

MEMORANDUM

RECEIVED

April 9, 1998

APR 10 1998
12:00
FPSC - Records/Reporting

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (FLEMING) *SRF*

RE: DOCKET NO. 980034-TP - REQUEST BY BELLSOUTH TELECOMMUNICATIONS, INC. FOR APPROVAL OF RESALE AGREEMENT WITH EXPRESS TELECOMMUNICATIONS, INC. PURSUANT TO THE TELECOMMUNICATIONS ACT OF 1996.

98-0497-FDF-TP

Attached is an ORDER APPROVING RESALE AGREEMENT, to be issued in the above-referenced docket.

(Number of pages in order -19)

See 1 + 2

SRF/lw

Attachment

cc: Division of Communications (Greer)

I:980034OR.SRF

*Sent to M.K.
4/10*

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request by BellSouth Telecommunications, Inc. for approval of resale agreement with Express Telecommunications, Inc. Pursuant to Sections 251 and 252 of the Telecommunications Act of 1996.

DOCKET NO. 980034 TP
ORDER NO. PSC-98-0497-FOF-TP
ISSUED: April 10 1998

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

ORDER APPROVING RESALE AGREEMENT

BY THE COMMISSION:

On January 6, 1998, BellSouth Telecommunications, Inc. (BellSouth) and Express Telecommunications, Inc. (ET) filed a request for approval of a resale agreement under the Telecommunications Act of 1996, 47 U.S.C. §252(e) of the Telecommunications Act of 1996 (the Act). The agreement is attached to this Order as Attachment A and incorporated by reference herein.

Both the Act and Chapter 364, Florida Statutes, encourage parties to enter into negotiated agreements to bring about local exchange competition as quickly as possible. Under the requirements of 47 U.S.C. § 252(e), negotiated agreements must be submitted to the state commission for approval. Section 252(e)(4) requires the state to reject or approve the agreement within 90 days after submission or it shall be deemed approved.

This agreement covers a 2-year period and governs the relationship between the companies regarding the resale of tariffed telecommunication services. Under 47 U.S.C. § 252(a)(1), the agreement shall include a detailed schedule of itemized charges for

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interconnection and each service or network element included in the agreement. The agreement states that telecommunications services provided by BellSouth for resale will be available for purchase by ET at a discount rate of 21.83% for residential services and 16.81% for business services.

Upon review of the proposed agreement, we find that it complies with the Telecommunications Act of 1996; thus, we hereby approve it. BellSouth and ET must file any supplements or modifications to their agreement with the Commission for review under the provisions of 47 U.S.C. § 252(e). We note that ET does not currently hold a Florida certificate to provide alternative local exchange telecommunications service, and therefore, it cannot provide alternative local exchange telecommunications services under this agreement until it obtains a certificate from this Commission.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the resale agreement between BellSouth Telecommunications, Inc. and Express Telecommunications, Inc., as set forth in Attachment A and incorporated by reference in this Order, is hereby approved. It is further


ORDERED that any supplements or modifications to this agreement must be filed with the Commission for review under the provisions of 47 U.S.C. § 252(e). It is further

ORDERED that ET Communications, Inc. shall not provide alternative local exchange telecommunications services under this agreement until it obtains a certificate to provide alternative local exchange telecommunications services from this Commission. It is further

ORDERED that this docket shall be closed.

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BY ORDER of the Florida Public Service Commission this 10th
day of April, 1998.



BLANCA S. BAYO, Director
Division of Records and Reporting

(S E A L)

SRF

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

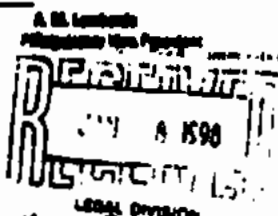
Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review in Federal district court pursuant to the Federal Telecommunications Act of 1996, 47 U.S.C. § 252(e) (6).

ATTACHMENT A

Legal



Bellsouth Telecommunications, Inc. 205 251-7700
Suite 400 Fax: 205 251-0000
190 South Monroe Street
Tulsa, Florida 32204-1000



980034-7P

January 5, 1998

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

Re: Approval of the Basic Agreement Negotiated by Bellsouth Telecommunications, Inc. ("Bellsouth") and Express Telecommunications, Inc. (ETI) pursuant to Sections 251 and 252 of the Telecommunications Act of 1996

Dear Mrs. Bayo:

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

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

Very truly yours,

A. M. Lombardo
Regulatory Vice President (22)

Agreement Between BellSouth Telecommunications, Inc. and Express Telecommunications, Inc. (ETI) Regarding The Sale of BellSouth Telecommunications Services to Express Telecommunications, Inc. (ETI) For The Purpose of Resale

THIS AGREEMENT is by and between BellSouth Telecommunications, Inc. ("BellSouth or Company"), a Georgia corporation, and Express Telecommunications, Inc. (ETI ("Reseller"), a Georgia corporation, and shall be deemed effective as of December 17, 1997.

WITNESSETH

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

WHEREAS, Reseller is 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 promises 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 December 17, 1997 and shall apply to all of BellSouth's serving territory as of January 1, 1997 in the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee;**
- B. This Agreement shall be automatically renewed for one additional one year period 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.**

The rates pursuant to 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 rate 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 address, reassignments, modifications 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 commission 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 resells 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 resold 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 results 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 it more consistent with the outcome of the appeal.

- B. Reseller may purchase resale services from BellSouth for their own use in operating their business. The resale discount will apply to these services under the following conditions:
 - 1. Reseller must resell services to other end users.
 - 2. Reseller must order services through resale interfaces, i. e., the LCSC and/or appropriate Resale Account Types.

3. Reseller cannot be an alternative local exchange telecommunications company for the single purpose of selling to themselves.
- C. The provision of services by the Company to Reseller does not constitute a joint undertaking for the furnishing of any service.
- D. 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 accept payments from Reseller for all services.
- E. 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.
- F. 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.
- G. 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.
- H. Neither Party shall interfere with the right of any person or entity to obtain service directly from the other Party.
- I. 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 in the telephone number or any other call number designation associated with services furnished by the Company, and no right to the continuance of service through any particular central office. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, whenever the Company deems it necessary to do so in the conduct of its business.
- J. The Company may provide any service or facility for which a charge is not established herein, as long as it is offered on the same terms to Reseller.
- K. Service is furnished subject to the condition that it will not be used for any unlawful purpose.
- L. Service will be discontinued if any law enforcement agency advises that the service being used is in violation of the law.
- M. The Company can refuse service when it has grounds to believe that service will be used in violation of the law.
- N. The Company accepts no responsibility to any person for any unlawful act committed by Reseller or its end users as part of providing service to Reseller for purposes of resale or otherwise.
- O. The Company will cooperate fully with law enforcement agencies with subpoenas and court orders for assistance with the Company's customers. Law enforcement agency subpoenas and court orders regarding end users of Reseller will be directed to Reseller. The Company will bill Reseller for implementing any requests by law enforcement agencies regarding Reseller and users.
- P. 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 contracting and concuring carriers involved in its service;
 2. Cause damage to their plant;
 3. Impair the privacy of any communications; or
 4. Cause harm to any employees or the public.
- Q. Reseller assumes the responsibility of notifying the Company regarding less than standard operations with respect to services provided by Reseller.
- R. Facilities and/or equipment utilized by BellSouth to provide service to Reseller remain the property of BellSouth.
- S. White page directory listings will be provided in accordance with regulations set forth in Section A6 of the General Subscriber Service Tariff and will be available for resale.
- T. BellSouth will provide customer record information to Reseller provided Reseller has the appropriate Level(s) of Authorization. BellSouth may provide customer record information via one of the following methods: US mail, fax, or by electronic transfer. BellSouth will provide customer record information via US mail or fax on an interim basis only.
1. Reseller agrees to compensate BellSouth for all BellSouth incurred expenditures associated with providing such information to Reseller. Reseller will adhere and adhere to the BellSouth guidelines associated with each method of providing customer record information.
 2. All costs incurred by BellSouth in developing and implementing operational interfaces shall be recovered from Reseller who utilizes the services.
- U. BellSouth will provide certain enhanced messaging services to Reseller for resale of messaging services without the wholesale discount.
- V. BellSouth's Inside Wire Maintenance Plans may be made available for resale at rates, terms and conditions as set forth by BellSouth and without the wholesale discount.
- W. All costs incurred by BellSouth for providing services to Reseller that are not covered in the BellSouth tariffs shall be recovered from the Reseller(s) who utilize those services.

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 rates 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 prescribed access lines, Reseller shall not jointly market or 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 nonLATA services offered by Reseller are packaged, tied, bundled, discounted or offered together in any way to the end user. Such offers 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 user covered under this Agreement as of February 9, 1999 or on the date BellSouth is authorized to offer nonLATA services in that state, whichever is earlier.

3. **Local and Hospital PBX services are the only telecommunications services available for resale to Nonaffiliated and Hospital and 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 fax and managed fax services on the same business premises to the same subscribers (and users) as stated in A1 of the Company's Tariff except for backup services as indicated in the applicable user tariff Section A1.**
 5. **If telephone service is established and it is subsequently determined that the class of service provision 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 rate schedule, interest 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 payments 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 audits 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 auditors on a reasonable basis. The Company shall bear the cost of said audits.**
- 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 Tariff. 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 relating 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 solely prohibited from any use, including but not limited to sales, marketing or advertising, of any BellSouth name or trademark.**

V. Maintenance of Service

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

- B. Services provided 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 markings, move, disconnect, remove or attempt to repair any facilities owned by the Company, other than by commission or disconnection to any surface 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 ensure 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 processing 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 rates and material charges. The standard rates 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 provisions 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 service. Reseller agrees 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 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 incurring the unauthorized change, the unauthorized change charge described in F.C.C. Tariff No. 1, Section 13. Appropriate nonrecurring charges, as set forth in Section AA. of the General Subscriber Service Tariff, will also be assessed to Reseller. These charges can be adjusted if Reseller provides satisfactory proof of authorization.
- G.** In order to safeguard its interests, the Company reserves the right to secure the account with a suitable form of security deposit, unless satisfactory credit has already been established.
1. Such security deposit shall take the form of an irrevocable Letter of Credit or other form of security acceptable to the Company. Any such security deposit may be held during the continuance of the service as security for the payment of any and all amounts accruing for the service.
 2. If a security deposit is required, such security deposit shall be made prior to the resumption of service.
 3. Such security deposit may not exceed two months' estimated billing.
 4. The fact that a security 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 practice of the Company providing for the discontinuance of service for non-payment of any bills due the Company.
 5. The Company reserves the right to increase the security deposit requirements when, in its sole judgment, circumstances so warrant and/or gross monthly billing has increased beyond the level initially used to determine the security deposit.
 6. In the event that Reseller defaults on its account, service to Reseller will be terminated and any security deposits held will be applied to its account.
 7. In the case of a cash deposit, interest at a rate as set forth in the appropriate BellSouth tariff shall be paid to Reseller during the continuance of the security deposit. Interest on a security deposit shall accrue annually and, if required, shall be annually credited to Reseller by the account date.

VII. Payment And Billing Arrangements

- A. When the initial service is ordered by Reseller, the Company will establish an account 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 account 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 as arrears. Charges will be calculated on an individual end user account level, including, if applicable, any charges for usage or usage alternatives. 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.
1. 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 an 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 rendered 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 B1 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 Reseller and end user common line charges identical to the end user option line charges the Company bills its end users.
- 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. When possible, the Company will deny service to Reseller's end user on behalf of, and at the request of, Reseller. Upon resumption of the end user's service, renewal 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 Anonymous Call Center and will advise Reseller when it is determined that anonymous calls are originated from one of their end user's locations. The Company shall be indemnified, defended and held harmless by Reseller under 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 appropriate action necessary with its customers who make annoying calls. Failure to do so will result in the Company's discontinuing 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 Tariff.
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 date 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 discontinuance 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 discontinued.

IX. Liability

- A. The liability of the Company for damages arising out of mistakes, omissions, interruptions, suspensions, 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, suspension, delay, error or defect in transmission or failure or defect in facilities occur. The Company shall not be liable for damage arising out of mistakes, omissions, interruptions, suspensions, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltage 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, suspension, 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 held 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 use 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 resale 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 the 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 lists information (hereinafter collectively referred to as "information"). Both parties agree that all information shall either be in writing or other tangible forms 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 restrict such information and not disclose such information. Both parties agree to protect the information received from disclosure, 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 company 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 the 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 commission 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 entered into 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. 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.
CLEC Account Team
1511 Colonnade Parkway
Room 54E1
Birmingham, AL 35243

Extran Telecommunications, Inc. (ETI)
300C South Piggary Boulevard
Albany, GA 31707

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, notices 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 mail.

XVII. Amendments

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

XVIII. 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, agreement, warranty, covenant or promise other than as expressly stated in this Agreement or as it contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the party to be bound thereby.

BellSouth Telecommunications, Inc.

BY: [Signature]

Signature

NAME: James Blanton

Printed Name

TITLE: Manager

DATE: 12/17/97

Extran Telecommunications, Inc. (ETI)

BY: [Signature]

Signature

NAME: Charles E. Clark

Printed Name

TITLE: President

DATE: December 12, 1997

EXHIBIT "A"
APPLICABLE DISCOUNTS

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

DISCOUNT		
STATE	RESIDENTIAL	BUSINESS
ALABAMA	17%	17%
FLORIDA	21.83%	16.81%
GEORGIA	20.3%	17.3%
KENTUCKY	16.79%	15.54%
LOUISIANA*	20.72%	20.72%
MISSISSIPPI	15.73%	15.73%
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-23820 dated November 12, 1994.

** The Wholesale Discount is set as a percentage off the tariffed rate. 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. 98-01331 dated January 17, 1997.

EXHIBIT B

Type of Service	AL		FL		GA		KY		LA	
	Rate?	Discount?	Rate?	Discount?	Rate?	Discount?	Rate?	Discount?	Rate?	Discount?
1 Grandfathered Service	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2 Contract Service Arrangements	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes
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/Lift Up Service	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes
6 911/911 Service	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
7 N11 Service	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
8 AdWatch™ (See Note 8)	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9 MemberCall™	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
10 Mobile Service	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
11 Federal Subscriber Line Charge	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
12 Non-Service Charge	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Type of Service	MS		NC		SC		TN	
	Rate?	Discount?	Rate?	Discount?	Rate?	Discount?	Rate?	Discount?
1 Grandfathered Service	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2 Contract Service Arrangements	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
3 Promotions - > 90 Days	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4 Promotions - < 90 Days	Yes	No	No	No	Yes	No	No	No
5 Lifeline/Lift Up Service	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6 911/911 Service	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7 N11 Service	No	No	No	No	Yes	Yes	Yes	Yes
8 AdWatch™ (See Note 8)	Yes	No	Yes	No	Yes	No	Yes	No
9 MemberCall™	Yes	No	Yes	No	Yes	No	Yes	No
10 Mobile Service	Yes	No	Yes	No	Yes	No	Yes	No
11 Federal Subscriber Line Charge	Yes	No	Yes	No	Yes	No	Yes	No
12 Non-Service Charge	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No

Additional Comments:

- Grandfathered services are in retail only to existing subscribers of the grandfathered services.
- 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.
- In Tennessee, long-term promotions (offered for more than ninety (90) days) may be obtained at one of the following rates:
 - the retail tariff rate, less the wholesale discount;
 - the promotional rate (the promotional rate offered by BellSouth will not be discounted further by the wholesale discount rate);
- Lifeline/Lift Up services may be offered only to those subscribers who meet the criteria that BellSouth currently applies to subscribers of these services. In Tennessee, Retailer shall purchase BellSouth's Message Rate Service at the retail tariff rate, less the wholesale discount. Retailer must further discount the wholesale Message Rate Service to Lifeline customers with a discount which is no less than the minimum discount that BellSouth now provides. Retailer is responsible for recovering the Subscriber Line Charge from the National Exchange Carriers Association to ensure full customer cost just as BellSouth does today. The maximum rate that Retailer may charge for Lifeline Service shall be equal to the full retail rate offered by BellSouth.
- In Louisiana and Mississippi, all Contract Service Arrangements entered into by BellSouth or originating 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.
- In North Carolina, Contract Service Arrangements entered into by BellSouth before April 15, 1997, shall be subject to resale at full discount, while BellSouth CSAs entered into after this date shall be subject to resale with the discount.
- Some of BellSouth's local exchange and toll communications services are not available in certain unincorporated areas.
- AdWatch™ is certified as BellSouth's AIN Visual Number Call Detail Service.