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RECORDS AND REPORTING

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Tallahassee, Florida 32301-1556

Marshall M. Criser III
Regulatory Vice President

May 10, 1999

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

990597-TP

Re: Approval of an Amendment to the Resale Agreement Negotiated by BellSouth Telecommunications, Inc. ("BellSouth") and Chapel Services, Inc. pursuant to Sections 251 and 252 of the Telecommunications Act of 1996

Dear Mrs. Bayo:

Pursuant to section 252(e) of the Telecommunications Act of 1996, BellSouth and Chapel Services, Inc. are submitting to the Florida Public Service Commission their amendment to their negotiated agreement for the purchase of BellSouth's telecommunications services for the purpose of resale to end users by Chapel Services, Inc. The Commission approved the initial agreement between the companies at the May 4, 1999 Agenda in Docket 990446-TP.

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

Very truly yours,

Marshall M. Criser III

Regulatory Vice President

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FPSC-RECORDS/REPORTING

**Amendment No. 1 to Resale Agreement
by and between BellSouth Telecommunications, Inc.
and Chapel Services, Inc.
dated 02/12/99**

This Agreement refers to the Resale Agreement ("the Agreement") entered into by Chapel Services, Inc. ("CSI") and BellSouth Telecommunications, Inc. ("BellSouth") on 02/12/99. This Amendment ("Amendment") is made by and between CSI and BellSouth and shall be deemed effective on the date executed by CSI and BellSouth.

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, CSI and BellSouth (individually, a "Party" and collectively, the "Parties") hereby covenant and agree as follows:

1. Pursuant to the Order 98-1029 in Docket No. 98-378-C issued by the South Carolina Public Service Commission on December 28, 1998, BellSouth and CSI are entering into this Agreement for the purpose of deleting the existing Exhibits A and B of Attachment 1 in their entirety and replacing them with new Exhibits A and B of Attachment 1, as provided with this Agreement. The new Exhibits A and B contain resale discount rates for Contract Service Arrangements (CSAs) and Special Assemblies only for the state of South Carolina. Furthermore, the new Exhibit A contains new rates and provisions for Operational Support Systems (OSS Rates).

2. The Parties agree that all other provisions of the Agreement, dated 02/12/99, shall remain in full force and effect.

3. The Parties further agree that either or both of the Parties is authorized to submit this Amendment to the Public Service Commission or other regulatory body having jurisdiction over the subject matter of this Amendment, for approval subject to Section 252(e) of the federal Telecommunications Act of 1996.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective duly authorized representatives on the date indicated below.

BellSouth Telecommunications, Inc.

Signature

Jerry D. Hendrix

Name

Director - Interconnection Services

Title

Date

4/19/99

Chapel Services, Inc.

Signature

J. LEE MURPHY

Name

PRESIDENT

Title

Date

4-6-99

Attachment 1 with Exhibits A and B

EXHIBIT A – Discount Rate Table

APPLICABLE DISCOUNTS

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

DISCOUNT*			
STATE	RESIDENCE	BUSINESS	CSAs***
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%	8.98%
TENNESSEE**	16%	16%	

* When a CLEC provides Resale service in a cross boundary area (areas that are part of the local serving 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%.

*** Unless noted in this column, the discount for Business will be the applicable discount rate for CSAs.

Attachment 1 with Exhibits A and B

Exhibit A – OSS Rates

OPERATIONAL SUPPORT SYSTEMS (OSS) RATES

The parties agree that Electronic Interface (EI) costs and manual work done by the LCSC will be recovered on a “per LSR” basis, with an individual LSR identified by its Purchase Order Number (PON). The CLEC will be assessed either the manual or mechanized charge for most accepted LSRs submitted to BellSouth. Manually submitted UNE LSRs will not incur the manual LSR charge in states that have a separate UNE manual additive. CLECs will be charged the manual rate for most LSRs submitted by mail, courier, fax, etc. CLECs will be charged the mechanized rate for LSRs submitted over any of the mechanized systems (e.g. LENS, EDI, EDI-PC, and TAG).

- A. Bill a single mechanized CLEC EI charge for each resale LSR delivered over an electronic interface. This charge recovers the development and expense costs associated with the CLEC EIs that are allocated to resale LSR volumes, as well as the manual processing associated with mechanized requests that “fall out” in the LCSC for manual handling.
- B. Bill the same mechanized CLEC EI charge for each UNE LSR delivered over an electronic interface.
- C. Bill a single manual LSR charge for each resale LSR delivered manually that reflects the costs associated with the manual processing of those LSRs in the LCSC.
- D. Bill the same manual LSR charge for each manually submitted UNE LSR in those states that do not have a per element UNE non-recurring manual additive.
- E. Establish a transitional plan to bill the mechanized LSR charge for manual LSRs for CLECs who submit a significant proportion of their total LSR volume on a mechanized basis. This volume threshold will increase each year and be eliminated in 2002. This arrangement may be superceded by BellSouth with an LSR-specific process that would apply the mechanized LSR rate to only those manual LSRs which cannot be submitted over a mechanized system.

The regional average pricing plan establishes averaged prices that are the same regardless of:

- CLEC EI system used
- Action being requested on the LSR (order, change, deny, restore, cancel, disconnect, etc.)
- Number of supplements or clarifications received
- Number of service orders result from the LSR

Some CLECs presently provide lists of customers to be denied and restored, rather than individual LSRs. However, since each location on the list must have a separate PON, they will be billed as separate manual LSRs. A CLEC will be charged for an accepted LSR that is later canceled by the CLEC.

At the present time, five states (AL, GA, LA, MS, SC) have a manual NRC additive per element for UNEs. This manual additive supercedes the manual LSR charge for manual UNE LSRs. Until the other four states adopt this methodology, BellSouth proposes that the manual LSR charge apply for manual UNE LSRs in those states.

Attachment 1 with Exhibits A and B

EXHIBIT A – OSS Cont.

RESALE

OPERATIONAL SUPPORT SYSTEMS (OSS) RATES	<u>Electronic</u> Per LSR received from the CLEC by one of the OSS interactive interfaces	<u>Manual</u> Per LSR received from the CLEC by means other than one of the OSS interactive interfaces
OSS Order Charge	\$3.50	\$19.99

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

The Parties agree that CLEC-1 will incur the mechanized rate for all LSRs, both mechanized and manual, if the percentage of mechanized LSRs to total LSRs exceeds the threshold percentages shown below:

Year	Ratio: Mechanized/Total LSRs
1999	70%
2000	80%
2001	90%

The threshold plan will be discontinued in 2002.

BellSouth will track the total LSR volume for each CLEC for each quarter. At the end of that time period, a Percent Electronic LSR calculation will be made for that quarter based on the LSR data tracked in the LCSC. If this percentage exceeds the threshold volume, all of that CLECs' future manual LSRs will be billed at the mechanized LSR rate. To allow time for obtaining and analyzing the data and updating the billing system, this billing change will take place on the first day of the second month following the end of the quarter (e.g. May 1 for 1Q, Aug 1 for 2Q, etc.). There will be no adjustments to the amount billed for previously billed LSRs.

The Parties agree that any charges BellSouth is unable to bill on April 15, 1999 will be trued up on or about July 1, 1999.

Attachment 1 with Exhibits A and B

Exhibit B

Type of Service		AL		FL		GA		KY		LA	
		Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?
1	Grandfathered Services (Note 1)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Contract Service Arrangements	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	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	Note 4	Note 4	Yes	Yes
6	911/E911 Services (See Note7)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
7	N11 Services (See Note 7)	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
8	AdWatch SM Svc (See Note 6)	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 Chrges	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
12	Non-Recurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
13	End User Line Charge – Number Porability	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No

Type of Service		MS		NC		SC		TN	
		Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?
1	Grandfathered Services (Note 1)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Contract Service Arrangements	Yes	Yes	Yes	Yes	Yes	Note 8	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 Note7)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7	N11 Services (See Note 7)	No	No	No	No	Yes	Yes	Yes	Yes
8	AdWatch SM Svc (See Note 6)	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 Chrges	Yes	No	Yes	No	Yes	No	Yes	No
12	Non-Recurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
13	End User Line Charge – Number Portability	Yes	No	Yes	No	Yes	No	Yes	No

Applicable Notes:

- 1 **Grandfathered services** can be resold only to existing subscribers of the grandfathered service.
- 2 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.
- 3 In Tennessee, long-term **promotions** (offered for more than ninety (90) days) may be obtained at one of the following rates:
 - (a) the stated tariff rate, less the wholesale discount;
 - (b) the promotional rate (the promotional rate offered by BellSouth will not be discounted further by the wholesale discount rate)

Attachment 1 with Exhibits A and B

EXHIBIT B Cont.

4. **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 Kentucky, the Reseller is responsible for funding its own Lifeline and Link Up benefit. In Tennessee, Reseller shall purchase BellSouth's Message Rate Service at the stated tariff rate, less the wholesale discount. Reseller 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. Reseller 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 Reseller may charge for Lifeline Service shall be capped at the flat retail rate offered by BellSouth.
- 5 Some of BellSouth's local exchange and toll telecommunications services are not available in certain central offices and areas.
- 6 AdWatchSM Service is tariffed as BellSouth[®] AIN Virtual Number Call Detail Service.
- 7 Exclusions for **N11/911/E911** are also applicable to equipment associated with the service.
- 8 In South Carolina, CSAs are available for resale at the CSA specific resale discount of 8.98%. The state specific resale discount rate applies to Special Assemblies.