

BellSouth Interconnection Services

675 West Peachtree Street Atlanta, Georgia 30375

Carrier Notification SN91083301

Date: August 30, 2002

To: Competitive Local Exchange Carriers (CLECs)

Subject: CLECs - Reconciliation and Retroactive Billing of Unbundled Network Element-

Platform (UNE-P) Market Rates

BellSouth's UNE-P service has two sets of rates listed in the Interconnection Agreement, Cost-Based and Market-Based Rates. UNE-P Cost-Based Rates have been established using TELRIC methodology. UNE-P Market-Based Rates apply in scenarios where BellSouth is not obligated to provide UNE-P at Cost-Based Rates. For scenarios where UNE-P Market Rates should apply, billing system limitations have not enabled BellSouth to bill these Market Rates.

This letter is to advise the CLEC community that BellSouth is in the process of developing the capability to bill UNE-P Market Rates. BellSouth has been under-billing for such charges by billing Cost-Based Rates where Market Rates should apply. Beginning with October 2002 bill periods and in accordance with each CLEC's Interconnection Agreement, BellSouth will begin applying retroactive charges where applicable. The prospective application of UNE-P Market Rates is planned for the second quarter of 2003. The charges will be listed in the Other Charges and Credits (OC&C) portion of your company's BellSouth bill. BellSouth will separately provide data sufficient for each affected CLEC to audit the OC&C charges.

If you have questions regarding the Interconnection Agreement, please contact your Local Contract Manager. If you have questions regarding billing, please contact the BellSouth Billing and Collections Department.

Sincerely,

ORIGINAL SIGNED BY JIM BRINKLEY FOR JERRY HENDRIX

Jerry Hendrix – Assistant Vice President BellSouth Interconnection Services