

**From:** "Vivian Michael-Wilhoite" <vwilhoite@mail.state.tn.us>  
**To:** <nshelton@mail.state.tn.us>  
**Date:** 3/28/00 7:22am

Follow Up        X            Closure

Tennessee Regulatory Authority Consumer Services Division Complaint  
Investigation Report

Date            3/22/00            File Number        00-0227 Complainant  
Discount Communications (Ed Hayes)    Telephone Number    9018436070 Report:  
Complaint: \$3.50 Lifeline not passed on by BellSouth to Discount; 1/2 of  
Discount\*s installation charge not requested by BellSouth from NECA for  
Discount; Directory Assistance per use charge billed to Discount by  
BellSouth: Please note the ascending chronological order of this file. 2/14  
Provided preliminary letter to Ed Hayes of Discount Communication  
(\*Discount\*) via fax acknowledging his concern that BellSouth is only providing  
\$7 credit instead of \$10.50 credit for Lifeline customers. Mailed copy to  
Robert White of Congressman Ford\*s Office and all appropriate parties.

2/15    Contacted by Robert White of Congressman Ford\*s office. Discussed  
Discount\*s matter of concern and explained the expected date for a written  
response. Mr. White requested to know who at BellSouth would be handling the  
complaint. Referred this request to Robin Moore of BellSouth\*s Executive  
Appeals. Robin stated that it would be their legal staff who would address  
the complaint. Provided to Mr. White.

2/16    Mr. White calls back to further explain that Discount\*s LENS System is  
not operating to enroll new customers. I asked when did this happen because  
the complaint was received 2/14/00 and explained that services could not be  
interrupted while under such a dispute. Mr. White asked whether the TRA  
received a letter on 2/10 and 2/11. I confirmed that the TRA did received a  
letter on 2/10 after office hours @ 17:39 and on 2/11@15:30. Neither letters  
referenced the disconnection of Discount\*s LENS. Mr. White agreed to fax me  
a copy of a letter from BellSouth that related to interruption of the LENS.  
According to the letter, the LENS was interrupted for non payment of  
undisputed charges on the December billing. Also attached was breakdown of  
charges and payments, receipt of 2/8 payment of \$20,000, and BellSouth CLEC  
Billing Adjustment Response dated 7/31/99.

The Breakdown of charges did not include the 2/8 \$20,000 payment made and the  
Lifeline disputed charges. Robin Moore of BellSouth stated that the payment  
of the \$20,000 was posted 2/16/00. How was the \$20,000 payment mailed?  
(According to Mr. Harris on 3/3/00, this payment was mailed on 2/8 via FedEx  
It took 8 days for BellSouth to get it. Why was it not posted until 2/16?  
Robin also provided the amount of the Lifeline disputed amount. Where did the  
Lifeline disputed charges come from and why were they not included in the  
breakdown? The amount owed for December billing was now as follows as  
provided by Robin Moore. Refer to the 2/11/2000 breakdown beginning with  
\$60,802.28 - \$20,000 (payment posted 2/16/00 paid 2/8 according to Discount  
records)=\$40,802.28 - \$10,559.25 (Pending Link-up disputed amount listed on  
breakdown accrued from 12/98 to 1/4/00 per Mr. Harris Sr. on  
3/6/00)=\$30,243.03 - \$28,997.50 (Lifeline disputed amount not listed on  
breakdown)=\$1,245.50. The \$1,245.50 is the amount that BellSouth agreed that

Discount could pay to restore the LENS. How did BellSouth arrive at the Lifeline amount of \$28,997.50? How did BellSouth arrive at the \$10,559.25 Link-up amount? (According to Mr. Harris on 3/6/00, this amount is the disputed charges for Lifeline accrued from 12/98-1/4/00).

On the breakdown it is stated that the LENS would be disconnected again due to January 4, 2000 billing of \$56,344.99 that became past due on 2/5/2000. If \$56,344.99 amount is not paid by 2/22/2000, the LENS would be disconnected again.

Requested Robin Moore to confirm whether the \$56,344.99 amount comprised of Link-up or Lifeline credits. She states that there were not Link-up credit but there were Lifeline credit of approximately \$3500 (1000 x \$3.50) leaving a \$52,844.99 balance that must be paid by 2/22/00 or be subjected to the LENS disconnection. Explained to Mr. Morris Harris Sr. and Robert White. Mr. Harris stated that he agreed with the information provided. I also stated that I want to assist him to assure that his service is not disconnected on 2/22/00.

2/16 Mr. Harris Sr. faxed to me a copy of an AmSouth Bank Customer Wire Transfer Request application. The completed application only indicated that Discount has requested the wire but not that the wire has been sent. Provide copy to Robin Moore of BellSouth via fax. 2/17 Robin Moore of BellSouth informed me as of that early morning BellSouth had not received the \$1245.53. 2/17 Called Mr. Harris but he was not available. Was told by representative of Discount that Mr. Harris Sr. had gone to the bank and would return shortly. 2/17 Mr. Harris Sr. called back at 9:29 am. Left message. Returned his call at 9:37 am to discuss his additional concerns and confirmation number regarding his recent payment. Mr. Harris, Sr. could not provide a confirmation number according to the bank. 2/17 Robin Moore of BellSouth called to inform receipt of payment and that LENS is being restored. 2/17 Mr. Harris Sr. faxed his additional concerns. I called him to discuss his faxed letter. He agreed to make the necessary changes to the letter so that his concerns would be more concise. Stated that he would have the revised copy faxed in the morning. Agreed that Discount would pay the undisputed amount by 2/22 and will provide a list of the disputed amount to the present past due bill. 2/17 Mr. Robert White requested to talk with Joe Werner, Chief of Telecom. Conference call was held. Joe explained that FCC gave approval for the state credit. The TRA is looking at that and it is possible that the \$3.50 credit could from the fund. Joe went on to explained that the FCC ruled that the reseller is the provider of service but the ETC has to ask for the credit and pass it on to the reseller. Mr. White wanted to know who is responsible for the \$3.50. Joe explained that according to TRA, the reseller would be responsible for the \$3.50. Mr. White was concerned about the money aggregated from the \$3.50 built up over a period of time. He was also concerned with what was said between the TRA and FCC regarding Link-up and Lifeline. Joe agreed to dig up the old Lifeline order and fax to Mr. White. Mr. White appreciated the time taken. 2/17 Joe of Telecom provide me with a copy of Discount's tariff. 2/21 Contact Mr. Harris, Sr. to remind him that I had not received any additional disputed charges from him and reminded him again that 2/22/00, BellSouth will be disconnecting the LENS if undisputed charges as they alleged of 52,000 was not paid by 2/22. 2/22 Discount faxed after office hours on 2/18/00, their additional concerns regarding Directory Assistance and Link-up disputes. Faxed additional concerns to BellSouth

requesting that their response to these concerns be also addressed with the initial complaint faxed on 2/14/00. 2/22 Faxed request from Discount to BellSouth asking BellSouth to allow an extension on the remaining \$52,844.99. Discount had mailed on 2/21, \$30,000 and could pay the remaining balance by 3/2/2000. He requested this extension to prevent the disconnection of the LENS. Mr. Harris understood that BellSouth could denied his request due to non payment of undisputed charges. Also explained that due to the lateness of this request, I need to get the request over to BellSouth right away. 2/22 Informed had list of disputed charges from Discount for the \$56,339.52 past due billing. Indicated that Discount believed that they owed BellSouth \$37,993.49. This still remained \$7,993.49 that remained as undisputed outstanding charges which BellSouth could deny request to not disconnect. 2/23 BellSouth provided at 5:20 on 2/22 that pay arrangements request must be directed to Claude Morton in billing and collections. 2/24 LENS System to Discount is disconnect. Requested Eddie Roberson assistance to get BellSouth to restore Discount\*s LENS until this complaint is resolved. Conference discussion with Jeff Fox of BellSouth, Robin Moore, Eddie Roberson and myself what is the function of LENS and how does it affected Discount\*s business. Asked BellSouth to provide how disconnection of LENS could affect Discount and would BellSouth accommodate Discount\*s request to disconnect or restore customer. Requested BellSouth to give payment history of Discount Communications since according to information provided to Eddie Roberson, Discount has paid in the past with checks that were insufficient. 2/24 Convey details of the conference call. Mr. Hayes stated that he would fax a list of subscribers. However Mr. Hayes was concerned about a person whose service had been disconnected but came in to pay outstanding charges. Would BellSouth reconnect this customer at the request of Discount. If BellSouth did not agree to restore in this case, he would choose not to provide a list of customers to disconnect. 2/24 Discount provided alleged itemized amounts of disputed directory assistance charges. 2/25 Discount faxed a blank Request For Unbundled Capabilities application. Called Mr. Hayes to discuss this fax. Understand that the application implies that BellSouth could provide the DA toll limitation request. Discount faxed this application to all of the Directors and Eddie Roberson. 2/29 Received BellSouth response faxed 2/25 to Discounts complaint. Provided to Ed Hayes of Discount, Robert White of Congressman Ford\*s Office, Eddie and Roger. Not in office on 2/25 and therefore could not provide the response to all interested parties until I returned. 3/2 Mr. White provided letter from Lynn Smith of Discount requesting payment of \$55,342.49. 3/3 Discount provided a rebuttal to BellSouth\*s response. Later on Discount provided an addendum to the initial response. 3/6 Provided Discount\*s rebuttal and addendum to BellSouth. 3/6 Discount provided a copy of their response to BellSouth\*s faxed letter dated March 1, 2000, addressing BellSouth\*s request for payment. 3/6 Called Mr. Hayes. He asked by BellSouth had not set aside the disputed amounts. He informed me that Discount had mailed a check for \$7,993.49, the remaining amount of the undisputed past due balance as alleged by Discount. (Please note the BellSouth stated that Discount allegedly owed \$55,342.49 for the same past due billing). Discount had also paid \$20,000. 3/7 TRA Staff provide a written data request asking for BellSouth\*s immediate response. Provided copy of the Staff\*s data request to Mr. Hayes and Robert White. 3/7 Discount provided fax information regarding additional disputed charges relating to DA, Link-up, Lifeline and Promotion Credit. Mr. Harris, Sr. left message to check if I had received the fax and to apologize for not providing the explanation of the LENS. Thanked me for all the work I had done. 3/10 Received Mr. Hayes

faxed concern regarding his question of what the TRA has allowed BellSouth to do specifically in regards to collection of the outstanding undisputed charges according to BellSouth. 3/10 Contacted Mr. Hayes to discuss his fax. According to this conversation, Discount has about 2,000 customers and 1000 customers receives Lifeline. He has customers in Nashville and across the state of Tennessee. Also conveyed the possible outcome of his complaint regarding the Lifeline credit portion. I asked Mr. Hayes who is his contact at National Exchange Carrier Association (NECA). NECA administers the federal universal service fund. Provided the name of Christine Boreyko @ 973-884-8027. Mr. Hayes understood that I wanted to ask her the question about the maximum credit that can be received under the Link-up, reimbursement of the \$3.50 under Lifeline. Mr. Hayes explained again that BellSouth is only requesting on their behalf 1/2 of their cost of installation, \$41.50. Mr. Hayes states that they are entitled to \$29.99 which is 1/2 of their [Discount\*s] installation cost, \$59.99. Therefore, the disputed Link-up charge is the difference of what is not being requested from NECA, \$9.24. 3/14 Left Robin Moore a message asking when can I expect their response to the Staff\*s data request. 3/15 Robin responded that the written response from BellSouth to the data request will be provided first thing in the morning [3/16] or by 10 am. Forwarded copy of Robin\*s voice mail response to Eddie and Roger. 3/16 Contacted by Shirley Frierson. She only wanted to confirmed that a Discount did in fact has a complaint on file with the TRA. She had understood from Discount that per a BellSouth representative that a formal complaint had not been filed. Explained to her that a complaint had been filed. Requested Naomi to pull file as evidences that complaint had been filed. But also explained that all complaints filed with Consumer Services are not formal complaints but informal complaints. Explained that a formal complaint is one that is heard before the Directors as a result of a request for hearing made and approved by the Executive Director. 3/16 Contacted Ms. Boreyko of NECA. Ms. Boreyko was familiar with Discount Communications in Tennessee. I requested clarification on what is the maximum amount of credit that is to be reimbursed to an eligible communications carrier (ETC) pertaining to Lifeline. She stated that Discount is not an ETC. I agreed and explained the creative way that the TRA has allowed a reseller to offer the program through BellSouth, an ETC. But, BellSouth would request the allowable credit for Discount. Ms. Boreyko stated that Discount would not be reimbursed the \$3.50 from the federal universal service fund. She further stated that BellSouth only receives \$7.00 (seven) from the federal side. Agreed to provide a written response to a data request. Ms. Boreyko is the Manager of Lifeline and Eligibility Administration at NECA. See 3/16/00 email from Ms. Boreyko regarding this conversation. The email did not reflect our discussion regarding the Link-up credit to Discount. However, Ms. Boreyko did agreed that Discount as an ETC would be entitled to be reimbursed 1/2 up to the \$30 of their installation charge. Since Tennessee allows the ETC to request the reimbursement on behalf of the resellers, then there exist the possibility that Discount\*s credit would be 1/2 up to \$30 of what they charge. 3/16 Directed a data request to Ms. Boreyko that requested confirmation regarding Link-up as well as Lifeline.. 3/17 Ms. Boreyko answers data request. Her response again confirms that the \$3.50 is not reimbursed by NECA. Therefore indicating that Discount is only entitled to the \$7 which is what BellSouth is being reimbursed for their customers. She further states that the amount not reimbursed by NECA, i.e. \$3.50, is typically reimbursed by the state. Did not address the Link-up reimbursement issue in her written



response as discussed in our conversation. 3/17 Received a copy of Discounts letter to Executive Director David Waddell requesting a formal hearing. 3/17 Requested another data question to Ms. Bareyko in an attempt to obtain clarity of what is the amount that Discount would be entitled to regarding Link-up credit. Also emailed a separate question prior to the Link-up scenario question regarding DA block limitations. 3/17 Ms. Boreyko responded to Link-up credit question that indications that if Discount were in fact an ETC, they would be entitled to be reimbursed 1/2 up to \$30 of their customary installation charge. Discount customary charges \$59.99, BellSouth customary charges \$41.50 and therefore should only request \$20.75. ( Please note that Ms. Bareyko\*s response stated \$21. Did she mean \$20.75?) 3/17 Discussed with Eddie concern about BellSouth\*s actions to disconnect Discount\*s customers on 3/20. It appears that the BellSouth should hold off from disconnection until this matter is resolved. Eddie agreed and sent letter to BellSouth to this effect. 3/17 Per Eddie, BellSouth agreed to delay disconnection action against Discount. Faxed copy of Eddie\*s letter and provided BellSouth\*s response to Eddie\*s letter. 3/17 Reviewed BellSouth\*s 3/16/00 response to Staff\*s data request. Also reviewed BellSouth\*s response to Discount\*s rebuttal to BellSouth\*s initial response. Provided copies of both responses to Discount. 3/17 Received copy of BellSouth\*s 3/17 letter from Charlie Howorth that stated that they had agreed to not disconnect Discount customers on 3/20. BellSouth additionally requested that action for hearing be taken up on the e3/20/00 hearing. Also requested that if hearing is granted, it must be done within 10 days of the 3/20/00 hearing. BellSouth further requested that the TRA take action to protect possible interest of BellSouth due to unpaid balance believed to be owed to BellSouth from Discount. BellSouth suggested that until the resolution has been made by the TRA, Discount be required pay bill in full or have BellSouth hold the money in escrow, or Discount post a bond or irrevocable letter of credit. 3/22 Provided David Wadell information regarding discussion with David Mills, representative of legislative office. See copy of email dated 3/22/00. 3/22 Discount faxed copy of two letters faxed to them by Bellsouth as a result, it appears, that both letters were mailed to Discount to old address. 3/22 Discount provided explained of how LENS interfaces with their every day activities not just used to initial new customers. At Eddie\*s request, provide copy of this to Henry Walker, Discount\*s counsel.

Staff opinion not rendered due to informal complaint status now formal complaint status. Ruling must now come from the TRA on the following and possibly other related issues:

\* Link-up credit that should be provided to Discount, 1/2 up to \$30 of BellSouth\*s installation charge or Discount\*s installation charge. Discount believes that BellSouth should request to NECA on their behalf \$29.99 which is 1/2 of Discount\*s installation charge. \* Who or what fund, if any, would reimburse the \$3.50 difference allegedly owed by Discount. Discount believes that BellSouth should reimburse for the difference. \* Directory Assistance charges paid by Discount to BellSouth. Discount is a reseller offering prepaid services. Discount state that they have not way of passing on abusers of the DA service.

Utility

C/NC

Adj. Amt.

\$0.00 Utility

C/NC      Adj. Amt.      \$0.00 Utility  
\$0.00

C/NC      Adj. Amt.

Michael-Wilhoite

Investigator:      Vivian



RECEIVED  
CONSUMER SERVICES DIVISION

APR 04 2000

TN REGULATORY AUTHORITY

## TENNESSEE REGULATORY AUTHORITY

460 James Robertson Parkway  
Nashville, Tennessee 37243  
Telephone (615) 741-2904

### NOTICE OF HEARING

DOCKET: 00-00230  
PETITIONER: Discount Communications, Inc.  
IN RE: Complaint against BellSouth Telecommunications, Inc.  
DATE: April 3, 2000

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Pursuant to T.C.A. § 65-4-201 et seq., the Authority has scheduled a Hearing in the above-captioned proceeding for **Tuesday April 11, 2000**, immediately following the Authority Conference scheduled to begin at 9:00 AM, in the Hearing Room on the Ground Floor at 460 James Robertson Parkway, Nashville, TN.

This Hearing will be conducted in accordance with the Tennessee Uniform Administrative Procedures Act, T.C.A. §4-5-101 et seq. All parties are entitled to be represented by counsel.

Any motion to change the date of this hearing must be made in writing, and filed with the office of the Executive Secretary of the Authority. Copies of the motion must be served on all parties.

Participants with disabilities who require special accommodations or alternate communications formats should contact the Tennessee Regulatory Authority ADA-EEO/AA Coordinator/Officer, 460 James Robertson Parkway, Nashville, Tennessee 37243-0505 or 1-800-342-8359 so that reasonable accommodations can be made.

FOR THE TENNESSEE REGULATORY AUTHORITY:

K. David Waddell, Executive Secretary

cc: Parties of Record

Interested Parties

**From:** Vivian Michael-Wilhoite  
**To:** AA01010  
**Date:** 3/22/00 4:13pm  
**Subject:** Discount Communications - Requested notification

David:

As information and after I had informed you of Mr. Harris of Discount Communications call concerning written notification from you confirming the TRA actions relating to their request, I received another call regarding this concern today. Again I have referred the caller to you.  
Just wanted to let you know that Discount is concern that the TRA has responded to BellSouth in connection with their request for a formal hearing but have not responded to them directly. I attempted to transfer Mr. Mills to you. He stated that he would prefer to write a letter to you.

If you have any questions, let me know.

Vivian

**CC:** AA08001

**\*\* Transmit Conf. Report \*\***

P.1

Mar 17 2000 13:50

Telephone Number	Mode	Start	Time	Page	Result	Note
89013272809	NORMAL	17,13:42	7'01"	12	O K	

**TENNESSEE REGULATORY AUTHORITY**

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

**Fax Cover Sheet**

**DATE:** March 17, 2000 **TIME:** 1:38 PM  
**TO:** Ed Hayes **PHONE:**  
Discount Communications **FAX:**  
**FROM:** Vivlan Michael-Wilhoite **PHONE:** 800-342-8359, ext.157  
TN Regulatory Authority **FAX:** 615-741-8953  
**EMAIL:** vwilhoite@mail.state.tn.us

**Number of pages including cover sheet: [12]**

For your records, attached is the March 15, 2000, BellSouth response in response to Discount Communication's rebuttal to BellSouth's initial response. I have also attached the March 16, 2000, BellSouth response to the TRA Staff's data request.

If you have any questions, please do not hesitate to contact me.

460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

<b>DATE:</b>	March 17, 2000	<b>TIME:</b>	1:38 PM
<b>TO:</b>	Ed Hayes Discount Communications	<b>PHONE:</b>	
		<b>FAX:</b>	
<b>FROM:</b>	Vivian Michael-Wilhoite TN Regulatory Authority	<b>PHONE:</b>	800-342-8359, ext.157
		<b>FAX:</b>	615-741-8953
		<b>EMAIL:</b>	vwilhoite@mail.state.tn.us

**For your records, attached is the March 15, 2000, BellSouth response in response to Discount Communication's rebuttal to BellSouth's initial response. I have also attached the March 16, 2000, BellSouth response to the TRA Staff's data request.**

Telephone (615) 741-2904, Toll-Free 1-800-342-8359, Facsimile (615) 741-5015  
www.state.tn.us/tra

# TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director

460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

March 17, 2000

Mr. Jeff Fox  
BellSouth Telecommunications  
333 Commerce Street  
Nashville, TN 37201-3300

Dear Mr. Fox:

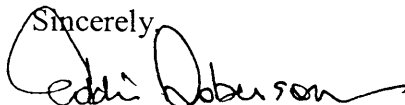
As you are aware, Discount Communications ("Discount") filed a formal petition with the Tennessee Regulatory Authority ("TRA") on March 16, 2000 requesting that BellSouth "rescind their actions which have impaired Discount Communications ability to effectively service our customers . . ."

The actions Discount is referring to is the February 22, 2000, disconnection of its access to BellSouth's Lens service and the imminent threat to disconnect Discount's end users on March 20, 2000.

As you are as well aware, the TRA's Consumer Services Division ("CSD") has been attempting to mediate Discount's complaint. We appreciate your cooperation in our informal investigation and attempt to mediate the dispute. Vivian M. Wilhoite, Roger Knight, of the TRA's Telecom Division, and myself are on the team to investigate Discount's informal complaint and will not be advising the TRA on this matter, if it goes to hearing.

It is my understanding that the TRA may take up Discount's petition for a hearing at the TRA's March 28, 2000 Conference. I would like to request that BellSouth, at a minimum, delay the March 20<sup>th</sup> disconnection of Discount's end users pending the TRA action on March 28<sup>th</sup>. I want to stress that this request is from the investigative staff assigned to work Discount's complaint and is not intended to reflect an official action, or order, from the TRA.

I would appreciate your response to my request by Friday, March 17, 2000. Thank you in advance for your consideration.

Sincerely,  


Eddie Roberson  
Chief, Consumer Services Division

cc: David Waddell  
Edward Hayes, owner, Discount Communications  
Richard Collier  
Docket 00-00230

Telephone (615) 741-2904, Toll-Free 1-800-342-8359, Facsimile (615) 741-5015  
[www.state.tn.us/tra](http://www.state.tn.us/tra)

**From:** "CHRIS BOREYKO" <cboreyk@neca.org>  
**To:** <vwilhoite@mail.state.tn.us>  
**Date:** 3/17/00 12:44pm  
**Subject:** Re: -Reply

Dear Ms. Michael-Wilhoite:

This depends on the context! If Discount Communications were an ETC and had a State tariff supporting a connection charge of \$59.99, then their low income consumer would be entitled to a reduction. This reduction would be half of the customary charge or \$30.00, whichever is less. If the customary charge were \$59.99, as you have mentioned that Discount Communications customarily charges, then Discount would be entitled to recoup the amount that they are waiving for their low-income customer, in this case, \$29.995 (rounded up to \$30.00). However, as we are both aware, Discount Communications has not been designated an Eligible Telecommunications Carrier. BellSouth - TN is currently requesting reimbursement of 50 percent of their customary connection charge, which at the present time is \$42.00. Therefore, they are requesting a \$21.00 Link Up reimbursement charge per eligible low-income consumer. I believe that what is at issue is the fact that Discount Communications appears to have tariffed a higher connection charge than BellSouth and is looking to BellSouth to reimburse them for this additional expense.

Hopefully, this clarifies your question.

Sincerely,

Christine L. Boreyko  
Manager - Low Income Programs and Eligibility  
USAC  
80 South Jefferson Road  
Whippany, NJ 07981  
(973) 884-8027

> > > "Vivian Michael-Wilhoite" <vwilhoite@mail.state.tn.us> 03/17/00 12:59PM > > >  
March 17, 2000

Ms. Bareyko:

Thank you for your expeditious response to my data request regarding reimbursement for Link-up and Lifeline charges. However, I have a question regarding your answer to number 3. I was under the impression after our conversation regarding the Link-up issue that Discount would be entitled to up to a maximum of \$30 from NECA. And let me rephrase the question:

3. If Discount could directly request to NECA the reimbursement and considering that Discount charges \$59.99 for installation of new or transferred service, would Discount be entitled to a reimbursement of \$29.99?

Thank you again,  
Vivian Michael-Wilhoite  
Tennessee Regulatory Authority  
1-800-342-8359, ext. 157

**CC:** <LPOVICH@fcc.gov>, <mnadel@fcc.gov>, "JOHN RICKER"...



**From:** Vivian Michael-Wilhoite  
**To:** tn01.SMTP."cboreyk@neca.org"  
**Date:** 3/17/00 11:59am  
**Subject:** Re: -Reply

March 17, 2000

Ms. Bareyko:

Thank you for your expeditious response to my data request regarding reimbursement for Link-up and Lifeline charges. However, I have a question regarding your answer to number 3. I was under the impression after our conversation regarding the Link-up issue that Discount would be entitled to up to a maximum of \$30 from NECA. And let me rephrase the question:

3. If Discount could directly request to NECA the reimbursement and considering that Discount charges \$59.99 for installation of new or transferred service, would Discount be entitled to a reimbursement of \$29.99?

Thank you again,  
Vivian Michael-Wilhoite  
Tennessee Regulatory Authority  
1-800-342-8359, ext. 157

**From:** Vivian Michael-Wilhoite  
**To:** int:cboreyk@neca.org  
**Date:** 3/17/00 11:20am  
**Subject:** Additional Question to Data Request Provided 3/16/00

March 17, 2000

Ms. Christine Boreyko  
Manager Lifeline & Eligibility Administration National Exchange Carriers Association (NECA)  
80 South Jefferson Road  
Whippany, NJ 07981

Dear Ms. Boreyko:

As conveyed earlier today and as a result of my discussion with the Tennessee Regulatory Authority Staff, we asked your assistance again. Thank you for your immediate response to the following question:

**Would a Directory Assistance Block violate FCC 54.101(a)(8)? The rules set forth the supported services and rule 54.401 states that Lifeline encompasses these services.**

If you do not have immediate access to the rule in question, please let me know and I would be happy to fax it to you. And as always, if you have any questions, please contact me at 1-800-342-8359, extension 157 or email me at vwilhoite@mail.state.tn.us.

Sincerely, Vivian Michael-Wilhoite Consumer Services Division Tennessee Regulatory Authority

**From:** "Vivian Michael-Wilhoite" <vwilhoite@mail.state.tn.us>  
**To:** <cboreyk@neca.org>  
**Date:** 3/16/00 7:16pm

March 16, 2000

Ms. Christine Boreyko Manager Lifeline & Eligibility Administration National Exchange Carriers Association (NECA)  
80 South Jefferson Road Whippany, NJ 07981

Dear Ms. Boreyko:

It was a pleasure to talk with you today regarding concerns about Link-up and Lifeline credit reimbursements to Eligible Telecommunications Carriers (ETC) and to ETCs that request reimbursement for resellers. Your assistance is imperative in order for the Staff of the Tennessee Regulatory Authority to adequately respond to an informal complaint filed by Discount Communications ("Discount"), a certified reseller, against an ETC, BellSouth Telecommunications ("BellSouth"). Thank you for your immediate response to the following data request.

As you know, \$10.50 per billing period is the maximum amount of credit available to each Lifeline subscriber.

1. Is it a portion or all of the \$10.50 Lifeline credit that BellSouth provides to its eligible customers per billing period, reimbursed by the National Exchange Carriers Association (NECA)? If it is a portion of the \$10.50 Lifeline credit that is reimbursed by NECA to BellSouth, what is the per eligible customer, per billing period amount? Who and/or what fund is responsible for the reimbursement of the \$10.50 Lifeline credit not provided by NECA?

As you know, Link-up provides one-half, up to a maximum of \$30 credit, on the installation charge for new or transferred telephone service. Discount offers Link-up to its customers, with a \$59.99 installation charge to establish new or transferred telephone service. Discount also offers Lifeline and provides its eligible customers the full Lifeline per billing period credit up to the \$10.50 maximum. Pursuant to the TRA rules, resellers such as Discount can offer Link-up and Lifeline. However, the ETC is required to obtain from NECA, on behalf of the reseller, the maximum reimbursable Linkup and Lifeline credits allowed for the resellers' eligible customers. The Link-up and Lifeline credit amounts received from NECA is passed through from the ETC to the reseller. In this case, the reseller is Discount and the ETC is BellSouth.

2. Is it a portion or all of the \$10.50 Lifeline credit that Discount provides to its eligible customers per billing period, reimbursed by the NECA to BellSouth on behalf of Discount? If it is a portion of the \$10.50 Lifeline credit that is reimbursed by NECA to BellSouth for Discount, what is the per eligible customer, per billing period amount? Who and/or what fund is responsible for the reimbursement of the \$10.50 Lifeline credit not provided by NECA to BellSouth on behalf of Discount?

3. For Link-up reimbursement, what amount, per customer request for new or transferred telephone service should BellSouth receive from NECA on behalf of Discount?

If you have any questions regarding this data request, please contact me at 1-800-342-8359, extension 157 or email me at vwilhoite@mail.state.tn.us.

Sincerely, Vivian Michael-Wilhoite Consumer Services Division Tennessee Regulatory Authority

**Discount Communications**  
"Your Complete Telecommunications Provider"

3798 Park Ave  
Memphis, TN 38111-4684  
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Toll Free 888 589-6505  
Fax... (901) 327-2809

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'00 MAR 16 PM 1 44

Page 00-002  
3/17/00

March 16, 2000

CHIEF OF BUREAU  
EXECUTIVE SECRETARY

Mr. Hayson  
Cell #

(901) 359-2320

Mr. David Waddell, Executive Director  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

Dear Mr. Waddell:

I hope this letter finds you and your colleagues in good spirits and health.

In a letter dated February 11, 2000, Discount Communications filed a formal Letter of Complaint against BellSouth Telecommunications, Incorporated, of Tennessee (RE:00-0227, Discount Communications v. BellSouth. BellSouth filed a response to our initial complaint on February 25, 2000. The purpose of this letter is to formally request a hearing before the Tennessee Regulatory Authority, and state for the record our reasons for requesting said hearing.

On February 22, 2000 BellSouth discontinued our access to their Lens service, which denied Discount Communications access to our customer records, denied us the ability to add new customers and add or remove existing customers or features. Furthermore, BellSouth has indicated their intent to completely disconnect Discount's end users on March 20, 2000. These actions are in direct violation of Section XI of our contract with BellSouth, which states:

"...if any dispute arises as to the interpretation of any provision of this Agreement or as to the proper implementation of this Agreement, the parties will petition the applicable state Public Service Commission for a resolution of the dispute."

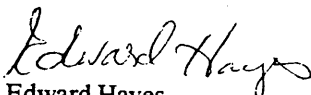
Furthermore, BellSouth appears to be in violation of the Fair Credit Billing Act of 1975 which states:

"During the resolution period no collection activity is permitted on the disputed amount and no finance charges may be collected as well. The account may not be reported as delinquent, nor can it be closed nor restricted because of the consumer's failure to pay the disputed amount, and/or related charges."

Finally, we request that BellSouth be notified immediately of our request for a hearing, that they rescind their actions which have impaired Discount Communications ability to effectively serve our customers; that they restore the services we have been denied access to pending resolution of the issues in question.

Thank you for your time and attention regarding this matter. I look forward to your response.

Sincerely,



Edward Hayes  
Owner

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00.0227  
VMW

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CONSUMER SERVICES DIVISION

MAR 07 2000

TN REGULATORY AUTHORITY

Vivian Michael-Wilhoite  
Consumer Service Division  
Tennessee Regulatory Authority  
March 7, 2000

**RE: February Billing Disputes**

Dear Ms. Wilhoite:

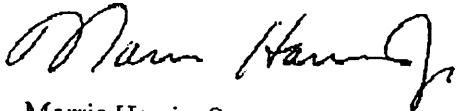
This is a list of disputes and amounts from the February 4, 2000 to the March 4, 2000 billing period.

Total Amount of bill (BellSouth)	\$60,208.42
1. Directory Assistance Disputed Amount	\$ 4,912.49
2. Link-up (130) end-user	\$ 2,898.00
3. Life-line 3.50 (834) end-user	\$ 2,919.00
4. Promotion Credit (92) end-user	\$ 1,840.00

Additional disputes forthcoming.

Disputes to-date	\$12,569.49
------------------	-------------

Respectfully,



Morris Harris, Sr.

*"Your Complete Telecommunications Provider"*

Eddie,  
Roger has reviewed this  
memo. With the changes  
Roger has provided what do you think?  
(Can you think of anything else. I want to pay this  
before I leave for the Relay Tower.  
Thanks  
Vivian

March 2, 2000

To: Robin Moore  
BellSouth Executive Appeals

FROM: Vivian Michael-Wilhoite  
Tennessee Regulatory Authority

RE: Discount Communications, File Number 00-0227

Thank you for your February 25, 2000, response regarding ~~concerns~~ provided by Discount Communications in their complaint filed initially on February 14, 2000. In order for the Staff to ~~accurately mediate~~ <sup>adequately review</sup> this matter, I would appreciate your expeditious response to the following data request.

1. Does BellSouth offer a Directory Assistance ("DA") block? If so, please provide the charge for this service. *to its customers*

2. If you offer DA block, what other services does the DA block effect? Please explain in detail. ~~reseller would be block~~

3. According to A3.13.2 (A) Directory Assistance Service, BellSouth provides six (6) calls per billing period month without charge. Is this allowance considered in the aggregate of Discount Communications total ~~resell~~ <sup>resold</sup> lines multiplied by six (6)? *for per call*

4. What is the ~~per line~~ <sup>would</sup> rate that BellSouth charges Discount Communications for DA? *for elderly and disabled customers*

5. Are the exemptions stated in A3.13.2 (B)(C) pass through to resellers such as Discount Communications. If so, please explain in detail how this effort is administered by BellSouth.

6. *technical would rise* What steps ~~can~~ <sup>need to take in order to</sup> ~~can~~ <sup>can</sup> Discount Communications implement ~~provisions~~ <sup>itself</sup> of the larger

*Lead to reference to on line. they expand their resellers request on address the following question*  
7. Discount is requesting that BellSouth offer it a DA Block per line after the Resale Agreement? Discount is of the opinion that ~~it~~ <sup>BS</sup> has the capability to offer a DA Block due the discussion of the two ~~the~~ Wholesale discount rates. Please discuss.

7. Discount ~~is~~ requesting that BellSouth offer it a DA Block per line after the

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CONSUMER SERVICES DIVISION

MAR 06 2000

TN REGULATORY AUTHORITY

Lynn Smith  
Operations-Assistant Vice President  
600 North 19<sup>th</sup> Street  
Birmingham, AL 35203

Dear Ms. Smith:

Discount Communications received your fax dated March 1, 2000, regarding the collection of debt in pursuant of the resale agreement between BellSouth and Discount. Ms. Smith, it has always been Discount Communications position that there are legitimate on-going disputes over the amount of the bill. These disputes are before the Tennessee Regulatory Authority for resolution. It is Discount's hope that Discount Communication and BellSouth can come to a resolution of this billing matter.

Ms. Smith, Discount Communication has made attempts to reach Ms. Davis and you to make arrangements to bring a resolution to this situation. Discount is willing and available at any time to meet to resolve these disputes.

Respectfully,

  
Edward Hayes  
Owner

Cc: Congressman Harold Ford, U.S. Rep.  
Senator John Ford, Tennessee Legislator  
Ken Ray, VP BellSouth  
David Waddell, Executive Director TRA  
Vivian Michael-Wilhoite, TRA

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## ***Discount Communications***

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Fax... (901) 327-2809

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March 3, 2000

To: Vivian Michael-Wilhoite  
Consumer Services Division  
Tennessee Regulatory Authority

\* Addendum: 1

Addendum to Response #3- Directory Assistance

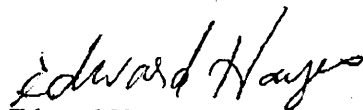
Discount Communications will entertain the following option:

1. Discount Communications is opting to provide and/or offer directory assistance to Discount's Customers directory assistance as referenced by the TRA (Tennessee Regulatory Authority) Order in Tennessee; docket no. 90-01331 dated January 17, 1997.

Correction to Response #3:

We are asking for these changes in directory assistance and the directory assistance charges be held in dispute until a workable solution is found.

Respectfully,



Edward Hayes  
Owner

cc: John Ford, Senator, State of Tennessee  
Melvin Malone, Chairman, TRA  
Sara Kyle, Director, TRA  
David Waddell, Executive Director, TRA  
Joe Werner, Chief Telecom Division, TRA  
Eddie Roberson, Chief, Consumer Services, TRA  
Harold Ford Jr., Congressman

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FEB 24 2000

TN REGULATORY AUTHORITY

Ms. Vivian Michael-Wilhoite  
Consumer Services Division  
Tennessee Regulatory Authority  
February 24, 2000

Dear Ms. Wilhoite:

This is a list of disputes involving Directory Assistance.

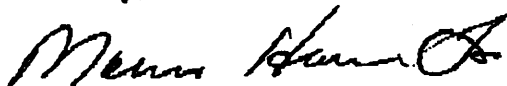
1. September	\$1980.48
2. October	\$1892.16
3. November	\$2510.64
4. December	\$3284.01
5. January	\$4035.74

Ms. Wilhoite, Discount has previously paid BellSouth \$9667.29 of the disputed amount \$13,703.03. We are requesting BellSouth to credit our account with the \$13,703.03.

Discount listed in the inquiry that BellSouth has failed to correct their LENS Ordering System; thus, creating this dispute. Discount has talked to, filed disputes, and physically met with BellSouth to correct the Directory Assistance problem. Discount did not create the problem. The problem was created when BellSouth was allowed to charge for Directory Assistance in the middle of our contract without first addressing the problem of the LENS Ordering System.

Discount is requesting the Tennessee Regulatory Authority to suspend Directory Assistance charges until a remedy is put in place by BellSouth.

Sincerely,



Morris Harris, Sr.

*"Your Complete Telecommunications Provider"*

**FAX**

00-0227

**BellSouth Telecommunications**  
333 Commerce Street  
Nashville, TN 37201-3300Date 2-24-00Number of pages including cover sheet 1*Bill payment  
request to  
Bell.*To: **Vivian Michael-Wilhoite****TENNESSEE REGULATORY  
AUTHORITY****Utility Services Division****460 James Robertson Pkwy****Nashville, TN 37243-0505**Phone (615) 741-3939Fax Phone (615) 741-8953

CC: \_\_\_\_\_

**Robin Moore****Executive Appeals****22K105****333 Commerce Street****Nashville, TN 37201-3300**Phone (615) 214-3861Fax Phone (615) 214-8857

## REMARKS

☐ Urgent☐ For your review☐ Reply ASAP☐ Please comment**Re: Discount Communications**

This is in response to your two verbal requests regarding the LENS system and whether or not Discount Communications can send through orders to restore existing customers that have been denied for delinquent bills and/or orders to deny existing customers when their bills are delinquent.

When the LENS systems is shut-down, NO orders can be processed. However, Claude Morton has agreed if Discount Communications will fax him a list of existing customers that they wish to either have restored or denied **by NOON FRIDAY - February 25, 2000**, he will see that these existing customers are either restored or denied, per Discount Communications request. Fax # for Mr. Morton is 205 977-8138. Discount Communications may want to make a follow up call to Mr. Morton to confirm he has received their fax. Again, Mr. Morton's number is 205 977-0157.

This is for existing customers only.

**MEMORANDUM**

**DATE:** February 22, 2000

**TO:** Vivian Michael-Wilhoite  
Tennessee Regulatory Authority

**FROM:** Robin Moore *RM*  
BellSouth Executive Appeal

**RE:** File No. 00-0227, Discount Communications

---

This is in response to your fax of February 22, 2000, received @ 4:36 p.m., regarding additional concerns/ payment arrangements requested by Mr. Morris Harris, Sr. of Discount Communications.

Mr. Harris will need to contact Mr. Claude Morton of our billing and collections department to request any extension on his account. Mr. Morton can be reached at (205) 977-0157.

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FEB 23 2000

TN REGULATORY AUTHORITY

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 CONSUMER SERVICES DIVISION  
 FEB 22 2000  
 TN REGULATORY AUTHORITY

Ms. Vivian Michael-Wilhoite  
 Consumer Services Division  
 Tennessee Regulatory Authority  
 February 22, 2000

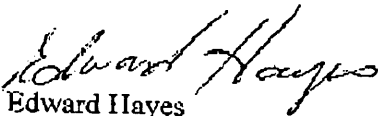
Ms. Wilhoite:

This is a list of disputes and the amount that are involved.

Link-up	52	\$1,743.00
Life-Line	3.50	\$3,500.00
Directory Assistance		<u>\$13,703.03</u>
Partial Total		\$18,946.03
Bill Total		\$56,339.52
Disputes		<u>\$18,946.03</u>
		\$37,993.49

Due to the LENS shutdown, we have not been able to go through the billing thoroughly. The shutdown of the LENS system has severely affected our customers and has created financial losses. It will require at least two weeks to get control of the situation.

Sincerely,

  
 Edward Hayes  
 Owner

2/24 DA disputed charges  
 covers from Sept. - Jan

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# ***Discount Communications***

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FEB 14 2000

TN REGULATORY AUTHORITY

February 11, 2000

Mr. Eddie Robinson, Director of Consumer Affairs  
460 James Robertson Pkwy  
Nashville, TN 37243

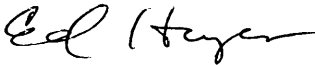
Mr. Eddie Robinson,

Discount Communications is filing a formal complaint against BellSouthTelecommunication Inc. of Tennessee for failure to pass the required \$10.50 to certified Life-Line customers in Tennessee.

Discount Communications is a reseller in Tennessee, we have over nine hundred (900) customers on our records that currently qualify for the Life-Line program. We pass the full \$10.50 to these customers. BellSouth is only crediting Discount Communications with \$7.00 in adjustments. Discount Communications does not have the authority to be reimburse through the National Exchange Carrier Association (NECA). BellSouth is responsible for passing the full \$10.50 credit on to Discount Communications.

Attached is a copy of the tariff submitted by BellSouth, October 8, 1999.

Respectfully,



Edward M. Hayes, Owner

*"Your Complete Telecommunications Provider"*

BELLSOUTH  
TELECOMMUNICATIONS, INC.  
TENNESSEE  
ISSUED: October 8, 1999  
BY: President - Tennessee  
Nashville, Tennessee

## GENERAL SUBSCRIBER SERVICES TARIFF

Fourth Revised Page 75  
Cancels Third Revised Page 75

EFFECTIVE: November 8, 1999

**A3. BASIC LOCAL EXCHANGE SERVICE****A3.31 Lifeline****A3.31.1 Description of Service**

- A. The Lifeline program is designed to increase the availability of telecommunications services to low income subscribers by providing a credit to monthly recurring local service to qualifying residential subscribers. Basic terms and conditions are in compliance with the FCC's Order on Universal Service in FCC 97-157, which adopts the Federal-State Joint Board's recommendation in CC Docket 96-45, which complies with the Telecommunications Act of 1996. Specific terms and conditions are as prescribed by the Tennessee Regulatory Authority and are as set forth in this tariff.
- B. Lifeline is supported by the federal universal service support mechanism.
- C. Federal baseline support of \$5.25 is available for each Lifeline service and is passed through to the subscriber. An additional \$3.50 credit is provided by the Company. Supplemental federal support of \$1.75, matching one half of the Company contribution, will also be passed along to the Lifeline subscriber. The total Lifeline credit available to an eligible customer in Tennessee is \$10.50. The amount of credit will not exceed the charge for local service, *which includes the access line, Touch-Tone, the Subscriber Line Charge and local usage.* (C)

**A3.31.2 Regulations**

- A. General
  - 1. Customers eligible under the Lifeline program are also eligible for connection assistance under the Link-Up program.
  - 2. One low income credit is available per household and is applicable to the primary residential connection only. The named subscriber must be a current recipient of any of the low income assistance programs identified in *B.* following. (T)
  - 3. A Lifeline customer may subscribe to the current capped message rate Lifeline plan (USOC LM8) or any local service offering available to other residence customers. Since the Lifeline credit is applicable to the primary residential connection only, it may not be applied to a multiple line package local service offering.
  - 4. Toll blocking, if elected, will be provided at no charge to the Lifeline subscriber.
  - 5. The deposit requirement is not applicable to a Lifeline customer who subscribes to toll blocking. If a Lifeline customer removes toll blocking prior to establishing an acceptable credit history, a deposit may be required. When applicable, advance payments will not exceed the connection and local service charges for one month.
  - 6. The PICC will not be billed to Lifeline customers who subscribe to toll blocking and do not presubscribe to a long distance carrier.
  - 7. A Lifeline subscriber's local service will not be disconnected for non-payment of regulated toll charges. Local service may be denied for non-payment of local *service* in accordance with Section A2. Access to toll service may be denied for non-payment of regulated tolls. A Lifeline subscriber's request for reconnection of local service will not be denied if the service was previously denied for non-payment of toll charges. (T)
  - 8. *The non-discounted federal Lifeline credit amount will be passed along to resellers ordering local service at the prescribed resale discount from this Tariff, for their eligible end users. The additional credit to the end user will be the responsibility of the reseller. Eligible Telecommunications Carriers, as defined by the FCC, are required to establish their own Lifeline programs.* (C)
- B. Eligibility
  - 1. To be eligible for a Lifeline credit, a customer must be a current recipient of any one of the following low income assistance programs.
    - a. Temporary Assistance to Needy Families (TANF), previously known as AFDC
    - b. Supplemental Security Income (SSI)
    - c. Food Stamps
    - d. Medicaid, as provided under TennCare
  - 2. Additionally, a customer with total gross annual income that does not exceed 125% of the federal poverty income guidelines may apply directly to the Tennessee Regulatory Authority (TRA) for Lifeline eligibility certification.
  - 3. All applications for service are subject to verification with the TRA or state agency responsible for administration of the qualifying program.

BELLSOUTH  
TELECOMMUNICATIONS, INC.  
TENNESSEE  
ISSUED: October 8, 1999  
BY: President - Tennessee  
Nashville, Tennessee

## GENERAL SUBSCRIBER SERVICES TARIFF

Sixth Revised Page 76  
Cancels Fifth Revised Page 76

EFFECTIVE: November 8, 1999

**A3. BASIC LOCAL EXCHANGE SERVICE****A3.31 Lifeline (Cont'd)****A3.31.2 Regulations (Cont'd)****C. Certification**

1. Proof of eligibility in any of the qualifying low income assistance programs should be provided to the Company at the time of application for service. The Lifeline credit will not be established until proof of eligibility has been received by the Company. If the customer requests installation prior to the Company's receipt of proof of eligibility, the requested service will be provided without the Lifeline credit. When eligibility documentation is provided subsequent to installation, the Lifeline credit will be provided on a going forward basis.
2. The Company reserves the right to periodically audit its records, working in conjunction with the appropriate state agencies, for the purpose of determining continuing eligibility. Information obtained during such audit will be treated as confidential information to the extent required under State and Federal laws. The use or disclosure of information concerning enrollees will be limited to purposes directly connected with the administration of the Lifeline plan.
3. When a customer is determined to be ineligible as a result of an audit, the Company will contact the customer. If the customer cannot provide eligibility documentation, the Lifeline credit will be discontinued.
4. Resellers providing Lifeline service from this tariff are responsible for determining proof of eligibility prior to requesting the service. Disclosure requirements described in 2. Preceding are applicable to resellers of Lifeline service. (N)

**A3.31.3 Rates and Charges****A. General**

1. Lifeline is provided as a monthly credit on the eligible residential subscriber's access line bill for local service.
2. Service Charges in Section A4. are applicable for installing or changing Lifeline service.
3. Link-Up connection assistance in Section A4. may be available for installing or relocating Lifeline service.
4. The Secondary Service Charge in Section A4. is not applicable when existing service is converted intact to Lifeline.

**B. The total Lifeline credit consists of one federal credit plus one state credit****(1) Federal credit**

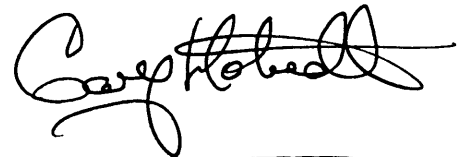
	Monthly Credit	USOC
(a) Temporary Assistance to Needy Families (TANF)	\$7.00	ASGFA
(b) Supplemental Security Income (SSI)	7.00	ASGFS
(c) Food Stamps	7.00	ASGFC
(d) Medicaid (under TennCare)	7.00	ASGS1
(e) TRA Certified	7.00	ASGTC
<b>(2) State credit</b>		
(a) One per Lifeline	3.50	CRA

Eddie -

4-3-00

These documents are OK w/  
copying and providing to Henry Walker  
per his public information request —  
relative to Discount Communications  
complaint vs. BellSouth / 00-00230.

Any questions, call me at x168.



---

(H. Walker's phone: 252-2363

---

P.S.: Richard suggested that you  
acknowledge this with a letter, cc: BellSouth  
+ file a copy in the Docket File. Also,  
# of copies x 25¢ a copy ...!





Follow Up   X  

Closure           

**Tennessee Regulatory Authority  
Consumer Services Division  
Complaint Investigation Report**

**Date** 3/22/00

**File Number** 00-0227

**Complainant** Discount Communications (Ed Hayes)

**Telephone Number** 9018436070

**Report:**

**Complaint:** \$3.50 Lifeline not passed on by BellSouth to Discount; 1/2 of Discount's installation charge not requested by BellSouth from NECA for Discount; Directory Assistance per use charge billed to Discount by BellSouth:

**Please note the ascending chronological order of this file.**

2/14 Provided preliminary letter to Ed Hayes of Discount Communication ("Discount") via fax acknowledging his concern that BellSouth is only providing \$7 credit instead of \$10.50 credit for Lifeline customers. Mailed copy to Robert White of Congressman Ford's Office and all appropriate parties.

2/15 Contacted by Robert White of Congressman Ford's office. Discussed Discount's matter of concern and explained the expected date for a written response. Mr. White requested to know who at BellSouth would be handling the complaint. Referred this request to Robin Moore of BellSouth's Executive Appeals. Robin stated that it would be their legal staff who would address the complaint. Provided to Mr. White.

2/16 Mr. White calls back to further explain that Discount's LENS System is not operating to enroll new customers. I asked when did this happen because the complaint was received 2/14/00 and explained that services could not be interrupted while under such a dispute. Mr. White asked whether the TRA received a letter on 2/10 and 2/11. I confirmed that the TRA did receive a letter on 2/10 after office hours @ 17:39 and on 2/11 @ 15:30. Neither letters referenced the disconnection of Discount's LENS. Mr. White agreed to fax me a copy of a letter from BellSouth that related to interruption of the LENS. According to the letter, the LENS was interrupted for non payment of undisputed charges on the December billing. Also attached was breakdown of charges and payments, receipt of 2/8 payment of \$20,000, and BellSouth CLEC Billing Adjustment Response dated 7/31/99.

The Breakdown of charges did not include the 2/8 \$20,000 payment made and the Lifeline disputed charges. Robin Moore of BellSouth stated that the payment of the \$20,000 was posted 2/16/00. **How was the \$20,000 payment mailed? (According to Mr. Harris on 3/3/00, this payment was mailed on 2/8 via FedEx It took 8 days for BellSouth to get it. Why was it not posted until 2/16?** Robin also provided the amount of the Lifeline disputed amount. **Where did the Lifeline disputed charges come from and why were they not included in the breakdown?** The amount owed for December billing was now as follows as provided by Robin Moore. Refer to the 2/11/2000 breakdown beginning with \$60,802.28 - \$20,000 (payment posted 2/16/00 paid 2/8 according to Discount records)=\$40,802.28 - \$10,559.25 (Pending Link-up disputed amount listed on breakdown accrued from 12/98 to 1/4/00 per Mr. Harris Sr. on 3/6/00)=\$30,243.03 - \$28,997.50 (Lifeline disputed amount not listed on breakdown)=\$1,245.50. The \$1,245.50 is the amount that BellSouth agreed that Discount could pay to restore the LENS. **How did BellSouth arrive at the Lifeline amount of \$28,997.50? How did BellSouth arrive at the \$10,559.25**

**Link-up amount? (According to Mr. Harris on 3/6/00, this amount is the disputed charges for Lifeline accrued from 12/98-1/4/00).**

On the breakdown it is stated that the LENS would be disconnected again due to January 4, 2000 billing of \$56,344.99 that became past due on 2/5/2000. If \$56,344.99 amount is not paid by 2/22/2000, the LENS would be disconnected again.

Requested Robin Moore to confirm whether the \$56,344.99 amount comprised of Link-up or Lifeline credits. She states that there were not Link-up credit but there were Lifeline credit of approximately \$3500 (1000 x \$3.50) leaving a \$52,844.99 balance that must be paid by 2/22/00 or be subjected to the LENS disconnection. Explained to Mr. Morris Harris Sr. and Robert White. Mr. Harris stated that he agreed with the information provided. I also stated that I want to assist him to assure that his service is not disconnected on 2/22/00.

2/16 Mr. Harris Sr. faxed to me a copy of an AmSouth Bank Customer Wire Transfer Request application. The completed application only indicated that Discount has requested the wire but not that the wire has been sent. Provide copy to Robin Moore of BellSouth via fax.

2/17 Robin Moore of BellSouth informed me as of that early morning BellSouth had not received the \$1245.53.

2/17 Called Mr. Harris but he was not available. Was told by representative of Discount that Mr. Harris Sr. had gone to the bank and would return shortly.

2/17 Mr. Harris Sr. called back at 9:29 am. Left message. Returned his call at 9:37 am to discuss his additional concerns and confirmation number regarding his recent payment. Mr. Harris, Sr. could not provide a confirmation number according to the bank.

2/17 Robin Moore of BellSouth called to inform receipt of payment and that LENS is being restored.

2/17 Mr. Harris Sr. faxed his additional concerns. I called him to discuss his faxed letter. He agreed to make the necessary changes to the letter so that his concerns would be more concise. Stated that he would have the revised copy faxed in the morning. Agreed that Discount would pay the undisputed amount by 2/22 and will provide a list of the disputed amount to the present past due bill.

2/17 Mr. Robert White requested to talk with Joe Werner, Chief of Telecom. Conference call was held. Joe explained that FCC gave approval for the state credit. The TRA is looking at that and it is possible that the \$3.50 credit could from the fund. Joe went on to explained that the FCC ruled that the reseller is the provider of service but the ETC has to ask for the credit and pass it on to the reseller. Mr. White wanted to know who is responsible for the \$3.50. Joe explained that according to TRA, the reseller would be responsible for the \$3.50. Mr. White was concerned about the money aggregated from the \$3.50 built up over a period of time. He was also concerned with what was said between the TRA and FCC regarding Link-up and Lifeline. Joe agreed to dig up the old Lifeline order and fax to Mr. White. Mr. White appreciated the time taken.

2/17 Joe of Telecom provide me with a copy of Discount's tariff.

2/21 Contact Mr. Harris, Sr. to remind him that I had not received any additional disputed charges from him and reminded him again that 2/22/00, BellSouth will be disconnecting the LENS if undisputed charges as they alleged of 52,000 was not paid by 2/22.

2/22 Discount faxed after office hours on 2/18/00, their additional concerns regarding Directory Assistance and Link-up disputes. Faxed additional concerns to BellSouth requesting that their response to these concerns be also addressed with the initial complaint faxed on 2/14/00.

2/22 Faxed request from Discount to BellSouth asking BellSouth to allow an extension on the remaining \$52,844.99. Discount had mailed on 2/21, \$30,000 and could pay the remaining balance by 3/2/2000. He requested this extension to prevent the disconnection of the LENS. Mr. Harris understood that BellSouth could denied his request due to non payment of undisputed charges. Also explained that due to the lateness of this request, I need to get the request over to BellSouth right away.

2/22 Informed had list of disputed charges from Discount for the \$56,339.52 past due billing. Indicated that Discount believed that they owed BellSouth \$37,993.49. This still remained \$7,993.49 that remained as undisputed outstanding charges which BellSouth could deny request to not disconnect.

2/23 BellSouth provided at 5:20 on 2/22 that pay arrangements request must be directed to Claude Morton in billing and collections.

2/24 LENS System to Discount is disconnect. Requested Eddie Roberson assistance to get BellSouth to restore Discount's LENS until this complaint is resolved. Conference discussion with Jeff Fox of BellSouth, Robin Moore, Eddie Roberson and myself what is the function of LENS and how does it affected Discount's business. Asked BellSouth to provide how disconnection of LENS could affect Discount and would BellSouth accommodate Discount's request to disconnect or restore customer. Requested BellSouth to give payment history of Discount Communications since according to information provided to Eddie Roberson, Discount has paid in the past with checks that were insufficient.

2/24 Convey details of the conference call. Mr. Hayes stated that he would fax a list of subscribers. However Mr. Hayes was concerned about a person whose service had been disconnected but came in to pay outstanding charges. Would BellSouth reconnect this customer at the request of Discount. If BellSouth did not agree to restore in this case, he would choose not to provide a list of customers to disconnect.

2/24 Discount provided alleged itemized amounts of disputed directory assistance charges.

2/25 Discount faxed a blank Request For Unbundled Capabilities application. Called Mr. Hayes to discuss this fax. Understand that the application implies that BellSouth could provide the DA toll limitation request. Discount faxed this application to all of the Directors and Eddie Roberson.

2/29 Received BellSouth response faxed 2/25 to Discounts complaint. Provided to Ed Hayes of Discount, Robert White of Congressman Ford's Office, Eddie and Roger. Not in office on 2/25 and therefore could not provide the response to all interested parties until I returned.

3/2 Mr. White provided letter from Lynn Smith of Discount requesting payment of \$55,342.49.

3/3 Discount provided a rebuttal to BellSouth's response. Later on Discount provided an addendum to the initial response.

3/6 Provided Discount's rebuttal and addendum to BellSouth.

3/6 Discount provided a copy of their response to BellSouth's faxed letter dated March 1, 2000, addressing BellSouth's request for payment.

3/6 Called Mr. Hayes. He asked by BellSouth had not set aside the disputed amounts. He informed me that Discount had mailed a check for \$7,993.49, the remaining amount of the undisputed past due balance as alleged by Discount. (Please note the BellSouth stated that Discount allegedly owed \$55,342.49 for the same past due billing). Discount had also paid \$20,000.

3/7 TRA Staff provide a written data request asking for BellSouth's immediate response. Provided copy of the Staff's data request to Mr. Hayes and Robert White.

3/7 Discount provided fax information regarding additional disputed charges relating to DA, Link-up, Lifeline and Promotion Credit. Mr. Harris, Sr. left message to check if I had received the fax and to apologize for not providing the explanation of the LENS. Thanked me for all the work I had done.

3/10 Received Mr. Hayes faxed concern regarding his question of what the TRA has allowed BellSouth to do specifically in regards to collection of the outstanding undisputed charges according to BellSouth.

3/10 **Contacted Mr. Hayes to discuss his fax. According to this conversation, Discount has about 2,000 customers and 1000 customers receives Lifeline. He has customers in Nashville and across the state of Tennessee. Also conveyed the possible outcome of his complaint regarding the Lifeline credit portion. I asked Mr. Hayes who is his contact at National Exchange Carrier Association (NECA). NECA administers the federal universal service fund. Provided the name of Christine Boreyko @ 973-884-8027. Mr. Hayes understood that I wanted to ask her the question about the maximum credit that can be received under the Link-up, reimbursement of the \$3.50 under Lifeline. Mr. Hayes explained again that BellSouth is only requesting on their behalf 1/2 of their cost of installation, \$41.50. Mr. Hayes states that they are entitled to \$29.99 which is 1/2 of their [Discount's] installation cost, \$59.99. Therefore, the disputed Link-up charge is the difference of what is not being requested from NECA, \$9.24.**

3/14 Left Robin Moore a message asking when can I expect their response to the Staff's data request.

3/15 Robin responded that the written response from BellSouth to the data request will be provided first thing in the morning [3/16] or by 10 am. Forwarded copy of Robin's voice mail response to Eddie and Roger.

3/16 Contacted by Shirley Frierson. She only wanted to confirmed that a Discount did in fact has a complaint on file with the TRA. She had understood from Discount that per a BellSouth representative that a formal complaint had not been filed. Explained to her that a complaint had been filed. Requested Naomi to pull file as evidences that complaint had been filed. But also explained that all complaints filed with Consumer Services are not formal complaints but informal complaints. Explained that a formal complaint is one that is heard before the Directors as a result of a request for hearing made and approved by the Executive Director.

3/16 Contacted Ms. Boreyko of NECA. Ms. Boreyko was familiar with Discount Communications in Tennessee. I requested clarification on what is the maximum amount of credit that is to be reimbursed to an eligible communications carrier (ETC) pertaining to Lifeline. She stated that Discount is not an ETC. I agreed and explained the creative way that the TRA has allowed a reseller to offer the program through BellSouth, an ETC. But, BellSouth would request the allowable credit for Discount. Ms. Boreyko stated that Discount would not be reimbursed the \$3.50 from the federal universal service fund. She further stated that BellSouth only receives \$7.00 (seven) from the federal side. Agreed to provide a written response to a data request. Ms. Boreyko is the Manager of Lifeline and Eligibility Administration at NECA. See 3/16/00 email from Ms. Boreyko regarding this conversation. The email did not reflect our discussion regarding the Link-up credit to Discount. However, Ms. Boreyko did agreed that Discount as an ETC would be entitled to be reimbursed 1/2 up to the \$30 of their installation charge. Since Tennessee allows the ETC to request the reimbursement on behalf of the resellers, then there exist the possibility that Discount's credit would be 1/2 up to \$30 of what they charge.

3/16 Directed a data request to Ms. Boreyko that requested confirmation regarding Link-up as well as Lifeline..

3/17 Ms. Boreyko answers data request. **Her response again confirms that the \$3.50 is not reimbursed by NECA. Therefore indicating that Discount is only entitled to the \$7 which is what BellSouth is being reimbursed for their customers. She further states that the amount not reimbursed by NECA, i.e. \$3.50, is typically reimbursed by the state.** Did not address the Link-up reimbursement issue in her written response as discussed in our conversation.

3/17 Received a copy of Discounts letter to Executive Director David Waddell requesting a formal hearing.

3/17 Requested another data question to Ms. Boreyko in an attempt to obtain clarity of what is the amount that Discount would be entitled to regarding Link-up credit. Also emailed a separate question prior to the Link-up scenario question regarding DA block limitations.

3/17 Ms. Boreyko responded to Link-up credit question that indications that if Discount were in fact an ETC, they would be entitled to be reimbursed 1/2 up to \$30 of their customary installation charge. Discount customary charges \$59.99, BellSouth customary charges \$41.50 and therefore should only request \$20.75. ( Please note that Ms. Boreyko's response stated \$21. Did she mean \$20.75?)

3/17 Discussed with Eddie concern about BellSouth's actions to disconnect Discount's customers on 3/20. It appears that the BellSouth should hold off from disconnection until this matter is resolved. Eddie agreed and sent letter to BellSouth to this effect.

3/17 Per Eddie, BellSouth agreed to delay disconnection action against Discount. Faxed copy of Eddie's letter and provided BellSouth's response to Eddie's letter.

3/17 Reviewed BellSouth's 3/16/00 response to Staff's data request. Also reviewed BellSouth's response to Discount's rebuttal to BellSouth's initial response. Provided copies of both responses to Discount.

3/17 Received copy of BellSouth's 3/17 letter from Charlie Howorth that stated that they had agreed to not disconnect Discount customers on 3/20. BellSouth additionally requested that action for hearing be taken up on the 3/20/00 hearing. Also requested that if hearing is granted, it must be done within 10 days of the 3/20/00 hearing. BellSouth further requested that the TRA take action to protect possible interest of BellSouth due to unpaid balance believed to be owed to BellSouth from Discount. BellSouth suggested that until the resolution has been made by the TRA, Discount be required pay bill in full or have BellSouth hold the money in escrow, or Discount post a bond or irrevocable letter of credit.

3/22 Provided David Wadell information regarding discussion with David Mills, representative of legislative office. See copy of email dated 3/22/00.

3/22 Discount faxed copy of two letters faxed to them by Bellsouth as a result, it appears, that both letters were mailed to Discount to old address.

3/22 Discount provided explained of how LENS interfaces with their every day activities not just used to initial new customers. At Eddie's request, provide copy of this to Henry Walker, Discount's counsel.

**Staff opinion not rendered due to informal complaint status now formal complaint status. Ruling must now come from the TRA on the following and possibly other related issues:**

- **Link-up credit that should be provided to Discount, 1/2 up to \$30 of BellSouth's installation charge or Discount's installation charge. Discount believes that BellSouth should request to NECA on their behalf \$29.99 which is 1/2 of Discount's installation charge.**
- **Who or what fund, if any, would reimburse the \$3.50 difference allegedly owed by Discount. Discount believes that BellSouth should reimburse for the difference.**
- **Directory Assistance charges paid by Discount to BellSouth. Discount is a reseller offering prepaid services. Discount state that they have not way of passing on abusers of the DA service.**

Utility	C/NC		Adj. Amt.	\$0.00
Utility	C/NC		Adj. Amt.	\$0.00
Utility	C/NC		Adj. Amt.	\$0.00

Investigator: Vivian Michael-Wilhoite

RECEIVED  
CONSUMER SERVICES DIVISION

APR 04 2000

IN REGULATORY AUTHORITY

Henry Walker  
(615) 252-2363  
Fax: (615) 252-6363  
Email: hwalker@bccb.com

BOULT  
CUMMINGS  
CONNERS  
& BERRY  
PLC

LAW OFFICES  
414 UNION STREET, SUITE 1600  
POST OFFICE BOX 198062  
NASHVILLE, TENNESSEE 37219

March 31, 2000

00 MAR 31 PM 12 05

TELEPHONE (615) 244-2582

FACSIMILE (615) 252-2380

INTERNET Web <http://www.bccb.com/>

EXECUTIVE SECRETARY

David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

**In Re: Complaint of Discount Communications against BellSouth  
Telecommunications  
Docket No. 00-00230**

Dear David:

Please accept for filing the original and thirteen copies of Discount Communications, Inc.'s preliminary issues list in the above-captioned proceeding.

Sincerely,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:

  
Henry Walker

HW/nl

c: Patrick Turner, counsel for BellSouth Telecommunications

BEFORE THE TENNESSEE REGULATORY AUTHORITY  
Nashville, Tennessee

IN RE: COMPLAINT OF DISCOUNT )  
COMMUNICATIONS, INC. ) Docket No. 00-00230  
AGAINST BELL SOUTH )  
TELECOMMUNICATIONS, INC. )

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**PRELIMINARY ISSUES LIST OF DISCOUNT COMMUNICATIONS**

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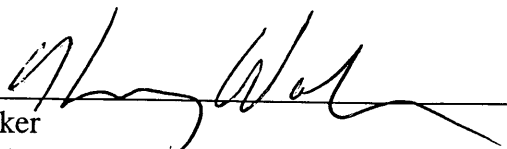
The following is a preliminary list of issues to be resolved in the above-captioned proceeding. Additional issues may develop through discovery, the filing of pre-hearing briefs, and the hearing itself.

1. Whether BellSouth has properly charged, and may continue to charge, Discount Communications for directory assistance.
2. Whether BellSouth has properly credited Discount Communications for providing service to Lifeline customers and how BellSouth will provide such credits in the future.
3. Whether BellSouth has properly credited Discount Communications for providing service to Link Up customers and how BellSouth will provide such credits in the future.
4. Whether BellSouth has engaged in a pattern of anti-competitive activity toward Discount Communications, as evidenced by the three matters described above and by other

incidents of anti-competitive behavior.

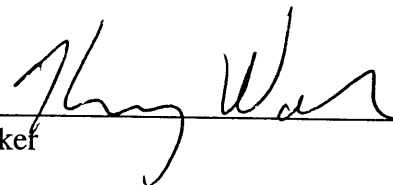
Respectfully submitted,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:   
Henry Walker  
414 Union Street, Suite 1600  
P.O. Box 198062  
Nashville, Tennessee 37219  
(615) 252-2363

#### CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been forwarded via hand delivery, to Patrick Turner, Esq., BellSouth Telecommunications, Inc., 333 Commerce St. , Nashville, TN 37201-3300 on this the 31st day of March, 2000.

  
Henry Walker



# TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

## MEMORANDUM

TO: Robin Moore  
BellSouth

FROM: Eddie Roberson  
Chief, Consumer Services Division

DATE: February 14, 2000

SUBJECT: File Number 00-0227  
Discount Communications

\*\*\*\*\*

The enclosed is a complaint lodged against your company which is self-explanatory. I would appreciate your investigation of the complaint and a prompt written reply to my office within ten (10) working days. *Please include the complaint file number on any document sent to this office regarding this complaint.*

If you want to fax the response that number is 615-741-8953.

Thank you for your cooperation in this matter.

Enclosures

c: Vivian Michael-Wilhoite, Investigator

Post-it® Fax Note		7671	Date	2/14	# of pages	7
To	Bell		From	JRA		
Co./Dept.			Co.			
Phone #			Phone #			
Fax #			Fax #			

0221 Bell U

## DISCOUNT COMMUNICATIONS

RECEIVED

3798 PARK AVE  
 MEMPHIS, TN 38111  
 TEL # 901.843.6070  
 FAX # 901.327.2809

FEB 11 2000

SARA KYLE, COMMISSIONER  
 TN PUBLIC SERVICE COMM.

## FACSIMILE TRANSMITTAL SHEET

TO: CHAIRMAN MALONE FROM: DISCOUNT COMM ED HOGES  
 COMMISSIONERS SARA KYLE & LYNN GREEN  
 COMPANY: MR. DAVID WADDELL DATE: FEB 11 2000  
 TRA (EXECUTIVE SECRETARY)  
 FAX NUMBER: 1-615-741-5015 TOTAL NO. OF PAGES INCLUDING COVER: 4  
 PHONE NUMBER: SENDER'S REFERENCE NUMBER:  
 RE: YOUR REFERENCE NUMBER:

☒ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

## NOTES/COMMENTS:

Enclosed ; a copy of the formal complaint filed against Bell South Telecommunication Inc. of TENNESSEE. for failure to pass on Life-line credits to Discount Communications Mr. Commissioners Discount has been fighting this issue for a year and because of Bell South failure to abide by the tariff we are requesting IMMEDIATE ACTION and if Bell South is found negligent to apply a penalty. Discount is being affect very negatively financially

[CLICK HERE AND TYPE RETURN ADDRESS]

## Discount Communications

"Your Complete Telecommunications Provider"

3798 Park Ave  
Memphis, TN 38111-4684  
Phone... (901) 843-6070  
Toll Free 888 589-6505  
Fax... (901) 327-2802

February 11, 2000

Mr. Eddie Robinson, Director of Consumer Affairs  
460 James Robertson Pkwy  
Nashville, TN 37243

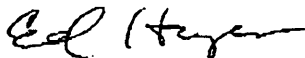
Mr. Eddie Robinson,

Discount Communications is filing a formal complaint against BellSouthTelecommunication Inc. of Tennessee for failure to pass the required \$10.50 to certified Life-Line customers in Tennessee.

Discount Communications is a reseller in Tennessee, we have over nine hundred (900) customers on our records that currently qualify for the Life-Line program. We pass the full \$10.50 to these customers. BellSouth is only crediting Discount Communications with \$7.00 in adjustments. Discount Communications does not have the authority to be reimburse through the National Exchange Carrier Association (NECA). BellSouth is responsible for passing the full \$10.50 credit on to Discount Communications.

Attached is a copy of the tariff submitted by BellSouth, October 8, 1999.

Respectfully,



Edward M. Hayes, Owner

Henry said this complaint  
has been here  
since Sept. 1999  
But this is first ~~letter~~  
formal filing.

"Your Complete Telecommunications Provider"

## GENERAL SUBSCRIBER SERVICES TARIFF

Fourth Revised Page 75  
Cancels Third Revised Page 75

BELLSOUTH  
TELECOMMUNICATIONS, INC.  
TENNESSEE  
ISSUED: October 8, 1999  
BY: President - Tennessee  
Nashville, Tennessee

EFFECTIVE: November 8, 1999

## A3. BASIC LOCAL EXCHANGE SERVICE

## A3.31 Lifeline

## A3.31.1 Description of Service

- A. The Lifeline program is designed to increase the availability of telecommunications services to low income subscribers by providing a credit to monthly recurring local service to qualifying residential subscribers. Basic terms and conditions are in compliance with the FCC's Order on Universal Service in FCC 97-17, which adopts the Federal-State Joint Board's recommendation in CC Docket 96-45, which complies with the Telecommunications Act of 1996. Specific terms and conditions are as prescribed by the Tennessee Regulatory Authority and are as set forth in this tariff.
- B. Lifeline is supported by the federal universal service support mechanism.
- C. Federal baseline support of \$5.25 is available for each Lifeline service and is passed through to the subscriber. An additional \$3.50 credit is provided by the Company. Supplemental federal support of \$1.75, matching one half of the Company contribution, will also be passed along to the Lifeline subscriber. The total Lifeline credit available to an eligible customer in Tennessee is \$10.50. The amount of credit will not exceed the charge for local service, *which includes the access line, Touch-Tone, the Subscriber Line Charge and local usage.*

## A3.31.2 Regulations

## A. General

1. Customers eligible under the Lifeline program are also eligible for connection assistance under the Link-Up program.
2. One low income credit is available per household and is applicable to the primary residential connection only. The named subscriber must be a current recipient of any of the low income assistance programs identified in B. following.
3. A Lifeline customer may subscribe to the current capped message rate Lifeline plan (USOC LM8) or any local service offering available to other residence customers. Since the Lifeline credit is applicable to the primary residential connection only, it may not be applied to a multiple line package local service offering.
4. Toll blocking, if elected, will be provided at no charge to the Lifeline subscriber.
5. The deposit requirement is not applicable to a Lifeline customer who subscribes to toll blocking. If a Lifeline customer removes toll blocking prior to establishing an acceptable credit history, a deposit may be required. When applicable, advance payments will not exceed the connection and local service charges for one month.
6. The PCCC will not be billed to Lifeline customers who subscribe to toll blocking and do not presubscribe to a long distance carrier.
7. A Lifeline subscriber's local service will not be disconnected for non-payment of regulated toll charges. Local service may be denied for non-payment of local service in accordance with Section A2. Access to toll service may be denied for non-payment of regulated tolls. A Lifeline subscriber's request for reconnection of local service will not be denied if the service was previously denied for non-payment of toll charges.
8. *The non-discounted federal Lifeline credit amount will be passed along to resellers ordering local service at the prescribed resale discount from this Tariff, for their eligible end users. The additional credit to the end user will be the responsibility of the reseller. Eligible Telecommunications Carriers, as defined by the FCC, are required to establish their own Lifeline programs.*

## B. Eligibility

1. To be eligible for a Lifeline credit, a customer must be a current recipient of any one of the following low income assistance programs.
  - a. Temporary Assistance to Needy Families (TANF), previously known as AFDC
  - b. Supplemental Security Income (SSI)
  - c. Food Stamps
  - d. Medicaid, as provided under TennCare
2. Additionally, a customer with total gross annual income that does not exceed 125% of the federal poverty income guidelines may apply directly to the Tennessee Regulatory Authority (TRA) for Lifeline eligibility certification.
3. All applications for service are subject to verification with the TRA or state agency responsible for administration of the qualifying program.

OFFICIAL APPROVED VERSION, RELEASED BY RSTHQ

BELLSOUTH  
TELECOMMUNICATIONS, INC.

## GENERAL SUBSCRIBER SERVICES TARIFF

Sixth Revised Page 76  
Cancels Fifth Revised Page 76

ISSUED: October 8, 1999

EFFECTIVE: November 8, 1999

BY: President - Tennessee

Nashville, Tennessee

**A3. BASIC LOCAL EXCHANGE SERVICE****A3.31 Lifeline (Cont'd)****A3.31.2 Regulations (Cont'd)****C. Certification**

1. Proof of eligibility in any of the qualifying low income assistance programs should be provided to the Company at the time of application for service. The Lifeline credit will not be established until proof of eligibility has been received by the Company. If the customer requests installation prior to the Company's receipt of proof of eligibility, the requested service will be provided without the Lifeline credit. When eligibility documentation is provided subsequent to installation, the Lifeline credit will be provided on a going forward basis.
2. The Company reserves the right to periodically audit its records, working in conjunction with the appropriate state agencies, for the purpose of determining continuing eligibility. Information obtained during such audit will be treated as confidential information to the extent required under State and Federal laws. The use or disclosure of information concerning enrollees will be limited to purposes directly connected with the administration of the Lifeline plan.
3. When a customer is determined to be ineligible as a result of an audit, the Company will contact the customer. If the customer cannot provide eligibility documentation, the Lifeline credit will be discontinued.
4. Resellers providing Lifeline service from this tariff are responsible for determining proof of eligibility prior to requesting the service. Disclosure requirements described in 2. Preceding are applicable to resellers of Lifeline service. (N)

**A3.31.3 Rates and Charges****A. General**

1. Lifeline is provided as a monthly credit on the eligible residential subscriber's access line bill for local service.
2. Service Charges in Section A4. are applicable for installing or changing Lifeline service.
3. Link-Up connection assistance in Section A4. may be available for installing or relocating Lifeline service.
4. The Secondary Service Charge in Section A4. is not applicable when existing service is converted intact to Lifeline.

**B. The total Lifeline credit consists of one federal credit plus one state credit****(1) Federal credit**

	Monthly Credit	USOC
(a) Temporary Assistance to Needy Families (TANF)	\$7.00	ASGFA
(b) Supplemental Security Income (SSI)	7.00	ASGFS
(c) Food Stamps	7.00	ASGFC
(d) Medicaid (under TennCare)	7.00	ASGSI
(e) TRA Certified	7.00	ASGTC

**(2) State credit**

(a) One per Lifeline	3.50	CRA
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**Discount Communications***"Your Complete Telecommunications Provider"*

3798 Park Ave  
Memphis, TN 38111-4684  
Phone... (901) 843-6070  
Toll Free 888 589-6505  
Fax... (901) 327-2809

---

Claude Morton  
Bell South Billing Adjustment  
600N. 19<sup>th</sup> Street  
Birmingham, AL 35203-0000  
February 9, 2000

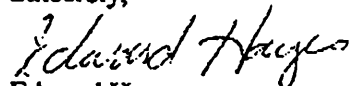
Dear Mr. Morton:

This letter is in response to the conversation between Mr. Claude Morton and Ed Hayes on Tuesday February 9, 2000, approximately 11:30 a.m. Mr. Hayes was relaying a message from Mr. Ken Ray, Vice President of Interconnections BellSouth to you, stating that all parties need to get together to resolve these problems that exist and continue to exist in Bell South's billing system that affects Discount Communication and possibly other resellers and CLEC's. Mr. Morton during the conversation, you were very adamant with the following statement. BellSouth had done all it will do regardless of what the FCC and the TRA had stated previous to Ms. Sandra Weatherly concerning BellSouth correcting this billing concern in administering the Life-Line and Link-Up Program.

Mr. Morton, it appears that BellSouth's decision is final and no solution is available. Please note that Discount Communication is forwarding this correspondent to the FCC and the Tennessee Regulatory Authority (TRA) agency to allow them to intervene and provide a fair and just resolution.

Mr. Morton, Discount Communication stands ready to resolve this matter.

Sincerely,



Edward Hayes  
Owner

cc: Ken Ray, V.P. Bell South  
Claude Morton  
Mark Nadel, FCC  
Sarah Kile, Commissioner of Tennessee Regulatory Authority

*"Your Complete Telecommunications Provider"*

## DISCOUNT COMMUNICATIONS

3798 PARK AVE  
MEMPHIS, TN 38111  
TEL # 901.843.6070  
FAX # 901.327.2809

## FACSIMILE TRANSMITTAL SHEET

TO: Comm.

FROM:

Melvin Malone, Sara Kihlert LYNN GREEN: FILE SEC DAVID WADDALL

COMPANY:

DATE:

TENNESSEE REGULATORY AGENCY

FAX NUMBER:

TOTAL NO. OF PAGES INCLUDING COVER:

1-615-741-5015

2

PHONE NUMBER:

SENDER'S REFERENCE NUMBER:

RE:

YOUR REFERENCE NUMBER:

Life-line &amp; Link-Up Credits

☒ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

Mr. Waddell, Discount Communication is experiencing EXTREME DIFFICULTIES IN OUR EFFORT TO RECEIVE CREDITS FOR THE LIFE-LINE AND LINK-UP PROGRAMS. BellSouth's tactics is creating financial and manpower problems for Discount Communication in our attempt to administer the Life-line and Link-up Program. Discount Communication is asking for the TRA assistance IN RESOLVING these difficulties.

Thank you  
EQ Hays

Enclosed is a copy of a conversation between Discount & Bell South Rep discussing the Link-Up & Life Link Credits

[CLICK HERE AND TYPE RETURN ADDRESS]

# THE NEW YORK PUBLIC LIBRARY





BellSouth Telecommunications, Inc.  
1203  
600 North 19th Street  
Birmingham, AL 35203

Nancy A. (Lynn) Smith  
Operations-Assistant Vice President

205 714-0010  
Fax 205 321-4559

February 15, 2000

Discount Communications, Inc.  
Attention: Mr. Ed Hayes  
3340 Poplar Avenue  
Suite 301  
Memphis, Tennessee 38111

PLEASE REMIT PAYMENT TO:  
BellSouth Network & Carrier Services  
Attention: Sarah T. Davis  
600 North 19<sup>th</sup> Street (15C1)  
Birmingham, Alabama 35203

Certified: Z 315 997 261

Dear Mr. Hayes:

Repeated attempts to collect past due amounts from Discount Communications have been unsuccessful and to date full payment has not been received. Discount Communications' account is currently in default in the amount of \$177,361.16 and subject to disconnection. Pursuant to the Resale Agreement between BellSouth Telecommunications, Inc. and Discount Communications, Inc. consider this letter written notice that BellSouth will proceed with the discontinuance of existing services in Tennessee on February 22, 2000. Pursuant to the Agreement, it is Discount Communications' responsibility to notify its end users of this impending disconnection.

In order to continue services, Discount Communications must pay, in immediately available funds, the present undisputed balance in the sum of \$177,361.16 to BellSouth. Also, payments are expected for any current bills that may become due. If service is interrupted, full non-recurring charges will be applicable to reestablish service.

If you have questions regarding your account, please contact the Billing Operations Manager, Sarah Davis, at (205) 714-0013.

Sincerely,

A handwritten signature in cursive script that reads "Lynn Smith".

Discount Communications Inc.

3540 Poplar Avenue

Suite 301

Memphis TN 38111-6649

MEMPHIS TN 38111-6649

DISCOUNT COMMUNICATIONS INC.  
NOTIFY SENDER OF NEW ADDRESS  
38112009 1899 07 03/01/00  
DISCOUNT COMMUNICATIONS INC.  
MEMPHIS TN 38111-6649





---

BellSouth Telecommunications, Inc.

February 17, 2000  
Certified: Z 315 997 263

Our records indicate that as of February 17, 2000, we have not received payment of \$56,344.99 on account 615-Q84-5343. If payment of this amount is not received by February 22, 2000 requests for additional service will be refused.

Your end users' service will be interrupted unless payment of your regulated charges is received by March 20, 2000.

Your end users' service will be interrupted for non-payment of regulated charges, a restoral fee will apply for each end user account upon restoral of service. This may be the only written notification you receive. In addition, further notice may not be given before discontinuing service if a check is dishonored.

If you have paid your bill since this notice was prepared, please accept our thanks and disregard this notice.

If you have any questions, please call 1.800.773.4967

Account representative

VMW

00-0227

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CONSUMER SERVICES DIVISION

MAR 22 2000

TN REGULATORY AUTHORITY

## What Lens Does

Ms. Wilhoite this is a list of what we use Lens for:

1. Lens allows us to Place orders
2. Check orders that have been placed
3. Make corrections to orders
4. Suspend and or disconnect customers for non- pay
5. Check on bills by being able to see the order that was placed against what we were billed
6. Examine the LSR(local service record) as well As CSR(customer service record)
7. Add and remove features for our customers
8. Transfer existing customers

Post-it™ Fax Note	7671	Date	3-22-00	# of pages	5
To	Henry Walker	From	V.M. Wilhoite		
Co./Dept.		Co.			
Phone #		Phone #			
Fax #	252-6368	Fax #			

**\*\* Transmit Conf. Report \*\***

P.1

Mar 22 2000 16:09

Telephone Number	Mode	Start	Time	Page	Result	Note
92526363	NORMAL	22,16:05	3'43"	5	O K	

MAR 22 '00 13:03 FR

TO 16157418953

P.02

*VMW*

*00-0227*

**RECEIVED**  
CONSUMER SERVICES DIVISION  
MAR 22 2000  
TN REGULATORY AUTHORITY

**What Lens Does**

Ms. Wilhoite this is a list of what we use Lens for:

1. Lens allows us to Place orders
2. Check orders that have been placed
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6. Examine the LSR(local service record) as well As CSR(customer service record)
7. Add and remove features for our customers
8. Transfer existing customers

**BellSouth Telecommunications, Inc.**  
Suite 2104  
333 Commerce Street  
Nashville, TN 37201-3300

**Charles L. Howorth, Jr.**  
Regulatory Vice President

615 214-6520  
Fax 615 214-8858

March 17, 2000

K. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37246-0505

RE: Docket 00-00230, Letter from Discount Communications

Dear Mr. Waddell:

Today we received a copy of the attached letter from Mr. Roberson regarding a letter filed with your office by Mr. Edward Hayes of Discount Communications on March 16, 2000. Copies of both letters are attached for your reference.

As indicated in Mr. Roberson's letter and as confirmed by the attached documents, we have been working with Mr. Roberson's office for some time to respond to Mr. Hayes's concerns. Although these documents show that a considerable amount of time has already been spent addressing the issues presented in Mr. Hayes' most recent letter (none of which are new issues), we will certainly continue to cooperate with Mr. Roberson's investigation.

While we disagree with Mr. Roberson's assertion that Discount Communications has filed a "formal petition" in this matter, we acknowledge that Mr. Hayes has filed a letter requesting a hearing. In light of that letter and the request from Mr. Roberson, BellSouth agrees to extend the current arrangement with Discount Communications (i.e. Discount Communications will have no LENS access, but BellSouth will not discontinue service to Discount Communications' end user customers) and suspend the scheduled disconnection of Discount's end users from March 20, 2000 until March 28, 2000.

Given the time and effort that has already been spent addressing Mr. Hayes' claims (and the growing past-due balance of Discount Communications' account), we request that Mr. Hayes' request for a formal hearing be placed on the Conference Agenda for action during the March 28, 2000 Directors' Conference.

(2)

Additionally, if the Directors agree to conduct the hearing requested in Mr. Hayes' letter, we request that any such hearing will be held within 10 days of March 28, 2000 and that the TRA take steps to protect BellSouth's interests regarding any amounts that the TRA ultimately rules to be owed by Discount Communications to BellSouth. These steps could include: requiring that Discount Communications pay its bills in full and requiring BellSouth to hold these payments in escrow pending the outcome of the hearing; or requiring Discount Communications to post a bond or irrevocable letter of credit in an amount estimated to include amounts currently due plus amounts likely to be incurred by Discount Communications during the pendency of the proceeding.

I would like to reiterate that, in our opinion, we have fully complied with the applicable statutes, tariffs, and agreement, and Discount Communications simply has not paid its lawful bills. While we do not believe we are required to make the arrangements set forth in this letter, we are doing so as an accommodation in light of Mr. Roberson's letter. I trust these arrangements demonstrate BellSouth's continued willingness to cooperate with the TRA Staff in resolving the matter with Discount Communications as quickly as possible. Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charlie Horn", followed by a stylized flourish.

Attachments

CC: Eddie Roberson  
Richard Collier

**\*\* Transmit Conf. Report \*\***

P.1

Mar 17 2000 12:23

Telephone Number	Mode	Start	Time	Page	Result	Note
89013272809	NORMAL	17,12:21	1'25"	2	O K	

**TENNESSEE REGULATORY AUTHORITY**

**Melvin Malone, Chairman**  
**Lynn Greer, Director**  
**Sara Kyle, Director**

460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

**Fax Cover Sheet**

**DATE:** March 17, 2000 **TIME:** 12:17 PM  
**TO:** Ed Hayes **PHONE:**  
Discount Communications **FAX:**  
**FROM:** Vivian Michael-Wilhoite **PHONE:** 800-342-8359, ext.157  
TN Regulatory Authority **FAX:** 615-741-8953  
**EMAIL:** vwilhoite@mail.state.tn.us

**Number of pages including cover sheet: [2]**

Per our discussion and for your records, attached is a copy of the letter sent to BellSouth from Mr. Eddle Roberson requesting that they delay their actions to pursue disconnection of your customers pending the March 28, 2000, TRA hearing. I further understand from Mr. Roberson that BellSouth has agreed to this request.

If you have any questions, as always, please contact me.



# TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

## Fax Cover Sheet

<b>DATE:</b>	March 17, 2000	<b>TIME:</b>	12:17 PM
<b>TO:</b>	Ed Hayes Discount Communications	<b>PHONE:</b>	
		<b>FAX:</b>	
<b>FROM:</b>	Vivian Michael-Wilhoite TN Regulatory Authority	<b>PHONE:</b>	800-342-8359, ext.157
		<b>FAX:</b>	615-741-8953
		<b>EMAIL:</b>	vwilhoite@mail.state.tn.us

**Number of pages including cover sheet: [2]**

Per our discussion and for your records, attached is a copy of the letter sent to BellSouth from Mr. Eddie Roberson requesting that they delay their actions to pursue disconnection of your customers pending the March 28, 2000, TRA hearing. I further understand from Mr. Roberson that BellSouth has agreed to this request.

If you have any questions, as always, please contact me.

VMW



BellSouth Telecommunications, Inc.  
Executive Appeals  
22A1  
333 Commerce Street  
Nashville, TN 37201-3300

RECEIVED  
CONSUMER SERVICES DIVISION

MAR 16 2000

TN REGULATORY AUTHORITY

March 16, 2000

TO: Vivian Michael-Wilhoite  
Tennessee Regulatory Authority

FROM: Robin P. Moore *RP*  
BellSouth Executive Appeals

RE: File Number: 00-0227  
Discount Communications

This is in response to the questions outlined in your letter dated March 7, 2000, concerning the complaint filed with the Tennessee Regulatory Authority (TRA) by Discount Communications:

1. Does BellSouth offer a Directory Assistance ("DA") block to its customers? If so, please provide the charge for this service.

BellSouth has no service that blocks only calls to Directory Assistance. BellSouth's Call Screening and Restriction Services - Customized Code Restriction, Option #1 (Tariff Section A13.20.2.H.1) will restrict all outgoing calls of several types, including calls to Directory Assistance (1+/0+ 411). This Service is available for a monthly rate of \$2.00 for residence lines and \$3.75 for business lines. However, under BellSouth's Lifeline tariff (Tariff Section A3.31.2.A.4), toll blocking, if elected, will be provided at no charge to a Lifeline customer.

2. If you offer DA block, what other services does the DA block effect, if any? Please explain in detail.

As indicated in the Tariff referenced above, this service restricts calls to 1+, 0-, 0+, 1+/0+ 411, 976, 900, IDDD 01+, IDD 011+, N11 Services (311,511,611,811) and 101XXXX.

3. What technical steps would Discount need to take in order to avail itself of the larger 21.56% discount listed on Exhibit A of the BellSouth/Discount Resale Agreement? Discount made a note on this exhibit in its response believing that the two-listed discount percentages indicate that BellSouth can offer a DA block. Please address this concern.

**(Reference Discount's response provided to BellSouth on March 6, 2000.)**

This discount was included in the Final Order of TRA Docket 96-01331, and the Second and Final Order of Arbitration Awards in TRA Docket 96-01152 states that this option is available to resellers who choose to provide their own operator services, including but not limited to 0+, 0- and Directory Assistance. BellSouth is unaware of any discussion in those proceedings that contemplated a Directory Assistance blocking mechanism. Nevertheless, the technical steps to implement this arrangement may vary according to the manner in which the reseller chooses to provide these services. As stated in our responses dated February 25 and March 15, 2000, BellSouth's account team will be happy to work with this customer in implementing this arrangement.

**According to your response, the Staff understands that a Federal Communication Commission's (FCC) decision is pending in regards to an issue surrounding Link-up credit for Discount. The Staff requests that BellSouth expand the pending request with the FCC to address the following concern:**

- 4. Discount has requested that BellSouth offer a DA block per line after the first six free DA calls per Month. Would such a block violate FCC rule 54.101(a)(8)? The attached rules set forth the supported services and rule 54.401 states that Lifeline encompasses these services.**

First, BellSouth has no pending request with the FCC, since BellSouth has no issues related to the Link-Up credits that require resolution by the FCC. We do recognize that Discount Communications has issues with the Link-Up credits and, as indicated in previous responses to this complaint, BellSouth is voluntarily cooperating with Discount Communications to resolve its issues. Perhaps Mr. Hayes would be in a better position to address the Staff's request. Further, BellSouth has no service that blocks calls to Directory Assistance after the first six free calls per month as described above and has no plans to offer such a service. Therefore, BellSouth is not in a position to give a legal opinion on possible violations of the FCC Rule listed above.

- 5. According to A3.13.2 (A) Directory Assistance Service, BellSouth provides six (6) calls per billing period month without charge. Is this allowance considered in the aggregate for Discount, i.e. total resold lines multiplied by six (6)?**

No. BellSouth's Tariff A3.13.2.A states "This call allowance applies per individual subscriber line . . ." The Tariff is applied in the same fashion to lines ordered by resellers, such as Discount Communications, as to lines ordered by BellSouth's retail customers. In addition, Section IV.B of the resale agreement between Discount Communications and BellSouth specifically prohibits the aggregation of specific tariff features, e.g. usage allowance per month, from more than one end user customer, except as noted in the Agreement.

- 6. What is the per call rate that BellSouth charges Discount for DA?**

BellSouth charges Discount Communications the per-call rate listed in Tariff A3.13.3.A, less the 16% discount.

- 7. Would the exemptions stated in A3.13.2 (B) (C) for elderly and disabled customers passed through to resellers such as Discount? If so, please explain in detail how BellSouth can administer this.**

Yes. As BellSouth's customer, a reseller may qualify its customer for these exemptions in the same manner as any BellSouth retail customer.

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CONSUMER SERVICES DIVISION

MAR 15 2000

**BELL SOUTH**

TN REGULATORY AUTHORITY

*VMW*  
BellSouth Telecommunications, Inc.  
Executive Appeals  
22A1  
313 Commerce Street  
Nashville, TN 37201-3300

March 15, 2000

RECEIVED  
CONSUMER SERVICES DIVISION

MAR 15 2000

TN REGULATORY AUTHORITY

TO: Vivian Michael-Wilhoite  
Tennessee Regulatory Authority

FROM: Robin Moore *RM*  
BellSouth Executive Appeals

RE: Discount Communications  
File No 00-0227

This will provide BellSouth's comments on the response filed with the Tennessee Regulatory Authority (TRA) by Mr. Edward M. Hayes of Discount Communications on March 2, 2000. Each item is addressed as listed by Mr. Hayes.

**Response #1, \$10.50 - Life-line Credit**

BellSouth agrees with that Discount Communications is a certified reseller that is authorized to conduct business in Tennessee under a reseller agreement with BellSouth that is properly approved by the Tennessee Regulatory Authority. BellSouth stated as much in the opening paragraph of its initial response, dated February 25, 2000.

BellSouth stands by its initial response on this issue, which clearly stated that BellSouth can only recover the \$7.00, federal credit from the National Exchange Carrier Association (NECA), and BellSouth is passing this credit on to Discount Communications. BellSouth does not recover the state credit of \$3.50 from NECA and therefore does not pass this credit on to any resellers. BellSouth's response and its published tariffs are quite clear on this point. Furthermore, BellSouth denies that it has the ability to recover the state credit of \$3.50 from NECA, and BellSouth is unaware of any source from which the TRA can recover this amount.

BellSouth did correspond with the TRA during September 1999 regarding the resale of Lifeline service. Specifically, the TRA asked if, in light of recent FCC orders related to Universal Service, BellSouth would agree to update Exhibit B, Note 4 of its resale agreements to pass the discounted Lifeline rates to resellers (see attached letter from David Waddell dated September 2, 1999). BellSouth responded by stating that, to the extent that Note 4 had been superseded by the FCC's Order 97-157 (Universal Service Order), BellSouth did not object to updating this Note in order to "pass through" the federal Lifeline

credit (see attached letter from Guy Hicks dated September 9, 1999). BellSouth also agreed to update its tariffs to the extent that this FCC Order superseded previous arbitration orders. The TRA acknowledged BellSouth's letter and indicated that a copy was forwarded to the counsel of record for Discount Communications (see attached letter from David Waddell dated September 10, 1999). BellSouth is unaware of any ruling in this matter as referenced by Mr. Hayes. Rather, BellSouth voluntarily cooperated with the TRA to address this matter.

#### **Response #2 - Link-Up Credit**

BellSouth has no basis to disagree with the charges that Mr. Hayes incurs or charges in providing service to his customers. BellSouth disagrees with Mr. Hayes' assertions that we should credit 50% of Discount Communications' installation charges and we can only refer to our initial response on this issue. Again, BellSouth notes that we voluntarily agreed to treat Link-Up credits as disputed amounts (i.e. BellSouth would not demand immediate payment) pending resolution of this matter with the FCC.

#### **Response #3 - Directory Assistance**

BellSouth's initial response to Ms. Michael-Wilhoite documented the dates of documents provided by her to BellSouth in connection with this complaint. BellSouth is well aware that Discount Communications raised the issue of Directory Assistance charges some time ago and that this is not a recent concern. However, the nature of the "directory assistance dispute" mentioned by Mr. Hayes is unclear. If this "dispute" concerns the accuracy of Directory Assistance charges, BellSouth has reviewed the Directory Assistance charges and verified that they are correct. If the "dispute" concerns the feature that Mr. Hayes desires, then BellSouth again states that it has no feature that will block access to Directory Assistance after a customer has made six calls in one month. Mr. Hayes has been advised on several occasions of the "Bona Fide Request" (BFR) process under which service providers may formally submit requests to BellSouth for the development of new features. To date, Mr. Hayes has not elected to submit a BFR for the feature that he has described. Therefore, it is difficult to understand the exact nature of the "dispute" mentioned by Mr. Hayes under this issue.

In his addendum to Ms. Michael-Wilhoite, dated March 3, 2000, Mr. Hayes indicates that he will entertain the option of "providing and/or offering directory assistance to Discount's customers" as referenced in the TRA's Order in Dockets 90-01331 dated January 17, 1997. We assume this is a reference to the TRA's Final Order in Docket 96-01331, The Avoidable Cost of Providing Bundled Service for Resale by Local Exchange Telephone Companies. BellSouth's account team will be happy to work with Mr. Hayes in implementing such an arrangement.

Mr. Hayes further requests that directory assistance charges be held in dispute until a workable solution is found. Any future arrangements that Mr. Hayes may choose to implement can have no affect on directory assistance charges prior to implementation of those arrangements, which are properly assessed and billed. BellSouth has verified the accuracy of directory assistance charges to date and cannot agree to treat these charges as disputed.

**Response #4 – Billing of Charges and Credits**

While Discount Communications may object to BellSouth's statement that they have arbitrarily withheld payment, the fact remains that Discount Communications owed BellSouth \$55,342.49 in past due charges as of the date of our initial response. Since then, the February 4, 2000 bill of \$60,213.89 has also become past due. On March 6, 2000, BellSouth received a payment of \$7,993.47 from Discount Communications. Given these facts, it is difficult to come to any conclusion other than that the amounts have been arbitrarily withheld.

BellSouth does agree that Discount Communications has used the appropriate channels to discuss payment arrangements with BellSouth. The statements in BellSouth's initial response on this matter addressed an issue between BellSouth and the TRA Staff. These statements were not directed at Discount Communications nor were they intended to indicate any improper action by Discount Communications. We apologize if these statements were unclear.

**Attachments**

tra\_0902.doc



BST\_0909.doc



tra\_0910.doc

## TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyla, Director



September 2, 1999

460 James H. Robertson Parkway  
Nashville, Tennessee 37243-0503

RECEIVED  
CONSUMER SERVICES DIVISION

MAR 13 2000

TN REGULATORY AUTHORITY

Mr. Guy Hicks  
General Counsel  
Suite 2101  
333 Commerce Street  
Nashville, TN 37201-3300

In Re: Resale Agreements

Dear Mr. Hicks:

In standard resale agreements that BellSouth Telecommunications, Inc. (BST) files with the Authority for approval, Exhibit or Attachment B sets forth types of services that are available for resale. Item 5 is generally listed as Lifeline/Linkup and Note 4 appears under the heading of "Discount?" for Tennessee. Note 4 states that:

4. Lifeline/Linkup services maybe offered only to those subscribers who meet the criteria that BellSouth currently applies to subscribers of these services. In Tennessee, \_\_\_\_\_ shall purchase BellSouth's Message Rate Service at the stated tariff rate, less the wholesale discount. \_\_\_\_\_ must further discount the wholesale Message Rate Service to Lifeline customers with a discount which is no less than the minimum discount that BellSouth now provides. \_\_\_\_\_ is responsible for recovering the Subscriber Line Charge from the National Exchange Carriers Association interstate toll settlement pool just as BellSouth does today. The maximum rate that \_\_\_\_\_ may charge for Lifeline Service shall be capped at the flat retail rate offered by BellSouth.

The blanks refer to the particular reseller that is a party to the agreement filed for approval. The language that is contained in Note 4 comes largely from the Authority's Second and Final Order of Arbitration Awards, In the Matter of the Interconnection Agreement Between AT&T Communications of the South Central States, Inc. and BellSouth Telecommunications, Inc. Pursuant to 47 U.S.C. Section 252, Docket No. 96-01152, and

In the Matter of the Petition of MCI Telecommunications Corporation for Arbitration of Certain Terms and Conditions of a Proposed Agreement with BellSouth Telecommunications, Inc. Concerning Interconnection and Resale Under the Telecommunications Act of 1996, Docket No. 97-01271, Order (Arbitration Order) issued on January 23, 1997.

AT&T Communications and MCI Telecommunications both have facilities and could seek recovery of the Subscriber Line Charge (SLC), and other credits, referred



to in Note 4 upon being designated as an Eligible Telecommunications Carriers (ETCs)


The Federal Communications Commission (FCC) issued Order 97-157. In the Matter of Federal- State Joint Board on Universal Service, in CC Docket No. 96-45 on May 8, 1997 (Universal Service Order). Among other things, the Universal Service Order expanded federal support for Lifeline. Pursuant to the Universal Service Order, BST filed tariff revisions in Tariff No. 97-07542 on November 14, 1997, to be effective on January 1, 1998, that expanded the availability of the Lifeline credits to "...any local service offering available to other residence customers." The Authority voted to approve the revised Lifeline and Link-Up tariffs filed by BST on December 16, 1997.<sup>1</sup>

As you may be aware a question has recently arisen as to how a pure reseller of BST Lifeline services would go about recovering the SLC and other credits from the National Exchange Carrier Association (NECA). The Universal Service Order, at paragraph 130 provides that only ETCs designated under section 214(e) shall receive Federal universal service support. At paragraph 133 the FCC concludes that section 214(e) (1) precludes states from designating "pure" resellers as ETCs. Later at paragraph 370 the FCC states:

We further observe that, contrary to the fears of some commentators, a large class of carriers that will not be eligible to receive universal service support—those providing service purely by reselling another carrier's services purchased on a wholesale basis pursuant to section 251 (c) (4) — will nevertheless be able to offer Lifeline service. The Local Competition Order provides that all retail services, including below-cost and residential services are subject to wholesale rate obligations under section 251 (c) (4). Resellers therefore could obtain Lifeline service at wholesale rates that include the Lifeline support amounts and can pass those discounts through to qualifying low-income consumers. (footnotes omitted)...

BST is an ETC and reseller of Lifeline and Link-Up services. In light of the Universal Service Order, is it appropriate for BST to update Note 4 of its resale agreements and its tariffs, to the extent that the Universal Service Order supercedes them? Would BST be willing to amend its resale agreements to pass along to resellers the discounted Lifeline rates? Your detailed response would be appreciated by Thursday, September 9, 1999.

Sincerely,



K. David Waddell  
Executive Secretary

Xc: Chairman Melvin Malone  
Director Lynn Greer  
Director Sara Kyle  
Richard Collier  
Joe Werner

<sup>1</sup> Order memorializing the Authority's decision was issued on August 12, 1998 in Docket No. 97-07542

## EXHIBIT B

Type of Service	AL		FL		GA		KY		LA	
	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?
1 Grandfathered Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2 Contract Service Arrangements	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Note 5	Note 5
3 Promotions - > 90 Days	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4 Promotions - < 90 Days	Yes	No	Yes	No	Yes	No	No	No	Yes	No
5 Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes
6 911/E911 Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
7 N11 Services	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
8 AdWatch <sup>SM</sup> (See Note 8)	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9 MemoryCall <sup>®</sup>	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
10 Mobile Services	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
11 Federal Subscriber Line Charges	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
12 Non-Recurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Type of Service	MS		NC		SC		TN	
	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?
1 Grandfathered Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2 Contract Service Arrangements	Note 5	Note 5	Note 6	Note 6	Yes	No	Yes	Yes
3 Promotions - > 90 Days	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Note 3
4 Promotions - < 90 Days	Yes	No	No	No	Yes	No	No	No
5 Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Note 4
6 911/E911 Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7 N11 Services	No	No	No	No	Yes	Yes	Yes	Yes
8 AdWatch <sup>SM</sup> (See Note 8)	Yes	No	Yes	No	Yes	No	Yes	No
9 MemoryCall <sup>®</sup>	Yes	No	Yes	No	Yes	No	Yes	No
10 Mobile Services	Yes	No	Yes	No	Yes	No	Yes	No
11 Federal Subscriber Line Charges	Yes	No	Yes	No	Yes	No	Yes	No
12 Non-Recurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No

## Additional Comments:

- Grandfathered services can be resold only to existing subscribers of the grandfathered service.
- Where available for resale, promotions will be made available only to end users who would have qualified for the promotion had it been provided by BellSouth directly.
- In Tennessee, long-term promotions (offered for more than ninety (90) days) may be obtained at one of the following rates:
  - the stated tariff rate, less the wholesale discount;
  - the promotional rate (the promotional rate offered by BellSouth will not be discounted further by the wholesale discount rate)
- Lifeline/Link Up services may be offered only to those subscribers who meet the criteria that BellSouth currently applies to subscribers of these services. In Tennessee, Discount Communications shall purchase BellSouth's Message Rate Service at the stated tariff rate, less the wholesale discount. Discount Communications must further discount the wholesale Message Rate Service to LifeLine customers with a discount which is no less than the minimum discount that BellSouth now provides. Discount Communications is responsible for recovering the Subscriber Line Charge from the National Exchange Carriers Association interstate toll settlement pool just as BellSouth does today. The maximum rate that Discount Communications may charge for LifeLine Service shall be capped at the flat retail rate offered by BellSouth.
- In Louisiana and Mississippi, all Contract Service Arrangements entered into by BellSouth or terminating after the effective date of the Commission Order will be subject to resale without the wholesale discount. All CSAs which are in place as of the effective date of the Commission order will not be eligible for resale.
- In North Carolina, Contract Service Arrangements entered into by BellSouth before April 15, 1997, shall be subject to resale at no discount, while BellSouth CSAs entered into after that date shall be subject to resale with the discount.
- Some of BellSouth's local exchange and toll telecommunications services are not available in certain central offices and areas.
- AdWatch<sup>SM</sup> is tariffed as BellSouth's AIN Virtual Number Call Detail Service.

**BELLSOUTH**

BellSouth Telecommunications, Inc.  
Suite 2101  
333 Commerce Street  
Nashville, Tennessee 37201 3300

615 214-6301  
Fax 615 214-7406

Guy M. Hicks  
General Counsel

09 SEP 9 PM 4 02  
September 9, 1999  
EXECUTIVE SECRETARY

Mr. David Waddell, Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243

Re: Resale Agreements

Dear Mr. Waddell:

Please accept this letter in response to your letter of September 2, 1999. To the extent that Note 4 of BellSouth's resale agreements has been superseded by the Federal Communication Commission's ("FCC") Order 97-157 (Universal Service Order), BellSouth does not object to updating Note 4 of its resale agreements.

Moreover, the revised tariffs BellSouth filed on November 14, 1997 made revisions to Lifeline and Linkup services to comply with the Telecommunications Act of 1996 and various FCC orders, including the Universal Service Order. Accordingly, BellSouth believes that its tariffs are consistent with the Universal Service Order with one possible exception. Various sections of these tariffs contain statements to the effect that the resale of Lifeline is subject to the conditions set forth in the second and final order of arbitration awards dated January 23, 1997 (Docket Nos. 96-01152 and 96-01271). See, e.g., General Subscriber Services Tariff Section A3.31.2.A.8. To the extent that these provisions have been superseded by the Universal Service Order, BellSouth does not object to amending these provisions in its tariffs.

You also inquired whether BellSouth is willing to amend its resale agreements to pass along to resellers the discounted Lifeline rates. Assuming that a mechanism can be put in place that will allow BellSouth to provide the reseller's individual customer Lifeline certification to NECA as needed, BellSouth is willing to negotiate an amendment to Note 4 of its resale agreements that would address BellSouth's role as an ETC and the pass-through of the federal Lifeline credit.

I trust this adequately responds to your inquiry. If you have any further questions or comments, please do not hesitate to call me.

Very truly yours,

*Guy Hicks by first by permission*  
Guy M. Hicks

GMH/jem

177852

RECEIVED IN REGULATORY  
DATE: 9/10 TIME: 12:44  
DISTRIBUTED/INITIALS: Lyp  
ATF 9/10 TIME 12:55

# TENNESSEE REGULATORY AUTHORITY



Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director

460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

September 10, 1999

Mr. Guy Hicks  
General Counsel  
BellSouth Telecommunications, Inc.  
Suite 2101  
333 Commerce Street  
Nashville, TN 37201-3300

In Re: Resale Agreements

Dear Mr. Hicks:

Thank you for your prompt response to my letter of September 2, 1999, and for your willingness to work with resellers to pass through Lifeline credits. As you may know the question of how a pure reseller could recover the Subscriber Line Charge and other credits for its Lifeline customers had arisen with Discount Communications ("Discount"), which is represented by Mr. Guilford F. Thornton, Jr. BellSouth Telecommunications, Inc. ("BST") and Discount have entered into a Resale Agreement which was approved by the Authority by Order dated March 12, 1999, in Docket No. 99-00032.

I am forwarding a copy of this letter with copies of my letter of September 2, 1999, and your response of September 9, 1999, to Mr. Thornton. I expect that he will contact you soon to see if BST and Discount can reach agreement on an amendment to their Resale Agreement to allow flow through of Lifeline credits to qualifying customers of Discount. I am sure you will file resale amendments and necessary tariff changes with the Authority for approval.

Sincerely,

*K. David Waddell*  
K. David Waddell  
Executive Secretary

Xc: Mr. Guilford F. Thornton w/attachments  
Chairman Melvin Malone w/o attachments  
Director Lynn Greer  
Director Sara Kyle  
Mr. Richard Collier  
Mr. Joe Werner

RECEIVED  
DATE: 9/13 TIME: 2:45  
DISTRIBUTED/INITIALS: 1/4/99  
ATE 9/13 TIME 2:52

**From:** "CHRIS BOREYKO" <cboreyk@neca.org>  
**To:** <vwilhoite@mail.state.tn.us>  
**Date:** 3/17/00 10:32am  
**Subject:** Re:

Dear Ms. Michael-Wilhoite:

Per your attached e-mail, here is my response to your data request. Actually, there is no maximum amount of the total credit available to each Lifeline customer. Per Part 54 - Universal Service of the Code of Federal Regulation (Title 47 - Telecommunications), The federal baseline Lifeline support amount shall equal \$3.50 per qualifying low-income consumer. If the state commission approves an additional reduction of \$1.75 in the amount paid by consumers, additional federal Lifeline support in the amount of \$1.75 will be made available to the carrier providing Lifeline service to that consumer. Additional federal Lifeline support in an amount equal to one-half the amount of any state Lifeline support will be made available to the carrier providing Lifeline service to a qualifying low-income consumer if the state commission approves an additional reduction in the amount paid by that consumer equal to the state support multiplied by 1.5. The bottom line is that the federal Lifeline support amount shall not exceed \$7.00 per qualifying low-income consumer; however, if a state commission decides to contribute more than the resulting \$3.50, they may do so. In fact, there are a few states/territories that do match more than the \$3.50 level.

In answer to your first question, BellSouth-TN receives the maximum federal Lifeline support amount of \$7.00 per qualifying low-income consumer from the Administrator of the Low-Income program (Universal Service Administrative Company or USAC, a subsidiary of NECA). BellSouth is offering a \$10.50 Lifeline credit for all of their low-income customers in all states where they are a Local Exchange Carrier, regardless of whether there is a state matching program or not. In states without additional state support, BellSouth has, as outlined in their state tariffs, agreed to waive \$10.50 per qualifying low-income individual, understanding that they would only be entitled to recover the maximum \$7.00 from the federal Lifeline program administered by USAC.

2. The maximum amount of Lifeline support that USAC can reimburse BellSouth for is \$7.00 per qualifying low-income consumer. Typically, the only way that an Eligible Telecommunications Carrier (ETC) would receive the \$7.00 federal credit is if they waive \$10.50 in total, and the additional \$3.50 is reimbursed by the state.

3. For Link Up, I cannot address your question as to the amount that BellSouth should receive from USAC. BellSouth appears to charge less than \$60.00 per connection charge, and again the amounts that they charge per connection would be outlined in their state tariff. BellSouth has consistently requested much less than the maximum \$30.00 capped rate for Link Up.

I hope that this addresses your questions. Please give me a call at (973) 884-8027 if I can be of additional assistance.

Regards,

Christine L. Boreyko  
Manager: Low Income Programs and Eligibility  
USAC  
80 South Jefferson Road  
Whippany, NJ 07981  
Phone: (973) 884-8027  
Fax: (973) 884-8510  
E-mail: cboreyk@neca.org

>>> "Vivian Michael-Wilhoite" <vwilhoite@mail.state.tn.us> 03/16/00 08:16PM >>>  
March 16, 2000

Ms. Christine Boreyko Manager Lifeline & Eligibility Administration National Exchange Carriers Association (NECA)  
80 South Jefferson Road Whippany, NJ 07981

Dear Ms. Boreyko:

It was a pleasure to talk with you today regarding concerns about Link-up and Lifeline credit reimbursements to Eligible Telecommunications Carriers (ETC) and to ETCs that request reimbursement for resellers. Your assistance is imperative in order for the Staff of the Tennessee Regulatory Authority to adequately respond to an informal complaint filed by Discount Communications ("Discount"), a certified reseller, against an ETC, BellSouth Telecommunications ("BellSouth"). Thank you for your immediate response to the following data request.

As you know, \$10.50 per billing period is the maximum amount of credit available to each Lifeline subscriber.

1. Is it a portion or all of the \$10.50 Lifeline credit that BellSouth provides to its eligible customers per billing period, reimbursed by the National Exchange Carriers Association (NECA)? If it is a portion of the \$10.50 Lifeline credit that is reimbursed by NECA to BellSouth, what is the per eligible customer, per billing period amount? Who and/or what fund is responsible for the reimbursement of the \$10.50 Lifeline credit not provided by NECA?

As you know, Link-up provides one-half, up to a maximum of \$30 credit, on the installation charge for new or transferred telephone service. Discount offers Link-up to its customers, with a \$59.99 installation charge to establish new or transferred telephone service. Discount also offers Lifeline and provides its eligible customers the full Lifeline per billing period credit up to the \$10.50 maximum. Pursuant to the TRA rules, resellers such as Discount can offer Link-up and Lifeline. However, the ETC is required to obtain from NECA, on behalf of the reseller, the maximum reimbursable Linkup and Lifeline credits allowed for the resellers' eligible customers. The Link-up and Lifeline credit amounts received from NECA is passed through from the ETC to the reseller. In this case, the reseller is Discount and the ETC is BellSouth.

2. Is it a portion or all of the \$10.50 Lifeline credit that Discount provides to its eligible customers per billing period, reimbursed by the NECA to BellSouth on behalf of Discount? If it is a portion of the \$10.50 Lifeline credit that is reimbursed by NECA to BellSouth for Discount, what is the per eligible customer, per billing period amount? Who and/or what fund is responsible for the reimbursement of the \$10.50 Lifeline credit not provided by NECA to BellSouth on behalf of Discount?

3. For Link-up reimbursement, what amount, per customer request for new or transferred telephone service should BellSouth receive from NECA on behalf of Discount?

If you have any questions regarding this data request, please contact me at 1-800-342-8359, extension 157 or email me at [vwilhoite@mail.state.tn.us](mailto:vwilhoite@mail.state.tn.us).

Sincerely, Vivian Michael-Wilhoite Consumer Services Division Tennessee Regulatory Authority

CC: <LPOVICH@fcc.gov>, "JOHN RICKER" <JRICKER@neca.org...

**From:** "CHRIS BOREYKO" <cboreyk@neca.org>  
**To:** <vwilhoite@mail.state.tn.us>  
**Date:** 3/16/00 4:02pm  
**Subject:** Low Income Program rules regarding CLECS

Ms. Michael-Wilhoite:

Per our conversation earlier today, it is my understanding that Discount Communications is turning to your office in order to receive funding for the Low Income program. As we discussed, Discount Communications is not able to obtain federal funding for providing this service to their qualified Low Income subscribers due to the fact that they provide service solely through a resale agreement with BellSouth-TN. They are currently waiving \$10.50 per Low Income subscriber, as does BellSouth and are hoping to receive reimbursement from BellSouth in the same amount. BellSouth, however, waives \$10.50 per Low Income subscriber, but only receives \$7.00 in federal reimbursement (the maximum allowed from the federal side of the program). It is my understanding that BellSouth is not compensated from the state for the additional \$3.50 per Low Income individual, effectively paying for the additional amount from their own pocket.

It would seem that the compensation that Discount Communications should receive from BellSouth would be spelled out in their resale agreement.

If I can be of further assistance, please give me a call at (973) 884-8027 or by e-mail at cboreyk@neca.org.

Regards,

Christine L. Boreyko  
USAC Manager, Low Income Programs and Eligibility

**CC:** <LPOVICH@fcc.gov>, "JOHN RICKER" <JRICKER@neca.org...

**Mail Envelope Info:** (38D15932.076 : 0 : 12406)

**Subject:** Low Income Program rules regarding CLECS  
**Creation Date:** 3/16/00 4:02pm  
**From:** "CHRIS BOREYKO" <cboreyk@neca.org>  
**Created By:** tn01.SMTP:"cboreyk@neca.org"

**Recipients**

Post Office tn01.SMTP  
"rhaga@universalservice.org" CC  
"RRHYNER@neca.org" CC  
"JRICKER@neca.org" CC  
"LPOVICH@fcc.gov" CC  
"vwilhoite@mail.state.tn.us"

**Domain.Post Office**  
tn01.SMTP

**Route**  
tn01.SMTP

<b>Files</b>	<b>Size</b>	<b>Date &amp; Time</b>
MESSAGE	1303	03/16/00 04:02pm
Header	1254	

**Options**

<b>Expiration Date:</b>	None
<b>Priority:</b>	Normal
<b>Reply Requested:</b>	No
<b>Return Notification::</b>	None

<b>Concealed Subject:</b>	No
<b>Security:</b>	Normal



DISCOUNT COMMUNICATIONS  
3798 PARK AVE  
MEMPHIS, TN 38111  
TEL # 901.843.6070  
FAX # 901.327.2809

RECEIVED  
CONSUMER SERVICES DIVISION  
MAR 10 2000  
IN REGULATORY AUTHORITY

## FACSIMILE TRANSMITTAL SHEET

TO: Vivian Michael-Wilhoite FROM: Ed Hayes  
COMPANY: DATE: 3/10/2000  
FAX NUMBER: TOTAL NO. OF PAGES INCLUDING COVER:  
615 741-8953 3  
PHONE NUMBER: SENDER'S REFERENCE NUMBER:  
RE: YOUR REFERENCE NUMBER:

☒ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☒ PLEASE REPLY ☐ PLEASE RECYCLE

## NOTES/COMMENTS:

Ms Wilhoite this is a copy of the letter that I got yesterday by fax.  
BellSouth is plainly saying that they are totally disregarding our contract  
and the TRA on the disputes. Can they and will the TRA allow them  
to do so.

Ed Hayes

[CLICK HERE AND TYPE RETURN ADDRESS]

TO: Mr. Edward Hayes

DEPARTMENT: Discount Communications

CONTACT NUMBER: 901-843-6070

FAX NUMBER: 901-327-2809

FROM: Claude Morton, BellSouth

**INTERCONNECTION  
SOUTH S611  
3535 COLONNADE PARKWAY  
BIRMINGHAM, AL 35243**

CONTACT NUMBER: 205-977-0157

FAX NUMBER: (205) 977-8138

NUMBER OF PAGES TO FOLLOW: 1

DATE: 3-9

**SPECIAL INSTRUCTIONS:** As requested by Mr. Morris Harris. Original signed copy is in U. S. Mail and should arrive in a couple of days.

*Claude Morton*

TO: Mr. Edward HayesDEPARTMENT: Discount CommunicationsCONTACT NUMBER: 901-843-6070FAX NUMBER: 901-327-2809FROM: Claude Martin, BellSouth

INTERCONNECTION  
SOUTH S611  
3535 COLONNADE PARKWAY  
BIRMINGHAM, AL 35243

CONTACT NUMBER: 205-977-0157FAX NUMBER: (205) 977-8138NUMBER OF PAGES TO FOLLOW: 1DATE: 3-9

SPECIAL INSTRUCTIONS: As requested by Mr. Morris Harris. Original signed copy is in U.S. Mail and should arrive in a couple of days.

Claude Martin

DISCOUNT COMMUNICATIONS RECEIVED  
3798 PARK AVE  
MEMPHIS, TN 38111  
TEL # 901.843.6070  
FAX # 901.327.2809

CONSUMER SERVICES DIVISION  
MAR 10 2000  
TN REGULATORY AUTHORITY

## FACSIMILE TRANSMITTAL SHEET

TO: Vivian Michael Wilhite FROM: Ed Hayes  
COMPANY: DATE: 3/10/2000  
FAX NUMBER: 615 741-8953 TOTAL NO. OF PAGES INCLUDING COVER: 3  
PHONE NUMBER: SENDER'S REFERENCE NUMBER:  
RE: YOUR REFERENCE NUMBER:

☒ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☒ PLEASE REPLY ☐ PLEASE RECYCLE

## NOTES/COMMENTS.

Ms Wilhite this is a copy of the letter that I got yesterday by fax.  
BellSouth is plainly saying that they are totally disregarding our contract  
and the TRA on the disputes. Can they and will the TRA allow them  
to do so.

Ed Hayes



BellSouth Telecommunications, Inc. 205 714-0010  
1203 Fax 205 321-4553  
600 North 19th Street  
Birmingham, Alabama 35203

Nancy A. (Lynn) Smith  
Operations — Assistant Vice President

March 8, 2000

Mr. Edward Hayes  
Discount Communications  
3798 Park Avenue  
Memphis, Tennessee 38111-4684

Dear Mr. Hayes:

I apologize that I was unable to respond to your fax message on March 6, 2000 as I was in transit to Atlanta. I asked Mr. Morton to make contact for me and he has told me he has done so. I have reviewed the Discount Communications account with Mr. Morton and Ms. Davis, and I have also read the letter that we have written to the Tennessee Regulatory Authority (see File # 00-0227).

After having reviewed the account and having read the letter, I believe that the single outstanding dispute is the Link-Up dispute for \$10,559.25. I am convinced that all of the other disputes have been handled and the bill is past due.

I do understand from Mr. Morton that your company has provided additional information to the Tennessee Regulatory Authority. If we are requested by the Tennessee Regulatory Authority, we will respond to that additional information. However, at the current time the end-users are subject to be disconnected on March 20, 2000. That schedule, barring any unforeseen circumstances, will continue unless the bill is paid.

You state in your fax message that you have made attempts to reach me and Ms. Davis regarding the bill. I have checked my phone log and that of my secretary and have not found where you attempted to call. Ms. Davis assures me that she also has returned all calls to your company. In the future, if I am not available to take your call, please call Claude Morton on 205/977-0157. Claude is familiar with this account and has my full authority to make decisions on it.

If you have any additional concerns or questions you can contact me on 205/714-0010 or Claude Morton on 205/977-0157.

Sincerely,

A handwritten signature in cursive script that reads 'Lynn Smith'.

TO: Mr. Edward Hayes

DEPARTMENT: Discount Communications

CONTACT NUMBER: 901-843-6070

FAX NUMBER: 901-327-2809

FROM: Claude Martin BellSouth

**INTERCONNECTION  
SOUTH S611  
3535 COLONNADE PARKWAY  
BIRMINGHAM, AL 35243**

CONTACT NUMBER: 205-977-0157

FAX NUMBER: (205) 977-8138

NUMBER OF PAGES TO FOLLOW: 1

DATE: 3-9

**SPECIAL INSTRUCTIONS:** As requested by Mr. Morris Harris. Original signed copy is in U.S. mail and should arrive in a couple of days.

*Claude Martin*

Vivian!  
Page me when  
you get a chance.  
1-900-423-9587

Thanks  
Gina

# DISCOUNT COMMUNICATIONS

3798 PARK AVE  
MEMPHIS, TN 38111  
TEL # 901.843.6070  
FAX # 901.327.2809

\$799

## FACSIMILE TRANSMITTAL SHEET

TO: Sara Kyle FROM: Discount Communications  
COMPANY: Tennessee Regulatory Authority DATE: 3.03.00  
FAX NUMBER: 1-615-741-5015 TOTAL NO. OF PAGES INCLUDING COVER: 26  
PHONE NUMBER: 1-800-342-8359 SENDER'S REFERENCE NUMBER:  
RE: YOUR REFERENCE NUMBER:

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

### NOTES/COMMENTS:

Response to Bell South

Attached Copies

1. Discount Contract
2. Copies of Directory Assistance Dispute  
For Jan 4 Billing
3. Copy of typical bill With Link-up &  
Life-line Credit.

Per Mr. Hayes  
3/10/00 NECA  
- Christine Berayco  
How many customers  
\$2000 about 1/2 on  
Lifeline. &  
has some  
customers in  
Nashville &  
Across the  
state.



3/16/00 Spoke with Christine Berayco  
According to Bell South they are requesting  
the additional. / cboreyK@neca.org

Boreyko

Manager Lifeline  
& Elisabeth J. Administration  
80 South Jefferson  
Nashville, TN  
Whippany NJ 0798

[CLICK HERE AND TYPE RETURN ADDRESS]

## ***Discount Communications***

*"Your Complete Telecommunications Provider"*

3798 Park Ave  
Memphis, TN 38111-4684  
Phone... (901) 843-6070  
Toll Free 888 589-6505  
Fax... (901) 327-2809

---

Date: March 2, 2000

To: Vivian Michael- Wilhoite  
Consumer Service Division  
TN Regulatory Authority

This is a response to the response filed by BellSouth with the Tennessee Regulatory Authority (TRA) regarding the complaints filed by Discount Communications dated February 14, 2000 and February 22, 2000. This response will address all of the issues contained in the BellSouth response.

### Response #1 \$10.50 – Life-line Credit

Discount Communications is a certified reseller. We are certified by the Tennessee Regulatory (TRA). Discount Communications and BellSouth have executed an agreement that authorizes Discount Communications to purchase telecommunications services at a 16% discount from BellSouth for the purpose of reselling those services to the public. The executed agreement between BellSouth and Discount Communications was approved as part of the certification process by the Tennessee Regulatory Authority.

Discount Communications was required by its contractual agreement with BellSouth to go to the National Exchange Carrier Association (NECA) to recover Life-line and Link-up credits that were given to qualified Life-line and Link-up recipients by Discount Communications. After numerous discussions between Discount Communications and BellSouth and the Tennessee Regulatory Authority, it was ruled by the TRA that Discount Communications could not retrieve the Life-line and Link-up credits from the National Exchange Carrier Associations because of regulations in the Federal Communication Commission (FCC) regulation covering resellers. It was then agreed that all eligible funding due to Discount Communications for participating in the Life-line and Link-up Programs must be administered through BellSouth.

The State of Tennessee requires that the Life-line eligible recipients receive \$10.50 in credits. Discount Communications passes the full \$10.50 credit to our Life-line customers. If it is assumed BellSouth is only responsible for retrieving the \$7.00 credit through NECA and this is all that is received from NECA for the Life-line customers, then Discount Communications has been placed in a confusing position that must be cleared up. It is Discount Communications' position either BellSouth is responsible for all funding passed through or none. Discount Communications is caught in a Catch-22 - we have passed on the Life-line credits and now BellSouth is demanding that we pay again. Discount Communications does not possess the authority to recover the \$3.50. Only BellSouth and the TRA have this ability.

### Response #2 – Link-up Credit

*"Your Complete Telecommunications Provider"*



## ***Discount Communications***

*"Your Complete Telecommunications Provider"*

3798 Park Ave  
Memphis, TN 38111-4684  
Phone... (901) 843-6070  
Toll Free 888 589-6505  
Fax... (901) 327-2809

---

Discount Communications believes that BellSouth is responsible for obtaining from NECA and passing on to Discount Communications the Link-up credits that Discount Communications gives to customers who qualify for the Link-up Program. It is BellSouth's position that they can only recover 50% of what BellSouth charges Discount Communications for processing fees. In Tennessee, BellSouth does not give the Reseller Discount of 16% of items that are referred to as non-recurring. Because no discount is given, Discount Communications is charged the same amount for non-recurring items as BellSouth customers. Discount Communications also incurs another charge for processing a customer. This is a \$3.50 fee for using the LENS Ordering System. These charges for processing a customer who is qualified for the Link-up Program amount to \$45.00. Discount Communications charges \$59.99 for processing changes. Under the Link-up Program, qualified Link-up customers pay \$30.00; Discount Communications requests BellSouth to retrieve the other \$30.00 from NECA. BellSouth needs \$45.00 to process Discount customers; however, they only want to pass on \$20.75 credit from NECA to Discount. BellSouth is asking Discount Communications to do something that they are not doing with their customers – that is to supplement the Link-up customers and not recover our processing cost which is not as expensive as BellSouth. Discount Communications is only charging \$14.00 above our cost to process our customers. We are asking the TRA to require that these credits be passed on.

### Response #3 – Directory Assistance

Discount Communications believes BellSouth's response to this Directory Assistance complaint is not adequate and insinuates that Discount Communications is just recently bringing this concern and dispute to their attention. Discount Communications met with senior personnel from BellSouth about this directory assistance dispute and other billing disputes. Discount Communications began giving BellSouth directory assistance disputes in September. Discount Communications believes that BellSouth has the technical knowledge to develop a suitable solution to this problem. Discount Communications' position is that the remedy we are prescribing not only benefits Discount Communications but every customer in Tennessee. Discount Communications has kept records on the number of our customers that use more than the six (6) free calls. Our records indicate that 35% to 47% of our customers use more than the six (6) free calls. Discount Communications will provide these records if the TRA wishes to review them. We are asking for these changes in directory assistance and that these changes be in dispute until a workable solution is found.

### Response #4 – Billing of Charges and Credits

Discount Communications has been working with BellSouth for over fifteen (15) months to resolve the disputes with the system mechanism that BellSouth has in place. We have filed over 20,000 disputes on individual accounts. Discount Communications has spent numerous man-hours preparing these disputes and checking to make sure our disputes are not frivolous. Discount Communications vehemently disagrees with BellSouth over the statement that we have "arbitrarily withheld payment." All withheld funds were supported with the correct dispute procedure.

*"Your Complete Telecommunications Provider"*

## ***Discount Communications***

*"Your Complete Telecommunications Provider"*

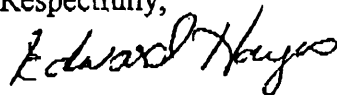
3798 Park Ave  
Memphis, TN 38111-4684  
Phone... (901) 843-6070  
Toll Free 888 589-6505  
Fax... (901) 327-2809

---

Discount Communications disagrees with BellSouth's premise that Discount Communications failed to go through proper channels when asking for payment arrangements. We used proper channels until it appeared that an effort was in progress to put Discount Communications out of business. I hope and pray that Discount Communications is wrong about our perceived notions. If we are wrong, we will gladly apologize.

Discount Communications is ready and willing to find a way to resolve these complaints and to get on with what we are doing. Discount Communications feels that through the Life-line and Link-up Programs, 1,000 citizens of Tennessee are receiving a service that was not previously available to them. Due to short response time, Discount Communications requests the ability to make additions to the record even after staff recommendations have been made.

Respectfully,



Edward Hayes  
Owner

cc: John Ford, Senator, State of Tennessee  
Melvin Malone, Chairman, TRA  
Sara Kyle, Director, TRA  
David Waddell, Executive Director, TRA  
Joe Werner, Chief, Telecom Division, TRA  
Eddie Roberson, Chief, Consumer Services, TRA  
Harold Ford Jr., Congressman

*"Your Complete Telecommunications Provider"*



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**BellSouth Interconnection Services**

675 West Peachtree Street, NE  
Room 34S91  
Atlanta, Georgia 30375

David W. Taylor

(404) 927-7556

Fax (404) 927-8324

March 13, 1998

Mr. Ed Hayes  
Discount Communications  
6647 Steeplechase Circle  
Memphis, TN 38141

Dear Mr. Hayes:

Attached for your records is an original copy of the Discount Communications Resale Agreement. Your BellSouth Account Team has been notified of the Agreement and they will contact you in the next few days to assist you. The Account Team Coordinator is Dianna Brasfield (205) 977-3540. In the meantime, please give me a call if I can help.

Sincerely,

A handwritten signature in cursive script that reads "David W. Taylor".

David W. Taylor  
Manager - Interconnection Services-Pricing

Enclosure

**Agreement Between BellSouth Telecommunications, Inc. and Discount Communications  
Regarding The Sale of BellSouth Telecommunications Services to Discount Communications For  
The Purposes of Resale**

- THIS AGREEMENT is by and between BellSouth Telecommunications, Inc., ("BellSouth or Company"), a Georgia corporation, and Discount Communications ("Reseller"), and shall be deemed effective as of March 13, 1998.

**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, Discount Communications is or seeks to become an alternative local exchange telecommunications company authorized to provide telecommunications services in the state of Tennessee; and

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

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

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

**I. Term of the Agreement**

- A. The term of this Agreement shall be two years beginning March 13, 1998 and shall apply to all of BellSouth's serving territory as of January 1, 1997 in the state of Tennessee;
- B. This Agreement shall be automatically renewed for two additional one year periods unless either party indicates its intent not to renew the Agreement. Notice of such intent must be provided, in writing, by either party no later than 60 days prior to the end of the then-existing contract period. The term of the Agreement shall remain in effect after the term of the existing agreement has expired and while a new agreement is being negotiated.
- C. The rates pursuant by which Discount Communications is to purchase services from BellSouth for resale shall be at a discount rate off of the retail rate for the telecommunications service. The discount rates shall be as set forth in Exhibit A, attached hereto and incorporated herein by this reference. Such discount shall reflect the costs avoided by BellSouth when selling a service for wholesale purposes.

**II. Definition of Terms**

- A. CUSTOMER OF RECORD means the entity responsible for placing application for service; requesting additions, rearrangements, maintenance or discontinuance of service; payment in full of charges incurred such as non-recurring, monthly recurring, toll, directory assistance, etc.
- B. DEPOSIT means assurance provided by a customer in the form of cash, surety bond or bank letter of credit to be held by the Company.
- C. END USER means the ultimate user of the telecommunications services.

- C. **END USER** means the ultimate user of the telecommunications services.
- D. **END USER CUSTOMER LOCATION** means the physical location of the premises where an end user makes use of the telecommunications services.
- E. **NEW SERVICES** means functions, features or capabilities that are not currently offered by BellSouth. This includes packaging of existing services or combining a new function, feature or capability with an existing service.
- F. **OTHER LOCAL EXCHANGE COMPANY (OLEC)** means a telephone company certificated by the public service commissions of the Company's franchised area to provide local exchange service within the Company's franchised area.
- G. **RESALE** means an activity wherein a certificated OLEC, such as Discount Communications subscribes to the telecommunications services of the Company and then reoffers those telecommunications services to the public (with or without "adding value").
- H. **RESALE SERVICE AREA** means the area, as defined in a public service commission approved certificate of operation, within which an OLEC, such as Discount Communications, may offer resold local exchange telecommunications service.

### III. General Provisions

- A. Discount Communications may resell the tariffed local exchange and toll telecommunications services of BellSouth contained in the General Subscriber Service Tariff and Private Line Service Tariff subject to the terms, and conditions specifically set forth herein. Notwithstanding the foregoing, the exclusions and limitations on services available for resale will be as set forth in Exhibit B, attached hereto and incorporated herein by this reference.

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

- B. Discount Communications 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:
  - 1. Discount Communications must resell services to other end users.
  - 2. Discount Communications must order services through resale interfaces, i. e., the LCSC and/or appropriate Resale Account Teams.
  - 3. Discount Communications cannot be an alternative local exchange telecommunications company for the single purpose of selling to themselves.
- C. The provision of services by the Company to Discount Communications does not constitute a joint undertaking for the furnishing of any service.

- D. Discount Communications will be the customer of record for all services purchased from BellSouth. Except as specified herein, the Company will take orders from, bill and expect payment from Discount Communications for all services.
- E. Discount Communications will be the Company's single point of contact for all services purchased pursuant to this Agreement. The Company shall have no contact with the end user except to the extent provided for herein.
- F. The Company will continue to bill the end user for any services that the end user specifies it wishes to receive directly from the Company.
- G. The Company maintains the right to serve directly any end user within the service area of Discount Communications. The Company will continue to directly market its own telecommunications products and services and in doing so may establish independent relationships with end users of Discount Communications.
- H. Neither Party shall interfere with the right of any person or entity to obtain service directly from the other Party.
- I. Current telephone numbers may normally be retained by the end user. However, telephone numbers are the property of the Company and are assigned to the service furnished. Discount Communications has no property right to the telephone number or any other call number designation associated with services furnished by the Company, and no right to the continuance of service through any particular central office. The Company reserves the right to change such numbers; or the central office designation associated with such numbers, or both, whenever the Company deems it necessary to do so in the conduct of its business.
- J. The Company may provide any service or facility for which a charge is not established herein, as long as it is offered on the same terms to Discount Communications.
- K. Service is furnished subject to the condition that it will not be used for any unlawful purpose.
- L. Service will be discontinued if any law enforcement agency advises that the service being used is in violation of the law.
- M. The Company can refuse service when it has grounds to believe that service will be used in violation of the law.
- N. The Company accepts no responsibility to any person for any unlawful act committed by Discount Communications or its end users as part of providing service to Discount Communications for purposes of resale or otherwise.
- O. The Company will cooperate fully with law enforcement agencies with subpoenas and court orders for assistance with the Company's customers. Law enforcement agency subpoenas and court orders regarding end users of Discount Communications will be directed to Discount Communications. The Company will bill Discount Communications for implementing any requests by law enforcement agencies regarding Discount Communications end users.
- P. The characteristics and methods of operation of any circuits, facilities or equipment provided by any person or entity other than the Company shall not:
  - 1. Interfere with or impair service over any facilities of the Company, its affiliates, or its connecting and concurring carriers involved in its service;

2. Cause damage to their plant;
3. Impair the privacy of any communications; or
4. Create hazards to any employees or the public.

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

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

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

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

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

2. All costs incurred by BellSouth to develop and implement operational interfaces shall be recovered from Discount Communications who utilize the services.

U. BellSouth will provide certain selected messaging services to Discount Communications for resale messaging service without the wholesale discount.

V. BellSouth's Inside Wire Maintenance Plans may be made available for resale at rates, terms and conditions as set forth by BellSouth and without the wholesale discount.

W. All costs incurred by BellSouth for providing services to Discount Communications that are not covered in the BellSouth tariffs shall be recovered from the Discount Communications(s) who utilize those services.

#### IV. BellSouth's Provision of Services to Discount Communications

A. Discount Communications agrees that its resale of BellSouth services shall be as follows:

1. The resale of telecommunications services shall be limited to users and uses conforming to the class of service restrictions.
2. To the extent Discount Communications is a telecommunications carrier that serves greater than 5 percent of the Nation's presubscribed access lines, Discount Communications shall not jointly market its interLATA services with the telecommunications services purchased from BellSouth pursuant to this Agreement in any of the states covered under this Agreement. For the purposes of this subsection, to jointly market means any advertisement, marketing effort or billing in which the telecommunications services purchased from BellSouth for purposes of resale to customers and interLATA services offered by Discount Communications are packaged, tied, bundled,

discounted or offered together in any way to the end user. Such efforts include, but are not limited to, sales referrals, resale arrangements, sales agencies or billing agreements. This subsection shall be void and of no effect for a particular state covered under this Agreement as of February 8, 1999 or on the date BellSouth is authorized to offer interLATA services in that state, whichever is earlier.

3. Hotel and Hospital PBX service are the only telecommunications services available for resale to Hotel/Motel and Hospital end users, respectively. Similarly, Access Line Service for Customer Provided Coin Telephones is the only local service available for resale to Independent Payphone Provider (IPP) customers. Shared Tenant Service customers can only be sold those telecommunications services available in the Company's A23 Shared Tenant Service Tariff.
  4. Discount Communications is prohibited from furnishing both flat and measured rate service on the same business premises to the same subscribers (end users) as stated in A2 of the Company's Tariff except for backup service as indicated in the applicable state tariff Section A3.
  5. If telephone service is established and it is subsequently determined that the class of service restriction has been violated, Discount Communications will be notified and billing for that service will be immediately changed to the appropriate class of service. Service charges for changes between class of service, back billing, and interest as described in this subsection shall apply at the Company's sole discretion. Interest at a rate as set forth in Section A2 of the General Subscriber Service Tariff and Section B2 of the Private Line Service Tariff for the applicable state, compounded daily for the number of days from the back billing date to and including the date that Discount Communications actually makes the payment to the Company may be assessed.
  6. The Company reserves the right to periodically audit services purchased by Discount Communications to establish authenticity of use. Such audit shall not occur more than once in a calendar year. Discount Communications shall make any and all records and data available to the Company or the Company's auditors on a reasonable basis. The Company shall bear the cost of said audit.
- B. Resold services can only be used in the same manner as specified in the Company's Tariff. Resold services are subject to the same terms and conditions as are specified for such services when furnished to an individual end user of the Company in the appropriate section of the Company's Tariffs. Specific tariff features, e.g. a usage allowance per month, shall not be aggregated across multiple resold services. Resold services cannot be used to aggregate traffic from more than one end user customer except as specified in Section A23. of the Company's Tariff referring to Shared Tenant Service.
- C. Discount Communications may resell services only within the specific resale service area as defined in its certificate.
- D. Telephone numbers transmitted via any resold service feature are intended solely for the use of the end user of the feature. Resale of this information is prohibited.
- E. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. Discount Communications is strictly prohibited from any use, including but not limited to sales, marketing or advertising, of any BellSouth name or trademark.

## V. Maintenance of Services

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



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

#### VI. Establishment of Service

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

user's service from Discount Communications to the other LEC. The Company will notify Discount Communications that such a request has been processed.

- F. If the Company determines that an unauthorized change in local service to Discount Communications has occurred, the Company will reestablish service with the appropriate local service provider and will assess Discount Communications as the OLEC initiating the unauthorized change, the unauthorized change charge described in F.C.C. Tariff No. 1, Section 13. Appropriate nonrecurring charges, as set forth in Section A4. of the General Subscriber Service Tariff, will also be assessed to Discount Communications. These charges can be adjusted if Discount Communications provides satisfactory proof of authorization.
- G. In order to safeguard its interest, the Company reserves the right to secure the account with a suitable form of security deposit, unless satisfactory credit has already been established.
1. Such security deposit shall take the form of an irrevocable Letter of Credit or other forms of security acceptable to the Company. Any such security deposit may be held during the continuance of the service as security for the payment of any and all amounts accruing for the service.
  2. If a security deposit is required, such security deposit shall be made prior to the inauguration of service.
  3. Such security deposit may not exceed two months' estimated billing.
  4. The fact that a security deposit has been made in no way relieves Discount Communications from complying with the Company's regulations as to advance payments and the prompt payment of bills on presentation nor does it constitute a waiver or modification of the regular practices of the Company providing for the discontinuance of service for non-payment of any sums due the Company.
  5. The Company reserves the right to increase the security deposit requirements when, in its sole judgment, circumstances so warrant and/or gross monthly billing has increased beyond the level initially used to determine the security deposit.
  6. In the event that Discount Communications defaults on its account, service to Discount Communications will be terminated and any security deposits held will be applied to its account.
  7. In the case of a cash deposit, interest at a rate as set forth in the appropriate BellSouth tariff shall be paid to Discount Communications during the continuance of the security deposit. Interest on a security deposit shall accrue annually and, if requested, shall be annually credited to Discount Communications by the accrual date.

## VII. Payment And Billing Arrangements

- A. When the initial service is ordered by Discount Communications, the Company will establish an accounts receivable master account for Discount Communications.
- B. The Company shall bill Discount Communications on a current basis all applicable charges and credits.
- C. Payment of all charges will be the responsibility of Discount Communications. Discount Communications shall make payment to the Company for all services billed. The Company is not responsible for payments not received by Discount Communications from Discount Communications's

customer. The Company will not become involved in billing disputes that may arise between Discount Communications and its customer. Payments made to the Company as payment on account will be credited to an accounts receivable master account and not to an end user's account.

- D. The Company will render bills each month on established bill days for each of Discount Communications's accounts.
- E. The Company will bill Discount Communications, in advance, charges for all services to be provided during the ensuing billing period except charges associated with service usage, which charges will be billed in arrears. Charges will be calculated on an individual end user account level, including, if applicable, any charges for usage or usage allowances. BellSouth will also bill all charges, including but not limited to 911 and E911 charges, telecommunications relay charges, and franchise fees, to Discount Communications.
- F. The payment will be due by the next bill date (i.e., same date in the following month as the bill date) and is payable in immediately available funds. Payment is considered to have been made when received by the Company.
1. If the payment due date falls on a Sunday or on a Holiday which is observed on a Monday, the payment due date shall be the first non-Holiday day following such Sunday or Holiday. If the payment due date falls on a Saturday or on a Holiday which is observed on Tuesday, Wednesday, Thursday, or Friday, the payment due date shall be the last non-Holiday day preceding such Saturday or Holiday. If payment is not received by the payment due date, a late payment penalty, as set forth in I. following, shall apply.
- G. Upon proof of tax exempt certification from Discount Communications, the total amount billed to Discount Communications will not include any taxes due from the end user. Discount Communications will be solely responsible for the computation, tracking, reporting and payment of all federal, state and/or local jurisdiction taxes associated with the services resold to the end user.
- H. As the customer of record, Discount Communications will be responsible for, and remit to the Company, all charges applicable to its resold services for emergency services (E911 and 911) and Telecommunications Relay Service (TRS) as well as any other charges of a similar nature.
- I. If any portion of the payment is received by the Company after the payment due date as set forth preceding, or if any portion of the payment is received by the Company in funds that are not immediately available to the Company, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the payment due date times a late factor. The late factor shall be as set forth in Section A2 of the General Subscriber Service Tariff and Section B2 of the Private Line Service Tariff.
- J. Any switched access charges associated with interexchange carrier access to the resold local exchange lines will be billed by, and due to, the Company. No additional charges are to be assessed to Discount Communications.
- K. The Company will not perform billing and collection services for Discount Communications as a result of the execution of this Agreement. All requests for billing services should be referred to the appropriate entity or operational group within the Company.
- L. Pursuant to 47 CFR Section 51.617, the Company will bill Discount Communications end user common line charges identical to the end user common line charges the Company bills its end users.

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

#### VIII. Discontinuance of Service

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

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

- B. The procedures for discontinuing service to Discount Communications are as follows:

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

days written notice to the person designated by Discount Communications to receive notices of noncompliance, discontinue the provision of existing services to Discount Communications at any time thereafter. In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due. If the Company does not discontinue the provision of the services involved on the date specified in the thirty days notice, and Discount Communications's noncompliance continues, nothing contained herein shall preclude the Company's right to discontinue the provision of the services to Discount Communications without further notice.

5. If payment is not received or arrangements made for payment by the date given in the written notification, Discount Communications's services will be discontinued. Upon discontinuance of service on a Discount Communications's account, service to Discount Communications's end users will be denied. The Company will also reestablish service at the request of the end user or Discount Communications upon payment of the appropriate connection fee and subject to the Company's normal application procedures. Discount Communications is solely responsible for notifying the end user of the proposed disconnection of the service.
6. If within fifteen days after an end user's service has been denied no contact has been made in reference to restoring service, the end user's service will be disconnected.

#### IX. Liability

- A. The liability of the Company for damages arising out of mistakes, omissions, interruptions, preemptions, delays errors or defects in transmission, or failures or defects in facilities furnished by the Company, occurring in the course of furnishing service or other facilities and not caused by the negligence of Discount Communications, or of the Company in failing to maintain proper standards of maintenance and operation and to exercise reasonable supervision shall in no event exceed an amount equivalent to the proportionate charge to Discount Communications for the period of service during which such mistake, omission, interruption, preemption, delay, error or defect in transmission or defect or failure in facilities occur. The Company shall not be liable for damage arising out of mistakes, omission, interruptions, preemptions, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the service of the Company, (1) caused by customer-provided equipment (except where a contributing cause is the malfunctioning of a Company-provided connecting arrangement, in which event the liability of the Company shall not exceed an amount equal to a proportional amount of the Company billing for the period of service during which such mistake, omission, interruption, preemption, delay, error, defect in transmission or injury occurs), or (2) not prevented by customer-provided equipment but which would have been prevented had Company-provided equipment been used.
- B. The Company shall be indemnified and saved harmless by Discount Communications against any and all claims, actions, causes of action, damages, liabilities, or demands (including the costs, expenses and reasonable attorneys' fees, on account thereof) of whatever kind or nature that may be made by any third party as a result of the Company's furnishing of service to Discount Communications.
- C. The Company shall be indemnified, defended and held harmless by Discount Communications and/or the end user against any claim, loss or damage arising from the use of services offered for resale involving:
  1. Claims for libel, slander, invasion of privacy or infringement of copyright arising from Discount Communications's or end user's own communications.
  2. Claims for patent infringement arising from acts combining or using Company services in connection with facilities or equipment furnished by the end user or Discount Communications.

3. All other claims arising out of an act or omission of Discount Communications or its end user in the course of using services.
- D. Discount Communications accepts responsibility for providing access for maintenance purposes of any service resold under the provisions of this Tariff. The Company shall not be responsible for any failure on the part of Discount Communications with respect to any end user of Discount Communications.

#### **X. Treatment of Proprietary and Confidential Information**

- A. Both parties agree that it may be necessary to provide each other during the term of this Agreement with certain confidential information, including trade secret information, including but not limited to, technical and business plans, technical information, proposals, specifications, drawings, procedures, customer account data and like information (hereinafter collectively referred to as "Information"). Both parties agree that all Information shall either be in writing or other tangible format and clearly marked with a confidential, private or proprietary legend, or, when the Information is communicated orally, it shall also be communicated that the Information is confidential, private or proprietary. The Information will be returned to the owner within a reasonable time. Both parties agree that the Information shall not be copied or reproduced in any form. Both parties agree to receive such Information and not disclose such Information. Both parties agree to protect the Information received from distribution, disclosure or dissemination to anyone except employees of the parties with a need to know such Information and which employees agree to be bound by the terms of this Section. Both parties will use the same standard of care to protect Information received as they would use to protect their own confidential and proprietary Information.
- B. Notwithstanding the foregoing, both parties agree that there will be no obligation to protect any portion of the Information that is either: 1) made publicly available by the owner of the Information or lawfully disclosed by a nonparty to this Agreement; 2) lawfully obtained from any source other than the owner of the Information; or 3) previously known to the receiving party without an obligation to keep it confidential.

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

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

#### **XII. Limitation of Use**

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

#### **XIII. Waivers**

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

#### **XIV. Governing Law**

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

#### **XV. Arm's Length Negotiations**

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

#### **XVI. Notices**

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

BellSouth Telecommunications, Inc.  
CLEC Account Team  
3535 Colonnade Parkway  
Room E4E1  
Birmingham, AL 35243

Discount Communications  
6647 Steeplechase Circle  
Memphis, TN 38141

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

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

**XVII. Amendments**

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

**XVIII. Entire Agreement**

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

**BellSouth Telecommunications, Inc.**BY: 

Signature

NAME: Jerry HendrixTITLE: DirectorDATE: 3/13/98**Discount Communications**BY: 

Signature

NAME: Edward HayesTITLE: OwnerDATE: 3/12/98



**EXHIBIT "A"****APPLICABLE DISCOUNTS**

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

**DISCOUNT**

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

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

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

*Note.*

*Be1 South has the capabilities to block directory services*

## EXHIBIT B

Type of Service		AL		FL		GA		KY		LA	
		Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?
1	Grandfathered Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Contract Service Arrangements	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Note 5	Note
3	Promotions - > 90 Days	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Promotions - < 90 Days	Yes	No	Yes	No	Yes	No	No	No	Yes	No
5	Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes
6	911/E911 Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
7	N11 Services	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
8	AdWatch <sup>SM</sup> (See Note 8)	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9	MemoryCall <sup>®</sup>	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
10	Mobile Services	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
11	Federal Subscriber Line Charges	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
12	Non-Recurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Type of Service		MS		NC		SC		TN	
		Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?
1	Grandfathered Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Contract Service Arrangements	Note 5	Note 5	Note 6	Note 6	Yes	No	Yes	Yes
3	Promotions - > 90 Days	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Note 3
4	Promotions - < 90 Days	Yes	No	No	No	Yes	No	No	No
5	Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Note 4
6	911/E911 Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7	N11 Services	No	No	No	No	Yes	Yes	Yes	Yes
8	AdWatch <sup>SM</sup> (See Note 8)	Yes	No	Yes	No	Yes	No	Yes	No
9	MemoryCall <sup>®</sup>	Yes	No	Yes	No	Yes	No	Yes	No
10	Mobile Services	Yes	No	Yes	No	Yes	No	Yes	No
11	Federal Subscriber Line Charges	Yes	No	Yes	No	Yes	No	Yes	No
12	Non-Recurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No

## Additional Comments:

- Grandfathered services can be resold only to existing subscribers of the grandfathered service.
- Where available for resale, promotions will be made available only to end users who would have qualified for the promotion had it been provided by BellSouth directly.
- In Tennessee, long-term promotions (offered for more than ninety (90) days) may be obtained at one of the following rates:
  - the stated tariff rate, less the wholesale discount;
  - the promotional rate (the promotional rate offered by BellSouth will not be discounted further by the wholesale discount rate)
- Lifeline/Link Up services may be offered only to those subscribers who meet the criteria that BellSouth currently applies to subscribers of these services. In Tennessee, Discount Communications shall purchase BellSouth's Message Rate Service at the stated tariff rate, less the whole discount. Discount Communications must further discount the wholesale Message Rate Service to Lifeline customers with a discount which is no than the minimum discount that BellSouth now provides. Discount Communications is responsible for recovering the Subscriber Line Charge from National Exchange Carriers Association interstate toll settlement pool just as BellSouth does today. The maximum rate that Discount Communications may charge for Lifeline Service shall be capped at the flat retail rate offered by BellSouth.
- In Louisiana and Mississippi, all Contract Service Arrangements entered into by BellSouth or terminating after the effective date of the Commission Order will be subject to resale without the wholesale discount. All CSAs which are in place as of the effective date of the Commission order will not be eligible for resale.
- In North Carolina, Contract Service Arrangements entered into by BellSouth before April 15, 1997, shall be subject to resale at no discount, while BellSouth CSAs entered into after that date shall be subject to resale with the discount.
- Some of BellSouth's local exchange and toll telecommunications services are not available in certain central offices and areas.
- AdWatch<sup>SM</sup> is tariffed as BellSouth's AIN Virtual Number Call Detail Service

**BELLSOUTH**

BILLING NUMBER 615 Q84-5343 343  
 BILLING PERIOD JAN 4,2000 00004  
 PAGE 27

**CHARGES FOR EARNING NUMBER 615 226-5163****MONTHLY SERVICE**

83. MONTHLY SERVICE - JAN 04 THROUGH FEB 03	11.61
84. FCC CHARGE FOR NETWORK ACCESS	3.50
TOTAL MONTHLY SERVICE	15.11

**OTHER CHARGES AND CREDITS**

DEC 10, 1999 SO-ZTBR8254BZ

EARNING NUMBER 226-5163

LINE 226-5163

85. CHARGE FOR CHANGING YOUR LOCAL TOLL COMPANY TO FRONTIER	1.49
86. IF YOUR LOCAL TOLL LONG DISTANCE COMPANY IS INCORRECT, CALL YOUR BUSINESS OFFICE.	

TOTAL RECURRING OC&C FOR SO-ZTBR8254BZ	.00
TOTAL NONRECURRING OC&C FOR SO-ZTBR8254BZ	1.49

TOTAL OC&C DEBITS	1.49
TOTAL OC&C CREDITS	.00

TOTAL OTHER CHARGES AND CREDITS	1.49
---------------------------------	------

**ITEMIZED CALLS****OPERATOR ASST CALLS FOR 615 226-5163**

DATE	TIME	TO PLACE	TO NUMBER	FROM PLACE	FROM NUMBER	RC	MIN	TXC	
187. DEC	6	854P VERIFY BSY	615 321-3487	NASHVILLE TN	615 226-5163	DS	1		.79
TOTAL OPERATOR ASST CALLS FOR 615 226-5163									.79

DIRECTORY ASST FOR 615 226-5163	17 LOCAL CALLS	0 INTRASTATE CALLS
---------------------------------	----------------	--------------------

TOTAL ITEM CALLS FOR EARNING # 615 226-5163	.79
---------------------------------------------	-----

DIRECTORY ASST FOR EARNING # 615 226-5163	17 LOCAL CALLS	0 INTRASTATE CALLS
-------------------------------------------	----------------	--------------------

OTAL FOR EARNING NUMBER 615 226-5163	17.39
--------------------------------------	-------



BILLING NUMBER 615 Q84-5343 343  
 BILLING PERIOD JAN 4,2000 00004  
 PAGE 151

# CHARGES FOR EARNING NUMBER 615 259-3943

## MONTHLY SERVICE

011.MONTHLY SERVICE - JAN 04 THROUGH FEB 03	11.61
012.INSIDE WIRE MAINTENANCE SERVICE PLAN	3.00
013.FCC CHARGE FOR NETWORK ACCESS.	3.50
TOTAL MONTHLY SERVICE	18.11

## ITEMIZED CALLS

### ITEMIZED CALLS FOR 615 259-3943

TOTAL ITEMIZED CALLS FOR 615 259-3943	.00	
DIRECTORY ASST FOR 615 259-3943	148 LOCAL CALLS	0 INTRASTATE CALLS
TOTAL ITEM CALLS FOR EARNING # 615 259-3943	.00	
DIRECTORY ASST FOR EARNING # 615 259-3943	148 LOCAL CALLS	0 INTRASTATE CALLS
TOTAL FOR EARNING NUMBER 615 259-3943		18.11

**\*\* Transmit Conf. Report \*\***

P.1

Mar 7 2000 17:06

Telephone Number	Mode	Start	Time	Page	Result	Note
89015444329	NORMAL	7,17:02	3'04"	7	O K	

**TENNESSEE REGULATORY AUTHORITY**

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

**Fax Cover Sheet**

**DATE:** March 7, 2000 **TIME:** 4:53 PM  
**TO:** Robert White **PHONE:**  
Office of Congressman Ford **FAX:**  
**FROM:** Vivian Michael-Wilhoite **PHONE:** 800-342-8359, ext.157  
TN Regulatory Authority **FAX:** 615-741-8953  
**EMAIL:** vwilhoite@mail.state.tn.us

**Number of pages including cover sheet: [7]**

**Attached is the Staff's data request faxed to BellSouth regarding File Number 00-0227,  
Discount Communications' complaint filed against BellSouth.**

**\*\* Transmit Conf. Report \*\***

P.1

Mar 7 2000 17:02

Telephone Number	Mode	Start	Time	Page	Result	Note
89013272809	NORMAL	7,16:58	4'16"	7	O K	

**TENNESSEE REGULATORY AUTHORITY**

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

**Fax Cover Sheet**

**DATE:** March 7, 2000 **TIME:** 4:52 PM  
**TO:** Ed Hayes **PHONE:**  
Discount Communications **FAX:**  
**FROM:** Vivian Michael-Wilholte **PHONE:** 800-342-8359, ext.157  
TN Regulatory Authority **FAX:** 615-741-8953  
**EMAIL:** vwilholte@mail.state.tn.us

**Number of pages including cover sheet: [7]**

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**\*\* Transmit Conf. Report \*\***

P.1

Mar 7 2000 16:57

Telephone Number	Mode	Start	Time	Page	Result	Note
[E] BELLSOUTH	NORMAL	7,16:53	3'23"	7	O K	

**TENNESSEE REGULATORY AUTHORITY**

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

**Fax Cover Sheet**

**DATE:** March 7, 2000

**TIME:** 4:49 PM

**TO:** Robin Moore  
BellSouth

**PHONE:**  
**FAX:**

**FROM:** Vivian Michael-Wilholte  
TN Regulatory Authority

**PHONE:** 800-342-8359, ext.157  
**FAX:** 615-741-8953  
**EMAIL:** vwilholte@mail.state.tn.us

**Number of pages including cover sheet: [7]**

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# TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

## Fax Cover Sheet

<b>DATE:</b>	March 7, 2000	<b>TIME:</b>	4:49 PM
<b>TO:</b>	Robin Moore BellSouth	<b>PHONE:</b>	
		<b>FAX:</b>	
<b>FROM:</b>	Vivian Michael-Wilhoite TN Regulatory Authority	<b>PHONE:</b>	800-342-8359, ext. 157
		<b>FAX:</b>	615-741-8953
		<b>EMAIL:</b>	vwilhoite@mail.state.tn.us

**Number of pages including cover sheet: [7]**

**Attached is the Staff's data request regarding 00-0227, Discount Communications complaint filed against BellSouth.**



# TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

## Fax Cover Sheet

<b>DATE:</b>	March 7, 2000	<b>TIME:</b>	4:52 PM
<b>TO:</b>	Ed Hayes Discount Communications	<b>PHONE:</b>	
		<b>FAX:</b>	
<b>FROM:</b>	Vivian Michael-Wilhoite TN Regulatory Authority	<b>PHONE:</b>	800-342-8359, ext.157
		<b>FAX:</b>	615-741-8953
		<b>EMAIL:</b>	vwilhoite@mail.state.tn.us

**Number of pages including cover sheet: [7]**

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# TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

## Fax Cover Sheet

**DATE:** March 7, 2000      **TIME:** 4:53 PM  
**TO:** Robert White      **PHONE:**  
Office of Congressman Ford **FAX:**  
**FROM:** Vivian Michael-Wilhoite      **PHONE:** 800-342-8359, ext.157  
TN Regulatory Authority      **FAX:** 615-741-8953  
                                                 **EMAIL:** vwilhoite@mail.state.tn.us

**Number of pages including cover sheet: [7]**

**Attached is the Staff's data request faxed to BellSouth regarding File Number 00-0227, Discount Communications' complaint filed against BellSouth.**

# TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

March 7, 2000

To: Robin Moore  
BellSouth Executive Appeals

FROM: Vivian Michael-Wilhoite *vmw*  
Tennessee Regulatory Authority

RE: Discount Communications, File Number 00-0227

---

Thank you for your February 25, 2000, response regarding concerns provided by Discount Communications ("Discount") in its complaint filed initially on February 14, 2000. In order for the Staff to adequately review this matter, I would appreciate your expeditious response to the following data request.

1. Does BellSouth offer a Directory Assistance ("DA") block to its customers? If so, please provide the charge for this service.
2. If you offer DA block, what other services does the DA block effect, if any? Please explain in detail.
3. What technical steps would Discount need to take in order to avail itself of the larger 21.56% discount listed on Exhibit A of the BellSouth/Discount Resale Agreement? Discount made a note on this exhibit in its response believing that the two-listed discount percentages indicate that BellSouth can offer a DA block. Please address this concern. (Reference Discount's response provided to BellSouth on March 6, 2000.)

According to your response, the Staff understands that a Federal Communication Commission's (FCC) decision is pending in regards to an issue surrounding Link-up credit for Discount. The Staff requests that BellSouth expand the pending request with the FCC to address the following concern:

4. Discount has requested that BellSouth offer a DA block per line after the first six free DA calls per month. Would such a block violate FCC rule 54.101(a)(8)? The attached rules set forth the supported services and rule 54.401 states that Lifeline encompasses these services.

5. According to A3.13.2 (A) Directory Assistance Service, BellSouth provides six (6) calls per billing period month without charge. Is this allowance considered in the aggregate for Discount, i.e. total resold lines multiplied by six (6)?
6. What is the per call rate that BellSouth charges Discount for DA?
7. Would the exemptions stated in A3.13.2 (B)(C) for elderly and disabled customers passed through to resellers such as Discount? If so, please explain in detail how BellSouth can administer this.

c: Ed Hayes, Discount Communications  
Roger Knight, Telecom, TRA  
Eddie Roberson, Consumer Services, TRA

A carrier that receives federal universal service support shall use that support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

## **Subpart B - Services Designated for Support**

### **§ 54.101 Supported services for rural, insular and high cost areas.**

(a) *Services Designated for Support.* The following services or functionalities shall be supported by Federal universal service support mechanisms:

(1) *Voice grade access to the public switched network.* "Voice grade access" is defined as a functionality that enables a user of telecommunications services to transmit voice communications, including signalling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call. For purposes of this Part, voice grade access shall occur within the frequency range of between approximately 500 Hertz and 4,000 Hertz, for a bandwidth of approximately 3,500 Hertz;

(2) ~~Local usage~~. "Local usage" means an amount of minutes of use of exchange service, prescribed by the Commission, provided free of charge to end users;

(3) *Dual tone multi-frequency signaling or its functional equivalent.* "Dual tone multi-frequency" (DTMF) is a method of signaling that facilitates the transportation of signaling through the network, shortening call set-up time;

(4) *Single-party service or its functional equivalent.* "Single-party service" is telecommunications service that permits users to have exclusive use of a wireline subscriber loop or access line for each call placed, or, in the case of wireless telecommunications carriers, which use spectrum shared among users to provide service, a dedicated message path for the length of a user's particular transmission;

(5) *Access to emergency services.* "Access to emergency services" includes access to services, such as 911 and enhanced 911, provided by local governments or other public safety organizations. 911 is defined as a service that permits a telecommunications user, by dialing the three-digit code "911," to call emergency services through a Public Service Access Point (PSAP) operated by the local government. "Enhanced 911" is defined as 911 service that includes the ability to provide automatic numbering information (ANI), which enables the PSAP to call back if the call is disconnected, and automatic location information (ALI), which permits emergency service providers to identify the geographic location of the calling party. "Access to emergency services" includes access to 911 and enhanced 911 services to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems;

(6) *Access to operator services.* "Access to operator services" is defined as access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a

telephone call;

(7) *Access to interexchange service.* "Access to interexchange service" is defined as the use of the loop, as well as that portion of the switch that is paid for by the end user, or the functional equivalent of these network elements in the case of a wireless carrier, necessary to access an interexchange carrier's network;

✓ (8) *Access to directory assistance.* "Access to directory assistance" is defined as access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings; and

(9) *Toll limitation for qualifying low-income consumers.* Toll limitation for qualifying low-income consumers is described in Subpart E.

(b) *Requirement to Offer all Designated Services.* An eligible telecommunications carrier must offer each of the services set forth in paragraph (a) of this section in order to receive Federal universal service support.

(c) *Additional Time to Complete Network Upgrades.* A state commission may grant the petition of a telecommunications carrier that is otherwise eligible to receive universal service support under § 54.201 of this part requesting additional time to complete the network upgrades needed to provide single-party service, access to enhanced 911 service, or toll limitation. If such petition is granted, the otherwise eligible telecommunications carrier will be permitted to receive universal service support for the duration of the period designated by the state commission. State commissions should grant such a request only upon a finding that exceptional circumstances prevent an otherwise eligible telecommunications carrier from providing single-party service, access to enhanced 911 service, or toll limitation. The period should extend only as long as the relevant state commission finds that exceptional circumstances exist and should not extend beyond the time that the state commission deems necessary for that eligible telecommunications carrier to complete network upgrades. An otherwise eligible telecommunications carrier that is incapable of offering one or more of these three specific universal services must demonstrate to the state commission that exceptional circumstances exist with respect to each service for which the carrier desires a grant of additional time to complete network upgrades.

### **Subpart C - Carriers Eligible for Universal Service Support**

**§ 54.201**      **Designation of eligible telecommunications carriers, generally.**

(a)      *Carriers eligible to receive support.*

(1) Beginning January 1, 1998, only eligible telecommunications carriers designated under paragraphs (b) through (d) of this section shall receive universal service support distributed pursuant to Part 36 and Part 69 of this chapter, and subparts D and E of this part.

support, a competitive eligible telecommunications carrier must provide the Administrator on or before July 31st of each year the number of working loops it serves in a service area. For universal service support purposes, working loops are defined as the number of working Exchange Line C&WF loops used jointly for exchange and message telecommunications service, including C&WF subscriber lines associated with pay telephones in C&WF Category 1, but excluding WATS closed end access and TWX service. This figure shall be calculated as of December 31st of the year preceding each July 31st filing.

#### **Subpart E - Universal Service Support for Low-Income Consumers**

##### **§ 54.400      Terms and definitions.**

(a) As used in this subpart, the following terms shall be defined as follows:

(1) *Qualifying low-income subscriber.* A "qualifying low-income subscriber" is a subscriber who meets the low-income eligibility criteria established by the state commission, or, in states that do not establish eligibility criteria, a subscriber who participates in a state-administered, low-income welfare program.

(2) *Toll blocking.* "Toll blocking" is a service provided by carriers that lets consumers elect not to allow the completion of outgoing toll calls from their telecommunications channel.

(3) *Toll control.* "Toll control" is a service provided by carriers that allows consumers to specify a certain amount of toll usage that may be incurred on their telecommunications channel per month or per billing cycle.

(4) *Toll limitation.* "Toll limitation" denotes both toll blocking and toll control.

##### **§ 54.401      Lifeline defined.**

(a) As used in this subpart, "Lifeline" means a retail local service offering:

(1) that is available only to qualifying low-income consumers;

(2) for which qualifying low-income consumers pay reduced charges as a result of application of the Lifeline support amount described in section 54.403; and

(3) that includes the services or functionalities enumerated in § 54.101(a)(1) - (9) of this subpart. The carriers shall offer toll limitation to all qualifying low-income consumers at the time such consumers subscribe to Lifeline service. If the consumer elects to receive toll limitation, that service shall become part of that consumer's Lifeline service. ✓

(b) Eligible telecommunications carriers may not disconnect Lifeline service for non-payment

of toll charges.

(1) State commissions may grant a waiver of this requirement if the local exchange carrier can demonstrate that:

- (i) it would incur substantial costs in complying with this requirement;
- (ii) it offers toll limitation to its qualifying low-income consumers without charge; and
- (iii) telephone subscribership among low-income consumers in the carrier's service area is greater than or equal to the national subscribership rate for low-income consumers. For purposes of this paragraph, a "low-income consumer" is one with an income below the poverty level for a family of four residing in the state for which the carrier seeks the waiver. The carrier may reapply for the waiver.

(2) A carrier may file a petition for review of the state commission's decision with the Commission within 30 days of that decision. If a state commission has not acted on a petition for a waiver of this requirement within 30 days of its filing, the carrier may file that petition with the Commission on the 31st day after that initial filing.

(c) Eligible telecommunications carriers may not collect a service deposit in order to initiate Lifeline service, if the qualifying low-income consumer voluntarily elects toll blocking from the carrier, where available. If toll blocking is unavailable, the carrier may charge a service deposit.

(d) The state commission shall file or require the carrier to file information with the Administrator demonstrating that the carrier's Lifeline plan meets the criteria set forth in this subpart and stating the number of qualifying low-income consumers and the amount of state assistance. Lifeline assistance shall be made available to qualifying low-income consumers as soon as the Administrator certifies that the carrier's Lifeline plan satisfies the criteria set out in this Subpart.

#### **§ 54.403 Lifeline support amount.**

(a) The federal baseline Lifeline support amount shall equal \$3.50 per qualifying low-income consumer. If the state commission approves an additional reduction of \$1.75 in the amount paid by consumers, additional federal Lifeline support in the amount of \$1.75 will be made available to the carrier providing Lifeline service to that consumer. Additional federal Lifeline support in an amount equal to one-half the amount of any state Lifeline support will be made available to the carrier providing Lifeline service to a qualifying low-income consumer if the state commission approves an additional reduction in the amount paid by that consumer equal to the state support multiplied by 1.5. The federal Lifeline support amount shall not exceed \$7.00 per qualifying low-income consumer.

(b) Eligible carriers that charge federal End-User Common Line charges or equivalent federal



## \*\* Transmit Conf. Report \*\*

P.1

Mar 6 2000 14:33

Telephone Number	Mode	Start	Time	Page	Result	Note
[E] BELLSOUTH	NORMAL	6,14:21	11'11"	26	O K	

## TENNESSEE REGULATORY AUTHORITY



Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director

460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

March 6, 2000

TO: Robin Moore  
BellSouth Executive Appeals

FROM: Vivian Michael-Wilhoite  
Tennessee Regulatory Authority

RE: Discount Communications - Response and Addendum from  
File Number 00-0227

For your records, attached is Discount Communications' initial response provided on March 3, 2000, to the BellSouth report. On the same day, Discount Communications provided an additional response as well. This is also attached.

I have some questions that are necessary to better facilitate this complaint. I plan to fax them to you sometime this afternoon or first thing in the morning.

# TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

March 6, 2000

TO: Robin Moore  
BellSouth Executive Appeals

FROM: Vivian Michael-Wilhoite  
Tennessee Regulatory Authority

RE: Discount Communications - Response and Addendum from  
File Number 00-0227

---

For your records, attached is Discount Communications' initial response provided on March 3, 2000, to the BellSouth report. On the same day, Discount Communications provided an additional response as well. This is also attached.

I have some questions that are necessary to better facilitate this complaint. I plan to fax them to you sometime this afternoon or first thing in the morning.

Post-it™ Fax Note 7671		Date	3/6/00	# of pages	26
To	Robin	From	VIVIAN		
Co./Dept.		Co.			
Phone #		Phone #			
Fax #		Fax #			

EFFECTIVE: July 28, 1999

## A3. BASIC LOCAL EXCHANGE SERVICE

### A3.13 Directory Assistance Service

This service is a Flex-Price service and is regulated under terms and conditions as described in A2.3.26 of this Tariff.

#### A3.13.1 General

- A. The Company furnishes Directory Assistance service for the purpose of aiding customers in obtaining telephone numbers.
- B. When the Company receives a 1-411 dialed call and the caller provides a state, city and name, the Company will either:
1. provide the listed and available telephone number(s) requested, or
  2. apprise the caller that the number(s) cannot be provided because the listing(s) is private (non-published), or not available in BellSouth's database.
- C. Directory Assistance does not provide telephone numbers associated with private (non-published) listings but does furnish numbers for semi-private (non-listed) listings.

#### A3.13.2 Application of Rates, Exemptions and Call Allowances

- A. No charge applies for the first six (6) calls per billing period month requesting listing information for lines located within the state of Tennessee. This call allowance applies per individual subscriber line, MultiServ<sup>®</sup> or MultiServ PLUS<sup>®</sup> service main station line, PBX trunk line or dormitory communication station line or for the first call per month per Centrex, ESSX<sup>®</sup>, or Digital ESSX<sup>®</sup> service station line.

This call allowance is not transferable between separate accounts, even for the same customer. A call allowance unused during the monthly billing period will not be credited for application to a Directory Assistance call made in a later billing period.

- B. Subscribers who have applied for and received Company certification that either the subscriber or a person living at the subscriber's residence on a permanent basis is unable to use a telephone directory due to a visual or physical disability which can be confirmed by a physician, appropriate group, or agency are exempt from charges for Directory Assistance calls when requesting listing information for lines located within the Company's NPA/LATA Directory Assistance serving area for the originating line. Written confirmation must be provided to the Company for this exemption to apply. Application procedures may be obtained by calling the local business office.

This exemption is applicable exclusively to calls made by the individual certified to be visually or physically disabled from the subscriber line assigned to the subscriber who has applied for and received such Company certification, or in the case of a business employing disabled persons, from the line assigned to that individual. Usage will be monitored by the Company and is subject to review and investigation. Certification will be verified periodically. Confirmed, inappropriate use of this exemption could result in its removal.

- C. Residence subscribers who have applied for and received Company certification that either the subscriber or a person living at the subscriber's residence on a permanent basis is 65 or more years of age are exempt from Directory Assistance charges when requesting listing information for lines located within the Company's NPA/LATA Directory Assistance serving area for the originating line. Written confirmation must be provided to the Company for this exemption to apply. Application procedures may be obtained by calling the local business office.

This exemption is applicable exclusively to calls made by the individual certified to be 65 or more years of age from the residential subscriber line assigned to the subscriber who has applied for and received such Company certification. Usage will be monitored by the Company and is subject to review and investigation. Certification will be verified periodically. Confirmed, inappropriate use of this exemption could result in its removal.

#### A3.13.3 Rates And Charges

- A. Directory Assistance service - (maximum of two listing requests per call)

1. Receipt of listings associated with lines located within the Local Calling Area or NPA/LATA serving area of the originating line

Rate  
\$ .29

USOC  
NA

(a) Per call

2. Receipt of listings associated with lines located outside the NPA/LATA serving area of the originating line and within the state of Tennessee

.29

NA

(a) Per call

Material previously appearing on this page now appears on page(s) 54.1.1 of this section.

\* Registered Service Mark of BellSouth Intellectual Property Corporation  
\* Service Mark of BellSouth Intellectual Property Corporation

BELLSOUTH  
TELECOMMUNICATIONS, INC.  
TENNESSEE  
ISSUED: June 1, 1999  
BY: President - Tennessee  
Nashville, Tennessee

GENERAL SUBSCRIBER SERVICES TARIFF

Second Revised Page 54.1.1  
Cancels First Revised Page 54.1.1

EFFECTIVE: July 28, 1999

**A3. BASIC LOCAL EXCHANGE SERVICE**

**A3.13 Directory Assistance Service (Cont'd)**

**A3.13.3 Rates And Charges (Cont'd)**

- |                                                                                       |     |    |         |
|---------------------------------------------------------------------------------------|-----|----|---------|
| A. Directory Assistance service - (maximum of two listing requests per call) (Cont'd) |     |    | (N)     |
| 3. <i>Receipt of listings associated with lines located outside the</i>               |     |    | (TX)(M) |
| state of Tennessee                                                                    |     |    |         |
| (a) Per call                                                                          | .85 | NA | (M)     |
| B. Directory Assistance for Mobile Service Providers (MSPs)                           |     |    | (M)     |
| 1. All calls to Directory Assistance                                                  |     |    | (M)     |
| (a) Per call                                                                          | .30 | NA | (M)     |

## DISCOUNT COMMUNICATIONS

3798 PARK AVE  
MEMPHIS, TN 38111  
TEL # 901.843.6070  
FAX # 901.327.2809

RECEIVED  
CONSUMER SERVICES DIVISION  
MAR 03 2000  
TN REGULATORY AUTHORITY

## FACSIMILE TRANSMITTAL SHEET

TO: Mr. Vivian MICHAEL-WILHOITE FROM: Discount Communication  
COMPANY: TRP DATE: March 3 2000  
FAX NUMBER: 1-615-741-8953 TOTAL NO. OF PAGES INCLUDING COVER: 8:45 AM  
PHONE NUMBER: SENDER'S REFERENCE NUMBER:

RE: Response To Bell South  
YOUR REFERENCE NUMBER:

☒ URGENT ☒ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

## NOTES/COMMENTS:

Response to Bell South.

Attached COPIES:

- (1) Discount Contract
- (2) COPIES OF DIRECTORY ASSISTANCE DISPUTE  
FOR Jan & Bulling
- (3) Copy of typical bill with Link-up &  
Life-line CREDIT

3/3/00  
Provided to  
Eddie + Roger.  
+ Robert White

(CLICK HERE AND TYPE RETURN ADDRESS)

## ***Discount Communications***

*"Your Complete Telecommunications Provider"*

3798 Park Ave  
Memphis, TN 38111-4684  
Phone... (901) 843-6070  
Toll Free 888 589-6505  
Fax... (901) 327-2809

---

Date: March 2, 2000

To: Vivian Michael- Wilhoite  
Consumer Service Division  
TN Regulatory Authority

This is a response to the response filed by BellSouth with the Tennessee Regulatory Authority (TRA) regarding the complaints filed by Discount Communications dated February 14, 2000 and February 22, 2000. This response will address all of the issues contained in the BellSouth response.

### Response #1 \$10.50 – Life-line Credit

Discount Communications is a certified reseller. We are certified by the Tennessee Regulatory (TRA). Discount Communications and BellSouth have executed an agreement that authorizes Discount Communications to purchase telecommunications services at a 16% discount from BellSouth for the purpose of reselling those services to the public. The executed agreement between BellSouth and Discount Communications was approved as part of the certification process by the Tennessee Regulatory Authority.

Discount Communications was required by its contractual agreement with BellSouth to go to the National Exchange Carrier Association (NECA) to recover Life-line and Link-up credits that were given to qualified Life-line and Link-up recipients by Discount Communications. After numerous discussions between Discount Communications and BellSouth and the Tennessee Regulatory Authority, it was ruled by the TRA that Discount Communications could not retrieve the Life-line and Link-up credits from the National Exchange Carrier Associations because of regulations in the Federal Communication Commission (FCC) regulation covering resellers. It was then agreed that all eligible funding due to Discount Communications for participating in the Life-line and Link-up Programs must be administered through BellSouth.

The State of Tennessee requires that the Life-line eligible recipients receive \$10.50 in credits. Discount Communications passes the full \$10.50 credit to our Life-line customers. If it is assumed BellSouth is only responsible for retrieving the \$7.00 credit through NECA and this is all that is received from NECA for the Life-line customers, then Discount Communications has been placed in a confusing position that must be cleared up. It is Discount Communications' position either BellSouth is responsible for all funding passed through or none. Discount Communications is caught in a Catch-22 - we have passed on the Life-line credits and now BellSouth is demanding that we pay again. Discount Communications does not possess the authority to recover the \$3.50. Only BellSouth and the TRA have this ability.

### Response #2 – Link-up Credit

*"Your Complete Telecommunications Provider"*

## ***Discount Communications***

*"Your Complete Telecommunications Provider"*

3798 Park Ave  
Memphis, TN 38111-4684  
Phone... (901) 843-6070  
Toll Free 888 589-6505  
Fax... (901) 327-2809

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Discount Communications believes that BellSouth is responsible for obtaining from NECA and passing on to Discount Communications the Link-up credits that Discount Communications gives to customers who qualify for the Link-up Program. It is BellSouth's position that they can only recover 50% of what BellSouth charges Discount Communications for processing fees. In Tennessee, BellSouth does not give the Reseller Discount of 16% of items that are referred to as non-recurring. Because no discount is given, Discount Communications is charged the same amount for non-recurring items as BellSouth customers. Discount Communications also incurs another charge for processing a customer. This is a \$3.50 fee for using the LENS Ordering System. These charges for processing a customer who is qualified for the Link-up Program amount to \$45.00. Discount Communications charges \$59.99 for processing changes. Under the Link-up Program, qualified Link-up customers pay \$30.00; Discount Communications requests BellSouth to retrieve the other \$30.00 from NECA. BellSouth needs \$45.00 to process Discount customers; however, they only want to pass on \$20.75 credit from NECA to Discount. BellSouth is asking Discount Communications to do something that they are not doing with their customers - that is to supplement the Link-up customers and not recover our processing cost which is not as expensive as BellSouth. Discount Communications is only charging \$14.00 above our cost to process our customers. We are asking the TRA to require that these credits be passed on.

### Response #3 - Directory Assistance

Discount Communications believes BellSouth's response to this Directory Assistance complaint is not adequate and insinuates that Discount Communications is just recently bringing this concern and dispute to their attention. Discount Communications met with senior personnel from BellSouth about this directory assistance dispute and other billing disputes. Discount Communications began giving BellSouth directory assistance disputes in September. Discount Communications believes that BellSouth has the technical knowledge to develop a suitable solution to this problem. Discount Communications' position is that the remedy we are prescribing not only benefits Discount Communications but every customer in Tennessee. Discount Communications has kept records on the number of our customers that use more than the six (6) free calls. Our records indicate that 35% to 47% of our customers use more than the six (6) free calls. Discount Communications will provide these records if the TRA wishes to review them. We are asking for these changes in directory assistance and that these changes be in dispute until a workable solution is found.

### Response #4 - Billing of Charges and Credits

Discount Communications has been working with BellSouth for over fifteen (15) months to resolve the disputes with the system mechanism that BellSouth has in place. We have filed over 20,000 disputes on individual accounts. Discount Communications has spent numerous man-hours preparing these disputes and checking to make sure our disputes are not frivolous. Discount Communications vehemently disagrees with BellSouth over the statement that we have "arbitrarily with-held payment." All with-held funds were supported with the correct dispute procedure.

*"Your Complete Telecommunications Provider"*

## ***Discount Communications***

*"Your Complete Telecommunications Provider"*

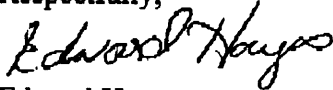
3798 Park Ave  
Memphis, TN 38111-4684  
Phone... (901) 843-6070  
Toll Free 888 589-6505  
Fax... (901) 327-2809

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Discount Communications disagrees with BellSouth's premise that Discount Communications failed to go through proper channels when asking for payment arrangements. We used proper channels until it appeared that an effort was in progress to put Discount Communications out of business. I hope and pray that Discount Communications is wrong about our perceived notions. If we are wrong, we will gladly apologize.

Discount Communications is ready and willing to find a way to resolve these complaints and to get on with what we are doing. Discount Communications feels that through the Life-line and Link-up Programs, 1,000 citizens of Tennessee are receiving a service that was not previously available to them. Due to short response time, Discount Communications requests the ability to make additions to the record even after staff recommendations have been made.

Respectfully,



Edward Hayes  
Owner

cc: John Ford, Senator, State of Tennessee  
Melvin Malone, Chairman, TRA  
Sara Kyle, Director, TRA  
David Waddell, Executive Director, TRA  
Joe Werner, Chief, Telecom Division, TRA  
Eddie Roberson, Chief, Consumer Services, TRA  
Harold Ford Jr., Congressman

*"Your Complete Telecommunications Provider"*



### Billing Adjustment Investigation Request

Date: Feb. 22, 2000 CLEC Tracking Number: \_\_\_\_\_

To: Rhonda Taylor BST Tracking Number: \_\_\_\_\_

We believe that a billing error appears on the following account:

CLEC Name: \_\_\_\_\_ RESH/OCN/ZWC Number: \_\_\_\_\_

Account Name: \_\_\_\_\_ Q Account Number: 084-5343 343

End User Number: \_\_\_\_\_ Circuit Number: \_\_\_\_\_  
(If more than one, use Dispute Summary Sheet)

Amount Disputed: \$4,035.74 # of End Users Affected: 861

Amt. With-Held From Bill: \$4,035.74 Affected Bill Date: Jan. 4, 2000

Reason Amount is in Question:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

☒ Attached is a list (spreadsheet) listing all End User's accounts affected by this item in dispute.

☒ Attached is a marked-up copy of the page(s) on which the questioned item(s) appears.

☐ A marked-up copy is not attached. Following is additional information for your investigation. (i.e., page number on bill, item number on bill, etc.)

If you have any questions or need clarification, you may contact:

Name: Discount Communications

Telephone: 901-843-6070

Fax: 901-327-2809

dispreq.doc

02/24/99 02:16

Pg 1

## Dispute Summary

Date: Feb. 18, 2000

	Pg. #	End User	End User's #	Amount	Coll.
1.		151	615-259-3943	\$	148
2.		150	615-259-2511	\$	35
3.		148	615-256-7489	\$	20
4.		147	615-256-1791	\$	33
5.		146	615-255-9759	\$	10
6.		143	615-255-5221	\$	28
7.		140	615-254-8845	\$	12
8.		137	615-254-4065	\$	16
9.		134	615-254-0388	\$	9
10.		132	615-251-9091	\$	37
11.		127	615-251-1755	\$	8
12.		126	615-248-8655	\$	13
13.		122	615-248-6574	\$	13
14.		121	615-248-3899	\$	8
15.		119	615-248-3525	\$	38
16.		115	615-248-3137	\$	26
17.		113	615-248-3006	\$	19
18.		111	615-248-2568	\$	27
19.		109	615-248-0994	\$	51
20.		108	615-244-8649	\$	11
			Total:	\$	

dispaumm.doc



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**BellSouth Interconnection Services**

675 West Peachtree Street, NE  
Room 34S91  
Atlanta, Georgia 30375

David W. Taylor  
(404) 927-7556  
Fax (404) 927-8324

March 13, 1998

Mr. Ed Hayes  
Discount Communications  
6647 Steeplechase Circle  
Memphis, TN 38141

Dear Mr. Hayes:

Attached for your records is an original copy of the Discount Communications Resale Agreement. Your BellSouth Account Team has been notified of the Agreement and they will contact you in the next few days to assist you. The Account Team Coordinator is Diane Brasfield (205) 977-3540. In the meantime, please give me a call if I can help.

Sincerely,

A handwritten signature in cursive script that reads "David W. Taylor".

David W. Taylor  
Manager - Interconnection Services-Pricing

Enclosure

5

**Agreement Between BellSouth Telecommunications, Inc. and Discount Communications  
Regarding The Sale of BellSouth Telecommunications Services to Discount Communications For  
The Purposes of Resale**

- **THIS AGREEMENT** is by and between **BellSouth Telecommunications, Inc.**, ("BellSouth or Company"), a Georgia corporation, and **Discount Communications ("Reseller")**, and shall be deemed effective as of March 13, 1998.

**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, Discount Communications is or seeks to become an alternative local exchange telecommunications company authorized to provide telecommunications services in the state of Tennessee; and

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

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

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

**I. Term of the Agreement**

- A. The term of this Agreement shall be two years beginning March 13, 1998 and shall apply to all of BellSouth's serving territory as of January 1, 1997 in the state of Tennessee;
- B. This Agreement shall be automatically renewed for two additional one year periods unless either party indicates its intent not to renew the Agreement. Notice of such intent must be provided, in writing, to the other party no later than 60 days prior to the end of the then-existing contract period. The term of the Agreement shall remain in effect after the term of the existing agreement has expired and while a new agreement is being negotiated.
- C. The rates pursuant by which Discount Communications is to purchase services from BellSouth for resale shall be at a discount rate off of the retail rate for the telecommunications service. The discount rates shall be as set forth in Exhibit A, attached hereto and incorporated herein by this reference. Such discount shall reflect the costs avoided by BellSouth when selling a service for wholesale purposes.

**II. Definition of Terms**

- A. **CUSTOMER OF RECORD** means the entity responsible for placing application for service; requesting additions, rearrangements, maintenance or discontinuance of service; payment in full of charges incurred such as non-recurring, monthly recurring, toll, directory assistance, etc.
- B. **DEPOSIT** means assurance provided by a customer in the form of cash, surety bond or bank letter of credit to be held by the Company.
- C. **END USER** means the ultimate user of the telecommunications services.

- C. **END USER** means the ultimate user of the telecommunications services.
- D. **END USER CUSTOMER LOCATION** means the physical location of the premises where an end user makes use of the telecommunications services.
- E. **NEW SERVICES** means functions, features or capabilities that are not currently offered by BellSouth. This includes packaging of existing services or combining a new function, feature or capability with an existing service.
- F. **OTHER LOCAL EXCHANGE COMPANY (OLEC)** means a telephone company certificated by the public service commissions of the Company's franchised area to provide local exchange service within the Company's franchised area.
- G. **RESALE** means an activity wherein a certificated OLEC, such as Discount Communications subscribes to the telecommunications services of the Company and then reoffers those telecommunications services to the public (with or without "adding value").
- H. **RESALE SERVICE AREA** means the area, as defined in a public service commission approved certificate of operation, within which an OLEC, such as Discount Communications, may offer resold local exchange telecommunications service.

### III. General Provisions

- A. Discount Communications may resell the tariffed local exchange and toll telecommunications services of BellSouth contained in the General Subscriber Service Tariff and Private Line Service Tariff subject to the terms, and conditions specifically set forth herein. Notwithstanding the foregoing, the exclusions and limitations on services available for resale will be as set forth in Exhibit B, attached hereto and incorporated herein by this reference.

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

- B. Discount Communications 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:
  - 1. Discount Communications must resell services to other end users.
  - 2. Discount Communications must order services through resale interfaces, i. e., the LCSC and/or appropriate Resale Account Teams.
  - 3. Discount Communications cannot be an alternative local exchange telecommunications company for the single purpose of selling to themselves.
- C. The provision of services by the Company to Discount Communications does not constitute a joint undertaking for the furnishing of any service.

- D. Discount Communications will be the customer of record for all services purchased from BellSouth. Except as specified herein, the Company will take orders from, bill and expect payment from Discount Communications for all services.
- E. Discount Communications will be the Company's single point of contact for all services purchased pursuant to this Agreement. The Company shall have no contact with the end user except to the extent provided for herein.
- F. The Company will continue to bill the end user for any services that the end user specifies it wishes to receive directly from the Company.
- G. The Company maintains the right to serve directly any end user within the service area of Discount Communications. The Company will continue to directly market its own telecommunications products and services and in doing so may establish independent relationships with end users of Discount Communications.
- H. Neither Party shall interfere with the right of any person or entity to obtain service directly from the other Party.
- I. Current telephone numbers may normally be retained by the end user. However, telephone numbers are the property of the Company and are assigned to the service furnished. Discount Communications has no property right to the telephone number or any other call number designation associated with services furnished by the Company, and no right to the continuance of service through any particular central office. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, whenever the Company deems it necessary to do so in the conduct of its business.
- J. The Company may provide any service or facility for which a charge is not established herein, as long as it is offered on the same terms to Discount Communications.
- K. Service is furnished subject to the condition that it will not be used for any unlawful purpose.
- L. Service will be discontinued if any law enforcement agency advises that the service being used is in violation of the law.
- M. The Company can refuse service when it has grounds to believe that service will be used in violation of the law.
- N. The Company accepts no responsibility to any person for any unlawful act committed by Discount Communications or its end users as part of providing service to Discount Communications for purposes of resale or otherwise.
- O. The Company will cooperate fully with law enforcement agencies with subpoenas and court orders for assistance with the Company's customers. Law enforcement agency subpoenas and court orders regarding end users of Discount Communications will be directed to Discount Communications. The Company will bill Discount Communications for implementing any requests by law enforcement agencies regarding Discount Communications end users.
- P. The characteristics and methods of operation of any circuits, facilities or equipment provided by any person or entity other than the Company shall not:
  - 1. Interfere with or impair service over any facilities of the Company, its affiliates, or its connecting and concurring carriers involved in its service;

2. Cause damage to their plant;
  3. Impair the privacy of any communications; or
  4. Create hazards to any employees or the public.
- Q. Discount Communications assumes the responsibility of notifying the Company regarding less than standard operations with respect to services provided by Discount Communications.
- R. Facilities and/or equipment utilized by BellSouth to provide service to Discount Communications remain the property of BellSouth.
- S. White page directory listings will be provided in accordance with regulations set forth in Section A6 of the General Subscriber Service Tariff and will be available for resale.
- T. BellSouth will provide customer record information to Discount Communications provided Discount Communications has the appropriate Letter(s) of Authorization. BellSouth may provide customer record information via one of the following methods: US mail, fax, or by electronic interface. BellSouth will provide customer record information via US mail or fax on an interim basis only.
1. Discount Communications agrees to compensate BellSouth for all BellSouth incurred expenditures associated with providing such information to Discount Communications. Discount Communications will adopt and adhere to the BellSouth guidelines associated with each method of providing customer record information.
  2. All costs incurred by BellSouth to develop and implement operational interfaces shall be recovered from Discount Communications who utilize the services.
- U. BellSouth will provide certain selected messaging services to Discount Communications for resale messaging service without the wholesale discount.
- V. BellSouth's Inside Wire Maintenance Plans may be made available for resale at rates, terms and conditions as set forth by BellSouth and without the wholesale discount.
- W. All costs incurred by BellSouth for providing services to Discount Communications that are not covered in the BellSouth tariffs shall be recovered from the Discount Communications(s) who utilize those services.

#### IV. BellSouth's Provision of Services to Discount Communications

- A. Discount Communications agrees that its resale of BellSouth services shall be as follows:
1. The resale of telecommunications services shall be limited to users and uses conforming to the class of service restrictions.
  2. To the extent Discount Communications is a telecommunications carrier that serves greater than 5 percent of the Nation's presubscribed access lines, Discount Communications shall not jointly market its interLATA services with the telecommunications services purchased from BellSouth pursuant to this Agreement in any of the states covered under this Agreement. For the purposes of this subsection, to jointly market means any advertisement, marketing effort or billing in which the telecommunications services purchased from BellSouth for purposes of resale to customers and interLATA services offered by Discount Communications are packaged, tied, bundled,

discounted or offered together in any way to the end user. Such efforts include, but are not limited to, sales referrals, resale arrangements, sales agencies or billing agreements. This subsection shall be void and of no effect for a particular state covered under this Agreement as of February 8, 1999 or on the date BellSouth is authorized to offer interLATA services in that state, whichever is earlier.

3. Hotel and Hospital PBX service are the only telecommunications services available for resale to Hotel/Motel and Hospital end users, respectively. Similarly, Access Line Service for Customer Provided Coin Telephones is the only local service available for resale to Independent Payphone Provider (IPP) customers. Shared Tenant Service customers can only be sold those telecommunications services available in the Company's A23 Shared Tenant Service Tariff.
  4. Discount Communications is prohibited from furnishing both flat and measured rate service on the same business premises to the same subscribers (end users) as stated in A2 of the Company's Tariff except for backup service as indicated in the applicable state tariff Section A3.
  5. If telephone service is established and it is subsequently determined that the class of service restriction has been violated, Discount Communications will be notified and billing for that service will be immediately changed to the appropriate class of service. Service charges for changes between class of service, back billing, and interest as described in this subsection shall apply at the Company's sole discretion. Interest at a rate as set forth in Section A2 of the General Subscriber Service Tariff and Section B2 of the Private Line Service Tariff for the applicable state, compounded daily for the number of days from the back billing date to and including the date that Discount Communications actually makes the payment to the Company may be assessed.
  6. The Company reserves the right to periodically audit services purchased by Discount Communications to establish authenticity of use. Such audit shall not occur more than once in a calendar year. Discount Communications shall make any and all records and data available to the Company or the Company's auditors on a reasonable basis. The Company shall bear the cost of said audit.
- B. Resold services can only be used in the same manner as specified in the Company's Tariff. Resold services are subject to the same terms and conditions as are specified for such services when furnished to an individual end user of the Company in the appropriate section of the Company's Tariffs. Specific tariff features, e.g. a usage allowance per month, shall not be aggregated across multiple resold services. Resold services cannot be used to aggregate traffic from more than one end user customer except as specified in Section A23. of the Company's Tariff referring to Shared Tenant Service.
  - C. Discount Communications may resell services only within the specific resale service area as defined in its certificate.
  - D. Telephone numbers transmitted via any resold service feature are intended solely for the use of the end user of the feature. Resale of this information is prohibited.
  - E. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. Discount Communications is strictly prohibited from any use, including but not limited to sales, marketing or advertising, of any BellSouth name or trademark.

## V. Maintenance of Services

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



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

#### VI. Establishment of Service

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

user's service from Discount Communications to the other LEC. The Company will notify Discount Communications that such a request has been processed.

- F. If the Company determines that an unauthorized change in local service to Discount Communications has occurred, the Company will reestablish service with the appropriate local service provider and will assess Discount Communications as the OLEC initiating the unauthorized change. the unauthorized change charge described in F.C.C. Tariff No. 1, Section 13. Appropriate nonrecurring charges, as set forth in Section A4. of the General Subscriber Service Tariff, will also be assessed to Discount Communications. These charges can be adjusted if Discount Communications provides satisfactory proof of authorization.
- G. In order to safeguard its interest, the Company reserves the right to secure the account with a suitable form of security deposit, unless satisfactory credit has already been established.
1. Such security deposit shall take the form of an irrevocable Letter of Credit or other forms of security acceptable to the Company. Any such security deposit may be held during the continuance of the service as security for the payment of any and all amounts accruing for the service.
  2. If a security deposit is required, such security deposit shall be made prior to the inauguration of service.
  3. Such security deposit may not exceed two months' estimated billing.
  4. The fact that a security deposit has been made in no way relieves Discount Communications from complying with the Company's regulations as to advance payments and the prompt payment of bills on presentation nor does it constitute a waiver or modification of the regular practices of the Company providing for the discontinuance of service for non-payment of any sums due the Company.
  5. The Company reserves the right to increase the security deposit requirements when, in its sole judgment, circumstances so warrant and/or gross monthly billing has increased beyond the level initially used to determine the security deposit.
  6. In the event that Discount Communications defaults on its account, service to Discount Communications will be terminated and any security deposits held will be applied to its account.
  7. In the case of a cash deposit, interest at a rate as set forth in the appropriate BellSouth tariff shall be paid to Discount Communications during the continuance of the security deposit. Interest on a security deposit shall accrue annually and, if requested, shall be annually credited to Discount Communications by the accrual date.

## VII. Payment And Billing Arrangements

- A. When the initial service is ordered by Discount Communications, the Company will establish an accounts receivable master account for Discount Communications.
- B. The Company shall bill Discount Communications on a current basis all applicable charges and credits.
- C. Payment of all charges will be the responsibility of Discount Communications. Discount Communications shall make payment to the Company for all services billed. The Company is not responsible for payments not received by Discount Communications from Discount Communications's

customer. The Company will not become involved in billing disputes that may arise between Discount Communications and its customer. Payments made to the Company as payment on account will be credited to an accounts receivable master account and not to an end user's account.

- D. The Company will render bills each month on established bill days for each of Discount Communications's accounts.
- E. The Company will bill Discount Communications, in advance, charges for all services to be provided during the ensuing billing period except charges associated with service usage, which charges will be billed in arrears. Charges will be calculated on an individual end user account level, including, if applicable, any charges for usage or usage allowances. BellSouth will also bill all charges, including but not limited to 911 and E911 charges, telecommunications relay charges, and franchise fees, to Discount Communications.
- F. The payment will be due by the next bill date (i.e., same date in the following month as the bill date) and is payable in immediately available funds. Payment is considered to have been made when received by the Company.
1. If the payment due date falls on a Sunday or on a Holiday which is observed on a Monday, the payment due date shall be the first non-Holiday day following such Sunday or Holiday. If the payment due date falls on a Saturday or on a Holiday which is observed on Tuesday, Wednesday, Thursday, or Friday, the payment due date shall be the last non-Holiday day preceding such Saturday or Holiday. If payment is not received by the payment due date, a late payment penalty, as set forth in I. following, shall apply.
- G. Upon proof of tax exempt certification from Discount Communications, the total amount billed to Discount Communications will not include any taxes due from the end user. Discount Communications will be solely responsible for the computation, tracking, reporting and payment of all federal, state and/or local jurisdiction taxes associated with the services resold to the end user.
- H. As the customer of record, Discount Communications will be responsible for, and remit to the Company, all charges applicable to its resold services for emergency services (E911 and 911) and Telecommunications Relay Service (TRS) as well as any other charges of a similar nature.
- I. If any portion of the payment is received by the Company after the payment due date as set forth preceding, or if any portion of the payment is received by the Company in funds that are not immediately available to the Company, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the payment due date times a late factor. The late factor shall be as set forth in Section A2 of the General Subscriber Service Tariff and Section B2 of the Private Line Service Tariff.
- J. Any switched access charges associated with interexchange carrier access to the resold local exchange lines will be billed by, and due to, the Company. No additional charges are to be assessed to Discount Communications.
- K. The Company will not perform billing and collection services for Discount Communications as a result of the execution of this Agreement. All requests for billing services should be referred to the appropriate entity or operational group within the Company.
- L. Pursuant to 47 CFR Section 51.617, the Company will bill Discount Communications end user common line charges identical to the end user common line charges the Company bills its end users.

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

#### **VIII. Discontinuance of Service**

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

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

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

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

days written notice to the person designated by Discount Communications to receive notices of noncompliance, discontinue the provision of existing services to Discount Communications at any time thereafter. In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due. If the Company does not discontinue the provision of the services involved on the date specified in the thirty days notice, and Discount Communications's noncompliance continues, nothing contained herein shall preclude the Company's right to discontinue the provision of the services to Discount Communications without further notice.

5. If payment is not received or arrangements made for payment by the date given in the written notification, Discount Communications's services will be discontinued. Upon discontinuance of service on a Discount Communications's account, service to Discount Communications's end users will be denied. The Company will also reestablish service at the request of the end user or Discount Communications upon payment of the appropriate connection fee and subject to the Company's normal application procedures. Discount Communications is solely responsible for notifying the end user of the proposed disconnection of the service.
6. If within fifteen days after an end user's service has been denied no contact has been made in reference to restoring service, the end user's service will be disconnected.

#### IX. Liability

- A. The liability of the Company for damages arising out of mistakes, omissions, interruptions, preemptions, delays errors or defects in transmission, or failures or defects in facilities furnished by the Company, occurring in the course of furnishing service or other facilities and not caused by the negligence of Discount Communications, or of the Company in failing to maintain proper standards of maintenance and operation and to exercise reasonable supervision shall in no event exceed an amount equivalent to the proportionate charge to Discount Communications for the period of service during which such mistake, omission, interruption, preemption, delay, error or defect in transmission or defect or failure in facilities occur. The Company shall not be liable for damage arising out of mistakes, omission, interruptions, preemptions, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the service of the Company, (1) caused by customer-provided equipment (except where a contributing cause is the malfunctioning of a Company-provided connecting arrangement, in which event the liability of the Company shall not exceed an amount equal to a proportional amount of the Company billing for the period of service during which such mistake, omission, interruption, preemption, delay, error, defect in transmission or injury occurs), or (2) not prevented by customer-provided equipment but which would have been prevented had Company-provided equipment been used.
- B. The Company shall be indemnified and saved harmless by Discount Communications against any and all claims, actions, causes of action, damages, liabilities, or demands (including the costs, expenses and reasonable attorneys' fees, on account thereof) of whatever kind or nature that may be made by any third party as a result of the Company's furnishing of service to Discount Communications.
- C. The Company shall be indemnified, defended and held harmless by Discount Communications and/or the end user against any claim, loss or damage arising from the use of services offered for resale involving:
  1. Claims for libel, slander, invasion of privacy or infringement of copyright arising from Discount Communications's or end user's own communications.
  2. Claims for patent infringement arising from acts combining or using Company services in connection with facilities or equipment furnished by the end user or Discount Communications.

3. All other claims arising out of an act or omission of Discount Communications or its end user in the course of using services.
- D. Discount Communications accepts responsibility for providing access for maintenance purposes of any service resold under the provisions of this Tariff. The Company shall not be responsible for any failure on the part of Discount Communications with respect to any end user of Discount Communications.

#### **X. Treatment of Proprietary and Confidential Information**

- A. Both parties agree that it may be necessary to provide each other during the term of this Agreement with certain confidential information, including trade secret information, including but not limited to, technical and business plans, technical information, proposals, specifications, drawings, procedures, customer account data and like information (hereinafter collectively referred to as "Information"). Both parties agree that all Information shall either be in writing or other tangible format and clearly marked with a confidential, private or proprietary legend, or, when the Information is communicated orally, it shall also be communicated that the Information is confidential, private or proprietary. The Information will be returned to the owner within a reasonable time. Both parties agree that the Information shall not be copied or reproduced in any form. Both parties agree to receive such Information and not disclose such Information. Both parties agree to protect the Information received from distribution, disclosure or dissemination to anyone except employees of the parties with a need to know such Information and which employees agree to be bound by the terms of this Section. Both parties will use the same standard of care to protect Information received as they would use to protect their own confidential and proprietary Information.
- B. Notwithstanding the foregoing, both parties agree that there will be no obligation to protect any portion of the Information that is either: 1) made publicly available by the owner of the Information or lawfully disclosed by a nonparty to this Agreement; 2) lawfully obtained from any source other than the owner of the Information; or 3) previously known to the receiving party without an obligation to keep it confidential.

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

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

#### **XII. Limitation of Use**

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

#### **XIII. Waivers**

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

#### **XIV. Governing Law**

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

#### **XV. Arm's Length Negotiations**

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

#### **XVI. Notices**

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

BellSouth Telecommunications, Inc.  
CLEC Account Team  
3535 Colonnade Parkway  
Room E4E1  
Birmingham, AL 35243

Discount Communications  
6647 Steeplechase Circle  
Memphis, TN 38141

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

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

**XVII. Amendments**

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

**XVIII. Entire Agreement**

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

**BellSouth Telecommunications, Inc.**BY: 

Signature

NAME: Jerry HendrixTITLE: DirectorDATE: 3/13/98**Discount Communications**BY: 

Signature

NAME: Edward HayesTITLE: OwnerDATE: 3/12/98



**EXHIBIT "A"****APPLICABLE DISCOUNTS**

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

**DISCOUNT**

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

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

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

*Note*  
*BelSouth has the capabilities to block directory services*

## EXHIBIT B

Type of Service	AL		FL		GA		KY		LA	
	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?
1 Grandfathered Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2 Contract Service Arrangements	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Note 5	Note 5
3 Promotions - > 90 Days	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4 Promotions - < 90 Days	Yes	No	Yes	No	Yes	No	No	No	Yes	No
5 Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes
6 911/E911 Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
7 N11 Services	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
8 AdWatch <sup>SM</sup> (See Note 8)	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9 MemoryCall <sup>®</sup>	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
10 Mobile Services	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
11 Federal Subscriber Line Charges	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
12 Non-Recurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Type of Service	MS		NC		SC		TN	
	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?
1 Grandfathered Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2 Contract Service Arrangements	Note 5	Note 5	Note 6	Note 6	Yes	No	Yes	Yes
3 Promotions - > 90 Days	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Note 3
4 Promotions - < 90 Days	Yes	No	No	No	Yes	No	No	No
5 Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Note 4
6 911/E911 Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7 N11 Services	No	No	No	No	Yes	Yes	Yes	Yes
8 AdWatch <sup>SM</sup> (See Note 8)	Yes	No	Yes	No	Yes	No	Yes	No
9 MemoryCall <sup>®</sup>	Yes	No	Yes	No	Yes	No	Yes	No
10 Mobile Services	Yes	No	Yes	No	Yes	No	Yes	No
11 Federal Subscriber Line Charges	Yes	No	Yes	No	Yes	No	Yes	No
12 Non-Recurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No

## Additional Comments:

- Grandfathered services can be resold only to existing subscribers of the grandfathered service.
- Where available for resale, promotions will be made available only to end users who would have qualified for the promotion had it been provided by BellSouth directly.
- In Tennessee, long-term promotions (offered for more than ninety (90) days) may be obtained at one of the following rates:
  - the stated tariff rate, less the wholesale discount;
  - the promotional rate (the promotional rate offered by BellSouth will not be discounted further by the wholesale discount rate)
- Lifeline/Link Up services may be offered only to those subscribers who meet the criteria that BellSouth currently applies to subscribers of these services. In Tennessee, Discount Communications shall purchase BellSouth's Message Rate Service at the stated tariff rate, less the wholesale discount. Discount Communications must further discount the wholesale Message Rate Service to LifeLine customers with a discount which is no less than the minimum discount that BellSouth now provides. Discount Communications is responsible for recovering the Subscriber Line Charge from the National Exchange Carriers Association interstate toll settlement pool just as BellSouth does today. The maximum rate that Discount Communications may charge for LifeLine Service shall be capped at the flat retail rate offered by BellSouth.
- In Louisiana and Mississippi, all Contract Service Arrangements entered into by BellSouth or terminating after the effective date of the Commission Order will be subject to resale without the wholesale discount. All CSAs which are in place as of the effective date of the Commission order will not be eligible for resale.
- In North Carolina, Contract Service Arrangements entered into by BellSouth before April 15, 1997, shall be subject to resale at no discount, while BellSouth CSAs entered into after that date shall be subject to resale with the discount.
- Some of BellSouth's local exchange and toll telecommunications services are not available in certain central offices and areas.
- AdWatch<sup>SM</sup> is tariffed as BellSouth's AIN Virtual Number Call Detail Service



BILLING NUMBER 615 Q84-5343 343  
 BILLING PERIOD JAN 4,2000 00004  
 PAGE 27

# CHARGES FOR EARNING NUMBER 615 226-5163

## MONTHLY SERVICE

183. MONTHLY SERVICE - JAN 04 THROUGH FEB 03	11.61
184. FCC CHARGE FOR NETWORK ACCESS	3.50
TOTAL MONTHLY SERVICE	15.11

## OTHER CHARGES AND CREDITS

DEC 10, 1999 50-ZTBR8254BZ

EARNING NUMBER 226-5163

LINE 226-5163

185. CHARGE FOR CHANGING YOUR LOCAL TOLL COMPANY TO FRONTIER	1.49
186. IF YOUR LOCAL TOLL LONG DISTANCE COMPANY IS INCORRECT, CALL YOUR BUSINESS OFFICE.	

TOTAL RECURRING OC&C FOR 50-ZTBR8254BZ	.00
TOTAL NONRECURRING OC&C FOR 50-ZTBR8254BZ	1.49
TOTAL OC&C DEBITS	1.49
TOTAL OC&C CREDITS	.00
TOTAL OTHER CHARGES AND CREDITS	1.49

## ITEMIZED CALLS

### OPERATOR ASST CALLS FOR 615 226-5163

DATE	TIME	TO PLACE	TO NUMBER	FROM PLACE	FROM NUMBER	RC	MIN	TXC	
187. DEC 6	854P	VERIFY BSY	615 321-3487	NASHVILLE TN	615 226-5163	DS	1		.79
TOTAL OPERATOR ASST CALLS FOR 615 226-5163									.79

DIRECTORY ASST FOR 615 226-5163	17 LOCAL CALLS	0 INTRASTATE CALLS
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TOTAL ITEM CALLS FOR EARNING # 615 226-5163	.79
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DIRECTORY ASST FOR EARNING # 615 226-5163	17 LOCAL CALLS	0 INTRASTATE CALLS
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TOTAL FOR EARNING NUMBER 615 226-5163	17.39
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BILLING NUMBER 615 Q84-5343 343  
 BILLING PERIOD JAN 4,2000 00004  
 PAGE 151

# CHARGES FOR EARNING NUMBER 615 259-3943

## MONTHLY SERVICE

1011.MONTHLY SERVICE - JAN 04 THROUGH FEB 03	11.61
1012.INSIDE WIRE MAINTENANCE SERVICE PLAN	3.00
1013.FCC CHARGE FOR NETWORK ACCESS.	3.50
TOTAL MONTHLY SERVICE	18.11

## ITEMIZED CALLS

### ITEMIZED CALLS FOR 615 259-3943

TOTAL ITEMIZED CALLS FOR 615 259-3943	.00	
DIRECTORY ASST FOR 615 259-3943	148 LOCAL CALLS	0 INTRASTATE CALLS
TOTAL ITEM CALLS FOR EARNING # 615 259-3943	.00	
DIRECTORY ASST FOR EARNING # 615 259-3943	148 LOCAL CALLS	0 INTRASTATE CALLS
TOTAL FOR EARNING NUMBER 615 259-3943		18.11

## DISCOUNT COMMUNICATIONS

3798 PARK AVE  
MEMPHIS, TN 38111  
TEL # 901.843.6070  
FAX # 901.327.2809

## FACSIMILE TRANSMITTAL SHEET

TO: Sara Kyle FROM: Discount Communications  
COMPANY: Tennessee Regulatory Authority DATE: 3-03-00  
FAX NUMBER: 615-741-5015 TOTAL NO. OF PAGES INCLUDING COVER: 2  
PHONE NUMBER: 1-800-342-8359 SENDER'S REFERENCE NUMBER:  
RE: YOUR REFERENCE NUMBER:

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

(CLICK HERE AND TYPE RETURN ADDRESS)

March 3, 2000

To: Vivian Michael-Wilhoite  
Consumer Services Division  
Tennessee Regulatory Authority

Addendum: 1

Addendum to Response #3- Directory Assistance

Discount Communications will entertain the following option:

1. Discount Communications is opting to provide and/or offer directory assistance to Discount's Customers directory assistance as referenced by the TRA (Tennessee Regulatory Authority) Order in Tennessee; docket no. 90-01331 dated January 17, 1997.

Correction to Response #3:

We are asking for these changes in directory assistance and the directory assistance charges be held in dispute until a workable solution is found.

Respectfully,



Edward Hayes  
Owner

cc: John Ford, Senator, State of Tennessee  
Melvin Malone, Chairman, TRA  
Sara Kyle, Director, TRA  
David Waddell, Executive Director, TRA  
Joe Werner, Chief Telecom Division, TRA  
Eddie Roberson, Chief, Consumer Services, TRA  
Harold Ford Jr., Congressman

*"Your Complete Telecommunications Provider"*

## DISCOUNT COMMUNICATIONS

3798 PARK AVE  
MEMPHIS, TN 38111  
TEL # 901.843.6070  
FAX # 901.327.2809

## FACSIMILE TRANSMITTAL SHEET

TO: Sara Kyle FROM: Discount Communications  
COMPANY: Tennessee Regulatory Authority DATE: 3-03-00  
FAX NUMBER: 1-615-741-5015 TOTAL NO. OF PAGES INCLUDING COVER: 22  
PHONE NUMBER: 1-800-342-8359 SENDER'S REFERENCE NUMBER:  
RE: YOUR REFERENCE NUMBER:

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

## NOTES/COMMENTS:

Response to Bell South

Attached Copies

1. Discount Contract
2. Copies of Directory Assistance Dispute  
For Jan 4 Billing
3. Copy of typical bill With Link-up &  
Life-line Credit.

(CLICK HERE AND TYPE RETURN ADDRESS)

***Discount Communications****"Your Complete Telecommunications Provider"*

3798 Park Ave  
Memphis, TN 38111-4684  
Phone... (901) 843-6070  
Toll Free 888 589-6505  
Fax... (901) 327-2809

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March 3, 2000

To: Vivian Michael-Wilhoite  
Consumer Services Division  
Tennessee Regulatory Authority

Addendum: 1

Addendum to Response #3- Directory Assistance

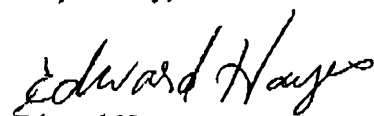
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Edward Hayes  
Owner

cc: John Ford, Senator, State of Tennessee  
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Joe Werner, Chief Telecom Division, TRA  
Eddie Roberson, Chief, Consumer Services, TRA  
Harold Ford Jr., Congressman

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***Discount Communications***  
*"Your Complete Telecommunications Provider"*

3798 Park Ave

# DISCOUNT COMMUNICATIONS

3798 PARK AVE  
MEMPHIS, TN 38111  
TEL # 901.843.6070  
FAX # 901.327.2809

## FACSIMILE TRANSMITTAL SHEET

TO: Melvin Malone FROM: Discount Communications  
COMPANY: Tennessee Regulatory Authority DATE: March 3, 2000  
FAX NUMBER: 1-615-741-5015 TOTAL NO. OF PAGES INCLUDING COVER: 22  
PHONE NUMBER: 1-800-342-8359 SENDER'S REFERENCE NUMBER:  
RE: YOUR REFERENCE NUMBER:

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

### NOTES/COMMENTS:

Response to Bell South

Attached Copies

- ① Discount Contract
- ② Copies of Directory Assistance Dispute  
For Jan 4 Billing
- ③ Copy of typical bill with link-up & Life line  
Credit

[CLICK HERE AND TYPE RETURN ADDRESS]

# ***Discount Communications***

***"Your Complete Telecommunications Provider"***

3798 Park Ave  
Memphis, TN 38111-4684  
Phone... (901) 843-6070  
Toll Free 888 589-6505  
Fax... (901) 327-2809

---

Date: March 2, 2000

To: Vivian Michael- Wilhoite  
Consumer Service Division  
TN Regulatory Authority

This is a response to the response filed by BellSouth with the Tennessee Regulatory Authority (TRA) regarding the complaints filed by Discount Communications dated February 14, 2000 and February 22, 2000. This response will address all of the issues contained in the BellSouth response.

## **Response #1 \$10.50 – Life-line Credit**

Discount Communications is a certified reseller. We are certified by the Tennessee Regulatory (TRA). Discount Communications and BellSouth have executed an agreement that authorizes Discount Communications to purchase telecommunications services at a 16% discount from BellSouth for the purpose of reselling those services to the public. The executed agreement between BellSouth and Discount Communications was approved as part of the certification process by the Tennessee Regulatory Authority.

Discount Communications was required by its contractual agreement with BellSouth to go to the National Exchange Carrier Association (NECA) to recover Life-line and Link-up credits that were given to qualified Life-line and Link-up recipients by Discount Communications. After numerous discussions between Discount Communications and BellSouth and the Tennessee Regulatory Authority, it was ruled by the TRA that Discount Communications could not retrieve the Life-line and Link-up credits from the National Exchange Carrier Associations because of regulations in the Federal Communication Commission (FCC) regulation covering resellers. It was then agreed that all eligible funding due to Discount Communications for participating in the Life-line and Link-up Programs must be administered through BellSouth.

The State of Tennessee requires that the Life-line eligible recipients receive \$10.50 in credits. Discount Communications passes the full \$10.50 credit to our Life-line customers. If it is assumed BellSouth is only responsible for retrieving the \$7.00 credit through NECA and this is all that is received from NECA for the Life-line customers, then Discount Communications has been placed in a confusing position that must be cleared up. It is Discount Communications' position either BellSouth is responsible for all funding passed through or none. Discount Communications is caught in a Catch-22 - we have passed on the Life-line credits and now BellSouth is demanding that we pay again. Discount Communications does not possess the authority to recover the \$3.50. Only BellSouth and the TRA have this ability.

## **Response #2 – Link-up Credit**

***"Your Complete Telecommunications Provider"***

## ***Discount Communications***

***"Your Complete Telecommunications Provider"***

3798 Park Ave  
Memphis, TN 38111-4684  
Phone... (901) 843-6070  
Toll Free 888 589-6505  
Fax... (901) 327-2809

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Discount Communications believes that BellSouth is responsible for obtaining from NECA and passing on to Discount Communications the Link-up credits that Discount Communications gives to customers who qualify for the Link-up Program. It is BellSouth's position that they can only recover 50% of what BellSouth charges Discount Communications for processing fees. In Tennessee, BellSouth does not give the Reseller Discount of 16% of items that are referred to as non-recurring. Because no discount is given, Discount Communications is charged the same amount for non-recurring items as BellSouth customers. Discount Communications also incurs another charge for processing a customer. This is a \$3.50 fee for using the LENS Ordering System. These charges for processing a customer who is qualified for the Link-up Program amount to \$45.00. Discount Communications charges \$59.99 for processing changes. Under the Link-up Program, qualified Link-up customers pay \$30.00; Discount Communications requests BellSouth to retrieve the other \$30.00 from NECA. BellSouth needs \$45.00 to process Discount customers; however, they only want to pass on \$20.75 credit from NECA to Discount. BellSouth is asking Discount Communications to do something that they are not doing with their customers - that is to supplement the Link-up customers and not recover our processing cost which is not as expensive as BellSouth. Discount Communications is only charging \$14.00 above our cost to process our customers. We are asking the TRA to require that these credits be passed on.

### Response #3 - Directory Assistance

Discount Communications believes BellSouth's response to this Directory Assistance complaint is not adequate and insinuates that Discount Communications is just recently bringing this concern and dispute to their attention. Discount Communications met with senior personnel from BellSouth about this directory assistance dispute and other billing disputes. Discount Communications began giving BellSouth directory assistance disputes in September. Discount Communications believes that BellSouth has the technical knowledge to develop a suitable solution to this problem. Discount Communications' position is that the remedy we are prescribing not only benefits Discount Communications but every customer in Tennessee. Discount Communications has kept records on the number of our customers that use more than the six (6) free calls. Our records indicate that 35% to 47% of our customers use more than the six (6) free calls. Discount Communications will provide these records if the TRA wishes to review them. We are asking for these changes in directory assistance and that these changes be in dispute until a workable solution is found.

### Response #4 - Billing of Charges and Credits

Discount Communications has been working with BellSouth for over fifteen (15) months to resolve the disputes with the system mechanism that BellSouth has in place. We have filed over 20,000 disputes on individual accounts. Discount Communications has spent numerous man-hours preparing these disputes and checking to make sure our disputes are not frivolous. Discount Communications vehemently disagrees with BellSouth over the statement that we have "arbitrarily with-held payment." All with-held funds were supported with the correct dispute procedure.

***"Your Complete Telecommunications Provider"***

***Discount Communications******"Your Complete Telecommunications Provider"***

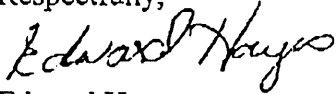
3798 Park Ave  
Memphis, TN 38111-4684  
Phone... (901) 843-6070  
Toll Free 888 589-6505  
Fax... (901) 327-2809

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Discount Communications disagrees with BellSouth's premise that Discount Communications failed to go through proper channels when asking for payment arrangements. We used proper channels until it appeared that an effort was in progress to put Discount Communications out of business. I hope and pray that Discount Communications is wrong about our perceived notions. If we are wrong, we will gladly apologize.

Discount Communications is ready and willing to find a way to resolve these complaints and to get on with what we are doing. Discount Communications feels that through the Life-line and Link-up Programs, 1,000 citizens of Tennessee are receiving a service that was not previously available to them. Due to short response time, Discount Communications requests the ability to make additions to the record even after staff recommendations have been made.

Respectfully,



Edward Hayes  
Owner

cc: John Ford, Senator, State of Tennessee  
Melvin Malone, Chairman, TRA  
Sara Kyle, Director, TRA  
David Waddell, Executive Director, TRA  
Joe Werner, Chief, Telecom Division, TRA  
Eddie Roberson, Chief, Consumer Services, TRA  
Harold Ford Jr., Congressman

***"Your Complete Telecommunications Provider"***



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**BellSouth Interconnection Services**  
675 West Peachtree Street, NE  
Room 34S91  
Atlanta, Georgia 30375

David W. Taylor  
(404) 927-7556  
Fax (404) 927-8324

March 13, 1998

Mr. Ed Hayes  
Discount Communications  
6647 Steeplechase Circle  
Memphis, TN 38141

Dear Mr. Hayes:

Attached for your records is an original copy of the Discount Communications Resale Agreement. Your BellSouth Account Team has been notified of the Agreement and they will contact you in the next few days to assist you. The Account Team Coordinator is Dianne Brasfield (205) 977-3540. In the meantime, please give me a call if I can help.

Sincerely,

A handwritten signature in cursive script that reads "David W. Taylor".

David W. Taylor  
Manager - Interconnection Services-Pricing

Enclosure

**Agreement Between BellSouth Telecommunications, Inc. and Discount Communications  
Regarding The Sale of BellSouth Telecommunications Services to Discount Communications For  
The Purposes of Resale**

- THIS AGREEMENT is by and between BellSouth Telecommunications, Inc., ("BellSouth or Company"), a Georgia corporation, and Discount Communications ("Reseller"), and shall be deemed effective as of March 13, 1998.

**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, Discount Communications is or seeks to become an alternative local exchange telecommunications company authorized to provide telecommunications services in the state of Tennessee; and

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

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

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

**I. Term of the Agreement**

- A. The term of this Agreement shall be two years beginning March 13, 1998 and shall apply to all of BellSouth's serving territory as of January 1, 1997 in the state of Tennessee;
- B. This Agreement shall be automatically renewed for two additional one year periods unless either party indicates its intent not to renew the Agreement. Notice of such intent must be provided, in writing, by either party no later than 60 days prior to the end of the then-existing contract period. The term of the Agreement shall remain in effect after the term of the existing agreement has expired and while a new agreement is being negotiated.
- C. The rates pursuant by which Discount Communications is to purchase services from BellSouth for resale shall be at a discount rate off of the retail rate for the telecommunications service. The discount rates shall be as set forth in Exhibit A, attached hereto and incorporated herein by this reference. Such discount shall reflect the costs avoided by BellSouth when selling a service for wholesale purposes.

**II. Definition of Terms**

- A. CUSTOMER OF RECORD means the entity responsible for placing application for service; requesting additions, rearrangements, maintenance or discontinuance of service; payment in full of charges incurred such as non-recurring, monthly recurring, toll, directory assistance, etc.
- B. DEPOSIT means assurance provided by a customer in the form of cash, surety bond or bank letter of credit to be held by the Company.
- C. END USER means the ultimate user of the telecommunications services.

- C. END USER means the ultimate user of the telecommunications services.
- D. END USER CUSTOMER LOCATION means the physical location of the premises where an end user makes use of the telecommunications services.
- E. NEW SERVICES means functions, features or capabilities that are not currently offered by BellSouth. This includes packaging of existing services or combining a new function, feature or capability with an existing service.
- F. OTHER LOCAL EXCHANGE COMPANY (OLEC) means a telephone company certificated by the public service commissions of the Company's franchised area to provide local exchange service within the Company's franchised area.
- G. RESALE means an activity wherein a certificated OLEC, such as Discount Communications subscribes to the telecommunications services of the Company and then reoffers those telecommunications services to the public (with or without "adding value").
- H. RESALE SERVICE AREA means the area, as defined in a public service commission approved certificate of operation, within which an OLEC, such as Discount Communications, may offer resold local exchange telecommunications service.

### III. General Provisions

- A. Discount Communications may resell the tariffed local exchange and toll telecommunications services of BellSouth contained in the General Subscriber Service Tariff and Private Line Service Tariff subject to the terms, and conditions specifically set forth herein. Notwithstanding the foregoing, the exclusions and limitations on services available for resale will be as set forth in Exhibit B, attached hereto and incorporated herein by this reference.

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

- B. Discount Communications 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:
  - 1. Discount Communications must resell services to other end users.
  - 2. Discount Communications must order services through resale interfaces, i. e., the LCSC and/or appropriate Resale Account Teams.
  - 3. Discount Communications cannot be an alternative local exchange telecommunications company for the single purpose of selling to themselves.
- C. The provision of services by the Company to Discount Communications does not constitute a joint undertaking for the furnishing of any service.



- D. Discount Communications will be the customer of record for all services purchased from BellSouth. Except as specified herein, the Company will take orders from, bill and expect payment from Discount Communications for all services.
- E. Discount Communications will be the Company's single point of contact for all services purchased pursuant to this Agreement. The Company shall have no contact with the end user except to the extent provided for herein.
- F. The Company will continue to bill the end user for any services that the end user specifies it wishes to receive directly from the Company.
- G. The Company maintains the right to serve directly any end user within the service area of Discount Communications. The Company will continue to directly market its own telecommunications products and services and in doing so may establish independent relationships with end users of Discount Communications.
- H. Neither Party shall interfere with the right of any person or entity to obtain service directly from the other Party.
- I. Current telephone numbers may normally be retained by the end user. However, telephone numbers are the property of the Company and are assigned to the service furnished. Discount Communications has no property right to the telephone number or any other call number designation associated with services furnished by the Company, and no right to the continuance of service through any particular central office. The Company reserves the right to change such numbers or the central office designation associated with such numbers, or both, whenever the Company deems it necessary to do so in the conduct of its business.
- J. The Company may provide any service or facility for which a charge is not established herein, as long as it is offered on the same terms to Discount Communications.
- K. Service is furnished subject to the condition that it will not be used for any unlawful purpose.
- L. Service will be discontinued if any law enforcement agency advises that the service being used is in violation of the law.
- M. The Company can refuse service when it has grounds to believe that service will be used in violation of the law.
- N. The Company accepts no responsibility to any person for any unlawful act committed by Discount Communications or its end users as part of providing service to Discount Communications for purposes of resale or otherwise.
- O. The Company will cooperate fully with law enforcement agencies with subpoenas and court orders for assistance with the Company's customers. Law enforcement agency subpoenas and court orders regarding end users of Discount Communications will be directed to Discount Communications. The Company will bill Discount Communications for implementing any requests by law enforcement agencies regarding Discount Communications end users.
- P. The characteristics and methods of operation of any circuits, facilities or equipment provided by any person or entity other than the Company shall not:
  - 1. Interfere with or impair service over any facilities of the Company, its affiliates, or its connecting and concurring carriers involved in its service;

2. Cause damage to their plant;
  3. Impair the privacy of any communications; or
  4. Create hazards to any employees or the public.
- Q. Discount Communications assumes the responsibility of notifying the Company regarding less than standard operations with respect to services provided by Discount Communications.
- R. Facilities and/or equipment utilized by BellSouth to provide service to Discount Communications remain the property of BellSouth.
- S. White page directory listings will be provided in accordance with regulations set forth in Section A6 of the General Subscriber Service Tariff and will be available for resale.
- T. BellSouth will provide customer record information to Discount Communications provided Discount Communications has the appropriate Letter(s) of Authorization. BellSouth may provide customer record information via one of the following methods: US mail, fax, or by electronic interface. BellSouth will provide customer record information via US mail or fax on an interim basis only.
1. Discount Communications agrees to compensate BellSouth for all BellSouth incurred expenditures associated with providing such information to Discount Communications. Discount Communications will adopt and adhere to the BellSouth guidelines associated with each method of providing customer record information.
  2. All costs incurred by BellSouth to develop and implement operational interfaces shall be recovered from Discount Communications who utilize the services.
- U. BellSouth will provide certain selected messaging services to Discount Communications for resale messaging service without the wholesale discount.
- V. BellSouth's Inside Wire Maintenance Plans may be made available for resale at rates, terms and conditions as set forth by BellSouth and without the wholesale discount.
- W. All costs incurred by BellSouth for providing services to Discount Communications that are not covered in the BellSouth tariffs shall be recovered from the Discount Communications(s) who utilize these services.

#### IV. BellSouth's Provision of Services to Discount Communications

- A. Discount Communications agrees that its resale of BellSouth services shall be as follows:
1. The resale of telecommunications services shall be limited to users and uses conforming to the class of service restrictions.
  2. To the extent Discount Communications is a telecommunications carrier that serves greater than 5 percent of the Nation's presubscribed access lines, Discount Communications shall not jointly market its interLATA services with the telecommunications services purchased from BellSouth pursuant to this Agreement in any of the states covered under this Agreement. For the purposes of this subsection, to jointly market means any advertisement, marketing effort or billing in which the telecommunications services purchased from BellSouth for purposes of resale to customers and interLATA services offered by Discount Communications are packaged, tied, bundled,

discounted or offered together in any way to the end user. Such efforts include, but are not limited to, sales referrals, resale arrangements, sales agencies or billing agreements. This subsection shall be void and of no effect for a particular state covered under this Agreement as of February 8, 1999 or on the date BellSouth is authorized to offer interLATA services in that state, whichever is earlier.

3. Hotel and Hospital PBX service are the only telecommunications services available for resale to Hotel/Motel and Hospital end users, respectively. Similarly, Access Line Service for Customer Provided Coin Telephones is the only local service available for resale to Independent Payphone Provider (IPP) customers. Shared Tenant Service customers can only be sold those telecommunications services available in the Company's A23 Shared Tenant Service Tariff.
  4. Discount Communications is prohibited from furnishing both flat and measured rate service on the same business premises to the same subscribers (end users) as stated in A2 of the Company's Tariff except for backup service as indicated in the applicable state tariff Section A3.
  5. If telephone service is established and it is subsequently determined that the class of service restriction has been violated, Discount Communications will be notified and billing for that service will be immediately changed to the appropriate class of service. Service charges for changes between class of service, back billing, and interest as described in this subsection shall apply at the Company's sole discretion. Interest at a rate as set forth in Section A2 of the General Subscriber Service Tariff and Section B2 of the Private Line Service Tariff for the applicable state, compounded daily for the number of days from the back billing date to and including the date that Discount Communications actually makes the payment to the Company may be assessed.
  6. The Company reserves the right to periodically audit services purchased by Discount Communications to establish authenticity of use. Such audit shall not occur more than once in a calendar year. Discount Communications shall make any and all records and data available to the Company or the Company's auditors on a reasonable basis. The Company shall bear the cost of said audit.
- B. Resold services can only be used in the same manner as specified in the Company's Tariff. Resold services are subject to the same terms and conditions as are specified for such services when furnished to an individual end user of the Company in the appropriate section of the Company's Tariffs. Specific tariff features, e.g. a usage allowance per month, shall not be aggregated across multiple resold services. Resold services cannot be used to aggregate traffic from more than one end user customer except as specified in Section A23, of the Company's Tariff referring to Shared Tenant Service.
- C. Discount Communications may resell services only within the specific resale service area as defined in its certificate.
- D. Telephone numbers transmitted via any resold service feature are intended solely for the use of the end user of the feature. Resale of this information is prohibited.
- E. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. Discount Communications is strictly prohibited from any use, including but not limited to sales, marketing or advertising, of any BellSouth name or trademark.

## V. Maintenance of Services

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

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

## VI. Establishment of Service

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

user's service from Discount Communications to the other LEC. The Company will notify Discount Communications that such a request has been processed.

- F. If the Company determines that an unauthorized change in local service to Discount Communications has occurred, the Company will reestablish service with the appropriate local service provider and will assess Discount Communications as the OLEC initiating the unauthorized change, the unauthorized change charge described in F.C.C. Tariff No. 1, Section 13. Appropriate nonrecurring charges, as set forth in Section A4. of the General Subscriber Service Tariff, will also be assessed to Discount Communications. These charges can be adjusted if Discount Communications provides satisfactory proof of authorization.
- G. In order to safeguard its interest, the Company reserves the right to secure the account with a suitable form of security deposit, unless satisfactory credit has already been established.
1. Such security deposit shall take the form of an irrevocable Letter of Credit or other forms of security acceptable to the Company. Any such security deposit may be held during the continuance of the service as security for the payment of any and all amounts accruing for the service.
  2. If a security deposit is required, such security deposit shall be made prior to the inauguration of service.
  3. Such security deposit may not exceed two months' estimated billing.
  4. The fact that a security deposit has been made in no way relieves Discount Communications from complying with the Company's regulations as to advance payments and the prompt payment of bills on presentation nor does it constitute a waiver or modification of the regular practices of the Company providing for the discontinuance of service for non-payment of any sums due the Company.
  5. The Company reserves the right to increase the security deposit requirements when, in its sole judgment, circumstances so warrant and/or gross monthly billing has increased beyond the level initially used to determine the security deposit.
  6. In the event that Discount Communications defaults on its account, service to Discount Communications will be terminated and any security deposits held will be applied to its account.
  7. In the case of a cash deposit, interest at a rate as set forth in the appropriate BellSouth tariff shall be paid to Discount Communications during the continuance of the security deposit. Interest on a security deposit shall accrue annually and, if requested, shall be annually credited to Discount Communications by the accrual date.

## VII. Payment And Billing Arrangements

- A. When the initial service is ordered by Discount Communications, the Company will establish an accounts receivable master account for Discount Communications.
- B. The Company shall bill Discount Communications on a current basis all applicable charges and credits.
- C. Payment of all charges will be the responsibility of Discount Communications. Discount Communications shall make payment to the Company for all services billed. The Company is not responsible for payments not received by Discount Communications from Discount Communications's

customer. The Company will not become involved in billing disputes that may arise between Discount Communications and its customer. Payments made to the Company as payment on account will be credited to an accounts receivable master account and not to an end user's account.

- D. The Company will render bills each month on established bill days for each of Discount Communications's accounts.
- E. The Company will bill Discount Communications, in advance, charges for all services to be provided during the ensuing billing period except charges associated with service usage, which charges will be billed in arrears. Charges will be calculated on an individual end user account level, including, if applicable, any charges for usage or usage allowances. BellSouth will also bill all charges, including but not limited to 911 and E911 charges, telecommunications relay charges, and franchise fees, to Discount Communications.
- F. The payment will be due by the next bill date (i.e., same date in the following month as the bill date) and is payable in immediately available funds. Payment is considered to have been made when received by the Company.
  - I. If the payment due date falls on a Sunday or on a Holiday which is observed on a Monday, the payment due date shall be the first non-Holiday day following such Sunday or Holiday. If the payment due date falls on a Saturday or on a Holiday which is observed on Tuesday, Wednesday, Thursday, or Friday, the payment due date shall be the last non-Holiday day preceding such Saturday or Holiday. If payment is not received by the payment due date, a late payment penalty, as set forth in I. following, shall apply.
- G. Upon proof of tax exempt certification from Discount Communications, the total amount billed to Discount Communications will not include any taxes due from the end user. Discount Communications will be solely responsible for the computation, tracking, reporting and payment of all federal, state and/or local jurisdiction taxes associated with the services resold to the end user.
- H. As the customer of record, Discount Communications will be responsible for, and remit to the Company, all charges applicable to its resold services for emergency services (E911 and 911) and Telecommunications Relay Service (TRS) as well as any other charges of a similar nature.
- I. If any portion of the payment is received by the Company after the payment due date as set forth preceding, or if any portion of the payment is received by the Company in funds that are not immediately available to the Company, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the payment due date times a late factor. The late factor shall be as set forth in Section A2 of the General Subscriber Service Tariff and Section B2 of the Private Line Service Tariff.
- J. Any switched access charges associated with interexchange carrier access to the resold local exchange lines will be billed by, and due to, the Company. No additional charges are to be assessed to Discount Communications.
- K. The Company will not perform billing and collection services for Discount Communications as a result of the execution of this Agreement. All requests for billing services should be referred to the appropriate entity or operational group within the Company.
- L. Pursuant to 47 CFR Section 51.617, the Company will bill Discount Communications end user common line charges identical to the end user common line charges the Company bills its end users.

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

#### VIII. Discontinuance of Service

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

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

- B. The procedures for discontinuing service to Discount Communications are as follows:

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

days written notice to the person designated by Discount Communications to receive notices of noncompliance, discontinue the provision of existing services to Discount Communications at any time thereafter. In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due. If the Company does not discontinue the provision of the services involved on the date specified in the thirty days notice, and Discount Communications's noncompliance continues, nothing contained herein shall preclude the Company's right to discontinue the provision of the services to Discount Communications without further notice.

5. If payment is not received or arrangements made for payment by the date given in the written notification, Discount Communications's services will be discontinued. Upon discontinuance of service on a Discount Communications's account, service to Discount Communications's end users will be denied. The Company will also reestablish service at the request of the end user or Discount Communications upon payment of the appropriate connection fee and subject to the Company's normal application procedures. Discount Communications is solely responsible for notifying the end user of the proposed disconnection of the service.
6. If within fifteen days after an end user's service has been denied no contact has been made in reference to restoring service, the end user's service will be disconnected.

#### IX. Liability

- A. The liability of the Company for damages arising out of mistakes, omissions, interruptions, preemptions, delays errors or defects in transmission, or failures or defects in facilities furnished by the Company, occurring in the course of furnishing service or other facilities and not caused by the negligence of Discount Communications, or of the Company in failing to maintain proper standards of maintenance and operation and to exercise reasonable supervision shall in no event exceed an amount equivalent to the proportionate charge to Discount Communications for the period of service during which such mistake, omission, interruption, preemption, delay, error or defect in transmission or defect or failure in facilities occur. The Company shall not be liable for damage arising out of mistakes, omission, interruptions, preemptions, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the service of the Company, (1) caused by customer-provided equipment (except where a contributing cause is the malfunctioning of a Company-provided connecting arrangement, in which event the liability of the Company shall not exceed an amount equal to a proportional amount of the Company billing for the period of service during which such mistake, omission, interruption, preemption, delay, error, defect in transmission or injury occurs), or (2) not prevented by customer-provided equipment but which would have been prevented had Company-provided equipment been used.
- B. The Company shall be indemnified and saved harmless by Discount Communications against any and all claims, actions, causes of action, damages, liabilities, or demands (including the costs, expenses and reasonable attorneys' fees, on account thereof) of whatever kind or nature that may be made by any third party as a result of the Company's furnishing of service to Discount Communications.
- C. The Company shall be indemnified, defended and held harmless by Discount Communications and/or the end user against any claim, loss or damage arising from the use of services offered for resale involving:
  1. Claims for libel, slander, invasion of privacy or infringement of copyright arising from Discount Communications's or end user's own communications.
  2. Claims for patent infringement arising from acts combining or using Company services in connection with facilities or equipment furnished by the end user or Discount Communications.



3. All other claims arising out of an act or omission of Discount Communications or its end user in the course of using services.
- D. Discount Communications accepts responsibility for providing access for maintenance purposes of any service resold under the provisions of this Tariff. The Company shall not be responsible for any failure on the part of Discount Communications with respect to any end user of Discount Communications.

#### **X. Treatment of Proprietary and Confidential Information**

- A. Both parties agree that it may be necessary to provide each other during the term of this Agreement with certain confidential information, including trade secret information, including but not limited to, technical and business plans, technical information, proposals, specifications, drawings, procedures, customer account data and like information (hereinafter collectively referred to as "Information"). Both parties agree that all Information shall either be in writing or other tangible format and clearly marked with a confidential, private or proprietary legend, or, when the Information is communicated orally, it shall also be communicated that the Information is confidential, private or proprietary. The Information will be returned to the owner within a reasonable time. Both parties agree that the Information shall not be copied or reproduced in any form. Both parties agree to receive such Information and not disclose such Information. Both parties agree to protect the Information received from distribution, disclosure or dissemination to anyone except employees of the parties with a need to know such Information and which employees agree to be bound by the terms of this Section. Both parties will use the same standard of care to protect Information received as they would use to protect their own confidential and proprietary Information.
- B. Notwithstanding the foregoing, both parties agree that there will be no obligation to protect any portion of the Information that is either: 1) made publicly available by the owner of the Information or lawfully disclosed by a nonparty to this Agreement; 2) lawfully obtained from any source other than the owner of the Information; or 3) previously known to the receiving party without an obligation to keep it confidential.

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

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

#### **XII. Limitation of Use**

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

#### **XIII. Waivers**

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

#### **XIV. Governing Law**

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

#### **XV. Arm's Length Negotiations**

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

#### **XVI. Notices**

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

BellSouth Telecommunications, Inc.  
CLEC Account Team  
3535 Colonnade Parkway  
Room E4E1  
Birmingham, AL 35243

Discount Communications  
6617 Steeplechase Circle  
Memphis, TN 38141

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

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

**XVII. Amendments**

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

**XVIII. Entire Agreement**

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

**BellSouth Telecommunications, Inc.**BY: 

Signature

NAME: Jerry HendrixTITLE: DirectorDATE: 3/13/98**Discount Communications**BY: 

Signature

NAME: Edward HayesTITLE: OwnerDATE: 3/12/98

**EXHIBIT "A"****APPLICABLE DISCOUNTS**

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

**DISCOUNT**

<u>STATE</u>	<u>RESIDENCE</u>	<u>BUSINESS</u>
	17%	17%
ALABAMA	21.83%	16.81%
FLORIDA	20.31%	17.3%
GEORGIA	16.79%	15.54%
KENTUCKY	20.72%	20.72%
LOUISIANA*	15.75%	15.75%
MISSISSIPPI	21.5%	17.6%
NORTH CAROLINA	14.8%	14.8%
SOUTH CAROLINA	16%	16%
TENNESSEE**		

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

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

*Note:*  
*Be1 South has the capabilities to block directory services*

## EXHIBIT B

Type of Service		AL		FL		GA		KY		LA	
		Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?
1	Grandfathered Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Contract Service Arrangements	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Note 5	Note
3	Promotions - > 90 Days	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Promotions - < 90 Days	Yes	No	Yes	No	Yes	No	No	No	Yes	No
5	Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes
6	911/E911 Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
7	N11 Services	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
8	AdWatch <sup>SM</sup> (See Note 8)	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9	MemoryCall <sup>®</sup>	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
10	Mobile Services	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
11	Federal Subscriber Line Charges	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
12	Non-Recurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Type of Service		MS		NC		SC		TN	
		Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?
1	Grandfathered Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Contract Service Arrangements	Note 5	Note 5	Note 6	Note 6	Yes	No	Yes	Yes
3	Promotions - > 90 Days	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Note 3
4	Promotions - < 90 Days	Yes	No	No	No	Yes	No	No	No
5	Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Note 4
6	911/E911 Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7	N11 Services	No	No	No	No	Yes	Yes	Yes	Yes
8	AdWatch <sup>SM</sup> (See Note 8)	Yes	No	Yes	No	Yes	No	Yes	No
9	MemoryCall <sup>®</sup>	Yes	No	Yes	No	Yes	No	Yes	No
10	Mobile Services	Yes	No	Yes	No	Yes	No	Yes	No
11	Federal Subscriber Line Charges	Yes	No	Yes	No	Yes	No	Yes	No
12	Non-Recurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No

## Additional Comments:

- Grandfathered services can be resold only to existing subscribers of the grandfathered service.
- Where available for resale, promotions will be made available only to end users who would have qualified for the promotion had it been provided by BellSouth directly.
- In Tennessee, long-term promotions (offered for more than ninety (90) days) may be obtained at one of the following rates:
  - the stated tariff rate, less the wholesale discount;
  - the promotional rate (the promotional rate offered by BellSouth will not be discounted further by the wholesale discount rate)
- Lifeline/Link Up services may be offered only to those subscribers who meet the criteria that BellSouth currently applies to subscribers of these services. In Tennessee, Discount Communications shall purchase BellSouth's Message Rate Service at the stated tariff rate, less the wholesale discount. Discount Communications must further discount the wholesale Message Rate Service to LifeLine customers with a discount which is no less than the minimum discount that BellSouth now provides. Discount Communications is responsible for recovering the Subscriber Line Charge from National Exchange Carriers Association interstate toll settlement pool just as BellSouth does today. The maximum rate that Discount Communications may charge for LifeLine Service shall be capped at the flat retail rate offered by BellSouth.
- In Louisiana and Mississippi, all Contract Service Arrangements entered into by BellSouth or terminating after the effective date of the Commission Order will be subject to resale without the wholesale discount. All CSAs which are in place as of the effective date of the Commission order will not be eligible for resale.
- In North Carolina, Contract Service Arrangements entered into by BellSouth before April 15, 1997, shall be subject to resale at no discount, while BellSouth CSAs entered into after that date shall be subject to resale with the discount.
- Some of BellSouth's local exchange and toll telecommunications services are not available in certain central offices and areas.
- AdWatch<sup>SM</sup> is tariffed as BellSouth's AIN Virtual Number Call Detail Service

**BELLSOUTH**

BILLING NUMBER 615 084-5343 343  
 BILLING PERIOD JAN 4,2000 00004  
 PAGE 27

# CHARGES FOR EARNING NUMBER 615 226-5163

## MONTHLY SERVICE

83. MONTHLY SERVICE - JAN 04 THROUGH FEB 03	11.61
84. FCC CHARGE FOR NETWORK ACCESS	3.50
TOTAL MONTHLY SERVICE	15.11

## OTHER CHARGES AND CREDITS

DEC 10, 1999 SO-ZTBR8254BZ

EARNING NUMBER 226-5163

LINE 226-5163

85. CHARGE FOR CHANGING YOUR LOCAL TOLL COMPANY TO FRONTIER	1.49
86. IF YOUR LOCAL TOLL LONG DISTANCE COMPANY IS INCORRECT, CALL YOUR BUSINESS OFFICE.	

TOTAL RECURRING OC&C FOR SO-ZTBR8254BZ	.00
TOTAL NONRECURRING OC&C FOR SO-ZTBR8254BZ	1.49

TOTAL OC&C DEBITS	1.49
TOTAL OC&C CREDITS	.00

TOTAL OTHER CHARGES AND CREDITS	1.49
---------------------------------	------

## ITEMIZED CALLS

### OPERATOR ASST CALLS FOR 615 226-5163

DATE	TIME	TO PLACE	TO NUMBER	FROM PLACE	FROM NUMBER	RC	MIN	TXC	
187. DEC 6	854P	VERIFY BSY	615 321-3487	NASHVILLE TN	615 226-5163	DS	1		.79
TOTAL OPERATOR ASST CALLS FOR 615 226-5163									.79

DIRECTORY ASST FOR 615 226-5163	17 LOCAL CALLS	0 INTRASTATE CALLS
---------------------------------	----------------	--------------------

TOTAL ITEM CALLS FOR EARNING # 615 226-5163	.79
---------------------------------------------	-----

DIRECTORY ASST FOR EARNING # 615 226-5163	17 LOCAL CALLS	0 INTRASTATE CALLS
-------------------------------------------	----------------	--------------------

OTAL FOR EARNING NUMBER 615 226-5163	17.39
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BILLING NUMBER 615 Q84-5343 343  
 BILLING PERIOD JAN 4,2000 00004  
 PAGE 151

# CHARGES FOR EARNING NUMBER 615 259-3943

## MONTHLY SERVICE

011. MONTHLY SERVICE - JAN 04 THROUGH FEB 03	11.61
012. INSIDE WIRE MAINTENANCE SERVICE PLAN	3.00
013. FCC CHARGE FOR NETWORK ACCESS.	3.50
TOTAL MONTHLY SERVICE	18.11

## ITEMIZED CALLS

### ITEMIZED CALLS FOR 615 259-3943

TOTAL ITEMIZED CALLS FOR 615 259-3943	.00	
DIRECTORY ASST FOR 615 259-3943	148 LOCAL CALLS	0 INTRASTATE CALLS
TOTAL ITEM CALLS FOR EARNING # 615 259-3943	.00	
DIRECTORY ASST FOR EARNING # 615 259-3943	148 LOCAL CALLS	0 INTRASTATE CALLS
TOTAL FOR EARNING NUMBER 615 259-3943		18.11

00-0227

vmw

**BELLSOUTH**

BellSouth Telecommunications, Inc.  
1301  
628 North 15th Street  
Birmingham, AL 35203

Henry A. (Lynn) Smith  
Operations-Anderson Vice President

205 714-0010  
Fax 205 321-0863

March 1, 2000

Discount Communications, Inc.  
Attention: Mr. Ed Hayes  
3340 Poplar Avenue  
Suite 301  
Memphis, Tennessee 38111

RECEIVED  
CONSUMER SERVICES DIVISION

MAR 02 2000

TN REGULATORY AUTHORITY

PLEASE REMIT PAYMENT TO:  
BellSouth Network & Carrier Services  
Attention: Sarah T. Davis  
600 North 19th Street (15CI)  
Birmingham, Alabama 35203

Certified: 2 315 997 283

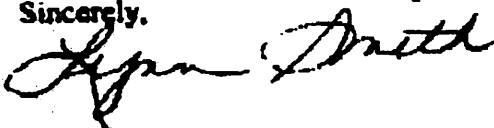
Dear Mr. Hayes:

Repeated attempts to collect past due amounts from Discount Communications have been unsuccessful and to date full payment has not been received. Discount Communications' account is currently in default in the amount of \$55,342.49 and subject to disconnection. Pursuant to the Resale Agreement between BellSouth Telecommunications, Inc. and Discount Communications, Inc. consider this letter written notice that BellSouth will proceed with the discontinuance of existing services in Tennessee on March 20, 2000. Pursuant to the Agreement, it is Discount Communications' responsibility to notify its end users of this impending disconnection.

In order to continue services, Discount Communications must pay, in immediately available funds, the present undisputed balance in the sum of \$55,342.49 to BellSouth. Also, payments are expected for any current bills that may become due. If service is interrupted, full non-recurring charges will be applicable to reestablish service.

If you have questions regarding your account, please contact the Billing Operations Manager, Sarah Davis, at (205) 714-0013.

Sincerely,





LCSC BIRMINGHAM, ALABAMA  
BILLING DEPARTMENT

409-1523

FACSIMILE TRANSMITTAL SHEET

TO:	FROM:
<u>Mr. Morris Harris Sr</u>	<u>Regenia Harris</u>
COMPANY:	DATE:
<u>Discount Communications</u>	<u>3-1-00</u>
FAX NUMBER:	TOTAL NO OF PAGES INCLUDING COVER
<u>901-327-2809</u>	<u>2</u>
PHONE NUMBER:	SENDER'S REFERENCE NUMBER
	<u>1-800-773-4967 ext. 4934</u>
RE:	YOUR REFERENCE NUMBER
<input type="checkbox"/> URGENT <input type="checkbox"/> FOR REVIEW <input type="checkbox"/> PLEASE COMMENT <input type="checkbox"/> PLEASE REPLY <input type="checkbox"/> PLEASE RECYCLE	

To: Vinlan  
From: Robert White  
901/544-4327

460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

**DATE:** February 29, 2000 **TIME:** 4:45 PM

**TO:** Mr. Morris Harris **PHONE:**  
Discount Communications **FAX:** 901-327-2809

**FROM:** Vivian Michael-Wilhoite **PHONE:** 800-342-8359, ext.157  
TN Regulatory Authority **FAX:** 615-741-8953  
**EMAIL:** vwilhoite@mail.state.tn.us

Number of pages faxed including this page: 4


**Thank you for this opportunity to serve you.**

RECEIVED  
CONSUMER SERVICES DIVISION

FEB 25 2000

TN REGULATORY AUTHORITY

February 25, 2000

TO: Vivian Michael-Wilhoite  
Tennessee Regulatory AuthorityFROM: Robin P. Moore   
BellSouth Executive AppealsRe: File Number 00-0227  
Discount Communications

This is in response to complaints filed with the Tennessee Regulatory Authority (TRA) by Mr. Edward M. Hayes of Discount Communications. Discount Communications is a certified reseller, certified by the TRA. Discount Communications and BellSouth have executed an agreement that authorizes Discount Communications to purchase telecommunications services at a discount from BellSouth for the purposes of reselling those services to the public.

We initially received information on this complaint from your office on February 14, 2000. This information included faxes from Mr. Hayes dated February 10 and 11, 2000 to the TRA. At approximately 4:30 p.m. on February 22, 2000, we received from your office faxed copies of additional letters, dated February 17, 2000 and February 22, 2000, from Mr. Hayes addressed to the TRA. This response will address all of the issues that we have received to date.

In his fax of February 10, 2000 to the TRA, Mr. Hayes alleges difficulties in receiving credits from BellSouth for the Lifeline and Link-Up Programs. In his fax of February 11, 2000, Mr. Hayes states that his company is crediting its Lifeline customers \$10.50, but BellSouth is only crediting Discount Communications with \$7.00 per Lifeline customer. Mr. Hayes claims that BellSouth is responsible for crediting the full amount of \$10.50. Mr. Hayes also disputes the amount of credit that BellSouth provides under the Link-Up Program.

BellSouth does not agree with Mr. Hayes's claim that BellSouth is failing to properly administer credits for Lifeline and Link-Up Programs to Discount Communications. BellSouth applies credits for both programs in accordance with lawful tariffs approved by the TRA.

To address Mr. Hayes' specific allegations on the Lifeline Program, BellSouth's General Subscriber Services Tariff Section A3.31.2.A.8 states that BellSouth will credit the non-discounted federal Lifeline credit to resellers, but the additional credit is the responsibility of the reseller. Tariff Section A3.31.3.B.1 identifies the federal credit as \$7.00, which Mr. Hayes agrees that he is receiving. Tariff Section A3.31.3.B.2 identifies the additional state credit as \$3.50, and this credit, under the express terms of the tariff, is the responsibility of the reseller, Discount Communications. BellSouth receives credit for \$7.00 per Lifeline

customer from the National Exchange Carrier Association (NECA), but does not receive any reimbursement for the state credit. Therefore, Mr. Hayes is clearly not entitled to the state credit under this tariff.

BellSouth has also been working with Mr. Hayes and the Federal Communications Commission (FCC) to resolve Mr. Hayes' issue about the amount of the credit under the Link-Up Program. BellSouth currently provides 50% of the non-recurring charge listed in its tariffs. Mr. Hayes contends that he is entitled to 50% of the non-recurring amount charged by Discount Communications. BellSouth can only provide a 50% credit against its rates. Indeed, under Mr. Hayes' approach, Discount Communications could significantly increase its credit from BellSouth by simply charging a large non-recurring amount under its own tariffs. BellSouth disagrees with Discount Communications' position and has elected to treat the difference between 50% of BellSouth's non-recurring charge and 50% of Discount Communications' non-recurring charge as a disputed amount until the FCC provides a response.

The information received on February 22, 2000, included a fax from you indicating that Mr. Hayes requested an extension on a payment that became past due on February 5, 2000. It also included a letter dated February 17, 2000 from Mr. Hayes describing a request for BellSouth "to install a six- (6) call directory assistance limitation," and requesting various items related to the Link-Up Program. Finally, we received a letter dated February 22, 2000, from Mr. Hayes to you listing the disputes and the amounts involved in the disputes.

First, BellSouth will gladly work with its customers to resolve billing disputes and to develop payment arrangements. However, our office is unable to respond directly to customer requests for arrangements such as the payment extension contained in the fax of February 22, 2000. We can only forward such requests to the appropriate BellSouth contacts for handling, and this is obviously not an efficient manner in which to handle these requests. In addition, there could be some question as to the legal status of any such request of this type coming through a third party. The customer's interest will be best served and protected when he works directly with his designated BellSouth contacts.

Second, Mr. Hayes has discussed the Directory Assistance (DA) billing and the six-call limitation with BellSouth. Mr. Hayes has been informed that BellSouth does not have a feature that limits DA calls in the manner that he is requesting, and such a feature would not be easy to develop or implement. He has also been advised that BellSouth has a process to formally evaluate requests of this type, but, to date, he has not chosen to pursue that option.

Finally, we are unable to concur with the disputed amounts listed in Mr. Hayes' February 22 fax to you. Mr. Hayes has unilaterally decided to withhold payment for services provided by BellSouth in the amount of charges that he is disputing. As described above, BellSouth's investigation into these matters has concluded that BellSouth has properly billed Discount Communications for services in accordance with the tariffs for the Lifeline and Link-Up programs and Directory Assistance that are on file with the TRA. As further indicated above, BellSouth has agreed to treat \$10,559.25 of the withheld

payments as disputed charges until the FCC addresses Mr. Hayes' complaint regarding the Link-Up Program.

As of February 24, 2000, Discount Communications currently owes BellSouth \$126,115.63. Excluding the February 4, 2000 bill of \$60,213.89 and \$10,559.25 in disputed Link-Up charges, the past due amount is \$55,342.49. BellSouth has and will continue to work with this customer on reasonable payment arrangements but will take appropriate action to collect amounts owed if those efforts are unsuccessful.

**\*\* Transmit Conf. Report \*\***

P.1

Feb 29 2000 16:50

Telephone Number	Mode	Start	Time	Page	Result	Note
89015444329	NORMAL	29,16:48	1'52"	4	O K	

**TENNESSEE REGULATORY AUTHORITY**

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

**Fax Cover Sheet**

**DATE:** February 29, 2000 **TIME:** 4:45 PM  
**TO:** Mr. Morris Harris **PHONE:**  
Discount Communications **FAX:** 901-327-2809  
**FROM:** Vivian Michael-Wilhoite **PHONE:** 800-342-8359, ext.157  
TN Regulatory Authority **FAX:** 615-741-8953  
**EMAIL:** wwilhoite@mail.state.tn.us

**C: Robert White, Office of Congressman Ford @ 901-544-4329**

**Number of pages faxed including this page: 4**

**Attached is the response provided by BellSouth regarding your complaint. Please review this response. Upon your review, I would like to discuss your complaint and this response further.**

**Thank you for this opportunity to serve you.**

**\*\* Transmit Conf. Report \*\***

P.1

Feb 29 2000 16:53

Telephone Number	Mode	Start	Time	Page	Result	Note
89013272809	NORMAL	29,16:50	2'34"	4	O K	

## TENNESSEE REGULATORY AUTHORITY

Metvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

### Fax Cover Sheet

**DATE:** February 29, 2000 **TIME:** 4:45 PM  
**TO:** Mr. Morris Harris **PHONE:**  
Discount Communications **FAX:** 901-327-2809  
**FROM:** Vivian Michael-Wilhoite **PHONE:** 800-342-8359, ext.157  
TN Regulatory Authority **FAX:** 615-741-8953  
**EMAIL:** vwilhoite@mail.state.tn.us

**C: Robert White, Office of Congressman Ford @ 901-544-4329**

**Number of pages faxed including this page: 4**

**Attached is the response provided by BellSouth regarding your complaint. Please review this response. Upon your review, I would like to discuss your complaint and this response further.**

**Thank you for this opportunity to serve you.**

## DISCOUNT COMMUNICATIONS

3798 PARK AVE  
MEMPHIS, TN 38111  
TEL # 901.843.6070  
FAX # 901.327.2809

## FACSIMILE TRANSMITTAL SHEET

TO: Eddie Roberson FROM: Edward Hayes  
COMPANY: Tennessee Regulatory Authority DATE: 2-25-00  
FAX NUMBER: 1-615-741-2336 TOTAL NO. OF PAGES INCLUDING COVER: 3  
PHONE NUMBER: 1-800-342-8359 SENDER'S REFERENCE NUMBER:  
RE: YOUR REFERENCE NUMBER:

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

(CLICK HERE AND TYPE RETURN ADDRESS)

(1) Request the 7000 if paid  
(2) Did not fax the listing



Regenia Sellers Industrial Specialist  
800 North 18<sup>th</sup> Street 8th Floor  
Birmingham, AL 38203  
(205) 321-4861  
Fax (205) 321-4380  
Pager (877) 245-0473  
Regenia.Sellers@bridge.bellsouth.com

BellSouth  
CLEC Interconnection  
Sales

# Fax

To: <u>Ed Hayes</u>	From: <u>Regenia Sellers</u>
Fax: <u>901 368-</u>	Page: <u>including fax cover</u>
Phone: <u>901 327-2809</u>	Date: _____
Re: _____	CC: _____
<input type="checkbox"/> Urgent	<input type="checkbox"/> Please Comment
<input type="checkbox"/> For Review	<input type="checkbox"/> Please Reply
	<input type="checkbox"/> Please Recycle
Comments: _____	

Please complete the attached form and  
fax it to 404-529-7839.

This is Bona Fide Request for the Directory  
Assistance block after the 6<sup>th</sup> call.

I will be out of the office all day tomorrow  
if you have a urgent request, please  
page me at 877-245-0743

Thanks



## Interconnection Services

## Request For Unbundled Capabilities

CLEC Name			Contact Name		
(Area Code) Telephone Number			(Area Code) Telephone Number		
Street Address			Street Address		
City	State	Zip Code	City	State	Zip Code
CLEC Request Number			Date Submitted (MMDDYYYY)		

The following information is required for BellSouth to understand and evaluate your request.

1. Provide technical and functional requirements or characteristics of the requested capability.

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---

2. What are the geographic coverage area(s) in which the service/application is to be accessible or is to provide access (City, LATA, State)?

---



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---

3. If Known, provide the serving address, central office(s) and NXX(s) involved.

---



---



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---

4. Is this service available from any other ILEC? ☐ Yes ☐ No ☐ Unknown  
If yes, which ILECs?

---



---



---



---

5. Are you requesting this same capability from other ILECs?  
If so, please provide the ILEC name(s) and the name of the service.

---



---



---



---

6. Provide a diagram of the requested service. Attach additional pages as necessary.

---



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---

## DISCOUNT COMMUNICATIONS

3798 PARK AVE  
MEMPHIS, TN 38111  
TEL # 901.843.6070  
FAX # 901.327.2009

## FACSIMILE TRANSMITTAL SHEET

TO: Melvin Malone FROM: Edmund Hayes  
COMPANY: Tennessee Regulatory Authority DATE: 2-25-00  
FAX NUMBER: 615-741-5015 TOTAL NO. OF PAGES INCLUDING COVER: 3  
PHONE NUMBER: 1-800-342-8359 SENDER'S REFERENCE NUMBER:  
RE: YOUR REFERENCE NUMBER:

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

[CLICK HERE AND TYPE RETURN ADDRESS]

Regenia Sellers Industrial Specialist  
800 North 15<sup>th</sup> Street 8th Floor  
Birmingham, AL 35203  
(205) 321-4862  
Fax (205) 321-4380  
Pager (877) 245-0473  
Regenia.Sellers@bridge.bellsouth.com

BellSouth  
CLEC Interconnection  
Sales

# Fax

To: <u>Ed Hayes</u>	From: <u>Regenia Sellers</u>			
Fax: <u>901 368-</u>	Pages: <u>including fax cover</u>			
Phone: <u>901 327-2809</u>	Date: _____			
Re: _____	CC: _____			
<input type="checkbox"/> Urgent	<input type="checkbox"/> For Review	<input type="checkbox"/> Please Comment	<input type="checkbox"/> Please Reply	<input type="checkbox"/> Please Recycle
Comments: _____				

Please complete the attached form and  
fax it to 404-529-7839.

This is Bona Fide Request for the Directory  
Assistance block after the 6<sup>th</sup> call.

I will be out of the office all day tomorrow  
if you have a urgent request, please  
page me at 877-245-0743

Thanks



## Interconnection Services

## Request For Unbundled Capabilities

RF-2754  
(5-1998)

CLEC Name			Contact Name		
(Area Code) Telephone Number			(Area Code) Telephone Number		
Street Address			Street Address		
City	State	Zip Code	City	State	Zip Code
CLEC Request Number			Date Submitted (MM/DD/YYYY)		

The following information is required for BellSouth to understand and evaluate your request.

1. Provide technical and functional requirements or characteristics of the requested capability.

2. What are the geographic coverage area(s) in which the service/application is to be accessible or is to provide access (City, LATA, State)?

3. If Known, provide the serving address, central office(s) and NXX(s) involved.

4. Is this service available from any other ILEC? ☐ Yes ☐ No ☐ Unknown  
If yes, which ILECs?

5. Are you requesting this same capability from other ILECs?  
If so, please provide the ILEC name(s) and the name of the service.

6. Provide a diagram of the requested service. Attach additional pages as necessary.

## DISCOUNT COMMUNICATIONS

3798 PARK AVE  
MEMPHIS, TN 38111  
TEL # 901.843.6070  
FAX # 901.327.2809

## FACSIMILE TRANSMITTAL SHEET

TO: Sara Kyle FROM: Edward Hayes  
COMPANY: Tennessee Regulatory Authority DATE: 2-25-00  
FAX NUMBER: 1-615-741-5015 TOTAL NO. OF PAGES INCLUDING COVER: 3  
PHONE NUMBER: 1-800-342-8359 SENDER'S REFERENCE NUMBER:  
RE: YOUR REFERENCE NUMBER:

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

[CLICK HERE AND TYPE RETURN ADDRESS]

Regenia Sellers Industrial Specialist  
800 North 18<sup>th</sup> Street 8th Floor  
Birmingham, AL 35203  
(205) 321-4862  
Fax (205) 321-4380  
Pager (877) 245-0473  
Regenia.Sellers@bridge.bellsouth.com

BellSouth  
CLEC Interconnection  
Sales

# Fax

To: <u>Ed Hayes</u>	From: <u>Regenia Sellers</u>			
Fax: <u>901 368-</u>	Pages: <u>including fax cover</u>			
Phone: <u>901 327-2809</u>	Date: _____			
Re: _____	CC: _____			
<input type="checkbox"/> Urgent	<input type="checkbox"/> For Review	<input type="checkbox"/> Please Comment	<input type="checkbox"/> Please Reply	<input type="checkbox"/> Please Recycle
● Comments: _____				

Please complete the attached form and  
fax it to 404-529-7839.

This is Bona Fide Request for the Directory  
Assistance block after the 6<sup>th</sup> call.

I will be out of the office all day tomorrow  
if you have a urgent request, please  
page me at 877-245-0743

Thanks

## DISCOUNT COMMUNICATIONS

3798 PARK AVE  
MEMPHIS, TN 38111  
TEL # 901.843.6070  
FAX # 901.327.2809

## FACSIMILE TRANSMITTAL SHEET

TO: Sara Kyle FROM: Edward Hayes  
COMPANY: Tennessee Regulatory Authority DATE: 2-25-00  
FAX NUMBER: 1-615-741-5015 TOTAL NO. OF PAGES INCLUDING COVER: 3  
PHONE NUMBER: 1-800-342-8359 SENDER'S REFERENCE NUMBER:  
RE: YOUR REFERENCE NUMBER:

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

[CLICK HERE AND TYPE RETURN ADDRESS]



Regenia Sellers Industrial Specialist  
800 North 10<sup>th</sup> Street 9th Floor  
Birmingham, AL 35203  
(205) 321-4862  
Fax (205) 321-4380  
Pager (877) 245-0473  
Regenia.Sellers@bridge.bellsouth.com

**BellSouth**  
CLEC Interconnection  
Sales

# Fax

To: <u>Ed Hayes</u>	From: <u>Regenia Sellers</u>
Fax: <u>901 368-</u>	Pages: <u>Including fax cover</u>
Phone: <u>901 327-2809</u>	Date: _____
Re: _____	CC: _____
<input type="checkbox"/> Urgent	<input type="checkbox"/> For Review
<input type="checkbox"/> Please Comment	<input type="checkbox"/> Please Reply
<input type="checkbox"/> Please Recycle	
● Comments: _____	

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fax it to 404-529-7839.

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Assistance block after the 6<sup>th</sup> call.

I will be out of the office all day tomorrow  
if you have a urgent request, please  
page me at 877-245-0743

Thanks



Interconnection Services

PERFORMANCE IMPROVEMENT → 919013272809

NO. 746 P002/002

RF-2754  
(5-1998)Request For Unbundled  
Capabilities

CLEC Name			Contact Name		
(Area Code) Telephone Number			(Area Code) Telephone Number		
Street Address			Street Address		
City	State	Zip Code	City	State	Zip Code
CLEC Request Number			Date Submitted (MMDDYYYY)		

The following information is required for BellSouth to understand and evaluate your request.

1. Provide technical and functional requirements or characteristics of the requested capability.

2. What are the geographic coverage area(s) in which the service/application is to be accessible or is to provide access (City, LATA, State)?

3. If Known, provide the serving address, central office(s) and NXX(s) involved.

4. Is this service available from any other ILEC? ☐ Yes ☐ No ☐ Unknown  
If yes, which ILECs?

5. Are you requesting this same capability from other ILECs?  
If so, please provide the ILEC name(s) and the name of the service.

6. Provide a diagram of the requested service. Attach additional pages as necessary.

**FAX****BellSouth Telecommunications  
333 Commerce Street  
Nashville, TN 37201-3300****Date** 2-25-00**Number of pages including cover sheet** 2**To: Vivian Michael Wilhoite****TENNESSEE REGULATORY  
AUTHORITY****Utility Services Division****460 James Robertson Pkwy****Nashville, TN 37243-0605****Phone** (615) 741-3939**Fax Phone** (615) 741-8953**CC: Edward Hayes -  
Discount  
Communications****From:****Robin Moore****Executive Appeals****22K105****333 Commerce Street****Nashville, TN 37201-3300****Phone** (615) 214-3861**Fax Phone** (615) 214-8857**REMARKS**☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please comment

Per the attached fax request, BellSouth is willing to accept this list from the customer one time only. We are not prepared to handle orders on a demand basis.

The customer can have his LENS re-activated by paying his bill.

(As per our discussion on 2-24-00, BellSouth will only charge the customer the mechanized service order charge per activity as opposed to the manual rate, even though we are manually issuing these orders)

**RECEIVED  
CONSUMER SERVICES DIV.****FEB 25 2000****TN REGULATORY AUTHORITY**

**TENNESSEE REGULATORY AUTHORITY**

Malvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director

460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

**Fax Cover Sheet**

**DATE:** February 24, 2000 **TIME:** 3:52 PM  
**TO:** Robin Moore  
BellSouth **PHONE:**  
**FAX:**  
**FROM:** Vivian Michael-Wilhoite **PHONE:** 800-342-8359, ext. 157  
TN Regulatory Authority **FAX:** 615-741-8953  
**EMAIL:** vwilhoite@mail.state.tn.us

Number of pages including cover sheet: {1}

I have provided to Mr. Edward Hayes of Discount Communications, the BellSouth response in regards to questions raised in the telephone conference between BellSouth, Eddie Roberson and myself on 2/24/00. In response to BellSouth's report, Mr. Hayes has an additional concern. He understands that BellSouth will allow him to provide a list of customers that need to be restored or denied telephone service. In regards to the customers to be disconnected, he would like to know that when he provides the list of these existing customers, if customers came into his office on say, Monday, 2/28/00, and pay their bill, will BellSouth allow him to restore the recently disconnected customer?

**\*\* Transmit Conf. Report \*\***

P.1

Feb 24 2000 16:01

Telephone Number	Mode	Start	Time	Page	Result	Note
[E] BELLSOUTH	NORMAL	24,16:00	0'41"	1	O K	

**TENNESSEE REGULATORY AUTHORITY**



**Melvin Malone, Chairman**  
**Lynn Greer, Director**  
**Sara Kyle, Director**

460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

**Fax Cover Sheet**

**DATE:** February 24, 2000

**TIME:** 3:52 PM

**TO:** Robin Moore  
BellSouth

**PHONE:**  
**FAX:**

**FROM:** Vivian Michael-Wilholte  
TN Regulatory Authority

**PHONE:** 800-342-8359, ext.157  
**FAX:** 615-741-8953  
**EMAIL:** vwilholte@mail.state.tn.us

**Number of pages including cover sheet: [1]**

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# TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director

460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

## Fax Cover Sheet

<b>DATE:</b>	February 24, 2000	<b>TIME:</b>	3:52 PM
<b>TO:</b>	Robin Moore BellSouth	<b>PHONE:</b>	
		<b>FAX:</b>	
<b>FROM:</b>	Vivian Michael-Wilhoite TN Regulatory Authority	<b>PHONE:</b>	800-342-8359, ext.157
		<b>FAX:</b>	615-741-8953
		<b>EMAIL:</b>	vwilhoite@mail.state.tn.us

**Number of pages including cover sheet:** [1]

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**\*\* Transmit Conf. Report \*\***

P.1

Feb 22 2000 16:37

Telephone Number	Mode	Start	Time	Page	Result	Note
[E] BELLSOUTH	NORMAL	22,16:36	0'43"	1	O K	

**FILE NO.: 00-0227****TENNESSEE REGULATORY AUTHORITY  
UTILITY SERVICES DIVISION COMPLAINT****DATE: 2/22/00**

**COMPLAINANT:** Discount Communications  
**CALLED IN BY:** Additional concern faxed by Ed Hayes  
**ADDRESS:** 3798 Park Ave  
Memphis, TN 38111  
**COUNTY:** Shelby  
**TELEPHONE NO.:** 9018436070  
**CONTACT NO.:** 9018436070  
**COMPANY:** Bell

**COMPLAINT:** Payment arrangements: In addition to the previous fax sent today, 2/22/00, Mr. Morris Harris Sr. of Discount Communications has requested an extension on payment of the \$52,844.99 balance that became past due on 2/5/2000. He states that he had mailed BellSouth over 1/2 of th payment, \$30,000, on 2/21 via FedEx which BellSouth should have received today, 2/22/00. He further states that the remaining balance can be paid by Thursday March 2, 2000. He request this extension to prevent the disconnection of the Lens System.

**COMPANY REPRESENTATIVE CONTACTED:** Faxed (1) pages including this page on 2/22/00 to BellSouth.

**INVESTIGATOR:** VMW

**RECEIVED BY:** VMW

**TENNESSEE REGULATORY AUTHORITY  
UTILITY SERVICES DIVISION COMPLAINT**

**DATE: 2/22/00**

**COMPLAINANT:** Discount Communications  
**CALLED IN BY:** Additional concern faxed by Ed Hayes  
**ADDRESS:** 3798 Park Ave  
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**COMPANY REPRESENTATIVE CONTACTED:** Faxed (1) pages including this page on 2/22/00 to BellSouth.

**INVESTIGATOR:** VMW  
**RECEIVED BY:** VMW  
**REFERRED BY:** Fax



**\*\* Transmit Conf. Report \*\***

P.1

Feb 22 2000 16:16

Telephone Number	Mode	Start	Time	Page	Result	Note
[E] BELLSOUTH	NORMAL	22,16:14	1'23"	3	O K	

**FILE NO.: 00-0227****TENNESSEE REGULATORY AUTHORITY  
UTILITY SERVICES DIVISION COMPLAINT****DATE: 2/22/00**

**COMPLAINANT:** Discount Communications  
**CALLED IN BY:** Additional concern faxed by Ed Hayes  
**ADDRESS:** 3798 Park Ave  
Memphis, TN 38111  
**COUNTY:** Shelby  
**TELEPHONE NO.:** 9018436070  
**CONTACT NO.:** 9018436070  
**COMPANY:** Bell

**COMPLAINT:** Attached are the additional concerns provided by Discount Communications regarding their complaint that is presently under investigation. Please address these concerns along with the initial complaint filed on 2/14/00.

**COMPANY REPRESENTATIVE CONTACTED:** Faxed (3) pages including this page on 2/22/00 to BellSouth.

**INVESTIGATOR:** VMW  
**RECEIVED BY:** VMW  
**REFERRED BY:** Fax

## DISCOUNT COMMUNICATIONS

3798 PARK AVE  
MEMPHIS, TN 38111  
TEL # 901.843.6070  
FAX # 901.327.2809

## FACSIMILE TRANSMITTAL SHEET

TO: Vivian Michael-Wilhoite FROM: Nick Harris / Discount Comm.  
COMPANY: Tennessee Regulatory Authority DATE: 2-17-2000  
FAX NUMBER: 615-741-8953 TOTAL NO. OF PAGES INCLUDING COVER: 2  
PHONE NUMBER: 1-800-342-8359 SENDER'S REFERENCE NUMBER:  
RE: YOUR REFERENCE NUMBER:

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

2/17 Discussed with  
Mr. Morton Harris agreed  
to make the changes to  
be more concise and  
will refax in the morning.

Agreed that Disc Comm. will  
pay the undispute by 2/22 and  
will provide a list of the disputed  
amount.

RECEIVED  
CONSUMER SERVICES DIVISION  
FEB 17 2000  
TN REGULATORY AUTHORITY

## COMPLAINT: DISCOUNT VERSUS BELL SOUTH

1. Billing Problem: Every month Discount has to go through entire bill to make sure Discount receives proper credits and numerous changes are detected.
  2. Areas of Dispute: Life-line and Link-up
    - (a.) Life-line Credit: ~~\$20.00~~ Letter of 2/11/00 outlines our concern.
    - (b.) Link-up Credit \$30.00.
    - (c.) Link-up Credit: Credit to end-user who changes from one CLEC or reseller that does not offer the Life-line program to CLEC or reseller who offers the program, BellSouth charges \$41.50+ 3.50 and does not give credit, thus penalizing the qualified end-user.
    - (d.) Discount Communication life-line end-user is not receiving credit through the Link-up program when they move to another residence. I will provide list of consumer who initiated linkup for second time moving to another residence. When Bell refuse to provide the linkup credit again to be passed on Discount to end-use quality for every from DA charge
  3. Directory Assistance Dispute: Tennessee Regulatory Authority requires BellSouth to give customers six (6) directory assistance calls without charges and those who ~~are~~ <sup>end-use</sup> <sup>quality for every</sup> <sup>from DA</sup> <sup>charge</sup> <sup>6 free calls</sup> ~~disables free calls~~. The Tennessee Regulatory Authority granted BellSouth this tariff in good faith. BellSouth has failed to put in to place safe guard: to protect the end-user from excessive usage and consequently high charges. BellSouth has failed to make available to the reseller the opportunity to provide these mandated six (6) calls to the end-user by not providing the opportunity to the reseller or end-user through the LENS or Paper Ordering System. DC has limitation after the allowed
- BellSouth could offer the end-user this opportunity with minimal cost and changes in their ordering system. This could be accompanied by a few changes in their CREX and FIDS, now offered by BellSouth. The failure of BellSouth to make these simple changes affects the end-user opportunity to receive long distance service because the rigidity of the ordering system. Discount believes that it benefits BellSouth not to make these changes because the rigidity of the system discourages resellers from offering certain features to the end-user.

## Notes:

1. End-users for years have been and still remains dependent on Directory Assistance because of several factors.
  - (a.) The inability of many end-users to read, especially among the elderly.
  - (b.) The inability to read the white pages because of print size, especially the elderly.
  - (c.) For many years, end-users have received this service. BellSouth failed to install necessary measures to control this use and to educate the end-user.

Agreed with how we discussed from

## DISCOUNT COMMUNICATIONS

TENNESSEE TARIFF NO. 1

REVISED PAGE 1

## LOCAL EXCHANGE SERVICES

## BASIC LOCAL EXCHANGE SERVICE

## Lifeline

1. Description of Service

- A. The Lifeline program is designed to increase the availability of telecommunications services to low income subscribers by providing a credit to monthly recurring local service to qualifying residential subscribers. Basic terms and conditions are in compliance with the FCC's Order on Universal Service in FCC 97-157, which adopts the Federal-State Joint Board's recommendation in CC Docket 96-45, which complies with the Telecommunications Act of 1996. Specific terms and conditions are as prescribed by the Tennessee Regulatory Authority and are as set forth in this tariff.
- B. Lifeline is supported by the federal universal service support mechanism.
- C. Federal baseline support of \$5.25 is available for each Lifeline service and is passed through to the subscriber. An additional \$3.50 credit is provided by the Company. Supplemental federal support of \$1.75, matching one half of the Company contribution will also be passed along to the Lifeline subscriber. The total Lifeline credit available to an eligible customer in Tennessee is \$10.50. The amount of credit will not exceed the charge for local service.

1.1 RegulationsA. General

- 1. Customers eligible under the Lifeline program are also eligible for connection assistance under the Link-Up program.
- 2. One low-income credit is available per household and is applicable to the primary residential connection only. The named subscriber must be a current recipient of any of the low income assistance programs identified in 1.
- 3. A Lifeline customer may subscribe to the current capped flat rate Lifeline plan (USOC 1FR) or any local service offering available to other residence customers. *Since the Lifeline credit is applicable to the primary residential connection only, it may not be applied to a multiple line package local service offering.*
- 4. Toll blocking, if elected, will be provided at no charge to the Lifeline subscriber.
- 5. The deposit requirement is not applicable to a Lifeline customer who subscribes to toll blocking. If a Lifeline customer removes toll blocking prior to establishing an acceptable credit history, a deposit may be required. When applicable, advance payments will not exceed the connection and local service charges for one month.
- 6. The PICC will not be billed to Lifeline customers who subscribe to toll blocking and do not pre-subscribe to a long distance carrier.
- 7. A Lifeline subscriber's local service will not be disconnected for non-payment of regulated toll charges. Local service may be denied for non-payment of local calls in accordance with Section A2. Access to toll service may be denied for non-payment of regulated tolls. A Lifeline subscriber's request for reconnection of local service will not be denied if the service was previously denied for non-payment of toll charges.
- 8. Resale of Lifeline is subject to the conditions set forth in the Second and Final Order of Arbitration Awards dated January 23, 1997 (Docket Nos. 96-01152 and 96-01271).

\*  
 So had this highlighted

Issued: December 22, 1998

By: Edward Hayes

6647 Steeplechase

Memphis, Tennessee 38141

Effective \_\_\_\_\_

**DISCOUNT COMMUNICATIONS****LOCAL EXCHANGE SERVICES**TENNESSEE TARIFF NO. 1  
REVISED PAGE 2**BASIC LOCAL EXCHANGE SERVICE**  
**Lifeline (Continued)****Regulations (Cont'd)****B. Eligibility**

1. To be eligible for a Lifeline credit, a customer must be a current recipient of any one of the following low income assistance programs.
  - a. Temporary Assistance to Needy Families (TANF), previously known as AFDC
  - b. Supplemental Security Income (SSI)
  - c. Food Stamps
  - d. Medicaid, as provided under TennCare
2. Additionally, a customer with total gross annual income that does not exceed 125% of the federal poverty income guidelines may apply directly to the Tennessee Regulatory Authority (TRA) for Lifeline eligibility certification.
3. All applications for service are subject to verification with the TRA or state agency responsible for administration of the qualifying program.

**Note 1:** Lifeline replaces the Interstate Subscriber Line Charge Waiver and Matching Program.

---

Issued: December 22, 1998  
By: Edward Hayes  
6647 Steepchase  
Memphis, Tennessee 38141

Effective \_\_\_\_\_

**DISCOUNT COMMUNICATIONS**TENNESSEE TARIFF NO. 1  
REVISED PAGE 3**LOCAL EXCHANGE SERVICES****BASIC LOCAL EXCHANGE SERVICE**  
**Lifeline (Continued)****Regulations (Cont'd)****C. Certification**

1. Proof of eligibility in any of the qualifying low income assistance programs should be provided to the Company at the time of application for service. The Lifeline credit will not be established until proof of eligibility has been received by the Company. If the customer requests installation prior to the Company's receipt of proof of eligibility, the requested service will be provided without the Lifeline credit. When eligibility documentation is provided subsequent to installation, the Lifeline credit will be provided on a going forward basis.
2. The Company reserves the right to periodically audit its records, working in conjunction with the appropriate state agencies, for the purpose of determining continuing eligibility. Information obtained during such audit will be treated as confidential information to the extent required under State and Federal laws. The use or disclosure of information concerning enrollees will be limited to purposes directly connected with the administration of the Lifeline plan.
3. When a customer is determined to be ineligible as a result of an audit, the Company will contact the customer. If the customer cannot provide eligibility documentation, the Lifeline credit will be discontinued.

**D. Rates and Charges****A. General**

1. Lifeline is provided as a monthly credit on the eligible residential subscriber's access line bill for local service.
2. Service Charges are applicable for installing or changing Lifeline service.
3. Link-Up connection assistance may be available for installing or relocating Lifeline service.
4. The Secondary Service Charge is not applicable when existing service is converted intact to Lifeline.

**B. The Total Lifeline Credit Consists Of One Federal Credit Plus One State Credit.****(1) Federal credit**

	Monthly
(a) Temporary Assistance to Needy Families (TANF)	\$7.00
(b) Supplemental Security Income (SSI)	\$7.00
(c) Food Stamps	\$7.00
(d) Medicaid (under TennCare)	\$7.00
(e) TRA Certified	\$7.00

**(2) State credit**

(a) One per Lifeline	\$3.50
----------------------	--------

Issued: December 22, 1998  
 By: Edward Hayes  
 6647 Steeplechase  
 Memphis, Tennessee 38141

Effective \_\_\_\_\_

**DISCOUNT COMMUNICATIONS**

TENNESSEE TARIFF NO. 1

REVISED PAGE 1

**LOCAL EXCHANGE SERVICES****BASIC LOCAL EXCHANGE SERVICES****Link-Up****2. Description of Service**

- A. Link-Up is a program designed to increase the availability of telecommunications services to low income subscribers by providing a credit to the non-recurring installation and service charges to qualifying residential subscribers. Basic terms and conditions are in compliance with the FCC's Order on Universal Service in FCC 97-157, which adopts the Federal-State Joint Board's recommendation in CC Docket 96-45, which complies with the Telecommunications Act of 1996. Specific terms and conditions are as prescribed by the Tennessee Regulatory Authority, as set forth in this tariff.
- B. Link-Up is supported by the federal universal service support mechanism.
- C. A federal credit amount of fifty percent (50%) of the non-recurring charges for connection of service, up to a maximum of \$30.00, is available to be passed through to the subscriber.

**2.1 Regulations****A. General**

- 1. Customers eligible under Link-Up are also eligible for monthly recurring assistance under the Lifeline program.
- 2. Link-Up connection assistance is available per household and is applicable to the primary residential connection only.
- 3. The Link-Up credit is available each time the customer installs or relocates the primary residential service.
- 4. To receive the credit, proof of eligibility must be provided prior to installation of service.
- 5. The total tariffed charges for connecting service, including service and other installation charges, are considered in the credit calculation.
- 6. Resale of Link-Up is subject to the conditions set forth in the Second And Final Order Of Arbitration Awards dated January 23, 1997 (Docket Nos. 96-01152 and 96-01271).

**B. Eligibility**

- 1. To be eligible for a Link-Up credit, the named subscriber must be a current recipient of any of the following low-income assistance programs.
  - a. Temporary Assistance to Needy Families (TANF), previously known as AFDC
  - b. Supplemental Security Income (SSI)
  - c. Food Stamps
  - d. Medicaid, as provided under TennCare
- 2. Additionally, a customer with total gross annual income that does not exceed 125% of the federal poverty income guidelines may apply directly to the Tennessee Regulatory Authority (TRA) for Lifeline eligibility certification.
- 3. All applications for service are subject to verification with the TRA or state agency responsible for administration of the qualifying program.

**C. Certification**

- 1. Proof of eligibility in any of the qualifying low income assistance programs should be provided to the Company at the time of application for service. The Link-Up credit will not be established until proof of eligibility has been received by the Company. If the customer requests installation without proof of eligibility, the requested service will be provided without the Link-Up credit.
- 2. The use or disclosure of information concerning enrollees will be limited to purposes directly connected with the administration of the Link-Up plan.

**2.2 Rates and Charges**

- A. The federal credit available for a Link-Up connection is \$30.00 (maximum) or fifty percent (50%) of the installation and service charges from this Tariff, whichever is less.

Issued: December 22, 1998

By: Edward Hayes

6647 Statechase

Memphis, Tennessee 38141

Effective \_\_\_\_\_

**FILE NO.: 00-0227**

**TENNESSEE REGULATORY AUTHORITY  
UTILITY SERVICES DIVISION COMPLAINT**

**DATE: 2/22/00**

**COMPLAINANT:** Discount Communications  
**CALLED IN BY:** Additional concern faxed by Ed Hayes  
**ADDRESS:** 3798 Park Ave  
Memphis, TN 38111  
**COUNTY:** Shelby  
**TELEPHONE NO.:** 9018436070  
**CONTACT NO.:** 9018436070  
**COMPANY:** Bell

**COMPLAINT:** Attached are the additional concerns provided by Discount Communications regarding their complaint that is presently under investigation. Please address these concerns along with the initial complaint filed on 2/14/00.

**COMPANY REPRESENTATIVE CONTACTED:** Faxed (3) pages including this page on 2/22/00 to BellSouth.

**INVESTIGATOR:** VMW  
**RECEIVED BY:** VMW  
**REFERRED BY:** Fax



RECEIVED  
CONSUMER SERVICES DIVISION

FEB 22 2000

TN REGULATORY AUTHORITY

**Discount Communications***"Your Complete Telecommunications Provider"*

Memphis, TN 38111  
Phone... (901) 843-6070  
Toll Free 888 589-6505  
Fax... (901) 327-2809

February 17, 2000

To: Vivian Michael-Wilhoite  
Tennessee Regulatory Authority

**Life-Line Directory Assistance Dispute:**

The Tennessee Regulatory Authority requires BellSouth Telecommunication Inc. of Tennessee to give end-users six (6) directory assistance calls without charges and free directory assistance for those who qualify. Discount is requesting BellSouth to install a six- (6) call directory assistance limitation.

BellSouth can accomplish the six- (6) call directory assistance limitation with minimal changes to their LENS Ordering System. Instituting these changes to the Ordering System will allow the resellers to offer the end-user a greater variety of features.

**Link-Up Disputes:**

1. Discount Communication is requesting BellSouth Telecommunication Inc. of Tennessee to pass on Link-Up credits to Discount Communications or do not charge for the transfer of a Life-Line qualified end-user from an ILEC, CLEC or reseller who do not offer the Life-Line or Link-Up Program.
2. Discount Communication is requesting BellSouth Telecommunication Inc. of Tennessee to pass on the Link-Up credit or do not charge for the transfer of an existing Life-Line end-user when the end-user moves from one residence to another.

Discount Communications



Edward Hayes  
Owner

## DISCOUNT COMMUNICATIONS

3798 PARK AVE  
MEMPHIS, TN 38111  
TEL # 901.843.6070  
FAX # 901.327.2809

## FACSIMILE TRANSMITTAL SHEET

TO:

Ms. Vivian Michael - Wilhoite

FROM:

Morris Harris

COMPANY:

Discount

DATE:

FAX NUMBER:

1-615-741-8953

TOTAL NO. OF PAGES INCLUDING COVER:

PHONE NUMBER:

1-800-342-8359 EXT 157

SENDER'S REFERENCE NUMBER:

RE:

YOUR REFERENCE NUMBER:

☒ URGENT☐ FOR REVIEW☐ PLEASE COMMENT☐ PLEASE REPLY☐ PLEASE RECYCLE

NOTES/COMMENTS:

(CLICK HERE AND TYPE RETURN ADDRESS)

1815

AIR TIME MANAGEMENT, INC.  
 801-843-8070  
 3340 POPULAR AVE. STE. 301  
 MEMPHIS, TN 38111

28-4340  
 8 MARCH 2000

DATE Feb 21, 2000

\$ 5000.00

PAY TO THE ORDER OF Bell South

DOLLARS ☒ Five Thousand

Five Thousand Dollars

AUNION PLANTERS BANK  
 MEMPHIS, TENNESSEE

FOR Ten + to Feb 4

⑈001815⑈ ⑈084000084⑈

⑈3500016225⑈

Mark H. Hargis

1814

AIR TIME MANAGEMENT, INC.  
 801-843-8070  
 3340 POPULAR AVE. STE. 301  
 MEMPHIS, TN 38111

28-4340  
 8 MARCH 2000

DATE Feb 21, 2000

\$ 25,000.00

PAY TO THE ORDER OF Bell South

DOLLARS ☒ Twenty Five Thousand

Twenty - Five Thousand Dollars / No Cash

AUNION PLANTERS BANK  
 MEMPHIS, TENNESSEE

FOR Ten + to Feb 4

⑈001814⑈ ⑈084000084⑈

⑈3500016225⑈

Mark H. Hargis

**Fed**FedEx  
Tracking  
Number

815947004893

Sender's  
NameDate Feb 21, 2000 Sender's FedEx  
Account Number

2458-3377-6

Sender's  
Phone

Phone 19011843-6070

Company  
ATM DISCOUNT COMMUNICATIONSAddress  
3798 PARK AVECity  
MEMPHIS

State TN ZIP 38111

2 Recipient's  
NameRecipient's  
Name Mr. Reginald H. Harris

Phone 1

Company  
Bike SouthAddress  
1000 N. 14th St.

City/State/Zip

To what address  
you wish to send  
your package?City  
Birmingham

State

AL

ZIP

35203-0000

Questions? Call 1-800-Go-FedEx (800-463-3339)

Visit our Web site at www.fedex.com

By using the label you agree to the terms conditions on the back of this label  
and to our contract terms which include items that limit our liabilityItem  
ID No.

0215

4a ☒ FedEx Priority Overnight☐ FedEx Standard Overnight☐ FedEx First Overnight4b ☐ FedEx 2Day☐ FedEx Express Saver4c ☐ FedEx International Priority☐ FedEx International Economy5 ☒ FedEx Letter☐ FedEx Pak6 ☐ Standard Overnight☐ Sunday Delivery☐ Next Business Day7 ☐ No☐ Yes☐ Other8 ☒ Sender☐ Recipient☐ Third Party☐ Credit Card☐ Cash/Check

Total Packages

Total Weight

Total Declared Value

Total Insured

Total Uninsured

9 ☐ Signature Required☐ Signature Not Required☐ Signature Not Required☐ Signature Not Required☐ Signature Not Required

359

RETAIN THIS COPY FOR YOUR RECORDS

2/15

<sup>Congressman</sup>  
Robert White of Harold Ford, Jr. office is working  
representative. FAX 901-544-4329. 544-4127 Telephone

# 1 Representative who will be responding to  
BellSouth.

Informed any decision regard

→ Claude Monte is a Senior Staff Manager spoke with him  
earlier

lens myther had been co

> Spoke with Larry Popovic of the FCC

LENS

Per Robin have stopped taking 50,243 for Dec. and for  
Jan bill which is due by 22 56,344

10 15157415015 P.02  
Keep your  
2/14/00  
DN

**Discount Communications**  
"Your Complete Telecommunications Provider"

3798 Park Ave  
Memphis, TN 38111-4684  
Phone... (901) 843-6070  
Toll Free 888 589-6505  
Fax... (901) 327-2809

BellSouth wants 3.50 per  
customer from Hayes.  
Feb 22 Letter

Claude Morton  
Bell South Billing Adjustment  
600N. 19<sup>th</sup> Street  
Birmingham, AL 35203-0000  
February 9, 2000

Robert White 901-544-4127  
Congressman's Ford Office

Dear Mr. Morton:

This letter is in response to the conversation between Mr. Claude Morton and Ed Hayes on Tuesday February 9, 2000, approximately 11:30 a.m. Mr. Hayes was relaying a message from Mr. Ken Ray, Vice President of Interconnections BellSouth to you, stating that all parties need to get together to resolve these problems that exist and continue to exist in Bell South's billing system that affects Discount Communication and possibly other resellers and CLEC's. Mr. Morton during the conversation, you were very adamant with the following statement. BellSouth had done all it will do regardless of what the FCC and the TRA had stated previous to Ms. Sandra Weatherly concerning BellSouth correcting this billing concern in administering the Life-Line and Link-Up Program.

Mr. Morton, it appears that BellSouth's decision is final and no solution is available. Please note that Discount Communication is forwarding this correspondent to the FCC and the Tennessee Regulatory Authority (TRA) agency to allow them to intervene and provide a fair and just resolution.

Mr. Morton, Discount Communication stands ready to resolve this matter.

Sincerely,

*Edward Hayes*  
Edward Hayes  
Owner

cc: Ken Ray, V.P. Bell South  
Claude Morton  
Mark Nadel, FCC  
Sarah Kile, Commissioner of Tennessee Regulatory Authority

"Your Complete Telecommunications Provider"

DISCOUNT COMMUNICATIONS

3798 PARK AVE

MEMPHIS, TN 38111

TEL # 901.843.6070

FAX # 901.327.2809

FACSIMILE TRANSMITTAL SHEET

TO: Comm.

FROM:

Melvin Malone, Sara Kihl & Lynn Green: FLE SEC DAVID WADDALL

COMPANY:

DATE:

TENNESSEE REGULATORY AGENCY

FAX NUMBER:

TOTAL NO. OF PAGES INCLUDING COVER:

1-615-741-5015

2

PHONE NUMBER:

SENDER'S REFERENCE NUMBER:

RP:

YOUR REFERENCE NUMBER:

Life-line & Link-up Credits

☒ URGENT

☐ FOR REVIEW

☐ PLEASE COMMENT

☐ PLEASE REPLY

☐ PLEASE RECYCLE

NOTES/COMMENTS:

Mr. Waddell, Discount Communication is experiencing EXTREME DIFFICULTIES IN OUR EFFORT TO RECEIVE CREDITS FOR THE LIFE-LINE AND LINK-UP PROGRAMS. Bell South's tactics is creating financial and manpower problems for Discount Communication in our attempt to administer the Life-line and Link-up Program. Discount Communication is asking for the TRA assistance IN RESOLVING these difficulties.

Thank you

Ed Hays

Enclosed is a copy of a conversation between Discount & Bell South Rep discussing the Link-Up & Life Link Credits

[CLICK HERE AND TYPE RETURN ADDRESS]

HAROLD E. FORD, JR  
8th DISTRICT, TENNESSEE

COMMITTEE ON EDUCATION  
AND THE WORKFORCE

SUBCOMMITTEES  
EARLY CHILDHOOD, YOUTH  
AND FAMILIES  
OVERSIGHT AND INVESTIGATIONS

COMMITTEE ON  
GOVERNMENT REFORM

SUBCOMMITTEES:  
CENSUS  
NATIONAL ECONOMIC GROWTH,  
NATURAL RESOURCES, AND  
REGULATORY AFFAIRS

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-4209**

## OFFICES

325 CANNON BLDG.  
WASHINGTON, DC 20515  
TEL (202) 225-3286  
FAX (202) 225-5863

167 N. MAIN, SUITE 369  
MEMPHIS, TN 38103  
TEL (901) 544-4131  
FAX (901) 544-4329

WEBSITE  
www.house.gov/ford

**DATE:** February 16, 2000

**TO:** Vivian Michael-Wilhoite

**FAX NUMBER:** 615/741-8953

**FROM:** Robert S. White, II  
Office of U. S. Rep. Harold Ford, Jr.

**RETURN VOICE:** (901) 544-4131

**RETURN FAX:** (901) 544-4329

**MESSAGE:** Feel free to call me at 299-3081 if I can't be reached at  
544-4127 or 4126. Thanks again for everything.

9 pages are being faxed to you including this cover sheet

*Please call (901) 544-4131 if you do not receive any part of this transmission.*

71-3125  
**RECEIVED**  
CONSUMER SERVICES DIVISION  
FEB 16 2000  
TN REGULATORY AUTHORITY



## ***Discount Communications***

***"Your Complete Telecommunications Provider"***

3798 Park Ave  
Memphis, TN 38111-4684  
Phone (901) 843-6070  
Toll Free 888 589-6505  
Fax (901) 327-2809

---

Claude Morton  
Bell South Billing Adjustment  
600N. 19<sup>th</sup> Street  
Birmingham, AL 35203-0000  
February 9, 2000

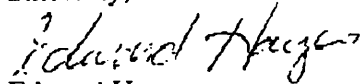
Dear Mr. Morton:

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Mr. Morton, Discount Communication stands ready to resolve this matter.

Sincerely,



Edward Hayes  
Owner

cc: Ken Ray, V.P. Bell South  
Claude Morton  
Mark Nadel, FCC  
Sarah Kile, Commissioner of Tennessee Regulatory Authority

***"Your Complete Telecommunications Provider"***



---

BellSouth Interconnection Services

February 11, 2000

Discount Communications  
3798 Park Ave  
Memphis, TN 38111-4684

Delivered by fax. 901-327-2809

Dear Sirs:

Attached is the unofficial statement for 615-Q84-5343 that you requested by telephone this morning. You will note that I began this rendering with the December 4, 1999 bill. I did this because it is that bill for which you received the most recent notice of discontinuance of orders. And it is non-payment of that December 4, 1999 bill which has caused the LENS ordering process to be interrupted.

The amount that is due immediately to restore your LENS ordering capacity is \$ 50,243.03. You will note that we are not holding you accountable for the "Link-Up" disputes of \$ 10,539.25 which we received from you today. We have not credited this amount to your bill, because the outcome of the dispute is still undecided. I understand we are awaiting a ruling from the FCC legal office on this matter.

Finally, I want to reiterate the point I made on the telephone this morning. Even if the \$ 50,243.03 is paid and the LENS is restored, the service is due to be interrupted again on February 22, 2000 if the full amount of the January bill is not paid by then.

BellSouth values you as a customer and wishes to keep you. We will do all that we can to make our business relationship work as smoothly as possible.

Sincerely,

A handwritten signature in cursive script that reads 'Claude P. Morton'.

Claude P. Morton  
Senior Staff Manager

1802.28  
2000.00  
502.28  
559.25  
943  
9

# DISCUNICATIONS

2000

This rendering  
explanation of  
BellSouth

, and adjustment activity is for information /  
cial bills for the months in question from the  
e considered the official, legal documents.

The a

here is for 615-Q84-5343.

	\$ 139,864.26
2-15-99	\$ 10,000.00
ent 01-07-00	\$ 25,000.00
Payment 01-21-00	\$ 14,000.00
Adjustment 01-27-00	\$ 33.00
Adjustment 02-02-00	\$ 28.98
Payment 02-08-00	\$ 30,000.00
	<hr/>
	\$ 60,802.28
Potential credit for pending dispute for "Link-Up"	\$ 10,559.25
	<hr/>
Payment of this amount will result in immediate restoral of LENS service orders	\$ 50,243.03

January 4, 2000 new billing

\$ 56,344.99

This amount became past due on Feb. 5, 2000. If it  
is unpaid on Feb 22, 2000, LENS will be discontinued again.

Questions may be directed to Claude Morton, Senior Staff Manager (205-977-0157)

1784		BALANCE BROUGHT FORWARD	
DATE	Feb 8, 2000		
PAY TO	Bell South		
FOR Payment in full for December bill		DEPOSITS	
TOTAL			
THIS CHECK	2000.00		
OTHER TRANS			
TAX DEDUCTIBLE <input type="checkbox"/>		BALANCE	

980526 260758 04 0 PG 09-25 08:50 \*

B-02B 08-000084 3500016225 1901

1785		BALANCE BROUGHT FORWARD	
DATE	Feb 10, 2000		
PAY TO	Eddie Hall		
FOR Hall's Body Shop		DEPOSITS	
TOTAL			
THIS CHECK	350.00		
OTHER TRANS			
TAX DEDUCTIBLE <input type="checkbox"/>		BALANCE	

980526 260758 04 0 PG 09-25 08:50 \*

B-02B 08-000084 3500016225 1901

1786		BALANCE BROUGHT FORWARD	
DATE	Feb 10, 2000		
PAY TO	Dasmond Brookins		
FOR Refund for Service Mullington		DEPOSITS	
TOTAL			
THIS CHECK	71.11		
OTHER TRANS			
TAX DEDUCTIBLE <input type="checkbox"/>		BALANCE	

**BellSouth CLEC Billing  
Adjustment Response****July 31, 1999**

To CLEC Contact Name Marris Harris Sr	(Area Code) Telephone Number 901 843-6070	Account Name Discount Communication
CLEC Tracking Number	BSI Tracking Number 13820	Account Number 615 Q84-5343-343

Date Billing Adjustment Investigation Request Received In BellSouth LCSC 7-16-99

**We Have Investigated Your Request For A Billing Adjustment On The Account Detailed Above With The Following Results:**

Amounted Credited Customer \$1224.25	Amount Debited Customer \$.00	No Action Taken
-----------------------------------------	----------------------------------	-----------------

Reason/Remarks  
Mr. Harris

After investigation, we have adjusted the above Q account in the amount of \$1224.25 for discount not given on Link-Up.

Attached you will find the listed of end user that the adjustment related to. This amount should appear on your next month bill.

If there are any questions concerning this dispute, you can contact me at the number listed below.

Documentation Is Attached ☐ No Documentation Attached ☐  
Notes

LCSC Service Rep. Rhonda Taylor	(Area Code) Telephone Number 1 800 773-4967	(Area Code) FAX Number (265) 321-2724
------------------------------------	------------------------------------------------	------------------------------------------

02/24/99 02:16

1 of 3

NO. 331 PENDING

## Dispute Summary

Date: \_\_\_\_\_

	End User	End User's #	Amount
1.	TRACEY FREEMAN	901-523-8490	\$ 41.50
2.	YOLANDRA NELSON	901-524-0727	\$ 41.50
3.	TODA RAMSEY	901-527-4198	\$ 41.50
4.	REGINA JONES-TAYLOR	901-722-8175	\$ 41.50
5.	CORANDA EPPS	901-725-0554	\$ 41.50
6.	COROLYN WELLS	901-725-4347	\$ 41.50
7.	CHRISTINE TODD	901-743-1481	\$ 41.50
8.	TERJE HERREY	901-743-1772	\$ 41.50
9.	PHYLLIS CRAWFORD	901-743-1795	\$ 41.50
10.	CATINA SPEARS	901-743-5498	\$ 41.50
11.	VIRGIE BROWN	901-744-1651	\$ 41.50
12.	RICHARD GREEN	901-774-1887	\$ 41.50
13.	DANIELLE HAWKINS	901-774-8492	\$ 41.50
14.	TWANA TENNANT	901-774-8664	\$ 41.50
15.	MYRTLENE COX	901-784-3287	\$ 41.50
16.	KAREN BANKS	901-785-1290	\$ 41.50
17.	JACQUELINE VANCY	901-855-2143	\$ 41.50
18.		901-942-3596	\$ 41.50
19.	CONNIE BURKS	901-946-3591	\$ 41.50
20.	LATASHA BRIGGS	901-948-4727	\$ 41.50
		Total:	\$ 830.00

dispsumm.doc

02/24/99 02:16

2 of 3

MID-99J MARS-00J.

## Dispute Summary

Date: \_\_\_\_\_

	End User	End User's #	Amount
1.	LINDA TADD	901-213-3221	\$ 41.50
2.	MAMIE WITHERSPON	901-265-0431	\$ 41.50
3.	ANDREA VELAZQUEZ	901-265-0434	\$ 41.50
4.	ANGELA GREET	901-265-0486	\$ 41.50
5.	VERNEE TAYLOR	901-265-9901	\$ 41.50
6.	ANGELA RICHARDSON	901-266-3382	\$ 41.50
7.	VIRGINIA LODGE	901-272-3914	\$ 41.50
8.	PAULA MARRY	901-278-1071	\$ 41.50
9.	SHIRLEY COOK	901-278-2101	\$ 41.50
10.	JOHNNY SUE FORTNER	901-288-0955	\$ 41.50
11.	CHRISTIE SPENCER	901-320-7094	\$ 41.50
12.	DOROTHY SANDERS	901-320-7197	\$ 41.50
13.		901-320-7956	\$ 41.50
14.	JACQUELINE CLAYTON	901-323-3759	\$ 41.50
15.	TIFFANY FREEMAN	901-323-8539	\$ 41.50
16.	ANDREA WINSTON	901-327-5104	\$ 41.50
17.	CAROL MOORE	901-332-9504	\$ 41.50
18.	MARIA FERGUSON	901-345-6352	\$ 41.50
19.	LASHAWN JONES	901-346-2991	\$ 41.50
20.	OSCAR RIOS	901-346-8932	\$ 41.50
		Total:	\$ 830.00

dispsumm.doc

FEB 23 '99 12:26

P0'd P222T2CS02T 01

PAGE.03

JUL 31 '99 15:24

JUL 22:02 66. 01 JUL  
PAGE.06

02/24/99 02:15

373

NL 099 P003/03

## Dispute Summary

Date: \_\_\_\_\_

	End User	End User's #	Amount
1.		901-353-0826	\$ 41.50
2.	TRIEZ MICHELLE LEE	901-353-1399	\$ 41.50
3.	ANGELA MADRE	901-353-1410	\$ 41.50
4.	ERICA PITCHFORD	901-353-2143	\$ 41.50
5.	SHIRLEY SMITH	901-353-3301	\$ 41.50
6.	LORRAINE TSON	901-358-0465	\$ 41.50
7.	JAMILA WILLIAMS	901-375-4348	\$ 41.50
8.	WILLIAM HARRIS	901-377-6719	\$ 41.50
9.	PATRICIA JOY	901-396-7445	\$ 41.50
10.	DAMELIA HUAT	901-423-1765	\$ 41.50
11.	LYNN FROST	901-452-6365	\$ 41.50
12.	ROBERTA JEAN ANDERSON	901-458-2726	\$ 41.50
13.	MARGARET BAKER	901-465-0323	\$ 41.50
14.	NINAR TURNER	901-522-1045	\$ 41.50
15.	BRENDA HARDY	901-523-0131	\$ 41.50
16.	TERRIE MCKINNEY	901-523-0171	\$ 41.50
17.	RHONDA HINES	901-523-0441	\$ 41.50
18.	AISHA SETTLES	901-523-0771	\$ 41.50
19.	CHIQUITA BOYD	901-523-1092	\$ 41.50
20.	KIM YOUNG	901-523-1645	\$ 41.50
		Total:	\$ 830.00

dispuamm.doc



# TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

Provided via fax to 901-327-2809 to Ed Hayes on 2/14/2000.  
Original to follow via US Postal Service.

February 14, 2000

Mr. Ed Hayes  
Discount Communications  
3798 Park Avenue  
Memphis, TN 38111

**RE: 00-0227, Discount Communications versus BellSouth**

Dear Mr. Hayes:

This is in reference to your complaint filed on 2/14/00 against BellSouth regarding the Lifeline Telephone Assistance credit for customers of Discount Communications.

According to the rules and regulations of the Tennessee Regulatory Authority (TRA), BellSouth must provide a written response in regard to your complaint within 10 working days. And as your investigator, I will also research the matter on your behalf. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "V. Wilhoite".

Vivian Michael-Wilhoite  
Consumer Services Division  
741-3939 or 1-800-342-8359 ext. 157  
email address: [vwilhoite@mail.state.tn.us](mailto:vwilhoite@mail.state.tn.us)

c: John Ford, Senator, State of Tennessee  
Melvin Malone, Chairman, TRA  
Sara Kyle, Director, TRA  
Lynn Greer Jr., Director, TRA  
David Waddell, Executive Director, TRA  
Joe Werner, Chief, Telecom Division, TRA  
Eddie Roberson, Chief, Consumer Services, TRA

**\*\* Transmit Conf. Report \*\***

P.1

Feb 14 2000 15:15

Telephone Number	Mode	Start	Time	Page	Result	Note
89013272809	NORMAL	14,15:13	0'55"	1	O K	

## TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

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Vivian Michael-Wilhoite  
Consumer Services Division  
741-3939 or 1-800-342-8359 ext. 157  
email address: [vwilhoite@mail.state.tn.us](mailto:vwilhoite@mail.state.tn.us)

## \*\* Transmit Conf. Report \*\*

P.1

Feb 16 2000 16:50

Telephone Number	Mode	Start	Time	Page	Result	Note
[E] BELLSOUTH	NORMAL	16,16:48	1'04"	2	O K	

FEB 16 '00 17:41 FR

TO 16157418953

P.01

## DISCOUNT COMMUNICATIONS

3798 PARK AVE  
MEMPHIS, TN 38111  
TEL # 901.843.6070  
FAX # 901.327.2809

## FACSIMILE TRANSMITTAL SHEET

TO:	FROM:
Vivian Micheal-Wilhoite	Morris Harris, Sr
COMPANY:	DATE:
Discount Communications	02/16/00
FAX NUMBER:	TOTAL NO. OF PAGES INCLUDING COVER:
615.741.8953	2
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
800.342.8359 ext. 157	Morris Harris, Sr
RE:	YOUR REFERENCE NUMBER:

☒ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

## NOTES/COMMENTS:

This is the copy of the wire transfer information that you requested. Once again thank-you for help.

Morris Harris

2/16/00

ATTN: Robin Moore

## DISCOUNT COMMUNICATIONS

3798 PARK AVE  
MEMPHIS, TN 38111  
TEL # 901.843.6070  
FAX # 901.327.2809

## FACSIMILE TRANSMITTAL SHEET

TO:	Vivian Micheal-Wilhoite	FROM:	Morris Harris, Sr
COMPANY:	Discount Communications	DATE:	02/16/00
FAX NUMBER:	615.741.8953	TOTAL NO. OF PAGES INCLUDING COVER:	2
PHONE NUMBER:	800.342.8359 ext. 157	SENDER'S REFERENCE NUMBER:	Morris Harris, Sr
RE:		YOUR REFERENCE NUMBER:	

☒ URGENT   ☐ FOR REVIEW   ☐ PLEASE COMMENT   ☐ PLEASE REPLY   ☐ PLEASE RECYCLE

## NOTES/COMMENTS:

This is the copy of the wire transfer information that you requested. Once again thank-you for help.

Morris Harris

2/16/00

ATTN: Robin Moore

[CLICK HERE AND TYPE RETURN ADDRESS]

5.25  
13.50  
5.15  
1.75  
10.50

## CUSTOMER WIRE TRANSFER REQUEST

EXECUTION DATE:

2/16/00

CUSTOMER NAME(Please print or type): AIRTIME MANAGEMENT (Discount Communications)CUSTOMER ADDRESS (Street, City, State & Zip): 3748 Park AveCUSTOMER ACCOUNT NUMBER: 3500016225AMOUNT TRANSFERRED: 1245.53ABA ROUTING NUMBER: 062000019BANK TO RECEIVE WIRE: AmSouthADDRESS OF RECEIVING BANK: Birmingham, AL

ATTN. PERSON/DEPT. RECEIVING BANK: \_\_\_\_\_

BENEFICIARY NAME: AmSouthBENEFICIARY ADDRESS (Street, City, State & Zip): 400 North 19th, Birmingham, AL 35203BENEFICIARY ACCOUNT NUMBER: 000000477SPECIAL INSTRUCTIONS: Ref Discount Communications

If the Customer is not an established customer of Bank, the following additional information must be obtained and retained:

CUSTOMER IDENTIFICATION TYPE (drivers' license, passport, etc.) AND NUMBER: \_\_\_\_\_

CUSTOMER TIN/ALIEN REGISTRATION/PASSPORT(COUNTRY &amp; NO.): \_\_\_\_\_

NAME &amp; ADDRESS OF ORIGINATOR (if different from Customer): \_\_\_\_\_

TIN/ALIEN REGISTRATION/PASSPORT NO. OF ORIGINATOR (if different from Customer): \_\_\_\_\_

METHOD OF PAYMENT (check, money order, credit card - together with copy): \_\_\_\_\_

The undersigned customer requests Union Planters National Bank ("Bank") to make a payment order as instructed above. Bank shall not be liable for delays or failures in performance caused by, or resulting from acts of God, delay in the mails, strikes, lockouts, riots, epidemics, wars, governmental regulations, fire, communication and line failures, power failures, equipment malfunctions or other causes beyond the reasonable control of Bank, including the acts or omissions of third parties.

Bank may execute payment orders through any means determined by it to be customary for the transmission of funds, including the FEDWIRE system. Payment orders may be made by telephone, telegraphically, orally or in writing or by any other means of communication acceptable to Bank.

Bank assumes no responsibility for the availability of the credit or for the payment of the funds to the beneficiary. Bank shall be under no obligation to obtain the receipt of the beneficiary or otherwise verify payment.

In the event that the payment order is not effected, Bank shall not be liable to Customer for any amount in dollars in excess of the dollar amount actually recovered and received by Bank, less the Bank's fees and expenses, and in no event will Bank be liable for indirect, special, consequential or punitive damages.

COUNTERSIGNED:

Customer's Signature: Mona Han

Branch Mgr./Asst. Mgr. \_\_\_\_\_

Customer's Signature: \_\_\_\_\_

Dated: 02/16/00

(FOR BANK USE ONLY)

TIME: \_\_\_\_\_

AMOUNT: \_\_\_\_\_

PHONED TO: \_\_\_\_\_

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

**BOULT  
CUMMINGS  
CONNERS  
& BERRY** PLC

LAW OFFICES  
414 UNION STREET, SUITE 1600  
POST OFFICE BOX 198062  
NASHVILLE, TENNESSEE 37219

Henry Walker  
(615) 252-2363  
Fax: (615) 252-6363  
Email: hwalker@bccb.com

March 27, 2000

RECEIVED THE  
TENN. REG. AUTH.  
MAR 27 PM 3 34  
EXECUTIVE SECRETARY

TELEPHONE (615) 244-2582  
FACSIMILE (615) 252-2380  
INTERNET WEB <http://www.bccb.com/>

David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

**In Re: Complaint of Discount Communications against BellSouth  
Telecommunications  
Docket No. 00-00230**

Dear David:

As of yesterday, I have been retained to represent Discount Communications which has a pending complaint against BellSouth Telecommunications, TRA, Docket 00-230. I have been told that the case will be on the March 28 conference agenda for the purpose of appointing an administrative judge to hear Discount's complaint.

The purpose of this letter is, first, to enter my appearance on behalf of Discount and, second, to ask that if a administrative judge is appointed, one be named tomorrow so that Discount Communications can immediately seek interim relief.

As a result of the above-captioned dispute between the parties, BellSouth has threatened to terminate service to Discount Communications, a reseller, and has already denied the company access to BellSouth's LENS system, effectively crippling Discount's ability to remain in business. (See attached Affidavit)

Therefore, I request that, if an Administrative Judge is appointed, that he be named at, or shortly after, the TRA's public meeting tomorrow, so that Discount may request interim relief pending the outcome of a hearing on Discount's complaint.

Sincerely,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:

  
Henry Walker

HW/nl

c: Guy Hicks, counsel for BellSouth Telecommunications

**BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION**

**NASHVILLE, TENNESSEE**

**In Re: Complaint of Discount Communications Against BellSouth  
Telecommunications  
Docket No. 00-00230**

**AFFIDAVIT OF EDWARD HAYES**

Comes now Affiant, Edward Hayes, and states and deposes as follows:

1. My name is Edward Hayes, and I am the President of Discount Communications.

2. On February 22, 2000 (thirty-five days ago) BellSouth shutoff Discount Communications access to its LENS ordering system. According to Mr. Claude Morton and Attorney Patrick Turner of BellSouth (03-15-00), Discount Communications; access to BellSouth's LENS system was discontinued because Mr. Eddie Roberson of the Tennessee Regulatory Authority, orally informed the aforementioned representatives of BellSouth that Discount Communications' complaint filed with the TRA had been resolved in BellSouth's favor.

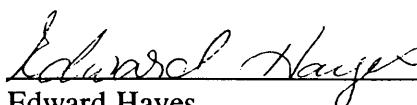
3. As a result of BellSouth's denial of access to the LENS System, Discount Communications has been crippled, paralyzed, cannot maintain, run or build its business, and is presently losing one hundred and seventy-five thousand dollars (\$175,000.00 per month, and at least five hundred (500) potential new customers per month.

4. BellSouth's LENS System is the backbone of Discount Communications operating system. The LENS System allows Discount Communications to: (A) place orders; (B) verify orders; (C) amend/correct orders, i.e., add features; (D) suspend/disconnect non-paying

customers; (E) examine local service records - orders Discount Communications places with BellSouth; (F) examine customer service records; and (G) transfer existing customers.

5. Without the LENS System, Discount Communications cannot add new customers, cannot service existing customers, cannot edit, modify, alter or change orders that have been placed. Without the LENS System, when a customer moves, Discount Communications cannot disconnect and reconnect a customer - that customer is lost. Without the LENS System, temporarily disconnected service cannot be restored or totally disconnected - Discount Communications is still billed for that customer although Discount Communications is not receiving any money from the customer. Without the LENS System, a customer's service record cannot be verified. If a customer wants to add or delete a feature, Discount Communications cannot fulfill the service request without the LENS System. Without the LENS System, Discount Communications cannot compare their orders against BellSouth's billings.

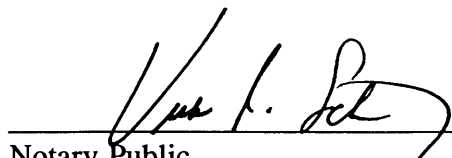
FURTHER THE AFFIANT SAYETH NOT.

  
Edward Hayes

STATE OF TENNESSEE

COUNTY OF DAVIDSON

Sworn to and subscribed before me this 27<sup>th</sup> day of March, 2000.

  
Notary Public

My Commission Expires: 7-31-2001



Rec'd for  
EN on  
2/14/00 v

## DISCOUNT COMMUNICATIONS

3798 PARK AVE  
MEMPHIS, TN 38111  
TEL # 901.843.6070  
FAX # 901.327.2809

## FACSIMILE TRANSMITTAL SHEET

TO: Mr. Eddie Robinson Director of Consumer Affairs FROM: Ed Hayes  
COMPANY: TRA DATE: Feb 11, 2000  
FAX NUMBER: 1-615-741-2336 TOTAL NO. OF PAGES INCLUDING COVER:  
PHONE NUMBER: SENDER'S REFERENCE NUMBER:  
RE: Life-line Credits YOUR REFERENCE NUMBER:

☒ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

## NOTES/COMMENTS:

Mr. Robinson, the resolution of this complaint  
is very critical to Discount Communications.  
I am faxing this complaint to you and  
it will be followed by a certified letter.

Thank you  
Ed Hayes

[CLICK HERE AND TYPE RETURN ADDRESS]

***Discount Communications****"Your Complete Telecommunications Provider"*

3798 Park Ave  
Memphis, TN 38111-4684  
Phone... (901) 843-6070  
Toll Free 888 589-6505  
Fax... (901) 327-2809

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February 11, 2000

Mr. Eddie Robinson, Director of Consumer Affairs  
460 James Robertson Pkwy  
Nashville, TN 37243

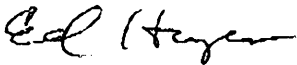
Mr. Eddie Robinson,

Discount Communications is filing a formal complaint against BellSouthTelecommunication Inc. of Tennessee for failure to pass the required \$10.50 to certified Life-Line customers in Tennessee.

Discount Communications is a reseller in Tennessee, we have over nine hundred (900) customers on our records that currently qualify for the Life-Line program. We pass the full \$10.50 to these customers. BellSouth is only crediting Discount Communications with \$7.00 in adjustments. Discount Communications does not have the authority to be reimburse through the National Exchange Carrier Association (NECA). BellSouth is responsible for passing the full \$10.50 credit on to Discount Communications.

Attached is a copy of the tariff submitted by BellSouth, October 8, 1999.

Respectfully,



Edward M. Hayes, Owner

*"Your Complete Telecommunications Provider"*

OFFICIAL APPROVED VERSION, RELEASED BY RSTHQ

BELLSOUTH  
TELECOMMUNICATIONS, INC.  
TENNESSEE  
ISSUED: October 8, 1999  
BY: President - Tennessee  
Nashville, Tennessee

## GENERAL SUBSCRIBER SERVICES TARIFF

Sixth Revised Page 76  
Cancels Fifth Revised Page 76

EFFECTIVE: November 8, 1999

**A3. BASIC LOCAL EXCHANGE SERVICE****A3.31 Lifeline (Cont'd)****A3.31.2 Regulations (Cont'd)****C. Certification**

1. Proof of eligibility in any of the qualifying low income assistance programs should be provided to the Company at the time of application for service. The Lifeline credit will not be established until proof of eligibility has been received by the Company. If the customer requests installation prior to the Company's receipt of proof of eligibility, the requested service will be provided without the Lifeline credit. When eligibility documentation is provided subsequent to installation, the Lifeline credit will be provided on a going forward basis.
2. The Company reserves the right to periodically audit its records, working in conjunction with the appropriate state agencies, for the purpose of determining continuing eligibility. Information obtained during such audit will be treated as confidential information to the extent required under State and Federal laws. The use or disclosure of information concerning enrollees will be limited to purposes directly connected with the administration of the Lifeline plan.
3. When a customer is determined to be ineligible as a result of an audit, the Company will contact the customer. If the customer cannot provide eligibility documentation, the Lifeline credit will be discontinued.
4. Resellers providing Lifeline service from this tariff are responsible for determining proof of eligibility prior to requesting the service. Disclosure requirements described in 2. Preceding are applicable to resellers of Lifeline service.

(N)

**A3.31.3 Rates and Charges****A. General**

1. Lifeline is provided as a monthly credit on the eligible residential subscriber's access line bill for local service.
2. Service Charges in Section A4. are applicable for installing or changing Lifeline service.
3. Link-Up connection assistance in Section A4. may be available for installing or relocating Lifeline service.
4. The Secondary Service Charge in Section A4. is not applicable when existing service is converted intact to Lifeline.

**B. The total Lifeline credit consists of one federal credit plus one state credit****(1) Federal credit**

	Monthly Credit	USOC
(a) Temporary Assistance to Needy Families (TANF)	\$7.00	ASGFA
(b) Supplemental Security Income (SSI)	7.00	ASGFS
(c) Food Stamps	7.00	ASGFC
(d) Medicaid (under TennCare)	7.00	ASGSI
(e) TRA Certified	7.00	ASGTC
(2) State credit		
(a) One per Lifeline	3.50	CRA

FEB 11 00 17:31 FR  
BELL SOUTH  
TELECOMMUNICATIONS, INC.  
TENNESSEE  
ISSUED: October 8, 1999  
BY: President - Tennessee  
Nashville, Tennessee

OFFICIAL APPROVED VERSION, RELEASED BY BSTIIO  
GENERAL SUBSCRIBER SERVICES TARIFF

Fourth Revised Page 75  
Cancels Third Revised Page 75  
EFFECTIVE: November 8, 1999

### A3. BASIC LOCAL EXCHANGE SERVICE

#### A3.31 Lifeline

##### A3.31.1 Description of Service

- A. The Lifeline program is designed to increase the availability of telecommunications services to low income subscribers by providing a credit to monthly recurring local service to qualifying residential subscribers. Basic terms and conditions are in compliance with the FCC's Order on Universal Service in FCC 97-157, which adopts the Federal-State Joint Board's recommendation in CC Docket 96-45, which complies with the Telecommunications Act of 1996. Specific terms and conditions are as prescribed by the Tennessee Regulatory Authority and are as set forth in this tariff.
- B. Lifeline is supported by the federal universal service support mechanism.
- C. Federal baseline support of \$5.25 is available for each Lifeline service and is passed through to the subscriber. An additional \$3.50 credit is provided by the Company. Supplemental federal support of \$1.75, matching one half of the Company contribution, will also be passed along to the Lifeline subscriber. The total Lifeline credit available to an eligible customer in Tennessee is \$10.50. The amount of credit will not exceed the charge for local service, *which includes the access line, Touch-Tone, the Subscriber Line Charge and local usage.* (C)

##### A3.31.2 Regulations

###### A. General

1. Customers eligible under the Lifeline program are also eligible for connection assistance under the Link-Up program.
2. One low income credit is available per household and is applicable to the primary residential connection only. The named subscriber must be a current recipient of any of the low income assistance programs identified in *B.* following. (T)
3. A Lifeline customer may subscribe to the current capped message rate Lifeline plan (USOC LM8) or any local service offering available to other residence customers. Since the Lifeline credit is applicable to the primary residential connection only, it may not be applied to a multiple line package local service offering.
4. Toll blocking, if elected, will be provided at no charge to the Lifeline subscriber.
5. The deposit requirement is not applicable to a Lifeline customer who subscribes to toll blocking. If a Lifeline customer removes toll blocking prior to establishing an acceptable credit history, a deposit may be required. When applicable, advance payments will not exceed the connection and local service charges for one month.
6. The PICC will not be billed to Lifeline customers who subscribe to toll blocking and do not presubscribe to a long distance carrier.
7. A Lifeline subscriber's local service will not be disconnected for non-payment of regulated toll charges. Local service may be denied for non-payment of local service in accordance with Section A2. Access to toll service may be denied for non-payment of regulated tolls. A Lifeline subscriber's request for reconnection of local service will not be denied if the service was previously denied for non-payment of toll charges. (T)
8. *The non-discounted federal Lifeline credit amount will be passed along to resellers ordering local service at the prescribed resale discount from this Tariff, for their eligible end users. The additional credit to the end user will be the responsibility of the reseller. Eligible Telecommunications Carriers, as defined by the FCC, are required to establish their own Lifeline programs.* (C)

###### B. Eligibility

1. To be eligible for a Lifeline credit, a customer must be a current recipient of any one of the following low income assistance programs.
  - a. Temporary Assistance to Needy Families (TANF), previously known as AFDC
  - b. Supplemental Security Income (SSI)
  - c. Food Stamps
  - d. Medicaid, as provided under TennCare
2. Additionally, a customer with total gross annual income that does not exceed 125% of the federal poverty income guidelines may apply directly to the Tennessee Regulatory Authority (TRA) for Lifeline eligibility certification.
3. All applications for service are subject to verification with the TRA or state agency responsible for administration of the qualifying program.