

TENNESSEE REGULATORY AUTHORITY



Sara Kyle, Chairman
Deborah Taylor Tate, Director
Pat Miller, Director
Ron Jones, Director

RECEIVED
02 DEC 11 PM

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

TN REGULATORY AUTHORITY
DOCKET ROOM

December 5, 2002

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

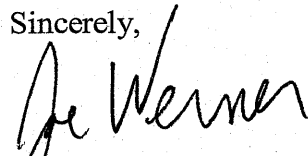
RE: Docket 02-01274 Complaint by Aeneas Internet & Telephone

Dear Mr. Hicks:

The attached letter was filed by Aeneas Internet & Telephone on December 4, 2002. Consistent with TRA Rule 1220-1-2-.03 please provide a response to this complaint within thirty days (January 3, 2003).

Please contact Darlene Standley at 741-2791 ext. 149 should you have any questions.

Sincerely,



Joe Werner
Chief of Telecommunications.

Cc: Aeneas Internet & Telephone



INTERNET & TELEPHONE

Tennessee's
Premiere Internet Service Provider<http://www.aeneas.net>

Joe Werner
Chief of Telecommunications
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RECEIVED

DEC 04 2002

TN REGULATORY AUTHORITY
TELECOMMUNICATIONS DIVISION

November 27, 2002

Dear Mr. Roberson,

As a small Tennessee owned and operated Competitive Local Exchange Carrier (CLEC) our company, Aeneas Communications, LLC (Aeneas), is used to working closely with the incumbent local exchange carrier BellSouth. We understand the competitive nature of the telecommunications business and, in spite of many difficulties experienced working with BellSouth, we have had a satisfactory relationship. However, recent trade practices by BellSouth have become increasingly questionable and, if allowed to continue, could jeopardize the survival of small CLEC's like Aeneas. While these events on a singular basis would not prove catastrophic, numerous and repeated events on a regular basis seem to indicate an anti-competitive posture by Bellsouth. Incidents of incorrect installations, trouble ticketed customers being contacted by BellSouth sales representatives, lack of prompt response or failure to correct issues relative to trouble tickets and "contract interference" by both BellSouth employees and authorized sales representatives are becoming increasingly commonplace.

I am including documentation and clarification of several incidents that I am requesting be addressed. Below are documented samples of BellSouth overstepping TCA, TRA rulings and the spirit of deregulation.

1. 10/25/02: Aeneas personnel reported a trouble call for Jackson, TN customer Vantrese Pharmacy on a POTS line used for prescription transfers. The customer complained of no dial tone and a trouble ticket was issued on number (731) 424-5124. 24 hours later an Aeneas employee contacted Bellsouth CWINS division to inquire about the trouble ticket and was told that no such ticket existed; however, a conversation with Mr. Joe Vantrese, the customer in question, revealed that in fact Bellsouth had been out on site the day that the trouble ticket was placed but failed to restore his service. A further Aeneas follow up call discovered that the customer had been "Won back" to Bellsouth. Customer's reason for switching carriers: Aeneas was unable to restore service and BellSouth had capability to restore service.



2. 11/12/02: Aeneas discovered that Bellsouth was blocking at the Tandem level out of state calls destined for ported Aeneas numbers (LNP) residing on Aeneas switch [CILLI: JCSNTN09H07]. BellSouth Tandem(s) recorded message "this number has been disconnected" was heard by all inbound, out of state callers. Obviously, Aeneas customers were distressed. BellSouth took over a week to resolve this matter. Please reference BS Trouble ticket # TL016348 (one among many trouble tickets on this issue.)
3. 11/08/02: A BellSouth Authorized Sales Agent (ASR) and CPE installer induced Dyer County Government, an Aeneas customer, to execute a new contract with Bellsouth for the same services at the same prices *and* 3.9 cents a minute BellSouth long distance service. The vendor clearly understood that the customer was under a 24-month contract with Aeneas and in doing so violated the tenants associated with his ASR contractual arrangement. Specifically, neither Bellsouth nor its sales agents may induce a customer to breach a contract. [See attachment A]
4. 10/23/02: Camden Chiropractic Clinic, an Aeneas customer under contract, was offered service to return to Bellsouth under the new "Simple Business Contract" plan. This is a BellSouth incentive plan to "Winback" or place under contract "pots" lines with Bellsouth. Under Bellsouth's own guidelines this service may only be sold out of specific wire centers. According to BellSouth GSST tariff the only West Tennessee qualifying wire centers are in Shelby County and its contiguous counties. In effect Bellsouth is in violation of its own methods and procedures. In addition, Camden Chiropractic Clinic was further induced by BellSouth's promise of \$0.01 per minute long distance. [See attachment B]
5. 11-02-02: In a competitive bid process with BellSouth, Barbelle's of Jackson, TN was presented with Bellsouth "Key Customer Program" pricing. According to TN GSST tariff 813.90.12 (See attachment), BellSouth's Key Customer Program is only available in rate centers 4 and 5, and nowhere in West TN other than Shelby and contiguous counties. [See attachment C]

It is worth noting that regulatory oversight in Kentucky and Mississippi last month forced Bellsouth to began identifying and notifying ineligible customers who were sold services under "Key Customer" and "Business Solutions" program.

6. 10-31-02: Aeneas customer Edward Hamer ordered telephone service on 10-31-02. One single residential line with features and long distance was ordered with a due date of 11-01-02 at the address 206A East Market St in Bolivar, TN. The customer's newly assigned number was (731) 228-0161. Upon installation dial tone was not functioning. Upon placing a trouble call to Bellsouth, Aeneas was told by BellSouth CWINS representative "Nancy" that there was an "open end" at the Central office and that there would be a commit time of 11-11-02 by 6:00 pm. Aeneas discovered BellSouth



had incorrectly installed Mr. Hamer's service at a nearby business, Baker's Glass. Mr. Alan Baker of Baker's Glass indicated that his telephone no longer worked and that inbound callers heard "ringing with no answer." Aeneas diagnosed this as an "open loop" at the BellSouth CO. An Aeneas employee called Bellsouth and opened another trouble ticket and was given a commit time of 11-12-02. Our Aeneas employee informed the technician that this was not a satisfactory response and escalated the matter to a supervisor and was eventually given 11-08-02 as a due date. On Monday 11-11-02 the customer called Aeneas to cancel his order for service. Mr. Hamer is now a customer of BellSouth.

7. 11/22/02: Fuzzy's Mobile Home Service (731) 424-1201 reported a problem with Remote Call Forwarding. Aeneas placed three separate trouble calls to BellSouth CWINS. One trouble call resulted in a premise visit by a Bellsouth technician who promptly told the customer he couldn't help him because he was not a Bellsouth customer. The customer called Aeneas and turned the call over to the on site Bellsouth technician. Aeneas had to take the time to explain that BellSouth is responsible for service functionality even on Aeneas resold lines. Aeneas further explained that in all probability this was a switch translation issue and did not require premises support. This has yet to be resolved. BellSouth bills Aeneas for unnecessary premises visits, even when BellSouth dispatches technicians in error.

8. 11-27-02: Aeneas customer Brandi Fesmire (731) 988-5953 reported service outage. Upon investigation Aeneas staff discovered Brandi Fesmire's service had been transferred to BellSouth. 8:35 a.m. - Aeneas received call from customer asking why his phone service had been disconnected. Customer denied that he had requested a transfer to another phone company, particularly BellSouth. Customer desired his service to remain with Aeneas. Aeneas called BellSouth LCSC who said that the customer had requested the service be transferred and that the customer needed to call BellSouth if he disputed the transfer. BellSouth reported that a "Ms. Janet Jones" had requested the transfer to BS on the WinBack program. 8:45 a.m. - Aeneas spoke with the customer who denied knowing anyone named Janet Jones. Customer was angry. 9:00 a.m. - Aeneas eventually talked to a "Lilly" at LCSC who was extremely helpful and who agreed that the Fesmire's phone should be returned to service. Lilly proceeded to work on the order (#N90QMY17). BS admitted no error, but they did not hesitate to order service reconnection. 9:30 a.m. - Aeneas called customer at work, notifying him that his service would be reconnected today. At present, this service remains disconnected.

Aeneas contacted the TRA in March of 2002, regarding problems with BellSouth's "Winback" program(s). TRA correspondence with our company dated 04-17-02 indicated it sees no problem with Bellsouth continuing to sell customer "Winback" promotions.



Tennessee's
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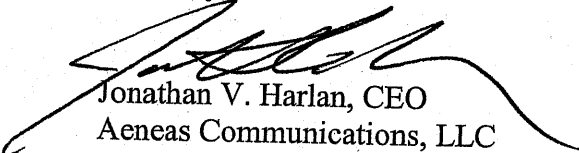
We are including documentation pertaining to the programs (please reference BS GSST Miscellaneous Service Arrangements, A13.90.12 A #1 for the "Key Customer Solution"). The tariff explicitly states that this service may only be sold out of rate centers 4 and 5.

We agree with the TRA that the BellSouth "Simple Business Solutions" product (BS GSST B7.11.11 which is curiously hidden under the Private Line Tariff) does not restrict service by rate center. However, BellSouth's published internal "methods and procedures" do state that this product line may only be sold out of rate centers 4 and 5. Yet BellSouth has sold and continues to sell this product all over Tennessee. [See attachment D]

We have generally a negative perspective about BellSouth promotions, volume and term a agreements, and Customer Service Arrangements (CSA's). Why are CLEC's prevented from exercising their TRA mandated 16% GSST resale discount on these programs? More often than not, BellSouth CSA's include a monthly billing cap. If a customer bills a greater monthly amount, they are ineligible. This in effect excludes all CLEC's. We see these practices as predatory and discriminatory. On top of these many incidents, we are seeing vigorous price quoting and pre-selling by BellSouth of its planned long distance service.

In closing I wish to reiterate that this list is a small sample of incidents. We could report many more. We would not bring these to your attention if we did not feel that this increasing volume of anti-competitive behavior could threaten our ability to compete. In light of the above listed complaints, we request your direction in what recourse Aeneas may take to insure remedy to these problems.

Sincerely,



Jonathan V. Harlan, CEO
Aeneas Communications, LLC

Cc: Eddie Robertson
Enclosure: Attachments A through D

AENEAS COMMUNICATIONS SERVICE AGREEMENT

The undersigned Subscriber requests Aeneas Communications, LLC ("Company") to provide Clear Channel T1 Service between the following subscribers' location(s): Dyer County Government, c/o Dyer County Executive Office ("Subscriber"), Veteran's Square, Dyer County Courthouse, Dyersburg, TN 38025.

Important tariff provisions relating to Clear Channel T1 Service are set forth herein:

1. The Company will furnish, install, maintain and provide maintenance for Clear Channel T1 Service ("Service") in accordance with the Company's lawfully filed tariffs. The tariffs provide the basis for this Agreement with the Subscriber. The Agreement period shall begin the day Service is installed.
2. The Subscriber agrees to pay the Company for the provision of the Service. The Service shall be offered on a twenty-four (24) month basis. The monthly rates for the Service in effect at the time the Service is installed and/or as of the service order application date will be as follows.
3. The service for this Agreement is offered on a twenty-four (24) month basis. The rates and charges, per month, under this Agreement will be re-negotiated in September, 2002, with the remainder of the of the contract term to be served with the newly negotiated rates are:

T1 Frame including mileage		
@ [REDACTED]		
256kb Internet Access Service	<u>Non-recurring</u>	<u>Recurring</u>
Domain Name Server Hosting	[REDACTED]	[REDACTED]
Domain Name Server Registration	0.00	0.00
Aeneas Communications Telephone Service	0.00	0.00
As per attached quotation dated April 23, 2002.	0.00	0.00

4. The Subscriber agrees to pay any added costs incurred by the Company due to a Subscriber initiated change in the location of the Service prior to the time it is placed in service.
5. In the event the Service requested by the Subscriber is cancelled prior to the establishment of Service, but after the date of ordering reflected herein, the Subscriber is required to reimburse the Company for all expenses incurred in handling the request before the notice of cancellation is received. Such charge however, is not to exceed the sum of all charges, which would apply if the work involved in complying with the request had been completed.
6. Subject to the current provisions of applicable tariffs, the Subscriber may arrange to have existing Service under this Agreement moved within the same premises. Subscriber agrees to pay a non-recurring charge based upon the estimated cost of such rearrangement without interruption or change in the monthly rates.
7. Services may be transferred to another Subscriber at the same location upon prior written concurrence of the Company. The new subscriber to whom the Service is transferred will be subject to all tariff provisions and equipment configurations currently in effect for the present Subscriber.

8. Customer is responsible for inside telephone wiring, if required.

This Agreement is effective when executed by the Subscriber and accepted by the Company, and is subject to and controlled by the provisions of the Company's lawfully filed tariffs, including any changes therein as may be made from time to time.

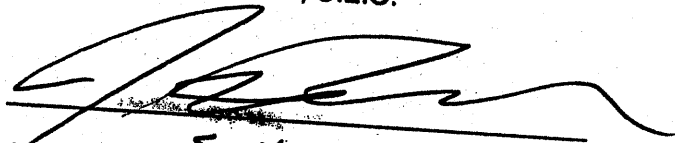
DYER COUNTY GOVERNMENT, DYER COUNTY, TENNESSEE

BY: James O. McCard TITLE: Dyer Co. Executive

ACCEPTED: 5-8-, 2002

AENEAS COMMUNICATIONS, LLC

BY: Jonathan V. Harlan, C.E.O.



ACCEPTED: 5-4-, 2002

FROM : Aeneas Internet Services

FAX NO. : 1731554448

Sep. 05 2002 09:50AM F2

AENEAS COMMUNICATIONS SERVICE AGREEMENT

The undersigned Subscriber requests Aeneas Communications, LLC ("Company") to provide Data T1 Service at the following subscriber's location(s): County of Dyer, Executive Office, 101 Court Street W. Dyersburg, TN 38024 ("Subscriber"),

Important tariff provisions relating to Data T1 Service are set forth herein:

1. The Company will furnish, install, maintain and provide maintenance for Data T1 Service ("Service") in accordance with the Company's lawfully filed tariffs. The tariffs provide the basis for this Agreement with the Subscriber. The Agreement period shall begin the day Service is installed.
2. The Subscriber agrees to pay the Company for the provision of the Service. The Service shall be offered on a two (2) year basis. The monthly rates for the Service in effect at the time the Service is installed and/or as of the service order application date will be as follows.
3. The service for this Agreement is offered on a two (2) year basis. The rates and charges, per month, under this Agreement are:

	<u>Nonrecurring</u>	<u>Recurring</u>
Data T-1 County of Dyer Executive Office 101 Court Street W Dyersburg, TN 38024		

4. The Subscriber agrees to pay any added costs incurred by the Company due to a Subscriber initiated change in the location or installation date of the Service prior to the time it is placed in service.
5. In the event the Service requested by the Subscriber is cancelled prior to the establishment of Service, but after the date of ordering reflected herein, the Subscriber is required to reimburse the Company for all expenses incurred in handling the request before the notice of cancellation is received. Such charge however, is not to exceed the sum of all charges, which would apply if the work involved in complying with the request had been completed.
6. Subject to the current provisions of applicable tariffs, the Subscriber may arrange to have existing Service under this Agreement moved within the same premises. Subscriber agrees to pay a non-recurring charge based upon the estimated cost of such rearrangement without interruption or change in the monthly rates.

7. Services may be transferred to another Subscriber at the same location upon prior written concurrence of the Company. The new subscriber to whom the Service is transferred will be subject to all tariff provisions and equipment configurations currently in effect for the present Subscriber.

This Agreement is effective when executed by the Subscriber and accepted by the Company, and is subject to and controlled by the provisions of the Company's lawfully filed tariffs, including any changes therein as may be made from time to time.

BY: Richard Hill TITLE: Rye County Eye
DATE: 9.5.02

AENEAS COMMUNICATIONS, LLC

ACCEPTED: _____, 2002

BY: Jonathan V. Harlan
TITLE: CEO

ATTACHMENT B

BellSouth Simple Solutions Program Subscriber Election - Tennessee

The undersigned Subscriber desires to participate in the BellSouth Simple Solutions Program (the "Program"), and agrees to the following:
1. Subscriber is a new BellSouth Telecommunications, Inc. ("BellSouth") business services subscriber located in Tennessee and has monthly total billed BellSouth regulated charges* (as defined in the applicable BellSouth tariff) at each such location between \$75 and \$3,000 excluding charges from certain services specified in the tariff. Subscriber agrees to keep local services with BellSouth under its General Subscriber Services Tariff ("G.S.S.T.") or Private Line Services Tariff for a minimum of twenty-four (24) or thirty-six (36) months from the enrollment date in the Program. The enrollment date shall be determined by the first billing cycle date in which Subscriber receives the reward as a result of its BellSouth regulated charges as set forth in paragraph 2, below.

2. Subscriber agrees to the following term and reward (Check One):

Table with columns for Monthly Billed BellSouth Regulated Charges*, Term (Twenty-Four (24) Month Term, Thirty-six (36) Month Term), and Hunting Reward (10%, 50%, 25%, 100%).

*The total billed charges consists of end-user monthly billed BellSouth regulated charges at qualifying locations excluding: nonregulated charges, taxes, late payment charges, charges billed pursuant to federal or state access service tariffs, charges collected on behalf of municipalities (including, but not limited to services for 911 service and dual party relay services), and charges for services provided by other companies.

3. The Hunting Reward will apply to the Subscriber's recurring charge for the Hunting service commensurate with the term of the election Subscriber chooses. (Hunting is also defined as Rotary Line Service).

4. Subscribers who participate in the promotion and subscribe to new service during the promotional period will receive an additional reward equal to the line connection charges and charge for change in service charges, if applicable, associated with the service order. This will include the line connection charge (first and additional lines and line equivalents).

5. Participant must be a BellSouth customer at the time of the reward. The applied rewards will appear as a credit in the Other Charges and Credits (OC&C) section of the Subscriber's bill in a subsequent billing period, usually within one or two billing cycles. Subscriber will receive the reward associated with Subscriber's monthly total billed BellSouth charges* (as defined in the applicable BellSouth tariffs) for the previous month in each state while this term election is in effect. If such charges fall below the minimum charges per month, rewards will not be applied for such locations. Should Subscriber's charges exceed the \$3,000 threshold, the Subscriber will only receive the maximum reward allowed under this Program for charges up to \$3,000. Unless the Subscriber takes other action, all business local service will continue after the election term has expired after which Subscriber agrees to pay full tariffed charges.

6. Estimated total rewards for the life of this term election is \$ (Based on the information available at the start of this election period); customer will receive rewards actually incurred.

7. Should Subscriber terminate this election without cause, Subscriber shall pay BellSouth a termination liability equal to the lesser of: (1) the total of rewards received during the previous twelve (12) months of service and the repayment of the prorated amount of any waived nonrecurring charges; or (2) six percent (6%) of the total election amount. Should the Subscriber elect to terminate this agreement prior to the expiration date without cause, the actual termination charge will be calculated based on information available at the time of termination. Based on the information available at the start of this term election agreement, at the end of the first six (6) months of the term election agreement period and for each six (6) month period thereafter the estimated amount of the termination liability charge will be \$. In any event the estimated termination liability charge will not exceed this amount. Should the Subscriber elect to terminate this term election agreement prior to the expiration date without cause, the actual termination charge will be calculated as described above and based on information available at the time of termination. The same termination provisions will apply to all underlying services.

8. In the event Subscriber changes service locations for business local service, Subscriber shall notify its BellSouth Small Business Office to advise of the change in service location.

9. In the event Subscriber is switched without authorization by another carrier for business local service, Subscriber must call its BellSouth Small Business Office to continue the Program once the improperly switched account has been returned to BellSouth.

10. Applicable taxes and fees will be based on the full tariff price of all products and services, and no taxes or fees will be added to the amount of any reward under this program.

11. This term election is subject to and controlled by the provisions of BellSouth's lawfully filed tariffs, including any changes therein as may be made from time to time.

SUBSCRIBER: Camden Chiropractic (Business Name)

By: [Signature] (Signature)

Rou b Dedmon II DC (Print Name)

owner (Title)

10/23/02 (Date)

Version 071002 (Version)

Representative Name

Telephone # for Questions

194 West Main St (Business Address)

Camden Tn 38320 (City/State)

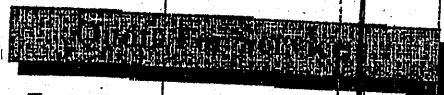
731-584-7926 (Business Telephone Number)

731-584-8192 731-584-7919 (Additional Business Telephone Number(s))

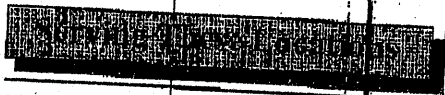
E-Mail Address (optional)

CUID

Camden Chlor. *663 1203*



Description	Quantity	Installation	Monthly
Business Lines (TN)			
<i>Exchange: CAMDEN (Rate Group 1)</i>			
<i>Rate Plan: Flat Rate</i>			
Business Line -			
TouchTone Service	3	\$0.00	\$81.15 ✓
Hunting	3	\$0.00	\$9.00 ✓
Line Connection Charge	3	\$0.00	\$60.87 ✓
Line Connection Charge (Addtl. Instance)	1	\$58.50	\$0.00
End User Common Line (BUCL)	2	\$62.00	\$0.00
Local Number Portability	3	\$0.00	\$23.52 ✓
Federal Universal Service Charge	3	\$0.00	\$1.05 ✓
Circuit Location	3	\$0.00	\$1.47 ✓
<i>NPA/NXX: 731/584</i>			
<i>Serving CO: CMDNTNMAH50 (731/584) - BellSouth Telecomm, Inc. - TN</i>			
<i>*Rates quoted for this product are based on Tariff Sections A3 (GSST), 13.3.21 (FCC I), 4.7 (FCC II), A13.2 (GSST), A4 (GSST).</i>			
Custom Calling Features (TN)			
Call Forwarding Busy Line	1	\$0.00	\$4.50
Call Forwarding Don't Answer	1	\$0.00	\$4.50
<i>*Rates quoted for this product are based on Tariff Section A13.9 (GSST).</i>			
Custom Entry (TN)			
<i>*The Custom Entry portion of this quote has been manually entered and is subject to verification</i>			
Simple Solutions (Effective two billing cycles)	1	(\$120.50)	(\$83.40)
Total Installation \$0.00		Total Monthly \$102.66	



Business Lines (TN)

CKL # 1 Camden Chlor

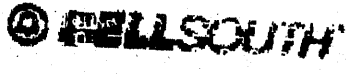
Custom Calling Features (TN)

Custom Entry (TN)

Prepared By: melik billingsley	(404) 829-7182	
Quote Number: 826021023154654	10/23/2002	
This Quote is valid 30 days from last revision date.		
The information contained in this proposal is proprietary to BellSouth and is offered solely for the purpose of evaluation. It may not be disclosed to third parties without prior written permission from BellSouth. This quote is subject to the availability of the services set forth above.		
Created by QuoteExpert	Page: 1	Printed: 10/23/2002

Exchange and Rate Group Cross Reference for Tennessee			
EXCHANGE	RATE GROUP	EXCHANGE	RATE GROUP
Adams-Cedar Hill	5	Lenoir City	4
Arlington	5	Loudon	4
Ashland City	5	Maryville	4
Bean Station	4	Mascot-Strawberry Plains	4
Bent Creek	4	Maynardville	4
Charleston	4	Memphis Metro	5
Charlotte	5	Moscow (TN only)	5
Chattanooga	4	Murfreesboro	5
Chestnut Hill	4	Nashville	5
Cleveland	4	Norris	4
Clinton	4	North Spring Hill	5
Collierville	5	Oak Ridge	4
Covington	5	Old Hickory	5
Cross Plains- Orlando	5	Oliver Springs	4
Dandridge	4	Pleasant View	5
Dayton	4	Portland	5
Decatur	4	Rockwood	4
Dickson	5	Sevierville	4
Eagleville	5	Smyrna	5
East Sango	5	Soddy-Daisy	4
Fairview	5	Solway	4
Franklin	5	Somerville	5
Gallatin	5	South Cunningham	5
Gatlinburg	4	South Fredonia	5
Georgetown	4	South Pittsburg	4
Goodlettsville	5	Spencer Mill	5
Greenback	4	Spring City	4
Greenbrier	5	Springfield	5
Harriman	4	Triune	5
Hendersonville	5	Vanleer	5
Jasper	4	Watertown	5
Jefferson City	4	West Vanleer	5
Kingston	4	West Sweetwater	4
Kingston Springs	5	West Whiteville	5
Knoxville	4	White Bluff	5
LaGrange	5	White House	5
Lake City	4	White Pine	4
Lebanon	5	Whitwell	4

9/10/2007 01:14 COY BellSouth 731 660-5202 731 660-5202



Key Customer Program (Business - Alabama - South Carolina)
 The undersigned Subscriber desires to participate in the BellSouth Key Customer Program (the "Program"), and agrees to the following:
 1. Subscriber is an existing BellSouth Telecommunications, Inc. ("BellSouth") business customer located in Alabama, Kentucky, Louisiana, Mississippi, North Carolina or South Carolina and has monthly total billed BellSouth regulated charges (as defined in Paragraph 10 below) of at least \$25.00 (including applicable taxes and charges) for at least 12 consecutive months. Subscriber agrees to open local service with BellSouth under the Business Local Service Plan (BLSLP) or Private Line Service Plan for a minimum of thirty-six (36) months from the enrollment date in the Program. The enrollment date shall be determined by the billing cycle date in which subscriber receives the reward as a result of the BellSouth regulated charges for the term of the program.
 2. Subscriber agrees to the following term and reward:

Monthly Billed BellSouth Regulated Charges	• Thirty-six (36) Month Term
\$75 - \$3,000.00	15%
Hunting Bonus Reward	100%

The reward for charges of at least \$25.00 and less than \$3,000.00 shall be applied to the subscriber's next billing cycle on the basis of the subscriber's next billing cycle. The reward shall be applied to the subscriber's next billing cycle on the basis of the subscriber's next billing cycle. The reward shall be applied to the subscriber's next billing cycle on the basis of the subscriber's next billing cycle.
 3. The Hunting Bonus Reward will apply to the Subscriber's recurring charge for the Hunting Service commensurate with the term of the election. Subscriber chooses: (Hunting is also defined as Rotary Line Service).
 4. Participant must be a BellSouth customer at the time of the reward. The applied rewards will appear as a credit in the Other Charges and Credits (OCC) section of the Subscriber's bill in a subsequent billing period, usually within one or two billing cycles. Subscriber will receive the reward commensurate with Subscriber's other regulated BellSouth charges (excluding taxes and applicable BellSouth surcharges) for the previous month in each state while this term election is in effect. If such charges fall below the minimum charges per month, rewards will not be applied for such locations. Should Subscriber's charges exceed the \$3,000 threshold, the Subscriber will only receive the maximum reward allowed under this Program for charges up to \$3,000. Unless the Subscriber takes other action, all business local service will continue after the election term has expired after which Subscriber agrees to pay full tariff charges.
 5. If Subscriber terminates the term election agreement, the Subscriber must pay to BellSouth a termination charge as provided below for the number of months remaining on such agreement upon term. In addition, the Subscriber shall reimburse all rewards for the connection charges. This termination charge will appear on the Subscriber's final bill as a charge in the OCC section.

Monthly Billed BellSouth Regulated Charges	Termination Charge (based on number of months remaining on term)
\$75 - \$149.99	\$25
\$150 - \$3,000.00	\$40

6. In the event Subscriber changes service locations for business local service, Subscriber shall notify the BellSouth Business Office to advise of the change in service location.
 7. In the event Subscriber's switched service is authorized by another carrier for business local service, Subscriber must call the BellSouth Business Office to terminate the Program once the properly switched account has been returned to BellSouth.
 8. Applicable taxes and fees will be based on the full tariff price of all products and services, and no taxes or fees will be added to the amount of any reward under this program.
 9. Subscriber who participates in the promotion and subscribes to new service during the promotional period will receive an additional reward equal to the one connection charge described above as a result of the service order. This will include the line connection charge (and associated taxes and equivalents as applicable).
 10. This promotion is subject to and controlled by the provisions of BellSouth's lawfully filed tariffs, including any changes thereto, which may be made from time to time.
 11. Subscriber's participation in this program is subject to the terms and conditions of the program.

By: *[Signature]*
 Title: *[Signature]*

4511664000
 (Business Address)
 Jackson TN 38305
 (City/State/Zip)
 E-mail Address (optional)
 7316600682
 (Business Telephone number)

Name: Joe Martin
 Title: Owner
 Additional Business Telephone Number (alt)
 Fax Name: Grand Whaley
 Date: September 6, 2002
 Fax this completed and signed form to the
 (800) 27-5775

Telephone number for questions: 1-800-285-4410
 CUID: YDBXJDD Version 081302
 OR Mail to: Grandy Whaley
 3106 Hwy 280 S
 Room 307-14
 Birmingham, AL 35243

T9B7W7AR Order # YDBXJDD 731 660-0668 9-3-02 BellSouth CUID ↑

Barbells



BellSouth 2002 Key Customer Program Subscriber Election Agreement- Tennessee

The undersigned Subscriber desires to participate in the BellSouth 2002 Key Customer Program (the "Program"), and agrees to the following:

1. Subscriber is a new or existing BellSouth Telecommunications, Inc. ("BellSouth") business services subscriber and has monthly total billed BellSouth regulated charges* (as defined in the applicable BellSouth tariff) at each such location between \$75 and \$3,000 excluding hunting, analog private line and ISDN PRI charges. Subscriber agrees to keep local services with BellSouth under its General Subscriber Services Tariff (G.S.S.T.) or Private Line Services Tariff (P.L.S.T.) for a minimum of twenty-four (24) or thirty-six (36) months from the enrollment date in the Program. The enrollment date shall be determined by the first billing cycle date in which Subscriber receives the reward as a result of its BellSouth regulated charges as set forth in paragraph 2, below.

2. Subscriber agrees to the following term and reward (Check One):

Monthly Billed BellSouth Regulated Charges*	<input type="checkbox"/> Twenty-four (24) Month Term	<input type="checkbox"/> Thirty-six (36) Month Term
\$75.00 - \$3,000.00	10%	20%
Hunting Bonus Reward	50%	100%

* The total billed charges consist of end-user monthly billed BellSouth regulated charges at qualifying locations in Tennessee excluding: non-regulated charges, taxes, late payment charges, charges billed pursuant to federal or state access service tariffs, charges collected on behalf of municipalities (including, but not limited to services for 911 service and dual party relay services), and charges for services provided by other companies.

3. The Hunting Bonus Reward will apply to the Subscriber's recurring charge for the Hunting service commensurate with the term of the election Subscriber chooses. (Hunting is also defined as Grouping Service).

4. Participant must be a BellSouth customer at the time of the reward. The applied rewards will appear as a credit in the Other Charges and Credits (OC&C) section of the Subscriber's bill in a subsequent billing period, usually within one or two billing cycles. Subscriber will receive the reward associated with Subscriber's monthly total billed BellSouth charges* (as defined in the applicable BellSouth tariffs) for that particular month in each state while this term election is in effect. If such charges fall below the minimum charges per month, rewards will not be applied for such locations. Should Subscriber's charges exceed the \$3,000 threshold, the Subscriber will only receive the maximum reward allowed under this Program for charges up to \$3,000. Unless the Subscriber takes other action, all business local service will continue after the election term has expired after which Subscriber agrees to pay full tariffed charges.

5. Estimated total savings for the life of this term election is \$ _____ (Based on the information available at the start of this election period); customer will receive savings actually incurred.

6. Should Subscriber terminate this election without cause, Subscriber shall pay BellSouth a termination liability equal to the lesser of: (1) the total of rewards received during the previous twelve (12) months of service and the repayment of the prorated amount of any waived nonrecurring charges; or (2) six percent (6%) of the total election amount. Should the Subscriber elect to terminate this agreement prior to the expiration date without cause, the actual termination charge will be calculated based on information available at the time of termination. Based on the information available at the start of this contract, at the end of the first six (6) months of the contract period and for each six (6) month period thereafter, the estimated amount of the termination liability charge will be \$ _____. In any event, the estimated termination liability charge will not exceed this amount. Should the Subscriber elect to terminate this contract prior to the expiration date without cause, the actual termination charge will be calculated as described above and based on information available at the time of termination. The same termination provisions will apply to all underlying services.

7. In the event Subscriber changes service locations for business local service, Subscriber shall notify its BellSouth Small Business Office to advise of the change in service location.

8. In the event Subscriber is switched without authorization by another carrier for business local service, Subscriber must call its BellSouth Small Business Office to continue the Program once the improperly switched account has been returned to BellSouth.

9. Applicable taxes and fees will be based on the full tariff price of all products and services, and no taxes or fees will be added to the amount of any reward under this program.

10. Subscribers who participate in the promotion and subscribe to new service during the promotional period will receive an additional reward equal to the line connection charges associated with the service order. This will include the line connection charge (first and additional lines, line equivalents and trunks).

11. This Election is subject to and controlled by the provisions of BellSouth's lawfully filed tariffs, including any changes therein as may be made from time to time.

SUBSCRIBER: _____
 (Business Name)

By: _____
 (Signature)

Print Name _____

Title _____

Date _____

Version 051402

 (Business Address)

 City/State

 (Business Telephone Number)

 (Additional Business Telephone Number(s))

 Email Address (optional)

Authorized Partner Representative Name _____ Sales Code _____

Telephone # for Questions _____

EFFECTIVE: June 26, 2002

BELLSOUTH
TELECOMMUNICATIONS, INC.
TENNESSEE
ISSUED: May 24, 2002
BY: President - Tennessee
Nashville, Tennessee

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

A13.90 Business Programs (Cont'd)

A13.90.12 2002 Key Customer Program

A. Rules and Regulations

Beginning June 26, 2002, and continuing until December 31, 2002, qualifying business customers with locations in Rate Groups 4 or 5 may enroll in this Program, which provides rewards on their billed BellSouth revenue as described below, by signing a 24-month or 36-month contract. (N)

1. In order to qualify for the Key Customer Program, new and existing BellSouth business customers with locations in Rate Groups 4 or 5 must have monthly total billed BellSouth revenue per each such location between \$75.00 and \$3000.00. This Program is available to business customers only. (N)

2. Customers with multi-locations may have all locations participate as long as one location is in an eligible location and one location meets the revenue requirement. (N)

3. Qualifying Program participants must sign a term contract of 24-month or 36-month to receive the rewards that are detailed in B. following, Reward Schedule. (N)

4. Rewards will be applied to billing for services in the Tennessee General Subscriber Services Tariff and the Tennessee Private Line Services Tariff. (N)

5. Rewards are based on end-user monthly total billed BellSouth revenue at Tennessee locations in Rate Groups 4 or 5 excluding: (N)

Unregulated charges, taxes, late payment charges, charges billed pursuant to federal or state access service tariffs, charges collected on behalf of municipalities (including, but not limited to services for 911 service and dual party relay services), and charges for services provided by other companies. (N)

6. Applicable taxes and fees will be based on the full tariff price of all products and services, and no taxes or fees will be added to the amount of any reward under this program. (N)

7. Base and hunting rewards (for hunting service) apply only to BellSouth regulated total billed charges within a state, not across states. (N)

8. Analog Private Line or Primary Rate ISDN services will not be included in qualifying revenues under this program or be entitled to rewards for the related revenue. (N)

9. To participate in this Program, qualifying customers must sign a 24-month or 36-month contract between June 26, 2002, and December 31, 2002. Following this period, no subscribers may enroll in this Program. This Program is available for resale for the duration of this enrollment period. Following the expiration of this enrollment period, no new customers may enroll in the Program, but any contract established under this Program between BellSouth and its customers would continue to be available for resale for the remaining term of the existing contract. Aside from these resale situations, a customer may not assign its rights under any contract signed pursuant to this Program to another customer or to any other third party. (N)

10. Customers who participate in the program and subscribe to new service during the promotional period will receive an additional reward equal to the line connection charges associated with the service order. This will include the Line Connection Charge (first and additional lines, line equivalents and trunks). (N)

11. Should a participating customer terminate a contract signed under this Program without cause, the customer must pay BellSouth a termination liability equal to the lesser of: (1) the total of the repayment of rewards received during the previous twelve (12) months of service and the repayment of the prorated amount of any waived or rewarded nonrecurring charges; or (2) six percent (6%) of the total contracted amount. In addition to the reimbursement of the discounts, tariffed termination liability charges for individual services will be applied, if applicable. (N)

12. Customers with aggregate annual billing, per state of BellSouth services exceeding \$36,000 at the time of enrollment, are not eligible to participate in the Key Customer Program. (N)

13. Customers with volume and term Contract Service Arrangements (CSAs) are not eligible for this Program. (N)

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

A13.90 Business Programs (Cont'd)

A13.90.12 2002 Key Customer Program

A. Rules and Regulations (Cont'd)

- 14. Subscribers with multi-locations that are BTN'd or CLUB billed may have all locations participate as long as one location is in an eligible location and one location meets the revenue requirement. (N)
- 15. Should Subscriber's charges decrease below \$75, the Subscriber will not receive the reward until the Subscriber's monthly charges meet this minimum TBR amount (\$75). (N)
- 16. Should Subscriber's charges exceed the \$3,000 threshold, the Subscriber will only receive the maximum reward allowed under this Program for monthly charges up to \$3,000. (N)
- 17. Subscribers with Centrex, MultiServ and ESSX with SLAs not meeting the per location revenue requirement may have all locations participate as long as it is billed under the same account and at least one location is located in Rate Group 4 or 5. (N)
- 18. Once enrolled, if Subscriber moves to a location outside the specified rate group, the term election agreement will continue throughout the remaining term. (N)
- 19. Subscribers currently participating under an existing BST SBS Small Business Promotion local exchange term election agreement may migrate to this promotion without incurring any termination liability from the existing program if the Subscriber has twelve (12) months or less remaining under the existing term election agreement for local exchange services with BellSouth, and the Subscriber agrees to another BST SBS Small Business local exchange term election agreement that provides for an equal or greater number of business access lines than their existing local exchange term election agreement. The new local exchange service term agreement will be based upon monthly business access line rates in effect at the time the new local exchange service term election agreement is effective. (N)
- 20. Payment of the termination charge does not release the Subscriber from other previous amounts owed to BST. (N)
- 21. BellSouth reserves the right to terminate this program at any time; provided, however, that Subscribers participating in the program will continue to receive this promotion for the remaining term of their term election agreement. (N)
- 22. Customers who are participating in any of the following term plans or programs are not eligible to participate in 2002 Key Customer Program: Complete Choice® for Business Term Plan, Business Discount Program, Competitive Response Program, Key Business Discount Program, 2001 Key Business Discount Program, Basic Service Advantage Program and Business Solutions Plus Program. (N)

B. Reward Schedule

- 1. Rewards applicable to the subscribers' total billed revenue at Tennessee locations in Rate Groups 4 or 5 as defined in A. preceding are as follows: (N)

Monthly Total Billed Revenue	24 Month Term	36 Month Term
\$75-\$3000	10%	20%
Hunting Reward	50%	100%

- 2. Participant must be a BellSouth customer at the time of the reward. The reward will appear as a credit in the Other Charges and Credits (OC&C) section of the Program Participant's bill in a subsequent billing period usually within one or two billing cycles. (N)

TENNESSEE REGULATORY AUTHORITY

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



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

April 17, 2002

Mr. Jonathan V. Harlan
C.E.O., AENEAS
301 S. Church St.
Jackson, TN 38302-0277

Dear Mr. Harlan:

I am writing in response to your letter to the Tennessee Regulatory Authority dated April 3, 2002 concerning BellSouth's winback activities and, more specifically, an offering by BellSouth of 15% - 25% discounts to entice former customers to return to BellSouth.

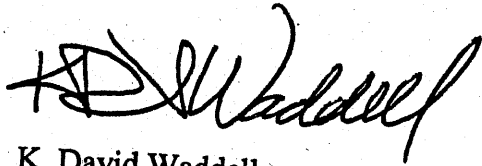
BellSouth offers numerous discount programs in its tariff to customers, including the BellSouth Business Solutions Program that provides discounts off tariff rates of 8% for two-year contracts and 15% to 25% for three-year contracts. Based on your description of BellSouth's activities for enticing customers to return to BellSouth, it appears that the Business Solutions Program is the marketing tool referenced therein.

As tariffed, the Business Solutions Program is not designed exclusively to attract former customers. Instead, the program is available to both new and existing customers. Since the program is available to all customers meeting the specified criteria, it is not intended strictly as a "win back" offering. Furthermore, the tariff states that the program will be available for resale until June 25, 2002, the end of the customer enrollment period, so that resellers can also take advantage of the discounts provided. Attached is a copy of BellSouth's tariff describing the complete terms, conditions and discount structure of the Business Solutions Program. In summary, to qualify for the discounts provided via Business Solutions, customers must have monthly billed regulated revenues of at least \$50 but no more than \$3,000, and agree to either two or three-year contracts.

The Authority is very concerned about all activities that affect or have the potential to affect the development of telecommunications competition in Tennessee. Accordingly, your letter

is very much appreciated and I trust the information provided herein will be helpful. Please let us know if additional information is needed.

Sincerely,

A handwritten signature in black ink, appearing to read "K. David Waddell". The signature is fluid and cursive, with a large initial "K" and "D".

K. David Waddell
Executive Secretary

Attachment:

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