BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re:	)	
	)	
Enforcement of an Interconnection Agreement Between ALEC, Inc. and Sprint-Florida, Inc.	)	Docket No. 020099-TP
	)	

ALEC, INC.'S NOTICE OF FILING
CORRECTED TESTIMONY AND EXHIBITS

Petitioner, ALEC, Inc., f/k/a Metrolink ("ALEC"), hereby files its Notice of Filing Corrected Testimony and Exhibits. The testimony which ALEC caused to be filed yesterday contained a number of exhibits which were improperly ordered and marked. The exhibits attached to this Notice of Filing reflect the exhibits in proper order and properly marked. The only change to the testimony, which was timely filed yesterday and is attached hereto, is to properly identify the exhibits.

Respectfully submitted this 23rd day of May, 2002.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was provided by hand delivery to those individuals marked with an asterisk (*) and by U.S. Mail to the individuals without an asterisk on this 23rd day of May, 2002:

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ALEC, INC.

DIRECT TESTIMONY OF D. RICHARD MCDANIEL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 020099-TP

MAY 22, 2002

Q. PLEASE STATE YOUR NAME, ADDRESS, AND POSITION WITH ALEC, INC.

A. I am D. Richard McDaniel, and am currently employed by DURO Communications Corp. ("Duro"), the parent company of ALEC, Inc. ("ALEC"), as Director of Carrier Relations. In that capacity, I am responsible for negotiating ALEC's interconnection agreements and managing ALEC's state-level regulatory and legislative obligations related to these agreements in several states, including Florida, Georgia and North Carolina. I am located at 1170 Buckhead Drive, Greensboro, GA 30642.

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

A. I have been director of carrier relations for Duro since June 2000. Prior to joining DURO, I directed the consulting activities for CHR Solutions' Client Services Group, Southeast Operations, in Atlanta, Georgia from October 1997 through June 2000. From 1990 through 1997, I was a senior regulatory, billing and engineering consultant for an engineering firm, Engineering Associates. I earlier held various management positions at

AT&T from September 1962 through December of 1989. I received a Bachelor of Business Administration with a major in management from Georgia State University in 1973 and a Masters of Business Administration from Fairleigh Dickinson University in 1982.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. The purpose of this testimony is to address issues raised in this proceeding relating to ALEC's providing of certain services and facilities to Sprint-Florida, Inc. ("Sprint") and Sprint's failure to pay ALEC amounts owed for such services and facilities.

Q. PLEASE DESCRIBE THE NATURE OF THE ARRANGEMENT BETWEEN THE PARTIES FOR TRANSPORT FACILITIES PROVIDED BY ALEC TO SPRINT AND THE CHARGES AT ISSUE.

A. The Interconnection Agreement between Sprint and ALEC (the "Agreement") sets forth the terms and conditions by which the Parties interconnect their networks and exchange traffic. The traffic originated by Sprint end users and terminated to ALEC's network has to date been so-called "ISP-bound" traffic. Under the Agreement, both ALEC and Sprint hand off such traffic to the other Party at an "established" point of interconnection ("POI"). Under the Agreement, carriers are entitled to

charge the originating carrier, first, a "termination" charge for the switching of traffic at the terminating carrier's end office and, second, a "transport" charge for the delivery of that traffic from the interconnection point to the terminating carrier's end office switch that directly serves the end-user. The dispute regarding Sprint's payment to ALEC for this minutes-of-use charge for termination of Sprint-originated traffic from ALEC's switch to ALEC's end users has already been resolved through a settlement agreement between the parties. A remaining reciprocal compensation transport charge remains at issue between the Parties, however. There are two elements to transport charges. First, ALEC, like Sprint, charges the other carrier a one-time installation fee to ready ALEC facilities for use by Sprint to transport that traffic. Second, ALEC assesses a recurring, monthly charge for each circuit used to transport that traffic. ALEC leases circuits from another telecommunications carrier (Time Warner) and has dedicated capacity on these circuits for delivering Sprint traffic from Sprint's designated POIs to ALEC's end office. Sprint, however, has underpaid both recurring and nonrecurring transport charges owed ALEC for the period of April 2001 through January 2002, forcing ALEC to seek relief from the Commission.

Q. WHAT IS THE CORRECT METHODOLOGY FOR CALCULATION BY ALEC OF *RECURRING* DEDICATED

TRANSPORT CHARGES TO SPRINT FOR THE ORDERED FACILITIES?

A. ALEC assesses Sprint a monthly unit charge for each DS1 and DS3 facility ordered. To compute the total charge, the charge for each type of facility is multiplied by the number of facilities ordered for that month in each Sprint tandem and then the dollar amount totals for DS1s and DS3s for each month are added. In some cases, prorated partial month charges apply. The Agreement also governs the level of ALEC's transport charges. Section 2.2.3 of Attachment IV of the Agreement provides that if ALEC provides 100% of an interconnection facility via a lease from a third party, ALEC may charge Sprint for the proportionate amount of such facilities. The Agreement contains somewhat confusing cost options in such a circumstance. ALEC may charge the lesser of: "Sprint's dedicated interconnection rate; its own costs if filed and approved by a commission of appropriate jurisdiction; and the actual lease cost of the interconnection facility." Because ALEC has provided 100% of the interconnection facilities in dispute via lease of such facilities from a third party, and because all traffic exchanged to date has originated with Sprint, ALEC made a relatively simple calculation. ALEC billed Sprint the actual lease cost of the interconnecting facilities, reasoning that this was the least cost available to charge. (The Agreement appears to grant ALEC the opportunity to add Sprint's dedicated rate or ALEC's tariffed rate to ALEC's actual lease cost, but ALEC chose to interpret the contract to

mean ALEC should charge Sprint only the actual lease cost incurred by ALEC.) The amounts billed were listed in the Agreement at Attachment I, Table One, Transport Bands.

Q. IS THAT IN FACT THE METHODOLOGY THAT WAS USED BY ALEC TO CALCULATE THE AMOUNTS OWED FOR RECURRING CHARGES RELATING TO FACILITIES RENDERED TO SPRINT?

A. Yes, by following the process just described, 14 invoices were derived that accounted for recurring facilities dedicated to Sprint over the period at issue in this dispute. The amounts ranged in amount from $3,170.44 to $37,236.00 and a total of $139,913.10 was invoiced for recurring charges over that period.

Q. IS SPRINT DISPUTING THAT METHODOLOGY?

A. It is unclear if Sprint is disputing this methodology with respect to these fourteen invoices. Aside from a brief e-mail remark to ALEC employee Mr. Chris Roberson by a Sprint accounting officer stating that Sprint was withholding payment of amounts charged that represented amounts for DS3s due, there does not appear to be any dispute in the record with respect to the manner in which recurring costs for these elements was calculated. Further, Sprint's extremely spare answer to ALEC's complaint leave ALEC unable to determine whether Sprint is disputing this methodology.

Q. DOES SPRINT OFFER AN ALTERNATE METHODOLOGY FOR THIS CALCULATION?

A. While I am not an accountant by training, Sprint does not appear to have done so.

Q. DID SPRINT PAY ANY OF THE AMOUNTS BILLED IN THESE INVOICES?

A. Yes, Sprint paid in full two of the DS1 invoices, MT200108-2 and MT2001109-2. In each case Sprint paid the entire $5,252.35 billed. These bills corresponded to all the DS1 entrance facilities ordered for the months of August 2001 and September 2001. However, Sprint did not pay any amount of the total invoiced for the DS3 facilities for those months, MT200108-3 ($9,309.00) and MT200109-3 ($9,309.00). Sprint also did not pay any of the amounts invoiced for DS1 and DS3 facilities provided during the remainder of the period under consideration in this suit. In total, Sprint paid $10,504.70 (the two DS1 invoices), but did not pay any portion of the other 12 invoices, which totaled $129,408.38.

Q. ONE OF THE BILLS FOR DS3S ALEC PROVIDED SPRINT, MT200107-18, WAS A BILL FOR DS3 ENTRANCE FACILITIES PROVIDED FOR THE MONTHS OF APRIL 2001, MAY 2001,

JUNE 2001, AND JULY 2001. WHY DID ALEC BILL SPRINT FOR MULTIPLE MONTHS IN A SINGLE INVOICE AND IS THAT PERMITTED UNDER THE AGREEMENT?

A. That bill represented the first bill ALEC sent Sprint for these facilities. Such backbilling is not uncommon throughout the industry. There is nothing in the language of the Agreement or industry practice that would prohibit it.

Q. IN SUM, IS THERE ANY EXPLANATION FOR SPRINT'S REFUSAL TO PAY ALEC THE COMPLETE AMOUNTS INVOICED FOR RECURRING CHARGES?

A. No. There is none.

Q. WHAT IS THE CORRECT METHODOLOGY FOR ALEC TO CALCULATE THE *NONRECURRING* DEDICATED TRANSPORT CHARGES TO SPRINT FOR THE ORDERED FACILITIES?

A. As previously indicated, ALEC assesses Sprint a one-time charge for installation of each facility. This charge includes a small access order fee for each order, an installation fee for each DS1 circuit (with a substantially higher price for the first DS1 circuit), and a charge for each Feature Group D trunk ("FGD" or "DS0") installation (again, with a substantially higher price for the first FGD trunk). A separate installation charge is warranted for FGD trunks, as well as DS1 trunks, because separate identification and

signaling continuity tests are required for each of the 24 FGD trunks within each DS1 trunk. Also, each DS1 facility itself must be checked and set up for the same framing and coding at each end. Billing for both elements is not uncommon. ALEC, for example, charges another Florida incumbent, BellSouth, for nonrecurring charges for both DS1s and DS0s provisioned based upon ALEC's tariffed rates (which are identical to BellSouth's own rates), and BellSouth has paid such charges.

To obtain the total amount owed for these charges, it is simply necessary to add the access order charge, the first DS1 charge, the first FGD trunk installation charge, the product of the number of additional DS1 circuits multiplied by the lower additional DS1 price, then the product of the number of additional FGD trunk installations multiplied by the lower additional FGD trunk installation price.

Unlike the recurring charges discussed above, the Agreement does not contain a separate provision governing DS0 charges in the reciprocal compensation pricing section but does have a DS0 install charge in the transport pricing section. ALEC therefore charged Sprint for each DS0 pursuant to ALEC's Florida price list. Specifically, the facility installation charges contained in Florida Public Service Commission Tariff No. 2 -- Access, First Revised Page 3. Sections 3.2 ("High Capacity DS1") and 3.3 ("Signaling Connection") of ALEC's price list address both DS1 and

DS0 installation. This price list was filed with, and approved by, the Commission (on January 14th, 2001 and January 15th, 2001).

Q. IS THAT THE METHODOLOGY ALEC USED TO CALCULATE THE AMOUNTS OWED FOR NONRECURRING CHARGES RELATING TO THE INSTALLATION OF FACILITIES PROVIDED TO SPRINT?

A. Yes, ALEC billed Sprint for these facilities as they were ordered. The invoices were sent out in five batches, July 11, 2001; July 12, 2001; September 7, 2001; December 5, 2001; and January 4, 2002. Of the $869,332.27 billed for these installations, Sprint only paid ALEC $17,428.55, leaving a shortfall of $851,903.72.

Q. WHY IS SPRINT DISPUTING THAT METHODOLOGY?

A. Sprint appears to claim that installation charges contained in the ALEC price list cannot be invoked under the Agreement until the Commission concludes an exhaustive cost proceeding concerning that price list. Sprint appears to argue that the Agreement requires that ALEC apply the Agreement's rates until such time as ALEC files forward looking cost studies and establishes cost based rates that are approved by the Commission and that are less than Sprint's rates. *See* Letter from Susan S. Masterton, Sprint, to Clayton Lewis, Florida Public Service Commission 2-3 (December 7, 2001) (Exhibit G/DRM-1). Thus, apparently, Sprint

remitted to ALEC amounts based upon only the DS1 rates contained in the Agreement, and refused to pay the billed DS0 charges. Even for the DS1 rates, however, Sprint has not provided ALEC with a clear explanation regarding the source of any alternative rates for the cost items and how they might be derived.

Q. IS SPRINT'S METHODOLOGY INCORRECT?

A. Yes, there is no requirement under the Agreement that ALEC's tariffed rate for nonrecurring dedicated transport charges be established in a formal Commission proceeding. Rather, the Agreement merely provides that such rates must be "filed and approved by a commission of appropriate jurisdiction." ALEC's rates were deemed approved by the Commission and became effective prior to the charges at issue.

Q. HAS ALEC CHARGED SPRINT AN ASYMMETRICAL RATE FOR NONRECURRING TRANSPORT CHARGES?

A. No. ALEC is unable to charge Sprint an exactly symmetrical rate because an exactly applicable rate for DS0 installation is not supplied in the Agreement. ALEC, however, has attempted to apply an equivalent rate.

In the Agreement, under Attachment One, Table One: Florida Price Sheets, Page 44, no charge for DS0 installation is supplied under the correct portion of the tariff for that charge, the section labeled "Reciprocal

Compensation." Because an applicable DS0 charge was not supplied for reciprocal compensation installation, ALEC instead elected another option under the Agreement and billed Sprint at its installation prices listed in its tariff. For FGD (DS0), this amounted to $915.00 for the first line, and $263.00 for each additional line. For purposes of consistency, ALEC also billed Sprint the ALEC-tariffed rate for DS1 installation, $866.97 for the first trunk installed, and $486.83 for each additional trunk.

It should be noted that a nonrecurring charge for DS0 installation is supplied on the preceding page of the Agreement, page 43, under the title "Transport," and amounts to $153.58 per trunk. As discussed below, however, Sprint appears to concede that neither this rate, nor the $300 per trunk charge in Sprint's tariffed access rate for DS0 installation (see Access Services Tariff, Sprint-Florida, Incorporated, page 138, E6.8.2(E) (Exhibit H/DRM-2) represent the applicable charge for FGD trunk installation for reciprocal compensation purposes.

Upon receiving word that Sprint would not pay either ALEC's DS0 or DS1 tariffed rates, ALEC suggested a compromise by offering to instead agree to accept from Sprint installation charges based upon the Agreement's rate for DS1 installation and Sprint's access tariff's rate for the DS0 installations (because Sprint alleged the DS0 transport installation rate contained in the Agreement was not applicable). See E-mail from

Richard McDaniel, Duro, to Clayton Lewis, Florida Public Service Commission, (December 14, 2001) (Exhibit I/DRM-3). ALEC later offered to allow Sprint to make DS0 and DS1 payments based upon the Agreement's DS1 and transport section DS0 charge (rates considerably lower than ALEC's tariffed rates). See Letter from John C. Dodge, counsel for ALEC, to Thomas A. Grimaldi, Sprint, offering settlement (redacted) (Exhibit I/DRM-3). Sprint, however, rejected both offers.

Aside from what rate Sprint should pay for DS1 or DS0 installations it orders, ALEC believes it is obvious that Sprint should pay *something* for DS0 (FGD) installation. While the Agreement creates three options for billing, and conditions payment based upon the "lesser" of these three options, ALEC notes that "lesser" cannot mean "non-existent" when a charge is commonly assessed. As I noted, installation of DS0 circuits involves substantial additional time and expense beyond that required for installation of DS1s. Where no applicable charge exists for a service commonly rendered and compensated for, as is the case with the charge for DS0s for reciprocal compensation purposes in the Agreement, ALEC is entitled to avail itself of another option that does set forth an equivalent charge, and cannot, as Sprint would have it, simply be forced to forgo an applicable charge. Charging for DS0 installation is not a departure from current practice among carriers in the state. ALEC currently exchanges traffic with BellSouth, and BellSouth has billed ALEC for (and ALEC has

paid) transport installation charges for both DS1s *and* the DS0s that ride on them based on BellSouth's tariffed charges. Similarly, BellSouth has paid ALEC for both charges at ALEC's tariffed rates. *See* Exhibit J/DRM-4 (sample invoice from ALEC to BellSouth). And as noted above, Sprint's own Florida access tariff appears to provide for such charges.

Q. ARE THE RATES CONTAINED WITHIN ALEC'S ACCESS TARIFF FOR FACILITIES INSTALLATION REASONABLE?

A. Yes. ALEC's tariff rates are based upon rates contained in BellSouth Telecommunications, Inc.'s Florida Access Services Tariff. The tariff at Second Revised Page 108 clearly includes "Nonrecurring charge[s]" for "BellSouth SWA DS1 Service" at E6.8.1.A.2(a) and at Second Revised Page 110 at E6.8.1.F.2(a) includes a "Per Trunk" "Nonrecurring Charge" for "Trunk Side Service." *See* Exhibit K/DRM-5. The latter "trunk" charge logically corresponds to a DS0 charge.

Sprint also complains that ALEC's tariffed installation rates have not been determined through an approved cost study, yet they are based on another incumbent carrier's approved rates that were based upon a cost study and that were approved by the Commission.

Q. DID ALEC BRING SPRINT'S ERRONEOUS METHODOLOGY TO ITS ATTENTION?

A. Yes. On October 23, October 24 and October 26, 2001, I sent Mitch Danforth emails illustrating the errors in Sprint's methodology and indicating that ALEC planned to file a complaint with the Commission based upon Sprint's failure to pay amounts owed under the contract. See Exhibit L/DRM-6.

Q. UNDER THE TERMS OF THE AGREEMENT, WHAT MINUTE-OF-USE CHARGES ARE APPLICABLE FOR THE TRANSPORT OF SPRINT-ORIGINATED TRAFFIC FROM SPRINT'S POIS TO ALEC'S SWITCH?

A. Sprint and ALEC decided to further consider this issue during their prehearing conference call establishing the issues for the Commission's consideration in this matter. After further reviewing the Agreement, it does not appear that any minute-of-use charges apply to the transport of Sprint-originated traffic from the POIs to ALEC's switch. This issue appears to be a carryover from the termination component of the compensation Sprint owed ALEC, which was, as explained above, resolved through a settlement agreement between the Parties.

Q. WHAT WERE THE APPROPRIATE CHARGES FOR TRANSPORT FACILITIES AND SERVICES PROVIDED BY ALEC TO SPRINT AND HOW WERE THEY CALCULATED?

A. I understand this question reflects the list of identified issues adopted by the Parties. I have described these charges, Sprint's failure to apply them, and Sprint's faulty reasoning for not doing so above in my description of the methodology by which ALEC's invoices were generated.

Q. EVEN IF SPRINT'S CONTENTIONS REGARDING THE PROPER METHODOLOGY AND RATES FOR CALCULATION OF THE RECURRING AND NONRECURRING ARE CORRECT, ARE THE AMOUNTS PAID BY SPRINT STILL BELOW WHAT SPRINT SHOULD PAY UNDER ITS OWN METHODOLOGY AND RATES?

A. Yes, as noted above, Sprint has failed entirely to pay any recurring and nonrecurring charges during certain months. As explained below, the Parties are required to promptly pay all undisputed amounts. Even if Sprint wished to dispute ALEC's methodology and rates, withholding undisputed amounts due is clearly improper.

Q. DID SPRINT AND ALEC AGREE ON PROCEDURES FOR CHALLENGING AMOUNTS BILLED?

A. Yes, the Agreement provides for a manner of disputing bills at Part B, Section 21. However, the Agreement's relevant provisions also require that the Parties promptly pay all undisputed amounts. Sections 5.3 and 21.2 of Part B of the Agreement require Parties to pay all invoices on the due date, and to pay all undisputed amounts when formally disputing any

charges from the other Party. The Agreement also clarifies the means by which either Party may dispute a charge. Section 5.4 provides that a written, itemized dispute or claim must be filed with the other Party in order for the nonpaying Party to avoid continuing liability for a particular charge, and the Agreement implies such notice must be provided within 30 days of receipt of an invoice.

Q. DID SPRINT PROPERLY FOLLOW THESE PROCEDURES?

A. No. For certain of the unpaid invoices in dispute, Sprint provided untimely comments that it would dispute certain charges, but Sprint's communications were inconsistent and confusing. For example, Sprint sent a "Dispute Claim Notification" for the 6/12/01-11/05/01 Invoice Dates (billed to Sprint in December 2001 and responded to by Sprint on January 4, 2002) disputing *termination* fees already paid to ALEC. Each of the two notices Sprint sent ALEC on January, 4 2002 regarding termination fees were clearly identified as a "Dispute Claim Notification" and provided some rationale for the dispute. With respect to ALEC invoices regarding *recurring* transport facilities charges (the first was billed to Sprint in July 11, 2001 and responded to by Sprint on August 20, 2001), no such "Dispute Claim Notification" was provided. Instead, on August 20, 2001 Sprint's Alison R. Stickel sent ALEC's Chris Roberson an email indicating: "As for Metrolink. [sic] I have validated all the DS1's against the ASR's. We are issuing payment on the monthly recurring

charges on all except the DS3. I still need to validate that. I am disputing the invoices for installation charges because these rates should come from the interconnection agreement." Thus, as for that particular invoice, Sprint appears to have accepted *all* DS1 recurring charges, DS3 *recurring* charges (upon confirmation), and to have disputed the rate (but not the obligation for) DS1 and DS0 *nonrecurring* charges. On September 6, 2001, Ms. Stickel's second e-mail to me provided a spreadsheet indicating that DS0 installation charges would not be paid but failed to explain the rationale for not making such payments.

On October 23, 2001, months after the initial invoices were sent, Mitch Danforth sent me an e-mail indicating that "Since Sprint does not bill a DS0 install rate neither can the CLEC. Sprint does not believe that the DS0 install charges are valid, or that the install charges on the DS1's above the contract rate are valid. We will continue authorize payment based on the contract language and rates." This "explanation" was not associated with any particular invoice. For other invoices, Sprint's rationale for the dispute was cursory.

Q. IN SOME INSTANCES, SPRINT INDICATED THAT IT INTENDED TO INVESTIGATE THE PAYMENT OF CHARGES FURTHER. DID ALEC AGREE TO WAIVE THE TIME FRAME AND REQUIREMENTS FOR DISPUTING CLAIMS?

A. No, ALEC did not. Rather, in the October 24, 2001 e-mail from me to Mitchell Danforth of Sprint, I noted that ALEC had no other option but to file an informal complaint with the Commission precisely because "you have not officially put this billing in a billing dispute situation."

Q. DOES THAT CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

ALEC, INC.

DIRECT TESTIMONY OF D. RICHARD MCDANIEL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 020099-TP

MAY 22, 2002

EXHIBITS

G/DRM-1.	Letter from Susan S. Masterton, Sprint, to Clayton Lewis, Florida Public Service Commission, responding to ALEC informal complaint against Sprint 2-3 (December 7, 2001).
H/DRM-2.	Access Services Tariff, Sprint-Florida, Incorporated (single page).
I/DRM-3.	E-mail from Richard McDaniel, ALEC, to Clayton Lewis, Florida Public Service Commission, regarding settlement offer made to Sprint; Letter from John C. Dodge, counsel for ALEC, to Thomas A. Grimaldi, Sprint, offering settlement (redacted).
J/DRM-4.	Sample Invoice from ALEC to BellSouth for DS0 and DS1 Installation Charges
K/DRM-5.	BellSouth Telecommunications, Inc.'s Florida Access Services Tariff (selected pages)
L/DRM-6.	Selected correspondence between Richard McDaniel, ALEC, and Mitchell Danforth, Sprint, disputing billing methodology and charges.

ALEC, INC.

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J/DRM-4.	Sample Invoice from ALEC to BellSouth for DSO and DS1 Installation Charges.
K/DRM-5.	BellSouth Telecommunications, Inc.'s Florida Access Services Tariff (selected pages).
L/DRM-6.	Selected correspondence between Richard McDaniel, ALEC, and Mitch Danforth, of Sprint, disputing billing methodology and charges.

Sprint

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December 7, 2001

Mr. Clayton Lewis
Florida Public Service Commission
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Bureau of Service Quality
2540 Shumard Oak Boulevard
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RE: CATS 414941T, ALEC, Inc.

Dear Mr. Lewis:

Sprint-Florida, Incorporated (hereinafter "Sprint") files this response to your request of October 29, 2001 concerning the informal complaint filed by ALEC, Inc. (hereinafter "ALEC").

In the complaint document, the FPSC staff indicates that ALEC states that Sprint is not acknowledging ALEC's Access Service Requests and will not provide Points of Interface. (Within the supporting attachments to this document, the complainant, ALEC, Inc., refers to their corporation using any or all of the following d/b/as - ALEC, Inc., Durocom, MetroLink, and MetroLink Internet Services of Port St. Lucie. Sprint will refer to the collective complainant as ALEC in this response.) Sprint denies these accusations, however, nothing in the documents provided gives any specific, or even general, allegations relating to ASRs or POIs to which Sprint can provide a more definitive response.

The documentation attached to the Complaint and provided to Sprint by the FPSC appears to relate to two separate billing disputes currently outstanding between the parties, both of which are embedded in non-recurring charge (NRC) billing for installation of DS1 traffic termination circuits between Sprint and ALEC. These circuits were installed to terminate Sprint end users' calls to the Internet Service Provider (presumably MetroLink) being served by ALEC. The following response is based on information provided by individuals within Sprint who are knowledgeable about these billing issues.

As stated, there are two separate billing disputes which are more fully explained below. In summary, the first issue involves the appropriate rate that ALEC should apply for the

transport, in this case DS1s. The relevant provisions of the Interconnection Agreement control and require that ALEC apply Sprint's rates, until such time as ALEC files forward looking economic cost studies and establishes cost based rates that are approved by the commission; and, that pursuant to the contract terms, are less than Sprint's rates. The second issue involves an error in the methodology applied by ALEC in calculating the charges which grossly overstates the total appropriate charges due to redundant billing. Thus, ALEC is billing Sprint more than once for the same facility using inappropriate rates.

The first issue in the ALEC complaint involves the rate levels used by ALEC in calculating its charges to Sprint. In Attachment IV, the Interconnection Agreement executed by ALEC and Sprint provides that:

> 2.2.3 If CLEC provides one-hundred percent (100%) of the interconnection facility via lease of meet-point circuits between Sprint and a third-party; lease of third party facilities; or construction of its own facilities; CLEC may charge Sprint for proportionate amount based on relative usage using the lesser of:
>
> 2.2.3.1 Sprint's dedicated interconnection rate;
>
> 2.2.3.2 Its own costs if filed and approved by a commission of appropriate jurisdiction; and
>
> 2.2.3.3 The actual lease cost of the interconnecting facility.

While the provisions of the interconnection agreement are controlling, and dispositive of this complaint, the FCC rules on symmetrical reciprocal compensation rates are also relevant. The current reciprocal compensation rules are as follows:

> **51.711 Symmetrical reciprocal compensation.**
> (a) Rates for transport and termination of telecommunications traffic shall be symmetrical, except as provided in paragraphs (b) and (c).
>
> (1) For purposes of this subpart, symmetrical rates are rates that a carrier other than an incumbent LEC assesses upon an incumbent LEC for transport and termination of telecommunications traffic equal to those that the incumbent LEC assesses upon the other carrier for the same services.
>
> . . .
>
> (b) A state commission may establish asymmetrical rates for transport and termination of telecommunications traffic only if the carrier other than the incumbent LEC (or the smaller of two incumbent LECs) proves to the state commission on the basis of a cost study using the forward-looking economic cost based pricing methodology described in 51.505 and 51.511 of this part, that the forward-looking costs for a network efficiently configured and operated by the carrier other than the incumbent LEC (or the smaller of two incumbent LECs),

> exceed the costs incurred by the incumbent LEC (or the larger incumbent LEC), and, consequently, that such that a higher rate is justified.

The FCC clearly intended, and the 8Th Circuit Court and Supreme Court have upheld, that the ILEC rates would be used for CLEC-ILEC billing purposes. Should a CLEC wish to bill a different (higher) rate, the CLEC (in this case ALEC) would have to prove to a state utility commission that its forward looking economic costs, and subsequent rates, are justifiably different from those of the ILEC (in this case Sprint). In the Local Competition Order the FCC specifically stated:

> Given the advantages of symmetrical rates, we direct states to establish presumptive symmetrical rates based on the incumbent LEC's costs for transport and termination of traffic when arbitrating disputes under section 252(d)(2) and in reviewing BOC statements of generally available terms and conditions. If a competing local service provider believes that its cost will be greater than that of the incumbent LEC for transport and termination, then it must submit a forward-looking economic cost study to rebut this presumptive symmetrical rate. In that case, we direct state commissions, when arbitrating interconnection arrangements, to depart from symmetrical rates only if they find that the costs of efficiently configured and operated systems are not symmetrical and justify a different compensation rate. In doing so, however, state commissions must give full and fair effect to the economic costing methodology we set forth in this order, and create a factual record, including the cost study, sufficient for purposes of review after notice and opportunity for the affected parties to participate. In the absence of such a cost study justifying a departure from the presumption of symmetrical compensation, reciprocal compensation for the transport and termination of traffic shall be based on the incumbent local exchange carrier's cost studies. First Report and Order, ¶1089.

In an e-mail sent October 24, 2001 from Richard McDaniel (Durocom), to Mitch Danforth (Sprint) provided as Attachment 2, Mr. McDaniel asserts that for the rates reflected in ALEC's bill to Sprint:

> "...the tariff is filed with the Florida Commission and becomes effective the next day after filing. The tariff was originally filed on January 14, 2001 and effective on the 15th. We [made] some changes to some of the sheets and added some information (text changes) and filed those on September 10, 2001 with and (sp.) effective date of the 11th. We have not and are not required to file cost based tariffs as a CLEC. Most of ours [rates] are market based since we are a CLEC."

In other words, Metrolink filed a price sheet, not the required forward-looking economic cost-based rates with supporting cost studies, with the FPSC. In order to exercise its rights under the contract provision 2.2.3.2 of Attachment IV and consistent with the FCC

symmetrical compensation rules, the CLEC must submit cost-based rates for Commission approval before they can be applied in lieu of Sprint's rates as set forth in the interconnection agreement. Furthermore, pursuant to paragraph 2.2.3 of the parties' Interconnection Agreement cited above, even if ALEC were to submit cost-based rates they could only be charged if they were less than the rates charged by Sprint.

The second issue, and by far largest portion of the bill being disputed by Sprint involves the application of rates by ALEC in the installation of the circuits. It appears, from Attachment 1, that Sprint ordered eight (8) new DS1s on this particular order. On the ALEC invoice for the applicable non-recurring charges, there was one Service Order charge (amount to be discussed later), there was a charge for one (1) Initial DS1 Local Channel installation, and there were charges for seven (7) Additional DS1 Local Channel installations. These charges total $4,355.78, of the invoice total of $55,503.78. The truly outrageous billing ($51,148) occurs as ALEC, in the next two line items, attempts to charge Sprint for the 192 FGD (Feature Group D) trunks derived from those same eight DS1s. Not only is this algorithm directly opposed to standard telecommunications billing practices, it defies all common logic.

Applying the billing logic used by ALEC above, no circuit would ever be ordered at greater than a DS0 or Voice Grade level. Imagine the effect on a telecommunications carrier ordering a common DS3 circuit. Were ALEC the supplier, the purchaser would receive bills for NRCs for: 1 DS3 circuit, 28 DS1 circuits, and finally, 672 Voice Grade circuits, effectively paying three separate times for each derived voice transmission channel. Using the rates charged by ALEC, the total non-recurring charges would be the incredible sum of $191,480.41 plus the actual NRC for the DS3, as that price isn't quoted on this particular ALEC invoice. This charge is in lieu of a Sprint non-recurring charge for the same DS3 circuit from the Sprint Florida Intrastate Access Service Tariff of $400.

To conclude the discussion on this portion of the complaint, redundant billing for derived circuits on dedicated high capacity circuits is flagrantly incorrect and the FPSC should order ALEC to cease such practices. Sprint avers that the entire $51,148 of the amount on Attachment 1 is invalid. Sprint requests that ALEC's illogical billing methodology be rejected and associated amounts removed from all outstanding ALEC invoices to Sprint.

In light of this discussion, the prices that Metrolink may properly assess Sprint for interconnection facilities (including that for a Service Order) are the prices set forth in the Sprint/ALEC Master Interconnection and Resale Agreement. Those prices were used to derive the amounts actually paid by Sprint on the disputed bills. Sprint re-rated the ALEC invoice provided as Attachment 1 using the appropriate rates from the Sprint/ALEC Master Interconnection and Resale Agreement, resulting in a corrected non-recurring charge total of $1,806.14. This amount is shown as paid on the ALEC spreadsheet of invoices to Sprint (Attachment 3), as the $1,806.14 credit toward the $55,503.78 invoice.

Sprint requests that the FPSC affirm that the rates set forth in the agreement are the applicable rates for ALEC to bill Sprint in the instance where ALEC "price-sheet" rates conflict with those in the Sprint/ALEC interconnection agreement. These rates should apply unless or until ALEC provides forward looking economic cost studies to establish cost-based rates which are approved by the Florida Public Service Commission and the agreement is amended to recognize these rates as the applicable rates.

Sincerely,

Susan S. Masterton

Cc: ALEC, Inc.
Mitch Danforth
Janette Luehring
Jeff Caswell

ACCESS SERVICE TARIFF

SPRINT-FLORIDA, INCORPORATED
By: F. B. Poag, Director

Second Revised Page 138
Cancels First Revised Page 138

Effective: January 19, 2001

E6. SWITCHED ACCESS SERVICE

E6.8 Rates and Charges (Cont'd)

E6.8.2 Switched Transport (Cont'd)

E Installation (M)

Nonrecurring Charge	Rate
- Per Trunk or line	$300.00

F. Common Transport Trunk Group Performance Data Report - United Telephone

Nonrecurring Charge	Rate
- Per Magnetic	$50.00
- Other Media	ICB

G. Network Blocking Charge (Applies to FGD)

- Per Call Blocked	$.0080 (M)

H. Nonchargeable Optional Features

1. Supervisory Signaling

a. DX Supervisory Signaling arrangement
- Per Transmission Path[1]

b. SF Supervisory Signaling
- Per Transmission Path[2]

c. E&M Type 1 Supervisory Signaling arrangement
- Per Transmission Path[1]

d. E&M Type II Supervisory Signaling arrangement
- Per Transmission Path[1]

e. E&M Type III Supervisory Signaling
- Per Transmission Path[3]

f. Tandem Supervisory Signaling
- Per Transmission Path[4]

Note [1] Available with Interface Groups 1 and 2.
Note [2] Available with Interface Groups 2, 6 and 9.

(1)

P.02

COLE, RAYWID & BRAVERMAN, L.L.P.

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TELEPHONE (310) 643-7999
FAX (310) 643-7997

January 30, 2002

VIA EMAIL AND FACSIMILE

Thomas A. Grimaldi
General Attorney
Sprint
5455 West 110th Street
Overland Park, KS 66211

Re: Planned Enforcement Action of ALEC, Inc. Against Sprint, Inc. for Non-Payment of Reciprocal Compensation Owed ALEC

Dear Mr. Grimaldi:

My client, Duro Communications Corporation ("Duro" – owner of ALEC, Inc.) has instructed me to transmit to you Duro's offer to settle the above-referenced matter as regards both North Carolina and Florida. This offer expires at 11:00 a.m. (E.S.T) on Friday, February 1st, 2002.

As you are aware, Duro believes that Sprint owes Duro a total of $[redacted] through January 18, 2002 pursuant to the parties' interconnection agreements in North Carolina and Florida. The amount owed includes $[redacted] for the cost of transporting Sprint-originated traffic to ALEC's switch in North Carolina and $[redacted] for the transport and termination of such traffic in Florida. In the interest of avoiding lengthy, resource-consuming and potentially expensive litigation to pursue its claims, Duro is willing to settle these matters for the gross sum of $[redacted], such amount to be wired to Duro within ten (10) business days of the execution of a settlement agreement. A brief description of the basis for Duro's settlement offer follows.

North Carolina

1. Duro agrees to reduce the payment owed by Sprint from $[redacted] to $[redacted]
2. Sprint agrees to waive termination liability on circuits where Sprint had charged access rates, thereby reducing Duro's payment to Interconnection Agreement rate. Duro agrees to bill Sprint the Interconnection Agreement rate (Table One North Carolina Price Sheets

[United and Centel] Transport Section) for all circuits currently being billed to ALEC at the Sprint Access Tariff rate;
3. Sprint agrees to pay dedicated transport for all reciprocal trunks ordered pursuant to the parties' interconnection agreements; and
4. Duro accepts 1Q01 cap on minutes.

Florida

Duro agrees to reduce the payment owed by Sprint as follows:

	1/18/02 DEMAND	SETTLEMENT OFFER
Transport	[redacted]	[redacted]
Minutes of Use ("MOU")	[redacted]	[redacted]
Installation Charges	[redacted]	[redacted]
TOTAL	[redacted]	[redacted]

Assumptions:

1. Duro used the Interconnection Agreement Transport rates (Table One Florida Price Sheets (Transport Section)), in lieu of ALEC's or Sprint's Access Tariff rates, both of which would result in greater liability;
2. Sprint agrees to pay MOUs through January 2002 at the Interconnection Agreement rate (*see* Item 3 below);
3. The carriers' relationship began in November 2000 when ALEC requested DS3 interface. Orders were placed and Sprint advised ALEC the interface had to be at DS1 level. ALEC had to place new orders and service was thereby delayed. Thus, Duro believes it fair and reasonable to use 4Q01 as a more representative benchmark to cap MOUs;
4. Sprint agrees to pay dedicated transport at the current Interconnection Agreement (Transport Section) rate.

Duro also proffers that the parties extend their current interconnection agreements to coincide with the Federal Communications Commission's ("FCC") *ISP Remand Order*[1] and its intercarrier compensation timeline.[2] This would tie rates to whatever is current governing law, thereby adding certainty to the relationship.

If you wish to respond to this settlement offer, you may contact the undersigned, or you or any Sprint representative may contact Mr. Richard McDaniel, who can be reached on (706) 467-0661, or by email at dmcdaniel@volaris.com.

---

[1] *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP-Bound Traffic, Order on Remand and Report and Order*, CC Docket Nos. 96-98, 99-68 (rel. Apr. 27, 2001)

[2] *Id.* at ¶ 78 (the intercarrier compensation regime extends to December 31, 2003 or until further FCC action, whichever is later).

Sincerely,

John C. Dodge

Counsel for Duro Communications Corp. and ALEC, Inc.

cc: Mr. Rick Moses, Florida Public Service Commission (redacted)
Mr. Dan Long, North Carolina Utilities Commission (redacted)
Mr. Philip Patete, Duro Communications Corp.
Mr. Richard McDaniel, Duro Communications Corp.

Richard McDaniel

From: "Richard McDaniel" <dmcdaniel@volaris.com>
To: <clewis@psc.state.fl.us>
Sent: Friday, December 14, 2001 2:50 PM
Subject: Sprint complaint

Clayton: I did call Phil (my boss) after our call. He was expecting a conference call in a few minutes but we briefly talked about being willing to negotiate. As I mentioned, we should be willing to agree to the contract rates for DS1s and not bill them our tariff rates. Even on the DS0 installs we would be willing to agree to their tariff rates for trunk installation. Of course we would pay these same amounts for trunks that handle our transit traffic. We do not have many of these at this time but are planning on getting more into the originating of traffic next year. We will probably start with our own company originating needs first and make sure we can order and handle all that before we go after our potential customers.

Phil's call came in before we were finished and he called me back about 12:30 and I was at lunch. I have tried him a couple times but have not been able to reach him. Hopefully can talk with him and you later this afternoon. If not the first thing on Monday. At this time our preference is to try to settle without the arbitration but if Sprint is not willing, then I guess that is our only recourse. I have talked with John Clayton (Sprint) via email and he is suppose to call me back about 3:30 PM.

Richard McDaniel
dmcdaniel@volaris.com
Office 706 467 0661
Fax 509 756 2132

Metrolink dba ALEC, Inc.

1211 Semoran Blvd, Ste 295
Casselberry, FL 32707
(407) 673-8500 fax (407) 673-8552

Invoice No.
Account No. **000001**

INVOICE

Customer

Name: BellSouth Telecommunications
Address: 600 N. 9th Street, 7th Floor
Birmingham, AL 35203
Phone:

Invoice Date: 5/22/2002
Due Date: 2/28/2002
Order No.: NFNF0711301131E

Qty	Description	Unit Price	TOTAL
1	DS1 Local Channel Installation (initial) Initial PON-NFNF0711301131E	$866.97	$866.97
3	DS1 Local Channel Installation Remainder of order PON-NFNF0711301131E	$486.83	$1,460.49
1	FGD Trunk Installation USOC: TPP++ Initial PON-NFNF0711301131E	$915.00	$915.00
95	FGD Trunk Installation USOC: TPP++ Remainder of order PON-NFNF0711301131E Installed for Metrolink on 1/10/02 End Office NSBHFLMADS0	$100.00	$9,500.00
		SubTotal	$12,742.46
		TOTAL	$12,742.46

Payment Details

Please remit payment to:

Metrolink
Attn: Chris Roberson
1211 Semoran Blvd, Ste 295
Casselberry, FL 32707

Office Use Only

Balances not paid by the due date will be subject to late fees.

(1)

E6. BELLSOUTH SWA SERVICE

E6.7 Rate Regulations (Cont'd)

E6.7.26 Channels For Use With BellSouth Managed Shared Ring Service

A. Rates and charges as specified in E6.8.1 following apply on a per Off-Net BellSouth Managed Shared Ring service DS1 or DS3 basis, as applicable. The minimum service period for each Off-Net DS1 or DS3 BellSouth Managed Shared Ring service channel is four months. The rates and charges for Common Transport are in addition to the Off-Net BellSouth Managed Shared Ring service channel rates and charges.

B. BellSouth Managed Shared Ring service is available in the BellSouth Telecommuniocations, Inc. Tariff F.C.C. No.1 under commitment plans as follows: Month-to-Month, Plan A (36 Months), or Plan B (60 Months). Month-to-Month rates are only available upon completion of a Plan A or Plan B commitment plan. Upon the completion of a Plan A or Plan B commitment period, the customer must establish a new commitment plan or billing will be changed to month-to-month. The rates in this Tariff for channels for use with BellSouth Managed Shared Ring service will be based on time period for the commitment plan established for the service in the BellSouth Telecommunications, Inc. Tariff F.C.C. No. 1.

C. The rates for channels for use with BellSouth Managed Shared Ring service commitment plans are stabilized for the length of the plan selected for the service arrangement in the interstate tariff and are exempt from Telephone Company initiated increases, however, decreases will automatically flow through to the customer.

E6. BELLSOUTH SWA SERVICE

E6.8 Rates and Charges

E6.8.1 BellSouth SWA Transport

A. Switched Local Channel - per Local Channel

1. BellSouth SWA VG

	Monthly Rate			Nonrecurring Charge		
	Rate Zone 1	Rate Zone 2	Rate Zone 3	First	Additional	USOC
(a) Two-Wire	$25.00	$25.00	$25.00	$308.95	$119.49	TEFV2
(b) Four-Wire	45.24	45.24	45.24	314.69	125.19	TEFV4
2. BellSouth SWA DS1 Service						
(a) 1.544 Mbps	133.81	133.81	133.81	866.97	486.83	TEFHG
3. BellSouth SWA DS3 Service						
(a) 44.736 Mbps	2,100.00	2,100.00	2,100.00	870.50	427.88	TEFHJ
4. End-Office Based Private Network						

	Monthly Rate			Nonrecurring	
	Rate Zone 1	Rate Zone 2	Rate Zone 3	Charge	USOC
(a) Per Local Channel	$4.75	$4.75	$4.75	$18.43	TEFHK

B. Switched Interoffice Channel - BellSouth SWA Dedicated Transport

1. BellSouth SWA VG					
(a) Per mile	1.90	1.90	1.90	-	1L5NF
(b) Facility Termination	23.30	23.30	23.30	79.85	NA
2. BellSouth SWA DS0 - 56/64 Kbps					
(a) Per mile	3.95	3.95	3.95	-	1L5NK
(b) Facility Termination	38.37	38.37	38.37	24.01	NA
3. BellSouth SWA DS1 - 1.544 Mbps					
(a) Per mile	16.75	16.75	16.75	-	1L5NL
(b) Facility Termination	59.75	59.75	59.75	100.49	NA
4. BellSouth SWA DS3 - 44.736 Mbps					
(a) Per mile	175.00	175.00	175.00	-	1L5NM
(b) Facility Termination	1,200.00	1,200.00	1,200.00	67.19	NA

E6. BELLSOUTH SWA ACCESS SERVICE

E6.8 Rates and Charges (Cont'd)

E6.8.1 BellSouth SWA Transport (Cont'd)

C. Switched Interoffice Channel - BellSouth SWA Common Transport

1. Per Mile

	Rate Per Access Minute	USOC
(a) Zone 1	$.00004	NA
(b) Zone 2	.00004	NA
(c) Zone 3	.00004	NA

2. Facilities Termination

(a) Zone 1	.00036	NA
(b) Zone 2	.00036	NA
(c) Zone 3	.00036	NA

3. BellSouth SWA Common Transport

(a) DS3 to DS1 Multiplexer Per Access Minute of Use	.000387	NA

D. Access Tandem Switching

1. Premium

(a) Per Access Minute	.000500	NA

2. Dedicated Tandem Trunk Port Service

	Monthly Rate	USOC
(a) Per dedicated DS0/VG trunk port required	$9.47	TDW0P
(b) Per dedicated DS1 trunk port required	139.98	TDW1P

E. Interconnection

1. BellSouth

	Per Access Minute	USOC
(a) Per originating transport-provided access minute of use -Premium	$.000000	NA
(b) Per terminating transport-provided access minute of use -Premium	.000000	NA
(c) Per originating non-transport provided access minute of use -Premium	.000000	NA
(d) Per terminating non-transport provided access minute of use -Premium	.000000	NA

2. *ITS Telecommunications Systems*, Inc.

(a) Rate	.01552	NA

E6. BELLSOUTH SWA SERVICE

E6.8 Rates and Charges (Cont'd)

E6.8.1 BellSouth SWA Transport (Cont'd)

F. Installation of New Service

1. Line Side Service

		Nonrecurring Charge First	Nonrecurring Charge Additional	Monthly Rate	USOC
(a)	Per Line	$285.00	$263.00	$-	TPP++
(b)	Per Inward Only BellSouth SWA LSBSA Line for DID Service	285.00	263.00	-	TPP+1
(c)	Per Two-way BellSouth SWA LSBSA Line for DID/DOD Service	285.00	263.00	-	TPP+2
(d)	Per BellSouth SWA LSBSA Line with Answer Supervision	285.00	263.00	-	TPP+3

2. Trunk Side Service

(a)	Per Trunk	915.00	263.00	-	TPP++

G. Network Blocking Charge[1]

1. Nonrecurring Charge

		Rate	USOC
(a)	Per Call Blocked	$.0080	NA

H. Optional Features

1. Supervisory Signaling
   a. DX Supervisory Signaling arrangement
      - Per Transmission Path[2]
   b. SF Supervisory Signaling arrangement
      - Per Transmission Path[3]
   c. E&M Type 1 Supervisory Signaling arrangement
      - Per Transmission Path[2]
   d. E&M Type II Supervisory Signaling arrangement
      - Per Transmission Path[2]
   e. E&M Type III Supervisory Signaling arrangement
      - Per Transmission Path[4]
   f. Tandem Supervisory Signaling arrangement
      - Per Transmission Path[4]

Note 1: Applies to BellSouth SWA FGD and BellSouth SWA TSBSA 3

Note 2: Available with Interface Groups 1 and 2.

Note 3: Available with Interface Groups 2, 6 and/or 9.

Note 4: Available with Interface Groups 1 and 2 for BellSouth SWA FGC, BellSouth SWA FGD, BellSouth SWA TSBSA 2 and TSBSA 3.

Note 5: Available with Interface Group 2 for BellSouth SWA FGA and BellSouth SWA LSBSA.

Mitch Danforth
Sprint - LTD Access Verification
Manager
Phone (913) 433-1180
Fax (913)433-1908
mitch.danforth@mail.sprint.com

-----Original Message-----
From: rmcdaniel [mailto:rmcdaniel@durocom.com]
Sent: Wednesday, October 24, 2001 1:48 PM
To: Danforth, Mitchell S.
Cc: rmcdaniel; Clayton, John W.; Stickel, Alison R.
Subject: Re: ALEC/MetroLink Tariff in Florida and contract language regarding tariff versus contract control

Mitch: Sorry for the delay in responding. I am working out of my office today with another employee in the Atlanta area. In response to your questions, the tariff is filed with the Florida Commission and becomes effective the next day after filing. The tariff was originally filed on January 14, 2001 and effective on the 15th. We some changes to some of the sheets and added some information (text changes) and filed those on September 10, 2001 with and effective date of the 11th.

We have not and are not required to filed cost based tariffs as a CLEC. Most of ours are market based since we are a CLEC. Based upon your section of the Agreement you provided and I have quoted to Alison, it appears we should be able to bill you for the installs based upon our approved tariff. Sprint does charge for some DS0 installs I believe. It is also in your access tariff just as it is in our tariff. If you do not mind please review this one more time and then if you come up with the same, we will decide what we have to do. I believe our options are to file with the commission as you have not officially put this billing in a billing dispute situation. Thanks for your patience and help in trying to resolve this issue.

As I understand your current response for the DS1s we are being billed over

regarding tariff versus contract control

Richard,

Has the tariff that you provided to me been approved by the Florida commision, or only filed with them? Is the pricing cost based? In attachemnt IV section 2.2.3 of the interconnection agreement it states that 'CLEC may charge Sprint . . the lesser of: 1) Sprint's dedicated interconnection rate, 2) Its own costs filed and approved by the commission, or 3) the actual lease cost of the interconnecting facility. Since Sprint does not bill a DSO install rate neither can the CLEC. Sprint does not believe that the DSO install charges are valid, or that the install charges on the DS1's above the contract rate are valid. We will continue authorize payment based on the contract language and rates.

Mitch Danforth
(913) 433-1180

-----Original Message-----
From: rmcdaniel [mailto:rmcdaniel@durocom.com]
Sent: Tuesday, October 23, 2001 11:07 AM
To: Danforth, Mitchell S.
Cc: rmcdaniel; rmcdaniel
Subject: ALEC/MetroLink Tariff in Florida and contract language
regarding tariff versus contract control

Mitch: I had to get the latest tariff from our Regulatory person. I did look in the contract and copied the first page of Part B of the contract. Please refer to 1.4. This specifically addresses services Sprint provides to CLEC which are your trunks to terminate Sprint traffic. It states the tariff controls. This is talking about the

going to
change the name again. It may be a ALEC dba ..... but it may also
have to be a full name change. So we have been dragging our feet a
little to see what the new name will be before contacting Cathy. We
just went through a painful process with BellSouth so we want to
avoid that with you all if possible now that we potentially have to
do it again with Bell.

Call me if you want to discuss the tariff or contract or name
situation.

Richard McDaniel
rmcdaniel@durocom.com
Office 706 467 0661
Fax 509 756 2132

Richard McDaniel

From: <MITCH.DANFORTH@mail.sprint.com>
To: <rmcdaniel@durocom.com>
Sent: Thursday, October 18, 2001 11:57 AM
Attach: BDY.RTF
Subject: FW: Dispute/Issues

Richard - The dispute for the Metrolink install charges is based on charges billed at your tariff rate and should be billed at the contract rate. Sprint has issued payment based on the contract. Chris has not addressed the dispute yet.

Mitch Danforth
Sprint - LTD Access Verification
Manager
Phone (913) 433-1180
Fax (913)433-1908
mitch.danforth@mail.sprint.com

----Original Message----

From: Stickel, Alison R.
Sent: Thursday, October 18, 2001 11:50 AM
To: Danforth, Mitchell S.
Subject: FW: Dispute/Issues

----Original Message----

From: Stickel, Alison R.
Sent: Monday, August 20, 2001 5:04 PM
To: 'croberson@durocom.com'
Subject: Dispute/Issues

Chris,

As promised.....

At this time payments are being processed on Gietel invoices:

T200107-3, T200108-3, T200107-2 and T200108-2. I will be disputing T200107-1 and T200108-1. You stated that these charges were to recoup Gietel's cost of meeting Sprint at the POI and per attachment 4, Section 2.1 Each party is responsible for bringing their facilities to the POI. I briefly discussed these charges with Richard McDaniel and am going to look at these further. However, at this time I cannot validate these charges to issue payment.

As for Metrolink. I have validated all of the DS1's against the ASR's.

Richard McDaniel

From: "Richard McDaniel" <rmcdaniel@durocom.com>
To: <mitch.danforth@mail.sprint.com>
Cc: "Richard McDaniel" <rmcdaniel@durocom.com>
Sent: Tuesday, October 23, 2001 11:06 AM
Attach: ALEC FL Access Tariff #2 mod2.doc; PART B Florida Agreement.doc
Subject: ALEC/MetroLink Tariff in Florida and contract language regarding tariff versus contract control

Mitch: I had to get the latest tariff from our Regulatory person. I did look in the contract and copied the first page of Part B of the contract. Please refer to 1.4. This specifically addresses services Sprint provides to CLEC which are your trunks to terminate Sprint traffic. It states the tariff controls. This is talking about the Sprint tariff but should be reciprocal.

As information, when we started the project in Florida, we were in the process of changing the CLEC name to ALEC. The Sprint Account team said we should use the existing name which was MetroLink. We have completed the name change and the contract and tariff is in the name of ALEC. We will work with Cathy to get what paper work needs to be done if we need to change the project from MetroLink to ALEC.
It has not been officially announced but we are probably going to change the name again. It may be a ALEC dba ..... but it may also have to be a full name change. So we have been dragging our feet a little to see what the new name will be before contacting Cathy. We just went through a painful process with BellSouth so we want to avoid that with you all if possible now that we potentially have to do it again with Bell.

Call me if you want to discuss the tariff or contract or name situation.

Richard McDaniel
rmcdaniel@durocom.com
Office 706 467 0661
Fax 509 756 2132

PART B – GENERAL TERMS AND CONDITIONS

1. SCOPE OF THIS AGREEMENT

1.1. This Agreement, including Parts A, B, and Attachments I through VIII, specifies the rights and obligations of each party with respect to the establishment, purchase, and sale of Local Interconnection, resale of Telecommunications Services and Unbundled Network Elements. Certain terms used in this Agreement shall have the meanings defined in PART A -- 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, in the FCC's, and in the Commission's Rules and Regulations. PART B sets forth the general terms and conditions governing this Agreement. The attachments set forth, among other things, descriptions of the services, pricing, technical and business requirements, and physical and network security requirements.

LIST OF ATTACHMENTS:

I.	Price Schedule
II.	Local Resale
III.	Network Elements
IV.	Interconnection
V.	Interim Number Portability
VI.	Local Number Portability
VII.	General Business Requirements
VIII.	Reporting Standards

1.2. Sprint shall not discontinue any interconnection arrangement, Telecommunications Service, or Network Element provided or required hereunder without providing CLEC thirty (30) days prior written notice of such discontinuation of such service, element or arrangement. Sprint agrees to cooperate with CLEC and/or the appropriate regulatory body with any transition resulting from such discontinuation of service and to minimize the impact to customers which may result from such discontinuance of service.

1.3. Sprint shall provide notice of network changes and upgrades in accordance with §§ 51.325 through 51.335 of Title 47 of the Code of Federal Regulations.

1.4. The services and facilities to be provided to CLEC by Sprint in satisfaction of this Agreement may be provided pursuant to Sprint tariffs and then current practices. Should there be a conflict between the terms of this Agreement and any such tariffs and practices, the terms of the tariff shall control to the extent allowed by law or Commission order.

2. REGULATORY APPROVALS

FLORIDA TARIFF NO. 2

INTRASTATE ACCESS RATE SHEET

ALEC, INC.

ALEC, INC.

1. APPLICATION OF TARIFF

This tariff contains regulations, rates and charges applicable to the provision of access services by ALEC, Inc. to customers.

The provision of service by ALEC, Inc. as set forth in this tariff does not constitute a joint undertaking with the customer for the furnishing of any service.

2. UNDERTAKING OF THE COMPANY

The company shall be responsible only for the installation, operation and maintenance of service Which it provides and does not undertake to transmit messages under this tariff.

Services provided under this tariff are provided 24 hours a day, seven days per week, unless Otherwise specified in this tariff.

ALEC, INC.

FL PSC No. 2- [redacted]
First Revised [redacted]
Cancels Original Page 3

3. RATES AND CHARGES (T)

3.1.	Service Order Nonrecurring Charges		Nonrecurring Charge	(T)
	Access Order Charge		$81.00	(I)
	Service Date Change Charge		$30.00	
	Design Change Charge		$30.00	

		Monthly Charge	Nonrecurring Charge First	Nonrecurring Charge Additional	
3.2.	Switched Local Channel per Local Channel				(T)
	Voice Grade 2-Wire	$25.00	$308.95	$119.49	
	Voice Grade 4-Wire	$45.24	$314.69	$125.19	
	High Capacity DS1	$133.81	$866.97	$486.83	
	High Capacity DS3	$2100.00	$870.50	$427.88	
3.3.	Trunk Activation (FG-D)				
	Line Side Service, Per Line	-	$285.00	$263.00	
	Trunk Side Service, Per Trunk or Signaling Connection	-	$915.00	$263.00	(T)
3.4.	Local Channel				(N)
	Per Point of Termination				
	Voice				
	Two-Wire	$26.00	$270.00	$100.00	
	Four-Wire	$38.00	$275.00	$105.00	
	Data				
	Two-Wire	$30.00	$295.00	$120.00	
	Four-Wire	$39.00	$300.00	$125.00	

			Nonrecurring Charge Per Channel	
3.5.	Interoffice Channel			
	All Mileage Bands	-	$87.00	
	Per Mile	$1.65	-	
	Fixed Monthly Charge	$30.00	-	(N)

(M)
|
(M)

(M) Text has been moved to page 4.

Issued: September 10, 2001 Effective September 11, 2001

Phil Patete – Chief Technical Officer
1211 Semoran Blvd, Suite 217
Casselberry, Florida 32707

ALEC, INC.

FL PSC No. 2 - Access
First Revised Page 4
Cancels Original Page 4

3. RATES AND CHARGES (Cont'd)

		Monthly Charge	Nonrecurring Charge	
3.6.	Switched Interoffice Channel			(N)
	Voice Grade (2 or 4 Wire)			
	Per Mile	$1.90	-	
	Facility Termination	$23.20	$79.85	
	DS0 – 56/64 Kbps			
	Per Mile	$3.95	-	
	Facility Termination	$38.37	$24.01	
	1.544 Mbps (DS1)			
	Per Mile	$16.75	-	
	Facility Termination	$59.75	$100.49	
	44.736 Mbps (DS3)			
	Per Mile	$175.00	-	
	Facility Termination	$1200.00	$67.19	(N)
3.7.	Local Transport			(T)(M)
	Tandem Switched Transport			
	Tandem Switched Facility			
	Per Access Minute Per Mile	$0.000156		
	Tandem Switched Termination			
	Per Access Minute Per Termination	$0.000722		
	Tandem Switching			
	Per Access Minute Per Tandem	$0.000990		
	Local Transport Facility			
	Per Access Minute Per Mile	$0.000187		
	Local Transport Termination			
	Per Access Minute	$0.001470		(R)
	Residual Interconnection Charge			
	Per Access Minute	$0.013179		(M)
3.8.	End Office			(T)
	Local Switching Per Access Minute	$0.041200		
	Information Surcharge Per Access Minute	$0.000267		
3.9.	Carrier Common Line			(T)
	Originating, Per Minute of Use	$0.007600		
	Terminating, Per Minute of Use	$0.007600		

(M) Text has been moved from page 3.

Richard McDaniel

From: <MITCH.DANFORTH@mail.sprint.com>
To: <rmcdaniel@durocom.com>
Cc: <John.Clayton@mail.sprint.com>; <alison.stickel@mail.sprint.com>
Sent: Tuesday, October 23, 2001 3:56 PM
Attach: BDY.RTF
Subject: RE: ALEC/MetroLink Tariff in Florida and contract language regarding tariff versus contract control

Richard,

Has the tariff that you provided to me been approved by the Florida commision, or only filed with them? Is the pricing cost based? In attachemnt IV section 2.2.3 of the interconnection agreement it states that 'CLEC may charge Sprint . . the lesser of: 1) Sprint's dedicated interconnection rate, 2) Its own costs filed and approved by the commission, or 3) the actual lease cost of the interconnecting facility. Since Sprint does not bill a DSO install rate neither can the CLEC. Sprint does not believe that the DSO install charges are valid, or that the install charges on the DS1's above the contract rate are valid. We will continue authorize payment based on the contract language and rates.

Mitch Danforth
(913) 433-1180

-----Original Message-----
From: rmcdaniel [mailto:rmcdaniel@durocom.com]
Sent: Tuesday, October 23, 2001 11:07 AM
To: Danforth, Mitchell S.
Cc: rmcdaniel; rmcdaniel
Subject: ALEC/MetroLink Tariff in Florida and contract language regarding tariff versus contract control

Mitch: I had to get the latest tariff from our Regulatory person. I did look in the contract and copied the first page of Part B of the contract. Please refer to 1.4. This specifically addresses services Sprint provides to CLEC which are your trunks to terminate Sprint traffic. It states the tariff controls. This is talking about the Sprint tariff but should be reciprocal.

As information, when we started the project in Florida, we were in the process of changing the CLEC name to ALEC. The Sprint Account team said we should use the existing name which was MetroLink. We have completed the name change and the contract and tariff is in the name of ALEC. We will work with Cathy to get what paper work needs to be done if we need to change the project from MetroLink to ALEC. It has not been officially announced but we are probably going to change the name again. It may be a ALEC dba ..... but it may also

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Mitch: Sorry for the delay in responding. I am working out of my office today with another employee in the Atlanta area. In response to your questions, the tariff is filed with the Florida Commission and becomes effective the next day after filing. The tariff was originally filed on January 14, 2001 and effective on the 15th. We some changes to some of the sheets and added some information (text changes) and filed those on September 10, 2001 with and effective date of the 11th.

We have not and are not required to filed cost based tariffs as a CLEC. Most of ours are market based since we are a CLEC. Based upon your section of the Agreement you provided and I have quoted to Alison, it appears we should be able to bill you for the installs based upon our approved tariff. Sprint does charge for some DS0 installs I believe. It is also in your access tariff just as it is in our tariff. If you do not mind please review this one more time and then if you come up with the same, we will decide what we have to do. I believe our options are to file with the commission as you have not officially put this billing in a billing dispute situation. Thanks for your patience and help in trying to resolve this issue.

As I understand your current response for the DS1s we are being billed over $600, and the DS3s, you are only going to pay the contract rate. Is this correct? Is this for all the back billing (North Carolina) as well?

Richard

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Call me if you want to discuss the tariff or contract or name situation.

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Office 706 467 0661
Fax 509 756 2132

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Cc: <Jeff.Caswell@mail.sprint.com>; <John.Clayton@mail.sprint.com>; <Al.Lubeck@mail.sprint.com>; <alison.stickel@mail.sprint.com>
Sent: Wednesday, October 24, 2001 4:39 PM
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Subject: RE: Re: ALEC/MetroLink Tariff in Florida and contract language regarding tariff versus contract control

Richard,

MetroLink

The charges were disputed in an e-mail to Chris Roberson on 8/20/01. I understand that a CLEC is not required to file cost based tariffs, but Sprint would only recognize your tariff if it was cost based. It is my understanding that filing a tariff does not automatically mean it is approved by the commission, only that your rates are on file with them, TELRIC rates would apply, but, your charges can not be any higher than the incumbent LEC. Also, were has Sprint billed a DS0 channel install and a DS1 install for the same trunk to MetroLink? I still believe that MetroLink (ALEC) does not have the right to bill an element that is not in the contract, or a rate that is above contract pricing. To your last point, Sprint will only pay the contractual rate.

Gietel

From the diagram that you faxed me last week, can you indicate to me which locations Gietel is calling their POI's ,and which are your switch sites. Also, of the circuits that Gietel is billing Sprint; do they interconnect the Sprint CO's with the Gietel POI's, or do they connect the POI's to the Gietel switch? I believe that Gietel is billing Sprint DS1's between the Sprint CO and the Gietel POI that are based on reciprocal ASR's, which are for record purposes only, not billing. It is Sprint's responsibility to deliver the traffic to the POI. The initial bill for these charges is T200108-2 and are believed to be not billable. On bill # T200107-1, are these circuits from the POI to your switch?

Mitch Danforth
Sprint - LTD Access Verification
Manager
Phone (913) 433-1180
Fax (913)433-1908
mitch.danforth@mail.sprint.com

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Sent: Wednesday, October 24, 2001 1:48 PM
To: Danforth, Mitchell S.
Cc: rmcdaniel; Clayton, John W.; Stickel, Alison B.

Richard McDaniel

From: "Richard McDaniel" <rmcdaniel@durocom.com>
To: <mitch.danforth@mail.sprint.com>
Sent: Monday, October 08, 2001 2:47 PM
Attach: Sprint Bill Analysis.xls
Subject: Billing spreadsheet

Mitch: Per our conversation and your request.

Richard McDaniel
rmcdaniel@durocom.com
Office 706 467 0661
Fax 509 756 2132

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September 10, 2001 with and effective date of the 11th.

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Sent: Friday, October 26, 2001 4:40 PM
Subject: Re: Re: ALEC/MetroLink Tariff in Florida and contract language regarding tariff versus contract control

Mitch: Thanks for the clarification. Florida does not require filing a tariff. They only require a price list and I believe NC is the same. However, we have filed both a Local Tariff and an Access Tariff (Price Lists for both) in Florida and NC. I talked with the Commission Staff yesterday and he advised that they do not regulate access. They do not require companies to file but practically all LECs do file because some other carriers will not offer service in your area unless you have a tariff on file. The staff only looks at the Price List when there is a complaint. He referred me to the staff members who handle the complaints and I had hope to hear back from them by now but it is evident that I will not hear back from them.

After discussions with them I will get back with my management and determine what if any course of action we want to pursue. Based upon your answers, it appears our next step will be to file a complaint with the commission. Our tariff rates match the Bell rates and I assume they are TELRIC or other similar cost study based. We deal with several carriers in Florida and have only one Local Tariff and one Intrastate Access Tariff (again I mean Price List) filed for the entire state. It has the same rates for all our customers/suppliers.

In summary, our tariffs are filed and approved by the existing commission rules just as Sprints or Bells are approved by commission rules.

GIETEL

Sprint advised us we had to establish a POI in the Sprint CO. For example, the Washington - New Bern T1s. The POI is in Washington (where Sprint told us we had to have it) and we pick up calls made by your customers there and transport them to New Bern where our switch is located. This is similar to the remaining. I will verify with Todd one more time that my understanding is correct and advise you on Monday.

Have a good weekend.

Richard

—— Original Message ——
From: <MITCH.DANFORTH@mail.sprint.com>
To: <rmcdaniel@durocom.com>
Cc: <Jeff.Caswell@mail.sprint.com>; <John.Clayton@mail.sprint.com>; <Al.Lubeck@mail.sprint.com>; <alison.stickel@mail.sprint.com>
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> Mitch Danforth
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