



May 9, 2001

Ms. Blanca Bayó, Director  
Division of Records & Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

via U.S. Mail

Re: Docket No. 010098-TP -- Petition by Florida Digital Network, Inc. for arbitration of certain terms and conditions of proposed interconnection and resale agreement with BellSouth Telecommunications, Inc. under the Telecommunications Act of 1996.

**Notice to Commission of Resolution of Issue No. 2 in Arbitration Proceeding and Florida Digital Network, Inc.'s Withdrawal of Issue No. 2 from Petition and First Amended Petition**

Dear Ms. Bayó,

Please find enclosed for filing in the captioned docket an original and seven (7) copies of this letter.

Florida Digital Network, Inc. ("Florida Digital") and BellSouth Telecommunications, Inc. ("BellSouth") have reached a settlement on Issue No. 2 (reciprocal compensation) as identified in the original Petition filed in this case on January 24, 2001, and the First Amended Petition filed April 10, 2001 (the "Petition"). The document(s) reflecting the settlement of this issue will be filed with the Commission in this docket.

Accordingly, please be advised the parties agree Issue No. 2 in this arbitration proceeding does not require arbitration and that Florida Digital withdraws Issue No. 2 from the Petition.

If you have any questions regarding this Notice or the Petition, please call me at 407-835-0460.

LOCAL

LONG DISTANCE

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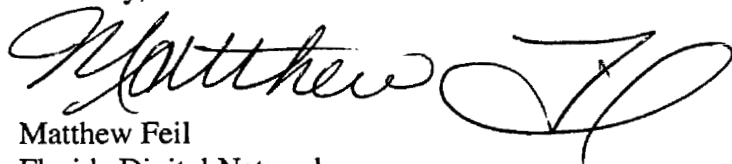
390 N. Orange Avenue Suite 2000 & 200 Orlando, Florida 32801  
407.835.0300 Fax 407. 835.0309 www.floridadigital.net

DOCUMENT NUMBER-DATE

06040 MAY 15 01

FPSC-RECORDS/REPORTING

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew Feil". The signature is written in a cursive style with a large, stylized initial "M" and a decorative flourish at the end.

Matthew Feil  
Florida Digital Network  
General Counsel

C: James Meza, III (BellSouth) (by e-mail)  
Felicia Banks (FPSC) (by e-mail)  
Mike Sloan (Swidler) (by e-mail, U.S mail)