

Voice | Data | Internet | Wireless | Entertainment



EMBARQ™

Embarq Corporation
Mailstop: FLTLHO0102
1313 Blair Stone Rd.
Tallahassee, FL 32301
EMBARQ.com

June 14, 2006

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

Re: Docket No. 060455-TP

Dear Ms. Bayó:

Enclosed for filing on behalf of Embarq Florida, Inc., f/k/a Sprint-Florida, Incorporated are fifteen (15) copies of Embarq's complaint against AT&T Communications of the Southern States, LLC d/b/a AT&T d/b/a Lucky Dog Phone Co. d/b/a ACC Business d/b/a SmarTalk d/b/a Unispeaksm Service d/b/a www.prepayserviceguide.com d/b/a CONQUEST for failure to pay intrastate Access charges pursuant to Embarq's tariffs.

Please acknowledge receipt of this filing by stamping and initialing a copy of this letter and returning same to my assistant. If you have any questions, please do not hesitate to call me at 850/599-1560.

Sincerely,

Susan S. Masterton

Enclosure

Susan S. Masterton
COUNSEL
LAW AND EXTERNAL AFFAIRS- REGULATORY
Voice: (850) 599-1560
Fax: (850) 878-0777

05207 JUN 14 2006

FPSC-COMMISSION CLERK

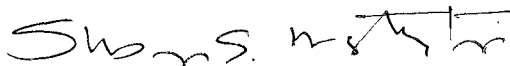
CERTIFICATE OF SERVICE
DOCKET NO. _____

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by U.S. Mail this 14th day of June, 2006 to the following:

Florida Public Service Commission
Patrick Wiggins/ Adam Teitzman
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

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

AT&T
Tracy Hatch
101 North Monroe Street, Suite 700
Tallahassee, FL 32301-1549



Susan S. Masterton

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Complaint of Embarq Florida, Inc. f/k/a) Docket No.
Sprint-Florida, Incorporated against)
AT&T Communications of the)
Southern States, LLC d/b/a AT&T d/b/a)
Lucky Dog Phone Co. d/b/a ACC Business)
d/b/a SmarTalk d/b/a Unispeaksm Service)
d/b/a www.prepayserviceguide.com)
d/b/a CONQUEST for failure to pay)
intrastate Access charges pursuant to)
Embarq's tariffs) Filed: June 14, 2006

COMPLAINT

Embarq Florida, Inc., f/k/a Sprint-Florida, Incorporated (hereinafter, "Embarq") through its undersigned counsel and pursuant to Rules 28-106.201, and 25-22.036, Florida Administrative Code, hereby files this complaint against AT&T Communications of the Southern States, LLC d/b/a AT&T d/b/a Lucky Dog Phone Co. d/b/a ACC Business d/b/a SmarTalk d/b/a Unispeaksm Service d/b/a www.prepayserviceguide.com d/b/a CONQUEST (hereinafter, "AT&T").

Introduction

Embarq submits that AT&T intentionally and unlawfully misrepresented to Embarq certain prepaid calling card traffic as interstate traffic through the manipulation of Percent Interstate Usage ("PIU") reporting in violation of Embarq's Intrastate Access Tariff, state law and the rules and regulations of the Florida Public Service Commission ("FPSC" or "Commission"). The PIU manipulation occurred specifically for prepaid calling card traffic using the 1+ Toll Free Number (8XX) calling format. AT&T deliberately manipulated PIU calculations, for both the PIU factors it provided to Embarq

and for Embarq's calculation of PIU factors, by treating prepaid calling card originated calls as if each call were two calls – one call from the call originator to a phone number associated with a prepaid calling card platform and a second call from the calling card platform to the originally dialed terminating number. This manipulation of the PIU factors by AT&T resulted in the underbilling of intrastate access charges to AT&T by Embarq. As a result, from August 2002, or possibly earlier, through at least April 2005, Embarq was underpaid in excess of \$26 million, including applicable late payment penalties (which continue to grow), in intrastate access revenues associated with the access services Embarq provided to AT&T.

In support of its Complaint, Embarq states as follows:

Parties

1. Embarq is a certificated local exchange telecommunications company (LEC) in Florida as that term is defined s. 364.02(7), F. S. Embarq provides local services in Florida, including exchange access services, pursuant to its tariffs on file with the Commission.
2. The name and address of Petitioner is:

Embarq Florida, Inc.
555 Lake Border Drive
Apopka, FL 32703-5815

3. All pleadings, orders, notices and other correspondence with respect to this docket should be addressed to:

Susan S. Masterton, Esq.
1313 Blair Stone Road
P.O. Box 2214
Tallahassee, FL 32316-2214
(850) 599-1560 (phone)
(850) 878-0777 (fax)
susan.masterton@embarq.com

4. To the best of Embarq's knowledge, AT&T is a registered intrastate interexchange carrier (IXC) in Florida and provides intrastate interexchange services to customers in Florida.

5. To the best of Embarq's knowledge, the names and addresses of respondents (as they appear on the Commission's website) are:

AT&T of the Southern States, LLC
101 North Monroe Street, #700
Tallahassee, FL 32301-1546

Jurisdiction

6. The Commission has jurisdiction over this Complaint pursuant to section 152 of the Telecommunications Act and chs. 350 and 364, F. S.

Background

7. IXCs interconnect with the networks of LECs, such as Embarq, in order to access these companies' end user customers to originate and terminate long distance calls. When a customer makes an originating 1+ Toll Free interexchange call, using the 1+8XX dialing format, that customer's local provider transports the call over the local provider's network to the network of the selected IXC. This part of the interexchange call is known as the "originating" segment. The IXC then transports the call from the local exchange

where the calling party is located to the local exchange where the person receiving the call is located. The called party's local provider receives the call from the IXC and delivers it to the called party. This part of the call is the terminating segment.

8. When customers place a 1+ call, if the IXC uses the services of LECs for either originating or terminating switched access, federal and state laws require the IXC to pay access charges to the LECs for the use of their networks. The caller's LEC receives "originating access" charges; the called party's LEC receives "terminating access" charges. An IXC must pay originating and terminating access charges pursuant to the LECs' tariffs for these services.

9. Charges for access to the local exchange networks for the origination and termination of interexchange traffic are governed by section 201 of the Telecommunications Act for interstate interexchange traffic and by s. 364.163, F.S., for intrastate interexchange traffic. In accordance with these statutes, applicable access charges are set forth in Embarq's federal and state tariffs on file with the FCC and FPSC, respectively. The tariffed rates that Embarq charges for access services vary according to whether, for each particular call, the access service is used to complete an interstate long distance call or an intrastate long distance call. Historically, there has been a rate disparity between interstate access charges and intrastate access charges. Embarq's composite originating interstate access charge is \$.006327 per minute of use and its composite originating intrastate access charge is \$.045952 per minute of use. Embarq's applicable composite terminating interstate access charge is \$.006327 per minute of use, while its composite terminating intrastate access charge was \$.053752 per minute of use.¹

¹These rates are the rates that were in effect as of April 2005. In Docket No. 030868-TP, *In re: Petition by Sprint-Florida, Incorporated to reduce intrastate switched network access rates to interstate parity in*

10. In 1995, the Florida Legislature rewrote ch. 364, F. S., to, among other things, establish the level of switched network access charges that incumbent local exchange telecommunications companies could charge pursuant to their tariffs (See, s. 364.163, F.S.). In 2003, the Legislature enacted ch. 2003-32, Laws of Florida, the Telecompetition Innovation and Infrastructure Enhancement Act, (“Telecompetition Act”) which partially deregulated intrastate interexchange telecommunications carriers, but explicitly maintained these carriers’ obligation to pay appropriate charges for access to the local telecommunications network. (See, s. 364.02(14), F.S.)

11. Because Embarq’s tariffed access charge rates for origination or termination of interstate interexchange traffic are significantly lower than Embarq’s tariffed access charge rates for intrastate interexchange traffic, AT&T has a motive to avoid paying the higher intrastate access charges by disguising originating and terminating intrastate interexchange traffic as interstate interexchange traffic--in effect “arbitraging” the rate difference. By purposefully mischaracterizing or misreporting the actual jurisdiction of interexchange traffic in order to improperly represent their intrastate traffic as interstate traffic, AT&T has paid the lower interstate access charge rate, rather than the higher intrastate access charge rate.

12. In certain circumstances, LECs do not have visibility to the jurisdictional nature of IXC traffic and rely on PIU information from the IXCs to bill the appropriate charges for access services. The process and procedures for submission of PIUs, including audit rights, is governed by the applicable access tariffs of the LECs. AT&T is required to

revenue neutral manner pursuant to Section 364.164(1), Florida Statutes, Order No. PSC-03-1469-FOF-TL, issued December 24, 2003, the Commission granted Sprint’s Petition to reduce its intrastate access charges to the level of its interstate access charges in a revenue neutral manner. This “rebalancing” is in progress and is scheduled to be completed in November 2008.

provide a PIU for originating Toll Free (1+8XX) traffic. AT&T's prepaid calling card traffic should be included in the calculation of the PIU for all 1+8XX originating Toll Free traffic.

13. The jurisdiction of long distance telecommunications traffic, that is, whether it is interstate or intrastate interexchange traffic, has historically been determined by the originating and terminating end points of the call.² The FCC specifically has applied the end-to-end jurisdictional analysis to prepaid calling card calls, basing the jurisdiction on the location of the calling and called parties, rather than the actual path of the call. See, *The Time Machine*, Memorandum Opinion and Order, 11 FCC Rcd 1186 (CCB 1995); *Teleconnect Co. v. Bell Telephone Co. of Pennsylvania*, Memorandum Opinion and Order, 10 FCC Rcd 1626 (1995). Carriers are not allowed to alter the jurisdiction of a call by transporting traffic across a state line in order to arbitrage the appropriate access rate that is due.

14. In an attempt to avoid intrastate access charges on calls made with its prepaid calling cards, AT&T introduced a product that it declared to be an "enhanced" prepaid calling card. AT&T asserted that based on certain features of this product, the calls made with these cards were jurisdictionally interstate. AT&T then began to wrongfully categorize and misreport to Embarq that calls made with its "enhanced" prepaid calling

² See, e.g., *In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-98 and *In the Matter of Intercarrier Compensation for ISP-Bound Traffic*, CC Docket No. 99-68, Declaratory Ruling and Notice of Proposed Rulemaking, FCC 99-38, released February 26, 1999 at paragraphs 10 and 11 (discussing the end-to-end analysis as the historical method for determining jurisdiction). See also, *In re: Investigation into appropriate methods to compensate carriers for exchange of traffic subject to Section 251 of the Telecommunications Act of 1996*, FPSC Docket No. 000075-TP, Order No. PSC-02-1248-FOF-TP, issued September 10, 2002 at page 30 (recognizing the end-to-end analysis as the historical method for determining whether a call is local or toll).

cards were interstate calls, even when the originating and terminating endpoints of the call were in the same state.

15. In May 2003, AT&T filed a petition with the FCC requesting that the FCC issue a declaratory ruling confirming that calls made with the “enhanced” prepaid calling card were interstate calls when the calling platform (that is, a centralized switching platform which provides prepaid calling card number identification, billing and routing information) is located outside the state in which the calling and the called party are located. In an order released on February 23, 2005, the FCC rejected AT&T’s contention that calls made with its “enhanced” prepaid calling card were jurisdictionally interstate. The FCC also rejected AT&T’s assertion that calls made within a state should not be subject to intrastate access charges because of AT&T’s strategy of routing “enhanced” prepaid calling card calls through an out-of-state switching platform. See, *In the Matter of AT&T Corp. Petition for Declaratory Ruling Regarding Enhanced Prepaid Calling Card Services*, WC Docket No. 03-133, FCC 05-41 (Feb. 23, 2005) (hereinafter, “AT&T Prepaid Calling Card Order”). In its ruling the FCC stated that claims for any unpaid intrastate access charges resulting from AT&T’s erroneous treatment of “enhanced” prepaid calling card traffic as interstate traffic should be filed in the appropriate court or state commission. AT&T Prepaid Calling Card Order at footnote 58.

Allegations of Material Facts

16. When using AT&T’s “enhanced” prepaid calling card, customers dialed a number to reach AT&T’s calling card platform and were requested to provide a unique personal identification number associated with the “enhanced” prepaid calling card for purposes of verification and billing. Then, when prompted, customers dialed the destination number

and the platform routed the call to the intended recipient.³ As with other long distance calls, if the local exchange service provider completed the call for AT&T, it is entitled to access charges for the use of its tariffed access services – either interstate or intrastate depending upon the jurisdiction of the call.

17. In this case, AT&T's customers have used AT&T's "enhanced" prepaid calling card to make calls that originate and terminate entirely within the state of Florida and originate and/or terminate in Embarq's local territory. Embarq has provided originating and/or terminating access for such calls.

18. As the FCC affirmed in its decision in the AT&T Prepaid Calling Card Order, whether interstate or intrastate access charges apply to a prepaid calling card call, including AT&T's so-called "enhanced" prepaid calling card, is determined by the physical endpoints of the call's origination and termination. Under this "end-to-end" analysis, the jurisdiction of a call is based on its originating and terminating locations, regardless of the routing path a carrier may cause the call to take between endpoints. As such, intrastate switched access charges apply when customers use prepaid calling cards, including "enhanced" prepaid calling cards, to make long distance calls that originate and terminate in the same state, even if AT&T chooses to route the call to a centralized switching platform that is located in a different state.

19. AT&T has avoided paying appropriate intrastate access charges on "enhanced" prepaid calling card traffic since at least sometime in 2002. AT&T accomplished this by treating "enhanced" prepaid calling card calls as if each Florida intrastate call were two calls – one "interstate" call from a Florida customer to the prepaid calling card platform

³ AT&T Prepaid Calling Card Order at paragraphs 3 and 6.

located out of state and a second “interstate” call from the prepaid calling card platform to a called party located in Florida.

20. Based on this “two-call” scenario, AT&T, which is the only party that can accurately measure the jurisdiction of its prepaid calling card calls, supplied PIU factors to Embarq for originating 1+ Toll Free traffic that were skewed by the way in which AT&T determined the jurisdiction of these calls. In effect, AT&T’s sleight of hand PIU calculation purported to convert intrastate calls to interstate calls, resulting in AT&T paying the much lower-priced interstate access charges for intrastate traffic. In addition, by turning one intrastate call into two interstate calls, AT&T’s action resulted in Embarq overstating its own calculations for PIU associated with intrastate terminating traffic. (Attachment A depicts several calling scenarios and the resulting impacts on the access charges paid by AT&T)

21. In August 2002, the PIU AT&T reported to Embarq began to vary from its historical trend. Embarq was unaware at that time of the cause for this variance, did not know that it was related to AT&T’s misclassification of the jurisdiction of the “enhanced” prepaid calling card calls, and did not know that it was caused by the wrongful conduct of AT&T.

22. Because of Embarq’s concern with the unusual change in AT&T’s PIU, Embarq initiated conversations with AT&T to attempt to identify the reasons for the increase. Per the tariff, with the assistance of an outside auditor, Embarq conducted an audit of AT&T’s PIU factors. As part of the audit, Embarq requested call detail information from AT&T so that Embarq could determine the accuracy of AT&T’s filed PIUs. AT&T

refused to provide the requested information. Embarq also began a trend analysis of AT&T's traffic to quantify the revenue impact resulting from these PIU changes.

23. In May 2003, AT&T filed its request for a declaratory ruling with the FCC to determine whether the jurisdiction of the "enhanced" prepaid calling card traffic was interstate based on its contention that heretofore intrastate calls were now to be defined as two separate interstate calls when the prepaid calling platform was located in another state.

24. In its 2nd and 3rd Quarter 2004 SEC 10Q filings AT&T noted that it had significant exposure for intrastate access charges should the FCC rule that the "enhanced" prepaid calling card traffic that was the subject of its petition for declaratory ruling was intrastate telecommunications traffic. (Copies of the relevant portions of the referenced SEC 10Q forms are attached as Attachment B.)

25. Embarq was concerned that the jurisdictional classification of this "enhanced" prepaid calling card traffic as interstate rather than intrastate traffic was a likely explanation for the variance in AT&T's reported PIU first identified in 2002. After discussing Embarq's concerns, AT&T and Embarq, in October 2004, executed an agreement to delay further consideration of the prepaid calling card PIU issue pending resolution of the FCC proceeding.

26. Embarq has used AT&T's 10Q information to corroborate the internally generated trending estimates of the revenue impact of the PIU manipulation. However, as a result of AT&T's continuing practice of supplying inaccurate PIU information and of withholding the call detail information needed to identify the true jurisdiction of its prepaid calling card calls, Embarq has not been able to determine the exact amount of the

access charges that AT&T should have paid. In the absence of the needed information from AT&T, to determine the amount of dollars potentially associated with AT&T's misclassification of the "enhanced" prepaid calling card traffic as interstate rather than intrastate traffic, Embarq conducted a trend analysis of AT&T's PIUs beginning in September 2003 and updated in June 2005. This analysis involved a comparison of the fluctuations in AT&T's PIU used for billing in the years prior to AT&T's implementation of the "enhanced" prepaid calling card scheme to the fluctuations that began in August 2002. Embarq then compared AT&T's PIU used for actual billing purposes to the PIU that would be anticipated based on reasonable trends and calculated the difference in dollars resulting from the application of the trended PIU versus what AT&T paid using its inflated PIU.

27. Based on this trend analysis, Embarq has estimated that AT&T has underpaid intrastate access charges in an amount in excess of \$18 million dollars for the time period of August 2002 through April 2005.⁴

28. Subsequent to the AT&T Prepaid Calling Card Order, Embarq has continued to engage in lengthy negotiations with AT&T in an attempt to reach a resolution of the claims that are the subject of this Complaint. However, AT&T has refused to provide complete and accurate information in response to Embarq's requests and the parties have not been able to reach a resolution.

Violation of Embarq's Lawful Tariffs

29. Embarq's intrastate access terms and charges are set forth in its Florida Access Service Tariff filed with the Florida Public Service Commission. Under Florida law,

⁴ AT&T changed the manner in which it was terminating its prepaid calling cards after the FCC issued the AT&T Prepaid Calling Card Order, although the related PIU effects were not realized until May 1, 2005.

tariffs duly filed by a local exchange telecommunications company have the force and effect of law.⁵

30. Sections E2, E3 and E6 of Embarq's Florida Access Service Tariff set forth the rates, terms and conditions applicable for originating and terminating intrastate interexchange switched access services. Embarq fully performed its obligations under the tariff, except for those it was prevented from or excused from performing by, or which were waived by, AT&T's actions.

31. Section E2.3.11 of the Access Services Tariff sets forth AT&T's obligations relating to jurisdictional report requirements.⁶ Consistent with federal and Florida law, this section makes clear that the end user endpoints of a call determine the jurisdiction of the call for PIU reporting purposes. Specifically, E2.3.11.A.1. states:

Pursuant to Federal Communications order F.C.C. 85-145 adopted April 16, 1985, intrastate usage is to be developed as though every call that enters a customer network from a calling location within the same state as that in which the called station (as designated by the called station number) is situated is an intrastate communication and every call for which the point of entry is in a state other than that where the called station (as designated by the called station number) is situated is an interstate communication. ***The manner in which a call is routed through the telecommunications network does not affect the jurisdiction of a call, i.e., a call between two points within the same state is an intrastate communication even if the call is routed through another state.***

32. Section E2.3.11 sets forth the procedures for establishing, changing, and auditing PIUs in the normal course of business. Under these procedures, Embarq has the option of requesting an audit of an IXC's call detail records to determine the appropriateness of a

⁵ See, *BellSouth v. Jacobs*, 834 So. 2d 855, 859 (Fla. 2002); *Maddalena v. Southern Bell*, 382 So. 2d 1246 (Fla. 4th DCA 1980); *In re: Complaint by Mr. Paul Leon and Mr. Joseph Olazabal against Florida Power & Light Company regarding tariff for moving electric light poles*, Docket No. 981216-EI, Order No. PSC-98-1385-FOF-EI, issued October 15, 1998.

⁶ For convenience, Section E2.3.11, relating to jurisdictional reporting, is attached as Attachment C.

reported PIU. The tariff establishes parameters for conducting the audit and for applying any adjustments made as a result of the audit. Embarq attempted to conduct an audit in accordance with these procedures. AT&T, however, refused to provide access and information necessary to successfully complete the audit procedures. Moreover, where AT&T deliberately misrepresented the jurisdictional nature of the “enhanced” prepaid calling card traffic and provided inflated PIUs based on this misrepresentation, the normal tariff procedures for audit do not and could not apply. The FCC and state commissions consistently have found (in a prior case involving a similar access avoidance scheme) that audits are discretionary under identical tariff provisions and that the backbilling parameters under these provisions do not apply when the billing party is prevented from obtaining complete and accurate information. See, *In re Thrifty Call, Inc., Petition for Declaratory Ruling*; 19 FCC Rcd 22240, 2004 FCC Lexis 6410 (Nov. 12, 2004); *BellSouth Telecommunications, Inc. v. Thrifty Call, Inc.*, Docket No. P-447, Sub 5 (N.C. Util. Comm’n, April 11, 2001); and *Utilities Comm’n v. Thrifty Call, Inc.* 154 N.C. App. 58, 571 S.E. 2d 622 (N.C. Ct. App. 2002).

33. Clearly, a portion of AT&T’s “enhanced” prepaid calling card traffic was intrastate traffic to which intrastate access charges apply under the terms of Embarq’s tariff and AT&T’s treatment of this traffic as interstate traffic violated the terms of the tariff.

34. Embarq has both the right and duty to recover the charges set forth in its tariff pursuant to Florida law. (See, ss. 364.04, 364.08, 364.09, 364.10 and 364.163, F.S.)

35. AT&T violated the tariff by failing to provide Embarq information about AT&T’s interexchange traffic that is necessary for accurate billings to AT&T for interstate and

intrastate access charges and by failing to pay Embarq the correct tariffed rates for the access services used by AT&T.

36. As a result of AT&T's violation of Embarq's tariff, AT&T has failed to pay Embarq an amount estimated to be in excess of \$18 million. Including applicable late payment penalties, which continue to grow, the total amount due to Embarq is estimated to be in excess of \$26 million.⁷

Violations of State Law

37. Section 364.02(14), F.S., (enacted as part of the Telecompetition Act in 2003) provides limited relief from Florida Public Service Commission regulation for intrastate interexchange telecommunications carriers. However, the section explicitly provides:

Each intrastate interexchange telecommunications company...shall continue to pay intrastate switched network access charges or other intercarrier compensation to the local exchange telecommunications company or the competitive local exchange telecommunications company for the origination and termination of interexchange telecommunications service.

By failing to pay Embarq the applicable intrastate access charges that were due on its "enhanced" prepaid calling card traffic, AT&T has failed to fulfill its obligations under this statute.

38. In the absence of an Order requiring AT&T to pay access charges in accordance with Embarq's tariffs, AT&T effectively has received an unlawful discount for services for which similarly situated access customers paid the higher intrastate rates, contrary to ss. 364.08, 364.09 and 364.10, F.S., and other anti-discrimination and anti-competition prohibitions in ch. 364, F.S.

⁷ Provisions related to late payment penalties are set forth in the Embarq Florida Access Tariff, Section E2.4.B.3

39. Finally, Florida law requires all telecommunications companies to pay regulatory assessment fees (RAFs) on the gross intrastate revenues that they report. See, s. 364.336, F.S. and s. 350.113, F.S. FPSC Rule 25-4.0161, F.A.C., implements these statutory provisions. To the extent that AT&T's misrepresentation of its "enhanced" prepaid calling card traffic as interstate traffic caused it to under report its intrastate revenue in Florida, AT&T underpaid its Florida RAFs. The Commission has jurisdiction to require AT&T to pay the appropriate amount of its RAFs pursuant to FPSC Rule 25-24.480, F.A.C. An Order requiring AT&T to pay access charges in accordance with Embarq's tariffs, moreover, would result in a corresponding increase in Embarq's Florida intrastate revenues and payment of RAFs during the period in which AT&T complies with the Order. Presumably AT&T's miscategorization of Florida intrastate traffic had similar effects on other Florida LECs, resulting in underrecovery by Florida of those LECs' RAFs. The discriminatory and anti-competitive effects of avoiding intrastate access charges similarly apply to avoiding RAFs.

Request for Relief

WHEREFORE, Embarq asks the Commission to initiate appropriate proceedings to consider the issues set forth in this complaint and to rule in favor of Embarq and against AT&T as follows:

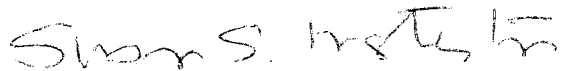
1. Find that AT&T has violated the terms of Embarq's tariffs and Florida law by wrongfully misrepresenting intrastate interexchange traffic as interstate interexchange traffic, failing to provide Embarq with the information necessary to determine the correct jurisdiction of the traffic, and failing to pay intrastate access charges that are due to Embarq.

2. Order AT&T to pay Embarq the difference between the access charges on intrastate calls AT&T has paid and the access charges on intrastate calls AT&T is required to pay under Embarq's tariffs, an amount estimated to be in excess of \$18 million.

3. Order AT&T to pay Embarq late payment penalties on the difference between the access charges on intrastate calls AT&T has paid and the access charges on intrastate calls AT&T is required to pay under Embarq's tariffs, an amount estimated to be in excess of \$8 million and which continues to grow.

4. Order any and all other relief deemed appropriate by the Commission.

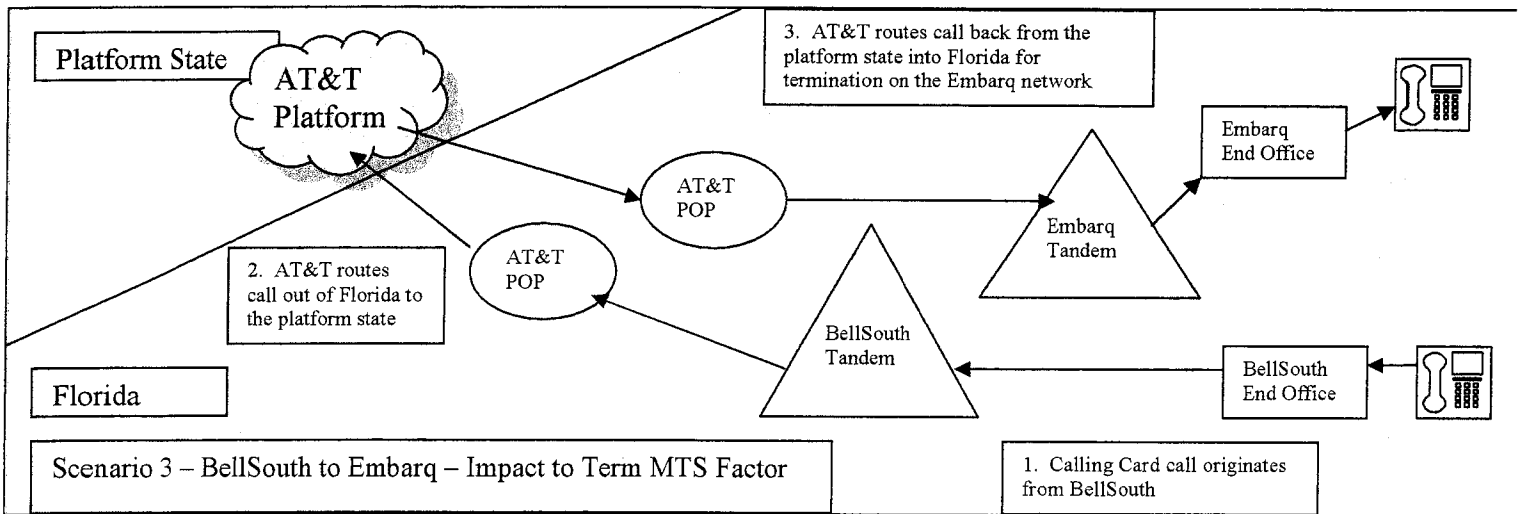
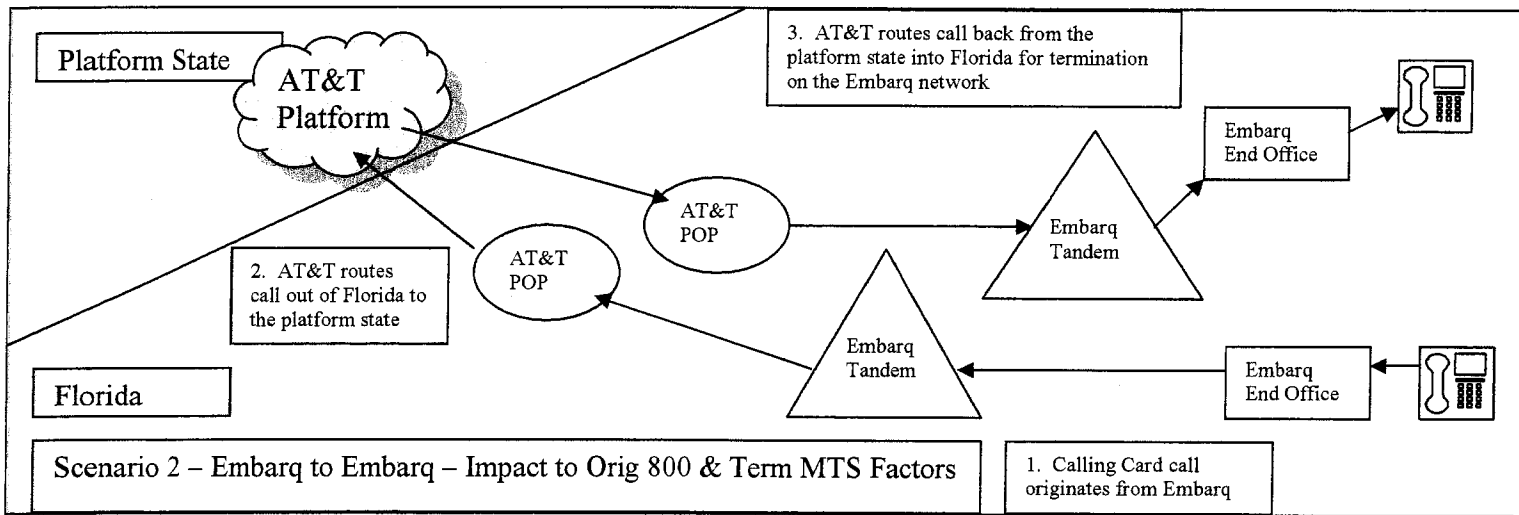
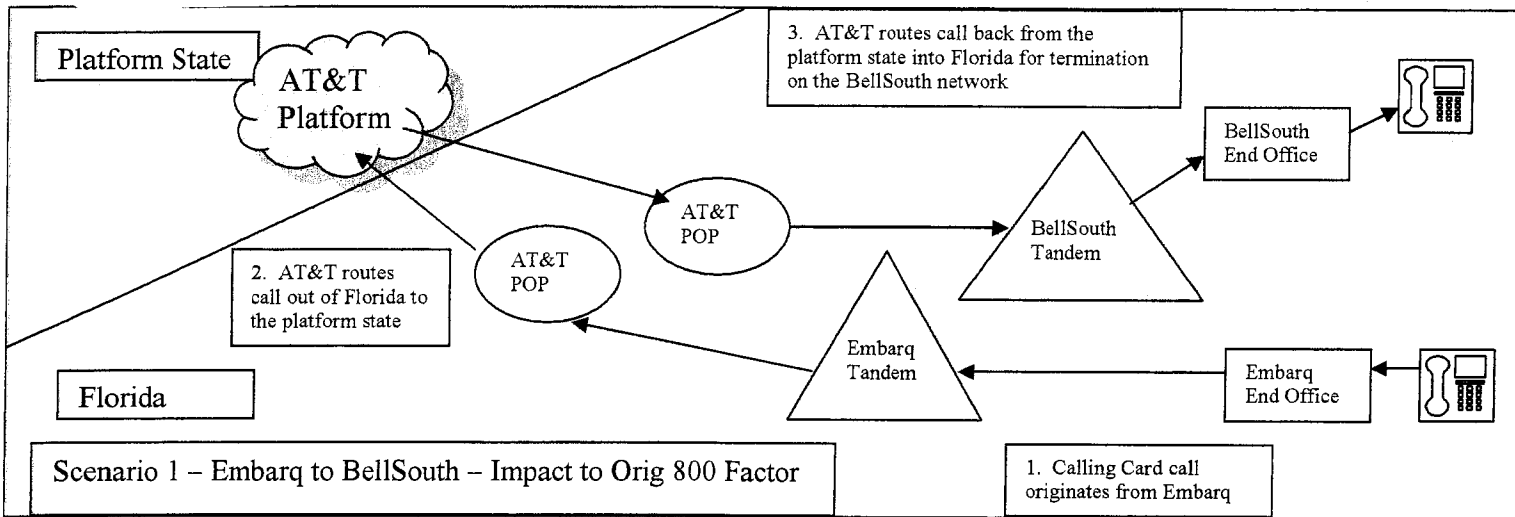
Respectfully submitted this 14th day of June 2006.



Susan S. Masterton, Esq.
P.O. Box 2214
1313 Blair Stone Road
Tallahassee, FL 32301
(850) 599-1560 (phone)
(850) 878-0777 (fax)
susan.masterton@embarq.com

ATTORNEY FOR EMBARQ
FLORIDA, INC.

Attachment A



PIU = Percent Interstate Usage determined by the originating and terminating end points of the call.

Example, an 80% PIU = 80% of the traffic originates in one state and terminates in another, and is classified as Interstate. The remaining 20% of the traffic originates and terminates in the same state and is classified as Intrastate. If 50% of the Intrastate traffic (based on the actual orig/term end points of the call) is calling card traffic, which is the basis of this complaint, then 10% (50% X 20%) of the traffic will be mischaracterized as Interstate resulting in a 90% PIU (80% + 10%).

In the normal course of business we are subject to proceedings, lawsuits and other claims, including proceedings under laws and regulations related to environmental and other matters. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. Consequently, we are unable to ascertain the ultimate aggregate amount of monetary liability or financial impact with respect to these matters at June 30, 2004. However, if these matters are adversely settled, such amounts could be material to our consolidated financial statements.

We have been named as a defendant in a consolidated group of purported securities class action lawsuits filed in the United States District Courts for the District of New Jersey on behalf of persons who purchased shares of AT&T common stock from October 25, 1999 through May 1, 2000. These lawsuits allege, among other things, that during the period referenced above, we made materially false and misleading statements and omitted to state material facts concerning our future business prospects. The consolidated complaint seeks unspecified damages. Similar claims have been asserted by plaintiffs against us in two derivative actions, which were dismissed by the New Jersey federal court on January 7, 2004. In early June 2004, the court granted AT&T's motion for summary judgment (in part) in these cases and dismissed a substantial portion of this case by narrowing the class period and rejecting a number of the allegations upon which plaintiffs

12

~~PAGE~~

AT&T CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) -- (CONTINUED)

complaint was based. We believe that the remaining complaints are without merit and intend to defend them vigorously.

On April 21, 2004, the Federal Communications Commission (FCC) ruled against a petition we filed in October 2002, in which we asked the FCC to confirm that our long distance phone-to-phone Internet Protocol (IP) telephony services are exempt from terminating access charges and lawfully terminated over end user local services. The total interstate and intrastate access savings we obtained on AT&T long distance phone-to-phone IP telephony services since the first quarter of 2000 through the date of the ruling was approximately \$250 million. As a result of this ruling, we began paying terminating access charges on long distance phone-to-phone IP telephony calls.

The FCC did not make any determination regarding the appropriateness of retroactive application of its ruling. The FCC left the matter to be decided on a fact specific, case-by-case basis. On April 22, 2004, SBC Communications, Inc. (SBC) filed suit against us in federal district court in Missouri seeking recovery of an estimated \$141 million in interstate and intrastate access charges that SBC alleges AT&T avoided by delivering long distance calls to SBC for termination over SBC local facilities, together with interest and punitive damages. In addition, on May 5, 2004, Qwest Corporation filed a similar complaint against AT&T in federal district court in Colorado seeking "tens of millions of dollars in access charges." While no additional lawsuits have been filed, other incumbent local exchange carriers may assert similar claims. We believe that we have a number of defenses to these claims and intend to defend against them vigorously.

Another petition that is pending before the FCC relates to enhanced prepaid card service. Because of the nature of our enhanced prepaid card service (consisting first of a call to our prepaid card platform where the customer interacts with advertising content and then a second call from the platform to

the called party), we pay access charges on the call to the enhanced prepaid card platform and on the call from the enhanced prepaid card platform based on the jurisdiction of each call. This does not impact the amount of access charges we pay on enhanced prepaid card calls when the persons communicating are in different states from each other and from the enhanced platform, but generally results in lower access charges when the persons are both in the same state and the enhanced platform is in a different state. In addition, because our prepaid card calls are offered as an enhanced service, we do not make Universal Service Fund (USF) contributions on revenue derived from these calls. Given that we cannot predict with certainty how the FCC will rule on our petition, and the FCC's recent decision to decline to address issues of retroactivity in the case of phone-to-phone IP, it should be noted that the current classification of AT&T's enhanced prepaid card service has generated approximately \$290 million in access savings since the third quarter of 2002, and approximately \$150 million in USF contribution savings since the beginning of 1999, compared with the cost that would have been incurred by a basic prepaid card offering. Since these savings have permitted us to sell prepaid cards to consumers and distributors at prices below what otherwise would have been possible, an adverse ruling by the FCC on the prepaid card petition would therefore increase the future cost of providing prepaid cards and may materially adversely affect future sales of prepaid cards, as well as potentially exposing us to retroactive liability, penalties and interest.

In March 2004, the United States Court of Appeals for the District of Columbia vacated a number of recent FCC rulings made in connection with the Triennial Review Order, including the FCC's delegation to state commissions of decisions over impairment as applied to mass market switching and certain transport elements. That decision was stayed until June 16, 2004. On June 4, 2004, the Court of Appeals announced it would not extend that stay. On June 9, 2004, the Office of the Solicitor General informed the FCC that it had decided not to appeal the D.C. Circuit decision vacating the FCC's local telephone unbundling rules. On July 22, 2004, AT&T announced that we will be shifting our focus away from traditional consumer services, and we will no longer be investing to acquire new residential local and stand-alone long distance customers (see note 12).

<PAGE>

AT&T CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) -- (CONTINUED)

11. SEGMENT REPORTING

Our results are segmented according to the customers we service: AT&T Business Services and AT&T Consumer Services.

Our existing segments reflect certain managerial changes that were implemented during 2004. We transferred our remaining payphone business from AT&T Consumer Services to AT&T Business Services.

AT&T Business Services provides a variety of communication services to various sized businesses and government agencies including long distance, international, toll-free and local voice, including wholesale transport services, as well as data services and Internet protocol and enhanced (IP&E) services, which includes the management of network servers and applications. AT&T Business Services also provides outsourcing solutions and other professional services.

AT&T Consumer Services provides a variety of communication services to

against a petition we filed in October 2002, in which we asked the FCC to confirm that our long distance phone-to-phone Internet Protocol (IP) telephony services are exempt from terminating access charges and lawfully terminated over end user local services. The total interstate and intrastate access savings we obtained on AT&T long distance phone-to-phone IP telephony services since the first quarter of 2000 through the date of the ruling was approximately \$250 million. As a result of this ruling, we began paying terminating access charges on long distance phone-to-phone IP telephony calls.

15

<PAGE>

AT&T CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) -- (CONTINUED)

The FCC did not make any determination regarding the appropriateness of retroactive application of its ruling. The FCC left the matter to be decided on a fact specific, case-by-case basis. On April 22, 2004, SBC Communications, Inc. (SBC) filed suit against us in federal district court in Missouri seeking recovery of an estimated \$141 million in interstate and intrastate access charges that SBC alleges AT&T avoided by delivering long distance calls to SBC for termination over SBC local facilities, together with interest and punitive damages. In addition, on May 5, 2004, Qwest Corporation filed a similar complaint against AT&T in federal district court in Colorado seeking "tens of millions of dollars in access charges." While no additional lawsuits have been filed, other incumbent local exchange carriers may assert similar claims. We believe that we have a number of defenses to these claims and intend to defend against them vigorously.

Another petition that is pending before the FCC relates to enhanced prepaid card service. Because of the nature of our enhanced prepaid card service (consisting first of a call to our prepaid card platform where the customer interacts with advertising content and then a second call from the platform to the called party), we pay access charges on the call to the enhanced prepaid card platform and on the call from the enhanced prepaid card platform based on the jurisdiction of each call. This does not impact the amount of access charges we pay on enhanced prepaid card calls when the persons communicating are in different states from each other and from the enhanced platform, but generally results in lower access charges when the persons are both in the same state and the enhanced platform is in a different state. In addition, because our prepaid card calls are offered as an enhanced service, we do not make Universal Service Fund (USF) contributions on revenue derived from these calls. Given that we cannot predict with certainty how the FCC will rule on our petition, and the FCC's recent decision to decline to address issues of retroactivity in the case of phone-to-phone IP, it should be noted that the current classification of AT&T's enhanced prepaid card service has generated approximately \$340 million in access savings since the third quarter of 2002, and approximately \$160 million in USF contribution savings since the beginning of 1999, compared with the cost that would have been incurred by a basic prepaid card offering. Since these savings have permitted us to sell prepaid cards to consumers and distributors at prices below what otherwise would have been possible, an adverse ruling by the FCC on the prepaid card petition would therefore increase the future cost of providing prepaid cards and may materially adversely affect future sales of prepaid cards, as well as potentially exposing us to retroactive liability, penalties and interest.

In March 2004, the United States Court of Appeals for the District of Columbia vacated a number of recent FCC rulings made in connection with the Triennial Review Order, including the FCC's delegation to state commissions of decisions over impairment as applied to mass market switching and certain transport elements. That decision was stayed until June 16, 2004. On June 4,

2004, the Court of Appeals announced it would not extend that stay. On June 9, 2004, the Office of the Solicitor General informed the FCC that it had decided not to appeal the D.C. Circuit decision vacating the FCC's local telephone unbundling rules. On July 22, 2004, AT&T announced that we will be shifting our focus away from traditional consumer services, and we will no longer be investing to acquire new residential local and stand-alone long distance customers.

11. SEGMENT REPORTING

Our results are segmented according to the customers we service: AT&T Business Services and AT&T Consumer Services.

Our existing segments reflect certain managerial changes that were implemented during 2004. We transferred our remaining payphone business from AT&T Consumer Services to AT&T Business Services.

AT&T Business Services provides a variety of communication services to various sized businesses and government agencies including long distance, international, toll-free and local voice, including wholesale transport services, as well as data services and Internet protocol and enhanced (IP&E) services, which includes the management of network servers and applications. AT&T Business Services also provides outsourcing solutions and other professional services.

16

<PAGE>

AT&T CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) -- (CONTINUED)

AT&T Consumer Services provides a variety of communication services to residential customers. These services include traditional long distance voice services, such as domestic and international dial services (long distance or local toll calls where the number "1" is dialed before the call) and calling card services. Transaction services, such as prepaid card and operator-assisted calls, are also offered. Collectively, these services represent stand-alone long distance and are not offered in conjunction with any other service. AT&T Consumer Services also provides dial-up Internet services and all distance services, which bundle long distance, local and local toll.

The balance of AT&T's operations is included in a "Corporate and Other" group. This group primarily reflects corporate staff functions and the elimination of transactions between segments.

Total assets for our reportable segments include all assets, except intercompany receivables. Nearly all prepaid pension assets, taxes and corporate-owned or leased real estate are held at the corporate level and therefore are included in the Corporate and Other group. Capital additions for each segment include capital expenditures for property, plant and equipment, additions to internal-use software (which are included in other assets) and additions to nonconsolidated investments.

AT&T Business Services sells services to AT&T Consumer Services at cost-based prices. These sales are recorded by AT&T Business Services as contra-expense.

REVENUE

<Table>
<Caption>

ACCESS SERVICE TARIFF

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

Second Revised Page 16
Cancels First Revised Page 16

Effective: April 15, 2002

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.9 Network Blockage

It shall be the responsibility of the IC to provide adequate trunking capacity, to avoid any adverse affects to the telecommunications network.

E2.3.10 Coordination with Respect to Network Contingencies

The IC shall, in cooperation with the Company, coordinate in planning the actions to be taken to maintain maximum network capability following natural or man-made disasters which affect telecommunications services.

E2.3.11 Jurisdictional Report Requirements

A. Percent Interstate Usage (PIU)

1. Pursuant to Federal Communications Commission order F.C.C. 85-145 adopted April 16, 1985, intrastate usage is to be developed as though every call that enters a customer **network from a calling location** within the same state as that in which the called station (as designated by the called station number) is situated is an intrastate communication and every call for which the point of entry is in a state other than that where the called station (as designated by the called station number) is situated is an interstate communication. ***The manner in which a call is routed through the telecommunications network does not affect the jurisdiction of a call, i.e.; a call between two points within the same state is an intrastate communication even if the call is routed through another state.***
2. The projected interstate percentages will be used by the Company to apportion the usage between interstate and intrastate until a revised report is received as set forth in B.7 following.

(C)

(N)

(N)

B. Jurisdictional Reports

(M)

When the Company has the capability to develop the PIU based on actual usage data, the PIU will be developed by the Company on a state wide level. Using the actual usage data, the interstate percentage will be developed on a quarterly basis by dividing the measured interstate originating or terminating access minutes (the access minutes where the calling number is in one state and the called number is in another state) by the total measured originating or terminating access minutes. The Company will begin to utilize the Company developed PIU factors as soon as sufficient call detail is available, and will implement subsequent Company developed PIU factors on a quarterly basis in accordance with the provisions set forth in (7) following.

(M)

(M) Material appearing on this page was previously located on First Revised Page 17.

ACCESS SERVICE TARIFF

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

Original Page 16.1

Effective: April 15, 2002

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (Cont'd)

When the Telephone Company receives insufficient call detail to identify the calling station to determine the jurisdiction, the Telephone Company will charge the applicable rates for terminating switched access as set forth in this Tariff. It is not possible for customers using multifrequency address signaling to transmit calling party number (CPN) to interconnecting carriers. In addition, there may be a percentage of usage where it is not possible for customers using CCS7 to know, and therefore to send to the Telephone Company, the needed originating information. Accordingly, the Telephone Company will charge the intrastate terminating switched access rates to customers using CCS7 only for those minutes lacking originating information that are in excess of the average percentage of minutes for which CPN is not transmitted, initially 22% (the "floor"). For example, if 40% of a customer's minutes sent to the Telephone Company do not contain sufficient originating information to allow the Telephone Company to determine the originating location, then the Telephone Company would apply these provisions to those minutes exceeding the "floor," or 18% in this example. The Telephone Company will apply the customer's provided PIU to the residual traffic that does not apply to the provision of this tariff section (82% in this example).

Minor fluctuations in the "floor" are expected. As a result, the Telephone Company will not apply charges based on the floor when the customer's percentage of calls lacking sufficient originating information is within 5 percentage points of the floor.

The Telephone Company will recalculate the overall switched access customer average "floor" quarterly.

In the event that the Telephone Company applies the intrastate terminating access rates to calls without sufficient originating information as specified herein, customers will have the opportunity to request backup documentation of the Telephone Company's basis for such application. The customer can request that the Telephone Company change the application of the intrastate access rates upon an acceptable showing of why the intrastate rate should not be applied.

ACCESS SERVICE TARIFF

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

Second Revised Page 17
Cancels First Revised Page 17

Effective: April 15, 2002

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (*Cont'd*)

(C)

(M)

(M)

For all other minutes of use for which the Company is unable to develop the PIU from actual usage data, the Company will apply the customer's projected PIU factor, provided as set forth in (1) through (13) following, to apportion the usage between interstate and intrastate.

(C)

ACCESS SERVICE TARIFF

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

Original Page 17.1

Effective: December 31, 2000

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (Cont'd)

1. When a customer orders Feature Group A, Feature Group B, 500 Access Service and/or Toll Free Code (TFC) Access Service, the customer shall state in its order the **projected interstate percentage for interstate usage for each Feature Group A, Feature Group B, 500 Access Service and/or TFC Access Service ordered. If the customer discontinues some but not all of the Feature Group A, Feature Group B, 500 Access Service and/or TFC Access Services in a group, it shall provide an updated projected interstate percentage for the remaining services in the group. Additionally, upon employing the 700 access code over Feature Group D, the customer must provide a projected interstate percentage for the 700 calls. If the customer fails to provide a 700 projected interstate percentage, a default percentage of 100% interstate will be assumed.** (M1) (C)
(M1) (C)
2. For single connection arrangements, the interstate Feature Group A, Feature Group B, and/or TFC Access Service information reported as set forth in (1) preceding will be used to determine the charges. The number of access minutes (either the measured minutes or the assumed minutes) for a connection will be multiplied by the projected interstate percentage to develop the interstate access minutes. The number of access minutes for the connection minus the developed interstate access minutes for the connection will be the developed intrastate access minutes. (N)
(N)
3. For multiline hunt group or trunk group arrangements, **the interstate Feature Group A, Feature Group B, and/or TFC Access Service information reported as set forth in (1) preceding will be used to determine the charges. The number of access minutes (either the measured minutes or the assumed minutes) for a service will be multiplied by the projected interstate percentage to develop the interstate access minutes. The number of access minutes for the service minus the developed interstate access minutes for the service will be the developed intrastate access minutes.** (M2) (C)
(M2) (C)

(M1) Material relocated from page 16.

(M2) Material relocated from page 17.

ACCESS SERVICE TARIFF

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

Original Page 17.2

Effective: December 31, 2000

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (Cont'd)

4. When a customer orders Feature Group C, Feature Group D, TFC or 900 Access Service, the projected interstate percentage will be determined as set forth in (a) through (c) following:
 - a. For originating Feature Group C and originating Feature Group D used in the provision of a MTS/MTS-like service, the Company will determine the projected interstate percentage of use from the call detail
 - b. For terminating Feature Group C used in the provision of MTS/MTS-like service, and terminating Feature Group C used in the provision of 900 service, the projected interstate percentage of use will be determined through the factors as set forth in Section E6.7.7 following.
 - c. For terminating Feature Group D used in the provision of MTS/MTS-like service, terminating Feature Group D used in the provision of 900 service, originating Feature Group C and Feature Group D used in the provision of 900 service, and originating and terminating Feature Group D used in the provision of Toll Free Code (TFC) service, the customer shall provide the projected interstate usage percentage in its access service order. In the event the customer fails to provide a projected interstate percentage, the Company will determine the projected interstate percentage as follows:

For originating access minutes, the projected interstate percentage will be developed on a monthly basis when the Feature Group C or Feature Group D Switched Access Service minutes are measured by dividing the measured interstate originating minutes (the minutes where the calling number is in one state and the called number is in another state) by the total originating minutes when the call detail is adequate to determine the appropriate jurisdiction.

For terminating access minutes, the data used by the Company to develop the projected interstate percentage for originating access minutes will be used to develop projected interstate percentage for such terminating access minutes.

When originating call details are insufficient to determine the jurisdiction for the call, the prior months's projected interstate percentage shall be used by the Company as the projected interstate percentage for originating and terminating access minutes. The projected intrastate percentage of use will be obtained by subtracting the projected interstate percentage for originating and terminating access minutes from 100 (i.e., 100 - interstate percentage = intrastate percentage).

ACCESS SERVICE TARIFF

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

First Revised Page 18
Cancels Original Page 18

Effective: December 31, 2000

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (Cont'd)

5. When a customer orders Directory Assistance Access *Service*, the customer shall state in its order the projected interstate percentage for terminating *use* for each Directory Assistance Access *Service group* ordered. (A method the customer may wish to adopt could be to use its terminating traffic from its premises to the involved Directory Assistance Location and calculate the projected interstate percentage as set forth in 4. preceding). *The Company will designate the number obtained by subtracting the projected interstate percentage furnished by the customer from 100 (100-customer provided interstate percentage = intrastate percentage as the projected intrastate percentage of use.* (T)
(C)
(C)
(C)
(C)
6. *Except where Company measured access minutes are used as set forth in 4 preceding, the customer reported number of interstate services or interstate percentage of use as set forth in 1, 4, or 5 preceding will be used until the customer reports a different projected interstate percentage for an in service end office. When the customer adds or discontinues lines or trunks to an existing end office, the customer shall furnish an updated projected interstate percentage that applies to the end office. The revised report will serve as the basis for future billing and will be effective on the next bill date. No prorating or back billing will be done based on the report.* (N)
7. *No later than the 15th day of January, April, July and October of each year the customer shall provide a revised jurisdictional report showing the interstate and intrastate percentage of use for the past three months ending the last day of December, March, June and September, respectively, for each service arranged for interstate use. The revised report will serve as the basis for the next three months' billing (i.e., beginning the first of February, May, August and November) and will be effective on the customer's bill date for that service. No prorating or back billing will be done based on the report.* (C)
(C)

If the customer does not *supply the revised report*, the Company will assume the percentages to be the same as those provided in the last quarterly report. For those cases in which quarterly reports has never been received from the customer, the Company will assume the percentages to be the same as those provided in the order for service as set forth in 1, 4 and 5 preceding. (C)

ACCESS SERVICE TARIFF

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

First Revised Page 19
Cancels Original Page 19

Effective: December 31, 2000

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (Cont'd)

(T)

(D)

(D)

ACCESS SERVICE TARIFF

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

First Revised Page 20
Cancels Original Page 20

Effective: December 31, 2000

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (Cont'd)

(T)

8. Entrance Facility and Direct-Trunked Transport

(T)

Entrance Facility and Direct-Trunked Transport will be made available in conformance with the restructure of Local Transport. In order to provide these new services, customers of Switched Access services must provide new PIU factors that reflect all Switched Access services using these restructured facilities.

When an Entrance Facility is provided for both interstate and intrastate Switched Access, the customer must provide a Switched Access Entrance Facility PIU factor on a serving wire center or study area level. The Entrance Facility PIU must account for all Switched Access originating and terminating usage carried over the Entrance Facility.

When Direct-Trunked Transport is provided for both interstate and intrastate Switched Access, the customer must provide a Switched Access Direct-Trunked Transport PIU factor on a study area level. The Direct-Trunked Transport PIU must account for all Switched Access originating and terminating usage carried over the Direct-Trunked Transport facilities.

If the customer does not provide a Switched Access PIU factor for an Entrance Facility or Direct-Trunked Transport as set forth above, the Company will develop a PIU for the Entrance Facility and Direct-Trunked Transport using the most current representative period.

The Entrance Facility and Direct-Trunked Transport PIU Report must be provided to the Company upon ordering service, and thereafter, on a quarterly basis. Provisions for updating the interstate and intrastate jurisdictional report as specified in Section E2.3.11 B 7 preceding will also apply for the Entrance Facility and Direct-Trunked Transport PIU Report.

(N)

Verification provisions to maintenance of records as specified in E2.3.11.C of this tariff will apply to the Entrance Facility and Direct Trunked Transport PIU report.

(N)

ACCESS SERVICE TARIFF

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

Second Revised Page 21
Cancels First Revised Page 21

Effective: January 2, 2002

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (Cont'd)

9. The jurisdictional report will serve as the basis for all future billing except as provided in D. following and will be effective on the next bill date.
10. Dedicated Access Service must be reported as 100% interstate use or 100% intrastate use and the jurisdiction will be determined as follows:
 - If the customer's estimate of the interstate traffic on the service involved constitutes 10 percent or less of the total traffic on that service, the service will be provided in accordance with the applicable rules and regulations of this Tariff.
 - If the customer's estimate of the interstate traffic on the service involved constitutes more than 10 percent of the total traffic on that service, the service will be provided in accordance with the appropriate interstate tariff.

Any change in a Dedicated Access Service that would result in a change of jurisdiction must be reported immediately.

11. Reserved for Future Use

(N)

ACCESS SERVICE TARIFF

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

First Revised Page 22
Cancels Original Page 22

Effective: December 31, 2000

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (Cont'd)

12. When a customer orders Common Channel Signaling/Signaling System 7 (CCS/SS7) Interconnection Service, the customer shall provide to the Company in its order for the service, a CCS/SS7 Interconnection Service PIU Report. (T)

Customers who provide the CCS/SS7 Interconnection Service PIU Report shall supply the Company with an interstate percentage of 0 through 100 per Signaling Transfer Point (STP) Port Termination. This STP Port Termination PIU will be an average PIU based upon the jurisdiction (*interstate versus intrastate*) of those originating end user calls that require use of the specified STP Port Termination for signaling purposes. (C)

The PIU provided by the customer for the STP Port Termination will be used by the Company to determine the jurisdiction (*interstate versus intrastate*) of the customer's STP Access Mileage charges. (C)

The CCS/SS7 Interconnection Service PIU must be provided to the Company upon ordering service, and thereafter, on a quarterly basis. Provisions for updating the interstate and intrastate jurisdictional report as specified in E2.3.11 B7 preceding will also apply for updating the CCS/SS7 Interconnection Service PIU Report. The Company will utilize the quarterly CCS/SS7 Interconnection Service PIU Report for the STP Port Termination to update the STP Access Mileage PIU effective on the bill date for the service. (T)

All provisions pertaining to maintenance of records as specified in E2.3.11. C of this tariff will apply to the CCS/SS7 Interconnection Service. (T)

ACCESS SERVICE TARIFF

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

First Revised Page 23
Cancels Original Page 23

Effective: December 31, 2000

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

B. Jurisdictional Reports (Cont'd) (T)

12. When a customer orders *Line Information Data Base (LIDB) Access Service*, the customer shall in its order provide to the Company a LIDB Access Service PIU Report. Customers who provide the LIDB Access Service PIU Report shall supply the Company with an interstate percentage per originating point code (OPC) **ordered**. *The LIDB Access Service PIU will be an average PIU based upon the jurisdiction (interstate versus intrastate) of those originating end user calls for which the Company LIDB is being queried.* (T) (C)

The LIDB Access Service PIU Report must be provided to the Company upon ordering service, and thereafter, on a quarterly basis. Provisions for updating the *interstate and intrastate* jurisdictional report are as specified in E2.3.11.B.7, and will also apply for the LIDB Access Service PIU Report. (C) (C)

All provisions pertaining to maintenance of records as specified in E2.3.11.C of this tariff will apply for LIDB Access Service PIU Report. (T)

C. Maintenance of Customer Records (T)

The customer shall maintain and retain for a minimum of six months, complete, detailed and accurate records, workpapers and backup documentation in form and substance to evidence the percentage data provided to the Company as set forth in A. preceding. All of the records, workpapers and backup documentation shall be made available during normal business hours, at the location named in the report, upon reasonable request by the Company in order to permit a review by the Company Auditor or outside auditor under contract to the Company or a mutually agreed upon outside auditor to be paid for by the customer, or an outside auditor under contract to the Joint LEC.

ACCESS SERVICE TARIFF

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

First Revised Page 24
Cancels Original Page 24

Effective: December 31, 2000

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

C. Maintenance of Customer Records (Cont'd)

(T)

Audit Committee, or an auditor of a state regulatory commission. Such records shall consist of one of the following:

1. All of the records, workpapers and backup documentation (including magnetic tapes of call detail records of raw and billable traffic, a listing of all originating and terminating trunk groups, billing information from other companies and customer billing information); or
2. If the customer has a mechanized system in place that calculates its PIU, then a description of that system and the methodology used to calculate the PIU must be furnished and any other pertinent information (such as but not limited to flowcharts, source codes, etc.) relating to such system, or
3. Mutually agreed upon records which contain data sufficient to evidence the reported PIU, such as summary data compiled from the records in 1. preceding. If the customer and the Company cannot agree on mutually agreed upon records, the customer and the Company will jointly and informally solicit the assistance of the appropriate regulatory body or its staff to resolve any disagreement.

D. Audit and Reconciliation of Customer Records

(T)

1. When the customer reports a projected PIU as set forth in E2.3.11.B preceding or when a billing dispute arises or when a regulatory commission questions the reported PIU, the Company may, upon written request, require the customer to provide call detail records which will be audited to substantiate the reported PIU provided to the Company. This written request shall be considered as the initiation of the audit.

(T)

ACCESS SERVICE TARIFF

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

First Revised Page 25
Cancels Original Page 25

Effective: December 31, 2000

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

- D. Audit Reconciliation of Customer Records (Cont'd) (T)
2. In the event of an audit, the customer shall provide the data specified in E2.3.11.C preceding to the agreed upon auditor within thirty days. The data will be provided at an agreed upon location during normal business hours. (T)
 3. If the customer fails to provide the requested data within thirty days of the written request, or audit notice, the customer will be in violation of this tariff and subject to those actions specified in E2.1.8 preceding. Should the Company elect to take such measures, appropriate documentation will be provided to the Florida Public Service Commission prior to the refusal of any orders for additional service and/or disconnection of service.
 4. Audits may be conducted by (a) an independent auditor under contract to the Company; (b) a mutually agreed upon independent auditor paid for by the customer; (c) an independent auditor selected and paid for by the customer; or (d) an independent auditor under contract to the Joint LEC Audit Committee. If the customer selects option (c), the selected auditor must certify that the audit was performed following FCC procedures for measuring interstate and intrastate traffic as established by Commission orders, and provide to the Company a report with supporting documentation to verify such procedures. If the customer selects option (b), (c) or (d), the auditor shall produce an attestation audit report upon completion of the audit.
 5. When an auditor cannot be agreed upon within thirty days after receipt of the initial audit notice, the independent auditor under contract to the Joint LEC Audit Committee shall perform the audit.

ACCESS SERVICE TARIFF

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

First Revised Page 26
Cancels Original Page 26

Effective: December 31, 2000

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

D. Audit and Reconciliation of Customer Records (Cont'd) (T)

6. Changes to the reported PIU will not be accepted by the Company for the audit test period.
7. The Company will audit data from one quarter unless a longer period is requested by the customer and agreed to by the Company.
8. Audit results will be furnished to the customer via Certified U.S. Mail (return receipt requested).
9. The Company will adjust the customer's PIU based upon the audited results. The PIU resulting from the audit shall be applied to the usage for the quarter the audit was completed, 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. After this adjustment period, the customer may report a revised PIU pursuant to E2.3.11.*B* preceding. If the revised PIU submitted by the customer represents a deviation of five percentage points or more from the audited PIU, and that deviation is not due to identifiable reasons documented and provided with the revised PIU, the Company retains the right to refuse the revised report and/or initiate audit procedures. (T)
10. Both credit and debit adjustments will be made to the customer's interstate and intrastate access charges for the period specified in E2.3.11.*D.9* preceding to accurately reflect the usage for the customer's account consistent with E2.4.1 following. (T)

ACCESS SERVICE TARIFF

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

First Revised Page 27
Cancels Original Page 27

Effective: December 31, 2000

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

D. Audit and Reconciliation of Customer Records (Cont'd)

(T)

11. If, as a result of an audit performed by an independent auditor under contract to the Company or an independent auditor under contract to the Joint LEC Audit Committee, the customer is found to have misreported its PIU by greater than or equal to five percentage points, the Company shall require reimbursement from the customer for the cost of the audit. Where applicable, such cost shall be proven by submission of the bill(s) submitted to the Company by the auditor. Such bill(s) shall be due and paid in immediate funds thirty days from receipt and shall carry a late payment penalty as set forth in E2.4.1 following.
12. Contested audits may be referred to the Florida Public Service Commission by the customer or the Company within thirty days of receipt of the audit results.
13. Correspondence between the Company and the customer shall be conducted solely by U.S. Mail, return receipt requested, for the following audit phases and limited to the timeframes specified:

Choice of auditor:	30 days from the date of the initial audit notice.
Choice of test period:	10 business days from the date of the initial audit notice.
Provision of audit results:	30 days from the completion of field work by the designated auditor.
Concurrence of audit results:	30 days from receipt of the audit results.

ACCESS SERVICE TARIFF

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

First Revised Page 28
Cancels Original Page 28

Effective: December 31, 2000

E2. GENERAL REGULATIONS

E2.3 Obligations of the IC (Cont'd)

E2.3.11 Jurisdictional Report Requirements (Cont'd)

D. Audit and Reconciliation of Customer Records (Cont'd)

(T)

13. (Cont'd)

In the absence of a proper response within the stated timeframes, concurrence will be assumed on the content of the correspondence from the other party.

14. The Company will work cooperatively with other local exchange companies to develop joint audits of a customer and thus limit the customer's total state PIU audits to one per year. If, however, the audit results represent what the Company considers to be a substantial deviation from the customer's reported PIU for the period upon which the audit was based or if subsequent customer-initiated changes to the reported PIU appear to be extreme or excessive, the Company will request an audit of the call detail records more than once annually.
15. All audits of customer-provided PIUs shall be conducted pursuant to the rules and regulations stated in this tariff. If a customer fails to comply with the provisions contained in this tariff, the Company may refuse additional applications for service and/or may refuse to complete any pending orders for service. After the Company has refused additional applications and/or completion of pending orders for service for a period of 30 days, and the customer has continued to remain noncompliant with the provisions of this tariff, the Company may disconnect the customer for noncompliance as set forth in E2.1.8 preceding without further notice.