

MEMORANDUM

February 10, 1999

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RECORDS AND
REPORTING

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (COX) *WPC MCB*

RE: DOCKET NO. 981648-TP - In re: Request by BellSouth Telecommunications, Inc. for approval of resale agreement with Local Telecom Service, LLC pursuant to Sections 251 and 252 of the Telecommunications Act of 1996.

99-0258-FOF

Attached is an **Order Approving Resale Agreement, with attachment**, to be issued in the above-referenced docket. (Number of pages in order - 29)

WPC/slh
Attachment
cc: Division of Communications
I:981648.wpc

see 1, 2

~~**MUST GO TODAY**~~

2 mail

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request by BellSouth Telecommunications, Inc. for approval of resale agreement with Local Telecom Service, LLC pursuant to Sections 251 and 252 of the Telecommunications Act of 1996.

DOCKET NO. 981648-TP
ORDER NO. PSC-99-0258-FOF-TP
ISSUED: February 10, 1999

The following Commissioners participated in the disposition of this matter:

JOE GARCIA, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.

ORDER APPROVING RESALE AGREEMENT

BY THE COMMISSION:

On November 19, 1998, BellSouth Telecommunications, Inc. (BellSouth) filed a request for approval of a resale agreement with Local Telecom Service, LLC (LTS), pursuant to 47 U.S.C. §252(e) of the Telecommunications Act of 1996 (the Act). The agreement is attached to this Order as Attachment A and incorporated by reference herein.

Both the Act and Chapter 364, Florida Statutes, encourage parties to enter into negotiated agreements to bring about local exchange competition as quickly as possible. Under the requirements of 47 U.S.C. § 252(e), negotiated agreements must be submitted to the state commission for approval. Section 252(e)(4) requires the state to reject or approve the agreement within 90 days after submission or it shall be deemed approved.

This agreement covers a two-year period and governs the relationship between the companies regarding the resale of tariffed telecommunication services. Under 47 U.S.C. § 252(a)(1), the agreement shall include a detailed schedule of itemized charges for interconnection and each service or network element included in the agreement. The agreement states that telecommunications services

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provided by BellSouth for resale will be available for purchase by LTS at a discount rate of 21.83% for residential services and 16.81% for business services.

Upon review of the proposed agreement, we find that it complies with the Telecommunications Act of 1996; thus, we hereby approve it. BellSouth and LTS must file any supplements or modifications to their agreement with the Commission for review under the provisions of 47 U.S.C. § 252(e). We note that LTS does not currently hold a Florida certificate to provide alternative local exchange telecommunications service, and therefore, it cannot provide alternative local exchange telecommunications service under this agreement until it obtains a certificate from this Commission.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the resale agreement between BellSouth Telecommunications, Inc. and Local Telecom Service, LLC, as set forth in Attachment A and incorporated by reference in this Order, is hereby approved. It is further

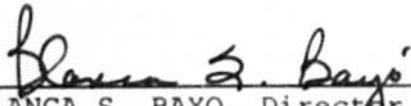
ORDERED that any supplements or modifications to this agreement must be filed with the Commission for review under the provisions of 47 U.S.C. § 252(e). It is further

ORDERED that Local Telecom Service, LLC shall not provide alternative local exchange telecommunications service under this agreement until it obtains a certificate to provide alternative local exchange telecommunications service from this Commission. It is further

ORDERED that this docket shall be closed.

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BY ORDER of the Florida Public Service Commission this 10th
day of February, 1999.



BLANCA S. BAYO, Director
Division of Records and Reporting

(S E A L)

WPC

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 in Federal district court pursuant to the Federal Telecommunications Act of 1996, 47 U.S.C. § 252(e)(6).

**Agreement Between BellSouth Telecommunications, Inc. and Local Telecom Service, L.L.C.
Regarding The Sale of BellSouth Telecommunications Services to Local Telecom Service, L.L.C.
For The Purposes of Resale**

THIS AGREEMENT is by and between **BellSouth Telecommunications, Inc.**, ("BellSouth" or "Company"), a Georgia corporation, and **Local Telecom Service, L.L.C.** ("Local Telecom") a limited liability company, and shall be deemed effective as of November 5, 1998.

WITNESSETH

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

WHEREAS, Local Telecom is or seeks to become an alternative local exchange telecommunications company authorized to provide telecommunications services in the state(s) of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee; and

WHEREAS, Local Telecom desires to resell BellSouth's telecommunications services; and

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

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

I. Term of the Agreement

- A. The term of this Agreement shall be two years beginning November 5, 1998 and shall apply to all of BellSouth's serving territory as of January 1, 1998 in the state(s) of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee; and
- B. This Agreement shall be automatically renewed for two additional one-year periods unless either party indicates its intent not to renew the Agreement. Notice of such intent must be provided, in writing, to the other party no later than 60 days prior to the end of the then-existing contract period. The terms of this Agreement shall remain in effect after the term of the existing agreement has expired and while a new agreement is being negotiated.

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

II. Definition of Terms

- A. **ALTERNATIVE/COMPETITIVE/OTHER LOCAL EXCHANGE COMPANY (ALEC/CLEC/OLEC)** means a telephone company certificated by the public service commissions of the Company's franchised area to provide local exchange service within the Company's franchised area.
- B. **CUSTOMER OF RECORD** means the entity responsible for placing application for service; requesting additions, rearrangements, maintenance or discontinuance of service; payment in full of charges incurred such as non-recurring, monthly recurring, toll, directory assistance, etc.

- C. DEPOSIT means assurance provided by a customer in the form of cash, surety bond or bank letter of credit to be held by the Company.
- D. END USER means the ultimate user of the telecommunications services.
- E. END USER CUSTOMER LOCATION means the physical location of the premises where an end user makes use of the telecommunications services.
- F. NEW SERVICES means functions, features or capabilities that are not currently offered by BellSouth. This includes packaging of existing services or combining a new function, feature or capability with an existing service.
- G. RESALE means an activity wherein a certificated CLEC, such as Local Telecom, subscribes to the telecommunications services of the Company and then reoffers those telecommunications services to the public (with or without "adding value").
- H. RESALE SERVICE AREA means the area, as defined in a public service commission approved certificate of operation, within which a CLEC, such as Local Telecom, may offer resold local exchange telecommunications services.

III. General Provisions

- A. Local Telecom may resell the tariffed local exchange and toll telecommunications services of BellSouth contained in the General Subscriber Service Tariff and Private Line Service Tariff subject to the terms and conditions specifically set forth herein. Notwithstanding the foregoing, the exclusions and limitations on services available for resale will be as set forth in Exhibit B, attached hereto and incorporated herein by this reference.

BellSouth shall make available telecommunications services for resale at the rates set forth in Exhibit A to this agreement and subject to the exclusions and limitations set forth in Exhibit B to this agreement. It does not, however, waive its rights to appeal or otherwise challenge any decision regarding resale that resulted in the discount rates contained in Exhibit A or the exclusions and limitations contained in Exhibit B. BellSouth reserves the right to pursue any and all legal and/or equitable remedies, including appeals of any decisions. If such appeals or challenges result in changes in the discount rates or exclusions and limitations, the parties agree that appropriate modifications to this Agreement will be made promptly to make its terms consistent with the outcome of the appeal.

- B. Local Telecom may purchase resale services from BellSouth for their own use in operating their business. The resale discount will apply to those services under the following conditions:
 - 1. Local Telecom must resell services to other end users.
 - 2. Local Telecom must order services through resale interfaces, i. e., the LCSC and/or appropriate Resale Account Teams.
 - 3. Local Telecom cannot be an alternative local exchange telecommunications company for the single purpose of selling to themselves.
- C. The provision of services by the Company to Local Telecom does not constitute a joint undertaking for the furnishing of any service.
- D. Local Telecom will be the customer of record for all services purchased from BellSouth. Except as specified herein, the Company will take orders from, bill and expect payment from Local Telecom for all services.

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- E. Local Telecom will be the Company's single point of contact for all services purchased pursuant to this Agreement: The Company shall have no contact with the end user except to the extent provided for herein.
- F. The Company will continue to bill the end user for any services that the end user specifies it wishes to receive directly from the Company.
- G. The Company maintains the right to serve directly any end user within the service area of Local Telecom. The Company will continue to directly market its own telecommunications products and services and in doing so may establish independent relationships with end users of Local Telecom.
- H. Neither Party shall interfere with the right of any person or entity to obtain service directly from the other Party.
- I. Current telephone numbers may normally be retained by the end user. However, telephone numbers are the property of the Company and are assigned to the service furnished. Local Telecom has no property right to the telephone number or any other call number designation associated with services furnished by the Company, and no right to the continuance of service through any particular central office. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, whenever the Company deems it necessary to do so in the conduct of its business.
- J. The Company may provide any service or facility for which a charge is not established herein, as long as it is offered on the same terms to Local Telecom.
- K. Service is furnished subject to the condition that it will not be used for any unlawful purpose.
- L. Service will be discontinued if any law enforcement agency advises that the service being used is in violation of the law.
- M. The Company can refuse service when it has grounds to believe that service will be used in violation of the law.
- N. The Company accepts no responsibility to any person for any unlawful act committed by Local Telecom or its end users as part of providing service to Local Telecom for purposes of resale or otherwise.
- O. The Company will cooperate fully with law enforcement agencies with subpoenas and court orders for assistance with the Company's customers. Law enforcement agency subpoenas and court orders regarding end users of Local Telecom will be directed to Local Telecom. The Company will bill Local Telecom for implementing any requests by law enforcement agencies regarding Local Telecom end users.
- P. The characteristics and methods of operation of any circuits, facilities or equipment provided by any person or entity other than the Company shall not:
 - 1. Interfere with or impair service over any facilities of the Company, its affiliates, or its connecting and concurring carriers involved in its service;
 - 2. Cause damage to the Company's plant;
 - 3. Impair the privacy of any communications; or
 - 4. Create hazards to any employees of BellSouth or the public.
- Q. Local Telecom assumes the responsibility of notifying the Company regarding less than standard operations with respect to services provided by Local Telecom.
- R. Facilities and/or equipment utilized by BellSouth to provide service to Local Telecom remain the property of BellSouth.

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- S. White page directory listings will be provided in accordance with regulations set forth in Section A6 of the General Subscriber Services Tariff and will be available for resale.
- T. BellSouth will provide customer record information to Local Telecom provided Local Telecom has the appropriate Letter(s) of Authorization. BellSouth may provide customer record information via one of the following methods: US mail, fax, or by electronic interface. BellSouth will provide customer record information via US mail or fax on an interim basis only.
1. Local Telecom agrees to compensate BellSouth for all BellSouth incurred expenditures associated with providing such information to Local Telecom. Local Telecom will adopt and adhere to the BellSouth guidelines associated with each method of providing customer record information.
 2. All costs incurred by BellSouth to develop and implement operational interfaces shall be recovered from CLECs who utilize the services. Charges for use of Operational Support Systems (OSS) shall be as set forth in Exhibit A of this agreement.
- U. Where available to BellSouth's end users, BellSouth shall provide the following telecommunication services at a discount to allow for voice mail services:
- Station Message Desk Interface - Enhanced ("SMDI-E")
 - Station Message Desk Interface ("SMDI") Message Waiting Indicator ("MWT") stutter dialtone and message waiting light feature capabilities
 - Call Forward on Busy/Don't Answer ("CF-B/DA")
 - Call Forward on Busy ("CF/B")
 - Call Forward Don't Answer ("CF/DA")
- Further, BellSouth messaging services set forth in BellSouth's Message Service Information Package shall be made available for resale without the wholesale discount.
- V. BellSouth's Inside Wire Maintenance Plans may be made available for resale at rates, terms and conditions as set forth by BellSouth and without the wholesale discount.
- W. All costs incurred by BellSouth for providing services requested by Local Telecom that are not covered in the BellSouth tariffs shall be recovered from the Local Telecom who utilizes those services.

IV. BellSouth's Provision of Services to Local Telecom

- A. Local Telecom agrees that its resale of BellSouth services shall be as follows:
1. The resale of telecommunications services shall be limited to users and uses conforming to the class of service restrictions.
 2. To the extent Local Telecom is a telecommunications carrier that serves greater than 5 percent of the Nation's presubscribed access lines, Local Telecom shall not jointly market its interLATA services with the telecommunications services purchased from BellSouth pursuant to this Agreement in any of the states covered under this Agreement. For the purposes of this subsection, to jointly market means any advertisement, marketing effort or billing in which the telecommunications services purchased from BellSouth for purposes of resale to customers and interLATA services offered by Local Telecom are packaged, tied, bundled, discounted or offered together in any way to the end user. Such efforts include, but are not limited to, sales referrals, resale arrangements, sales agencies or billing agreements. This subsection shall be void and of no effect for a particular state covered under this Agreement as of February 8, 1999 or on the date BellSouth is authorized to offer interLATA services in that state, whichever is earlier.
 3. Hotel and Hospital PBX services are the only telecommunications services available for resale to Hotel/Motel and Hospital end users, respectively. Similarly, Access Line Service for Customer

Provided Coin Telephones is the only local service available for resale to Independent Payphone Provider (IPP) customers. Shared Tenant Service customers can only be sold those telecommunications services available in the Company's A23 Shared Tenant Service Tariff for the states of Florida, Georgia, North Carolina and South Carolina and in the Company's A27 Shared Tenant Service Tariff for the states of Alabama, Kentucky, Louisiana, Mississippi and Tennessee.

4. Local Telecom is prohibited from furnishing both flat and measured rate service on the same business premises to the same subscribers (end users) as stated in A2 of the Company's Tariff except for backup service as indicated in the applicable state tariff Section A3.
 5. If telephone service is established and it is subsequently determined that the class of service restriction has been violated, Local Telecom will be notified and billing for that service will be immediately changed to the appropriate class of service. Service charges for changes between class of service, back billing, and interest as described in this subsection shall apply at the Company's sole discretion. Interest at a rate as set forth in Section A2 of the General Subscriber Services Tariff and Section B2 of the Private Line Service Tariff for the applicable state, compounded daily for the number of days from the back billing date up to and including the date that Local Telecom actually makes the payment to the Company, may be assessed.
 6. The Company reserves the right to periodically audit services purchased by Local Telecom to establish authenticity of use. Such audit shall not occur more than once in a calendar year. Local Telecom shall make any and all records and data available to the Company or the Company's auditors on a reasonable basis. The Company shall bear the cost of said audit.
- B. Resold services can only be used in the same manner as specified in the Company's Tariff. Resold services are subject to the same terms and conditions as are specified for such services when furnished to an individual end user of the Company in the appropriate section of the Company's Tariffs. Specific tariff features, e.g., a usage allowance per month, shall not be aggregated across multiple resold services. Resold services cannot be used to aggregate traffic from more than one end user customer except as specified in Section A23. (A27 in the states of Alabama, Kentucky, Louisiana, Mississippi, and Tennessee) of the Company's Tariff referring to Shared Tenant Service.
- C. Local Telecom may resell services only within the specific resale service area as defined in its certificate.
- D. Telephone numbers transmitted via any resold service feature are intended solely for the use of the end user of the feature. Resale of this information is prohibited.
- E. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. Local Telecom is strictly prohibited from any use, including but not limited to sales, marketing or advertising, of any BellSouth name or trademark.

V. Maintenance of Services

- A. Local Telecom will adopt and adhere to the standards contained in the applicable BellSouth Work Center Interface Agreement regarding maintenance and installation of service.
- B. Services resold under the Company's Tariffs and facilities and equipment provided by the Company shall be maintained by the Company.
- C. Local Telecom or its end users may not rearrange, move, disconnect, remove or attempt to repair any facilities owned by the Company, other than by connection or disconnection to any interface means used, except with the written consent of the Company.
- D. Local Telecom accepts responsibility to notify the Company of situations that arise that may result in a service problem.

- E. Local Telecom will be the Company's single point of contact for all repair calls on behalf of Local Telecom's end users. The parties agree to provide one another with toll-free contact numbers for such purposes.
- F. Local Telecom will contact the appropriate repair centers in accordance with procedures established by the Company.
- G. For all repair requests, Local Telecom accepts responsibility for adhering to the Company's prescreening guidelines prior to referring the trouble to the Company.
- H. The Company will bill Local Telecom for handling troubles that are found not to be in the Company's network pursuant to its standard time and material charges. The standard time and material charges will be no more than what BellSouth charges to its retail customers for the same services.
- I. The Company reserves the right to contact Local Telecom's customers, if deemed necessary, for maintenance purposes.

VI. Establishment of Service

- A. After receiving certification as a local exchange company from the appropriate regulatory agency, Local Telecom will provide the appropriate Company service center the necessary documentation to enable the Company to establish a master account for Local Telecom. Such documentation shall include the Application for Master Account, proof of authority to provide telecommunications services, an Operating Company Number ("OCN") assigned by the National Exchange Carriers Association ("NECA") and a tax exemption certificate, if applicable. When necessary deposit requirements are met, the Company will begin taking orders for the resale of service.
- B. Service orders will be in a standard format designated by the Company.
- C. When notification is received from Local Telecom that a current customer of the Company will subscribe to Local Telecom's service, standard service order intervals for the appropriate class of service will apply.
- D. The Company will not require end-user confirmation prior to establishing service for Local Telecom's end-user customer. Local Telecom must, however, be able to demonstrate end-user authorization upon request.
- E. Local Telecom will be the single point of contact with the Company for all subsequent ordering activity resulting in additions or changes to resold services except that the Company will accept a request directly from the end user for conversion of the end user's service from Local Telecom to the Company or will accept a request from another CLEC for conversion of the end user's service from Local Telecom to the other LEC. The Company will notify Local Telecom that such a request has been processed.
- F. If the Company determines that an unauthorized change in local service to Local Telecom has occurred, the Company will reestablish service with the appropriate local service provider and will assess Local Telecom as the CLEC initiating the unauthorized change, the unauthorized change charge described in F.C.C. Tariff No. 1, Section 13 or applicable state tariff. Appropriate nonrecurring charges, as set forth in Section A4. of the General Subscriber Services Tariff, will also be assessed to Local Telecom. These charges can be adjusted if Local Telecom provides satisfactory proof of authorization.
- G. In order to safeguard its interest, the Company reserves the right to secure the account with a suitable form of security deposit, unless satisfactory credit has already been established.
 - 1. Such security deposit shall take the form of an irrevocable Letter of Credit or other forms of security acceptable to the Company. Any such security deposit may be held during the continuance of the service as security for the payment of any and all amounts accruing for the service.

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2. If a security deposit is required, such security deposit shall be made prior to the inauguration of service.
3. Such security deposit may not exceed two months' estimated billing.
4. The fact that a security deposit has been made in no way relieves Local Telecom from complying with the Company's regulations as to advance payments and the prompt payment of bills on presentation nor does it constitute a waiver or modification of the regular practices of the Company providing for the discontinuance of service for non-payment of any sums due the Company.
5. The Company reserves the right to increase the security deposit requirements when, in its sole judgment, circumstances so warrant and/or gross monthly billing has increased beyond the level initially used to determine the security deposit.
6. In the event that Local Telecom defaults on its account, service to Local Telecom will be terminated and any security deposits held will be applied to its account.
7. Interest on a security deposit shall accrue and be refunded in accordance with the terms in the appropriate BellSouth tariff.

VII. Payment And Billing Arrangements

- A. Prior to submitting orders to the Company for local service, a master account must be established for Local Telecom. The Local Telecom is required to provide the following before a master account is established: proof of PSC/PUC certification, the Application for Master Account, an Operating Company Number ("OCN") assigned by the National Exchange Carriers Association ("NECA") and a tax exemption certificate, if applicable.
- B. The Company shall bill Local Telecom on a current basis all applicable charges and credits.
- C. Payment of all charges will be the responsibility of Local Telecom. Local Telecom shall make payment to the Company for all services billed. The Company is not responsible for payments not received by Local Telecom from Local Telecom's customer. The Company will not become involved in billing disputes that may arise between Local Telecom and its customer. Payments made to the Company as payment on account will be credited to an accounts receivable master account and not to an end user's account.
- D. The Company will render bills each month on established bill days for each of Local Telecom's accounts.
- E. The Company will bill Local Telecom, in advance, charges for all services to be provided during the ensuing billing period except charges associated with service usage, which charges will be billed in arrears. Charges will be calculated on an individual end user account level, including, if applicable, any charges for usage or usage allowances. BellSouth will also bill all charges, including but not limited to 911 and E911 charges, telecommunications relay charges, and franchise fees, to Local Telecom.
- F. The payment will be due by the next bill date (i.e., same date in the following month as the bill date) and is payable in immediately available funds. Payment is considered to have been made when received by the Company.
 1. If the payment due date falls on a Sunday or on a Holiday which is observed on a Monday, the payment due date shall be the first non-Holiday day following such Sunday or Holiday. If the payment due date falls on a Saturday or on a Holiday which is observed on Tuesday, Wednesday, Thursday, or Friday, the payment due date shall be the last non-Holiday day preceding such Saturday or Holiday. If payment is not received by the payment due date, a late payment penalty, as set forth in I. following, shall apply.

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2. If Local Telecom requests multiple billing media or additional copies of bills, the Company will provide these at an appropriate charge to Local Telecom.

G. Billing Disputes

1. Each Party agrees to notify the other Party upon the discovery of a billing dispute. In the event of a billing dispute, the Parties will endeavor to resolve the dispute within sixty (60) calendar days of the Bill Date on which such disputed charges appear. Resolution of the dispute is expected to occur at the first level of management resulting in a recommendation for settlement of the dispute and closure of a specific billing period. If the issues are not resolved within the allotted time frame, the following resolution procedure will begin:
 - 1.1 If the dispute is not resolved within sixty (60) days of the Bill Date, the dispute will be escalated to the second level of management for each of the respective Parties for resolution. If the dispute is not resolved within ninety (90) days of the Bill Date, the dispute will be escalated to the third level of management for each of the respective Parties for resolution.
 - 1.2 If the dispute is not resolved within one hundred and twenty (120) days of the Bill Date, the dispute will be escalated to the fourth level of management for each of the respective Parties for resolution.
 2. If a Party disputes a charge and does not pay such charge by the payment due date, such charges shall be subject to late payment charges as set forth in the Late Payment Charges provision of this Attachment. If a Party disputes charges and the dispute is resolved in favor of such Party, the other Party shall credit the bill of the disputing Party for the amount of the disputed charges along with any late payment charges assessed no later than the second Bill Date after the resolution of the dispute. Accordingly, if a Party disputes charges and the dispute is resolved in favor of the other Party, the disputing Party shall pay the other Party the amount of the disputed charges and any associated late payment charges assessed no later than the second bill payment due date after the resolution of the dispute. In no event, however, shall any late payment charges be assessed on any previously assessed late payment charges.
- H. Upon proof of tax exempt certification from Local Telecom, the total amount billed to Local Telecom will not include any taxes due from the end user. Local Telecom will be solely responsible for the computation, tracking, reporting and payment of all federal, state and/or local jurisdiction taxes associated with the services resold to the end user.
- I. As the customer of record, Local Telecom will be responsible for, and remit to the Company, all charges applicable to its resold services for emergency services (E911 and 911) and Telecommunications Relay Service (TRS) as well as any other charges of a similar nature.
- J. If any portion of the payment is received by the Company after the payment due date as set forth preceding, or if any portion of the payment is received by the Company in funds that are not immediately available to the Company, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the payment due date times a late factor. The late factor shall be as set forth in Section A2 of the General Subscriber Services Tariff and Section B2 of the Private Line Service Tariff.
- K. Any switched access charges associated with interexchange carrier access to the resold local exchange lines will be billed by, and due to, the Company. No additional charges are to be assessed to Local Telecom.

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- L. The Company will not perform billing and collection services for Local Telecom as a result of the execution of this Agreement. Requests by the Local Telecom for assistance with billing services should be referred to the appropriate entity or operational group within the Company.
- M. Pursuant to 47 CFR Section 51.617, the Company will bill Local Telecom end-user common line charges identical to the end-user common line charges the Company bills its end-users.
- N. In general, the Company will not become involved in disputes between Local Telecom and Local Telecom's end-user customers over resold services. If a dispute does arise that cannot be settled without the involvement of the Company, Local Telecom shall contact the designated Service Center for resolution. The Company will make every effort to assist in the resolution of the dispute and will work with Local Telecom to resolve the matter in as timely a manner as possible. Local Telecom may be required to submit documentation to substantiate the claim.

VIII. Discontinuance of Service

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

- 1. Where possible, the Company will deny service to Local Telecom's end user on behalf of, and at the request of, Local Telecom. Upon restoration of the end user's service, restoral charges will apply and will be the responsibility of Local Telecom.
- 2. At the request of Local Telecom, the Company will disconnect a Local Telecom end-user customer.
- 3. All requests by Local Telecom for denial or disconnection of an end user for nonpayment must be in writing.
- 4. Local Telecom will be made solely responsible for notifying the end-user of the proposed disconnection of the service.
- 5. The Company will continue to process calls made to the Annoyance Call Center and will advise Local Telecom when it is determined that annoyance calls are originated from one of its end user's locations. The Company shall be indemnified, defended and held harmless by Local Telecom and/or the end user against any claim, loss or damage arising from providing this information to Local Telecom. It is the responsibility of Local Telecom to take the corrective action necessary with its customers who make annoying calls. Failure to do so will result in the Company's disconnecting the end user's service.
- 6. BellSouth may disconnect and reuse facilities when the facility is in a denied state and BellSouth has received an order to establish new service or transfer of service from a customer or customer's CLEC at the same address serviced by the denied facility.

B. The procedures for discontinuing service to Local Telecom are as follows:

- 1. The Company reserves the right to suspend or terminate service for nonpayment or in the event of prohibited, unlawful or improper use of the facilities or service, abuse of the facilities, or any other violation or noncompliance by Local Telecom of the rules and regulations of the Company's Tariffs.
- 2. If payment of account is not received by the bill day in the month after the original bill day, BellSouth may provide written notice to Local Telecom that additional applications for service will be refused and that any pending orders for service will not be completed if payment is not received by the fifteenth day following the date of the notice. In addition BellSouth may, at the same time,

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- give thirty days notice to the person designated by Local Telecom to receive notices of noncompliance, and discontinue the provision of existing services to Local Telecom at any time thereafter.
3. In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due.
 4. If BellSouth does not discontinue the provision of the services involved on the date specified in the thirty days' notice and Local Telecom's noncompliance continues, nothing contained herein shall preclude BellSouth's right to discontinue the provision of the services to Local Telecom without further notice.
 5. If payment is not received or arrangements made for payment by the date given in the written notification, Local Telecom's services will be discontinued. Upon discontinuance of service on a Local Telecom's account, service to Local Telecom's end users will be denied. The Company will also reestablish service at the request of the end user or Local Telecom upon payment of the appropriate connection fee and subject to the Company's normal application procedures. Local Telecom is solely responsible for notifying the end user of the proposed disconnection of the service.
 6. If within fifteen days after an end user's service has been denied no contact has been made in reference to restoring service, the end user's service will be disconnected.

IX. Liability

- A. The liability of the Company for damages arising out of mistakes, omissions, interruptions, preemptions, delays, errors or defects in transmission, or failures or defects in facilities furnished by the Company, occurring in the course of furnishing service or other facilities and not caused by the negligence of Local Telecom, or of the Company in failing to maintain proper standards of maintenance and operation and to exercise reasonable supervision shall in no event exceed an amount equivalent to the proportionate charge to Local Telecom for the period of service during which such mistake, omission, interruption, preemption, delay, error or defect in transmission or defect or failure in facilities occur. The Company shall not be liable for damage arising out of mistakes, omissions, interruptions, preemptions, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the service of the Company, (1) caused by customer-provided equipment (except where a contributing cause is the malfunctioning of a Company-provided connecting arrangement, in which event the liability of the Company shall not exceed an amount equal to a proportional amount of the Company billing for the period of service during which such mistake, omission, interruption, preemption, delay, error, defect in transmission or injury occurs), or (2) not prevented by customer-provided equipment but which would have been prevented had Company-provided equipment been used.
- B. The Company shall be indemnified and saved harmless by Local Telecom against any and all claims, actions, causes of action, damages, liabilities, or demands (including the costs, expenses and reasonable attorney fees, on account thereof) of whatever kind or nature that may be made by any third party as a result of the Company's furnishing of service to Local Telecom.
- C. The Company shall be indemnified, defended and held harmless by Local Telecom and/or the end user against any claim, loss or damage arising from the use of services offered for resale involving:
 1. Claims for libel, slander, invasion of privacy or infringement of copyright arising from Local Telecom's or end user's own communications.
 2. Claims for patent infringement arising from acts combining or using Company services in connection with facilities or equipment furnished by the end user or Local Telecom.

3. All other claims arising out of an act or omission of Local Telecom or its end user in the course of using services.

D. Local Telecom accepts responsibility for providing access for maintenance purposes of any service resold under the provisions of this Tariff. The Company shall not be responsible for any failure on the part of Local Telecom with respect to any end user of Local Telecom.

X. Treatment of Proprietary and Confidential Information

- A. Both Parties agree that it may be necessary to provide each other during the term of this Agreement with certain confidential information, including trade secret information, including but not limited to, technical and business plans, technical information, proposals, specifications, drawings, procedures, customer account data and like information (hereinafter collectively referred to as "Information"). Both Parties agree that all Information shall either be in writing or other tangible format and clearly marked with a confidential, private or proprietary legend, or, when the Information is communicated orally, it shall also be communicated that the Information is confidential, private or proprietary. The Information will be returned to the owner within a reasonable time. Both Parties agree that the Information shall not be copied or reproduced in any form. Both Parties agree to receive such Information and not disclose such Information. Both Parties agree to protect the Information received from distribution, disclosure or dissemination to anyone except employees of the Parties with a need to know such Information and which employees agree to be bound by the terms of this Section. Both Parties will use the same standard of care to protect Information received as they would use to protect their own confidential and proprietary Information.
- B. Notwithstanding the foregoing, both Parties agree that there will be no obligation to protect any portion of the Information that is either: 1) made publicly available by the owner of the Information or lawfully disclosed by a nonparty to this Agreement; 2) lawfully obtained from any source other than the owner of the Information; or 3) previously known to the receiving Party without an obligation to keep it confidential.

XI. Resolution of Disputes

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

XII. Limitation of Use

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

XIII. Waivers

A failure or delay of either Party to enforce any of the provisions hereof, to exercise any option which is herein provided, or to require performance of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or options, and each Party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement.

XIV. Governing Law

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

XV. Arm's Length Negotiations

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

XVI. Notices

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

BellSouth Telecommunications, Inc.

Local Telecom Service, L.L.C.

CLEC Account Team
9th Floor
600 North 19th Street
Birmingham, AL 35203

2525 South Shore Boulevard
Suite 410
League City, TX 77573

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

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

XVII. Amendments

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

XVIII. Entire Agreement

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

The following services are included as options for purchase by Local Telecom. Local Telecom shall elect said services by written request to Local Telecom's Account Manager:

Optional Daily Usage File (ODUF)
Access Daily Usage File (ADUF)
Line Information Database (LIDB) Storage
Centralized Message Distribution Service (CMDS)

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IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year above first written.

BellSouth Telecommunications, Inc.

BY: 
Signature

NAME: Jerry Hendrix
Printed Name

TITLE: Director

DATE: 11/5/98

Local Telecom Service, L.L.C.

BY: 
Signature

NAME: Adorney
Printed Name

TITLE: Kule Dirksen

DATE: 11/4/98

**EXHIBIT A
APPLICABLE DISCOUNTS**

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

STATE	DISCOUNT*	
	RESIDENCE	BUSINESS
ALABAMA	16.3%	16.3%
FLORIDA	21.83%	16.81%
GEORGIA	20.3%	17.3%
KENTUCKY	16.79%	15.54%
LOUISIANA	20.72%	20.72%
MISSISSIPPI	15.75%	15.75%
NORTH CAROLINA	21.5%	17.6%
SOUTH CAROLINA	14.8%	14.8%
TENNESSEE**	16%	16%

- * When a CLEC provides Resale service in a cross boundary area (areas that are part of the local service area of another state's exchange) the rates, regulations and discounts for the tariffing state will apply. Billing will be from the serving state.
- ** In Tennessee, if CLEC provides its own operator services and directory services, the discount shall be 21.56%. CLEC must provide written notification to BellSouth within 30 days prior to providing its own operator services and directory services to qualify for the higher discount rate of 21.56%.

	OPERATIONAL SUPPORT SYSTEMS (OSS) RATES			
	Interactive Ordering and Trouble Maintenance System		OSS Order Charge	
	Non-Recurring Establishment Charge	Monthly Recurring Charge	Electronic Per LSR received from the CLEC by one of the OSS interactive interfaces	Manual Per LSR received from the CLEC by means other than one of the OSS interactive interfaces
ALABAMA	\$100.00	\$50.00	\$10.80	\$22.00
FLORIDA	\$100.00	\$50.00	\$10.80	\$22.00
GEORGIA	\$200.00	Per 1,000 electronic LSRs received from the CLEC ¹ First 1,000 - \$550.00 Add'l 1,000 - \$110.00	Note ²	\$22.00
KENTUCKY	\$100.00	\$50.00	\$10.89	\$22.00
LOUISIANA	\$100.00	\$50.00	\$9.16	\$22.00
MISSISSIPPI	\$100.00	\$50.00	\$10.80	\$22.00
NORTH CAROLINA	\$100.00	\$50.00	\$10.80	\$22.00
SOUTH CAROLINA	\$100.00	\$50.00	\$10.80	\$22.00
TENNESSEE	\$100.00	\$50.00	\$10.80	\$22.00

Rates for Operational Support Systems stated above are interim and are subject to modification based upon receipt of a final, non-appealable order by each state's Public Service Commission.

In addition to OSS charges, applicable service order and related charges apply per the tariff.

¹ The Charge per 1,000 LSRs applies on a per CLEC basis.

² The Georgia Public Service Commission ("PSC") ordered in Docket 7061 that there would be no OSS charge within the Charge for Electronic Order column. Instead the Georgia PSC ordered monthly recurring charges based on the number of LSRs received from the CLEC.

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EXHIBIT B

Type of Service	AL		FL		GA		KY		LA	
	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?
1 Grandfathered Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2 Contract Service Arrangements	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
3 Promotions - > 90 Days (Note 2)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4 Promotions - < 90 Days (Note 2)	Yes	No	Yes	No	Yes	No	No	No	Yes	No
5 Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes
6 911/E911 Services (See Note 8)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
7 N11 Services (See Note 8)	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
8 AdWatch SM Svc (See Note 7)	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9 MemoryCall [®] Service	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
10 Mobile Services	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
11 Federal Subscriber Line Charges	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
12 Non-Recurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Type of Service	MS		NC		SC		TN	
	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?
1 Grandfathered Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2 Contract Service Arrangements	Note 5	Note 5	Yes	Yes	Yes	No	Yes	Yes
3 Promotions - > 90 Days (Note 2)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Note 3
4 Promotions - < 90 Days (Note 2)	Yes	No	Yes	No	Yes	No	No	No
5 Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Note 4
6 911/E911 Services (See Note 8)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7 N11 Services (See Note 8)	No	No	No	No	Yes	Yes	Yes	Yes
8 AdWatch SM Svc (See Note 7)	Yes	No	Yes	No	Yes	No	Yes	No
9 MemoryCall [®] Service	Yes	No	Yes	No	Yes	No	Yes	No
10 Mobile Services	Yes	No	Yes	No	Yes	No	Yes	No
11 Federal Subscriber Line Charges	Yes	No	Yes	No	Yes	No	Yes	No
12 Non-Recurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No

Applicable Notes:

- Grandfathered services can be resold only to existing subscribers of the grandfathered service.
- Where available for resale, promotions will be made available only to end users who would have qualified for the promotion had it been provided by BellSouth directly.
- In Tennessee, long-term promotions (offered for more than ninety (90) days) may be obtained at one of the following rates:
 - the stated tariff rate, less the wholesale discount;
 - the promotional rate (the promotional rate offered by BellSouth will not be discounted further by the wholesale discount rate)
- Lifeline/Link Up services may be offered only to those subscribers who meet the criteria that BellSouth currently applies to subscribers of these services. In Tennessee, Local Telecom shall purchase BellSouth's Message Rate Service at the state tariff rate, less the wholesale discount. Local Telecom must further discount the wholesale Message Rate Service to LifeLine customers with a discount which is no less than the minimum discount that BellSouth now provides. Local Telecom is responsible for recovering the Subscriber Line Charge from the National Exchange Carriers Association interstate toll settlement pool just as BellSouth does today. The maximum rate that Local Telecom may charge for LifeLine Service shall be capped at the flat retail rate offered by BellSouth.
- In Mississippi, all Contract Service Arrangements entered into by BellSouth or terminating after the effective date of the Commission Order (3/10/97) will be subject to resale without the wholesale discount. All CSAs which are in place as of the effective date of the Commission order (3/10/97) will not be eligible for resale.
- Some of BellSouth's local exchange and toll telecommunications services are not available in certain central offices and areas.
- AdWatchSM Service is tariffed as BellSouth[®] AIN Virtual Number Call Detail Service
- Exclusions for N11/911/E911 are also applicable to equipment associated with the service

**LINE INFORMATION DATA BASE (LIDB)
STORAGE AGREEMENT**

This Agreement, effective as of November 5, 1998, is entered into by and between BellSouth Telecommunications, Inc. ("BST"), a Georgia corporation, and Local Telecom Service, L.L.C. ("Local Telecom"), a limited liability company, and their fully authorized officers.

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

I. SCOPE

A. This Agreement sets forth the terms and conditions pursuant to which BST agrees to store in its LIDB certain information at the request of Local Telecom and pursuant to which BST, its LIDB customers and Local Telecom shall have access to such information. Local Telecom understands that BST provides access to information in its LIDB to various telecommunications service providers pursuant to applicable tariffs and agrees that information stored at the request of Local Telecom, pursuant to this Agreement, shall be available to those telecommunications service providers. The terms and conditions contained in the attached Addendum No. 1 are hereby made a part of this Agreement as if fully incorporated herein.

B. LIDB is accessed for the following purposes:

1. Billed Number Screening
2. Calling Card Validation
3. Fraud Control

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

Local Telecom understands that BST currently has in effect numerous billing and collection agreements with various interexchange carriers and billing clearing houses. Local Telecom further understands that these billing and collection customers of BST query BST's LIDB to determine whether to accept various billing options from end users. Additionally, Local Telecom understands that presently BST has no method to differentiate between BST's own billing and line data in the LIDB and such data which it includes in the LIDB on Local Telecom's behalf pursuant to this Agreement. Therefore, until such time as BST can and does

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implement in its LIDB and its supporting systems the means to differentiate Local Telecom's data from BST's data and the parties to this Agreement execute appropriate amendments hereto, the following terms and conditions shall apply:

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

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

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

(d) BST shall not become involved in any disputes between Local Telecom and the entities for which BST performs billing and collection. BellSouth will not issue adjustments for charges billed on behalf of an entity to Local Telecom. It shall be the responsibility of Local Telecom and the other entity to negotiate and arrange for any appropriate adjustments.

II. TERM

This Agreement will be effective as of November 5, 1998, and will continue in effect for one year, and thereafter may be continued until terminated by either party upon thirty (30) days written notice to the other party.

III. FEES FOR SERVICE AND TAXES

A. Local Telecom will not be charged a fee for storage services provided by BST to Local Telecom, as described in Section I of this Agreement.

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

IV. INDEMNIFICATION

To the extent not prohibited by law, each party will indemnify the other and hold the other harmless against any loss, cost, claim, injury, or liability relating to or arising out of negligence or willful misconduct by the indemnifying party or its agents or contractors in connection with the indemnifying party's provision of services, provided, however, that any indemnity for any loss, cost, claim, injury or liability arising out of or relating to errors or omissions in the provision of services under this Agreement shall be limited as otherwise specified in this Agreement. The indemnifying party under this Section agrees to defend any suit brought against the other party for any such loss, cost, claim, injury or liability. The indemnified party agrees to notify the other party promptly, in writing, of any written claims, lawsuits, or demands for which the other party is responsible under this Section and to cooperate in every

reasonable way to facilitate defense or settlement of claims. The indemnifying party shall not be liable under this Section for settlement by the indemnified party of any claim, lawsuit, or demand unless the defense of the claim, lawsuit, or demand has been tendered to it in writing and the indemnifying party has unreasonably failed to assume such defense.

V. LIMITATION OF LIABILITY

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

VI. MISCELLANEOUS

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

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

C. Local Telecom agrees to submit to BST all advertising, sales promotion, press releases, and other publicity matters relating to this Agreement wherein BST's corporate or trade names, logos, trademarks or service marks or those of BST's affiliated companies are mentioned or language from which the connection of said names or trademarks therewith may be inferred or

implied; and Local Telecom further agrees not to publish or use advertising, sales promotions, press releases, or publicity matters without BST's prior written approval.

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

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

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

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

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

BELLSOUTH TELECOMMUNICATIONS, INC.

Signature: 

Printed Name: Jerry D. Hendrick

Title: Director

Date: 11/5/98

Address: 34591 BSC
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375

LOCAL TELECOM SERVICE, L.L.C.

Signature: 

Printed Name: Kule Dickson

Title: Adm. Asst.

Date: 11/4/98

Address: _____

(Resale)

**ADDENDUM NO. 1
TO LINE INFORMATION DATA BASE (LIDB)
STORAGE AGREEMENT**

This Addendum No. 1 to the Line Information Data Base Storage Agreement dated November 5, 1998, between BellSouth Telecommunications, Inc. ("BST"), and Local Telecom Service, L.L.C. ("Local Telecom"), effective the 5th day of November, 1998.

I. GENERAL

This Addendum sets forth the terms and conditions for Local Telecom's provision of billing number information to BST for inclusion in BST's LIDB. BST will store in its LIDB the billing number information provided by Local Telecom, and BST will provide responses to on-line, call-by-call queries to this information for purposes specified in Section I.B. of the Agreement.

II. DEFINITIONS

A. Billing number - a number used by BST for the purpose of identifying an account liable for charges. This number may be a line or a special billing number.

B. Line number - a ten digit number assigned by BST that identifies a telephone line associated with a resold local exchange service, or with a SPNP arrangement.

C. Special billing number - a ten digit number that identifies a billing account established by BST in connection with a resold local exchange service or with a SPNP arrangement.

D. Calling Card number - a billing number plus PIN number assigned by BST.

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- D. Calling Card number - a billing number plus PIN number assigned by BST.
- E. PIN number - a four digit security code assigned by BST which is added to a billing number to compose a fourteen digit calling card number.
- F. Toll billing exception indicator - associated with a billing number to indicate that it is considered invalid for billing of collect calls or third number calls or both, by Local Telecom.
- G. Billed Number Screening - refers to the activity of determining whether a toll billing exception indicator is present for a particular billing number.
- H. Calling Card Validation - refers to the activity of determining whether a particular calling card number exists as stated or otherwise provided by a caller.
- I. Billing number information - information about billing number or Calling Card number as assigned by BST and toll billing exception indicator provided to BST by Local Telecom.

III. RESPONSIBILITIES OF PARTIES

- A. BST will include billing number information associated with resold exchange lines or SPNP arrangements in its LIDB. Local Telecom will request any toll billing exceptions via the Local Service Request (LSR) form used to order resold exchange lines, or the SPNP service request form used to order SPNP arrangements.
- B. Under normal operating conditions, BST shall include the billing number information in its LIDB upon completion of the service order establishing either the resold local exchange service or the SPNP arrangement, provided that BST shall not be held responsible for any delay or failure in performance to the extent such delay or failure is caused by circumstances

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or conditions beyond BST's reasonable control. BST will store in its LIDB an unlimited volume of the working telephone numbers associated with either the resold local exchange lines or the SPNP arrangements. For resold local exchange lines or for SPNP arrangements, BST will issue line-based calling cards only in the name of Local Telecom. BST will not issue line-based calling cards in the name of Local Telecom's individual end users. In the event that Local Telecom wants to include calling card numbers assigned by Local Telecom in the BST LIDB, a separate agreement is required.

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

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

1. Validate a 14 digit Calling Card number where the first 10 digits are a line number or special billing number assigned by BST, and where the last four digits (PIN) are a security code assigned by BST.
2. Determine whether Local Telecom has identified the billing number as one which should not be billed for collect or third number calls, or both.

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IV. COMPLIANCE

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

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

BELLSOUTH TELECOMMUNICATIONS, INC.

Signature: [Handwritten Signature]

Printed Name: Serry D. Hendrix

Title: Director

Date: 11/5/98

Address: 34591 BSC
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375

LOCAL TELECOM SERVICE, L.L.C.

Signature: [Handwritten Signature]

Printed Name: Kyle Dickson

Title: Agent

Date: 11/1/98

Address: _____

