

WOMBLE
CARLYLE
SANDRIDGE
& RICE
A PROFESSIONAL LIMITED
LIABILITY COMPANY



One Atlantic Center
1201 West Peachtree Street
Suite 3500
Atlanta, GA 30309
Telephone (404) 872-7000
Fax (404) 888-7490
Web site www.wcsr.com

Loretta A. Cecil
Direct Dial: (404) 888-7387
Direct Fax: (404) 870-4826
E-mail: lcecil@wcsr.com

January 15, 2003

VIA FEDERAL EXPRESS

Mrs. Blanca S. Bayo
Director, Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Complaint of AT&T Communications of the Southern
States, LLC, Teleport Communications Group, Inc., and
TCG South Florida For Enforcement of Interconnection
Agreements with BellSouth Telecommunications, Inc.
Docket No. 020919-TP

Dear Mrs. Bayo:

Enclosed for filing with your office is an original and fifteen copies of
Direct Testimony of Jeffrey A. King of AT&T Communications of the
Southern States, LLC, Teleport Communications Group, Inc., and TCG
South Florida (collectively "AT&T").

Please stamp two (2) copies of Mr. King's Direct Testimony in the
usual manner and return to us via our courier.

If you have any questions, please do not hesitate to contact me at
404-888-7437.

Sincerely yours,

Loretta A. Cecil

Enclosure(s)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for Arbitration) **DOCKET NO. 020919-TP**
Concerning Complaint of AT&T)
Communications of the Southern)
States, LLC, Teleport)
Communications Group, Inc., and)
TCG South Florida for)
Enforcement of Interconnection)
Agreements with BellSouth)
Telecommunications, Inc.)

DIRECT TESTIMONY OF JEFFREY A. KING

ON BEHALF OF

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC,

TELEPORT COMMUNICATIONS GROUP, INC., AND

TCG SOUTH FLORIDA, INC.

January 15, 2003

1 PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

2

3 A. My name is Jeffrey A. King. I am a District Manager in the Local
4 Services & Access Management organization of AT&T Corp. ("AT&T").
5 My business address is 1200 Peachtree Street, N.E., Atlanta, Georgia
6 30309.

7

8 Q. FOR WHOM ARE YOU FILING TESTIMONY IN THIS PROCEEDING?

9

10 A. I am testifying on behalf of AT&T Communications of the Southern
11 States, LLC, Teleport Communications Group, Inc., and TCG South
12 Florida, Inc. (collectively referred to as "AT&T").

13

14 Q. HAVE YOU PREVIOUSLY TESTIFIED IN OTHER REGULATORY
15 PROCEEDINGS?

16

17 A. Yes. I previously filed testimony on behalf of AT&T regarding various
18 cost and pricing issues with public service or utility commissions in
19 Georgia, Florida, Tennessee, North Carolina, Louisiana, Alabama,
20 Puerto Rico and before the Federal Communications Commission
21 ("FCC").

22

23 Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR EDUCATION
24 AND EXPERIENCE.

25

1 A. I received a Bachelor of Arts degree in Business Administration with
2 a concentration in Industrial Administration from the University of
3 Kentucky in 1983. I joined AT&T's Access Information Management
4 organization in April 1986 and worked developing and testing the
5 ordering and inventory Access Capacity Management System for
6 electronically interfacing "High Capacity" access orders with
7 incumbent local exchange carriers ("ILECs"). In December 1992, I
8 joined the Access Management organization and managed
9 customer/supplier relations on interstate access price issues,
10 including access charge impacts and tariff terms and conditions
11 analysis, with BellSouth Telecommunications, Inc. ("BellSouth") and
12 Sprint LTD. In addition, my responsibilities included ILEC cost
13 study analysis. I began supporting AT&T's efforts to enter the local
14 services market with the implementation of the Telecommunications
15 Act of 1996. Since July 1998, my responsibilities have included
16 analyzing ILEC costs and recommending all cost-based prices
17 charged by ILECs. My responsibilities also include managing the
18 rates, terms and conditions of local interconnection and switched
19 access tariff charges that AT&T pays to ILECs in the nine-state
20 BellSouth region.

21

22 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

23

24 A. My testimony addresses the five (5) issues identified in the issue
25 identification meeting held by the Florida Public Service

1 ("Commission") on November 14, 2002 regarding AT&T's Complaint
2 filed in this proceeding.

3
4 Q. BRIEFLY DESCRIBE AT&T'S COMPLAINT IN THIS PROCEEDING.

5
6 A. AT&T's Complaint alleges that BellSouth has breached, and
7 continues to breach, its obligation to charge AT&T local reciprocal
8 compensation rates for the transport and termination of all "Local
9 Traffic," including all "LATAwide Traffic," under two interconnection
10 agreements entered into between AT&T and BellSouth pursuant to
11 Section 251 of the Telecommunications Act of 1996, Pub. L. No. 104-
12 104, 110 Stat. 56 ("Act") and approved by the Commission under
13 Section 252 of the Act. Instead of charging AT&T local reciprocal
14 compensation rates for such traffic, BellSouth has charged AT&T
15 intrastate switched access rates for the transport and termination of
16 certain "Local Traffic," including certain "LATAwide Traffic." By
17 failing to charge AT&T local reciprocal compensation rates for all
18 such traffic, AT&T alleges that BellSouth has overcharged, and
19 continues to overcharge, AT&T for transporting and terminating all
20 "Local Traffic," including all "LATAwide Traffic." Thus, AT&T seeks
21 an order from the Commission directing BellSouth: (1) to issue a
22 credit (including interest) to AT&T for all outstanding "overcharged"
23 amounts; and (2) on a "going forward" basis, to charge AT&T local
24 reciprocal compensation rates for BellSouth's transport and
25 termination of such traffic.

26

1 Q. IN BELLSOUTH'S SEPTEMBER 20, 2002 ANSWER, OTHER THAN
2 DENYING LIABILITY GENERALLY, DID BELLSOUTH DISPUTE THE
3 AMOUNT WHICH AT&T ALLEGED IT HAD BEEN OVERCHARGED
4 BY BELLSOUTH FROM JULY 1, 2001 THROUGH MAY 31, 2002
5 FOR TRANSPORTING AND TERMINATING CERTAIN "LOCAL
6 TRAFFIC," INCLUDING "LATAWIDE TRAFFIC?"

7
8 A. No.

9
10 Q. PLEASE DISCUSS THE TWO INTERCONNECTION AGREEMENTS AT
11 ISSUE IN THIS PROCEEDING.

12
13 A. The first interconnection agreement was executed by AT&T and
14 BellSouth and approved by the Commission on June 19, 1997 in
15 Docket No. 960833-TP ("First Interconnection Agreement"). First
16 Interconnection Agreement was effective June 10, 1997, and was set
17 to expire three years from its effective date of June 10, 1997, or June
18 10, 2000. However, there was a "retroactivity" provision included in
19 Section 2.3 of First Interconnection Agreement ("Retroactivity
20 Provision") which provided that in the event First Interconnection
21 Agreement expired before AT&T and BellSouth had executed another
22 "follow-on" or "second" interconnection agreement ("Second
23 Interconnection Agreement"), or before the Commission had issued
24 its arbitration order in a "follow-on" or "second" arbitration, that the

1 terms subsequently agreed to by the Parties in Second
2 Interconnection Agreement or so ordered by the Commission in any
3 “follow-on” or “second” arbitration, would apply “retroactively” to the
4 day following expiration of First Interconnection Agreement. First
5 Interconnection Agreement also provided that the terms, conditions,
6 and prices of First Interconnection Agreement would remain in effect
7 until Second Interconnection Agreement became effective.

8
9 On September 21, 1999, the Commission approved TCG South
10 Florida’s adoption in its entirety of First Interconnection Agreement.

11
12 Second Interconnection Agreement was executed by AT&T and
13 BellSouth and approved by the Commission on December 7, 2001 in
14 Docket No. 000731-TP Second Interconnection Agreement applied
15 to both AT&T of the Southern States, Inc. (predecessor to AT&T of
16 the Southern States, LLC) and TCG South Florida, Inc. By virtue of
17 the Retroactivity Provision of First Interconnection Agreement
18 discussed above, the terms of Second Interconnection Agreement
19 also applied to First Interconnection Agreement as of June 11, 2000.
20 Provisions (underlined) from both First and Second Interconnection
21 Agreements which are relevant to this proceeding are attached
22 hereto and incorporated herein by this reference as J. A. King
23 Exhibit No. 1. AT&T requests that the Commission take judicial

1 notice of both First and Second Interconnection Agreements in their
2 entirety, including those provisions found in J. A. King Exhibit No. 1.

3
4 **ISSUE A: WHAT IS THE COMMISSION'S JURISDICTION IN THIS**
5 **MATTER?**

6
7 Q. DOES THE COMMISSION HAVE JURISDICTION TO GRANT THE
8 RELIEF REQUESTED BY AT&T IN THIS PROCEEDING?

9
10 A. Yes. The Commission has jurisdiction to enforce the terms of the
11 Interconnection Agreements pursuant to Section 252 of the Act and
12 Sections 364.01 and 364.162(1), Florida Statutes. Moreover, Section
13 16 of Second Interconnection Agreement, which applied to First
14 Interconnection Agreement as of June 11, 2000 by virtue of the
15 Retroactivity Provision discussed above, allows AT&T to petition this
16 Commission for a resolution of any disputes that arise as to
17 interpretation of Second Interconnection Agreement.

18
19 **ISSUE 1: (a) DO THE TERMS OF THE SECOND**
20 **INTERCONNECTION AGREEMENT AS DEFINED IN AT&T'S**
21 **COMPLAINT APPLY RETROACTIVELY FROM THE EXPIRATION**
22 **DATE OF THE FIRST INTERCONNECTION AGREEMENT AS**
23 **DEFINED IN AT&T'S COMPLAINT, JUNE 11, 2000, FORWARD?**

24
25 Q. PLEASE DISCUSS WHETHER THE TERMS OF THE SECOND

1 INTERCONNECTION AGREEMENT APPLY RETROACTIVELY TO
2 FIRST INTERCONNECTION AGREEMENT FROM JUNE 11, 2000
3 FORWARD.

4
5 A. As discussed above, the Retroactivity Provision found in Section 2.3
6 of First Interconnection Agreement clearly provides that in the event
7 First Interconnection Agreement expired before AT&T and BellSouth
8 had executed another "follow-on" or "second" interconnection
9 agreement, or before the Commission had issued its arbitration
10 order in a "follow-on" or "second" arbitration, then the terms
11 subsequently agreed to by the Parties in Second Interconnection
12 Agreement or so ordered by the Commission in any "follow-on" or
13 "second" arbitration, would apply "retroactively" to First
14 Interconnection Agreement as of the day following expiration of First
15 Interconnection Agreement. Thus, because First Interconnection
16 Agreement expired as of June 10, 2000, the terms of Second
17 Interconnection Agreement applied "retroactively" to First
18 Interconnection Agreement from June 11, 2000 forward.

19
20 Q. IN BELLSOUTH'S SEPTEMBER 20, 2002 ANSWER FILED IN THIS
21 PROCEEDING, DID BELLSOUTH DISPUTE THE EXISTENCE OF
22 FIRST AND SECOND INTERCONNECTION AGREEMENTS,
23 INCLUDING ANY OF THE PROVISIONS FROM FIRST OR SECOND

1 INTERCONNECTION AGREEMENTS, OR THE APPLICATION OF THE
2 RETROACTIVITY PROVISION OF FIRST INTERCONNECTION
3 AGREEMENT?

4
5 A. No.

6
7 **ISSUE 1: (b) IF THE ANSWER TO ISSUE 1(a) IS "YES," IS AT&T**
8 **ENTITLED TO APPLY THE RECIPROCAL COMPENSATION RATES**
9 **AND TERMS OF THE SECOND INTERCONNECTION AGREEMENT**
10 **ONLY FROM JULY 1, 2001, FORWARD?**

11
12 Q. PLEASE DISCUSS WHETHER AT&T IS ENTITLED TO APPLY THE
13 RECIPROCAL COMPENSATION RATES AND TERMS OF THE
14 SECOND INTERCONNECTION AGREEMENT ONLY FROM JULY 1,
15 2001, FORWARD.

16
17 A. Although the terms of Second Interconnection Agreement apply
18 "retroactively" to First Interconnection Agreement as of June 11,
19 2000, AT&T and BellSouth agreed in Second Interconnection
20 Agreement that the local reciprocal compensation rates set forth in
21 Second Interconnection Agreement would apply to all "Local Traffic,"
22 including all "LATAwide Traffic," beginning only July 1, 2001
23 forward. Thus, notwithstanding that the terms of Second

1 Interconnection Agreement apply to First Interconnection Agreement
2 as of June 11, 2000, BellSouth was not obligated to charge AT&T for
3 the transport and termination of all "Local Traffic," including all
4 "LATAwide Traffic" at the local reciprocal compensation rates set
5 forth in Second Interconnection Agreement until July 1, 2001. The
6 specific provisions from Second Interconnection Agreement which
7 establish BellSouth's obligation as of July 1, 2001 to charge AT&T
8 local reciprocal compensation rates for the transport and
9 termination of all "Local Traffic," including all "LATAwide Traffic,"
10 are discussed below in my testimony.

11
12 **ISSUE 2: DOES THE TERM "LOCAL TRAFFIC" AS USED IN THE**
13 **SECOND INTERCONNECTION AGREEMENT IDENTIFIED IN**
14 **AT&T'S COMPLAINT INCLUDE ALL "LATAWIDE" CALLS,**
15 **INCLUDING ALL CALLS ORIGINATED OR TERMINATED**
16 **THROUGH SWITCHED ACCESS ARRANGEMENTS AS**
17 **ESTABLISHED BY THE STATE COMMISSION OR FCC?**

18
19 Q. PLEASE DISCUSS THOSE PROVISIONS OF SECOND
20 INTERCONNECTION AGREEMENT WHICH PROVIDE THAT "LOCAL
21 TRAFFIC" INCLUDES ALL "LATAWIDE" CALLS, EXCEPT ALL CALLS
22 ORIGINATED OR TERMINATED THROUGH SWITCHED ACCESS
23 ARRANGEMENTS AS ESTABLISHED BY THE STATE COMMISSION

1 OR FCC.

2

3 A. Section 5.3.1.1 of Attachment 3 to Second Interconnection
4 Agreement provides that with respect to intercarrier compensation
5 relative to transporting and terminating “Local Traffic,” the Parties
6 agreed “ **...to a apply a “LATAwide” local concept, meaning that**
7 **traffic that has traditionally been treated as intraLATA toll**
8 **would now be treated as local for intercarrier compensation,**
9 **except for those calls that are originated or terminated**
10 **through switched access arrangements as established by the**
11 **State Commission or FCC.”**

12

13 “Switched access arrangements” are not defined in Second
14 Interconnection Agreement. Rather, Section 5.3.3 of Attachment 3
15 to Second Interconnection Agreement contains a definition for
16 **“Switched Access Traffic” to which, by definition, switched**
17 **access charges may apply.** In this Section, “Switched Access
18 Traffic” is defined as “ ... telephone calls requiring local transmission
19 or switching services for the purpose of the origination or
20 termination of Intrastate InterLATA and Interstate InterLATA traffic.”
21 Thus, consistent with the “LATAwide” concept for “Local Traffic” as
22 set forth in Section 5.3.1.1, the definition of “Switched Access
23 Traffic” also set forth in Section 5.3.3 does not include any

1 "LATAwide Traffic."

2
3 Moreover, with respect to the definition of "Switched Access Traffic"
4 as set forth in Section 5.3.3, this is the only type of traffic for which
5 switched access charges apply under Second Interconnection
6 Agreement. All other traffic is to be treated as "Local Traffic" and
7 compensated at local reciprocal compensation rates. Moreover, to
8 reiterate that "switched access arrangements as established by the
9 State Commission or FCC" as used in Section 5.3.1.1 track the
10 definition of "Switched Access Traffic" in Section 5.3.3, the Parties
11 also agreed in Section 5.3.3 (again the Section which defines
12 "Switched Access Traffic") that ***"[t]his Section is interrelated to***
13 ***Section 5.3.1.1."*** As discussed above, Section 5.3.1.1 provided that
14 "...the Parties agree to apply a 'Latawide' local concept to this
15 Attachment 3, meaning that traffic that has traditionally been
16 treated as intraLATA toll traffic will now be treated as local for
17 intercarrier compensation purposes, except for those calls that are
18 originated or terminated through switched access arrangements as
19 established by the State Commission or FCC."

20
21 Q. HAS BELLSOUTH FILED TESTIMONY IN ANY OTHER STATE
22 REGARDING THE "INTERRELATED" LANGUAGE OF SECTION 5.3.3
23 DISCUSSED ABOVE (REGARDING THE DEFINITION OF SWITCHED

1 ACCESS TRAFFIC) IN WHICH IT DISPUTES THAT THE DEFINITION
2 OF SWITCHED ACCESS TRAFFIC APPLIED TO THE PARTIES'
3 AGREEMENT TO ADOPT A "LATAWIDE CONCEPT" WITH RESPECT
4 TO THE TRANSPORT AND TERMINATION OF "LOCAL TRAFFIC?"
5

6 A. Yes. In a similar proceeding in North Carolina, on
7 December 18, 2002, BellSouth filed the Direct Testimony of
8 Elizabeth R.A. Shiroishi. In that testimony, Ms. Shiroishi stated that
9 the "interrelated" language of Section 5.3.3 (which includes the only
10 definition of "Switched Access Traffic" found anywhere in Second
11 Interconnection Agreement) was included in Second Interconnection
12 Agreement "... as the Parties were negotiating mutually agreeable
13 language to deal with Voice Over Internet Protocol" traffic, thus
14 implying that there was no "interrelationship" between the definition
15 of "Switched Access Traffic" in Section 5.3.3 and the use of the term
16 "Local Traffic" or "LATAwide concept" as used in Section 5.3.1.1.¹
17

18 Q. IS MS. SHIROISHI'S "INTERPRETATION" OF THE "INTERRELATED"
19 LANGUAGE OF SECTION 5.3.3 CREDIBLE?
20
21

¹ North Carolina Utilities Commission, Docket No. P-55; Sub 1376; Direct Testimony of Elizabeth R. A. Shiroishi filed December 18, 2002, at Pages 8-9.

1 A. Absolutely not. A review of the entirety of Section 5.3.3 shows that
2 Ms. Shiroishi's "implication" that the "interrelated language" of
3 Section 5.3.3 applied only to Voice Over Internet Protocol traffic
4 violates all proper rules of contract construction and interpretation.
5 Importantly, the "interrelated" language of Section 5.3.3 uses the
6 term "Section" with a capitol "S," meaning that **all of the language**
7 **included in Section 5.3.3 is interrelated to Section 5.3.1.1**, and
8 not just the last two sentences of the Section as implied by Ms.
9 Shiroishi. Specifically, Section 5.3.3 states in its entirety:

10 ***"Switched Access Traffic is defined as telephone***
11 ***calls requiring local transmission or switching***
12 ***service for the purpose of the origination or***
13 ***termination of Intrastate InterLATA traffic.***

14 Switched Access Traffic includes, but it not limited to,
15 the following types of traffic: Feature Group A, Feature
16 Group B, Feature Group D, toll free access (e.g.
17 800/877/888), 900 access, and their successors.
18 Additionally, if BellSouth or AT&T is the other party's
19 end user's presubscribed interexchange carrier or if an
20 end user uses BellSouth or AT&T as an interexchange
21 carrier on a 101XXXX basis, BellSouth or AT&T will
22 charge the other party the appropriate tariff charges
23 for originating switched access services. The Parties

1 have been unable to agree as to whether Voice over
2 Internet Protocol (“VOIP”) transmissions which cross
3 local calling area boundaries constitute Switched
4 Access Traffic. Notwithstanding the foregoing, and
5 without waiving any rights with respect to either
6 Party’s position as to the jurisdictional nature of VOIP,
7 the Parties agree to abide by the any effective and
8 applicable FCC rules and orders regarding the nature
9 of such traffic and the compensation payable by the
10 Parties for such traffic, if any; provided, however, that
11 any VOIP transmission which originates in one LATA
12 and terminates in another LATA (i.e., the end-to-end
13 points of the call), shall not be compensated as Local
14 Traffic. ***This Section is interrelated to Section***
15 ***5.3.1.1.”***

16
17 Q. WHEN PROPER RULES OF CONTRACT CONSTRUCTION AND
18 INTERPRETATION ARE APPLIED, WHAT DOES THE LANGUAGE OF
19 SECTION 5.3.3 THAT “THIS SECTION IS INTERRELATED TO
20 SECTION 5.3.1.1” MEAN RELATIVE TO DETERMINING WHICH
21 TRAFFIC WOULD BE SUBJECT TO LOCAL RECIPROCAL
22 COMPENSATION RATES AND WHICH TRAFFIC WOULD BE
23 SUBJECT TO SWITCHED ACCESS RATES?”

1 A. Clearly, as Section 5.3.1.1 specifically provides, with respect to
2 intercarrier compensation relative to transporting and terminating
3 “Local Traffic,” the Parties agreed “ ...to a apply a ‘LATAwide’ local
4 concept, meaning that traffic that has traditionally been treated as
5 intraLATA toll would now be treated as local for intercarrier
6 compensation, except for those calls that are originated or
7 terminated through switched access arrangements as established by
8 the State Commission or FCC.” Thus, when Section 5.3.1.1 is read
9 together with its “interrelated” Section 5.3.3, the language “ ... except
10 those calls that are originated or terminated through switched
11 access arrangements as established by the State Commission or
12 FCC,” clearly means Intrastate InterLATA calls (because these calls
13 are subject to jurisdiction of the “State Commission”) and Interstate
14 InterLATA calls (because these calls are subject to the jurisdiction of
15 the “FCC”). This interpretation is correct and appropriate because
16 Section 5.3.3 contains the only definition of “Switched Access Traffic”
17 found in Second Interconnection Agreement to which, by definition,
18 switched access charges may apply. As provided in this Section,
19 “Switched Access Traffic” is defined as “ ... telephone calls requiring
20 local transmission or switching services for the purpose of the
21 origination or termination of Intrastate InterLATA and Interstate
22 InterLATA traffic.” Thus, by virtue of the “interrelatedness” of the
23 definition of “Switched Access Traffic” as found in this Section 5.3.3

1 to the "LATAwide" local concept language found in Section 5.3.1.1,
2 the language in Section 5.3.1.1 " ... except those calls that are
3 originated or terminated through switched access arrangements as
4 established by the State Commission or FCC," clearly means
5 Intrastate InterLATA calls (because these calls are subject to
6 jurisdiction of the "State Commission") and Interstate InterLATA
7 calls (because these calls are subject to the jurisdiction of the
8 "FCC").

9
10 Q. HOW CAN ANY "LATAWIDE" TRAFFIC EVER BE CONSIDERED
11 INTRASTATE INTERLATA OR INTERSTATE INTERLATA TRAFFIC,
12 THUS SUPPORTING YOUR POSITION THAT THE LANGUAGE "...
13 EXCEPT THOSE CALLS THAT ARE ORIGINATED OR TERMINATED
14 THROUGH SWITCHED ACCESS ARRANGEMENTS AS
15 ESTABLISHED BY THE STATE COMMISSION OR FCC..." AS FOUND
16 IN SECTION 5.3.1.1 TRACKS EXACTLY THE DEFINITION OF
17 SWITCHED ACCESS TRAFFIC (WHICH IS LIMITED TO INTRASTATE
18 INTERLATA AND INTERSTATE INTRALATA CALLS) IN SECTION
19 5.3.3?

20
21 A. BellSouth repeatedly has taken the position in prior regulatory
22 proceedings that certain calls, even those within a LATA, are not
23 local calls or even intraLATA calls. One example is BellSouth's

1 position that “dial up” calls to ISP providers that are dialed by using
2 a local dialing pattern (7 or 10 digits) by a calling party in one LATA
3 to an ISP in the same LATA are predominately interstate calls and
4 thus not subject to local reciprocal compensation rates.² Another
5 example is BellSouth’s position regarding Voice Over Internet
6 Protocol where BellSouth has argued that, to the extent “ ... calls
7 provided via Internet Protocol Telephony are long distance calls,
8 access charges should apply.”³

9
10 Q. WHAT DOES SECTION 5.3.3 OF EXHIBIT 1 TO SECOND
11 AMENDMENT TO SECOND INTERCONNECTION AGREEMENT
12 PROVIDE?

13
14 A. This Section provides the local reciprocal compensation rates which
15 apply to all “Local and ISP Traffic.” These rates are as follows:

16 5.3.3.1 Commencing on July 1, 2001, and continuing
17 until December 31, 2001, \$.0015 per minute of
18 use;

19 5.3.3.2 Commencing on January 1, 2002, and
20 continuing until June 30, 2003, \$.0010 per

² Direct Testimony of Elizabeth R. A. Shiroishi on behalf of BellSouth Telecommunications, Inc. at Page 2, filed on December 1, 2000, in Docket No. 000075-TP, before the Florida Public Service Commission.

³ Direct Testimony of John A. Ruscilli on behalf of BellSouth Telecommunications, Inc. at Page 47, filed on March 12, 2001, in Docket No. 000075-TP (Phase II), before the Florida Public Service Commission.

1 minute of use;

2 5.3.3.3 Commencing on July 1, 2003, and continuing
3 until June 30, 2004, or until further FCC action
4 (whichever is later), \$.0007 per minute of use.

5
6 Q. BASED ON THE FOREGOING, DOES THE TERM "LOCAL TRAFFIC"
7 AS USED IN THE SECOND INTERCONNECTION AGREEMENT
8 INCLUDE ALL "LATAWIDE TRAFFIC," INCLUDE ALL CALLS
9 ORIGINATED OR TERMINATED THROUGH SWITCHED ACCESS
10 ARRANGEMENTS AS ESTABLISHED BY THE STATE COMMISSION
11 OR FCC?

12
13 A. Yes, except for "LATAwide Traffic" that meet the definition of
14 Switched Access Traffic (Intrastate InterLATA and Interstate
15 InterLATA traffic) as set forth in Section 5.3.3 and as discussed
16 above.

17
18 **ISSUE 3: UNDER THE TERMS OF THE SECOND**
19 **INTERCONNECTION AGREEMENT, DO RECIPROCAL**
20 **COMPENSATION RATES AND TERMS APPLY TO CALLS**
21 **ORIGINATED OR TERMINATED THROUGH SWITCHED ACCESS**
22 **ARRANGEMENTS AS ESTABLISHED BY THE STATE**
23 **COMMISSION OR FCC?**

1 Q. BASED ON YOUR DISCUSSION OF ISSUE 2, DO LOCAL
2 RECIPROCAL COMPENSATION RATES APPLY TO CALLS
3 ORIGINATED OR TERMINATED THROUGH SWITCHED ACCESS
4 ARRANGEMENTS AS ESTABLISHED BY THE STATE COMMISSION
5 OR FCC?

6
7 A. Yes, except for “LATAwide Traffic” that meets the definition of
8 Switched Access Traffic (Intrastate InterLATA or Interstate InterLATA
9 traffic) as set forth in Section 5.3.3 and as discussed above. With
10 respect to intercarrier compensation relative to transporting and
11 terminating “Local Traffic,” in Section 5.3.1.1 the Parties agreed “
12 ...to a apply a “LATAwide” local concept, meaning that traffic that
13 has traditionally been treated as intraLATA toll would now be treated
14 as local for intercarrier compensation, except for those calls that are
15 originated or terminated through switched access arrangements as
16 established by the State Commission or FCC.” When Section
17 5.3.1.1 is read together with its “interrelated” Section 5.3.3, the
18 language “ ... except those calls that are originated or terminated
19 through switched access arrangements as established by the State
20 Commission or FCC,” clearly means Intrastate InterLATA calls
21 (because these calls are subject to jurisdiction of the “State
22 Commission”) and Interstate InterLATA calls (because these calls are
23 subject to the jurisdiction of the “FCC”). This interpretation is

1 correct and appropriate because Section 5.3.3 contains the only
2 definition of "Switched Access Traffic" found in Second
3 Interconnection Agreement to which, by definition, switched access
4 charges may apply. As provided in this Section, "Switched Access
5 Traffic" is defined as " ... telephone calls requiring local transmission
6 or switching services for the purpose of the origination or
7 termination of Intrastate InterLATA and Interstate InterLATA traffic."
8 Thus, by virtue of the "interrelatedness" of the definition of "Switched
9 Access Traffic" as found in this Section 5.3.3 to the "LATAwide" local
10 concept language found in Section 5.3.1.1, the language in Section
11 5.3.1.1 " ... except those calls that are originated or terminated
12 through switched access arrangements as established by the State
13 Commission or FCC," clearly means Intrastate InterLATA calls
14 (because these calls are subject to jurisdiction of the "State
15 Commission") and Interstate InterLATA calls (because these calls are
16 subject to the jurisdiction of the "FCC").

17
18 Q. IN ITS ANSWER FILED IN THIS PROCEEDING, DID BELLSOUTH
19 RELY UPON THE LANGUAGE IN SECTION 5.3.1.1 REGARDING
20 "CALLS ORIGINATED OR TERMINATED THROUGH SWITCHED
21 ACCESS ARRANGEMENTS AS ESTABLISHED BY THE STATE
22 COMMISSION OR FCC" TO ASSERT THAT IT HAD NO OBLIGATION
23 TO CHARGE AT&T LOCAL COMPENSATION RATES FOR

1 TRANSPORTING AND TERMINATING ALL "LOCAL TRAFFIC,"
2 INCLUDING ALL "LATAWIDE TRAFFIC" ?

3
4 A. Yes, but only by taking language in Sections 5.3.1.1 and 5.3.3 out of
5 context and using improper rules of contract construction and
6 interpretation.

7
8 Q. WHAT SUPPORTS YOUR POSITION THAT BELLSOUTH HAS TAKEN
9 LANGUAGE IN SECTIONS 5.3.1.1 AND 5.3.3 OUT OF CONTEXT?

10
11 A. As discussed above, Section 5.3.3 (which follows Section 5.3.1.1)
12 clearly defines "Switched Access Traffic" as being limited to
13 "Intrastate InterLATA" and "Interstate InterLATA" calls and does not
14 include other types of calls, including any "IntraLATA" or "LATAwide
15 Traffic." Moreover, also as discussed above, at the end of Section
16 5.3.3, there is clear language that Section 5.3.3 is "interrelated" to
17 Section 5.3.1.1 which establishes a "LATAwide" local concept for
18 purposes of intercarrier compensation. Thus the language found in
19 Section 5.3.1.1 " ... except those calls that are originated or
20 terminated through switched access arrangements as established by
21 the State Commission or FCC," tracks precisely the definition of
22 "Switched Access Traffic" as found in Section 5.3.3. Obviously, the "
23 ... except those calls that are originated or terminated through

1 switched access arrangements as established by the State
2 Commission ... ” means “Intrastate InterLATA” calls (over which the
3 State Commission has jurisdiction) and the language “ ... except
4 those calls that are originated or terminated through switched
5 access arrangements as established by the ... FCC” means
6 “Interstate InterLATA” calls (over which the FCC has jurisdiction).

7
8 Q. IS THERE OTHER SUPPORT FOR AT&T’S POSITION THAT
9 BELL SOUTH HAS TAKEN THIS LANGUAGE IN SECTION 5.3.1.1
10 OUT OF CONTEXT?

11
12 A. Yes. By definition, switched access charges only can be charged for
13 transporting and terminating “Switched Access Traffic.” Again, as
14 discussed above, Section 5.3.3 contains a very clear and
15 unambiguous definition of “Switched Access Traffic.” However,
16 BellSouth completely ignores this explicit definition as well as
17 misconstrues the other language in Section 5.3.3 which specifically
18 states that “[t]his Section [5.3.3] [definition of “Switched Access
19 Traffic”] is interrelated to Section 5.3.1.1 [“LATAwide” local concept].
20 It could not be clearer that these two Sections are to be “read
21 together.” Yet despite this clear language, BellSouth totally ignores
22 Section 5.3.3 and its definition of “Switched Access Traffic.”
23 Accordingly, BellSouth also clearly ignores that Section 5.3.3’s

1 definition of "Switched Access Traffic" means that BellSouth's
2 switched access rates only would apply to InterLATA calls—
3 Intrastate and/or Interstate—but not calls that are "IntraLATA,"
4 "within the LATA, or "LATAwide Traffic."

5
6 Q. IS SECTION 5.3.3 THE ONLY PLACE IN SECOND
7 INTERCONNECTION AGREEMENT WHERE "SWITCHED ACCESS
8 TRAFFIC" IS DEFINED?

9
10 A. Yes.

11
12 Q. DOES THE DEFINITION OF "SWITCHED ACCESS TRAFFIC" IN
13 SECTION 5.3.3 INCLUDE ANY INTRALATA OR "LATAWIDE
14 TRAFFIC?"

15
16 A. Absolutely not. Rather, to the contrary the definition of "Switched
17 Access Traffic" as set forth in Section 5.3.3 includes only "InterLATA"
18 traffic and does not include any "IntraLATA" or "LATAwide Traffic."

19
20 Q. IS THERE LANGUAGE IN SECOND INTERCONNECTION
21 AGREEMENT WHICH PROVIDES THAT BELLSOUTH IS ENTITLED
22 TO CHARGE AT&T SWITCHED ACCESS RATES, RATHER THAN
23 LOCAL RECIPROCAL COMPENSATION RATES, FOR "LATAWIDE

1 TRAFFIC" TRANSPORTED AND TERMINATED THROUGH
2 "SWITCHED ACCESS ARRANGEMENTS AS ESTABLISHED BY THE
3 STATE COMMISSION OR FCC?"

4
5 A. No.

6
7 Q. HAS BELLSOUTH FILED TESTIMONY IN ANY OTHER STATE
8 ASSERTING THAT LANGUAGE OTHER THAN IS FOUND IN
9 SECTIONS 5.3.1.1 AND 5.3.3 GOVERNS ITS OBLIGATION TO
10 CHARGE AT&T LOCAL RECIPROCAL COMPENSATION RATES FOR
11 THE TRANSPORT AND TERMINATION OF "LOCAL TRAFFIC,"
12 INCLUDING ALL "LATAWIDE TRAFFIC?"

13
14 A. Yes. In Ms. Shiroishi's Direct Testimony filed December 18, 2002 in
15 the North Carolina proceeding discussed above, Ms. Shiroishi states
16 that the "...definition of [Local Traffic] in Second Interconnection
17 Agreement related to the type of arrangement, or trunk group, that
18 the traffic originated over or terminated through."

19
20 Q. IS THERE ANY SUCH LANGUAGE IN SECOND INTERCONNECTION
21 AGREEMENT, AS MS. SHIROISHI'S STATED IN NORTH CAROLINA,
22 WHICH PROVIDES THAT "LOCAL TRAFFIC" IS DEPENDENT UPON,
23 RELATED TO, OR CONDITIONED UPON, THE TYPE OF TRUNK

1 ARRANGEMENT OR TRUNK GROUP THAT THE TRAFFIC
2 ORIGINATED OVER OR TERMINATED THROUGH?

3
4 A. Absolutely not. This is yet another BellSouth attempt to avoid the
5 express provisions of Sections 5.3.1.1 and 5.3.3 of Second
6 Interconnection Agreement which require BellSouth to charge AT&T
7 local reciprocal compensation rates for the transport and
8 termination of "Local Traffic," including all "LATAwide Traffic."

9
10 **ISSUE 4: IF THE ANSWER TO ISSUE 3 IS "YES," HAS**
11 **BELLSOUTH BREACHED THE SECOND INTERCONNECTION**
12 **AGREEMENT?**

13
14 Q. HAS BELLSOUTH BREACHED SECOND INTERCONNECTION
15 AGREEMENT? IF SO, IN WHAT MANNER?

16
17 A. Yes. Second Interconnection Agreement (the terms of which apply to
18 First Interconnection Agreement as of June 11, 2000 by virtue of the
19 Retroactivity Provision of First Interconnection Agreement) clearly
20 provides that BellSouth and AT&T are to transport and terminate
21 each other's "Local Traffic" at the local reciprocal compensation rates
22 set forth in the Second Interconnection Agreement. With respect to
23 defining "Local Traffic," Second Interconnection Agreement clearly

1 provides that the parties agreed to apply a "LATAwide" concept
2 thereto, meaning that **all** calls transported and terminated within a
3 "LATA" ("LATAwide Traffic"), would be subject to the local reciprocal
4 compensation rates set forth in Second Interconnection Agreement.
5 However, BellSouth has refused to apply local reciprocal
6 compensation rates to **all** "Local Traffic," including all "LATAwide
7 Traffic," and instead has applied BellSouth's switched access rates to
8 certain "Local Traffic."

9
10 Q. NOTWITHSTANDING BELLSOUTH'S BREACH OF SECOND
11 INTERCONNECTION AGREEMENT, HAS AT&T CHARGED
12 BELLSOUTH FOR TRANSPORTING AND TERMINATING
13 BELLSOUTH'S "LOCAL TRAFFIC," INCLUDING ALL "LATAWIDE"
14 TRAFFIC" AT LOCAL RECIPROCAL COMPENSATION RATES UNDER
15 SECOND INTERCONNECTION AGREEMENT?

16
17 A. Yes. AT&T charges BellSouth the local reciprocal compensation
18 rates agreed to by the Parties and set forth in Section 5.3.3 of
19 Exhibit 1 to Second Interconnection Agreement, and not switched
20 access rates, for all "Local Traffic," including all "LATAwide Traffic,"
21 which AT&T transports and terminates for BellSouth. Specifically,
22 having implemented the "LATAwide" concept for "Local Traffic" as
23 required by Second Interconnection Agreement, AT&T charges

1 BellSouth local reciprocal compensation rates for all "Local Traffic,"
2 including all "LATAwide Traffic."

3
4 Q. IS BELLSOUTH AWARE THAT AT&T CHARGES BELLSOUTH LOCAL
5 RECIPROCAL COMPENSATION RATES, RATHER THAN SWITCHED
6 ACCESS RATES, FOR ALL "LOCAL TRAFFIC," INCLUDING ALL
7 BELLSOUTH "LATAWIDE TRAFFIC," WHILE BELLSOUTH REFUSES
8 TO DO THE SAME FOR AT&T ON A RECIPROCAL BASIS?

9
10 A. Yes.

11
12 Q. HAS BELLSOUTH EVER OFFERED TO PAY AT&T SWITCHED
13 ACCESS RATES, RATHER THAN LOCAL RECIPROCAL
14 COMPENSATION RATES, FOR AT&T'S TRANSPORT AND
15 TERMINATION OF BELLSOUTH'S "LOCAL TRAFFIC," INCLUDING
16 ALL BELLSOUTH "LATAWIDE TRAFFIC?"

17
18 A. No. Once Second Interconnection Agreement was executed by AT&T
19 and BellSouth, AT&T began updating its billing systems to charge
20 BellSouth the local reciprocal compensation rates set forth in Second
21 Interconnection Agreement for transporting and terminating all
22 "Local Traffic," including all "LATAwide Traffic." AT&T's compliance
23 specifically included providing a credit to BellSouth in order to fully

1 comply with the obligations of the Parties under Second
2 Interconnection Agreement to reciprocally charge each other the
3 local compensation rates set for in Second Interconnection
4 Agreement for the transport and termination of all "Local Traffic,"
5 including all "LATAwide Traffic."

6
7 **ISSUE 5: IF THE ANSWER TO ISSUE 4 IS "YES," WHAT**
8 **REMEDIES ARE APPROPRIATE?**

9
10 Q. IS AT&T ENTITLED TO RECEIVE, AND IS BELLSOUTH OBLIGATED
11 TO PROVIDE, A CREDIT (INCLUDING INTEREST) FOR AMOUNTS
12 WHICH BELLSOUTH HAS OVERCHARGED AT&T FOR FAILURE TO
13 TRANSPORT AND TERMINATE ALL "LOCAL TRAFFIC," INCLUDING
14 ALL "LATAWIDE TRAFFIC" AT LOCAL RECIPROCAL
15 COMPENSATION RATES?

16
17 A. Yes. Credits and late payments for improper billings clearly are
18 allowed under Sections 1.14, 1.15, and 1.16 of Attachment 6 of
19 Second Interconnection Agreement. Sections 1.14, 1.15, and 1.16 of
20 Attachment 6 of Second Interconnection Agreement are attached
21 hereto as J. A. King Exhibit No. 2. Through October 2002, BellSouth
22 has overcharged AT&T \$6,310,425 for transporting and terminating
23 certain "Local Traffic," including certain "LATAwide Traffic" at

1 switched access rates, and not at local compensation rates as
2 required in Second Interconnection Agreement. Regarding the
3 specifics of this increased overcharged amount, attached hereto and
4 incorporated by this reference is J. A. King Exhibit No. 3 which
5 updates Exhibit 4 to AT&T's Complaint. To the extent BellSouth
6 continues to overcharge AT&T for transporting and terminating all
7 "Local Traffic," including certain "LATAwide Traffic," J. A. King
8 Exhibit No. 3 will need to be updated at the time of the hearing in
9 this proceeding. BellSouth also owes AT&T interest on all
10 overcharged amounts at the rate of one and one half percent (1 and
11 ½%) per month from July 1, 2001 until the date such overcharges
12 are paid by BellSouth to AT&T. Such interest is not included in J. A.
13 King Exhibit No. 3.

14
15 Q. IN ADDITION TO CREDITS (AND INTEREST), WHAT OTHER
16 REMEDIES ARE APPROPRIATE FOR AT&T IN THIS PROCEEDING?

17
18 A. AT&T entitled to a declaratory ruling from the Commission that
19 BellSouth is obligated to charge AT&T for the transport and
20 termination of all "Local Traffic," including all "LATAwide Traffic," at
21 local reciprocal compensation rates, on a forward going basis. AT&T
22 should not be forced to bring complaints against BellSouth regarding
23 this issue in order to have BellSouth transport and terminate such

1 traffic at the appropriate rates, nor should the Commission's
2 resources be wasted on such efforts.

3 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

4

5 A. Yes.

AGREEMENT

between

BellSouth Telecommunications, Inc.

and AT&T Communications of the Southern States, Inc.

Effective Date: June 10, 1997

FLORIDA

TABLE OF CONTENTS

Section

AGREEMENT

PREFACE

RECITALS

DEFINITIONS and ACRONYMS

GENERAL TERMS AND CONDITIONS

1. Provision of Local Service and Unbundled Network Elements
2. Term of Agreement
3. Termination of Agreement: Transitional Support
4. Good Faith Performance
5. Option to Obtain Local Services, Network Elements and Combinations Under Other Agreements
6. Responsibility of Each Party
7. Governmental Compliance
8. Responsibility For Environmental Contamination
9. Regulatory Matters
10. Liability and Indemnity
11. Audits and Inspections
12. Remedies for Failure to Meet DMOQs
13. Customer Credit History - DELETED
14. Force Majeure
15. Certain Federal, State and Local Taxes
16. Alternative Dispute Resolution
17. Notices

18. Confidentiality and Proprietary Information
19. Branding
20. Directory Listings Requirements
21. Subscriber List Information/Local Number Portability
22. Miscellaneous

PART I: LOCAL SERVICES RESALE

23. Telecommunications Services Provided for Resale
24. General Terms and Conditions for Resale
25. Requirements for Specific Services
26. DELETED
27. Support Functions
28. Service Functions

PART II: UNBUNDLED NETWORK ELEMENTS

29. Introduction
30. Unbundled Network Elements

PART III: ANCILLARY FUNCTIONS

31. Introduction
32. BellSouth Provision of Ancillary Functions
33. Standards for Ancillary Functions

PART IV: PRICING

34. General Principles
35. Local Service Resale
36. Unbundled Network Elements
37. Compensation For Call and Transport Termination
38. Ancillary Functions
39. Local Number Portability
40. Recorded Usage Data
41. Electronic Interfaces
 - a. TABLE 1 - Unbundled Network Elements
 - b. TABLE 2 - Physical and Virtual Collocation
 - c. Virtual Collocation
 - d. TABLE 3 - Rights of Way
 - e. TABLE 4 - Pole Attachments
 - f. TABLE 5 - Local Number Portability
 - g. TABLE 6 - Recorded Usage Data

Docket No. 020919-TP
J. A. King Exhibit No. 1
Provisions from 1st and 2nd
Interconnection Agreements
Page 3 of 24

SIGNATURE

PUC APPROVAL ORDER

AMENDMENT – 7/14/99

ATTACHMENTS

<u>Attachment 1</u>	Alternative Dispute Resolution
<u>Attachment 2</u>	Services Description: Unbundled Network Elements
<u>Attachment 3</u>	Service Description: Ancillary Functions
<u>Attachment 4</u>	Provisioning and Ordering
<u>Attachment 5</u>	Maintenance
<u>Attachment 6</u>	Connectivity Billing and Recording
<u>Attachment 7</u>	Provision of Customer Usage Data
<u>Attachment 8</u>	Local Number Portability
<u>Attachment 9</u>	Network Security
<u>Attachment 10</u>	Acronyms
<u>Attachment 11</u>	Definitions
<u>Attachment 12</u>	Performance Measurement
<u>Attachment 13</u>	BAPCO Agreement - (NOT AVAILABLE)
<u>Attachment 14</u>	Bona Fide Request Process
<u>Attachment 15</u>	Interface Requirements for Ordering and Provisioning, Maintenance and Repair, and Pre-Ordering

Docket No. 020919-TP
J. A. King Exhibit No. 1
Provisions from 1st and 2nd
Interconnection Agreements
Page 4 of 24

AGREEMENT

PREFACE

This Agreement, which shall become effective as of the 10th day of June, 1997, is entered into by and between AT&T Communications of the Southern States, Inc., a New York Corporation, having an office at 1200 Peachtree Street, N.E., Atlanta, Georgia 30309, on behalf of itself, its successors and assigns, (individually and collectively "AT&T"), and BellSouth Telecommunications, Inc. ("BellSouth"), a Georgia corporation, on behalf of itself, its successors and assigns, having an office at 675 West Peachtree Street, Atlanta, Georgia 30375.

RECITALS

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

WHEREAS, the Act places certain duties and obligations upon, and grants certain rights to Telecommunications Carriers; and

WHEREAS, BellSouth is an Incumbent Local Exchange Carrier; and

WHEREAS, BellSouth is willing to provide Telecommunications Services for resale, Interconnection, Unbundled Network Elements and Ancillary Functions which include, but are not limited to, access to poles, ducts, conduits and rights-of-way, and collocation of equipment at BellSouth's Premises on the terms and subject to the conditions of this Agreement; and

WHEREAS, AT&T is a Telecommunications Carrier and has requested that BellSouth negotiate an Agreement with AT&T for the provision of Interconnection, Unbundled Network Elements, and Ancillary Functions as well as Telecommunications Services for resale, pursuant to the Act and in conformance with BellSouth's duties under the Act,

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

DEFINITIONS and ACRONYMS

For purposes of this Agreement, certain terms have been defined in Attachment 11 and elsewhere in this Agreement to encompass meanings that may differ from, or be in addition to, the normal connotation of the defined word. Unless the context clearly indicates otherwise, any term defined or used in the singular shall include the plural. The words "shall" and "will" are used interchangeably throughout this Agreement and the use of either connotes a mandatory requirement. The use of one or the other shall not mean a different degree of right or obligation for either Party. A defined word intended to convey its special meaning is capitalized when used. Other terms that are capitalized, and not defined in this Agreement, shall have the meaning in the Act. For convenience of reference, Attachment 10 provides a list of acronyms used throughout this Agreement.

GENERAL TERMS AND CONDITIONS

1. Provision of Local Service and Unbundled Network Elements

This Agreement sets forth the terms, conditions and prices under which BellSouth agrees to provide (a) Telecommunications Service that BellSouth currently provides, or may offer hereafter for resale along with the Support Functions and Service Functions set forth in this Agreement (hereinafter collectively referred to as "Local Services") and (b) certain unbundled Network Elements, or combinations of such Network Elements ("Combinations") and (c) Ancillary Functions to AT&T (Local Services, Network Elements, Combinations, and Ancillary Functions, collectively referred to as "Services and Elements"). This Agreement also sets forth the terms and conditions for the interconnection of AT&T's network to BellSouth's network and the mutual and reciprocal compensation for the transport and termination of telecommunications. BellSouth may fulfill the requirements imposed upon it by this Agreement by itself or, in the case of directory listings for white pages may cause BellSouth Advertising and Publishing Company ("BAPCO") to take such actions to fulfill BellSouth's responsibilities. This Agreement includes Parts I through IV, and their Attachments 1 - 15 and all accompanying Appendices and Exhibits. Unless otherwise provided in this Agreement, BellSouth will perform all of its obligations hereunder throughout its entire service area. The Parties further agree to comply with all provisions of the Act, including Section 271(e) (1).

- 1.A The Services and Elements provided pursuant to this Agreement may be connected to other Services and Elements provided by BellSouth or to any Services and Elements provided by AT&T itself or by any other vendor. AT&T may purchase unbundled Network Elements for the purpose of combining Network Elements in any manner that is technically feasible, including recreating existing BellSouth services.
- 1.1 Subject to the requirements of this Agreement, AT&T may, at any time add, relocate or modify any Services and Elements purchased hereunder. Requests for additions or other changes shall be handled pursuant to the Bona Fide Request Process provided in Attachment 14. Terminations of any Services or Elements shall be handled pursuant to Section 3.1 of the General Terms and Conditions of this Agreement.
- 1.2 BellSouth shall not discontinue any Network Element, Ancillary Function, or Combination provided hereunder without the prior written consent of AT&T. Such consent shall not be unreasonably withheld. BellSouth shall not discontinue any Local Service provided hereunder unless BellSouth provides AT&T prior written notice of intent to discontinue any such service. BellSouth agrees to make any such service available to AT&T for resale to AT&T's Customers who are subscribers of such services from AT&T until the date BellSouth discontinues any such service for BellSouth's customers. BellSouth also agrees to adopt a reasonable, nondiscriminatory transition schedule for BellSouth or AT&T Customers who may be purchasing any such service.
- 1.3 This Agreement may be amended from time to time as mutually agreed in writing between the Parties. The Parties agree that neither Party will take any action to proceed, nor shall either have any obligation to proceed on a requested change unless and until a modification to this Agreement is signed by authorized representatives of each Party.
2. **Term of Agreement**
- 2.1 When executed by authorized representatives of BellSouth and AT&T, this Agreement shall become effective as of the Effective Date stated above, and shall expire three (3) years from the Effective Date unless terminated in accordance with the provisions of Section 3.2 of the General Terms and Conditions.
- 2.2 No later than one hundred and eighty (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 and Elements 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 (3) years unless the Parties agree otherwise.

- 2.3 If, within one hundred and thirty-five (135) days of commencing the negotiation referenced to Section 2.2, above, the Parties are unable to satisfactorily negotiate new terms, conditions and prices, either Party may petition the Commission 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 Commission 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 Commission 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 Commission intervention, the terms, conditions and prices ultimately ordered by the Commission, 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 and Elements pursuant to the terms, conditions and prices of this Agreement that are then in effect. Prior to filing a Petition pursuant to this Section 2.3, the Parties agree to utilize the informal dispute resolution process provided in Section 3 of Attachment 1.

3. **Termination of Agreement; Transitional Support**

- 3.1 AT&T may terminate any Local Service(s), Network Element(s), Combination(s), or Ancillary Function(s) provided under this Agreement upon thirty (30) days written notice to BellSouth unless a different notice period or different conditions are specified for termination of such Local Services(s), Network Element(s), or Combination(s) in this Agreement or pursuant to any applicable tariff, in which event such specific period or conditions shall apply, provided such period or condition is reasonable, nondiscriminatory and narrowly tailored. Where there is no such different notice period or different condition specified, AT&T's liability shall be limited to payment of the amounts due for any terminated Local Service(s), Network Element(s), Combination(s) or Ancillary Service provided up to and including the date of termination. Notwithstanding the foregoing, the provisions of section 10, *infra*, shall still apply. Upon termination, BellSouth agrees to cooperate in an orderly and efficient transition to AT&T or another vendor such that the level and quality of the Services and Elements is not degraded and to exercise its best efforts to effect an orderly and efficient transition. AT&T agrees that it may not terminate the entire Agreement pursuant to this section.
- 3.2 If a Party is in breach of a material term or condition of this Agreement ("Defaulting Party"), the other Party shall provide written notice of such breach to the Defaulting Party. The Defaulting Party shall have ten (10) business days from receipt of notice to cure the breach. If the breach is not cured, the Parties shall follow the dispute resolution procedure of Section 16 of the General Terms and Conditions and Attachment 1. If the Arbitrator determines that a breach has occurred and the Defaulting Party fails to comply with the decision of the Arbitrator within the time period provided by the Arbitrator (or a period of thirty (30) days if no time period is provided for in the Arbitrator's order), this Agreement may be terminated in whole or part by the other Party upon sixty (60) days prior written notice.

4. **Good Faith Performance**

In the performance of their obligations under this Agreement, the Parties shall act in good faith and consistently with the intent of the Act. Where notice, approval or similar action by a Party is permitted or required by any provision of this Agreement, (including, without limitation, the obligation of the Parties to further negotiate the resolution of new or open issues under this Agreement) such action shall not be unreasonably delayed, withheld or conditioned.

5. **Option to Obtain Local Services, Network Elements and Combinations Under Other Agreements**

AGREEMENT

PREFACE

This Agreement, which shall become effective as of the 26th day of October 26, 2001, is entered into by and between AT&T Communications of the Southern States, Inc., a New York corporation, having an office at 1200 Peachtree Street, N.E., Atlanta, Georgia, 30309, on behalf of itself and its Affiliates (individually and collectively "AT&T"), and BellSouth Telecommunications, Inc. ("BellSouth"), a Georgia corporation, having an office at 675 West Peachtree Street, Atlanta, Georgia 30375, on behalf of itself and its successors and assigns.

RECITALS

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

WHEREAS, the Act places certain duties and obligations upon, and grants certain rights to Telecommunications Carriers; and

WHEREAS, BellSouth is an Incumbent Local Exchange Carrier; and

WHEREAS, AT&T is a Telecommunications Carrier and has requested that BellSouth negotiate an Agreement pursuant to the Act,

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

DEFINITIONS and ACRONYMS

For purposes of this Agreement, certain terms have been defined in the body of the Agreement to encompass meanings that may differ from, or be in addition to, the normal connotation of the defined word. Unless the context clearly indicates otherwise, any term defined or used in the singular shall include the plural. The words "shall" and "will" are used interchangeably throughout this Agreement and the use of either connotes a mandatory requirement. The use of one or the other shall not mean a different degree of right or obligation for either Party. A defined word intended to convey its special meaning is capitalized when used. Other terms that are capitalized, and not defined in this Agreement, shall have the meaning in the Act. For convenience of reference, Attachment 11 provides a list of acronyms used throughout this Agreement.

18. Confidentiality and Proprietary Information.....	25
19. Branding.....	27
20. Directory Listings Requirements	28
21. Insurance Requirements.....	30
22. Costs	30
23. Disaster Recovery	30
24. Miscellaneous.....	31
25. Reservation of Rights	35

ATTACHMENTS

Attachment 1	Resale
Attachment 2	Unbundled Network Elements
Attachment 3	Local Interconnection
Attachment 4	Collocation
Attachment 5	Access to Numbers and Number Portability
Attachment 6	Connectivity Billing and Recording
Attachment 7	Interface Requirements for Ordering and Provisioning, Maintenance and Repair, and Pre-Ordering
Attachment 8	Rights of Way (ROW), Conduits, and Pole Attachments
Attachment 9	Performance Measures
Attachment 10	Bona Fide Request/New Business Request Process
Attachment 11	Acronyms
Attachment 12	Network Security
Attachment 13	BAPCO Agreement
Exhibit A	Disaster Recovery

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
AGREEMENT.....	4
PREFACE	4
RECITALS.....	4
DEFINITIONS and ACRONYMS	4
GENERAL TERMS AND CONDITIONS.....	5
1. Provision of Local Service and Unbundled Network Elements.....	5
2. Term of Agreement.....	6
3. Termination of Agreement; Transitional Support.....	6
4. Good Faith Performance.....	7
5. Option to Obtain Services and Elements and Combinations Under Other Agreements.....	7
6. Responsibility of Each Party	8
7. Governmental Compliance	8
8. Responsibility For Environmental Contamination	9
9. Regulatory Matters	11
10. Liability and Indemnity.....	12
11. Intellectual Property Rights and Indemnification	14
12. Audits and Inspections	17
13. Performance Measurement.....	19
14. Force Majeure	19
15. Certain Federal, State and Local Taxes	20
16. Dispute Resolution Process.....	24
17. Notices	24

Docket No. 020919-TP
J. A. King Exhibit No. 1
Provisions from 1st and 2nd
Interconnection Agreements
Page 10 of 24

AGREEMENT

between

BellSouth Telecommunications, Inc.

and

AT&T Communications of the Southern States, Inc.

FLORIDA

4.14 Interference or Impairment

4.14.1 Within three (3) business days of receipt of notification of blocking of traffic originated within the other Party's network, the Parties shall determine and begin work to implement reasonable corrective measures in a manner consistent with industry practices.

4.15 Local Dialing Parity

4.15.1 BellSouth and AT&T shall provide local and toll dialing parity to each other with no unreasonable dialing delays. Dialing parity shall be provided for all originating telecommunications services that require dialing to route a call. BellSouth and AT&T shall permit similarly situated telephone exchange service end users to dial the same number of digits to make a local telephone call notwithstanding the identity of the end user's or the called party's telecommunications service provider.

5. NETWORK MAINTENANCE

5.1 Outage Repair Standard

5.1.1 In the event of an outage or trouble in any arrangement, facility, or service being provided by BellSouth hereunder, BellSouth will follow procedures for isolating and clearing the outage or trouble that are no less favorable than those that apply to comparable arrangements, facilities, or services being provided by BellSouth to itself, Affiliate or any other carrier whose network is connected to that of BellSouth.

5.2 BellSouth will use best efforts to provide AT&T with at least thirty (30) days advance, written notice of scheduled maintenance activity. BellSouth may expedite or delay scheduled maintenance as a result of unscheduled maintenance or other unforeseen events. In those instances where BellSouth will not perform scheduled maintenance at the announced times, BellSouth will provide AT&T with as much notice as is reasonably possible concerning the changed schedule. For major, long term scheduled events, (i.e., switch software/processor updates or software upgrades/new releases to the Sonet transport network elements) BellSouth shall provide AT&T with as much advance, written notice as possible.

5.3 Interconnection Compensation

5.3.1 Compensation for Local Traffic

5.3.1.1 For the treatment of local and ISP-bound traffic in this Agreement, the Parties agree to implement the FCC's Order on Remand and Report

and Order in CC Docket No. 96-98 and 99-68 released April 27, 2001 ("ISP Order on Remand"). The Parties further agree to amend this agreement, within sixty (60) days of execution, to incorporate language reflecting the FCC ISP Order on Remand. At such time as that amendment is finalized, the Parties agree to work cooperatively to "true-up" compensation amounts consistent with the terms of the amended language from the effective date of the FCC ISP Order on Remand to the date the amendment is finalized. In this Section, the Parties express their intent to file negotiated language to incorporate the FCC's ISP Order on Remand. If the Parties are unable to agree on this language addressing this issue by the time the language is due to be filed, either party may petition the Florida Public Service Commission to resolve the dispute between the Parties as to the appropriate language addressing this issue. Additionally, the Parties agree to apply a "LATAwide" local concept to this Attachment 3, meaning that traffic that has traditionally been treated as intraLATA toll traffic will now be treated as local for intercarrier compensation purposes, except for those calls that are originated or terminated through switched access arrangements as established by the State Commission or FCC.

- 5.3.1.2 The Parties recognize and agree that the compensation for the transport and termination of Local Traffic is intended to allow each Party to recover costs associated with such traffic. The Parties recognize and agree that such compensation will not be billed and shall not be paid for calls where a Party sets up a call, or colludes with a third party to set up a call, to the other Party's network for the purpose of receiving reciprocal compensation, and not for the purposes of providing a telecommunications service to an end user.
- 5.3.2 The Parties shall provide for the mutual and reciprocal recovery of the costs for the network facilities utilized in transporting and terminating local traffic on each other's network. The Parties agree that charges for transport and termination of calls on their respective networks are as set forth in Exhibit A to this Attachment.
- 5.3.2.1 For the purposes of this Attachment 3, Common (Shared) Transport is defined as the transport of one Party's traffic by the other Party over the other Party's common (shared) facilities between the other Party's tandem switch and end office switch and/or between the other Party's tandem switches.
- 5.3.2.2 For the purposes of this Attachment 3, Tandem Switching is defined as the function that establishes a communications path between two switching offices through a third switching office (the Tandem switch).

- 5.3.2.3 For the purposes of this Attachment 3, End Office Switching is defined as the function that establishes a communications path between the trunk side and line side of the End Office switch.
- 5.3.2.4 In the event that AT&T elects to offer service within a LATA using a switch located in another LATA, AT&T agrees to provide the transport for both Parties' traffic between the remote AT&T switch and a point (i.e., a facility point of presence) within the LATA in which AT&T offers service. Such facility point of presence shall be deemed to be an AT&T switch for the purposes of this Attachment.
- 5.3.3 Switched Access Traffic. Switched Access Traffic is defined as telephone calls requiring local transmission or switching services for the purpose of the origination or termination of Intrastate InterLATA and Interstate InterLATA traffic. Switched Access Traffic includes, but is not limited to, the following types of traffic: Feature Group A, Feature Group B, Feature Group D, toll free access (e.g., 800/877/888), 900 access, and their successors. Additionally, if BellSouth or AT&T is the other Party's end user's presubscribed interexchange carrier or if an end user uses BellSouth or AT&T as an interexchange carrier on a 101XXXX basis, BellSouth or AT&T will charge the other Party the appropriate tariff charges for originating switched access services. The Parties have been unable to agree as to whether Voice over Internet Protocol ("VOIP") transmissions which cross local calling area boundaries constitute Switched Access Traffic. Notwithstanding the foregoing, and without waiving any rights with respect to either Party's position as to the jurisdictional nature of VOIP, the Parties agree to abide by any effective and applicable FCC rules and orders regarding the nature of such traffic and the compensation payable by the Parties for such traffic, if any; provided however, that any VOIP transmission which originates in one LATA and terminates in another LATA (i.e., the end-to-end points of the call), shall not be compensated as Local Traffic. This Section is interrelated to Section 5.3.1.1.
- 5.3.4 The Parties have been unable to agree as to the appropriate compensation for calls which originate in a LATA and terminate to a physical location outside of that LATA but to a number assigned to a rate center within that LATA. However, without prejudice to either Party's position concerning the application of reciprocal compensation or access charges to such traffic, the Parties agree for purposes of this Agreement only and subject to the Parties' agreement to the terms of Sections 5.3.1.1 and 5.3.3, and on an interim basis until the FCC issues an Order addressing this issue, neither Party shall bill the other reciprocal compensation, intercarrier compensation or switched access in connection with the exchange of any traffic as described in

**FIRST AMENDMENT
TO THE
INTERCONNECTION AGREEMENT BETWEEN
AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.
AND
BELLSOUTH TELECOMMUNICATIONS, INC.
FOR THE STATE OF FLORIDA
DATED OCTOBER 26, 2001**

Pursuant to this Agreement, ("Amendment") AT&T Communications of the Southern States, Inc. ("AT&T") and BellSouth Telecommunications, Inc. ("BellSouth"), hereinafter referred to collectively as the "Parties," hereby agree to amend that certain Interconnection Agreement between the Parties dated October 26, 2001 ("Interconnection Agreement").

NOW THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

Pursuant to this Amendment, the Parties hereby agree to amend the Interconnection Agreement to reflect the following:

1. The Parties agree to delete Section 5.3 of Attachment 3 in its entirety and replace it with the provisions set forth in Exhibit 1 of this Amendment, attached hereto and incorporated herein by this reference.
2. The Parties agree to delete Exhibit A of Attachment 3 in its entirety and replace it with a new Exhibit A, set forth in Exhibit 2 of this Amendment, attached hereto and incorporated herein by this reference.
3. The Parties agree to delete Section 3.7.4 of Attachment 2 in its entirety and replace it with the following provision:

3.7.4 AT&T or BellSouth ("Petitioner") shall notify the other Party ("Respondent") in writing via AT&T's Local Services and Access Management ("LSAM") Group or BellSouth's AT&T Account Team ("Account Team") of the needed areas of improvement and any proposed changes to the current hot cut process provided for in the Interconnection Agreement ("Agreement").

- 3.7.4.1** The Respondent shall submit a written response to Petitioner within fifteen (15) calendar days of the requested change.
- 3.7.4.2** Upon receipt of the response, Petitioner shall either:
- 3.7.4.2.1** schedule a meeting between representatives of each party with authority to identify areas of improvement and, if applicable, to develop and implement process changes resulting from such mutual cooperation; or
 - 3.7.4.2.2** accept all proposed changes by Respondent, if any, and notify Respondent with a written response within seven (7) calendar days that the changes, if any, will be accepted.
- 3.7.4.3** If Section 3.7.4.2.1 is implemented, the Parties agree to negotiate the requested change in good faith within ninety (90) calendar days of the day Petitioner requested the proposed change.
- 3.7.4.4** A mutually agreed upon process under either Section 3.7.4.2.1 or Section 3.7.4.2.2 shall be implemented upon a mutually agreed upon timeframe.
- 3.7.4.5** Should the Parties be unable to agree on a mutually acceptable change to the process and or an agreeable date to implement such change within one hundred and twenty (120) days of the day Petitioner requested the proposed change, the Parties agree to resolve any disputes in accordance with the dispute resolution process provided in Section 16 of the General Terms and Conditions of this Agreement.
- 3.7.4.6** At no such time, shall either Party waive any rights that it may have with respect to the Agreement in its entirety.
- 3.7.4.7** Nothing in this Process Improvement Plan is deemed to amend or modify any other terms in the Interconnection Agreement.

4. The Parties agree to add provisions consistent with the FCC's 4th Report and Order, dated August 8, 2000, to delete Attachment 4 –Collocation and replace in its entirety with a new Attachment 4 –Collocation, attached hereto as Exhibit 3 and incorporated herein by reference. Except as otherwise set forth herein, the original Exhibits to Attachment 4 are unaffected by this Amendment and shall remain in full force and effect.
5. The Parties further agree to make the following revisions to Attachment 4- Collocation Rates Exhibit B, attached herein as Exhibit 4:
 - A. Delete the Co-Carrier cross connect rates and replace it with the rates set forth in Exhibit 4 to this Amendment, attached hereto and incorporated herein by reference.
 - B. Delete the USOC description and abbreviation of PE1PL for -48V DC power and replace with the new USOC description and abbreviation of PE1FJ for the -48V DC power as set forth in Exhibit 4 to this Amendment, attached hereto and incorporated herein by reference.
 - C. Delete the USOC description and abbreviation of XXXX for -48V DC power and replace with the new USOC description and abbreviation of PE1PL for the -48V DC power as set forth in Exhibit 4 to this Amendment, attached hereto and incorporated herein by reference.
6. AT&T has changed the name of said business to AT&T Communications of the Southern States, LLC.
7. The Parties agree the name of AT&T Communications of the Southern States, Inc. is hereby deleted throughout the Interconnection Agreement and replace it with AT&T Communications of the Southern States, LLC ("AT&T").
8. All of the other provisions of the Interconnection Agreement, dated October 26, 2001, shall remain in full force and effect.
9. Either or both of the Parties is authorized to submit this Amendment to the respective Public Service Commission for approval subject to Section 252(e) of the Federal Telecommunications Act of 1996.

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

**AT&T Communications of
the Southern States, Inc.**

By: Bill C. Peacock

Name: Bill C. Peacock

Title: Director - Local Services &
Access Management

Date: 4-18-02

BellSouth Telecommunications, Inc.

By: [Signature]

Name: Aery Hendry

Title: AVP Interconnection Sec. Mktg.

Date: 4/18/02

Exhibit 1

5.3 Interconnection Compensation

5.3.1 Intercarrier Compensation for Call Transport and Termination of Local and ISP-bound Traffic

5.3.1.1 The Parties agree to apply a "LATAwide" local concept to this Attachment 3, meaning that traffic that has traditionally been treated as intraLATA toll traffic will now be treated as local for intercarrier compensation purposes, except for those calls that are originated or terminated through switched access arrangements as established by the State Commission or FCC. Nothing in this Agreement shall be construed in any way to constrain either Party's choices regarding the size of the local calling areas that it may establish for its end users.

5.3.1.2 The Parties recognize and agree that the compensation for the transport and termination of Local Traffic is intended to allow each Party to recover costs associated with such traffic. The Parties recognize and agree that such compensation will not be billed and shall not be paid for calls where a Party sets up a call, or colludes with a third party to set up a call, to the other Party's network for the purpose of receiving reciprocal compensation, and not for the purposes of providing a telecommunications service to an end user.

5.3.2 ISP-bound Traffic is defined as calls to an information service provider or Internet service provider ("ISP") that are dialed by using a local dialing pattern (7 or 10 digits) by a calling party in one LATA to an ISP server or modem in the same LATA and is a subset of "information access". Information access is defined as the provision of specialized exchange telecommunications services in connection with the origination, termination, transmission, switching, forwarding or routing of telecommunications traffic to or from the facilities of a provider of information services. ISP-bound Traffic is not Local Traffic or IP Telephony as set forth in 5.3.10 of this agreement, subject to reciprocal compensation, but instead is information access traffic subject to the FCC's jurisdiction. Notwithstanding the definitions of Local Traffic and ISP-bound traffic above, and pursuant to the FCC's Order on Remand and Report and Order in CC Docket 99-68 released April 27, 2001 ("ISP Order on Remand"), BellSouth and AT&T agree to the rebuttable presumption that all combined circuit switched Local and ISP-bound Traffic delivered to BellSouth or AT&T that exceeds a 3:1 ratio of terminating to originating traffic on a statewide basis shall be considered ISP-bound traffic for compensation purposes. BellSouth and AT&T further agree to the rebuttable presumption that all combined circuit switched Local and ISP-bound Traffic delivered to BellSouth or AT&T that does not exceed a 3:1 ratio of terminating to originating traffic on a statewide basis shall be considered Local Traffic for compensation purposes.

Exhibit 1

- 5.3.3 All Local and ISP Traffic that is exchanged pursuant to this Agreement shall be compensated as follows:
- 5.3.3.1 Commencing on July 1, 2001 and continuing until December 31, 2001, \$.0015 per minute of use.
- 5.3.3.2 Commencing on January 1, 2002 and continuing until June 30, 2003, \$.0010 per minute of use.
- 5.3.3.3 Commencing on July 1, 2003 and continuing until June 30, 2004, or until further FCC action (whichever is later), \$.0007 per minute of use.
- 5.3.3.4 No other per MOU charges shall apply to the carriage of Local and ISP Traffic by either Party for the other Party except as set forth above. Compensation for Transit Traffic shall be as set forth in Section 5.3.20.

Exhibit 1

- 5.3.4 The ability of either Party to collect a credit for intercarrier compensation paid for ISP Traffic, as described in section 5.3.5, following, shall be limited as follows based on "growth caps" on compensation for ISP Traffic ordered by the FCC. The Parties shall first determine the total number of minutes of use of ISP Traffic (as defined in this Agreement) terminated by one Party for the other Party for the three-month period commencing January 1, 2001 and ending March 31, 2001. The Parties shall then multiply this number of minutes by 4.4, and the resulting product shall be the terminating Party's "2001 ISP Annualized Traffic Cap." The total number of minutes of use of ISP Traffic for which one Party may receive compensation from the other Party during the period July 1, 2001 through December 31, 2001 shall equal 50% of that Party's 2001 ISP annualized traffic cap, due to the Parties' mid-year one-time compensation payment. The total number of minutes of use of ISP Traffic for which one Party may receive compensation from the other Party during the period January 1, 2002 through December 31, 2002 or for any calendar year thereafter shall equal 1.1 times that Party's 2001 ISP Annualized Traffic Cap.
- 5.3.5 For the period commencing July 1, 2001, each party will bill the other for all minutes of use specified in 5.3.3, above. The parties will meet in February 2002 on a trial basis to determine if annual meetings are sufficient for determining the number of ISP-bound minutes. If such trial proves successful, the parties will meet each succeeding February, thereafter, for the duration of this Agreement to determine the number of ISP-bound minutes and there will be no need to amend this Agreement. If the trial proves unsuccessful, no later than June 2002, the parties will develop a subsequent process and amend this Agreement Intercarrier Compensation paid for any ISP-bound minutes of use that exceeds the caps described in 5.3.4, above, will be credited to that party in the March bill. At this same meeting, the Parties will reach agreement on the ISP-bound minutes of use cap for the next time period.
- 5.3.6 For the purposes of this Attachment 3, Common (Shared) Transport is defined as the transport of one Party's traffic by the other Party over the other Party's common (shared) facilities between the other Party's tandem switch and end office switch and/or between the other Party's tandem switches.
- 5.3.7 For the purposes of this Attachment 3, Tandem Switching is defined as the function that establishes a communications path between two switching offices through a third switching office (the Tandem switch).
- 5.3.8 For the purposes of this Attachment 3, End Office Switching is defined as the function that establishes a communications path between the trunk side and line side of the End Office switch.
- 5.3.9 In the event that AT&T elects to offer service within a LATA using a switch located in another LATA, AT&T agrees to provide the transport for

Exhibit 1

both Parties' traffic between the remote AT&T switch and a point (i.e., a facility point of presence) within the LATA in which AT&T offers service. Such facility point of presence shall be deemed to be an AT&T switch for the purposes of this Attachment.

5.3.10

Switched Access Traffic. Switched Access Traffic is defined as telephone calls requiring local transmission or switching services for the purpose of the origination or termination of Intrastate InterLATA and Interstate InterLATA traffic. Switched Access Traffic includes, but is not limited to, the following types of traffic: Feature Group A, Feature Group B, Feature Group D, toll free access (e.g., 800/877/888), 900 access, and their successors. Additionally, if BellSouth or AT&T is the other Party's end user's presubscribed interexchange carrier or if an end user uses BellSouth or AT&T as an interexchange carrier on a 101XXXX basis, BellSouth or AT&T will charge the other Party the appropriate tariff charges for originating switched access services. The Parties have been unable to agree as to whether Voice over Internet Protocol ("VOIP") transmissions which cross local calling area boundaries constitute Switched Access Traffic. Notwithstanding the foregoing, and without waiving any rights with respect to either Party's position as to the jurisdictional nature of VOIP, the Parties agree to abide by any effective and applicable FCC rules and orders regarding the nature of such traffic and the compensation payable by the Parties for such traffic, if any; provided however, that any VOIP transmission which originates in one LATA and terminates in another LATA (i.e., the end-to-end points of the call), shall not be compensated as Local Traffic. This Section is interrelated to Section 5.3.1.1.

5.3.11

The Parties have been unable to agree as to the appropriate compensation for calls which originate in a LATA and terminate to a physical location outside of that LATA but to a number assigned to a rate center within that LATA. However, without prejudice to either Party's position concerning the application of reciprocal compensation or access charges to such traffic, the Parties agree for purposes of this Agreement only and subject to the Parties' agreement to the terms of Sections 5.3.1.1 and 5.3.3, and on an interim basis until the FCC issues an Order addressing this issue, neither Party shall bill the other reciprocal compensation, intercarrier compensation or switched access in connection with the exchange of any traffic as described in the first sentence of this paragraph. Once the FCC issues an Effective Order addressing this issue, the Parties agree to amend this Interconnection Agreement to comply with the Order on a prospective basis only within thirty (30) days of either Party's written request. No "true-up" shall be required in connection with such an Effective Order. Nothing in this Section 5.3.4 is intended to change the way that the Parties treat ISP-bound traffic in accordance with the FCC's ISP Order on Remand.

Exhibit I

- 5.3.12 Billing Point of Interface Compensation. If BellSouth establishes a BPOI, AT&T agrees to pay to BellSouth Interoffice Dedicated Transport and any associated Multiplexing for BellSouth to transport BellSouth's originated Local and ISP-bound Traffic over BellSouth facilities from the BPOI as described in Section 1.8.3 of this Attachment to the Physical Point of Interface. Such Interoffice Dedicated Transport shall be priced as set forth in Exhibit A. The Interoffice Dedicated Transport mileage shall be the airline mileage between the Vertical and Horizontal ("V&H") coordinates of the BPOI and the V&H coordinates of the BellSouth Point of Interface. The Interoffice Dedicated Transport charges for BPOI shall be billed based on the actual volume of traffic in increments of 8.9M minutes, which is a DS3 equivalent. BellSouth will not assess charges for an additional DS3 until the additional 8.9M-minute threshold is met.
- 5.3.13 Charges for Trunks and Associated Dedicated Facilities. Compensation for trunks and associated dedicated facilities shall be handled in accordance with Section 1.9-1.9.2 of this Attachment.
- 5.3.14 Percent Local Use. Each Party will report to the other a Percentage Local Usage ("PLU"). The application of the PLU will determine the amount of local minutes to be billed to the other Party. For purposes of developing the PLU, each Party shall consider every local call and every long distance call, excluding intermediary traffic. BellSouth shall report quarterly PLU factors to AT&T. BellSouth will accept from AT&T monthly PLU factors provided under the previous agreement until the third quarter of 2001, at which time AT&T shall report quarterly PLU factors. BellSouth and AT&T shall also provide a positive report updating the PLU. Detailed requirements associated with PLU reporting shall be as set forth in BellSouth's Standard Percent Local Use Reporting Platform for Interconnection Purchasers, as it is amended from time to time during this Agreement. Notwithstanding the foregoing, where the terminating company has message recording technology that identifies the traffic terminated, such information, in lieu of the PLU factor, shall at the company's option be utilized to determine the appropriate reciprocal compensation to be paid.
- 5.3.15 Percent Local Facility. Each Party shall report to the other a PLF. The application of the PLF will determine the portion of switched dedicated transport to be billed per the local jurisdiction rates. The PLF shall be applied to multiplexing, local channel and interoffice channel switched dedicated transport utilized in the provision of local interconnection trunks. Each Party shall update its PLF on the first of January, April, July and October of the year and shall send it to the other Party to be received no later than thirty (30) calendar days after the first of each such month to be effective the first bill period the following month, respectively. Requirements associated with PLU and PLF calculation and reporting shall be as set forth in BellSouth's Percent Local Use/Percent Local Facility Reporting Guidebook, as it is amended from time to time.

Exhibit 1

- 5.3.16 Percentage Interstate Usage. For combined interstate and intrastate AT&T traffic terminated by BellSouth over the same facilities, AT&T will be required to provide a projected Percentage Interstate Usage ("PIU") to BellSouth. All jurisdictional report requirements, rules and regulations for Interexchange Carriers specified in BellSouth's Intrastate Access Services Tariff will apply to AT&T. After interstate and intrastate traffic percentages have been determined by use of PIU procedures, the PLU factor will be used for application and billing of local interconnection. Notwithstanding the foregoing, where the terminating company has message recording technology that identifies the traffic terminated, such information, in lieu of the PLU factor, shall at the company's option be utilized to determine the appropriate reciprocal compensation to be paid.
- 5.3.17 Audits. On thirty (30) days' written notice, each Party must provide the other the ability and opportunity to conduct an annual audit of the traffic reported. BellSouth and AT&T shall retain records of call detail for a minimum of nine months from which a PLU and/or PIU can be ascertained. The audit shall be accomplished during normal business hours at an office designated by the Party being audited. Audit requests shall not be submitted more frequently than one (1) time per calendar year. Audits shall be performed by a mutually acceptable independent auditor paid for by the Party requesting the audit. The PLU and/or PIU shall be adjusted based upon the audit results and shall apply to the usage for the quarter the audit was completed, to the usage for the quarter prior to the completion of the audit, and to the usage for the two quarters following the completion of the audit. If, as a result of an audit, either Party is found to have overstated the PLU and/or PIU by twenty percentage points (20%) or more, that Party shall reimburse the auditing Party for the cost of the audit.
- 5.3.18 Compensation for 800 Traffic. Each Party shall compensate the other pursuant to the appropriate switched access charges, including the database query charge as set forth in the each Party's intrastate or interstate switched access tariffs.
- 5.3.19 Records for 8YY Billing. Each Party will provide to the other the appropriate records necessary for billing intraLATA 8YY customers. Records required for billing end users purchasing 8YY Services shall be provided pursuant to Attachment 6 of this Agreement, incorporated herein by this reference.
- 5.3.20 Transit Traffic Service. BellSouth shall provide tandem switching and transport services for AT&T's transit traffic. Transit traffic is traffic originating on AT&T's network that is switched and/or transported by BellSouth and delivered to a third party's network, or traffic originating on a third Party's network that is switched and/or transported by BellSouth and delivered to AT&T's network. Transit traffic consists of local transit traffic and Switched Access transit traffic. Rates for local transit traffic

Exhibit 1

shall be the applicable call transport and termination charges as set forth in Exhibit A to this Attachment. Switched Access transit traffic shall be meet-point billed in accordance with the BellSouth Interstate or Intrastate Switched Access tariffs. Switched Access transit traffic presumes that AT&T's end office is subtending the BellSouth Access Tandem for switched access traffic to and from AT&T's end users utilizing BellSouth facilities, either by direct trunks with the IXC, or via the BellSouth Access Tandem. Billing associated with all transit traffic shall be pursuant to MECAB procedures. Wireless Type 1 traffic shall not be treated as transit traffic from a routing or billing perspective. Wireless Type 2A traffic shall not be treated as transit traffic from a routing or billing perspective until BellSouth and the Wireless carrier have the capability to properly meet-point-bill in accordance with Multiple Exchange Carrier Access Billing ("MECAB") guidelines. Transit traffic does not include traffic originating from or terminating to AT&T end-users utilizing resold BellSouth services.

BellSouth agrees to implement control mechanisms and procedures to render a bill that accurately reflects the Billed Services ordered and used by AT&T. Accordingly, at AT&T's option on a connectivity by connectivity basis, AT&T and BellSouth agree to model, for the purposes of this Agreement, the process and methodology for access certification set forth in the Access Billing Supplier Quality Certification Operating Agreement dated August 13, 1993, executed by AT&T and BellSouth which governs certification of access bills for interLATA and intraLATA calls. At the point AT&T and BellSouth mutually agree that pre-certification is complete, all billing disputes will be handled pursuant to a billing supplier quality certification operating agreement to be executed by the Parties.

1.14 Payment Of Charges

1.14.1 Subject to the terms of this Agreement, AT&T and BellSouth will pay each other within thirty (30) calendar days from the Bill Date, or twenty (20) calendar days from the receipt of the bill, whichever is later. If the payment due date is a Sunday or is a Monday that has been designated a bank holiday by the Chase Manhattan Bank of New York (or such other bank as AT&T specifies), payment will be made the next business day. If the payment due date is a Saturday or is on a Tuesday, Wednesday, Thursday or Friday that has been designated a bank holiday by the Chase Manhattan Bank of New York (or such other bank as AT&T specifies), payment will be made on the preceding business day.

1.14.2 Payments shall be made in U.S. Dollars via electronic funds transfer ("EFT") to the other Party's bank account. At least thirty (30) days prior to the first transmission of billing data and information for payment, BellSouth and AT&T shall provide each other the name and address of its bank, its account and routing number and to whom billing payments should be made payable. If such banking information changes, each Party shall provide the other Party at least sixty (60) days written notice of the change and such notice shall include the new banking information. The Parties will render payment via EFT. AT&T will provide BellSouth with one address to which such payments shall be rendered and BellSouth will provide AT&T with one address to which such payments shall be rendered. In the event AT&T receives multiple bills from BellSouth which are payable on the same date, AT&T may remit one payment for the sum of all bills payable to BellSouth's bank account specified in this subsection if AT&T provides payment advice to BellSouth. Each Party shall provide the other Party with a contact person for the handling of billing payment questions or problems.

1.15 Billing Disputes

- 1.15.1 On a connectivity by connectivity basis and until such time as a precertification process is in place, each party agrees to notify the other party in writing upon the discovery of a billing dispute. The disputing party agrees to provide the billing party sufficient documentation to investigate the dispute and may withhold any disputed amounts supported by such documentation. Until documentation is provided all outstanding billed amounts will be considered past due. In the event of a billing dispute, the parties will endeavor to resolve the dispute within sixty (60) calendar days of the dispute notification date. Resolution of the dispute is expected to occur at the first level of management resulting in a recommendation for settlement of the dispute.
- 1.15.2 If the issues are not resolved within the allotted time frame, each of the parties shall appoint a designated representative who has authority to settle the dispute and who is at a higher level of management than the persons with direct responsibility for administration of this Agreement. The designated representatives shall meet as often as they reasonably deem necessary in order to discuss the dispute and negotiate in good faith in an effort to resolve such dispute. The specific format for such discussions will be left to the discretion of the designated representatives, however all reasonable requests for relevant information made by one Party to the other Party shall be honored.
- 1.15.3 If the Parties are unable to resolve issues related to the disputed amounts within forty-five (45) days after the parties' appointment of designated representatives, the dispute will be resolved in accordance with the dispute resolution procedure set forth in Section 16 of the General Terms and Conditions of this Agreement, incorporated herein by this reference.
- 1.15.4 If a party disputes a charge and does not pay such charge by the payment due date, such charges shall be subject to late payment charges as set forth in Section 1.16 of this Attachment 6. If a party disputes charges and the dispute is resolved in favor of such party, the other party shall credit the bill of the disputing party for the amount of the disputed charges along with any late payment charges assessed no later than the second Bill Date after the resolution of the dispute. Accordingly, if a party disputes charges and the dispute is resolved in favor of the other party, the disputing party shall pay the other party the amount of the disputed charges and any associated late payment charges assessed no later than the second bill payment due date after the resolution of the dispute.

1.16 Late Payment Charges

1.16.1 If either Party fails to remit payment for any charges described in this Attachment 6 by the payment due date, or if a payment or any portion of a payment is received by either Party after the payment due date, or if a payment or any portion of a payment is received in funds which are not immediately available to the other Party, then a late payment penalty shall be assessed. For bills rendered by BellSouth for payment by AT&T, the late payment charge shall be calculated based on the portion of the payment not received by the payment due date times the late factor as set forth in the following BellSouth tariffs, based upon the service for which payment was not received: for general subscriber services, Section A2 of the General Subscriber Services Tariff; for private line service, Section B2 of the Private Line Service Tariff; and for access service, Section E2 of the Access Service Tariff. For bills rendered by AT&T for payment by BellSouth the late payment charge shall be calculated based on the portion of the payment not received by the payment date times the lesser of (i) .one and one-half percent (1 ½%) per month or (ii) the highest interest rate (in decimal value) which may be charged by law for commercial transactions, compounded daily for the number of days from the payment date to and including the date that payment is actual made. In no event, however, shall interest be assessed by AT&T on any previously assessed late payment charges. BellSouth shall only assess interest on previously assessed late payment charges in a state where it has the authority pursuant to its tariffs. Bill disputes shall not be submitted by either party for any charge on or after one (1) year following the bill date of the bill on which the charge first appears.

1.17 Discontinuance of Service

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

1.17.1.1 Where possible, BellSouth will deny service to AT&T's end user on behalf of, and at the request of, AT&T. Upon restoration of the end user's service, restoral charges will apply and will be the responsibility of AT&T.

1.17.1.2 At the request of AT&T, BellSouth will disconnect an AT&T end user.

1.17.1.3 All requests by AT&T for denial or disconnection of an end user for nonpayment must be in writing.

1.17.1.4 AT&T will be made solely responsible for notifying the end user of the proposed disconnection of the service.

1.17.1.5 BellSouth may disconnect and reuse facilities when the facility is in a denied state and BellSouth has received an order to establish new

Florida July 2001 through October 2002

Docket No. 020919-TP

J. A. King Exhibit 3

Monthly Overcharges by BellSouth

Page 1 of 1

STATE / MONTH	Estimated LATAwide Local Minutes of USE Incorrectly Billed at Access Rates	Access Rates Incorrectly Applied To Estimated LATAwide Local Minutes	Local Reciprocal Compensation Rates That Should have Been Applied To LATAwide Local Minutes Of Use	Credit Due for AT&T for LATAwide Local Minutes of Use Incorrectly Billed as Access Rates
FL				
			New Total Thru Oct 02	\$ (6,310,426)
October-02	15,263,227	\$ 0.002167	\$ 0.001000	\$ (315,491)
September-02	16,846,691	\$ 0.022215	\$ 0.001000	\$ (357,406)
August-02	13,436,808	\$ 0.022116	\$ 0.001000	\$ (283,732)
July-02	15,310,413	\$ 0.022005	\$ 0.001000	\$ (321,600)
June-02	18,932,187	\$ 0.022201	\$ 0.001000	\$ (401,376)
			Total Thru May 02	\$ (4,630,822)
May-02	12,990,657	\$ 0.024706	\$ 0.001000	\$ (307,950)
April-02	19,217,443	\$ 0.022481	\$ 0.001000	\$ (412,814)
March-02	19,739,347	\$ 0.022724	\$ 0.001000	\$ (428,812)
February-02	17,188,343	\$ 0.025055	\$ 0.001000	\$ (413,467)
January-02	18,976,885	\$ 0.024889	\$ 0.001000	\$ (453,329)
December-01	18,416,310	\$ 0.024891	\$ 0.001500	\$ (430,781)
November-01	19,726,925	\$ 0.024881	\$ 0.001500	\$ (461,235)
October-01	17,995,102	\$ 0.024687	\$ 0.001500	\$ (417,251)
September-01	20,401,374	\$ 0.022886	\$ 0.001500	\$ (436,294)
August-01	18,906,460	\$ 0.022829	\$ 0.001500	\$ (403,260)
July-01	19,740,912	\$ 0.025087	\$ 0.001500	\$ (465,629)

CERTIFICATE OF SERVICE

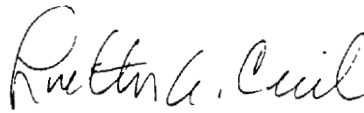
I HEREBY CERTIFY that a copy of the Direct Testimony of Jeffrey A. King of AT&T of the Southern States, LLC, Teleport Telecommunications Group, Inc. and TCG South Florida (all collectively "AT&T") was furnished by U. S. Mail this 15th day of January, 2003 to the following:

BellSouth Telecommunications, Inc.
Nancy B. White/James Meza III/Andrew Shore
c/o Ms. Nancy H. Sims
150 South Monroe Street, Suite 400
Tallahassee, FL 32301-1556
Phone: (850) 224-7798
Fax: (850) 222-8640
Email: nancy.sims@bellsouth.com/andrew.shore@bellsouth.com

Florida Cable Telecommunications Assoc., Inc.
Michael A. Gross
246 E. 6th Avenue, Suite 100
Tallahassee, FL 32303
Phone: 850-681-1990
Fax: (850) 681-9676
Email: mgross@fcta.com

Patricia Christensen, Esq.
Division of Legal Services
Room 370
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
Fax: (850) 413-6221
Email: pchrste@psc.state.fl.us

David Eppsteiner, Esq.
AT&T Communications of the Southern States LLC
Suite 8100
1200 Peachtree Street, NE
Atlanta, GA 30309



Loretta A. Cecil, Esq.