established
20 between caller and the telephone exchange service to which the dialed number
21 is assigned, 2) answer supervision is returned, and 3) a call record is generated.
22 These three criteria do not, in fact, indicate exclusively that call termination
23 has occurred.
24
25

1 Specifically, answer supervision is not a requirement for call completion, and
2 thus does not indicate that it has occurred. Answer supervision only
3 determines when billing for a call should begin. Mr. Falvey's statement is
4 inaccurate and has no legal or technical basis. Answer supervision is common
5 among various access services, including Feature Group A, Feature Group B,
6 Feature Group D, 800 Service, and 900 Service. Just as it is the case with
7 these exchange access services, answer supervision for an ISP call does not, by
8 any means, indicate the termination of the call.
9

10
11 Furthermore, the determination of jurisdiction of a communication should be
12 based on the end-to-end nature of the call, as is thoroughly discussed in my
13 direct testimony, and by the FCC in its GTE Order dated October 30, 1998. In
14 the FCC's 1987 Notice of Proposed Rulemaking in CC Docket No. 87-215 in
15 which it proposed to lift the ISP access charge exemption, the FCC stated:
16

17 We are concerned that the charges currently paid by enhanced service
18 providers do not contribute sufficiently to the costs of the exchange
19 access facilities they use in offering their services to the public. As we
20 have frequently emphasized in our various access charge orders, our
21 ultimate objective is to establish a set of rules that provide for recovery
22 of the costs of exchange access used in interstate service in a fair,
23 reasonable, and efficient manner from all users of access service,
24 regardless of their designation as carriers, enhanced service providers, or
25 private customers. Enhanced service providers, like facilities-based

1 interexchange carriers and resellers, use the local network to provide
2 interstate services. To the extent that they are exempt from access
3 charges, the other users of exchange access pay a disproportionate share
4 of the costs of the local exchange that access charges are designed to
5 cover. (emphases added)

6
7 In contradiction to Mr. Falvey, the FCC specifically addressed call termination
8 in CC Docket No. 98-79 in Paragraph 19 of the Order released October 30,
9 1998:

10 Consistent with these precedents, we conclude that the communications
11 at issue here do not terminate at the ISP's local server, as some
12 competitive LECs and ISPs contend, but continue to the ultimate
13 destination or destinations, very often at a distant Internet website
14 accessed by the end user.

15
16 Mr. Falvey's third, fourth and final concerns can be addressed in a single
17 answer. While I am not a separations expert, the separations process is
18 controlled by Part 36 of the FCC rules, which BellSouth is required to follow.
19 Separations rules make a number of broad-based allocations that are not
20 precise (e.g., 25% gross allocator, 10% interstate special access allocated to
21 interstate, etc.). BellSouth cannot report ISP traffic correctly -- as interstate
22 calls -- until the FCC approves new separations rules. The FCC's separations
23 rules must be followed. Further, Automated Reporting Management
24 Information System ("ARMIS") rules must reflect separations rules.
25

1
2 Periodically, separations rules must be updated if they are to remain accurate,
3 even at a broad-based level. To my knowledge, separations rules have not been
4 updated to allow for the proper allocation of several new or growing services
5 such as services provided by ISPs and services using unbundled network
6 elements. Moreover, there was previously no need to update separations to
7 properly allocate ISP traffic to the interstate jurisdiction due to the ISP access
8 charge exemption initially being labeled as temporary or transitional. Similar
9 reporting problems existed when the FCC introduced Feature Group A service.
10 Separations and ARMIS reporting will not be accurate until the transitional
11 access charge exemption is revoked or until the FCC approves new separations
12 procedures.
13

14
15 Recent separations activities have focused on freezing separations rules rather
16 than making continual adjustments as was done in the past. To the extent
17 separations rules are updated, it is BellSouth's position that the rules should be
18 revised to reflect the actual interstate jurisdiction of ISP traffic.
19

20
21 In summary, the FCC did not, in any of the dockets cited by Mr. Falvey,
22 contradict the long standing position that ESPs' or ISPs' services are
23 jurisdictionally interstate. The determination of jurisdiction must be based on
24
25

1 the end-to-end nature of a call, not on one component or a few components of a
2 call. As the FCC stated in its February 14, 1992, Georgia Memory Call Order:

3 Our jurisdiction does not end at the local switch , but continues to the
4 ultimate termination of the call. The key to jurisdiction is the nature of
5 the communication itself, rather than the physical location of the
6 technology.

7
8 **Q. DO YOU AGREE WITH MR. FALVEY'S CLAIM ON PAGE 8, LINES**
9 **15 – 17, THAT THE FCC'S RECENT ORDER REGARDING THE GTE**
10 **DSL TARIFF HAS NO IMPACT ON THIS PROCEEDING?**

11
12 Absolutely not. Mr. Falvey chooses to incorrectly state that this Order is
13 irrelevant because the Order clearly contradicts several of Mr. Falvey's claims.
14 This Order clarifies many issues on the jurisdictional nature of ISP traffic.
15 Although the Order states that it makes no decision on the payment of
16 reciprocal compensation, this does not change the jurisdictional facts which are
17 presented and the conclusions reached by the FCC regarding ISP traffic.

18
19 **Q. PLEASE ADDRESS MR. FALVEY'S CONCERN ON PAGE 8, LINE 18**
20 **OF HIS DIRECT TESTIMONY ABOUT THE COSTS THAT E.SPIRE**
21 **INCURS IN "TERMINATING THIS TRAFFIC FOR BELLSOUTH."**

22
23 The FCC has ruled that Enhanced Service Providers (ESPs), of which ISPs are
24 a subset, use local exchange facilities to provide interstate communications
25 services. Therefore, each carrier would have to seek compensation from ISPs.

1 BellSouth has been collecting local exchange business rates from ISPs in
2 compliance with the previous FCC rulings. ALECs, in their provisioning of
3 telecommunications service, would also have to seek compensation by
4 charging appropriate rates to ISPs. Further, ALECs are not bound by the Part
5 69 Access Charge rules and regulations and, therefore, are free to charge
6 whatever the market will allow.

7
8 Even more of a concern is the current position of e.spire. As I described in my
9 direct testimony, e.spire's position would have the effect of creating a class of
10 inter-carrier traffic that would require a carrier, such as BellSouth, serving end
11 users originating calls to ISPs to not only turn over to the ALECs that serve
12 these ISPs every penny of local exchange revenue it receives from its end
13 users, but to also pay a significant amount more per month in reciprocal
14 compensation. This situation makes no economic sense and would place an
15 unfair burden on a carrier, such as BellSouth, and its customers.

16
17 **Q. HASN'T THE FLORIDA COMMISSION ADDRESSED THIS ISSUE IN**
18 **ITS SEPTEMBER 15, 1998, DECISION?**

19
20 **A.** This Commission , in Order No. PSC-98-1216-FOF-TP, specifically stated that
21 it did not address the generic question about the nature of ISP traffic for
22 reciprocal compensation purposes. Further, the Order reads:

23 It appears that the FCC has largely been silent on the issue [of
24 reciprocal compensation for ISP traffic). This leads us to believe the
25 FCC intended for the states to exercise jurisdiction over the local

1 service aspects of ISP traffic, unless and until the FCC decided
2 otherwise.

3

4 Since the time of this Order, the FCC released its October 30, 1998, GTE DSL
5 Order which explicitly states Internet traffic is interstate in nature. Further, the
6 Florida September 15, 1998, Order stated the Commission's decision was
7 based on the language in the agreements between the parties in the proceeding
8 and the intent of those parties at the time they entered into the agreements.
9 Since the FCC has clarified the nature of ISP traffic and since parties in this
10 proceeding have a different contract and different language concerning
11 reciprocal compensation, the September 15, 1998, Order has no bearing on this
12 case.

13

14 **Q. MR. FALVEY CLAIMS, ON PAGES 13 AND 14, THAT 23 STATES**
15 **HAVE DETERMINED THAT TERMINATION OF CALLS PLACED**
16 **TO ISPS ARE SUBJECT TO PAYMENT OF RECIPROCAL**
17 **COMPENSATION. WHAT IS YOUR RESPONSE TO THAT**
18 **STATEMENT?**

19

20 **A.** The ex parte filing by SBC Telecommunications, Inc., that was filed with the
21 FCC on August 14, 1998, and attached to my direct testimony as Exhibit JH-3,
22 gives a concise summary of the decisions of each state at the time of the ex
23 parte filing. As is seen in that summary, eight states have acted pending FCC
24 review of this issue or recognizing that their orders may need to be later
25 modified based on an FCC ruling. Since that time, Bell Atlantic has filed a

1 more recent ex parte with the FCC, which is attached as Exhibit JH-4. This ex
2 parte includes recent rulings of states, and as seen in the summary, 10 states
3 have now said they may revisit their reciprocal compensation rulings based on
4 further FCC action. Furthermore, these decisions are not relevant or binding to
5 the Florida Public Service Commission.

6

7 **Q. ON PAGE 14, LINES 11 – 19, MR. FALVEY STATES FIVE AREAS IN**
8 **WHICH E.SPIRE IS SEEKING RELIEF FROM THE COMMISSION.**
9 **PLEASE ADDRESS THESE REQUESTS.**

10

11 **A.** The language in the agreement between BellSouth and e.spire in no way
12 subjects itself to the interpretation that ISP traffic should be subject to
13 reciprocal compensation. Further, the language specifies that calls must
14 terminate in order to receive reciprocal compensation, and calls to ISPs do not
15 terminate at the ISP's point of presence. The language in this agreement also
16 clearly provides that the 2- million- minute threshold must be met before the
17 Parties negotiate a rate. It is then, and only then, that e.spire and BellSouth
18 must negotiate the "specifics of a traffic exchange agreement which will apply
19 on a going-forward basis." As discussed in my direct testimony, the most
20 favored nation provision is not intended to circumvent the appropriate
21 negotiations process as e.spire intends to do. It is also interesting to note that
22 e.spire is asking to adopt the highest reciprocal compensation rate BellSouth
23 offers. In usual and normal circumstances, an alternate local exchange carrier
24 (ALEC), would desire a low interconnection rate. This would lead BellSouth
25 to believe that e.spire is hoping to gain an unjust "windfall" through the issue

1 of reciprocal compensation for traffic to ISPs. Since BellSouth believes that
2 the 2- million- minute threshold has not been met, there are no outstanding,
3 overdue bills for reciprocal compensation. e.spire is not entitled to
4 reimbursement for attorney fees as there is no legal basis for this statement.

5

6 In summary, traffic to ISPs is not subject to reciprocal compensation. At
7 which time e.spire and BellSouth meet the 2- million- minute difference in
8 terminating minutes, the specifics of a traffic exchange arrangement will be
9 discussed. At the present time, e.spire is not entitled, under the terms of the
10 Agreement, to any payment for reciprocal compensation.

11

12 **Q. CAN YOU SUMMARIZE YOUR REBUTTAL TESTIMONY?**

13

14 **A.** Yes. Messrs. Cummings and Falvey are incorrect in claiming that the
15 interconnection agreement between BellSouth and e.spire require payment of
16 reciprocal compensation for ISP traffic. When that agreement was negotiated,
17 filed and approved by this Public Service Commission, BellSouth understood,
18 based on current FCC orders, that such traffic was defined as jurisdictionally
19 interstate. The language of the agreement does not include the traffic to ISPs
20 in the definition of local traffic for reciprocal compensation purposes. The
21 agreements, therefore, do not require such treatment and the Florida
22 Commission should so order. The interconnection agreement between
23 BellSouth and e.spire states that there will be no cash compensation exchanged
24 by the parties until a difference in minutes of use for terminating local traffic
25 exceeds 2 million minutes per state per month. Once this threshold has been

1 met, the parties will negotiate a traffic exchange agreement which will apply on
2 a going forward basis. BellSouth does not believe this threshold has ~~not~~ been
3 met, when excluding traffic terminating to ISPs. Thus, BellSouth does not owe
4 reciprocal compensation to e.spire. BellSouth is willing, however, to use
5 Traffic Master's data, subject to audit rights, and to begin negotiations for a
6 reciprocal compensation rate to be agreed upon when the difference in
7 terminating minutes exceed the 2- million- minute threshold.

8

9 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

10

11 **A. Yes.**

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 BY MS. WHITE:

2 Q And did you prepare one exhibit associated with
3 your -- or do you have one exhibit attached to your
4 rebuttal testimony, labeled JH-4?

5 A Yes, I did.

6 Q Do you have any changes to that exhibit?

7 A I have none.

8 MS. WHITE: I would like to have Exhibit JH-4,
9 which is attached to Mr. Hendrix's rebuttal
10 testimony, marked for identification.

11 COMMISSIONER JOHNSON: We will identify it as 9 and
12 titled JH-4.

13 (Whereupon, Hearing Exhibit No. 9 was marked
14 for identification.)

15 MS. WHITE: I won't move the exhibits and the
16 testimony, I guess, until after Mr. Hendrix has
17 undergone cross-examination. I wanted to know
18 whether Mr. Horton wants to do it now or wait until
19 then.

20 MR. HORTON: I can address it now, or I can
21 address it when you --

22 COMMISSIONER JOHNSON: Let's go ahead and address it
23 now.

24 MR. HORTON: Okay. Commissioners, I have an
25 objection to the Exhibits JH-2, 3 and 4, and to the

1 direct testimony and rebuttal testimony which refers
2 to those. Testimony is specifically page 18, lines
3 12 through 20. And I will identify this and I will
4 come back, because my argument is the same with all
5 of it.

6 COMMISSIONER JOHNSON: Okay.

7 MR. HORTON: Page 23, this is the direct
8 testimony.

9 COMMISSIONER JOHNSON: Uh-huh.

10 MR. HORTON: Lines two through 14. And in the
11 rebuttal testimony, it's page -- beginning on page
12 16, line 14 through page 17, line five.

13 Those three testimony sites, Commissioners,
14 refer to three exhibits, which has been identified as
15 7, 8 and 9.

16 Specifically, my objections to all three of
17 those are that they are not even BellSouth documents.
18 They have no probative or relevance to this
19 proceeding. They don't relate to any issues in these
20 proceedings. To the extent that they refer to some
21 orders, the orders are the best evidence, they speak
22 for themselves.

23 The JH-2 and the attachment -- the attachments
24 to JH-2 are all Bell Atlantic documents that were
25 filed in an FCC proceeding. There's not even

1 anything having to do with BellSouth connected with
2 that.

3 JH-3 is a Bear Sterns analysis that is just
4 totally irrelevant to this proceeding.

5 And JH-4 is another Bell Atlantic filing that
6 has absolutely nothing to do with BellSouth. Nobody
7 but BellSouth is even mentioned or referenced in
8 there.

9 JH-4 is particularly egregious. The
10 representation on page 17 of the rebuttal testimony
11 reflects or represents that on page -- line two and
12 three says that 10 states have now said that they may
13 revisit the reciprocal compensation rulings based on
14 further FCC action. That's just a total
15 mischaracterization of what is in that.

16 If you will look -- for example, page three of
17 seven of JH-4, at the very bottom, it says, Maryland,
18 in there. And the italicized portion says, in the
19 event the FCC issues a decision that requires
20 revision of the directives announced herein, the
21 Commission expects the parties will so advise it.

22 That's not a reflection that there will be any
23 change. And there is several others that make
24 reference to that. It simply -- these are
25 commissioners that are saying, well, there may be

1 something, we may do something, again.

2 So I would submit to you that the testimony --
3 the testimony mischaracterizes that.

4 So in sum -- and even Mr. Hendrix admits there
5 in that same page that they aren't relevant to the
6 PSC. So I would submit to you that the test--

7 COMMISSIONER JOHNSON: Where -- what were you just
8 saying?

9 MR. HORTON: Page 17 on rebuttal, line four,
10 furthermore, these decisions are not relevant or
11 binding to the Florida PSC.

12 COMMISSIONER JOHNSON: Okay.

13 MR. HORTON: So I guess in sum, and to move it,
14 I would move to strike the testimony that I have
15 identified, as well as I do have an objection to
16 the -- to those exhibits on the basis that I cited.

17 COMMISSIONER JOHNSON: Let me make sure to
18 summarize. Your -- the basis for objection was
19 relevancy as to all three documents, and that they
20 are not BellSouth's documents. I understand the
21 points you were making with respect to the
22 inconsistency. But, what else? Was that it?
23 Basically, the documents aren't BellSouth's
24 documents, and that they aren't relevant?

25 MR. HORTON: They are hearsay. I am sorry. I

1 didn't mean to interrupt you.

2 COMMISSIONER JOHNSON: That's fine.

3 MR. HORTON: Yes, ma'am. They are hearsay.
4 They are not relevant to this proceeding. They add
5 nothing to this proceeding. They don't relate to any
6 of the issues in this proceeding. To the extent that
7 there are any reference to any orders in there, the
8 orders are the best evidence and can be referred to.
9 As a matter of fact, they are included on the
10 official recognition list.

11 COMMISSIONER JOHNSON: Okay.

12 MS. WHITE: Yes. I have several comments in
13 response to that.

14 First, I am quite concerned with the timing of
15 e.spire's motion. e.spire showed no hesitation in
16 filing a formal written motion to strike, with regard
17 to Mr. Halprin's testimony. So I find it very odd
18 that this issue is brought up at the time of the
19 hearing, not at the beginning of the hearing, but
20 when Mr. Hendrix is put up on the stand. So I would
21 object to the timing of their oral motion.

22 Second, as far as documents that are not
23 BellSouth's documents, I don't know of any rule in
24 this Commission that says, your exhibits have to be
25 exhibits that are BellSouth documents. It's a

1 BellSouth witness.

2 Mr. Horton may have a point that it's hearsay.
3 But under the Commission's rules -- and
4 unfortunately, I don't have the specific rule,
5 hearsay is admissible. You cannot base your total
6 decision on that. And I don't believe BellSouth is
7 asking you to base your decision in this case on
8 these three exhibits or those pieces of the testimony
9 that Mr. Horton is moving to strike.

10 Third, in Mr. Hendrix's rebuttal testimony, on
11 page 16, on the top of page 17, he is responding to
12 Mr. Falvey's testimony, which talks about other
13 states and what they have done. If you are going to
14 strike that, then you would need to strike Mr.
15 Falvey's testimony. And you might as well go back
16 and say that three-fourths of the official
17 recognition list should be struck as well.

18 So I do believe that the commission can give the
19 testimony and the exhibits the weight that they
20 deserve, and I don't think there is any basis for
21 having them stricken from the record.

22 COMMISSIONER JOHNSON: Thank you.

23 Do you want to have any final -- well, maybe I
24 should hear from staff.

25 Staff.

1 MS. KEATING: Well, after glancing at this, I
2 can't say that the relevance is readily apparent to
3 us, but I tend to agree with counsel with BellSouth,
4 that this is something that the Commission can simply
5 give the weight that it's due; and to the extent that
6 e.s.pire feels that it's not relevant, they can
7 address that in their briefs.

8 COMMISSIONER JOHNSON: Did you want to add?

9 MR. HORTON: No, ma'am. If that's the advice of
10 your staff.

11 COMMISSIONER JOHNSON: Okay. I am going to overrule
12 the objection and allow the testimony to be inserted
13 as though read. To the extent that the information
14 is hearsay, the rules of the administrative law do
15 allow us to have that in. And to the extent that
16 it's not relevant, I think that -- actually as to the
17 relevance, I tend to believe this stuff is relevant.

18 And to the point that you made with respect to
19 he cites one thing, but the documents don't
20 necessarily support that, I am sure you are going to
21 be prepared to take care of that on cross.

22 So with that, I will allow both -- well, you
23 haven't asked to have them admitted yet. But as it
24 relates to the testimony, I will allow it to stand as
25 written and as inserted into the records.

1 MS. WHITE: And I would ask Mr. Hendrix to go
2 forth with his summary.

3 WITNESS HENDRIX: Good afternoon.

4 I was the lead negotiator for ACSI, which is now
5 e.spire. Mr. Falvey was not a part of those
6 negotiations. In fact, as indicated earlier, he had
7 just joined ACSI in May of 1996. Much of what was
8 talked about and decided on was already done. Mr.
9 Falvey was a latecomer into the effort.

10 Further, he is attempting to add things to the
11 agreement that are beyond the intent of the
12 agreement. I negotiated the agreement with Mr.
13 Richard Robertson. Just months prior to negotiating
14 that agreement, Mr. Robertson was employed by
15 BellSouth. He was also responsible for our carrier
16 marketing group and was well aware of what
17 BellSouth's policies were.

18 MR. HORTON: Madam Chairman, I am going to
19 object at this time. None of this is in his direct
20 testimony. If he wants to summarize his testimony,
21 that's fine. But none of this is.

22 COMMISSIONER JOHNSON: I am asking that you stay
23 within the parameters of your pre-filed testimony.

24 WITNESS HENDRIX: Well --

25 COMMISSIONER JOHNSON: And to the extent that it is,

1 if counsel wants to cite us to it, I think he is
2 right.

3 You may have the opportunity later, either
4 during direct or re-- or cross or redirect to bring
5 out these points. But if it's not in your direct,
6 let's try to stick with what was filed.

7 WITNESS HENDRIX: Okay. Very good.

8 First, let me say that this hearing is about
9 more than whether ISP traffic is local or whether
10 there is intrastate traffic.

11 I would urge you to find first that BellSouth
12 should be allowed to audit e.spire's traffic numbers
13 to determine if, in fact, the two million-minute
14 threshold has been met, that is -- as is required by
15 the agreement.

16 That is also consistent with the agreement that
17 we have the authority to audit the billing info that
18 is given to various companies -- given by various
19 companies -- and in this case, e.spire -- for us to
20 pay for this type of traffic, true local traffic.

21 Further, I would urge that you require e.spire
22 to negotiate with BellSouth. They have not done
23 that. They have simply given us numbers that they
24 are willing to agree to. They have not been willing
25 to negotiate a rate as required by this agreement.

1 Negotiating a traffic exchange agreement is
2 consistent with the MFN section of this agreement,
3 especially since there is currently no reciprocal
4 comp rate in the agreement; nor is there any other
5 plan, other than the plan existing in Section 6(b).

6 Finally, I would urge you to acknowledge that
7 ISP traffic is truly interstate traffic, and it's not
8 local.

9 As part of coming to terms on this agreement
10 that was entered into in mid-1996, the parties never
11 talked about ISP traffic. And as stated at the
12 entrance or the start of my summary, the parties
13 negotiating the agreement understood very clearly the
14 intent of the agreement and the plan for which we
15 would operate under, if, in fact, the 200 million
16 threshold had been met.

17 I would like to close my summary by saying,
18 finally, I never worked for Bob Scheye. Bob Scheye
19 and I worked together on various agreements, but I
20 never worked for Bob Scheye as Mr. Falvey stated.
21 That concludes my summary.

22 MS. WHITE: Thank you.

23 Mr. Hendrix is available for cross. And
24 obviously feels very strongly about the fact that he
25 did not work for Mr. Scheye.

1 MR. HORTON: I have no questions.

2 COMMISSIONER JOHNSON: Staff.

3 MS. KEATING: Good afternoon, Mr. Hendrix.

4 CROSS EXAMINATION

5 BY MS. KEATING:

6 Q I would like to start out by looking at your
7 direct testimony.

8 A Yes.

9 Q And I am on page four. And on this page, you
10 have indicated that you were specifically involved in the
11 negotiations of the agreement with e.spire?

12 A Yes. I actually negotiated it as well as signed
13 it.

14 Q And do you recall whether the matter of ISP
15 traffic was ever specifically discussed during those
16 negotiations?

17 A No. And the reason it wasn't was because we
18 were negotiating with Mr. Robertson. I believe Mr.
19 Falvey may have indicated he worked for Mr. Robertson,
20 and he knew very well what our policies were, since he
21 had just months earlier left BellSouth.

22 And he was over the carrier services group
23 representing many of the CLECs carriers that were then
24 coming into the market, as well as LD type carriers, long
25 distance type carriers.

1 Q So BellSouth's policies have remained the same
2 since the time that he left?

3 A Oh, yes.

4 Q Okay. Now, looking at page eight of your
5 direct. I am looking at lines seven through nine. And
6 here, you stated that it was not BellSouth's intent at
7 the time of negotiations for ISP traffic to be subject to
8 reciprocal compensation; is that correct?

9 A That is correct.

10 Q Okay. Now, maybe you can clarify something for
11 me, then. How do you reconcile BellSouth's intent with
12 the fact that ISP traffic was never actually discussed at
13 the negotiations?

14 A I think it's very clear. There was an order --
15 a proceeding that many of the carriers have referenced in
16 a similar docket as this, where the issue of ISPs being
17 able to purchase basic services -- I believe it was in
18 the '88, '89 time frame.

19 BellSouth took one stance on that issue, and we
20 later lost that issue at the federal level. So it was
21 clear to us from having lost that issue that this was an
22 intrastate matter. And it wasn't appropriate as local,
23 neither should it have been addressed as local.

24 COMMISSIONER JOHNSON: Could you explain -- could
25 you just go over that again, please?

1 WITNESS HENDRIX: Yes. There was -- there was
2 a witness, and I think I give a cite in my
3 pre-filed.

4 I am at page 23, and it's docket number -- I am
5 sorry, page 23, line 16, and the Florida docket is
6 referenced there, 880423.

7 COMMISSIONER JOHNSON: Okay.

8 WITNESS HENDRIX: And that was where the issue
9 initially came up in this state, and we had taken one
10 stance indicating that this should be treated just as
11 local. We later lost that at the federal level. And
12 the PS -- the Florida PSC understood at that time
13 that this was an issue being addressed at the federal
14 level.

15 And so it was clearly our intent, having lost
16 the issue, that this was intrastate traffic and was
17 not local.

18 BY MS. KEATING:

19 Q Okay. Now, I am looking back in your testimony
20 to page six, lines 12 through 15?

21 A Yes.

22 Q And here you state that e.spire seems to believe
23 that the most favorable provisions language in Section
24 22(a) allows e.spire to pick and choose rates from any
25 existing agreement in a particular state. Could you

1 explain, then, what the most favorable provisions allow
2 e.spire to do?

3 A Yes. And I was afraid no one would ask me,
4 since I was there. The -- negotiated both the terms in
5 6(b), as well as in 22, 22(a). If you will look at
6 22(a), about midway, it states that, then ACSI shall be
7 entitled to add such network elements and services, or
8 substitute such favorable rates, terms and so forth.

9 The understanding was that they wanted the
10 benefit of being able to add other services as other
11 carriers added different loops, other transport services.
12 And I suppose the key word there was that they wanted to
13 be able to add them. And those were things that were not
14 currently in their agreement.

15 The second thing is to -- that I think is key is
16 to be able to get more favorable -- favorable rates. And
17 the indication there is that you had rates. It was never
18 e.spire's -- ACSIs intention to eliminate 6(b). It was
19 simply for other rates, knowing that they wanted better
20 loop rates if, in fact, some had been ordered through
21 arbitrations -- or whatever the case -- or some court
22 ruling.

23 But it was never the intent that this would
24 supersede what was agreed to in 6(b). And the reason
25 being is 6(b), when those -- when that paragraph was

1 actually crafted, it was understood that, for the term of
2 this agreement, that we would not pay -- either party
3 will not pay the other.

4 In other words, we would simply go through this
5 two-year term, and no one would actually pay.

6 ACSI wanted 100 -- a 100 million-minute
7 threshold on a monthly basis.

8 COMMISSIONER JACOBS: As I understand -- I am
9 sorry. Go on.

10 WITNESS HENDRIX: I am sorry. BellSouth only
11 wanted a two million-minute threshold. But it was
12 critical for Mr. Robertson, who negotiated the
13 agreement, to not pay any amount for that time
14 period.

15 The other thing that I find that is
16 interesting --

17 MR. HORTON: Commissioners, excuse me.

18 WITNESS HENDRIX: -- relative to this issue.

19 COMMISSIONER JOHNSON: Hold on one second.

20 MR. HORTON: Excuse me, excuse me. I would like
21 to object to the characterization of what was or was
22 not critical to Mr. Robertson or anybody else. He
23 has absolutely no idea as to what was or was not
24 critical to those individuals.

25 MS. WHITE: Well, I think that Mr. Horton can

1 ask -- could have asked on cross or can ask -- I will
2 allow him to ask what the basis of Mr. Hendrix's
3 belief is, or I will be glad to ask it on redirect.
4 But I would believe that Mr. Hendrix did not say
5 these things without a basis.

6 MR. HORTON: He can't -- he can't speak to what
7 was in Mr. Robertson's mind or anybody else on behalf
8 of e.spire. That's the objection. He is attempting
9 to say what was critical or what was important. And
10 he just can't speak to that.

11 COMMISSIONER JOHNSON: I am going to allow your
12 response to stand.

13 WITNESS HENDRIX: May I conclude my answer?

14 COMMISSIONER JOHNSON: You may proceed.

15 WITNESS HENDRIX: I based what was critical to
16 Mr. Robertson on a letter that he had drafted. And I
17 have a copy that I will be willing to provide that
18 actually indicated they wanted a 100 million-minute
19 threshold. And his goal was not to pay -- was not to
20 have to pay during this two-year period.

21 As I was about to say, the interesting thing is
22 the threshold, including ISP traffic, was not met
23 until March 1998. The letter actually went out,
24 wherein we made all carriers aware that we would not
25 pay on August 12th, 1997.

1 So e.spire had knowledge and Mr. Falvey -- he
2 even responded back to BellSouth that he had gotten
3 that letter, and that was before any attempt to --
4 any attempt to get BellSouth to include a .009 rate
5 in its agreement.

6 COMMISSIONER JACOBS: It is my understanding
7 that Section 6(b) was a condition precedent. Well,
8 that's not quite right.

9 The -- help me to understand how you interpret
10 the actual execution of that provision. It is my
11 understanding that you would reach a threshold. And
12 at the point of there being a mutual understanding or
13 a meeting of the minds that that threshold had been
14 reached, then Section 6(b) was, in essence, a
15 springboard, if you will, into some subsequent
16 arrangement. And then as a template, if you will, of
17 that subsequent arrangement, Section 22(a) would be
18 invoked to kind of -- as, if you will, an umbrella.
19 I take it that's not your interpretation. Your
20 interpretation was that you never spring to Section
21 22.

22 WITNESS HENDRIX: No. That was never the
23 intent. That's totally false. That's why I wished
24 Mr. Robertson was here, because I believe he would
25 tell the truth as the facts unwind -- unwound. But

1 that was not the intent.

2 The other misreading of the Section 6(b) is not
3 whether ACSI or e.spire, in this case, reached two
4 million minutes. The key word there, unless the
5 difference in the minutes, and those are minutes
6 between BellSouth and e.spire.

7 If I have two, two million minutes and e.spire
8 has four, the difference has to equal two. And I
9 don't believe that that is what e.spire is offering
10 here.

11 And when we asked to be able to come in and look
12 at the traffic to audit the traffic, which we have a
13 right under the agreement to actually audit, we were
14 told no.

15 COMMISSIONER JACOBS: So under your
16 interpretation, e.spire's traffic would have to have
17 exceeded your traffic by at least two million minutes
18 use.

19 WITNESS HENDRIX: Or even the other way.

20 COMMISSIONER JACOBS: Or the reverse.

21 WITNESS HENDRIX: Yes. There has to be a
22 difference of two million minutes. And the only way
23 that we would actually know, is to be able to audit
24 that traffic. And we have the right to audit under
25 the agreement. And they have actually refused us the

1 authority to audit.

2 COMMISSIONER JACOBS: How do you -- this
3 exchange, I think I saw you refer to it in your
4 rebuttal. This -- the -- the exchange where they
5 presented their -- their category accounting to you,
6 or to BellSouth. And you -- I think the testimony
7 was before that you all -- BellSouth accepted their
8 accounting. What's your interpretation of those
9 events?

10 WITNESS HENDRIX: That wasn't the case. I think
11 if you will look at the January 8, 1998 letter, it's
12 the letter that Mr. Falvey had referenced.

13 We agreed to accept the use of Traffic Master,
14 subject to audit.

15 COMMISSIONER JACOBS: Okay. So you wouldn't --
16 you would only accept it once you had come in and
17 done your own audit.

18 WITNESS HENDRIX: That's correct, which we had
19 the authority to actually do.

20 COMMISSIONER JACOBS: Okay. Thank you.

21 WITNESS HENDRIX: Yes, sir.

22 BY MS. KEATING:

23 Q Now, I believe you just indicated that you
24 notified the industry by a letter dated August 12th?

25 A Yes. That letter was from Mr. Ernest Bush.

1 Q Okay. Now, at the time that letter was sent
2 out, the agreement between BellSouth and e.spire had been
3 in effect for about a year; is that correct?

4 A It was about a year, yes, because the agreement
5 was signed the latter part of July 1996.

6 Q So it was sometime after that agreement had been
7 in effect that BellSouth became concerned about the
8 impact of ISP traffic, correct?

9 A We were concerned, but it was not in
10 establishment of policy. It was the concern, because of
11 what was happening in the industry. And we saw many of
12 the CLEC customers gaining the process, which was not the
13 intent of the agreement.

14 Q So --

15 A Or trying to gain the process, I should say.

16 Q So when did BellSouth first realize that there
17 might be a question about the categorization of ISP
18 traffic?

19 A It was never a question in our mind. It was
20 always our interpretation -- as you can tell from the '88
21 order here -- in this state, it was always our
22 understanding that this was interstate traffic, and that
23 the FCC had jurisdiction over this traffic.

24 And so, as we do from time to time, this was a
25 letter to simply clarify and to put the industry on

1 notice that this is not local traffic, and we will not
2 pay for this type of traffic, because the FCC has
3 jurisdiction over this traffic; nor will we bill you or
4 expect you, the ALEC, to pay us for that type of
5 traffic.

6 COMMISSIONER JACOBS: At the time these
7 negotiations were ongoing, did -- was there a
8 discussion -- or was there any anticipation of
9 resolving what I took to be a dispute about that
10 issue? I guess you would not say there was a
11 dispute. But let me step back for a moment.

12 It's my understanding that the FCC had issued
13 some statements, which essentially said that while
14 that part of the ISP traffic that went out to the
15 world may be intrastate, there was some question
16 whether or not -- and may have been enhanced
17 services, I am sorry. There is some question whether
18 or not the actual connection up to them, up to
19 their -- up to their point of presence was
20 telecommunications or enhanced services. And I guess
21 that was the nature of the debate at that time. Is
22 that your recollection?

23 WITNESS HENDRIX: No, not -- not really. I
24 think the genesis of what caused much of this to
25 start -- and I think the first one is a monetary

1 issue -- that this was a way to get money quick. If
2 the companies, the ILECs, agreed to pay for this type
3 of traffic. And if I could, I, as an ALEC, could
4 situate myself be -- between BellSouth and the ISP
5 pop, then I should be able to claim that the traffic
6 is terminating.

7 Well, I think in recent orders, we were find
8 from the federal level that that is not the case;
9 that it is not two calls, it is a single call. And
10 that call will not terminate until it's out on the
11 web someplace, someplace else. Now, that was the
12 first one.

13 COMMISSIONER JACOBS: I don't --

14 WITNESS HENDRIX: That was the second issue.

15 COMMISSIONER JACOBS: If I may, I don't want to
16 move too far into what those ultimate determinations
17 were. My point is more form than substance.

18 If, indeed, there were concerns or evolving
19 statements of law at that point in time -- whether or
20 not this was enhanced services; this part was
21 telecommunicative services, whether or not it was
22 intrastate, interstate -- is it not then likely that
23 this negotiation would have tried to resolve those
24 ambiguities or -- because what I am hearing is that
25 it didn't, and there was an implicit understanding

1 that it would never be resolved.

2 If I am understanding your testimony -- is that
3 not only did the agreement not try to resolve these
4 ambiguities, but there was an understanding that they
5 would never be resolved.

6 WITNESS HENDRIX: Well, I think the difference
7 -- unlike many of the other companies, where we have
8 addressed this issue, where the ISP issue did not
9 surface, there was no need for the issue to surface
10 here; because the person that ACSI had to negotiate
11 the agreement was one of the policymakers at
12 BellSouth, and he understood the policy. He
13 understood very clearly that we were not to
14 compensate and will not compensate for this traffic.

15 So this was never an issue. And it never would
16 have been an issue, because this company is
17 different; in that their lead person was a BellSouth
18 person just a few months earlier.

19 COMMISSIONER JACOBS: I see. I see.

20 BY MS. KEATING:

21 Q Now, Mr. Hendrix, at the time that Mr. BellSouth
22 sent out that August 12th letter, what method did
23 BellSouth have in place to track traffic to ISPs, to make
24 sure that BellSouth didn't pay or bill reciprocal
25 compensation for ISPs?

1 A I don't know that we had any method to track.
2 We were in the process -- since we were being inundated
3 with many requests from CLECs, we did not have a method.
4 But if, in fact, the carrier had put in trunks that were
5 strictly local trunks, then that would have been easier
6 to track; because you would have been able to see these
7 local trunks, and these trunks are carrying a high volume
8 of traffic. So you would have had a peg count or a total
9 number.

10 e.spire is not using strictly local trunks.
11 e.spire, for efficiency sake, are using trunks that would
12 carry also interlata traffic and other types of traffic,
13 likely. But they aren't strictly local trunks. So it
14 became more difficult to identify what was local and what
15 wasn't.

16 But there is also an obligation on the CLECs
17 part to report to us factors. And those factors are to
18 be reported on a quarterly basis that would allow us to
19 separate that traffic and bill accordingly. And those
20 factors are per cent interstate usage factor, with the
21 residual being the intrastate piece. And then a per cent
22 local factor, that would be applied against the piece
23 that is not interstate.

24 So the process was in place to bill, provided
25 that the carrier was actually giving us the right

1 breakdown of traffic; which wasn't a problem with this,
2 with -- it wasn't a problem with the e.spire, until we
3 saw this attempt to gain take place.

4 Q Okay. Well, as far as e.spire's reports to
5 BellSouth, do you believe that e.spire's reports showed
6 differentials in minutes of use between e.spire and
7 BellSouth, or that they only show minutes of use
8 terminated to e.spire?

9 A I reviewed and signed the appropriate papers,
10 and I have to be careful as to what I say. I am not sure
11 that I can answer that question, since I have seen their
12 traffic.

13 WITNESS HENDRIX: Am I allowed to answer that
14 question?

15 MR. HORTON: Not with numbers.

16 WITNESS HENDRIX: Not with numbers, okay. I
17 will use words. And I promise not to spell out the
18 numbers.

19 But based on the report that I reviewed, it
20 showed traffic terminating from BellSouth to
21 e.spire.

22 MS. KEATING: Okay. That's fine. That's all we
23 need. We didn't need specific numbers.

24 WITNESS HENDRIX: Okay.

25 BY MS. KEATING:

1 Q Okay. Now, the agreement between BellSouth and
2 e.spire calls for BellSouth to track local traffic usage
3 for both companies and provide usage reports to e.spire
4 on a monthly basis, right?

5 A Yes, it does.

6 Q I am going to refer now to your rebuttal
7 testimony.

8 A Yes.

9 Q And this is on page two, where you indicate that
10 BellSouth met with e.spire on November 3rd, 1997. And in
11 that meeting, BellSouth indicated to e.spire that it was
12 not yet technically capable of providing such reports; is
13 that correct?

14 A Yes, it is.

15 Q BellSouth entered into the interconnection
16 agreement with e.spire in July of '96, correct?

17 A That is correct.

18 Q So it was more than a year before BellSouth
19 informed e.spire that it was not capable of providing --

20 A Well, there were some other things happening.
21 And I mentioned the area of trunking and the desire on
22 east -- on e.spire's part to be efficient in their
23 trunking arrangement. So they were not only using --
24 they were not using strictly local trunks, but they
25 combined other traffic on those trunks. So it became

1 more difficult.

2 At the time that we entered into the agreement,
3 if, in fact, we had had strictly local trunks, we would
4 have been able to do a better job of identifying that
5 traffic. But the structure and the backbone -- e.spire's
6 backbone and business needs -- what they viewed to be
7 appropriate for their company, changed --

8 Q Okay.

9 A -- from what we originally thought was going to
10 happen. And it was for that reason that we agreed to
11 take their minutes and -- subject to audit.

12 Q Okay. I guess I am just getting a little
13 confused on one point.

14 So what you are saying to me is that BellSouth
15 can't track ISP traffic, and it has difficulty tracking
16 local usage traffic?

17 A Okay. No. I think your first question dealt
18 with a given time, which was close to the signing of the
19 agreement -- and at the time of the signing of the
20 agreement, we were not able to track local traffic, where
21 there was combined traffic on a given trunk group.

22 And currently, we are able to track local
23 traffic, yes. But relative to that timing, you know,
24 relative to when the agreement was signed -- which I
25 understood your question to be -- we were not able to do

1 it then. And it didn't help matters that we went to
2 trunk groups that use more -- that carry more than one
3 type of traffic.

4 Q But still as far as ISP traffic, you cannot
5 track that?

6 A We cannot distinguish as to whether -- on a
7 call-by-call basis, as to whether this is actually an ISP
8 call or whether it's a true local call. And e.spire
9 cannot do that, either. I think in their pre-filed, they
10 indicated that they were not able to segment that
11 traffic; while they should be able to with Traffic Master
12 and using the in-excess access, associated with those ISP
13 carriers. What they filed indicated that they were not
14 able to do so.

15 Q I guess, then, that leads me back to your August
16 12th letter, where you said BellSouth will not bill or
17 pay reciprocal compensation for traffic to ISPs?

18 A That's correct.

19 Q And if neither party can track that traffic, how
20 do you know whether you're billing --

21 A Okay. I think you're talking --

22 Q -- or paying reciprocal comp?

23 A I am sorry. I think we may be talking past each
24 other. Let's see if I can segment it from bill and pay,
25 okay?

1 The bill part would be for BellSouth traffic,
2 that is ISP traffic. I can capture that. That's not a
3 problem, that's mine. Okay.

4 The pay part would be for traffic that I
5 terminate to e.spire that we believe to be ISP traffic.
6 We will not pay for that. And e.spire has indicated that
7 they cannot separate that traffic in their Traffic
8 Master.

9 And what I am saying is that we have come up
10 with a process that we thought was a relatively clean
11 process with the trunks; if the trunks were used solely
12 for local, then we would have been able to identify that
13 traffic. But with multiple traffic types going over a
14 trunk group, it is difficult to identify that traffic.

15 Now, there is a process we have in place, based
16 on the holding times and based on known ISP numbers that
17 we use to identify what we think is ISP traffic.

18 COMMISSIONER JACOBS: I was trying to find --
19 there was somewhere in Mr. Falvey's testimony, where
20 I thought -- it was his representation that there
21 was no mixed use -- I mean, mixed types on these
22 trunks. And so what you are saying is that there is
23 some mix of use on these trunks?

24 WITNESS HENDRIX: Yes. It is my understanding
25 that there is. There was a letter -- let me see if I

1 can find a copy of the letter -- I am sorry -- where
2 it indicates that they had more than one traffic type
3 over those trunks.

4 COMMISSIONER JACOBS: We can -- I don't want to
5 hold you up. You can just show it to us, cite it
6 later if you like.

7 COMMISSIONER JOHNSON: What did you say, Leon?

8 COMMISSIONER JACOBS: If you want to, we can
9 just cite it later. That's not a problem.

10 COMMISSIONER JOHNSON: Okay. Do y'all have any
11 other questions?

12 MS. KEATING: Actually, we don't.

13 Thank you, Mr. Hendrix.

14 WITNESS HENDRIX: In fact, in the January 8th
15 letter -- and this is the letter to Mr. Falvey from
16 Mr. Finland. In this letter -- I am looking at page
17 two of the letter, in order to ensure -- and it's the
18 second sentence on page two. In order to ensure that
19 the two million threshold has been reached, BellSouth
20 would like to audit the process used by ACSI to
21 jurisdictionalize its traffic between local and
22 interexchange on these combined trunks. And Mr.
23 Finland inserted that in the letter from
24 conversations he had with e.spire.

25 COMMISSIONER JACOBS: Okay. Thank you.

1 COMMISSIONER JOHNSON: Redirect?

2 Were you going to ask some questions?

3 MR. HORTON: I have just a couple.

4 COMMISSIONER JOHNSON: I will allow.

5 Let's take a five-minute break.

6 (Thereupon, a recess as taken at 4:10 p.m., and
7 the hearing reconvened at 4:14 p.m.)

8 COMMISSIONER JOHNSON: We are going to go back on
9 the record.

10 CROSS EXAMINATION

11 BY MR. HORTON:

12 Q Just a very few. Thank you.

13 Mr. Hendrix, do you have a copy of the
14 interconnection agreement?

15 A Yes, I do.

16 Q Would you look, please, sir, first of all, at
17 page 16?

18 A Yes. I am there.

19 Q You have got that.

20 Would you look at D1A, would you look at the top
21 of that page?

22 A Yes. I am there.

23 Q Could you read that in the record, please?

24 A Yes. The party receiving traffic termination
25 can elect to receive the traffic in one of two ways. A,

1 over separate trunk group, local or nonlocal; or B, on --
2 excuse me -- combined trunks, provided that separate
3 trunk groups shall be utilized where the delivering party
4 is unable to furnish an audible per cent local usage
5 factor to the party receiving the traffic, on a quarterly
6 basis.

7 Q And we can only mix traffic if you tell us the
8 percentage, right; would you agree with that?

9 A No, I would not agree with that.

10 Q What would you disagree with that on?

11 A You can't mix traffic even if you want to,
12 whether I give you a factor or not.

13 Q The traffic is coming from you?

14 A I would agree the traffic is coming from me,
15 yes.

16 Q All right.

17 A But your ability to mix that traffic has nothing
18 to do with whether I give you a factor or not.

19 Q Are you aware that Bell has notified e.spire
20 that 98 to 99 percent of the traffic coming to us is
21 local?

22 A For true local, yes. For true local traffic,
23 not ISP traffic.

24 Q To -- one clarification. You were referring to
25 the PSC order in Docket No. 880423 in your testimony.

1 And you made reference to FCC action. Has that order --
2 has that Florida Public Service Commission order ever
3 been expressly reversed by this PSC or the FCC?

4 MS. WHITE: You know, I am going to object only
5 to the standpoint of -- I don't think that these --
6 that question relates to any of the questions that
7 were asked by the staff.

8 MR. HORTON: He -- I -- I don't agree. I think
9 he did refer to the -- to that order to his
10 testimony, and that order -- and he said that -- was
11 talking about the intent, and he said that the FCC
12 had taken action. And I just wanted to make sure
13 that -- for clarification, whether he is representing
14 that the FCC took action on that order.

15 MS. WHITE: All right. To that extent, I will
16 withdraw my objection.

17 WITNESS HENDRIX: I do not know.

18 BY MR. HORTON:

19 Q You do not know?

20 A I do not know --

21 Q Okay.

22 A -- if it has or hasn't.

23 Q Okay. And last, would you refer to page 49 of
24 the interconnection agreement?

25 A Yes, sir.

1 Q In paragraph 30?

2 A Yes.

3 Q Would you mind reading that into the record,
4 please?

5 A Okay. This agreement and it's attachments
6 incorporated herein by this reference, sets forth the
7 entire understanding and supersedes prior agreements
8 between the parties relating to the subject matter
9 contained herein, and merges all prior discussions
10 between them; and either party shall be bound by any
11 definition, condition, prohibition, representation,
12 warranty, covenant or promise other than as -- other than
13 as expressly stated in this agreement, or is
14 contemporaneously or subsequently set forth in writing
15 and executed by a duly authorized officer or
16 representative of the party to be bound thereby.

17 MR. HORTON: Thank you, Commissioner.

18 Thank you, Mr. Hendrix.

19 COMMISSIONER JOHNSON: Redirect?

20 REDIRECT EXAMINATION

21 BY MS. WHITE:

22 Q Mr. Hendrix, were there any contemporaneous or
23 subsequent writings on this agreement between BellSouth
24 and e.spire?

25 A Not that I am aware of.

1 MS. WHITE: Thank you. I have nothing further.

2 COMMISSIONER JOHNSON: Okay. Exhibits?

3 MS. WHITE: BellSouth will move -- I am sorry,
4 I lost my place -- five --

5 COMMISSIONER JOHNSON: Six through --

6 MS. WHITE: Five, six, seven, eight and nine.

7 COMMISSIONER JOHNSON: I have six through nine as
8 BellSouth exhibits. Show those admitted and the
9 objection is noted.

10 (Whereupon, Hearing Exhibit Nos. 6, 7, 8 and 9
11 were received into evidence.)

12 COMMISSIONER JOHNSON: Thank you, sir.

13 THE WITNESS: Thank you.

14 (Witness excused.)

15 MS. WHITE: Is Mr. Hendrix excused?

16 COMMISSIONER JOHNSON: Yes. He is excused.

17 MS. WHITE: BellSouth would call Mr. Albert
18 Halprin to the stand.

19 ALBERT HALPRIN

20 was called as a witness on behalf of BellSouth
21 Communications and, having been duly sworn, testified as
22 follows:

23 DIRECT EXAMINATION

24 BY MS. WHITE:

25 Q Mr. Halprin, would you please state your name and

1 address for the record?

2 A Yes. My name is Albert Halprin. My business
3 address is 1100 New York Avenue, Northwest, Washington,
4 D.C., 20005.

5 Q Where are you employed and in what capacity?

6 A I am a parrner in the law firm of Halprin
7 Temper, Goodman and Meyer. I am also an adjunct
8 professor of communications to law at Georgetown
9 University Law Center.

10 Q Have you previously caused to be prepared and
11 pre-filed in this case direct testimony consisting of 31
12 pages?

13 A Yes, ma'am.

14 Q Do you have any changes to make to that
15 testimony at this time?

16 A Yes, ma'am. With respect to three of the
17 questions where certain portions thereof were stricken as
18 containing extensive legal opinion, I would rephrase
19 portions of those to focus exclusively on technical
20 matters.

21 The three areas are, first of all, on page 14,
22 line 15, the -- I am sorry, on page 14, line 21, I would
23 reinsert that sentence excluding the phrase, or legal.
24 So it would read, there is no technical basis for any
25 party to contend that ISP Internet traffic terminates at

1 the ISP's local server when carried over a
2 switched-circuit dial-up service, but not if it is
3 carried over a dedicated access service, such as GTE's
4 immediate cell service. Such a distinction would be
5 entirely spurious.

6 The second --

7 COMMISSIONER JOHNSON: Excuse me.

8 WITNESS HALPRIN: Yes, ma'am.

9 COMMISSIONER JOHNSON: Where was the first point?

10 WITNESS HALPRIN: It's at page -- I show it on
11 page 14, line 21. The sentence that starts there is
12 -- no, I am not sure if I have the same pagination.

13 COMMISSIONER JOHNSON: Okay. And what was
14 stricken?

15 WITNESS HALPRIN: The -- the major sections here
16 were stricken, because they contained both --
17 apparently, because the technical could not be
18 separated from areas of legal opinion that were held
19 to be excludable.

20 So insofar as there is pure technical matters
21 having to do with a technical nature of the internet,
22 I would answer the question differently.

23 COMMISSIONER JOHNSON: I understand what you are
24 trying to do. I am just trying to make sure we can
25 accomplish that.

1 I didn't rule on the underlying motion to
2 strike, and I don't have my -- the order here,
3 because I am trying to figure out if we are dealing
4 with stuff that was already stricken. So how do
5 we --

6 MS. WHITE: Apparently, what Mr. Halprin is
7 doing is, on that particular page, all of that page
8 was stricken by Commissioner Jacobs as the prehearing
9 officer, based on his ruling that it was legal
10 analysis. And what I believe Mr. Halprin is trying
11 to do is in this one instance, and maybe a couple of
12 others, that this one sentence on this page can be
13 reformed to be without legal -- to be not legal
14 analysis, but a technical factual opinion.

15 MR. HORTON: Commissioner, if I might, I am
16 going -- I am going to object to that, because, as I
17 understand the order that's been issued, this
18 testimony has been stricken. And the order says that
19 we can address those matters through our post-hearing
20 briefs.

21 So if there is a portion in here that these can
22 stay in, then they can address it on the post-hearing
23 brief. But to now be redoing this when it's been
24 stricken, number one, it's inappropriate at this
25 time. It should have been brought up earlier. So I

1 am going to object to any attempt to reform testimony
2 at this point.

3 MS. WHITE: Mr. Horton is absolutely correct. I
4 was just not aware of this until Mr. Halprin got on
5 the stand.

6 COMMISSIONER JOHNSON: Well, I thought it was
7 interesting.

8 MS. WHITE: So I am going to apologize to both
9 e.s.pire and to the Commissioners. And inasmuch as
10 Commissioner Jacobs did say that we could talk about
11 everybody's testimony and all of it in the briefs, we
12 will just take care of it in that instance and -- to
13 make matters move along.

14 BY MS. WHITE:

15 Q So, Mr. Halprin, I would ask that with the
16 exception of trying to reform anything that has been
17 struck, do you have any changes to your testimony?

18 A Only the name of the law firm for which I work,
19 which, since I filed this has changed from Halprin,
20 Temple, Goodman & Sugrue to Halprin, Temple, Goodman and
21 Meyer.

22 Q And if I were to ask you the same questions that
23 are in your direct testimony, subject to the parts that
24 have been stricken, would your answers to those questions
25 be the same?

1 A Yes, they would.

2 MS. WHITE: And I would ask to have Mr.
3 Halprin's direct testimony inserted into the record
4 subject to the motion to strike -- subject to the
5 order on the motion to strike. I apologize.

6 COMMISSIONER JOHNSON: It will be so inserted.

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 **BELLSOUTH TELECOMMUNICATIONS, INC.**
2 **DIRECT TESTIMONY OF ALBERT HALPRIN**
3 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**
4 **DOCKET NO. 981008-TP**
5 **November 12, 1998**

6
7 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

8
9 A. Albert Halprin, 1100 New York Avenue, N.W., Washington, D.C.,
10 20005.

11
12 **Q. WHAT IS YOUR OCCUPATION?**

13
14 A. I am a partner at the law firm of Halprin, Temple, Goodman & ^{Meyer}~~Sugrue~~,
15 and an adjunct professor of telecommunications law in the graduate
16 law program at Georgetown University Law Center.

17
18 **Q. WHAT ARE YOUR CURRENT AND PAST PROFESSIONAL**
19 **EXPERIENCES OF RELEVANCE TO THIS PROCEEDING?**

20
21 A. From 1984 to 1987, I served as Chief of the Federal Communications
22 Commission's ("FCC") Common Carrier Bureau, where I was
23 responsible for the regulation of all interstate telecommunications
24 services in the United States. Between 1980 and 1983, I was a Senior
25 Attorney and Chief of the Bureau's Policy and Program Planning

1 Division. I have lectured extensively and advised numerous clients on
2 regulatory issues related to the Internet and Internet access services.
3 For instance, at the International Telecommunication Union's recent
4 "Inter@ctive '97" conference, the first global policy forum on Internet
5 issues, I chaired the panel on Internet legal issues, and I participated
6 on another panel on Internet regulation.

7

8 In addition, I have testified as an expert witness in seven other state
9 commission proceedings on the matters at issue in this proceeding.

10

11 **Q. HAVE YOU PREPARED AN APPENDIX WHICH SUMMARIZES**
12 **YOUR EDUCATIONAL BACKGROUND, WORK EXPERIENCE, AND**
13 **PREVIOUS TESTIMONY?**

14

15 A. Yes, Appendix A, which is attached to my testimony, summarizes my
16 educational background, work experience, and previous testimony.

17

18 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

19

20 A. To describe in detail what occurs when an end user communicates
21 over the Internet through an Internet Service Provider (ISP), and based
22 on this description, explain why Internet communications that take
23 place through an ISP ("ISP Internet communications" or "ISP Internet
24 traffic") are jurisdictionally interstate in nature. I will also explain why
25 ISP Internet communications that originate on one local exchange

1 carrier's ("LEC's") network facilities and traverse the network facilities of
2 another LEC within the same local exchange do not "terminate" at the
3 ISP's local server. I will also address the recent FCC Order regarding
4 ISP traffic.

5

6 **Q. TO WHAT ORDER ARE YOU REFERRING?**

7

8 A. On October 30, 1998, the FCC issued an order that settles two core
9 questions in this proceeding: the jurisdictional nature of ISP internet
10 traffic and whether such traffic "terminates" at the ISP's local server or
11 elsewhere. In permitting GTE to tariff its ADSL service at the interstate
12 level, the FCC concluded that the ISP Internet communications at issue
13 were jurisdictionally interstate on an end-to-end basis, "from the end
14 user to a distant Internet site." The FCC declared that such
15 communications "do not terminate at the ISP's local server." The
16 agency also explicitly rejected the tortured and inaccurate readings of
17 past FCC orders upon which e.spire Communications, Inc. ("e.spire")
18 bases its contention that ISP Internet communications consist of "two
19 calls" or two "components."¹

20

21 While the FCC stated that its findings applied solely to GTE's ADSL
22 service, the jurisdictional analysis and conclusions in the *GTE ADSL*
23 *Tariff Order* necessarily apply equally to the ISP Internet traffic at issue

24

25 ¹ See *GTE Telephone Operating Cos., GTOC Tariff No. 1, GTOC Transmittal No. 1148*,
Memorandum Opinion and Order, CC Docket 98-79 (rel. Oct. 30, 1998) ("*GTE ADSL Tariff*
Order")

1 in this proceeding. Because the two-call theory and every variation on
2 it focus on what occurs after the communication reaches the ISP's local
3 server, they have no bearing on the analysis of the nature of the portion
4 of the communication between the end user and the ISP. There is no
5 difference in the jurisdictional nature of ISP Internet traffic depending
6 on whether such traffic is switched or dedicated, and no basis exists to
7 distinguish the two types of traffic for purposes of jurisdictional
8 analysis. Indeed, the precedents the FCC cited in concluding that it
9 should "analyze ISP traffic as a continuous transmission from the end
10 user to a distant Internet site" concerned circuit-switched, dial-up
11 services.²

12

13 Because ISP Internet communications that originate on the local
14 network facilities of one LEC and traverse the local network facilities of
15 another LEC are interstate communications and do not terminate on
16 the network of the second LEC, such communications are not, as a
17 matter of law, subject to reciprocal compensation under Section 251 of
18 the Communications Act. Nor are such communications subject to the
19 reciprocal compensation provisions of the BellSouth
20 Telecommunications, Inc.-e.spire interconnection agreement.³ Those
21 provisions require such compensation only for "local traffic", which is
22 defined in the agreement as "telephone calls that originate in one
23

24 ² *Id.* at ¶¶ 17-20.

25 ³ See BellSouth Telecommunications, Inc. -e.spire Communications, Inc.
Interconnection Agreement (July 25, 1996).

1 exchange and *terminate* in either the same exchange, or a
2 corresponding Extended Service Area ("EAS") exchange."⁴

3
4 In a previous ruling on related complaints, the Florida Public Service
5 Commission ("FPSC") noted that the FCC had not yet ruled on the
6 jurisdictional nature of ISP Internet traffic.⁵ The FCC has now done so.
7 By permitting GTE to tariff ADSL service at the federal level and
8 treating it as part of an end-to-end interstate communication, the FCC
9 also has determined that ISP Internet traffic has always been interstate
10 traffic. The FCC has thus clarified its "treatment of ISP traffic at the
11 time the agreement" between BellSouth Telecommunications, Inc.
12 ("BellSouth") and e.spire was executed. In light of the FCC's order,
13 "current law weighs in favor" of, and indeed requires a finding that the
14 FPSC lacks jurisdiction over ISP Internet traffic and that it may not
15 require BellSouth to pay reciprocal compensation for such traffic.⁶ In
16 light of the FCC's order, there is no basis for the FPSC to reach any
17 conclusion other than that ISP Internet communications at issue in this
18 proceeding are jurisdictionally interstate traffic and are not subject to
19 reciprocal compensation under Section 251 of the Communications Act
20 or under the terms of the BellSouth-e.spire agreement.

21

22

23 ⁴ *Id.* at Attachment B. (emphasis added).

24 ⁵ See *Complaint of WorldCom Technologies, Inc., et al., v. BellSouth*
25 *Telecommunications Inc.*, Final Order Resolving Complaints, Docket Nos. 980184-TP,
980495-TP, and 980499-TP (Sept. 15, 1998) ("*WorldCom v. BellSouth*").

⁶ *Id.* at 18

1 Even if the FPSC were to assert jurisdiction over ISP Internet traffic,
2 both policy and legal considerations weigh entirely against requiring
3 reciprocal compensation for such traffic. Reciprocal compensation is
4 not an appropriate or lawful means to recover costs that an alternative
5 local exchange carrier (ALEC) may incur when an Internet
6 communication through an ISP originates on another LEC network and
7 traverses the ALEC's network. These costs should be recovered by
8 the ALEC directly from the ISP, not from the originating carrier through
9 reciprocal compensation. Requiring reciprocal compensation for ISP
10 Internet traffic would result in the recovery of many times the actual
11 costs incurred by the ALEC.

12

13 **Q. PLEASE DESCRIBE, IN GENERAL, HOW THE INTERNET WORKS.**

14

15 A. The Internet is perhaps best understood in comparison to the
16 traditional, common carrier, public switched telephone network. In a
17 circuit-switched network, each call originates in one location and
18 terminates in another, and a single, circuit-switched connection is
19 established between the points of origin and termination for the
20 duration of the call.

21

22 The Internet is a packet-switched network environment. As the FCC
23 has explained, the Internet is a
24 distributed packet-switched network, which means that
25 information is split up into small chunks or 'packets' that are
individually routed through the most efficient path to their
destination. Even two packets from the same message may
travel over different physical paths through the network. Packet

1 switching also enables users to invoke multiple Internet services
2 simultaneously, and to access information with no knowledge of
3 the physical location of the service where the information
4 resides.⁷

5 When an end user connects to the Internet through an ISP, the call is
6 carried over the public switched network to the ISP's "node," through
7 which it is connected to the Internet. Once the connection to the
8 Internet is established, no more circuit switching is involved.⁸ The end
9 user effectively becomes part of the Internet, a destination point that
10 any other person connected to the Internet can reach. An Internet
11 communication that takes place through an ISP can establish a clear,
12 real-time communication between the caller and the destination point or
13 points he or she is seeking to reach on or beyond the Internet. This
14 communication can take the form, among other things, of audio (such
15 as radio broadcasts), video, fax, and data (including "chat")
16 applications.

17 Furthermore, the packet-switched nature of the Internet enables an end
18 user to communicate with multiple destinations sequentially, or indeed
19 simultaneously. In a single communication, for instance, a caller may
20 access websites that reside on servers located in various states or in
21 foreign countries; communicate directly with another Internet user by
22 voice, video or electronic messaging; and "chat" online, in real-time,

23 ⁷ *Federal-State Joint Board on Universal Service*, Report to Congress, CC Docket No.
24 96-45, FCC 98-67 (rel. April 10, 1998) at ¶ 62. ("*Report to Congress on Universal Service*").

25 ⁸ For regulatory purposes, the FCC has determined that basic packet-switched services
are common carrier services. See, e.g., *Independent Data Communications Manufacturers
Association*, Memorandum Opinion and Order, 10 FCC Rcd 13717 (1995).

1 with a group of Internet users located around the corner or around the
2 world. Standard Internet "browsers" enable the end user to do all of
3 these things simultaneously. Some of the destinations the end user
4 communicates with may be located within the same local exchange,
5 calling area, or state, and some may be located in another state or
6 country. Because of the nature of the Internet, it is often impossible for
7 a user to know the location from which he or she is retrieving
8 information. Today, the contents of popular websites are stored in
9 multiple servers throughout the Internet, based on techniques referred
10 to as "caching" or website "mirroring." The use of these techniques is
11 growing very rapidly. As a result, the precise location of the server may
12 be unknown to the end user or even to the ISP he uses as part of
13 accessing the Internet.

14
15 **Q. PLEASE DESCRIBE PRECISELY WHAT OCCURS WHEN AN END**
16 **USER PLACES AN INTERNET CALL THROUGH AN ISP.**

17
18 **A.** At issue in this proceeding are situations in which an end user who
19 receives local exchange service from BellSouth connects to the
20 Internet through an ISP node located in the same local exchange as
21 the end user, and the ISP receives local exchange service from an
22 ALEC such as e.spire. In such a situation, the communication
23 originates on the network facilities of BellSouth, traverses e.spire's
24 network facilities, and is connected to the Internet through the ISP's
25 node. A direct, unbroken, end-to-end stream of communication is

1 established between the end user and the destination point(s) he or
 2 she wishes to reach on or beyond the Internet. Internet connections
 3 established through an ISP do not involve two calls or a "two-step
 4 transaction." The ISP's network equipment performs the same function
 5 as an intermediate switch, routing the end-user's traffic to a destination.
 6

7 **Q. HOW IS THE JURISDICTION OF A CALL DETERMINED?**

8
 9 A. The Communications Act grants the FCC jurisdiction over "interstate
 10 and foreign communication by wire and radio," while assigning to the
 11 states jurisdiction over intrastate communication.⁹ The well
 12 established standard for determining the jurisdictional classification of a
 13 communication is to analyze the communication on an end-to-end
 14 basis. In the *GTE ADSL Tariff Order*, the FCC explained that it

15
 16 traditionally has determined the jurisdictional nature of the
 17 communications by the end points of the communication and
 18 consistently has rejected attempts to divide communications at
 any intermediate points of switching or exchanges between
 carriers.¹⁰

19
 20 ⁹ See 47 U.S.C. § 152(a). There are certain very minor exceptions to the FCC's
 21 jurisdiction, such as interstate local exchanges, which are not relevant here.

22 ¹⁰ See *GTE ADSL Tariff Order* at ¶ 17. See also *See Teleconnect Co. v. Bell Telephone*
 23 *Co. of Pennsylvania et al.* 10 FCC Rcd 1626, 1629-30 (1995) ("*Teleconnect Order*"), *aff'd*,
 24 *Southwestern Bell Telephone Co. v. FCC*, No. 95-119 (D.C. Cir. June 27, 1997) ("We regulate
 25 an interstate wire communication under the Communications Act from its inception to its
 completion. Such an interstate communication does not end at an intermediate switch"). See
 also *Long Distance/USA, Inc.*, 10 FCC Rcd. 1634, 1638 ("[W]e regulate an interstate wire
 communication ... from its inception to its completion. ... [A] single interstate communications
 ... does not become two communications because it passes through intermediate switching
 facilities.")

1 The FCC also has held that:

2

3 the jurisdictional nature of a call is determined by its ultimate
4 origination and termination, and not... its intermediate routing.¹¹

5 The federal courts have confirmed that the jurisdictional classification of
6 a communication depends on the "nature" of the communication and is
7 to be analyzed from the point of inception to the point of completion.

8 That the Communications Act contemplates the regulation of interstate
9 wire communication from its inception to its completion is confirmed by
10 the language of the statute and by judicial decisions.¹²

11

12 Moreover, to the extent that the local network facilities of one or more
13 LECs are used to originate an interstate communication, such facilities
14 are in interstate use and are subject to the FCC's exclusive jurisdiction.

15 "This Commission has jurisdiction over, and regulates charges for the
16 local network when it is used in conjunction with origination and
17 termination of interstate calls".¹³ Where an end user initiates an
18 Internet communication by dialing into an ISP over the network facilities
19 of one or more LECs, these network facilities are in interstate use.

20

21

22 ¹¹ *Southwestern Bell Tel. Co. Transmittal Nos. 1537 and 1560, Revisions to Tariff F.C.C.*
23 *No. 68, Order Designating Issues for Investigation, 3 FCC Rcd. 2339, 2341, (1988)*. See
24 also, *AT&T; Applicability of the ENFIA Tariff to Certain OCC Services*, 91 F.C.C. 2d 568, 576
(1982).

25 ¹² See *United States v. AT&T*, 57 F. Supp. 451, 454 (S.D.N.Y.), *aff'd sub nom. Hotel*
Astor v. United States, 325 U.S. 837 (1945)(*per curiam*).

¹³ *MTS and WATS Market Structure, Amendment of Part 36 of the Commission's Rules*
and Establishment of a Joint Board, 4 FCC Rcd 5660 (1989).

1 Nothing in the Telecommunications Act of 1996 altered the basis for
2 determining the jurisdictional nature of traffic.

3
4 FCC precedents also establish that where a facility is used to provide
5 both intrastate and interstate services, and it is not possible to
6 "separate" the uses of the facility by jurisdiction, such "mixed-use"
7 facilities are subject to the FCC's exclusive jurisdiction.¹⁴

8
9 For instance, private lines used to carry both intrastate and interstate
10 traffic are a prime example of a mixed-use facility. Because no rational
11 basis exists to allocate the costs of a dedicated circuit between the
12 jurisdictions, the FCC determined that a private line that carries more
13 than a *de minimis* amount of interstate traffic (*i.e.*, more than 10% of
14 the total traffic carried on the line) will be treated for separations
15 purposes as interstate.¹⁵

16
17 **Q. APPLYING THESE STANDARDS, ARE INTERNET**
18 **COMMUNICATIONS THAT TAKE PLACE THROUGH AN ISP**
19 **JURISDICTIONALLY INTERSTATE OR INTRASTATE?**

20
21 **A.** All Internet communications are inherently interstate in nature and,
22 therefore, subject to the FCC's exclusive jurisdiction. The FCC
23 exercises its jurisdiction over interstate communications on an end-to-

24
25 ¹⁴ *Id.*

¹⁵ *Id.*

1 end basis, including the use of local network facilities to the extent of
2 their interstate use.

3

4 In a traditional circuit-switched network, the jurisdictional status of a call
5 is simple to determine: if the call originates and terminates in a single
6 state, it is jurisdictionally intrastate. If the points of origin and
7 termination are in different states (or different countries), the call is
8 jurisdictionally interstate. In the packet-switched network environment
9 of the Internet, the jurisdictional analysis is less straightforward. As the
10 FCC noted in the *GTE ADSL Tariff Order*,

11

12 "[a]n Internet communication does not necessarily have a point
13 of "termination in the traditional sense. In a single Internet
14 communication, an Internet user may, for example, access
15 websites that reside on servers in various state (*sic*) or foreign
16 countries, communicate directly with another Internet user, or
17 chat on-line with a group of internet users located in the same
18 local exchange or in another country, and may do so either
19 sequentially or simultaneously." ¹⁶

20

21 Given the nature and current uses of the Internet, it is not possible to
22 identify or separate most ISP traffic by jurisdiction. It is not possible to
23 separate the intrastate and interstate portions of a communication in
24 which an end user communicates with multiple destinations, some of
25 which may be within the same state, and some of which may be in
other states or countries. It is not possible to separate the intrastate
and interstate portions when the end user is simultaneously engaged in
intrastate and interstate communication over the Internet. Forwarding

¹⁶ *GTE ADSL Tariff Order* at ¶ 22.

1 and framing technology itself prevents the originating ISP or router from
2 knowing the ultimate "destination" of many communications. And it is
3 not possible to determine whether the call is intrastate or interstate
4 when the location of the destination point is unknown.

5

6 As the FCC's Office of Plans and Policy ("OPP") explained in a working
7 paper issued last year,

8

9 [B]ecause the Internet is a dynamically routed, packet-switched
10 network, only the origination point of an Internet connection can
11 be identified with clarity. Users generally do not open Internet
12 connections to "call" a discreet recipient, but access various
13 Internet sites during the course of a single conversation . . . One
14 Internet "call" may connect the user to information both across
15 the street and on the other side of the world. ¹⁷

13

14 The OPP working paper concluded that Internet traffic has "no built-in
15 jurisdictional divisions." ¹⁸

15

16

17 For these reasons, the Internet is a mixed-use facility, and Internet
18 communications are a paradigm case of jurisdictional inseverability.

18

19 Jurisdictionally inseverable traffic is interstate traffic subject to the

19

20 FCC's exclusive jurisdiction. Accordingly, all Internet communications

20

21

¹⁷ See Kevin Werbach, *Digital Tornado: The Internet and Telecommunications Policy*, FCC, OPP Working Paper No. 29 (March 1997) at 45; See also *Report to Congress on Universal Service* at ¶33 (The Internet is a "distributed packet-switched network, which means that information is split up into small chunks or 'packets' that are individually routed through the most efficient path to their destination. Even two packets from the same message may travel over different physical paths through the network. Packet switching also enables users to invoke multiple Internet services simultaneously, and to access information with no knowledge of the physical location of the service where the information resides.")

24

25

¹⁸ *Id.*

1 are subject to the FCC's exclusive jurisdiction.

2

3 **Q. DO INTERNET COMMUNICATIONS THAT ARE PLACED THROUGH**
4 **AN ISP "TERMINATE" AT THE ISP?**

5

6 A. No, they clearly do not. This question -- where calls to the Internet that
7 are placed through an ISP "terminate" -- is obviously central and
8 decisive to this proceeding, and has been authoritatively resolved by
9 the FCC in the *GTE ADSL Tariff Order*. The determination of whether
10 such calls are subject to reciprocal compensation under the reciprocal
11 compensation requirements of the Communications Act of 1934, as
12 amended ("the Communications Act"), hinges on this question. As
13 e.spire states in its complaint, "if the originating and terminating
14 locations of the call are within the same local calling area, the call is a
15 local call subject to reciprocal compensation."¹⁹ In the *GTE ADSL Tariff*
16 *Order*, the FCC concluded that "the communications at issue here do
17 not terminate at the ISP's local server, as some competitive LECs and
18 ISPs contend, but continue to the ultimate destination or destinations,
19 very often a distant Internet website accessed by the end user".²⁰ The
20 same conclusion applies with respect to the issue of where the ISP
21 Internet traffic at issue in this proceeding terminates. There is no
22 technical or legal basis for any party to contend that ISP Internet traffic
23 terminates at the ISP's local server when carried over a switched-

24

25 ¹⁹ e.spire Complaint at 11.

²⁰ *GTE ADSL Tariff Order* at ¶19.

1 circuit, dial-up service, but not if it is carried over a dedicated access
 2 service such as GTE's ^{immediate cell} ADST service. Such a distinction would be
 3 entirely spurious.

4
 5 Section 251(b)(5) of the Communications Act requires all LECs "to
 6 establish reciprocal compensation arrangements for the transport and
 7 termination of telecommunications."²¹ Section 252(d)(2) specifies that
 8 such reciprocal compensation arrangements must "provide for the
 9 mutual and reciprocal recovery by each carrier of costs associated with
 10 the transport and termination on each carrier's network facilities of calls
 11 that originate on the network facilities of the other carrier."²² Thus,
 12 under the unambiguous language of the statute, Section 251(b)(5)
 13 reciprocal compensation obligations apply only to traffic that originates
 14 on the network facilities of one LEC and terminate on the network
 15 facilities of another LEC. Likewise, under the unambiguous terms of
 16 the BellSouth-e.spire Interconnection Agreement, only "local traffic"
 17 exchanged between the carriers is subject to reciprocal compensation.
 18 "Local traffic" is defined in the agreement as "telephone calls that
 19 originate in one exchange and *terminate* in either the same exchange,
 20 or a corresponding Extended Service Area ("EAS") exchange".²³

21
 22 The FCC *GTE ADSL Tariff Order* forecloses any finding by the FPSC

23
 24 ²¹ 47 U.S.C. § 251(b)(5).

25 ²² 47 U.S.C. § 252(d)(5).

²³ See *BellSouth-e.spire Interconnection Agreement, Attachment B(emphasis added)*.

1 other than that the ISP Internet communications at issue in this
 2 proceeding do not terminate either in the same exchange in which they
 3 originate, or a corresponding EAS exchange. In the FCC's words, "the
 4 communications at issue here do not terminate at the ISP's local
 5 server, ... but continue to the ultimate destination or destinations, very
 6 often a distant Internet website accessed by the end user".

7

8 **Q. DOES AN ISP INTERNET COMMUNICATION INVOLVE "TWO**
 9 **CALLS"?**

10

11 A. No. In the *GTE ADSL Tariff Order*, the FCC rejected outright the view
 12 that ISP Internet communications consist of "two calls" or two
 13 "components". The Commission denied that

14

15 for jurisdictional purposes, an end-to-end ADSL communication
 16 must be separated into two components: an intrastate
 17 telecommunications service, provided in this instance by GTE,
 18 and an interstate information service, provided by the ISP.
 19 ...[T]he Commission analyzes the totality of the communication
 20 when determining the jurisdictional nature of a communication.²⁴

18

19

20 This conclusion is fully consistent with decades of FCC and court
 21 precedents, both in the context of enhanced or information services²⁵
 22 and telecommunications services.²⁶ In rejecting the "two-call" theory
 23 with respect to ISP Internet traffic, the FCC cited, *inter alia*, its
 24 *MemoryCall* decision.²⁷

24

25 ²⁴ *GTE ADSL Tariff Order* at ¶20.

²⁵ See *MemoryCall Order*.

1
2 An ISP Internet call can, and frequently does, establish a real-time
3 communication between the end user who initiates the communication
4 and the destination point or points he or she is seeking to reach on or
5 beyond the Internet. Information travels in both directions over a so-
6 called "clear pipe," without any change whatsoever, between the two
7 parties communicating; or, in the case of so-called "broadcast"
8 services, from a sender to a receiver. It is simply absurd to attempt to
9 characterize such a real-time communication as involving two steps or
10 two "interactions."

11
12 The fact that ISP Internet communications may consist of two "distinct
13 components" or elements – a regulated "telecommunications service"
14 (the "local call") and a separate, unregulated, information service – is
15 essentially irrelevant for purposes of jurisdictional analysis and
16 reciprocal compensation. As the FCC stated in the *GTE ADSL Tariff*
17 *Order*,

18
19 The Commission previously has distinguished between the
20 "telecommunications services component" and the "information
21 services component" of end-to-end Internet access for purposes
of determining which entities are required to contribute to

22 ²⁶ See *Teleconnect Order*.

23 ²⁷ In the *MemoryCall* case, the FCC was urged to find that "when the voice mail service
24 is accessed from out-of-state, two jurisdictional transactions take place: one from the caller to
the telephone company switch that routes the call to the intended recipient's location, which is
interstate, and another from the switch forwarding the call to the voice mail apparatus and
25 service, which is purely intrastate". The FCC rejected this argument, concluding that because
"there is a continuous, two-way transmission path from the caller location to the voice mail
service, there could be but a single call". See *MemoryCall Order* at 1620.

1 universal service. Although the Commission concluded that
2 ISPs do not appear to offer "telecommunications service", and
3 thus are not "telecommunications carriers" that must contribute
4 to the Universal Service Fund, it has never found that
5 "telecommunications" ends where "enhanced" information
6 service begins ... We, therefore, analyze ISP traffic as a
7 continuous transmission from the end user to a distant Internet
8 site.²⁸

9
10 The fact that end users typically call into ISPs by dialing a seven-digit
11 or ten-digit "local" telephone number proves nothing with respect to
12 where the communication "terminates," the jurisdictional nature of the
13 communication, and whether it is subject to reciprocal compensation.
14 For instance, foreign exchange (FX) service involves the end user
15 dialing a seven-digit or ten-digit telephone number. Nonetheless, FX
16 service is not, and has never been, treated as terminating at the "called
17 telephone number." The jurisdictional classification and regulatory
18 treatment of FX calls is determined based on the point of "completion"
19 of the call. Where FX service is used on an interstate basis, it is
20 regulated by the FCC and treated as an interstate interexchange
21 service. Interstate FX calls are not subject to reciprocal compensation
22 under local interconnection agreements, even though the telephone
23 number the end user calls to reach the FX service customer may be a
24 seven-digit number. The same analysis applies to ISP Internet
25 communications.

24 ²⁸ *GTE ADSL Tariff Order* at ¶20. Even prior to the FCC's ruling on GTE's ADSL tariff,
25 the federal district court in Illinois had noted the FCC's warning that "this distinction, although it
does exist, is not the answer to whether the LEC is entitled to reciprocal compensation for
terminating Internet traffic". See *Illinois Bell Telephone Co. v. WorldCom Technologies, Inc.,
et al.*, No. 98(1925), Slip op. at 24 (N.D. Ill., July 21, 1998)(*"Illinois Bell v. WorldCom"*).

1 Q. DOES THE FACT THAT THE FCC TREATS INFORMATION
2 SERVICE PROVIDERS AS "END USERS" RATHER THAN
3 "CARRIERS" FOR INTERSTATE ACCESS CHARGE PURPOSES
4 MEAN THAT CALLS MADE TO ISPS ARE "LOCAL" AND,
5 THEREFORE, SUBJECT TO RECIPROCAL COMPENSATION?
6

7 A. No. The FCC's Part 69 rules governing interstate access charges
8 establish only two classes of entities for interstate access charge
9 purposes: (1) interstate carriers and (2) end users. While the FCC
10 periodically has examined the possibility of establishing other
11 categories under Part 69, it has never done so. Given this dichotomy,
12 the FCC in 1983, determined that interstate enhanced service
13 providers (ESPs) should be treated as end users rather than
14 interexchange carriers for interstate access charge purposes. In its
15 recent Notice of Inquiry on the Internet, the FCC tentatively concluded
16 that interstate ESPs, including ISPs, should continue to be exempted
17 from interstate carrier access charges, as such charges currently are
18 structured.²⁹
19

20 However, the critical point here is that the FCC has never held that by
21 virtue of the ESP exemption, interstate ESPs or ISPs are subject to
22 state jurisdiction for any other purpose, including reciprocal
23 compensation. Accordingly, there is no basis for the Commission to
24

25 ²⁹ *Access Charge Reform*, Notice of Proposed Rulemaking, Third Report and Order and
Notice of Inquiry, 11 FCC Rcd 21354 (1996).

1 conclude that the FCC's classification of ESPs as end users under the
2 Part 69 regime in any way requires that calls to ISPs be subject to
3 reciprocal compensation.

4
5 Again, the FCC's order addressing GTE's ADSL service tariff resolves
6 any doubt about the meaning and implications of the ESP exemption.
7 The FCC categorically rejected ALEC arguments that, "because the
8 Commission has treated ISPs as end users for purposes of the ESP
9 exemption, and Internet call must terminate at the ISP's point of
10 presence".³⁰ The FCC added that

11
12 the fact that ESPs are exempt from certain access charges and
13 purchase their PSTN links through local tariffs does not
14 transform the nature of traffic routed to ESPs ... We emphasize
15 that the Commission's decision to treat ISPs as end users for
16 access charge purposes does not affect the Commission's ability
17 to exercise jurisdiction over such traffic.³¹

18
19 It should be noted that it is *because* ISP Internet traffic is jurisdictionally
20 interstate that the FCC has the authority to exempt such traffic from
21 interstate access charges. "That the FCC exempted ESPs from access
22 charges indicates its understanding that they in fact use interstate
23 access service; otherwise, the exemption would not be necessary".³²

24 ³⁰ GTE ADSL Tariff Order at ¶ 21.

25 ³¹ *Id.*

³² *Id.* (emphasis in original).

1 Q THE FLORIDA PSC AND A NUMBER OF OTHER STATE
2 COMMISSIONS HAVE ORDERED INCUMBENT LECS TO PAY
3 RECIPROCAL COMPENSATION TO CLECS FOR ISP INTERNET
4 COMMUNICATIONS PLACED THROUGH ISPS THAT RECEIVE
5 LOCAL EXCHANGE SERVICE FROM THE CLECS. PLEASE
6 COMMENT ON THESE RULINGS.

7

8 A. Many of the state commissions that have examined this issue in the
9 past year, including the Florida PSC, recognized that the question of
10 whether ISP Internet traffic is subject to reciprocal compensation under
11 the Communications Act was pending before the FCC. Like the Florida
12 PSC, they indicated that their determinations were subject to change
13 once the FCC issued a ruling on the jurisdictional nature of ISP Internet
14 traffic. The FCC has now acted on the issue. The FCC's order
15 permitting GTE to tariff its ADSL service at the interstate level
16 constitutes a determination that ISP Internet traffic is jurisdictionally
17 interstate on an end-to-end basis. That is, the local network facilities
18 are in interstate use when an end user uses them to communicate over
19 the Internet through an ISP.

20

21 The Florida PSC's previous ruling reflected its conclusion that "the
22 current law" at the time of its decision "weigh(ed) in favor" of treating
23 ISP Internet traffic as "local traffic" for reciprocal compensation
24 purposes.³³ The law has now been clarified, and it ordains the opposite

25

³³ *WorldCom v. BellSouth* at 18.

1 conclusion. Similarly, the Michigan Public Service Commission stated
2 that “[w]hen the FCC rules in the pending docket, the Commission can
3 determine what action, if any, is required.”³⁴ Likewise, the West
4 Virginia Public Service Commission directed the parties appearing
5 before it in a case similar to the present docket to “bring the FCC’s final
6 determination regarding this issue to the Commission’s attention as
7 soon as possible to allow the Commission to consider whether any
8 further action is appropriate.”³⁵ As these statements indicate, to the
9 extent that these and other state commissions have made
10 determinations regarding the applicability of reciprocal compensation to
11 ISP Internet traffic, many of them acted in the absence of definitive
12 guidance from the FCC. That guidance has now been provided.
13 Inherent in the *GTE ADSL Tariff Order* is a finding that the traffic does
14 not originate and terminate within a local exchange area.

15
16 In several rulings issued before the FCC issued the *GTE ADSL Tariff*
17 *Order*, the federal courts declined to intervene and reverse state

18 _____
19 ³⁴ See *Application for Approval of an Interconnection Agreement between Brooks Fiber and Ameritech*, Opinion and Order, Case Nos. U-11178, et al., (Jan. 28, 1998) at 14-15.

20 ³⁵ See *Petition for Arbitration of Unresolved Issues for the Interconnection Negotiations*
21 *Between MCI and Bell Atlantic*, Case No. 97-1210-T-PC, Order (Jan. 13, 1996) at 30 and 39-
22 40; See also *Teleport Communications Group Inc. v. Illinois Bell; Complaint as to Dispute*
23 *over a Contract Definition*, Docket Nos. 97-0404, et al., Order (March 11, 1998) at 13 (Illinois
24 Commerce Commission); *Complaint Against Bell Atlantic-Maryland, Inc. for Breach of*
25 *Interconnection Terms, and Request for Immediate Relief by MFS Intelenet*, Letter to David E.
Hall and Andrew D. Lipman by MD P.S.C., September 11, 1997 (Maryland Public Service
Commission); *Petition of Birch Telecom for Arbitration of the Rates, Terms, Conditions and*
Related Arrangements for Interconnection With Southwestern Bell Telephone Company, Case
No. TO-98-278, Order, April 23, 1996 at 7 (Missouri Public Service Commission); and
Contractual Dispute About the Terms of Interconnection Agreement Between Ameritech and
TCG, Docket Nos. 5837-TD-100, et al. Letter to Ms. Rhonda Johnson and Mr. Mike Paulson
by Wisconsin PSC Staff, March 31, 1998.

1 commission decisions on the reciprocal compensation issue. However,
2 while upholding such state commission decisions, federal district courts
3 in Texas and Illinois explicitly recognized the FCC's authority, in the
4 first instance, to make jurisdictional determinations regarding the traffic
5 at issue.³⁶ Notably, the federal district court in Illinois strongly signaled
6 its displeasure with the Illinois Commerce Commission's (ICC's)
7 reasoning in determining that Ameritech was required to pay reciprocal
8 compensation for ISP Internet traffic pursuant to the terms of local
9 interconnection agreements it had entered into with several Illinois
10 CLECs. However, under the "substantial deference" standard for
11 review of state commission decisions, the court determined that it could
12 not reverse the ICC's order. The court pointedly stated that the ICC's
13 order read "more like a selective review of FCC precedent than solid
14 reasoning".³⁷ The court also noted that "[a]ny ruling by the FCC on [the
15 jurisdictional] issue will no doubt affect future dealings between the
16 parties on the instant case."³⁸

19 ³⁶ See *Southwestern Bell Telephone Co. v. Public Util. Commission of Texas*, Case No.
20 MO-98-CA-43 (W.D. Tex, June 16, 1998). The U.S. District Court for the Western District of
21 Texas – Midland-Odessa Division upheld a Texas Public Utilities Commission order requiring
22 Southwestern Bell Telephone Company (SWBT) to pay reciprocal compensation for "local"
23 calls to ISPs that receive local exchange service from CLECs that compete with SWBT. The
24 court relied heavily on the discussion of Internet access in the FCC's Universal Service Order
25 and Report to Congress. The FCC subsequently informed the court, in an Amicus Curiae
brief, that the court had erred, and that the FCC had not yet resolved the question of whether
CLECs are entitled to reciprocal compensation for Internet calls that are routed through an ISP
to which the CLEC provides local exchange service.

³⁷ See *Illinois Bell v. WorldCom*, slip op. at 24.

³⁸ *Id.* Slip op. At 18.

1 The U.S. Court of Appeals for the Eighth Circuit also recognized the
2 FCC's right in the first instance to determine the jurisdictional nature of
3 communications.³⁹ The court upheld the FCC's decision to continue
4 exempting information service providers from interstate access charges
5 as an appropriate exercise of the agency's discretion over interstate
6 traffic, rather than because any portion of these calls was local.⁴⁰

7

8 **Q. IN THE *GTE ADSL TARIFF ORDER*, THE FCC STATED THAT ITS**
9 **FINDINGS DID NOT CONSTITUTE A DETERMINATION**
10 **CONCERNING THE ISSUE OF RECIPROCAL COMPENSATION FOR**
11 **ISP INTERNET TRAFFIC. PLEASE COMMENT.**

12

13 A. It is clear from the tenor of the *GTE ADSL Tariff Order* that the FCC
14 wishes to ensure that incumbent LECs continue to subsidize alternative
15 LECs ("ALECs"). The FCC implicitly recognizes that a logical
16 consequence of its finding that ISP Internet traffic is interstate in nature
17 – a finding the agency was compelled by the law and the facts to reach
18 – will be a substantial reduction in one of the major sources of such
19 ALEC subsidies: reciprocal compensation payments from incumbent
20 LECs to competitive LECs. Having determined that such traffic is
21 jurisdictionally interstate, it would be entirely appropriate for the FCC to
22 consider adopting a new interstate charge to permit LECs to recover
23 the costs they incur to carry calls to ISPs that originate on another

24

25 ³⁹ See *Southwestern Bell Telephone Co. v. FCC*, No. 97-2618 (8th Cir., Aug. 19, 1998).

⁴⁰ *Id.*

1 LEC's network. But in establishing such a new interstate charge, the
2 FCC would be required to proceed in a manner consistent with its
3 statutory ratemaking authority and its own rules. It could not, for
4 instance, impose such a rate retroactively. Moreover, such a new
5 interstate charge would have to provide a mechanism to collect the
6 required revenues either in the form of a charge on the end users who
7 connect to the Internet through the ISP, or in the alternative, as a
8 subsidy collected from users in general.

9
10 The *GTE ADSL Tariff Order* seems to imply that the FCC believes it
11 has the authority to dictate or affect state commission decisions
12 interpreting interconnection agreements or arbitrating interconnection
13 disputes under Section 251 and 252, including decisions regarding
14 reciprocal compensation. Under the Communications Act, as
15 interpreted by the federal courts, the FCC has no such authority. The
16 FCC properly determined that it has jurisdiction over ISP Internet calls
17 because such calls are part of an end-to-end interstate "communication
18 by wire". But the FCC cannot leverage this finding into authority over
19 interconnection agreements, including the reciprocal compensation
20 provisions of such agreements. Nor does the FCC have authority to
21 delegate to the state commissions, or indeed any other agency, the
22 power to set or regulate rates for any interstate service.

23

24 **Q. AS A MATTER OF PUBLIC POLICY, SHOULD ISP INTERNET**
25 **TRAFFIC BE SUBJECT TO RECIPROCAL COMPENSATION UNDER**

1 **LOCAL INTERCONNECTION AGREEMENTS?**

2

3 A. No, it should not. Even if lawful, requiring the payment of reciprocal
4 compensation for ISP Internet traffic, pursuant to local interconnection
5 agreements would be unsound public policy. It would hinder the
6 development of competition in Florida's local exchange services
7 market, cause significant economic distortions in the still-evolving
8 information services industry, and create disincentives for investment
9 and innovation in the underlying networks that support the Internet.
10 Such negative consequences are already apparent in those markets
11 where reciprocal compensation currently is being paid by incumbent
12 LECs for such traffic.

13

14 First, where reciprocal compensation applies to ISP Internet
15 communications, competition among LECs to serve a large class of
16 local customers -- heavy Internet users who access the Internet
17 through an ISP -- has been reduced or eliminated. There currently are
18 in excess of 24 million households that subscribe to ISPs and other
19 consumer "online" services, and the number of such subscribers is
20 growing at an annual rate of 34 percent.⁴¹ In a system where
21 BellSouth, as the LEC that serves such a subscriber, is required to pay
22 reciprocal compensation to e.spire or another ALEC that serves the
23 subscriber's chosen ISP, such payments could, under BellSouth's

24

25 ⁴¹ *Interactive Services Report*, January 23, 1998, at 1 (citing online subscribership
statistics as of December 31, 1997).

1 interconnection agreement with e.spire, easily reach almost \$100 or
2 more per subscriber, per month. e.spire, which has no "carrier of last
3 resort" obligations in Florida, may simply refuse to serve subscribers
4 who generate large reciprocal compensation outflows by remaining
5 connected to the Internet for extended periods of time. Only BellSouth
6 is required to serve such customers as a practical matter. In this
7 environment, BellSouth has no market-based opportunity to generate
8 inbound reciprocal compensation payments that would offset the
9 payments it must make to e.spire. For instance, in Miami, BellSouth is
10 allowed to collect no more than the monthly flat-rate charge of \$10.65
11 (residential) or \$29.10 (business) to provide local service to these end
12 users. Yet, BellSouth is required to pay out up to \$100 or more to
13 e.spire to "compensate" the latter for the use of its network to carry ISP
14 Internet calls from these end users. Under these conditions, no market
15 to provide local exchange service to end-users who access the Internet
16 intensively over the public switched network can possibly develop. In
17 an economically rational policy framework, such high-volume users
18 should be prime targets for competing LECs, not left out of competitive
19 developments.

20
21 Second, if reciprocal compensation applied to ISP Internet calls,
22 competition among LECs to provide local exchange service to ISPs
23 would continue to be distorted. Instead of competing on the basis of
24 service quality, technological improvements, or other sound bases,
25 e.spire and other ALECs would continue to benefit from artificial

1 incentives to serve as the local exchange carrier for ISPs at
2 uneconomic rates, and to establish or acquire their own ISP operations
3 -- as, indeed, they have done -- simply to benefit from reciprocal
4 compensation inflows.

5
6 It is "worth it" to the ALECs to give away service to ISPs, or price such
7 service below cost, in order to generate windfall reciprocal
8 compensation payments from BellSouth. For example, it was
9 sufficiently advantageous for Intermedia Communications, Inc., an
10 ALEC based in Florida, to own its own ISP that it was willing to
11 purchase a majority interest in a money-losing ISP -- Digex -- for \$150
12 million, a price equivalent to approximately 20 times Digex's
13 *revenues*.⁴² BellSouth has no comparable opportunity to generate
14 similar windfalls from the ALECs.

15
16 The purpose of reciprocal compensation for local traffic is to ensure
17 that a LEC is able to recover its actual costs of terminating local traffic
18 that originates on another LEC's network, not to serve as a source of
19 capital infusion for new entrants. Reciprocal compensation pursuant to
20 local interconnection agreements is, as a matter of public policy, a
21 totally inappropriate way to compensate an ALEC for carrying Internet
22 communications that are placed through ISPs it serves.

23

24

25

⁴² See *TR Daily*, June 5, 1997.

1 Q. SO WHO SHOULD BEAR RESPONSIBILITY TO PAY e.spire FOR
2 THE COSTS IT INCURS TO CARRY ISP INTERNET TRAFFIC?

3

4 A. To the extent that any carrier incurs costs in carrying traffic to an ISP, it
5 should be allowed to recover the reasonable costs involved in carrying
6 such traffic. Such costs should be recovered either from the end user
7 or the ISP, and not from other users who do not make calls to ISPs.
8 The FCC has now belatedly recognized that it has jurisdiction over
9 such traffic. Alternatively, the FCC has the authority to review tariffs
10 filed by carriers proposing interstate charges to recover their cost of
11 carrying this.⁴³ Neither e.spire nor any other ALEC, for example, is
12 precluded from filing an interstate tariff proposing a charge on ISPs for
13 carrying to them traffic that originates on another LEC's network.
14 Indeed, the National Association of Regulatory Utility Commissioners
15 ("NARUC") has suggested in a working paper that this is one of the
16 approaches that could be considered for recovery of the cost of
17 carrying ISP traffic.⁴⁴

18

19 However, reciprocal compensation is neither a lawful nor appropriate
20 means for compensating LECs for the cost of carrying ISP Internet
21 traffic. Reciprocal compensation for ISP Internet traffic would result in

22

23 ⁴³ The FCC has been proposing for more than 10 years to address the compensation issues
24 raised by its access charge waivers for enhanced services. Its failure to do so has hurt
incumbent LECs and ALECs alike.

24

25 ⁴⁴ See NARUC Internet Working Group, *Policies on Pricing and Universal Service for
Internet Traffic on the Public Switched Network*, National Regulatory Research Institute (April
1998).

1 the recovery of many times the actual costs e.spire incurs to carry ISP
2 Internet traffic that originates on BellSouth's network. In fact, reciprocal
3 compensation for such traffic would produce a windfall gain for e.spire.
4 Because of the major differences in Internet usage and usage of the
5 public switched telephone network, a per-minute charge would not be
6 appropriate if it were developed on the basis of the characteristics of
7 local voice calling patterns.

8
9 Call set-up represents a significant portion of the total costs a LEC
10 incurs to terminate a call that originates on another LEC's network.
11 However, the per-minute reciprocal compensation rate is the same for
12 each minute of a call. The rate represents the average of the call set-
13 up and other costs over the duration of a call, and is set on the basis of
14 the average measured duration of a call. Thus, on average, the
15 terminating LEC recovers its actual costs. But because the average
16 Internet communication that is placed through an ISP lasts far longer
17 than the average voice call, application of the reciprocal compensation
18 rate to such traffic would result in a significant over-recovery of the
19 ALEC's costs.

20
21 Section 252(d)(2)(A)(i) states that a State commission shall not
22 consider the terms and conditions for reciprocal compensation just and
23 reasonable unless they provide for the "recovery by each carrier of
24 costs associated with transport and termination" of calls that originate
25

1 on another carrier's network.⁴⁵ The application of reciprocal
2 compensation to ISP traffic would be unjust and unreasonable because
3 it would, for the reasons explained above, result in the over-recovery of
4 the costs a LEC incurs when such traffic traverses its network.

5

6 **Q. HOW WOULD YOU SUMMARIZE YOUR TESTIMONY?**

7

8 A. The Florida PSC should not require the payment of reciprocal
9 compensation for ISP Internet traffic. The FCC's recent Order
10 addressing GTE's ADSL tariff reaffirms that Internet communications
11 are jurisdictionally interstate and that local network facilities used in
12 Internet communications are in interstate use. Because all Internet
13 communications are jurisdictionally interstate in nature, they are subject
14 to the FCC's exclusive jurisdiction. As a matter of law, such interstate
15 communications cannot be subject to reciprocal compensation under
16 Section 251(b)(5) of the Communications Act. Even if the FPSC had
17 jurisdiction to require reciprocal compensation for ISP Internet traffic, it
18 should not do so for public policy reasons. The market distortions and
19 inefficiencies that would result from such a requirement are
20 fundamentally inconsistent with sound public policymaking.

21

22 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

23

24 A. Yes, it does.

25

⁴⁵ 47 U.S.C. § 252(d)(2)(A)(i).

1 BY MS. WHITE:

2 Q And the only exhibit you had to your direct
3 testimony was an appendix one, I believe, which was your
4 curriculum vitae?

5 A Yes, that's correct.

6 Q Okay. Did you also cause to be filed rebuttal
7 testimony consisting of eight pages?

8 A Yes, I did.

9 Q And do you have any changes to that testimony at
10 this time, separate from --

11 A No, I do not.

12 Q -- anything you may want to do to reform the
13 motion?

14 A No, I do not.

15 Q Okay. If I were to ask you the questions
16 contained in the pre-filed rebuttal testimony today,
17 would your answers to those questions be the same?

18 A Yes, they would.

19 MS. WHITE: And I would ask to have the rebuttal
20 testimony of Mr. Halprin to be inserted into the
21 record.

22 COMMISSIONER JOHNSON: It will be so inserted.

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BELLSOUTH TELECOMMUNICATIONS, INC.
DIRECT REBUTTAL TESTIMONY OF ALBERT HALPRIN
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 981008-TP

December 10, 1998

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. Albert Halprin, 1100 New York Avenue, N.W., Suite 650 East, Washington, D.C., 20005.

Q. ARE YOU THE SAME ALBERT HALPRIN WHO FILED DIRECT TESTIMONY IN THIS PROCEEDING ON NOVEMBER 12, 1998?

A. Yes, I am.

Q. WHAT IS THE PURPOSE OF THIS TESTIMONY?

A. The purpose of my testimony is to rebut assertions contained in the direct testimony of James C. Falvey, filed on behalf of e.spire Communications, Inc. ("e.spire"). Specifically, my rebuttal testimony will demonstrate that there is no basis in fact or law for Mr. Falvey's claim that Internet communications that take place through an Internet service provider ("ISP") "terminate" on the

1 network facilities of the local exchange carrier that provides local exchange
2 service to the ISP.

3

4 **Q. AT PAGES 5-8, MR. FALVEY CITES VARIOUS FACTS AND STATEMENTS FROM**
5 **FCC ORDERS IN SUPPORT OF HIS ASSERTION THAT ISP INTERNET**
6 **COMMUNICATIONS ARE "LOCAL" CALLS THAT "TERMINATE" AT THE ISP.**
7 **PLEASE COMMENT.**

8

9 A. The Federal Communications Commission ("FCC") orders Mr. Falvey cites do
10 not stand for the proposition for which he claims they stand. In two recent
11 orders, the FCC has explicitly rejected Mr. Falvey's tortured interpretation of
12 these orders. In its ruling allowing GTE to tariff its DSL service at the
13 interstate level, the FCC stated the Internet communications that take place
14 through an ISP are jurisdictionally interstate "from the end user to a distant
15 Internet site" and "do not terminate at the ISP's local server."^{1/} The FCC
16 subsequently incorporated the reasoning set forth in the *GTE DSL Order* in a
17 separate order allowing the Bell Atlantic Telephone Cos., BellSouth
18 Telecommunications, Inc., GTE System Telephone Cos., and Pacific Bell
19 Telephone Co. to tariff their DSL services at the interstate level.^{2/}

20

21

22 ^{1/} See *GTE Tel. Operating Cos. GTOC Transmittal No. 1148*, Memorandum
23 Opinion and Order, CC Docket No. 98-79, FCC 98-292 (rel. Oct. 30, 1998) ("*GTE*
DSL Order").

24

25 ^{2/} See *Bell Atlantic Telephone Cos., et al.*, Memorandum Opinion and Order, CC
Docket 98-168 et seq., FCC (8-317 (rel. Nov. 30, 1998).

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Mr. Falvey dismisses the FCC's DSL orders as irrelevant to this proceeding because they addressed dedicated access services. That is incorrect. It is a fact that the FCC's orders, issued in the context of tariff investigations, applied to the-specific dedicated access services at issue in the tariffs. As a matter of law, the only matter the FCC could decide in the DSL orders was whether the services could lawfully be tariffed at the interstate level. However, that in no way renders irrelevant the reasoning and conclusions in the orders regarding the jurisdictional nature of ISP Internet communications. On the contrary, the FCC's jurisdictional analysis, and its conclusion that ISP Internet communications do not terminate at the ISP, necessarily apply to the communications at issue in this proceeding. Whether an ISP Internet communication is initiated over a dedicated service or a dial-up service has no effect whatsoever on the jurisdictional nature of the communication, and does not change the answer to the question of where the call terminates. In the *GTE DSL Order*, the FCC stated that it analyzes "ISP traffic as a continuous transmission from the end user to a distant Internet site."^{3/} It did not qualify this statement, because there is no difference in the analysis depending on whether the end user connects to the Internet over a dedicated access service or a dial-up service.

^{3/} *GTE DSL Order* at para. 20.

1 The core of Mr. Falvey's contention is that an ISP Internet communication
2 somehow consists of two calls or "two components." The FCC's DSL orders
3 categorically dismiss the two-call theory and its variations. Mr. Falvey
4 contends that ISP Internet communications consist of "two components": a
5 "local" call from the end user to the ISP, which he defines as
6 "telecommunications," and an information service that commences at the ISP,
7 which he defines as "information." As explained in my direct testimony, the
8 FCC consistently has rejected this and all other variations of the two-call
9 theory, and its approach has been upheld by the courts. Under these
10 established precedents, the jurisdictional nature of a communication is
11 determined on an end-to-end basis, from the point of inception to the point of
12 completion. The FCC again rejected Mr. Falvey's two-call theory in the *GTE*
13 *DSL Order*, expressly rejecting Mr. Falvey's interpretation of its Universal
14 Service Order. The Commission explained that it distinguished in the
15 Universal Service Order
16
17 between the "telecommunications services component" and the "information
18 services component" of end-to-end Internet access for purposes of determining
19 which entities are required to contribute to universal service. Although the
20 Commission concluded that ISPs do not appear to offer "telecommunications
21 service," and thus are not "telecommunications carriers" that must contribute to
22 the Universal Service Fund, it has never found that "telecommunications" ends
23 where "enhanced" information service begins ... We, therefore, analyze ISP
24 traffic as a continuous transmission from the end user to a distant Internet site.^{4/}
25

^{4/} *Id.*

1 Again, the FCC's analysis, while provided in the context of an order addressing
2 a tariff for a dedicated access offering, unquestionably applies to the traffic at
3 issue in this proceeding. Indeed, the previous decisions cited by the FCC in
4 rejecting the two-call theory, including the *MemoryCall Order*,^{5/} *Teleconnect*
5 *Order*,⁶ and *Southwestern Bell Order*,^{7/} all concern switched, dial-up services.
6 It is simply untenable to argue, as Mr. Falvey appears to do, that although an
7 ISP Internet communication is not segregable into "two components" when the
8 end user accesses the ISP using a dedicated access service, it is segregable
9 when the end user uses a dial-up service. The notion that the Commission's
10 holding rejecting the two-call theory applies only to dedicated services,
11 notwithstanding the fact that it was formulated in the context of dial-up
12 services, is absurd.

13

14 Mr. Falvey also dwells on the fact that the FCC has treated ISPs as end users
15 for purposes of interstate access charges, and appears to believe that this
16 renders ISP Internet traffic "local" and he argues that this means that such

17

18 ^{5/} See *Petition for Emergency Relief and Declaratory Ruling Filed by the*
19 *BellSouth Corporation*, Memorandum, Opinion and Order, 7 FCC Rcd 1619 (1992)
20 (*"MemoryCall Order"*).

21 ^{6/} See *Teleconnect Co. v. Bell Telephone Co. of Pennsylvania et al*, 10 FCC Rcd
22 1626, 1629-30 (1995) (*"Teleconnect Order"*), *aff'd*, *Southwestern Bell Telephone Co.*
v. FCC, No. 95-119 (D.C. Cir. June 27, 1997).

23 ^{7/} See *Southwestern Bell Tel. Co. Transmittal Nos. 1537 and 1560 Revisions to*
24 *Tariff F.C.C. No. 68*, Order Designating Issues for Investigation, 3 FCC Rcd. 2339
(1988) at 2341 (*"Southwestern Bell Order"*).

25

1 traffic terminates at the ISP. The fact that the FCC has exempted ISPs and
 2 other interstate enhanced service providers ("ESPs") from interstate access
 3 charges and allows them to provide their interstate services over state-tariffed
 4 local exchange lines in no way transforms their traffic into "local" traffic. Nor
 5 does this fact in any way alters the point of termination of such traffic. In the
 6 *GTE DSL Order*, the FCC, citing its past orders addressing the ESP exemption,
 7 stated that

8
 9 The fact that ESPs are exempt from certain access charges and purchase their
 10 PSTN links through local tariffs does not transform the nature of traffic routed
 11 to ESPs. That the Commission exempted ESPs from access charges indicates
 its understanding that they in fact use interstate access service; otherwise, the
 exemption would not be necessary.^{8/}

12 In so stating, the FCC in no way distinguished between ESPs that use dedicated
 13 access services and ESPs that provide service over switched, dial-up services.
 14 It is disingenuous for Mr. Falvey to pretend that the FCC's statement has no
 15 bearing on this proceeding. On the contrary, the FCC's discussion clearly
 16 supports BellSouth's position that the ISP Internet traffic at issue in this
 17 proceeding is interstate and, therefore, not "local" traffic.
 18

19
 20 **Q. AT PAGES 11-12, MR. FALVEY REFERS TO THE FLORIDA PSC'S**
 21 **SEPTEMBER 15, 1998, DECISION IN THE WORLDCOM CASE.**
 22 **WHAT, IF ANY, DIFFERENCES EXIST BETWEEN THAT CASE AND**
 23

24 _____
 25 ^{8/} *Id.* at para. 21.

1 **THE e.spire. COMPLAINT THAT SHOULD LEAD THE PSC TO**
2 **REACH A DIFFERENT DECISION?**

3

4 A. In its September 15, 1998, decision, the Florida PSC stated carefully that its
5 decision reflected its conclusion that "the current law" at the time of its
6 decision "weigh(ed) in favor" of treating ISP Internet traffic as "local traffic"
7 for reciprocal compensation purposes.^{9/} The Florida PSC noted that the FCC
8 had not yet ruled on the jurisdictional nature of ISP Internet traffic.^{10/} That
9 decision was rendered before the FCC issued its DSL orders, which clarified
10 the issues on which the Florida PSC found "some room for interpretation." In
11 my opinion, the "current law" at the time of the PSC's September 15, 1998,
12 Order weighed in favor of finding that ISP Internet traffic was interstate traffic.
13 But there can be no question now that the "current law" clearly weighs in favor
14 of a finding that ISP Internet traffic is jurisdictionally interstate traffic on an
15 end-to-end basis, and does not include a "local" component that terminates at
16 the ISP.

17

18 **Q. AT PAGE 9, MR. FALVEY ARGUES THAT IF ISP INTERNET**
19 **TRAFFIC IS NOT SUBJECT TO RECIPROCAL COMPENSATION,**

20

21

22 ^{9/} See *Complaint of WorldCom Technologies, Inc., et al., v. BellSouth*
23 *Telecommunications Inc.*, Final Order Resolving Complaints, Docket Nos. 980184-
TP, 980495-TP, and 980499-TP (Sept. 15, 1998) ("*WorldCom v. BellSouth*").

24 ^{10/} *Id.* at 18.

25

1 **"e.spire WILL NOT BE COMPENSATED AT ALL." DO YOU**
2 **AGREE?**

3
4 A. No, I do not. Reciprocal compensation is not the only means, nor is it the most
5 appropriate means, for e.spire to recover the costs it incurs to serve its ISP
6 customers. Nothing precludes e.spire, for instance, from charging ISPs for
7 terminating traffic. Indeed, as I noted in my direct testimony, the National
8 Association of Regulatory Utility Commissioners ("NARUC") has suggested in
9 a working paper that this is one of the approaches that could be considered to
10 recover the cost of carrying ISP traffic.^{11/} To the extent that e.spire incurs
11 costs in carrying ISP traffic, it should be allowed to recover the actual costs
12 involved in carrying ISP Internet traffic that originates on BellSouth's network,
13 including a reasonable profit. But reciprocal compensation is not an
14 appropriate mechanism to ensure recovery of such cost.

15
16 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

17
18 A. Yes, it does.

19
20
21
22

23 ^{11/} See NARUC Internet Working Group, *Policies on Pricing and Universal*
24 *Service for Internet Traffic on the Public Switched Network*, National Regulatory
25 Research Institute (April 1998).

1 BY MS. WHITE:

2 Q And you had no exhibits attached to your
3 rebuttal testimony?

4 A That is correct.

5 Q Mr. Halprin, have you prepared a summary of your
6 testimony?

7 A Yes, I have.

8 The purpose of my testimony today is to describe
9 in detail what occurs when an end user communicates over
10 the Intranet through an Internet service provider; and
11 based on this description, to explain why such a call is
12 not a local call and does not terminate within the local
13 exchange.

14 The intranet is an intraconnected network of
15 computers, which are linked by virtue of the fact that
16 they all use the so-called TCPIP suite of protocols.
17 This network can be accessed in one of three ways. One,
18 a given site can, in fact, be a portion of the Internet
19 at all times. The second mechanism by which it can be
20 accessed is to a dedicated line provided by one or more
21 telecommunications companies. And the third method is
22 over a dial-up switch access connection, which is used to
23 establish a temporary connection to the Internet.

24 The function of accessing the Internet begins
25 when any one of these users gets what is called an IP.

1 An IP is a specific address on the Internet. And at the
2 point at which any user has an IP, they are then part of
3 the Internet and are able to communicate seamlessly to
4 any other location designated by an IP on the Internet.

5 These communications, by their nature, can take
6 place not just sequentially, but simultaneously, in
7 contrast to the way a circuit switch network works, where
8 people make a series of calls. And one can say, this
9 call was made around the corner, this call was made from
10 Tallahassee to Miami, this call was made from Tallahassee
11 to Washington, D.C., and this call was made from
12 Tallahassee to Paris, France.

13 On the Internet, simultaneous communications
14 between any point, including a point here in Tallahassee
15 and multiple other points on the Internet can be taking
16 place at precisely the same point in time.

17 Because of that, a call to the Internet
18 regularly and routinely involves a communication by wire
19 between the point of origination -- which may be a point
20 in Tallahassee, a point in Miami, a point in Washington,
21 D.C., or a point in Paris, France -- and the point of
22 termination, which would be the location of the computer
23 within IP, which itself is on the Internet.

24 The fact is that the entire history of the
25 development of competition in the United States of

1 America is a history of people dialing seven digit calls,
2 which, while they are seven digits, are not deemed to
3 originate and terminate in the same local exchange and
4 have been determined to be interstate in nature.

5 Because of this, it's -- as I testified here,
6 the FCC has historically and continually during the past
7 20 years or so -- both during the period which I was
8 there and subsequently -- treated such calls as being in
9 interstate communications; which has required a finding
10 by the FCC that they involve intrastate communications by
11 wire and do not originate and terminate inside the same
12 local exchange. That's the summary of the testimony.

13 MS. WHITE: Mr. Halprin is available for
14 cross-examination.

15 MR. HORTON: No questions.

16 COMMISSIONER JOHNSON: Okay.
17 Staff.

18 MS. KEATING: I have no questions.

19 COMMISSIONER JOHNSON: You don't have any
20 questions?

21 Well, I have got to ask you at least one
22 question then, for sure.

23 What happens -- and I wasn't on this particular
24 case. Maybe Commissioner Jacobs was, that we were
25 dealing with ECSs, somewhere up in north Florida.

1 And one of the ladies that testified talked about
2 trying to reach her Internet service provider, and
3 she got a lot of hang ups. And what concerned her
4 is, when she got her telephone bill, it was within an
5 ECSS or a 25 cent call. So she kept -- she was
6 billed the 25 cents.

7 And her issue was that -- not that she was being
8 billed 25 cents, but because it was hanging up so
9 quickly, she was being billed 25 cents. I guess she
10 was accustomed to it, because she thought this was a
11 call that would require 10 cent calling. And to
12 that -- to that issue, it just raises -- under your
13 analysis, what happens to those kind of situations in
14 regulation; and is it ECS call no longer an ECS call,
15 should BellSouth say, oh, we don't get what money,
16 because this is interstate? How do we handle that?

17 WITNESS HALPRIN: Yes, ma'am. Well, for better
18 or for worse, the FCC has issued an order, which it
19 has announced it's currently pending, which requires
20 incumbent LECs, not CLECs, but incumbent LECs and
21 incumbent LECs along to rate those calls to Internet
22 service providers exactly the same as if they were
23 local calls.

24 In other words, even if BellSouth or GTE or any
25 other ILEC here in Florida -- or anywhere else in the

1 country -- wanted to charge those calls differently,
2 they -- because those are interstate calls, the FCC
3 has jurisdiction over them. And it has told them,
4 you can't charge more, you can't have a surcharge on
5 them; but you can't charge less.

6 So until the F-- the FCC has also announced a
7 proceeding in which it has recognized that this
8 method of collection is not a good one, and has
9 promised to reform it. But until it reforms it, the
10 local telephone company in that case, outside -- I
11 hate to say -- you always hate to say to a
12 commission, they don't have power over everything.
13 But the local ILEC, if it's an ILEC, has no
14 jurisdiction, no authority to do anything, other than
15 follow the FCC order, and to charge that call exactly
16 as if it were a local call. That's what the FCC did
17 for years --

18 COMMISSIONER JOHNSON: Okay.

19 WITNESS HALPRIN: -- with interstate FX calls
20 and CCSA calls and with ONLS. And it currently does
21 that for Internet calls to Internet service
22 providers.

23 COMMISSIONER JOHNSON: So let me make sure I
24 understand, then. So -- and they charge it as if it
25 was a local call, and so then it depends on what the

1 State had in its tariff, as to the price?

2 WITNESS HALPRIN: Yes, that's correct.

3 The FCC -- this is the one case in which the FCC
4 sort of permits incorporation of a tariff.

5 COMMISSIONER JOHNSON: Yeah.

6 WITNESS HALPRIN: In other words, they say for
7 this interstate call -- this isn't the only one. The
8 other one is to a classic enhanced service provider.

9 In other words, where it doesn't get packetized
10 until it goes out of state. For those calls and
11 calls to the Internet, the FCC has essentially said
12 that the ILEC has to do exactly what the state orders
13 it to do for a local call.

14 COMMISSIONER JOHNSON: Oh, okay. So --

15 WITNESS HALPRIN: And I do want to point out
16 once again, they have said that's an inadequate
17 temporary solution, and they promise to reform it.
18 But they have been making that promise in the case of
19 enhanced service providers for 16 years now. And
20 time is running.

21 COMMISSIONER JOHNSON: So if they were to --
22 let's -- and thank you for that edifying. To the
23 extent that the FCC changed that structure, and if
24 this lady was on her telephone calling that place --
25 wherever this ISP was -- under state law, it would be

1 treated as a 25 cent call. But if she got on her
2 computer and dialed to the same place, when the FCC
3 changes it, it might be structured a little
4 differently. Is that what you are saying?

5 WITNESS HALPRIN: That's correct. The FCC has
6 promised to change that. And, hopefully, will at
7 some point soon. But you're absolutely correct.

8 COMMISSIONER JOHNSON: Okay. So the determining
9 factor is whether it's dialed up over the computer
10 versus dialed up -- well, see -- it's -- then it's on
11 the same line. How can they do that?

12 WITNESS HALPRIN: I understand it's the same
13 line. But for -- the fact is that there are a lot of
14 seven digit calls -- and always have been --

15 COMMISSIONER JOHNSON: Sure.

16 WITNESS HALPRIN: -- which are interstate in
17 nature, and it's the FCC that determines how they are
18 charged for. I mean, the old EMFIA execunet calls
19 were all seven digits. And today, there are hundreds
20 of so-called call-around companies. And they are
21 supposed to be paying interstate access charges. And
22 they are supposed to be getting, you know, credits,
23 so nobody pays both the local call.

24 There is a variety of enforcement issues,
25 particularly with some of the call-around people. I

1 don't have anything against any of them in
2 particular, but the difference is if it's an enhanced
3 service call that's made over a telephone with no
4 computer involved at all, as there can be, that's
5 subject to FCC jurisdiction as well. And the FCC has
6 promised it is going to change that, too. So the
7 basis for the difference is not whether it's a voice
8 call or a computer call, but whether it's subject to
9 the FCC's jurisdiction or the state's jurisdiction.

10 And as I say, for a period of more than 20
11 years, we have lived in a world where there are a
12 certain percentage of seven digit calls that are
13 subject to the FCC's jurisdiction. Before Internet,
14 it probably was somewhere in the neighborhood of two
15 to four percent with Internet. Today, it appears to
16 be 10 to 15 percent and growing.

17 COMMISSIONER JOHNSON: Really?

18 WITNESS HALPRIN: But we need a co-existence.
19 But as I said, the notion that there are seven digit
20 calls where the charge is determined by the FCC and
21 not the state, has existed continually for more than
22 20 years.

23 COMMISSIONER JOHNSON: Okay. That's good.

24 I am just trying to decide if I want you to give
25 me a late file to give me more examples, just because

1 -- I can get my staff to -- I don't know. You did a
2 pretty good job.

3 Now, I will get my staff to do it.

4 COMMISSIONER JACOBS: I would be interested.

5 COMMISSIONER JOHNSON: You think so? Just for our
6 edification.

7 WITNESS HALPRIN: Yes. I would -- yeah, I'd be
8 happy to do a brief sort of history of seven digit
9 dialing under interstate jurisdiction, if that would
10 be helpful.

11 COMMISSIONER JOHNSON: Yes. Could we -- we will do
12 that as a late filed.

13 WITNESS HALPRIN: Yes. I hate to promise on
14 behalf of -- since I am an expert witness here,
15 but -- I -- I promise I will do it whether or not
16 BellSouth pays for it. There you go, that probably
17 cost me something.

18 COMMISSIONER JOHNSON: Uh-oh.

19 Okay. We will mark that as a late filed Exhibit
20 10.

21 (Whereupon, Hearing Exhibit No. 10 was marked
22 for identification.)

23 COMMISSIONER JOHNSON: And short titled --

24 WITNESS HALPRIN: If they won't, I will file it
25 for your tell.

1 COMMISSIONER JOHNSON: -- Halprin's history of seven
2 digit dialing and -- what should I call it?

3 WITNESS HALPRIN: Yeah. Interstate --
4 intrastate seven digit dialing is probably a good
5 title.

6 COMMISSIONER JOHNSON: Intrastate seven digit
7 dialing.

8 Thank you.

9 Do you have any questions, Commissioner Jacobs?
10 Redirect?

11 MS. WHITE: No redirect.

12 COMMISSIONER JOHNSON: Exhibits?

13 MS. WHITE: No exhibits.

14 COMMISSIONER JOHNSON: No exhibits, just a late
15 filed.

16 COMMISSIONER JOHNSON: Okay. Thank you, sir.

17 WITNESS HALPRIN: Thank you.

18 (Witness excused.)

19 COMMISSIONER JOHNSON: Anything else to come before
20 the Commission this afternoon?

21 I guess we need a date on the late filed.

22 Mr. Halprin, how long do you think it will take
23 you to prepare?

24 MR. HALPRIN: Next week be acceptable?

25 COMMISSIONER JOHNSON: That's fine.

1 Okay. We will show that 10 days.

2 MS. KEATING: Okay.

3 COMMISSIONER JOHNSON: Mr. Horton, did you have --

4 MR. HORTON: I was just going to ask what the
5 briefing schedule is, because I don't have any.

6 COMMISSIONER JOHNSON: Okay.

7 MS. KEATING: Briefs are due February 3rd.
8 Staff is currently scheduled to file its
9 recommendation March 4th, and we are scheduled to
10 bring that before the Commission on March 16th.

11 COMMISSIONER JOHNSON: Anything else?

12 Thank you. This hearing is adjourned.

13 MR. HORTON: Thank you.

14 MS. WHITE: Thank you.

15 (Whereupon, the proceedings were concluded at
16 4:40 p.m.)

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

TRANSCRIPT CERTIFICATE

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA R. KRICK, Court Reporter, hereby
certify that the foregoing transcript was taken down as
stated in the caption, and the questions and answers
thereto were reduced to typewriting under my direction;

That the foregoing pages 1 through 275 represent
a true, correct, and complete transcript of the evidence
given upon said hearing;

And I further certify that I am not of kin or
counsel to the parties in the case; am not in the regular
employ of counsel for any of said parties; nor am I in
anywise interested in the result of said case.

Dated this 25th day of January, 1999.

DEBRA R. KRICK
Court Reporter and Notary Public
State of Florida at Large

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET

NO. 981008-TP EXHIBIT NO. 1

COMPANY/

WITNESS: Stay

DATE: 1-20-99

[Faint, illegible text, likely bleed-through from the reverse side of the page]

OFFICIAL RECOGNITION LIST

Florida Commission Orders

1. PSC-96-1509-FOF-TP, issued December 12, 1996, in Docket No. 960969-TP.
2. PSC-98-1216-FOF-TP, issued September 15, 1998, in Docket No. 971478-TP.

Decisions of Other State Jurisdictions

3. Petition of MFS Communications Company, Inc. for arbitration of Interconnection Rates, Terms, and Conditions with US West Communications, Inc., Opinion and order, Arizona Corporation Commission, Docket Nos. U-2752-96-362 and E-1051-96-362, Decision No. 59872 (October 29, 1996.)
4. Order Instituting Rulemaking on the Commission's Own Motion into Competition for Local Exchange Service, Rulemaking 95-04-043, Order Instituting Investigation on the Commission's Own Motion into Competition for Local Exchange Service, investigation 95-04-044, Decision 98-10-057, California Public Utilities Commission (October 22, 1998.)
5. Petition of MFS Communications Company, Inc. For Arbitration of Interconnection Rates, Terms and Conditions with US West Communications, Inc. Decision Regarding Petition fro Arbitration, Colorado Public Utilities Commission, Docket No. 96A-287T (November 5, 1996.)
6. Petition of Southern New England Telephone Company for A Declaratory Ruling Concerning Internet Service Provider Traffic, Final Decision, State of Connecticut, Department of Public utility Control, Docket No. 97-05-22 (September 17, 1997.)
7. Petition of MCI Telecommunications Corp. For the Arbitration of Unresolved Issues from the Interconnection Negotiations with Bell Atlantic-Delaware, Inc. Arbitration Award, Delaware Public Service Commission, Docket No. 97-323 (December 16, 1997.)
8. e.spire Communications, Inc. v. BellSouth Telecommunications, Inc., Initial Decision of the Hearing Officer, Georgia Public Service Commission, Docket No. 9281-U Regarding Reciprocal Compensation for Traffic Terminated to Internet Service Providers (October 19, 1998.)
9. Teleport Communications Group, Inc. v. Illinois Bell Telephone Company, Ameritech Illinois: Complaint As to Dispute Over A Contract Definition, Opinion and Order, Illinois Commerce Commission, Docket No. 97-0404, *aff'd sub nom.*,

Illinois Bell Telephone Company d/b/a Ameritech Illinois v. WorldCom Technologies, Inc., et al., Memorandum Opinion and Order, No. 98-C-1925, 1998 U.S. Dist. LEXIS 11344 (N.D. Ill. 1998).

10. **American Communications Services of Louisville d/b/a e.spire v. BellSouth Telecommunications, Inc.**, Order, Kentucky Public Service Commission, Docket No. 98-212 (June 16, 1998).
11. **Complaint of WorldCom Technologies, Inc. Against New England Telephone and Telephone Company d/b/a Bell Atlantic-Massachusetts for Alleged Breach of Interconnection Terms**, Order, Massachusetts Department of Telecommunications and Energy, Docket No. 97-116 (October 21, 1998).
12. **Application for Approval of an Interconnection Agreement Between Brooks Fiber Communications of Michigan, Inc. and Ameritech Information Industry Services on Behalf of Ameritech Michigan**, Opinion and Order, Michigan Public Service Commission, Case Nos. U-11178, U-11502, U-11522, U-11553 and U-11554, *aff'd sub nom. TCG v. Michigan Bell Telephone Company d/b/a Ameritech Michigan*, Order of Mandamus (6th Cir. 1998).
13. **Consolidated Petitions of AT&T Communications of the MidWest, Inc., MCIMetro Access Transmission Services, Inc. and MFS Communications Company for Arbitration with U S West Communications, Inc.**, Order Resolving Arbitration Issues, Minnesota Public Utilities Commission, Docket No. P-442, 421/M-96-855 (December 2, 1996).
14. **Petition of Birch Telecom of Missouri, Inc. for Arbitration of the Rates, Terms and Conditions and Related Arrangements for Interconnection with Southwestern Bell Telephone Company**, Arbitration and Order, Missouri Public Service Commission, Case No. TO-98-278 (April 23, 1998).
15. **Proceeding on Motion of the Commission to Investigate Reciprocal Compensation Related to Internet Traffic**, Order Closing Proceeding, New York Public Service Commission, Case Nos. 97-C-1275, 93-C-0033, 93-C-0103, 97-C-0895, 97-C-0918, 97-C-0979 (March 19, 1998).
16. **In the Matter of Enforcement of Interconnection Agreement Between Intermedia Communications, Inc. and BellSouth Telecommunications, Inc.**, Order Concerning Reciprocal Compensation for ISP Traffic, North Carolina Utilities Commission, Docket No. P-55, Sub 1096 (Nov. 4, 1998).
17. **ICG Telecom Group, Inc. v. Ameritech Ohio Regarding Reciprocal Compensation**, Opinion and Order, Ohio Public Utilities Commission, Case No. 97-1557-TP-CSS (August 27, 1998).

18. In the Matter of Brooks Fiber Communications of Tulsa, Inc. for an Order Concerning Traffic Terminating to Internet Service Providers and Enforcing Compensation Provision of the Interconnection Agreement with Southwestern Bell Telephone Company, Order No. 423626, Oklahoma Corporation Commission, Cause No. PUD 970000548 (June 3, 1998).
19. Petition of MFS Communications Company, Inc. for Arbitration of Interconnection Rates, Terms and Conditions, Order No. 96-324, Oregon Public Utility Commission, ARB 1 (December 9, 1996).
20. Petition for Declaratory Order of TCG Delaware Valley, Inc. for Clarification of Section 5.7.2 of Its Interconnection Agreement with Bell Atlantic-Pennsylvania, Inc., Opinion and Order, Pennsylvania Public Utility Commission, Docket No. P-00971256 (May 21, 1998).
21. Petition of Brooks Fiber to Enforce Interconnection Agreement and for Emergency Relief, Order Affirming the Initial Order of Hearing Officer, Tennessee Regulatory Authority, docket No. 98-00118 (August 17, 1998).
22. Complaint and Request for Expedited Ruling of Time Warner Communications, Order, Texas Public Utility Commission, Docket No. 18082, *aff'd sub nom.*, *Southwestern Bell Telephone Company v. Public Utility Commission of Texas*, Order, Docket No. MO-98-CA-43, 1998 U.S. Dist. LEXIS 12938 (W.D. Tex. 1998).
23. Petition of Cox Virginia Telecom, Inc. for Enforcement of Interconnection Agreement with Bell Atlantic-Virginia, Inc. and Arbitration Award for Reciprocal Compensation for the Termination of Local Calls to Internet Service Providers, Final Order, Virginia State Corporation Commission, Case No. PUC970069 (October 24, 1997).
24. Petition for Arbitration of an Interconnection Agreement between MFS Communications Company, Inc. and U S West Communications, Inc., Arbitrator's Report and Decision, Washington Utilities and Transportation Commission, Docket No. UT-960323 (1996) *aff'd sub nom.*, *U S West Communications, Inc. v. MFS Intelenet, Inc.*, Order on Motions for Summary Judgment, Docket No. C97-222WD (W.D. Wash. 1998).
25. MCI Telecommunications Corporation Petition for Arbitration of Unresolved Issues for the Interconnection Negotiation between MCI and Bell Atlantic, Order, West Virginia Public Service Commission, Case No. 97-1210-T-PC (January 13, 1998).

Federal Communications Commission Dockets

26. FCC 98-292, issued October 30, 1998, in CC Docket 98-79.
27. FCC 98-67, issued April 10, 1998, in CC Docket 96-45.
28. FCC 96-325, issued August 8, 1996, in CC Docket 96-98.
29. FCC 98-317, issued November 30, 1998, in CC Docket 98-168.
30. FCC 92-18, issued February 14, 1992.
31. 1987 Notice of Proposed Rulemaking, issued in CC Docket 87-215.

Circuit Court Orders

32. Iowa Utilities Board et al. V. FCC, 120 F.3d 753 (8th Cir. 1997).

EXHIBIT NO. 2

DOCKET NO: 981008-TP

WITNESS: James C. Falvey

PARTY: e.spire

DESCRIPTION: e.spire's Responses to Staff's First Set of Interrogatories and First Request for Production of Documents

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET

NO. 981008-TP EXHIBIT NO. 2

COMPANY/

WITNESS: Falvey

DATE: 1-20-99

PROFFERING PARTY: STAFF

I.D. # JCF-9

1. If e.spire has the capability of isolating the Minutes of Use of traffic to its ISP customers, please provide a report identifying the percentage of local traffic attributable to calls to ISPs for the first month in which the total Minutes of Use for terminating local traffic exceeded two million minutes in Florida.

Response: e.spire does not have the technical capability to isolate MOU of traffic to ISP customers.

2. Please provide a usage report that shows the difference in Minutes of Use for termination of local traffic in Florida between BellSouth and e.spire on a monthly basis from the beginning of the Interconnection Agreement with e.spire. Please provide this report, if possible on an IBM formatted diskette using Excel in the following format:

Example:

Month	Year	Number of Originating Local Traffic (minutes), A	Number of Terminating Local Traffic (minutes), B	Difference in Minutes (A-B)
July	1997	100	25	75
August	1997	34	12	22

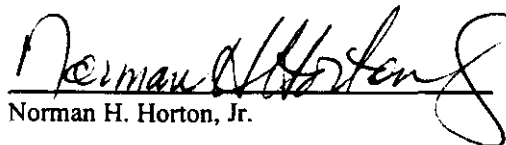
Response: e.spire does not have such reports from the beginning of the interconnection agreement but will provide such information as is available. Some of the information is contained in Exhibit KAC-2. e.spire considers usage information to proprietary and confidential.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of e.spire Communications, Inc.'s Responses to FPSC Staff's First Request for Production of Documents have been served upon the following parties by Hand Delivery (*) and/or U. S. Mail this 14th day of January, 1999.

Beth Keating, Esq.*
Division of Legal Services, Room 370
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

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


Norman H. Horton, Jr.

1. Please provide e.spire's interpretation or definition of "call termination," as it relates to Section VI (A) of the Interconnection Agreement between BellSouth and e.spire. With your definition, please include an explanation regarding why e.spire believes that a call to an Internet Service Provider (ISP) is terminated at the local number of the ISP.

Response: For purposes of Section VI(A) and the Agreement, call termination occurs when a call is delivered to the exchange bearing the called number. When a customer dials a number and establishes a connection with the exchange to which the dialed number is assigned, then that call is "terminated" and a call record is generated. Whether the dialed number is a voice phone, fax, answering machine or modem does not alter the fact that a customer has dialed a local number and established a connection with the exchange to which the dialed number is assigned.

This is also addressed at length in the direct and rebuttal testimony filed on behalf of e.spire.

2. Does e.spire have the capability of isolating the Minutes of Use of traffic to its ISP customers?

Response: No.

Response provided by: James C. Falvey, Esq.
e.spire™ Communications, Inc.
133 National Business Parkway, Suite 200
Annapolis Junction, Maryland 20701

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of e.spire Communications, Inc.'s Responses to FPSC Staff's First Set of Interrogatories have been served upon the following parties by Hand Delivery (*) and/or U. S. Mail this 14th day of January, 1999.

Beth Keating, Esq.*
Division of Legal Services, Room 370
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

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

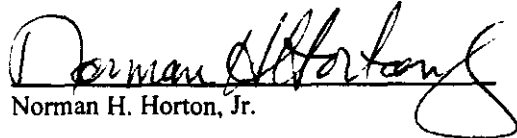

Norman H. Horton, Jr.

EXHIBIT NO. 3

DOCKET NO: 981008-TP

WITNESS: Jerry D. Hendrix

PARTY: BellSouth

DESCRIPTION: BellSouth's Responses to Staff's First Set of Interrogatories and First Request for Production of Documents.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 981008-TP EXHIBIT NO. 3
COMPANY/
WITNESS: Staff
DATE: 1-30-99

PROFFERING PARTY: STAFF

I.D. # JDH-5

MARY K. KEYER
General Attorney

BellSouth Telecommunications, Inc.
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(404) 335-0729

January 6, 1999

Via Hand Delivery


Beth Keating
Staff Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 981008-TP

Dear Ms. Keating:

Enclosed are BellSouth Telecommunications, Inc.'s Answers to Staff's First Set of Interrogatories, Nos. 1-6, dated December 7, 1998.

Sincerely,


Mary K. Keyer

Enclosures

cc: All parties of record
A. M. Lombardo
N. B. White
William J. Ellenberg II (w/o enclosures)

CERTIFICATE OF SERVICE

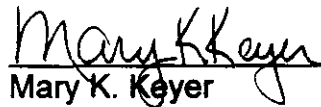
Docket No. 981008-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via U.S. Mail this 6th day of January, 1999 to the following:

Beth Keating, Esq.
Legal Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
Tel. No. (850) 413-6199
Fax No. (850) 413-6250

Norman H. Horton, Jr., Esq.
Messer, Caparello & Self, P.A.
215 South Monroe Street
Suite 701
Tallahassee, FL 32301

James C. Falvey, Esq.
e.spire Communications, Inc.
133 National Business Parkway
Suite 200
Annapolis Junction, MD 20701


Mary K. Keyer

BellSouth Telecommunications, Inc.
FPSC Docket No. 981008-TP
Staff's First Set of Interrogatories
December 7, 1998
Item No. 1
Page 1 of 1

INTERROGATORY: Please explain the process BellSouth uses to track local traffic between e.spire's customers and BellSouth's customers.

ANSWER: For local calls originating from BellSouth customers terminating to e.spire customers, data is collected from the BellSouth switches on a daily basis via Automated Message Accounting (AMA) recordings. Based on the NPA/NXX's assigned to e.spire, the data is placed on a database which is then queried for messages and minutes of use by call type. For local calls originating from e.spire customers terminating to BellSouth customers, the collected AMA switch recordings are sent to the Carrier Access Billing System (CABS) for processing. CABS will accumulate the minutes of use for e.spire at the appropriate level (BellSouth central office, etc.) and will provide the minutes being billed to e.spire on its CABS bill.

ANSWER PROVIDED BY: Richard McIntire
Operations Manager – Interconnection Operations
600 North 19th Street
Birmingham, AL 35203

David Scollard
Manager – Wholesale Billing
600 North 19th Street
Birmingham, AL 35203

- INTERROGATORY:** Does BellSouth have the capability to generate a usage report of calls from a BellSouth customer to an Internet Service Provider (ISP) that is a customer of e.spire?
- a. If so, please explain how BellSouth isolates this traffic from calls that are made to other local numbers.
 - b. If not, please explain how this traffic will isolated from other local traffic for the purpose of determining difference in minutes of use for terminating local traffic for reciprocal compensation.

- ANSWER:** Yes, if BellSouth has all the 10-digit terminating numbers for all of e.spire's ISP customers.
- a. BellSouth has been using a 10-step process to determine usage associated with Internet Service Providers (ISP). This process is outlined on Attachment A. The Company has also researched the Internet to identify 10-digit terminating numbers for ISPs. Based on the NXX of the ISP, and the company to whom it is assigned (in this case e.spire) data is identified as ISP traffic and recorded separately. If e.spire were to provide BellSouth with all the 10-digit terminating numbers for its ISP customers this data could be recorded more precisely.
 - b. See answer to a. above

ANSWER PROVIDED BY: Richard McIntire
Operations Manager – Interconnection Operations
600 North 19th Street
Birmingham, AL 35203

BST ISP MOU Estimation Process

(July 24, 1998)

Estimation of ISP minutes of use are based on the following.

1. All calls originating from BellSouth Telecommunications (BST), terminating to a CLEC, are recorded in each BST central office, this data is collected via ETCS (Electronic Toll Collection System) and sent to ALPHA for processing. Alpha is the front end processing for all Automatic Message Accounting (AMA) data.
2. This data is stored in the 12 TSO (RAO) sites (e.g., State, except Florida, where there are three sites and Georgia two sites).
3. These sites store this data by OCN, NPA, NXX, Call type, Message date, number of messages, and minutes of use.
4. This data is then sorted (via DB2 Queries) to extract Local and IntraLata Toll calls by the groupings listed above. As a function of the query, a calculation of call message hold times (i.e., Total MOU/Total Messages) yields an average call holding time.
5. BellSouth has attempted to obtain a list of ISP access numbers from all sources. It has only been able to obtain a fraction of such access numbers. The CLEC's disagree with the basic premise that ISP minutes of use are interstate in jurisdiction. However, with the ISP access numbers it possesses, BellSouth determines the number of known ISP MOUs and uses the process in steps 6, 7 and 8 to estimate the remainder.
6. From external industry and internal BST studies, it was determined that the average holding times for ISP and Local/IntraLata messages were 20 minutes and 3-4 minutes respectively.
7. The Company then made the assumption, based on the above industry standard, that where the average call hold time for a CLEC is 15 minutes or greater by NPA/NXX, this would be considered a reasonable cutoff for "estimated ISP minutes of use".
8. A summation of all minutes of use for each NPA/NXX is calculated, and is then divided by the total messages for that NPA/NXX to determine those that meet the 15 minute criteria. The result is the total minutes of use that BST estimates terminate to an ISP.
9. The above estimated ISP minutes of use are then put in dispute with the CLEC involved, and the Interconnection Purchasing Center (IPC) pays the balance of the invoice.
10. This estimation process is subject to the CLEC providing factual ISP usage information to BellSouth and having BellSouth true up the invoiced dollars.

BellSouth Telecommunications, Inc.
FPSC Docket No. 981008-TP
Staff's First Set of Interrogatories
December 7, 1998
Item No. 3
Page 1 of 1

INTERROGATORY: If it is determined that the difference in minutes of use for terminating local traffic has exceeded two million minutes in Florida, will BellSouth compensate e.spire at the \$.009 per minute rate for reciprocal compensation identified in Section XXII (A) of the Interconnection Agreement between e.spire and BellSouth?

ANSWER: At which time it is determined that the two-million-minute threshold has been met, the parties should negotiate a rate. It is not appropriate for BellSouth to state a rate, outside the realm of negotiating.

First, there is no per-minute rate for reciprocal compensation identified in the Interconnection Agreement between e.spire and BellSouth.

Second, and more importantly, Section VI(B) of the Interconnection Agreement between BellSouth and e.spire states:

For purposes of this Agreement, the Parties agree that there will be no cash compensation exchanged by the parties during the term of this Agreement unless the difference in minutes of use for terminating local traffic exceeds 2 million minutes per state on a monthly basis. In such an event, the Parties will thereafter negotiate the specifics of a traffic exchange agreement which will apply on a going-forward basis.
(Emphases added)

ANSWER PROVIDED BY:

Pat Finlen
Manager
675 W. Peachtree Street
Atlanta, GA 303075

BellSouth Telecommunications, Inc.
FPSC Docket No. 981008-TP
Staff's First Set of Interrogatories
December 7, 1998
Item No. 4
Page 1 of 1

INTERROGATORY: If BellSouth does not agree that e.spire should be compensated at the \$.009 per minute rate for reciprocal compensation, please explain why this rate is not applicable.

- a. What rate would BellSouth propose for reciprocal compensation with e.spire.
- b. Please explain the basis for this rate.

ANSWER: Please see BellSouth's answer to Interrogatory No. 3.

ANSWER PROVIDED BY:

Pat Finlen
Manager
675 W. Peachtree Street
Atlanta, GA 303075

BellSouth Telecommunications, Inc.
FPSC Docket No. 981008-TP
Staff's First Set of Interrogatories
December 7, 1998
Item No. 5
Page 1 of 1

INTERROGATORY: Would BellSouth consider a call from a BellSouth customer to an ISP, which was also a BellSouth customer, as a local call, if both were within the same local calling area or an area covered by Extended Area Service?

a. If so, please explain why.

ANSWER: No.

ANSWER PROVIDED BY: Pat Finlen
Manager
675 W. Peachtree Street
Atlanta, GA 303075

BellSouth Telecommunications, Inc.
FPSC Docket No. 981008-TP
Staff's First Set of Interrogatories
December 7, 1998
Item No. 6
Page 1 of 1

INTERROGATORY: Has BellSouth provided monthly usage reports to e.spire?

- a. If not, please explain why BellSouth has not provided monthly usage reports to e.spire.

ANSWER: No. BellSouth and e.spire agreed to use e.spire's monthly usage reports generated by TrafficMaster, subject to audit. See also Jerry Hendrix Rebuttal Testimony, pages 2-4, filed December 10, 1998, in this docket.

ANSWER PROVIDED BY:

Pat Finlen
Manager
675 W. Peachtree Street
Atlanta, GA 303075

STATE OF GEORGIA

COUNTY OF FULTON

BEFORE ME, the undersigned authority, personally appeared
Evelyn P. Peters, who being first duly sworn deposes and says:

That she occupies the position of Manager, Headquarters
Regulatory and is the person who has furnished answers to these
interrogatories No. 1 through No. 6 and further says that
said answers are true and correct to the best of her knowledge and
belief.

WITNESS my hand and seal this 5th day of JANUARY, 1999.

Signature Evelyn P. Peters

Micheale F. Holcomb
Notary Public

State of Georgia

My Commission Expires:
MICHEALE F. HOLCOMB
Notary Public, Douglas County, Georgia
My Commission Expires November 3, 2001

MARY K. KEYER
General Attorney

BellSouth Telecommunications, Inc.
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(404) 335-0729

January 6, 1999

Mrs. Blanca S. Bayó
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 981008-TP

Dear Ms. Bayó:

Enclosed are an original and fifteen copies of BellSouth Telecommunications, Inc.'s Responses to Staff's First Request for Production of Documents, which we served today. Please file them in the captioned matter.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,


Mary K. Keyer

Enclosures

cc: All parties of record
A. M. Lombardo
N. B. White
William J. Ellenberg II (w/o enclosures)

RECEIVED
MAIL ROOM
JAN 7 1999
GENERAL

CERTIFICATE OF SERVICE


Docket No. 981008-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via U.S. Mail this 6th day of January, 1999 to the following:

Beth Keating, Esq.
Legal Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
Tel. No. (850) 413-6199
Fax No. (850) 413-6250

Norman H. Horton, Jr., Esq.
Messer, Caparello & Self, P.A.
215 South Monroe Street
Suite 701
Tallahassee, FL 32301

James C. Falvey, Esq.
e.spire Communications, Inc.
133 National Business Parkway
Suite 200
Annapolis Junction, MD 20701



Mary K. Keyser

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

COMPLAINT OF e.spire)
COMMUNICATIONS, INC. AGAINST)
BELLSOUTH TELECOMMUNICATIONS,)
INC. REGARDING RECIPROCAL)
COMPENSATION FOR TRAFFIC)
TERMINATED TO INTERNET SERVICE)
PROVIDERS)
_____)

Docket No. 981008-TP

Dated: January 6, 1999

**BELLSOUTH TELECOMMUNICATIONS, INC.'S RESPONSES
TO STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS**

BellSouth Telecommunications, Inc. ("BellSouth"), files pursuant to Rule 25-22.034, Florida Administrative Code, and Rule 1.350, Florida Rules of Civil Procedure, its Responses to the Staff of the Florida Public Service Commission's ("Staff") First Request for Production of Documents dated December 7, 1998.

GENERAL RESPONSES

1. Please provide a usage report that shows the difference in Minutes of Use for termination of local traffic in Florida between BellSouth and e.spire on a monthly basis from the beginning of the interconnection agreement with e.spire. Please provide this report, if possible, on an IBM formatted diskette using Excel in the following format:

Example:

Month	Year	Number of Originating Local Traffic (minutes) , A	Number of Terminating Local Traffic (minutes) , B	Difference in Minutes (A-B)
July	1997	100	25	75
August	1997	34	12	22

Response: BellSouth has no documents responsive to this request.

2. If the usage report requested in Request for Production of Documents No. 1 is not available, please provide a similar report.

Response: BellSouth has no similar report requested.

3. Please provide a usage report that shows the Minutes of Use for one month for traffic to Internet Service Providers (ISP) that are customers of e.spire in Florida.

Response: An October, 1998 CLEC Usage Summary report is being produced.

Respectfully submitted this 6th day of January, 1999.

BELLSOUTH TELECOMMUNICATIONS, INC.

Nancy B White

NANCY B. WHITE
c/o Nancy H. Sims
150 So. Monroe Street, Suite 400
Tallahassee, FL 32301
(305) 347-5555

Mary K Keyer

WILLIAM J. ELLENBERG II
MARY K. KEYER
Suite 4300
675 W. Peachtree St., NE
Atlanta, GA 30375
(404) 335-0711

144018

MARY K. KEYER
General Attorney

BellSouth Telecommunications, Inc.
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(404) 335-0729

January 6, 1999

Via Hand Delivery

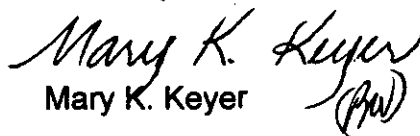
Beth Keating
Staff Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 981008-TP

Dear Ms. Keating:

Enclosed are BellSouth Telecommunications, Inc.'s Responses to Staff's First Request for Production of Documents dated December 7, 1998.

Sincerely,


Mary K. Keyer

Enclosures

MKK/ds

cc: All parties of record
A. M. Lombardo
N. B. White
William J. Ellenberg II (w/o enclosures)

CERTIFICATE OF SERVICE

Docket No. 981008-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via U.S. Mail this 6th day of January, 1999 to the following:

Beth Keating, Esq.
Legal Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
Tel. No. (850) 413-6199
Fax No. (850) 413-6250

Norman H. Horton, Jr., Esq.
Messer, Caparello & Self, P.A.
215 South Monroe Street
Suite 701
Tallahassee, FL 32301

James C. Falvey, Esq.
e.spire Communications, Inc.
133 National Business Parkway
Suite 200
Annapolis Junction, MD 20701



Mary K. Keyer

BELLSOUTH TELECOMMUNICATIONS, INC.

FPSC DOCKET NO. 981008-TP

STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS

POD NO. 3

October, 1998 CLEC Usage Summary

State	OCN	Name	Total MOU	Estimated ISP MOU	Percent ISP MOU to Total	Percent Local MOU

Florida						
	7635	AMERICAN COMMUN. SVCS. OF JACKSONVILLE	20,832,207	18,748,980	90.00%	96.74%

--	--	--	--	--	--	--

--	--	--	--	--	--	--

--	--	--	--	--	--	--

Private/Proprietary not for disclosure outside of BellSouth without written agreement.

October, 1998 CLEC Usage Summary

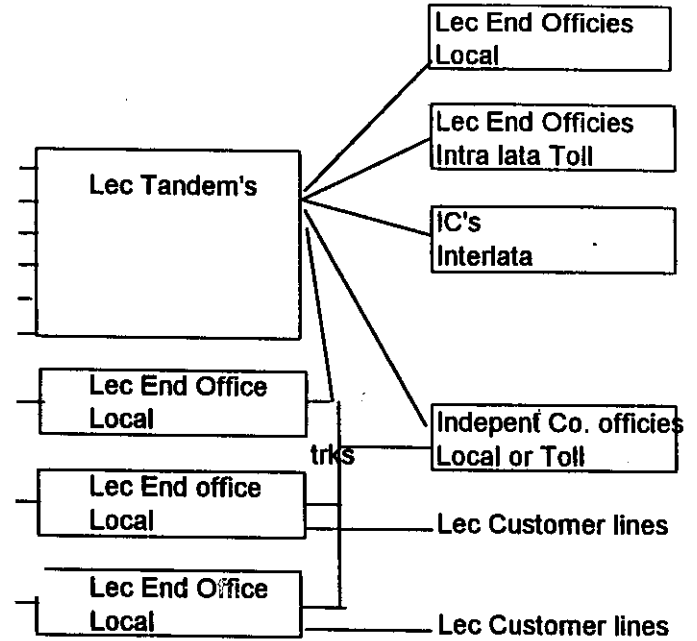
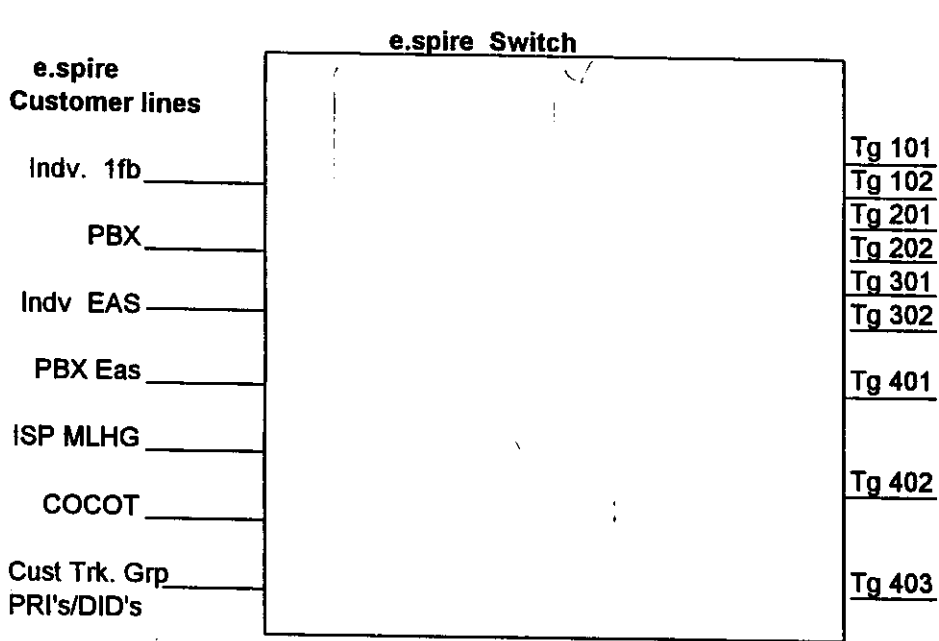
State	OCN	Name	Total MOU	Estimated ISP MOU	Percent ISP MOU to Total	Percent Local MOU

Notes:

- 1 Total MOU's shown are actual MOU's from AMA tapes identified as calls terminating to CLEC numbers.
- 2 ISP MOU's were estimated using MOU's known to be terminated to ISP telephone numbers and message holding times of extended duration.
- 3 Total MOU represents local, intralata and RCF MOU's.
- 4 Percent local can be used with either Total MOU or estimated ISP MOU's column to determine local only MOU's (remainder are intralata or RCF interstate MOU's)

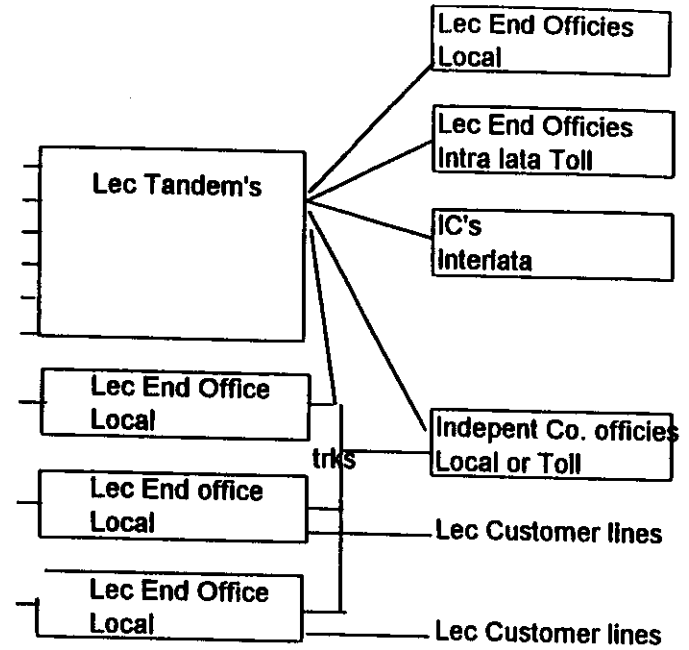
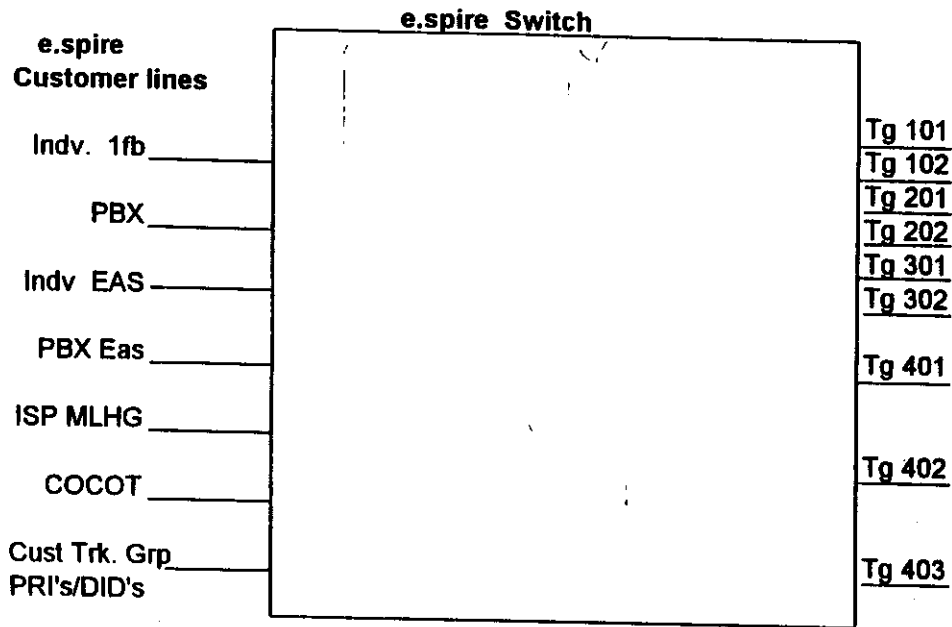
Private/Proprietary not for
disclosure outside of
BellSouth without
written agreement.

DOR Matrix



FLORIDA PUBLIC SERVICE COMMISSION
 DOCKET NO. 981608-TP EXHIBIT NO. 4
 WITNESS: e. spire / Cummings / [Signature]
 DATE: 1-28-99

DOR Matrix



DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 1 OF 168

BILL NUMBER: 334 BSD-5181 478
INVOICE NUMBER: BSD5181478-98199
BILL DATE: JUNE 15, 1998
PAGE: 1

TO: ATTN: ACCESS BILL VERIFICATION GROUP
BELLSOUTH
600 NORTH 19TH STREET
25TH FLOOR
BIRMINGHAM, AL 35203

Remit: e.spire COMMUNICATIONS, INC.
FORMERLY (ACSI)
Treasury Dept.
131 National Business Parkway, Suite 100
Annapolis Junction, MD 20701

BILLING INQUIRES CALL (301) 361-4250

SWITCHED ACCESS SERVICE

DETAIL OF CURRENT CHARGES

OTHER CHARGES AND CREDITS - SEE DETAIL

LOCAL

0.00

USAGE CHARGES - SEE DETAIL

LOCAL

TOTAL CURRENT CHARGES DUE BY JULY 15, 1998

TOTAL AMOUNT DUE

DETAIL OF USAGE CHARGES FOR OFFICE MTGMALGYDS0
USAGE BILLING CYCLE MAY 1 THRU MAY 31, 1998
LOCAL

RATE CATEGORY
TERMINATING

QUANTITY

RATE

MILES

AMOUNT

TOTAL FOR LOCAL USAGE FOR OFFICE MTGMALGYDS0

DETAIL OF USAGE CHARGES FOR OFFICE BRHMALFCDS0
USAGE BILLING CYCLE MAY 1 THRU MAY 31, 1998
LOCAL

RATE CATEGORY
TERMINATING

QUANTITY

RATE

MILES

AMOUNT

TOTAL FOR LOCAL USAGE FOR OFFICE BRHMALFCDS0

DETAIL OF USAGE CHARGES FOR OFFICE CLMBGAEDDS0
USAGE BILLING CYCLE MAY 1 THRU MAY 31, 1998
LOCAL

RATE CATEGORY
TERMINATING

QUANTITY

RATE

MILES

AMOUNT

TOTAL FOR LOCAL USAGE FOR OFFICE CLMBGAEDDS0

BILL NUMBER: 334 BSD-5181 473
INVOICE NUMBER: BSD5181478-98199
BILL DATE: JUNE 15, 1998
PAGE: 2

DETAIL OF USAGE CHARGES FOR OFFICE NWORLAMODC0
USAGE BILLING CYCLE MAY 1 THRU MAY 31, 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	[REDACTED]		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE NWORLAMODC0				[REDACTED]

DETAIL OF USAGE CHARGES FOR OFFICE LSVLKY27DS0
USAGE BILLING CYCLE MAY 1 THRU MAY 31, 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	[REDACTED]		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE LSVLKY27DS0				[REDACTED]

DETAIL OF USAGE CHARGES FOR OFFICE JCVFLWFDC0
USAGE BILLING CYCLE MAY 1 THRU MAY 31, 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	[REDACTED]		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE JCVFLWFDC0				[REDACTED]

DETAIL OF USAGE CHARGES FOR OFFICE JCVFLWFDC0
USAGE BILLING CYCLE APRIL 1 THRU APRIL 30, 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	[REDACTED]		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE JCVFLWFDC0				[REDACTED]

DETAIL OF USAGE CHARGES FOR OFFICE JCVFLWFDC0
USAGE BILLING CYCLE MARCH 1 THRU MARCH 31, 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	[REDACTED]		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE JCVFLWFDC0				[REDACTED]



Division of Revenue

Report Time/Date: 08.12.22 / 05/05/98 ID: DRIIR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/01/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 3 OF 168



Division of Revenue

Report Time/Date: 08.12.22 / 05/05/98 ID: DRHR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/02/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 4 OF 168



Division of Revenue

Report Time/Date: 08.12.22 / 05/05/98 ID: DR11R

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/03/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 5 OF 168



Division of Revenue

Report Time/Date: 08.12.22 / 05/05/98 ID: DRIIR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/04/98	JCVLFLWFDC0	31		
		41		
		42		
		45		
		46		
		48		
		52		
		301		
		302		
		310		
		321		
		322		
		330		
		501		
		502		
		510		
		601		
1023				

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 6 OF 168



Division of Revenue

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/06/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 7 OF 168



Division of Revenue

Report Time/Date: 09.58.29 / 05/08/98 ID: DRHR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/07/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
1023	[REDACTED]	[REDACTED]		

[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 8 OF 168



Division of Revenue

Report Time/Date: 08.31.14 / 05/11/98 ID: DRIIR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/08/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		48		
		49		
		301		
		302		
		310		
		321		
		322		
		330		
		501		
		502		
		510		
		601		
		1023		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 9 OF 168



Division of Revenue

Report Time/Date: 08.31.14 / 05/11/98 ID: DRIIR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/09/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 10 OF 168



Division of Revenue

Report Time/Date: 08.31.14 / 05/11/98 ID: DRIIR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/10/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 11 OF 168



Division of Revenue

Report Time/Date: 09.01.58 / 05/12/98 ID: DRHR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/11/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 12 OF 168



Division of Revenue

Report Time/Date: 08.49.52 / 05/14/98 ID: DRIIR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/12/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 13 OF 168



Division of Revenue

Report Time/Date: 08.26.44 / 05/15/98 ID: DRIIR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/14/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 14 OF 168



Division of Revenue

Report Time/Date: 08.23.25 / 05/19/98 ID: DRIIR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/15/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 15 OF 168



Division of Revenue

Report Time/Date: 08.23.25 / 05/19/98 ID: DRHR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/16/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 16 OF 168



Division of Revenue

Report Time/Date: 08.23.25 / 05/19/98 ID: DRIIR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/17/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 17 OF 168



Division of Revenue

Report Time/Date: 08.41.02 / 05/19/98 ID: DRIIR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/18/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		48		
		52		
		53		
		221		
		230		
		301		
		302		
		310		
		321		
		322		
		330		
		501		
		502		
		510		
		601		
		1023		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 18 OF 168



Division of Revenue

Report Time/Date: 09.25.22 / 05/21/98 ID: DRIIR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/19/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 19 OF 168



Division of Revenue

Report Time/Date: 09.25.22 / 05/21/98 ID: DRHR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/20/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

5

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 20 OF 168



Division of Revenue

Report Time/Date: 08.14.12 / 05/22/98 ID: DRIHR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/21/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 21 OF 168



Division of Revenue

Report Time/Date: 08.30.00 / 05/28/98 ID: DRIHR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/22/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 22 OF 168



Division of Revenue

Report Time/Date: 08.30.00 / 05/28/98 ID: DRHR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/23/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 23 OF 168



Division of Revenue

Report Time/Date: 08.30.00 / 05/28/98 ID: DRHR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/24/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 24 OF 168



Division of Revenue

Report Time/Date: 08.30.00 / 05/28/98 ID: DRHR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/25/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 25 OF 168



Division of Revenue

Report Time/Date: 08.30.00 / 05/28/98 ID: DRHR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/26/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		48		
		51		
		52		
		53		
		54		
		221		
		230		
		301		
		302		
		310		
		321		
		330		
		501		
		502		
		510		
		601		
		1023		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 26 OF 168



Division of Revenue

Report Time/Date: 08.30.00 / 05/28/98 ID: DRIIR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/27/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		50	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 27 OF 168



Division of Revenue

Report Time/Date: 09.05.58 / 05/29/98 ID: DRHR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/28/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 28 OF 168



Division of Revenue

Report Time/Date: 08.44.37 / 06/01/98 ID: DRHR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/29/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 29 OF 168



Division of Revenue

Report Time/Date: 08.44.37 / 06/01/98 ID: DRHR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/30/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 30 OF 168



Division of Revenue

Report Time/Date: 08.44.37 / 06/01/98 ID: DRIIR

Company : ACSI
Exchange : ALL SWITCH GROUP - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
05/31/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 31 OF 168

Jacksonville FL
 March '98

Day	Date	TERMINATING LOCAL		ORIGINATING LOCAL	
		301 Mess	Minutes	ALL Mess	Minutes
Sun	3/1/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mon	3/2/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tue	3/3/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Wed	3/4/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Thu	3/5/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Fri	3/6/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sat	3/7/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sun	3/8/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mon	3/9/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tue	3/10/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Wed	3/11/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Thu	3/12/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Fri	3/13/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sat	3/14/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sun	3/15/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mon	3/16/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tue	3/17/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Wed	3/18/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Thu	3/19/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Fri	3/20/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sat	3/21/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sun	3/22/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mon	3/23/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tue	3/24/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Wed	3/25/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Thu	3/26/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Fri	3/27/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sat	3/28/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sun	3/29/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mon	3/30/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tue	3/31/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

CCSS - MIN

Jacksonville	Mess	Minutes
TOTAL TERM	[REDACTED]	[REDACTED]
TERM - ORIG	[REDACTED]	[REDACTED]

Jacksonville FL
 April '98

Day	Date	TERMINATING LOCAL		ORIGINATING LOCAL	
		301 Mess	Minutes	ALL Mess	Minutes
Wed	4/1/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Thu	4/2/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Fri	4/3/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sat	4/4/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sun	4/5/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mon	4/6/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tue	4/7/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Wed	4/8/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Thu	4/9/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Fri	4/10/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sat	4/11/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sun	4/12/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mon	4/13/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tue	4/14/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Wed	4/15/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Thu	4/16/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Fri	4/17/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sat	4/18/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sun	4/19/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mon	4/20/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tue	4/21/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Wed	4/22/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Thu	4/23/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Fri	4/24/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sat	4/25/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sun	4/26/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mon	4/27/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tue	4/28/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Wed	4/29/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Thu	4/30/98	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
CCSS - MIN		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Jacksonville	Mess	Minutes
TOTAL TERM	[REDACTED]	[REDACTED]
TERM - ORIG	[REDACTED]	[REDACTED]

J'ville

Jacksonville, Fl.

Cell Group 0000 is Trouble Default
Cell Group 1023 are NON DOR Calls

Originating Outgoing Calls

Cell Grps	From	To
0041	ACSI	LOCAL LEC CODES
0042	ACSI	INTRASTATE INTRALATA
0043	ACSI	INTRASTATE INTERLATA
0044	ACSI	INTERSTATE INTRALATA
0045	ACSI	INTERSTATE INTERLATA
0046	ACSI	NPA 800/888
0047	ACSI	EMERGENCY SERVICE 911
0048	ACSI	DA 411
0049	ACSI	950 FEATURE GROUP B CALLS
0050	ACSI	MISCELLANEOUS
0051	ACSI	011 IDDD
0052	ACSI	0- OPERATOR
0053	ACSI	00- OPERATOR
0054	ACSI	01 INTERNATIONAL OPERATOR ASSIST
0055	ACSI	CARRIER CUT-THRU

0031 All Intraoffice Calls

IntraLata Incoming Calls From End Offices

Tg 401	Tg 402	Tg 403	From	To
0211	0221	0231	LEC	IDV
0212	0222	0232	LEC	PBX
0213	0223	0233	LEC	IDV EAS
0214	0224	0234	LEC	PBX EAS
0215	0225	0235	LEC	ISP
0216	0226	0236	LEC	COCOT
0217	0227	0237		
0218	0228	0238		
0219	0229	0239		
0220	0230	0240	LEC	PRI/TRK.

J'ville

IntraLata Incoming Calls From Tandem

Tg 301	Tg 302	From	To
0301	0311	LEC	IDV
0302	0312	LEC	PBX
0303	0313	LEC	IDV EAS
0304	0314	LEC	PBX EAS
0305	0315	LEC	ISP
0306	0316	LEC	COCOT
0307	0317		
0308	0318		
0309	0319		
0310	0320	LEC	PRI/TRK.

Cell Groups

	From	To
0601	LEC Tgs. LOCAL	LEC CODES
0602	LEC Tgs. INTRASTATE	INTRALATA
0603	LEC Tgs. INTRASTATE	INTERLATA
0604	LEC Tgs. INTERSTATE	INTRALATA
0605	LEC Tgs. INTERSTATE	INTERLATA
0606	LEC Tgs. NPA 800/888	

InterLata Incoming Calls From Tandem

Tg 201	Tg 202	From	To
0501	0511	LEC	IDV
0502	0512	LEC	PBX
0503	0513	LEC	IDV EAS
0504	0514	LEC	PBX EAS
0505	0515	LEC	ISP
0506	0516	LEC	COCOT
0507	0517		
0508	0518		
0509	0519		
0510	0520	LEC	PRI/TRK.

InterLata Incoming Calls From IC

Frontier	From	To
Tg 1100		
0551	IEC	IDV
0552	IEC	PBX
0553	IEC	IDV EAS
0554	IEC	PBX EAS
0555	IEC	ISP
0556	IEC	COCOT
0557		
0558		
0559		
0560	IEC	PRI/TRK.

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 36 OF 168

BILL NUMBER: 334 BSD-5181 478
INVOICE NUMBER: BSD5181478-98196
BILL DATE: JULY 15, 1998
PAGE: 1

TO: BELLSOUTH
600 NORTH 19TH STREET
25TH FLOOR
BIRMINGHAM, AL 35203
ATTN: ACCESS BILL VERIFICATION GROUP

REMIT: e spire COMMUNICATIONS, INC
(FORMERLY ACSI)
RECIPROCAL COMPENSATION
PO BOX 64576
BALTIMORE, MD 21264

BILLING INQUIRES CALL (301) 361-4250

SWITCHED ACCESS SERVICE

DETAIL OF CURRENT CHARGES

OTHER CHARGES AND CREDITS - SEE DETAIL

LOCAL

0.00

USAGE CHARGES - SEE DETAIL

LOCAL

TOTAL CURRENT CHARGES DUE BY AUGUST 15, 1998

TOTAL AMOUNT DUE

**DETAIL OF USAGE CHARGES FC
USAGE BILLING CYCLE JUNE
LOCAL**

**MALGYDS0
30, 1998**

RATE CATEGORY
TERMINATING

QUANTITY

RATE

MILES

AMOUNT

TOTAL FOR LOCAL USAGE FOR OFFICE MTGMALGYDS0

**DETAIL OF USAGE CHARGES FOR OFFICE BRHMALFCDS0
USAGE BILLING CYCLE JUNE 1 THRU JUNE 30, 1998
LOCAL**

RATE CATEGORY
TERMINATING

QUANTITY

RATE

MILES

AMOUNT

TOTAL FOR LOCAL USAGE FOR OFFICE BRHMALFCDS0

**DETAIL OF USAGE CHARGES FOR OFFICE CLMBGAEDDS0
USAGE BILLING CYCLE JUNE 1 THRU JUNE 30, 1998
LOCAL**

RATE CATEGORY
TERMINATING

QUANTITY

RATE

MILES

AMOUNT

TOTAL FOR LOCAL USAGE FOR OFFICE CLMBGAEDDS0

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 37 OF 168

BILL NUMBER: 334 BSD-5181 478
INVOICE NUMBER: BSD5181478-98196
BILL DATE: JULY 15, 1998
PAGE: 2

DETAIL OF USAGE CHARGES FOR OFFICE NWORLAMODC0
USAGE BILLING CYCLE JUNE 1 THRU JUNE 30, 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	██████████	██████████		██████████
TOTAL FOR LOCAL USAGE FOR OFFICE NWORLAMODC0				██████████

DETAIL OF USAGE CHARGES FOR OFFICE LSVLKY27DS0
USAGE BILLING CYCLE JUNE 1 THRU JUNE 30, 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	██████████	██████████		██████████
TOTAL FOR LOCAL USAGE FOR OFFICE LSVLKY27DS0				██████████

DETAIL OF USAGE CHARGES FOR OFFICE JCVFLWFDC0
USAGE BILLING CYCLE JUNE 1 THRU JUNE 30, 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	██████████	██████████		██████████
TOTAL FOR LOCAL USAGE FOR OFFICE JCVFLWFDC0				██████████

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/01/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 38 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRIIR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Table with 5 columns: Date, Switch, Cell Groupings, Peg Count, Usage. Data for 06/02/98, JCVLFLWFDC0, listing cell groupings from 31 to 1023 with redacted Peg Count and Usage values.

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 39 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/03/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 40 OF 168



Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/04/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 41 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DR11R

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/05/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 42 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/06/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 43 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRIIR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/07/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 44 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/08/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		48		
		49		
		51		
		52		
		220		
		221		
		230		
		301		
		302		
		310		
		321		
		322		
		330		
		501		
502				
510				
601				
1023				

DOCKET NO. 98 1008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 45 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRIIR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/09/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		55	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 46 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRIIR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/10/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		48		
		51		
		52		
		53		
		220		
		221		
		230		
		301		
		302		
		310		
		321		
		322		
		330		
		501		
502				
510				
601				
1023				

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 47 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRIIR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/11/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 48 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/12/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
501	[REDACTED]	[REDACTED]		
502	[REDACTED]	[REDACTED]		
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 49 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/13/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 50 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRIIR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent Sess

Date	Switch	Cell Groupings	Peg Count	Usage
06/14/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 51 OF 168



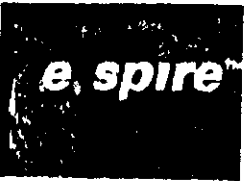
Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DR11R

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/15/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 52 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRIIR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/16/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 53 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/17/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 54 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/18/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 55 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRIIR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/19/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
502	[REDACTED]	[REDACTED]		
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 56 OF 168



Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/20/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 57 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRIIR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/21/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 58 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/22/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		47		
		48		
		51		
		52		
		53		
		220		
		221		
		230		
		301		
		302		
		310		
		321		
		330		
		501		
		502		
		510		
		601		
		1023		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 59 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRHR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/25/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		48		
		51		
		52		
		53		
		54		
		220		
		221		
		230		
		301		
		302		
		310		
		321		
		322		
		330		
		501		
		502		
		510		
		601		
		1023		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 60 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/26/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 61 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/27/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 62 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/28/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 63 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/29/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 64 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
06/30/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
501	[REDACTED]	[REDACTED]		
502	[REDACTED]	[REDACTED]		
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 65 OF 168

Jacksonville, Fl.

Cell Group 0000 is Trouble Default
Cell Group 1023 are NON DOR Calls

Originating Outgoing Calls

Cell Grps	From	To
0041	ACSI	LOCAL LEC CODES
0042	ACSI	INTRASTATE INTRALATA
0043	ACSI	INTRASTATE INTERLATA
0044	ACSI	INTERSTATE INTRALATA
0045	ACSI	INTERSTATE INTERLATA
0046	ACSI	NPA 800/888
0047	ACSI	EMERGENCY SERVICE 911
0048	ACSI	DA 411
0049	ACSI	950 FEATURE GROUP B CALLS
0050	ACSI	MISCELLANEOUS
0051	ACSI	011 IDDD
0052	ACSI	0- OPERATOR
0053	ACSI	00- OPERATOR
0054	ACSI	01 INTERNATIONAL OPERATOR ASSIST
0055	ACSI	CARRIER CUT-THRU

0031 All Intraoffice Calls

IntraLata Incoming Calls From End Offices

Tg 401	Tg 402	Tg 403	From	To
0211	0221	0231	LEC	IDV
0212	0222	0232	LEC	PBX
0213	0223	0233	LEC	IDV EAS
0214	0224	0234	LEC	PBX EAS
0215	0225	0235	LEC	ISP
0216	0226	0236	LEC	COCOT
0217	0227	0237		
0218	0228	0238		
0219	0229	0239		
0220	0230	0240	LEC	PRI/TRK.

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 66 OF 168

IntraLata Incoming Calls From Tandem

Tg 301	Tg 302	From	To
0301	0311	LEC	IDV
0302	0312	LEC	PBX
0303	0313	LEC	IDV EAS
0304	0314	LEC	PBX EAS
0305	0315	LEC	ISP
0306	0316	LEC	COCOT
0307	0317		
0308	0318		
0309	0319		
0310	0320	LEC	PRI/TRK.

Cell Groups

	From	To
0601	LEC Tgs.	LOCAL LEC CODES
0602	LEC Tgs.	INTRASTATE INTRALATA
0603	LEC Tgs.	INTRASTATE INTERLATA
0604	LEC Tgs.	INTERSTATE INTRALATA
0605	LEC Tgs.	INTERSTATE INTERLATA
0606	LEC Tgs.	NPA 800/888

InterLata Incoming Calls From Tandem

Tg 201	Tg 202	From	To
0501	0511	LEC	IDV
0502	0512	LEC	PBX
0503	0513	LEC	IDV EAS
0504	0514	LEC	PBX EAS
0505	0515	LEC	ISP
0506	0516	LEC	COCOT
0507	0517		
0508	0518		
0509	0519		
0510	0520	LEC	PRI/TRK.

InterLata Incoming Calls From IC

Frontier	Tg 1100	From	To
	0551	IEC	IDV
	0552	IEC	PBX
	0553	IEC	IDV EAS
	0554	IEC	PBX EAS
	0555	IEC	ISP
	0556	IEC	COCOT
	0557		
	0558		
	0559		
	0560	IEC	PRI/TRK.

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 67 OF 168

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 68 OF 168

BILL NUMBER: 334 BSD-5181 478
INVOICE NUMBER: BSD5181478-98227
BILL DATE: AUGUST 15, 1998
PAGE: 1

TO: BELLSOUTH
600 NORTH 19TH STREET
25TH FLOOR
BIRMINGHAM, AL 35203
ATTN: ACCESS BILL VERIFICATION GROUP

REMIT : e.spire COMMUNICATIONS, INC
(FORMERLY ACSI)
RECIPROCAL COMPENSATION
PO BOX 64576
BALTIMORE, MD 21264

BILLING INQUIRES CALL (301) 361-4250

SWITCHED ACCESS SERVICE

DETAIL OF CURRENT CHARGES

OTHER CHARGES AND CREDITS - SEE DETAIL

LOCAL

0.00

USAGE CHARGES - SEE DETAIL

LOCAL

TOTAL CURRENT CHARGES DUE BY SEPTEMBER 15, 1998

TOTAL AMOUNT DUE

*DETAIL OF USAGE CHARGES FOR OFFICE MTGMALGYDS0
USAGE BILLING CYCLE JULY 1 THRU JULY 31 1998
LOCAL*

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING				
TOTAL FOR LOCAL USAGE FOR OFFICE MTGMALGYDS0				

*DETAIL OF USAGE CHARGES FOR OFFICE BRHMALFCDS0
USAGE BILLING CYCLE JULY 1 THRU JULY 31 1998
LOCAL*

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING				
TOTAL FOR LOCAL USAGE FOR OFFICE BRHMALFCDS0				

*DETAIL OF USAGE CHARGES FOR OFFICE CLMBGAEDDS0
USAGE BILLING CYCLE JULY 1 THRU JULY 31 1998
LOCAL*

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING				
TOTAL FOR LOCAL USAGE FOR OFFICE CLMBGAEDDS0				

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 69 OF 168

BILL NUMBER: 334 BSD-5181 478
INVOICE NUMBER: BSD5181478-98227
BILL DATE: AUGUST 15, 1998
PAGE: 2

DETAIL OF USAGE CHARGES FOR OFFICE NWORLAMODC0
USAGE BILLING CYCLE JULY 1 THRU JULY 31 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	██████████	██████████		██████████
TOTAL FOR LOCAL USAGE FOR OFFICE NWORLAMODC0				██████████

DETAIL OF USAGE CHARGES FOR OFFICE LSVLKY27DS0
USAGE BILLING CYCLE JULY 1 THRU JULY 31 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	██████████	██████████		██████████
TOTAL FOR LOCAL USAGE FOR OFFICE LSVLKY27DS0				██████████

DETAIL OF USAGE CHARGES FOR OFFICE JCVFLWFDC0
USAGE BILLING CYCLE JULY 1 THRU JULY 31 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	██████████	██████████		██████████
TOTAL FOR LOCAL USAGE FOR OFFICE JCVFLWFDC0				██████████

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/01/98	JCVLFLWFDC0	31		
		41		
		42		
		45		
		46		
		48		
		51		
		52		
		53		
		54		
		220		
		221		
		230		
		301		
		302		
		310		
		321		
		330		
		501		
		502		
510				
601				
1023				

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 70 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/02/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 71 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/03/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 72 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/04/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 73 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/05/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 74 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRIIR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/06/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 75 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRIIR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/07/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 76 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRIIR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/08/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 77 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/09/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 78 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DR11R

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/10/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		48		
		49		
		51		
		52		
		53		
		220		
		221		
		230		
		301		
		302		
		310		
		321		
		322		
		330		
		501		
		502		
		510		
		601		
		1023		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 79 OF 168



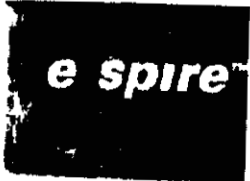
Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRIHR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/11/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 80 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRIIR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/12/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 81 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRHR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/13/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 82 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/14/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		48		
		51		
		52		
		53		
		220		
		221		
		230		
		301		
		302		
		310		
		321		
		322		
		330		
		501		
		502		
		510		
		601		
		1023		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 83 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DR11R

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/15/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 84 OF 168

Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRIHR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/17/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		47		
		48		
		51		
		52		
		53		
		220		
		221		
		230		
		301		
		302		
		310		
		321		
		330		
		501		
		502		
		510		
		601		
		1023		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 85 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/18/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 86 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRIIR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/19/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 87 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/20/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		50	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
502	[REDACTED]	[REDACTED]		
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 88 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/21/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		48		
		49		
		51		
		52		
		53		
		54		
		220		
		221		
		230		
		301		
		302		
		310		
		321		
		330		
		501		
		502		
		510		
601				
1023				

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 89 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/22/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		47		
		48		
		49		
		51		
		52		
		53		
		220		
		221		
		230		
		301		
		302		
		310		
		321		
		330		
		501		
		502		
		510		
601				
1023				

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 90 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/23/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 91 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/24/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		50	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 92 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/25/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		55	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 93 OF 168

Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DR11R

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/26/98	JCVLFLWFDC0	31		
		41		
		42		
		45		
		46		
		47		
		48		
		49		
		220		
		221		
		230		
		301		
		302		
		310		
		321		
		330		
		501		
		502		
		510		
		601		
1023				

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 94 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/27/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		48		
		49		
		51		
		52		
		53		
		220		
		221		
		230		
		301		
		302		
		310		
		321		
		322		
		330		
		501		
		502		
		510		
		601		
		1023		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 95 OF 168

Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRHR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/28/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 96 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/29/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		47		
		48		
		49		
		51		
		52		
		53		
		220		
		221		
		230		
		301		
		302		
		310		
		321		
		322		
		330		
		501		
		502		
510				
601				
1023				

DOCKET NO: 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO: (KAC-2)
PAGE 97 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/30/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 98 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
07/31/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
502	[REDACTED]	[REDACTED]		
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 99 OF 168

Jacksonville, Fl.

Cell Group 0000 is Trouble Default
Cell Group 1023 are NON DOR Calls

Originating Outgoing Calls

Cell Grps	From	To
0041	ACSI	LOCAL LEC CODES
0042	ACSI	INTRASTATE INTRALATA
0043	ACSI	INTRASTATE INTERLATA
0044	ACSI	INTERSTATE INTRALATA
0045	ACSI	INTERSTATE INTERLATA
0046	ACSI	NPA 800/888
0047	ACSI	EMERGENCY SERVICE 911
0048	ACSI	DA 411
0049	ACSI	950 FEATURE GROUP B CALLS
0050	ACSI	MISCELLANEOUS
0051	ACSI	011 IDDD
0052	ACSI	0- OPERATOR
0053	ACSI	00- OPERATOR
0054	ACSI	01 INTERNATIONAL OPERATOR ASSIST
0055	ACSI	CARRIER CUT-THRU

0031 All Intraoffice Calls

IntraLata Incoming Calls From End Offices

Tg 401	Tg 402	Tg 403	From	To
0211	0221	0231	LEC	IDV
0212	0222	0232	LEC	PBX
0213	0223	0233	LEC	IDV EAS
0214	0224	0234	LEC	PBX EAS
0215	0225	0235	LEC	ISP
0216	0226	0236	LEC	COCOT
0217	0227	0237		
0218	0228	0238		
0219	0229	0239		
0220	0230	0240	LEC	PRI/TRK.

IntraLata Incoming Calls From Tandem

Tg 301	Tg 302	From	To
0301	0311	LEC	IDV
0302	0312	LEC	PBX
0303	0313	LEC	IDV EAS
0304	0314	LEC	PBX EAS
0305	0315	LEC	ISP
0306	0316	LEC	COCOT
0307	0317		
0308	0318		
0309	0319		
0310	0320	LEC	PRI/TRK.

Cell Groups

	From	To
0601	LEC Tgs. LOCAL	LEC CODES
0602	LEC Tgs. INTRASTATE	INTRALATA
0603	LEC Tgs. INTRASTATE	INTERLATA
0604	LEC Tgs. INTERSTATE	INTRALATA
0605	LEC Tgs. INTERSTATE	INTERLATA
0606	LEC Tgs. NPA 800/888	

InterLata Incoming Calls From Tandem

Tg 201	Tg 202	From	To
0501	0511	LEC	IDV
0502	0512	LEC	PBX
0503	0513	LEC	IDV EAS
0504	0514	LEC	PBX EAS
0505	0515	LEC	ISP
0506	0516	LEC	COCOT
0507	0517		
0508	0518		
0509	0519		
0510	0520	LEC	PRI/TRK.

InterLata Incoming Calls From IC

Frontier	From	To
Tg 1100		
0551	IEC	IDV
0552	IEC	PBX
0553	IEC	IDV EAS
0554	IEC	PBX EAS
0555	IEC	ISP
0556	IEC	COCOT
0557		
0558		
0559		
0560	IEC	PRI/TRK.



DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 102 OF 168

BILL NUMBER: 334 BSD-5181 478
INVOICE NUMBER: BSD5181478-98258
BILL DATE: SEPTEMBER 15, 1998
PAGE: 1

TO: BELLSOUTH
600 NORTH 19TH STREET
25TH FLOOR
BIRMINGHAM, AL 35203
ATTN: ACCESS BILL VERIFICATION GROUP

REMIT: e-spire COMMUNICATIONS, INC
RECIPROCAL COMPENSATION
PO BOX 64576
BALTIMORE, MD 21264

BILLING INQUIRES CALL (301) 361-4250

SWITCHED ACCESS SERVICE

DETAIL OF CURRENT CHARGES

OTHER CHARGES AND CREDITS - SEE DETAIL

LOCAL

0.00

USAGE CHARGES - SEE DETAIL

LOCAL

TOTAL CURRENT CHARGES DUE BY OCTOBER 15, 1998

TOTAL AMOUNT DUE

*DETAIL OF USAGE CHARGES FOR OFFICE MTGMALGYDS0
USAGE BILLING CYCLE AUGUST 1 THRU AUGUST 31 1998
LOCAL*

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING				
TOTAL FOR LOCAL USAGE FOR OFFICE MTGMALGYDS0				

*DETAIL OF USAGE CHARGES FOR OFFICE BRHMALFCDS0
USAGE BILLING CYCLE AUGUST 1 THRU AUGUST 31 1998
LOCAL*

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING				
TOTAL FOR LOCAL USAGE FOR OFFICE BRHMALFCDS0				

*DETAIL OF USAGE CHARGES FOR OFFICE CLMBGAEDDS0
USAGE BILLING CYCLE AUGUST 1 THRU AUGUST 31 1998
LOCAL*

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING				
TOTAL FOR LOCAL USAGE FOR OFFICE CLMBGAEDDS0				

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 103 OF 168

BILL NUMBER: 334 BSD-5181 473
INVOICE NUMBER: BSD5181478-98258
BILL DATE: SEPTEMBER 15, 1998
PAGE: 2

DETAIL OF USAGE CHARGES FOR OFFICE NWORLAMODC0
USAGE BILLING CYCLE AUGUST 1 THRU AUGUST 31 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	[REDACTED]		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE NWORLAMODC0				[REDACTED]

DETAIL OF USAGE CHARGES FOR OFFICE LSVLKY27DS0
USAGE BILLING CYCLE AUGUST 1 THRU AUGUST 31 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	[REDACTED]		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE LSVLKY27DS0				[REDACTED]

DETAIL OF USAGE CHARGES FOR OFFICE JCVLFLWFDC0
USAGE BILLING CYCLE AUGUST 1 THRU AUGUST 31 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	[REDACTED]		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE JCVLFLWFDC0				[REDACTED]

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/01/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		48		
		49		
		220		
		230		
		301		
		302		
		310		
		321		
		330		
		501		
		502		
		510		
		601		
		1023		

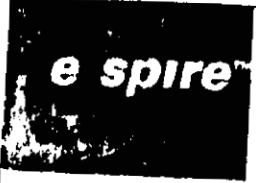
DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 104 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/02/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		47		
		48		
		220		
		221		
		230		
		301		
		302		
		310		
		321		
		330		
		501		
		502		
		510		
		601		
1023				

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 105 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRIIR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/03/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		48		
		49		
		51		
		52		
		53		
		220		
		221		
		230		
		301		
		302		
		310		
		321		
		322		
		330		
		501		
		502		
		510		
		601		
		1023		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 106 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/04/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		50	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 107 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/05/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		48		
		49		
		51		
		52		
		53		
		54		
		220		
		221		
		230		
		301		
		302		
		310		
		321		
		322		
		330		
		501		
502				
510				
601				
1023				

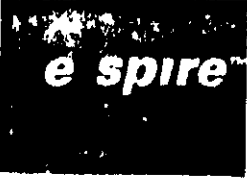
DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 108 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/06/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 109 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRIIR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/07/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 110 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRIIR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/08/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 111 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRHR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/09/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		47		
		48		
		51		
		220		
		230		
		301		
		310		
		321		
		330		
		501		
		502		
		510		
		601		
		1023		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 112 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/10/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		221	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 113 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRHR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/11/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		47		
		48		
		49		
		51		
		52		
		220		
		221		
		230		
		301		
		302		
		310		
		321		
		322		
		330		
		501		
		502		
510				
601				
1023				

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 114 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRI1R

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/12/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 115 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/13/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 116 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/14/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 117 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/16/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		23	[REDACTED]	[REDACTED]
		26	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		50	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		55	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		1404	[REDACTED]	[REDACTED]
		1405	[REDACTED]	[REDACTED]
		1406	[REDACTED]	[REDACTED]
		1407	[REDACTED]	[REDACTED]
		1409	[REDACTED]	[REDACTED]
		1410	[REDACTED]	[REDACTED]
1411	[REDACTED]	[REDACTED]		
5233	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 118 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/17/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 119 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/18/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		602	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]
		1239	[REDACTED]	[REDACTED]
		1240	[REDACTED]	[REDACTED]
		1241	[REDACTED]	[REDACTED]
1242	[REDACTED]	[REDACTED]		
1243	[REDACTED]	[REDACTED]		
1400	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 120 OF 168

e spire™

Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRHR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/18/98	JCVLFLWFDC0	1401	[REDACTED]	[REDACTED]
		1402	[REDACTED]	[REDACTED]
		1403	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. [REDACTED] (KAC-2)
PAGE 121 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/19/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		47		
		48		
		49		
		51		
		52		
		53		
		220		
		230		
		301		
		302		
		310		
		321		
		330		
		501		
		502		
		510		
		601		
		602		
		1023		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 122 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/20/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
601	[REDACTED]	[REDACTED]		
602	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KA C-2)
PAGE 123 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/21/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		50	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		55	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
501	[REDACTED]	[REDACTED]		
502	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 124 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRHR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/21/98	JCVLFLWFDC0	502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 125 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRHR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/23/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 126 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/25/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		602	[REDACTED]	[REDACTED]
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 127 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/26/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		20	[REDACTED]	[REDACTED]
		20	[REDACTED]	[REDACTED]
		29	[REDACTED]	[REDACTED]
		29	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		50	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		602	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 128 OF 168

e spire™

Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DR11R

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
08/26/98	JCVLFLWFDC0	1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 129 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

DOCKET NO: 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO: (KAC-2)
PAGE 130 OF 168

Date	Switch	Cell Groupings	Peg Count	Usage
08/27/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		48		
		49		
		51		
		52		
		53		
		220		
		230		
		301		
		302		
		310		
		321		
		322		
		330		
		501		
		502		
		510		
		601		
		602		
		1023		

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
DOCKET NO. 981008-TP WITNESS: CUMMINGS EXHIBIT NO. (KAC-2) PAGE 131 OF 168	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
601	[REDACTED]	[REDACTED]		
602	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DR11R

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 132 OF 168

Date	Switch	Cell Groupings	Peg Count	Usage
08/29/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
601	[REDACTED]	[REDACTED]		
602	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Per Count	Usage
08/30/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
510	[REDACTED]	[REDACTED]		
601	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 133 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 134 OF 168

Date	Switch	Cell Groupings	Peg Count	Usage
08/31/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		48		
		49		
		51		
		52		
		53		
		54		
		220		
		230		
		301		
		302		
		310		
		321		
		322		
		330		
		501		
		502		
		510		
		601		
		602		
		1023		

Jacksonville, Fl.

Cell Group 0000 is Trouble Default
Cell Group 1023 are NON DOR Calls

Originating Outgoing Calls

Cell Grps	From	To
0041	ACSI	LOCAL LEC CODES
0042	ACSI	INTRASTATE INTRALATA
0043	ACSI	INTRASTATE INTERLATA
0044	ACSI	INTERSTATE INTRALATA
0045	ACSI	INTERSTATE INTERLATA
0046	ACSI	NPA 800/888
0047	ACSI	EMERGENCY SERVICE 911
0048	ACSI	DA 411
0049	ACSI	950 FEATURE GROUP B CALLS
0050	ACSI	MISCELLANEOUS
0051	ACSI	011 IDDD
0052	ACSI	0- OPERATOR
0053	ACSI	00- OPERATOR
0054	ACSI	01 INTERNATIONAL OPERATOR ASSIST
0055	ACSI	CARRIER CUT-THRU
0031	All Intraoffice Calls	

IntraLata Incoming Calls From End Offices

	From	To		
Tg 401	Tg 402	Tg 403		
0211	0221	0231	LEC	IDV
0212	0222	0232	LEC	PBX
0213	0223	0233	LEC	IDV EAS
0214	0224	0234	LEC	PBX EAS
0215	0225	0235	LEC	ISP
0216	0226	0236	LEC	COCOT
0217	0227	0237		
0218	0228	0238		
0219	0229	0239		
0220	0230	0240	LEC	PRI/TRK.

IntraLata Incoming Calls From Tandem

		From	To
Tg 301	Tg 302		
0301	0311	LEC	IDV
0302	0312	LEC	PBX
0303	0313	LEC	IDV EAS
0304	0314	LEC	PBX EAS
0305	0315	LEC	ISP
0306	0316	LEC	COCOT
0307	0317		
0308	0318		
0309	0319		
0310	0320	LEC	PRI/TRK.

Cell Groups

	From	To
0601	LEC Tgs.	LOCAL LEC CODES
0602	LEC Tgs.	INTRASTATE INTRALATA
0603	LEC Tgs.	INTRASTATE INTERLATA
0604	LEC Tgs.	INTERSTATE INTRALATA
0605	LEC Tgs.	INTERSTATE INTERLATA
0606	LEC Tgs.	NPA 800/888

InterLata Incoming Calls From Tandem

		From	To
Tg 201	Tg 202		
0501	0511	LEC	IDV
0502	0512	LEC	PBX
0503	0513	LEC	IDV EAS
0504	0514	LEC	PBX EAS
0505	0515	LEC	ISP
0506	0516	LEC	COCOT
0507	0517		
0508	0518		
0509	0519		
0510	0520	LEC	PRI/TRK.

InterLata Incoming Calls From IC

	Frontier	From	To
Tg 1100			
0551	IEC	IDV	
0552	IEC	PBX	
0553	IEC	IDV EAS	
0554	IEC	PBX EAS	
0555	IEC	ISP	
0556	IEC	COCOT	
0557			
0558			
0559			
0560	IEC	PRI/TRK.	



DOCKET NO. 981008-TP
 WITNESS: CUMMINGS
 EXHIBIT NO. _____ (KAC-2)
 PAGE 137 OF 168

BILL NUMBER: 334 BSD-5181 478
 INVOICE NUMBER: BSD5181478-98288
 BILL DATE: OCTOBER 15, 1998
 PAGE: 1

TO: BELLSOUTH TELECOMMUNICATIONS, INC.
 600 NORTH 19TH STREET
 7TH FLOOR
 BIRMINGHAM, AL 35203
 ATTN: INTERCONNECTION PURCHASING CTR

REMIT: e-spire COMMUNICATIONS, INC.
 RECIPROCAL COMPENSATION
 PO BOX 64576
 BALTIMORE, MD 21264

BILLING INQUIRES CALL (301) 361-4250

SWITCHED ACCESS SERVICE

DETAIL OF CURRENT CHARGES

OTHER CHARGES AND CREDITS - SEE DETAIL

LOCAL

0.00

USAGE CHARGES - SEE DETAIL

LOCAL

TOTAL CURRENT CHARGES DUE BY NOVEMBER 15, 1998

TOTAL AMOUNT DUE

*DETAIL OF USAGE CHARGES FOR OFFICE MTGMALGYDS0
 USAGE BILLING CYCLE SEPTEMBER 1 THRU SEPTEMBER 30 1998
 LOCAL*

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING				
TOTAL FOR LOCAL USAGE FOR OFFICE MTGMALGYDS0				

*DETAIL OF USAGE CHARGES FOR OFFICE BRHMALFCDS0
 USAGE BILLING CYCLE SEPTEMBER 1 THRU SEPTEMBER 30 1998
 LOCAL*

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING				
TOTAL FOR LOCAL USAGE FOR OFFICE BRHMALFCDS0				

*DETAIL OF USAGE CHARGES FOR OFFICE CLMBGAEDDS0
 USAGE BILLING CYCLE SEPTEMBER 1 THRU SEPTEMBER 30 1998
 LOCAL*

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING				
TOTAL FOR LOCAL USAGE FOR OFFICE CLMBGAEDDS0				

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 138 OF 168

BILL NUMBER: 334 BSD-5181 478
INVOICE NUMBER: BSD5181478-98288
BILL DATE: OCTOBER 15, 1998
PAGE: 2

DETAIL OF USAGE CHARGES FOR OFFICE NWORLAMODC0
USAGE BILLING CYCLE SEPTEMBER 1 THRU SEPTEMBER 30 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	[REDACTED]		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE NWORLAMODC0				[REDACTED]

DETAIL OF USAGE CHARGES FOR OFFICE LSVLKY27DS0
USAGE BILLING CYCLE SEPTEMBER 1 THRU SEPTEMBER 30 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	[REDACTED]		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE LSVLKY27DS0				[REDACTED]

DETAIL OF USAGE CHARGES FOR OFFICE JCVLFLWFDC0
USAGE BILLING CYCLE SEPTEMBER 1 THRU SEPTEMBER 30 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	[REDACTED]		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE JCVLFLWFDC0				[REDACTED]

DETAIL OF USAGE CHARGES FOR OFFICE GNVLSCHPDC0
USAGE BILLING CYCLE SEPTEMBER 1 THRU SEPTEMBER 30 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	[REDACTED]		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE GNVLSCHPDC0				[REDACTED]

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/01/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		602	[REDACTED]	[REDACTED]
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 139 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/02/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		322	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		602	[REDACTED]	[REDACTED]
		605	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 140 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 141 OF 168

Date	Switch	Cell Groupings	Peg Count	Usage
09/03/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		220	[REDACTED]	[REDACTED]
		230	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		303	[REDACTED]	[REDACTED]
		304	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		321	[REDACTED]	[REDACTED]
		330	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		510	[REDACTED]	[REDACTED]
		601	[REDACTED]	[REDACTED]
		702	[REDACTED]	[REDACTED]
		704	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/04/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		303	[REDACTED]	[REDACTED]
		304	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		702	[REDACTED]	[REDACTED]
		704	[REDACTED]	[REDACTED]
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 142 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/05/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		303	[REDACTED]	[REDACTED]
		304	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		702	[REDACTED]	[REDACTED]
		704	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 143 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/07/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		303	[REDACTED]	[REDACTED]
		304	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		702	[REDACTED]	[REDACTED]
704	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 144 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/08/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		50	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		303	[REDACTED]	[REDACTED]
		304	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
702	[REDACTED]	[REDACTED]		
704	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 145 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRHR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/09/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		48		
		49		
		51		
		52		
		53		
		301		
		302		
		303		
		304		
		310		
		501		
		502		
		702		
		704		
1023				

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 146 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
DOCKET NO. 981008-TP WITNESS: CUMMINGS EXHIBIT NO. _____ (KAC-2) PAGE 161 OF 168	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		47		
		48		
		49		
		51		
		52		
		53		
		301		
		302		
		303		
		304		
		501		
		502		
702				
704				
1023				

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/25/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		50	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		303	[REDACTED]	[REDACTED]
		304	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		702	[REDACTED]	[REDACTED]
704	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 162 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/26/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		303	[REDACTED]	[REDACTED]
		304	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		702	[REDACTED]	[REDACTED]
704	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 163 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
DOCKET NO. 981008-TP WITNESS: CUMMINGS EXHIBIT NO. _____ (KAC-2) PAGE 164 OF 168	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		303	[REDACTED]	[REDACTED]
		304	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
702	[REDACTED]	[REDACTED]		
704	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/28/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		47		
		48		
		49		
		51		
		52		
		53		
		301		
		302		
		303		
		304		
		501		
		502		
		704		
		1023		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 165 OF 168

e spire

Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRHR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/29/98	JCVLFLWFDC0	704		
		1023		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 166 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/30/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		303	[REDACTED]	[REDACTED]
		304	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
502	[REDACTED]	[REDACTED]		
702	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 167 OF 168

Jacksonville, Fl.

Cell Group 0000 is Trouble Default
Cell Group 1023 are NON DOR Calls

Originating Outgoing Calls

Cell Grps	From	To
0041	ACSI	LOCAL LEC CODES
0042	ACSI	INTRASTATE INTRALATA
0043	ACSI	INTRASTATE INTERLATA
0044	ACSI	INTERSTATE INTRALATA
0045	ACSI	INTERSTATE INTERLATA
0046	ACSI	NPA 800/888
0047	ACSI	EMERGENCY SERVICE 911
0048	ACSI	DA 411
0049	ACSI	950 FEATURE GROUP B CALLS
0050	ACSI	MISCELLANEOUS
0051	ACSI	011 IDDD
0052	ACSI	0- OPERATOR
0053	ACSI	00- OPERATOR
0054	ACSI	01 INTERNATIONAL OPERATOR ASSIST
0055	ACSI	CARRIER CUT-THRU

0031 All Intraoffice Calls

IntraLata Incoming Calls From End Offices

	From	To
Tg 401	Tg 402	Tg 403
0211	0221	0231
0212	0222	0232
0213	0223	0233
0214	0224	0234
0215	0225	0235
0216	0226	0236
0217	0227	0237
0218	0228	0238
0219	0229	0239
0220	0230	0240
	LEC	PRI/TRK.

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/10/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		303	[REDACTED]	[REDACTED]
		304	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		702	[REDACTED]	[REDACTED]
704	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 147 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/11/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		47		
		48		
		49		
		50		
		51		
		52		
		53		
		301		
		302		
		303		
		304		
		310		
		501		
		502		
702				
704				
1023				

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 148 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent Sess

Date	Switch	Cell Groupings	Peg Count	Usage
09/12/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		303	[REDACTED]	[REDACTED]
		304	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		702	[REDACTED]	[REDACTED]
		704	[REDACTED]	[REDACTED]
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 149 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/13/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		303	[REDACTED]	[REDACTED]
		304	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		702	[REDACTED]	[REDACTED]
		704	[REDACTED]	[REDACTED]
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 150 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/14/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		303	[REDACTED]	[REDACTED]
		304	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
702	[REDACTED]	[REDACTED]		
704	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 151 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/15/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		303	[REDACTED]	[REDACTED]
		304	[REDACTED]	[REDACTED]
		310	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		702	[REDACTED]	[REDACTED]
704	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 152 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/16/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		303	[REDACTED]	[REDACTED]
		304	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		702	[REDACTED]	[REDACTED]
		704	[REDACTED]	[REDACTED]
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 153 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/17/98	JCVLFLWFDC0	0	[REDACTED]	[REDACTED]
		31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		303	[REDACTED]	[REDACTED]
		304	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		702	[REDACTED]	[REDACTED]
		704	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 154 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/18/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		47		
		48		
		49		
		51		
		52		
		54		
		301		
		302		
		303		
		304		
		501		
		502		
		702		
		704		
1023				

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 155 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/19/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		303	[REDACTED]	[REDACTED]
		304	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		702	[REDACTED]	[REDACTED]
704	[REDACTED]	[REDACTED]		
1023	[REDACTED]	[REDACTED]		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 156 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/20/98	JCVLFLWFDC0	31		
		41		
		42		
		45		
		46		
		47		
		48		
		49		
		51		
		52		
		54		
		301		
		302		
		303		
		304		
		501		
		502		
		702		
		704		
		1023		

DOCKET NO: 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO: _____ (KAC-2)
PAGE 157 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/21/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		50	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		54	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		303	[REDACTED]	[REDACTED]
		304	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		704	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. _____ (KAC-2)
PAGE 158 OF 168



Division of Revenue

Report Time/Date: 10.33.18 / 11/03/98 ID: DRHR

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/22/98	JCVLFLWFDC0	0		
		31		
		41		
		42		
		45		
		46		
		47		
		48		
		49		
		51		
		52		
		53		
		54		
		301		
		302		
		303		
		304		
		501		
		502		
		702		
		704		
		1023		

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 159 OF 168

Division of Revenue

Company : e.spire
Exchange : JCVLFLWFDC0 - JCVLFLWFDC0
Office Type : Lucent 5ess

Date	Switch	Cell Groupings	Peg Count	Usage
09/23/98	JCVLFLWFDC0	31	[REDACTED]	[REDACTED]
		41	[REDACTED]	[REDACTED]
		42	[REDACTED]	[REDACTED]
		45	[REDACTED]	[REDACTED]
		46	[REDACTED]	[REDACTED]
		47	[REDACTED]	[REDACTED]
		48	[REDACTED]	[REDACTED]
		49	[REDACTED]	[REDACTED]
		51	[REDACTED]	[REDACTED]
		52	[REDACTED]	[REDACTED]
		53	[REDACTED]	[REDACTED]
		301	[REDACTED]	[REDACTED]
		302	[REDACTED]	[REDACTED]
		303	[REDACTED]	[REDACTED]
		304	[REDACTED]	[REDACTED]
		501	[REDACTED]	[REDACTED]
		502	[REDACTED]	[REDACTED]
		702	[REDACTED]	[REDACTED]
		704	[REDACTED]	[REDACTED]
		1023	[REDACTED]	[REDACTED]

DOCKET NO. 981008-TP
WITNESS: CUMMINGS
EXHIBIT NO. (KAC-2)
PAGE 160 OF 168

**INTERCONNECTION AGREEMENT
BETWEEN ACSI AND BELL SOUTH**

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET
NO. 981008-TP EXHIBIT NO. 5
COMPANY/
WITNESS: Falvey / e. Spive
DATE: 1-20-99

E.17 BellSouth will provide and update an electronic copy of their Switch Network ID Database with a complete list of features and functions by switch, i.e., NPA/NXXs, rate centers, *etc.*

F. Local Number Assignment

ACSI will assign telephone numbers to its customers using at least one NXX per BellSouth tariffed local exchange metropolitan area; provided, that sufficient quantities of numbering resources are made available to ACSI.

G. Cross-Connection to Other Collocators

Where one Party collocates in the wire center of the other Party, the Party operating the wire center shall allow the Party collocated at the wire center to directly interconnect to any other entity which maintains a collocation facility at that same wire center. The Party operating the wire center shall enable such interconnection by effecting a cross-connection between those collocation facilities, as jointly directed by the Party collocated at the wire center and the other collocated entity. For each such cross-connection, the Party operating the wire center shall charge the otherwise applicable standard tariff or contract special access cross-connect rate to the collocated Party. No other charges shall apply for such cross-connection. ACSI reserves its right to petition for state commission arbitration of the pricing of such cross-connections.

VI. LOCAL TRAFFIC EXCHANGE

A. Exchange of Traffic

The Parties agree for the purpose of this Agreement only that local interconnection is defined as the delivery of local traffic to be terminated on each party's local network so that customers of either party have the ability to reach customers of the other party, without the use of any access code or delay in the processing of the call. The Parties further agree that the exchange of traffic on BellSouth's Extended Area Service (EAS) shall be considered local traffic and compensation for the termination of such traffic shall be pursuant to the terms of this section.

B. Compensation

With the exception of the local traffic specifically identified in subsection (C) hereafter, each party agrees to terminate local traffic originated and routed to it by the other party. The Parties agree that BellSouth will track the usage for both companies for the period of the Agreement. BellSouth will provide copies of such usage reports to ACSI on a monthly basis. For purposes of this Agreement, the Parties agree that there will be no cash compensation exchanged by the parties

during the term of this Agreement unless the difference in minutes of use for terminating local traffic exceeds 2 million minutes per state on a monthly basis. In such an event, the Parties will thereafter negotiate the specifics of a traffic exchange agreement which will apply on a going-forward basis.

C. Transit Traffic

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) a CLEC other than ACSI; (2) an ILEC other than BellSouth; or (3) another telecommunications company such as a wireless telecommunications service provider, the party performing the intermediary function will bill a \$0.002 per minute charge. However, BellSouth agrees that ACSI may cross-connect directly to such third Parties at the POI. In such an event, tariffed cross-connection non-recurring charges will apply, and no transitting charge will apply.

VII. MEET-POINT BILLING ARRANGEMENTS

Both Parties hereto provide interexchange access transport services to IXCs and other access service customers. Pursuant to the terms of this Agreement, ACSI will interconnect at selected BellSouth switches of its choosing for the purposes of providing certain Switched Access Services. On such occasions, a portion of the access transport service will be provided by each of the Parties hereto. This section establishes arrangements intended to enable each of the Parties hereto to serve and bill their mutual Switched Access Service customers, on an accurate and timely basis. The arrangements discussed in this section apply to the provision of both interLATA and intraLATA Switched Access Services. It is understood and agreed that ACSI is not obligated to provide any of its Switched Access Service(s) through any specific access tandem switch or access tandem provider, and may at its sole discretion, with due notice to those affected, modify its serving arrangements on its own initiative.

A. Applicability of OBF Guidelines

Meet-point billing (MPB) arrangements shall be established between the Parties to enable ACSI to provide, at its option, Switched Access Services to third Parties via specified LEC switches, in accordance with the Meet-Point Billing guidelines adopted by and contained in the Ordering and Billing Forum's MECAB and MECOD documents, except as modified herein. These arrangements are intended to be used to provide Switched Access Service that originates and/or terminates on an ACSI-provided Exchange Service, where the transport component of the Switched Access Service is routed through specified BellSouth switches.

XV. RESPONSIBILITIES OF THE PARTIES

- A. BellSouth and ACSI agree to treat each other fairly, non-discriminatorily, and equally for all items included in this Agreement or related to the support of items included in this Agreement.
- B. ACSI and BellSouth will work cooperatively to minimize fraud associated with third-number billed calls, calling card calls, or any other services related to this Agreement. The Parties fraud minimization procedures are to be cost effective and implemented so as not to unduly burden or harm one Party as compared to the other.
- C. ACSI and BellSouth agree to promptly exchange all necessary records for the proper billing of all traffic.
- D. ACSI and BellSouth will review engineering requirements on a quarterly basis and establish forecasts for trunk utilization, POI trunks, MPB arrangements, E-911, EISCC facility requirements, quantities of DNCF, loops and other services provided under this Agreement. New trunk groups will be implemented as dictated by engineering requirements for both BellSouth and ACSI. BellSouth and ACSI are required to provide each other the proper call information (e.g., originated call party number and destination call party number) to enable each company to bill in a complete and timely manner.
- E. The Parties will cooperate by exchanging technical information in order to identify and explore potential solutions to enable ACSI to establish unique rate centers, or to assign a single NXX code across multiple rate centers.
- F. ACSI and BellSouth will work jointly and cooperatively in developing and implementing common manual and/or electronic interfaces (including, for example, data elements, data format, and data transmission) from which to place service orders and trouble reports involving the provision of loops, DNCF, directory assistance, directory listings, E-911, and other services included in this Agreement. To the extent reasonable, ACSI and BellSouth will utilize the standards established by industry fora, such as OBF.
- G. BellSouth will support ACSI requests related to central office (NXX) code administration and assignments in an effective and timely manner. ACSI and BellSouth will comply with code administration requirements as prescribed by the FCC, the state commissions, and accepted industry guidelines.
- H. BellSouth shall not impose a cross-connect fee on ACSI where ACSI accesses 911 or E-911, reciprocal traffic exchange trunks, and network platform services, through a collocation arrangement at the BellSouth Wire Center.

- I. Notwithstanding any other provision of this Agreement, it is mutually understood and agreed that both Parties hereto reserve the right to establish each of the following, consistent with generally accepted industry standards.
 1. Rate centers (location and area within)
 2. Points of interchange (including meet points)
 3. Switching entity designation and supporting data (including inbound route choice)
 - a. end office
 - b. homing/homed to tandem
 4. Association of routing point(s) with end offices, POIs, *etc.*
 5. Published rate center and locality designations.

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 to alleviate or prevent network congestion.
- D. For network expansion, the Parties agree to review engineering requirements on a quarterly basis and establish forecasts for trunk utilization. New trunk groups will be added as reasonably warranted.
- E. ACSI and BellSouth will exchange appropriate information (*e.g.*, maintenance contact numbers, network information, information required to comply with law enforcement and other security agencies of the Government) to achieve desired reliability. In addition, ACSI and BellSouth will cooperatively plan and implement coordinated repair procedures to ensure customer trouble reports are resolved in a timely and appropriate manner.

XXII. MOST FAVORABLE PROVISIONS

- A. If as a result of any proceeding before any Court, Commission, or the FCC, any voluntary agreement or arbitration proceeding pursuant to the Act, or pursuant to any applicable federal or state law, BellSouth becomes obligated to provide interconnection, number portability, unbundled access to network elements or any other services related to interconnection, whether or not presently covered by this Agreement, to another telecommunications carrier operating within a state within the BellSouth territory at rates or on terms and conditions more favorable to such carrier than the comparable provisions of this Agreement, then ACSI shall be entitled to add such network elements and services, or substitute such more favorable rates, terms or conditions for the relevant provisions of this Agreement, which shall apply to the same states as such other carrier and such substituted rates, terms or conditions shall be deemed to have been effective under this Agreement as of the effective date thereof to such other carrier.
- B. If the more favorable provision is a result of the action of an appropriate regulatory agency or judicial body, whether commenced before or after the effective date of this Agreement, the Parties agree to incorporate such order in this Agreement as of its effective date. In the event BellSouth files and receives approval for a tariff offering to provide any substantive service of this Agreement in a way different than that provided for herein, the Parties agree that the Companies shall be eligible for subscription to said service at the rates, terms and conditions contained in tariffs as of the effective date of the tariff.
- C. In the event that BellSouth provides interconnection and/or temporary number portability arrangements via tariff or has or enters into an interconnection and/or temporary number portability agreement with another entity, BellSouth will permit ACSI an opportunity to inspect such tariff or agreement and, upon ACSI's request, BellSouth will immediately offer ACSI an agreement on the same material terms with effect from the date BellSouth first made such tariff effective or entered into such arrangement and for the remainder of the term of this Agreement. The other items covered by this Agreement and not covered by such tariff or agreement shall remain unaffected and as to such items this Agreement shall remain in effect.
- D. In the event that BellSouth is required by an FCC or a state commission decision or order to provide any one or more terms of interconnection or other matters covered by this Agreement that individually differ from any one or more corresponding terms of this Agreement, ACSI may elect to amend this Agreement to reflect all of such differing terms (but not less than all) contained in such decision or order, with effect from the date ACSI makes such election. The other items covered by this Agreement and not covered by such decision or order shall remain unaffected and as to such items this Agreement shall remain in effect.

ATTACHMENT B

DEFINITIONS

1. "Access Service Request" or "ASR" means an industry standard form used by the Parties to add, establish, change or disconnect trunks for the purposes of interconnection.

2. "Advanced Intelligent Network" or "AIN" means a network switching and architecture concept that centralizes intelligence in databases and application processors internal to the network rather than in central office switching systems. AIN enables the network to complete interactions (or actions) regarding routing, signaling and information quickly and accurately. The AIN concept permits intelligent database systems and application processors to be either centralized or distributed throughout one network.

3. "Advanced Intelligent Network Features" or "AIN/IN Features" refers to the replacement or enhancement of electronic switching and electronic network hardware and software functions via the use of distributed network based processors and Common Channel Interoffice Signaling (CCIS/SS7). For example, SCPs and STCs are part of the advanced intelligent network. AIN also features a "service creation environment" which permits the end user or reseller to create, and modify, in near real time, their own network routing instructions for calls to their facilities, creating, in effect a user customized virtual network.

4. "Affiliate" means 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) or more than 10 percent.

5. "American National Standards Institute" or "ANSI" is a private, non-profit organization representing more than 1,300 corporations, 30 government agencies, 20 institutions and 250 trade, labor, consumer, technical and professional organizations which sets voluntary standards for the United States (U.S.). ANSI has established an Information Infrastructure Standards Panel. ANSI is appointed by the U.S. State Department as a representative of the U.S. to the ITU's International Standards Organization.

6. "Automated Report Management Information System" or "ARMIS" means the most current ARMIS 4308 report issued by the FCC.

7. "Automatic Number Identification" or "ANI" is a telecommunications carrier signaling parameter that identifies, through industry standard network interfaces and formats (either SS7/CCIS (preferred), or in band signalling (predecessor technology)), the billing number of the calling party. This functionality is also known and referred to as "Calling Party Number" or "CPN." This term is not to be limited by "Called Party Identification" service, another product that is frequently required by call centers.

8. "Bell Communications Research" or "BellCore" means an organization owned jointly by the RBOC that conducts research and development projects for them.

standard signalling arrangements including repeat loop start, loop reverse battery, or ground start seizure and disconnect in one direction (toward the end office switch), and repeat ringing in the other direction (toward the end user).

a. "ISDN link/loop/circuit" is an ISDN link which provides a 2-wire ISDN digital circuit connection that will support digital transmission of two 64 Kbps clear channels and one 16 Kbps data channel (2B+D), suitable for provision of BRI-ISDN service. ISDN links shall be provisioned by least cost planning methodologies sufficient to insure industry standard interface, performance, price, reliability and operational characteristics are functionally transparent and are equal to or better than dedicated copper pairs. All things being equal, "Broadband ISDN" is preferred to CO-based ISDN circuits. Unless specifically identified and priced as "fractional" these circuits are assumed to be fully available.

b. "4-Wire DS-1 Digital Grade Links" will support full duplex transmission of isochronous serial data at 1.544 Mbps, and provide the equivalent of 24 voice grade channels. Unless specifically identified and priced as "fractional" these circuits are assumed to be fully available.

46. "Local Exchange Carrier" or "LEC" means any carrier that provides local common carrier telecommunications services to business and/or residential subscribers within a given LATA and interconnects to other carriers for the provision of alternative telecommunications products or services, including, but not limited to toll, special access, and private line services. This includes the Parties to this Agreement. The term "Incumbent-LEC" or "I-LEC" is sometimes used to refer to the dominant LEC for a particular locality (such as BellSouth). Such Incumbent-LECs include both Bell Operating Companies ("BOCs") and non-BOC LECs, which are often referred to as "Independent-LECs." By contrast, new entrants into the local exchange market are sometimes referred to as "Competitive LECs" or "CLECs," or sometimes as "Alternative LECs" or "ALECs."

47. "Local Exchange Routing Guide" or "LERG" means a BellCore Reference customarily used to identify NPA-NXX routing and homing information, as well as network element and equipment designations.

48. "Local Traffic" means telephone calls that originate in one exchange and terminate 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 A.3. of BellSouth's General Subscriber Service Tariff.

49. "Local Interconnection" means (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.

EXHIBIT No. ____ (JCF-2)



American Communications Services, Inc.
131 National Business Parkway, Suite 100
Annapolis Junction, Maryland 20701
301-617-4200 . FAX 301-617-4279
www.acsi.net

November 14, 1997

Mr. Pat Finlan
BellSouth Telecommunications
675 W. Peachtree Street
Room J4S91
Atlanta, Georgia 30375

Dear Pat:

I am writing to summarize our recent discussions concerning reciprocal compensation for local traffic.

As you know, ACSI and BellSouth entered into an Interconnection Agreement on July 25, 1996 which included the following provision concerning reciprocal compensation for local traffic:

With the exception of the local traffic specifically identified in subsection (C) hereafter, each party agrees to terminate local traffic originated and routed to it by the other party. The Parties agree that BellSouth will track the usage for both companies for the period of the Agreement. BellSouth will provide copies of such usage reports to ACSI on a monthly basis. For purposes of this Agreement, the Parties agree that there will be no cash compensation exchanged by the parties during the term of this Agreement unless the difference in minutes of use for terminating local traffic exceeds 2 million minutes per state on a monthly basis. In such an event, the Parties will thereafter negotiate the specifics of a traffic exchange agreement which will apply on a going-forward basis. Interconnection Agreement Section VI(B).

The key to triggering the transition from "bill and keep" to reciprocal usage-based compensation is the reports that were to be issued by BellSouth on local traffic differentials pursuant to Section VI(B) of the Interconnection Agreement. These reports were to have indicated the point at which the state-by-state differential for local traffic minutes exceeded 2,000,000 minutes on a monthly basis. This, in turn, was to trigger a negotiation of usage-based rates to permit the immediate exchange "on a going forward basis" of usage-based compensation based on the difference between local traffic originated and terminated to ACSI end users. As you know, ACSI has never received such reports from BellSouth.¹

¹ To the extent that BellSouth is cooperative in moving quickly to usage-based reciprocal compensation - including retroactive compensation, if necessary - ACSI will have no interest in protesting BellSouth's failure to issue such reports.

Mr. Pat Finlen
November 14, 1997
Page 2

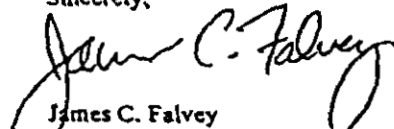
Accordingly, ACSI intends to begin billing BellSouth based upon ACSI's reports of local traffic differentials. ACSI will elect reciprocal compensation rates on a state-by-state basis which BellSouth has agreed to with other parties, or negotiate other rates. ACSI will begin billing BellSouth for local traffic differentials based on ACSI's traffic reporting system. If BellSouth develops its own reporting system, BellSouth will have the capability to compare its reports to ACSI's.

As we have discussed, an amendment to the ACSI/BellSouth Interconnection Agreement is necessary in light of the current imbalance in traffic. A proposed amendment is attached. ACSI anticipates that Schedule A, listing state specific reciprocal compensation rates, will be amended from time to time to add additional states. Please review the attached amendment and call me with your comments at your earliest convenience.

The Interconnection Agreement calls for usage-based compensation to be implemented "on a going forward basis." ACSI will bill BellSouth in each state beginning with the first month in which the local traffic differential exceeded 2 million minutes. ACSI's initial bill for reciprocal compensation for local traffic for Alabama and Georgia is attached hereto. The minutes billed are limited to local minutes for ACSI customers in Alabama and Georgia in October 1997. ACSI has calculated the difference between local traffic minutes originating by and terminating to ACSI end users and applied the rates in Schedule A to those minutes. ACSI is gathering and synthesizing data for earlier months, as well, and, will forward these bills shortly. As ACSI accumulates customers and minutes in other states, ACSI will also provide bills for these states.

I look forward to working with BellSouth in the transition to usage-based reciprocal compensation. Thank you for your attention to this matter.

Sincerely,


James C. Falvey
Vice President - Regulatory Affairs

cc: Stephen M. Klimacek,
Riley Murphy,
James Sudham

AMENDMENT

TO

INTERCONNECTION AGREEMENT BETWEEN ACSI AND
BELLSOUTH TELECOMMUNICATIONS DATED JULY 25, 1996

Pursuant to this Agreement (the "Agreement"), American Communications Services, Inc., on behalf of its local exchange operating subsidiaries (collectively "ACSI") and BellSouth Telecommunications, Inc. ("BellSouth") hereinafter referred to collectively as the "Parties" hereby agree to amend that certain Interconnection Agreement between the Parties dated July 25, 1996 ("Interconnection Agreement").

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

1. Pursuant to Section VI(B) of the Interconnection agreement, the parties agreed to transition to a usage-based reciprocal compensation agreement once the difference in minutes of use for terminating local traffic exceeds 2 million minutes per state on monthly basis. The usage-based rate, pursuant to the Agreement, applies on a going forward basis beginning with the month in which the 2 million minutes threshold is met.
2. The parties hereby agree that the rates attached on Schedule A shall apply to all local traffic exchanged between the parties as mutual and reciprocal compensation rates for the transport and termination of local traffic. Schedule A may be revised by Agreement of the Parties.
3. The rates applied in Schedule A shall apply on a state-by-state basis beginning with and including the first month in which the differential exceeds 2 million minutes. Thereafter, the usage-based rate shall apply every month, regardless of the traffic differential.
4. The rate will be applied to the difference between the local traffic minutes originated by and terminated to ACSI end users.
5. The Parties shall exchange monthly local traffic reports on a state-by-state basis. A party that receives to its end users more local traffic than it originates from its end users shall submit a monthly bill showing state-by-state traffic data justifying the monthly bill.

Page 2

6. The Parties will negotiate in good faith to resolve differences in their corresponding local traffic reports.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed by their respective duly authorized representatives on the date indicated below.

AMERICAN COMMUNICATIONS
SERVICES, INC.

By: _____

DATE: November 14, 1997

BELLSOUTH
TELECOMMUNICATIONS,
INC.

By: _____

DATE: November 14, 1997

SCHEDULE A

ALABAMA	\$.01 per minute
GEORGIA	\$.0087 per minute
KENTUCKY	\$.008 per minute
MISSISSIPPI	TBD
LOUISIANA	\$.02 per minute
FLORIDA	\$.009 per minute
TENNESSEE	TBD
SOUTH CAROLINA	IBD

BILL NUMBER: 334 BSD-5181 478
INVOICE NUMBER: BSD5181478-97318
BILL DATE: NOVEMBER 14, 1997
PAGE: 1

TO: ATTN: ACCESS BILL VERIFICATION GROUP
BELLSOUTH
600 NORTH 19TH STREET
25TH FLOOR
BIRMINGHAM, AL 35203

BILLING INQUIRES CALL (301)483-7622

DETAIL OF CURRENT CHARGES

OTHER CHARGES AND CREDITS - SEE DETAIL

LOCAL

0.00

USAGE CHARGES - SEE DETAIL

LOCAL

TOTAL CURRENT CHARGES DUE BY DECEMBER 15, 1997

TOTAL AMOUNT DUE

DETAIL OF USAGE CHARGES FOR OFFICE MTGMALGYDS0
USAGE BILLING CYCLE OCTOBER 1 THRU OCTOBER 31, 1997
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING		\$0.01		
TOTAL FOR LOCAL USAGE FOR OFFICE MTGMALGYDS0				

DETAIL OF USAGE CHARGES FOR OFFICE BRHMALFCDS0
USAGE BILLING CYCLE OCTOBER 1 THRU OCTOBER 31, 1997
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING		\$0.01		
TOTAL FOR LOCAL USAGE FOR OFFICE BRHMALFCDS0				

DETAIL OF USAGE CHARGES FOR OFFICE CLMBGAEDDS0
USAGE BILLING CYCLE OCTOBER 1 THRU OCTOBER 31, 1997
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING		\$0.0067		
TOTAL FOR LOCAL USAGE FOR OFFICE CLMBGAEDDS0				

Exhibit 7.0

Reciprocal Local Traffic-Local Call Termination Rate

Local Call Termination Rate

\$0.009 Per Minute of Use

DOCKET NO. 981008-TP
WITNESS: FALVEY
EXHIBIT NO. _____ (JCF-3)
PAGE 1 OF 1

EXHIBIT No. ____ (JCF-4)

ACSI

American Communications Services, Inc.

131 National Business Parkway, Suite 100
Annapolis Junction, Maryland 20701
TEL: 301.617.4200 FAX: 301.617.4279
www.acsi.net

January 8, 1998

VIA FACSIMILE AND FEDERAL EXPRESS

Mr. Pat Finlen
Manager – Interconnection Services
BellSouth Telecommunications
675 W. Peachtree Street
Room 34S91
Atlanta, Georgia 30375

Dear Pat:

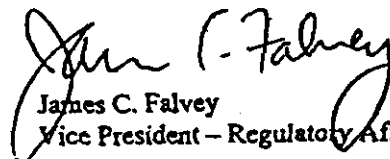
I have not received a response to my letters dated December 28, 1997 and November 14, 1997, which included a proposed amendment to the ACSI/BellSouth Interconnection Agreement (“Agreement”) based upon BellSouth’s obligations pursuant to Section VI(B) of the Agreement, and ACSI’s first two bills for reciprocal compensation.

Enclosed is the third bill for reciprocal compensation, for traffic exchanged during the month of December 1997. If payments are not made on a timely basis, ACSI will charge interest on any late payments. Given the substantial amounts of money owed at this time, interest alone could be significant.

ACSI also still has not received a single report for any of its markets as to the local traffic flowing between our respective networks, as required by the Agreement. Please send such reports directly to my attention. BellSouth’s continuing breach of the Agreement in this regard will be an issue if and when ACSI’s is forced to file complaints on the issue of reciprocal compensation.

Thank you for your immediate attention to this matter, and I look forward to hearing back from you promptly.

Sincerely,


James C. Falvey
Vice President – Regulatory Affairs

Enclosure

cc: Michael Tanner, Esq.
Riley M. Murphy, Esq.
Peter Fruin, Esq.
Craig Dowdy, Esq.

Stephen M. Klimacek, Esq.
Brad Mutschelknaus, Esq.
Alicia Freysinger, Esq.
Norman Horton, Esq.

BILL NUMBER: 334 BSD-5181 478
 INVOICE NUMBER: BSD5181478-98005
 BILL DATE: JANUARY 5, 1998
 PAGE: 1

TO: ATTN: ACCESS BILL VERIFICATION GROUP
 BELLSOUTH
 600 NORTH 19TH STREET
 25TH FLOOR
 BIRMINGHAM, AL 35203

BILLING INQUIRES CALL (301)483-7622

SWITCHED ACCESS SERVICE

DETAIL OF CURRENT CHARGES

OTHER CHARGES AND CREDITS - SEE DETAIL

LOCAL

0.00

USAGE CHARGES - SEE DETAIL

LOCAL

TOTAL CURRENT CHARGES DUE BY FEBRUARY 15, 1998

TOTAL AMOUNT DUE

*DETAIL OF USAGE CHARGES FOR OFFICE MTGMALGYDS0
 USAGE BILLING CYCLE DECEMBER 1 THRU DECEMBER 31, 1997
 LOCAL*

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	\$0.01		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE MTGMALGYDS0				[REDACTED]

*DETAIL OF USAGE CHARGES FOR OFFICE BRHMALFCDS0
 USAGE BILLING CYCLE DECEMBER 1 THRU DECEMBER 31, 1997
 LOCAL*

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	\$0.01		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE BRHMALFCDS0				[REDACTED]

*DETAIL OF USAGE CHARGES FOR OFFICE CLMBGAEDDS0
 USAGE BILLING CYCLE DECEMBER 1 THRU DECEMBER 31, 1997
 LOCAL*

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	\$0.0087		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE CLMBGAEDDS0				[REDACTED]

BILL NUMBER: 334 BSD-5181 478
INVOICE NUMBER: BSD5181478-98005
BILL DATE: JANUARY 5, 1998
PAGE: 2

DETAIL OF USAGE CHARGES FOR OFFICE NWORLAMODC0
USAGE BILLING CYCLE DECEMBER 1 THRU DECEMBER 31, 1997
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	\$0.02		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE NWORLAMODC0				[REDACTED]

DETAIL OF USAGE CHARGES FOR OFFICE LSVLKY27DS0
USAGE BILLING CYCLE DECEMBER 1 THRU DECEMBER 31, 1997
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	\$.008		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE LSVLKY27DS0				[REDACTED]

ACSI

American Communications Services, Inc.

131 National Business Parkway, Suite 100
Annapolis Junction, Maryland 20701
TEL: 301.617.4200 FAX: 301.617.4279
www.acsi.net

December 23, 1997

VIA FACSIMILE AND FEDERAL EXPRESS

Mr. Pat Finlen
Manager – Interconnection Services
BellSouth Telecommunications
675 W. Peachtree Street
Room 34S91
Atlanta, Georgia 30375

Dear Pat:

I have not received a response to my letter dated November 14, 1997, which included a proposed amendment to the ACSI/BellSouth Interconnection Agreement ("Agreement") based upon BellSouth's obligations pursuant to Section VI(B) of the Agreement, and an initial bill for reciprocal compensation for the month of October 1997.

I am therefore writing to reiterate my request that BellSouth comply with Section VI(B) of the Agreement by agreeing to the Amendment and beginning to make reciprocal compensation payments. ACSI is also gravely concerned that – more than a month after bringing this issue to BellSouth's attention – ACSI has still not received a single report for any of its markets as to the local traffic flowing between our respective networks. This breach of Section VI(B) of the Agreement will be aggressively pursued if BellSouth does not immediately begin payment on ACSI's reciprocal compensation bills.

ACSI hereby reiterates its request for the rates stated in the Amendment attached to my November 14 letter based on BellSouth's contractual requirements in Section VI(B). ACSI also reiterates its request for these rates based upon its "Most Favorable Provisions" clause, Section XXII(A) of the Agreement.

In addition, ACSI attaches additional bills for local reciprocal compensation for several months not included in the November 14 bill. Section VI(B) of the Agreement expressly provides that reciprocal compensation is due beginning in the first month in which the traffic differential exceeds 2,000,000 minutes.

Mr. Pat Finlen
BellSouth Telecommunications
Page 2

If BellSouth does not respond to these requests made pursuant to the Agreement, ACSI will pursue appropriate legal remedies to enforce the terms and conditions of the Agreement.

Thank you for your immediate attention to this matter, and I look forward to hearing back from you promptly.

Sincerely,


James C. Falvey
Vice President - Regulatory Affairs

Enclosure

cc: Michael Tanner, Esq.
Stephen M. Klimacek, Esq.
Riley M. Murphy, Esq.
Brad Mutschelknaus, Esq.
Peter Fruin, Esq.
Alicia Freysinger, Esq.
Craig Dowdy, Esq.
Norman Horton, Esq.

BILL NUMBER: 334 BSD-5181 478
INVOICE NUMBER: BSD5181478-97304
BILL DATE: DECEMBER 15, 1997
PAGE: 1

TO: ATTN: ACCESS BILL VERIFICATION GROUP
BELLSOUTH
600 NORTH 19TH STREET
25TH FLOOR
BIRMINGHAM, AL 35203

BILLING INQUIRES CALL (301)483-7622

SWITCHED ACCESS SERVICE

DETAIL OF CURRENT CHARGES

OTHER CHARGES AND CREDITS - SEE DETAIL

LOCAL

0.00

USAGE CHARGES - SEE DETAIL

LOCAL

TOTAL CURRENT CHARGES DUE BY JANUARY 15, 1997

TOTAL AMOUNT DUE

DETAIL OF USAGE CHARGES FOR OFFICE MTGMALGYDS0
USAGE BILLING CYCLE SEPTEMBER 1 THRU SEPTEMBER 30, 1997
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING		\$0.01		
TOTAL FOR LOCAL USAGE FOR OFFICE MTGMALGYDS0				

DETAIL OF USAGE CHARGES FOR OFFICE BRHMALFCDS0
USAGE BILLING CYCLE SEPTEMBER 1 THRU SEPTEMBER 30, 1997
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING		\$0.01		
TOTAL FOR LOCAL USAGE FOR OFFICE BRHMALFCDS0				

DETAIL OF USAGE CHARGES FOR OFFICE MTGMALGYDS0
USAGE BILLING CYCLE AUGUST 1 THRU AUGUST 31, 1997
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING		\$0.01		
TOTAL FOR LOCAL USAGE FOR OFFICE MTGMALGYDS0				

BILL NUMBER: 334 BSD-5181 478
INVOICE NUMBER: BSD5181478-97304
BILL DATE: DECEMBER 15, 1997
PAGE: 2

DETAIL OF USAGE CHARGES FOR OFFICE BRHMALFCDS0
USAGE BILLING CYCLE AUGUST 1 THRU AUGUST 31, 1997
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	\$0.01		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE BRHMALFCDS0				[REDACTED]

DETAIL OF USAGE CHARGES FOR OFFICE MTGMALGYDS0
USAGE BILLING CYCLE JULY 1 THRU JULY 31, 1997
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	\$0.01		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE MTGMALGYDS0				[REDACTED]

DETAIL OF USAGE CHARGES FOR OFFICE BRHMALFCDS0
USAGE BILLING CYCLE JULY 1 THRU JULY 31, 1997
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	\$0.01		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE BRHMALFCDS0				[REDACTED]

DETAIL OF USAGE CHARGES FOR OFFICE MTGMALGYDS0
USAGE BILLING CYCLE JUNE 1 THRU JUNE 30, 1997
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	\$0.01		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE MTGMALGYDS0				[REDACTED]

DETAIL OF USAGE CHARGES FOR OFFICE BRHMALFCDS0
USAGE BILLING CYCLE JUNE 1 THRU JUNE 30, 1997
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	\$0.01		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE BRHMALFCDS0				[REDACTED]

BILL NUMBER: 706 BSD-5192 438
INVOICE NUMBER: BSD5192438-87304
BILL DATE: DECEMBER 15, 1997
PAGE: 1

TO: ATTN: ACCESS BILL VERIFICATION GROUP
BELLSOUTH
600 NORTH 18TH STREET
25TH FLOOR
BIRMINGHAM, AL 35203

BILLING INQUIRES CALL (301)483-7622

SWITCHED ACCESS SERVICE

DETAIL OF CURRENT CHARGES

OTHER CHARGES AND CREDITS - SEE DETAIL

LOCAL

0.00

USAGE CHARGES - SEE DETAIL

LOCAL

TOTAL CURRENT CHARGES DUE BY JANUARY 15, 1997

TOTAL AMOUNT DUE

DETAIL OF USAGE CHARGES FOR OFFICE CLMBGAEDDS0
USAGE BILLING CYCLE SEPTEMBER 1 THRU SEPTEMBER 30, 1997
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING		\$0.0087		
TOTAL FOR LOCAL USAGE FOR OFFICE CLMBGAEDDS0				

DETAIL OF USAGE CHARGES FOR OFFICE CLMBGAEDDS0
USAGE BILLING CYCLE AUGUST 1 THRU AUGUST 31, 1997
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING		\$0.0087		
TOTAL FOR LOCAL USAGE FOR OFFICE CLMBGAEDDS0				

BILL NUMBER: 504 BSD-5183 490
 INVOICE NUMBER: BSD5183480-97304
 BILL DATE: DECEMBER 15, 1997
 PAGE: 1

TO: ATTN: ACCESS BILL VERIFICATION GROUP
 BELLSOUTH
 600 NORTH 19TH STREET
 25TH FLOOR
 BIRMINGHAM, AL 35203

BILLING INQUIRES CALL (301)483-7622

SWITCHED ACCESS SERVICE

DETAIL OF CURRENT CHARGES

OTHER CHARGES AND CREDITS - SEE DETAIL

LOCAL

0.00

USAGE CHARGES - SEE DETAIL

LOCAL

TOTAL CURRENT CHARGES DUE BY JANUARY 15, 1997

TOTAL AMOUNT DUE

*DETAIL OF USAGE CHARGES FOR OFFICE NWORLAMODCO
 USAGE BILLING CYCLE OCTOBER 1 THRU OCTOBER 31, 1997
 LOCAL*

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING		\$0.0094		

TOTAL FOR LOCAL USAGE FOR OFFICE NWORLAMODCO

*DETAIL OF USAGE CHARGES FOR OFFICE NWORLAMODCO
 USAGE BILLING CYCLE SEPTEMBER 1 THRU SEPTEMBER 30, 1997
 LOCAL*

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING		\$0.0094		

TOTAL FOR LOCAL USAGE FOR OFFICE NWORLAMODCO

BILL NUMBER: 334 BSD-5181 478
INVOICE NUMBER: BSD5181478-87349
BILL DATE: DECEMBER 15, 1997
PAGE: 1

TO: ATTN: ACCESS BILL VERIFICATION GROUP
BELLSOUTH
600 NORTH 19TH STREET
25TH FLOOR
BIRMINGHAM, AL 35203

BILLING INQUIRES CALL (301)483-7622

SWITCHED ACCESS SERVICE

DETAIL OF CURRENT CHARGES

OTHER CHARGES AND CREDITS - SEE DETAIL

LOCAL

0.00

USAGE CHARGES - SEE DETAIL

LOCAL

TOTAL CURRENT CHARGES DUE BY JANUARY 15, 1997

TOTAL AMOUNT DUE

DETAIL OF USAGE CHARGES FOR OFFICE MTGMALGYDS0
USAGE BILLING CYCLE NOVEMBER 1 THRU NOVEMBER 30, 1997
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING		\$0.01		

TOTAL FOR LOCAL USAGE FOR OFFICE MTGMALGYDS0

DETAIL OF USAGE CHARGES FOR OFFICE BRHMALFCDS0
USAGE BILLING CYCLE NOVEMBER 1 THRU NOVEMBER 30, 1997
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING		\$0.01		

TOTAL FOR LOCAL USAGE FOR OFFICE BRHMALFCDS0

DETAIL OF USAGE CHARGES FOR OFFICE CLMBGAEDDS0
USAGE BILLING CYCLE NOVEMBER 1 THRU NOVEMBER 30, 1997
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING		\$0.0087		

TOTAL FOR LOCAL USAGE FOR OFFICE CLMBGAEDDS0

BILL NUMBER: 334 BSD-5181 478
INVOICE NUMBER: BSD5181478-97349
BILL DATE: DECEMBER 15, 1997
PAGE: 2

DETAIL OF USAGE CHARGES FOR OFFICE NWORLAMODC0
USAGE BILLING CYCLE NOVEMBER 1 THRU NOVEMBER 30, 1997
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	\$0.02		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE NWORLAMODC0				[REDACTED]

EXHIBIT No. ____ (JCF-5)

Ⓢ Bellsouth

BellSouth Telecommunications, Inc.
Room 34531 BellSouth Center
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375

January 8, 1998

Mr. James C. Falvey
American Communications Services, Inc.
Suite 100
131 National Business Parkway
Annapolis Junction, Maryland 20701

Dear Mr. Falvey,

This is in response to your proposed amendment to the Interconnection Agreement, and the billing of BellSouth for terminating local traffic on American Communications Services, Inc. (ACSI) network.

Section VI. Paragraph C. of the Interconnection Agreement provides that "the Parties agree that there will be no cash compensation exchanged by the parties during the term of this Agreement *unless the difference in minutes of use for terminating local traffic exceeds 2 million minutes per state on a monthly basis.*" (Emphasis added) Negotiation of a rate for terminating local traffic is to commence once the difference in terminating local traffic exceeds the 2 million threshold. The issue is what is being classified as terminating local traffic.

By letter dated August 12, 1997, BellSouth advised the Competitive Local Exchange Carrier industry that it considers ISP traffic to be jurisdictionally interstate interexchange, not local, and thus BellSouth will not pay reciprocal compensation for this traffic. Moreover, the ACSI-BellSouth Interconnection Agreement defines a local call as one where the dialer does not have to enter an "access code or experience delay in processing a call" (Section VI. Paragraph A and Section V. Paragraph A1). With ISP traffic, an access code (password) is invariably required to access the ISP network.

BellSouth agrees with ACSI that it was to track usage between the parties and to provide ACSI with copies of such usage reports, and that it has failed to provide these reports. Because of the absence of such reports BellSouth agrees to use ACSI's usage reports for determining the local traffic differentials.

Mr. James C. Falvey
American Communications Services, Inc.
Page 2

However, during our meeting in November, you indicated that ACSI used combined trunks for its traffic. In order to ensure the 2 million minute threshold has been reached, BellSouth would like to audit the process used by ACSI to jurisdictionalize its traffic between local and interexchange on these combined trunks. Obviously, to the extent ACSI is categorizing ISP traffic as local traffic, BellSouth's position is that it should not be counted toward the 2 million minute threshold. Until such time as BellSouth is assured the 2 million minute threshold does not contain interexchange usage, and a mutually agreed upon compensation rate has been determined, BellSouth will not pay the bills rendered by ACSI for reciprocal compensation of terminating local traffic.

In the event BellSouth determines, as a result of the audit, that the 2 million minute threshold has been reached, BellSouth's proposed rate for terminating local traffic would be \$0.002. This is the same rate called for in your Interconnection Agreement for transit traffic (Section VI, Paragraph D). This rate is also used in numerous other CLEC agreements. BellSouth proposes to pay this rate on a going-forward basis only.

We look forward to your response.

Sincerely,



Pat Finlen
Manager-Interconnection Services

cc: Jerry Hendrix, Director-Interconnection Services
Stephen M. Klimacek, Senior Attorney - Legal

ACSI

American Communications Services, Inc.

131 National Business Parkway, Suite 100
Annapolis Junction, Maryland 20701
TEL: 301.617.4200 FAX: 301.617.4279
www.acsi.net

March 17, 1998

Mr. Pat Finlen
Manager - Interconnection Services
BellSouth Telecommunications
675 W. Peachtree Street
Room 34S91
Atlanta, Georgia 30375

Dear Pat:

I am writing to provide the bill for January reciprocal compensation and to dispute statements in your letter of January 8, 1998.

I will not take the time here to dispute the definition of local traffic. Thirteen state commissions and the FCC support ACSI's definition; no commission supports BellSouth's. If ACSI does not change its position as to the definition of local traffic, ACSI will be filing its first of several complaints on this issue shortly.

I must take issue with your statement that "during our meeting in November, you [I] indicated that ACSI used combined trunks for its traffic." At our meeting, I specifically indicated that I could not speak to such issues at that time but would provide additional information at the appropriate time. Although ACSI has established a sound process to distinguish local traffic, an audit of ACSI's process would be premature until such time as BellSouth concedes that it owes ACSI for all local traffic. Given BellSouth's admitted failure to report local minutes, ACSI reserves the right to object to the extent and nature of such an audit.

In your letter of January 8, you failed to respond to ACSI's repeated request for the rates in ACSI's proposed Amendment attached to my letter dated November 14, 1997. These are rates established by BellSouth with other carriers in each state. Moreover, your proposed rate of \$0.002 ignores ACSI's repeated Most Favorable Provisions request pursuant to Section XXII(A) of ACSI's Interconnection Agreement. BellSouth's failure to recognize this repeated request represents an additional breach of ACSI's Interconnection Agreement.

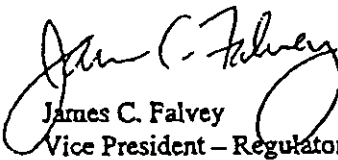
Again, ACSI applies these rates to the differential of local minutes, beginning with the month in which BellSouth exceeded the 2 million minute differential threshold in each state. ACSI takes strong exception to BellSouth's suggestion that it will "pay this rate on a going-forward basis only," as the Interconnection Agreement plainly applies the rate beginning with the month in which the 2 million minute differential is reached.

Mr. Pat Finlen
BellSouth Telecommunications
Page 2

Finally, the definition of "Local Traffic" is contained in Attachment B, Paragraph 118 of the Interconnection Agreement. Your attempt to rely upon other sections of the Agreement represents a deliberate misinterpretation of those sections in order to circumvent the plain language of ACSI's contract.

If BellSouth does not begin paying the attached and previous bills, ACSI will take legal action, including demand for interest, attorneys fees, and penalties, as applicable. Thank you for your continuing attention to this matter.

Sincerely,


James C. Falvey
Vice President - Regulatory Affairs

Enclosure

cc: Michael Tanner, Esq.
Riley M. Murphy, Esq.
Peter Fruin, Esq.
Craig Dowdy, Esq.
John Selent, Esq.

Stephen M. Klimacek, Esq.
Brad Mutschelknaus, Esq.
Alicia Freysinger, Esq.
Norman Horton, Esq.

BILL NUMBER: 334 BSD-5181 478
 INVOICE NUMBER: BSD5181478-98070
 BILL DATE: MARCH 11, 1998
 PAGE: 1

TO: ATTN: ACCESS BILL VERIFICATION GROUP
 BELLSOUTH
 600 NORTH 19TH STREET
 25TH FLOOR
 BIRMINGHAM, AL 35203

BILLING INQUIRES CALL (301)483-7622

SWITCHED ACCESS SERVICE

DETAIL OF CURRENT CHARGES

OTHER CHARGES AND CREDITS - SEE DETAIL
 LOCAL 0.00
 USAGE CHARGES - SEE DETAIL
 LOCAL [REDACTED]
 TOTAL CURRENT CHARGES DUE BY APRIL 15, 1998 [REDACTED]
TOTAL AMOUNT DUE [REDACTED]

*DETAIL OF USAGE CHARGES FOR OFFICE MTGMALGYDS0
 USAGE BILLING CYCLE JANUARY 1 THRU JANUARY 31, 1998
 LOCAL*

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	\$0.01		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE MTGMALGYDS0				[REDACTED]

*DETAIL OF USAGE CHARGES FOR OFFICE BRHMALFCDS0
 USAGE BILLING CYCLE JANUARY 1 THRU JANUARY 31, 1998
 LOCAL*

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	\$0.01		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE BRHMALFCDS0				[REDACTED]

*DETAIL OF USAGE CHARGES FOR OFFICE CLMBGAEDDS0
 USAGE BILLING CYCLE JANUARY 1 THRU JANUARY 31, 1998
 LOCAL*

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	\$0.0087		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE CLMBGAEDDS0				[REDACTED]

BILL NUMBER: 334 BSD-5181 478
INVOICE NUMBER: BSD5181478-98070
BILL DATE: MARCH 11, 1998
PAGE: 2

DETAIL OF USAGE CHARGES FOR OFFICE NWORLAMODC0
USAGE BILLING CYCLE JANUARY 1 THRU JANUARY 31, 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	\$0.02		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE NWORLAMODC0				[REDACTED]

DETAIL OF USAGE CHARGES FOR OFFICE LSVLKY27DS0
USAGE BILLING CYCLE JANUARY 1 THRU JANUARY 31, 1998
LOCAL

<u>RATE CATEGORY</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>MILES</u>	<u>AMOUNT</u>
TERMINATING	[REDACTED]	\$0.08		[REDACTED]
TOTAL FOR LOCAL USAGE FOR OFFICE LSVLKY27DS0				[REDACTED]

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of WorldCom Technologies, Inc. against BellSouth Telecommunications, Inc. for breach of terms of Florida Partial Interconnection Agreement under Sections 251 and 252 of the Telecommunications Act of 1996, and request for relief.

DOCKET NO. 971478-TP
ORDER NO. PSC-98-1216-FOF-TP
ISSUED: September 15, 1998

Complaint of Teleport Communications Group Inc./TCG South Florida against BellSouth Telecommunications, Inc. for breach of terms of interconnection agreement under Section 252 of the Telecommunications Act of 1996, and request for relief.

DOCKET NO. 980184-TP

Complaint of Intermedia Communications, Inc. against BellSouth Telecommunications, Inc. for breach of terms of Florida Partial Interconnection Agreement under Sections 251 and 252 of the Telecommunications Act of 1996 and request for relief.

DOCKET NO. 980495-TP

Complaint by MCI Metro Access Transmission Services, Inc. against BellSouth Telecommunications, Inc. for breach of approved interconnection agreement by failure to pay compensation for certain local traffic.

DOCKET NO. 980499-TP

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 2

J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

FINAL ORDER RESOLVING COMPLAINTS

APPEARANCES:

Floyd R. Self, Messer, Caparello & Self, P.A., 215 South
Monroe Street, Post Office Box 1876, Tallahassee, FL
32302-1876.

On behalf of Worldcom Technologies, Inc.

Kenneth A. Hoffman and John R. Ellis, Rutledge, Ecenia,
Underwood, Purnell and Hoffman, P.A., Post Office Box
551, Tallahassee, FL 32302-0551.

On behalf of Teleport Communications Group, Inc./TCG
South Florida.

Donna Canzano and Patrick Knight Wiggins, Wiggins &
Villacorta, P.A., 2145 Delta Boulevard, Suite 200,
Tallahassee, FL 32303.

On behalf of Intermedia Communications, Inc.

Thomas K. Bond, 780 Johnson Ferry Road, Suite 700,
Atlanta, GA 30342.

On behalf of MCI Telecommunications Corporation

Ed Rankin, 675 West Peachtree Street, Suite 4300,
Atlanta, Georgia 30375-0001.

On behalf of BellSouth Telecommunications, Inc.

Charles J. Pellegrini, Florida Public Service Commission,
Division of Legal Services, 2540 Shumard Oak Boulevard,
Tallahassee, FL 32399-0850.

On behalf of the Commission Staff.

CASE BACKGROUND

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 3

MFS Communications Company, Inc. (MFS), and BellSouth Telecommunications, Inc. (BellSouth), entered into a Partial Florida Interconnection Agreement pursuant to the Telecommunications Act of 1996 (Act) on August 26, 1996. The Commission approved the Agreement in Order No. PSC-96-1508-FOF-TP, issued December 12, 1996, in Docket No. 961053-TP. The Commission approved an amendment to the Agreement in Order No. PSC-97-0772-FOF-TP, issued July 1, 1997, in Docket No. 970315-TP. On November 12, 1997, WorldCom Technologies, Inc. (WorldCom), filed a Complaint Against BellSouth and Request for Relief, alleging that BellSouth has failed to pay reciprocal compensation for local telephone exchange service traffic transported and terminated by WorldCom's affiliate, MFS, to Internet Service Providers (ISPs). The complaint was assigned Docket No. 971478-TP. BellSouth filed its Answer and Response on December 22, 1997. In Order No. PSC-98-0454-PCO-TP, issued March 31, 1998, the Commission directed that the matter be set for hearing.

Teleport Communications Group, Inc./TCG South Florida (TCG), and BellSouth entered into an Interconnection Agreement pursuant to the Act on July 15, 1996. The Commission approved the Agreement in Order No. PSC-96-1313-FOF-TP, issued October 29, 1996, in Docket No. 960862-TP. On February 4, 1998, TCG filed a Complaint for Enforcement of Section IV.C of its Interconnection Agreement with BellSouth, also alleging that BellSouth has failed to pay reciprocal compensation for local telephone exchange service traffic transported and terminated by TCG to ISPs. The complaint was assigned Docket No. 980184-TP. BellSouth filed its Answer and Response on February 25, 1998.

MCImetro Access Transmission Services, Inc. (MCIm), and BellSouth entered into an Interconnection Agreement pursuant to the Act on April 4, 1997. The Commission approved the Agreement in Order Nos. PSC-97-0723-FOF-TP, issued June 19, 1997, and PSC-97-0723A-FOF-TP, issued June 26, 1997, in Docket No. 960846-TP. On February 23, 1998, MCIm filed a Complaint against BellSouth, which was assigned Docket No. 980281-TP. Among other things, MCIm also alleged in Count 13 that BellSouth has failed to pay reciprocal compensation for local telephone exchange service traffic transported and terminated by MCIm to ISPs. On April 6, 1998, MCIm filed a separate Complaint embodying the complaint set forth in Count 13 of the first Complaint. The separate complaint was assigned Docket No. 980499-TP.

Intermedia Communications, Inc. (Intermedia), and BellSouth entered into an interconnection Agreement pursuant to the Act on July 1, 1996. The Commission approved the Agreement in Order No. PSC-96-1236-FOF-TP, issued October 7, 1996, in Docket No. 960769-TP. The Commission approved an amended Agreement in Order No. PSC-97-1617-FOF-TP, issued December 30, 1997, in Docket No. 971230-TP.

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 4

On April 6, 1998, Intermedia filed a Complaint against BellSouth alleging that BellSouth has failed to pay reciprocal compensation for local telephone exchange service traffic transported and terminated by Intermedia to ISPs. That complaint was assigned Docket No. 980495-TP.

On March 9, 1998, GTE Florida Incorporated (GTEFL) filed a petition to intervene in this proceeding. By Order No. PSC-98-0476-PCO-TP, we denied GTEFL's petition. Subsequently, on May 6, 1998, GTEFL filed a petition to be permitted to file a brief. We denied that petition at the commencement of the hearing in these complaint dockets.

By Order No. PSC-98-0561-PCO-TP, issued April 21, 1998, the four complaints were consolidated for hearing purposes. The hearing was held on June 11, 1998.

DECISION

This case is about BellSouth's refusal to pay reciprocal compensation for the transport and termination of ISP traffic under the terms of its interconnection agreements with WorldCom, Teleport, Intermedia, and MCI. In a letter dated August 12, 1997, BellSouth notified the complainants that it would not pay compensation for the termination of ISP traffic, because "ISP traffic is jurisdictionally interstate" and "enjoys a unique status, especially [as to] call termination." The case is primarily a contract dispute between the parties, and that is the foundation of our decision below. As TCG stated in its brief, "This is a contract dispute in which the Commission must decide whose meaning is to be given to the term 'Local Traffic' in the Agreement."

Accordingly, in this decision we only address the issue of whether ISP traffic should be treated as local or interstate for purposes of reciprocal compensation as necessary to show what the parties might reasonably have intended at the time they entered into their contracts. Our decision does not address any generic questions about the ultimate nature of ISP traffic for reciprocal compensation purposes, or for any other purposes.

While there are four complainants in the consolidated case, their arguments contain many common threads. Also, BellSouth's position on each issue is the same, and its brief addresses all four together. For the sake of efficiency, we will address the main themes in our discussion of the WorldCom-BellSouth agreement. We will address the particular language of the other agreements separately.

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 5

The WorldCom-BellSouth Agreement

On August 26, 1996, MFS (now WorldCom) and BellSouth entered into a Partial Interconnection Agreement, which we approved in Order No. PSC-96-1508-FOF-TP. WorldCom witness Ball testified on the pertinent provisions of that Agreement. Section 1.40 of the Agreement defines local traffic as:

[C]alls between two or more Telephone Exchange service users where both Telephone Exchange Services bear NPA-NXX designations associated with the same local calling area of the incumbent LEC or other authorized area [such as EAS]. Local traffic includes traffic types that have been traditionally referred to as "local calling" and as "extended area service (EAS)." All other traffic that originates and terminates between end users within the LATA is toll traffic. In no event shall the Local Traffic area for purposes of local call termination billing between the parties be decreased.

Section 5.8.1 provides that:

Reciprocal Compensation applies for transport and termination of Local Traffic (including EAS and EAS-like traffic) billable by BellSouth or MFS which a Telephone Exchange Service Customer originates on BellSouth's or MFS's network for termination on the other Party's network.

The question presented for decision is, as it is in the other complaints, whether, under the WorldCom - BellSouth Florida Partial Interconnection Agreement, the parties are required to compensate each other for transport and termination of traffic to Internet Service Providers; and if they are, what relief should the Commission grant? The issue is whether the traffic in question, ISP traffic, is local for purposes of the agreements in question.

According to witness Ball, the language of the WorldCom-BellSouth Agreement itself makes it clear that the parties owe each other reciprocal compensation for the traffic in question. He stated that "if a BellSouth customer utilizes a BellSouth telephone exchange service that has a local NPA-NXX and they call a WorldCom customer that buys a WorldCom telephone exchange service that has a WorldCom NPA-NXX, that's local traffic." Witness Ball explained that this is what happens when a BellSouth local customer calls a WorldCom customer that happens to be an ISP. He pointed out that

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 6

there is no exclusion for any type of customer based on what business the customer happens to be in. Witness Ball noted that where exceptions were needed for certain types of traffic, they were expressly included in the Agreement. He argued that WorldCom understood ISP traffic to be local, and if BellSouth wanted to exclude ISP calls, it was BellSouth's obligation to raise the issue at the time the Agreement was negotiated.

Witness Ball stated that "the Agreement is entirely clear and unambiguous" on the treatment of ISP traffic as local; but if we determine that the Agreement is ambiguous on this point, the ambiguities should be resolved by considering:

- (1) the express language of the Telecommunications Act of 1996;
- (2) relevant rulings, decisions and orders of this Commission;
- (3) relevant rulings, decisions and orders of the FCC interpreting the Act;
- (4) rulings, decisions and orders from other, similarly situated state regulatory agencies; and
- (5) the custom and usage in the industry.

BellSouth witness Hendrix agreed that the contract did not specify whether ISP traffic was included in the definition of local traffic. Witness Hendrix argued, however, that it was WorldCom's obligation to raise the issue in the negotiations. In fact, the record shows that while BellSouth and the complainants all reached a specific agreement on the definition of local traffic to be included in the contracts, none of them raised the particular question of what to do with ISP traffic.

According to BellSouth, all the complainants assumed that BellSouth agreed to include ISP traffic as local. BellSouth asserts that it cannot be forced to pay reciprocal compensation just because it did not "affirmatively except ISP traffic from the definition of 'local traffic'" in negotiating the Agreement. BellSouth argues that the existing law at the time the contracts were negotiated "reflects that it was unreasonable for the Complainants to blithely assume that BellSouth agreed with their proposed treatment of ISP traffic."

It appears to us from our review of the record, however, that BellSouth equally assumed, and implied in its brief and testimony at the hearing, that the complainants in fact knew ISP traffic was

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 7

interstate in nature. In its brief, BellSouth states that "parties to a contract are presumed to enter into their Agreement with full knowledge of the state of the existing law, which in turn is incorporated into and sheds light on the meaning of the parties' Agreement." BellSouth witness Hendrix asserted that the FCC had explicitly found that ISPs provide interstate services. Therefore, witness Hendrix argued, there was no need for BellSouth to believe ISP traffic would be subject to reciprocal compensation. The result of this misunderstanding, BellSouth asserts, was that the parties never had an express meeting of the minds on the scope of the definition of local traffic.

Discussion

Upon review of the language of the agreement, and the evidence and testimony presented at the hearing, we find that the Agreement defines local traffic in such a way that ISP traffic clearly fits the definition. Since ISP traffic is local under the terms of the Agreement, then, a priori, reciprocal compensation for termination is required under Section 5.8 of the Agreement. There is no ambiguity, and there are no specific exceptions for ISP traffic. Since there is no ambiguity in the language of the agreement, we need not consider any other evidence to determine the parties' obligations under the agreement. Even if there were an ambiguity in the language of the agreement, however, the other evidence and argument presented at the hearing leads to the same result: the parties intended to include ISP traffic as local traffic for purposes of reciprocal compensation under their agreement.

Local vs. Interstate Traffic

The first area to explore is the parties' basis for considering ISP traffic to be jurisdictionally local or interstate. BellSouth witness Hendrix contended that for reciprocal compensation to apply, "traffic must be jurisdictionally local." He argued that ISP traffic is not jurisdictionally local, because the FCC "has concluded that enhanced service providers, of which ISPs are a subset, use the local network to provide interstate services." He added that they do so just as facilities-based interexchange carriers and resellers use the local network to provide interstate services. He stated that "[t]he FCC stated in Paragraph 12 in an order dated February 14, 1992, in Docket Number 92-18, that:

Our jurisdiction does not end at the local switch, but continues to the ultimate termination of the call. The key to jurisdiction is the nature of the communication itself, rather than the physical location of the technology.

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 8

Further, according to Witness Hendrix, in its April 10, 1998, Report to Congress (CC Docket No. 96-45), "the FCC indicated that it does have jurisdiction to address whether ALECs that serve ISPs are entitled to reciprocal compensation." We will discuss that report in more detail below.

BellSouth does acknowledge in its brief that the "FCC has not held that ISP traffic is local traffic for purposes of the instant dispute before the Commission." Nor has the FCC "held that ISPs are end users for all regulatory purposes." We agree with this assessment. The FCC has not yet decided whether ISP traffic is subject to reciprocal compensation. While the FCC has determined that ISPs provide interstate services, it appears that the FCC may consider these services severable from telecommunications services, as we explain below. No FCC order delineates exactly for what purposes the FCC intends ISP traffic to be considered local. By the same token, the FCC has not said that ISP traffic cannot be considered local for all regulatory purposes. It appears that the FCC has largely been silent on the issue. This leads us to believe the FCC intended for the states to exercise jurisdiction over the local service aspects of ISP traffic, unless and until the FCC decided otherwise. Even Witness Hendrix agreed that the FCC intended ISP traffic to be treated as though local. He did not expound on what exactly that meant.

BellSouth contends in its brief that there is no dispute that an Internet transmission may simultaneously be interstate, international and intrastate. BellSouth also contends that the issue should be resolved in pending proceedings before the FCC. Those proceedings include one the FCC initiated in response to a June 29, 1997, letter from the Association for Local Telecommunications Services (ALTS). ALTS requested clarification from the FCC that ISP traffic is within the FCC's exclusive jurisdiction. ALTS has also asked the FCC for a ruling on the treatment of ISP traffic as local.

Regardless of what the FCC ultimately decides, it has not decided anything yet, and we are concerned here with an existing interconnection agreement, executed by the parties in 1996. Our finding that ISP traffic should be treated as local for purposes of the subject interconnection agreement is consistent with the FCC's treatment of ISP traffic at the time the agreement was executed, all pending jurisdictional issues aside.

Termination

In its brief, BellSouth places considerable emphasis on the point of termination for a call. The basic question is whether or not ISP traffic terminates at the ALEC premises. Witness Hendrix testified that "call termination does not occur when an ALEC,

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 9

serving as a conduit, places itself between BellSouth and an ISP." "[I]f an ALEC puts itself in between BellSouth's end office and the Internet service provider, it is acting like an intermediate transport carrier or conduit, not a local exchange provider entitled to reciprocal compensation." "Thus, the call from an end user to the ISP only transits through the ISP's local point of presence; it does not terminate there. There is no interruption of the continuous transmission of signals between the end user and the host computers." BellSouth states in its brief that "the jurisdictional boundaries of a communication are determined by its beginning and ending points, and the ending point of a call to an ISP is not the ISP switch, but rather is the database or information source to which the ISP provides access."

MCIm contends in its brief that BellSouth witness Hendrix' testimony that a call to an ISP terminates not at the local telephone number, but rather at a distant Internet host misunderstands the nature of an Internet call. MCIm witness Martinez contended that the ability of Internet users to visit multiple websites at any number of destinations on a single call is a clear indication that the service provided by an ISP is enhanced service, not telecommunications service. According to MCIm, this does not alter the nature of the local call. While BellSouth would have one believe that the call involved is not a local call, MCIm points out that in the case of a rural customer using an IXC to connect with an ISP, the call "is suddenly two parts again: a long distance call, for which BellSouth can charge access, followed by an enhanced service."

BellSouth argues in its brief that "in interpreting the language of a contract, words referring to a particular trade will be interpreted by the courts according to their widely accepted trade meaning." We agree, but it appears to us that BellSouth then chooses to ignore the industry standard definition of the word "termination." The other parties provided several examples of industry definitions on this point.

WorldCom witness Ball stated that "[s]tandard industry practice is that a call is terminated essentially when it's answered; when the customer that is buying the telephone exchange service that has the NPA-NXX answers the call by--whether it's a voice grade phone, if it's a fax machine, an answering machine or, in the case of an ISP, a modem."

TCG witness Kouroupas testified that the standard industry definition of "service termination point" is:

Proceeding from a network toward a user terminal, the last point of service rendered by a commercial carrier under applicable

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 10

tariffs.... In a switched communications system, the point at which common carrier service ends and user-provided service begins, i.e. the interface point between the communications systems equipment and the user terminal equipment, under applicable tariffs.

Witness Kouroupas further explained that "A call placed over the public switched telecommunications network is considered 'terminated' when it is delivered to the telephone exchange bearing the called telephone number." Call termination occurs when a connection is established between the caller and the telephone exchange service to which the dialed telephone number is assigned, answer supervision is returned, and a call record is generated. This is the case whether the call is received by a voice grade phone, a fax machine, an answering machine, or in the case of an ISP, a modem. Witness Kouroupas contended that this is a widely accepted industry definition.

MCIm argues in its brief that:

a "telephone call" placed over the public switched telephone network is "terminated" when it is delivered to the telephone exchange service premise bearing the called telephone number... specifically, in its Local Competition Order (Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, First Report and Order, FCC 96-325 (rel. Aug. 8, 1996), ¶1040), the FCC defined terminations "for purposes of section 251(b)(5), as the switching of traffic that is subject to section 251(b)(5) at the terminating carrier's end office switch (or equivalent facility) and delivery of that traffic from that switch to the called party's premises." MCIm terminates telephone calls to Internet Service Providers on its network. As a communications service, a call is completed at that point, regardless of the identity or status of the called party.

Witness Martinez testified that "[w]hen a BellSouth customer originates a telephone call by dialing that number, the telephone call terminates at the ISP premises, just as any other telephone call terminates when it reaches the premises with the phone number that the end user dialed."

Severability

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 11

Recent FCC documents have described Internet traffic as calls with two severable parts: a telecommunications service part, and an enhanced service part. In the May 1997 Universal Service Order at ¶789, the FCC stated:

When a subscriber obtains a connection to an Internet service provider via voice grade access to the public switched network, that connection is a telecommunications service and is distinguishable from the Internet service provider's offering.

In that Report, the FCC also stated that ISPs "generally do not provide telecommunications." (¶¶ 15, 55) WorldCom argues in its brief that:

The FCC's determination that ISPs do not provide telecommunications was mandated by the 1996 Act's express distinction between telecommunications and information services. "Telecommunications" is "The transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received." 47 U.S.C. Section 153(48). By contrast, "information services" is "the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service." 47 U.S.C. Sec. 153(20)

WorldCom adds that:

[t]he FCC recognized that the 1996 Act's distinction between telecommunications and information services is crucial. The FCC noted that "Congress intended 'telecommunications service' and 'information service' to refer to separate categories of services" despite the appearance from the end user's perspective that it is a single service because it may involve telecommunications components. (Report to Congress, ¶¶56, 58) [Emphasis supplied by WorldCom]

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 12

BellSouth argues that the complainants misinterpret the FCC's decision. BellSouth points out that this passage is only discussing whether or not ISPs should make universal service contributions. That is true; but the passage is nevertheless as significant an indication of how the FCC may view ISP traffic as the passages BellSouth has cited.

In its brief, BellSouth claims that the FCC "specifically repudiated" the two-part theory. BellSouth cites the FCC's Report to Congress, CC Docket No., 96-45, April 10, 1998, ¶220. There the FCC stated:

We make no determination here on the question of whether competitive LECs that serve Internet service providers (or Internet service providers that have voluntarily become competitive LECs) are entitled to reciprocal compensation for terminating Internet traffic. That issue, which is now before the [FCC], does not turn on the status of the Internet service provider as a telecommunications carrier or information service provider.
[emphasis supplied by BellSouth]

BellSouth claims that this means the FCC believes the distinction is "meaningless in the context of the FCC's pending reciprocal compensation decision." The other parties point out, however, that it is not at all clear what the FCC means in this passage. It appears to us that the FCC is talking here about the status of the provider, not about the severability of the telecommunications service from the information service. Indeed, in the same report, the FCC brought up the severability notion, as discussed above.

BellSouth also argues that the severability theory is contradicted by the FCC's description of Internet service in its Non-Accounting Safeguards Order (Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, As Amended, First Report and Order and Further Notice of Proposed Rulemaking, CC Docket No. 96-149 (released Dec. 24, 1996), note 291), where the FCC states:

The Internet is an interconnected global network of thousands of interoperable packet-switched networks that use a standard protocol...to enable information exchange. An end user may obtain access to the Internet from an Internet service provider, by using dial-up or dedicated access to connect to the Internet service provider's processor. The

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 13

Internet service provider, in turn, connects the end user to an Internet backbone provider that carries traffic to and from other Internet host sites.

BellSouth claims that the significance of this is that calls to ISPs only transit through the ISP's local point of presence. Thus, the call does not terminate there. In support of this conclusion, BellSouth mentions several other services, such as Asynchronous Transfer Mode (ATM) technology, that use packet switching. BellSouth makes the point that the jurisdictional nature of a call is not changed through the conversion from circuit switching to packet switching.

BellSouth also discussed an example where an end user made a long-distance call to access voice mail. In that case the call was an interstate call, and the FCC found that it did not lose that interstate character upon being forwarded to voice mail. Petition for Emergency Relief and Declaratory Ruling Filed by BellSouth Corporation, 7 FCC Rcd 1619 (1992), aff'd, Georgia Public Service Commission v. FCC, 5 F.3d 1499 (11th Cir. 1993). We do not comprehend BellSouth's point. By that logic, if a local call is used to access an information service, it follows that the entire transmission would be local. In yet another case cited by BellSouth, the FCC found that interstate foreign exchange service was interstate service, and thus came under the FCC's jurisdiction. New York Telephone Co. -- Exchange System Access Line Terminal Charge for FX and CCSA Service, Memorandum Opinion and Order, 76 FCC 2d 349 (1980). Once again, it is difficult to discern BellSouth's point. We do not find this line of argument at all persuasive.

BellSouth further argues that "[t]he FCC has long held that the jurisdiction of a call is determined not by the physical location of the communications facilities or the type of facilities used, but by the nature of the traffic that flows over those facilities." This, too, is a perplexing argument in light of BellSouth's claims that the distant location of the host accessed over the Internet makes ISP traffic interstate, and that the nature of ISP traffic as either telecommunications or information service is irrelevant.

As mentioned above, witness Hendrix did admit that "the FCC intended for ISP traffic to be 'treated' as local, regardless of jurisdiction." He emphasized the word treated, and explained that the FCC "did not say that the traffic was local but that the traffic would be treated as local."

FPSC Treatment

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 14

BellSouth dismisses Commission Order No. 21815, issued September 5, 1989, in Docket No. 880423-TP, Investigation into the Statewide Offering of Access to the Local Network for the Purpose of Providing Information Services, as an interim order. In that order, the Commission found that end user access to information service providers, which include Internet service providers, is by local service. In the proceeding, BellSouth's own witness testified that:

[C]onnections to the local exchange network for the purpose of providing an information service should be treated like any other local exchange service. (Order 21815, p. 25)

The Commission agreed with BellSouth's witness. The Commission also found that calls to ISPs should be viewed as jurisdictionally intrastate local exchange calls terminating at an ISP's location in Florida. BellSouth's position, as stated in the Order, was that:

calls should continue to be viewed as local exchange traffic terminating at the ESP's [Enhanced Service Provider's] location. Connectivity to a point out of state through an ESP should not contaminate the local exchange. (Order, p. 24) (ISPs are a subset of ESPs.)

In this case, Witness Hendrix claimed that Order 21815 was only an interim order that has now been overruled. He could not identify any Commission order establishing a different policy; nor could he specify the FCC order that supposedly overrules the Florida Commission order. Further, and most importantly, BellSouth admitted that this definition had not been changed at the time it entered into its Agreements.

It is clear that the treatment of ISP traffic was an issue long before the parties' Agreement was executed. We found, in Order No. 21815, as discussed above, that such traffic should be treated as local. Both WorldCom and BellSouth clearly were aware of this decision, and we presume that they considered it when they entered into their Agreement.

Intent of Parties

In determining what was the parties' intent when they executed their contract, we may consider circumstances that existed at the time the contract was entered into, and the subsequent actions of the parties. As WorldCom argues in its brief, "the intent of the parties is revealed not just by what is said, but by an analysis of all the facts and circumstances surrounding the disputed issue."

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 15

In James v. Gulf Life Insur. Co., 66 So.2d 62, 63 (Fla. 1953) the Florida Supreme Court cited with favor Contracts, 12 Am.Jur. § 250, pages 791-93, as a general proposition concerning contract construction in pertinent part as follows:

Agreements must receive a reasonable interpretation, according to the intention of the parties at the time of executing them, if that intention can be ascertained from their language ... Where the language of an agreement is contradictory, obscure, or ambiguous, or where its meaning is doubtful, so that it is susceptible of two constructions, one of which makes it fair, customary, and such as prudent men would naturally execute, while the other makes it inequitable, unusual, or such as reasonable men would not be likely to enter into, the interpretation which makes a rational and probable agreement must be preferred ... An interpretation which is just to both parties will be preferred to one which is unjust.

In the construction of a contract, the circumstances in existence at the time the contract was made should be considered in ascertaining the parties' intention. Triple E Development Co. v. Floridagold Citrus Corp., 51 So.2d 435, 438, rehg. den. (Fla. 1951). What a party did or omitted to do after the contract was made may be properly considered. Vans Agnew v. Fort Myers Drainage Dist., 69 F.2d 244, 246, rehg. den., (5th Cir.). Courts may look to the subsequent action of the parties to determine the interpretation that they themselves place on the contractual language. Brown v. Financial Service Corp., Intl., 489 F.2d 144, 151 (5th Cir.) citing LaLow v. Codomo, 101 So.2d 390 (Fla. 1958).

As noted above, Section 1.40 of the Agreement defines local traffic. The definition appears to be carefully drawn. Local traffic is said to be calls between two or more service users bearing NPA-NXX designations within the local calling area of the incumbent LEC. It is explained that local traffic includes traffic traditionally referred to as "local calling" and as "EAS." No mention is made of ISP traffic. Therefore, nothing in Section 1.40 sets ISP traffic apart from local traffic. It is further explained that all other traffic that originates and terminates between end users within the LATA is toll traffic.

As evidence of its intent, BellSouth argues that the interpretation of a contract must be one consistent with reason, probability, and the practical aspect of the transaction between the parties. BellSouth contends that it was "economically

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 16

irrational for it to have agreed to subject ISP traffic to payment of reciprocal compensation." BellSouth claims it "had no rational economic reason to have agreed to pay reciprocal compensation for the ISP traffic, because...such assent would have likely guaranteed that BellSouth would lose money on every customer it serves who subscribed to an ISP served by a complainant."

In an example provided by BellSouth, a BellSouth residential customer subscribes to an ISP that is served by an ALEC. The customer uses the Internet for two hours per day. This usage would generate a reciprocal compensation payment to the ALEC of \$36.00 per month, assuming a 1 cent per minute reciprocal compensation rate. A Miami BellSouth customer pays \$10.65 per month for residential service. Thus, BellSouth would pay \$25.35 per month more to the ALEC than it receives from its customer. BellSouth claims that this unreasonable result is proof that it never intended to include ISP traffic as local for reciprocal compensation purposes.

Not all parties receive reciprocal compensation of 1 cent per minute. The MCIm Agreement specifies a rate of \$0.002 per minute, not \$0.01. In this case, using BellSouth's example, the total reciprocal compensation would be \$7.20. MCIm points out in its brief that the contract containing the \$0.01 rate is one to which BellSouth agreed. They argue that "[w]hether BellSouth agreed to this rate because they mistakenly thought that a rate five times higher than cost would give it some competitive advantage, or whether BellSouth agreed to it without thinking at all, it is not the Commission's role to protect BellSouth from itself."

In support of its position that ISP traffic was intended to be treated as local in the Agreement, WorldCom points out that BellSouth charges its own ISP customers local business line rates for local telephone exchange service that enables the ISP's customers within the local calling area to connect with the ISP by means of a local call. Such calls are rated and billed as local, not toll.

MCIm also points out that BellSouth treats calls to ISPs that are its customers as local calls. BellSouth also offers its own ISP customers service out of its local exchange tariffs. MCIm asserts that while it treats its own customers one way, BellSouth would have ISP customers of the ALECs treated differently.

Besides BellSouth's treatment of its own ISP customers' traffic, there is nothing in the parties' agreements that addresses the practical aspect of how to measure the traffic. As TCG points out in its brief, BellSouth failed to take any steps to develop a tracking system to separately account for ISP traffic. The TCG contract was entered into in July 1996, but BellSouth did not

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 17

attempt to identify ISP traffic until May or June of 1997. If the agreement did in fact exclude ISP traffic from the definition of local traffic, and thus the reciprocal compensation provisions of the agreement, it would be necessary to develop a tracking system. The evidence indicates that the tracking system currently used by BellSouth is based on identifying the seven-digit number associated with an ISP. Absent that, as BellSouth witness Hendrix conceded, BellSouth must rely on estimates.

Intermedia also points out in its brief that:

If ISP traffic is not local as BellSouth contends, it would have been imperative for the parties to develop a system to identify and measure ISP traffic, because there is no ready mechanism in place for tracking local calls to ISPs. The calls at issue are commingled with all other local traffic and are indistinguishable from other local calls. If BellSouth intended to exclude traffic terminated to ISPs from other local traffic, it would have needed to develop a way to measure traffic that distinguishes such calls from all other types of local calls with long holding times, such as calls to airlines and hotel reservations, and banks. In fact, there is no such agreed-upon system in place today.

This is perhaps the most telling aspect of the case. BellSouth made no effort to separate out ISP traffic from its own bills until the May-June 1997 time frame. WorldCom argues in its brief that BellSouth's "lack of action is especially glaring given Mr. Hendrix's acknowledgment that there are transport and termination costs associated with calls terminating at an ISP." Prior to that time, BellSouth may have paid some reciprocal compensation for ISP traffic. Witness Hendrix admitted, "We may have paid some, I will not sit here and say that we did not pay any." The other parties made no effort to separate out ISP traffic, and based on their position that the traffic should be treated as local, this is as one would expect. In some cases the contracts were entered into more than a year before this time period.

It appears from the record that there was little, if any, billing of reciprocal compensation by the ALECs until just before BellSouth began to investigate the matter. It was the receipt of the bills for considerable amounts of reciprocal compensation that triggered BellSouth's investigation of the matter, and its decision to begin removing ISP traffic from its own bills. If these large bills were never received, would BellSouth have continued to bill

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 18

the ALECs for reciprocal compensation on ISP traffic? There would have been no reason for BellSouth to investigate, and therefore no reason for them to start separating their own traffic. Under the circumstances, we have difficulty concluding that the parties all knew that ISP traffic was interstate, and should be separated out before billing for reciprocal compensation on local traffic, as BellSouth contends.

Impact on Competition

The potential impact of BellSouth's actions on local competition is perhaps the most egregious aspect of the case. As witness Hendrix testified, The Telecommunications Act of 1996 "established a reciprocal compensation mechanism to encourage local competition." He argued that "The payment of reciprocal compensation for ISP traffic would impede local competition." We are more concerned with the adverse effect that BellSouth's refusal to pay reciprocal compensation could have on competition. We agree with this assessment by TCG witness Kouroupas:

As competition grows, the smaller, leaner ALECs may well win other market segments from ILECs. If each time this occurs the ILEC, with its greater resources overall, is able to fabricate a dispute with ALECs out of whole cloth and thus invoke costly regulatory processes, local competition could be stymied for many years.

Conclusion

We think the question of whether ISP traffic is local or interstate can be argued both ways. While it appears that the FCC may believe Internet usage is an interstate service, it also appears that it believes that it is not a telecommunications service. The FCC itself seems to be leaning toward the notion of severability of the information service portion of an Internet call from the telecommunications portion, which is often a local call. Further, the FCC has allowed ISPs to purchase local service for provision of Internet services, without ever ruling on the extent to which the "local" characterization should apply. Indeed, as recently as April, 1998, the FCC itself indicated that a decision has not been made as to whether or not reciprocal compensation should apply. Thus, while there is some room for interpretation, we believe the current law weighs in favor of treating the traffic as local, regardless of jurisdiction, for purposes of the Interconnection Agreement. We also believe that the language of the Agreement itself supports this view. We therefore conclude on the basis of the plain language of the Agreement and of the effective law at the the time the Agreement was executed, that the

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 19

parties intended that calls originated by an end user of one and terminated to an ISP of the other would be rated and billed as local calls; else one would expect the definition of local calls in the Agreement to set out an explicit exception.

Even if we assume for the sake of discussion that the parties' agreements concerning reciprocal compensation can be said to be ambiguous or susceptible of different meanings, the parties' conduct at the time of, and subsequent to, the execution of the Agreement indicates that they intended to treat ISP traffic as local traffic. None of the parties singled ISP traffic out for special treatment during their negotiations. BellSouth concedes that it rates the traffic of its own ISP customers as local traffic. It would hardly be just for BellSouth to conduct itself in this way while treating WorldCom differently. Moreover, BellSouth made no attempt to separate out ISP traffic from its bills to the ALECs until it decided it did not want to pay reciprocal compensation for ISP traffic to the ALECS. BellSouth's conduct subsequent to the Agreement was for a long time consistent with the interpretation of Section 1.40 urged by WorldCom. A party to a contract cannot be permitted to impose unilaterally a different meaning than the one shared by the parties at the time of execution when it later becomes enlightened or discovers an unintended consequence.

BellSouth states in its brief that "the Commission must consider the extant FCC orders, case law, and trade usage at the time the parties negotiated and executed the Agreements." We have. By its own standards, BellSouth is found wanting. The preponderance of the evidence shows that BellSouth is required to pay WorldCom reciprocal compensation for the transport and termination of telephone exchange service local traffic that is handed off by BellSouth to WorldCom for termination with telephone exchange service end users that are Internet Service Providers or Enhanced Service Providers under the terms of the WorldCom and BellSouth Florida Partial Interconnection Agreement. Traffic that is terminated on a local dialed basis to Internet Service Providers or Enhanced Service Providers should not be treated differently from other local dialed traffic. We find that BellSouth must compensate WorldCom according to the parties' interconnection agreement, including interest, for the entire period the balance owed is outstanding.

The Teleport/TCG South Florida-BellSouth Agreement

Local traffic is defined in Section 1.D. of the Agreement between BellSouth and TCG as:

any telephone call that originates and terminates in the same LATA and is billed by

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 20

the originating party as a local call, including any call terminating in an exchange outside of BellSouth's service area with respect to which BellSouth has a local interconnection arrangement with an independent LEC, with which TCG is not directly interconnected.

This Agreement was entered into by the parties on July 15, 1996, and was subsequently approved by the Commission in Docket No. 960862-TP. Under TCG's prior Agreement with BellSouth, ISP traffic was treated as local.

The TCG Agreement states in Section IV.B and part of I.C:

The delivery of local traffic between parties shall be reciprocal and compensation will be mutual according to the provisions of this Agreement.

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, incorporated herein by this reference.

No exceptions have been made to the definition of local traffic to exclude ISP traffic. The facts surrounding this Agreement, and the arguments made by the parties, are essentially the same as the WorldCom Agreement, and we will not reiterate them here. Our decision is the same. The preponderance of the evidence shows that BellSouth is required to pay TCG reciprocal compensation for the transport and termination of telephone exchange service local traffic that is handed off by BellSouth to TCP for termination with telephone exchange service end users that are Internet Service Providers or Enhanced Service Providers under the terms of the TCG and BellSouth Florida Partial Interconnection Agreement. Traffic that is terminated on a local dialed basis to Internet Service Providers or Enhanced Service Providers should not be treated differently from other local dialed traffic. We find that BellSouth must compensate TCG according to the parties' interconnection agreement, including interest, for the entire period the balance owed is outstanding.

The MCI-BellSouth Agreement

The Agreement between MCI and BellSouth defines local traffic in Attachment IV, Subsection 2.2.1. That subsection reads as follows:

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 21

The parties shall bill each other reciprocal compensation at the rates set forth for Local Interconnection in this Agreement and the Order of the FPSC. 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 (EAS) exchange. The terms Exchange and EAS exchanges are defined and specified in Section A3 of BellSouth's General Subscriber Service Tariff.

MCI witness Martinez testified that no exception to the definition of local traffic was suggested by BellSouth. MCI argues in its brief that "[i]f BellSouth wanted a particular exception to the general definition of local traffic, it had an obligation to raise it."

The facts surrounding this Agreement, and the arguments made by the parties, are essentially the same as the WorldCom Agreement, and we will not reiterate them here. Our decision is the same. The preponderance of the evidence shows that BellSouth is required to pay MCI reciprocal compensation for the transport and termination of telephone exchange service local traffic that is handed off by BellSouth to MCI for termination with telephone exchange service end users that are Internet Service Providers or Enhanced Service Providers under the terms of the MCI and BellSouth Florida Partial Interconnection Agreement. Traffic that is terminated on a local dialed basis to Internet Service Providers or Enhanced Service Providers should not be treated differently from other local dialed traffic. We find that BellSouth must compensate MCI according to the parties' interconnection agreement, including interest, for the entire period the balance owed is outstanding.

The Intermedia-BellSouth Agreement

The Agreement with Intermedia defines Local Traffic in Section 1(D) 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. (TR 142-143)

The portion regarding reciprocal compensation, Section IV(A) states:

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 22

The delivery of local traffic between the parties shall be reciprocal and compensation will be mutual according to the provisions of this Agreement. (TR 143)

Section IV(B) states:

Each party will pay the other party 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 evidence shows that no exceptions were made to the definition of local traffic to exclude ISP traffic in the Intermedia-BellSouth Agreement. The facts surrounding this Agreement, and the arguments made by the parties, are essentially the same as the WorldCom Agreement, and we will not reiterate them here. Our decision is the same. The preponderance of the evidence shows that BellSouth is required to pay Intermedia reciprocal compensation for the transport and termination of telephone exchange service local traffic that is handed off by BellSouth to Intermedia for termination with telephone exchange service end users that are Internet Service Providers or Enhanced Service Providers under the terms of the Intermedia and BellSouth Florida Partial Interconnection Agreement. Traffic that is terminated on a local dialed basis to Internet Service Providers or Enhanced Service Providers should not be treated differently from other local dialed traffic. We find that BellSouth must compensate Intermedia according to the parties' interconnection agreement, including interest, for the entire period the balance owed is outstanding.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that under the terms of the parties' Interconnection Agreements, BellSouth Telecommunications, Inc. is required to pay Worldcom Technologies, Inc., Teleport Communications Group Inc./TCG South Florida, Intermedia Communications, Inc., and MCI Metro Access Transmission Services, Inc., reciprocal compensation for the transport and termination of telephone exchange service that is terminated with end users that are Internet Service Providers or Enhanced Service Providers. BellSouth Telecommunications, Inc. must compensate the complainants according to the interconnection agreements, including interest, for the entire period the balance owed is outstanding. It is further

ORDERED that these dockets shall be closed.

ORDER NO. PSC-98-1216-FOF-TP
DOCKET NOS. 971478-TP, 980184-TP, 980495-TP, 980499-TP
PAGE 23

By ORDER of the Florida Public Service Commission this 15th
Day of September, 1998.

/s/ Blanca S. Bayó

BLANCA S. BAYÓ, Director
Division of Records and Reporting

This is a facsimile copy. A signed
copy of the order may be obtained by
calling 1-850-413-6770.

(S E A L)
MCB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

**BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION
STATE OF GEORGIA**

e.spire COMMUNICATIONS, INC.)	
Petitioner,)	
)	
v.)	DOCKET NO. 9281-U
)	Regarding Reciprocal Compensation
BELLSOUTH TELECOMMUNICATIONS, INC.)	for Traffic Terminated to Internet
Respondent.)	Services Providers

Initial Decision of the Hearing Officer

PROCEDURAL BACKGROUND:

This matter comes before the Georgia Public Service Commission ("Commission") as a Complaint filed on May 22, 1998 by e.spire Communications, Inc. (hereinafter "Petitioner" or "e.spire") against BellSouth Telecommunications, Inc. (hereinafter "Respondent", or "BST"). In such complaint, e.spire claimed that BST has breached the Interconnection Agreement dated July 25, 1996, as amended October 17, 1996, by and between e.spire's wholly-owned subsidiary, American Communications Services, Inc. ("ACSI") and BST, which Interconnection Agreement was approved by this Commission on November 8, 1998 in Docket No. 6881-U (hereinafter "the Agreement", "the Interconnection Agreement", or the "e.spire/BST Agreement"), by BST's failure to pay reciprocal compensation on traffic originated by BST for its customers and

terminated by e.spire to Internet service providers. Moreover, e.spire further alleged that BST has failed to meet obligations placed on BST by the Telecommunications Act of 1996 ("Telecommunications Act"), the Georgia Telecommunications and Competition Development Act of 1995 (the "Georgia Act"), and the Rules and Orders of the Commission.

Pursuant to Interim Procedures for the Hearing and Resolution of Complaints Arising from Interconnection Agreements adopted by the Commission on November 4, 1997, this case was assigned for hearing before the Commission's Chief Hearing Officer and Director of Case Management, Mr. Philip J. Smith, and Hearing Officer Smith held a preliminary conference on June 1, 1998 at which the parties set forth their positions, and BST requested a hearing on the Complaint. On June 4, 1998, Hearing Officer Smith issued a Scheduling Order, concluding the Commission had jurisdiction to hear the Complaint and establishing a procedural schedule. On June 22, 1998, e.spire filed an amendment to its Complaint in this proceeding seeking compensatory damages for BST's alleged breach of the Agreement. Prior to hearing, Petitioner published timely notice of hearing as required by applicable Commission rules, and both parties timely filed and served pre-filed testimony.

On July 1, 1998, by order signed by Philip J. Smith, this case was reassigned to John P. Tucker as Hearing Officer. On July 2, 1998, BST filed a Partial Motion to Dismiss, seeking dismissal of e.spire's amendment to the Complaint (which sought compensatory damages) on the grounds that award of damages is beyond the statutory authority of the Commission and that, even if the Commission were authorized by statute, Petitioner's counsel waived any such claims by stating at the preliminary conference on June 1, 1998, that e.spire had not sought

compensatory damages because it did not believe the Commission had the authority to award such damages and that e.spire cannot by its amendment retract such waiver or argue inconsistently for compensatory damages. On July 14, 1998, this matter came on for hearing before Hearing Officer John P. Tucker at the Commission's Hearing Room at 47 Trinity Avenue, S.W., 5th Floor, Atlanta, Georgia 30334.

At hearing, Mr. William E. Rice of Long, Aldridge & Norman in Atlanta, Georgia and Mr. Brad E. Mutschelknaus of Kelley, Drye & Warren, LLP in Washington, DC, appeared on behalf of e.spire, while Mr. Bennett Ross and Ms. Lisa Spooner appeared as in-house counsel for BST. Ms. Jeanette Mellinger, appeared as a staff attorney on behalf of intervenor the Consumers' Utility Counsel Division of the Georgia Office of Consumer Affairs (hereinafter "CUC"). Petitioner presented in support of its complaint the testimony of its Director of Billing Operations/Revenue Assurance, Mr. Kevin A. Cummings and of its Vice President of Regulatory Affairs, Mr. James C. Falvey. Respondent presented in defense the testimony of BST's Director - Interconnection Services Pricing, Mr. Jerry D. Hendrix. At the outset of such hearing, the Hearing Officer denied BST's partial motion to dismiss on the grounds stated by Hearing Officer Philip J. Smith in the Initial Decision in MFS Intelenet of Georgia, Inc. v. BellSouth Telecommunications, Inc., GPSC Docket No. 8196-U, holding that the Commission has authority to award compensatory damages in contractual disputes under interconnection agreements over reciprocal compensation for ISP traffic.

Both parties filed briefs and reply briefs. BST filed a reply brief in excess of the page length prescribed by the Commission's rules and, subsequent to the deadline for reply briefs

established in the Scheduling order, filed a substitute reply brief of proper page length (along with an accompanying motion requesting Commission acceptance of such substitute reply brief). In the absence of objection by e.spire, such motion and BST's substitute reply brief is hereby accepted by the Commission. As requested by Hearing Officer Tucker at hearing, all parties after hearing submitted copies of federal or state statutory provisions, Federal Communication Commission ("FCC") decisions, rules and regulations, state utility regulatory agency decisions, rules and regulations and federal or state court decisions deemed applicable to this case and cited on brief by either party, and the Commission hereby takes official or administrative notice of such filings. In addition, memorandum submitted by the FCC as amicus curiae to the U.S. District Court for the Western District of Texas (wherein the FCC asserts that the FCC has taken no position to date on whether ISP traffic is local) in Southwestern Bell Telephone Co. v. Public Utility Commission of Texas, Case No. M0-98-CA-43, (W.D. Tx, July 16, 1998), Petitioner objects to administrative notice being taken of such copy of a "pleading" in a federal court case; however, the Hearing Officer has taken administrative notice of such FCC memorandum. Subsequent to the filing of late-filed exhibits and briefs by the parties, Frank B. Strickland of Wilson, Strickland & Benson, P.C. was substituted as counsel for e.spire in place of William E. Rice of Long, Aldridge & Norman. Such substitute counsel filed supplemental "briefs" consisting of copies of decisions by federal courts and other state utility regulatory bodies, and the Commission likewise takes official or administrative notice of such filings.

CONTENTIONS OF THE PARTIES:

A. Contentions of Petitioner e.spire

In its Complaint, as amended, e.spire contends that BST has breached the e.spire/BST Agreement by BST's failure to pay e.spire reciprocal compensation as required by such Interconnection Agreement and that such breach entitles e.spire to compensatory damages in the amount of the reciprocal compensation BST has wrongfully withheld from e.spire. Specifically, according to e.spire the provisions of the e.spire/BST Agreement require BST and e.spire to pay reciprocal compensation to each other for all telephone exchange traffic that originates on one company's network and terminates on the other's network. Both e.spire and BST have provided tariffed local exchange service over their respective networks to end user customers, including some business customers operating as information service providers (hereinafter "ISPs"). Petitioner contends BST has failed to make reciprocal payments to e.spire for calls made by e.spire subscribers to ISPs, because BST contends (erroneously according to e.spire) that such calls do not meet the definition of "local traffic" as defined in the e.spire/BST Agreement or in the applicable rules and regulations of the FCC and this Commission.

After initially taking the position that this Commission lacks jurisdiction to award compensatory damages at the preliminary conference held before Hearing Officer Smith on June 1, 1998, e.spire obtained a copy of the Initial Decision rendered by Hearing Officer Smith on May 29, 1998 in MFS Intelenet of Georgia, Inc. v. BellSouth Telecommunications, Inc., GPSC Docket No. 8196-U (hereinafter "MFS/BellSouth Initial Decision"), wherein the Hearing Officer held that "the Commission has authority to order compensation for past due amounts under the [interconnection] contract, for without such authority, it cannot adequately perform its duties

under the Telecommunications Act of 1996 or the Georgia Act." Upon learning of such Initial Decision, e.spire amended its Complaint in this case to request specific relief in the form of a Commission order directing BST to pay e.spire the amounts owed under the Agreement as reciprocal compensation, plus interest thereon. However, e.spire's initial Complaint had earlier requested "any other relief the Commission deems meet and proper," and e.spire contends that the recent MFS/BellSouth Initial Decision by the Commission's Hearing Officer provides a supervening legal basis for e.spire's amending its Complaint herein specifically to seek similar relief, even if such amendment were inconsistent with e.spire's prior position at the preliminary conference.

B. Contentions of Respondent BST

BST contends that ISP telephone traffic is as global and long distance in nature as the Internet itself, that jurisdiction over ISP traffic is, therefore, vested in the FCC, and that this Commission is thereby pre-empted from exercising jurisdiction over ISP traffic. BST further contends that, even if this Commission has jurisdiction over ISP traffic, such traffic (1) is one-way and, hence, not reciprocal and (2) is consequently, not subject to the reciprocal compensation under the e.spire/BST Agreement. BST has asked for reconsideration by the full Commission of the MFS/BellSouth Initial Decision, which is not yet the final decision of the Commission, because BST has requested Commission reconsideration and review thereof. Finally, BST contended in its motion for partial dismissal and at hearing that, even if ISP traffic were local and subject to the reciprocal compensation provisions of the e.spire/BST Agreement, this Commission has no statutory authority to award compensatory damages under such interconnection contract

and that e.spire's amendment to its Complaint should, therefore, be dismissed.

C. Contentions of Intervenor CUC

CUC attended the hearing and participated as an observer, and CUC's representative chose not to cross-examine witnesses or to submit written briefs in this proceeding.

FINDINGS OF FACT

BST is the Regional Bell Operating Company headquartered in Georgia and provides, as here pertinent, switched local exchange and other telecommunications services in nine (9) southern states, including Georgia. BST is an incumbent local exchange carrier ("ILEC") in Georgia. Petitioner e.spire Communications, Inc. provides local telecommunications services in Georgia through its wholly-owned subsidiaries American Communications Services of Atlanta, Inc., d/b/a e.spire Communications, Inc., and ASCL, d/b/a e.spire Communications, Inc., both of which are licensed by this Commission as competitive local exchange carriers ("CLECs"). BST and e.spire entered into an Interconnection Agreement on July 25, 1996 which was filed with this Commission on August 27, 1996. Such Interconnection Agreement was amended by a written Amendment dated October 17, 1996 and filed with this Commission on October 24, 1996. On November 8, 1996, the Commission approved such Interconnection Agreement, as amended, in Docket No. 6881-U.

Under Subsection VI.B of the e.spire/BST Agreement, BST obligated itself to track and report local minutes usage or traffic from BST's end-users terminated on e.spire's network. By such Agreement, BST was to track usage for both parties and to provide copies of usage reports to e.spire on a monthly basis. Moreover, the Agreement specified that there would be no cash

payment or compensation between the parties for transporting and terminating each other's traffic unless and until the difference in minutes exceeded two million (2,000,000) minutes per state on a monthly basis. In August, 1997, e.spire's own usage reports show that such two million (2,000,000) minutes per month use difference was exceeded in Georgia, and such difference has continued for every month since August, 1997. However, BST did not provide usage reports to e.spire as BST was obligated to do under the Agreement, despite repeated requests for such by e.spire and despite e.spire's receipt of similar reports from other Regional Bell Operating Companies such as BellAtlantic, US West, and SBC Communications. Thus, only after installing Traffic Master™ software to capture data from its Lucent SESS switches was e.spire able to generate its own local usage reports and begin billing BellSouth in November, 1997 for reciprocal compensation from August, 1997. Pursuant to Subsection V.D.I.A of the e.spire/BST Agreement, e.spire and BST have established multiple trunk groups (including trunk groups 301, 401, 402, 403 and 503) which carry exclusively local traffic and are designated by the parties as local trunk groups, and Traffic Master™ can distinguish between local and all other types of traffic because e.spire's local traffic is carried over a separate local trunk group. On cross-examination of Mr. Kevin A. Cummings, BST's attorneys indicated that, for the purpose of this proceeding, BST was not disputing the accuracy of e.spire's TrafficMASTER™ reports at hearing, but BST refused to stipulate as to the accuracy of such reports, pending audit by BST to exclude ISP traffic which BST contends is not local traffic.

Also, on cross-examination, Mr. Cummings stated that, while three (3) other Regional Bell Operating Companies had supplied traffic usage reports to e.spire and other CLECs, only

BellAtlantic had paid e.spire's reciprocal compensation invoices without question, and Mr. Cummings did not know whether US West and SBC Communications had admitted that ISP traffic was local traffic. BST introduced as a late-filed exhibit a certified copy of a letter from BellAtlantic to the FCC requesting urgent action by the FCC to classify Internet bound calls as not local traffic and not subject to reciprocal compensation.

Subsection VI.A of the Interconnect Agreement provides as follows for the exchange of local traffic and calls for compensation therefor:

"A. Exchange of Traffic

The Parties agree...that local interconnection is defined as the delivery of local traffic to be terminated on each party's local network so that customers of either party have the ability to reach customers of the other party, without the use of access codes or delay in the processing of a call. The Parties further agree that the exchange of traffic on BellSouth's Extended Area Service (EAS) shall be considered local traffic and compensation for the termination of such traffic shall be pursuant to the terms of this section."

Attachment B to the Interconnection Agreement defines "local traffic" to include "telephone calls that originate in one exchange and terminate in either the same exchange, or a corresponding Extended Service Area ('EAS') exchange." Such definition does not discriminate upon the types of end users. Nor does such definition exclude calls from end users to other end users in the same local calling area, because one end user happens to be an ISP.

Subsection VI.B of the Interconnect Agreement provides that e.spire and BST initially compensate each other through a "bill and keep" arrangement, whereby each party would transport and terminate the other's local traffic without charge, but Section VI.B also provides for transition to reciprocal compensation as follows:

Compensation

The Parties agree that BellSouth will track the usage for both companies for the period of the Agreement. BellSouth will provide copies of such usage reports to [e.spire] on a monthly basis. For purposes of this Agreement, the Parties agree that there will be no cash compensation exchanged by the parties during the term of this Agreement unless the difference in minutes of use for terminating local traffic exceeds 2 million minutes per state on a monthly basis. In such an event, the Parties will thereafter negotiate the specifics of a traffic exchange agreement which will apply on a going-forward basis.

While the Interconnection Agreement itself does not contain a rate per minute for reciprocal compensation, the language of the above compensation paragraph clearly and ambiguously contemplates the payment of reciprocal compensation when the difference in minutes of use exceeds two million minutes per state on a monthly basis, which e.spire asserts occurred in Georgia in August, 1997 and has recurred continuously since. Also the Interconnection Agreement specifically provides that e.spire may elect to replace any of the material terms of the Agreement, including rates with the corresponding provisions of any other local interconnection agreement that BellSouth enters with another carrier. Subsection XXII.A of the Agreement, granting e.spire most favored nation status, provides:

If as a result of any proceeding before any Court, Commission, or the FCC, any voluntary agreement or arbitration proceeding pursuant to the Act, or pursuant to any applicable federal or state law, BellSouth becomes obligated to provide interconnection, number portability, unbundled access to network elements or any other services related to interconnection, whether or not presented covered by this Agreement, to another telecommunications carrier operating within a state within the BellSouth territory at rates or on terms and conditions more favorable to such carrier than the comparable provisions of this Agreement, then [e.spire] shall be entitled to add such network elements and services, or substitute such more favorable rates, terms or conditions for the relevant provisions of this Agreement, which shall apply to the same states as such other carrier and such substituted rates, terms or conditions shall be deemed to have been effective under this Agreement as of the effective date thereof to such other carrier.

By letter dated November 14, 1997, e.spire informed BST that e.spire had not received any usage reports from BST as required by the Interconnection Agreement. In a January 8, 1998 letter, BST admitted such failure to track or report local usage and agreed to accept e.spire's reports; however BST stated unequivocally that BST would not pay e.spire's bills for reciprocal compensation, because a mutually-agreed upon compensation rate had not been determined, because BST did not believe ISP traffic to be local traffic, and because BST had not been assured by e.spire that its "local traffic" count did not contain interexchange (or nonlocal) traffic. However, as a "carrot" to e.spire or an opening offer in negotiations, BST proposed paying a rate of \$0.002 for terminating local traffic. However, utilizing the above-quoted "most favored nation" clause from subsection XII.A of the e.spire/BST Agreement, e.spire selected a rate of \$0.0087 (or 0.87 cents) per minute from another interconnection agreement concluded by BST with another CLEC (namely, MFS Communications Co., Inc.) and approved by this Commission. BST, on the other hand, views the last sentence of the above-quoted Compensation paragraph of Subsection VI.B as critical: "In such an event, [when local traffic exceeds two million minutes per state on a monthly basis], the Parties will thereafter negotiate the specifics of a traffic exchange agreement which will apply on a forward-going basis." According to BST, such provision postponed all rate negotiations until after the two million minutes per state per month difference in local traffic exchanged had been reached; and, because such sentence is more specific, BST contends it precludes e.spire's reference to the "most favored nation" clause of Subsection XII.A of the Interconnect Agreement as a rate source. However, the "most favored motion" clause of Subsection XII.A applies to all provisions of the e.spire/BST Agreement (including any

subsequently negotiated traffic exchange agreement amending such Interconnect Agreement).

Because BST failed to track local usage or report such to e.spire as BST had obligated itself to do under the e.spire/BST Agreement, e.spire was put to the expense and effort of reconstructing and monitoring local usage by e.spire customers. Other Regional Bell Operating Companies have evidenced the technical capability to produce such local usage reports, and BST gave no adequate or reasonable explanation for its failure to track and report local usage as it was required to do under the e.spire/BST Agreement. Even BST's attorney at hearing indicated BST was not challenging the accuracy of e.spire's TrafficMASTER™ reports on local usage (although he would not stipulate to such) and insisted upon BST's having the right to audit e.spire's local traffic reports to eliminate interexchange (long distance) traffic.

In addition, Section XXX of the e.spire/BST Agreement contains a typical "entire agreement" clause which specifies that the written language of such Interconnect Agreement contains the entire agreement of the parties and supersedes all prior negotiations or agreements between the parties and which further requires that any amendments or changes to such Interconnect Agreement must be in writing and signed by a duly authorized officer or representative of the party to be bound thereby. Thus, any "traffic exchange agreement" or any other amendment to the e.spire/BST Agreement must be in writing and signed by the duly authorized officers or representatives of the BST and e.spire. Moreover, e.spire contends BST's lengthy and continued references at hearing to negotiations, and the intent of negotiators, of the e.spire/BST Agreement constitute no relevant evidence of the meaning of unambiguous language of the Interconnect Agreement in light of the parol evidence rule applicable to contract

construction in Georgia and in light of the Section XXX entire agreement clause of the e.spire/BST Agreement. Similarly, e.spire contends testimony regarding different language in other interconnection agreements is likewise irrelevant to this proceeding regarding the e.spire/BST Agreement.

By the time BST negotiated and signed the e.spire/BST Agreement in July, 1996, BST had been negotiating interconnection agreements with CLECs in Georgia and other Southeastern states for more than eight (8) months, had negotiated a variety of rates for terminating local traffic between CLECs and BST, was well aware that local traffic differentials could flow heavily toward BST or toward the CLEC, and had in other interconnection agreements negotiated ceilings or caps limiting the amount of reciprocal compensation for local exchange traffic. But, no such cap or ceiling was inserted or agreed to in the e.spire/BST Agreement. Moreover, BST clearly has the same or similar technological capacity and legal expertise as its sister Regional Bell Operating Companies to provide local traffic usage reports and to negotiate interconnection agreements, and BST certainly was not, and is not, a disadvantaged or inferior party to e.spire in the negotiation and performance of the e.spire/BST Agreement. Nevertheless, although BST obviously had the superior bargaining power, knowledge and experience regarding interconnection agreements at the negotiating table with e.spire, BST is now asking this Commission to excuse BST's nonperformance of its duty to track and report local usage and to rewrite the e.spire/BST contract on terms more favorable to BST than those already approved by the Commission and to which BST has already contractually bound itself.

Regarding the issue of whether or not ISP traffic is local traffic, ISPs typically maintain a point of presence within a local calling area for the sole purpose of rendering the call from Internet subscriber to the ISP's point of presence a local call. As BST's witness at hearing admitted, the local nature of such calls is readily apparent, because the Internet subscriber accesses the ISP by dialing the ISP's seven or ten digit local telephone number without the "1" long distance prefix. Such calls to the ISP clearly fall within the definition of local traffic set out in Subsection VI.A of the Interconnection Agreement, because such calls originate with an Internet subscriber and terminate with an ISP point of presence, both of which are located wholly within the same BST local calling area. BST itself treats such calls to ISPs as local calls (1) in allocating costs between intrastate and interstate traffic for state and federal regulatory reporting purposes, (2) in BST's local tariffs, and (3) in BST's billing of its customers [i.e., BST does not bill calls as toll charges when such calls originate with an Internet customer and terminate with an ISP point of presence (which is a BST customer) within the same BST local calling area]. In sum, by the admissions of BST's witness, such calls to ISPs are processed, billed and tarified by BST as local calls. Moreover, e.spire's uncontradicted evidence showed that its TrafficMASTER³™ reports were restricted exclusively to local trunks. Nevertheless, BST has refused to pay reciprocal compensation on such traffic conceptually not to be local (because the ISP subsequently provides the Internet subscriber with worldwide access via the Internet) and because BST deems the e.spire/BST contract as not requiring reciprocal compensation until a traffic exchange agreement is negotiated.

CONCLUSIONS OF LAW

A. Commission Authority Over Interconnection Agreements

The Commission has authority and jurisdiction over this matter, as over all interconnection agreements approved by the Commission, pursuant to Sections 251 and 252 of the Telecommunications Act [47USC §§252 and 252] and under the Georgia Act [O.C.G.A. §§ 46-5-160, et seq.]. Section 251 of the Telecommunications Act expressly directs all local exchange carriers ("LECs") to interconnect their networks with those of competing service providers in order to transport and terminate local exchange traffic over their respective networks. See, 47 U.S.C. §251(a). Moreover, Section 251(c) imposes a number of additional interconnection obligations upon ILECs such as BST (including, as here pertinent, the duty to provide interconnection facilities and equipment to CLECs so that interconnection with the CLEC such as e.spire is at least equal in quality to that the ILEC provides for itself, its affiliates or anyone else and that such services be provided on rates, terms and conditions that are just, reasonable, and nondiscriminatory). See, 47 U.S.C. §251(c)(2). Georgia law imposes a similar duty on all LECs to permit reasonable interconnection with other LECs. O.C.G.A. § 46-5-164(a). Concomitant with such duties imposed on LECs by Section 251(a) and (c) of the Telecommunications Act, Section 251(b) requires each LEC to establish reciprocal compensation arrangements for the transport and termination of telecommunications. 47 U.S.C. 251(b). The parties submitted to this Commission, and received this Commission's approval of, the e.spire/BST Agreement; and without the power to interpret and to enforce the terms of such interconnection agreements, the Commission would lack the power to implement and administer the provisions of the Georgia Act. Moreover, the Eighth Circuit Court of appeals has delineated clearly and unmistakably the extensive authority of

state telephone regulatory agencies in interpretation and enforcement of interconnection agreements under the Telecommunications Act. Iowa Utilities Board v. FCC, 120 F.3d753, at 804 (8th Cir., 1997):

"...[S]tate commissions' plenary authority to accept or reject these [interconnection] agreements necessarily carries with it the authority to enforce the provisions of agreements that the state commissions have approved. State commission authority to enforce these terms, compared to FCC authority, is especially appropriate given the local nature of the calls at issue in this case."

Inherent in this Commission's authority to enforce interconnection agreements (such as the e.spire/BST Agreement in this case) is the authority to order parties to such agreements to fulfill their statutory and contractual obligations to remit compensation required thereunder. Without such authority to order compensation for past due amounts under the interconnection contracts with interest thereon, the Commission cannot perform its duties under the Telecommunications Act or the Georgia Act. Hence, this Commission has full and complete authority under the Telecommunications Act and the Georgia Act to interpret and to enforce the e.spire/BST Agreement, including the right to determine the amount of reciprocal compensation due to either party and to order either party to pay such. BST and e.spire recognized such Commission authority by submitting the Interconnection Agreement to the Commission for approval.

B. Traffic Terminating to ISPs Is Local Traffic Subject to Reciprocal Compensation

Nothing in the e.spire/BST Agreement excludes or otherwise differentiates traffic terminating to ISPs ("ISP traffic") from the definition of "local traffic" contained in such Agreement. Rather, it is precisely for the purpose of terminating Internet subscriber calls as local, rather than as toll calls, that ISPs maintain a point of presence within the local calling area (where

the ISP usually has a bank of computer modems accessing the Internet). The origination and termination of such ISP calls (as well as the dialing, billing and tariffing of such calls) recognizes such calls as local, and BST tariffs, processes and bills such ISP traffic as local calls for its customers. BST argues that calls from an Internet subscriber to an ISP point of presence within the same BST local calling area are not local, because such Internet subscribers thereby reach Internet sites all over the world. However, BST's arguments are misplaced. Termination is the key determination of whether ISP calls are to be considered "local traffic." Such telephone calls terminate at the ISP point of presence within BST's same BST local calling area, and the Internet is not part of such telephone call. As Hearing Officer Philip J. Smith stated in the MFS/BellSouth Initial Decision, "As the term is commonly used in the telephone industry, a call placed over the public switched telecommunications network is considered terminated when it is delivered to the telephone exchange service number that has been called, regardless of the identity or status of the party called. The information service provided by the ISP [in connecting to the Internet] is separate and distinct from the local exchange telecommunications service provided by the exchange carriers."

BST itself treats such ISP traffic as local in its tariffs and billing for its ISP customers in Georgia. Moreover, BST can cite no order or ruling of the FCC, of any state regulatory commission or of any federal court which supports BST's argument that ISP traffic is not local, and BST ignores the contrary decisions that such ISP traffic is local by twenty-one (21) state commissions, by the FCC on more than one occasion and by every federal court that has addressed the issue since the enactment of the Telecommunications Act. BST's sole support for

its argument is an amicus curiae memorandum submitted by the FCC to the U.S. District Court for the Western District of Texas stating that the FCC has not ruled that calls to ISPs are subject to reciprocal compensation, and the District Court considered such FCC Memorandum and nevertheless upheld its earlier decision affirming the order of the Public Utilities Commission of Texas that ISP traffic is subject to reciprocal compensation. Southwestern Bell Telephone Co. v. Public Utilities Commission of Texas, Case No. M0-08-CA-43, Order (W.D. Tx, July 16, 1998) and Order (W.D. Tx, June 22, 1998). Two other federal courts have upheld state commission decisions declaring ISP traffic to be local traffic eligible for reciprocal compensation under interconnection agreements. Illinois Bell Telephone Company, d/b/a AmeriTech Illinois v. World Com Technologies, Inc., et al., case No. 98 C 1925, Memorandum Opinion and Order [N.D. Ill. (E.Div), July 21, 1998]; U.S. West Communications, Inc. v. MFS Intelenet, Inc., Case No. C97-222WD (W.D. Wash., Jan. 7, 1998). Also, recently in Southwestern Bell Telephone Company v. FCC, Case No. 97-2618 (8th Cir. 1998), the Eighth Circuit Court of Appeals in footnote 9 to its decision on other matters opined as follows:

“(9) ISPs subscribe to LEC facilities in order to receive local calls from customers who want to access the ISP’s data, which may or may not be stored in computers outside the state in which the calls were placed. An IXC, in contrast, uses the LEC facilities as an element in an end-to-end long-distance call that the IXC sells as its product to its own customers.”

In the face of such unanimity of judicial and regulatory opinion nationwide, BST has cited no sufficient factual or legal basis for this Commission to find ISP traffic anything other than local traffic.

Thus, this Commission can find no more succinct language than that recently employed by the full Public Utilities Commission of Ohio in ruling on the same issue in ICG Telecom Group, Inc., v. AmeriTech Ohio, Ohio PUC Case No. 97-1557-TP-CSS (Opinion and Order, August 27, 1998):

“The Commission can find no legal basis under this Agreement for treating ISP traffic different than other local traffic originated by an end user for purposes of reciprocal compensation.” Id., p.9

Neither the e.spire/BST Agreement nor any federal or state statutory provision distinguish such ISP traffic as different from any other local traffic, and BST has afforded no legal precedent or other basis for making such a distinction. Thus, this Commission concludes that the local call to a local exchange service number of an ISP is a separate and distinct transmission from any subsequent Internet Service provided by the ISP for the caller. Because the call terminated to the ISP is a local call, it must be compensated pursuant to the reciprocal compensation provisions of the Interconnection Agreement or, in the absence of such contractual provision, under the statutory requirement of Subsection 251(b)(5) of the Telecommunications Act [47 U.S.C. § 251(b)(5)].

C. Construction of the Interconnection Agreement under Georgia Contract Law

1. Applicable Principles of Contract Interpretation and Construction

a. Parol Evidence Rule/Entire Agreement Clause

Georgia parol evidence rule renders inadmissible “evidence [parol or written] to add to, take from, or vary a written contract.” O.C.G.A. § 13-2-2 (1). Absent proof of an ambiguity in the contract (and BST has neither alleged nor proven any ambiguity in the

Interconnection Agreement), the court will look to the written contract alone to find the intention of the parties. E.g., Rice v. Huff, 221 Ga. App. 592, 472 S.E. 2d 140 (1996). In addition, the parol evidence rule in Georgia is not merely a rule of evidence, but rather a rule of substantive law. Dixon v. S. & S Loan Services of Waycross, Inc., 754 F. Supp. 1567 (S.D.Ga. 1990). Thus, where (as in this proceeding) the Interconnection Agreement, as amended, has been reduced to writing, such Agreement will, in the absence of fraud, accident or mistake, be conclusively presumed to contain the entire contract, and parol evidence of prior or contemporaneous representations or statements are inadmissible to add to, take from, or vary the written instrument. Andrews v. Skinner, 158 Ga App. 229, 279 S.E.2d 523 (1981). Also, despite being termed the parol evidence rule, this legal principle also precludes the use of written evidence to add to, take from, or vary the terms of a written agreement. O.C.G.A. § 13-2-2(1); American Cyanamid Co. v. Ring, 248 Ga. 673, 286 S.E. 2d 1 (1982); Dixon v. S& S Loan Services of Waycross, Inc., 754 F. supp. 1567 (S.D. Ga., 1990). Moreover, the entire agreement clause contained in Section XXX of the e.spire/BST Agreement reinforces and strengthens such parol evidence rule by specifying that the Interconnection Agreement supersedes all prior negotiations and agreements between the parties and by prohibiting amendment or change to such Interconnection Agreement except in a writing signed by the party to be bound. Georgia appellate courts have held that, where the parties agree a written contract contains the entire agreement, any understanding not embodied in the agreement is irrelevant. Kelson Co. v. Feingold, 168 Ga. App. 391, 309 SE 2d 394 (1983). Thus, the testimony elicited, and the documents produced, by BST in this proceeding regarding the intent of the parties or the meaning of provisions of the Interconnection Agreement are

inadmissible because of a statutory presumption and are irrelevant because of the entire agreement clause contained in the contractual agreement of the parties, especially in view of BST's failure to demonstrate any ambiguities in the language of the Interconnection Agreement.

b. Construction Which Will Uphold Contract in Whole and in Every Part is Preferred

In arguing that no reciprocal compensation can be paid under the Interconnection Agreement unless and until the specifics of a traffic exchange agreement have been negotiated as per Subsection VI.B of the Interconnection Agreement, BST not only ignores the pro-competition purposes of the Telecommunications Act and the statutory requirement that reciprocal compensation be paid for local traffic transported or terminated, but also ignores the "most favored nation" provisions of Subsection XXII.A of such Agreement and the Georgia statutory contractual interpretation principle requiring that the whole contract be looked at in arriving at the construction of any part and that the preferred construction will uphold a contract in whole and in every part. Compare, 47 U.S.C. §§ 251 and 252; O.C.G.A. §§ 13-2-2(4) and 46-5-161; Continental Casualty Co. v. Continental Rent-A-Car of Georgia, Inc., 349 F. supp. 666 (N.D. Ga., 1971), aff'd, 468 F.2d 950 (5th Cir. 1972). The clear language of, and the most straightforward interpretation of such language in Subsection VI.B of the Interconnection Agreement indicates that the parties' duty to pay reciprocal compensation to each other arises as soon as "the difference in minutes of use for terminating local traffic exceeds 2 million minutes per state on a monthly basis." Because the duty to pay such reciprocal compensation is statutory [47 U.S.C. § 251 (b) (5)], as well as required by the just compensation clause of the United States

Constitution, it is unreasonable to argue as BST does that no compensation is due until a traffic exchange agreement is negotiated between the parties, especially in light of the ability such an interpretation could give either party to slow negotiations and to delay commencement of its duty to compensate the other. Moreover, the "most favored nation" clause contained in Section XXII.A. clearly gives e.spire the right to replace any rate negotiated with BST pursuant to subsection VI.B. with a more favorable reciprocal compensation rate contained in any other interconnection agreement executed by BST with a Georgia-certificated CLEC. Thus, in an effort to give effect to all provisions of Subsections VI.B. and XXII.A in accordance with the meaning clearly expressed and intended from the contractual language of such provisions in relation to each other and to all other provisions of the Interconnection Agreement, the Commission finds that BST's duty to pay reciprocal compensation to e.spire commenced the month the difference in minutes of use for local traffic (including ISP traffic) under the Interconnection Agreement exceeded two million (2,000,000) minutes in Georgia and has continued for each and every month since that such 2,000,000 minute difference has been exceeded. Moreover, unless and until BST and e.spire agree to a different local traffic rate under Subsection VI.B., e.spire is contractually entitled under Subsection XXII.A ("the most favored nation" clause) to collect the \$0.0087 per minute rate adopted from the MFS Intelenet interconnection agreement for all such reciprocal compensation since August 1, 1997.

2. Effect of Nonperformance by BST

BST has admitted that it failed to perform its contractual obligation to track and report to e.spire local minutes usage (or local traffic) under Subsection VI.B of the

e.spire/BST Agreement. Moreover, BST's counsel at hearing did not contest the accuracy of e.spire's TrafficMASTER™ reports, although he refused to stipulate such reports as accurate, pending audit to eliminate ISP traffic. The unrefuted testimony of e.spire's witnesses at hearing demonstrated that e.spire used TrafficMASTER™ software to track local minutes usage only on local trunks in Georgia. In light of the demonstrated capability of other Regional Bell Operating Companies to track local traffic and in view of BST's failure to explain satisfactorily or sufficiently its nonperformance in this matter, it is difficult for the Commission to understand why BST has not measured and reported local traffic for and to e.spire as it was obligated to do under the Interconnection Agreement. Moreover, it is precisely because of BST's nonperformance in this area that e.spire was put to the effort and expense of measuring such local traffic (i.e., of performing in BST's stead or of curving BST's nonperformance). Therefore, in the absence of such performance by BST, and in addition to any other compensatory damages awarded hereunder, e.spire is entitled to compensatory damages in the amount of e.spire's incurred costs in reconstructing and monitoring local traffic (including ISP traffic) under the Interconnection Contract since August 1, 1997; provided, that e.spire shall provide to BST copies of e.spire's local traffic reports or reconstructions since August 1, 1997; and, provided further, that BST shall be estopped from complaining to this Commission regarding accuracy of such e.spire reconstructions and reports, unless and until BST shall provide such local traffic reports as it is obligated to do under the Interconnection Contract.

CONCLUSIONS

(1) This Commission has the statutory authority and duty to interpret, to enforce, to direct performance of and to award compensatory damages under interconnection agreements it has approved, including the instant e.spire/BST Agreement. See Section 251 and 252 of the Telecommunications Act [47 U.S.C. §§ 251 and 252]; O.C.G.A. § 46-5-168.

(2) Calls placed by BST end users to ISPs who are customers of a CLEC (where such calls originate and terminate within the same BST local calling area) are local calls and, therefore, subject to the statutory requirement for reciprocal compensation [See, 47 U.S.C. § 251(b)(5)], as well as the requirement of the e.spire/BST Agreement for reciprocal compensation.

(3) Under the e.spire/BST Agreement, BST is required

(a) to pay to e.spire as compensatory damages, reciprocal compensation for local traffic since August, 1997 for every month the difference in minutes terminated with e.spire's Georgia customers exceeds 2,000,000 at a rate selected by e.spire under the "most favored nation" clause of such Agreement; and

(b) to pay to e.spire as compensatory damages the reasonable cost to e.spire for reconstructing, tracking and/or reporting e.spire local traffic minute usage since August 1, 1997, which e.spire effort and expense was occasioned and necessitated by BST's failure to perform its contractual duty to provide such tracking and reporting for e.spire.

(4) All compensatory damages awarded hereunder should bear interest at the highest level rate of interest permissible from the date of this Initial Decision shall become the final decision of this Commission.

WHEREFORE IT IS ORDERED, that BellSouth Telecommunications, Inc. must comply with the reciprocal compensation terms of the e.spire/BST Agreement and make payments to e.spire Communications, Inc. for the termination of local calls (including calls terminating with information service providers who are customers of e.spire Communications, Inc. where such call originates and terminates within the same local BST calling area); and

IT IS FURTHER ORDERED, that unless BellSouth Telecommunications, Inc. and e.spire Communications, Inc. shall otherwise voluntarily enter into a traffic exchange agreement under Subsection VI.B of the e.spire/BellSouth Agreement within thirty (30) days from the entering of this Initial Decision, e.spire Communications, Inc. may by written notice to BellSouth Telecommunications, Inc. and to this Commission select under the "most favored nation" clause in Subsection XXII.A of such Agreement the reciprocal compensation rate from any existing interconnection agreement approved by this Commission as the reciprocal compensation rate applicable to the e.spire/BST Agreement; and

IT IS FURTHER ORDERED, that no later than forty-five (45) days from the entering of this Initial Decision, e.spire Communications, Inc. shall present to BellSouth Communications, Inc. and file with this Commission documentation showing the reciprocal compensation claimed by e.spire Communications, Inc. under the e.spire/BST Agreement that is past due from BellSouth Telecommunications, Inc.; and

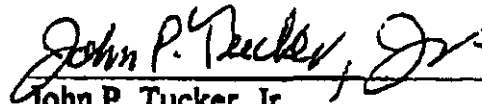
IT IS FURTHER ORDERED, that all reciprocal compensation and other compensatory damage amounts billed to BellSouth Telecommunications, Inc. by e.spire Communications, Inc. shall bear interest at the highest legal rate allowable from the later of the date this Initial Decision

becomes the final order of this Commission or a date thirty (30) days after the date each such bill was first mailed by e.spire Communications, Inc. to BellSouth Telecommunications, Inc.; and

IT IS ORDERED FURTHER, that jurisdiction over this proceeding is expressly retained for the purpose of entering such further order or orders, as this Commission may deem just and reasonable; and

IT IS FURTHER ORDERED that any motion for reconsideration, rehearing or oral argument, or any motion for full Commission review, shall not stay the effectiveness of this Initial Decision unless expressly so ordered by the Commission.

SO ORDERED, this 19th day of October, 1998.



John P. Tucker, Jr.

Hearing Officer

GEORGIA PUBLIC SERVICE COMMISSION

SERVICE LIST
GPSC DOCKET NO. 9281-U

Mr. Robert B. Baker, Jr., Chairman
Georgia Public Service Commission
47 Trinity Avenue, S.W.
Atlanta, Georgia 30334-5701

Mr. Bob Durden
Georgia Public Service Commission
47 Trinity Avenue, S.W.
Atlanta, Georgia 30334-5701

Mr. Stan Wise
Georgia Public Service Commission
47 Trinity Avenue, S.W.
Atlanta, Georgia 30334-5701

Mr. William E. Rice
LONG, ALDRIDGE & NORMAN
Suite 5300 Sun Trust Plaza
303 Peachtree Street
Atlanta, Georgia 30308

Mr. Fred McCallum, Jr.
BellSouth Telecommunications, Inc.
125 Perimeter Center West, Room 376
Atlanta, Georgia 30342

Mr. Gilbert Bentley
Principal Utilities Engineer
Telecommunications Section
Georgia Public Service Commission
47 Trinity Avenue, SW, 6th Floor
Atlanta, Georgia 30334

Mr. David N. Baker
Georgia Public Service Commission
47 Trinity Avenue, S.W.
Atlanta, Georgia 30334-5701

Mr. Lauren "Bubba" McDonald, Jr.
Georgia Public Service Commission
47 Trinity Avenue, S.W.
Atlanta, Georgia 30334-5701

Ms. Helen O'Leary
Executive Secretary
Georgia Public Service Commission
47 Trinity Avenue, S.W., 5th Floor
Atlanta, Georgia 30334

Mr. Jim Hurt, Director
Consumers' Utility Counsel Division
Georgia Office of Consumer Affairs
2 Martin Luther King, Jr. Drive
Plaza Level East
Atlanta, Georgia 30334

Ms. Stacy Ferris-Smith
Assistant Attorney General
Department of Law
40 Capital Square, Suite 132
Atlanta, Georgia 30334

Mr. Frank B. Strickland
WILSON, STRICKLAND
& BENSON, P.C.
One Midtown Plaza, Suite 1100
1360 Peachtree Road, NE
Atlanta, Georgia 30309

SERVICE LIST
GPSC DOCKET NO. 9281-U
(Continued)

Ms. Lisa L. Spooner, Attorney
Legal Department
BellSouth Telecommunications, Inc.
125 Perimeter Center West
Atlanta, Georgia 30346

Mr. Brad E. Mutschelknaus
KELLEY, DRYE & WARREN, LLP
1200 19th Street, N.W., Suite 500
Washington, D.C. 20036

Mr. Bennett Ross, Attorney
Legal Department
BellSouth Telecommunications, Inc.
125 Perimeter Center West
Atlanta, Georgia 30346

Ms. Jeanette Mellinger, Attorney
Consumers' Utility Counsel Division
Georgia Office Of Consumer Affairs
East Tower, Room 356
2 Martin Luther King, Jr. Drive, SW
Atlanta, Georgia 30334

Mr. John P. Tucker, Jr.
Hearing Officer
710 West First Street
P.O. Box 479
Blue Ridge, Georgia 30513

FLORIDA PUBLIC SERVICE COMMISSION

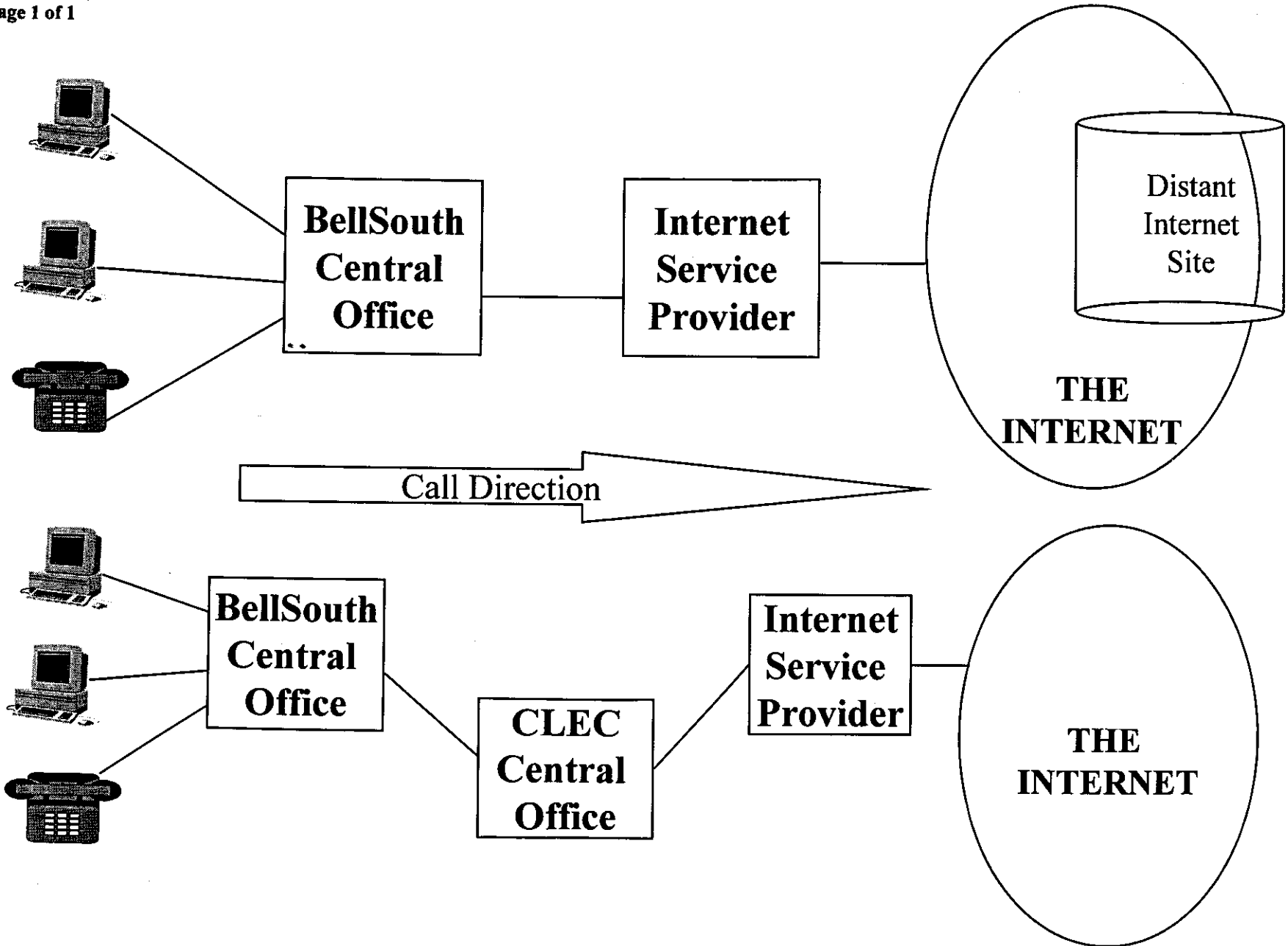
DOCKET

NO. 981068-TP EXHIBIT NO. 6

COMPANY/ Hendrix

WITNESS: _____

DATE: 1-20-99



DOCUMENT NUMBER-DATE
12694 NOV 12 88
FPSC-RECORDS/REPORTING

Bell Atlantic
1300 I Street NW, Suite 400W
Washington, DC 20005

Susanne Goyer
Executive Director,
Federal Regulatory Affairs

BellSouth Telecommunications, Inc.
FPSC Docket No. 981008-TP
Exhibit JH-2
November 3, 1998
Page 1 of 9



July 1, 1998

Ex Parte

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

Re: Docket CCB/CPD 97-30 Reciprocal Compensation

Dear Ms. Salas:

Please place the attached letter to Chairman William Kennard in the record in the above referenced proceeding.

In accordance with Section 1.1206(a)(1) of the Commission's rules, an original and one copy of this notice are being submitted to the Secretary.

Sincerely,

A handwritten signature in cursive script that reads "Susanne Goyer".

Attachment

RECEIVED
JUL 1 1998
FEDERAL COMMUNICATIONS
COMMISSION
OFFICE OF SECRETARY

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 981008-TP EXHIBIT NO. 7
COMPANY/ Pendrius
WITNESS: _____
DATE: 1-30-99

Bell Atlantic
1300 I Street, N.W.
Suite 400 West
Washington, D.C. 20005
(202) 336-7900



July 1, 1998

By Hand

The Honorable William E. Kennard
Chairman
Federal Communications Commission
1919 M Street, NW - Room 814
Washington, D.C. 20554

Re: Reciprocal Compensation for Internet Traffic

Dear Chairman Kennard:

The payment of reciprocal compensation for Internet-bound calls is distorting the market, undermining competition in residential telephony, and discouraging the deployment of high-speed networks.

Therefore, there is an urgent need for action by the Federal Communications Commission to confirm that Internet-bound calls are not local calls, and are not subject to the payment of reciprocal compensation.

Based on a mistaken interpretation of this Commission's prior orders, state commissions have classified calls bound for the Internet - and through it to other Internet users around the globe - as "local" calls. These decisions require telephone companies that provide local service to residential and other dial-up users of the Internet to pay "reciprocal" compensation when these calls are handed off to another carrier for delivery to an Internet service provider.

As one independent analyst puts it, this creates the "single greatest arbitrage opportunity and hence market distortion in the telecom sector today;" deters competition for residence and other dial-up users of the Internet because it has the "perverse effect of turning customers from assets into liabilities;" and discourages economically sound investment. (Attachment 1).

Reciprocal compensation pays carriers not to compete. Because it is available only when a customer's line is served by another carrier, Internet reciprocal compensation actually pays carriers not to invest in their own competing facilities and not to provide their own competing service to residence or small business customers.

The reason is simple: If competing carriers sign up residential or other dial-up Internet users for their own local services, they can kiss the risk-free cash from reciprocal compensation on those lines goodbye. Plus, they then have to pay reciprocal compensation when they hand off calls to another carrier for delivery to an Internet service provider.

The amount that carriers are being paid to not compete has ballooned along with the use of the Internet. Bell Atlantic alone will pay more than \$150 million during 1998 and more than \$300 million during 1999. The overwhelming majority of this money, roughly three-quarters in our case, currently goes to only two massive combines -- Worldcom/MCI and AT&T/TCG.

Ironically, if a family or small business uses the Internet for as little as two hours a day, the reciprocal compensation typically totals more than the customer pays for the line. And if the customer leaves its computer connected to the Internet all the time, the reciprocal compensation can total \$300 per month.

The ability to receive this kind of windfall deters competition, and at the same time creates an enormous drain on companies that have made the investment necessary to provide local service.

Reciprocal compensation pays people money for nothing. The ability to get reciprocal compensation without providing local dial tone service to even a single customer distorts behavior in other ways.

For example, Internet service providers have begun setting up shop as "carriers" for the sole purpose of getting paid reciprocal compensation for the Internet traffic that is delivered to them. One example is illustrative: During the first quarter of this year alone, just one of these "carriers" that provides no dial tone to anyone, sends essentially no traffic to us, and whose customer service representative says is not offering local telephone service, collected several million dollars in reciprocal compensation -- all to provide the same Internet service it provided before it re-labeled itself a "carrier."

The payment of Internet reciprocal compensation has so distorted incentives that, region-wide, the number of minutes we hand off to competing carriers is approaching ten times the number of minutes they send to us. In some of our states, the ratio is more than fifty to one. These ratios are driven, of course, by the carriers' increasing focus on fronting for Internet service providers in order to get the easy cash from reciprocal compensation.

The lure of free cash also inspires conduct bordering on fraud. Because reciprocal compensation is available only for calls that begin and end in the same local calling area,

some carriers have assigned multiple blocks of numbers to Internet service providers – each attributable to a different local calling area – in order to make calls to those providers from distant calling areas appear “local.” In fact, one Internet service provider cum carrier has locked up well over 100 NXXs – representing over a million numbers – all without a single local telephone customer.

These illicit activities only exacerbate the problem, deprive the originating carriers of toll revenues they are entitled to, and contribute to the rapid exhaustion of numbers to boot.

Reciprocal compensation deters investment. The payment of reciprocal compensation not only deters investment in local facilities by competitors, it also deters investment by all carriers in new technologies that could be used to handle this traffic more efficiently.

Although Internet-bound traffic could be handled more efficiently by moving it off the circuit-switched network, and onto more efficient packet-switched technologies, there is no incentive to deploy these technologies if they won't be used. But the fundamental problem is that, as long as Internet service providers (or their carrier affiliates) can get paid reciprocal compensation if they stay on the circuit-switched network, they have little incentive to move to new packet-switched technologies, no matter how reasonably priced. And so long as no one is willing to use these new technologies, there is little incentive for originating carriers to deploy them in the first place.

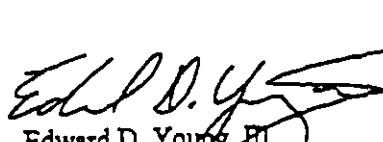
In light of these facts, the Commission must act now to correct the mistaken interpretation of its orders by the state commissions that have classified Internet calls as local.


As the attachment explains in further detail, while the Commission did exempt Internet and other enhanced service traffic from the payment of interstate access charges, it consistently has held that the traffic remains interexchange and interstate in nature – not local. (Attachment 2). Indeed, if this were not the case, there would be no need for an access charge “exemption,” and the Commission would have had no jurisdiction to create one to begin with.

As a result, we urge you to quickly adopt an order in response to the petition filed by ALTS last summer declaring that, under the Commission's prior orders, Internet-bound traffic is not “local” and is not subject to reciprocal compensation.

We would appreciate the opportunity to meet with you to discuss this further.

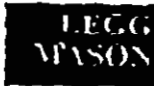
Sincerely,


Edward D. Young, III
Senior Vice President &
Deputy General Counsel


Thomas J. Tauke
Senior Vice President
Government Relations

cc: Commissioner Furtchgott-Roth
Commissioner Ness
Commissioner Powell
Commissioner Tristiani
Kathy Brown

Attachment 1



The Precursor GroupSM
Legg Mason Wood Walker, Inc.
1747 Pennsylvania Avenue, N.W., 6th Floor
Washington, DC 20006-4891
Phone (202) 778-1972; (800) 782-4411
Fax (202) 778-1976; Telex (800) 434-8879

LEGG MASON RESEARCH TECHNOLOGY TEAM
Precursor Research[®]
Scott C. Cleland
June 24, 1998

Reciprocal Comp For Internet Traffic--Gravy Train Running Out Of Track

(Part V of Internet Regulation Preview Series)

Summary: In a classic case of what you see is not necessarily what you get, investors should not expect the current reciprocal compensation arrangement for Internet traffic to continue much past the end of the year. Given that this issue is probably the single greatest opportunity for arbitrage in the whole sector, over 4,000 percent in some instances, TPG cautions investors that this extraordinary arbitrage "gravy train" will run out of track--probably this year. It is simply not sustainable long-term.

Moreover, investors should not be lulled into a false sense of security that 19 consecutive state public utility commissions have ruled (in addition to a recent Federal Court in Texas) that Internet service provider (ISP) traffic passed through a competitive local exchange carrier (CLEC) is classified as a local call. In the coming months, TPG expects the FCC to trump these state decisions by clarifying that Internet traffic is indeed interstate, effectively reasserting its federal jurisdiction over data or Internet transport. *Reciprocal compensation is a regulatory arrangement where local telecom providers pay each other for "the cost" of terminating the calls they originate. In most cases, reciprocal compensation traffic is two-way and thus largely offsetting. However, since Internet/data traffic is one-way, there is little "reciprocal" about this arrangement. It is just a regulatory compensation windfall for CLECs/ISPs.*

A Big Deal for Investors: This reciprocal compensation arbitrage is a significant part of the existing "data growth engine" of many CLEC and ISP business models. Consequently, investors need to be aware that in some instances, short-term projected results may be artificially "juiced up," potentially providing an illusion of faster-than-real long-term growth. The flip side of this problem is that reciprocal compensation is a significant and growing liability, primarily for the Baby Bells. It is growing at such a rapid rate that it could be a significant threat to earnings roughly in 1999, if not fixed by the FCC by then.

Why the FCC Will Fix It: First, reciprocal compensation for one-way Internet traffic is arguably the single greatest arbitrage opportunity and hence market distortion in the telecom sector today. TPG flagged this important issue in our April 6 "Internet Regulation Preview" bulletin as akin to a broken bank ATM machine that only allows withdrawals and

takes no deposits. No other place in the sector can companies reap as much as a 4,000 percent arbitrage for minimal, value-added service. No competitive market, legal or illicit, can generate such gargantuan arbitrage. Only regulatory distortions can generate this size arbitrage over an extended period of time.

Second, this arbitrage opportunity is greatly contributing to an artificial misalignment of the market structure of this newly emerging competitive voice/data niche. Reciprocal compensation is driving many alliances, mergers and acquisitions for purely regulatory and not economic or competitive reasons. Thus, in some instances, an ISP is currently an asset to a CLEC, but could become a serious liability without the arbitrage of reciprocal compensation. Third, it discourages economically sound facilities-based local investment and inhibits the development of an efficient competitive market. It has the perverse effect of turning customers from assets into liabilities. Why would any competitor want to win a customer if that customer would cost them more in reciprocal compensation terminating minutes than they could earn in revenues from that customer?

What to Expect From the FCC: Investors need to appreciate that it is not that hard for the FCC to fix this in the coming months. ALTS, the association representing the CLECs, has an active petition (dated June 20, 1997) requesting that the FCC issue a clarification that the traffic in question is local and not interstate. ALTS argues in its petition that "this clarification is clearly in the Commission's (FCC) exclusive jurisdiction." For FCC legal authority, ALTS cites a 1980 Computer II FCC decision which was subsequently upheld in the DC Court of Appeals in 1982 and again in 1984. Now that the states have ruled the CLECs' way, the association likely regrets having requested this clarification from the FCC.

Why would the FCC believe such Internet calls are not local, but interstate? The FCC has exempted this traffic from interstate access charges for over a decade. Why would an exemption from interstate access charges be needed if the FCC thought it was a local call? Moreover, in the FCC's April 10 report to Congress, (paragraph 106) the FCC said that ISPs "are not entitled to reciprocal compensation for terminating local telecommunications traffic." However, the FCC explicitly did not comment on whether CLECs that serve ISPs are entitled to reciprocal compensation for terminating Internet traffic. They said that issue was now before the FCC. * * * * *

ADDITIONAL INFORMATION AVAILABLE ON REQUEST -- The information contained in this report is based on sources believed to be reliable, but we do not guarantee its completeness or accuracy. This report is for information purposes only and is not intended to be an offer to buy or sell the securities referred to herein. Opinions expressed are subject to change without notice. Past performance is not indicative of future results. From time to time, Legg Mason Wood Walker, Inc. and/or its employees, including the analyst(s) who prepared this report, may have a position in the securities mentioned herein. Precursor Research[®] is a registered trademark of Scott C. Cleland, licensed to Legg Mason Wood Walker, Inc. Member New York Stock Exchange/Member SIPC

Attachment 2

Internet Traffic Is Not Subject to Reciprocal Compensation

As the Commission's own prior decisions make clear, calls bound for the Internet are interexchange and predominantly interstate, rather than local, and are not subject to the payment of reciprocal compensation.

1. Internet calls are not local. When a person sitting at a keyboard at home in Washington, D.C. dials in to the Internet, he or she is able to communicate with, and receive information from, other Internet users around the world. During any given call, he or she may read the day's news in the electronic version of the New York Times stored in New York City, check on breaking stories in the computers of CNN in Atlanta, and/or tap into historical archives stored half the world away in New Zealand.

Despite this fact, a number of state commissions have concluded that calls bound for the Internet should be treated as "local" calls, and should be subject to the payment of reciprocal compensation.

They have done so, in large part, based on a mistaken reading of this Commission's orders creating the so-called "ESP exemption." But those orders merely exempt Internet and other enhanced service providers from paying the interstate access charges that otherwise would apply. They do not classify the traffic as "local." On the contrary, the only reason for an exemption in the first place is that the Commission recognized that this is not local traffic - it is interexchange. If it wasn't, no exemption would be needed.

Indeed, the Commission consistently has classified this traffic as interexchange, and predominantly interstate, since its first order creating the ESP exemption and continuing through the present - reiterating the conclusion most recently in its report to Congress on universal service. See, e.g., MTS and WATS Market Structure, 97 FCC 2d 682, ¶ 78 (1983) (ESPs use "local exchange services or facilities . . . for the purpose of completing interstate calls"); id. at ¶ 83 (ESPs use "exchange service for jurisdictionally interstate communications"); Amendments of Part 69 of the Commission's Rules, 2 FCC Rcd 4305, 4306 (1987) (ESPs "like facilities-based interexchange carriers and resellers, use the local network to provide interstate services"); In re Access Charge Reform, 11 FCC Rcd 21354, ¶ 284 (ESPs use "incumbent LEC facilities to originate and terminate interstate calls"); Universal Service Report, ¶ 146 (ESPs use "local exchange networks to originate and terminate interstate services").

2. Internet calls are not two calls. Despite this unbroken chain of decisions extending over 15 years, some parties now assert that Internet calls should be treated as two separate calls, and that the first "call" to the Internet service provider should be

classified as "local." But the short answer to this claim is that it too is foreclosed by a long and consistent line of prior decisions by this Commission.

As the Commission itself has explained, when a customer calls his or her Internet service provider, the call does not stop at that point, but is instead connected to the Internet, and through it, to the caller's chosen destinations around the world. As the Commission puts it: "An end-user may obtain access to the Internet from an Internet service provider, by using dial-up or dedicated access to connect to the Internet service provider's processor. The Internet service provider, in turn, connects the end user to an Internet backbone provider that carries traffic to and from other Internet host sites." Non-Accounting Safeguards Order, 11 FCC Rcd 21905, ¶ 127, n. 291 (1996).

Under identical circumstances, the Commission consistently has held that the "nature of a call is determined by its ultimate origination and termination, and not . . . its intermediate routing." See Southwestern Bell Tel. Co., 3 FCC Rcd 2339, ¶ 26 (1988). For example, in the context of calling cards and other services where a customer first dials an 800 number and receives a second dial tone before connecting to his or her ultimate destination, the Commission repeatedly has rejected arguments that there are two calls involved. Id. at ¶ 28; see also Long Distance/USA, Inc., 10 FCC Rcd 1634, ¶ 13 (1995) ("[B]oth court and Commission decisions have considered the end-to-end nature of the communications more significant than the facilities used to complete such communications;" "[A] single interstate communication does not become two communications because it passes through intermediate switching facilities."); Teleconnect Company v. Bell Tel. of Pa., 10 FCC Rcd 1626, ¶ 12 (1995) (same), aff'd sub nom. 116 F.3d 593 (D.C. Cir. 1997).

This conclusion does not change merely because the customer has the option of dialing a local, rather than 800, number prior to being connected to his or her ultimate destination. This is no different than a call made to a Feature Group A access line to place a long distance call. Even though the caller's line and the Feature Group A line are in the same local calling area, and the customer dials a local number, the Commission always has looked to the ultimate destination to determine that calls made using these arrangements are interexchange and interstate. See, e.g., Determination of Interstate and Intrastate Usage of Feature Group A, 4 FCC Rcd 8448 (1989).

Nor does the conclusion change merely because some portion of the end to end communication may be stored locally before being retrieved by the customer. Again, the Commission has decided this very issue in the context of voice mail services, where it rejected a claim that the delivery of a voice message involves two separate, jurisdictionally distinct calls. According to the Commission, "the key to jurisdiction is the nature of the communication itself rather than the physical location of the technology," and the local storage and local delivery of a message left by an out of state caller does not change the interstate nature of the end to end communication. BellSouth Emergency Petition, 7 FCC Rcd 1619, ¶ 12 (1992), quoting New York Tel. Co. V. FCC, 631 F.2d 1059, 1066 (2d Cir. 1980). On the contrary, "an out-of-state call to [a] voice

mail service is a jurisdictionally interstate communication, just as is any other out-of-state call to a person or service." Id.

Finally, the Commission's recent report to Congress on universal service does nothing to change all this. The parties who argue otherwise base their claim on the fact that the Commission said an Internet call has two distinct components, one of which is a telecommunications service and one of which is an information service. But the simple fact is that this has nothing to do with the end-to-end nature of the communication. The Commission itself expressly said as much: "We make no determination here on the question of whether competitive LECs that serve Internet service providers (or Internet service providers that have voluntarily become competitive LECs) are entitled to reciprocal compensation for terminating Internet traffic. That issue, which is now before the Commission, does not turn on the status of the Internet service provider as a telecommunications carrier or information service provider." Report to Congress, CC Dkt 96-45, at n. 220 (rel. Apr. 10, 1998) (emphasis added).

3. Internet calls are not subject to reciprocal compensation. The significance of all of this is straightforward: Because Internet traffic is not "local," it is not subject to the payment of reciprocal compensation when it is handed off to another carrier for delivery to an Internet service provider.

The Commission has firmly established that, as a matter of law, interconnecting carriers are entitled to receive reciprocal compensation only for the transport and termination of local calls. As the Commission has explained, "[t]he Act preserves the legal distinctions between charges for transport and termination of local traffic and interstate and intrastate charges for terminating long-distance traffic." Local Interconnection Order, 11 FCC Rcd 15499, ¶¶ 1033 (1996). For this reason, the reciprocal compensation obligations imposed by the Act "apply only to traffic that originates and terminates within a local calling area, as defined [by a state commission];" they "do not apply to the transport and termination of interstate or intrastate interexchange traffic." Id., ¶¶ 1034-35. This distinction between local and interexchange traffic, moreover, was upheld on appeal and is now final. Comptel v. FCC, 117 F.3d 1068 (8th Cir. 1997).

In sum, Internet-bound traffic is not local, and is not subject to the payment of reciprocal compensation.

* * * * *



August 14, 1998

BellSouth Telecommunications, Inc.
FPSC Docket No. 981008-TP
Exhibit JH-3
November 3, 1998
Page 1 of 16

The Honorable William E. Kennard
Chairman, Federal Communications Commission
1919 M Street, NW, Room 814
Washington, D.C. 20554

Re: Jurisdictional Nature of Calls to Internet Service Providers: CCB/CPD 97-30

Dear Chairman Kennard:

In a July 23, 1998 ex parte submission, WorldCom, Inc. ("WorldCom"), urged the Commission to neither assert its jurisdiction over Internet traffic nor to clarify that such traffic is not subject to reciprocal compensation agreements for local traffic.¹ The Commission should not take WorldCom's advice. Instead, now is the time for the Commission to descend from its perch on the fence and resolve this long-running debate by asserting its jurisdiction over Internet traffic. The attached materials demonstrate such action would:

- not cause material financial harm to CLECs, including those terminating Internet traffic to ISPs,
- be consistent with many state decisions that acknowledge Commission action may necessitate a revisiting of their determinations, and
- be consistent with long precedent.

NO MATERIAL HARM TO CLECS

The financial community has been observing and analyzing this regulatory anomaly. The report "What Reciprocal Compensation Means to the CLECs" by James Henry of Bear Stearns is included as Attachment I. The report finds that:

- "... the exposure of the CLEC group as a whole is minimal" and
- "It seems that nearly 80% of the reciprocal compensation payments are going to other large carriers like MCI and WorldCom. As such, for the majority of the CLECs, we believe that investors should not lose any sleep over this issue."

¹ Letter from Catherine R. Sloan, Vice President, Federal Affairs, WorldCom, Inc., to the Honorable William E. Kennard, Chairman, FCC, dated July 21, 1998 ("WorldCom Letter").

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 981008 EXHIBIT NO. 8
COMPANY/ Dendree
WITNESS: Dendree
DATE: 1-20-99

Reports such as this one and Scott Cleland's "Reciprocal Comp For Internet Traffic - Gravy Train Running Out Of Track" (Attachment II) indicate that the financial marketplace has already factored in anticipated changes to existing reciprocal compensation claims for Internet traffic into their evaluations of CLEC investments.

IMPACT ON STATE ORDERS

State commissions have been forced to effect interim practices in the absence of a definitive conclusion by this Commission. As demonstrated by the Attachment III, many states which have addressed this issue have recognized that this matter is before the Commission and indicated that their decisions may require revisiting once the FCC issues a ruling. In essence, such states have essentially deferred to this Commission's authority in this matter. Consequently, the actions of the states should not be construed to indicate definitively that Internet traffic is local, as argued by WorldCom and others.

PRECEDENT

Consistently, throughout the past one and one-half decades, this Commission has held that Internet traffic is interstate which, except for the Enhance Service Provider ("ESP") exemption, would be subject to interstate access charges.² As part of the ESP exemption, the FCC concluded that local service charges would apply to such traffic. However, in no way did the FCC find that Internet traffic is local and therefore under the jurisdiction of the various State commissions and ripe for reciprocal compensation under Rule 51.701. *Indeed, if Internet traffic is, or ever was, local telecommunications service an exemption from interstate access charge would be unnecessary.*

The actions of the LECs since the inception of the ESP exemption cannot now be used by WorldCom and others to demonstrate that Internet traffic is local telecommunications service. The LECs billed local access charges in compliance with the mandate of the Commission, not as an admission of jurisdictionality. In fact, LECs have continually sought to reverse the ESP exemption in order to correctly bill Internet service providers ("ISPs") for their interstate access services. Moreover, the negotiations between LECs and CLECs, as alluded to in the WorldCom letter, were conducted in an environment in which the LECs presumed that this Commission would preserve its long-held position that Internet traffic is indeed subject to Federal jurisdiction.

IN CONCLUSION

In order to bring this matter to a rational resolution, the Commission must act expediently to rule in CCB/CPD 97-30³ with a definitive conclusion regarding the inapplicability of

² For a detailed chronology, see SBC's May 8, 1998 ex parte filing at Tab 1.

³ It should be noted that WorldCom has incorrectly indicated that "no pending proceeding on this issue" exists. Although ALTS has filed to withdraw its request for clarification, the proceeding continues to exist, even to the extent that WorldCom filed the instant ex parte within that proceeding. Further, the

reciprocal compensation payments for Internet traffic. Absent any action by this Commission or in the event this Commission would find that Internet traffic is local in nature, the industry would realize a significant shift in the demand for interstate access services. It can reasonably be expected that consumers would shift their demand for interstate services to the intrastate jurisdiction relying on the void created by this Commission's inaction or incorrect action. To finally conclude the ongoing debates that serve only to slow development of competition, the Commission should include in its Order the following language: "Because Internet traffic is subject to Interstate jurisdiction, imposition of payments for local reciprocal compensation for such traffic without the express and unambiguous agreement of the parties to such a provision or interpretation is inconsistent with the Telecommunications Act of 1996."

The marketplace needs this Commission's clear declaration that Internet traffic should not be subject to local reciprocal compensation, and it needs it now.

Sincerely,

Dale Robertson (JRB)

Attachments

cc: Commissioner Furchtgott-Roth
Commissioner Ness
Commissioner Powell
Commissioner Tristani
Kathryn Brown, CCB Chief
Jim Schlichting, CCB Deputy Chief

Commission has indicated this matter is currently under its consideration and remains unresolved. (See June 29, 1998 Memorandum of the Federal Communications Commission as Amicus Curiae in Case No. MO-98-CA-43, U.S. Dist. Ct., W.D., Texas)

What Reciprocal Compensation Means To The CLECs

What Is Reciprocal Compensation? Under the Telecommunications Act of 1996 and the FCC's Interconnection Order, it was established that local carriers (CLECs and ILECs) need to have a mechanism in place in order to compensate each other for the exchange of local traffic. Reciprocal Compensation, one of these mechanisms, dictates that a carrier will pay another carrier approximately 0.7 cents per minute for terminating a call on its network. As such, if a customer of Bell Atlantic places a local call to a customer of Teleport, Bell Atlantic will have to pay 0.7 cents per minute to Teleport. The same is true in reverse if a customer of Teleport calls a customer of Bell Atlantic.

Sounds Logical, So What's The Issue? Reciprocal Compensation is a very equitable arrangement in many cases since the average local customer has about as much incoming traffic as outgoing traffic. However, CLECs have very intelligently targeted high-volume customers like Internet Service Providers (ISPs) that have lots of inbound traffic from the ILECs. If I dial into America OnLine's (AOL's) local access number from my home in New York over my Bell Atlantic phone line, Bell Atlantic will carry that call from my home to its central switching office (CO) and then hand off that call to whichever carrier (typically a CLEC) is providing AOL with that local line. As such, Bell Atlantic will be paying out roughly 0.7 cents per minute for the duration of that call. These payments can get large with ISP customers that stay on line for hours instead of minutes, so the ILECs are crying bloody murder about this issue.

What Has Happened Thus Far? Despite the fact that ILECs have contractual obligations to pay the CLECs for reciprocal compensation on calls to ISPs, they have largely refused to make payments and are disputing this issue to the highest possible authority. This process has

not gone particularly well for the ILECs since they have lost 21 out of 21 state rulings and court cases which ruled on the issue in favor of the CLECs. In these cases, the courts largely ruled with respect to the ILEC's contractual obligation under the negotiated interconnection deals and typically did not make judgements as to whether calls to ISPs were local or long distance calls and therefore whether they were subject to reciprocal compensation payments. Consequently, the ILECs are now seeking a "clarification" from the FCC as to whether calls to ISPs are local or long distance. If the FCC says that they are long distance calls then the ILECs will claim in court that only local calls are subject to reciprocal compensation.

What Is Likely To Happen? Consensus beliefs are that ISP-related reciprocal compensation is likely to be greatly diminished in profitability or disappear entirely by year 2000 time frame when the initial round of interconnection agreements comes up for renegotiation. The question is whether something happens before that as a result of the recent CLEC and ILEC initiatives. Based on feedback from a broad variety of industry sources, we would not be surprised if the FCC opted to make some decision or clarification on this issue at some point after Labor Day. While we would not venture to guess exactly when a decision will be made and what the specific outcome will be, we do believe that investors need to be aware of each CLEC's exposure to the reciprocal compensation issue so that they can make informed investment decisions when the time comes. While some are inclined to say that any decision will be a one-sided victory for either the ILECs or the CLECs, investors should recall that the FCC has typically been very evenhanded in its rulings in the past. As such, we would expect any action on reciprocal compensation to include a transition mechanism that would ease the impact of any reduction of payments.

**BEAR
STEARNS**

James H. Henry
(212) 272-2741
jhenry@bear.com

What Are The Implications For The CLECs. By and large, our research reveals that the CLECs have relatively minimal exposure to reciprocal compensation. We were pleasantly surprised by this discovery given the statements by the ILECs that they expect to pay out \$600 million in reciprocal compensation in revenue in 1998 and up to \$1.5 billion in 1999. With exception of US LEC, which generated 60% of its 2Q98 revenue from ISP-related reciprocal compensation revenue, only one of the CLECs had more than 15% of 2Q98 revenue related to reciprocal compensation. In fact eight had less than 10% of revenue from this segment and another eight had no exposure at all. It seems that nearly 80% of the reciprocal compensation payments are going to other larger carriers like MCI and WorldCom. As such, for the majority of the CLECs, we believe that investors should not lose any sleep over this issue.

What About The Impact On CLEC EBITDA? Even though the percentage of revenue is minimal for most of the CLECs, the percentage of EBITDA is clearly more significant given the 80%-plus margin that reciprocal compensation revenue carries. That said, we still believe that this issue should not be a significant concern given the high growth rates that the CLECs are posting and the powerful operating leverage that they are demonstrating in their core businesses. ICG Communications posted a sequential EBITDA improvement of \$7.2 million in 2Q98 as its gross margins expanded by 590 basis points. This feat was accomplished in spite of the fact that its reciprocal compensation revenue declined to \$6.6 million from \$8.5 million in 1Q98. Moreover, we believe that CLEC EBITDA estimates for 1999E are conservative enough to create a cushion if reciprocal compensation dries up sooner than expected.

Net-Net. Our intent in this piece is to alert investors to an issue that we expect will come to a head during the next quarter. While only time will tell how this issue will be resolved, we wanted to put forth data that will enable investors to make objective decisions about which companies have relevant exposure to reciprocal compensation and which companies do not. Our conclusion is that the exposure of the CLEC group as a whole is minimal. The following table lists each of the stocks in our CLEC universe along with details about their exposure to reciprocal compensation.

Table 1. CLEC Exposure To Reciprocal Compensation

Company Name	2Q98 Reciprocal Comp. Revenue	% Of Total 2Q98 Revenue	Comments On Company Exposure To Reciprocal Compensation
Advanced Radio Telecom Corp. (ARTT-\$4 13/16)	\$0.0	0.0%	As an early stage company with only \$0.2 million in 2Q98 revenue and no switched services revenue, ARTT has <i>no exposure</i> to the reciprocal compensation issue. Estimates for 1999 do not reflect any revenue from this source.
COLT Telecom Group PLC (COLTY-\$167 1/8)	£0.0	0.0%	As an international CLEC, COLTY has <i>no exposure</i> to the reciprocal compensation issue by virtue of the fact that local lines in most of its markets are billed on a usage sensitive basis so the incumbent PTT collects a per minute rate that offsets the fees that it pays out to COLTY for the termination of local traffic.
Concentric Network Corp. (CNCX-\$20 3/8)	\$0.0	0.0%	As an Internet and data services provider CNCX has <i>no exposure</i> to reciprocal compensation. Although it has filed for CLEC status in a number of states, that was largely to reduce its interconnection and line costs as opposed to taking advantage of reciprocal compensation.
e.spire Communications, Inc. (ESPI-\$18 1/2)	\$3.5	9.8%	ESPI has <i>little exposure</i> to the reciprocal compensation issue since it generates less than 10% of its revenue from this source. While this percentage of revenue may seem high relative to some of its peers, bear in mind that ESPI is posting growth rates in its core telecom service business that far exceeds most of its peers. As such, the percentage of 1999E revenue should be significantly less. Moreover, ESPI is not targeted to hit EBITDA breakeven until 2Q99, leaving it plenty of time to refocus on other initiatives in the event that the FCC rules against the CLECs on reciprocal compensation.
GST Telecommunications, Inc. (GSTX-\$12 3/8)	\$0.0	0.0%	GSTX has a healthy business providing PRI lines to Internet Service Providers (ISPs) but has not been reporting any of its reciprocal compensation revenue thus far. As such, it has <i>no exposure</i> to this issue and could actually see upward revisions to estimates if the issue is resolved in favor of the CLECs. 1999 estimates do not reflect any reciprocal compensation revenue.

Hyperion Telecommunications, Inc. (HYPT-\$13 7/8)	\$1.3	17.1%	HYPT has <i>some exposure</i> to the reciprocal compensation issue as it has more than 10% of total revenue related to this line of business. That said, the company's growth rate is so high that we would expect the percentage of 1999E revenue to be well less than 10%. In addition, the company is not expected to hit EBITDA breakeven until some time in 1999, leaving it plenty of time to refocus its business initiatives on other areas.
ICG Communications, Inc. (ICGX-\$25 ¼)	\$6.6	4.8%	ICGX has <i>little exposure</i> to the reciprocal compensation issue as it has less than 10% of total revenue related to this line of business. We believe that our 1999 revenue and EBITDA estimates of \$700 million and \$100 million, respectively, reflect little impact from reciprocal compensation. 1999E EBITDA could be approximately \$85 million if reciprocal compensation disappears all together in 1999. ICGX recently reached an agreement with Pacific Bell in California for the RBOC to pay 0.3 cents per minute for reciprocal compensation but has not yet started collecting cash.
Intermedia Communications Inc. (ICIX-\$35 13/16)	\$8.0	4.2%	ICIX has <i>little exposure</i> to the reciprocal compensation issue as it has less than 10% of total revenue related to this line of business. Moreover, we estimate that only \$6.4 million of the \$190.2 million in total 2Q98 revenue originates from ISPs and is therefore subject to risk. We believe that our 1999 revenue and EBITDA estimates of \$1.1 billion and \$175 million, respectively, reflect little if any impact from reciprocal compensation. We would also point out that 1999 estimates reflect little if any revenue or EBITDA contribution from ICIX's agreements with US West and Ameritech, providing additional cushion in the event that reciprocal compensation goes away.
ITC ^A DeltaCom, Inc. (ITCD-\$44 ¼)	\$0.2	0.4%	ITCD has very <i>little exposure</i> to the reciprocal compensation issue as it has well less than 10% of reported revenue related to that line of business. The company has elected to report only the revenue that it actually collects from the ILECs, which is approximately 10% of the revenue owed. The company has elected to pursue ISP traffic aggressively based on a business case justified solely by PRI rates, not on any reciprocal compensation payments. ITCD could see upward revisions to estimates if the issue is resolved in favorably.

**BEAR
STEARNS**

James H. Henry
(212) 272-2741
jhenry@bear.com

McLeodUSA Incorporated (MCLD-\$34 %)	\$0.0	0.0%	MCLD has virtually <i>no exposure</i> to the reciprocal compensation issue since it booked only \$30,000 of reciprocal compensation revenue in 2Q98. This line of business is not included in any material way in our 1999 estimates.
MetroNet Communications Corp. (METNF-\$27 %)	C\$0.0	0.0%	METNF has <i>no exposure</i> to the reciprocal compensation issue by virtue of the fact that the regulatory regime in Canada is based on "bill and keep" interconnection for the time being. The majority of the international players have no risk from this issue.
MGC Communications, Inc. (MGCX-\$12)	\$0.0	0.0%	MGCX has <i>no exposure</i> to the reciprocal compensation issue since it made a conscious decision to sit on the sidelines until the FCC and the courts made a final decision on the subject. The company's strong positive EBITDA and EBIT in its initial Las Vegas market after only 6 quarters are great evidence that the growth and profitability of the CLEC model, particularly the switch-based model, is by no means dependent on any reciprocal compensation revenue stream.
NEXTLINK Communications, Inc. (NLK-\$35 %)	\$0.3	1.0%	NLK has virtually <i>no exposure</i> to the reciprocal compensation issue since it has primarily focused on providing local dialtone services to business customers. The company's guidance has been that it has "less than \$1 million" in revenue from that line of business, with likely less than that coming from ISP circuits.
RCN Corp. (RCNC-\$20 15/16)	\$0.1	0.2%	RCNC has virtually <i>no exposure</i> to the reciprocal compensation issue since it has almost no revenue coming from this line of business. The company has stated that ISP reciprocal compensation is not a focus of its business and that it is primarily focused on installing local lines for its retail residential customers.
Teleport Communications Group, Inc. (T-\$57 5/8)	\$4.5	1.5%	TCGI had virtually <i>no exposure</i> to the reciprocal compensation issue since less than 10% of its 2Q98 revenue originated from this source. We were surprised by the relatively small size of the this number, but apparently the company has many "bill and keep" interconnection agreements. An annualized reciprocal compensation figure of \$20 million is far less than a rounding error on the income statement of TCGI's new parent AT&T, so investors should not be concerned about this issue.

**BEAR
STEARNS**

James H. Henry
(212) 272-2741
jhenry@bear.com

Teligent Corp. (TGNT-\$26 1/8)	\$0.0	0.0%	As an early stage startup, Teligent has <i>no exposure</i> to the reciprocal compensation because it has virtually no revenue at this point in time. The company is expected to launch a full-scale deployment of its broadband wireless services during 2H98, focusing on business customers. We see no risk to its 1999 revenue or EBITDA estimates related to this issue.
US LEC Corp. (CLEC-\$19 5/8)	\$12.2 million	66.7%	CLEC has <i>significant exposure</i> to the reciprocal compensation by virtue of the fact that the majority of its revenue mix comes from this source. In our May 19, 1998 initiation of coverage, we referenced the company's exposure to this revenue stream and the expectation that this reciprocal compensation revenue opportunity would eventually disappear. As such our enthusiasm of the company was and is based on the skill of its management team and its strong prospects for market share gains in its business customer focused initiatives. The company has an annualized revenue run rate of \$24.5 million after only 6 quarters of operations from businesses other than reciprocal compensation. 60% of our 1999 revenue estimate of \$155 million comes from sources other than reciprocal compensation. While we would clearly expect the stock to get hit in the event of a negative FCC ruling on reciprocal compensation, we believe that the company is creating enduring value for its investors within its core business.
WinStar Communications, Inc. (WCII-\$30)	\$0.1	0.5%	WCII has virtually <i>no exposure</i> to reciprocal compensation and said on its 2Q98 conference call that it has no intention of pursuing a business line that it expects to disappear within 24 months.

All Stocks priced August 5, 1998

**BEAR
STEARNS**

James H. Henry
(212) 272-2741
jhenry@bear.com



1747 MARYMOUNT AVENUE, N.W., 5TH FLOOR
WASHINGTON, DC 20006-4557
PHONE (202) 778-1872 (FAX) 727-4111
FAX (202) 778-1972 Telex (820) 244577

TELECOMMUNICATIONS TECHNOLOGY TEAM
Precursor Research
Scott C. Cleland
June 24, 1998

Reciprocal Comp For Internet Traffic--Gravy Train Running Out Of Track

(Part V of Internet Regulation Preview Series)

Summary: In a classic case of what you see is not necessarily what you get, investors should not expect the current reciprocal compensation arrangement for Internet traffic to continue much past the end of the year. Given that this issue is probably the single greatest opportunity for arbitrage in the whole sector, over 4,000 percent in some instances, TPG cautions investors that this extraordinary arbitrage "gravy train" will run out of track--probably this year. It is simply not sustainable long-term.

Moreover, investors should not be lulled into a false sense of security that 19 consecutive state public utility commissions have ruled (in addition to a recent Federal Court in Texas) that Internet service provider (ISP) traffic passed through a competitive local exchange carrier (CLEC) is classified as a local call. In the coming months, TPG expects the FCC to trump these state decisions by clarifying that Internet traffic is indeed interstate, effectively reasserting its federal jurisdiction over data or Internet transport. *(Reciprocal compensation is a regulatory arrangement where local telecom providers pay each other for "the cost" of terminating the calls they originate. In most cases, reciprocal compensation traffic is two-way and thus largely offsetting. However, since Internet/data traffic is one-way, there is little "reciprocal" about this arrangement. It is just a regulatory compensation windfall for CLECs/ISPs.)*

A Big Deal for Investors: This reciprocal compensation arbitrage is a significant part of the existing "data growth engine" of many CLEC and ISP business models. Consequently, investors need to be aware that in some instances, short-term projected results may be artificially "juiced up," potentially providing an illusion of faster-than-real long-term growth. The flip side of this problem is that reciprocal compensation is a significant and growing liability, primarily for the Baby Bells. It is growing at such a rapid rate that it could be a significant threat to earnings roughly in 1999, if not fixed by the FCC by then.

Why the FCC MU Fix It: First, reciprocal compensation for one-way Internet traffic is arguably the single greatest arbitrage opportunity and hence market distortion in the telecom sector today. TPG flagged this important issue in our April 6 "Internet Regulation Preview" bulletin as akin to a broken bank ATM machine that only allows withdrawals and

takes no deposits. No other place in the sector can companies reap as much as a 4,000 percent arbitrage for minimal value-added service. No competitive market, legal or illicit, can generate such gargantuan arbitrage. Only regulatory distortions can generate this size arbitrage over an extended period of time.

Second, this arbitrage opportunity is greatly contributing to an artificial misalignment of the market structure of this newly emerging competitive voice/data niche. Reciprocal compensation is driving many alliances, mergers and acquisitions for purely regulatory and not economic or competitive reasons. Thus, in some instances, an ISP is currently an asset to a CLEC, but could become a serious liability without the arbitrage of reciprocal compensation. Third, it discourages economically sound facilities-based local investment and inhibits the development of an efficient competitive market. It has the perverse effect of turning customers from assets into liabilities. Why would any competitor want to win a customer if that customer would cost them more in reciprocal compensation terminating minutes than they could earn in revenue from that customer?

What to Expect From the FCC: Investors need to appreciate that it is not that hard for the FCC to fix this in the coming months. ALTS, the association representing the CLECs, has an active petition (dated June 20, 1997) requesting that the FCC issue a clarification that the traffic in question is local and not interstate. ALTS argues in its petition that "this clarification is clearly in the Commission's (FCC) exclusive jurisdiction." For FCC legal authority, ALTS cites a 1980 Computer II FCC decision which was subsequently upheld in the DC Court of Appeals in 1982 and again in 1984. Now that the states have ruled the CLECs' way, the association likely regrets having requested this clarification from the FCC.

Why would the FCC believe such Internet calls are not local but interstate? The FCC has exempted this traffic from interstate access charges for over a decade. Why would an exemption from interstate access charges be needed if the FCC thought it was a local call? Moreover, in the FCC's April 10 report to Congress, (paragraph 106) the FCC said that ISPs "are not entitled to reciprocal compensation for terminating local telecommunications traffic." However, the FCC explicitly did not comment on whether CLECs that serve ISPs are entitled to reciprocal compensation for terminating Internet traffic. They said that issue was now before the FCC. * * * * *

ADDITIONAL INFORMATION AVAILABLE ON REQUEST -- The information contained in this report is based on sources believed to be reliable, but we do not guarantee its completeness or accuracy. This report is for informational purposes only and is not intended to be an offer to buy or sell the securities referred to herein. Customers expressed are subject to change without notice. Past performance is not indicative of future results. From time to time, Legg Mason Wood Walker, Inc. and its employees, including the analyst(s) who prepared this report, may have a position in the securities mentioned herein. Precursor Research is a registered trademark of Scott C. Cleland, founded by Legg Mason Wood Walker, Inc. Member New York Stock Exchange/Member SIPC.

Internet Traffic Terminating Compensation Issue

SEVERAL STATES ACTED PENDING FCC REVIEW OF THIS ISSUE OR RECOGNIZING THAT THEIR ORDERS MAY NEED TO BE LATER MODIFIED BASED ON A FCC RULING.

State	Docket Reference	Quote
Arizona	Petition of MFS for Arbitration of Interconnection Rates, Terms and Conditions with US West Communications, Inc., Docket Nos. U-2752-96-362, et. al., Opinion and Order dated October 23, 1996.	"The Commission will adopt the exemption permitted by the FCC. However, the Agreement should indicate that if and when the FCC modifies the access charge exemption, the Agreement will also be modified." (p. 7)
Delaware	Petition of MCI for the Arbitration of Unresolved Interconnection Issues with Bell Atlantic, Docket No. 97-323, Arbitration Award dated December 16, 1997.	"The FCC may someday reach a clearly contradictory conclusion. However, there is no reason to assume in advance that it will. Moreover, a deferral of authority here appears to leave a substantial gap in the event that there is no such FCC determination. In contrast, exercising authority here to adopt the position urged by BA-DEL presents no substantial problem should the FCC decide in the future that it will use federal authority to negate the action taken here. Thus, there are also substantial practical grounds to favor reaching a decision on this issue in this arbitration, rather than deferring one indefinitely, as BA-Del proposes." (pp. 14-15)
Illinois	Teleport Communications Group Inc. vs. Illinois Bell; Complaint as to Dispute over a Contract Definition, Docket Nos. 97-0404, et al., Order dated March 11, 1998.	"There is no dispute that the FCC is currently considering various issues regarding Internet communications. However, the initiation of that proceeding provides an insufficient basis for deferring a decision here. It is possible that the FCC may reverse itself and institute some type of access charge or other compensation regime which would be applicable to carriers, or ISPs or other telecommunications end-users. It is also quite plausible that the FCC may conclude that the current situation so recently determined by the FCC, should remain undisturbed. The ultimate conclusion, as well as its timing can only be the subject of speculation. This Commission anticipates that if the FCC institutes a change in policy which impacts the interconnection agreements or any other aspect of state policy, the parties will bring that matter to the Commission's attention in an appropriate fashion." (p. 13)

Internet Traffic Terminating Compensation Issue

SEVERAL STATES ACTED PENDING FCC REVIEW OF THIS ISSUE OR RECOGNIZING THAT THEIR ORDERS MAY NEED TO BE LATER MODIFIED BASED ON A FCC RULING.

State	Docket Reference	Quote
Maryland	Complaint against Bell Atlantic-Maryland, Inc. for Breach of Interconnection Terms, and Request for Immediate Relief by MFS Intelenet, Letter to David E. Hall and Andrew D. Lipman by MD P.S.C, dated September 11, 1997.	"Moreover, we note that this matter is currently being considered by the FCC and may ultimately be resolved by it ... In the event that the FCC issues a decision that requires revisions to the directives announced herein, the Commission expects that the parties will so advise it."
Michigan	Application for Approval of an Interconnection Agreement between Brooks Fiber and Ameritech, Case Nos. U-11178, et al., Opinion and Order dated January 28, 1998.	"The Commission concludes that it need not withhold a ruling at this time ... When the FCC rules in the pending docket, the Commission can determine what action, if any, is required." (pp. 14-15)
Missouri	Petition of Birch Telecom for Arbitration of the Rates, Terms, Conditions and Related Arrangements for Interconnection With Southwestern Bell Telephone Company, Case No. TO-98-278, Order dated April 23, 1998.	"The record presented by the parties is not sufficiently persuasive to make a final decision on the reciprocal compensation issue in light of the FCC's pending proceeding on the same issue." (p. 7) "...the Commission finds that it would not be appropriate to determine whether the traffic to ISPs constitutes local traffic until the issue of compensation is resolved by the FCC. The Commission will direct the parties to file a notice with the Commission within ten days after the FCC makes its determination on the reciprocal compensation issue." (p. 7)
West Virginia	Petition for Arbitration of Unresolved Issues for the Interconnection Negotiations between MCI and Bell Atlantic, Case No. 97-1210-T-PC, Order dated January 13, 1998.	"If the FCC should change its position, then the Commission expects interconnection agreements to be applied in accordance with the FCC's new policy." (p. 30) "The Internet-bound traffic issue is currently pending before the FCC." (p. 39) "The Parties shall bring the FCC's final determination regarding this issue to the Commission's attention as soon as possible to allow the Commission to consider whether any further action is appropriate." (p. 40).

Internet Traffic Terminating Compensation Issue

SEVERAL STATES ACTED PENDING FCC REVIEW OF THIS ISSUE OR RECOGNIZING THAT THEIR ORDERS MAY NEED TO BE LATER MODIFIED BASED ON A FCC RULING.

<i>State</i>	<i>Docket Reference</i>	<i>Quote</i>
Wisconsin	Contractual Dispute About the Terms of Interconnection Agreement Between Ameritech and TCG, Docket Nos. 5837-TD-100, et. al., Letter to Ms. Rhonda Johnson and Mr. Mike Paulson by WI P.S.C. Staff dated March 31, 1998.	<p>"Although the FCC may some day reach a different conclusion than the Commission, we have no reason to presume in advance that such will be the case. The parties can always bring any FCC decision to the attention of the Commission, so it can consider whether further action is appropriate." (p. 4)</p> <p>"The Commission also decided that postponing a decision to await a Federal Communications Commission decision is not in the parties' interest or in the public interest."</p>

Internet Traffic Terminating Compensation Issue

STATE ORDERS BASED ON THE NOTION THAT THERE WAS NOTHING IN PREVIOUS FCC RULINGS TO PRECLUDE STATE ACTION AND THAT STATE DECISIONS WERE CONSISTENT WITH PREVIOUS FCC ACCESS REFORM AND/OR UNIVERSAL SERVICE DECISIONS.

State	Docket Reference	Quote
Colorado	Petition of MFS for Arbitration with US West Docket No. 96A-287T, Decision No. C96-1185 dated November 8, 1996.	"We have searched the Act and FCC Interconnection Order and find no reference to this issue." (p. 30)
Connecticut	Petition of the Southern New England Telephone Company for a Declaratory Ruling, Docket No. 97-05-22, Decision dated September 17, 1997.	"The Department considers call originating and terminating between these customers (ISPs and other SNET customers) within the same local calling area to be local, and, therefore, should be subject to the mutual compensation arrangements adopted in the Plan. This is consistent with the FCC's position that ISPs may pay business rates and the appropriate subscriber line charge, rather than interstate access rates, even for calls that appear to traverse state boundaries. Access Charge Order ¶342."
Florida	Complaint of Worldcom Against BellSouth for Breach of Terms of Interconnection Agreement, Docket No. 971478-TP, Memorandum dated February 26, 1998. Commission decision pending.	"Staff believes a finding on the part of the Commission that ISP traffic should be treated as local for purposes of the subject interconnection agreement would be consistent with the FCC's treatment of ISP traffic, all jurisdictional issues aside." (p. 11)
North Carolina	Interconnection Agreement Between BellSouth and US LEC, Docket No. P-55, SUB 1027, Order dated February 26, 1998.	"The FCC has not squarely addressed this issue, although it may do so in the future. While both sides presented extensive exegeses on the obscurities of FCC rulings bearing on ISPs, there is nothing positive in the FCC rulings thus far." (p. 7)
Oklahoma	Application of Brooks Fiber for an Order concerning Internet Traffic, Cause No. PUD 970000548, Order No. 423626 dated June 3, 1998.	"The Commission finds it noteworthy that to date the FCC has not attempted to block those decisions on the grounds that the calls are inherently interexchange and interstate in nature, as alleged by SWBT." (p. 10) "No support has been offered to show that the FCC has acted in any manner to limit or dictate the type of compensation local exchange carriers can assess each other under an interconnection agreement for termination of traffic destined to ISPs." (p. 11)

Internet Traffic Terminating Compensation Issue

STATE ORDERS BASED ON THE NOTION THAT THERE WAS NOTHING IN PREVIOUS FCC RULINGS TO PRECLUDE STATE ACTION AND THAT STATE DECISIONS WERE CONSISTENT WITH PREVIOUS FCC ACCESS REFORM AND/OR UNIVERSAL SERVICE DECISIONS.

State	Docket Reference	Quote
Oregon	Petition of MFS for Arbitration, ARB 1, Arbitration Decision dated November 8, 1996.	"There is no reason to depart from existing law or speculating what the FCC might ultimately conclude in a future proceeding." (p. 13)
Texas	Complaint and Request for Expedited Ruling of Time Warner, Docket No. 18082, Order dated March 2, 1998.	"The Commission agrees with the FCC's view that the provision of Internet service via the traditional telecommunications network involves multiple components." (p. 4)
Washington	(a) Petition for Arbitration Between MFS and US West, Docket UT-960323, Arbitrator's Report and Decision dated November 8, 1996. (b) US West Communications, Inc. v. MFS Intelenet, Inc., et. al., No. C97-222WD, Order on Motions for Summary judgment dated January 7, 1998.	" It is premature to change the treatment of ESPs at this time." (p. 26) "The WUTC did not act arbitrarily or capriciously in deciding not to change the current treatment of ESP call termination from reciprocal compensation to special access fees. The decision was properly based on FCC regulations which exempt ESP providers from paying access charges. See 47 C.F.R. pt. 69." (p. 8)

Internet Traffic Terminating Compensation Issue

STATES THAT DID NOT REFERENCE FCC'S ORDERS OR PENDING FCC ACTION IN THEIR DECISIONS.

State	Docket Reference	Quote
Minnesota	<p>Consolidated Petitions of AT&T, MCImetro, and MFS, for Arbitration with US West, Docket Nos. P-442, et al., Order dated December 2, 1996.</p> <p>No reference to the FCC orders or pending action regarding this issue.</p>	
New York	<p>Proceeding on Motion of the Commission to Investigate Reciprocal Compensation Related to Internet Traffic, Case No. 97-C-1275, Order Closing Proceeding dated March 19, 1998.</p> <p>The only mention of pending FCC action is in the NY Commission's summary of the parties' positions.</p>	
Virginia	<p>Petition of Cox for Enforcement of Interconnection Agreement with Bell Atlantic and Arbitration Award, Case No. PUC970069, Final Order dated October 27, 1997.</p> <p>No reference to the FCC.</p>	

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET

NO. 981008 EXHIBIT NO. 9

COMPANY/

WITNESS: Hendrix

DATE: 1-20-99

Bell Atlantic Network Services, Inc.
1320 North Court House Road
8th Floor
Arlington, Virginia 22201
(703) 974-2944
(703) 523-6436 - FAX

Michael E. Glover
Associate General Counsel



November 4, 1998

EX PARTE

Mr. Kevin Martin
Mr. Paul Misener
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

Re: Reciprocal Compensation On Internet Traffic (Dkts CCB 97-30 and 96-98)

Dear Mr. Martin and Mr. Misener:

This follows up on two points from our meeting yesterday.

First, the FCC should not preempt the states' ability to reconsider their decisions concerning the applicability of reciprocal compensation to Internet traffic. Rather, the FCC should expressly say that it is not addressing what effect its order has on existing agreements or prior state orders addressing those agreements. State regulatory commissions are in the best position to address those issues. And a number expressly said that they will do so once the FCC releases its order addressing the nature of the traffic (examples are attached).

In contrast, some parties urge the FCC to preempt the ability of state commissions to reconsider their prior orders. It should do so, they say, either directly by requiring them to leave existing arrangements in place, or indirectly by inserting language into the order that effectively dictates to the states the factors to "consider" in re-examining their decisions. *But preemption by any name is still preemption*, and efforts to foreclose any meaningful role for the states should be rejected.

Second, there is no reason to think the states are not up to the task of interpreting existing agreements. Once the nature of the traffic is clarified, the individual agreements can be interpreted according to basic principles of contract law. The states are at least as well suited for this task as the FCC.

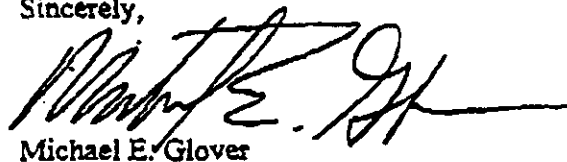
For example, the express terms of Bell Atlantic's agreements say that reciprocal compensation applies only to calls that are local on an end-to-end basis. And the most basic principle of contract law is that contracts must be interpreted based on the express language of the contract itself. See Restatement (Second) of Contracts § 203(b) at 93

("Express terms are given greater weight than course of performance, course of dealing, usage of trade...."); see also *United States v. Armour & Co.*, 402 U.S. 673, 682 (1971) (the scope of an agreement "must be discerned within its four corners, and not by reference to what might satisfy the purposes of one of the parties to it").

Likewise, despite requests to do so, Bell Atlantic refused to agree that Internet traffic is local or that it is subject to reciprocal compensation. And a closely related principle of contract interpretation is that courts (or agencies) may not read terms into a contract that the parties did not agree to include. See *Coca-Cola Bottling Comp. v. The Coca-Cola Company*, 769 F. Supp. 599, 616-617 (D. Del. 1993) ("Courts do not rewrite contracts to include terms not assented to by the parties."); 17A Am. Jur. 2d Contracts § 340 ("A court may not make a new contract for the parties or rewrite their contract under the guise of construction;" for example, it may not impose on one of the parties terms which it did not voluntarily consent to include).

I would be happy to address any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Glover", with a long horizontal flourish extending to the right.

Michael E. Glover

Attachment.

**Examples of State Commissions That Have Said They May
Revisit Their Reciprocal Compensation Decisions**

Massachusetts:

"We agree with Bell Atlantic that the FCC has jurisdiction over Internet traffic. Pursuant to that authority, the FCC may make a determination in proceedings pending before it that could require us to modify our findings in this Order. See FCC Comments on Request by ALTS for Clarification of the FCC's Rules Regarding Reciprocal Compensation for Information Service Provider Traffic, and Public Notice, CC Docket 97-30 (rel. July 2, 1988, 12 FCC Rcd 9715) (FCC stated that it has not yet determined whether CLECs are entitled to reciprocal compensation for terminating Internet traffic); see also In the Matter of GTE Telephone Operators [sic], GTOC Tariff No. 1, GTOC Transmittal No. 1148, CC Docket No. 98-79 (rel. August 20, 1998)."

Complaint of WorldCom Technologies, Inc., D.T.E. 97-116 at 5, n.11 (Mass. Dept. of Telecom. and Energy, Oct. 21, 1998) (emphasis added).

Maryland:

"The Commission recognizes that there is a question as to whether these communications are 'jurisdictionally interstate communications.' See In the Matter of MTS and WATS Market Structure, 97 F.C.C. 2d 682, paragraphs 82-83 (1983). However, it does not believe that this question affects the result herein because of the Federal Communications Commission's ('FCC') requirement that although ISPs use incumbent LEC facilities to originate and terminate interstate calls, these services should be purchased 'under the same intrastate tariffs available to end users.' In the Matter of Access Charge Reform, FCC 92-158, paragraphs 341-342 (1997). Moreover, we note this issue is currently being considered by the FCC and may ultimately be resolved by it. In the Matter of Request by ALTS for Clarification of the Commission's Rules Regarding Reciprocal Compensation for Information Service Provider Traffic, CCB/CPD 97-30. In the event the FCC issues a decision that requires revision to the directives announced herein, the Commission expects the parties will so advise it."

Letter Order by Daniel Gahagan, Executive Secretary, Maryland Public Service Commission, at 1 (Md. PSC Sept. 11, 1997) (emphasis added).

West Virginia:

"Although the Commission agrees that a final determination on this matter rests with the FCC, it is clear that, historically, calls that originate and are terminated to ISPs in local calling areas are treated as local traffic. . . . The fact that the FCC may be reconsidering – and conceivably may abandon – its policy that ISP calls originating within local calling areas should be considered local traffic, does not alter the fact that this is the policy currently in effect."

"If the FCC should change its position, then the Commission expects interconnection agreements to be applied in accordance with the FCC's new policy. Moreover, the parties will be directed to bring the FCC's final determination to the Commission's attention in order to allow it to consider whether any further action is appropriate."

MCI Telecommunications Corporation, Case No. 97-1210-T-PC at 29-30 (W.Va. PSC Jan. 13, 1998) (emphasis added).

Ohio:

"We also recognize that the FCC is in the process of considering arguments addressing these broader policy implications. The FCC's deliberations could, therefore, have an impact on this Commission's view of the issues presented by the parties in this complaint. We specifically reserve our rights to consider these policy implications in a future proceeding."

Complaint of ICG Telecom Group, Inc., Case No. 97-1557-TP-CSS, at 8 (Pub. Util. Com'n. Ohio, Aug. 27, 1998) (emphasis added).

Michigan:

"Further, Ameritech Michigan's position depends on a conclusion that calls to ISPs cannot be separated into a local call and a subsequent communication with the information service provider.... As to the meaning of the FCC's prior rulings and pronouncements, the Commission is not persuaded that the FCC has ruled as Ameritech Michigan asserts. In fact, the FCC's more recent statements have moved away from the view upon which Ameritech Michigan's position depends. When the FCC rules in the pending docket, the Commission can determine what action, if any, is required."

In re Brooks Fiber Communications of Michigan, Inc., Case No. U-1178, et al., at 14-15 (Mich. PSC Jan. 28, 1998) (emphasis added).

Illinois:

"If the FCC had concluded that calls to ISPs are interstate in nature and thus that the connections between incumbent LECs and Internet ISPs were interstate in nature, like those between incumbent LECs and IXCs for purposes of interstate calls, it would have concluded that it has the authority to address those compensation issues."

* * *

"There is no dispute that the FCC is currently considering various issues regarding internet communications.... The ultimate conclusion, as well as its timing can only be the subject of speculation. *This Commission anticipates that if the FCC institutes a change in policy which impacts the interconnection agreements or any other aspect of state policy, the parties will bring that matter to the Commission's attention in an appropriate fashion.*"

Teleport Communications Group v. Illinois Bell, Docket No. 97-0404 at 12-13 (Ill. Comm. Com'n., March 11, 1998) (emphasis added).

"After reviewing relevant FCC precedent, this court finds that the FCC has not reached a coherent decision on the issue of the compensation of LECs providing Internet access. This result is due, in part, to the fact that the Internet, as a recently new development to the telecommunications world, presents questions that have not previously been addressed by FCC decisions and policy.... Thus, the precise issue under review in the instant case is currently being decided by the FCC. As of the date of this Memorandum Opinion and Order, the issue has not been resolved. *Any ruling by the FCC on that issue will no doubt affect future dealings between the parties on the instant case.*"

* * *

"Second, this court finds that the ICC's determination that calls to the ISP terminate at the ISP is not contrary to federal law and is supported by substantial evidence. Ameritech's argument that federal law requires that this court adopt a 'jurisdictional' standard for termination that would be measured on an 'end-to-end' basis is not convincing."

* * *

"Instead of classifying the web sites as the jurisdictional end of the communication, the FCC has specifically classified the ISP as an end user. *Given the absence of an FCC ruling on the subject, this court finds it appropriate to defer to the ICC's finding of industry practice regarding call termination.*"

Illinois Bell Tel. Comp. v. Worldcom Technologies, Inc., No. 98 C 1925, Mem. Op. and Order at 17-18, 26-27 (N.D. Ill. July 21, 1998) (citations and footnotes omitted) (emphasis added).

Arizona:

"The Commission will adopt the exemption permitted by the FCC. However, the Agreement should indicate that if and when the FCC modifies the access charge exemption, the Agreement will also be modified."

MFS Communications Comp., Inc., 1996 WL 787940 *5 (Ariz. Corp. Com'n Oct. 29, 1996) (emphasis added).

Delaware:

"The FCC may someday reach a contradictory conclusion. However, there is no reason to assume in advance that it will. Moreover, a deferral of authority here appears to leave a substantial gap in the event that there is no FCC determination. In contrast, exercising authority here to adopt the position urged by BA-Del presents no substantial problem should the FCC decide in the future that it will use federal authority to negate the action taken here. Thus, there are also substantial practical grounds to favor reaching a decision on this issue in this arbitration, rather than deferring one indefinitely, as BA-Del proposes."

Petition of MCI, Dkt No. 97-323, Arbitration Award at 14-15 (Del. PSC, Dec. 16, 1997) (emphasis added).

Missouri:

"[T]he Commission has been advised by the parties and takes official notice that, as to the crucial issue in this case, i.e. reciprocal compensation under this type of scenario, the FCC has requested comments and taken the matter under advisement in Docket No. 97-30. The record presented by the parties is not sufficiently persuasive to move this Commission to make a final decision on the reciprocal compensation issue in light of the FCC's pending proceeding on the same issue."

* * *

"[P]rior to a decision from the Federal Communications Commission on the issue of reciprocal compensation for traffic to ISPs within a local calling scope, the parties shall compensate one another for such traffic in the same manner that local calls to non-ISP end users are compensated, subject to a true-up following the Federal Communication Commission's determination on the issue."

In re Birch Telecom of Missouri, Inc., 1998 WL 324141 *3, *5 (Mo. PSC Apr. 24, 1998) (emphasis added).

North Carolina:

"The FCC has not squarely addressed this issue, although it may do so in the future. While both parties presented extensive exegeses on the obscurities of FCC rulings bearing on ISPs, there is nothing dispositive in the FCC rulings thus far."

In re Interconnection Agreement Between BellSouth Telecommunications, Inc. and US LEC of North Carolina, LLC, Dkt No. P-55, SUB 1027 at 7 (N.C. PUC Feb. 26, 1998)
(emphasis added).

Florida:

"The FCC has not yet decided whether ISP traffic is subject to reciprocal compensation. While the FCC has determined that ISPs provide interstate services, it appears that the FCC may consider those services severable from telecommunications services, as we explain below. No FCC order delineates exactly for what purposes the FCC intends ISP traffic to be considered local. By the same token, the FCC has not said that ISP traffic cannot be considered local for all regulatory purposes. It appears that the FCC has largely been silent on the issue. This leads us to believe the FCC intended for the states to exercise jurisdiction over the local service aspects of ISP traffic, unless and until the FCC decided otherwise."

Complaint of WorldCom Technologies, Inc., Dkt No. 971478-TP, Order No. PSC-98-1216-FOF-TP at 8-9 (Florida P.S.C., Sept. 15, 1998) (emphasis added).

November 4, 1998

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET

NO. 981008-TP EXHIBIT NO. LF-10

COMPANY/

WITNESS: Halpin

DATE 1-20-98

The Long History of Seven-Digit Dialing Arrangements Used to Provide Interstate Services

I. Introduction

When an end user uses the services of an Internet Service Provider ("ISP") to obtain access to the Internet, he or she typically dials a seven-digit telephone number to reach the ISP's local node, through which the end user is connected to the Internet. Competitive local exchange carriers ("CLECs") and ISPs have made much of this fact in the various proceedings in which state commissions have been asked to determine whether such calls are subject to reciprocal compensation obligations under local interconnection agreements between CLECs and incumbent local exchange carriers. The CLECs and ISPs have argued that calls that are connected to the Internet through an ISP are "local traffic" that originates and terminates in the same exchange, and are therefore subject to reciprocal compensation pursuant to the requirements of Section 251(b) of the Communications Act. They have based this claim in large measure on (1) the fact that end users dial a seven-digit "local" telephone number to reach the ISP's local node; and (2) the fact that the ISPs pay local business rates under state tariffs for the telephone lines that the end users dial into.

In fact, seven-digit dialing arrangements are -- and have for decades been -- used to provide interstate services. Indeed, the entire history of the development of long distance service competition revolves around the use of local exchange service, accessed by dialing a seven-digit "local" telephone number, to provide interexchange services. The Federal Communications Commission's ("FCC's") jurisdiction over local exchange facilities and services when used in connection with the provision of interstate service is clearly established and undisputed. This jurisdiction is, of course, based on the fact that the local exchange

facilities are used as a part of an interstate "communication by wire"^{1/} -- the communication does not originate and terminate in the local exchange. Examples of interstate services provided through the use of seven-digit "local" dialing arrangements include interstate foreign exchange ("FX") service, common control switching arrangement (CCSA") service, interstate enhanced services, "dial-around" services, and certain pre-paid calling card services.

In addition, as explained below, all of the elements and features of ISP Internet communications that are cited by the CLECs and ISPs as evidence that the dialed call "terminates" in the local exchange are also present in one, or more, of the other interstate services provided through the use of seven-digit "local" dialing arrangements. ISP Internet communications and the other service arrangements described below are perfectly analogous. The local exchange facilities used to provide these other interstate services are deemed by the FCC to be in interstate use, and are regulated accordingly. For the exact same reasons, and to the exact same extent, the local exchange facilities used to communicate over the Internet via an ISP are in interstate use.

II. Interstate FX and CCSA Service

Perhaps the earliest use of seven-digit dialing arrangements in interstate communications was interstate foreign exchange service. FX service permits a company in one city to make calls from, and receive calls at, a local business number in a second city in another state, without paying per-minute interstate long distance charges. The company pays a

^{1/} 47 U.S.C. § 152(a).

local exchange carrier ("LEC") in the second city (the "open end") for a local business telephone line. It also leases a private line between the two cities from an interexchange carrier. The local business line is then connected to the private line. This service arrangement permits end users in the distant city to reach the company by dialing a seven-digit "local" telephone number. For example, assume that the Acme Food Distribution Co. is based in Atlanta. It wants its customers in Miami to be able to reach it by dialing a "local" number (perhaps because it wants to appear to be a "local" business or to be "close" to its customers). So it pays for a local business FX line in Miami, and leases a private line between Miami and Atlanta. When its customers dial the company's seven-digit local number in Miami, the call is routed (transparently) over the private line to the company's headquarters in Atlanta. The company can also use the service to obtain a "local" dial-tone in Miami and make calls to Miami at local rates.

Common Control Switching Arrangement service is another example of an interstate service provided through the use of seven-digit "local" calls. CCSA service permits a large customer (such as a company with offices in various locations around the country) to communicate over its internal private line network with the various locations on the network *and* with any telephone subscriber off the network in any city in which it has an office, through interconnection with local exchange service or FX service. For instance, assume that the Acme Food Distribution Co. has locations in Atlanta, Miami, Charlotte, and several other locations, all connected using CCSA over a private line network. An Acme employee at a customer site in Atlanta wants to call another customer in Charlotte. The employee calls Acme's local network node in Atlanta by dialing a seven-digit "local" number. Once

connected to the network, the employee enters a code (e.g., a PIN number) and the desired telephone number in Charlotte. The local node in Charlotte then dials the local number the employee is trying to reach. Thus, this interstate communication involves two seven-digit "local" dialing arrangements.

FX service and CCSA service are both closely analogous to ISP Internet communications. In all three cases, an end user dials a "local" seven-digit number to initiate the communication. In all three cases, the telephone line associated with the seven-digit number is tariffed and paid for at local business rates, under state tariffs. In all three cases, the communication is interstate in nature. In the case of both a CCSA call that originates "off-net" (*i.e.*, by someone dialing into the CCSA-based private network) and an ISP Internet communication, the end user enters additional digits or codes in order to complete the communication and reach the intended destination.

In 1980, the FCC asserted jurisdiction over the seven-digit "local" calls used in connection with the provision of interstate FX and CCSA services and preempted a New York Telephone Co. tariff filed with the New York Public Service Commission that sought to impose a surcharge on interstate FX and CCSA customers.^{2/} The U.S. Court of Appeals for the Second Circuit upheld the FCC's order, holding that the agency properly claimed "jurisdiction over local exchange service when used in connection with interstate FX and

^{2/} See *New York Telephone Co.*, Memorandum Opinion and Order, 76 FCC 2d 349 (1980).

CCSA services."^{3/}

III. The Role of Seven-Digit Dialing Arrangements In the Development of Long Distance Competition

This background on FX and CCSA services is instructive for several reasons. First, while there are significant technical differences between the way an interstate FX (or CCSA) call is offered over the network and the way an interstate interexchange call (*i.e.*, a traditional long distance or message telecommunications service) is offered, once the FX call is "set up," it is identical from the end user's perspective to a traditional interstate interexchange call. This similarity was used by MCI when it used FX arrangements to initiate the era of competition in U.S. (and global) telecommunications. In September 1974, MCI filed a tariff introducing a new service called "Execunet,"^{4/} which was the first competitive public switched long distance service.^{5/} Using this service, MCI's customers could call any telephone number anywhere in the U.S. To make such a call, the customer would first dial a seven-digit "local access" telephone number to reach MCI. Once the call was answered, the customer would enter an authorization code and then the telephone number he or she wanted to reach.^{6/}

^{3/} See *New York Telephone Co.*, 631 F. 2d 1059 (2nd Cir.) (1980) at 1062.

^{4/} *Microwave Communications, Inc.*, Tariff FCC No. 1 (1974).

^{5/} MCI's national services were based in part on resale, and in part on the use of MCI's own facilities. All of MCI's facilities-based national services were FX/CCSA-based services.

^{6/} Because the equipment MCI used to answer calls to its local access numbers could recognize only tones, and not pulses, customers without touch-tone service had to buy little devices to use MCI's Execunet service. Such customers would enter their authorization code and the telephone number they wanted to reach into the device, and then hold the device up to the mouthpiece of the telephone. Some of these devices sold to generate these tones featured extra computational features just like calculators.

Because customers' calls to MCI's "local access" numbers were identical in all respects to regular seven-digit local telephone calls, many states initially viewed seven-digit "local" calls to MCI as falling within their jurisdiction. In addition, because MCI used FX service "open ends" to terminate calls, many states viewed MCI as engaging in the unlawful resale of local exchange services, which many states prohibited at that time. Indeed, many of the same issues discussed today in the context of ISP Internet communications were present in the jurisdictional debates of the 1970s about MCI's Execunet service. Then, as now, all of the following issues were raised in the debate over whether seven-digit calls into MCI's Execunet service were subject to FCC or state jurisdiction: the difficulty or impossibility of identifying and measuring "local" calls to MCI's local access numbers; the fact that additional calling information and validating information was entered after "completion" of the local call; and the fact that MCI had its own "separate" interstate network that it interconnected with the local telephone companies' exchange facilities were all raised as issues in these debates.

Nonetheless, the FCC quickly and successfully asserted jurisdiction over the "local" calls placed to MCI's Execunet local access numbers, notwithstanding the fact that such calls did not differ in any way technically from other local telephone calls that remained subject to the state commissions' jurisdiction. After asserting its jurisdiction, the FCC embarked on a multi-year series of negotiations and proceedings designed to develop an appropriate mechanism to compensate the local telephone companies for the use of their facilities to carry seven-digit calls made in connection with MCI's Execunet service. During the entire period of negotiations and proceedings -- that is, long after the FCC had asserted jurisdiction -- state-tariffed local exchange rates continued to be paid for such calls.

IV. "Déja Vu All Over Again"

One cannot help but be struck by the tremendous parallels between the issues confronted in the early years of long distance competition and the current issues surrounding interstate enhanced services and ISP Internet communications, particularly with respect to determining the appropriate mechanisms and rates to be charged for the use of local exchange facilities to provide these services. Just as it took years for the FCC to adopt the mechanisms and set the rates under which MCI and other long distance carriers compensate LECs for the use of their local exchange facilities to provide interstate services, there have been long years of FCC delay in determining the appropriate compensation to be paid to LECs for seven-digit calls used to provide interstate enhanced services or Internet communications.

Arguments to the effect that calls to an ISP (through which the end user is connected to the Internet) are purely "local" traffic that terminates at the ISP echo the claims of the 1970s about seven-digit "local" calls into MCI's Execunet service. The current claims also feature the resurgence of such themes as the lack of measurement capability, the unfairness of imposing the same universal service obligations as apply to other interstate service providers, and dire warnings that the imposition of access charges or other charges could potentially "kill" competition.⁷¹ As Mamie Eisenhower said, "things are more the same now than they ever were."

⁷¹ Of course, in the 1970s and 1980s, as now, most residential local exchange service was provided at a flat rate, so that no revenue whatsoever was collected on a per-minute or per-call basis from the residential end-users who placed calls to MCI's Execunet service.

Concerns about hampering competition were at the origin of the FCC's initial decision in 1983 to temporarily postpone the application of interstate access charges on interstate enhanced services. The FCC has repeatedly allowed this supposedly temporary exemption from access charges to last for 15 years, even though any legitimate claim to be assisting a struggling, "infant industry" has long since lost all validity. The interstate enhanced services industry now has a higher market capitalization than the entire telecommunications industry, and can hardly claim any more to need special protection in order to mature. However, the FCC's delay in removing the so-called ESP exemption -- admittedly caused in part by heavy political pressure -- cannot in any way be read as either an abdication or delegation of the FCC's authority over "local" calls to interstate enhanced services. In fact, as is well known, if a company selling products or services over FX lines changes the way it does business and provides automated voice storage as part of its technical configuration, the rate it pays for FX service changes from an interstate Feature Group A (FGA) rate to a local exchange service rate.^{8/}

For more than 15 years, the FCC has required fully subject local exchange carriers to price access for interstate enhanced services and Internet services at local exchange tariff rates, and it has prohibited states from developing innovative -- or indeed any -- approaches to ensure that LECs are compensated for such calls. Given that the FCC has thus frozen out consideration of any alternative compensation mechanisms for interstate ESP and Internet

^{8/} FGA is, of course, a serving arrangement -- that is, a type of access provided under interstate tariff (and perhaps also under state tariffs). Its chief feature is that it is a line-side connection that includes a local telephone number. Customers who purchase interstate FX service typically do so through a FGA arrangement (FX can also be purchased using a Feature Group B arrangement).

access traffic, and has prohibited states from permitting telephone companies to assess any special charge to consumers for these calls, it is ironic that the FCC is now anxious to endorse or validate the transfer of millions of dollars from incumbent LECs to CLECs.

Today, residential telephone subscribers can make seven-digit calls for a variety of purposes. A seven-digit number may be used to initiate an interstate interexchange call (using a dial-around service), interstate enhanced service or Internet call (ESP or ISP), interstate FX or CCSA call, or a local call.^{9/} Each of these interstate examples is charged at a different level -- all pursuant to FCC order. In each and every case, if the local number being called is served by a CLEC and the subscriber calling is served by BellSouth, BellSouth cannot identify the call as interstate or measure the duration of the call itself.^{10/} In each case, the only mechanism by which the interstate nature of the call could be determined (short of intercepting or monitoring calls) is if the interstate party (interexchange carrier, ISP, or ESP) were required to identify itself to its carrier (CLEC), and if the CLEC were required to report that information to BellSouth. If such a self-reporting approach were deemed to be undesirable or unenforceable, some alternative such as the flat monthly charge used for Execunet service (and its equivalents) could be employed. In any event, the ball is squarely in the FCC's court, as it has been for the 15 years in which the FCC has been anticipating a "permanent" solution to these issues.^{11/}

^{9/} Of course, it can also be for an intrastate toll or intrastate enhanced service call as well.

^{10/} If interstate service is provided over dedicated trunks, this usage over such trunks can be measured, but this requires the cooperation of the CLEC.

^{11/} Some parties have suggested that *because* BellSouth cannot identify which seven-digit calls that are placed to a telephone number served by a CLEC are jurisdictionally interstate, or measure the duration of such calls,

While it is important to recognize and focus upon the similarities between the issues and arguments faced today and those faced 15-20 years ago during the "birth of competition" era, it is also vitally important to recognize the differences. Most noteworthy among these is that, in the earlier era, there was a fundamental policy disagreement between federal and state regulators.

While federal regulators were (at least after the Execunet decision) attempting to promote competition, virtually all state regulators then believed that competition was inconsistent with the universal service policies they were following. Therefore, they vigorously opposed it. Consequently, the battle over whether "seven-digit calls" dialed to a local number assigned to an interexchange carrier were subject to FCC or state jurisdiction involved a choice of competing policy objectives.

In contrast, today, there is a broad and deep policy agreement between the FCC and the states. Indeed, the FCC apparently is seeking ways to validate state decisions concerning reciprocal compensation for calls that do not originate and terminate within the same local exchange. While clearly sympathetic to these state efforts to strengthen, and indeed subsidize, new entrants through the award of millions of dollars in reciprocal compensation for Internet access, the FCC has had no choice but to acknowledge more than two decades of its own

(. . . continued)

seven-digit calls to an ISP served by a CLEC are therefore "local" traffic subject to reciprocal compensation. This argument is absurd and ignores established precedent. The jurisdictional nature of traffic is in no way determined by or contingent upon the originating LEC's ability to identify or measure such traffic. It is determined by the end-to-end nature of the communication. When a BellSouth customer calls the seven-digit "local" telephone number served by a CLEC and used by a provider of "dial-around" interstate interexchange service, BellSouth cannot possibly identify or measure such traffic as interstate. Yet there is no question under FCC rules that such traffic is interstate in nature and subject to interstate access charges.

precedents and court rulings uniformly finding calls such as these to be part of end-end interstate communications. The FCC, however, has not done a sufficiently thorough job of placing in the proper historical context the "two-call" and local call arguments that have been raised with respect to ISP Internet communications. Further, the FCC cannot find any authority under the Communications Act to require BellSouth (or any incumbent LEC) to pay reciprocal compensation to a CLEC for the use of local plant in interstate service.