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May 16, 2006

Ms. Blanca Bayo, Director
Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

RECEIVED - FPSC
MAY 16 PM 4:24
COMMISSION
CLERK

RE: Docket No. 060308-TP
Joint Application for Approval of indirect transfer of control of
facilities relating to merger of AT&T, Inc. and BellSouth
Corporation

Dear Ms. Bayo:

Enclosed for filing on behalf of US LEC of Florida Inc. ("US LEC") is an original and a
copy of Petition to Intervene on Behalf of US LEC of Florida, Inc.

Please acknowledge receipt of these documents by stamping the extra copy of this letter
"filed" and returning the copy to me.

Thank you for your assistance with this filing.

Sincerely,

Martin P. McDonnell
Martin P. McDonnell

CMP _____
DOM _____
CTR _____
ECR _____
BCL _____
DPC _____
RCA _____
ICR _____ MPM/tls

cc: Terry Romine
All Parties of Record

WITH *kimp.*

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DOCUMENT NUMBER-DATE

04326 MAY 16 06

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Application for approval
of indirect transfer of control of
facilities relating to merger of AT&T, Inc.
and BellSouth Corporation.

Docket No.: 060308-TP

Filed:

PETITION TO INTERVENE ON BEHALF OF US LEC OF FLORIDA, INC.

US LEC OF FLORIDA, INC. ("US LEC"), by and through its undersigned counsel, and
pursuant to Rule 28-106.205, Florida Administrative Code, files this Petition for Leave to
Intervene and, as grounds therefor, states as follows:

1. The name and address of the affected Agency is:

Florida Public Service Commission
2540 Shumard Blvd.
Tallahassee, Florida 32399

2. The name and address of Petitioner is:

US LEC of Florida, Inc.
US LEC Corp.
Morrocroft III
6801 Morrison Boulevard
Charlotte, NC 28211

3. The name, address and telephone number of persons who should receive copies of
all notices, orders, staff recommendations, pleadings and correspondence in this docket on behalf
of US LEC are:

Kenneth A. Hoffman, Esq.
Martin P. McDonnell, Esq.
Rutledge, Ecenia, Purnell & Hoffman, P.A.
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Tallahassee, FL 32302
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Deputy General Counsel
US LEC Corporation
Morrocroft III
6801 Morrison Boulevard
Charlotte, NC 28211

DOCUMENT NUMBER-DATE

04326 MAY 16 8

FPSC-COMMISSION CLERK

4. US LEC is a competitive telecommunications service provider in Florida certificated to provide competitive local exchange services ("CLEC").

PROCEDURAL BACKGROUND

5. The instant docket is a joint application for approval by AT&T Inc. ("AT&T"), BellSouth Corporation ("BellSouth"), BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc., for approval of the indirect transfer of control of telecommunications facilities pursuant to an agreement entered into by AT&T and BellSouth on March 4, 2006. The potential impact to consumers if this transfer of control is of the highest magnitude as AT&T controls a number of certificated subsidiaries in Florida and BellSouth Telecommunications, Inc. is the largest certificated incumbent LEC in Florida. BellSouth and AT&T assert in their joint petition that the indirect transfer of control of facilities and operations will further the public interest and benefit consumers in Florida. (Petition, paragraph 4). AT&T's numerous subsidiaries certificated by this commission include AT&T Communications of the Southern States, LLC (CLEC and Inter Exchange Telecommunications Carrier (IXC)), TCG South Florida (CLEC), SBC Long Distance (CLEC and IXC), SNET America, Inc. d/b/a SBC Long Distance, Inc. (IXC). BellSouth's numerous subsidiaries certificated in Florida include BellSouth Telecommunications, Inc. (ILEC) and BellSouth Long Distance Inc., (CLEC and IXC). The joint petitioners assert that pursuant to the terms of the merger agreement, AT&T will purchase all of the issued and outstanding shares of BellSouth. AT&T has created a wholly owned subsidiary, ABC Consolidation Corp. ("ABC"), a Georgia Corporation specifically for the purpose of consummating the transaction. At the time of the merger, shareholders of BellSouth will exchange their BellSouth stock for AT&T stock. Following the merger, BellSouth will become a wholly owned subsidiary of AT&T. (Joint petition, paragraph 16).

SUBSTANTIAL INTERESTS OF US LEC

6. As a CLEC providing local exchange telecommunications services in Florida, US LEC has a substantial interest in ensuring that the Florida telecommunications regulatory scheme remains competitively neutral. US LEC's substantial interests are affected by the decisions made by the Commission in this docket as to whether the merger of BellSouth and AT&T will negatively impact Florida's telecommunications customers and will foster or chill competition in Florida.

7. Both BellSouth and AT&T will operate under the corporate umbrella of AT&T Corporation. Common sense dictates that the Petitioners intend to rely on the financial strength of the parent Corporation to finance and fund their operations and provision of services. Allowing BellSouth to provide local exchange services as a CLEC, through its affiliate, in BellSouth's service territory, may affect US LEC'S substantial interests by: (a) undermining the legal relationships between ILECs and CLECs created under Chapter 364, F.S. and the Act; (b) allowing BellSouth to shed itself of the legal obligations imposed on ILECs, under Chapter 364, F.S. and the Act; and (c) subjecting US LEC to anti-competitive practices, unfair competition, unlawful cross-subsidization and/or predatory pricing by BellSouth/AT&T.

8. In fact, to illustrate the effect that this merger may have in allowing BellSouth and AT&T to engage in anti-competitive practices, one need look no further than the evidence presented to this Commission on March 30, 2006 in PSC Docket Nos. 050119 and 050125-TP.¹

¹In Re: Joint Petition by TDS Telecom d/b/a TDS Telecom/Quincy Telephone, etc., ("Joint Petitioners") objecting to and requesting suspension and cancellation of proposed transit service tariff filed by BellSouth Telecommunications, Inc. - Docket No. 050119-TP.

In Re: Petitioner and complaint for suspension and cancellation of Transit Traffic Service Tariff No. FL-2004-284 filed by BellSouth Telecommunications, Inc., by AT&T Communications of the Southern States, LLC. - Docket No. 050125-TP

In that proceeding BellSouth introduced into evidence through AT&T witness Richard Guepe portions of the AT&T-BellSouth interconnection agreement dated March 2006. (Exhibit 42 in Docket Nos. 050119-TP and 050125-TP). That agreement states that AT&T and BellSouth agree to a transit traffic rate of \$.0015 per minute of use (MOU). See Final Hearing Transcript pp. 291-292 and Exhibit 42, attached hereto as Exhibit 1. In that same proceeding BellSouth seeks to impose a transit traffic rate on many competitors of AT&T and BellSouth that is double the AT&T/BellSouth rate . In BellSouth's proposed transit traffic tariff, it is attempting to establish a transit traffic rate of \$.003 for all carriers who do not have an interconnection agreement. That rate is 100% higher rate than BellSouth offered its corporate fiancée, AT&T. BellSouth repeatedly testified in that proceeding that the market rate for transit traffic is .03. The BellSouth-AT&T interconnection agreement admitted as Exhibit 42 was signed less than thirty (30) days after AT&T and BellSouth announced their plan to merge. (See Exhibit 43 in same Dockets).

9. US LEC meets the two pong test of Agrico v. Chemical Environmental Regulation, 406 So.2d 478 (Fla. 2nd DCA 1981) and has alleged an injury in fact of sufficient immediacy to warrant a hearing and may suffer an injury of a type or nature which the proceeding is designed to protect. In Order No. PCS - 98-0562-PCO-TX issued April 22, 1998 in Docket No. 971056-TX², the Commission denied BellSouth's Motion to dismiss a Petition to Intervene in a similar proceeding by MCI Telecommunications and MCI Metro Access Transmission Services, Inc. (collectively, "MCI"). The Commission specifically held:

We find that MCI has standing because it is a competitor - ALEC which has alleged immediate threat of harm by the very granting of ALEC authority to the

²In Re: Application for Certificate to provide alternative local exchange telecommunications service by BellSouth PSE, Inc.

subsidiary of the ILEC to serve in the ILEC's incumbent territory. The economic harm alleged can be distinguished from that described in licensing cases cited by BellSouth BSE based on the specific nature of Chapter 364, Florida Statutes and the Federal Act, and the relationship of BSE's parent, BellSouth, to the *competitive environment which these laws were designed to foster*. (Emphasis supplied)

Id at 98 FPSC 4:376. The Commission additionally stated that it has "a duty under Section 364.01(4)(g), Florida Statutes to "ensure that all providers of telecommunications services are treated fairly by preventing anti competitive behavior . . ." Id. (internal citation omitted)

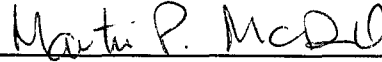
10. Disputed issues of fact include, but are not limited to the following, a) whether the transfer of control over the facilities and operations of BellSouth Telecommunications, Inc. created by this merger is in the public interest; b) whether the merger will have any affect on the rates, terms, and conditions of service that the certificated subsidiaries of AT&T and BellSouth currently provide; c) whether the merger will impair, compromise or in any way alter the Commission's authority to regulate BellSouth Telecommunications, Inc., AT&T of the Southern States or any subsidiaries of petitioners currently operating in Florida; d) whether the merger will diminish the parties' commitment to providing the resources necessary to support the Commission's vital role in regulating telecommunication services in Florida; and e) whether the merger will substantially improve the quality and variety of communications services offered to Florida's consumers.

11. Ultimate facts alleged include, but are not limited to: whether this merger is in the public interest and whether the merger will impact this Commission's authority to regulate the petitioners and/or their certificated subsidiaries. The participation and input of CLECs such as US LEC and perhaps other competitors of AT&T and BellSouth will be useful to the

Commission in evaluating the joint application and the applied for merger in light of the applicable laws.

WHEREFORE, US LEC respectfully requests that the Prehearing Officer grant this Petition for Leave to Intervene and afford US LEC full party status in this matter.

Respectfully submitted,



Kenneth A. Hoffman, Esq.
Martin P. McDonnell, Esq.
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P. O. Box 551
Tallahassee, FL 32302
(850) 681-6788 (Telephone)
(850) 681-6515 (Telecopier)

Terry Romine, Esq.
Deputy General Counsel
US LEC Corporation
Morrocroft III
6801 Morrison Boulevard
Charlotte, NC 28211

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the forgoing Petition to Intervene on Behalf of US LEC of Florida, Inc. has been furnished by U.S. Mail on this 16th day of May, 2006 to the following:

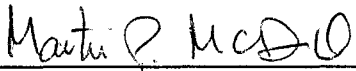
Patrick Knight Wiggins
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399

James Meza
c/o Nancy Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301

Tracy Hatch
AT&T
101 North Monroe Street, Suite 700
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Peter M. Dunbar
Howard E. Adams
Pennington, Moore, Wilkinson, Bell & Dunbar, P.A.
215 South Monroe Street, 2nd Floor
Tallahassee, Florida 32301-1839

Vicki Gordon Kaufman
Moyle, Flanigan, Katz, et al.
118 North Gadsden Street
Tallahassee, Florida 32301



Martin P. McDonnell, Esq.

AGREEMENT

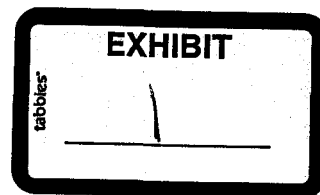
between

BellSouth Telecommunications, Inc.

and

AT&T Communications of the Southern States, LLC d/b/a AT&T

Florida



General Terms and Conditions
Signature Page

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year written below.

BellSouth Telecommunications, Inc.

By: *Kristen E. Shore*

Name: Kristen E. Shore

Title: Director

Date: 3/14/06

AT&T Communications of the Southern States, LLC d/b/a AT&T

By: *Stephen G. Huels*

Name: Stephen G. Huels

Title: Region Vice President -

Title: Global Access Management

Date: 3-09-06

FL

17 Meet Point Billing Compensation

17.1 "Meet-Point Billing" or "MPB" or "Jointly Provided Switched Access" is an arrangement whereby AT&T and BellSouth jointly provide Exchange Access Traffic service to an Interexchange Carrier ("IXC"), with each Party receiving an appropriate share of the revenues from the IXC as defined by their effective access Tariffs. AT&T and BellSouth will establish meet-point billing ("MPB") arrangements to provide a common transport option to IXCs via BellSouth's access tandem, in accordance with the MPB guidelines adopted by and contained in the Ordering and Billing Forum's MECAB and MECOD documents, except as may otherwise be modified herein. The arrangements described in this Section 9 are intended to be used to provide Exchange Access Traffic service that originates and/or terminates on a Telephone Exchange Service, as defined in Section 3 (47) of the Act that is provided by AT&T and is routed to or from an IXC interconnected to BellSouth's tandem switch.

17.2 Neither Party will assess the other charges for the provision of Exchange Access Traffic service associated with Meet Point Billing Traffic as described in Section 18.1. Each Party will provide its own access services to the IXC and bill on a multi-bill, multi-tariff meet-point basis. Each Party will bill its own access services rates to the IXC with the exception of the interconnection charge. The interconnection charge will be billed by AT&T as the Party providing the end office function. Each party will use the Multiple Exchange Carrier Access Billing (MECAB) guidelines to establish meet point billing for all applicable traffic.

18. 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 Exchange Access Transit Traffic. Rates for local Transit Traffic shall be the applicable composite rate as set forth in Exhibit A to this Attachment. Exchange Access Transit Traffic shall be meet-point billed in accordance with the BellSouth Interstate or Intrastate Switched Access tariffs. Exchange 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 or a third party CLEC utilizing BellSouth switching (UNE-P or resale CLEC) shall not be treated as Transit Traffic from a routing or billing perspective until BellSouth and the Wireless carrier or third party CLEC utilizing BellSouth switching (UNE-P or resale CLEC) 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.

18.1 The Parties agree that AT&T will deliver any intraLATA toll traffic, as defined by reference to a terminating independent telephone companies' (ICO) local calling area, to the originating AT&T end user's intraLATA toll provider, and the originating and terminating carriers will bill originating and terminating access, as appropriate, to that toll provider. AT&T is not allowed to send its originating non-local traffic terminating to an ICO via BellSouth as Transit Traffic, but is required to deliver such traffic to the presubscribed interexchange carrier (PIC) of the originating AT&T end user. Such non-local traffic shall be any traffic that originates outside of the terminating independent telephone company's local calling area. In Georgia, the parties have already implemented the routing arrangement described above in accordance with the Georgia Transit Docket Number 16772-U. In all other states, the Parties agree to establish a seventy-five (75) day transition period, with such period beginning on the date of execution of this Agreement, to allow AT&T to implement routing changes needed to comply with this section.

18.2 Subject to the provisions set forth above, BellSouth agrees to route Transit Traffic originated by AT&T to the terminating carrier. In the event of a billing dispute between BellSouth and any third party arising from the termination of AT&T's Transit Traffic to such third party, AT&T will work cooperatively with BellSouth in determining the appropriateness of such billing and will share relevant documentation related to the billing dispute and AT&T will support the position that such third party should contact AT&T directly regarding the compensation, if any, applicable to such traffic.

18.3 Where AT&T is the terminating carrier, AT&T shall not charge BellSouth, as the transiting party, for any third party originated traffic delivered to AT&T by BellSouth. Transit Traffic is excluded from any BellSouth billing guarantees. Billing associated with all Transit Traffic shall be pursuant to MECAB guidelines. BellSouth will not be liable to AT&T or any third party for any compensation associated with the origination or termination of AT&T's Transit Traffic.

19 **911 Arrangements**

19.1 **Definition**

19.2 911 Arrangements are arrangements for routing 911 calls from AT&T Customers to the appropriate Public Safety Answering Point (PSAP), passing certain customer information for display at the PSAP answering station based on the class of 911 service (Basic 911 or E911) deployed in the area. BellSouth shall provide 911 Arrangements to AT&T in accordance with the provisions below in areas where AT&T is authorized to provide local exchange service and BellSouth is the 911 system provider. The provisions in this Attachment apply only to 911 Arrangements provided as Ancillary Functions. 911 functionality for Unbundled

LOCAL INTERCONNECTION - Florida										Attachment: 3 Exh: A					
CATEGORY	RATE ELEMENTS	Interim	Zone	BCS	USOC	RATES(\$)				Svc Order Submitted Elec per LSR	Svc Order Submitted Manually per LSR	Incremental Charge - Manual Svc Order vs. Electronic-1st	Incremental Charge - Manual Svc Order vs. Electronic-Add'l	Incremental Charge - Manual Svc Order vs. Electronic-Disc 1st	Incremental Charge - Manual Svc Order vs. Electronic-Disc Add'l
						Rec	Nonrecurring		Nonrecurring Disconnect						
						First	Add'l	First	Add'l	SOMEC	SOMAN	SOMAN	SOMAN	SOMAN	SOMAN
LOCAL INTERCONNECTION (CALL TRANSPORT AND TERMINATION)															
NOTE: "bk" beside a rate indicates that the Parties have agreed to bill and keep for that element pursuant to the terms and conditions in Attachment 3.															
	Intercarrier Compensation for Local Traffic and ISP-bound Traffic														
	Single rate for Local Traffic and ISP-bound Traffic, per MOU					0.0007									
TANDEM SWITCHING															
	Multiple Tandem Switching, per MOU (applies to initial tandem only)					0.0006019									
	Local Intermediary Charge, per MOU (1/1/2006 - 12/31/2006)					0.0015									
	Local Intermediary Charge, per MOU (1/1/2007 - 12/31/2007)					0.0020									
	Local Intermediary Charge, per MOU (1/1/2008 - expiration)					0.0025									
TRUNK CHARGE															
	Installation Trunk Side Service - per DS0			OHD	TPP6X	21.73bk	8.19bk								
	Installation Trunk Side Service - per DS0			OHD	TPP9X	21.73bk	8.19bk								
	Dedicated End Office Trunk Port Service-per DS0**			OHD	TDEOP	0.00									
	Dedicated End Office Trunk Port Service-per DS1**			OH1 OH1MS	TDE1P	0.00									
	Dedicated Tandem Trunk Port Service-per DS0**			OHD	TDWOP	0.00									
	Dedicated Tandem Trunk Port Service-per DS1**			OH1 OH1MS	TDW1P	0.00									
** This rate element is recovered on a per MOU basis and is included in the End Office Switching and Tandem Switching, per MOU rate elements															
LOCAL INTERCONNECTION (DEDICATED TRANSPORT)															
INTEROFFICE CHANNEL - DEDICATED TRANSPORT															
	Interoffice Channel - Dedicated Transport - 2-Wire Voice Grade - Per Mile per month			OHM	1L5NF	0.0091bk									
	Interoffice Channel - Dedicated Transport - 2-Wire Voice Grade - Facility Termination per month			OHM	1L5NF	25.32bk	47.35bk	31.78bk	18.31bk	7.03bk					
	Interoffice Channel - Dedicated Transport - 56 kbps - per mile per month			OHM	1L5NK	0.0091bk									
	Interoffice Channel - Dedicated Transport - 56 kbps - Facility Termination per month			OHM	1L5NK	18.44bk	47.35bk	31.78bk	18.31bk	7.03bk					
	Interoffice Channel - Dedicated Transport - 64 kbps - per mile per month			OHM	1L5NK	0.0091bk									
	Interoffice Channel - Dedicated Transport - 64 kbps - Facility Termination per month			OHM	1L5NK	18.44bk	47.35bk	31.78bk	18.31bk	7.03bk					
	Interoffice Channel - Dedicated Channel - DS1 - Per Mile per month			OH1, OH1MS	1L5NL	0.1856bk									
	Interoffice Channel - Dedicated Transport - DS1 - Facility Termination per month			OH1, OH1MS	1L5NL	88.44bk	105.54bk	98.47bk	21.47bk	19.05bk					
	Interoffice Channel - Dedicated Transport - DS3 - Per Mile per month			OH3, OH3MS	1L5NM	3.87bk									
	Interoffice Channel - Dedicated Transport - DS3 - Facility Termination per month			OH3, OH3MS	1L5NM	1071.00bk	335.46bk	219.28bk	72.03bk	70.56bk					
LOCAL CHANNEL - DEDICATED TRANSPORT															
	Local Channel - Dedicated - 2-Wire Voice Grade per month			OHM	TEFV2	19.66bk	265.84bk	46.97bk	37.63bk	4.00bk					
	Local Channel - Dedicated - 4-Wire Voice Grade per month			OHM	TEFV4	20.45bk	266.54bk	47.67bk	44.22bk	5.33bk					
	Local Channel - Dedicated - DS1 per month			OH1	TEFHG	36.49bk	216.65bk	183.54bk	24.30bk	16.95bk					
	Local Channel - Dedicated - DS3 Facility Termination per month			OH3	TEFHJ	531.91bk	556.37bk	343.01bk	139.13bk	96.84bk					
LOCAL INTERCONNECTION MID-SPAN MEET															
	Local Channel - Dedicated - DS1 per month			OH1MS	TEFHG	0.00	0.00								
	Local Channel - Dedicated - DS3 per month			OH3MS	TEFHJ	0.00	0.00								
MULTIPLEXERS															
	Channelization - DS1 to DS0 Channel System			OH1, OH1MS	SATN1	146.77	101.42	71.62	11.09	10.49					
	DS3 to DS1 Channel System per month			OH3, OH3MS	SATNS	211.19	199.28	118.64	40.34	39.07					
	DS3 Interface Unit (DS1 COCI) per month			OH1, OH1MS	SATCO	13.76	10.07	7.08							
SIGNALING (CCS7)															
NOTE: "bk" beside a rate indicates that the parties have agreed to bill and keep for that element pursuant to the terms and conditions in Attachment 3.															
	CCS7 Signaling Termination, Per STP Port			UDB	PT8SX	135.05									
	CCS7 Signaling Connection, Per DS1 level link (A link)			UDB	TPP6A	17.93	43.57	43.57	18.31	18.31					
	CCS7 Signaling Connection, Per DS3 level link (A link)			UDB	TPP9A	17.93	43.57	43.57	18.31	18.31					
	CCS7 Signaling Connection, Switched access service, interface groups, transmission paths 6 DS1 level path with bit stream signaling			UDB	TPP6X	17.93	43.57	43.57	18.31	18.31					
	CCS7 Signaling Connection, Per DS1 level link (B link) (also known as D link)			UDB	TPP6B	17.93	43.57	43.57	18.31	18.31					