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BellSouth / CLEC Agreement

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**RESALE
AGREEMENT
BETWEEN
BELLSOUTH TELECOMMUNICATIONS INC.
AND
LOCAL TELECOM SERVICE, L.L.C.**

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Attachment 1 - Resale

AGREEMENT

THIS AGREEMENT is made by and between BellSouth Telecommunications, Inc., (“BellSouth”), a Georgia corporation, and Local Telecom Service, Inc. (“Local Telecom”), a Georgia corporation, and shall be deemed effective as of the date of the last signature of both Parties (“Effective Date”). This Agreement may refer to either BellSouth or Local Telecom or both as a “Party” or “Parties.”

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, Local Telecom is or seeks to become a CLEC authorized to provide telecommunications services in the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee; and

WHEREAS, Local Telecom wishes to resell BellSouth’s telecommunications services and purchase network elements and other services, and the Parties wish to interconnect their facilities and exchange traffic pursuant to Sections 251 and 252 of the Act.

NOW THEREFORE, in consideration of the mutual agreements contained herein, BellSouth and Local Telecom agree as follows:

Definitions

Affiliate is defined as a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term “own” means to own an equity interest (or equivalent thereof) of more than 10 percent.

Commission is defined as the appropriate regulatory agency in each of BellSouth’s nine-state region, Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee.

Competitive Local Exchange Carrier (CLEC) means a telephone company certificated by the Commission to provide local exchange service within BellSouth's franchised area.

End User means the ultimate user of the Telecommunications Service.

FCC means the Federal Communication Commission.

Telecommunications means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

Telecommunications Service means the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

Telecommunications Act of 1996 ("Act") means Public Law 104-104 of the United States Congress effective February 8, 1996. The Act amended the Communications Act of 1934 (47 U.S.C. Section 1 et. seq.).

1. CLEC Certification

- 1.1 Local Telecom agrees to provide BellSouth in writing the certificate number or docket number, for the docket pending certification, for all states covered by this Agreement except Kentucky prior to BellSouth filing this Agreement with the appropriate commission for approval.
- 1.2 Additionally, Local Telecom will notify BellSouth in writing when it becomes certified or has a docket pending certification to operate in any other state in the BellSouth region. Upon notification, BellSouth will file this Agreement with the appropriate commission for approval.

2. Term of the Agreement

- 2.1 The term of this Agreement shall be three years, beginning on the Effective Date and shall apply to the BellSouth territory in the state(s) of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee.
- 2.2 The Parties agree that by no earlier than two hundred seventy (270) days and no later than one hundred and eighty (180) days prior to the expiration of this Agreement, they shall commence negotiations for a new agreement to be effective beginning on the expiration date of this Agreement ("Subsequent Agreement"). If as of the expiration of this Agreement, a Subsequent Agreement has not been executed by the Parties, then except as set forth in Section 2.3.2 below, this Agreement shall continue on a month-to-month basis while a Subsequent Agreement is being negotiated. The Parties' rights and obligations with respect to this Agreement after expiration shall be as set forth in Section 2.3 below.
- 2.3 If, within one hundred and thirty-five (135) days of commencing the negotiation referred to in Section 2.2 above, the Parties are unable to negotiate new terms, conditions and prices for a Subsequent Agreement, either Party may petition the Commission to establish appropriate terms, conditions and prices for the Subsequent Agreement pursuant to 47 U.S.C. 252. In the event the Commission does not issue its order prior to the expiration date of this Agreement, or if the

Parties continue beyond the expiration date of this Agreement to negotiate the Subsequent Agreement without Commission intervention, the terms, conditions and prices ultimately ordered by the Commission, or negotiated by the Parties, shall be effective as of the date of execution of this agreement.

2.3.1 Except as set forth in Section 2.3.2 below, notwithstanding the foregoing, in the event that as of the date of expiration of this Agreement and conversion of this Agreement to a month-to-month term, the Parties have not entered into a Subsequent Agreement and no arbitration proceeding has been filed in accordance with Section 2.3 above, then either Party may terminate this Agreement upon sixty (60) days notice to the other Party. In the event that BellSouth terminates this Agreement as provided above, BellSouth shall continue to offer services to Local Telecom pursuant to the terms, conditions and rates set forth in BellSouth's then current standard interconnection agreement. In the event that BellSouth's standard interconnection agreement becomes effective as between the Parties, the Parties may continue to negotiate a Subsequent Agreement, and the terms of such Subsequent Agreement shall be effective as of the date of execution.

2.3.2 Notwithstanding Section 2.3 above, in the event that as of the date of expiration of this Agreement the Parties have not entered into a Subsequent Agreement and (1) no arbitration proceeding has been filed in accordance with Section 2.2 above, and (2) Local Telecom either is not certified as a CLEC in any particular state to which this Agreement applies or has not ordered any services under this Agreement as of the date of expiration, then this Agreement shall not continue on a month to month basis but shall be deemed terminated as of the expiration date hereof.

3. Operational Support Systems

3.1 Local Telecom shall pay charges for Operational Support Systems (OSS) as set forth in this Agreement in Attachment 1 and/or in Attachments 2, 3 and 5, as applicable.

4. Parity

4.1 When Local Telecom purchases, pursuant to Attachment 1 of this Agreement, telecommunications services from BellSouth for the purposes of resale to end users, BellSouth shall provide said services so that the services are equal in quality, subject to the same conditions, and provided within the same provisioning time intervals that BellSouth provides to its affiliates, subsidiaries and end users. To the extent technically feasible, the quality of a Network Element, as well as the quality of the access to such Network Element provided by BellSouth to Local Telecom shall be at least equal in quality to that which BellSouth provides to itself, its affiliates or any other telecommunications carrier. The quality of the interconnection between the networks of BellSouth and the network of Local Telecom shall be at a level that is equal to that which BellSouth provides itself, a subsidiary, an Affiliate, or any other party. The interconnection facilities shall be

designed to meet the same technical criteria and service standards that are used within BellSouth's network and shall extend to a consideration of service quality as perceived by BellSouth's end users and service quality as perceived by Local Telecom .

5. White Pages Listings

- 5.1 BellSouth shall provide Local Telecom and their customers access to white pages directory listings under the following terms:
- 5.2 Listings. Local Telecom shall provide all new, changed and deleted listings on a timely basis and BellSouth or its agent will include Local Telecom residential and business customer listings in the appropriate White Pages (residential and business) or alphabetical directories. Directory listings will make no distinction between Local Telecom and BellSouth subscribers.
- 5.2.1 Rates. So long as Local Telecom provides subscriber listing information to BellSouth in accordance with Section 5.3 below, BellSouth shall provide to Local Telecom one (1) primary White Pages listing per Local Telecom subscriber at no charge other than applicable service order charges as set forth in BellSouth's tariffs.
- 5.3 Procedures for Submitting Local Telecom Subscriber Information are found in The BellSouth Business Rules for Local Ordering.
- 5.3.1 Notwithstanding any provision(s) to the contrary, Local Telecom shall provide to BellSouth, and BellSouth shall accept, Local Telecom's Subscriber Listing Information (SLI) relating to Local Telecom's customers in the geographic area(s) covered by this Interconnection Agreement. Local Telecom authorizes BellSouth to release all such Local Telecom SLI provided to BellSouth by Local Telecom to qualifying third parties via either license agreement or BellSouth's Directory Publishers Database Service (DPDS), General Subscriber Services Tariff, Section A38.2, as the same may be amended from time to time. Such Local Telecom SLI shall be intermingled with BellSouth's own customer listings and listings of any other CLEC that has authorized a similar release of SLI. Where necessary, BellSouth will use good faith efforts to obtain state commission approval of any necessary modifications to Section A38.2 of its tariff to provide for release of third party directory listings, including modifications regarding listings to be released pursuant to such tariff and BellSouth's liability thereunder. BellSouth's obligation pursuant to this Section shall not arise in any particular state until the commission of such state has approved modifications to such tariff.
- 5.3.2 No compensation shall be paid to Local Telecom for BellSouth's receipt of Local Telecom SLI, or for the subsequent release to third parties of such SLI. In addition, to the extent BellSouth incurs costs to modify its systems to enable the release of Local Telecom's SLI, or costs on an ongoing basis to administer the

release of Local Telecom SLI, Local Telecom shall pay to BellSouth its proportionate share of the reasonable costs associated therewith.

- 5.3.3 Neither BellSouth nor any agent shall be liable for the content or accuracy of any SLI provided by Local Telecom under this Agreement. Local Telecom shall indemnify, hold harmless and defend BellSouth and its agents from and against any damages, losses, liabilities, demands claims, suits, judgments, costs and expenses (including but not limited to reasonable attorneys' fees and expenses) arising from BellSouth's tariff obligations or otherwise and resulting from or arising out of any third party's claim of inaccurate Local Telecom listings or use of the SLI provided pursuant to this Agreement. BellSouth may forward to Local Telecom any complaints received by BellSouth relating to the accuracy or quality of Local Telecom listings.
- 5.3.4 Listings and subsequent updates will be released consistent with BellSouth system changes and/or update scheduling requirements.
- 5.4 Unlisted/Non-Published Subscribers. Local Telecom will be required to provide to BellSouth the names, addresses and telephone numbers of all Local Telecom customers that wish to be omitted from directories.
- 5.5 Inclusion of Local Telecom Customers in Directory Assistance Database. BellSouth will include and maintain Local Telecom subscriber listings in BellSouth's Directory Assistance databases at no recurring charge and Local Telecom shall provide such Directory Assistance listings at no recurring charge. BellSouth and Local Telecom will formulate appropriate procedures regarding lead-time, timeliness, format and content of listing information.
- 5.6 Listing Information Confidentiality. BellSouth will accord Local Telecom's directory listing information the same level of confidentiality that BellSouth accords its own directory listing information, and BellSouth shall limit access to Local Telecom's customer proprietary confidential directory information to those BellSouth employees or agents who are involved in the preparation of listings or directories.
- 5.7 Additional and Designer Listings. Additional and designer listings will be offered by BellSouth at tariffed rates as set forth in the General Subscriber Services Tariff.
- 5.8 Directories. BellSouth or its agent shall make available White Pages directories to Local Telecom subscribers at no charge or as specified in a separate BAPCO agreement.
- 6. Bona Fide Request/New Business Request Process for Further Unbundling**
- 6.1 BellSouth shall, upon request of Local Telecom, provide to Local Telecom access to its network elements at any technically feasible point for the provision of Local Telecom's telecommunications service where such access is necessary and failure to provide access would impair the ability of Local Telecom to provide

services that it seeks to offer. Any request by Local Telecom for access to a network element, interconnection option, or for the provisioning of any service or product that is not already available shall be treated as a Bona Fide Request/New Business Request (BFR/NBR), and shall be submitted to BellSouth pursuant to the BFR/NBR process as described in Attachment 12 to this Agreement.

- 6.2 Local Telecom shall submit any BFR/NBR in writing to Local Telecom's Account Manager. The BFR/NBR shall specifically identify the requested service date, technical requirements, space requirements and/or such specifications that clearly define the request such that BellSouth has sufficient information to analyze and prepare a response. The BFR/NBR also shall include Local Telecom's designation of the request as being (i) pursuant to the Telecommunications Act of 1996 or (ii) pursuant to the needs of the business.

7. Court Ordered Requests for Call Detail Records and Other Subscriber Information

- 7.1 Subpoenas Directed to BellSouth. Where BellSouth provides resold services or local switching for Local Telecom, BellSouth shall respond to subpoenas and court ordered requests delivered directly to BellSouth for the purpose of providing call detail records when the targeted telephone numbers belong to Local Telecom end users. Billing for such requests will be generated by BellSouth and directed to the law enforcement agency initiating the request. BellSouth shall maintain such information for Local Telecom end users for the same length of time it maintains such information for its own end users.

- 7.2 Subpoenas Directed to Local Telecom. Where BellSouth is providing to Local Telecom telecommunications services for resale or providing to Local Telecom the local switching function, then Local Telecom agrees that in those cases where Local Telecom receives subpoenas or court ordered requests regarding targeted telephone numbers belonging to Local Telecom end users, and where Local Telecom does not have the requested information, Local Telecom will advise the law enforcement agency initiating the request to redirect the subpoena or court ordered request to BellSouth for handling in accordance with 7.1 above.

- 7.3 In all other instances, where either Party receives a request for information involving the other Party's end user, the Party receiving the request will advise the law enforcement agency initiating the request to redirect such request to the other Party.

8. Liability and Indemnification

- 8.1 Local Telecom Liability. In the event that Local Telecom consists of two (2) or more separate entities as set forth in this Agreement and/or any Amendments hereto, all such entities shall be jointly and severally liable for the obligations of Local Telecom under this Agreement.

- 8.2 Liability for Acts or Omissions of Third Parties. BellSouth shall not be liable to Local Telecom for any act or omission of another telecommunications company providing services to Local Telecom .
- 8.3 Limitation of Liability
- 8.3.1 Except for any indemnification obligations of the Parties hereunder, each Party's liability to the other for any loss, cost, claim, injury or liability or expense, including reasonable attorney's fees relating to or arising out of any negligent act or omission in its performance of this Agreement whether in contract or in tort, shall be limited to a credit for the actual cost of the services or functions not performed or improperly performed.
- 8.3.2 Limitations in Tariffs. A Party may, in its sole discretion, provide in its tariffs and contracts with its End Users and third parties that relate to any service, product or function provided or contemplated under this Agreement, that to the maximum extent permitted by Applicable Law, such Party shall not be liable to the End User or third Party for (i) any loss relating to or arising out of this Agreement, whether in contract, tort or otherwise, that exceeds the amount such Party would have charged that applicable person for the service, product or function that gave rise to such loss and (ii) Consequential Damages. To the extent that a Party elects not to place in its tariffs or contracts such limitations of liability, and the other Party incurs a loss as a result thereof, such Party shall indemnify and reimburse the other Party for that portion of the loss that would have been limited had the first Party included in its tariffs and contracts the limitations of liability that such other Party included in its own tariffs at the time of such loss.
- 8.3.3 Neither BellSouth nor Local Telecom shall be liable for damages to the other Party's terminal location, equipment or End User premises resulting from the furnishing of a service, including, but not limited to, the installation and removal of equipment or associated wiring, except to the extent caused by a Party's negligence or willful misconduct or by a Party's failure to ground properly a local loop after disconnection.
- 8.3.4 Under no circumstance shall a Party be responsible or liable for indirect, incidental, or consequential damages, including, but not limited to, economic loss or lost business or profits, damages arising from the use or performance of equipment or software, or the loss of use of software or equipment, or accessories attached thereto, delay, error, or loss of data. In connection with this limitation of liability, each Party recognizes that the other Party may, from time to time, provide advice, make recommendations, or supply other analyses related to the Services, or facilities described in this Agreement, and, while each Party shall use diligent efforts in this regard, the Parties acknowledge and agree that this limitation of liability shall apply to provision of such advice, recommendations, and analyses.
- 8.3.5 To the extent any specific provision of this Agreement purports to impose liability, or limitation of liability, on either Party different from or in conflict with the

liability or limitation of liability set forth in this Section, then with respect to any facts or circumstances covered by such specific provisions, the liability or limitation of liability contained in such specific provision shall apply.

- 8.4 **Indemnification for Certain Claims.** The Party providing services hereunder, its affiliates and its parent company, shall be indemnified, defended and held harmless by the Party receiving services hereunder against any claim, loss or damage arising from the receiving company's use of the services provided under this Agreement pertaining to (1) claims for libel, slander or invasion of privacy arising from the content of the receiving company's own communications, or (2) any claim, loss or damage claimed by the End User of the Party receiving services arising from such company's use or reliance on the providing company's services, actions, duties, or obligations arising out of this Agreement.
- 8.5 **Disclaimer.** EXCEPT AS SPECIFICALLY PROVIDED TO THE CONTRARY IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES TO THE OTHER PARTY CONCERNING THE SPECIFIC QUALITY OF ANY SERVICES, OR FACILITIES PROVIDED UNDER THIS AGREEMENT. THE PARTIES DISCLAIM, WITHOUT LIMITATION, ANY WARRANTY OR GUARANTEE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR FROM USAGES OF TRADE.

9. Intellectual Property Rights and Indemnification

- 9.1 **No License.** No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. Local Telecom is strictly prohibited from any use, including but not limited to in sales, in marketing or advertising of telecommunications services, of any BellSouth name, service mark or trademark. Notwithstanding the foregoing, Local Telecom may use BellSouth's name solely in response to inquiries of customers or potential customers regarding the source of the underlying service or the identity of repair or service technicians under this Agreement.
- 9.2 **Ownership of Intellectual Property.** Any intellectual property which originates from or is developed by a Party shall remain the exclusive property of that Party. Except for a limited license to use patents or copyrights to the extent necessary for the Parties to use any facilities or equipment (including software) or to receive any service solely as provided under this Agreement, no license in patent, copyright, trademark or trade secret, or other proprietary or intellectual property right now or hereafter owned, controlled or licensable by a Party, is granted to the other Party or shall be implied or arise by estoppel. It is the responsibility of each Party to ensure at no additional cost to the other Party that it has obtained any necessary licenses in relation to intellectual property of third Parties used in its network that may be required to enable the other Party to use any facilities or equipment

(including software), to receive any service, or to perform its respective obligations under this Agreement.

- 9.3 **Indemnification.** The Party providing a service pursuant to this Agreement will defend the Party receiving such service or data provided as a result of such service against claims of infringement arising solely from the use by the receiving Party of such service in the manner contemplated under this Agreement and will indemnify the receiving Party for any damages awarded based solely on such claims in accordance with Section 8 preceding.
- 9.4 **Claim of Infringement.** In the event that use of any facilities or equipment (including software), becomes, or in the reasonable judgment of the Party who owns the affected network is likely to become, the subject of a claim, action, suit, or proceeding based on intellectual property infringement, then said Party shall promptly and at its sole expense and sole option, but subject to the limitations of liability set forth below:
- 9.4.1 modify or replace the applicable facilities or equipment (including software) while maintaining form and function, or
- 9.4.2 obtain a license sufficient to allow such use to continue.
- 9.4.3 In the event 9.4.1 or 9.4.2 are commercially unreasonable, then said Party may, terminate, upon reasonable notice, this contract with respect to use of, or services provided through use of, the affected facilities or equipment (including software), but solely to the extent required to avoid the infringement claim.
- 9.5 **Exception to Obligations.** Neither Party's obligations under this Section shall apply to the extent the infringement is caused by: (i) modification of the facilities or equipment (including software) by the indemnitee; (ii) use by the indemnitee of the facilities or equipment (including software) in combination with equipment or facilities (including software) not provided or authorized by the indemnitor, provided the facilities or equipment (including software) would not be infringing if used alone; (iii) conformance to specifications of the indemnitee which would necessarily result in infringement; or (iv) continued use by the indemnitee of the affected facilities or equipment (including software) after being placed on notice to discontinue use as set forth herein.
- 9.6 **Exclusive Remedy.** The foregoing shall constitute the Parties' sole and exclusive remedies and obligations with respect to a third party claim of intellectual property infringement arising out of the conduct of business under this Agreement.
- 10. Proprietary and Confidential Information**
- 10.1 **Proprietary and Confidential Information.** It may be necessary for BellSouth and Local Telecom, each as the "Discloser," to provide to the other Party, as "Recipient," certain proprietary and confidential information (including trade secret information) including but not limited to technical, financial, marketing, staffing

and business plans and information, strategic information, proposals, request for proposals, specifications, drawings, maps, prices, costs, costing methodologies, procedures, processes, business systems, software programs, techniques, customer account data, call detail records and like information (collectively the “Information”). All such Information conveyed in writing or other tangible form shall be clearly marked with a confidential or proprietary legend. Information conveyed orally by the Discloser to Recipient shall be designated as proprietary and confidential at the time of such oral conveyance, shall be reduced to writing by the Discloser within forty-five (45) days thereafter, and shall be clearly marked with a confidential or proprietary legend.

- 10.2 Use and Protection of Information. Recipient agrees to protect such Information of the Discloser provided to Recipient from whatever source from distribution, disclosure or dissemination to anyone except employees of Recipient with a need to know such Information solely in conjunction with Recipient’s analysis of the Information and for no other purpose except as authorized herein or as otherwise authorized in writing by the Discloser. Recipient will not make any copies of the Information inspected by it.
- 10.3 Exceptions. Recipient will not have an obligation to protect any portion of the Information which:
- 10.3.1 (a) is made publicly available by the Discloser or lawfully by a nonparty to this Agreement; (b) is lawfully obtained by Recipient from any source other than Discloser; (c) is previously known to Recipient without an obligation to keep it confidential; or (d) is released from the terms of this Agreement by Discloser upon written notice to Recipient.
- 10.4 Recipient agrees to use the Information solely for the purposes of negotiations pursuant to 47 U.S.C. 251 or in performing its obligations under this Agreement and for no other entity or purpose, except as may be otherwise agreed to in writing by the Parties. Nothing herein shall prohibit Recipient from providing information requested by the Federal Communications Commission or a state regulatory agency with jurisdiction over this matter, or to support a request for arbitration or an allegation of failure to negotiate in good faith.
- 10.5 Recipient agrees not to publish or use the Information for any advertising, sales promotions, press releases, or publicity matters that refer either directly or indirectly to the Information or to the Discloser or any of its affiliated companies.
- 10.6 The disclosure of Information neither grants nor implies any license to the Recipient under any trademark, patent, copyright, or application which is now or may hereafter be owned by the Discloser.
- 10.7 Survival of Confidentiality Obligations. The Parties’ rights and obligations under this Section 10 shall survive and continue in effect until two (2) years after the expiration or termination date of this Agreement with regard to all Information

exchanged during the term of this Agreement. Thereafter, the Parties' rights and obligations hereunder survive and continue in effect with respect to any Information that is a trade secret under applicable law.

10.8 Assignments

10.9 Any assignment by either Party to any non-affiliated entity of any right, obligation or duty, or of any other interest hereunder, in whole or in part, without the prior written consent of the other Party shall be void. A Party may assign this Agreement or any right, obligation, duty or other interest hereunder to an Affiliate of the Party without the consent of the other Party; provided, however, that the assigning Party shall notify the other Party in writing of such assignment thirty (30) days prior to the Effective Date thereof and, provided further, if the assignee is an assignee of Local Telecom, the assignee must provide evidence of Commission CLEC certification. The Parties shall amend this Agreement to reflect such assignments and shall work cooperatively to implement any changes required due to such assignment. All obligations and duties of any Party under this Agreement shall be binding on all successors in interest and assigns of such Party. No assignment or delegation hereof shall relieve the assignor of its obligations under this Agreement in the event that the assignee fails to perform such obligations.

11. Resolution of Disputes

11.1 Except as otherwise stated in this Agreement, if any dispute arises as to the interpretation of any provision of this Agreement or as to the proper implementation of this Agreement, the aggrieved Party shall petition the Commission for a resolution of the dispute. However, each Party reserves any rights it may have to seek judicial review of any ruling made by the Commission concerning this Agreement.

12. Taxes

12.1 Definition. For purposes of this Section, the terms "taxes" and "fees" shall include but not limited to federal, state or local sales, use, excise, gross receipts or other taxes or tax-like fees of whatever nature and however designated (including tariff surcharges and any fees, charges or other payments, contractual or otherwise, for the use of public streets or rights of way, whether designated as franchise fees or otherwise) imposed, or sought to be imposed, on or with respect to the services furnished hereunder or measured by the charges or payments therefore, excluding any taxes levied on income.

12.2 Taxes and Fees Imposed Directly On Either Providing Party or Purchasing Party.

12.2.1 Taxes and fees imposed on the providing Party, which are not permitted or required to be passed on by the providing Party to its customer, shall be borne and paid by the providing Party.

- 12.2.2 Taxes and fees imposed on the purchasing Party, which are not required to be collected and/or remitted by the providing Party, shall be borne and paid by the purchasing Party.
- 12.3 Taxes and Fees Imposed on Purchasing Party But Collected And Remitted By Providing Party.
- 12.3.1 Taxes and fees imposed on the purchasing Party shall be borne by the purchasing Party, even if the obligation to collect and/or remit such taxes or fees is placed on the providing Party.
- 12.3.2 To the extent permitted by applicable law, any such taxes and/or fees shall be shown as separate items on applicable billing documents between the Parties. Notwithstanding the foregoing, the purchasing Party shall remain liable for any such taxes and fees regardless of whether they are actually billed by the providing Party at the time that the respective service is billed.
- 12.3.3 If the purchasing Party determines that in its opinion any such taxes or fees are not payable, the providing Party shall not bill such taxes or fees to the purchasing Party if the purchasing Party provides written certification, reasonably satisfactory to the providing Party, stating that it is exempt or otherwise not subject to the tax or fee, setting forth the basis therefor, and satisfying any other requirements under applicable law. If any authority seeks to collect any such tax or fee that the purchasing Party has determined and certified not to be payable, or any such tax or fee that was not billed by the providing Party, the purchasing Party may contest the same in good faith, at its own expense. In any such contest, the purchasing Party shall promptly furnish the providing Party with copies of all filings in any proceeding, protest, or legal challenge, all rulings issued in connection therewith, and all correspondence between the purchasing Party and the taxing authority.
- 12.3.4 In the event that all or any portion of an amount sought to be collected must be paid in order to contest the imposition of any such tax or fee, or to avoid the existence of a lien on the assets of the providing Party during the pendency of such contest, the purchasing Party shall be responsible for such payment and shall be entitled to the benefit of any refund or recovery.
- 12.3.5 If it is ultimately determined that any additional amount of such a tax or fee is due to the imposing authority, the purchasing Party shall pay such additional amount, including any interest and penalties thereon.
- 12.3.6 Notwithstanding any provision to the contrary, the purchasing Party shall protect, indemnify and hold harmless (and defend at the purchasing Party's expense) the providing Party from and against any such tax or fee, interest or penalties thereon, or other charges or payable expenses (including reasonable attorney fees) with respect thereto, which are incurred by the providing Party in connection with any claim for or contest of any such tax or fee.

- 12.3.7 Each Party shall notify the other Party in writing of any assessment, proposed assessment or other claim for any additional amount of such a tax or fee by a taxing authority; such notice to be provided, if possible, at least ten (10) days prior to the date by which a response, protest or other appeal must be filed, but in no event later than thirty (30) days after receipt of such assessment, proposed assessment or claim.
- 12.4 Taxes and Fees Imposed on Providing Party But Passed On To Purchasing Party.
- 12.4.1 Taxes and fees imposed on the providing Party, which are permitted or required to be passed on by the providing Party to its customer, shall be borne by the purchasing Party.
- 12.4.2 To the extent permitted by applicable law, any such taxes and/or fees shall be shown as separate items on applicable billing documents between the Parties. Notwithstanding the foregoing, the purchasing Party shall remain liable for any such taxes and fees regardless of whether they are actually billed by the providing Party at the time that the respective service is billed.
- 12.4.3 If the purchasing Party disagrees with the providing Party's determination as to the application or basis for any such tax or fee, the Parties shall consult with respect to the imposition and billing of such tax or fee. Notwithstanding the foregoing, the providing Party shall retain ultimate responsibility for determining whether and to what extent any such taxes or fees are applicable, and the purchasing Party shall abide by such determination and pay such taxes or fees to the providing Party. The providing Party shall further retain ultimate responsibility for determining whether and how to contest the imposition of such taxes and fees; provided, however, that any such contest undertaken at the request of the purchasing Party shall be at the purchasing Party's expense.
- 12.4.4 In the event that all or any portion of an amount sought to be collected must be paid in order to contest the imposition of any such tax or fee, or to avoid the existence of a lien on the assets of the providing Party during the pendency of such contest, the purchasing Party shall be responsible for such payment and shall be entitled to the benefit of any refund or recovery.
- 12.4.5 If it is ultimately determined that any additional amount of such a tax or fee is due to the imposing authority, the purchasing Party shall pay such additional amount, including any interest and penalties thereon.
- 12.4.6 Notwithstanding any provision to the contrary, the purchasing Party shall protect indemnify and hold harmless (and defend at the purchasing Party's expense) the providing Party from and against any such tax or fee, interest or penalties thereon, or other reasonable charges or payable expenses (including reasonable attorney fees) with respect thereto, which are incurred by the providing Party in connection with any claim for or contest of any such tax or fee.

12.4.7 Each Party shall notify the other Party in writing of any assessment, proposed assessment or other claim for any additional amount of such a tax or fee by a taxing authority; such notice to be provided, if possible, at least ten (10) days prior to the date by which a response, protest or other appeal must be filed, but in no event later than thirty (30) days after receipt of such assessment, proposed assessment or claim.

12.5 Mutual Cooperation. In any contest of a tax or fee by one Party, the other Party shall cooperate fully by providing records, testimony and such additional information or assistance as may reasonably be necessary to pursue the contest. Further, the other Party shall be reimbursed for any reasonable and necessary out-of-pocket copying and travel expenses incurred in assisting in such contest.

13. Force Majeure

13.1 In the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or like acts of God, wars, revolution, civil commotion, explosion, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by Customer, or any other circumstances beyond the reasonable control and without the fault or negligence of the Party affected, the Party affected, upon giving prompt notice to the other Party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); provided however, that the Party so affected shall use diligent efforts to avoid or remove such causes of non-performance and both Parties shall proceed whenever such causes are removed or cease.

14. Adoption of Agreements

14.1 BellSouth shall make available, pursuant to 47 USC § 252 and the FCC rules and regulations regarding such availability, to Local Telecom any interconnection, service, or network element provided under any other agreement filed and approved pursuant to 47 USC § 252, provided a minimum of six months remains on the term of such Agreement. The Parties shall adopt all rates, terms and conditions concerning such other interconnection, service or network element and any other rates, terms and conditions that are legitimately related to or were negotiated in exchange for or in conjunction with the interconnection, service or network element being adopted. The adopted interconnection, service, or network element and agreement shall apply to the same states as such other agreement. The term of the adopted agreement or provisions shall expire on the same date as set forth in the agreement which was adopted.

15. Modification of Agreement

- 15.1 If Local Telecom changes its name or makes changes to its company structure or identity due to a merger, acquisition, transfer or any other reason, it is the responsibility of Local Telecom to notify BellSouth of said change and request that an amendment to this Agreement, if necessary, be executed to reflect said change.
- 15.2 No modification, amendment, supplement to, or waiver of the Agreement or any of its provisions shall be effective and binding upon the Parties unless it is made in writing and duly signed by the Parties.
- 15.3 In the event that any effective legislative, regulatory, judicial or other legal action materially affects any material terms of this Agreement, or the ability of Local Telecom or BellSouth to perform any material terms of this Agreement, Local Telecom or BellSouth may, on thirty (30) days' written notice require that such terms be renegotiated, and the Parties shall renegotiate in good faith such mutually acceptable new terms as may be required. In the event that such new terms are not renegotiated within ninety (90) days after such notice, the Dispute shall be referred to the Dispute Resolution procedure set forth in this Agreement.
- 15.4 Notwithstanding anything to the contrary in this Agreement, this Agreement shall not be amended or modified after the expiration date hereof as set forth in Section 2 above.

16. Non-waiver of Legal Rights

- 16.1 Execution of this Agreement by either Party does not confirm or infer that the executing Party agrees with any decision(s) issued pursuant to the Telecommunications Act of 1996 and the consequences of those decisions on specific language in this Agreement. Neither Party waives its rights to appeal or otherwise challenge any such decision(s) and each Party reserves all of its rights to pursue any and all legal and/or equitable remedies, including appeals of any such decision(s).

17. Severability

- 17.1 If any provision of this Agreement, or the application of such provision to either Party or circumstance, shall be held invalid, the remainder of the Agreement, or the application of any such provision to the Parties or circumstances other than those to which it is held invalid, shall not be affected thereby, provided that the Parties shall attempt to reformulate such invalid provision to give effect to such portions thereof as may be valid without defeating the intent of such provision.

18. Waivers

- 18.1 A failure or delay of either Party to enforce any of the provisions hereof, to exercise any option which is herein provided, or to require performance of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or options, and each Party, notwithstanding such failure, shall have the

right thereafter to insist upon the performance of any and all of the provisions of this Agreement.

19. Governing Law

19.1 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.

20. Arm's Length Negotiations

20.1 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.

21. Notices

21.1 Every notice, consent, approval, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered by hand, by overnight courier or by US mail postage prepaid, address to:

BellSouth Telecommunications, Inc.

Account Team
600 North 19th Street
Birmingham, Alabama 35203

and

General Attorney - COU
Suite 4300
675 W. Peachtree St.
Atlanta, GA 30375

Local Telecom Service, Inc.

2525 South Shore Boulevard
Suite 410
League City, Texas 77573

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

21.2 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.

- 21.3 Notwithstanding the foregoing, BellSouth may provide Local Telecom notice via Internet posting of price changes, changes to the terms and conditions of services available for resale per Commission Orders. BellSouth will also post changes to business processes and policies, notices of new service offerings, and changes to service offerings not requiring an amendment to this Agreement, notices required to be posted to BellSouth's website, and any other information of general applicability to CLECs.

22. Rule of Construction

- 22.1 No rule of construction requiring interpretation against the drafting Party hereof shall apply in the interpretation of this Agreement.

23. Headings of No Force or Effect

- 23.1 The headings of Articles and Sections of this Agreement are for convenience of reference only, and shall in no way define, modify or restrict the meaning or interpretation of the terms or provisions of this Agreement.

24. Multiple Counterparts

- 24.1 This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall together constitute but one and the same document.

25. Implementation of Agreement

- 25.1 If Local Telecom is a facilities based provider or a facilities based and resale provider, this section shall apply. Within 60 days of the execution of this Agreement, the Parties may adopt a schedule for the implementation of the Agreement. The schedule shall state with specificity time frames for submission of including but not limited to, network design, interconnection points, collocation arrangement requests, pre-sales testing and full operational time frames for the business and residential markets. An implementation template which may be used for the implementation schedule is contained in Attachment 10 of this Agreement.

26. Filing of Agreement

- 26.1 Upon execution of this Agreement it shall be filed with the appropriate state regulatory agency pursuant to the requirements of Section 252 of the Act, and the Parties shall share equally any filing fees therefor. If the regulatory agency imposes any filing or public interest notice fees regarding the filing or approval of the Agreement, Local Telecom shall be responsible for publishing the required notice and the publication and/or notice costs shall be borne by Local Telecom. Notwithstanding the foregoing, this Agreement shall not be submitted for approval

by the appropriate state regulatory agency unless and until such time as Local Telecom is duly certified as a local exchange carrier in such state, except as otherwise required by a state Commission.

27. Compliance with Applicable Law

27.1 Each Party shall comply at its own expense with Applicable Law.

28. Necessary Approvals

28.1 Each Party shall be responsible for obtaining and keeping in effect all approvals from, and rights granted by, governmental authorities, building and property owners, other carriers, and any other persons that may be required in connection with the performance of its obligations under this Agreement. Each Party shall reasonably cooperate with the other Party in obtaining and maintaining any required approvals and rights for which such Party is responsible.

29. Good Faith Performance

29.1 Each Party shall act in good faith in its performance under this Agreement and, in each case in which a Party's consent or agreement is required or requested hereunder, such Party shall not unreasonably withhold or delay such consent or agreement.

30. Nonexclusive Dealings

30.1 This Agreement does not prevent either Party from providing or purchasing services to or from any other person nor, except as provided in Section 252(i) of the Act, does it obligate either Party to provide or purchase any services (except insofar as the Parties are obligated to provide access to Interconnection, services and Network Elements to Local Telecom as a requesting carrier under the Act).

31. Rate True-Up

31.1 This section applies to Local Interconnection and/or Unbundled Network Elements and Other Services rates that are interim or expressly subject to true-up under this Agreement.

31.2 The interim prices for Network Elements and Other Services and Local Interconnection shall be subject to true-up according to the following procedures:

31.3 The interim prices shall be trued-up, either up or down, based on final prices determined either by further agreement between the Parties, or by a final order (including any appeals) of the Commission which final order meets the criteria of (3) below. The Parties shall implement the true-up by comparing the actual volumes and demand for each item, together with interim prices for each item, with the final prices determined for each item. Each Party shall keep its own records

upon which the true-up can be based, and any final payment from one Party to the other shall be in an amount agreed upon by the Parties based on such records. In the event of any disagreement as between the records or the Parties regarding the amount of such true-up, the Parties agree that the body having jurisdiction over the matter shall be called upon to resolve such differences, or the Parties may mutually agree to submit the matter to the Dispute Resolution process in accordance with the provisions of Section 11 of the General Terms and Conditions and Attachment 1 of this Agreement.

31.4 The Parties may continue to negotiate toward final prices, but in the event that no such Agreement is reached within nine (9) months, either Party may petition the Commission to resolve such disputes and to determine final prices for each item. Alternatively, upon mutual agreement, the Parties may submit the matter to the Dispute Resolution Process set forth in Section 11 of the General Terms and Conditions and Attachment 1 of this Agreement, so long as they file the resulting Agreement with the Commission as a “negotiated Agreement” under Section 252(e) of the Act.

31.5 An effective order of the Commission that forms the basis of a true-up shall be based upon cost studies submitted by either or both Parties to the Commission and shall be binding upon BellSouth and Local Telecom specifically or upon all carriers generally, such as a generic cost proceeding.

32. Survival

32.1 The Parties’ obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement.

33. Establishment of Service

If BellSouth is informed that an unauthorized change in local service to Local Telecom has occurred, BellSouth will reestablish service with the appropriate local service provider and will assess Local Telecom as the CLEC initiating the alleged unauthorized change, the appropriate nonrecurring charges, as set forth in Section A4 of the General Subscriber Service Tariff. In accordance with FCC Slamming Liability Rules, the relevant governmental agency will determine if an unauthorized change has occurred. Resolution of all relevant issues shall be handled directly with the authorized CLEC and Local Telecom .

34. Entire Agreement

34.1 This Agreement and its Attachments, incorporated herein by this reference, 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. Any orders placed under prior agreements between the

Parties shall be governed by the terms of this Agreement. 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.

34.2 **This Agreement may include attachments with provisions for the following services:**

- Network Elements and Other Services
- Local Interconnection
- Resale
- Collocation

34.3 **The following services are included as options for purchase by Local Telecom . Local Telecom may elect to purchase said services by written request to its Account Manager if applicable:**

- Optional Daily Usage File (ODUF)
- Enhanced Optional Daily Usage File (EODUF)
- Access Daily Usage File (ADUF)
- Line Information Database (LIDB) Storage
- Centralized Message Distribution Service (CMDS)
- Calling Name (CNAM)
- LNP Data Base Query Service

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

BellSouth Telecommunications, Inc.

Local Telecom Service, Inc.

By: (Signature on File) _____

By: (Signature on File) _____

Name: G. R. Follensbee _____

Name: Robert Hart _____

Title: Senior Director _____

Title: General Manager _____

Date: 09/25/01 _____

Date: _____

Attachment 1

Resale

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RESALE

1. Discount Rates

- 1.1 The discount rates applied to Local Telecom purchases of BellSouth Telecommunications Services for the purpose of resale shall be as set forth in Exhibit E. Such discounts have been determined by the applicable Commission to reflect the costs avoided by BellSouth when selling a service for wholesale purposes.
- 1.2 The telecommunications services available for purchase by Local Telecom for the purposes of resale to Local Telecom's End Users shall be available at BellSouth's tariffed rates less the discount set forth in Exhibit E to this Agreement and subject to the exclusions and limitations set forth in Exhibit A to this Agreement.

2. Definition of Terms

- 2.1 COMPETITIVE LOCAL EXCHANGE COMPANY (CLEC) means a telephone company certificated by the Commission to provide local exchange service within BellSouth's franchised area.
- 2.2 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.
- 2.3 DEPOSIT means assurance provided by a customer in the form of cash, surety bond or bank letter of credit to be held by BellSouth.
- 2.4 END USER means the ultimate user of the Telecommunications Service.
- 2.5 END USER CUSTOMER LOCATION means the physical location of the premises where an End User makes use of the telecommunications services.
- 2.6 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.
- 2.7 RESALE means an activity wherein a certificated CLEC, such as Local Telecom, subscribes to the telecommunications services of BellSouth and then offers those telecommunications services to the public.

3. General Provisions

- 3.1 All of the negotiated rates, terms and conditions set forth in this Attachment pertain to the resale of BellSouth's retail telecommunications services and other

services specified in this Attachment. Subject to effective and applicable FCC and Commission rules and orders, BellSouth shall make available to Local Telecom for resale those telecommunications services BellSouth makes available, pursuant to its General Subscriber Services Tariff and Private Line Services Tariff, to customer who are not telecommunications carriers.

- 3.1.1 When Local Telecom provides Resale service in a cross boundary area (areas that are part of the local serving area of another state's exchange) the rates, regulations and discounts for the tariffing state will apply. Billing will be from the serving state.
- 3.1.2 In Tennessee, if Local Telecom provides its own operator services and directory services, the discount shall be 21.56%. Local Telecom must provide written notification to BellSouth within 30 days prior to providing its own operator services and directory services to qualify for the higher discount rate of 21.56%.
- 3.2 Local Telecom may purchase resale services from BellSouth for their own use in operating their business. The resale discount will apply to those services under the following conditions:
 - 3.2.1 Local Telecom must resell services to other End Users.
 - 3.2.2 Local Telecom must order services through resale interfaces, i.e., the Local Carrier Service Center (LCSC) and/or appropriate Resale Account Teams pursuant this Agreement.
 - 3.2.3 Local Telecom cannot be a competitive local exchange telecommunications company for the single purpose of selling to themselves.
- 3.3 Local Telecom will be the customer of record for all services purchased from BellSouth. Except as specified herein, BellSouth will take orders from, bill and receive payment from Local Telecom for said services.
- 3.4 Local Telecom will be BellSouth's single point of contact for all services purchased pursuant to this Agreement. BellSouth shall have no contact with the End User except to the extent provided for herein. Each Party shall provide to the other a nation wide (50 states) toll-free contact number for purposes of repair and maintenance.
- 3.5 BellSouth will continue to bill the End User for any services that the End User specifies it wishes to receive directly from BellSouth. BellSouth maintains the right to serve directly any End User within the service area of Local Telecom. BellSouth will continue to market directly its own telecommunications products and services and in doing so may establish independent relationships with End Users of Local Telecom. Neither Party shall interfere with the right of any person or entity to obtain service directly from the other Party.

- 3.5.1 When a subscriber of Local Telecom or BellSouth elects to change his/her carrier to the other Party, both Parties agree to release the subscriber's service to the other Party concurrent with the due date of the service order, which shall be established based on the standard interval for the subscriber's requested service as set forth in BellSouth Product and Services Interval Guide.
- 3.5.2 BellSouth and Local Telecom will refrain from contacting subscribers who have placed or whose selected carrier has placed on their behalf an order to change his/her service provider from BellSouth or Local Telecom to the other Party until such time that the order for service has been completed.
- 3.6 Current telephone numbers may normally be retained by the End User and are assigned to the service furnished. However, neither Party nor the End User has a property right to the telephone number or any other call number designation associated with services furnished by BellSouth, and no right to the continuance of service through any particular central office. BellSouth reserves the right to change such numbers, or the central office designation associated with such numbers, or both, whenever BellSouth deems it necessary to do so in the conduct of its business and in accordance with BellSouth practices and procedures on a nondiscriminatory basis.
- 3.7 For the purpose of the resale of BellSouth's telecommunications services by Local Telecom, BellSouth will provide Local Telecom with on line access to telephone numbers on a first come first served basis. Local Telecom acknowledges that there may be instances where there is a shortage of telephone numbers in a particular Common Language Location Identifier Code (CLLIC); and in such instances, Local Telecom shall return numbers to BellSouth upon BellSouth's request. BellSouth shall make all such requests on a nondiscriminatory basis.
- 3.8 Further, upon Local Telecom's request, and for the purpose of the resale of BellSouth's telecommunications services by Local Telecom, BellSouth will reserve up to 100 telephone numbers per CLLIC, for Local Telecom's sole use. Assignment, reservation and use of telephone numbers shall be governed by applicable FCC rules and regulations.
- 3.9 Service is furnished subject to the condition that it will not be used for any unlawful purpose.
- 3.10 Service will be discontinued if any law enforcement agency advises that the service being used is in violation of the law.
- 3.11 BellSouth can refuse service when it has grounds to believe that service will be used in violation of the law.

- 3.12 BellSouth will cooperate with law enforcement agencies with subpoenas and court orders relating to Local Telecom 's End Users, pursuant to Section 7 of the General Terms and Conditions.
- 3.13 If Local Telecom or its End Users utilize a BellSouth resold telecommunications service in a manner other than that for which the service was originally intended as described in BellSouth's retail tariffs, Local Telecom has the responsibility to notify BellSouth. BellSouth will only provision and maintain said service consistent with the terms and conditions of the tariff describing said service.
- 3.14 Facilities and/or equipment utilized by BellSouth to provide service to Local Telecom remain the property of BellSouth.
- 3.15 White page directory listings for Local Telecom End Users will be provided in accordance with Section 5 of the General Terms and Conditions.
- 3.16 BellSouth provides electronic access to customer record information. Access is provided through the Local Exchange Navigation System (LENS) and the Telecommunications Access Gateway (TAG). Customer Record Information includes but is not limited to, customer specific information in CRIS and RSAG. In addition, Local Telecom shall provide to BellSouth access to customer record information including electronic access where available. Otherwise, upon request by BellSouth Local Telecom shall provide paper copies of customer record information within a reasonable period of time. Customer Record Information is equivalent to but not limited to the type of customer specific information contained in CRIS and RSAG. The Parties agree not to view, copy, or otherwise obtain access to the customer record information of any customer without that customer's permission, and further agrees that Local Telecom and BellSouth will obtain access to customer record information only in strict compliance with applicable laws, rules, or regulations of the State in which the service is provided.
- 3.17 Operational Support Systems (OSS)
- 3.17.1 BellSouth has developed and made available the following mechanized systems by which Local Telecom may submit LSRs electronically: Local Exchange Navigation System (LENS), Electronic Data Interchange (EDI) and Telecommunications Access Gateway (TAG). All costs incurred by BellSouth to develop and implement operational interfaces shall be recovered from CLECs who utilize the interfaces.
- 3.17.2 LSRs submitted by means of one of these interactive interfaces will incur an OSS electronic charge as set forth in Exhibit E to this Agreement. An individual LSR will be identified for billing purposes by its Purchase Order Number (PON). LSRs submitted by means other than one of these interactive interfaces (Mail, fax, courier, etc.) will incur a a manual order charge as set forth in Exhibit E to this

Agreement. Supplements or clarifications to a previously billed LSR will not incur another OSS charge.

- 3.17.3 Denial/Restoral OSS Charge. In the event Local Telecom provides a list of customers to be denied and restored, rather than an LSR, each location on the list will require a separate PON and therefore will be billed as one LSR per location.
- 3.17.4 Cancellation OSS Charge. Local Telecom will incur an OSS charge for an accepted LSR that is later canceled.
- 3.17.5 Threshold Billing Plan. Local Telecom will incur the mechanized rate for all LSRs, both mechanized and manual, if the percentage of mechanized LSRs to total LSRs meets or exceeds the threshold percentage of 90% in the year 2001. The threshold plan will be discontinued in 2002.
- 3.17.5.1 BellSouth will track the total LSR volume for each CLEC for each quarter. At the end of that time period, a Percent Electronic LSR calculation will be made for that quarter based on the LSR data tracked in the LCSC. If this percentage exceeds the threshold volume, all of that CLEC's future manual LSRs for the following quarter will be billed at the mechanized LSR rate. To allow time for obtaining and analyzing the data and updating the billing system, this billing change will take place on the first day of the second month following the end of the quarter (e.g. May 1 for 1Q, Aug 1 for 2Q, etc.). There will be no adjustments to the amount billed for previously billed LSRs.
- 3.18 Where available to BellSouth's End Users, BellSouth shall provide the following telecommunications services at a discount to allow for voice mail services:
- Message Waiting Indicator ("MWI"), stutter dialtone and message waiting light feature capabilities
 - Call Forward Busy Line ("CF/B")
 - Call Forward Don't Answer ("CF/DA")
- Further, BellSouth messaging services set forth in BellSouth's Messaging Service Information Package shall be made available for resale without the wholesale discount.
- 3.19 BellSouth shall provide branding for, or shall unbrand, voice mail services for Local Telecom per the Bona Fide Request/New Business Request process as set forth in Section 6 of the General Terms and Conditions.
- 3.20 BellSouth's Inside Wire Maintenance Service Plan is available for resale at rates, terms and conditions as set forth by BellSouth and without the wholesale discount.

- 3.21 In the event Local Telecom acquires an end user whose service is provided pursuant to a BellSouth Special Assembly, BellSouth shall make available to Local Telecom that Special Assembly at the wholesale discount at Local Telecom's option. Local Telecom shall be responsible for all terms and conditions of such Special Assembly including but not limited to termination liability if applicable.
- 3.22 BellSouth shall provide 911/E911 for Local Telecom customers in the same manner that it is provided to BellSouth customers. BellSouth shall provide and validate Local Telecom customer information to the PSAP. BellSouth shall use its service order process to update and maintain, on the same schedule that it uses for its customers, the Local Telecom customer service information in the ALI/DMS (Automatic Location Identification/Location Information) databases used to support 911/E911 services.
- 3.23 BellSouth shall bill, and Local Telecom shall pay, the End User line charge associated with implementing Number Portability as set forth in BellSouth's FCC No. 1 tariff. This charge is not subject to the wholesale discount.
- 3.24 Pursuant to 47 CFR Section 51.617, BellSouth will bill to Local Telecom, and Local Telecom shall pay, End User common line charges identical to the End User common line charges BellSouth bills its End Users.
- 3.25 BellSouth shall provide pre-ordering, ordering and provisioning and maintenance and repair services to Local Telecom that are equivalent to the pre-ordering, ordering and provisioning and maintenance and repair services BellSouth provides to itself or any other CLEC, where technically feasible. The guidelines for pre-ordering, ordering and provisioning and maintenance and repair are set forth in the various guides and business rules, as appropriate, and as they are amended from time to time during this Agreement. The guides and business rules may be referenced at the following site:
- <http://www.interconnection.bellsouth.com>
- 3.26 Upon a particular Commission's issuance of an Order pertaining to Performance Measurements in a proceeding expressly applicable to all CLECs generally, BellSouth shall implement in that state such Performance Measurements as of the date specified by the Commission.
- 4. BellSouth's Provision of Services to Local Telecom**
- 4.1 Resale of BellSouth services shall be as follows:
- 4.1.1 The resale of telecommunications services shall be limited to users and uses conforming to the class of service restrictions.

- 4.1.2 Hotel and Hospital PBX services 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 Payphone Service Provider (PSP) customers. Shared Tenant Service customers can only be sold those local exchange access services available in BellSouth's A23 Shared Tenant Service Tariff in the states of Florida, Georgia, North Carolina and South Carolina, and in A27 in the states of Alabama, Kentucky, Louisiana, Mississippi and Tennessee.
- 4.1.3 BellSouth reserves the right to periodically audit services purchased by Local Telecom to establish authenticity of use. Such audit shall not occur more than once in a calendar year. Local Telecom shall make any and all records and data available to BellSouth or BellSouth's auditors on a reasonable basis. BellSouth shall bear the cost of said audit. Any information provided by Local Telecom for purposes of such audit shall be deemed Confidential Information pursuant to the General Terms and Conditions of this Agreement.
- 4.2 Subject to Exhibit A hereto, resold services can only be used in the same manner as specified in BellSouth's Tariffs. Resold services are subject to the same terms and conditions as are specified for such services when furnished to an individual End User of BellSouth in the appropriate section of BellSouth's Tariffs. Specific tariff features (e.g. a usage allowance per month) shall not be aggregated across multiple resold services.
- 4.3 Local Telecom may resell services only within the specific service area as defined in its certificate of operation approved by the Commission.
- 4.4 If Local Telecom cancels an order for resold services, any costs incurred by BellSouth in conjunction with provisioning of such order will be recovered in accordance with BellSouth's General Subscriber Services Tariffs and Private Line Services Tariffs.
- 5. Maintenance of Services**
- 5.1 Local Telecom will adopt and adhere to the standards contained in the applicable BellSouth Operational Understanding regarding maintenance of service. The BellSouth Operational Understanding can be accessed via the internet @ <http://www.interconnection.bellsouth.com>.
- 5.2 Services resold pursuant to this Attachment and BellSouth's General Subscriber Service Tariff and Private Line Service Tariff and facilities and equipment provided by BellSouth shall be maintained by BellSouth.
- 5.3 Local Telecom or its End Users may not rearrange, move, disconnect, remove or attempt to repair any facilities owned by BellSouth except with the written consent of BellSouth.

- 5.4 Local Telecom accepts responsibility to notify BellSouth of situations that arise that may result in a service problem.
- 5.5 Local Telecom will contact the appropriate repair centers in accordance with procedures established by BellSouth.
- 5.6 For all repair requests, Local Telecom shall adhere to BellSouth's prescreening guidelines prior to referring the trouble to BellSouth.
- 5.7 BellSouth will bill Local Telecom for handling troubles that are found not to be in BellSouth'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.
- 5.8 BellSouth reserves the right to contact Local Telecom 's End Users, if deemed necessary, for maintenance purposes.

6. Establishment of Service

- 6.1 After receiving certification as a local exchange company from the appropriate regulatory agency, Local Telecom will provide the appropriate BellSouth service center the necessary documentation to enable BellSouth to establish a master account for Local Telecom 's resold services. 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, as described in Section 6.2 below, BellSouth will begin taking orders for the resale of service.
- 6.1.2 Service orders will be in a standard format designated by BellSouth.
- 6.1.3 Local Telecom shall provide to BellSouth a blanket letter of authorization ("LOA") certifying that Local Telecom will have End User authorization prior to viewing the End User's customer service record or switching the End User's service. BellSouth will not require End User confirmation prior to establishing service for Local Telecom 's End User customer. Local Telecom must, however, be able to demonstrate End User authorization upon request.
- 6.1.4 BellSouth will accept a request directly from the End User for conversion of the End User's service from Local Telecom to BellSouth or will accept a request from another CLEC for conversion of the End User's service from Local Telecom to such other CLEC. Upon completion of the conversion BellSouth will notify Local Telecom that such conversion has been completed.
- 6.2 Deposit Policy. When purchasing services from BellSouth, Local Telecom will be required to complete the BellSouth Credit Profile and provide information

regarding credit worthiness. Based on the results of the credit analysis, BellSouth reserves the right to secure the account with a suitable form of security deposit.

- 6.2.1 Such security deposit shall take the form of cash, an Irrevocable Letter of Credit (BellSouth form), Surety Bond (BellSouth form) or, in sole discretion, some other form of security.
- 6.2.2 Such security deposit shall be required prior to the inauguration of service.
- 6.2.3 Security deposits collected under this Section shall not exceed two months' estimated billing.
- 6.2.4 The fact that a security deposit has been made in no way relieves Local Telecom from complying with BellSouth's regulations as to advance payments. Any such security deposit shall in no way release Local Telecom from its obligation to make complete and timely payments of its bills.
- 6.2.5 If in the sole opinion of BellSouth, circumstances so warrant and/or gross monthly billing has increased beyond the level initially used to determine the level of security, BellSouth reserves the right to request additional security and/or file a Uniform Commercial Code (UCCI) security interest in Local Telecom 's "accounts receivables and proceeds.""
- 6.2.6 In the event Local Telecom fails to remit to BellSouth any deposit requested pursuant to this Section, service to Local Telecom may be terminated in accordance with the terms of Section 8.2 of this Attachment, and any security deposits will be applied to Local Telecom 's account(s).
- 6.2.7 In the event service to Local Telecom is terminated due to Local Telecom 's default on its account, any security deposits held will be applied to Local Telecom 's account.
- 6.2.8 Interest on a security deposit, if provided in cash, shall accrue and be paid in accordance with the terms in the appropriate BellSouth tariff.

7. Payment And Billing Arrangements

- 7.1 Prior to submitting orders to BellSouth for local service, a master account must be established for Local Telecom . Local Telecom is required to provide the following before a master account is established: proof of PSC/PUC certification, the Application for Master Account, an Operating Company Number (“OCN”) assigned by the National Exchange Carriers Association (“NECA”) and a tax exemption certificate, if applicable.

- 7.2 BellSouth shall bill Local Telecom on a current basis all applicable charges and credits.
- 7.3 Payment of all charges will be the responsibility of Local Telecom . Local Telecom shall make payment to BellSouth for all services billed. BellSouth is not responsible for payments not received by Local Telecom from Local Telecom 's End User. BellSouth will not become involved in billing disputes that may arise between Local Telecom and its End User. Payments made to BellSouth as payment on account will be credited to an accounts receivable master account and not to an End User's account.
- 7.4 BellSouth will render bills each month on established bill days for each of Local Telecom 's accounts.
- 7.5 BellSouth will bill Local Telecom in advance for all services to be provided during the ensuing billing period except charges associated with service usage, which will be billed in arrears. Charges will be calculated on an individual End User account level, including, if applicable, any charge for usage or usage allowances. BellSouth will also bill Local Telecom , and Local Telecom will be responsible for and remit to BellSouth, all charges applicable to resold services including but not limited to 911 and E911 charges, End Users common line charges, federal subscriber line charges, telecommunications relay charges (TRS), and franchise fees.
- 7.6 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 BellSouth.
- 7.6.1 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 charge, as set forth in Section 7.8 following, shall apply.
- 7.6.2 If Local Telecom requests multiple billing media or additional copies of bills, BellSouth will provide these at an appropriate charge to Local Telecom .
- 7.6.3 Notices. Notwithstanding anything to the contrary in this Agreement, all bills and notices regarding billing matters, including notices relating to security deposits, to rejection of additional orders, from Local Telecom and to disconnection of services for nonpayment of charges, shall be forwarded to the individual and/or address provided by Local Telecom in establishment of its billing account(s) with BellSouth, or to the individual and/or address subsequently provided by Local Telecom as the contact for billing information. All monthly bills and notices described in this Section shall be forwarded to the same individual and/or address;

provided, however, upon written notices from Local Telecom to BellSouth's billing organization, a final notice of disconnection of services purchased by Local Telecom under this Agreement shall be sent via certified mail to the individuals listed in the Notices provision of the General Terms and Conditions of this Agreement at least 30 days before BellSouth takes any action to terminate such services.

7.6.4 Billing Disputes

7.6.4.1 Each Party agrees to notify the other Party in writing upon the discovery of a billing dispute. In the event of a billing dispute, the Parties will endeavor to resolve the dispute within sixty (60) calendar days of the notification date. If the Parties are unable within the 60 day period to reach resolution, then the aggrieved Party may pursue dispute resolution in accordance with the General Terms and Conditions of this Agreement.

7.6.4.2 For purposes of this Section, a billing dispute means a dispute of a specific amount of money actually billed by BellSouth. The dispute must be clearly explained by the disputing Party and supported by written documentation, which clearly shows the basis for disputing charges. By way of example and not by limitation, a billing dispute will not include the refusal to pay all or part of a bill or bills when no written documentation is provided to support the dispute, nor shall a billing dispute include the refusal to pay other amounts owed by the billed Party until the dispute is resolved. Claims by the billed Party for damages of any kind will not be considered a billing dispute for purposes of this Section. Once the billing dispute is resolved, the disputing Party will make immediate payment of any of the disputed amount owed to the billing Party or the billing Party shall have the right to pursue normal treatment procedures. Any credits due to the disputing Party, pursuant to the billing dispute, will be applied to the disputing Party's account by the billing Party immediately upon resolution of the dispute.

7.6.4.3 If a Party disputes a charge and does not pay such charge by the payment due date, such charges shall be subject to late payment charges as set forth in the Late Payment Charges provision of this Attachment. If a Party disputes charges and the dispute is resolved in favor of such Party, the other Party shall credit the bill of the disputing Party for the amount of the disputed charges along with any late payment charges assessed no later than the second Bill Date after the resolution of the dispute. Accordingly, if a Party disputes charges and the dispute is resolved in favor of the other Party, the disputing Party shall pay the other Party the amount of the disputed charges and any associated late payment charges assessed no later than the second bill payment due date after the resolution of the dispute. BellSouth shall only assess interest on previously assessed late payment charges in a state where it has authority pursuant to its tariffs.

7.7 Upon proof of tax exempt certification from Local Telecom, the total amount billed to Local Telecom will not include any taxes due from the End User to

reflect the tax exempt certification and local tax laws. Local Telecom will be solely responsible for the computation, tracking, reporting, and payment of taxes applicable to Local Telecom 's End User.

- 7.8 If any portion of the payment is received by BellSouth after the payment due date as set forth preceding, or if any portion of the payment is received by BellSouth in funds that are not immediately available to BellSouth, then a late payment charge shall be due to BellSouth. The late payment charge shall be the portion of the payment not received by the payment due date times a late factor and will be applied on a per bill basis. The late factor shall be as set forth in Section A2 of the General Subscriber Services Tariff or Section B2 of the Private Line Service Tariff, as applicable. Local Telecom will be charged a fee for all returned checks as set forth in Section to A2 of the General Subscriber Services Tariff or in applicable state law.
- 7.9 Any switched access charges associated with interexchange carrier access to the resold local exchange lines will be billed by, and due to, BellSouth.
- 7.10 BellSouth will not perform billing and collection services for Local Telecom 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 BellSouth.
- 7.11 In general, BellSouth will not become involved in disputes between Local Telecom and Local Telecom 's End User customers relating to resold services. If a dispute does arise that cannot be settled without the involvement of BellSouth, Local Telecom shall contact the designated Service Center for resolution. BellSouth will assist in the resolution of the dispute and will work with Local Telecom to resolve the matter in as timely a manner as possible. Local Telecom may be required to submit documentation to substantiate the claim.

8. Discontinuance of Service

- 8.1 The procedures for discontinuing service to an End User are as follows:
- 8.1.1 BellSouth will deny service to Local Telecom 's End User on behalf of, and at the request of, Local Telecom . Upon restoration of the End User's service, restoral charges will apply and will be the responsibility of Local Telecom .
- 8.1.2 At the request of Local Telecom , BellSouth will disconnect a Local Telecom End User customer.
- 8.1.3 All requests by Local Telecom for denial or disconnection of an End User for nonpayment must be in writing.
- 8.1.4 Local Telecom will be made solely responsible for notifying the End User of the proposed disconnection of the service.

- 8.1.5 BellSouth will continue to process calls made to the Annoyance Call Center and will advise Local Telecom when it is determined that annoyance calls are originated from one of its End User's locations. BellSouth shall be indemnified, defended and held harmless by Local Telecom and/or the End User against any claim, loss or damage arising from providing this information to Local Telecom. It is the responsibility of Local Telecom to take the corrective action necessary with its End Users who make annoying calls. (Failure to do so will result in BellSouth's disconnecting the End User's service.)
- 8.1.6 BellSouth may disconnect and reuse facilities when the facility is in a denied state and BellSouth has received an order to establish new service or transfer of service from an End User or an End User's CLEC at the same address served by the denied facility.
- 8.2 The procedures for discontinuing service to Local Telecom are as follows:
- 8.2.1 BellSouth reserves the right to suspend or terminate service 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 Local Telecom of the rules and regulations of BellSouth's Tariffs.
- 8.2.2 BellSouth reserves the right to suspend or terminate service for nonpayment. If payment of amounts not subject to a billing dispute, as described in Section 7.6.4, is not received by the bill day in the month after the original bill day, BellSouth may provide written notice to Local Telecom, that additional applications for service such as access to the Operational Support Systems for pre-ordering, ordering and provisioning of services 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. In addition BellSouth may, at the same time, provide written notice to the person designated by Local Telecom to receive notices of noncompliance that BellSouth may discontinue the provision of existing services to Local Telecom, if payment is not received by the thirtieth day following the date of the notice.
- 8.2.3 In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due.
- 8.2.4 If BellSouth does not discontinue the provision of the services involved on the date specified in the thirty days notice and Local Telecom's noncompliance continues, nothing contained herein shall preclude BellSouth's right to discontinue the provision of the services to Local Telecom without further notice.
- 8.2.5 Upon discontinuance of service on a Local Telecom's account, service to Local Telecom's End Users will be denied. BellSouth will also reestablish service at the request of the End User or Local Telecom upon payment of the appropriate connection fee and subject to BellSouth's normal application procedures. Local

Telecom is solely responsible for notifying the End User of the proposed disconnection of the service.

- 8.2.6 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.

9. Line Information Database (LIDB)

- 9.1 BellSouth will store in its Line Information Database (LIDB) records relating to service only in the BellSouth region. The LIDB Storage Agreement is included in this Attachment as Exhibit B.

- 9.2 BellSouth will provide LIDB Storage upon written request to Local Telecom 's Account Manager stating a requested activation date.

10. RAO Hosting

- 10.1 RAO Hosting is not required for resale in the BellSouth region.

11. Optional Daily Usage File (ODUF)

- 11.1 The Optional Daily Usage File (ODUF) Agreement with terms and conditions is included in this Attachment as Exhibit C. Rates for ODUF are as set forth in Exhibit E of this Attachment.

- 11.2 BellSouth will provide ODUF service upon written request to its Account Manager stating a requested activation date.

12. Enhanced Optional Daily Usage File (EODUF)

- 12.1 The Enhanced Optional Daily Usage File (EODUF) service Agreement with terms and conditions is included in this Attachment as Exhibit D. Rates for EODUF are as set forth in Exhibit E of this Attachment.

- 12.2 BellSouth will provide EODUF service upon written request to its Account Manager stating a requested activation date.

EXCLUSIONS AND LIMITATIONS ON SERVICES AVAILABLE FOR RESALE (Note 5)

Type of Service	AL		FL		GA		KY		LA		MS		NC		SC		TN	
	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount
1 Grandfathered Services (Note 1)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2 Promotions - > 90 Days(Note 2)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Note 3
3 Promotions - ≤ 90 Days (Note 2)	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
4 Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Note 4	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5 911/E911 Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6 N11 Services	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes
7 MemoryCall® Service	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
8 Mobile Services	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9 Federal Subscriber Line Charges	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
10 Non-RecurCharges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
11 End User Line Chg-Number Portability	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
12 Public Telephone Access Svc(PTAS)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
13 Inside Wire Maint Service Plan	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Applicable Notes:																		
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.	In Tennessee, long-term promotions (offered for more than ninety (90) days) may be obtained at one of the following rates:																	
	(a) the stated tariff rate, less the wholesale discount;																	
	(b) the promotional rate (the promotional rate offered by BellSouth will not be discounted further by the wholesale discount rate)																	
4.	Lifeline/Link Up services may be offered only to those subscribers who meet the criteria that BellSouth currently applies to subscribers of these services as set forth in Sections A3 and A4 of the BellSouth General Subscriber Services Tariff.																	
5.	Some of BellSouth's local exchange and toll telecommunications services are not available in certain central offices and areas.																	

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LINE INFORMATION DATA BASE (LIDB)

RESALE STORAGE AGREEMENT

I. Definitions (from Addendum)

- A. Billing number - a number used by BellSouth for the purpose of identifying an account liable for charges. This number may be a line or a special billing number.
- B. Line number - a ten-digit number assigned by BellSouth that identifies a telephone line associated with a resold local exchange service, or with a SPNP arrangement.
- C. Special billing number - a ten-digit number that identifies a billing account established by BellSouth in connection with a resold local exchange service or with a SPNP arrangement.
- D. Calling Card number - a billing number plus PIN number assigned by BellSouth.
- E. PIN number - a four digit security code assigned by BellSouth which is added to a billing number to compose a fourteen digit calling card number.
- F. Toll billing exception indicator - associated with a billing number to indicate that it is considered invalid for billing of collect calls or third number calls or both, by Local Telecom .
- G. Billed Number Screening - refers to the activity of determining whether a toll billing exception indicator is present for a particular billing number.
- H. Calling Card Validation - refers to the activity of determining whether a particular calling card number exists as stated or otherwise provided by a caller.
- I. Billing number information - information about billing number or Calling Card number as assigned by BellSouth and toll billing exception indicator provided to BellSouth by Local Telecom .

II. General

- A. This Agreement sets forth the terms and conditions pursuant to which BellSouth agrees to store in its LIDB certain information at the request of Local Telecom and pursuant to which BellSouth, its LIDB customers and Local Telecom shall have access to such information. In addition, this Agreement sets forth the terms and conditions for Local Telecom 's provision of billing number information to BellSouth

for inclusion in BellSouth's LIDB. Local Telecom understands that BellSouth provides access to information in its LIDB to various telecommunications service providers pursuant to applicable tariffs and agrees that information stored at the request of Local Telecom, pursuant to this Agreement, shall be available to those telecommunications service providers. The terms and conditions contained herein shall hereby be made a part of this Interconnection/Resale Agreement upon notice to Local Telecom's account team to activate this LIDB Storage Agreement. The General Terms and Conditions of the Interconnection/Resale Agreement shall govern this LIDB Storage Agreement. The terms and conditions contained in the attached Addendum is hereby made a part of this LIDB Storage Agreement as if fully incorporated herein.

B. BellSouth will provide responses to on-line, call-by-call queries to billing number information for the following purposes:

1. Billed Number Screening

BellSouth is authorized to use the billing number information to determine whether Local Telecom has identified the billing number as one that should not be billed for collect or third number calls.

2. Calling Card Validation

BellSouth is authorized to validate a 14-digit Calling Card number where the first 10 digits are a line number or special billing number assigned by BellSouth, and where the last four digits (PIN) are a security code assigned by BellSouth.

3. Fraud Control

BellSouth will provide seven days per week, 24-hours per day, fraud monitoring on Calling Cards, bill-to-third and collect calls made to numbers in BellSouth's LIDB, provided that such information is included in the LIDB query. BellSouth will establish fraud alert thresholds and will notify Local Telecom of fraud alerts so that Local Telecom may take action it deems appropriate.

III. Responsibilities of the Parties

A. BellSouth will administer all data stored in the LIDB, including the data provided by Local Telecom pursuant to this Agreement, in the same manner as BellSouth's data for BellSouth's End User customers. BellSouth shall not be responsible to Local Telecom for any lost revenue which may result from BellSouth's administration of the LIDB pursuant to its established practices and procedures as they exist and as they may be changed by BellSouth in its sole discretion from time to time.

B. Billing and Collection Customers

BellSouth currently has in effect numerous billing and collection agreements with various interexchange carriers and billing clearing houses and as such these billing and collection customers (“B&C Customers”) query BellSouth’s LIDB to determine whether to accept various billing options from End Users. Until such time as BellSouth implements in its LIDB and its supporting systems the means to differentiate Local Telecom’s data from BellSouth’s data, the following shall apply:

- (1) Local Telecom will accept responsibility for telecommunications services billed by BellSouth for its B&C Customers for Local Telecom’s End User accounts which are resident in LIDB pursuant to this Agreement. Local Telecom authorizes BellSouth to place such charges on Local Telecom’s bill from BellSouth and shall pay all such charges, including, but are not limited to, collect and third number calls.
- (2) Charges for such services shall appear on a separate BellSouth bill page identified with the name of the B&C Customers for which BellSouth is billing the charge.
- (3) Local Telecom shall have the responsibility to render a billing statement to its End Users for these charges, but Local Telecom shall pay BellSouth for the charges billed regardless of whether Local Telecom collects from Local Telecom’s End Users.
- (4) BellSouth shall have no obligation to become involved in any disputes between Local Telecom and B&C Customers. BellSouth will not issue adjustments for charges billed on behalf of any B&C Customer to Local Telecom. It shall be the responsibility of Local Telecom and the B&C Customers to negotiate and arrange for any appropriate adjustments.

C. SPNP ARRANGEMENTS

1. BellSouth will include billing number information associated with resold exchange lines or SPNP arrangements in its LIDB. Local Telecom will request any toll billing exceptions via the Local Service Request (LSR) form used to order resold exchange lines, or the SPNP service request form used to order SPNP arrangements.
2. Under normal operating conditions, BellSouth shall include the billing number information in its LIDB upon completion of the service order establishing either the resold local exchange service or the SPNP arrangement, provided that BellSouth shall not be held responsible for any delay or failure in performance to the extent such delay or failure is caused by circumstances or conditions beyond BellSouth’s reasonable control. BellSouth will store in its LIDB an unlimited volume of the working telephone numbers associated with either the resold local exchange lines or the SPNP arrangements. For resold local exchange lines or for SPNP arrangements, BellSouth will issue line-based calling cards only in the name of Local Telecom. BellSouth will not issue line-based calling cards in the name of Local Telecom’s individual End Users. In the event that Local Telecom wants to

include calling card numbers assigned by Local Telecom in the BellSouth LIDB, a separate agreement is required.

IV. Fees for Service and Taxes

- A. Local Telecom will not be charged a fee for storage services provided by BellSouth to Local Telecom, as described in this LIDB Resale Storage Agreement.
- B. Sales, use and all other taxes (excluding taxes on BellSouth's income) determined by BellSouth or any taxing authority to be due to any federal, state or local taxing jurisdiction with respect to the provision of the service set forth herein will be paid by Local Telecom in accordance with the tax provisions set forth in the General Terms and Conditions of this Agreement.

Optional Daily Usage File

1. Upon written request from Local Telecom , BellSouth will provide the Optional Daily Usage File (ODUF) service to Local Telecom pursuant to the terms and conditions set forth in this section.
2. Local Telecom shall furnish all relevant information required by BellSouth for the provision of the Optional Daily Usage File.
3. The Optional Daily Usage Feed will contain billable messages that were carried over the BellSouth Network and processed in the BellSouth Billing System, but billed to a Local Telecom customer.

Charges for delivery of the Optional Daily Usage File will appear on Local Telecom 's monthly bills. The charges are as set forth in Exhibit E to this Attachment.

4. The Optional Daily Usage Feed will contain both rated and unrated messages. All messages will be in the standard Alliance for Telecommunications Industry Solutions (ATIS) EMI record format.
5. Messages that error in Local Telecom 's billing system will be the responsibility of Local Telecom . If, however, Local Telecom should encounter significant volumes of errored messages that prevent processing by Local Telecom within its systems, BellSouth will work with Local Telecom to determine the source of the errors and the appropriate resolution.
6. The following specifications shall apply to the Optional Daily Usage Feed.

6.1 **Usage To Be Transmitted**

- 6.1.1 The following messages recorded by BellSouth will be transmitted to Local Telecom :
 - Message recording for per use/per activation type services (examples: Three Way Calling, Verify, Interrupt, Call Return, etc.)
 - Measured billable Local
 - Directory Assistance messages
 - IntraLATA Toll

 - WATS and 800 Service

- N11
 - Information Service Provider Messages
 - Operator Services Messages
 - Operator Services Message Attempted Calls (UNE only)
 - Credit/Cancel Records
 - Usage for Voice Mail Message Service
- 6.1.2 Rated Incollects (originated in BellSouth and from other companies) can also be on Optional Daily Usage File. Rated Incollects will be intermingled with BellSouth recorded rated and unrated usage. Rated Incollects will not be packed separately.
- 6.1.3 BellSouth will perform duplicate record checks on records processed to Optional Daily Usage File. Any duplicate messages detected will be deleted and not sent to Local Telecom .
- 6.1.4 In the event that Local Telecom detects a duplicate on Optional Daily Usage File they receive from BellSouth, Local Telecom will drop the duplicate message (Local Telecom will not return the duplicate to BellSouth).
- 6.2 Physical File Characteristics
- 6.2.1 The Optional Daily Usage File will be distributed to Local Telecom via an agreed medium with CONNECT:Direct being the preferred transport method. The Daily Usage Feed will be a variable block format (2476) with an LRECL of 2472. The data on the Daily Usage Feed will be in a non-compacted EMI format (175 byte format plus modules). It will be created on a daily basis (Monday through Friday except holidays). Details such as dataset name and delivery schedule will be addressed during negotiations of the distribution medium. There will be a maximum of one dataset per workday per OCN.
- 6.2.2 Data circuits (private line or dial-up) will be required between BellSouth and Local Telecom for the purpose of data transmission. Where a dedicated line is required, Local Telecom will be responsible for ordering the circuit, overseeing its installation and coordinating the installation with BellSouth. Local Telecom will also be responsible for any charges associated with this line. Equipment required on the BellSouth end to attach the line to the mainframe computer and to transmit successfully ongoing will be negotiated on a case by case basis. Where a dial-up facility is required, dial circuits will be installed in the BellSouth data center by BellSouth and the associated charges assessed to Local Telecom . Additionally, all message toll charges associated with the use of the dial circuit by Local Telecom will be the responsibility of Local Telecom . Associated equipment on the BellSouth end,

including a modem, will be negotiated on a case by case basis between the Parties. All equipment, including modems and software, that is required on Local Telecom end for the purpose of data transmission will be the responsibility of Local Telecom .

6.3 Packing Specifications

6.3.1 A pack will contain a minimum of one message record or a maximum of 99,999 message records plus a pack header record and a pack trailer record. One transmission can contain a maximum of 99 packs and a minimum of one pack.

6.3.2 The OCN, From RAO, and Invoice Number will control the invoice sequencing. The From RAO will be used to identify to Local Telecom which BellSouth RAO is sending the message. BellSouth and Local Telecom will use the invoice sequencing to control data exchange. BellSouth will be notified of sequence failures identified by Local Telecom and resend the data as appropriate.

THE DATA WILL BE PACKED USING ATIS EMI RECORDS.

6.4 Pack Rejection

6.4.1 Local Telecom will notify BellSouth within one business day of rejected packs (via the mutually agreed medium). Packs could be rejected because of pack sequencing discrepancies or a critical edit failure on the Pack Header or Pack Trailer records (i.e. out-of-balance condition on grand totals, invalid data populated). Standard ATIS EMI Error Codes will be used. Local Telecom will not be required to return the actual rejected data to BellSouth. Rejected packs will be corrected and retransmitted to Local Telecom by BellSouth.

6.5 Control Data

Local Telecom will send one confirmation record per pack that is received from BellSouth. This confirmation record will indicate Local Telecom received the pack and the acceptance or rejection of the pack. Pack Status Code(s) will be populated using standard ATIS EMI error codes for packs that were rejected by Local Telecom for reasons stated in the above section.

6.6 Testing

6.6.1 Upon request from Local Telecom , BellSouth shall send test files to Local Telecom for the Optional Daily Usage File. The Parties agree to review and discuss the file's content and/or format. For testing of usage results, BellSouth shall request that Local Telecom set up a production (LIVE) file. The live test may consist of Local Telecom 's employees making test calls for the types of services Local Telecom requests on the Optional Daily Usage File. These test calls are logged by Local Telecom , and the logs are provided to BellSouth. These logs will be used to verify the files. Testing will be completed within 30 calendar days from the date on which the initial test file was sent.

Enhanced Optional Daily Usage File

1. Upon written request from Local Telecom , BellSouth will provide the Enhanced Optional Daily Usage File (EODUF) service to Local Telecom pursuant to the terms and conditions set forth in this section. EODUF will only be sent to existing ODUF subscribers who request the EODUF option.
2. Local Telecom shall furnish all relevant information required by BellSouth for the provision of the Enhanced Optional Daily Usage File.
3. The Enhanced Optional Daily Usage File (EODUF) will provide usage data for local calls originating from resold Flat Rate Business and Residential Lines.
4. Charges for delivery of the Enhanced Optional Daily Usage File will appear on Local Telecom 's monthly bills. The charges are as set forth in Exhibit E to this Attachment.
5. All messages will be in the standard Alliance for Telecommunications Industry Solutions (ATIS) EMI record format.
6. Messages that error in the billing system of Local Telecom will be the responsibility of Local Telecom . If, however, Local Telecom should encounter significant volumes of errored messages that prevent processing by Local Telecom within its systems, BellSouth will work with Local Telecom to determine the source of the errors and the appropriate resolution.
7. The following specifications shall apply to the Optional Daily Usage Feed.
 - 7.1 **Usage To Be Transmitted**
 - 7.1.1 The following messages recorded by BellSouth will be transmitted to Local Telecom :

Customer usage data for flat rated local call originating from Local Telecom 's End User lines (1FB or 1FR). The EODUF record for flat rate messages will include:

Date of Call

From Number

To Number

Connect Time

Conversation Time

Method of Recording

From RAO

Rate Class

Message Type

Billing Indicators

Bill to Number

7.1.2 BellSouth will perform duplicate record checks on EODUF records processed to Optional Daily Usage File. Any duplicate messages detected will be deleted and not sent to Local Telecom .

7.1.3 In the event that Local Telecom detects a duplicate on Enhanced Optional Daily Usage File they receive from BellSouth, Local Telecom will drop the duplicate message (Local Telecom will not return the duplicate to BellSouth).

7.2 Physical File Characteristics

7.2.1 The Enhanced Optional Daily Usage Feed will be distributed to Local Telecom over their existing Optional Daily Usage File (ODUF) feed. The EODUF messages will be intermingled among Local Telecom's Optional Daily Usage File (ODUF) messages. The EODUF will be a variable block format (2476) with an LRECL of 2472. The data on the EODUF will be in a non-compacted EMI format (175 byte format plus modules). It will be created on a daily basis (Monday through Friday except holidays).

7.2.2 Data circuits (private line or dial-up) may be required between BellSouth and Local Telecom for the purpose of data transmission. Where a dedicated line is required, Local Telecom will be responsible for ordering the circuit, overseeing its installation and coordinating the installation with BellSouth. Local Telecom will also be responsible for any charges associated with this line. Equipment required on the BellSouth end to attach the line to the mainframe computer and to transmit successfully ongoing will be negotiated on a case by case basis. Where a dial-up facility is required, dial circuits will be installed in the BellSouth data center by BellSouth and the associated charges assessed to Local Telecom. Additionally, all message toll charges associated with the use of the dial circuit by Local Telecom will be the responsibility of Local Telecom. Associated equipment on the BellSouth end, including a modem, will be negotiated on a case by case basis between the Parties. All equipment, including modems and software, that is required on Local Telecom's end for the purpose of data transmission will be the responsibility of Local Telecom.

7.3 Packing Specifications

7.3.1 A pack will contain a minimum of one message record or a maximum of 99,999 message records plus a pack header record and a pack trailer record. One transmission can contain a maximum of 99 packs and a minimum of one pack.

7.3.2 The Operating Company Number (OCN), From Revenue Accounting Office (RAO), and Invoice Number will control the invoice sequencing. The From RAO will be used to identify to Local Telecom which BellSouth RAO is sending the message. BellSouth and Local Telecom will use the invoice sequencing to control data exchange. BellSouth will be notified of sequence failures identified by Local Telecom and resend the data as appropriate.

THE DATA WILL BE PACKED USING ATIS EMI RECORDS.

RESALE DISCOUNTS AND RATES

	ALABAMA	FLORIDA	GEORGIA	KENTUCKY	LOUISIANA	MISSISSIPPI	NORTH CAROLINA	SOUTH CAROLINA	TENNESSEE
APPLICABLE DISCOUNTS									
RESIDENCE	16.3%	21.83%	20.3%	16.79%	20.72%	15.75%	21.5%	14.8%	16%
BUSINESS	16.3%	16.81%	17.3%	15.54%	20.72%	15.75%	17.6%	14.8%	16%
CSAs*					9.05%			8.98%	
* Unless noted in this row, the discount for Business will be the applicable discount rate for CSAs.									
OPERATIONAL SUPPORT SYSTEMS (OSS) RATES									
<u>ELEMENT</u>	<u>USOC</u>								
Electronic LSR	SOMEK	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50
Manual LSR	SOMAN	\$19.99	\$19.99	\$19.99	\$19.99	\$19.99	\$19.99	\$19.99	\$19.99
ODUF/EODUF/CMDs RATES									
ENHANCED OPTION DAILY USAGE FILE (EODUF)									
EODUF: Message Processing, per message	\$0.004	\$0.222451	\$0.0034555	\$0.004	\$0.004	\$0.004	\$0.004	\$0.004	\$0.004
OPTIONAL DAILY USAGE FILE (ODUF)									
ODUF: Recording, per message	\$0.0002	\$0.0000068	\$0.0001275	\$0.0008611	\$0.00019	\$0.0001179	\$0.0003	\$0.0002862	\$0.0000044
ODUF: Message Processing, per message	\$0.0033	\$0.006614	\$0.0082548	\$0.0032357	\$0.0024	\$0.0032089	\$0.0032	\$0.0032344	\$0.0027366
ODUF: Message Processing, per Magnetic Tape provisioned	\$55.19	\$48.77	\$28.85	\$55.68	\$47.30	\$54.62	\$54.61	\$54.72	\$52.75
ODUF: Data Transmission (CONNECT:DIRECT), per msg	\$0.00004	\$0.00010772	\$0.0000434	\$0.0000365	\$0.00003	\$0.0000354	\$0.0004	\$0.0000357	\$0.0000339