

DOCKET NO. 961403-TP
DATE: FEBRUARY 6, 1997

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve the proposed agreement between BellSouth and Annox?

RECOMMENDATION: Yes. The Commission should approve the proposed resale agreement between BellSouth and Annox. Since Annox has not received a certificate to operate as an ALEC, Annox should not provide service under this agreement until it receives its certificate. The Commission should require BellSouth and Annox to file any subsequent supplements or modifications to their agreement for Commission review under the provisions of 47 U.S.C. § 252(e).

STAFF ANALYSIS: As stated in the Case Background, BellSouth and Annox are seeking approval of their resale agreement under the federal Telecommunications Act of 1996 (the Act). Both the Act and revised Chapter 364, Florida Statutes, encourage parties to enter into negotiated agreements to bring about local exchange competition as quickly as possible. If the parties reach a negotiated agreement, under 47 U.S.C. § 252(e), the agreement is to be filed with the state commission for approval. 47 U.S.C. § 252(a)(1) requires that "the agreement shall include a detailed schedule of itemized charges for interconnection and each service or network element included in the agreement." Under 47 U.S.C. § 252(e)(4), the state commission must approve or reject the agreement within 90 days after submission, or the agreement shall be deemed approved.

The agreement is a two-year agreement governing the relationship between the companies regarding the resale of tariffed local exchange service, toll telecommunications service, Hotel and Hospital PBX services, Customer Provided Coin Telephone service, Shared Tenant Service, access to 911/E911 services, Telecommunications Relay Services, and white page directory listings and directory distribution in states in which BellSouth operates. The agreement also includes the rates at which Annox will purchase services from BellSouth for resale, which are discounted from BellSouth's retail rate for the telecommunications service. The discounts are 18% for residential and 12% for business telecommunications services (see Attachment I).

Staff has reviewed the BellSouth and Annox proposed agreement for compliance with the Act and recommends that the Commission approve it pursuant to § 252(e)(2)(A). It must be noted that Annox is not certificated by the Commission, therefore Annox should not provide service under this agreement until it receives its certificate. Attachment II compares the major elements of the

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BellSouth and Annox agreement with Commission ordered
interconnection arrangements and other Commission approved
negotiated interconnection agreements.

ISSUE 2: Should Docket No. 961403-TP be closed?

RECOMMENDATION: Yes, with the adoption of staff's recommendation
in Issue 1, and issuance of the Commission's order approving the
agreement, Docket No. 961403-TP should be closed.

BellSouth Telecommunications, Inc. Fax 904 224-5073
Suite 400 904 224-7798
150 South Monroe Street
Tallahassee, Florida 32301-1556

A. M. Lombardo
Regulatory Vice President

November 22, 1996

Mrs. Blanca S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

961403-TP

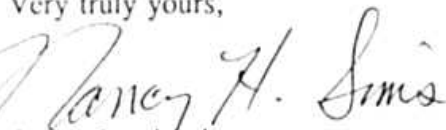
Re: Approval of the Resale Agreement Negotiated by BellSouth Telecommunications, Inc. ("BellSouth") and Annox, Inc. pursuant to Sections 251 and 252 of the Telecommunications Act of 1996

Dear Mrs. Bayo:

Pursuant to section 252(e) of the Telecommunications Act of 1996, BellSouth and Annox, Inc. are submitting to the Florida Public Service Commission their negotiated agreement for the purchase of BellSouth's telecommunications services for the purpose of resale to end users by Annox, Inc.

Pursuant to section 252(e) of the Act, the Commission is charged with approving or rejecting the negotiated agreement between BellSouth and Annox, Inc. within 90 days of its submission. The Act provides that the Commission may only reject such an agreement if it finds that the agreement or any portion of the agreement discriminates against a telecommunications carrier not a party to the agreement or the implementation of the agreement or any portion of the agreement is not consistent with the public interest, convenience and necessity. Both parties aver that neither of these reasons exist as to the agreement they have negotiated and therefore, are very hopeful that the Commission shall approve their agreement.

Very truly yours,


A. M. Lombardo
Regulatory Vice President

DOCUMENT # 961403-TP
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FPSC-RECORDS/REPORTING

**Agreement Between BellSouth Telecommunications, Inc. and Annox, Inc. Regarding The Sale of
BST's Telecommunications Services to Annox For The Purposes of Resale**

THIS AGREEMENT is by and between BellSouth Telecommunications, Inc., ("BellSouth or Company"), a Georgia corporation, and Annox, Inc. ("Reseller"), a Georgia corporation, and shall be deemed effective as of 10-10, 1996.

WITNESSETH

WHEREAS, BellSouth is a local exchange telecommunications company authorized to provide telecommunications services in the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee; and

WHEREAS, Reseller is a alternative local exchange telecommunications company which is or will be authorized to provide telecommunications services in the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee; and

WHEREAS, Reseller desires to resell BellSouth's telecommunications services; and

WHEREAS, BellSouth has agreed to provide such services to Reseller for resale purposes and pursuant to the terms and conditions set forth herein;

NOW, THEREFORE, for and in consideration of the mutual premises and promises contained herein, BellSouth and Reseller do hereby agree as follows:

I. Term of the Agreement

A. The term of this Agreement shall be two years beginning 10/10/1996 and shall apply to all of BellSouth's serving territory as of January 1, 1996, in the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee.

B. This Agreement shall be automatically renewed for two additional one year periods unless either party indicates its intent not to renew the Agreement. Notice of such intent must be provided, in writing, to the other party no later than 60 days prior to the end of the then-existing contract period. The terms of this Agreement shall remain in effect after the term of the existing agreement has expired and while a new agreement is being negotiated.

C. The rates pursuant by which Reseller is to purchase services from BellSouth for resale shall be at a discount rate off of the retail rate for the telecommunications service. The discount rates shall be as set forth in Exhibit A, attached hereto and incorporated herein by this reference. Such discount shall reflect the costs avoided by BellSouth when selling a service for wholesale purposes.

II. Definition of Terms

A. CUSTOMER CODE means the three digit number following a customer's telephone number as shown on the customer's bill

B. CUSTOMER OF RECORD means the entity responsible for placing application for service, requesting additions, rearrangements, maintenance or discontinuance of service; payment in full of charges incurred such as toll, directory assistance, etc

C. DEPOSIT means assurance provided by a customer in the form of cash, surety bond or bank letter of credit to be held by the Company.

D. END USER means the ultimate user of the telecommunications services.

E. END USER CUSTOMER LOCATION means the physical location of the premises where an end user makes use of the telecommunications services.

F. NEW SERVICES means functions, features or capabilities that are not currently offered by BellSouth. This includes packaging of existing services or combining a new function, feature or capability with an existing service.

G. OTHER LOCAL EXCHANGE COMPANY (OLEC) means a telephone company certificated by the public service commissions of the Company's franchised area to provide local exchange service within the Company's franchised area.

H. RESALE means an activity wherein a certificated OLEC, such as Reseller subscribes to the telecommunications services of the Company and then reoffers those telecommunications services to the public (with or without "adding value").

I. RESALE SERVICE AREA means the area, as defined in a public service commission approved certificate of operation, within which an OLEC, such as Reseller, may offer resold local exchange telecommunications service.

III. General Provisions

A. Reseller may resell the tariffed local exchange and toll telecommunications services of BellSouth subject to the terms, and conditions specifically set forth herein. Notwithstanding the foregoing, the following are not available for purchase: Grandfathered services; promotional and trial retail service offerings; lifeline and linkup services; contract service arrangements; installment billing options; 911 and E911 services; interconnection services for mobile service providers; legislatively or administratively mandated specialized discounts (e.g., education institution discount) and discounted services to meet competitive situation.

B. The provision of services by the Company to Reseller does not constitute a joint undertaking for the furnishing of any service.

C. Reseller will be the customer of record for all services purchased from BellSouth. Except as specified herein, the Company will take orders from, bill and expect payment from Reseller for all services.

D. Reseller will be the Company's single point of contact for all services purchased pursuant to this Agreement. The Company shall have no contact with the end user except to the extent provided for herein.

E. The Company will continue to bill the end user for any services that the end user specifies it wishes to receive directly from the Company.

F. The Company maintains the right to serve directly any end user within the service area of Reseller. The Company will continue to directly market its own telecommunications products and services and in doing so may establish independent relationships with end users of Reseller.

G. Reseller shall not interfere with the right of any person or entity to obtain service directly from the Company.

H. The current telephone number of an end user may be retained by the end user unless the end user has past due charges associated with the BellSouth account for which payment arrangements have not been made. The Company will not, however, make the end user's previous telephone number available to Reseller until the end user's outstanding balance has been paid. If Reseller requests service for an end user that has been

denied service or disconnected for non-payment by BellSouth, and the end user still has an outstanding balance with the Company, the Company will establish service for that end user through Reseller. Denied service means that the service of an end user provided by a local exchange telecommunications company, including BellSouth, has been temporarily suspended for nonpayment and subject to complete disconnection.

I. Telephone numbers are the property of the Company and are assigned to the service furnished. Reseller has no property right to the telephone number or any other call number designation associated with services furnished by the Company, and no right to the continuance of service through any particular central office. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, whenever the Company deems it necessary to do so in the conduct of its business.

J. The Company may provide any service or facility for which a charge is not established herein, as long as it is offered on the same terms to Reseller.

K. Service is furnished subject to the condition that it will not be used for any unlawful purpose.

L. Service will be discontinued if any law enforcement agency advises that the service being used is in violation of the law.

M. The Company can refuse service when it has grounds to believe that service will be in violation of the law.

N. The Company accepts no responsibility to any person for any unlawful act committed by Reseller or its end users as part of providing service to Reseller for purposes of resale or otherwise.

O. The Company will cooperate fully with law enforcement agencies with subpoenas and court orders for assistance with the Company's customers. Law enforcement agency subpoenas and court orders regarding end users of Reseller will be directed to Reseller. The Company will bill Reseller for implementing any requests by law enforcement agencies regarding Reseller end users.

P. The characteristics and methods of operation of any circuits, facilities or equipment provided by other than the Company shall not:

1. Interfere with or impair service over any facilities of the Company, its affiliates, or its connecting and concurring carriers involved in its service;
2. Cause damage to their plant;
3. Impair the privacy of any communications; or
4. Create hazards to any employees or the public.

Q. Reseller assumes the responsibility of notifying the Company regarding less than standard operations with respect to services provided by it.

R. Facilities and/or equipment utilized by BellSouth to provide service to Reseller remain the property of BellSouth.

S. White page directory listings will be provided in accordance with regulations set forth in Section A6 of the General Subscriber Service Tariff and will be available for resale.

V. Maintenance of Services

- A. Services resold under the Company's Tariffs and facilities and equipment provided by the Company shall be maintained by the Company.
- B. Reseller or its end users may not rearrange, move, disconnect, remove or attempt to repair any facilities owned by the Company, other than by connection or disconnection to any interface means used, except with the written consent of the Company.
- C. Reseller accepts responsibility to notify the Company of situations that arise that may result in a service problem.
- D. Reseller will be the Company's single point of contact for all repair calls on behalf of Reseller's end users.
- E. Reseller will contact the appropriate repair centers in accordance with procedures established by the Company.
- F. For all repair requests, Reseller accepts responsibility for adhering to the Company's prescreening guidelines prior to referring the trouble to the Company.
- G. The Company will bill Reseller for handling troubles that are found not to be in the Company's network pursuant to its standard time and material charges. The standard time and material charges will be no more than what BellSouth charges to its retail customers for the same services.
- H. The Company reserves the right to contact Reseller's customers, if deemed necessary, for maintenance purposes.

VI. Establishment of Service

- A. After receiving certification as a local exchange company from the appropriate regulatory agency, Reseller will provide the appropriate Company service center the necessary documentation to enable the Company to establish a master account for Reseller. Such documentation shall include the Application for Master Account, proof of authority to provide telecommunications services, an Operating Company Number ("OCN") assigned by the National Exchange Carriers Association ("NECA") and a tax exemption certificate, if applicable. When necessary deposit requirements are met, the Company will begin taking orders for the resale of service.
- B. Service orders will be in a standard format designated by the Company.
- C. When notification is received from Reseller that a current customer of the Company will subscribe to Reseller's service, standard service order intervals for the appropriate class of service will apply.
- D. When an existing customer of the Company switches to Reseller, Reseller must provide the Company with the Customer Code or Codes, when multiple codes apply, for that end user.
- E. The Company will not require end user confirmation prior to establishing service for Reseller's end user customer. Reseller must, however, be able to demonstrate end user authorization upon request.
- F. Reseller will be the single point of contact with the Company for all subsequent ordering activity resulting in additions or changes to resold services except that the Company will accept a request directly from the end user for conversion of the end user's service from Reseller to the Company or will accept a request from another OLEC for conversion of the end user's service from the Reseller to the other LEC. The Company will notify Reseller that such a request has been processed.

G. If the Company determines that an unauthorized change in local service to Reseller has occurred, the Company will reestablish service with the appropriate local service provider and will assess Reseller as the OLEC initiating the unauthorized change, an unauthorized change charge similar to that described in F.C.C. Tariff No. 1, Section 13.3.3. Appropriate nonrecurring charges, as set forth in Section A4. of the Genofel Subscriber Service Tariff, will also be assessed to Reseller.

These charges can be adjusted if Reseller provides satisfactory proof of authorization.

	Nonrecurring Charge
(a) each Residence or Business line	\$19.41
(b) each Public or Semi-Public line	\$34.19

H. The Company will, in order to safeguard its interest, require Reseller to make a deposit to be held by the Company as a guarantee of the payment of rates and charges, unless satisfactory credit has already been established. Any such deposit may be held during the continuance of the service as security for the payment of any and all amounts accruing for the service.

I. Such deposit may not exceed two months' estimated billing.

J. The fact that a deposit has been made in no way relieves Reseller from complying with the Company's regulations as to advance payments and the prompt payment of bills on presentation nor does it constitute a waiver or modification of the regular practices of the Company providing for the discontinuance of service for non-payment of any sums due the Company.

K. The Company reserves the right to increase the deposit requirements when, in its sole judgment, the conditions justify such action.

L. In the event that Reseller defaults on its account, service to Reseller will be terminated and any deposits held will be applied to its account.

M. In the case of a cash deposit, interest at the rate of six percent per annum shall be paid to Reseller during the continuance of the deposit. Interest on a deposit shall accrue annually and, if requested, shall be annually credited to Reseller by the accrual date.

N. In the case where a Reseller end user customer switches service from Reseller to Company, no charge will be levied to Reseller by Company for effecting this switching of service.

VII. Payment And Billing Arrangements

A. When the initial service is ordered by Reseller, the Company will establish an accounts receivable master account for Reseller.

B. The Company shall bill Reseller on a current basis all applicable charges and credits.

C. Payment of all charges will be the responsibility of Reseller. Reseller shall make payment to the Company for all services billed. The Company is not responsible for payments not received by Reseller from Reseller's customer. The Company will not become involved in billing disputes that may arise between Reseller and its customer. Payments made to the Company as payment on account will be credited to an accounts receivable master account and not to an end user's account.

D. The Company will render bills each month on established bill days for each of Reseller's accounts.

E. The Company will bill Reseller, in advance, charges for all services to be provided during the ensuing billing period except charges associated with service usage, which charges will be billed in arrears. Charges will be calculated on an individual end user account level, including, if applicable, any charges for usage or usage allowances. BellSouth will also bill all charges, including but not limited to 911 and E911 charges, telecommunications relay charges, and franchise fees, on an individual end user account level.

F. The payment will be due by the next bill date (i.e., same date in the following month as the bill date) and is payable in immediately available funds. Payment is considered to have been made when received by the Company.

If the payment due date falls on a Sunday or on a Holiday which is observed on a Monday, the payment due date shall be the first non-Holiday day following such Sunday or Holiday. If the payment due date falls on a Saturday or on a Holiday which is observed on Tuesday, Wednesday, Thursday, or Friday, the payment due date shall be the last non-Holiday day preceding such Saturday or Holiday. If payment is not received by the payment due date, a late payment penalty, as set forth in I. following, shall apply.

G. Upon proof of tax exempt certification from Reseller, the total amount billed to Reseller will not include any taxes due from the end user. Reseller will be solely responsible for the computation, tracking, reporting and payment of all federal, state and/or local jurisdiction taxes associated with the services resold to the end user.

H. As the customer of record, Reseller will be responsible for, and remit to the Company, all charges applicable to its resold services for emergency services (E911 and 911) and Telecommunications Relay Service (TRS) as well as any other charges of a similar nature.

I. If any portion of the payment is received by the Company after the payment due date as set forth preceding, or if any portion of the payment is received by the Company in funds that are not immediately available to the Company, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the payment due date times a late factor. The late factor shall be the lesser of:

1. The highest interest rate (in decimal value) which may be levied by law for commercial transaction, compounded daily for the number of days from the payment due date to and including the date that Reseller actually makes the payment to the Company, or
2. 0.000590 per day, compounded daily for the number of days from the payment due date to and including the date that Reseller actually makes the payment to the Company.

J. Any switched access charges associated with interexchange carrier access to the resold local exchange lines will be billed by, and due to, the Company. No additional charges are to be assessed to Reseller.

K. The Company will not perform billing and collection services for Reseller as a result of the execution of this Agreement. All requests for billing services should be referred to the appropriate entity or operational group within the Company.

L. Until such time as the Company receives permission from the FCC to bill the End User Common Line (EUCL) charge to Reseller, the Company will, on an interim basis, bill the charges shown below which are identical to the EUCL rates billed by BST to its end users.

	Monthly Rate
1. Residential	
(a) Each Individual Line or Trunk	\$3.50
2. Single Line Business	
(b) Each Individual Line or Trunk	\$3.50

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3. Multi-line Business
(c) Each Individual Line or Trunk \$6.00

M. In general, the Company will not become involved in disputes between Reseller and Reseller's end user customers over resold services. If a dispute does arise that cannot be settled without the involvement of the Company, Reseller shall contact the designated Service Center for resolution. The Company will make every effort to assist in the resolution of the dispute and will work with Reseller to resolve the matter in as timely a manner as possible. Reseller may be required to submit documentation to substantiate the claim.

N. Reseller is responsible for payment of all appropriate charges for completed calls, services, and equipment. If objection in writing is not received by the Company within twenty-nine days after the bill is rendered, the account shall be deemed correct and binding upon Reseller.

VIII. Discontinuance of Service

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

1. Where possible, the Company will deny service to Reseller's end user on behalf of, and at the request of, Reseller. Upon restoration of the end user's service, restoral charges will apply and will be the responsibility of Reseller.
2. At the request of Reseller, the Company will disconnect a Reseller end user customer. Upon receipt of a written request from Reseller to disconnect a Reseller end user customer, Company will cease billing Reseller for Reseller end user customer's disconnected services. Reseller will be responsible for paying any outstanding balances due for services provided by Company prior to the disconnection date to Reseller's end user customer.
3. All requests by Reseller for denial or disconnection of an end user for nonpayment must be in writing.
4. Reseller will be made solely responsible for notifying the end user of the proposed disconnection of the service.
5. The Company will continue to process calls made to the Annoyance Call Center and will advise Reseller when it is determined that annoyance calls are originated from one of their end user's locations. The Company shall be indemnified, defended and held harmless by Reseller and/or the end user against any claim, loss or damage arising from providing this information to Reseller. It is the responsibility of Reseller to take the corrective action necessary with its customers who make annoying calls. Failure to do so will result in the Company's disconnecting the end user's service.

B. The procedures for discontinuing service to Reseller are as follows:

1. The Company reserves the right to suspend or terminate service for nonpayment or in the event of prohibited, unlawful or improper use of the facilities or service, abuse of the facilities, or any other violation or noncompliance by Reseller of the rules and regulations of the Company's Tariffs.
2. If payment of account is not received by the bill day in the month after the original bill day, the Company may provide written notice to Reseller, that additional applications for service will be refused and that any pending orders for service will not be completed if payment is not received by the fifteenth day following the date of the notice. If the Company does not refuse additional applications for service on the date specified in the notice, and Reseller's noncompliance continues, nothing contained herein shall preclude the Company's right to refuse additional applications for service without further notice.
3. If payment of account is not received, or arrangements made, by the bill day in the second consecutive month, the account will be considered in default and will be subject to denial or disconnection, or both.

4. If Reseller fails to comply with the provisions of this Agreement, including any payments to be made by it on the dates and times herein specified, the Company may, on thirty days written notice to the person designated by Reseller to receive notices of noncompliance, discontinue the provision of existing services to Reseller at any time thereafter. In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due. If the Company does not discontinue the provision of the services involved on the date specified in the thirty days notice, and Reseller's noncompliance continues, nothing contained herein shall preclude the Company's right to discontinue the provision of the services to Reseller without further notice.

5. If payment is not received or arrangements made for payment by the date given in the written notification, Reseller's services will be discontinued. Upon discontinuance of service on a Reseller's account, service to Reseller's end users will be denied. The Company will also reestablish service at the request of the end user or Reseller upon payment of the appropriate connection fee and subject to the Company's normal application procedures.

6. If within fifteen days after an end user's service has been denied no contact has been made in reference to restoring service, the end user's service will be disconnected.

IX. Liability

A. The liability of the Company for damages arising out of mistakes, omissions, interruptions, preemptions, delays errors or defects in transmission, or failures or defects in facilities furnished by the Company, occurring in the course of furnishing service or other facilities and not caused by the negligence of Reseller, or of the Company in failing to maintain proper standards of maintenance and operation and to exercise reasonable supervision shall in no event exceed an amount equivalent to the proportionate charge to Reseller for the period of service during which such mistake, omission, interruption, preemption, delay, error or defect in transmission or defect or failure in facilities occur. The Company shall not be liable for damage arising out of mistakes, omission, interruptions, preemptions, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the service of the Company, (1) caused by customer-provided equipment (except where a contributing cause is the malfunctioning of a Company-provided connecting arrangement, in which event the liability of the Company shall not exceed an amount equal to a proportional amount of the Company billing for the period of service during which such mistake, omission, interruption, preemption, delay, error, defect in transmission or injury occurs), or (2) not prevented by customer-provided equipment but which would have been prevented had Company-provided equipment been used.

B. The Company shall be indemnified and saved harmless by Reseller against any and all claims, actions, causes of action, damages, liabilities, or demands (including the costs, expenses and reasonable attorneys' fees, on account thereof) of whatever kind or nature that may be made by any third party as a result of the Company's furnishing of service to Reseller

C. The Company shall be indemnified, defended and held harmless by Reseller and/or the end user against any claim, loss or damage arising from the use of services offered for resale involving:

1. Claims for libel, slander, invasion of privacy or infringement of copyright arising from Reseller's or end user's own communications.
2. Claims for patent infringement arising from acts combining or using Company services in connection with facilities or equipment furnished by the end user or Reseller
3. All other claims arising out of an act or omission of Reseller or its end user in the course of using services.

D. Reseller accepts responsibility for providing access for maintenance purposes of any service resold under the provisions of this Tariff. The Company shall not be responsible for any failure on the part of Reseller with respect to any end user of Reseller.

X. More Favorable Provisions

If and to the extent that Company makes available, to another reseller, telecommunications services for resale in any given state or states, regardless of whether on the basis of voluntary agreement, tariff, or pursuant to a legally effective directive, Company will provide Reseller with access to those same telecommunications services for resale pursuant to identical rates, terms and/or conditions in the effected state or states.

In the event that Company is directed, in a legally effective order, by the FCC, a state Commission, or appropriate regulatory agency or judicial body, to provide telecommunications services for resale at rates, terms, and/or conditions which are different than those provided for herein, Company will provide Reseller with access to those same telecommunications services for resale pursuant to those identical rates, terms, and/or conditions contained in the directive or order. The parties agree that such action shall take place only after all administrative and judicial remedies have been exhausted.

XI. Treatment of Proprietary and Confidential Information

A. Both parties agree that it may be necessary to provide each other during the term of this Agreement with certain confidential information, including trade secret information, including but not limited to, technical and business plans, technical information, proposals, specifications, drawings, procedures, customer account data and like information (hereinafter collectively referred to as "Information"). Both parties agree that all Information shall either be in writing or other tangible form and clearly marked with a confidential, private or proprietary legend, or, when the Information is communicated orally, it shall also be communicated that the Information is confidential, private or proprietary. The Information will be returned to the owner within a reasonable time. Both parties agree that the Information shall not be copied or reproduced in any form. Both parties agree to receive such Information and not disclose such Information. Both parties agree to protect the Information received from distribution, disclosure or dissemination to anyone except employees of the parties with a need to know such Information and which employees agree to be bound by the terms of this Section. Both parties will use the same standard of care to protect Information received as they would use to protect their own confidential and proprietary Information.

B. Notwithstanding the foregoing, both parties agree that there will be no obligation to protect any portion of the Information that is either: 1) made publicly available by the owner of the Information or lawfully disclosed by a nonparty to this Agreement; 2) lawfully obtained from any source other than the owner of the Information; or 3) previously known to the receiving party without an obligation to keep it confidential.

XII. Resolution of Disputes

Except as other wise stated in this Agreement, the parties agree that if any dispute arises as to the interpretation of any provision of this Agreement or as to the proper implementation of this Agreement, the parties will petition the applicable state Public Service Commission for a resolution of the dispute. However, each party reserves any rights it may have to seek judicial review of any ruling made by the that Public Service Commission concerning this Agreement.

XIII. Limitation of Use

The parties agree that this Agreement shall not be proffered by either party in another jurisdiction as evidence of any concession or as a waiver of any position taken by the other party in that jurisdiction or for any other purpose.

XIV. Waivers

Any failure by either party to insist upon the strict performance by the other party of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions of this Agreement, and each party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement.

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XIV. Governing Law

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Georgia, without regard to its conflict of laws principles.

XVI. Arm's Length Negotiations

This Agreement was executed after arm's length negotiations between the undersigned parties and reflects the conclusion of the undersigned that this Agreement is in the best interests of all parties.

XVII. Notices

A. Every notice, consent, approval, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered in person or given by postage prepaid mail, address to:

BellSouth Telecommunications, Inc.
Rich Dender
3535 Colonnade Parkway, Room E4E1
Birmingham, AL 35243

Annox, Inc.
Tom Linder
6509 Highway 41A
Pleasant View, TN 37146

or at such other address as the intended recipient previously shall have designated by written notice to the other party.

B. Where specifically required, notices shall be by certified or registered mail. Unless otherwise provided in this Agreement, notice by mail shall be effective on the date it is officially recorded as delivered by return receipt or equivalent, and in the absence of such record of delivery, it shall be presumed to have been delivered the fifth day, or next business day after the fifth day, after it was deposited in the mails.

XVIII. Amendments

This Agreement may be amended at any time upon written agreement of both parties.

XIX. Entire Agreement

This Agreement sets forth the entire understanding and supersedes prior agreements between the parties relating to the subject matter contained herein and merges all prior discussions between them, and neither party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise other than as expressly stated in this Agreement or as is contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the party to be bound thereby.

BellSouth Telecommunications, Inc.
BY: Jerry D. Hendrix
Signature
NAME: Jerry D. Hendrix
Printed Name
TITLE: Director

Annox, Inc.
BY: TOM LINDER JR.
Signature
NAME: TOM LINDER JR.
Printed Name
TITLE: President

EXHIBIT "A"

APPLICABLE DISCOUNTS

The telecommunications services available for purchase by Reseller for the purposes of resale to Reseller end users shall be available at the following discount off of the retail rate.

	DISCOUNT	
<u>STATE</u>	<u>RESIDENCE</u>	<u>BUSINESS</u>
ALABAMA	10%	10%
FLORIDA	18%	12%
GEORGIA	11.6%	9.6%
KENTUCKY	10%	8%
LOUISIANA	11%	10%
MISSISSIPPI	9%	8%
NORTH CAROLINA	12%	9%
SOUTH CAROLINA	10%	9%
TENNESSEE	11%	9%

-16-

BELLSOUTH

BellSouth Telecommunications, Inc.
675 West Peachtree Street
Atlanta, Georgia 30375

February 3, 1997

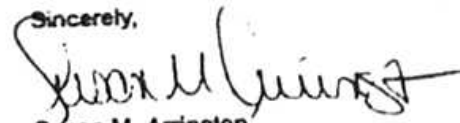
Tom Linder
Annox, Inc.
6509 Highway 41A
Pleasant View, Tennessee 37146

Dear Mr. Linder:

Attached is copy of BellSouth's response to the Florida Public Service Commission's (FPSC) request for additional information relative to the Resale Agreement reached between BellSouth Telecommunications, Inc. and Annox, Inc. on October 10, 1996. The FPSC's request was for tariff section references and clarification on certain items negotiated as part of the Agreement. BellSouth's response will be filed with the FPSC on Wednesday, February 5, 1997. If you concur in BellSouth's response, please provide your concurrence directly to the Commission.

If you have any questions regarding the attached or wish to discuss our response further, please contact me at (404) 529-5566.

Sincerely,



Susan M. Arrington
Manager - Interconnection Services/Pricing

Attachment

cc: Nancy B. White

**Resale Agreement between
BellSouth Telecommunications, Inc. and
Annox, Inc. Effective 10/10/96**

**Response to Florida Commission's Request for
Additional Information - Docket 961403-TP**

No.	Reference	Request	Response
1.	A(3)	Tariff Reference for Hotel and Hospital PBX and Access Line service for Customer Provided Coin Telephones	A11. General Subscriber Service Tariff
2.	G	Tariff Reference for Billing of troubles not found to be on BellSouth's Network	BellSouth's handling of troubles not found to be on BellSouth's network, will be billed as follows: 1. If customer is on an Inside Wire Maintenance Plan - no charge, whether or not work is performed. 2. If customer is not on an Inside Wire Maintenance Plan and does not want BellSouth to perform repair work; Trouble Isolation Charges as set forth in A15 of BellSouth's General Subscriber Service Tariff will apply; 3. If customer is not on an Inside Wire Maintenance Plan and requests that BellSouth perform repair work past demarcation point, BellSouth will bill deregulated time and labor charges as set forth in: Pricing Guide, Installation and Maintenance Basic Residence and Basic Business Services, Inside Wire; or Non-Basic Inside Wire Price List.
3.	A	What are deposit requirements? If in tariff, give reference	A2.4 General Subscriber Service Tariff

Attachment II

Arrangements Set by the Commission

950984, 950985	BellSouth - MCImetro and MPS-FL
Interconnection	Mutual traffic exchange
Unbundling/Resale	\$17.00 - 2-wire voice grade analog loop (interim) \$ 2.00 - 2-wire analog port (interim)
Temporary Number Portability	\$ 1.00 res. or bus. - \$.50 per additional path and \$10.00 per order nonrecurring charge

950984, 950985	GTEFL - MPS-FL
Interconnection	Mutual traffic exchange
Unbundling/Resale	\$ 20.00 - 2-W voice grade analog loop \$ 25.00 - 4-W voice grade analog loop \$ 20.00 - 2-W ISDN digital loop \$250.00 - 4-W DS-1 digital loop, (interim) First System \$154.00 - Add'l System (interim) \$ 6.00 - 2-W & 4-W analog line ports \$ 20.00 - 2-W ISDN digital line port \$ 6.00 - 2-W analog DID trunk port, plus tariffed DID charges \$ 60.00 - 4-W DS-1 digital DID trunk port, plus tariffed DID charges \$350.00 - 4-W ISDN DS-1 digital port
Temporary Number Portability	\$ 1.00 res. or bus. - \$.50 per additional path and \$10.00 per order nonrecurring charge

950984, 950985	United/Centel - Time Warner, Continental, & MPS-FL
Interconnection	Mutual traffic exchange
Unbundling/Resale	\$15.00 - 2-wire voice grade analog loop (interim) \$ 7.00 - 2-wire analog port (interim)
Temporary Number Portability	\$ 1.00 res. or bus. - \$.50 per additional path and \$10.00 per order nonrecurring charge

Agreements Negotiated and Approved by the Commission

950985	MCImetro - BellSouth **
Interconnection	\$0.011/minute - Florida Rate
Unbundling/Resale	Not a part of agreement.
Temporary Number Portability	\$ 1.25 res. & \$1.50 bus. - \$.50 per additional path and \$25.00 per order nonrecurring charge

** Agreement allows MCImetro to take interconnection or temporary number portability via a Commission ordered tariff or another agreement.

960228	GTEFL - Intermedia
Interconnection	\$.011136/minute, w/105¢ cap
Unbundling/Resale	\$23.00 - 2-wire voice grade analog loop
Temporary Number Portability	\$1.25 res. or bus. - \$.50 per additional path and \$5.00 per order nonrecurring charge

950696, 950737, 950984, 950985	* BellSouth - FCTA, Time Warner, Intermedia, Teleport, Sprint Metro, & Continental
Interconnection	\$.01052/minute, w/105¢ cap
Unbundling/Resale	\$21.15 - 2-wire voice grade analog loop
Temporary Number Portability	\$1.25 res., \$1.50 bus. - \$.50 per additional path and \$25.00 per order nonrecurring charge

* Approved under state law.

960719	BellSouth - Time Warner/Digital Media Partners
Interconnection	\$0.01/minute; however, Mutual traffic exchange will apply: Months 1-6 Months 7-12 if out of balance <=\$40,000 Months 13-18 if out of balance <=\$30,000 Months 19-24 if out of balance <=\$20,000
Unbundling/Resale	No Agreement. Bell offered retail rate minus avoided costs but did not identify what the avoided costs were.
Temporary Number Portability	\$1.15 res. for 6 paths - \$.50 per additional path \$2.25 bus. for 10 paths - \$.50 per additional path No nonrecurring charge

960769	BellSouth - Intermedia
Interconnection	\$0.01028/minute w/ 105% Cap -Dedicated \$0.01056/minute w/ 105% Cap -Tandem However, Mutual traffic exchange will apply: Months 1-6 Months 7-12 if out of balance < \$40,000 Months 13-18 if out of balance < \$30,000 Months 19-24 if out of balance < \$20,000
Unbundling/Resale	<u>Unbundling:</u> \$ 2.00 - Residence Port \$ 4.50 - Business Port \$ 7.50 - PBX Trunk Port \$ 2.00 - Rotary Service \$ 0.0275/1st minute - Usage on Port \$ 0.0125/Add'l minutes - Usage on Port \$ 17.00 - Unbundled Exchange Access Loop \$140.00 - NRC 1st Loop \$ 45.00 - NRC Add'l Loop \$ 28.50 - Unbundled Inter. Office Channel \$ 1.65 - 1-08 Miles \$ 1.60 - 9-25 Miles \$ 1.55 - Over 25 Miles <u>Resale:</u> 18% off Residential Retail Rates 12% off Business Retail Rates
Temporary Number Portability	\$1.15 res. for 6 paths - \$.50 per additional path \$2.25 bus. for 10 paths - \$.50 per additional path No nonrecurring charge

960791	United/Centel - Intermedia
Interconnection	Option A - \$2,137 DS-1 Port Option B - \$.01979/minute, w/105% cap
Unbundling/Resale	\$19.05 - 2-wire voice grade analog loop
Temporary Number Portability	\$ 1.25 res. or bus. - \$.50 per additional path and \$25.00 per order nonrecurring charge

960795	BellSouth - Telephone Company of Central Florida
Interconnection	Not a part of the agreement.
Unbundling/Resale	<u>Resale:</u> 18% off residential retail rates. 12% off business retail rates.
Temporary Number Portability	Not a part of the agreement.

960801	United/Centel - SprintMetro
Interconnection	Option A - \$2,137 DS-1 Port Option B - \$.01979/minute, w/105¢ cap
Unbundling/Resale	\$19.05 - 2-wire voice grade analog loop
Temporary Number Portability	\$ 1.25 res. or bus. - \$.50 per additional path and \$25.00 per order nonrecurring charge

960845	BellSouth - SouthEast
Interconnection	Not a part of the agreement.
Unbundling/Resale	<u>Resale:</u> 18% off residential retail rates. 12% off business retail rates.
Temporary Number Portability	Not a part of the agreement.

960852	BellSouth - Payphone Consultants, Inc.
Interconnection	Not a part of the agreement.
Unbundling/Resale	<u>Resale:</u> 18% off residential retail rates. 12% off business retail rates.
Temporary Number Portability	Not a part of the agreement.

960854	BellSouth - Hart Communications
Interconnection	\$0.01/minute w/ 105% Cap
Unbundling/Resale	<u>Unbundling:</u> \$2.00 - Residence Port \$4.50 - Business Port \$7.50 - PBX Trunk Port \$2.00 - Rotary Service \$0.0275/1st minute - Usage on Port \$0.0125/Add'l minutes - Usage on Port \$ 17.00 - Unbundled Exchange Access Loop \$140.00 - NRC 1st Loop \$ 45.00 - NRC Add'l Loop <u>Resale:</u> 18% off Residential Retail Rates 12% off Business Retail Rates
Temporary Number Portability	Remote Call Forwarding: \$1.25 res. per # ported - \$.50 per additional path \$1.50 bus. per # ported - \$.50 per additional path. \$25.00 Nonrecurring charge. Direct-Inward-Dial: \$ 0.01 Per number per month recurring for both res. and bus. \$ 1.00 Per number nonrecurring charge. \$25.00 Per Order nonrecurring charge.

960862	BellSouth - Teleport
Interconnection	\$0.01028/minute w/ 105% Cap -Dedicated \$0.01056/minute w/ 105% Cap -Tandem However, Mutual traffic exchange will apply: Months 1-6 Months 7-12 if out of balance < \$40,000 Months 13-18 if out of balance < \$30,000 Months 19-24 if out of balance < \$20,000
Unbundling/Resale	<u>Unbundling:</u> \$2.00 - Residence Port \$4.50 - Business Port \$7.50 - PBX Trunk Port \$2.00 - Rotary Service \$0.0275/1st minute - Usage on Port \$0.0125/Add'l minutes - Usage on Port \$ 17.00 - Unbundled Exchange Access Loop \$140.00 - NRC 1st Loop \$ 45.00 - NRC Add'l Loop <u>Resale:</u> 18% off Residential Retail Rates 12% off Business Retail Rates
Temporary Number Portability	Remote Call Forwarding: \$1.15 res. for 6 paths - \$.50 per add'l path \$2.25 bus. for 10 paths - \$.50 per add'l path No nonrecurring charge. Direct-Inward-Dial: \$ 0.01 Per number per month recurring for both res. and bus. \$ 1.00 Per number nonrecurring charge. \$25.00 Per Order nonrecurring charge.

960863	BellSouth - TriComm
Interconnection	\$0.01028/minute w/ 105% Cap -Dedicated \$0.01056/minute w/ 105% Cap -Tandem However, Mutual traffic exchange will apply: Months 1-6 Months 7-12 if out of balance < \$40,000 Months 13-18 if out of balance < \$30,000 Months 19-24 if out of balance < \$20,000
Unbundling/Resale	<u>Unbundling:</u> \$2.00 - Residence Port \$4.50 - Business Port \$7.50 - PBX Trunk Port \$2.00 - Rotary Service \$0.0275/1st minute - Usage on Port \$0.0125/Add'l minutes - Usage on Port \$ 21.15 - Unbundled Exchange Access Loop \$140.00 - NRC 1st Loop \$ 45.00 - NRC Add'l Loop <u>Resale:</u> 18% off Residential Retail Rates 12% off Business Retail Rates
Temporary Number Portability	Remote Call Forwarding: \$1.25 res. per # ported - \$.50 per additional path \$1.50 bus. per # ported - \$.50 per additional path. \$25.00 Nonrecurring charge. Direct-Inward-Dial: \$ 0.01 Per number per month recurring for both res. and bus. \$ 1.00 Per number nonrecurring charge. \$25.00 Per Order nonrecurring charge.

960864	BellSouth - American MetroComm
Interconnection	\$0.01028/minute w/ 105% Cap -Dedicated \$0.01056/minute w/ 105% Cap -Tandem However, Mutual traffic exchange will apply: Months 1-6 Months 7-12 if out of balance < \$40,000 Months 13-18 if out of balance < \$30,000 Months 19-24 if out of balance < \$20,000
Unbundling/Resale	<u>Unbundling:</u> \$2.00 - Residence Port \$4.50 - Business Port \$7.50 - PBX Trunk Port \$2.00 - Rotary Service \$0.0275/1st minute - Usage on Port \$0.0125/Add'l minutes - Usage on Port \$ 17.00 - Unbundled Exchange Access Loop \$140.00 - NRC 1st Loop \$ 45.00 - NRC Add'l Loop <u>Resale:</u> 18% off Residential Retail Rates 12% off Business Retail Rates
Temporary Number Portability	Remote Call Forwarding: \$1.15 res. for 6 paths - \$.50 per additional path \$2.25 bus. for 10 paths - \$.50 per additional path. No nonrecurring charge. Direct-Inward-Dial: \$ 0.01 Per number per month recurring for both res. and bus. \$ 1.00 Per number nonrecurring charge. \$25.00 Per Order nonrecurring charge.

960967	BellSouth - Intetech
Interconnection	Not a part of the agreement.
Unbundling/Resale	<u>Resale:</u> 18% off residential retail rates. 12% off business retail rates.
Temporary Number Portability	Not a part of the agreement.

960968	BellSouth - National Tel
Interconnection	\$0.010/minute w/ 105% Cap However, Mutual traffic exchange will apply: Months 1-6 Months 7-12 if out of balance < \$40,000 Months 13-18 if out of balance < \$30,000 Months 19-24 if out of balance < \$20,000
Unbundling/Resale	<u>Unbundling:</u> \$ 17.00 - Unbundled 2-Wire Local Loop \$555.00/mo/unbundled loop channelization \$490.00/non-recurring charge <u>Resale:</u> 18% off Residential Retail Rates 12% off Business Retail Rates
Temporary Number Portability	\$1.15 res. for 6 paths - \$.50 per additional path \$2.25 bus. for 10 paths - \$.50 per additional path No nonrecurring charge

960969	BellSouth - ACSI
Interconnection	Mutual traffic exchange will apply unless difference in minutes of use exceed 2 million.
Unbundling/Resale	<u>Unbundling:</u> \$ 2.00 - Residence Port \$ 4.50 - Business Port \$ 7.50 - PBX Trunk Port \$ 2.00 - Rotary Service \$ 0.0275/1st minute - Usage on Port \$ 0.0125/Add'l minutes - Usage on Port \$ 17.00 - 2-Wire Analog \$ 27.20 - 4-Wire Analog \$ 17.00 - 2-Wire ADSL/HDSL \$ 27.20 - 4-Wire HDSL \$ 27.20 - 2-Wire ISDN Digital \$400.00/mo/unbundled loop channelization \$525.00 non-recurring charge
Temporary Number Portability	\$1.15 res. for 6 paths - \$.50 per additional path \$2.25 bus. for 10 paths - \$.50 per additional path No nonrecurring charge

961053	BellSouth - MFS
Interconnection	\$0.009/minute
Unbundling/Resale	<u>Unbundling:</u> BST and MFS do not agree on the rates for unbundled loops, therefore this issue will be subject to further negotiations, FCC and/or Commission Proceedings/Orders and/or Arbitration.
Temporary Number Portability	\$1.15 res. for 6 paths - \$.50 per additional path \$2.25 bus. for 10 paths - \$.50 per additional path No nonrecurring charge

961090	GTEFL - MFS
Interconnection	\$0.009/minute w/ 105% Cap -Dedicated \$0.00075/minute w/ 105% Cap -Tandem However, Mutual traffic exchange will apply.
Unbundling/Resale	<u>Unbundling:</u> GTEFL and MFS do not agree on the rates for unbundled loops, therefore this issue will be subject to further negotiations, FCC and/or Commission Proceedings/Orders and/or Arbitration.
Temporary Number Portability	Remote Call Forwarding: \$1.15 res. for 6 paths - \$.50 per additional path \$2.25 bus. for 10 paths - \$.50 per additional path. No nonrecurring charge.

961272	GTEFL - MCIMETRO
Interconnection	\$0.00075/minute - Tandem However, Mutual traffic exchange will apply.
Unbundling/Resale	Not Applicable.
Temporary Number Portability	Remote Call Forwarding: \$1.00 - \$.50 per additional path \$10.00 nonrecurring charge.

961333	MFS - SPRINT
Interconnection	\$0.004/minute - End Office \$0.0015/minute - Tandem However, Mutual traffic exchange will apply.
Unbundling/Resale	MFS and Sprint do not agree on the rate for unbundled loops, therefore this issue will be subject to further negotiations, FCC and/or Commission Proceedings/Orders and/or Arbitration.
Temporary Number Portability	Terms to be negotiated subject to cost-based and competitively-neutral cost-recovery.

These are the proposed agreements for this agenda:

961402	BellSouth - CBS
Interconnection	Not a part of the agreement.
Unbundling/Resale	<u>Resale:</u> 18% off residential retail rates. 12% off business retail rates.
Temporary Number Portability	Not a part of the agreement.

961403	BellSouth - Annox
Interconnection	Not a part of the agreement.
Unbundling/Resale	<u>Resale:</u> 18% off residential retail rates. 12% off business retail rates.
Temporary Number Portability	Not a part of the agreement.

961414	BellSouth - Tie
Interconnection	Not a part of the agreement.
Unbundling/Resale	<u>Resale:</u> 18% off residential retail rates. 12% off business retail rates.
Temporary Number Portability	Not a part of the agreement.