

ORIGINAL

INGRAM

&

ASSOCIATES, PLLC

OFFICE OF CARROLL H. INGRAM

ATTORNEYS

AND

COUNSELORS AT LAW

March 20, 2000

Mrs. Blanca S. Bayo  
Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

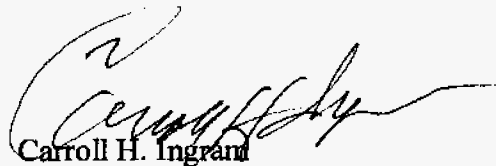
**RE: Petition for Arbitration of the Interconnection Agreement Between BellSouth Telecommunications, Inc. and NOW Communications, Inc., Pursuant to the Telecommunications Act of 1996 - Docket No: 000262-TP**

Dear Mrs. Bayo:

Enclosed are the original and appropriate number of copies of the Response to Petition of BellSouth Telecommunications, Inc. for Section 252(b) Arbitration. Copies of the enclosed are being provided to counsel of record for all parties.

Cordially,

INGRAM & ASSOCIATES, PLLC



Carroll H. Ingram

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DOCUMENT NUMBER DATE

03568 MAR 21 2000

FPSC - DEPT OF RECORDS & REPORTING

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In re:	)	
	)	
Petition for Arbitration of the Interconnection	)	
Agreement Between BellSouth Telecommunications,	)	Docket No. <u>000262-TP</u>
Inc. and NOW Communications, Inc., Pursuant	)	
to the Telecommunications Act of 1996.	)	
_____	)	

**RESPONSE TO PETITION OF BELL SOUTH TELECOMMUNICATIONS, INC.**  
**SECTION 252(B) ARBITRATION**

NOW Communications, Inc., by and through counsel, files its response to the Petition of BellSouth Telecommunications, Inc. ("BellSouth") for Section 252(b) Arbitration which was attempted to be filed on the 25th day of February, 2000. This response is in supplementation to and made a part of Respondent's previously filed Motion to Dismiss. NOW Communications, Inc. ("NOW") the Respondent, would show unto the Commission the following, to wit:

1.

The Respondent renews its previously filed Motion to Dismiss for all the good and valid reasons set forth therein and other reasons set forth in any supplementation to said Motion. The Respondent incorporates by reference, as a part of this response, the entirety of its Motion to Dismiss with exhibits, attachments and supplementations. The filing of this Response is in supplementation to the previously filed Motion to Dismiss.

2.

**FIRST DEFENSE**

The Petition for Arbitration was not filed timely. The attempted filing of the Petition is contrary to the provisions of the Telecommunications Act of 1996 (47 U.S.C.-3151 et seq. )

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FILED IN CASE NO. 000262-TP

("Telcom Act") and the Rules adopted by this Honorable body. The Commission does not have jurisdiction to hear, consider or render decisions concerning the subject matter of the purported BellSouth Petition. The time limitations set forth in the Telecom Act are statutorily jurisdictional. The failure of BellSouth to comply with the statute deprives the Commission of any jurisdiction in this matter and therefore the Petition should be dismissed for lack of jurisdiction and failure of the Petition to set forth any claim for relief which may be granted under the Telcom Act, the laws interpreting the same and the rules of this Honorable body.

3.

### **SECOND DEFENSE**

The Petitioner, BellSouth, failed to comply with the statutory provisions for timely and properly providing a copy of the Petition and any documentation to the other party or parties.

4.

### **THIRD DEFENSE**

The Petitioner, BellSouth, failed to comply with the statutory mandate of good faith negotiations of the Interconnection Agreement. (See Section 251(c)(1) of the Telcom Act) The Petitioner conducted a planned and designed scheme of bad faith negotiations which were intended to place the Respondent in a vulnerable position of accepting onerous terms of adhesion that would destroy the financial and corporate viability of the Respondent. The Petitioner, BellSouth, is without clean hands before the Commission in its attempted and abusive invocation of the procedures of arbitration to achieve its unjust and destructive ends.

5.

#### **FOURTH DEFENSE**

The Petitioner, BellSouth, is in direct violation of the Telcom Act by virtue of its purposeful violation of the provisions requiring the development of competition in the local exchange markets. Further, the Petitioner, BellSouth, is in violation of the Sherman Antitrust Act 15U.S.C. §2 and other U.S. laws pertaining to anti-trust and fair trade, and analogous state laws. BellSouth has attempted to maintain its monopoly contrary to law by its imposition of unfair, deceptive and anti-competitive business practices and by its imposition of a scheme to destroy the Respondent's business and, further, has denied NOW, the Respondent, its rightful access to a competitive market place. The Petitioner, while in violation of the laws specifically providing for a free market place, cannot avail itself of the procedures before this Commission in a further effort to achieve the Petitioner's destructive ends. BellSouth's actions and related refusals to take mandated actions are violative of law and flagrantly thwart the intent of Congress and the Commission to promote competition in the telecommunications industry.

6.

#### **FIFTH DEFENSE**

Bell South through waiver and/or agreement has elected not to exercise its rights, if any, for arbitration under the act. (See letter of January 26, 2000 from Page Miller to Larry Seab). The renewal and extension of the initial Interconnection Agreement (Exhibit "1"), was acknowledged and confirmed on the 26th day of January, 2000. The continuation of the Interconnection Agreement effectively vitiates the BellSouth Arbitration Petition. (Letter Agreement - Exhibit "2")

7.

### **SIXTH DEFENSE**

On June 1, 1997 NOW entered into a Interconnection Agreement with BellSouth, appropriately approved, which provided for a primary term of two (2) years ending on May 31, 1999 with an automatic two year extension unless sixty (60) days advance notice of intention not to renew was provided by either party. (See Exhibit "1," Paragraph 1B) On August 20, 1999 BellSouth in bad faith demanded re-negotiation of the Interconnection Agreement when it knew or should have known that the agreement had not expired but was automatically renewed for a period of two years from May 31, 1999 to May 31, 2001. BellSouth had no right to unilaterally amend, abrogate or rescind its agreement with NOW. Even though the agreement was in full force and effect BellSouth attempted to illegally impose on NOW unauthorized OSS charges and has willfully and maliciously abused the procedure and process of arbitration to achieve a financially superior and fatally destructive position to NOW. The Commission should dismiss the BellSouth Petition for Arbitration because the initial agreement (Exhibit "1") remains in full force and effect, and has not expired, therefore depriving BellSouth of any right to proceed with arbitration.

8.

### **SUPPLEMENTAL RESPONSE**

On the 1<sup>st</sup> day of June, 1997 NOW entered into a Interconnection Agreement with the Petitioner, which was approved by the Commission (a copy of which is attached hereto, incorporated herein as Exhibit "1"). NOW is a Mississippi corporation with its principal place of business in Jackson, MS. It is qualified to do business in eight of the nine states of the BellSouth operating region. It is by definition of the 1996 Telecommunications Act a competitive, local

4

exchange carrier (CLEC). NOW provides prepaid residential local telephone service through the BellSouth local exchange (BellSouth is an incumbent local exchange carrier, ILEC).

9.

The continuation of the initial Interconnection Agreement (Exhibit "1"), by its terms and written agreement was confirmed per the agreement of the parties on the 26<sup>th</sup> day January, 2000 after which the parties have operated under the terms of the initial Agreement. (See Exhibit "2")

10.

For a period of time prior to August of 1998, BellSouth's conduct and performance of the Agreement were called into serious question by NOW who gave notice to BellSouth and requested BellSouth to take corrective action. (Notice to BellSouth for Corrective Action - Exhibit "3")

11.

BellSouth refused to take corrective action thus requiring NOW to seek relief from the U.S. District Court for the Northern District of Alabama. In a lawsuit filed in that Court NOW sought compensatory damages, punitive damages and injunctive relief. (Second Amended Complaint as filed Exhibit "4") On the 30th day of December, 1998 the Northern District Court of Alabama granted NOW its requested injunctive relief. (Copy of the Order of the Court granting the injunction is attached as Exhibit "5")

12.

NOW and BellSouth achieved an agreement to dissolve the Court ordered Injunction against BellSouth. (Joint Motion to Dissolve the Injunction - Exhibit "6"). The Court entered its Order dissolving the Injunction pursuant to the Joint Motion of the Parties. (Order Dissolving Injunction Exhibit "7") Thereafter the Court dismissed without prejudice the remaining claims against

BellSouth citing the various Public Service Commissions as the appropriate forum for resolution of Plaintiff's remaining claims. (Order Dismissing All Claims is attached as Exhibit "8") The Order of the United States District Court, Exhibit "8", was subsequently affirmed by the U. S. Court of Appeals, Eleventh Circuit.

13.

NOW's claims as expressed in the lawsuit were subsequently contemplated by the parties through an intended improved economic position of NOW wherein BellSouth would agree to more favorable economic terms on a going forward basis. Therefore, NOW in good faith, believed and relied upon the fact that the negotiations for a new Interconnection Agreement would be conducted in conjunction with the negotiations for settlement of the other NOW claims which had been asserted in the aforementioned lawsuit in the United States District Court, Northern District of Alabama (See Exhibit "4") At the time NOW Communications received inquiries or communications from other persons within BellSouth to address the issues of a new Interconnection Agreement NOW's response was that the negotiations were to be conducted in conjunction with an overall settlement of the controversies identified in the Civil Action (See Exhibit "4") On the 13th day of January, 2000 at a meeting in BellSouth's offices in Atlanta, BellSouth delivered a letter to NOW asserting its position that the unresolved issues in the U.S. District Court Civil Action and the issues of a new Interconnection Agreement would be negotiated independently. (See BellSouth Letter, Exhibit "9") At no time did NOW ignore inquiries from BellSouth. Indeed, NOW attempted to continue its contacts and discussions with BellSouth in a single channel which NOW had reason to believe had been agreed upon by responsible representatives of each party.

14.

On January 13, 2000 in a meeting in BellSouth's offices in Atlanta, NOW was advised of the status of negotiations. This status report was given to NOW in a meeting regarding issues related to another transaction (the Tel-link acquisition). After the meeting of January 13, 2000 the parties began to address the substantive issues of re-negotiating a Interconnection Agreement.

15.

On or about the 26<sup>th</sup> day of January, 2000 NOW suggested a possible solution to the controverted impasse concerning OSS charges by giving consideration to preparing a facilities based agreement in view of the remand order requiring the provision of UNEPS (Unbundled Network Elements and Ports). Under a proposed agreement for NOW to obtain service as a facilities based carrier NOW would accept the imposition of OSS charges. NOW asserts its longstanding position that OSS charges are not appropriate and should not be imposed by BellSouth under a Interconnection Agreement for prepaid services, a non-facilities based carrier. NOW requested BellSouth to enter negotiations (for a Interconnection Agreement as a facilities based carrier. (See Exhibit "2" - BellSouth letter seeking facilities based agreement)

16.

On January 26, 2000 BellSouth was not in a position to negotiate the economic terms for a new facilities based agreement because the Remand Order had not been implemented. On or about February 15, 1997 NOW requested a state-by-state recap of the cost of each of the components required by the UNE-P Agreement. (Seab request February 17 - Exhibit "10") The financial analysis of the BellSouth imposed charges for UNE-P services revealed that such an arrangement was financially impossible for NOW to accept, and the parties abandoned the concept of a facilities based



agreement. Thereafter the parties returned to attempting to re-negotiate a non-facilities based Interconnection Agreement.

17.

Immediately prior to BellSouth's filing the Petitions for Arbitration NOW obtained knowledge of a Interconnection Agreement between BellSouth and another CLEC. The Interconnection Agreement granted favorable discounts based on volume which offset the punitive OSS charges. NOW requested BellSouth to enter into negotiations for discounts on similarly favorable terms which would compensate for or offset the punitive charges which BellSouth was demanding. BellSouth's reply to this request was in bad faith by demanding that NOW enter into its "standard form Interconnection Agreement," which included OSS charges, upon a promise that BellSouth would enter negotiations the following week to potentially alter the offending provisions after the fact. BellSouth knew or should have known that the request for similar terms was mandated by law. BellSouth used its threat of initiating arbitration proceedings in an attempt to force NOW to sign an agreement containing provisions which would financially and corporately destroy NOW. (See Exhibit "11")

**ANSWER  
PETITION OF BELLSOUTH TELECOMMUNICATIONS, INC.  
SECTION 252(B) ARBITRATION**

NOW Communications denies that the BellSouth Petition is presented "pursuant to Section 252(b) of the Telecommunications Act of 1996 and denies that the Petition complies with the law.

18.

NOW admits Paragraph No. 1 of the Petition.

19.

NOW admits Paragraph No. 2 of the Petition.

20.

NOW admits Paragraph No. 3 of the Petition.

21.

NOW admits Paragraph No. 4 of the Petition.

22.

NOW admits Paragraph No. 5 of the Petition. Further, NOW asserts that the June 1, 1997 the initial Interconnection Agreement did not expire on May 31, 1999 but was automatically and by its terms extended and renewed for two (2) one year periods. The Agreement does not expire for two (2) years after May 31, 1999 (May 31, 2001). BellSouth failed to give notice of its intent not to renew. (See Interconnection Agreement, Section 1(A & B ). NOW asserts that on the 26<sup>th</sup> day of January, 2000 the parties affirmed the initial Interconnection Agreement. (See Exhibit No. "2")

23.

NOW admits Paragraph No. 6 of the Petition. Further, NOW asserts that on August 20, 1999 BellSouth had no right under the law or in fact to request negotiation of a Interconnection Agreement. On October 2, 1998 BellSouth had no right to demand NOW to enter into a new Interconnection Agreement or to amend its existing agreement to permit the BellSouth imposition of OSS charges. NOW denies that BellSouth provided notice pursuant to and in compliance with Section 251C(1) of the Telecom Act and denies that BellSouth's request was to commence good faith negotiations. NOW did not provide written response to BellSouth's August 20 letter because no response was required. The letter was contrary to requirements of the law.

24.

NOW admits Paragraph No. 7 of the Petition. Further, NOW was under no requirement to respond to the September 2 memorandum. NOW was in negotiation with BellSouth for the possible settlement of several major claims filed in the above referenced Civil Action. (See Exhibit "9") It was on or about September 2, 1999 that BellSouth through its counsel suggested that the claims of the Civil Action could be settled by achieving certain economic advantages for NOW in the re-negotiation of its Interconnection Agreement. NOW relied upon these suggestions and believed that successful settlement of its legal claims could have been achieved through an economically and legally advantageous re-negotiated Interconnection Agreement. (See Exhibit "9a")

25.

NOW denies Paragraph No. 8 of the Petition. Further, on December 22, 1999, when BellSouth submitted a proposed Interconnection Agreement, there were no negotiations ongoing for a Interconnection Agreement except in the context of settlement of litigated issues. (See Exhibits "3" and "4") NOW and BellSouth were in negotiation to settle NOW's claims against BellSouth in the context of a re-negotiated Interconnection Agreement wherein NOW would be granted substantial economic concessions which would financially favor NOW during future years and effect the OSS charges. The litigation section of BellSouth's legal department was conducting these negotiations. The current arbitration lawyers had nothing to do with the negotiations to settle the legal claims. NOW denies that it had any obligation, good faith or otherwise, to re-negotiate a Interconnection Agreement except in contemplation of settlement of the issues raised in the prior litigation.

26.

NOW denies Paragraph No. 9 of the Petition. Further, NOW agrees that it requested the negotiation of a facilities based interconnection agreement in view of BellSouth's threatened filing

of arbitration and its demand to impose OSS charges. NOW denies that it recognized OSS charges as appropriate for a Interconnection Agreement providing prepaid residential service. NOW recognized that OSS charges may be appropriate only for a facilities based reseller. NOW was under the ultimatum of BellSouth to sign unfair, illegal and anti-competitive agreements or face costly, simultaneous multi-state legal proceedings (arbitration). At no time, did NOW waive any of its rights with respect to its opposition to the demands of BellSouth. BellSouth persisted its bad faith conduct, when it knew or should have known that neither it nor NOW had given notice of intention not to renew the Interconnection Agreement as expressly provided in the Agreement.

27.

NOW denies Paragraph No. 10 of the Petition. Further, Paragraph 10 of the Petition demonstrates BellSouth's continued unreasonable and unlawful mandates and requirements for re-negotiation without justification.

28.

NOW denies Paragraph No. 11 of the Petition. Further, BellSouth continued its insistence that NOW sign a renegotiated agreement be signed. BellSouth would not agree to reasonable renegotiated terms. BellSouth asserted that OSS charges were mandated by the FCC and ordered by the various state commissions. BellSouth further declared that OSS charges were non-negotiable, another BellSouth bad faith act. NOW resisted the imposition of unnecessary, expensive multi-state legal proceedings. BellSouth insisted on its abusive pursuit of the process of arbitration in spite of the current Interconnection Agreement (Exhibit "1") being in full force and effect Renegotiation of the Interconnection Agreement was arbitrarily mandated by BellSouth. BellSouth wrongfully insisted that NOW sign a new Interconnection Agreement which would result in financial ruin. On February

22 BellSouth demanded that NOW sign its "standard form Interconnection Agreement" including OSS charges with a vague promise that it would negotiate later for an unquantified and vague volume discount to compensate for the OSS charges. NOW was threatened with the filing of arbitration if it did not sign the agreement without condition. (See Exhibit "11") "Standard Form Agreement" contained onerous, burdensome, ruinous terms which were deliberately designed to destroy NOW. When NOW refused to sign the documents that were tantamount to financial suicide, BellSouth simultaneously filed Petitions for Arbitration before commissions in eight states. January 26, 2000 NOW was forced to relinquish its North Carolina Agreement with BellSouth or face arbitration in North Carolina as well. (See Exhibit "2")

29.

NOW denies Paragraph No. 12 of the Petition. Further, NOW reasserts its Motion to Dismiss, previously filed, and its defenses set forth herein above.

30.

NOW denies Paragraph No. 13 of the Petition. Further, NOW would state that limited discussions were held with respect to certain provisions of BellSouth's proposed Interconnection Agreement. Tentative agreement was achieved on limited issues. No final agreement was achieved on any issue. NOW asserts that no final agreement has been reached on any terms of the BellSouth proposed agreement with BellSouth. All terms are controverted until final agreement is reached on all specific terms.

31.

NOW denies Paragraph No. 14 of the Petition. Further, NOW requests the Commission to deny any BellSouth proposed agreement and requests the Commission to dismiss the BellSouth

Petition.

32.

### **STANDARD OF REVIEW**

NOW denies that this Petition should be subject to review and denies that the Petition presents issues for appropriate arbitration under the law. The Respondent, NOW, reasserts its defenses and renews its Motions to Dismiss.

33.

NOW denies the necessity for arbitration, reasserts its defenses and renews its Motions to Dismiss. NOW denies Paragraph 16 of the Petition and specifically denies that there is in dispute primarily the issue of appropriate rates for access to and use of the electronic and manual interfaces to BellSouth's Operations and Support Systems (OSS). The issues raised in NOW's previously filed Motion to Dismiss and reasserted Motions to Dismiss herein above are primary and threshold issues which should necessitate dismissal of the BellSouth Petition. Defenses 1 through 6 asserted herein above should likewise preclude further proceedings on the BellSouth Petition. All of the defenses are primary and threshold issues for decision. NOW has not come to agreement on any terms of a renegotiated agreement. The initial Interconnection Agreement is in full force and effect until May 31, 2001 and NOW had been and remains in full compliance with the Agreement. NOW disputes BellSouth's right to impose OSS charges which are not lawful and which are not applicable to NOW as a prepaid residential reseller.

34.

### **BELLSOUTH ISSUE 1**

NOW abides by the terms of the initial Agreement which is in full force and effect and there

should be no retroactive charges. The Agreement has not expired. (See Exhibit "1", Paragraph 1 A & B) The Agreement has been affirmed by the parties as continuing. (See Exhibit "2")

35.

### **BELLSOUTH ISSUE 2**

BellSouth has not fully set forth the NOW position. The Interconnection Agreement should be balanced in all of its terms and provisions. The negotiations should be conducted pursuant to statutorily mandated good faith process. The initial Agreement between the parties which is now in full force and effect provides for the terms of the Agreement to continue until a renegotiated agreement is reached between the parties. NOW's position is balanced and fair to both sides. The provision eliminates intimidation, coercion and unfair leverage.

36.

### **BELLSOUTH ISSUE 3**

BellSouth has misstated the issue. NOW does not agree that BellSouth may lawfully charge a prepaid residential reseller OSS charges. OSS charges are paid by the reseller through the limited discount tariffed rate. Not only does NOW dispute the amount of the OSS charges, it also disputes BellSouth's right to impose such charges.

37.

### **BELLSOUTH ISSUE 4**

BellSouth does not correctly nor fully set forth NOW's position regarding redirection of a subpoena. NOW has no legal obligation to pay for subpoena requests which may correctly or incorrectly go to BellSouth. NOW should not be required to agree to burdensome requirements

regarding subpoena when such requirements are beyond that which the law requires or permits.

38.

#### **BELLSOUTH ISSUE 5**

BellSouth has not appropriately stated NOW's position regarding limitation of liability and indemnification. NOW is not statutorily required to indemnify BellSouth nor agree to limitations regarding BellSouth's failure to comply with the law or comply with reasonable standards of care. NOW should not be forced by intimidation and threats to agree to limitations of liabilities and indemnifications which are not founded in law.

39.

#### **BELLSOUTH ISSUE 6**

BellSouth misstates NOW's position. Any agreement which may be entered into should not cause either party to give up rights regarding intellectual property. The law protects both parties regarding its own rights and BellSouth should not attempt to gain any proprietary rights not the appropriate subject of the Interconnection Agreement.

40.

#### **BELLSOUTH ISSUE 7**

BellSouth misstates NOW's position with regard to BellSouth Issue 7. Both parties should rely on the law with regard to dispute resolution and should not waive any of its rights to pursue legal remedies in the appropriate courts.

41.

#### **BELLSOUTH ISSUE 8**

BellSouth misstates NOW's position regarding BellSouth Issue 8. The parties should be and



are responsible for the taxes applicable to each party. NOW should resist any attempted shift in the tax burden from BellSouth to NOW. NOW does not refer to the current, in force, Interconnection Agreement (Exhibit "1") as the "old Agreement."

42.

#### **BELLSOUTH ISSUE 9**

BellSouth misstates NOW's position regarding BellSouth Issue 9. BellSouth and NOW entered into a Interconnection Agreement, Exhibit "1", which is in full force and effect and does not expire until May 31, 2001. The current Agreement provides for modification upon the written consent of both parties and approval of the appropriate Commission or Authority. (See Exhibit "1", Paragraph 18.) This provision as contained in the current Agreement is mutual and balanced. It is fair. It does not allow for unilateral arbitrary imposition of terms which are not agreeable such as the imposition of unlawful OSS charges.

43.

#### **BELLSOUTH ISSUE 10**

BellSouth misstates the position of NOW regarding BellSouth Issue 10. The general rule for interpreting contracts should be followed. The rule of contract construction requiring an interpretation of the contract against the party drafting it, certainly, should be in place in a renegotiated Interconnection Agreement with BellSouth. NOW will not sign a Interconnection Agreement stating that the agreement and negotiations were balanced and fair. BellSouth has immense power and its bargaining position is far superior to that of NOW. BellSouth's political power is a death grip on NOW in negotiating an agreement. NOW does not stand any chance whatsoever of reaching a fair, equitable, balanced agreement with BellSouth. The law requires

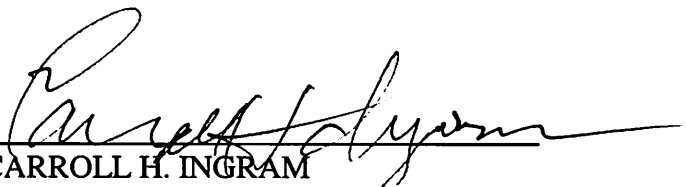
BellSouth to negotiate Interconnection Agreements “in good faith.” There is no semblance of good faith in the negotiations with BellSouth. Truly, any written document purporting to be a Bell South Interconnection Agreement is a contract of adhesion. Even the current Interconnection Agreement (Exhibit “1”) is an absolute “take it or leave” it document in which NOW had no ability to equally negotiate. During the past two years, BellSouth determined additional destructive terms which it now wishes to impose on NOW and which deprive it of the very few economic incentives existent under the current Agreement. Through its ability to force agreements upon NOW, it will finish off the job of economic ruin and economic execution. NOW desires to exercise its legal rights of negotiating in good faith a fair, equitable, balanced agreement. Unless this authoritative body takes appropriate steps to protect its rights, NOW, is not likely to survive under any new arrangement with BellSouth.

44.

#### CONCLUSION

WHEREFORE, NOW respectfully requests the Commission to dismiss the BellSouth Petition for Arbitration and enter an appropriate order of dismissal. Further, NOW requests that, should the Commission order arbitration to proceed, an appropriate order issue for the requirement of arbitration of every term and provision of any agreement with BellSouth. Further, NOW requests such other more general and specific relief to which it may be entitled or to which may render a just and proper adjudication of the rights of the parties.

Respectfully submitted this the 20<sup>th</sup> day of March, 2000.

  
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Attorney for NOW Communications, Inc.

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**CERTIFICATE OF SERVICE**

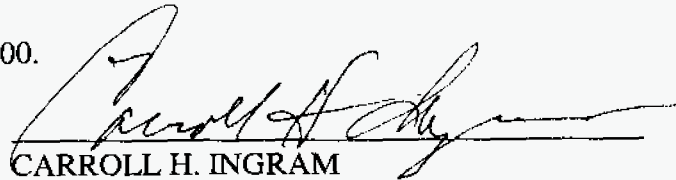
I, Carroll H. Ingram, do hereby certify that I have, this day, served a true and correct copy of the foregoing Response to Petition of BellSouth Telecommunications, Inc. Section 252(b)

Arbitration via U.S. Mail, postage fully pre-paid to the following:

Nancy B. White  
BellSouth Telecommunications, Inc.  
150 South Monroe Street  
Room 400  
Tallahassee, FL 32301

R. Douglas Lackey  
Thomas B. Alexander  
General Attorneys  
Suite 4300, BellSouth Center  
675 West Peachtree Street, N.E.  
Atlanta, GA 30375

THIS, the 20<sup>th</sup> day of March, 2000.

  
CARROLL H. INGRAM

NOW

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

THIS AGREEMENT is by and between BellSouth Telecommunications, Inc., ("BellSouth or Company"), a Georgia corporation, and NOW Communications, Inc. ("Reseller"), a Mississippi corporation, and shall be deemed effective as of June 1, 1997.

**WITNESSETH**

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

WHEREAS, Reseller is or seeks to become an alternative 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 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 June 1, 1997 and shall apply to all of BellSouth's serving territory as of June 1, 1997 in the state(s) 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 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 non-recurring, monthly recurring, toll, directory assistance, etc.

B. 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.



- C. **END USER** means the ultimate user of the telecommunications services.
- D. **END USER CUSTOMER LOCATION** means the physical location of the premises where an end user makes use of the telecommunications services.
- E. **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.
- F. **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.
- G. **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").
- H. **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 contained in the General Subscriber Service Tariff and Private Line Service Tariff subject to the terms, and conditions specifically set forth herein. Notwithstanding the foregoing, the exclusions and limitations on services available for resale will be as set forth in Exhibit B, attached hereto and incorporated herein by this reference.

BellSouth shall make available telecommunications services for resale at the rates set forth in Exhibit A to this agreement and subject to the exclusions and limitations set forth in Exhibit B to this agreement. It does not however waive its rights to appeal or otherwise challenge any decision regarding resale that resulted in the discount rates contained in Exhibit A or the exclusions and limitations contained in Exhibit B. BellSouth reserves the right to pursue any and all legal and/or equitable remedies, including appeals of any decisions. If such appeals or challenges result in changes in the discount rates or exclusions and limitations, the parties agree that appropriate modifications to this Agreement will be made promptly to make its terms consistent with the outcome of the appeal.

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. Neither Party shall interfere with the right of any person or entity to obtain service directly from the other Party.

H. Current telephone numbers may normally be retained by the end user. However, 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. 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. 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.

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

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

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

M. 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.

N. 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.

O. The characteristics and methods of operation of any circuits, facilities or equipment provided by any person or entity 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.

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

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

**R.** 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.

**S.** BellSouth will provide customer record information to the Reseller provided the Reseller has the appropriate Letter(s) of Authorization. BellSouth may provide customer record information via one of the following methods: US mail, fax, telephone or by electronic interface. BellSouth will provide customer record information via US mail, fax or telephone on an interim basis only.

Reseller agrees to compensate BellSouth for all BellSouth incurred expenditures associated with providing such information to Reseller. Reseller will adopt and adhere to the BellSouth guidelines associated with each method of providing customer record information.

**T.** BellSouth's retail voice mail service shall be available for resale at rates, terms and conditions as mutually agreed to by the parties.

#### **IV. BellSouth's Provision of Services to Reseller**

**A.** Reseller agrees that its resale of BellSouth services shall be as follows:

1. The resale of telecommunications services shall be limited to users and uses conforming to the class of service restrictions.
2. To the extent Reseller is a telecommunications carrier that serves greater than 5 percent of the Nation's presubscribed access lines, Reseller shall not jointly market its interLATA services with the telecommunications services purchased from BellSouth pursuant to this Agreement in any of the states covered under this Agreement. For the purposes of this subsection, to jointly market means any advertisement, marketing effort or billing in which the telecommunications services purchased from BellSouth for purposes of resale to customers and interLATA services offered by Reseller are packaged, tied, bundled, discounted or offered together in any way to the end user. Such efforts include, but are not limited to, sales referrals, resale arrangements, sales agencies or billing agreements. This subsection shall be void and of no effect for a particular state covered under this Agreement



as of February 8, 1999 or on the date BellSouth is authorized to offer interLATA services in that state, whichever is earlier.

3. Hotel and Hospital PBX service are the only telecommunications services available for resale to Hotel/Motel and Hospital end users, respectively. Similarly, Access Line Service for Customer Provided Coin Telephones is the only local service available for resale to Independent Payphone Provider (IPP) customers. Shared Tenant Service customers can only be sold those telecommunications services available in the Company's A23 Shared Tenant Service Tariff.

4. Reseller is prohibited from furnishing both flat and measured rate service on the same business premises to the same subscribers (end users) as stated in A2 of the Company's Tariff except for backup service as indicated in the applicable state tariff Section A3.

5. If telephone service is established and it is subsequently determined that the class of service restriction has been violated, Reseller will be notified and billing for that service will be immediately changed to the appropriate class of service. Service charges for changes between class of service, back billing, and interest as described in this subsection shall apply at the Company's sole discretion. Interest shall be at a rate as set forth in Section A2 of the General Subscriber Service Tariff and Section B2 of the Private Line Service Tariff for the applicable state, compounded daily for the number of days from the back billing date to and including the date that Reseller actually makes the payment to the Company may be assessed.

6. The Company reserves the right to periodically audit services purchased by Reseller to establish authenticity of use. Such audit shall not occur more than once in a calendar year. Reseller shall make any and all records and data available to the Company or the Company's auditor's on a reasonable basis. The Company shall bear the cost of said audit.

B. Resold services can only be used in the same manner as specified in the Company's Tariff. Resold services are subject to the same terms and conditions as are specified for such services when furnished to an individual end user of the Company in the appropriate section of the Company's Tariffs. Specific tariff features, e.g. a usage allowance per month, shall not be aggregated across multiple resold services. Resold services cannot be used to aggregate traffic from more than one end user customer except as specified in Section A23. of the Company's Tariff referring to Shared Tenant Service.

C. Reseller may resell services only within the specific resale service area as defined in its certificate.

D. Telephone numbers transmitted via any resold service feature are intended solely for the use of the end user of the feature. Resale of this information is prohibited.

E. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. Reseller is strictly prohibited from any use, including but not limited to sales, marketing or advertising, of any BellSouth name or trademark.

## V. Maintenance of Services

A. Reseller will adopt and adhere to the standards contained in the applicable BellSouth Work Center Interface Agreement regarding maintenance and installation of service.

- B.** Services resold under the Company's Tariffs and facilities and equipment provided by the Company shall be maintained by the Company.
- C.** 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.
- D.** Reseller accepts responsibility to notify the Company of situations that arise that may result in a service problem.
- E.** Reseller will be the Company's single point of contact for all repair calls on behalf of Reseller's end users. The parties agree to provide one another with toll-free contact numbers for such purposes.
- F.** Reseller will contact the appropriate repair centers in accordance with procedures established by the Company.
- G.** For all repair requests, Reseller accepts responsibility for adhering to the Company's prescreening guidelines prior to referring the trouble to the Company.
- H.** 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.
- I.** 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.** 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.

E. 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.

F. 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 General Subscriber Service Tariff, will also be assessed to Reseller.

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

	<b>Nonrecurring Charge</b>
(a) each Residence or Business line	<b>\$19.41</b>

G. 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.

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

L. 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.

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

K. 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.

L. 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.

## **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, to Reseller.

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 as set forth in Section A2 of the General Subscriber Service Tariff and Section B2 of the Private Line Service Tariff.

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. Pursuant to 47 CFR Section 51.617, the Company will 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
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.

#### 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.
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. Reseller is solely responsible for notifying the end user of the proposed disconnection of the service.

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. 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 format 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.

#### **XI. Resolution of Disputes**

Except as otherwise 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 that Public Service Commission concerning this Agreement.

#### **XII. 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.

#### **XIII. 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.

#### **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.

#### **XV. 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.

#### **XVI. More Favorable Provisions**

##### **A. The parties agree that if ---**

1. the Federal Communications Commission ("FCC") or the Commission finds that the terms of this Agreement are inconsistent in one or more material respects with any of its or their respective decisions, rules or regulations, or
2. the FCC or the Commission preempts the effect of this Agreement, then, in either case, upon such occurrence becoming final and no longer subject to administrative or judicial review, the parties shall immediately commence good faith negotiations to conform this Agreement to the requirements of any such decision, rule, regulation or preemption. The revised agreement shall have an effective date that coincides with the effective date of the original FCC or Commission action giving rise to such negotiations. The parties agree that the rates, terms and conditions of any new agreement shall not be applied retroactively to any period prior to such effective date except to the extent that such retroactive effect is expressly required by such FCC or Commission decision, rule, regulation or preemption.



B. In the event that BellSouth, either before or after the effective date of this Agreement, enters into an agreement with any other telecommunications carrier (an "Other Resale Agreement") which provides for the provision within the state(s) of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee of any of the arrangements covered by this Agreement upon rates, terms or conditions that differ in any material respect from the rates, terms and conditions for such arrangements set forth in this Agreement ("Other Terms"), BellSouth shall be deemed thereby to have offered such other Resale Agreement to Reseller in its entirety. In the event that Reseller accepts such offer, such Other Terms shall be effective between BellSouth and Reseller as of the date on which Reseller accepts such offer.

C. In the event that after the effective date of this Agreement the FCC or the Commission enters an order (a "Resale Order") requiring BellSouth to provide within the state(s) of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee any of the arrangements covered by this agreement upon Other Terms, then upon such Resale Order becoming final and not subject to further administrative or judicial review, BellSouth shall be deemed to have offered such arrangements to Reseller upon such Other Terms, in their entirety, which Reseller may only accept in their entirety, as provided in Section XVI.E. In the event that Reseller accepts such offer, such Other Terms shall be effective between BellSouth and Reseller as of the date on which Reseller accepts such offer.

D. In the event that after the effective date of this Agreement BellSouth files and subsequently receives approval for one or more intrastate tariffs (each, a "Resale Tariff") offering to provide within the state(s) of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee any of the arrangements covered by this Agreement upon Other Terms, then upon such Resale Tariff becoming effective, BellSouth shall be deemed thereby to have offered such arrangements to Reseller upon such Other Terms, which Reseller may accept as provided in Section XVI.E. In the event that Reseller accepts such offer, such Other Terms shall be effective between BellSouth and Reseller as of the date on which Reseller accepts such offer.

E. The terms of this Agreement, other than those affected by the Other Terms accepted by Reseller, shall remain in full force and effect.

F. **Corrective Payment.** In the event that --

1. BellSouth and Reseller revise this Agreement pursuant to Section XVI.A, or
2. Reseller accepts a deemed offer of an Other Resale Agreement or Other Terms, then BellSouth or Reseller, as applicable, shall make a corrective payment to the other party to correct for the difference between the rates set forth herein and the rates in such revised agreement or Other Terms for substantially similar services for the period from the effective date of such revised agreement or Other Terms until the date that the parties execute such revised agreement or Reseller accepts such Other Terms, plus simple interest at a rate equal to the thirty (30) day commercial paper rate for high-grade, unsecured notes sold through dealers by major corporations in multiples of \$1,000.00 as regularly published in *The Wall Street Journal*.

**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.  
OLEC Account Team  
3535 Colonnade Parkway, Room E4E1  
Birmingham, AL 35243

NOW Communications, Inc.  
Larry Seab  
713 Country Place Dr.  
Jackson, MS 39208

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.**

**Reseller**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

Signature

Signature

NAME: \_\_\_\_\_

NAME: \_\_\_\_\_

Printed Name

Printed Name

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

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.

<u>STATE</u>	<u>RESIDENCE</u>	<u>DISCOUNT</u>	<u>BUSINESS</u>
ALABAMA	17%		17%
FLORIDA	21.83%		16.81%
GEORGIA	20.3%		17.3%
KENTUCKY	16.79%		15.54%
LOUISIANA*	20.72%		20.72%
MISSISSIPPI	15.75%		15.75%
NORTH CAROLINA	21.5%		17.6%
SOUTH CAROLINA	14.8%		14.8%
TENNESSEE**	16%		16%

\* Effective as of the Commission's Order in Louisiana Docket No. U-22020 dated November 12, 1996.

\*\* The Wholesale Discount is set as a percentage off the tariffed rates. If OLEC provides its own operator services and directory services, the discount shall be 21.56%. These rates are effective as of the Tennessee Regulatory Authority's Order in Tennessee Docket No. 90-01331 dated January 17, 1997.

**EXHIBIT B**

Type of Service	AL		FL		GA		KY		LA	
	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?
1 Grandfathered Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2 Contract Service Arrangements	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	No
3 Promotions - > 90 Days	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4 Promotions - < 90 Days	Yes	No	Yes	No	Yes	No	No	No	Yes	No
5 Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6 911/E911 Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
7 N11 Services	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
8 Non-Recurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Type of Service	MS		NC		SC		TN	
	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?
1 Grandfathered Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2 Contract Service Arrangements	Yes	No	Yes	Yes	Yes	No	Yes	Yes
3 Promotions - > 90 Days	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
4 Promotions - < 90 Days	Yes	No	No	No	Yes	No	No	No
5 Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6 911/E911 Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7 N11 Services	No	No	No	No	Yes	Yes	Yes	Yes
8 Non-Recurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No

**Additional Comments:**

- 1 Grandfathered services can be resold only to existing subscribers of the grandfathered service.
- 2 Where available for resale, promotions will be made available only to end users who would have qualified for the promotion had it been provided by BellSouth directly.
- 3 Lifeline/Link Up services may be offered only to those subscribers who meet the criteria that BellSouth currently applies to subscribers of these services.
- 4 In Louisiana and Mississippi, all Contract Service Arrangements entered into by BellSouth or terminating after the effective date of the Commission Order will be subject to resale without the wholesale discount. All CSAs which are in place as of the effective date of the Commission order will not be eligible for resale.
- 5 In North Carolina, only those Contract Service Arrangements entered into after April 15, 1997 will be available for resale.

BellSouth Interconnection Services

Facsimile

To

From  
Department  
Address  
Telephone Number  
Fax Number

Page Miller  
Interconnection Services  
675 W Peachtree St. NE  
34S91  
Atlanta, Georgia 30375  
404 927-1377  
404 529-7839

From

To

Larry Seab

Telephone Number 601-949-7500  
Fax Number 601-969-6658

4-846-8927

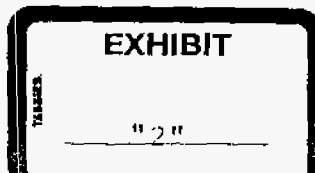
Comments

Larry, Please see the attached letter, which formalizes our agreement regarding the transition to interconnection negotiations, extension of the arbitration window and termination of the existing resale agreement in North Carolina. I will also send it via Fed-Ex. Please call me if you have any questions/comments. If you concur with the agreement, please sign it and fax it back to me today at 404-529-7839 so that we do not have to file the arbitration petition tomorrow. Thanks! Page 404-927-1377

If this fax is not received in good order, please contact the sender listed above.

Date 1/20/2000 Total Number of Pages 2 (EXCLUDING COVER PAGE)

601 259 4222



**BellSouth Interconnection Services**

675 W. Peachtree Street, NE  
34591  
Atlanta, Georgia 30375

Page Miller  
(404) 927-1377  
(404) 529-7839 FAX

January 26, 2000

**Via Federal Express and Facsimile**

Mr. Larry Seab  
NOW Communications, Inc.  
713 Country Place Drive  
Jackson, MS 39208

Re: Arbitration Extension

Dear Mr. Seab:

BellSouth Acknowledges receipt of and thanks you for your letter of January 21, 2000 regarding our negotiations. In that regard, BellSouth Telecommunications, Inc. ("BellSouth") seeks to confirm herein the recent agreement between NOW Communications, Inc. ("NOW") and BellSouth as to the following:

- Transition from negotiations of a resale agreement to negotiations of an interconnection agreement to include provisions for combinations of unbundled network elements pursuant to the FCC's 319 Order.
- 30-day extension of the procedural schedule between BellSouth and NOW for negotiation of an interconnection agreement for the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, South Carolina and Tennessee.
- Termination of the current resale agreement between BellSouth and NOW dated June 1, 1997 in the state of North Carolina.

Section 252 of the Telecommunications Act provides that the period of negotiation and arbitration of interconnection agreements is to be calculated from the date on which negotiations is requested. With respect to the NOW resale agreement, August 20, 1999 was the date for commencement of negotiations. This date is based on my letter to you dated August 20, 1999, which created an "arbitration window" for unresolved issues of January 2, 2000 through January 27, 2000. However, on January 20, 2000, NOW made a request to move from negotiating a stand-alone resale agreement to negotiating a full-blown interconnection agreement containing provisions for combining unbundled network elements. Since both parties wish to pursue negotiated outcomes rather than abandon discussions and submit unresolved issues for arbitration before the expiration of their statutory right to do so, BellSouth and NOW seek to extend the current arbitration window by 30 days until February 26, 2000.

BellSouth sent a sample interconnection agreement to NOW to use as a basis for interconnection negotiations via e-mail on January 20, 2000. In order to move the negotiation process forward, NOW should review the sample interconnection agreement and provide BellSouth with a list of issues, language proposals and/or questions, if there are any, as quickly as possible.

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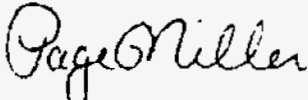
BellSouth Interconnection Services

BellSouth hereby asks that NOW confirm its agreement to transition from negotiation of a resale agreement to negotiation of an interconnection agreement, extend the arbitration window by 30 days and terminate the existing resale agreement in the state of North Carolina by signing the acknowledgement on this letter and returning it to me. By signing and counter-signing this letter both parties waive any right to claim that the dates within which a party may seek state commission arbitration of unresolved issues begins and ends on any earlier dates.

BellSouth and NOW will continue to honor the terms of the existing agreement dated June 1, 1997 for the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, South Carolina and Tennessee until a new agreement is signed.

Please contact me as soon as possible after receipt of this letter if NOW has any questions or concerns regarding the items agreed to in this letter. BellSouth looks forward to continuing our discussions concerning a successor agreement.

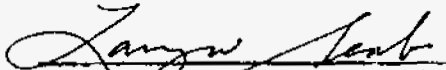
Sincerely,



Page Miller  
Manager - Interconnection Services

Cc: Jerry Hendrix

Agreed to and approved by:



Larry Seab, CEO & President, for and on behalf  
of NOW Communications, Inc.

Date:

1/26/00

# INGRAM

&

OFFICE OF CARROLL H. INGRAM

ATTORNEYS

AND

ASSOCIATES, P.A.

COUNSELORS AT LAW

October 23, 1998

Mr. Scott Shaefer, President  
Interconnection Services  
BellSouth Telecommunications, Inc.  
675 West Peachtree Street  
Suite 4511  
Atlanta, Georgia 30375

Mr. Roger Flynt  
BellSouth Telecommunications, Inc.  
Group President of Regulatory and External Affairs  
675 West Peachtree Street  
Suite 4516  
Atlanta, Georgia 30375

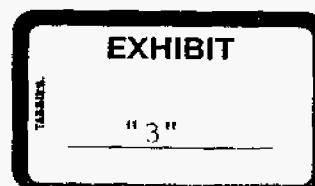
Dear Mr. Shaefer and Mr. Flynt:

This letter will serve as notice that NOW Communications, Inc. ("NOW") holds BellSouth Telecommunications, Inc. ("BellSouth") responsible for certain damages to NOW's business further outlined below. Please be advised that NOW will withhold an estimated three hundred thousand dollars (\$300,000.00) from payments to BellSouth for service in Alabama, Louisiana, Mississippi and Tennessee until the actions of BellSouth which have caused these damages have been corrected. If BellSouth does not correct these actions by November 15, 1998, and pay for its damages by November 15, 1998, NOW will be forced to seek appropriate remedies.

From the outset, BellSouth has not complied with its contract with NOW and has not complied with regulations, policies and procedures for providing service to its customer, NOW, and NOW's customers (end users). So many of NOW's customers (end users) were in clarification with BellSouth for such long periods of time that many of these demanded refunds from NOW. From March through May 1998, NOW refunded over thirty-two thousand dollars (\$32,000.00) to its dissatisfied customers because BellSouth did not connect their local phone service. Those refunds involved approximately two hundred fifty (250) customers. These lost

211 SOUTH 29<sup>TH</sup> AVENUE  
POST OFFICE BOX 15039  
HATTIESBURG, MISSISSIPPI 39404-5039

PHONE (601) 261-1385  
FAX (601) 261-1393





customers represent loss of income to NOW in the amount of one hundred twenty thousand dollars (\$120,000.00) per year. Thousands of potential NOW customers did not receive their phone service from NOW because of BellSouth's injurious actions.

BellSouth has sent representatives to NOW's Jackson, Mississippi headquarters on several occasions. During these meetings, NOW has set forth the injurious results of BellSouth's actions and thoroughly demonstrated the urgency of corrective action. BellSouth's representatives acknowledged BellSouth's failure to follow the contractual procedures for proper service and pledged BellSouth's correction, to no avail.

In August 1998, NOW's advertising program and agency network attracted new customers in Louisiana. NOW spent a substantial sum of money informing the public that it could provide prepaid residential telephone service to those communities. NOW's resale agreement with BellSouth requires BellSouth, upon request by NOW, to transfer a customer with working service from BellSouth to NOW. NOW's agents in Louisiana took applications from customers with working BellSouth service, but BellSouth has refused to connect these customers to NOW, causing these customers to be extremely dissatisfied. NOW has been forced to hire over twenty additional customer service representatives and has installed an additional T-1 to handle the increased call volume generated by customers whom BellSouth has refused to connect. NOW has been given six different procedures by BellSouth's Local Competitive Service Center (LCSC) for working service orders. BellSouth's action toward NOW continues to worsen. LCSC representatives will not give NOW's representatives their names when called with service difficulties. When NOW requests supervisor intervention, BellSouth refuses to allow supervisor assistance and intervention. As a result of BellSouth's actions, NOW is inundated with calls from angry customers, furious sales agents and concerned public service commission representatives from Alabama, Louisiana, Mississippi and Tennessee. Customers have reported NOW to Better Business Bureaus and Attorney Generals' offices in several states because of BellSouth's actions. NOW has been threatened with lawsuits and news media exposure because of BellSouth's injurious actions. The unwillingness of BellSouth to process NOW's orders has caused NOW severe financial losses.

Because of BellSouth's violations of its resale agreement with NOW and its disregard of commitments made, NOW has suffered significant damages:

1. Loss of customers--NOW has refunded fees to lost customers approaching \$50,000.00 (year to date)
2. Loss of agents--NOW has lost strategic agent relationships
3. Loss of markets--NOW has lost its presence in major markets

4. Loss of benefits from advertising in markets--NOW's representations in print and television advertisements are less effective. The credibility of NOW's organization is in question because of BellSouth's actions resulting in dissatisfied customers. The negative information created by BellSouth's actions has given NOW unfavorable publicity from dissatisfied former and potential customers.
5. Loss of good will--NOW's recognition as a partner with retail and service establishments has diminished. The number of firms seeking to represent NOW has diminished. BellSouth's actions have caused a loss in NOW's retail and service business relationships. Prospective representations in the marketplace have also been damaged.

BellSouth's actions have caused NOW to incur inordinate business expenses resulting from:

1. Duplication of effort by BellSouth's continually changing its work procedures and failing to follow its own procedures
2. BellSouth's changing business procedures that directly increase the resources necessary for NOW to conduct business, including:
  - a. hiring additional personnel to comply with BellSouth's directives
  - b. creating additional departments to work with agents and customers in resolving the backlog of problems created by BellSouth's failure to meet its contractual obligations and commitments to NOW

BellSouth acknowledged its injurious actions and its failure to comply with its contractual agreements, policies and procedures with a small credit on NOW's October 1998 monthly bill for service in Mississippi. BellSouth was advised that such token credit, even though an acknowledgment of its failure to comply with its contractual agreements, policies and procedures, was not sufficient compensation for NOW's damages and was not accepted as compensation for these damages. BellSouth was advised that, contemporaneous therewith, NOW's actual damages were in excess of three hundred thousand dollars (\$300,000.00). Further, BellSouth was advised that its injurious actions and its failure to follow its contractual agreements, policies and procedures were continuing and that the infliction of damages on NOW was continuing and daily increasing the amount of damages to NOW.

Other serious issues have caused financial damage and customer problems for NOW. Additional failures on the part of BellSouth to comply with its contractual agreements, policies and procedures include incorrect billing from BellSouth to NOW, refusal to connect NOW's

customers disconnected by BellSouth, missed appointments by BellSouth technicians to new NOW customers and related failures to notify these customers of cancelled appointments and refusal to work on NOW's orders. NOW has provided detailed instances to BellSouth and others which demonstrate BellSouth's breach of contract and injurious actions toward NOW.

NOW holds BellSouth responsible for the following breaches and actions:

1. breach of BellSouth's contractual agreements with NOW
2. breach of BellSouth's own policies and procedures for providing service to NOW as a customer of BellSouth and to NOW's customers (end users)
3. breach of regulatory policies and procedures
4. violation of the Telecommunications Act of 1996 and failure to follow the provisions in its contractual agreements with NOW regarding the provision of services and facilities
5. failure to provide for competition in the local exchange market in violation of the Telecommunications Act of 1996 and other laws and regulations
6. infliction of harm and injury on NOW because of BellSouth's anti-competitive practices in its relationship with NOW
7. discrimination in treating NOW's customers (end users) with different standards and requirements than its own customers, resulting in the service provided to them being detrimentally discriminatory
8. tortious interference with relationships between NOW and its customers (end users)
9. tortious interference with NOW's prospective customers (end users)
10. breach of the duty of good faith and fair dealing owed by BellSouth to NOW
11. tortious interference with NOW's right of access to the local exchange market as contemplated in the Telecommunications Act of 1996 and other laws and regulations
12. denial to NOW, a CLEC, of equal access to legally mandated services for the provision of telephone service to its customers

BellSouth's actions are a concerted direct attack on NOW's business, which NOW has a legitimate right to perform. BellSouth is in a special contractual relationship with NOW and owes it a duty to act in the best interests of NOW. This duty is being breached by actions that demonstrate a course of unfair dealing and a deliberate intention and attempt of BellSouth to destroy NOW's business for its own ends.

The Telecommunications Act of 1996 provides for telephone service to the public in an open, competitive business environment. The Act recognizes a segment of the population, particularly those economically disadvantaged, that was not receiving the full benefits of telephone service by the monopolies which have traditionally provided local telephone service. BellSouth is and has historically been in the position of a monopoly, charged with the responsibility of providing local telephone service. BellSouth's actions and course of dealing here have impeded and denied the application of the law which provides local telephone service to this segment of the population through Competition Local Exchange Carriers (CLECs), such as NOW. BellSouth's course of conduct is evidence of its intention to destroy the concept of providing local telephone service through CLECs and maintaining its historical monopoly.

NOW has incurred substantial damages and calls upon BellSouth to cease and desist from its injurious actions and to comply with its contractual agreements with NOW and all regulations, policies and procedures that will enable efficient, prudent and appropriate providing of telephone service to NOW's customers. NOW also calls upon BellSouth to comply with the Telecommunications Act of 1996 and the spirit of the law, where actions are taken to promote CLECs, such as NOW.

Please be advised that NOW will withhold an estimated three hundred thousand dollars (\$300,000.00) from payments to BellSouth for service in Alabama, Louisiana, Mississippi and Tennessee until the actions of BellSouth which have caused these damages have been corrected. BellSouth has until November 15, 1998 to comply with the above and to settle NOW's claims for damages. If BellSouth does not comply by that date, NOW will file appropriate legal action and will seek enforcement of the contractual provisions in its agreement with BellSouth and all of its rights under the Telecommunications Act of 1996 and all contractual agreements and policies and procedures of BellSouth. NOW will seek actual and punitive damages, as well as all attorneys' fees and costs associated with this action.

Cordially,

INGRAM & ASSOCIATES, P.A.

  
Carroll H. Ingram

cc: Larry Scab  
Charles McGuffie  
Steve Jennings

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
WESTERN DIVISION

99 APR -1 AM 10:12

U.S. DISTRICT COURT  
N.D. OF ALABAMA

NOW COMMUNICATIONS, INC.

PLAINTIFF

V.

CIVIL ACTION NO. CV-98-P-2874-W

JURY TRIAL DEMANDED

BELLSOUTH TELECOMMUNICATIONS, INC.

DEFENDANT

**SECOND AMENDED COMPLAINT**

NOW Communications, Inc., Plaintiff, individually and on behalf of all others similarly situated, by and through undersigned counsel, brings this its Complaint against BellSouth Telecommunications, Inc., Defendant to recover damages and for injunctive relief, and, for cause, states:

**I. Parties**

1. NOW Communications, Inc. ("NOW") is a Mississippi corporation with its principal place of business in Jackson, Mississippi. It is registered to do business and is doing business in the State of Alabama. The class members are Competitive Local Exchange Carriers ("CLEC") in the BellSouth Telecommunications, Inc. operating area.

2. BellSouth Telecommunications, Inc. ("BellSouth") is a Georgia corporation with its principal place of business in Atlanta, Georgia. It is registered to do business and is doing business in the State of Alabama. BellSouth's regional operating center in Birmingham, Alabama is the principal business office with which NOW does business.

**II. Jurisdiction and Venue**

3. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§1331, 1332, 1337,

EXHIBIT

" 4 "

and 1367; 15 U.S.C. §§2, 15, 22, and 26 and principles of pendent and supplemental jurisdiction.

4. Venue is proper in this judicial district pursuant to 28 U.S.C. §1391 and 15 U.S.C. §§15, 22, and 26 in that the Defendant can be found or transacts business in this district, and the unlawful activities occurring or being threatened have been or will be carried on in part within the district.

5. Jurisdiction over the Defendant comports with the United States Constitution, laws and statutes.

### **III. Class Certification**

6. The Plaintiff brings this action individually and on behalf of the following class:

All Competitive Local Exchange Carriers who are currently attempting, and who have attempted in the past, to compete with BellSouth in the BellSouth Telecommunications, Inc. operating area. Excluded from the class are the Defendant and any parent, subsidiary, corporate affiliate, officer, director or employee of Defendant.

7. Plaintiff seeks class certification under Rule 23(b)(2) and Rule 23(b)(3) of the Federal Rules of Civil Procedure.

8. Pursuant to Rules 23(a), 23(b)(2) and 23(b)(3) of the Federal Rules of Civil Procedure, this action satisfies the requirements for certification as a class action because:

- (a) The members of the class are so numerous that joinder of all members is impracticable. There are at least 300 CLECs in the BellSouth operating area which are in the defined class. See attached list as Exhibit "A".
- (b) There are questions of law and fact common to the class members concerning, among others, whether the Defendant has complied with its obligations under the law in facilitating competition in its service areas; whether the class is entitled to affirmative injunctive relief; and, whether the Defendant has unlawfully exercised power to exclude competition in the relevant markets.

- (c) The claims of the Plaintiff are typical of the claims of each of the members of the class. Plaintiff and class members are CLECs attempting to compete with BellSouth in the BellSouth operating area. Defendant has monopolized and attempted to monopolize telecommunications service within its regions by erecting, maintaining and not dismantling barriers to entry in order to maintain its monopoly in those service areas and to forestall competition in the market for telecommunications service within its operating region.
- (d) Plaintiff will fairly and adequately protect the interests of the class. There is no conflict between Plaintiff and other members of the class, and Plaintiff is represented by experienced class action counsel.
- (e) Defendant has acted in an unlawful manner on grounds generally applicable to all members of the class.
- (f) The questions of law and fact common to the claims of the class predominate over any questions affecting only individual class members, so that the certification of this case as a class action is superior to other available methods for the fair and efficient adjudication of the controversy.
- (g) For these reasons, the proposed class may be certified under Rule 23(b)(2) and Rule 23 (b)(3).

#### IV. General Facts

9. NOW is a CLEC. It is a Jackson, Mississippi based company established in 1997, to provide telecommunications services through the local exchange. NOW provides telecommunications services through the local exchange in the BellSouth operating area and is certified to provide services in the operating areas of other Bell Operating Companies and GTE. Alabama, Louisiana, Mississippi, and Tennessee comprise most of its customer base. The class members are other CLECs who provide telecommunications services through the local exchange in the BellSouth operating area. BellSouth is a regional telecommunications company operating in the southeastern United States, including Birmingham, Alabama, which provides telecommunications services. BellSouth operates a regional operating center in Birmingham, Alabama. Its officers,



representatives and employees with whom NOW and class members do business on a regular basis are based in Birmingham. NOW's and class members' point of doing business with BellSouth is in Birmingham, and NOW and class members have customers in the Birmingham area. BellSouth is, and historically has been, a monopoly, charged with the responsibility of providing universal regulated telecommunications services through the local exchange. BellSouth acquired its monopoly status after the breakup of the AT&T monopoly in 1982. BellSouth provides telecommunications services through the local exchange in Alabama, Mississippi, Tennessee, Kentucky, Louisiana, Florida, North Carolina, South Carolina, and Georgia. Congress, state Public Service Commissions, the Federal Communications Commission, institutions and agencies recognize BellSouth's monopoly status. It acquired and continues to maintain monopoly status in Alabama, Mississippi, Louisiana, and Tennessee, wherein NOW Communications and all class members are attempting to compete with BellSouth for the business of providing telecommunications services through the local exchange. With willful intention, BellSouth has maintained its monopoly in the market where it is currently doing business, and with willful intention it has exercised its monopoly power in the relevant market of providing telecommunications services in the local exchange.

10. BellSouth has refused to provide universal telecommunications services to approximately fifteen percent (15%) of the residences in the BellSouth operating area. These unserved people have been deprived of an increasingly essential service. Telecommunications services are essential services, constituting the lifeline for the health and safety of the public. Citizens, regardless of economic status, have the right to access the telecommunications network, which provides access to public necessities such as employment opportunities, emergency services, educational services, financial services, public and private safety services, property protection

services and health services.

11. BellSouth has denied individuals' rights and privileges to universal telecommunications services by exercise of monopolistic practices. The breakup of the Bell Operating Companies' acquired monopoly and the cessation of their exercise of monopoly power were lawfully mandated in 1996. The law required an open marketplace to facilitate competition and new development, which would in turn lower prices, improve quality of service, give the consumer greater choice, and meet the goal of universal service. The law made clear that monopoly should give way to competition in the local exchange to provide all economic segments of the population with rights and privileges to local residential telecommunications services. The law opened the telecommunications market to alternative providers which could provide services and competition to a significant segment of the American population who were denied residential telecommunications services because of the Bell Operating Companies' unreasonable, restrictive, and anti-competitive financial requirements. Less than two percent (2%) of telecommunications services are now provided by alternative carriers, known as CLECs, in and through the local exchange.

12. NOW and all class members are alternative providers of local telecommunications services through the local exchange. NOW and other class members provide many of their customers with pre-paid local telecommunications services in BellSouth's operating area after they have been precluded from essential telecommunications services by BellSouth's unreasonable and restrictive requirements. CLECs, such as NOW and the class, obtain services directly from BellSouth at discounted rates and resell the telecommunications services through the local exchange to their own pre-paid customers in the relevant geographic market.

13. NOW and BellSouth entered into a Resale Agreement ("Agreement") in May 1997. The terms of the Agreement defined NOW as a CLEC, similar to other CLECs across the area in which BellSouth operates. The terms of this Agreement denominated NOW as a "customer" of BellSouth, with all of the rights of a private customer of BellSouth. NOW's customers, in turn, were denominated "end users" of BellSouth's service. The Agreement provides that the end user will have no direct contact with BellSouth, therefore requiring all contact to be exclusively between the end user and NOW. There has been a large quantity of complaints from end users to NOW because of BellSouth's willful refusal to provide access to the local exchange and interconnection for transmission on a non-discriminatory basis. BellSouth's refusal to provide reasonable access has precluded NOW's ability to service its present customers and to expand its customer base. NOW's customers prepay for their service and demand refunds from NOW when BellSouth repeatedly and deliberately refuses to provide the mandated access to the local exchange. BellSouth's refusal has forced NOW to incur the expense of hiring additional personnel to respond to customer complaints. This results not only in financial loss to NOW but also in loss of good will among its current and prospective customers. BellSouth's reckless and deliberate actions have interfered with NOW's and class members' right of access to the local exchange market, in violation of law. BellSouth has acknowledged these violations and its failure to provide the mandated standard of service to NOW with a token credit but will not cease and desist its violations of law and will not provide NOW's and the class members' customers with non-discriminatory access to the local exchange.

14. BellSouth's actions are a deliberate attempt to destroy NOW and the class members as CLECs that bring competition to BellSouth. Though NOW has lost many customers because of BellSouth's willful refusal to provide access to the local exchange, NOW has built a substantial

subscriber base and has the potential to be very successful with a good reputation in the telecommunications industry, but only when BellSouth obeys the mandate to release its death grip on telecommunications access to the local exchange. BellSouth has breached the Agreement with NOW and has violated the law by providing discriminatory access to the local exchange.

15. The terms of the Agreement were negotiated between BellSouth and another party. NOW was not a party to the negotiations of the Agreement. Because of BellSouth's superior strength and bargaining position, NOW had no choice but to accept the terms of the Agreement negotiated in bad faith and forced upon it by BellSouth. Even though BellSouth was the author of the Agreement, it has refused in bad faith to abide by its own terms by denying reasonable and lawful access to the local exchange in a non-discriminatory manner which is mandated by the Agreement and by law. BellSouth has violated the statutory requirement of good faith and fair dealing owed to NOW.

16. NOW and the class members are dependent on BellSouth to provide access to the local exchange for interconnection on a non-discriminatory basis. NOW and the class members have no alternative facility for access and interconnection and are locked in to BellSouth for connection to the network. BellSouth's exercise of monopoly power over telecommunications services in the local exchange has restricted NOW's and the class members' access to essential facilities. BellSouth has deliberately and grossly refused to provide access to the local exchange. BellSouth refuses reasonable and lawful interconnection for transmission on a nondiscriminatory basis in total disregard for NOW's and the class members' rights. BellSouth refuses lawful, reasonable access in willful, wanton, and reckless disregard of the duties and obligations imposed upon it by lawful mandate. BellSouth obviously abhors competition in the local exchange which threatens its

historical monopoly. BellSouth has set out on a course of action deliberately designed to destroy NOW's business and the business of the class members.

17. BellSouth declares the provision of telecommunications services through the local exchange by the CLECs demonstrates competition in providing telecommunications services through the local exchange. BellSouth represents that it has complied with the law requiring competition in the local exchange when in fact BellSouth has restrained competition. Alternative carriers have acquired very few customers through the local exchange, which contradicts the representation of BellSouth that it has complied with the law requiring competition. BellSouth's actions are contrary to lawful requirements to open the market for providing telecommunications services through the local exchange to competition.

18. BellSouth contracted to provide NOW and the class members interconnection for residential telecommunications services in the local exchange but has precluded interconnection and denied non-discriminatory access and has refused to provide network features, functions and capabilities to NOW, the class members, and their customers ("end users"). Because of BellSouth's deliberate and willful failure to fulfill its obligations to NOW and the class members under the Agreement and the law, it is impossible for NOW and class members to fulfill their obligations to their own customers ("end users"). BellSouth maintains exclusive control over connections and transfers of end user local telecommunications services and has failed to exercise that control in a non-discriminatory manner as required by law. BellSouth has refused to timely provide access to the local exchange to NOW's and the class members' customers in the same manner as it provides access to its own direct customers. BellSouth has repeatedly refused to keep appointments with NOW's and the class members' end users for connection to the local exchange. BellSouth's refusal

to timely connect the end users has inflicted extreme economic distress on NOW, the class members, and their customers ("end users").

19. NOW's and class members' successful business is fundamentally based upon a network of independent sales agents. BellSouth's failure to grant non-discriminatory access to the customers NOW and the class members procure through their network of independent sales agents has destroyed NOW's and other class members' business relationships with many of its independent sales agents. NOW's sales agents have had to call for police intervention at various places of business to maintain order and to maintain the public peace because of BellSouth's reckless actions toward NOW's customers. The willful and reckless acts of BellSouth have caused many agents to cancel their representation of NOW, which has damaged NOW's reputation and diminished its presence in its markets.

20. BellSouth is obligated under the terms of its Agreement and the law to provide access to the local exchange and interconnection on a non-discriminatory basis and to provide network features and functions capable of blocking optional affiliated services. BellSouth has refused to abide by its Agreement and has consistently failed to provide network capabilities and functions to block services, which has caused NOW and class members to suffer substantial damages.

21. BellSouth has refused to provide NOW and the class members with network features and functions which reasonably accommodate interconnection and nondiscriminatory access to the local exchange. BellSouth's procedures and technical requirements are inconsistent and grossly inadequate. Through deliberate design or gross negligence, BellSouth's procedures and technical requirements frustrate, harass, intimidate and preclude NOW and class members from reasonable access to the local exchange in violation of the law and the Agreements.

22. BellSouth's procedures, practices and policies are so grossly inadequate by specific design or gross negligence that BellSouth perpetrates a plan for its personnel to give NOW and class members no information, disinformation, wrong information or misinformation. BellSouth refuses to provide network features and facilities on a non-discriminatory basis. Personnel employed by BellSouth are improperly trained and supervised and do not meet the test of providing seamless service and equal facilities for interconnection and access to the local exchange. BellSouth's discriminatory practices and provision of services and facilities to NOW, class members, and their end users are deliberate actions in restraint of trade and competition.

23. BellSouth's dealings with NOW and class members in relation to its obligations under the law and the Agreement are in reckless, gross disregard of the duty of good faith and fair dealing. Its deliberate design of inconsistent policies and procedures and the pattern of conduct of its employees in providing deceptive information, misinformation and wrong information constitute acts in contravention of its duty of good faith and fair dealing as required by law.

24. BellSouth deliberately and maliciously disconnected NOW's business lines and terminated NOW's access to the network in Monroe, Louisiana without notice and without justifiable cause. BellSouth's willful and reckless action was an act of aggression against NOW and a continuation of its plan to destroy NOW in direct violation of the law and the Agreement.

#### **V. Additional Antitrust Facts**

25. The allegations of paragraphs 1 through 24 are incorporated herein by reference.

26. NOW's and the class' antitrust claims are founded upon the Sherman Act, 15 U.S.C. §2, wherein BellSouth is prohibited from monopolizing, or attempting to monopolize, or combining or conspiring with any other person or persons to monopolize any part of the trade or commerce

among the several States or with foreign nations.

27. BellSouth knowingly and willfully acquired and knowingly and willfully maintained its monopoly in the relevant market and relevant geographic market. BellSouth knowingly and willfully exercised monopoly power in the relevant market and relevant geographic market which resulted in anti-trust injury and damages to the plaintiff, NOW and to the members of the class. BellSouth knowingly and willfully attempted to monopolize the relevant market and the relevant geographic market. BellSouth knowingly and willfully continues a dangerous probability of monopolizing the relevant market, with the specific intent and purpose to monopolize the relevant market and the relevant geographic market. BellSouth's deliberate actions and conduct in exercising monopoly power, anti-competitive practices, restraint of trade and other unlawful conduct has been and is continuing in furtherance of its knowing and willful attempt to monopolize the market. At all times relevant to this action, the Defendant, BellSouth, acted pursuant to its anti-competitive intent.

28. The acts and omissions of BellSouth did, in fact, have the desired purpose of destroying and/or restraining competition and creating financial and monopolistic market power for BellSouth as alleged.

29. The acts and omissions of BellSouth carried its pernicious impact on competition with no offsetting redeeming benefit or legal business justification.

30. As a direct and legal result of the acts of BellSouth, the plaintiff, NOW and the class, have incurred the damages alleged, and NOW and all of those similarly situated have been deprived of the benefit of providing to the public telecommunications services through the local exchange as lawfully permitted.



31. BellSouth engaged in the conduct with full knowledge that it was violating antitrust laws and that its conduct was illegal. Despite such knowledge, BellSouth acted as alleged with the specific intent of destroying and/or restraining competition, profiting from its conscious and willful disregard of the harm caused to its competitors (NOW and other CLECs) and the public. BellSouth's conduct was malicious and oppressive and warrants imposition of punitive damages.

32. BellSouth maintains the public position that it welcomes competition and has no reason to deny competition which generates additional revenue for BellSouth. After 1996, BellSouth formed an inferior essential facility, the Local Carrier Service Center (LCSC). This specially created inferior facility was designed specifically to provide to alternative carriers (CLECs) telecommunications services, interconnection and access to the local exchange. This facility was staffed by untrained, inexperienced, unqualified personnel. The LCSC's operation is separate from BellSouth's service center for its own direct customers. Within this inferior service facility BellSouth established the day-to-day operations for CLEC services designed to defeat, impede, thwart, restrain and eliminate competition.

33. By Agreement and mandate of law, BellSouth must provide nondiscriminatory service to NOW, the class, and their customers (end users) that is seamless and equal to that it provides to its own direct customers. BellSouth represents to its customers, which include NOW and other CLECs, that it will comply with the law and provide seamless and equal interconnection to the end user, but in fact BellSouth refuses to provide non-discriminatory access and interconnection. The LCSC is a separate, inferior facility equipped with inferior systems and unqualified personnel to process NOW's and the class' end user connections and does not provide the seamless equal connection mandated by the law. BellSouth's 600 employee LCSC facility has

only 425 persons employed to provide services to the CLECs and end users. A limited number of those employees are trained BellSouth employees. The remaining employees are newly hired "off the streets" with no telecommunications training or experience. BellSouth representatives have stated that BellSouth "cleaned out all of the McDonald's and Burger Kings" in the Birmingham, Alabama area for staffing the essential interconnection facility which is discriminatorily designated by BellSouth to provide interconnection services to NOW and other CLECs. BellSouth employees report that equal access, non-discriminatory service and connections are not and cannot be provided because of the lack of trained, experienced and qualified personnel. Most of the employees of the LCSC are not sufficiently trained, qualified, or experienced to provide NOW and other CLECs with interconnection services of equal quality to those of BellSouth's direct customers. BellSouth transfers promising employees of the LCSC to its own facilities to the detriment of NOW and other CLECs. BellSouth employees which provide its own customer services are well-trained, experienced and educated, in contrast to the "off the street" employees at the BellSouth's LCSC which provide NOW and other CLECs customer service. There is no legitimate business reason for BellSouth to deny NOW and other CLECs access to an essential facility for access, interconnection, and non-discriminatory service. BellSouth claims to provide NOW and other CLECs a "separate but equal" essential facility but in fact has provided a separate, inferior, unequal facility. BellSouth has denied NOW and other CLECs access to its main facility and has refused to provide an equal essential facility for the provision of telecommunications services in the local exchange.

34. After the breakup of AT&T in 1982, BellSouth acquired and maintained a monopoly in the provision of telecommunications services through the local exchange in the nine states which include Alabama, Mississippi, Louisiana, Georgia, Tennessee, Kentucky, Florida, South Carolina

and North Carolina. After 1996, the Regional Bell Operating Companies ("RBOC") maintained monopoly status in the provision of telecommunications services in the local exchange. The Telecommunications Act of 1996, requires dissolution of the Bell monopoly status.

35. The law requires an open marketplace to facilitate competition for BellSouth in the provision of telecommunications services through the local exchange. Competition was mandated to create new development, lower prices, improved services, greater consumer choice and universal service. BellSouth has frustrated the purposes of the law and has restrained competition in the relevant market by refusing to facilitate mandated competition and willfully maintaining its monopoly power. The restrained competition by exercise of BellSouth's monopoly power in the relevant market has resulted in alternative carriers (CLECs) providing less than two percent (2%) of telecommunications services through the local exchange in the relevant market.

#### VI. Monopolization

36. BellSouth has willfully acquired and maintained its monopoly power in an effort to foreclose competition, to gain a competitive advantage and to destroy NOW, the class, and other competitors and potential competitors. BellSouth has willfully and knowingly, through the exercise of its monopoly status and power, attempted to maintain its monopoly in the relevant market to the exclusion and injury of the plaintiff, NOW, and the class. BellSouth's anti-competitive conduct establishes the dangerous probability of success in monopolizing the relevant market. In 1996, BellSouth controlled one hundred percent (100%) of the provision of telecommunications services through the local exchange in the relevant geographic market. BellSouth was mandated as a Regional Bell Operating Company to open the telecommunications market to competition and to provide non-discriminatory access to the local exchange. BellSouth maintains control of ninety-

eight percent (98%) of the telecommunications services through the local exchange in the relevant geographic market.

### **VII. Monopoly Power**

37. BellSouth has willfully acquired and willfully maintains monopoly power in the relevant product or service market for provision of telecommunications service through the local exchange. BellSouth's monopoly status and power is in fact in place, and BellSouth exercises its monopoly power in the relevant market in restraint of trade and competition maintaining in excess of ninety-eight percent (98%) of the telecommunications lines and services through the local exchange in the relevant market. NOW and other CLECs in the BellSouth operating area are locked in to BellSouth. BellSouth's provision of nondiscriminatory access to the local exchange is an essential facility for NOW and other CLECs to conduct business. BellSouth's refusal to supply nondiscriminatory access to the local exchange violates §2 of the Sherman Act. Access to the local exchange is not available from alternative sources and cannot be feasibly duplicated. NOW and other CLECs similarly situated cannot effectively compete in the relevant market without access to the essential facility. BellSouth has no legitimate business reason to refuse to deal with NOW as statutorily mandated.

### **VIII. Relevant Market**

38. For purposes of NOW's and the class' antitrust claims, the relevant product or service market is or includes the provision of telecommunications services through the local exchange. The relevant geographic market for assessing competition in the provision of telecommunications services through the local exchange is the BellSouth operating area which includes the nine states of Alabama, Mississippi, Tennessee, Kentucky, Louisiana, Florida, North Carolina, South Carolina,

and Georgia. BellSouth is an Incumbent Local Exchange Carrier (ILEC), which provides telecommunications services through the local exchange. NOW Communications is a recently established company, an alternative carrier, operating as a CLEC, which also provides telecommunications services through the local exchange. NOW and members of the class provide customers within the relevant market a choice for telecommunications services through the local exchange. Prior to the entry of NOW and other CLECs, the relevant market had no alternative for the provision of telecommunications services through the local exchange. The relevant market was locked in to the BellSouth monopoly. Prior to the entry of NOW and other CLECs into the relevant market, BellSouth disconnected customers and denied access to telecommunications services through the local exchange (the relevant market) for various unilaterally restrictive reasons. These customers were forced to yield to the demands of BellSouth's unilateral restrictions, to meet the restrictive financial demands of BellSouth or to endure the loss of or denial of access to entitled telecommunications services which should be provided through the local exchange. The entry of NOW and other CLECs into the relevant market provide those disconnected and disenfranchised customers in the relevant market an alternative provider of telecommunications services through the local exchange. The restraint and elimination of competition for providing local telecommunications services through the local exchange (the relevant market) denies the relevant market an alternative carrier.

39. NOW Communications and the members of the class are CLECs. BellSouth is an ILEC. NOW and the class are competitors with BellSouth in the provision of local telecommunications service through the local exchange. Prior to 1996, BellSouth provided one hundred percent (100%) of the telecommunications services through the local exchange in its nine

state operating area. In 1996, BellSouth was legislatively mandated to open the relevant market to free, non-discriminatory competition. Since 1996, and the enactment of the mandate for competition in the local exchange, BellSouth has maintained over ninety-eight percent (98%) of the telecommunications services through the local exchange in the relevant market, and by its exercise of monopoly power in the relevant market, CLECs have acquired less than two percent (2%) of the telecommunications services through the local exchange within the relevant market. NOW is certified to do business in all nine states and has end user customers in four of the nine states - Alabama, Mississippi, Tennessee, and Louisiana. Through the use of monopoly power, BellSouth has restrained trade and commerce and thus prevented NOW and other CLECs from entering a free, non-discriminatory, competitive relevant market.

40. The relevant geographic market for assessing competition in the provision of telecommunications services through the local exchange is the BellSouth operating area, which includes the nine states of Alabama, Mississippi, Tennessee, Kentucky, Louisiana, Florida, North Carolina, South Carolina, and Georgia. BellSouth is a Regional Bell Operating Company (RBOC), marketing and providing telecommunications services through the local exchange in the foregoing nine state operating area (relevant geographic market). BellSouth is the Incumbent Local Exchange Carrier (ILEC), marketing and providing telecommunications services through the local exchange. BellSouth is the owner and has the exclusive control over the network, switches, physical plant, and interconnection facilities within the local exchange area which constitutes an essential facility for access to all providers of telecommunications services through the local exchange, which includes NOW and the members of the class. NOW and other CLECs are entitled by law and agreement to access the local exchange in marketing and providing telecommunications services through the local

exchange. BellSouth has denied, impeded, and frustrated NOW's and the class members' lawful rights to essential facilities.

41. NOW Communications and the members of the class are competitive local exchange carriers (CLEC). BellSouth is an incumbent local exchange carrier (ILEC). NOW and the members of the class are competitors with BellSouth in the provision of local telecommunications services through the local exchange. Prior to 1996 BellSouth provided one hundred percent (100%) of the telecommunications services through the local exchange in its nine state operating area. BellSouth was mandated to open the relevant market to free, non-discriminatory competition. Since the 1996 mandate for competition in the local exchange, BellSouth has maintained over ninety-eight percent (98%) of the telecommunications services through the local exchange in the relevant market, and by BellSouth's exercise of monopoly power in the relevant market, NOW and other CLECs have been restricted and restrained to less than two percent (2%) of the telecommunications services through the local exchange within the relevant market. The BellSouth monopoly in the relevant geographic market consists of approximately 35,919,000 access lines for the provision of telecommunications services through the local exchange. All of the CLECs (including NOW) in the relevant geographic market (BellSouth operating area) provide a total of approximately 442,838 access lines for the provision of telecommunications services through the local exchange. NOW is certified to do business in all nine BellSouth operating states and has a total of approximately 20,000 end user customers in four of those nine states. Through the use of monopoly power, BellSouth has restricted, restrained, and prevented NOW and other CLECs from entering a free, non-discriminatory, competitive relevant market.

### **IX. Refusal to Deal**

42. The BellSouth monopoly has refused to deal with NOW and the class members with the intention to control the relevant market. BellSouth has refused to sell services to NOW and the class members as CLECs and their customers (end users) on the same terms and with the same access as sold to BellSouth's own direct customers. The day-to-day operations and systems of the customer service center (LCSC) are grossly inadequate, inefficient, and discriminatorily staffed and constitute an inferior facility which BellSouth uses as an instrument for refusing to deal with NOW and other CLECs. The inadequacy, inefficiency and discrimination in staffing and equipping the customer service center provided to NOW and other CLECs is a deliberate attempt on the part of BellSouth to make dealing with BellSouth frustrating and impossible. BellSouth's deliberate action is destructive to NOW's business and the business of the class members and restrains, restricts and prevents competition from NOW and other CLECs.

### **X. Essential Facility**

43. The BellSouth monopoly refuses to deal with NOW and the members of the class in its denial of non-discriminatory access to the local exchange as an essential facility. The plaintiff, NOW, and other CLECs cannot provide telecommunications services through the local exchange without non-discriminatory access to the local exchange. BellSouth owns and controls the network, switches, physical plant and interconnections by which telecommunications services are provided through the local exchange in the relevant geographic market. Non-discriminatory access to the network, switches, physical plant and interconnections is essential and necessary for NOW's and other alternative carriers' marketing and providing telecommunications services through the local exchange. BellSouth, with the specific intent to deny NOW and other CLECs lawful access to the



essential facility has restrained, restricted, and prevented NOW and other CLECs from providing telecommunications services through the local exchange and has restrained, restricted and prevented competition in the relevant market.

### **XI. Interstate Commerce**

44. BellSouth's conduct complained of herein has taken place in and affected the flow of interstate commerce in the United States of America, including the relevant market.

45. BellSouth's conduct complained of herein has directly, substantially, and foreseeably restrained such commerce.

46. The provision of telecommunications services through the local exchange affects interstate commerce because business is conducted among the several states and, in particular, the nine BellSouth operating states. NOW and class members do business in all nine states. Frequently NOW and class members do business with BellSouth's various customer service centers in Birmingham, Atlanta and other cities. Through the use of the telecommunications services provided to the end user by NOW and the class members, business is conducted throughout the several states by use of the telecommunications lines to, among other things, purchase products, goods and services and to access educational, financial and public safety services offered in the several states. The provision of telecommunications services through the local exchange affects the flow of commerce by enhancing the goal of full employment. Telecommunications services impact the employment market because job applicants without telecommunications services are denied the opportunity to obtain meaningful employment. The greater degree of employment achieved enhances the flow of commerce. Provision of telecommunications services enhances the achievement of full employment, thus contributing to the flow of commerce.

47. For all of the above and foregoing, BellSouth is liable to the Plaintiff NOW and the members of the class for actual damages, punitive damages, and treble damages as follows:

#### COUNT I

48. The allegations of paragraphs 1 through 47 are incorporated herein by reference.

49. BellSouth has tortiously breached its contractual agreement with NOW by its willful and reckless disregard of its duties and obligations under the law and agreement in refusing to provide its customer, NOW, with reasonable and lawful access to the local exchange and interconnection services on a nondiscriminatory basis in violation of the terms of the agreement and the law.

50. As a result of BellSouth's willful and reckless acts and/or omissions in disregard of its duties and obligations under the agreement and the law, NOW has been substantially damaged for which it is entitled to recover actual, consequential and punitive damages in an amount to be determined by the court and jury.

#### COUNT II

51. The allegations of paragraphs 1 through 50 are incorporated herein by reference.

52. BellSouth's actions in refusing to provide reasonable and lawful access to the local exchange and interconnection services on a nondiscriminatory basis constitute negligence, gross negligence and violate the established duty and standard of conduct imposed by law.

53. As a result of BellSouth's negligent acts and/or omissions in disregard of its duties and established standards of conduct, NOW and the members of the class have been substantially damaged, for which they are entitled to recover actual, consequential and punitive damages in an amount to be determined by the court and jury.

### COUNT III

54. The allegations of paragraphs 1 through 53 are incorporated herein by reference.

55. BellSouth has breached its own policies and procedures in refusing to provide NOW and class members with access to the local exchange and interconnection services on a nondiscriminatory basis in violation of the law and agreement.

56. As a result of BellSouth's willful and reckless acts and/or omissions in disregard of its duties and obligations under the law and agreement, NOW and the members of the class have been substantially damaged, for which they are entitled to recover actual, consequential and punitive damages in an amount to be determined by the court and jury.

### COUNT IV

57. The allegations of paragraphs 1 through 56 are incorporated herein by reference.

58. BellSouth has breached legal and procedural requirements in refusing to provide NOW and the members of the class with access to the local exchange and interconnection services on a nondiscriminatory basis.

59. As a result of BellSouth's willful and wrongful acts and/or omissions in disregard of its duties and obligations under the law and agreement, NOW and the members of the class have been substantially damaged, for which they are entitled to recover actual, consequential and punitive damages in an amount to be determined by the court and jury.

### COUNT V

60. The allegations of paragraphs 1 through 59 are incorporated herein by reference.

61. BellSouth has failed and refused to follow legal mandates by refusing to provide NOW and the members of the class with reasonable and non-discriminatory access to the local

exchange, interconnection services and network features.

62. As a result of BellSouth's willful and wrongful acts and/or omissions in disregard of its duties and obligations under the law and agreement, NOW and the members of the class have been substantially damaged, for which they are entitled to recover actual, consequential and punitive damages in an amount to be determined by the court and jury.

#### COUNT VI

63. The allegations of paragraphs 1 through 62 are incorporated herein by reference.

64. BellSouth's anti-competitive practices have precluded competition in the local exchange market in violation of law by erecting barriers to prevent NOW and other CLECs from entering the local exchange market.

65. As a result of BellSouth's willful and reckless acts and/or omissions in disregard of its duties and obligations under the law and agreement, NOW and the members of the class have been substantially damaged, for which they are entitled to recover actual, consequential and punitive damages in an amount to be determined by the court and jury.

#### COUNT VII

66. The allegations of paragraphs 1 through 65 are incorporated herein by reference.

67. BellSouth, in willful and reckless disregard for the law, has set in place actions to maintain its historical monopolistic position, contrary to the law and spirit of legal mandates for universal access to the local exchange and for interconnection services on a nondiscriminatory and competitive basis.

68. As a result of BellSouth's willful and reckless acts and/or omissions in disregard of its duties and obligations under the law and agreement, NOW and the members of the class have

been substantially damaged, for which they are entitled to recover actual, consequential and punitive damages in an amount to be determined by the court and jury.

#### COUNT VIII

69. The allegations of paragraphs 1 through 68 are incorporated herein by reference.

70. BellSouth has engaged in predatory practices designed to maintain its historical monopoly by destroying the businesses of NOW and the class, in violation of the rights of NOW and the class to provide local telecommunications services as mandated by law.

71. As a result of BellSouth's willful and reckless acts and/or omissions in disregard of its duties and obligations under the law and agreement, NOW and the members of the class have been substantially damaged, for which they are entitled to recover actual, consequential and punitive damages in an amount to be determined by the court and jury.

#### COUNT IX

72. The allegations of paragraphs 1 through 71 are incorporated herein by reference.

73. BellSouth has maliciously and tortiously interfered with present contractual and business relationships between NOW and its customers (end users).

74. As a result of BellSouth's willful and reckless acts and/or omissions in disregard of its duties and obligations under the law and agreement, NOW has been substantially damaged, for which it is entitled to recover actual, consequential and punitive damages in an amount to be determined by the court and jury.

#### COUNT X

75. The allegations of paragraphs 1 through 74 are incorporated herein by reference.

76. BellSouth has maliciously and tortiously interfered with the prospective contractual

and business relationships between NOW and its prospective customers (end users), agents and other business relationships.

77. As a result of BellSouth's willful and reckless acts and/or omissions in disregard of its duties and obligations under the law and agreement, NOW has been substantially damaged, for which it is entitled to recover actual, consequential and punitive damages in an amount to be determined by the court and jury.

#### COUNT XI

78. The allegations of paragraphs 1 through 77 are incorporated herein by reference.

79. BellSouth has breached its duty of good faith and fair dealing owed to NOW and the class. The special relationship between BellSouth and NOW and the class, described above, imposed fiduciary duties owed by BellSouth to NOW and the class which BellSouth has breached.

80. As a result of BellSouth's willful and reckless acts and/or omissions in disregard of its duties and obligations under the law and agreement, NOW and the members of the class have been substantially damaged, for which they are entitled to recover actual, consequential and punitive damages in an amount to be determined by the court and jury.

#### COUNT XII

81. The allegations of paragraphs 1 through 80 are incorporated herein by reference.

82. BellSouth has exercised coercion and duress against NOW and the members of the class by exercising its superior position of strength in its dealings with NOW and the members of the class.

83. As a result of BellSouth's willful and reckless acts and/or omissions in disregard of its duties and obligations under the law and agreement, NOW and the members of the class have

been substantially damaged, for which they are entitled to recover actual, consequential and punitive damages in an amount to be determined by the court and jury.

#### COUNT XIII

84. The allegations of paragraphs 1 through 83 are incorporated herein by reference.

85. BellSouth's refusal to provide reasonable and lawful access to the local exchange and interconnection services on a nondiscriminatory basis to the customers (end users) of NOW and the class has damaged the business reputation in the business community of NOW and the class and caused them extreme financial distress.

86. As a result of BellSouth's willful and reckless acts and/or omissions in disregard of its duties and obligations under the law and agreement, NOW and the members of the class have been substantially damaged, for which they are entitled to recover actual, consequential and punitive damages in an amount to be determined by the court and jury.

#### COUNT XIV

87. The allegations of paragraphs 1 through 86 are incorporated herein by reference.

88. BellSouth negligently misrepresented to NOW and the class its intention to provide NOW and the class with access to the local exchange and interconnection on a nondiscriminatory basis, as required by agreement and law.

89. As a result of BellSouth's willful and reckless acts and/or omissions in disregard of its duties and obligations under the law and agreement, NOW and the members of the class have been substantially damaged, for which they are entitled to recover actual, consequential and punitive damages in an amount to be determined by the court and jury.

#### COUNT XV

90. The allegations of paragraphs 1 through 89 are incorporated herein by reference.

91. BellSouth fraudulently misrepresented to NOW and the class its intention to provide NOW and the class with access to the local exchange and interconnection on a nondiscriminatory basis, as required by law and agreement. These representations were false when made and BellSouth knew they were false at the time of making them.

92. As a result of BellSouth's willful and reckless acts and/or omissions in disregard of its duties and obligations under the law and agreement, NOW and the members of the class have been substantially damaged, for which they are entitled to recover actual, consequential and punitive damages in an amount to be determined by the court and jury.

#### COUNT XVI

93. The allegations of paragraphs 1 through 92 are incorporated herein by reference. BellSouth has committed fraud against NOW and the class through the use of deceptive practices wherein it provided NOW and the members of the class with disinformation and misinformation in an effort to deceive NOW and the class by setting forth that the severe problems affecting NOW and the class were merely service problems and could easily be corrected by BellSouth. These representations were false when made, and BellSouth knew they were false when making them.

94. As a result of BellSouth's willful and reckless acts and/or omissions in disregard of its duties and obligations under the law and agreement, NOW and the members of the class have been substantially damaged, for which they are entitled to recover actual, consequential and punitive damages in an amount to be determined by the court and jury.

#### COUNT XVII

95. The allegations of paragraphs 1 through 94 are incorporated herein by reference.



96. BellSouth's conduct has been willful, reckless, in bad faith and in gross, careless, callous, indifferent and reckless disregard of the rights of NOW and the class, which entitles NOW and the class to punitive damages.

97. As a result of BellSouth's willful and reckless acts and/or omissions in disregard of its duties and obligations, NOW and the members of the class have been substantially damaged, for which they are entitled to recover actual, consequential and punitive damages in an amount to be determined by the court and jury.

#### COUNT XVIII

98. The allegations of paragraphs 1 through 97 are incorporated herein by reference.

99. NOW seeks to enjoin BellSouth from its noticed intention to disconnect and/or interrupt NOW's service and from terminating the Agreement. Disconnection or interruption of NOW's service to its customers (end users) would permanently destroy the company. NOW further seeks to enjoin BellSouth from treating NOW's customers (end users) in a discriminatory fashion, as described above.

100. NOW has no adequate or speedy remedy at law to prevent the above described misconduct of BellSouth.

#### COUNT XIX

101. The allegations of paragraphs 1 through 100 are incorporated herein by reference.

102. BellSouth has monopolized, or attempted to monopolize, the business of providing telecommunications services through the local exchange in the relevant market and relevant geographic market. BellSouth has excluded competition unfairly in violation of the Sherman Act, 15 U.S.C. §2, by willful exercise of its willfully acquired and willfully maintained monopoly power

and has used its skill, capital and resources for the purpose and intent of restraining trade, limiting and eliminating competition, and controlling and monopolizing the relevant market, causing injury and damages to the plaintiff, NOW and the class.

103. As a result of BellSouth's anti-competitive conduct, NOW and the members of the class have been substantially damaged, for which it is entitled to recover damages that include, but are not limited to, actual damages, punitive damages, treble damages, costs, attorneys' fees, and pre- and post-judgment interest as permitted by law.

## **XII. Sherman Act §2 Claims for Relief**

104. The allegations of paragraphs 1 through 103 are incorporated herein by reference. BellSouth has engaged in acts, practices and a continuing course of conduct by which it intended, and did in fact acquire, maintain and perpetuate its monopoly in the provision of telecommunications services through the local exchange.

105. In furtherance of these violations, BellSouth has engaged in a continuing course of the following exclusionary anti-competitive and monopolistic practices, among others:

- (a) BellSouth has denied NOW and other CLECs reasonable and lawful access to the local exchange;
- (b) BellSouth has refused to provide to NOW and other CLECs reasonable and lawful services;
- (c) BellSouth has refused to provide to NOW and other CLECs an equal and non-discriminatory essential facility;
- (d) BellSouth has refused to deal with NOW and other CLECs in good faith, on reasonable commercial terms, and as required by agreement and law;
- (e) BellSouth has refused to provide NOW and other CLECs equal and non-discriminatory networks and systems;

- (f) BellSouth has refused to provide NOW and other CLECs equal and non-discriminatory qualified personnel for processing applications for access and services through the local exchange;
- (g) BellSouth has consistently delivered to NOW grossly inaccurate, misleading and confusing billings;
- (h) BellSouth has perpetrated upon NOW and the members of the class a scheme of severe business interruption;
- (i) BellSouth has perpetrated, through deliberate design and actions, a scheme to paralyze the business operations of NOW and the members of the class;
- (j) BellSouth has perpetrated, through deliberate design and actions, a scheme to overload the operational systems of NOW and the members of the class;
- (k) BellSouth has perpetrated, through deliberate design and actions, a scheme to interrupt and interfere with the technology, communications and services of NOW and the members of the class;
- (l) BellSouth has perpetrated, through deliberate design and actions, a scheme to divert and seize the personnel capacity of NOW and the members of the class;
- (m) BellSouth has perpetrated, through deliberate design and actions, a scheme of inconsistent policies and procedures with a pattern of conduct to disseminate deceptive information, misinformation and inaccurate directions to prevent NOW's and the class' successful delivery of telecommunications services through the local exchange;
- (n) BellSouth, through deliberate design and actions, launched acts of aggression against NOW and the class in a continuing plan to destroy NOW and the class, including the unlawful disconnection of NOW's business lines without notice in Monroe, Louisiana;
- (o) BellSouth, through deliberate design and actions, has interfered with and seriously damaged the agent network of NOW and the class which is fundamental to NOW's and other CLECs' survival and ability to compete in the relevant market;
- (p) BellSouth, through deliberate design and actions, has interfered with NOW's business relations with its agents and its contracts with its agents;

- (q) BellSouth, through deliberate design and actions, has interfered with business relations of NOW's customers;
- (r) BellSouth, through deliberate design and actions, has interfered with NOW's prospective contracts and prospective business relations;
- (s) BellSouth, through deliberate design and actions, has breached its duty of good faith and fair dealing with NOW and the class;
- (t) BellSouth, through deliberate design and actions, has violated the provisions of the 1996 Telecommunications Act in its denial of reasonable and lawful access to the local exchange and in its denial of non-discriminatory services and facilities and other provisions of the law;
- (u) BellSouth, through deliberate design and actions, has breached its contracts and agreements with NOW and the members of the class;
- (v) BellSouth, through deliberate design and actions, has misrepresented to NOW and the class material facts upon which NOW and the class relied to their detriment when in fact BellSouth knew the representations to be false and misleading at the time of making the representations.

106. BellSouth's anti-competitive conduct has already proximately caused injury and damage to the business of NOW Communications, Inc. and the members of the class, and said business will continue to be so injured unless BellSouth is enjoined from continuing to engage in the foregoing violations of law.

107. The actual, probable and intended effects of the foregoing acts, and the continuing course of BellSouth's anti-competitive conduct, has caused injury to NOW and the members of the class, consumers and to competition in the provision of telecommunications services through the local exchange.

108. Pursuant to Section 16 of the Clayton Act, 15 U.S.C. §26, NOW and the members of the class are entitled to an injunction to restrain this violation of the Sherman Act, 15 U.S.C. §2, and to an award of the costs of this action, including reasonable attorneys' fees.

109. Pursuant to Section 4 of the Clayton Act, 15 U.S.C. §15, NOW and the members of the class are also entitled to recover treble the damages that they have suffered or will suffer as a result of this violation of the Sherman Act.

110. WHEREFORE, Plaintiff and the class demand judgment granting to it:

- (a) A declaration that this action is a proper class action, and certification of the Plaintiff as the representative of the class pursuant to Rule 23 of the Federal Rules of Civil Procedure;
- (b) A declaration that the defendant has violated and is in violation of the Sherman Act §2;
- (a) the damages sustained as a result of BellSouth's violations of the Sherman Act in an amount to be determined at trial;
- (b) a trebling of any and all damages awarded pursuant to 15 U.S.C. §15;
- (c) an award of interest and costs, pursuant to 15 U.S.C. §15;
- (d) an award of reasonable attorneys' fees pursuant to 15 U.S.C. §15;
- (e) an award of preliminary or permanent injunctive relief, pursuant to 15 U.S.C. §26, to the degree the Court may deem appropriate; and
- (f) such other and further relief as this Court deems just and proper.

111. The allegations of paragraphs 1 through 110 are incorporated herein by reference.

BellSouth has engaged in the conduct herein with the specific intent to monopolize the provision of telecommunications services through the local exchange. Through its refusal to allow non-discriminatory access to the local exchange, BellSouth has been able to obtain, with limited exceptions, exclusive control over all provision of telecommunications services through the local exchange. BellSouth has attempted to expand and maintain its control of this market and to monopolize the market by denying access to the local exchange as mandated by law and by engaging

in other wrongful acts set forth above to prevent NOW and the members of the class from competing in the market.

112. BellSouth's specific intent is to monopolize the provision of telecommunications services through the local exchange in the relevant geographic market.

113. BellSouth has succeed in its attempt to monopolize the relevant market, and there exists a dangerous probability of its success in monopolizing the relevant market through its conduct in furtherance of its intent to monopolize, given the fact that it currently exercises control over ninety-eight (98%) or more of the provision of local telecommunications services through the local exchange in the relevant geographic market.

114. BellSouth's anti-competitive conduct has already proximately caused injury and damage to the businesses of NOW and the class, and NOW and the class will continue to be so injured unless BellSouth is enjoined from continuing to engage in the foregoing violations of law.

115. The actual, probable and intended effects of the foregoing acts, and the continuing course of BellSouth's anti-competitive conduct, have caused injury to consumers and to competition in the provision of telecommunications services through the local exchange, as set forth above.

116. Pursuant to Section 16 of the Clayton Act, 15 U.S.C. §26, NOW and the class are entitled to an injunction to restrain this violation of the Sherman Act, 15 U.S.C. §2, and to an award of the costs of this action, including reasonable attorneys' fees.

117. Pursuant to Section 4 of the Clayton Act, 15 U.S.C. §15, NOW and the class are also entitled to recover treble the damages they have suffered or will suffer as a result of this violation of the Sherman Act.

118. WHEREFORE, Plaintiff and the class demand judgment granting to it:

- (a) the damages sustained as a result of BellSouth's violations of the Sherman Act in an amount to be determined at trial;
- (b) a trebling of any and all damages awarded pursuant to 15 U.S.C. §15;
- (c) an award of interest and costs, pursuant to 15 U.S.C. §15;
- (d) an award of reasonable attorneys' fees pursuant to 15 U.S.C. §15;
- (e) an award of preliminary or permanent injunctive relief, pursuant to 15 U.S.C. §26, to the degree the Court may deem appropriate; and
- (f) such other and further relief as this Court deems just and proper.

### **XIII. Prayer for Relief.**

119. WHEREFORE, PREMISES CONSIDERED, NOW Communications, Inc. and the members of the class, Plaintiffs herein, demand judgment against BellSouth Telecommunications, Inc. to it:

- (a) Count XX, monetary damages sustained as a result of injury due to BellSouth's violations of the Sherman Act, 15 U.S.C. §2, in an amount to be ascertained at trial pursuant to 15 U.S.C. §15;
- (b) Count XX, monetary award of treble damages for injury due to Defendant's violations of the Sherman Act, 15 U.S.C. §2, in an amount to be ascertained at trial pursuant to 15 U.S.C. §15;
- (c) Preliminary or permanent injunctive relief, to the degree the Court may deem appropriate, enjoining BellSouth from continuing violations of the Sherman Act, pursuant to 15 U.S.C. §26;
- (d) Counts I- XVIII, monetary damages, actual, consequential and punitive, for injuries sustained to the businesses of NOW and the members of the class including, but not limited to: loss of past, present and prospective customers; loss of strategic agent relationships; loss of presence in major markets; loss of benefits from advertising in markets; loss of goodwill and damage to business reputation, past, present and future; losses incurred through substantial business expenses; loss of past, present and future business revenue; loss of past, present and future business profits; loss of past, present and future value of the business; loss of past, present and future value of the company; loss of past, present and future capital of the business; and loss of

past, present and future business relationships;

- (e) Counts I - XVIII, monetary damages, actual and punitive, in a sum to be determined by the Court, but not less than fifty million dollars (\$50,000,000) in actual compensatory damages and not less than five hundred million dollars (\$500,000,000) in punitive damages, all costs of this action, attorney fees and both pre-judgment and post-judgment interest;
- (f) Count XIX, injunctive relief by issuance of a temporary restraining order and a preliminary injunction pursuant to Rule 65 of the Federal Rules of Civil Procedure, ordering BellSouth and its officers, agents, employees, successors, attorneys and all those in active concert or participation with it to refrain immediately, pending the final hearing and determination of this action, from disconnecting NOW's service, from terminating or otherwise violating the agreement and from treating NOW's customers (end users) in a discriminatory fashion.
- (g) A permanent injunction perpetually enjoining and restraining BellSouth and its officers, agents, employees, successors, attorneys and all those in active concert or participation with it from the conduct complained of herein.
- (h) Such other and further relief as this Court deems just and proper.


**XIV. Jury Trial Demanded**

Plaintiff demands trial by jury of all issues so triable in this cause.

THIS, the 30th day of March, 1999.

Respectfully submitted,

NOW COMMUNICATIONS, INC.

By:   
Carroll H. Ingram

ATTORNEY FOR PLAINTIFFS



OF COUNSEL:

INGRAM & ASSOCIATES, PLLC

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MAXEY, WANN, BEGLEY & FYKE, PLLC

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Samuel L. Begley, Miss. Bar No. 2315  
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Post Office Box 3977  
Jackson, MS 39207-3977  
Phone (601) 355-8855

Fax (601) 355-8881

R. Scott Seab, Colo. Bar No. 19964  
711 South Tejon, Suite 201  
Colorado Springs, CO 80903  
Phone (719) 633-9977  
Fax (719) 633-9932


**CERTIFICATE OF SERVICE**

I, Carroll H. Ingram, one of the attorneys for NOW Communications, Inc., do hereby certify that I have this day caused to be served by first class United States Mail, postage prepaid, a true and correct copy of the above and foregoing First Amended Complaint upon the following:

Fred A. Walters, Esq.  
BellSouth Telecommunications, Inc.  
Suite 4300, BellSouth Center  
675 West Peachtree Street  
Atlanta, Georgia 30375

Frank Ozment, Esq.  
Lange, Simpson, Robinson & Somerville, LLP  
417 20<sup>th</sup> Street, North, Suite 1700  
Birmingham, AL 35203-3217

THIS, the 30<sup>th</sup> day of March, 1999.

  
Carroll H. Ingram

ILEC'S  
MISSISSIPPI

Company	Contact	Address	Address	Zip	Phone
1-800-RECONEX, INC.	Mr. Todd Melslahan, President	2500 Industrial Ave.	Hubbard, OR	97032	(503) 982-9000
American Commun. Services of Jackson	Mr. Jack Reich, President	131 National Business Pkwy.	Annapolis Junction, MD	20701	(301) 361-4200
American Metro Comm. Of MS, Inc.	Mr. Dennis Kelly, Ex-V-Pres.	P. O. Box 53427	New Orleans, LA	70153-3427	(504) 200-2000
AT&T Communications of the South	Ms. Shirley Mock, State Dir.	210 E. Pearl St., 9th Floor	Jackson, MS	39201	(601) 944-7700
Brooks Fiber Comm. Of MS Inc.	Mr. Bernard Edbbers, Pres./CEO	515 East Amile St.	Jackson, MS	39201	(601) 360-8600
Business Telecom Inc.	Mr. Peter Loffin, President	4300 Six Forks Rd.	Raleigh, NC	27609	(919) 510-7000
Cellular Holding Inc.	Mr. Hu Meena, President	125 South Congress St.	Jackson, MS	39201-3303	(601) 355-1522
Cellular XL Associates L.P.	Mr. N. Jorgensen, President	6184 U.S. Hwy. 98 West	Hattiesburg, MS	39402	(601) 261-9300
DAVCO, Inc.	Mr. Jimmy Davidson, President	819 Carver St.	West Point, MS	39773	(601) 494-1732
Diamond Telephone Services, Inc.	Mr. Charles Fail, President	12 Thrd St.	Bay Springs, MS	39422	(601) 764-0463
Entergy hypenion Telecomm. Of MS, LL	Mr. Daniel Millard, President	500 Thomas St., Ste. 400	Bridgeville, PA	15107-2838	(412) 221-1888
EZ Talk Communications, L.L.C.	Mr. James Brown, President	4727 South Main	Stafford, TX	77477	(281) 277-6161
Frontier Telmanagement, Inc.	Mr. Kevin Bennis, President		Rochester, NY	14646-0700	(716) 777-8000
Greenville Telephone Services, Inc.	Mr. Terry Washington, President	224 East Starling St.	Greenville, MS	38701	(601) 335-8858
HTR&L Enterprises, Inc.	Mr. John Fondren, Jr., Regis. Ag.	1919 N. Ashley St.	Valdosta, GA	31602	(912) 249-0603
Intermedia Communications Inc.	Mr. Steve Brown, President	3625 Queen Palm Drive	Tampa, FL	33619-1309	(813) 829-2231
ITC DeltaCom Communications, Inc.	Mr. Foster McDonald, President	700 Blvd. South	Huntsville, AL	35802	(256) 650-3900
Mississippi Cellular Telephone Co.	Mr. James Creekmore, Sr., Pres.	125 South Congress St.	Jackson, MS	39201-3304	(601) 355-1522
NET-tel Corporation	Mr. James Kenefick, President	11921 Freedom Drive	Reston, VA	20190	(703) 904-4304
Southern Telecommunications Co. LLC	Mr. David Goodwin, CEO	P. O. Box 12865	Jackson, MS	39201	(601) 981-8888
Southern Telemanagement Group, Inc.	Mr. Frank Brown, President	33 Gulf Breeze Pkwy	Gulf Breeze, FL	32561	(850) 934-6444
State Communications, Inc.	Mr. Russell Powell, President	200 North Main St.	Greenville, SC	39601	(864) 271-6335
Tel-Link, L.L.C.	Ms Michelle McKay, Dir. Reg.	1001 Third Ave., W., Suite 354	Brandenton, FL	34205	(941) 750-0110
US West Interprise America, Inc.	Mr. Joseph Zell, President	1999 Broadway, Suite 700	Denver, CO	80202	(303) 965-8967

Exhibit "A"

Company North Carolina	Contact	Address	Address	Zip	Phone
Time Warner Communications of NC, L.P.	Ms. Carolyn Marek, V-Pres.	3012 Highwoods Blvd., Suite 301	Raleigh, NC	27604	(919) 872-1444
MCImetro Access Transmission Services, Inc.	Kevin Levellle	2250 Lakeside Blvd.	Richardson, TX	75082	(800) 624-0533
Business Telecom, Inc.	Mr. Anthony M. Copeland, V-Pres	4300 Six Forks Rd., Suite 500	Raleigh, NC	27609	(919) 510-7000
FiberSouth, Inc.	Mr. Anthony M. Copeland, V-Pres	4300 Six Forks Rd., Suite 500	Raleigh, NC	27609	(919) 510-7000
WinStar Wireless, Inc.	Mr. David Ackerman, President	7799 Leesburg Pike, Suite 401 S	Tyson's Corner, VA	22043	(703) 917-6556
AT & T Comm. Of the Southern States, Inc.	Chris McDonald, Assistant V-Pres	150 Fayetteville St. Mall, Suite 1340	Raleigh, NC	27601	(919) 755-5612
Intermedia Comm., Inc.	Steve Brown, Dir. Of Regulatory	3625 Queen Palm Dr.	Tampa, FL	33619	(813) 829-2231
Time Warner Integrated Services Co.	Mr. Gary Lane, President	160 Inverness Dr. West	Englewood, CO	80112	(303) 754-6154
Preferred Carrier Services, Inc.	Jeffrey Walker	14681 Midway Rd., Suite 300	Dallas, TX	75244	(972) 503-3388
Excel Telecommunications, Inc.	Mr. J. Christopher Dance V-Pres	9303 LBJ Freeway, Suite 1100	Dallas, TX	75243	(214) 889-5500
Dial & Save of North Carolina, Inc.	Mr. Donald A. Burns, President	4219 Lafayette Center Dr.	Chantilly, VA	22021	(703) 631-5600
LCI International Telecom Corp.	Mr. Lawrence J. Bouman, V-Pres	8180 Greensboro Dr., Suite 800	McLean, VA	22102	(703) 848-4466
U. S. West Interprise America, Inc.	Mr. Jeri S. Wait, V-Pres.	1400 Fifth Ave., Suite 1600	Seattle, WA	98101	(206) 224-1135
Sprint Communications Company, L. P.	Mr. Tony H. Key, Dir. State Reg.	3100 Cumberland Circke	Atlanta, GA	30339	(404) 649-5144
ICG Telecom Group, Inc.	Mr. Carl Jackson, Sr. Dir. SE Reg.	50 Glenlake Parkway	Atlanta, GA	30328	(770) 350-7300
ALLTEL Communications, Inc.	Mr. Jeff Wiley, Dir.-Operations	One Allied Drive	Little Rock, AR	72202	(501) 661-8417
DukeNet Communications, Inc.	Mr. John D. Snoddy, V-President	422 South Church St.	Charlotte, NC	28242-0001	(704) 382-6586
GE Capital Comm. Services Corporation	Ms Meredith H. Gifford, Reg. Dir.	6540 Powers Ferry Road	Atlanta, GA	30339	(770) 644-7774
KMC Telecom II, Inc.	Tricia Breckenridge, V-Pres.	3025 Breckenridge Dr., Suite 170	Duluth, GA	30096-4981	(770) 935-1230
ITC^ DeltaCom Communications, Inc.	Ms. Nanette Edwards, Mgr. Reg.	700 Blvd. South	Huntsville, AL	35802	(256) 650-3900
T-NETIX, Inc.	Mr. John Giannaula, V-Pres.	67 Inverness Drive East, Suite 100	Englewood, CO	80112	(303) 790-9540
GTE Card Services, Inc.	Mr. Paul M. Fuglie, Assistant V-P	5221 North O'Connor Blvd., HQL06A69	Irving, TX	75039	(972) 717-8373
360 Telephone Co. of North Carolina	Mr. James L. White, V-Pres.	8725 Higgins Road	Chicago, IL	60631	(773) 399-2440
NEXTLINK North Carolina, Inc.	Ms. Dana Shaffer, Dir. Reg.	105 Molloy St., Suite 300	Nashville, TN	37201	(615) 777-7700
International, Inc.	Ms. Tracy E. Yarmolich, Mkt Mgr	2000 Riveredge Pkwy., Suite 900	Atlanta, GA	30328-4618	(770) 980-0080
CCC Exchange Services, Inc.	Mr. Barry R. Rubens, Sr. V-Pres.	P. O. Box 227	Concord, NC	28026-0227	(704) 782-7000
US Long Distance, Inc.	Ken Melley, V.P. Regulatory Affairs	9311 San Pedro, Suite 100	San Antonio, TX	78216	(210) 525-9009
Tel-Save, Inc.	Tina Tecca, Regulatory Affairs Mgr.	6805 Route 202	New Hope, PA	18938	(215) 862-1500
TCG of the Carolinas, Inc.	Chris McDonald, Assistant V-Pres	150 Fayetteville St. Mall, Suite 1340	Raleigh, NC	27601	(919) 755-5612
Telephone Company of Central FL, Inc.	Elder N. Ripper, President	3575 W Lake Mary Blvd., Suite 107	Lake Mary, FL	32746	(407) 328-5002
UNICOM Communications, L.L.C.	Dennis A. Paker, President	3657 N.W. 53rd Court	Fl. Lauderdale, FL	33309	(954) 714-8444
E-Z Tel, Inc.	Tom Wailkins	6630 Walling Lane	Dallas, TX	75231	(972) 643-6482
WorldCom Technologies, Inc.	Brian Sulmonetti, Dir. Reg. Affairs	1515 S Federal Hwy, Suite 400	Boca Raton, FL	33432-7404	(561) 392-2244
ntelech, L.C.	Domenic P. Altomare, Exc. V-Pres.	One Harbert Center, Suite 600	Jacksonville, FL	32216	(904) 296-2150
.DM Systems, Inc.	Tom McCrosson, V-Pres. Sales	254 South Main Street	New City, NY	10956	(800) 547-0900
Eagle Communications, Inc.	Kenl Charugundia, President	60 East 56th Street	New York, NY	10022	(212) 758-3283
Omnicall, Inc.	Marshall Howard, V-President	430 Woodruff Road, Suite 450	Greenville, SC	29607	(864) 297-4336
OnePoint Communications-Georgia, L.L.C.	Chantal Moore, V-Pres. Network	2201 Waukegan Rd., Suite E-200	Bannockburn, IL	60015	(847) 374-0185
Atlas Communications, Ltd.	Mark Kelly, CEO	482 Norristown Rd.	Blue Bell, PA	18422	(800) 883-8775

Company	Contact	Address	Address	Zip	Phone
Easton Telecom Services, Inc.	Robert E. Mocas, President	3046 Brecksville Road	Richfield, OH	44286	(800) 222-8122
Group Long Distance, Inc.	Michael Mueller, V-Pres. Marketing	1451 W. Cypress Creek Rd., Suite 200	Fl. Lauderdale, FL	33309	(954) 771-9696
Jerry LaQuiere d/b/a: LEC Link	Jerry LaQuiere	14087 Old Hickory Blvd.	Antioch, TN	37013	(615) 941-1639
Quintelco, Inc.	Claudia Newman Hirsch, Exc V-Pres	1 Blue Hill Plaza	Pearl River, NY	10965	(914) 620-1212
Annox, Inc.	Mark Linder, Jr., President	6509 Hwy. 41-A, P. O. Box 230	Pleasant View, TN	37146	(800) 770-7785
Ameritech Communications International, Inc.	Patrick J. Earley, President	9525 W Bryn Mawr, Suite 600	Rosemont, IL 60018	60018	(847) 928-3273
Frontier Telemanagement, Inc.	Michael J. Nigham, Dir. Reg. Affairs	180 South Clinton Ave.	Rochester, NY	14646-0700	(716) 777-8466
North American Telecommunications Corp.	Charles M. Piluso, President	P. O. Box 293	Manhasset, NY	11030	(516) 719-7800
US LEC of North Carolina, Inc.	Mr. Gary Greifath, Exc. V-President	212 South Tryon St., Suite 1540	Charlotte, NC	28281	(704) 335-6790
NETEL, Inc.	Jacob E. Roquet, President	249 Craven Street	New Bern, NC	28560	(919) 633-9997
BTEL Integrated Comm. Solutions, L.L.C.	Paul H. Sunu, Exc. V-Pres.	6330 Quadrangle Drive, Suite 326	Chapel Hill, NC	27514	(919) 493-7030
The Other Phone Company	Kevin Griffo, President	4205 Vineland Road, Suite L-15	Orlando, FL	32811	(407) 648-5230
@ Communications, Inc.	Eddie Arrants, President	3000 Arendell St., Suite 111	Morhead City, NC	28557	(252) 240-0003
TransWire Communications, L.L.C.	Terrence Peck, Managing Member	8 W 19th Street, 10th Floor	New York, NY	10011	(212) 647-7754
EZ Talk Communications, L.L.C.	James C. Brown	4727 South Main	Stafford, TX	77477	(281) 274-7701
State Communications, Inc.	Hamilton E. Russell, III, Esq.	200 North Main St., Suite 303	Greenville, SC	29601	(864) 271-6335
SouthNet Telecomm Services, Inc.	Ronald F. Anderegg, Pres./CEO	16162 Arbor View	Spring Lake, MI	49466	(770) 937-9550
NorthPoint Communications, Inc.	Steven Gorosh, V-Pres./Gen.Coun.	222 Sutter Street, Suite 700	San Francisco, CA	94108	(415) 659-6518
ComScape Communications, Inc.	Bhugin M. Modi, V-President	1926 10th Ave. N., Suite 305	West Palm Beach, FL	33461	(561) 540-4760

Company	Contact	Address	Address	Zip	Phone
<b>TENNESSEE</b>					
American Communications Services, Inc.		131 National Business Pkwy., Suite 100	Annapolis Junction, MD	20701	(310) 617-4200
ATS of Tennessee, inc.		3915 Mendenhall Rd. South	Memphis, TN	38115	(901) 797-2835
AT&T		511 Union St., Suite 1010	Nashville, TN	37219	(615) 242-2815
BlueStar Communications, LLC		131 2nd Ave. North, Fifth Floor	Nashville, TN	37201	(615) 255-2100
Brooks Fiber Communications of TN, Inc.		600 South Gay St., Suite 1800	Knoxville, TN	37924	(523) 521-9988
BTI Communications, Inc.		4300 Six Forks Rd., PO Box 150002	Raleigh, NC	27624	
Citizens Communications Company		300 Bland St., PO Box 770	Bluefield, WV	24701	(304) 325-1216
Comm. Depot, Inc.		889 Bendix Dr.	Jackson, TN	38301	(901) 426-1650
CaltaCom, Inc.		113 S. Main St., PO Box 1233	Arab, AL	35016	(205) 586-2715
Digital Teleport, Inc.	Terry J. Romina	8112 Maryland Ave., 4th Floor	St. Louis, MO	63105	(314) 253-6635
Electric Power board of Chattanooga	Harold E. DePriest	536 Market Street	Chattanooga, TN	37402	(423) 757-1484
GTE Communications Corp.		1200 Walnut Hill Lane	Irving, TX	75038	(972) 717-8373
Hyparion of Tennessee, L.P.		222 Second Ave. N., Suite 422	Nashville, TN	37219	(615) 259-4961
ICG Telecom Group, Inc.		2100 W End Ave., Suite 620	Nashville, TN	37203	(615) 251-4440
Intermedia Communications		3625 Queen Palm Drive	Tampa, FL	33619-1309	(813) 621-0011
Interpath Communications, Inc.		1700 Perimeter Park, Suite 100	Morrisville, NC	25760	(919) 388-6265
LCI International Telecom Corp.		8180 Greensboro Drive, Suite 800	McLean, Virginia	22102	(703) 442-0220
Level 3 Communications, LLC	Terrence J. Ferguson	1450 Infinite Drive	Louisville, KY	60027	(303) 926-3000
LoadPoint Telecommunications, LLC		Three Maryland Farms, Suite 320	Brentwood, TN	37027-5005	(615) 371-1625
Logix Communications Corporation	John Gray, Esq	13429 N. Broadway Ext., Suite 200	Oklahoma City, OK	73114	(405) 391-8500
MFS Intelenet of Tennessee, Inc.		515 East Armita Street, 4th Floor	Jackson, MS	39201	
MCI Telecommunications Corporation		780 Johnson Freeway Road #700	Atlanta, GA	30342	(404) 843-6375
Metropolitan Fiber Systems of Tennessee, Inc.	Claire Dally, Dir. Legislative & Reg.	201 Energy Pkwy., Suite 200	Lafayette, LA	70508	(800) 489-8031
Network Plus, Inc.	Kathleen Greenan	234 Copeland Street	Quincy, MA	2169	(202) 945-6922
South South Communications, LLC		355 Woodruff Road	Greenville, SC	29607	(864) 627-5050
NEXTLINK Tennessee		105 molloy St., Suite 300	Nashville, TN	37201	(615) 777-7777
SouthEast Telephone LTD		317 Main Street- 4th Floor	Pikeville, KY	41501	(606) 432-3000
Sprint Communications Company		3100 Cumberland Cr., MS GAATLN0802	Atlanta, GA	30309	(404) 649-6788
TCG MidSouth		49 Music Square West, Suite 200	Nashville, TN	37203	
Telgent, Inc.		8065 Leesburg Pike, Suite 400	Vienna, VA	22182	(703) 762-5143
Time Warner		P. O. Box 210706	Nashville, TN	37221	
US LEC of Tennessee		212 S Tryon St., Suite 1540	Charlotte, NC	28281	(704) 319-1000
US West Interprise America, Inc.		1999 Broadway, Suite 700	Denver, CO	80202	(303) 293-6326
WinStar Communications of TN, Inc.		7799 Leesburg Pike, Suite 401 South	Tyson's Corner, VA	22043	(703) 917-6556
WorldCom Technologies, Inc.(LDDS)	Claire Dally, Dir. Legislative & Reg.	201 Energy Pkwy., Suite 200	Lafayette, LA	70508	(800) 489-8031

Company	Contact	Address	Address	Zip	Phone
ALABAMA					
Access Point, Inc.	Richard Brown, President	1100 Crescent Green, Suite 109	Cary, NC	27511	(919) 851-4838
Alabama Com South Corp.	Toby Wilson, Esq.	6830 Wailing Lane	Dallas, TX	75231	(817) 261-9097
American Comm. Services of Birmingham, Inc.	James C. Falvey, V.P. Reg. Affairs	131 National Business, Suite 100	Annapolis Junction, MD	20701	(800) 283-8979
American Comm. Services of Mobile, Inc.	Riley M. Murphy, General Counsel	131 National Business, Suite 100	Annapolis Junction, MD	20701	(800) 283-8979
American Comm. Services of Montgomery, Inc.	Riley M. Murphy, General Counsel	131 National Business, Suite 100	Annapolis Junction, MD	20701	(800) 283-8979
American Metocomm/Alabama, Inc.	Albert Donovan, Exc. V.P.	1615 Poydras St., Suite 1050	New Orleans, LA	70112	(504) 598-9000
Amox, Inc.	Thomas Linder Jr.	6509 Hwy. 41-A	Pleasant View, TN	37146	(800) 770-7785
Amox Communications, LTD.	John Fudesco, Vice President	482 Norristown	Blue Bell, PA	19422	(800) 883-8775
AT&T of the South Central States, Inc.	Bill Peacock	1200 Peachtree St., NE	Atlanta, GA	30309	(404) 810-6710
A-Plus Connect, LLC	Boyte Presnell	327 S. Sage Ave., 2nd Floor	Mobile, AL	36606	(334) 661-3997
Axsys, Inc.	Richard L. Reiner, President	P. O. Box 850158	Mobile, AL	36608	(334) 342-4000
Business Telecom, Incorporated	Anthony Copeland, President	4300 Six Forks Rd., Suite 500	Raleigh, NC	27609	(404) 249-2080
Choctaw Communications, LLC	Glen Massey, President	8400 S. Gessner	Houston, TX	77074	(713) 771-8255
Columbia Telecommunications, Inc.	Allynn Madera	1340 Poydras St., Suite 350	New Orleans, LA	70112	(504) 598-6699
Communication Network Services LLC	Tommy Counts	120 Office Park Dr., Suite 30	Birmingham, AL	35223	(205) 679-2267
Connect, LLC	Tommy Counts, President	102 Three Sons Dr.	Birmingham, AL	35226	(205) 824-4418
CRG International Inc.	Gene E. Lane, President & CEO	2000 Riveredge Pkwy., Suite 900	Atlanta, GA	30328-4618	(770) 980-0080
Dial Tone, Inc.	Gaston Dillon	208 Gunn Rd.	Montgomery, AL	36117	(334) 272-4313
Eagle Telecom, Incorporated	Ron McKay, President	614 South 8th Street, Suite 355	Philadelphia, PA	19147	(215) 755-3135
Easton Telecom Services, Incorporation	Robert Mocas, President	3046 Brecksville Rd.	Richfield, OH	44286	(800) 222-8122
Excel Telecommunications, Inc.	Christopher Vence, V.P. Legal	8750 North Central, Expwy./Lock Bx 6	Dallas, TX	75231	(214) 863-8210
EZ Talk Communications, L.L.C.	James Brown, General Manager	4727 South Main	Stafford, TX	77477	(281) 274-5728
Fast Phones, Inc.	Thomas Adair, President	4341 Virginia Loop Rd.	Montgomery, AL	36116	(334) 281-4251
Fowler Telemanagement, Inc.	Jeremiah Carr, President	160 South Clinton Ave.	Rochester, NY	14646	(716) 777-8000
Capital Communications Services Corp.	Meredith Grifford, Assistant VP	6540 Powers Ferry Rd.	Atlanta, GA	30339	(770) 644-7774
Group Long Distance, Inc.	Michael Mueller	1451 W. Cypress Creek Rd., Suite 200	Fort Lauderdale, FL	33309	(954) 771-9696
GTE Communications Corporation	Helen Hall, Mgr. Regulatory Affairs	1200 Walnut Hill Lane, Suite 2000	Irving, TX	75038	(972) 714-0244
HJN Telecom Incorporate	Herb Newton, President	3235 Satellite Blvd., Suite 300	Duluth, GA	30096	(770) 291-2121
CG Access Services	Carl Jackson, Dir. Reg. Affairs	50 Glenlake Pkwy.	Atlanta, GA	30328	(303) 572-5960
Image Access, Inc.	Jim Dry, Vice President	3322 Hessmer	Metairie, LA	70002	(504) 456-3131
Intellical Operator Services	Reid Presson, VPGlobal Network S	2155 Chenault, Suite 410	Carrollton, TX	75006	(214) 415-9744
Intermedia Communications, Inc.	Steve Brown, CEO	3625 Queen Palm Dr.	Tampa, FL	33619-1309	(813) 829-2231
International Design Group, Inc.	David Raymond, President	3201 Griffin Road, Suite 210	Dania, FL	33312	(954) 893-8227
TC^Deltacom Communications, Inc.	Foster McDonald	113 South Main St., P.O.Box 1233	Arab, AL	35016	(256) 586-1404
Jerry LaQuiere/b/a LEC Link	Jerry LaQuiere	14087 Old Hickory Blvd	Antioch, TN	37013	(615) 941-2070
MC Telecom Incorporated	G. Scott Brodey Sr., Chief Operating	994 Explorer Blvd.	Huntsville, AL	35806	(205) 922-1000
Technology of Montgomery Inc.	Andrew M. Walker, President	1450 Ann Street	Montgomery, AL	36107	(334) 263-0071
World International Telecommunications Corp.	Scott McMahon, Reg. Attn.	8180 Greensboro Dr., Suite 600	McLean, VA	22102	

Company	Contact	Address	Address	Zip	Phone
LDM Systems, Inc.	Stephen Steiner	254 S. Main St.	New City, NY	10956	(616) 381-8844
Max-Tel Communications, Inc.	Mark Maxey, President	105 N. Wickman	Alford, TX	76225	(940) 427-2149
Mcimetro Access Transmission Services, LLC	Gordon P. Williams	2250 Lakeside Blvd.	Richardson, TX	75082	(972) 918-6862
Micro-Comm, Inc.	David Sweatt, President	2612 Cameron St.	Mobile, AL	36607	(334) 476-1000
Net-Tel Corporation	James Keneflick, President	Reston Town Center, Suite 550	Reston, VA	20190	(703) 904-4304
Network Telephone, Inc.	Eric Landry, Vice President	804 S. Palafox Street	Pensacola, FL	32501	(850) 432-4855
Omnical, Incorporated	Frank Rogers, President	430 Woodruff Rd., Suite 450	Greenville, SC	29607	(864) 297-4336
Pine Bell Broadcasting LLC	John Nettles, President	3984 County Road 32	Arlington, AI	36722	(334) 385-5001
Preferred Carrier Services, Incorporated	Jeffrey Walker, Re. Counsel	14681 Midway Rd., Suite 105	Dallas, TX	75244	(972) 503-3388
Quick-Tel Communications, Inc.	Shirely Moran, President	456 West Rock Island	Boyd, TX	76023	(800) 583-9782
Qalco, Inc.	Claudia Hirsch	1 Blue Hill Plaza, Suite 1430	Pearl River, NY	10965	(914) 620-1212
Reconnect Telecommunications, Inc.	Chester Hayes, President	502 Choctaw St.	Enterprise, AL	36330	(334) 374-9733
Southern Reconnect, Inc.	Greg Smith, Execu. Vice President	3051 Springhill Ave.	Mobile, AL	36607	(334) 473-2225
Southern Telemanagement Group, Inc.	Frank Brown	33 Gulf Breeze Pkwy.	Gulf Breeze, FL	32561	(850) 934-8444
Sprint-Communications Company L.P.	Tony H. Key, Dir. State Regulatory	3100 Cumberland Cir.	Atlanta, GA	30339	(404) 649-5144
State Communications, Inc.	Shaler Houser, CEO	200 N. Main St., Suite 303	Greenville, SC	29601	(864) 271-6335
Sterling International Funding, Inc.	Todd M. Meislahn, President	9620 SW Barbor Blvd., Suite 330	Portland, OR	97219	(503) 962-8000
TG Midsouth, Inc.	Paul Kouroopas, V.P. Regulatory	2 Lafayette Cen, S 400, 1133 21st St. NW	Washington, DC	20036	(202) 739-0030
Telco Holdings Incorporated	Kenny Troutt, CEO & President	8750 North Central Expressway	Dallas, TX	75231	(214) 863-8304
Teleconex, Inc.	Steve Watson, President	5783 Grande Lagoon	Pensacola, FL	32507	(850) 455-3844
Telephone Company of Central FL, Inc.	Elder Ripper, President	3599 W Lake Mary Authority Blvd., S 107	Lake Mary, FL	32746	(407) 328-5002
Teligent, Inc.	David Turetsky, VP Law & Reg.	8065 Leedsburg Pike, Suite 400	Vienna, VA	22182	(703) 762-5100
Tel-Link, L.L.C.	Michelle Dodson McKay, Dir. Reg.	1001 Third Ave. West, Suite 354	Bradenton, FL	34205	(888) 404-5465
Telstar International Inc.	Deborah Savage, Vice President	4419 Floyd Rd.	Mableton, GA	30059	(770) 941-2334
The Other Phone Company, Inc.	Kevin Griffo, President & COO	4205 Vineland Rd., Suite L-15	Orland, FL	32811	(407) 648-5230
Time Can Communications Company, LLC	James Mahon, Gen. Manager	5599 San Felipe, Suite 1285	Houston, TX	77056	(713) 620-6848
Time Communications, Inc.	James F. Corman, President	100 Brookwood Rd.	Atmore, AL	36502	(334) 368-8600
Time American Telephone, Inc.	Patrick Will	200 East University	Denton, TX	76201	(817) 382-0533
Timestar Communications, L.C.	Robert Shields, President	2101 Harwood Rd., Suite 115	Bedford, TX	76021	(888) 600-7002
Time States Telecommunications, Inc.	Richard Pollara, President	13902 N. Dale Mabry, Suite 212	Tampa, FL	33618	(813) 963-0004
Timeversacom, Inc.	Peter Bower, President	185 Stahlman Ave.	Destin, FL	32540	(850) 837-0077
TimeLEC Alabama, Inc.	Gary Grafrath, Exe. Vice President	401 N. Tryon St., Suite 1000	Charlotte, NC	28202	(704) 319-1000
Time S. Long Distance, Inc.	W. Audie Long, VP-Gen. Counsel	9311 San Pedro, Suite 300	San Antonio, TX	78216	(512) 525-9009
Time S. West, Interprise America, Inc.	Richard Boyer, Public Policy Adm.	1999 Broadway, Suite 700	Denver, CO	80202	(303) 293-6326
Time West-Tel Communications, Inc.	Ray Kelley, President	1703 A 16th St.	Bridgeport, TX	76426	(940) 627-6142
Time West-Tel Wireless of Alabama, Inc.	Stephen L. Merrill, Asst. VP Reg.	1146 Nineteenth St. NE, Suite 250	Washington, DC	20036	(202) 530-7657
Time Worldcom Technologies, Inc.	Charles J. Gardella, VP Reg. Affairs	515 East Arnie St.	Jackson, MS	39201	(601) 360-8600
Time Tel Communications, Inc.	Robert Curtis, VP Business Develop	601 S Harbour Island Blvd., Suite 220	Tampa, FL	33602	(813) 273-6261



Company	Contact	Address	Address	Zip	Phone
SOUTH CAROLINA					
Access Point, Inc.	Richard Brown				(519) 851-4838
Annox, Inc.	Thomas Linder				
AT&T	Tom Kemble				(803) 926-0053
Atlas Comm.	John Fudesco				(216) 658-8700
Business Telecom dba, BTI	Jean Houck				(919) 510-7325
CaroNet, LLC and Interpath Comm.	Laird Levison				(919) 546-2001
Choctaw Comm. LC	Glenn Massey				(800) 597-4130
Cast Telephony Comm. Of SC	Betsy Klock				(215) 981-7640
CRG Internat. DbaNetwork One	Tom Brinkman				(770) 980-0080
Design Group, Inc. dba, USA Telecom	David Raymond				(954) 893-8227
Dialtone&More, Inc.	Elaine Liester				(912) 452-4470
DukeNet Comm., Inc.	Marion Smith				(704) 382-6586
E. Spire Communications, Inc. Formerly ACSI	James Falvey				(301) 817-4200
Eagle Comm.	Kent Charugundia				(212) 758-3238
Easton Telecom Services, Inc.	Robert Mocas				
EZ Talk Comm. LLC	James Brown				(281) 274-7701
E-Z Tel, Inc	Jim Graham				(972) 690-9955
EZ Telephone, Inc. Dba, ET Home	David Schoepfle				(803) 556-8566
FTC communications, Inc	W.E. McCutchen				(803) 382-8775
Georgia National ACC, Corp. ( First Tel)	Andrea Collier				(706) 823-7000
Go-Tel, Inc.	Karen Hutson				
Green's Jeweler's, Inc. Dba, Fast Phones	Wayne Green				(800) 270-7296
Group Long Dist.	Gerald Dunne				
GTE Comm. Corp.	Mark Scovic				(972) 718-5090
Comm.	Ron Smith				(912) 249-0603
HTC Comm.	Curley Huggins				(803) 452-4470
ICG Telecom Group, Inc.	Carl Jackson				(770) 350-7410
Intellicall operator Services, Inc.	Reld Presson				(972) 753-1137
Intermedia Comm. Of Florida	Marsha Rule				(904) 222-1534
TC DeltaCom <sup>o</sup> Communications, Inc.	Foster McDonald				(205) 586-1488
Jerry La Quier dba LEC Link	Jerry La Quier				(615) 914-2070
JMC Telecom	Trica Breckenridge				(847) 573-0000
Knology of Charleston	William Morrow				(706) 645-3966
Local Int. Tele. Corp.	Scott McMahon				(703) 848-4466
DM System, Inc.	Stephen Steiner				(914) 638-0001
Level 3 Comm., LLC	Terrence Ferguson				(402) 536-3624
Long Dist. Direct Holdings	Margaret Hastings				(800) 882-8603
Max-Tel Comm., Inc.	Christi Looney				(940) 427-8067
Optimetro Access Trans,	Kevin Levette				(800) 624-0533

Company	Contact	Address	Address	Zip	Phone
Myrtle Beach Tele.. LLC	William Byrd				
Net-tel Corp	Thomas Lera				(703) 904-4304
NewSouth Communications, LLC	Michael LaFrance				(864) 627-5050
OmniCall International	Marshall Howard				(800) 285-0299
One Point Comm., Georgia, LLCC	William Wallace				(847) 374-3700
Preferred Carrier Services, Inc.	Jeffrey Walker				(817) 281-4727
PushButton Paging & Comm.	Lawrence Hansbro				(706) 560-0400
Quintelco, Inc.	Claudia Newman-Hirsch				
Reconnes	Tony Goiburn				(503) 244-9059
Resort Hospitality Services	Nickey Maxey				(803) 842-7795
JI, Inc.	Brian Connelly				(803) 212-4400
Southern Phon Reconnect, Inc.	David Brown				(706) 653-9099
SouthNet Telecomm, Services, Inc.	Robert Morris				(770) 937-9550
Sprint Comm.	Tony Key				(800) 347-8988
State Communications, Inc	Shaier Huser				(864) 271-6335
Tele-Save, Inc, dba, The Phone Co.	Tina Tacce				(215) 862-1803
Teligent, Inc.	David Turetsky				
Tel-Link of SC, L.L.C	Ronnie Alexander				(888) 206-4683
Telephone Co, of Central FL.	Dona Canzano				
TelStar Inter.	Deborah Savage				
Temporary Tele. Service	Victor Nicholls				
TTE, Inc.	John Mitchum				
Tuskar Company, LLC	William Amacheer				(803) 744-0150
U.S. Teelco, Inc.	Kyle Dickson				(864) 261-1051
United States Telecomm, Inc.	Richard Pollara				(281) 286-1040
US LEC of SC., Inc.	Gary Grefath				(813) 963-0004
West Interprise America, Inc.	Robin Terry				
VoiceMagic, Inc. And VoiceMagic Telecomm.	Steve Rogersw				(303) 672-8382
Winstar Wireless of SC	Robert Berger				(803) 750-7529
WorldCom Tech., Inc.	Brian Sulmonetti				(202) 530-7659
Z-tel Comm, Inc.	Gregory Smith				(561) 750-2529
					(813) 273-6261

Company	Contact	Address	Address	Zip	Phone
GEORGIA					
1/800-Reconex, Inc.	William E. Braun	9620 SW Barbur Blvd. Suite 330	Portland, OR	97219	(503) 244-9059
AAA TV Repair, Inc.					
ABC Connects					
ABC Telecommunications					
Access Intergrated Networks, Inc.					
Access Network Services, Inc.					
Access Point, Inc.					
ACT Corp.					
ACT Local Switched Service					
African-American Telecommunications, Inc.					
Allegiance Telecom Of Georgia, Inc.					
American Communications, Inc.					
AmeriMex Communications, Corp					
Ameritech Communications International, Inc.					
Annox, Inc.					
AT&T Comm. of the Southern States, Inc.					
ATA Communications, LLC					
Business Teelecom, Inc.					
Buy-Tel Communications, Inc.					
Cable & Wireless, Inc.					
Choclaw Communications, L.C.					
City of Calhoun					
City Of Cartersville					
City of Fairburn					
City of Forsyth					
City of Griffin					
City of LaGrange					
City of Newman/Water, Sewerage & Light Com					
City of Sandersville					
City of Thomasville					
Cobb Teelecom					
Columbus Local Communications					
Communication Services					
Integrated, Inc.					
Connect, LLC					
ox Georgia Teelecom, LLC					
RG International, Inc.					
RG International, Inc. Dba Network One					
awson Consulting, Inc.					

Company	Contact	Address	Address	Zip	Phone
Knology Holdings, Inc.					
LCI International Teetelecom Corporation					
Level 3 Communications, LLC					
Long Distance Direct Holdings, Inc.					
Low Tech Designs, Inc.					
Marietta fiberNet					
Max-Tel Communications, Inc.					
MCI WorldCom					
MediaOne Telecommunications of Georgia					
Metelnet of Georgia, Inc. ("MFSI-GA")					
Metelnet Communications, Inc.					
MiComm Services, Inc.					
Micor Communication, Inc.					
MultTechnology Services, L.P.					
National Telecommunications of Florida					
NationsLink Communications, Inc.					
NET-tel Corporation					
Network Multi-Family Security Corporation					
Network Telephone, Inc.					
Nextlink Georgia, Inc.					
North American Telephone Network, L.L.C.					
NorthPoint Communications, Inc.					
NOS Communications, Inc.					
Nustar Communications Corp.					
OmniCall, Inc.					
OnePoint communications-Georgia, L.L.C.					
OneLink Communications, Inc.					
Orange Plus, Inc.					
Parker FiberNet, LLC					
Parker Industries					
Pant Telecomm. Sales & Services, Inc.					
Preferred Carrier Services, Inc.					
Prepaid Home Phone Services, LLC					
Project Management Solutions, Inc.					
Protecall Services, Inc.					
Push Button Paging & Communications, Inc.					
Pyramid Communications Services					
Quick-Tel Communications					
Southtelco, Inc.					
South-A-Line Telephone Company					
Southern Phon-Reconpak, Inc.					

Company	Contact	Address	Address	Zip	Phone
Southern Telemanagement Group, Inc.					
SouthNet Telecomm Services, Inc.					
Sprint Communications Company L.P.					
State Communications, Inc.					
Supra Telecomm. & Information Systems, Inc.					
Tel-Link of Georgia, L.L.C.					
Tel-Save, Inc. Dba/ The Phone Company					
Telephone Company of Central Florida, Inc.					
Teleport Communications Atlanta, Inc.					
Teligent, inc.					
Telestar International, Inc.					
The Other Phone Company, Inc.					
TotalTel, Inc.					
TriComm, Inc.					
U S West Interprise America, Inc.					
U.S. One Comm. Services Corporation					
U.S. Telco, Inc.					
UnIDial Communications, Inc.					
United States					
Telecommunications, Inc. Dba/ Tel Com Plus					
Urban Communications, LLC					
US LEC of Georgia Inc.					
US South Communications, Inc.					
WinStar Wireless of Georgia, LLC					
WorldCom, Inc.					
Z-Tel Communications, Inc.					

Company	Contact	Address	Address	Zip	Phone
FLORIDA					
1-800-Racones, Inc.					
A 1 Mobile Tech, Inc.					
A.R.C. Networks, Inc.					
Access Network Services, Inc.					
Alltel communication, Inc.					
Alternative Phone, Inc.	Michael D. Rodgers	9210 Weatherly Rd. Suite 100	Brooksville, FL	34601	(352) 796-2437
America's Tele-Network Corp					
American Metrouilities Corp./Florida					
artech Communications International, Inc.					
AT&T Comm. of the Southern States, Inc					
Axsys, Inc./Tel Ptns. [Axsys, Inc. Dba]					
BTI [Business Telecom, Inc. Dba/]					
BudgeTel Systems, Inc.	H.B. Schlenger	12550 Biscayne Blvd. Suite 220	North Miami, FL	33181	(305) 899-1155
Business Technology Systems, Inc.					
Buy-Tech Communications, Inc.					
Cable & Wireless, Inc.					
Choctaw Communications, L.C.					
Co-Sr					
Comcast Mh Telephony Comm. of Florida, Inc.					
Comcast Telephony Comm. of Florida, Inc:					
Comusa, Inc.					
Datacomm International Company, LTD					
Dial-Tone Communications Group Inc.	Robert Corsetti	10824 Cypress Glen Drive	Coral Springs, Fl	33071	(954) 345-7987
Diamond Communications International, Inc.					
Empire Communications					
Eagle Telco, Inc.[Eagle Communications, Inc.]					
East Florida Communications, Inc.					
Easy Cellular, Inc.					
ETI Communications, Inc					
Excelink Communications, Inc.					
EZ Talk Communications, L.L.C.					
First Touch, Inc.					
Florida City-Link Communications, Inc.					
Florida Telephone Company[Flatel, Inc. Dba/]					
Florida's Max-tel Communications, Inc.					
Frontier Telemanagement Inc.					
GTE Communications Corp					
Hart Communications					
ICG Telecom Group, Inc.					

Company	Contact	Address	Address	Zip	Phone
Integra Paging(Burno Inc.)					
Intellcall					
Inter-Tel Netsolutions, Inc.					
Intelech, L.C.					
ITC^Deltacom					
Kmc Telecomm II, Inc.					
Kmc Telecomm, Inc.					
LCI International Telecom Corp.					
LEC-Link(Jerry La Quiere)					
el 3 Communications, LLC	Thomas C. Shortz	1450 Infinite Drive	Louisville, CO	80027	(303) 926-3037
mat-Tell Communications, Inc.					
MCI Telecommunications Corp.					
Mcimetro access Transmission Services, LLC					
Mediaone Fiber Technologies, Inc.					
Mediaone florida Telecommunication, inc.					
Nationaltel					
Network Telephone, Inc.					
Nextlink Florida, Inc.					
Nustar Communications Corp					
Omnicall, Inc.					
Onepoint Communications					
Orlando Telephone Company					
Palm Beach Telephone Company					
Phones for All					
Progressive Telecommunications Corp.					
Public Telephone Network					
ick-Tel Communicaations, Inc.					
Quinteico, Inc.	Joel R. Dichter	1 Blue Hill Plaza	Pearl River, NY	10965	(212) 935-6020
Satcom Systems, Inc.					
Southern Telemanagement Group, Inc.					
Sprint Metropolitan Networks, Inc.					
State Phone Company					
Supra Telecomm. & Information Systems					
Talk Time Communications, LTD					
Tallahassee Telephone Exchange, Inc.					
TCG South Florida					
Tel-Link, L.L.C.					
Telecard Communications International, Inc.					
Telenet of South Florida, Inc.					
Telephone Company of Central Florida, Inc.					
Telgent, Inc.					

Company	Contact	Address	Address	Zip	Phone
Telrite Digital Telecommunications, Inc.					
The Other Phone Company					
Time Warner AXS of Florida L.P.					
Time Warner Connect					
U.S. Telco, Inc.					
Uniter States Telecommunications, Inc.					
US Lec of Florida Inc.					
USA Telecom					
Utilicore Corp.					
Worldcom Technologies, Inc.					
Tel Communications, Inc.					



Company	Contact	Address	Address	Zip	Phone
<b>KENTUCKY</b>					
1-800 Reconex, Inc.	Jim Wheeler - V.P.	2500 Industrial Avenue P.O. Box 9	Hubbard, OR	97032	(803) 982-8000
AEP Communications, LLC	Thomas Berkemeyer	1 Riverside Plaza	Columbus, OH	43215	(614) 223-1000
ALEC, Inc.	John L. Campbell - Pres.	1158 Jefferson Street	Paducah, KY	42001	(502) 953-3825
AT&T of the South Central States Inc.	Garry Sharp - State Mgr.	511 Union Street Suite 700	Nashville, TN	37219	(615) 242-2813
Reg. Affairs Amer. Comm. Services/Louisville, I	James Falvey, Esq. VP	131 National Business Pkwy., Ste. 100	Annapolis Jctn., MD	20701	(301) 617-4200
Annox, Inc.	Mark Linder - President	6509 Highway 41 A P.O. Box 230	Pleasant View, TN	37146	(615) 746-8930
Business Telecom, Inc. Dba/BTI	Anthony Copeland Pres.	4300 Six Forks Rd. Ste. 500	Raleigh, NC	27607	(919) 510-7000
Buy-Tel Communications, Inc.	Clyde D. Austin Pres.	6409 Colleyville Blvd.P.O. Box 1046	Colleyville, TX	76034	(817) 498-9063
URG International, Inc. Dba/ Network One	Gene E. Lane, Jr. Pres.	2000 Riveredge Parkway Ste. 900	Atlanta, GA	30328	(770) 980-0080
Choctaw Communications, LLC	Glenn Massey Pres.	8400 South Gessner	Houston TX	77074	(713) 771-8255
Comm South Companies, Inc.	Jim Bob Graham	11880 Greenville Ave. Ste. 114	Dallas, TX	75243	
DPI-Teleconnect, Inc.	David M. Pikoff V.P.	1290 Gulf Blvd.Ste. 2007	Clearwater, FL	33767	(813) 596-7310
Dakota Services, Limited	Ted Lasser CEO	20825 Swenson Drive Ste. 150	Waukesha, WI	53186	(414) 717-2000
Dial Tone, Inc.	Gaston Dillon Pres.	4438 Troy Highway	Montgomery, AL	36116	(334) 281-4444
EZ Phones, Inc.	Daniel J. Coulter Pres.	P.O. Box 4656	Akron, OH	44310	(33) 053-0710
EZ Talk Communications, L.L.C.	James Brown Gen. Mng	4727 South Main	Stafford, TX	77477	(281) 277-6161
Express Telecommunications, Inc.	Charles Clark Pres.	509C South Slattery Blvd.	Albany, GA	31707	(912) 435-5088
EZ-Tel Communications	Akiva Hunter	1038 Callente Drive #23	Jacksonville, FL	32211	(888) 838-3526
Frontier Telemanagement, Inc	Chuck Parshall	P.O. Box 19052	Green Bay, WI	54307	
GTE Service Corporation	Mark Scovic, Manager	600 Hidden Ridge	Irving, TX	75038	(972) 718-5090
ICG Telecom Group, Inc.	William J. Maxwell Pres.	9605 East Maroon Circle	Englewood, Co	80112	(303) 595-6290
Image Access, Inc. Dba NewPhone	Gene R. Dry Pres.	3322 Hessmer Avenue	Metairie, LA	70002	(504) 456-3131
Intermedia Communications, Inc.	Dave Ruberg CEO	3625 Queen Palm Drive	Tampa, FL	33619	(813) 621-0011
JTC Communications, Inc.	John Shastid Sec.	100 Kentucky Towers	Louisville, KY	40202	(502) 585-6364
Kentucky Christian College	Jeffrey Wentz	100 Academic	Parkway Grayson, KY	41143	(606) 474-3300
OCI International Telecom Corp.	Kim Logue Reg. Analyst	4250 N Fairfax Dr. 12th Fl. Ste.12W002	Arlington, VA	22203	(703) 363-4321
LEC-LINK	Jerry LaQuere Pres.	14087 Old Hickory Blvd.	Antioch, TN	37013	(615) 941-1639
LLD, Inc.	Edward Eagleton Pres.	24 South Minnesota P.O. Box 1608	Cape Girardeau, MO	63702	(800) 455-1608
level 3 Communicationsm L.L.C.	Thomas Storz V.P.	1450 Infinite Drive	Louisville, CO	80027	(303) 926-3000
Lightwave/dba Lexington , C/O Hypertion	David Martin	210 KY Towers 430 Muhammed Ali Blvd.	Louisville, KY	40202	(502) 568-2439
MCIMetro Access transmission Services, Inc.	Missie Wortman Amin.	780 Johnson Ferry Rd. Suite 700	Atlanta, Ga	30342	
Max-Tel Communications, Inc.	Mark Maxey	105 North Wickham Street P.O. Box 280	Alvord, Tx	07625	(940) 427-2149
Net-tel Corporation	James F. Kenefick	3050 K Street N.W. Suite 250	Washington, DC	20007	(202) 736-5100
Navigator Telecommunications, LLC	Louis McAlister CEO	212 Center Street Suite 500	LittleRock, AR	72201	(501) 375-7773
Network Telephone, Inc.	Paul Landry CEO	119 West Intendencia	Pensacola, FL	32501	(850) 432-4855
Nustar Communications Corporation	Joe Macaluso	1328 Surrey Lane	Marietta, GA	30008	
Regulatory Affairs OmniCall , Inc.	Kim Robert Scovill VP	430 Woodruff Road Suite 450	Greenville, SC	29607	(864) 297-4336
Omniplex Communications Group, LLC	Michael S. Sawyer VP	743 Spirit 40 Park Drive Suite 250	Chesterfield, MO	63005	(314) 519-4800
Phone-Link, Inc.	David W. Wigginton	206 West Jefferson Street	LaGrange, KY	40031	(502) 225-9100

Company	Contact	Address	Address	Zip	Phone
Preferred Carrier Services, Inc.	Jeffrey Walker Esq.	14681 Midway Rd Suite 105	Dallas, TX	75244	(972) 503-3388
Quick-Tel Communications, Inc.	Shirley Moran Pres.	P.O. Box 196	Boyd, TX	76023	(940) 627-6438
Quintel Cellular, LLC	Claudia Newman-Hirsch	1 Blue Hill Plaza	Pearl River, NY	10965	(914) 620-1212
Ruddata Corporation	Stephen Rudd Pres.	523 South Third Street	Paducah, KY	42003	
Smart-Tel	Tony Ragland, Pres.	804 Center Street	Bowling Green, KY	42101	(502) 849-1349
South East Telephone, LTD	Darrell Maynard Pres.	106 Power Drive P.O. Box 1001	Pikeville, KY	41502	(606) 432-3000
State Communications, Inc.	Shaler Houser CEO	200 North Main Street Suite 303	Greenville, SC	29601	(864) 271-6335
Regulatory TCG Ohio One	Robert Atkinson VP	Teleport Drive Suite 300	Staten Island, NY	10311	(718) 355-4433
Tel-Link, LLC	Michelle McKay	1001 Third Avenue Suite 354	Bradenton, FL	34205	(941) 750-0110
Tele Conex, Inc.	Chris Watson VP	4104 Barrancas Avenue	Pensacola, FL	32507	(850) 455-3844
elligent, Inc.	Terri Natoli, Esq.	8065 Leesburg Pike	Vienna, VA	22182	(703) 762-5183
The Other Phone Company, Inc.	Kevin Griffo Pres.	4205 Vineland Rd Suite L15	Orlando, FL	32811	(407) 648-5230
Time Warner Communications of Ohio, LP	Thomas Cloud Gen, Mang.	11252 Cornell Park Drivd	Cincinnati, OH	45242	(513) 489-5820
Touchtone Communications, Inc.	Carlos Carpenter Pres.	740 East Laurel Road	London, KY	40741	(606) 864-4429
Transtar Communications, L.C.	Robert H. Shields Pres.	2101 Harworrd Road Suite 115	Bedford, TX	76021	(888) 600-7002
US West Interprise America Inc.	Richard J. Boyer Admin.	1999 Broadway Suite 800	Denver, CO	80802	(303) 896-6118
USLD Communications, Inc.	Kim Logue Reg. Analyst	4250 N Fairfax Dr 12th Fl. Ste. 12W002	Arlington, VA	22203	(703) 363-4321
UniDial Communications, Inc.	Jack Roth Sr. VP	9931 Corporate Campus Drive	Louisville, KY	40223	
Vast-Tel Communications, Inc.	Ray Kelley Pres.	1703 A 16th Street	Bridgeport, TX	76426	(800) 599-1000
Z-Tel Communications, Inc.	Jonathan E. Canis Counsel	1200 19th Street, N.W. Suite 500	Washington, DC	20036	(202) 956-9600

Company	Contact	Address	Address	Zip	Phone
LOUISIANA					
American Comm. Services of Baton Rouge, Inc.	James C. Falvey V.P.	131 National Business Pkwy., Suite 100	Annapolis Junction MD	20701	(888) 424-2274
American Comm. Services of Louisiana, Inc.	James C. Falvey V.P.	131 National Business Pkwy., Suite 100	Annapolis Junction MD	20701	(888) 424-2274
American Comm. Services of Shreveport, Inc.	James C. Falvey V.P.	131 National Business Pkwy., Suite 100	Annapolis Junction MD	20701	(888) 424-2274
Advance Phone Systems, Inc.	Michael & Bridgett Auzenne	865 Kingsway East Drive	Gretna, LA	70056	(504) 393-0930
Advanced Tel, Inc.	M.H. Czerwinski, Pres.	913 South Burnside	Gonzales, LA	70737	(504) 621-4213
Advantel Communications, Inc.	Mr. William Lewis	14562 Beekman Rd	New Orleans, LA	70128	(318) 796-3752
Alliance Tel-Com Inc.	Phil Camel	928 Shady Lane	Lake Charles, LA	70601	(318) 479-1521
American Metrocom/Louisiana, Inc.	Albert Donovan	1615 Poydras St. Suite 1050	New Orleans, LA	70112	(504) 598-9000
nox, Inc.	CT Corporations System	8550 United Plaza Blvd.	Baton Rouge, LA	70809	(800) 241-8922
AT&T Comm. of the South Central States, Inc.	Timothy Kelly Att.	8841 United Plaza Blvd. Suite 200	Baton Rouge, LA	70821	(504) 922-5150
Atlas Communications, LTD	R. Perry Pringle	517 Springs Street	Shreveport, LA	71101	(800) 222-8122
Atro Enterprises, Inc.	Gregory Francis	7903 Cobblefield Lane	Houston, TX	77071	(713) 773-1630
Axces, Inc. dba Axces of Delaware, Inc.	Timothy Till Pres.	2500 Wilcrest, Suite 300	Houston, TX	77042	(713) 781-1187
The Bayou Telephone Company		1106 Chesnut Drive.	Morgan City, LA	70380	(504) 384-0339
Budget Phone, Inc.	Tony Cason	910 Pierremont Road Suite 348	Shreveport, LA	71106	(318) 425-2255
Business Telecom, Inc. Dba BTI		4300 Six Forks Road, Suite 500	Raleigh, NC	27609	(919) 510-7000
C & M Total Communications, L.L.C.	Malise McKenzie	P.O. Box 80186	Lafayette, LA	70501	(318) 264-9400
Cellular Rentals, Inc.	Daniel Garvey	624 S. Rampart Street	New Orleans, LA	70113	(504) 529-7770
Choctaw Communications, L.C.	Gienn Massey	8400 South Gessner	Houston, TX	77074	(713) 771-8255
Comm South Companies, Inc.	William Wilson	101 Randol Mill Rd., Suite 108	Arlington, TX	76011	(817) 261-9097
Comm. Options Southern Region, Inc.		622 Barton Avenue	Panama City, FL	32404	(850) 769-3631
Columbia Telecommunications, Inc.	Robert A. Drew Pres.	4615 North Boulevard P.O. Box 66436	Baton Rouge, LA	70896	(504) 927-6815
Cox Louisiana Telecom II, L.L.C.	Jim Butler, Dir.	1250 Poydras St., Suite 365	New Orleans, LA	70113	(757) 369-4524
DeltaCom, Inc.		113 South Main Street	Arab, AL	35016	(205) 586-2715
Digital Communication Technology, Inc.	Sydney R. Crawford	P.O. Box 61661	Lafayette, LA	70596	(318) 991-1923
on-Mar Telecommunications, Inc.	Mary Washington	624 Garfield Street	Lafayette, LA	70502	(318) 261-0780
EZ Talk Communications Louisiana, LLC	Robert C. King	928 Shady Lane	Lake Charles, LA	70601	(318) 479-1521
Easton Telecom Services, Inc.	Robert Mucas Pres	3046 Brecksville Rd	Richfield, OH	44286	(800) 222-8122
Entergy Hyperion Telecomm. of LA, L.L.C.		500 Thomas St., Suite 400	Bridgeville, PA	15107	(412) 221-1888
Fast Connection, Inc.	Dan E. Patterson Pres.	2200 Ross Ave. Suite 3838	Dallas, TX	75201	(214) 978-3817
Gnet Telecom, Inc.	Roy Alston, Jr. CEO	1581 Carol Sue Avenue, Suite 209	Gretna, LA	70056	(504) 391-3692
Gage Telephone Systems, Inc.		11815 Sun Belt Court	Baton Rouge, LA	70809	(504) 753-4243
Group Long Distance, Inc.	Michael Mueller	1451 West Cypress Creek Rd. Suite 200	Fort Lauderdale, FL	33309	(954) 771-9696
IWL Communications, Inc. Dba IWL Connect	Byron Allen Pres.	12000 Aerospace ave. Suite 200	Houston, TX	77034	(281) 481-0521
Image Access, Inc. dba Easy Phone	Mr. Gene Dry	3322 Hessmer Avenue	Metairie, LA	70002	
Intermedia Communications, Inc.		3625 Queen Palm Drive	Tampa, FL	33619	(813) 621-0011
LEC Unwired LLC	Thomas Henning	One Lakeshore Drive Suite 1900	Lake Charles, LA	70629	(318) 436-9000
LDM Systems, Inc.	Stephen Steiner	254 South Main Street	New City, NY	10956	(800) 547-0090
LDS Communications, Inc.	Freddyn Noan Pres.	801 North 31st Street	Monroe, LA	71201	(318) 323-8600

Company	Contact	Address	Address	Zip	Phone
Lighting Communications, Inc.	Keith Patrick Foret	P.O. Box 6034	Houma, LA	70361	(504) 876-6612
Louisiana Competitive Telecomm., Inc.	Carl Tunley	110 North Irving Avenue	Kaplan, LA	70548	(318) 643-3636
MCImetro Access Transmission Services, Inc.		2250 Lakeside Blvd.	Richardson, TX	70582	(972) 918-1938
Multi-Family Communications, Inc.	Will J. Belton	10624 Glenstone Court	Baton Rouge, LA	70810	(504) 926-8124
Network Long Distance, Inc.	Mike Ross Pres.	525 Florida Blvd.	Baton Rouge, LA	70801	(504) 343-3125
Network Telephone, Inc.		804 S. Palafox Street	Pensacola, FL	32501	(850) 432-4858
Omniplex Communications Group, L.L.C.		Sprint 40 Park Drive, Suite 250	Chesterfield, MO	63005	(314) 519-4800
Preferred Carrier Services, Inc.		500 Grapevine Hwy., Suite 300	Hurst, TX	76054	(817) 281-4727
Preferred Payphones, Inc.	Randy David	2504 Ryan Street	Lake Charles, LA	70601	(318) 433-6480
Quantum Phone Company, LLC	Corey & Sonya David	62443 Graham Rd	Amite, LA	70422	(504) 419-1929
Reserve Long Distance Company, Inc.	Paul Boudreaux Pres.	203 West 4th Street P.O. Drawer T	Reserve, LA	70084	(504) 536-8900
Rig Telephones, Inc. Dba DATACOM	Nicholls Pugh	1710 W. Willow Street	Scott, LA	70583	(318) 264-3578
Shell Offshore Services Company	Melvin Lassere V.P.	701 Poydras Street, Suite 1500	New Orleans, LA	70161	(800) 600-9610
Southern Phon Reconnek	David W. Brown.	10001 Lake Forest Blvd., Suite -312	New Orleans, LA	70127	(504) 241-4909
Speedy Reconnek, Inc.	Janet Boles	4400 Trenton St., Suite F	Metairie, LA	70006	(504) 887-4300
Sprint Communications Company, L.P.	William Atkinson, Counsel	3100 Cumberland Circle	Atlanta, Ga	30339	(404) 649-6221
State Communications, inc.		200 North Main Street Suite 303	Greenville, SC	29601	(800) 800-9681
Sterling International Funding, Inc.	William Braun	9620 S.W. Barbur Blvd., Suite 330	Portland, OR	97219	(503) 244-9059
TLX Communications, Inc.	John Seger, V.P.	263 Third Street Suite 208	Baton Rouge, LA	70801	(504) 387-4438
Telecommunication Services, Inc. "TSI"	Richard Sanderson II	2608 Packerham Drive	Chalmette, La	70043	(504) 279-3010
Teligent, Inc.	Terrill Natoli	8065 Leesburg Pike, Suite 400	Vienna, Va	22182	(703) 762-5100
Tel-Save, Inc.	Mary Kennon	6805 Route 202	New Hope, PA	19838	(215) 862-1500
Touch 1 Communications, Inc.	CT Corporations System	100 Brookwood Road	Atmore, AL	36502	(334) 368-8600
U S West Interprise America, Inc.	CT Corporations System	1999 Broadway, Suite 700	Denver, CO	80202	(303) 293-6326
UniversalCom, Inc.	Chris Fourler	185 Stahlman Ave. P.O. Box 1585	Destin FL	32540	(904) 837-0077

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ALABAMA  
Western Division

98 DEC 31 AM 10:05

U.S. DISTRICT COURT  
N.D. OF ALABAMA

NOW COMMUNICATIONS, INC., )  
Plaintiff; )  
)  
-vs.- )  
)  
BELLSOUTH )  
TELECOMMUNICATIONS, INC., )  
)  
Defendant. )

No. CV-98-P-2874-W

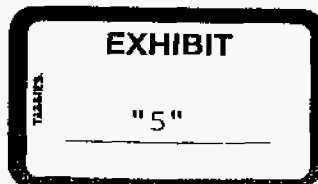
DEC 31 1998

ORDER

This motion is before the Court upon written motion of the Plaintiff filed on December 29, 1998, wherein plaintiff sought to obtain a preliminary injunction prohibiting BellSouth Telecommunications, Inc., from terminating its telephone services for non-payment of telecommunications charges. Defendant waived notice and appeared through counsel.

The cause was heard by the Court in chambers on December 30, 1998. Based upon the Court's review of filings made by the parties and upon argument of counsel, the Court orders the following:

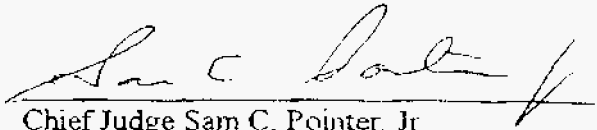
1. The motion for preliminary injunction is GRANTED.
2. Plaintiff must pay to the Court on or before January 15, 1999, at 5:00 p.m., cash or commercial bond in a form acceptable to the Court and payable to BellSouth Telecommunications, Inc., in the amount of one million seven hundred thousand



dollars (\$1,700,000.00).

3. The Defendant is directed not to terminate services to any end user customer of NOW Communications, Inc., from the date of this order until and including January 15, 1999, unless directed to do so by NOW Communications, Inc., in the normal course of business. This injunction shall remain in effect for 90 days following the date on which plaintiff provides the security described herein.
4. Should Plaintiff make any interim payments on its accounts, the amount of cash or commercial bond shall be reduced by a like amount.
5. Should Plaintiff not provide for the security contemplated and directed hereby, Defendant may, on January 15, 1999, at 5:01 p.m. CST, terminate and suspend its provision of service to Plaintiff in accordance with all applicable laws and regulations, and this injunction shall be dissolved as of 5:00 p.m. on that date.
6. Plaintiff shall also pay the sum of one hundred thousand dollars (\$100,000) to Defendant, which, upon receipt by Defendant, shall require Defendant to accept new customers/subscribers, until January 15, 1999, and, thereafter, provided the other monies required hereunder are paid, and said sum, if paid, shall reduce the security requirement to \$1,600,000.00 (one million six hundred thousand dollars).

DONE and ORDERED this the 30 day of December, 1998.

  
Chief Judge Sam C. Pointer, Jr.

Service List

Fred A. Walters  
Carroll H. Ingram  
Charles E. Robinson, Jr.  
Jennifer Ingram Wilkinson  
Gene A. Wilkinson  
James A. Peden  
Bill Allain  
John L. Maxey  
Samuel L. Begley  
Frank Ozment

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
WESTERN DIVISION

NOW COMMUNICATIONS, INC. )

PLAINTIFF, )

vs. )

BELLSOUTH )  
TELECOMMUNICATIONS, INC. )

DEFENDANT. )

CIVIL ACTION NO:  
CV-98-P-2874-W

**JOINT MOTION TO DISSOLVE PRELIMINARY INJUNCTION AND TO  
DISBURSE PROCEEDS**

BellSouth Telecommunications, Inc., and NOW Communications, Inc., hereby jointly move this Court to order the disbursement of proceeds as described herein and to dissolve the preliminary injunction previously entered by this Court. In support of this motion, BellSouth and NOW state:

1. On December 31, 1998, this Court entered a preliminary injunction against BellSouth. The injunction was clarified on March 2, 1999, and extended on April 15, 1999.

2. On January 15, 1999, NOW paid a principal sum of One Million Six Hundred Thousand and No Cents (\$1,600,000.00) into the registry of the Court, pursuant to the Order entering the preliminary injunction, and interest has accrued on said sum.

3. The parties have agreed to resolve the issues relating to the preliminary injunction and damages claimed for alleged wrongful injunction, subject to certain disbursements to be made by the Clerk of Court and other conditions described in the limited settlement agreement appended hereto as Exhibit A.

EXHIBIT

"6"



INGRAM  
&  
ASSOCIATES, PLLC

OFFICE OF CARROLL H. INGRAM

ATTORNEYS  
AND  
COUNSELORS AT LAW

May 26, 1999

Frank Ozment, Esquire  
Lange, Simpson, Robinson & Somerville, LLP  
417 20<sup>th</sup> Street, North, Suite 1700  
Birmingham, AL 35203-3217

RE: Now Communications, Inc. vs. BellSouth Telecommunications, Inc.; In the United States  
District Court for the Northern District of Alabama, Western Division;  
Civil Action No. CV-98-P-2874-W

Dear Frank:

I have signed the Joint Motion to dissolve the preliminary injunction and to disburse proceeds. I understand that you will likewise sign the Motion and file it with the clerk of the Court. After you have obtained the Order for disbursement, NOW will deliver the check to BellSouth's Jackson office as you designate.

I am pleased that we have resolved vacating the preliminary injunction, the disbursement of the funds and the payment of BellSouth invoices while reserving for litigation and adjudication all of the Plaintiff's other claims in this civil action.

Cordially,

INGRAM & ASSOCIATES



Carroll H. Ingram

CHI/jh  
Larry Seab  
Samuel L. Begley, Esq.  
Charles McGuffee  
Gene Wilkinson, Esq.  
Marcus A. Treadway, III, Esq.  
Charlie Robinson, Jr., Esq.

211 SOUTH 29<sup>TH</sup> AVENUE (39401)  
PHONE 601 261 1385  
FAX 601 261 1393

PO BOX 15039

HATTIESBURG, MISSISSIPPI 39404-5039  
FAX 601 261 1393

4. The parties very respectfully request that the Court enter an order expressly stating that the preliminary injunction is vacated.

WHEREFORE, BellSouth and NOW jointly request the Court order the Clerk of Court to disburse the principal sum of One Million Six Hundred Thousand and No Cents (\$1,600,000.00) together with interest accrued thereon, less the administrative fee charged by the Clerk. The parties request that the Court order all funds to be disbursed to BellSouth Telecommunications, Inc., c/o Frank Ozment, Lange, Simpson, Robinson & Somerville, 417 20<sup>th</sup> Street North, Suite 1700, Birmingham, Alabama 35203. BellSouth and NOW further request the Court formally to vacate the preliminary injunction previously described above.

Respectfully submitted,

BY:

  
Carroll H. Ingram

Attorney for

NOW Communications, Inc.

**OF COUNSEL:**

Ingram & Associates, PLLC

Carroll H. Ingram

Marcus A. Treadway III

Jennifer Ingram Wilkinson

4273 I-55 North, Suite 204

Post Office Box 13466

Jackson, MS 39236-3466

(601)713-0062

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
WESTERN DIVISION

FILED

U.S. DISTRICT COURT  
N.D. OF ALABAMA

NOW COMMUNICATIONS, INC. )  
 )  
 PLAINTIFF, )  
 )  
 vs. )  
 )  
 BELLSOUTH )  
 TELECOMMUNICATIONS, INC. )  
 )  
 DEFENDANT. )

CIVIL ACTION NO:  
CV-98-P-2874-W

ENTERED

MAY 27 1999

ORDER FOR DISBURSEMENT OF FUNDS AND VACATING PRELIMINARY  
INJUNCTION

Upon joint motion made by the parties, the Court hereby orders:

1. The Clerk is authorized and directed to draw a check on the funds on deposit in the registry of the Court in the principal amount of One Million Six Hundred Thousand and No Cents (\$1,600,000.00) plus all interest earned for the total amount of \$1,620,148.49 (\$\_\_\_\_\_), less administrative assessment fee of \$2,014.85 (\$\_\_\_\_\_) for a total amount of \$1,618,133.64 (\$\_\_\_\_\_), payable to BellSouth Telecommunications, Inc., and to deliver the check to Frank Ozment, Lange, Simpson, Robinson & Somerville, LLP 417 20<sup>th</sup> Street North, Suite 1700, Birmingham, Alabama 35203-3217.

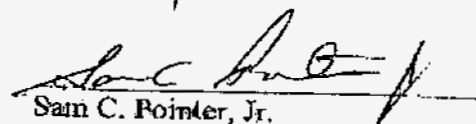
2. The preliminary injunction entered by the Court on December 31, 1998, and subsequently clarified and extended is hereby VACATED.

This Order is made to effectuate the Limited Settlement Agreement entered between the parties, which Agreement is appended hereto as Exhibit A.



55

DONE and ORDERED this the 27<sup>th</sup> day of May, 1999.

  
Sam C. Pointer, Jr.  
Chief District Judge

cc: All counsel

**THIS IS A PARTIAL RELEASE AND LIMITED SETTLEMENT  
AGREEMENT**

**READ CAREFULLY**

WHEREAS, NOW Communications, Inc., commenced a certain civil action against BellSouth Telecommunications, Inc., in the United States District Court for the Northern District of Alabama, which action bears civil action number 98-P-2874-W; and

WHEREAS, the District Court entered an injunction on December 31, 1998, clarified the scope of the injunction by Order dated March 2, 1999, and extended the injunction by Order dated April 15, 1999; and

WHEREAS, on January 15, 1999, NOW paid \$1,600,000.00 (one million six hundred thousand dollars and no cents) to the Clerk of Court for the United States District Court for the Northern District of Alabama as a bond in favor of BellSouth, and

WHEREAS, interest has accrued on the sum deposited by NOW with the Clerk of Court and, until such sum is disbursed by the Clerk of Court, will continue to accrue; and

WHEREAS, BellSouth and NOW desire amicably to resolve issues relating to the vacation of the previously described preliminary injunction and disputed claims for damages allegedly resulting from the wrongful injunction, and to resolve all billing issues between the parties, including those billings and payments rendered between the parties up to and including May 21, 1999, but to allow all other issues in this civil action to remain unresolved; and

WHEREAS, neither BellSouth nor NOW admit to any liability, but instead expressly desire to deny same;

THEREFORE, for good and valuable consideration, BellSouth and NOW hereby agree, stipulate, and covenant as follows:

1. BellSouth and NOW jointly shall move the Court to issue an order directing the Clerk of Court immediately and, in no event, after 12:00

noon on May 28, 1999, to disburse to BellSouth all sums deposited by NOW with the Clerk of Court, together with all interest accrued on such sum, less any administrative fee charged by the Clerk of Court, and such motion shall be made as soon as practicable;

2. By 12:00 p.m. (noon) on May 28, 1999, NOW shall pay to BellSouth a sum equal to the difference between the amount disbursed to BellSouth by the Clerk of Court and \$1,826,000.00 (one million eight hundred twenty six thousand dollars and no cents). Said payment in the form of a cashier's check or other certified funds shall be hand delivered to Frank Ozment, Lange, Simpson, Robinson & Somerville, 417 20<sup>th</sup> Street North, Ste. 1700, Birmingham, Alabama 35203, or such person as he designates in writing delivered to counsel for NOW.

3. In addition to the above, NOW shall pay BellSouth the sum of \$100,000.00 (one hundred thousand dollars and no cents), which sum shall be payable in 10 (ten) monthly installments of \$10,000.00 (ten thousand dollars and no cents), beginning on July 1, 1999, and on the first day of each month thereafter until all ten installments have been paid; provided, that if NOW fails to pay and BellSouth fails to receive any monthly installment by

the fifteenth day of the month that the installment is due, then BellSouth shall have the right, which right cannot be waived by BellSouth, to declare all unpaid installments immediately due and payable. Payments required hereunder shall be remitted to Fred A. Walters, Esq., at BellSouth Telecommunications, Inc., Ste. 4300 BellSouth Center, 675 West Peachtree Street, NE, Atlanta, Georgia 30375, or such person as he designates in writing delivered to counsel by NOW.

4. NOW shall, as soon as practicable, join BellSouth in moving the District Court to dissolve the preliminary injunction previously described herein.

5. NOW hereby releases and forever discharges BellSouth and BellSouth's officers, directors, agents and employees from any and all claims arising from or relating to the payments made or to be made by NOW pursuant to this Agreement; provided, that this Agreement shall not be construed to bar NOW from asserting that the billing practices and policies of BellSouth constitute anti-competitive conduct or conduct injurious to the relationship between NOW and its customers; provided further, that nothing in this Agreement shall be construed to prohibit NOW from introducing in this litigation evidence of billing practices or policies employed by



BellSouth; and provided further, that nothing in this Agreement shall bar BellSouth from asserting any defense that BellSouth has or may have to challenges that NOW may make to billing practices or policies employed by BellSouth. Notwithstanding any provision of this paragraph 5, NOW relinquishes any and all claims alleging that NOW has a right to recover the money paid or to be paid by NOW pursuant to this Agreement, either as consequential damages, direct damages, or other monetary award. It is the intent of the parties that all billing disputes by NOW which exist between the parties, whether known or unknown, asserted or benign, are extinguished through and including May 21, 1999, upon performance of this Agreement.

6. Upon timely receipt of the payments that this Agreement requires NOW to make by Friday, May 28, 1999, BellSouth shall:

A. release NOW from any and all liability for amounts owed by NOW as of May 21, 1999, as provided to NOW by Q account summary dated May 21, 1999 and expressly excluding billing for services to be billed on and after May 21, 1999, upon payment of the \$1,826,000.00 by NOW, as described in paragraphs 1 and 2 hereof, BellSouth shall cause to be issued to NOW corrected May Q account bills which will reflect the removal of all late charges associated with prior billing periods.

B. refrain from considering, in any subsequent credit review, a) NOW's payment record for sums owed on invoices due in October 1998, November 1998, December 1998, January 1999, February 1999, March 1999, and April 1999, b) the fact that NOW commenced the action described herein or c) the fact that NOW obtained a preliminary injunction against BellSouth when and if BellSouth evaluates whether to require additional or increased deposits from NOW;

C. refrain from requiring additional moneys to be paid on deposit for so-called Q accounts that NOW has as of May 21, 1999, with BellSouth until November 22, 1999; provided, that this Agreement shall not be construed to prohibit BellSouth from demanding additional monies to be paid on deposit for existing Q accounts or any other accounts that NOW has or may have with BellSouth, if NOW fails, in the future, to timely pay invoices submitted by BellSouth to NOW; provided further, that nothing in this agreement shall be construed to prohibit BellSouth from demanding lawful deposits on Q accounts opened after May 21, 1999; and provided further, NOW waives no right to controvert any future deposit requirements imposed by BellSouth to the extent such rights, if any, would exist.

D. release NOW from any and all liability for damages that BellSouth suffered or allegedly suffered as a consequence of allegedly having been wrongfully enjoined in the action herein; provided, that this release does not bar claims for damages caused by any injunction, preliminary or otherwise, entered in the future.

7. With respect to the subjects treated herein, this Agreement is the sole and entire Agreement between NOW and BellSouth, and this Agreement cannot be varied except by writing expressly referring to this Agreement and signed by both NOW and BellSouth.

8. This Agreement shall be construed as if drafted by both BellSouth and NOW.

9. This Agreement shall be construed in accordance with federal law and the laws of Alabama, without regard to the rules regarding conflicts of law.

10. Each party represents and warrants that the person signing this Agreement for that party has the authority to bind the party on whose behalf he signs.

11. This Agreement shall not be considered admissible into evidence, and each party represents and warrants that it will refrain from introducing or attempting to introduce this Agreement into evidence; provided, that either party may introduce this Agreement into evidence in any proceeding attempting to enforce this Agreement; and provided further, that, prior to introducing or attempting to introduce this Agreement into evidence, the party intending to offer this Agreement as evidence shall give reasonable, written notice of that party's intention, which notice shall be delivered to the counsel for the opposing party.

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ALABAMA  
Western Division

FILED

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NOW COMMUNICATIONS, INC. )  
Plaintiff, )  
)  
-vs.- )  
)  
BELLSOUTH TELECOMMUNICATIONS, )  
INC., )  
Defendant. )

U.S. DISTRICT COURT  
N.D. OF ALABAMA

No. CV-98-P-2874-W

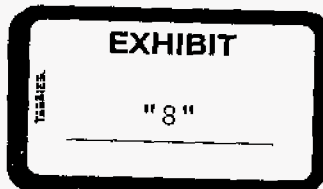
**ENTERED**

JUN 8 2 1999

ORDER

Before the court are the defendant's Motion to Dismiss or, in the Alternative, Transfer, the defendant's Motion to Dismiss, and the defendant's Motion to Dismiss for Lack of Subject Matter Jurisdiction. Additionally, although the court has not heard argument on it, the defendant's Motion to Dismiss the Second Amended Complaint and Motion for More Definite Statement is before the court.

The plaintiff, NOW Communications, Inc., is a Competitive Local Exchange Carrier (CLEC) that provides telecommunications services through local exchanges in BellSouth operating areas in Alabama, Louisiana, Mississippi, Georgia, and Tennessee. Under a Resale Agreement entered into by plaintiff NOW and BellSouth, NOW obtains telecommunications services directly from BellSouth at discounted rates and resells them through local exchanges to its own pre-paid customers in particular geographic markets. The plaintiff brought this action on November 17, 1998, alleging that the defendant refused to provide interconnection and access to the local exchange on a non-discriminatory basis. The plaintiff's Second Amended Complaint contains nineteen counts, including tortious breach of contract, fraud, and violations of the Sherman Act, and seeks certification of a class



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of CLECs.

The defendant offers several arguments as to why the court should dismiss this action. BellSouth first points to the dispute resolution provision in the Resale Agreement. That provision reads as follows:

Except as otherwise 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 that Public Service Commission concerning this Agreement.

BellSouth argues that this provision is, in effect, a forum selection clause that makes venue in this court improper. In response, the plaintiff maintains that this action involves neither the interpretation nor the implementation of the Agreement, but rather damages for tortious misconduct and monopolistic actions. However, inasmuch as the Agreement provides for BellSouth's making available telecommunications services, and because the gravamen of the Complaint is BellSouth's refusal to do just that, the court finds that the implementation of the Agreement is what is at issue. Consequently, the dispute resolution provision applies to this dispute and mandates dismissal of this action.

Although the court need not address the defendant's arguments concerning abstention, exhaustion, and primary jurisdiction, the court notes the complexities implicated in this kind of dispute as well as the extensive state and federal regulation of CLECs. The concern for uniformity of decisions, especially apparent when a plaintiff seeks certification of a class of at least 300 CLECs, counsels against judicial resolution of a dispute involving telecommunications services in multiple states. Additionally, the need for administrative and regulatory expertise in this relatively new area

supports the defendant's argument that the plaintiff's recourse lies with the FCC or with state public service commissions. Indeed, what constitutes non-discriminatory access should not be determined on a case-by-case basis in the courts, but should be considered by the administrative agencies charged with regulating the telecommunications industry.

The court also notes that its decision does not foreclose further administrative or judicial review. In addition to federal district court review of a state commission's action concerning any interconnection agreement, *see* 47 U.S.C. § 252(e)(6), parties can also file a complaint with the FCC pursuant to 47 U.S.C. § 208 and, in Alabama, for example, can appeal the public service commission's final action or order to the Circuit Court of Montgomery County, *see* Ala. Code § 37-1-120, or, in cases involving rates and charges, directly to the Alabama Supreme Court. *See* Ala. Code § 37-1-140.

The defendant's motions to dismiss for improper venue are hereby GRANTED and the case is DISMISSED without prejudice to consideration by the appropriate state public service commissions. Costs, but not attorney's fees, are taxed against the plaintiff.

Dated: May 29, 1999

  
Chief Judge Sam C. Pointer, Jr.

Service list:

- Mr. Carroll H. Ingram
- Mr. John L. Maxey, II
- Mr. Samuel L. Begley
- Mr. Fred A. Walters
- Mr. J. Frank Ozment



# United States District Court

Northern District of Alabama

Notice of Orders or Judgments

Fed. R. Civ. P. 77 (d)

06/02/99

Date: Carroll H Ingram  
INGRAM & ASSOCIATES PA  
PO Box 15039  
Hattiesburg, MS 39484  
To:

7:98-cv-02874

57

Re: Case Number:

Instrument Number:

If this facsimile cannot be delivered as addressed, please call (205) 278-1700 ext. 122 or 123.

If this transmission does not complete, it will be re-sent, up to five times.

Number of pages including cover sheet:



Fred A. Walters  
General Attorney

BellSouth Telecommunications, Inc.  
Legal Department - Suite 4300  
675 West Peachtree Street, N.E.  
Atlanta, Georgia 30375-0001  
Telephone: 404-335-0724  
Facsimile: 404-525-5360

January 13, 2000

Carroll H. Ingram, Esq.  
4273 I-55 North, Suite 204  
P.O. Box 13466  
Jackson, MS 39236-3466

RE: NOW Communications, Inc. v. BellSouth Telecommunications, Inc.; Civil Action  
No. CV-98-P-2874-W (N.D. Alabama)

Dear Carroll:

I hope you are doing well.

There appears, still, to be some confusion regarding NOW's negotiation of a new Resale Agreement. NOW asserts it only can negotiate with me. I thought you and I had discussed this some months ago but I was obviously wrong in my recollection.

In any event, please advise your client that it is free to negotiate terms and conditions related to its new Resale Agreement directly with employees of BST. Any requests for documents, etc. that might be related to our previous dispute should continue, of course, to be handled by counsel.

Thank you. I apologize for any confusion.

Sincerely,



Fred A. Walters

FAW/kbn

192951



# NOW Communications, Inc.

P. O. Box 807                      Jackson, MS 39205-0807  
Tel. 601-949-7500                  Fax: 601-969-7880  
Toll Free 1-888-565-1011          Toll Free Fax: 1-888-565-1014  
Street address: 1695 High Street, Suite B, Jackson, MS 39202

## FAX TRANSMISSION COVER SHEET

Date:            February 17, 2000  
To:              Page Miller  
Fax:             404-927-8324  
Re:              UNE-P Cost Comparisons  
Sender:        Larry W. Seab

**YOU SHOULD RECEIVE 1 PAGE(S), INCLUDING THIS COVER SHEET. IF YOU DO NOT RECEIVE ALL THE PAGES, PLEASE CALL 601-949-7500.**

Page - This is a follow-up to the voice message I just left for you. We need a recap by state of just the cost of the components required under the UNE-P Agreement for only those services that we will require as a prepaid service provider. With this information we can make a comparison of our bottom-line costs for the same services we use under the Resale Agreement. Your costs would need to include the combo costs as well.

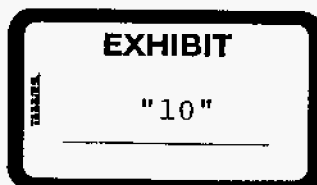
Since time is of essence and that information may be readily available you, if you could have that provided to us it would greatly accelerate the decision making process for us. Otherwise, we'll have to bring in experts to go through massive information to extract just a small piece of the data.

Please call me at 601-949-7500.

Thanks,



Larry



**INGRAM**  
&  
**ASSOCIATES, PLLC**

OFFICE OF CARROLL H. INGRAM

ATTORNEYS  
AND  
COUNSELORS AT LAW

February 23, 2000

Mr. Steve Klimacek  
BellSouth Telecommunications, Inc.  
Legal Department - Suite 4300  
675 West Peachtree Street, N E  
Atlanta, GA 303375-0001

RE: Now Communications, Now Communications d/b/a Tel-Link, Inc. / BellSouth  
Resale Contract Negotiations

Dear Steve:

I appreciate the opportunity to visit with Page Miller and others regarding the on-going contract negotiations between our respective clients while you were out of State. Likewise, I am appreciative of your open attempt to seek solutions which would avoid the necessity for arbitration.

A few days ago it was suggested that perhaps a discount, based on business could help some of the economic factors and help in reaching an agreement. We were advised that BellSouth was considering this possibility but the negotiations could not be conducted until some time next week. You advised that Friday, February 25, 2000 is the deadline requiring filing petitions for arbitration. In view of this, I requested a twenty (20) day extension to allow the completion of the discount negotiations.

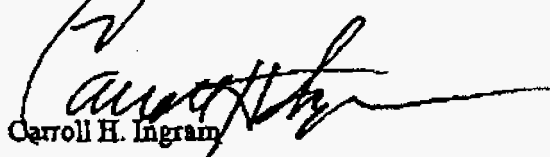
Today, Mr. Hendrix advised that in order to avoid the filing of arbitration petitions on Friday, it would be necessary for NOW Communications to sign a resale agreement, agreeing to the O S S charges and other terms of the contract. He also advised the negotiations would begin next week for a discount arrangement but would give no assurance as to the terms of the discount arrangement, the economic affect or the legal affect of the discount. After discussion with the client, it is obvious that the client cannot sign a contract containing terms and provisions which are challenged and which are adverse to the client's interest and which give no assurance that a subsequent negotiation will result in a proper solution. It is certainly not my client's intention or desire to invoke provision of arbitration. To the contrary, it is the client's sincere belief that both parties will be best served by a short delay, giving the intended negotiations a chance for success.

Now Communications cannot and will not sign a contract without having in place a negotiated agreement that allows economic survival, compliance with the law and reasonable contract terms.

I will be available tomorrow and Friday to discuss this matter if you so desire.

Cordially,

INGRAM & ASSOCIATES

  
Carroll H. Ingram

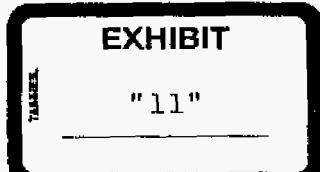
CHI/jh

cc: Mr. Larry Seab  
Mr. Charlie McGuffee  
Jim Menge, Esquire  
Jennifer I. Wilkinson, Esquire  
Ms. Page Miller  
Mr. Jerry D. Hendrix

211 SOUTH 29<sup>TH</sup> AVENUE (39401)  
PHONE 601 261 1385  
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HATTIESBURG, MISSISSIPPI 39404-5039  
FAX 601 261 1393



Fred A. Walters  
General Attorney

BellSouth Telecommunications, Inc.  
Legal Department - Suite 4300  
675 West Peachtree Street, N.E.  
Atlanta, Georgia 30375-0001  
Telephone: 404-336-0724  
Facsimile: 404-525-5380

November 30, 1999

**VIA FACSIMILE AND  
U.S. MAIL**

Carroll H. Ingram, Esq.  
4273 I-55 North, Suite 204  
P.O. Box 13466  
Jackson, MS 39236-3466

RE: NOW Communications, Inc. v. BellSouth Telecommunications, Inc.; Civil Action  
No. CV-98-P-2874-W (N.D. Alabama)

Dear Carroll:

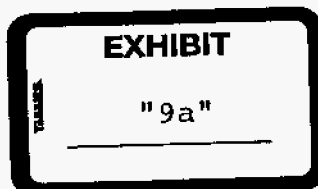
I hope you and your family enjoyed a Happy Thanksgiving.

I am writing in response to a letter I received on Monday from Larry Seab and a telephone call I received from my client's account representative for NOW.

In his letter, Mr. Seab asserts concern that the incorrect balance showing on his Louisiana accounts will impact negatively his relationship with BellSouth. While there has been a problem in getting BST's records straight, I am told those issues are resolved. The "threat" in Louisiana last month was attributable to the new area code (NPA) split and not to the problem my client had in posting correctly Mr. Seab's diligent payments under the Settlement Agreement.

I am very concerned about Mr. Seab's statement that a third party lender was given incorrect information about NOW's payment history. Ms. Cetti did, indeed, speak with a lender and based upon her database, relayed that NOW was past due on some accounts. She did state also that there could be disputes which offset those past due balances. I have been told that Sarah Davis of BST's employ spoke later with Larry Seab and a gentlemen from MGC - a potential buyer of NOW - and relayed that NOW was current in its payments.

If any lender has questions about the information related to NOW's current status with BST, please refer them to me. I have instructed Ms. Cetti, through another attorney, to re-verify the information in her available database. If an error was made, BST will write to the proposed lender immediately (and call, if you prefer) and correct any misstatement that may have occurred. Please let me know what you wish me to recommend to my client to assist Mr. Seab if I find Ms. Cetti's statements were in error.



Carroll H. Ingram, Esq.  
November 30, 1999  
Page 2

I also received a telephone call today from a member of NOW's Account Team. It appears Mr. McGuffin refuses to negotiate a new Resale Agreement with BST, asserting that (a) he doesn't have to because the present Agreement is tied up in this lawsuit between NOW and BellSouth; (b) that until the case settles he isn't going to even discuss signing a new Agreement and; (c) the case is near settling if the lawyers would just talk.

Carroll, I urge you to convey to your client the need for it to enter into a new Resale Agreement. Absent such an argument, BST has no legal duty to offer any services to NOW for resale. NOW will be receiving shortly a formal demand from BST concerning the Agreement. By not negotiating, NOW is only going to incur unnecessary legal fees, be subject to the loss of its discount and, potentially face termination of its services.

NOW is not waiving any of its positions advanced in the lawsuit by signing the standard agreement. I truly believe Mr. McGuffin simply is confused about this. The existing lawsuit has nothing to do with NOW's need for an executed Agreement under which it may receive discounted services from BST for resale. Mr. McGuffin's position truly is putting at risk NOW's entire operation for no good reason that I can perceive.

Next, I apologize profusely if I have said or done anything to convey that the existing suit is close to settlement. There is no way my client is going to pay NOW anywhere near seven figures to resolve this case. I do believe, however, that my client would consider strongly a more reasonable demand and I believe I conveyed that to you. Unfortunately, even that consideration would be delayed until after the first of the year as Scott Schaefer has accepted a new position at BellSouth International and I will need to brief his successor on the merits and pitfalls attendant to this matter. I do not believe settlement is imminent; although, I will take any revised offer to my client. My client is not willing to pay anything with six zeroes after the initial number.

I appreciate your assistance, as sought above, and apologize if I have led your client to believe settlement is near. Thank you and Happy Holidays.

Sincerely,



Fred A. Walters

FAW/kbn

**BELLSOUTH TELECOMMUNICATIONS, INC.  
LEGAL DEPARTMENT  
4300 BellSouth Center  
675 West Peachtree Street, N.E.  
Atlanta, Georgia 30375  
FAX: (404) 525-5360**

Facsimile Cover Page

**Date:** November 30, 1999

**To:** Carroll H. Ingram, Esq. **FAX NUMBER:** (601) 713-0404

**From:** Fred A. Walters  
**Telephone:** (404) 335-0724

**No. of Pages: 3  
(including cover)**

**RE:** NOW Communications, Inc. v. BST

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MESSAGE:

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**IF YOU EXPERIENCE ANY PROBLEMS WITH TRANSMISSION, PLEASE CALL KRISTIN NORTON (404) 335-0725.**