



**Account Deposit and Collection Procedures
CLEC Information Package**

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Version 2, Mar 17, 2005



Account Deposit and Collection Procedures CLEC Information Package

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**Account Deposit and Collection Procedures
CLEC Information Package****Chapter 1.0 Introduction****1.1 Purpose and Scope**

This Information Package is intended to provide CLECs (Competitive Local Exchange Carriers) a description and general information specific to BellSouth account deposit and collection procedures for both new and existing CLECs. This document is an original version.

Please contact the following representatives if you have questions regarding the content of this document:

- | | |
|------------------------------|--------------------------------|
| • Account Security (Deposit) | Sandra Cetti
(404) 986-1905 |
| • Collections | Louis Seube
(205) 714-7400 |

1.2 Disclaimer Statement

The information contained in this document is subject to change. BellSouth will provide notification of changes through the Interconnection Carrier Notification (CN) Process.

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Chapter 1.0 Introduction

1.3 Version History/Control

Any future modifications and/or improvements that are made to this package will be reflected accordingly in this section of the document.

Section	Date/Version	Description
All	03/17/2005	General Updates
All	07/15/02 - Version 1.0	Initial Version Release



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Chapter 2.0 Overview

BellSouth's mission is to provide products and services to new and expanding CLECs while concurrently safeguarding BellSouth assets. BellSouth's Accounts Receivable Management (BARM) Group advocates profitable revenue growth for BST by:

1. Minimizing financial exposure from bad debt
2. Implementing procedures to balance risk with business segment growth
3. Performing credit evaluations of new customers using a standard set of criteria
4. Partnering with ICS Operations in the continuous monitoring of credit risk and exposure

With this mission in mind BellSouth Telecommunications (BST) has prepared this package to inform our customers of procedures relative to our deposit requirements and collection actions. With customer awareness of these guidelines, BST is confident that customer satisfaction will be insured and retention of loyal customers in our Telecommunications arena will continue. This is true for both new **and** existing customers.

The need for BST to properly secure an account in the form of a deposit or comparable form of guarantee is a basic business principle. However, it is equally important that our customers are aware of the procedures utilized in determining the amount of the required deposit. This document will address the steps utilized to determine credit "worthiness" for both:

- New Customers
- and*
- Existing customers

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Chapter 2.0 Overview

In addition, once service is established and the account becomes delinquent, BST wants to ensure that our customers have a complete understanding of what constitutes a delinquent bill, the steps that will be taken to secure payment, and the resulting action should the account not be restored to a current basis. Again, continuity is the key. This document will outline steps that BST will take to ensure uniformity in handling these situations.

**Account Deposit and Collection Procedures
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All companies have safeguards in place to protect against loss. BellSouth is no different. To insure protection of our assets, our business principles include, within the parameters of Interconnection Agreements and Tariffs, account security for new and existing customers.

3.1 New Customers

A credit evaluation will be conducted on **all** businesses or access customers requesting telecommunication services including but not limited to the following:

- Local Interconnection
- Local UNE (Unbundled Network Element)
- Local Resale
- Access
- Payphone Service Providers (high volume users)
- Internet Service Providers (ISPs)
- Cellular Mobile Radio Service (CMRS)
- Professional Services

Once an Interconnection Agreement has been signed and the certification from the state regulatory agency is received, BellSouth ICS Finance will conduct a credit evaluation. This can normally be determined within twenty-four (24) hours and will be based upon a credit profile that will be created on the customer applying for service. This credit profile includes but is not limited to the following:

- Credit Scoring Tool - This tool may consider:
 - Number of years in business
 - Management history
 - Liens, suits, and judgments
 - Payment history with third parties
 - Payment history with BellSouth
 - Publicly available information

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Chapter 3.0 Account Deposits

- Financial Scoring Tool - This tool may consider:
 - Financial data evidencing the degree of financial stability including but not limited to debt ratings
 - Debt performance
 - Net worth
 - Cash flow
 - Debt/Net worth
 - Profitability and financial statements, if available

A letter will be mailed to the customer advising if a deposit on the account will be needed. If the account must be secured, no service orders can be issued prior to the deposit being received.

Acceptable security instruments (i.e., deposits) for new customers will include but are not limited to the following:

1. Cash
2. Letter of Credit (must be approved by BST Legal) on bank letterhead
3. UCC-1 (Uniform Commercial Code Section 1)
4. Surety Bond
5. Other (must be approved by tariff regulation and BST Regulatory and Legal Departments)

These security instruments are clearly defined in Section 3.3 of this document.

The minimum deposit for a new company entering the CLEC or CMRS market is 2 times the estimated monthly usage. The deposit amount is reviewed at regular intervals and can be increased or refunded. Before a deposit will be refunded, the account will be re-evaluated utilizing the same methodology originally used to determine that a security deposit was required.

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**Account Deposit and Collection Procedures
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Within the parameters of the appropriate Interconnection Agreement or Tariff, existing accounts may be reviewed periodically to ensure that an additional and/or new deposit is not needed.

It should also be noted that should the ownership of the business change, a new credit profile is required and evaluated in all instances.

3.3 Legal Instruments of Security

Acceptable security instruments must comply with all applicable Tariff/Interconnection Agreement provision regulations and be approved by the BellSouth Legal Department.

Cash A cash deposit will accrue interest that is credited to the customer's account.

Surety Bond This is a promise to perform in place of the principle if the principle defaults on his/her promise to pay. In this case, the bond company will pay in lieu of the CLEC if they default.

Letter of Credit A document that substitutes the bank's credit for the customer's credit.

UCC1A A security agreement executed by both parties (debtor and creditor) in which the security of the account is arranged through the creation of "interest" in certain property including equipment, inventory, and/or accounts receivable.

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Chapter 3.0 Account Deposits

3.4 Escalations

Any disputes or escalations involving the request for a new or additional deposit will be directed to the BellSouth ICS Finance Department. The chart below indicates the level of escalation and the person to be contacted.

Level of Escalation	Contact
1st Level	Credit Manager
2nd Level	Sandra Cetti - Senior Credit Manager (404) 986-1905
3rd Level	Regina Guillet - Director (404) 986-1596



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Chapter 4.0 Collections

BellSouth's objective is to provide service in accordance with our Tariffs and Interconnection Agreements. In turn, BellSouth expects our customers to pay their bills in a timely manner. To insure an optimal level of service, it is necessary for BellSouth to have plans in place should accounts become delinquent. It is important to us that our customers understand this process and the reasons behind it.

BellSouth Collections is responsible for the timely collection of all monies due to BellSouth. A prescribed treatment process supported by tariffs and contracts is in place. This process includes the disconnection of service for nonpayment of charges. This group within BellSouth is also responsible for investigating and resolving billing disputes that may arise.

When a bill is received, there is a "Pay By Date" in the upper right hand section of the bill. All monies are due on or before that date. In the event that the charges remain unpaid after this date has passed, collection action will commence. The following timeline is representative of a bill that is current versus past due.

1 - 30 Days = Current

31 + Days = Past Due

The type of action taken is dependent upon the type account, i.e. Access versus Non-Access services.

4.1 Access Services

A bill for Access services is considered past due after 30 days. The following table depicts when collection steps will begin and the type action to be taken.

Day	Action To Be Taken By BellSouth
31	Manual PIC Freeze Notice Mailed
33	Manual 30 Day Certified Letter Mailed
38	Block PIC C
51	Disconnect Approval Letter Prepared
63	Hold All New Orders
70	Service Disconnected

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Chapter 4.0 Collections**4.2 Non-Access Services**

A bill for Non-Access services is considered past due after 30 days. The following table depicts when collection steps will begin and the type action to be taken.

Day	Action To Be Taken By BellSouth
32	Manually Generated Notice Mailed At Company Level
47	BellSouth Provisioning Department Notified To Stop Order Processing
61	Service For End Users Denied
76	End Users Disconnected

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**Account Deposit and Collection Procedures
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Any disputes or escalations involving collections will be directed to the contact person(s) indicated in the chart shown below.

Level of Escalation	Contact
1st Level	Service Representative
2nd Level	Joan Bentley - Supervisor (205) 714-7361 Leisa Mangina - Supervisor (205) 714-7359
3rd Level	Louis Seube - Center Director (205) 714-7400
4th Level	Gary Patterson - Area Vice President (205) 714-7357

**Account Deposit and Collection Procedures
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BST	BellSouth Telecommunications
CLEC	Competitive Local Exchange Carrier
CMRS	Cellular Mobile Radio Service
CN	Carrier Notification
ICS	Interconnection Services
ISP	Internet Service Provider
UCC	Uniform Commercial Code Section
UNE	Unbundled Network Element