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May 18, 2000

VIA HAND DELIVERY

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

RE: Petition of Arbitration of ITC^DeltaCom Communications, Inc., with BellSouth Telecommunications, Inc. pursuant to the Telecommunications Act of 1996 – Docket No. 99-00430

Dear Mr. Waddell:

This letter is in response to your letter dated May 11, 2001. In your letter you asked ITC^DeltaCom to:

1). Please explain the nature of your differences.

On April 6, 2001, ITC^DeltaCom requested that Attachment 2 be modified to reflect the Authority's ruling that allows ITC^DeltaCom to order combinations that are ordinarily combined. ITC^DeltaCom proposed language modifications to Attachment 2. On April 12th, ITC^DeltaCom received a redlined Attachment 2 that struck ITC^DeltaCom's suggested modification to incorporate the Authority's order. On April 20th, ITC^DeltaCom contacted the Authority's staff and confirmed that the Authority had adopted the "ordinarily combines" standard. ITC^DeltaCom then notified the BellSouth negotiators that it sought to incorporate the Authority's language. On April 23rd, ITC^DeltaCom was informed by BellSouth that it was appealing the Authority's ruling and therefore was not willing to include the "ordinarily combines" language at that time. Attached as Exhibit 1 hereto is the language ITC^DeltaCom has proposed to BellSouth to incorporate the Authority's decision.

On May 17, 2001, BellSouth provided language to ITC^DeltaCom to which ITC^DeltaCom is agreeable (attached hereto on Exhibit 2). However, ITC^DeltaCom understands that BellSouth is proposing rates with regard to new combinations that ITC^DeltaCom believes have not been approved by the Authority. ITC^DeltaCom has not received this rate proposal, but is concerned that such rates may contain a "glue" charge which ITC^DeltaCom believes the Authority has not authorized.

2). Does the Interim Order of Arbitration Award in Docket 99-00430, provide the necessary guidance to enable the parties to reach agreement on the Definition of "currently combined" ? if not, why not?
ITC^DeltaCom believes that the language of the order speaks for itself and is clear and unambiguous.

3). This issue has been decided in this docket as well as other TRA proceedings, including permanent prices. Why should the Authority arbitrate this same issue between the same two parties?

ITC^DeltaCom does not believe that this issue should be arbitrated.

4). It appears that based on this language, that negotiations are still ongoing. Is this, in fact, a final agreement. Please explain.

When BellSouth informed ITC^DeltaCom on April 23rd that the "ordinarily combines" standard would not be included in the interconnection agreement, ITC^DeltaCom informed BellSouth that it would not agree to BellSouth's "currently combined" standard. ITC^DeltaCom suggested that in lieu of litigating this issue or causing any further delay in filing the interconnection agreement (which was overdue for filing) ITC^DeltaCom would agree to language that the parties do not agree on this issue so that the interconnection agreement could be filed with the Authority. As part of this decision, ITC^DeltaCom was informed by BellSouth that ITC^DeltaCom would be able to "pick and choose" the ordinarily combines standard from the Intermedia interconnection agreement which BellSouth indicated would be filed in the very near future.

Therefore, ITC^DeltaCom did not consider the agreement to be final but intended to adopt the Intermedia language[1] on this issue and others which BellSouth indicated would be available to ITC^DeltaCom after the Intermedia agreement was filed and approved by the Authority.

Sincerely,

H. LaDon Baltimore, Esq.

HLB/sa

cc: Guy Hicks, Esq.
Nanette Edwards, Esq.

[1] ITC^DeltaCom is conserving its finite regulatory resources and did not want to file a petition or litigate this matter in front of the Authority as it was well aware that the Authority had already addressed this issue and was aware that the Authority has many other pressing issues currently pending.

Unbundled Network Element Combinations

8.1 Unbundled Network Element Combinations shall include: 1) Enhanced Extended Links (EELs) 2) UNE Loops/Special Access Combinations 3) Loop/Port Combinations and 4) Transport Combinations.

8.2 For purposes of this Section, references to "Currently Combined" network elements shall mean that such network elements are in fact already combined by BellSouth in the BellSouth network to provide service to a particular end user at a particular location.

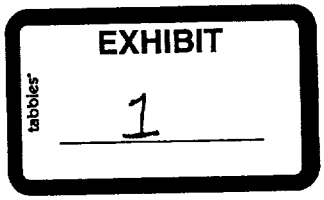
8.3 EELs

8.3.1 Where facilities permit and where necessary to comply with an effective FCC and/or State Commission order, or as otherwise mutually agreed by the Parties, BellSouth shall offer access to loop and transport combinations, also known as the Enhanced Extended Link ("EEL") as defined in Section 8.3.2 below.

8.3.2 Subject to Section 8.3.3 below, BellSouth will provide access to the EEL in the combinations set forth in Section 8.3.4 following. This offering is intended to provide connectivity from an end user's location through that end user's SWC to ITC^DeltaCom's POP serving wire center. The channels on the circuit sufficient to meet the local usage options described in Section 8.3.5 below, must be connected to ITC^DeltaCom's switch for the purpose of provisioning telephone exchange service to ITC^DeltaCom's end-user customers. The EEL will be connected to ITC^DeltaCom's facilities in ITC^DeltaCom's collocation space at the POP SWC, or ITC^DeltaCom may purchase BellSouth's access facilities between ITC^DeltaCom's POP and ITC^DeltaCom's collocation space at the POP SWC.

8.3.3 BellSouth shall provide EEL combinations to ITC^DeltaCom in Georgia and Tennessee regardless of whether or not such EELs are Currently Combined. In all other states, BellSouth shall make available to ITC^DeltaCom those EEL combinations described in Section 8.3.4 below only to the extent such combinations are Currently Combined. Furthermore, BellSouth will make available EEL combinations to ITC^DeltaCom in density Zone 1, as defined in 47 C.F.R. 69.123 as of January 1, 1999, in the Atlanta, GA; Miami, FL; Orlando, FL; Ft. Lauderdale, FL; Charlotte-Gastonia-Rock Hill, NC; Greensboro-Winston Salem-High Point, NC; Nashville, TN; and New Orleans, LA, MSAs regardless of whether or not such EELs are Currently Combined. Except as stated above, EELs will be provided to ITC^DeltaCom only to the extent such network elements are Currently Combined.

8.3.4 EEL Combinations



8.3.4.1 DS1 Interoffice Channel + DS1 Channelization + 2-wire VG Local Loop

8.3.4.2 DS1 Interoffice Channel + DS1 Channelization + 4-wire VG Local Loop

8.3.4.3 DS1 Interoffice Channel + DS1 Channelization + 2-wire ISDN Local Loop

8.3.4.4 DS1 Interoffice Channel + DS1 Channelization + 4-wire 56 kbps Local Loop

8.3.4.5 DS1 Interoffice Channel + DS1 Channelization + 4-wire 64 kbps Local Loop

8.3.4.6 DS1 Interoffice Channel + DS1 Local Loop

8.3.4.7 DS3 Interoffice Channel + DS3 Local Loop

8.3.4.8 STS-1 Interoffice Channel + STS-1 Local Loop

8.3.4.9 DS3 Interoffice Channel + DS3 Channelization + DS1 Local Loop

8.3.4.10 STS-1 Interoffice Channel + DS3 Channelization + DS1 Local Loop

8.3.4.11 2-wire VG Interoffice Channel + 2-wire VG Local Loop

8.3.4.12 4-wire VG Interoffice Channel + 4-wire VG Local Loop

8.3.4.13 4-wire 56 kbps Interoffice Channel + 4-wire 56 kbps Local Loop

8.3.4.14 4-wire 64 kbps Interoffice Channel + 4-wire 64 kbps Local Loop

8.3.5 Special Access Service Conversions

8.3.5.1 ITC^DeltaCom may not convert special access services to combinations of loop and transport network elements, whether or not ITC^DeltaCom self-provides its entrance facilities (or obtains entrance facilities from a third party), unless ITC^DeltaCom uses the combination to provide a significant amount of local exchange service, in addition to exchange access service, to a particular customer. To the extent ITC^DeltaCom requests to convert any special access services to combinations of loop and transport network elements at UNE prices, ITC^DeltaCom shall provide to BellSouth a letter certifying that ITC^DeltaCom is providing a significant amount of local exchange service (as described in this Section) over such combinations. The certification letter shall also indicate under what local usage option ITC^DeltaCom seeks to qualify for conversion of special access circuits. ITC^DeltaCom shall be deemed to be providing a significant amount of local exchange service over such combinations if one of the following options is met:

8.3.5.1.1 ITC^DeltaCom certifies that it is the exclusive provider of an end user's local exchange service. The loop-transport combinations must terminate at ITC^DeltaCom's collocation arrangement in at least one BellSouth central office. This option does not allow loop-transport combinations to be connected to BellSouth's tariffed services. Under this option, ITC^DeltaCom is the end user's only local service provider, and thus, is providing more than a significant amount of local exchange service. ITC^DeltaCom can then use the loop-transport combinations that serve the end user to carry any type of traffic, including using them to carry 100 percent interstate access traffic; or

8.3.5.1.2 ITC^DeltaCom certifies that it provides local exchange and exchange access service to the end user customer's premises and handles at least one third of the end user customer's local traffic measured as a percent of total end user customer local dialtone lines; and for DS1 circuits and above, at least 50 percent of the activated channels on the loop portion of the loop-transport combination have at least 5 percent local voice traffic individually, and the entire loop facility has at least 10 percent local voice traffic. When a loop-transport combination includes multiplexing, each of the individual DS1 circuits must meet this criteria. The loop-transport combination must terminate at ITC^DeltaCom's collocation arrangement in at least one BellSouth central office. This option does not allow loop-transport combinations to be connected to BellSouth tariffed services; or

8.3.5.1.3 ITC^DeltaCom certifies that at least 50 percent of the activated channels on a circuit are used to provide originating and terminating local dial-tone service and at least 50 percent of the traffic on each of these local dial-tone channels is local voice traffic, and that the entire loop facility has at least 33 percent local voice traffic. When a loop-transport combination includes multiplexing, each of the individual DS1 circuits must meet this criteria. This option does not allow loop-transport combinations to be connected to BellSouth's tariffed services. Under this option, collocation is not required. ITC^DeltaCom does not need to provide a defined portion of the end user's local service, but the active channels on any loop-transport combination, and the entire facility, must carry the amount of local exchange traffic specified in this option.

8.3.5.2 In addition, there may be extraordinary circumstances where ITC^DeltaCom is providing a significant amount of local exchange service, but does not qualify under any of the three options set forth in Section 8.3.5.1.1, 8.3.5.1.2, 8.3.5.1.3. In such case, ITC^DeltaCom may petition the FCC for a waiver of the local usage options set forth in the June 2, 2000 Order. If a waiver is granted, the Parties shall amend this Agreement within 45 days of ITC^DeltaCom's request to the extent necessary to incorporate the terms of such waiver.

8.3.5.3 BellSouth may audit ITC^DeltaCom records to the extent reasonably

necessary in order to verify the type of traffic being transmitted over combinations of loop and transport network elements. The audit shall be conducted by a third party independent auditor, and ITC^DeltaCom shall be given thirty days written notice of scheduled audit. Such audit shall occur no more than one time in a calendar year, unless results of an audit find noncompliance with the significant amount of local exchange service requirement. In the event of noncompliance, ITC^DeltaCom shall reimburse BellSouth for the cost of the audit. If, based on its audits, BellSouth concludes that ITC^DeltaCom is not providing a significant amount of local exchange traffic over the combinations of loop and transport network elements, BellSouth may file a complaint with the appropriate Commission, pursuant to the dispute resolution process as set forth in the Interconnection Agreement. In the event that BellSouth prevails, BellSouth may convert such combinations of loop and transport network elements to special access services and may seek appropriate retroactive reimbursement from ITC^DeltaCom.

8.3.5.4 ITC^DeltaCom may convert special access circuits to combinations of loop and transport UNEs pursuant to the terms of this Section and subject to the termination provisions in the applicable special access tariffs, if any.

8.3.6 Rates

8.3.6.1 Georgia and Tennessee

8.3.6.2 The non-recurring and recurring rates for the EEL Combinations of network elements set forth in 8.3.4 whether Currently Combined or new, are as set forth in Attachment 11.

8.3.6.3 On an interim basis, for combinations of loop and transport network elements not set forth in Section 8.3.4, where the elements are not Currently Combined but are ordinarily combined in BellSouth's network, the non-recurring and recurring charges for such UNE combinations shall be the sum of the stand-alone non-recurring and recurring charges of the network elements which make up the combination. These interim rates shall be subject to true-up based on the Commission's review of BellSouth's cost studies.

8.3.6.4 To the extent that ITC^DeltaCom seeks to obtain other combinations of network elements that BellSouth ordinarily combines in its network which have not been specifically priced by the Commission when purchased in combined form, ITC^DeltaCom, at its option, can request that such rates be determined pursuant to the Bona Fide Request/New Business Request (NBR) process set forth in this Agreement.

8.3.6.5 All Other States

8.3.6.5.1 Subject to Section 8.3.2 and 8.3.3 preceding, for all other states, the non-recurring and recurring rates for the Currently Combined EEL combinations set forth in Section 8.3.4 and other Currently Combined network elements will be the sum of the recurring rates for the individual network elements plus a non recurring charge set forth in Attachment 11.

8.3.6.6 Multiplexing

8.3.6.6.1 Where multiplexing functionality is required in connection with loop and transport combinations, such multiplexing will be provided at the rates and on the terms set forth in this Agreement.

8.4 Other Network Element Combinations

8.4.1 In the state of Georgia and Tennessee, BellSouth shall make available to ITC^DeltaCom, in accordance with Section 8.4.2.1 below: (1) combinations of network elements other than EELs that are Currently Combined; and (2) combinations of network elements other than EELs that are not Currently Combined but that BellSouth ordinarily combines in its network. In all other states, BellSouth shall make available to ITC^DeltaCom, in accordance with Section 8.4.2.2 below, combinations of network elements other than EELs only to the extent such combinations are Currently Combined.

8.4.2 Rates

8.4.2.1 Georgia and Tennessee

8.4.2.1.1 The non-recurring and recurring rates for Other Network Element combinations, whether Currently Combined or new, are as set forth in Attachment 11.

8.4.2.1.2 On an interim basis, for Other Network Element combinations where the elements are not Currently Combined but are ordinarily combined in BellSouth's network, the non-recurring and recurring charges for such UNE combinations shall be the sum of the stand-alone non-recurring and recurring charges of the network elements which make up the combination. These interim rates shall be subject to true-up based on the Commission's review of BellSouth's cost studies.

8.4.2.1.3 To the extent that ITC^DeltaCom seeks to obtain other combinations of network elements that BellSouth ordinarily combines in its network which have not been specifically priced by the Commission when purchased in combined form, ITC^DeltaCom, at its option, can request that such rates be determined pursuant to the Bona Fide Request/New Business Request (NBR) process set forth in this Agreement.

8.4.2.2 All Other States

8.4.2.2.1 For all other states, the non-recurring and recurring rates for the Other Network Element Combinations that are Currently Combined will be the sum of the recurring rates for the individual network elements plus a non recurring charge set forth in Attachment 11 of this Agreement.

8.5 UNE/Special Access Combinations

8.5.1 Additionally and notwithstanding the above, BellSouth shall make available to ITC^DeltaCom a combination of an unbundled loop and tariffed special access interoffice facilities. To the extent ITC^DeltaCom will require multiplexing functionality in connection with such combination, BellSouth will provide access to multiplexing within the central office pursuant to the terms, conditions and rates set forth in its Access Services Tariffs. The tariffed special access interoffice facilities and any associated tariffed services, including but not limited to multiplexing, shall not be eligible for conversion to UNEs as described in Section 8.3.5.

8.5.2 Notwithstanding section 8.5.1 above, those "special access combinations" in service as of April 15, 2000 shall be eligible for conversion to UNEs.

8.5.3 Rates

8.5.3.1 The non-recurring and recurring rates for UNE/Special Access Combinations will be the sum of the unbundled network element loop rates as set forth in Attachment 11 and the interoffice transport rates and multiplexing rates as set forth in the Access Services Tariff.

8.6 Port/Loop Combinations

8.6.1 At ITC^DeltaCom's request, BellSouth shall provide access to combinations of port and loop network elements, as set forth in Section 8.6.3 below, that are Currently Combined in BellSouth's network except as specified in Sections 8.6.1.1 and 8.6.1.2 below.

8.6.1.1 BellSouth shall not provide combinations of port and loop network elements on an unbundled basis in locations where, pursuant to FCC rules, BellSouth is not required to provide circuit switching as an unbundled network element.

8.6.1.2 In accordance with effective and applicable FCC rules, BellSouth shall not be required to provide circuit switching as an unbundled network element in density Zone 1, as defined in 47 C.F.R. 69.123 as of January 1, 1999 of the Atlanta, GA; Miami, FL; Orlando, FL; Ft. Lauderdale, FL; Charlotte-Gastonia-Rock Hill, NC; Greensboro-Winston Salem-High Point, NC; Nashville, TN; and New Orleans, LA, MSAs to ITC^DeltaCom if ITC^DeltaCom's customer has 4 or more DS0 equivalent lines.

8.6.2 Combinations of port and loop network elements provide local exchange service for the origination or termination of calls. BellSouth shall make available the following loop and port combinations at the terms and at the rates set forth below:

8.6.2.1 In Georgia and Tennessee, BellSouth shall provide to ITC^DeltaCom combinations of port and loop network elements to ITC^DeltaCom on an unbundled basis regardless of whether or not such combinations are Currently Combined except in those locations where BellSouth is not required to provide circuit switching, as set forth in Section 8.6.1.2 above. The rates for such combinations shall be the cost based rates set forth in Attachment 11.

8.6.2.2 In all other states, BellSouth shall provide to ITC^DeltaCom combinations of port and loop network elements on an unbundled basis if such combinations are Currently Combined, except in those locations where BellSouth is not required to provide unbundled circuit switching, as forth in Sections 8.6.1.1 and 8.6.1.2 above. The rates for such combinations shall be the cost based rates set forth in Attachment 11.

8.6.2.3 In all states other than Georgia and Tennessee, except in those locations where BellSouth is not required to provide unbundled circuit switching, as set forth in Sections 8.6.1.1 and 8.6.1.2, BellSouth shall provide to ITC^DeltaCom combinations of port and loop network elements that are not Currently Combined. The rate for such combinations shall be negotiated by the Parties.

8.6.2.4 In those locations where BellSouth is not required to provide unbundled circuit switching, as set forth in Sections 8.6.1.1 and 8.6.1.2, BellSouth shall provide to ITC^DeltaCom combinations of port and loop network elements whether or not such combinations are Currently Combined. The rates for Currently Combined combinations are the market based rates as set forth in Attachment 11. The rates for not Currently Combined combinations shall be negotiated by the Parties.

8.6.3 Combination Offerings

8.6.3.1 2-wire voice grade port, voice grade loop, unbundled end office switching, unbundled end office trunk port, common transport per mile per MOU, common transport facilities termination, tandem switching, and tandem trunk port.

8.6.3.2 2-wire voice grade DID port, voice grade loop, unbundled end office switching, unbundled end office trunk port, common transport per mile per MOU, common transport facilities termination, tandem switching, and tandem trunk port.

8.6.3.3 2-wire CENTREX port, voice grade loop, unbundled end office switching, unbundled end office trunk port, common transport per mile per MOU, common transport facilities termination, tandem switching, and tandem trunk port.

8.6.3.4 2-wire ISDN Basic Rate Interface, voice grade loop, unbundled end office switching, unbundled end office trunk port, common transport per mile per MOU, common transport facilities termination, tandem switching, and tandem trunk port.

8.6.3.5 2-wire ISDN Primary Rate Interface, DS1 loop, unbundled end office switching, unbundled end office trunk port, common transport per mile per MOU, common transport facilities termination, tandem switching, and tandem trunk port.

8.6.3.6 4-wire DS1 Trunk port, DS1 Loop, unbundled end office switching, unbundled end office trunk port, common transport per mile per MOU, common transport facilities termination, tandem switching, and tandem trunk port.

Unbundled Network Element Combinations

8.1 Unbundled Network Element Combinations shall include: 1) Enhanced Extended Links (EELs) 2) UNE Loops/Special Access Combinations 3) Loop/Port Combinations and 4) Transport Combinations.

8.2 ~~8.2~~ For purposes of this Section, references to "Currently Combined" network elements shall mean that such network elements are in fact already combined by BellSouth in the BellSouth network to provide service to a particular end user at a particular location.

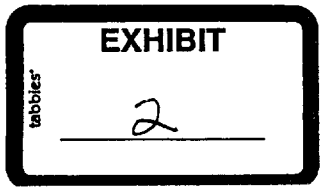
8.2.1 Pursuant to the Authority's orders in Docket No. 97-01262 and Docket No. 99-00430, BellSouth shall provide to ITC^DeltaCom in Tennessee UNE combinations in accordance with the terms of this Attachment regardless of whether such combinations are Currently Combined. Neither Party waives any rights to appeal or otherwise challenge the Authority's directive that BellSouth provide these UNE combinations.

8.3 EELs

8.3.1 Where facilities permit and where necessary to comply with an effective FCC and/or State Commission order, or as otherwise mutually agreed by the Parties, BellSouth shall offer access to loop and transport combinations, also known as the Enhanced Extended Link ("EEL") as defined in Section 8.3.2 below.

8.3.2 Subject to Section 8.3.3 below, BellSouth will provide access to the EEL in the combinations set forth in Section 8.3.4 following. This offering is intended to provide connectivity from an end user's location through that end user's SWC to ITC^DeltaCom's POP serving wire center. The channels on the circuit sufficient to meet the local usage options described in Section 8.3.5 below, must be connected to ITC^DeltaCom's switch for the purpose of provisioning telephone exchange service to ITC^DeltaCom's end-user customers. The EEL will be connected to ITC^DeltaCom's facilities in ITC^DeltaCom's collocation space at the POP SWC, or ITC^DeltaCom may purchase BellSouth's access facilities between ITC^DeltaCom's POP and ITC^DeltaCom's collocation space at the POP SWC.

8.3.3 BellSouth shall provide EEL combinations to ITC^DeltaCom in Georgia and Tennessee regardless of whether or not such EELs are Currently Combined. In all other states, BellSouth shall make available to ITC^DeltaCom those EEL combinations described in Section 8.3.4 below only to the extent such combinations are Currently Combined. Furthermore, BellSouth will make available EEL combinations to ITC^DeltaCom in density Zone 1, as defined in 47 C.F.R. 69.123 as of January 1, 1999, in the Atlanta, GA; Miami, FL; Orlando, FL; Ft.



Lauderdale, FL; Charlotte-Gastonia-Rock Hill, NC; Greensboro-Winston Salem-High Point, NC; Nashville, TN; and New Orleans, LA, MSAs regardless of whether or not such EELs are Currently Combined. Except as stated above, EELs will be provided to ITC^DeltaCom only to the extent such network elements are Currently Combined.

8.3.4 EEL Combinations

8.3.4.1 DS1 Interoffice Channel + DS1 Channelization + 2-wire VG Local Loop

8.3.4.2 DS1 Interoffice Channel + DS1 Channelization + 4-wire VG Local Loop

8.3.4.3 DS1 Interoffice Channel + DS1 Channelization + 2-wire ISDN Local Loop

8.3.4.4 DS1 Interoffice Channel + DS1 Channelization + 4-wire 56 kbps Local Loop

8.3.4.5 DS1 Interoffice Channel + DS1 Channelization + 4-wire 64 kbps Local Loop

8.3.4.6 DS1 Interoffice Channel + DS1 Local Loop

8.3.4.7 DS3 Interoffice Channel + DS3 Local Loop

8.3.4.8 STS-1 Interoffice Channel + STS-1 Local Loop

8.3.4.9 DS3 Interoffice Channel + DS3 Channelization + DS1 Local Loop

8.3.4.10 STS-1 Interoffice Channel + DS3 Channelization + DS1 Local Loop

8.3.4.11 2-wire VG Interoffice Channel + 2-wire VG Local Loop

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8.3.4.14 4-wire 64 kbps Interoffice Channel + 4-wire 64 kbps Local Loop

8.3.5 Special Access Service Conversions

8.3.5.1 ITC^DeltaCom may not convert special access services to combinations of loop and transport network elements, whether or not ITC^DeltaCom self-provides its entrance facilities (or obtains entrance facilities from a third party), unless ITC^DeltaCom uses the combination to provide a significant amount of local exchange service, in addition to exchange access service, to a particular customer. To the extent ITC^DeltaCom requests to convert any special access services to combinations of loop and transport network elements at UNE prices, ITC^DeltaCom shall provide to BellSouth a letter

certifying that ITC^DeltaCom is providing a significant amount of local exchange service (as described in this Section) over such combinations. The certification letter shall also indicate under what local usage option ITC^DeltaCom seeks to qualify for conversion of special access circuits. ITC^DeltaCom shall be deemed to be providing a significant amount of local exchange service over such combinations if one of the following options is met:

8.3.5.1.1 ITC^DeltaCom certifies that it is the exclusive provider of an end user's local exchange service. The loop-transport combinations must terminate at ITC^DeltaCom's collocation arrangement in at least one BellSouth central office. This option does not allow loop-transport combinations to be connected to BellSouth's tariffed services. Under this option, ITC^DeltaCom is the end user's only local service provider, and thus, is providing more than a significant amount of local exchange service. ITC^DeltaCom can then use the loop-transport combinations that serve the end user to carry any type of traffic, including using them to carry 100 percent interstate access traffic; or

8.3.5.1.2 ITC^DeltaCom certifies that it provides local exchange and exchange access service to the end user customer's premises and handles at least one third of the end user customer's local traffic measured as a percent of total end user customer local dialtone lines; and for DS1 circuits and above, at least 50 percent of the activated channels on the loop portion of the loop-transport combination have at least 5 percent local voice traffic individually, and the entire loop facility has at least 10 percent local voice traffic. When a loop-transport combination includes multiplexing, each of the individual DS1 circuits must meet this criteria. The loop-transport combination must terminate at ITC^DeltaCom's collocation arrangement in at least one BellSouth central office. This option does not allow loop-transport combinations to be connected to BellSouth tariffed services; or

8.3.5.1.3 ITC^DeltaCom certifies that at least 50 percent of the activated channels on a circuit are used to provide originating and terminating local dial-tone service and at least 50 percent of the traffic on each of these local dial-tone channels is local voice traffic, and that the entire loop facility has at least 33 percent local voice traffic. When a loop-transport combination includes multiplexing, each of the individual DS1 circuits must meet this criteria. This option does not allow loop-transport combinations to be connected to BellSouth's tariffed services. Under this option, collocation is not required. ITC^DeltaCom does not need to provide a defined portion of the end user's local service, but the active channels on any loop-transport combination, and the entire facility, must carry the amount of local exchange traffic specified in this option.

8.3.5.2 In addition, there may be extraordinary circumstances where ITC^DeltaCom is providing a significant amount of local exchange

8.4.2.1.3 To the extent that ITC^DeltaCom seeks to obtain other combinations of network elements that BellSouth ordinarily combines in its network which have not been specifically priced by the Commission when purchased in combined form, ITC^DeltaCom, at its option, can request that such rates be determined pursuant to the Bona Fide Request/New Business Request (NBR) process set forth in this Agreement.

8.4.2.2 All Other States

8.4.2.2.1 For all other states, the non-recurring and recurring rates for the Other Network Element Combinations that are Currently Combined will be the sum of the recurring rates for the individual network elements plus a non recurring charge set forth in Attachment 11 of this Agreement.

8.5 UNE/Special Access Combinations

8.5.1 Additionally and notwithstanding the above, BellSouth shall make available to ITC^DeltaCom a combination of an unbundled loop and tariffed special access interoffice facilities. To the extent ITC^DeltaCom will require multiplexing functionality in connection with such combination, BellSouth will provide access to multiplexing within the central office pursuant to the terms, conditions and rates set forth in its Access Services Tariffs. The tariffed special access interoffice facilities and any associated tariffed services, including but not limited to multiplexing, shall not be eligible for conversion to UNEs as described in Section 8.3.5.

8.5.2 Notwithstanding section 8.5.1 above, those "special access combinations" in service as of April 15, 2000 shall be eligible for conversion to UNEs.

8.5.3 Rates

8.5.3.1 The non-recurring and recurring rates for UNE/Special Access Combinations will be the sum of the unbundled network element loop rates as set forth in Attachment 11 and the interoffice transport rates and multiplexing rates as set forth in the Access Services Tariff.

8.6 Port/Loop Combinations

8.6.1 At ITC^DeltaCom's request, BellSouth shall provide access to combinations of port and loop network elements, as set forth in Section 8.6.3 below, that are Currently Combined in BellSouth's network except as specified in Sections 8.6.1.1 and 8.6.1.2 below.

8.6.1.1 BellSouth shall not provide combinations of port and loop network elements on an unbundled basis in locations where, pursuant to FCC rules, BellSouth is not required to provide circuit switching as an unbundled network element.

network elements that BellSouth ordinarily combines in its network which have not been specifically priced by the Commission when purchased in combined form, ITC^DeltaCom, at its option, can request that such rates be determined pursuant to the Bona Fide Request/New Business Request (NBR) process set forth in this Agreement.

8.3.6.5 All Other States

8.3.6.5.1 Subject to Section 8.3.2 and 8.3.3 preceding, for all other states, the non-recurring and recurring rates for the Currently Combined EEL combinations set forth in Section 8.3.4 and other Currently Combined network elements will be the sum of the recurring rates for the individual network elements plus a non recurring charge set forth in Attachment 11.

8.3.6.6 Multiplexing

8.3.6.6.1 Where multiplexing functionality is required in connection with loop and transport combinations, such multiplexing will be provided at the rates and on the terms set forth in this Agreement.

8.4 Other Network Element Combinations

8.4.1 In the state of Georgia and Tennessee, BellSouth shall make available to ITC^DeltaCom, in accordance with Section 8.4.2.1 below: (1) combinations of network elements other than EELs that are Currently Combined; and (2) combinations of network elements other than EELs that are not Currently Combined but that BellSouth ordinarily combines in its network. In all other states, BellSouth shall make available to ITC^DeltaCom, in accordance with Section 8.4.2.2 below, combinations of network elements other than EELs only to the extent such combinations are Currently Combined.

8.4.2 Rates

8.4.2.1 Georgia and Tennessee

8.4.2.1.1 The non-recurring and recurring rates for Other Network Element combinations, whether Currently Combined or new, are as set forth in Attachment 11.

8.4.2.1.2 On an interim basis, for Other Network Element combinations where the elements are not Currently Combined but are ordinarily combined in BellSouth's network, the non-recurring and recurring charges for such UNE combinations shall be the sum of the stand-alone non-recurring and recurring charges of the network elements which make up the combination. These interim rates shall be subject to true-up based on the Commission's review of BellSouth's cost studies.

service, but does not qualify under any of the three options set forth in Section 8.3.5.1.1, 8.3.5.1.2, 8.3.5.1.3. In such case, ITC^DeltaCom may petition the FCC for a waiver of the local usage options set forth in the June 2, 2000 Order. If a waiver is granted, the Parties shall amend this Agreement within 45 days of ITC^DeltaCom's request to the extent necessary to incorporate the terms of such waiver.

8.3.5.3 BellSouth may audit ITC^DeltaCom records to the extent reasonably necessary in order to verify the type of traffic being transmitted over combinations of loop and transport network elements. The audit shall be conducted by a third party independent auditor, and ITC^DeltaCom shall be given thirty days written notice of scheduled audit. Such audit shall occur no more than one time in a calendar year, unless results of an audit find noncompliance with the significant amount of local exchange service requirement. In the event of noncompliance, ITC^DeltaCom shall reimburse BellSouth for the cost of the audit. If, based on its audits, BellSouth concludes that ITC^DeltaCom is not providing a significant amount of local exchange traffic over the combinations of loop and transport network elements, BellSouth may file a complaint with the appropriate Commission, pursuant to the dispute resolution process as set forth in the Interconnection Agreement. In the event that BellSouth prevails, BellSouth may convert such combinations of loop and transport network elements to special access services and may seek appropriate retroactive reimbursement from ITC^DeltaCom.

8.3.5.4 ITC^DeltaCom may convert special access circuits to combinations of loop and transport UNEs pursuant to the terms of this Section and subject to the termination provisions in the applicable special access tariffs, if any.

8.3.6 Rates

8.3.6.1 Georgia and Tennessee

8.3.6.2 The non-recurring and recurring rates for the EEL Combinations of network elements set forth in 8.3.4 whether Currently Combined or new, are as set forth in Attachment 11.

8.3.6.3 On an interim basis, for combinations of loop and transport network elements not set forth in Section 8.3.4, where the elements are not Currently Combined but are ordinarily combined in BellSouth's network, the non-recurring and recurring charges for such UNE combinations shall be the sum of the stand-alone non-recurring and recurring charges of the network elements which make up the combination. These interim rates shall be subject to true-up based on the Commission's review of BellSouth's cost studies.

8.3.6.4 To the extent that ITC^DeltaCom seeks to obtain other combinations of

8.6.1.2 In accordance with effective and applicable FCC rules, BellSouth shall not be required to provide circuit switching as an unbundled network element in density Zone 1, as defined in 47 C.F.R. 69.123 as of January 1, 1999 of the Atlanta, GA; Miami, FL; Orlando, FL; Ft. Lauderdale, FL; Charlotte-Gastonia-Rock Hill, NC; Greensboro-Winston Salem-High Point, NC; Nashville, TN; and New Orleans, LA, MSAs to ITC^DeltaCom if ITC^DeltaCom's customer has 4 or more DS0 equivalent lines.

8.6.2 Combinations of port and loop network elements provide local exchange service for the origination or termination of calls. BellSouth shall make available the following loop and port combinations at the terms and at the rates set forth below:

8.6.2.1 In Georgia and Tennessee, BellSouth shall provide to ITC^DeltaCom combinations of port and loop network elements to ITC^DeltaCom on an unbundled basis regardless of whether or not such combinations are Currently Combined except in those locations where BellSouth is not required to provide circuit switching, as set forth in Section 8.6.1.2 above. The rates for such combinations shall be the cost based rates set forth in Attachment 11.

8.6.2.2 In all other states, BellSouth shall provide to ITC^DeltaCom combinations of port and loop network elements on an unbundled basis if such combinations are Currently Combined, except in those locations where BellSouth is not required to provide unbundled circuit switching, as forth in Sections 8.6.1.1 and 8.6.1.2 above. The rates for such combinations shall be the cost based rates set forth in Attachment 11.

8.6.2.3 In all states other than Georgia and Tennessee, except in those locations where BellSouth is not required to provide unbundled circuit switching, as set forth in Sections 8.6.1.1 and 8.6.1.2, BellSouth shall provide to ITC^DeltaCom combinations of port and loop network elements that are not Currently Combined. The rate for such combinations shall be negotiated by the Parties.

8.6.2.4 In those locations where BellSouth is not required to provide unbundled circuit switching, as set forth in Sections 8.6.1.1 and 8.6.1.2, BellSouth shall provide to ITC^DeltaCom combinations of port and loop network elements whether or not such combinations are Currently Combined. The rates for Currently Combined combinations are the market based rates as set forth in Attachment 11. The rates for not Currently Combined combinations shall be negotiated by the Parties.

8.6.3 Combination Offerings

8.6.3.1 2-wire voice grade port, voice grade loop, unbundled end office switching, unbundled end office trunk port, common transport per mile per MOU,

common transport facilities termination, tandem switching, and tandem trunk port.

8.6.3.2 2-wire voice grade DID port, voice grade loop, unbundled end office switching, unbundled end office trunk port, common transport per mile per MOU, common transport facilities termination, tandem switching, and tandem trunk port.

8.6.3.3 2-wire CENTREX port, voice grade loop, unbundled end office switching, unbundled end office trunk port, common transport per mile per MOU, common transport facilities termination, tandem switching, and tandem trunk port.

8.6.3.4 2-wire ISDN Basic Rate Interface, voice grade loop, unbundled end office switching, unbundled end office trunk port, common transport per mile per MOU, common transport facilities termination, tandem switching, and tandem trunk port.

8.6.3.5 2-wire ISDN Primary Rate Interface, DS1 loop, unbundled end office switching, unbundled end office trunk port, common transport per mile per MOU, common transport facilities termination, tandem switching, and tandem trunk port.

8.6.3.6 4-wire DS1 Trunk port, DS1 Loop, unbundled end office switching, unbundled end office trunk port, common transport per mile per MOU, common transport facilities termination, tandem switching, and tandem trunk port.