



ORIGINAL

March 15, 2002

Ms. Blanca Bayó, Director
Division of the Commission Clerk
& Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

via Overnight Mail Monday Delivery

Re: Docket No. 020252-TP Complaint of Florida Digital Network, Inc.,
Against BellSouth Telecommunications, Inc. and Request for Emergency Relief

Dear Ms. Bayó,

Please find enclosed for filing in a **new docket** an original and seven (7) copies of the following: Florida Digital Network, Inc.'s Complaint Against BellSouth Telecommunications, Inc. and Request for Emergency Relief.

Also enclosed is a diskette containing a Microsoft Word for Windows 2000 file of the foregoing document.

If you have any questions regarding the enclosed, please call me at 407-835-0460.

Sincerely,

Matthew Feil
Florida Digital Network
General Counsel

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**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Complaint of Florida Digital Network,)
Inc. Against BellSouth Telecommunications,)
Inc. and Request For Emergency Relief)
_____)

Docket No. 020252-JP

**COMPLAINT OF FLORIDA DIGITAL NETWORK, INC.
AGAINST BELLSOUTH TELECOMMUNICATIONS, INC.
AND REQUEST FOR EMERGENCY RELIEF REQUIRING
BELLSOUTH TELECOMMUNICATIONS, INC. TO PROCESS
SERVICE ORDERS PENDING RESOLUTION OF DISPUTES**

Pursuant to Florida Statutes ("F.S.") §§ 364.162(1)¹ and 364.058,² and Rule 25-22.036(2) of the Florida Administrative Code,³ Florida Digital Network, Inc. ("FDN") files this Complaint and Request for Emergency Relief ("Complaint") against Bell South Telecommunications, Inc. ("BST"). Emergency relief is required to compel BST to perform its obligations under its Interconnection Agreement with FDN ("ICA").⁴

Since approximately March 1, 2002, BST has refused to process pending and new service orders for many classes of telecommunications service and has threatened to disconnect FDN's

¹ F.S. § 364.162(1) provides, *inter alia*: "The commission shall have the authority to arbitrate any dispute regarding interpretation of interconnection or resale prices and terms and conditions."

² F.S. § 364.058 provides: "(1) Upon petition or its own motion, the commission may conduct a limited or expedited proceeding to consider and act upon any matter within its jurisdiction."

³ Florida Administrative Code Rule 25-22-036(b) provides: "A complaint is appropriate when a person complains of an act or omission by a person subject to Commission jurisdiction which affects the complainant's substantial interests and which is in violation of a statute enforced by the Commission, or any Commission rule or order."

⁴ Relevant excerpts of Part A to the ICA are attached as Exhibit A, and relevant excerpts of Attachment VIII to the ICA are attached as Exhibit B.

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services in the State of Florida, unless FDN submits immediate payment for charges that FDN has properly disputed in accordance with the parties' ICA. Further, BST has indicated that it will not lift this "embargo" on orders until FDN provides an unsubstantiated security deposit and meets other demands not permitted or required under the ICA.

BST's threats and demands violate the dispute resolution and other specific provisions of the parties' ICA. Under the ICA, BST may not disconnect FDN's services for non-payment of disputed amounts, nor impose an embargo on orders for any reason. BST's actions also violate various state and federal laws. Accordingly, FDN respectfully requests that the Florida Public Service Commission ("Commission") grant this emergency relief in order to: (i) enforce the terms of the parties' ICA; (ii) halt BST's anti-competitive behavior; and (iii) protect the health, safety and welfare of FDN's customers who rely on FDN's services and are being adversely affected by BST's embargo. In support of the relief sought herein, FDN states as follows:

I. JURISDICTION

1. The Commission has jurisdiction over this Complaint pursuant to its broad authority to regulate telecommunications companies under F.S. § 364.01 et seq. Specifically, the Commission has jurisdiction in order to: (i) "protect the health, safety and welfare by ensuring that basic local telecommunications services are available to all consumers in the state at reasonable and affordable prices;"⁵ (ii) "protect the health, safety, and welfare by ensuring that monopoly services provided by telecommunications companies continue to be subject to effective price, rate and service regulation;"⁶ and (iii) "ensure that all providers of telecommunications services are treated fairly, by preventing anti-competitive behavior and

⁵ F.S. § 364.01(4)(a).

⁶ F.S. § 364.01(4)(c).

eliminating unnecessary regulatory restraint.”⁷ In addition, the Commission has the power to regulate the terms of telecommunications service contracts,⁸ such as the ICA between the parties, and has the authority to arbitrate any dispute regarding interpretation of interconnection or resale prices and terms and conditions.⁹ Moreover, the ICA specifically provides that the “parties recognize and agree that the Commission has continuing jurisdiction to implement and enforce all terms and conditions of the Agreement... [and] ... the parties agree that any dispute arising out of or relating to this Agreement that the parties themselves cannot resolve, may be submitted to the Commission for resolution.”¹⁰

2. Sections 251 and 252 of the federal Telecommunications Act of 1996 (the “Act”), 42 U.S.C. §§ 251 and 252, provide further jurisdiction for the Commission over this Complaint.¹¹

II. FACTUAL ALLEGATIONS

3. FDN is a Delaware corporation with its principal place of business located at 390 North Orange Avenue, Suite 2000, Orlando, Florida and its phone number is 407-835-0300. The Commission has certificated FDN as an Alternative Local Exchange Company and as an Interexchange Carrier in the state of Florida.

4. FDN’s representatives’ names, addresses and telephone numbers are:

⁷ F.S. § 364.01(4)(g).

⁸ F.S. § 364.19.

⁹ F.S. § 362.162(1).

¹⁰ See Exhibit A, § 23 – Dispute Resolution Procedures.

¹¹ See *Complaint of Supra Telecommunications and Information Systems, Inc. Against Bell South Telecommunications, Inc. for Violation of the Telecommunications Act of 1996; Petition for Resolution of Disputes as to Implementation and Interpretation of Interconnection, Resale and Collocation Agreements; and Petition for Emergency Relief*, Docket No. 980119-TP, Order No. PSC-00-1777-PCO-TP (Florida Public Service Commission September 28, 2000).

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407-835-0460

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Michael C. Sloan
Jonathan S. Frankel
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3000 K Street, N.W., Suite 300
Washington, DC 20007
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5. BST is a corporation organized and formed under the laws of the State of Georgia, having an office at 675 West Peachtree Street, Atlanta, Georgia, 30375. BST provides local exchange and other services within its legacy franchised areas in Florida. BST is a “Bell Operating Company” and an “incumbent local exchange carrier” (“ILEC”) as those terms are defined by the Act and is certificated as a Florida ILEC.

6. The ICA at issue in this matter was approved by the Commission on September 22, 1998 in Docket No. 980908-TP, Order No. PSC-98-1327-FOF-TP. Various amendments to the ICA have been filed with and approved by the Commission. FDN and BST currently are arbitrating the terms of a new Interconnection Agreement before the Commission.¹²

7. Throughout the time that FDN has obtained services from BST under the ICA, FDN has been plagued by BST’s repeated and systemic billing errors that erroneously and materially inflate the amount of BST’s bills to FDN. These billing errors have included, but are

¹² See *Petition By Florida Digital Network, Inc., for Arbitration of Certain Terms and Conditions of Proposed Interconnection and Resale Agreement with Bell South Telecommunications, Inc. Under the Telecommunications Act of 1996*, Docket No. 010098-TP.

not limited to, incorrect rates for unbundled network elements, usage and facilities, as well as, bills for services that have been disconnected or never received by FDN.

8. The foregoing problems are exacerbated by the disorganized and voluminous format of BST's massive invoices.¹³ These pervasive problems make it impossible for FDN to rely upon BST's invoices. Accordingly, FDN has been forced to undertake extremely expensive and time-consuming audits of each and every invoice it receives from BST. These audits consume substantial resources and, because each bill is so rife with errors, delay by weeks the date on which FDN or any prudent businessperson would agree to make payments.

9. The ICA contains specific provisions governing how the parties shall reconcile any billing disputes. Specifically, Attachment VIII, § 3.1.18 requires each party to provide a "Notice of Discrepancy" upon the discovery of a potential billing error. Further, in the event of such Notice of Discrepancy, the parties shall endeavor to resolve the discrepancy within sixty (60) calendar days notification using normal business procedures. *Id.* If the discrepancy is disputed, resolution of such 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."¹⁴

10. In order for a billing dispute to be closed, both parties must agree that the dispute has been closed.¹⁵ If the dispute remains unresolved, it is "escalated to the second level of

¹³ Each month FDN receives numerous invoices from BST for various services. These invoices are extensive – often more than 15,000 pages – and in light of the pervasive errors, FDN is required to review these invoices comprehensively to ensure they are correct.

¹⁴ See Exhibit B, § 3.1.18.2.

¹⁵ See Exhibit B, § 3.1.18.3, which provides: "Closure of a specific billing period shall occur by joint Agreement of the parties whereby the parties agree that such billing period is closed to any further analysis and financial transactions, except those resulting from an Audit. Closure shall take place within nine (9) months of the Bill Date. The month being closed

management,”¹⁶ and if needed a third level.¹⁷ Only after a bill remains disputed for one hundred twenty (120) days after the Bill Date may a party invoke the dispute resolution procedures set forth in § 23 of Part A to the ICA¹⁸ and submit the dispute to the Commission, or seek other remedies available to it at law.¹⁹

11. The ICA also expressly governs the parties’ rights and obligations with respect to billing disputes. Section 20.1.1, which applies to non-payment, provides that:

If such material breach is for non-payment of amounts due hereunder pursuant to Attachment VIII, Section 3.1.18, the breaching party shall cure such breach within thirty (30) days of receiving such notice. The non-breaching party shall be entitled to pursue all available legal and equitable remedies for such breach. Amounts disputed in good faith and withheld or set off shall not be deemed ‘amounts due hereunder’ for the purpose of this provision.

Thus, the ICA expressly permits FDN to withhold payment of disputed amounts.

12. The parties have been engaged in on-going billing disputes concerning a number of issues on several invoices. Each month that FDN receives an invoice from BST it reviews those invoices and submits Notices of Discrepancy to BST for any disputed amounts. Some of these disputes are resolved in FDN’s favor and FDN has been credited the relevant amounts. Other disputes are rejected by BST and continue to be disputed by FDN. Numerous ongoing disputes between the parties have not been resolved and, as such, a joint agreement closing these

represents those Connectivity Charges that were billed or should have been billed by the respective Bill Date” (emphasis added).

¹⁶ See Exhibit B, § 3.18.4.1.

¹⁷ See Exhibit B, § 3.18.4.2.

¹⁸ Section 23 provides, inter alia: “the parties agree that any dispute arising out of or relating to this Agreement that the parties themselves cannot resolve, may be submitted to the Commission for resolution. The parties agree to seek expedited resolution by the Commission and shall request the resolution occur in no event later than sixty (60) days from the date of submission of such dispute.” See Exhibit A.

¹⁹ See Exhibit B, § 3.18.4.3.

disputes in accordance with § 3.1.18.3 of Attachment VIII to the ICA has never been reached. Until now, neither party has availed itself of the Dispute Resolution Procedures provided by the ICA in connection with a billing dispute.

13. On February 1, 2002, FDN received a letter dated January 29, 2002 (“Demand Letter No. 1”) from BST in which BST alleged that FDN was currently in default in the amount of \$2,587,210.09 and was subject to disconnection. A copy of Demand Letter No. 1 is attached as Exhibit C.

13. Demand Letter No. 1 is legally defective in several respects. First, it is not addressed to the proper FDN official as required by the notice provisions of the ICA.²⁰ Second, it inaccurately stated that FDN’s unpaid balance consisted of undisputed amounts. For example, in Demand Letter No. 1, BST asserted that the \$2,587,210.09 demand included a \$151,727.15 charge for collocation space. FDN was quite familiar with this collocation charge, as it previously submitted a Notice of Discrepancy disputing \$63,596.00 (“Collocation Dispute”) of the \$151,727.15 collocation charge in October 2001. BST rejected the Collocation Dispute without sufficient explanation and such dispute was never closed by joint agreement of the parties. In late January 2002 before receiving Demand Letter No. 1, a BST representative suggested that FDN re-submit the Collocation Dispute to BST. Accordingly, on or about February 1, 2002, FDN re-submitted the \$63,596.00 Collocation Dispute. Therefore, before even receiving Demand Letter No. 1, a portion of BST’s demand already had been disputed by FDN twice.

²⁰ The ICA requires that notices are sent to FDN via certified mail and addressed to General Attorney – COU, 675 W. Peachtree Street, Suite 4300, Atlanta Georgia 30375 and to Florida Digital Network, Inc., Michael Gallagher, 1199 North Orange Avenue, Orlando, Florida 32804. *See*, ¶ 4 of July 1, 1998 Adoption Agreement between FDN and BST. (Exhibit A, § 14.) Demand Letter No. 1 was not sent to Mr. Gallagher in accordance with the terms of the ICA.

14. Prior to March 2002, FDN representatives engaged in good faith discussion with various BST representatives concerning the amounts alleged owed as provided in Demand Letter No. 1. These negotiations included discussions regarding disputed amounts. Based upon the review of invoices that were attached to Demand Letter No. 1, on February 27 and 28, 2002, FDN made several payments to BST totaling \$1,115,188.43. FDN continued in good faith to review the outstanding charges.

15. Notwithstanding the parties' continued efforts to resolve the disputes and FDN's payment of a significant portion of BST's demand, on or about Friday March 1, 2002, without any notice to FDN, BST initiated an embargo on pending and future service orders requested by FDN. Specifically, BST refused to process any FDN orders for some unbundled network elements, including SL-2, IDSL and T-1 loops.

16. That weekend, the parties engaged in extensive negotiations in order to lift the embargo. FDN agreed to wire BST \$1,210,446.07 on Monday March 4, 2002, an amount that FDN believed would satisfy the remaining amount of charges due under Demand Letter No. 1.

17. On Monday, March 4, 2002, FDN wired the \$1,210,446.07 to BST. Thereafter, BST determined that an additional \$207,193.46 was still outstanding and advised FDN that it still owed that amount pursuant to Demand Letter No. 1. In order to appease BST and believing that BST would then be required to lift the embargo, FDN wired an additional \$207,193.46 on March 6, 2002. These payments were made even though they included amounts that FDN maintained were disputed, and that could be withheld pursuant to the ICA.

18. Accordingly, by March 6, 2002, FDN had paid a total of \$2,532,827.96, representing 97.9% of the outstanding amount due as alleged by BST in Demand Letter No. 1.

The remaining \$54,382.13²¹ – only 2 cents on the dollar – represents disputed amounts that FDN is not required to pay under the ICA. Despite FDN’s request that BST lift the embargo and FDN’s payment of almost 98 cents on the dollar, BST still refused to process existing or new service orders.

19. On March 7, 2002, FDN received a letter dated March 6, 2002 (“Demand Letter No. 2”) from BST in which BST alleged that FDN was currently in default in the total amount of \$2,248,961.52. A copy of Demand Letter No. 2 is attached as Exhibit D. Once again, in clear violation of the ICA, BST threatened to disconnect FDN’s services if such amount was not paid, this time by April 5, 2002. Once again, BST failed to follow the Notice provisions in the ICA by sending Demand Letter No. 2 to the incorrect person. Moreover, in the March 6 letter, BST added a new creative remedy to its arsenal. Specifically, BST asserted “that any and all additional sums that come due over the next thirty (30) days must be paid in full to avoid disconnection.” *See* Exhibit D. This BST threat seeks to negate FDN’s right to withhold payment of disputed amounts, and further illustrates BST’s attempt to circumnavigate the clear and unambiguous provisions in the ICA.²²

20. On March 8, 2002, representatives of both parties held a conference call to discuss the outstanding disputes and FDN’s demand that BST cease its embargo on new orders. During that conference call, FDN offered to pay the remaining \$54,382.13 in order to have the illegal embargo lifted, even though FDN disputed those charges. BST representatives stated that

²¹ This disputed charge represents the difference between BST’s demand and the \$2,532,837.96 paid by FDN. As noted above, FDN included some of the Collocation Dispute in the amount it paid to BST because thought BST would lift the embargo after receiving all requested amounts.

²² See, Exhibit A, § 20.1.1 requiring the non-breaching party to send notice with a thirty (30) day right to cure a breach for non-payment. BST’s attempt to send a notice of default

the embargo only would be lifted if FDN provided BST with a security deposit or surety bond and met other demands that are not provided for or contemplated by the ICA. As a result of BST's unreasonable demands, FDN has been forced to seek relief from this Commission.

III. CLAIM FOR EMERGENCY RELIEF

21. BST's embargo on all pending and future FDN orders and its threat to disconnect FDN services violate the termination, dispute resolution and billing dispute resolution provisions of the parties' ICA. BST has disregarded the 120-day period the ICA provides the parties to work through billing disagreements. Moreover, the ICA does not permit BST to impose an embargo on all pending or new orders submitted by FDN. BST is wrongfully using this self-help remedy as leverage to collect an amount it alleges is owed but FDN disputes and as leverage for BST's other demands.

22. In addition, the ICA does not permit BST to disconnect FDN's service for non-payment of disputed amounts.²³ Under the ICA, disputed amounts are not even considered "amounts due" for purposes of a material breach of the Agreement.²⁴ FDN has satisfied Demand Letter 1 in that it has paid all undisputed amounts, and even some disputed amounts in an effort to appease BST to have the embargo lifted. Therefore, FDN is not in default under the Agreement. Accordingly, BST has no rights against FDN for non-payment.²⁵ Moreover, the

and threat of disconnection before FDN has even billed or alleged to be in default is the epitome of strong arm, anti-competitive tactics that violate applicable law and the ICA.

²³ See Exhibit A, §§ 20.1, 20.1.1, 20.1.2 and 20.1.3.

²⁴ See Exhibit A, § 20.1.1.

²⁵ Assuming *arguendo* that FDN was in default under the ICA for non-payment, BST's only right with respect to such non-payment is "to pursue all available legal and equitable remedies for such breach." See Exhibit A, § 20.1.1. Legal and equitable remedies are awarded by a court of law or, if appropriate, the Commission.

ICA does not, under any circumstances, permit BST to terminate the ICA unilaterally for non-payment, and it does not provide BST with any rights to impose an embargo on FDN's pending and new service orders. In sum, BST continues to use and threaten to use self-help remedies that violate the parties' ICA in order to collect a two (2) cents on the dollar dispute that has been disputed since October 2001.

23. BST's actions also violate the ICA provisions for resolution of billing disputes.²⁶ Not only do these provisions provide for three levels of management review for up to one hundred and twenty (120) days from the date a Notice of Discrepancy is provided, but also require a joint agreement between the parties in order to close any particular dispute.

24. By invoking an embargo and threatening to disconnect services as self-help remedies, BST is impermissibly ignoring the termination and dispute resolution procedures of the ICA, leaving FDN with no choice but to seek emergency relief from this Commission. The ICA does not permit BST to act as judge and jury or final arbiter of billing disputes between the parties or to seek remedies that are not provided under the ICA.

25. BST's continued refusal to process all pending and new service orders submitted by FDN prevents FDN from providing service to new customers, or process moves, adds or changes for existing customers. This anticompetitive behavior is harming FDN's ability to compete in the local telephone market because it impairs FDN's ability to offer services to its end users. The ability to add new customers and to process, add, change, and move orders for existing customers is absolutely essential to FDN's ongoing viability as a competitive carrier in the state. BST's refusal to process FDN orders is causing grave economic harm and irreparable damages to its business operation and reputation. FDN's viability as a competitive carrier

²⁶ See Exhibit B, § 3.1.18.

providing adequate services to its existing and/or future customers is adversely impacted by BST's refusal to process any pending or future service orders. This embargo is causing FDN to lose incalculable goodwill with its existing customers and future profits from new and existing customers, and as a result, threatens to put FDN out of business in Florida.

26. Exacerbating the situation is the fact that BellSouth is using the embargo as a means to disparage FDN to Florida consumers. In apparent reference to BellSouth's improperly imposed embargo, BellSouth retail representatives have told customers in Florida that FDN is in financial difficulty.

27. Immediate Commission action is needed to prevent further damage to FDN and its customers and to ensure that FDN can offer services to its existing and future customers. Moreover, Commission action is required to: (i) force BST to resume provisioning of FDN orders; (ii) prevent BST from wrongfully disconnecting FDN's service; (iii) ensure that BST follows and abides by the dispute resolution procedures in the parties' Interconnection Agreement; and (iv) re-establish and preserve the status quo pending resolution of all of the parties' billing disputes and resolution of the instant complaint, in accordance with the terms of the ICA.

IV. CONCLUSION

WHEREFORE, FDN respectfully urges the Commission to (i) order BST to lift the embargo on existing and future service orders; (ii) order BST to provision all services to FDN in accordance with the ICA; (iii) prohibit BST from disconnecting FDN's services; (iv) require BST to follow and abide by the parties' ICA termination provisions; (v) prohibit BST from taking adverse action of any kind against FDN pending resolution of any billing disputes and the matters set forth herein; and (vi) grant such other relief as may be just and proper.

FDN respectfully requests that the Commission act expeditiously in this matter but no later than sixty (60) days from the filing of this Complaint as provided in § 23 of Part A to the ICA.²⁷

Respectfully submitted:



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Counsel for Florida Digital Network, Inc.

Date: March 15, 2002

²⁷ See Exhibit A.

AGREEMENT

This Agreement, which shall become effective as of the 1st day of July, 1998, is entered into by and between Florida Digital Network, Inc. ("FDN") on behalf of itself, and BellSouth Telecommunications, Inc. ("BellSouth"), a Georgia corporation, having an office at 675 W. Peachtree Street, Atlanta, Georgia 30375, on behalf of itself and its successors and assigns.

WHEREAS, the Telecommunications Act of 1996 (the "Act") was signed into law on February 8, 1997; and

WHEREAS, section 252(i) of the Act requires BellSouth to make available any interconnection, service, or network element provided under an agreement approved by the appropriate state regulatory body to any other requesting telecommunications carrier upon the same terms and conditions as those provided in the agreement in its entirety; and

WHEREAS, FDN has requested that BellSouth make available the interconnection agreement in its entirety executed between BellSouth and MCI, dated June 3, 1997 for the state of Florida.

NOW, THEREFORE, in consideration of the promises and mutual covenants of this Agreement, FDN and BellSouth hereby agree as follows:

1. FDN and BellSouth shall adopt in its entirety the MCI Interconnection Agreement dated June 3, 1997 and any and all amendments to said agreement executed and approved by the appropriate state regulatory commission as of the date of the execution of this Agreement. The MCI Interconnection Agreement and all amendments are attached hereto as Exhibit 1 and incorporated herein by this reference.
2. The term of this Agreement shall be from the effective date and shall expire as set forth in Part A, section 3 of the MCI Interconnection Agreement. For the purposes of determining the expiration date of this Agreement pursuant to Part A, section 3 of the MCI Interconnection Agreement, the effective date shall be June 19, 1997.
3. At least 30 days after execution, BellSouth shall provide and make available to FDN a copy of all amendments to the MCI Interconnection Agreement executed after the effective date of this Agreement. FDN shall notify BellSouth of acceptance or rejection of the amendment within 30 days of receipt of said amendment.
4. 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.
OLEC Account Team
Room E4E1
3535 Colonnade Parkway
Birmingham, Alabama 35243

and

General Attorney - COU
675 W. Peachtree Street
Suite 4300
Atlanta, Georgia 30375

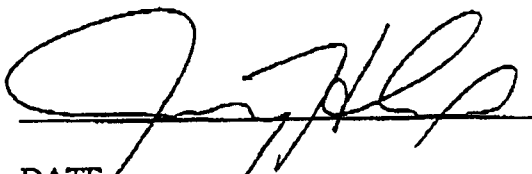
Florida Digital Network, Inc.
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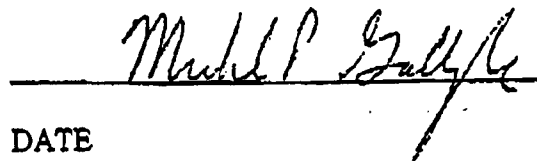
or at such other address as the intended recipient previously shall have designated by written notice to the other Party. Where specifically required, notices shall be by certified or registered mail. Unless otherwise provided in this Agreement, notice by mail shall be effective on the date it is officially 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.

IN WITNESS WHEREOF, the Parties have executed this Agreement through their authorized representatives.

BellSouth Telecommunications, Inc.

Florida Digital Network, Inc.


DATE
7/1/98


DATE
6/29/98

MCImetro-BellSouth Florida Interconnection Agreement

MCImetro/BellSouth INTERCONNECTION AGREEMENT

This Interconnection Agreement (the "Agreement"), effective [insert date], 199__ (the "Effective Date"), is entered into by and between BellSouth Telecommunications, Inc. ("BellSouth"), a Florida corporation, and MCImetro Access Transmission Services, Inc. ("MCIm"), a Delaware corporation, and to establish the rates, terms and conditions for interconnection, local resale, ancillary services and purchase of unbundled network elements (individually referred to as the "service" or collectively as the "services").

WHEREAS, the parties wish to interconnect their local exchange networks in a technically and economically efficient manner for the transmission and termination of calls ("Interconnection"); and

WHEREAS, MCIm wishes to purchase Telecommunications Services for resale to others ("Local Resale" or "Services for Resale"), and BellSouth is willing to provide such service pursuant to the terms and conditions of this Agreement; and

WHEREAS, MCIm wishes to purchase on an unbundled basis Network Elements, and BellSouth is willing to provide such services; and

WHEREAS, MCIm wishes to purchase ancillary services such as access to poles, ducts conduits and rights of way and collocation of equipment at BellSouth's facilities on the terms and subject to the conditions of this Agreement; and

WHEREAS, the parties intend the rates, terms and conditions of this Agreement, and their performance of obligations thereunder, to comply with the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the "Act"), the applicable Rules and Regulations of the Federal Communications Commission ("FCC") in effect, and the orders, rules and regulations of the state regulatory body.

Now, therefore, in consideration of the terms and conditions contained herein, BellSouth and MCIm hereby mutually agree as follows:

PART A GENERAL TERMS AND CONDITIONS

Section 1. Scope of this Agreement

1.1 This Agreement, including Parts A, B, and C, specifies the rights and obligations of each party with respect to the purchase and sale of Interconnection, Local Resale, Network Elements and ancillary services. This PART A sets forth the general terms and conditions governing this Agreement. Certain terms used in this Agreement shall have the meanings defined in PART B – DEFINITIONS, or as otherwise elsewhere defined throughout this Agreement. Other terms used but not defined herein will have the meanings ascribed to them in the Act and the applicable FCC Rules and Regulations in effect. PART C sets forth, among other things, descriptions of the services, pricing, technical and business requirements, and physical and network security requirements.

LIST OF ATTACHMENTS COMPRISING PART C:

- I. Price Schedule
- II. Local Resale
- III. Network Elements
- IV. Interconnection
- V. Collocation
- VI. Rights of Way
- VII. Number Portability
- VIII. Business Process Requirements
- IX. Security Requirements
- X. Credits for Performance Standards Failures

1.2 BellSouth shall provide the services pursuant to this Agreement. Except as provided below, BellSouth shall not discontinue or refuse to provide any service provided or required hereunder without MCI's prior written agreement. Such agreement shall not be unreasonably withheld. BellSouth shall not discontinue any telecommunications service available for resale unless BellSouth provides MCI's prior written notice of its intent to discontinue any such service. BellSouth agrees to make any such service available to MCI for resale to MCI customers who are subscribers to such services from MCI until the date BellSouth discontinues any such service for BellSouth's customers. BellSouth also agrees to adopt a reasonable, nondiscriminatory transition schedule for BellSouth and MCI customers who may be purchasing any such service.

1.2.1 Left Blank Intentionally

MCImetro-BellSouth Florida Interconnection Agreement

1.2.2 Left Blank Intentionally

Section 2. Regulatory Approvals

2.1 This Agreement, and any amendment or modification hereof, will be submitted to the state regulatory body for approval in accordance with Section 252 of the Act. Should the state regulatory body deny approval of the Agreement or any part thereof, the parties agree to consider whether any additional and appropriate judicial or administrative efforts are necessary to gain approval of said part or Agreement. If it is mutually determined that the part or Agreement must be renegotiated to gain approval by the state regulatory body, the parties agree to do so on an expedited basis. If the parties fail to reach agreement, either party may seek resolution pursuant to Section 23 (Dispute Resolution Procedures) of this Agreement.

2.2 In the event the FCC or the State regulatory body promulgates rules or regulations, or issues orders, or a court with appropriate jurisdiction issues orders, which make unlawful any provision of this Agreement, the parties shall negotiate promptly and in good faith in order to amend the Agreement to substitute contract provisions which are consistent with such rules, regulations or orders. In the event the parties cannot agree on an amendment within thirty (30) days from the date any such rules, regulations or orders become effective, then the parties shall resolve their dispute under the applicable procedures set forth in Section 23 (Dispute Resolution Procedures) hereof.

2.3 In the event BellSouth is required by any governmental authority to file a tariff or make another similar filing ("Filing") in order to implement this Agreement, BellSouth shall (i) consult with MCI in reasonably in advance of such Filing about the form and substance of such Filing, (ii) provide to MCI its proposed tariff and obtain MCI's agreement on the form and substance of such Filing, and (iii) take all steps reasonably necessary to ensure that such Filing imposes obligations upon BellSouth that are no less favorable than those provided in this Agreement and preserves for MCI the full benefit of the rights otherwise provided in this Agreement. In no event shall BellSouth file any tariff to implement this Agreement that purports to govern the services provided hereunder that is inconsistent with the rates and other terms and conditions set forth in this Agreement unless such rate or other terms and conditions are more favorable than those set forth in this Agreement.

2.4 In the event that any final and nonappealable legislative, regulatory, judicial or other legal action materially affects any material terms of this Agreement, or the ability of MCI or BellSouth to perform any material terms of this Agreement, or in the event a judicial or administrative stay of such action is not sought or granted, MCI or BellSouth may, on thirty (30) days written notice (delivered not later than thirty (30) days following the date on which such action has become

MCImetro-BellSouth Florida Interconnection Agreement

legally binding and has otherwise become final and nonappealable) require that such terms be renegotiated, and the Parties shall renegotiate in good faith such mutually acceptable new terms as may be required. In the event that such new terms are not renegotiated within ninety (90) days after such notice, the dispute shall be resolved in accordance with Section 23 (Dispute Resolution Procedures) of this Agreement.

2.5 The parties intend that any additional services requested by either party relating to the subject matter of this Agreement will be incorporated into this Agreement by amendment.

Section 3. Term of Agreement

This Agreement shall become binding upon execution by the parties and continue for a period of 3 years, unless earlier terminated in accordance with Section 20 (Termination). No later than 180 days prior to the expiration of this Agreement, the parties agree to commence negotiations with regard to the terms, conditions and prices of a follow on agreement for the provision of services to be effective on or before the expiration date of this Agreement ("Follow-on Agreement"). The Parties further agree that any such Follow-on Agreement shall be for a term of no less than three years unless the Parties agree otherwise.

If, within 135 days of commencing the negotiation referenced above, the Parties are unable to satisfactorily negotiate new terms, conditions and prices, either Party may petition the State regulatory body to establish an appropriate Follow-on Agreement pursuant to 47 U.S.C. '252. The Parties agree that in such event they shall encourage the State regulatory body to issue its order regarding such Follow-on Agreement no later than the expiration date of this Agreement. The Parties further agree that in the event the State regulatory body does not issue its order by the expiration date of this Agreement or if the Parties continue beyond the expiration date of this Agreement to negotiate without State regulatory body intervention, the terms, conditions and prices ultimately ordered by the State regulatory body, or negotiated by the Parties, will be effective retroactive to the day following the expiration date of this Agreement. Until the Follow-on Agreement becomes effective, BellSouth shall provide Services pursuant to the terms, conditions and prices of this Agreement that are then in effect.

Section 4. Charges and Payment

In consideration of the services provided by BellSouth under this Agreement, MCIm shall pay the charges set forth in Attachment I. The billing and payment procedures for charges incurred by MCIm hereunder are set forth in Attachment VIII.

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Section 13. Continuing Obligations

13.1 Except as otherwise provided herein, each party shall perform its obligations hereunder at a performance level no less than the level which it uses for its own operations, or those of its Affiliates, but in no event shall a party use less than reasonable care in the performance of its duties hereunder.

13.2 BellSouth agrees that Interconnection will be provided in a competitively neutral fashion, at any technically feasible point within its network as stated in this Agreement and that such interconnection will contain all the same features, functions and capabilities, and be at least equal in quality to the level provided by BellSouth to itself or its Affiliates.

13.3 BellSouth agrees that it will provide to MCIm on a nondiscriminatory basis unbundled Network Elements and ancillary services as set forth in this Agreement and the operations support systems as set forth in this Agreement. BellSouth further agrees that these services, or their functional components, will contain all the same features, functions and capabilities and be provided at a level of quality at least equal to the level which it provides to itself or its Affiliates.

13.4. BellSouth agrees that it will provide to MCIm nondiscriminatory access to, poles, ducts, conduits, and rights of way owned or controlled by BellSouth in accordance with the requirements of Section 224 of the Act.

13.5 BellSouth Agrees that it will provide nondiscriminatory access to telephone numbers for as long as BellSouth remains the code administrator for the North American Numbering Plan.

13.6 BellSouth agrees that it will provide to MCIm, in a competitively neutral fashion, interim number portability as set forth herein and in accordance with the applicable rules, regulations and orders of the FCC and this Commission, including the First Report and Order, released July 2, 1996 in CC Docket No. 95-116, regarding Telephone Number Portability, in effect.

13.7 BellSouth agrees that it will provide to MCIm, in a competitively neutral fashion, dialing parity for local exchange service and interexchange service pursuant to the applicable rules, regulations and orders of the state regulatory body and the FCC in effect.

13.8 BellSouth agrees that order entry, provisioning, installation, trouble resolution, maintenance, billing, and service quality with respect to Local Resale will be provided at least as expeditiously as BellSouth provides for itself or for its own retail local service or to others, or to its Affiliates, and that it will provide such services to MCIm in a competitively neutral fashion.

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13.9 BellSouth agrees that it will provide on a nondiscriminatory basis space on its premises for physical or virtual collocation, as MCIIm may specify, for equipment necessary for MCIIm's interconnection and access to unbundled network elements.

Section 14. Notices

Except as otherwise provided herein, all notices or other communication hereunder shall be deemed to have been duly given when made in writing and delivered in person by overnight courier, or deposited in the United States mail, certified mail, postage prepaid, return receipt requested and addressed as follows:

To MCIIm: MCImetro Access Transmission Services, Inc.
8521 Leesburg Pike
Vienna, VA 22182

Copy to: General Counsel
MCI Communications Corporation
1801 Pennsylvania Ave, N.W.
Washington, DC 20006

To BellSouth: Clifford H. Bowers
BellSouth Telecommunications, Inc.
1960 W. Exchange Pl., Ste. 402
Tucker, GA 30084

Copy to: General Attorney-Interconnection
BellSouth Telecommunications, Inc
Suite 4300
675 W. Peachtree Street, N.E.
Atlanta, Georgia 30375

If personal delivery or courier is selected to give notice, a receipt of such delivery shall be obtained. The address to which notices or communications may be given to either party may be changed by written notice given by such party to the other pursuant to this Section 14.

Section 15. Remedies

15.1 The obligations of BellSouth and the services offered under this Agreement are unique. Accordingly, in addition to any other available rights or remedies, MCIIm may sue in equity for specific performance.

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If as a result of any proceeding or filing before any Court, State Commission, or the Federal Communications Commission, voluntary agreement or arbitration proceeding pursuant to the Act or pursuant to any applicable state law, BellSouth becomes obligated to provide Services and Elements, whether or not presently covered by this Agreement, to a third Party at rates or on terms and conditions more favorable to such third Party than the applicable provisions of this Agreement, MCIm shall have the option to substitute such more favorable rates, terms, and conditions for the relevant provisions of this Agreement which shall apply to the same States as such other Party, and such substituted rates, terms or conditions shall be deemed to have been effective under this Agreement as of the effective date thereof. BellSouth shall provide to MCIm any BellSouth agreement between BellSouth and any third Party within fifteen (15) days of the filing of such agreement with any state Commission.

Section 20. Termination

20.1 In the event of breach of any material provision of this Agreement by either party, the non-breaching party shall give the other party written notice thereof, and:

20.1.1 If such material breach is for non-payment of amounts due hereunder pursuant to Attachment VIII, Section 3.1.18, the breaching party shall cure such breach within thirty (30) days of receiving such notice. The non-breaching party shall be entitled to pursue all available legal and equitable remedies for such breach. Amounts disputed in good faith and withheld or set off shall not be deemed "amounts due hereunder" for the purpose of this provision.

20.1.2 If such material breach is for any failure to perform in accordance with this Agreement, which adversely affects the non-breaching party's subscribers, the non-breaching party shall give notice of the breach and the breaching party shall cure such breach to the non-breaching party's reasonable satisfaction within ten (10) business days, and if breaching party does not, the non-breaching party may, at its sole option, terminate this Agreement, or any parts hereof. The non-breaching party shall be entitled to pursue all available legal and equitable remedies for such breach. Notice under this Subsection 20.1.2 may be given electronically or by facsimile and in such case shall be deemed received when sent.

20.1.3 If such material breach is for any other failure to perform in accordance with this Agreement, the breaching party shall cure such breach to the non-breaching party's reasonable satisfaction within forty-five (45) days, and if it does not, the non-breaching party may, at its sole option terminate this Agreement, or any parts hereof. The non-breaching party shall be entitled to pursue all available legal and equitable remedies

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for such breach.

20.2 Left Blank Intentionally.

Section 21. Confidentiality and Publicity

21.1 All confidential or proprietary information disclosed by either party during the negotiations and the term of this Agreement shall be protected by the parties in accordance with the terms of this Section 21. All information which is disclosed by one party ("Disclosing Party") to the other ("Recipient") in connection with this Agreement, or acquired in the course of performance of this Agreement, shall be deemed confidential and proprietary to the Disclosing Party and subject to this Agreement, such information including but not limited to, orders for services, usage information in any form, and Customer Proprietary Network Information ("CPNI") as that term is defined by the Act and the rules and regulations of the FCC ("Confidential Information").

21.1.1 For a period of eight (8) years from receipt of Confidential Information, Recipient shall (i) use it only for the purpose of performing under this Agreement, (ii) hold it in confidence and disclose it only to employees who have a need to know it in order to perform under this Agreement, and (iii) safeguard it from unauthorized use of Disclosure using no less than the degree of care with which Recipient safeguards its own Confidential Information. If Recipient wishes to disclose the Discloser's Confidential Information to a third party agent or consultant in order to perform Recipient's obligations hereunder, such third party must have executed a written agreement comparable in scope to the terms of this Section 21.

21.1.2 Recipient shall have no obligation to safeguard Confidential Information (i) which was in the Recipient's possession free of restriction prior to its receipt from Disclosing Party, (ii) which becomes publicly known or available through no breach of this Agreement by Recipient, (iii) which is rightfully acquired by Recipient free of restrictions on its Disclosure, or (iv) which is independently developed by personnel of Recipient to whom the Disclosing Party's Confidential Information had not been previously disclosed. Recipient may disclose Confidential Information if required by law, a court, or governmental agency, provided that Disclosing Party has been notified of the requirement promptly after Recipient becomes aware of the requirement, and provided that Recipient undertakes all lawful measures to avoid disclosing such information until Disclosing Party has had reasonable time to obtain a protective order. Recipient agrees to comply with any protective order that covers the Confidential Information to be disclosed.

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commercial transactions, compounded daily for the number of days from the date of overpayment to and including the date that payment is actually made. In no event, however, shall interest be assessed on any previously assessed or accrued late payment charges.

22.2 Subject to reasonable security requirements, either Party may audit the books, records and other documents of the other for the purpose of evaluating usage pertaining to transport and termination of local traffic. Where such usage data is being transmitted through CABS, the audit shall be conducted in accordance with CABS or other applicable requirements approved by the appropriate State Commission. If data is not being transferred via CABS, either Party may request an audit for such purpose once each Contract Year. Either Party may employ other persons or firms for this purpose. Any such audit shall take place no later than thirty (30) days after notice thereof to the other Party.

22.2.1 Either Party shall promptly correct any reported usage error that is revealed in an audit, including making payment of any underpayment after the Parties have agreed upon the accuracy of the audit results. Any Disputes concerning audit results shall be resolved pursuant to the Alternate Dispute Resolution procedures described in Section 16 of the General Terms and Conditions and Attachment 1.

22.2.2 The Parties shall cooperate fully in any such audit, providing reasonable access to any and all appropriate employees and books, records and other documents reasonably necessary to assess the usage pertaining to transport and terminating of local traffic.

22.3 This Section 22 shall survive expiration or termination of this Agreement shall for a period of two (2) years after expiration or termination of this Agreement.

Section 23. Dispute Resolution Procedures

The parties recognize and agree that the Commission has continuing jurisdiction to implement and enforce all terms and conditions of this Agreement. Accordingly, the parties agree that any dispute arising out of or relating to this Agreement that the parties themselves cannot resolve, may be submitted to the Commission for resolution. The parties agree to seek expedited resolution by the Commission, and shall request that resolution occur in no event later than sixty (60) days from the date of submission of such dispute. If the Commission appoints an expert(s) or other facilitator(s) to assist in its decision making, each party shall pay half of the fees and expenses so incurred. During the Commission proceeding each party shall continue to perform its obligations under this Agreement; provided, however that neither party shall be required to

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act in any unlawful fashion. This provision shall not preclude the parties from seeking relief available in any other forum.

Section 24. Bona Fide Request Process for Further Unbundling

BellSouth shall, upon request of MCIm, and to the extent technically feasible, provide to MCIm access to its unbundled elements for the provision of MCIm's telecommunications service. Any request by MCIm for access to an unbundled element that is not already available shall be treated as an unbundled element Bona Fide Request. The parties shall adhere to the process as agreed and described in Exhibit 1.

Section 25. Branding

25.1 In all cases in which BellSouth has control over handling of services MCIm may provide using services provided by BellSouth under this Agreement, BellSouth shall brand any and all such services at all points of customer contact, exclusively as MCIm services, or otherwise as MCIm may specify, or be provided with no brand at all, as MCIm shall determine. BellSouth may not unreasonably interfere with branding by MCIm. If for any reason, BellSouth finds that it is not possible to brand operator services and directory service calls for MCIm, BellSouth shall revert to generic unbranding for all local service providers, including itself.

25.2 MCIm shall provide the exclusive interface to MCIm subscribers, except as MCIm shall otherwise specify. In those instances where MCIm requires BellSouth personnel or systems to interface with MCIm subscribers, such BellSouth personnel shall identify themselves as representing MCIm, or such brand as MCIm may specify, and shall not identify themselves as representing BellSouth or any other entity, and shall refrain from marketing BellSouth, directly or indirectly, to MCIm subscribers.

25.3 BellSouth shall distribute to MCIm subscribers materials provided by MCIm. Such materials shall be prepared by MCIm and provided in sufficient quantities to BellSouth at MCIm's cost. All forms, business cards or other business materials furnished by BellSouth to MCIm subscribers shall be provided by MCIm unless otherwise agreed by MCIm, in its sole discretion, in which case, any such customer materials shall be subject to MCIm's prior review and approval, and shall bear no corporate name, logo, trademark or trade names other than MCIm or its Affiliates or such other brand as MCIm, in its sole discretion, shall determine. If, however, the technician does not have a company specific card available at the time services are performed, the BellSouth technician shall use a generic card. Neither BellSouth's vehicles nor its technicians shall be required to bear the MCIm logo.

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measure, report or track for itself or its own subscribers. In the event such system is not developed exclusively for MCI/m, but rather is developed for use with other CLECs, as well as MCI/m, BellSouth shall allocate to MCI/m, on a competitively neutral basis, MCI/m's share of the costs associated with such system.

Section 3. Connectivity Billing and Recording

This Section 3 describes the requirements for BellSouth to bill and record all charges MCI/m incurs for purchasing services under this Agreement.

3.1 Procedures

3.1.1 BellSouth shall comply with various industry, OBF, and other standards referred to throughout this Agreement. To satisfy these requirements, both parties shall adhere to mutually agreed upon interpretations of all standards referred to in this Agreement.

3.1.2 BellSouth shall record and bill in accordance with this Agreement those charges MCI/m incurs as a result of MCI/m purchasing from BellSouth services, as set forth in this Agreement (hereinafter "Connectivity Charges").

3.1.3. BellSouth will bill charges for interconnection and resale (within 180 days of the execution of this agreement) in a CABS format. BellSouth will conform each CABS bill in accordance with CABS guidelines.

3.1.4 Each service purchased by MCI/m shall be assigned a separate and unique billing code in the form agreed to by the parties and such code shall be provided to MCI/m on each Connectivity Bill in which charges for such services appear.

3.1.4.1 Each such billing code shall enable MCI/m to identify the service as ordered by MCI/m.

3.1.5 Each Connectivity Bill shall set forth the quantity and description of each such service provided and billed to MCI/m. All Connectivity Charges billed to MCI/m shall indicate the state from which such charges were incurred.

3.1.6 BellSouth shall bill MCI/m for each service supplied by BellSouth to MCI/m pursuant to this Agreement at the rates forth in this Agreement.

3.1.7 BellSouth shall bill MCIm for the Connectivity Charges incurred; provided that, for those usage based Connectivity Charges where actual charge information is not determinable by BellSouth because the jurisdiction (i.e., interstate, interstate/interLATA, intrastate, intrastate/ intraLATA, local) of the traffic is unidentifiable, or for other reason, the parties shall jointly develop a process to determine the appropriate charges.

3.1.8 Measurement of usage-based Connectivity Charges shall be in actual conversation seconds. The total conversation seconds per chargeable traffic types shall be totaled for the entire monthly bill cycle and then rounded to the next whole minute. State tariffs apply for resold usage plans.

3.1.9 BellSouth shall provide to MCIm at no additional charge a Single Point of Contact through a Local Carrier Service Center (LCSC), or similar function, for handling any Connectivity Billing questions or problems that may arise during the implementation and performance of the terms and conditions of this Agreement.

3.1.10 BellSouth shall provide single point of contact for handling of any data exchange questions or problems that may arise during the implementation and performance of the terms and conditions of this Agreement.

3.1.11 As soon as possible after completion of this Agreement, each party shall provide the other party written notice of which form of the monthly Connectivity Bill is to be deemed the official bill to assist the parties in resolving any conflicts that may arise between the official bill and another form of bill received via a different media which purportedly contain the same charges as are on the official bill.

3.1.12 If either party requests an additional copy(ies) of a bill, such party shall pay the other party a reasonable fee per additional bill copy, unless such copy was requested due to errors, omissions, or corrections or the failure of the transmission to comply with the specifications set forth in this Agreement.

3.1.13 When sending Connectivity Bills via electronic transmission, to avoid transmission failures or the receipt of Connectivity Billing information that cannot be processed, MCIm shall provide BellSouth process specifications. Both parties shall comply with processing specifications when transmitting Connectivity Billing data to each other. Both parties shall provide notice to the other party if a Connectivity Billing transmission is received that does not

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meet specifications or that such party cannot process. Such transmission shall be corrected and resubmitted to the other party, at the resubmitting party's sole expense, in a form that can be processed. The payment due date for such resubmitted transmissions shall be thirty (30) days from the issue date of the bill in a form that can be processed and that meets the specifications set forth in this Attachment.

3.1.14 BellSouth shall deliver to a location specified by MCI, billing information via Network Data Mover (NDM), magnetic tape or paper, as agreed to by MCI and BellSouth. In the event of an emergency, system failure or other such condition which prevents BellSouth from transmitting via NDM, BellSouth shall notify MCI of such difficulties within twenty four (24) hours of detection. BellSouth shall deliver to a location specified by MCI billing information via magnetic tape or paper, as agreed to by MCI and BellSouth. The parties acknowledge that all tapes transmitted to the other party via US Mail or Overnight Delivery and which contain Connectivity Billing data shall not be returned to the sending party.

3.1.15 Subject to the terms of this Agreement, including without limitation Section 3.1.18 of this Attachment VIII, MCI shall pay BellSouth within thirty (30) days from the issue date of the bill. If the payment due date is a Saturday, Sunday or has been designated a bank holiday payment shall be made the next business day.

3.1.16 Left Blank Intentionally

3.1.17 Left Blank Intentionally

3.1.18 Bill Reconciliation

3.1.18.1 Each party agrees to notify the other party upon the discovery of a billing discrepancy "Notice of Discrepancy".

3.1.18.2 In the event of such Notice of Discrepancy, the parties shall endeavor to resolve the discrepancy within sixty (60) calendar days notification using normal business procedures. If the discrepancy is disputed, resolution of such 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.

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3.1.18.3 Closure of a specific billing period shall occur by joint Agreement of the parties whereby the parties agree that such billing period is closed to any further analysis and financial transactions, except those resulting from an Audit. Closure shall take place within nine (9) months of the Bill Date. The month being closed represents those Connectivity Charges that were billed or should have been billed by the respective Bill Date.

3.1.18.4 If the dispute is not resolved within the allotted time frame, the following resolution procedure shall begin:

3.1.18.4.1 If the dispute is not resolved within sixty (60) days of the Notice of Discrepancy, the dispute shall be escalated to the second level of management for resolution.

3.1.18.4.2 If the dispute is not resolved within ninety (90) days of Notice of Discrepancy, the dispute shall be escalated to the third level of management for resolution.

3.1.18.4.3 If the dispute is not resolved within one hundred and twenty (120) days of the Notice of Discrepancy, the dispute may be resolved pursuant to Section 23 (Dispute Resolution Procedures) of Part A of this Agreement.

3.1.18.5 If MCI disputes Connectivity Charges and the dispute is resolved in favor of MCI, BellSouth shall credit the Connectivity Bill of MCI for the amount of the disputed charges.

3.1.19 BellSouth shall reimburse MCI for incorrect Connectivity Billing charges including without limitation: overcharges, services ordered or requested but not delivered, interrupted services, services of poor quality; and installation problems if caused by BellSouth. Such reimbursements shall be set forth in the appropriate section of the Connectivity Bill pursuant to CABS, or SECAB standards.

3.1.20 Left Blank Intentionally

3.1.21 When MCI collocates with BellSouth in BellSouth's facility as described in this Agreement, capital expenditures (e.g., costs associated with building the "cage"), shall not be included in the

Network Operations
1 Chase Corporate Center
Suite 300
Birmingham, AL 35244

Nancy A. (Lynn) Smith
Operations Assistant Vice President

January 29, 2002

Florida Digital Network
Attention: Ms. Patricia Reid/Network Audit
390 North Orange Avenue
Orlando, Florida 32801

PLEASE REMIT PAYMENT TO:
BellSouth Network & Carrier Services
250 Williams Street
Suite 5010 NW
Atlanta, Georgia 30303

Certified: 7000 0600 0028 6826 4948

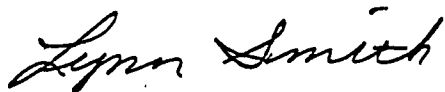
Dear Ms. Reid:

Repeated attempts to collect past due amounts from Florida Digital Network have been unsuccessful and to date full payment has not been received. Florida Digital Network's account is currently in default in the amount of \$2,587,210.09 and subject to disconnection. Within the \$2,587,210.09, Florida Digital Network has failed to pay \$151,727.15 relating to collocation space. Florida Digital Network's interconnection agreement requires you to pay your bills promptly and failure to do so puts Florida Digital Network in default of the interconnection agreement. Pursuant to BellSouth tariffs and/or the agreement between BellSouth Telecommunications and Florida Digital Network defining our business terms, consider this written notice that BellSouth will proceed with the discontinuance of existing services in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee on February 28, 2002. Pursuant to the same tariffs or agreement, it is Florida Digital Network's responsibility to notify its end users of this impending disconnection.

In order to continue services, Florida Digital Network must pay, in immediately available funds, the present undisputed balance in the sum of \$2,587,210.09 to BellSouth. Also, payments are expected for any current bills that may become due. If service is interrupted, full non-recurring charges will be applicable to re-establish service. In addition, a security deposit may be required for the re-established service based on your projected recurrent billing amount.

If you have questions regarding your account, please contact your Collections Service Representative, Katrina Whitely, at (205) 714-5851, Extension 6-7530.

Sincerely,



Network Operations
1 Chase Corporate Center
Suite 300
Birmingham, AL 35244

Nancy A. (Lynn) Smith
Operations Assistant Vice President

March 6, 2002

VIA FACSIMILE
and VIA FEDERAL EXPRESS

Florida Digital Network
Attention: Ms. Patricia Reid/Network Audit
390 North Orange Avenue
Orlando, Florida 32801

PLEASE REMIT PAYMENT TO:
BellSouth Network & Carrier Services
250 Williams Street
Suite 5010 NW
Atlanta, Georgia 30303

Dear Ms. Reid:

Repeated attempts to collect past due amounts from Florida Digital Network have been unsuccessful and to date full payment has not been received. Florida Digital Network's account is currently in default as of the date of this letter in the amount of \$1,106,403.72 for access services, and \$1,142,557.80 for UNE and resale services, for a total of \$2,248,961.52, and is subject to disconnection. Moreover, please be advised that any and all additional sums that come due over the next thirty (30) days must also be paid in full to avoid disconnection. Florida Digital Network's interconnection agreement requires you to pay your bills promptly and failure to do so puts Florida Digital Network in default of the interconnection agreement. Pursuant to BellSouth tariffs and/or the agreement between BellSouth Telecommunications and Florida Digital Network defining our business terms, consider this written notice that BellSouth will proceed with the discontinuance of existing services in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee on April 5, 2002 if such payment is not received by 4:00 p.m. Eastern Standard Time. Pursuant to the same tariffs or agreement, it is Florida Digital Network's responsibility to notify its end users of this impending disconnection.

Florida Digital Network
March 6, 2002
Page 2

In order to continue services, Florida Digital Network must pay by April 5, 2002 no later than 4:00 p.m. Eastern Standard Time, in immediately available funds, the present undisputed balance in the sum of \$2,248,961.52 to BellSouth. **Again, as stated above, payments are also expected for any current bills that may become due over the next thirty (30) days.** Additionally, if service is interrupted, full non-recurring charges will be applicable to re-establish service. In addition, a security deposit may be required for the re-established service based on your projected recurrent billing amount.

If you have questions regarding your account, please contact your Collections Service Representative, Katrina Whitely, at (205) 714-5851, Extension 6-7530.

Sincerely,

A handwritten signature in cursive script that reads "Lynn Smith". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

cc: Mr. Matt File
Mr. Steven Russell

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was delivered by overnight mail to the persons listed below this 15 day of March 2002.

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

Ms. Beth Keating
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850



Matthew Feil
Florida Digital Network, Inc
390 North Orange Ave.
Suite 2000
Orlando, FL 32801
407-835-0460
mfeil@floridadigital.net