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October 29, 1996

Ms. Blanca Bayo, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

BY HAND DELIVERY

Re: Docket No. ~~960916~~ 960916-TP - American Communications Services, Inc. Petition for Arbitration with BellSouth Telecommunications, Inc.

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket, please find an Amendment to the Interconnection Agreement between American Communications Services, Inc. ("ACSI") and BellSouth Telecommunications, Inc. ("BellSouth") dated July 25, 1996 (the "Interconnection Agreement") and filed for approval with the Commission.

The Interconnection Agreement was initially filed as a partial agreement. While the parties were able to reach agreement on most points during negotiation, they were unable to agree to pricing applicable to the provision by BellSouth to ACSI of unbundled local loops, loop cross connects and loop channelization. By agreement of the parties, on August 12, 1996, ACSI petitioned the Commission to establish rates for each of these services in accordance with the Telecommunications Act of 1996. The Commission subsequently docketed the matter as Docket No. 960916-TP and scheduled the matter for hearing.

Nevertheless, the parties continued to negotiate and succeeded in agreeing to rates on October 1996 through execution of the Amendment transmitted herewith. Pursuant to the terms of the Amendment, both recurring and nonrecurring rates are established for unbundled local loops, loop cross connects and loop channelization. After six months, either party may petition the Commission to establish final rates pursuant to applicable law. In the event such revised rates are established in this manner, the rates will be "trued-up" retroactively. Revised rates also may be established through further agreement or through selection by ACSI of comparable rates charged by BellSouth to another telecommunications carrier pursuant to the "most favorable" provisions contained in the initial Interconnection Agreement. If none of these procedures are invoked, the rates expressed in the Amendment will remain effective for the full two-year term of the Interconnection Agreement.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU Beth _____
- CTR _____
- EAS _____
- LEG 2 _____
- LIN 3 _____
- OPD _____
- RCR _____
- SEC 1 _____
- WAS _____
- OTH _____

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DOCUMENT NUMBER-DATE
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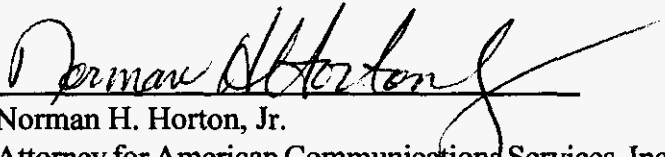
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In addition, the Amendment modifies the terms of the Interconnection Agreement to provide for a retroactive "true-up" of the rates for interim number portability if the initial contract rates are altered through negotiation, regulatory action or operation of the "most favorable provisions" of the Interconnection Agreement.


Finally, ACSI agreed that it will withdraw its petitions for arbitration as soon as practically possible, thereby terminating the interconnection arbitration proceedings concerning the Interconnection Agreement.

Please call us if you have any questions concerning this filing.

Sincerely,



Norman H. Horton, Jr.
Attorney for American Communications Services, Inc.



BellSouth Telecommunications, Inc.

AMENDMENT

TO

INTERCONNECTION AGREEMENT BETWEEN ACSI AND
BELLSOUTH TELECOMMUNICATIONS DATED JULY 25, 1996



Pursuant to this Agreement (the "Amendment"), American Communications Services, Inc., on behalf of its local exchange operating subsidiaries (collectively "ACSI") and BellSouth Telecommunications, Inc. ("BellSouth") hereinafter referred to collectively as the "Parties" hereby agree to amend that certain Interconnection Agreement between the Parties dated July 25, 1996 ("Interconnection Agreement").

NOW THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ACSI and BellSouth hereby covenant and agree as follows:

1. The Parties agree that BellSouth will provide and ACSI will accept and pay for (1) loops, (2) loop cross-connections and (3) loop channelization in accordance with the schedule of prices set forth in Attachment C-2 to this Amendment which is incorporated herein by reference, in and for the states reflected on Attachment C-2.

2. The Parties agree that the prices reflected herein shall be "true-up" (up or down) based on final prices either determined by further agreement or by a final order (including any appeals) of the relevant public service commission or other body having jurisdiction over the subject matter of this Amendment, which final order meets the criteria contained in paragraph 4 hereof. The "true-up" will consist of comparing the actual volumes and demand for each item, together with the price associated with such item by this Amendment, with the final prices determined for each item. Each party shall keep its own records upon which a "true-up" can be based and any final payment from one party to the other shall be in an amount agreed upon by the Parties based on such records. In the event of any disagreement as between the records or the Parties regarding the amount of such "true-up", the Parties agree that the body having jurisdiction over the matter for the affected states

shall be called upon to resolve such differences, or that they will submit the matter to commercial arbitration in accordance with the terms contained in Section XXV of the Interconnection Agreement.

3. The Parties agree that they may continue to negotiate as appropriate in an effort to obtain final prices for each of these items, but in the event that no such agreement is reached within six (6) months of this Amendment (which time can be extended by mutual agreement of the Parties) either party may petition the public service commission or other regulatory body of the State whose rates are in dispute to resolve such disputes and to determine final rates for each of the items covered by this Amendment. Alternatively, upon their mutual agreement, the parties may submit the matter to commercial arbitration in accordance with the terms contained in Section XXV of the Interconnection Agreement.

4. Any final order that forms the basis of a "true-up" under this Amendment shall meet the following criteria:

(a) It shall be in a proceeding to which ACSI and BellSouth are entitled to be full parties to the proceeding.

(b) It shall apply the provisions of the Telecommunications Act of 1996, including, but not limited to, Section 252 (d)(1) and all effective implementing rules and regulations; provided that said Act and such regulations are in effect at the time of the final order.

(c) It shall include as an issue the geographic deaveraging of unbundled element rates, which deaveraged rates, if any are required by said final order, shall form the basis of any "true-up."

5. The Parties further agree that the rates for number portability identified in Attachment D to the Interconnection Agreement will be retroactively "trued-up" to the effective date of the Interconnection Agreement in the event that different rates for number portability are established by mutual agreement of the parties, regulatory action, judicial order, or by selection of a lower rate for number portability pursuant to the "most favorable provisions" contained in Section XXII of the Interconnection Agreement.

6. The Parties agree that all of the other provisions of the Interconnection Agreement, dated July 25, 1996, shall remain in full force and effect. Nothing in this Amendment shall in any way limit ACSI's ability to select substitute rates for local loops, loop cross connects, loop channelization, or number portability pursuant to the terms of Section XXII of the Interconnection Agreement relating to "most favorable" treatment.

7. The Parties further agree that either or both of the Parties is authorized to submit this Amendment to the appropriate state public service commission or other regulatory body having jurisdiction over the subject matter of this amendment, for approval subject to Section 252 (e) of the federal Telecommunications Act of 1996.

8. ACSI agrees to withdraw its pending arbitration petitions under the Telecommunications Act of 1996 in all BellSouth states as soon as practical.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed by their respective duly authorized representatives on the date indicated below.

AMERICAN COMMUNICATIONS
SERVICES, INC.

By: _____

DATE: October 17, 1996

BELLSOUTH
TELECOMMUNICATIONS,
INC.

BY: Robert C. [Signature]

DATE: October 17, 1996

6. The Parties agree that all of the other provisions of the Interconnection Agreement, dated July 25, 1996, shall remain in full force and effect. Nothing in this Amendment shall in any way limit ACSI's ability to select substitute rates for local loops, loop cross connects, loop channelization, or number portability pursuant to the terms of Section XXII of the Interconnection Agreement relating to "most favorable" treatment.

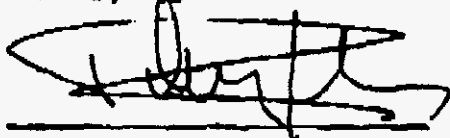
7. The Parties further agree that either or both of the Parties is authorized to submit this Amendment to the appropriate state public service commission or other regulatory body having jurisdiction over the subject matter of this amendment, for approval subject to Section 252 (e) of the federal Telecommunications Act of 1996.

8. ACSI agrees to withdraw its pending arbitration petitions under the Telecommunications Act of 1996 in all BellSouth states as soon as practical.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed by their respective duly authorized representatives on the date indicated below.

AMERICAN COMMUNICATIONS
SERVICES, INC.

By:



DATE: October 17, 1996

BELLSOUTH
TELECOMMUNICATIONS,
INC.

BY:



DATE: October 17, 1996

ATTACHMENT C-2

[The chart included below hereby replaces the table included on pages 2-3 of Attachment C-2 to the Interconnection Agreement. The service description contained in Attachment C-2 to the Interconnection Agreement is expressly retained.]

States	Alabama		Florida		Georgia		Kentucky	
Rate Elements	Monthly	Nonrecurring *	Monthly	Nonrecurring *	Monthly	Nonrecurring *	Monthly	Nonrecurring *
Unbundled Exchange Access Loop **								
2-Wire Analog	\$18.00	\$55.20	\$17.00	\$44.80	\$17.00	\$25.80	\$17.00	\$58.40
4-Wire Analog	\$28.80	\$55.20	\$27.20	\$44.80	\$27.20	\$25.80	\$27.20	\$58.40
2-Wire ADSL/HDSL	\$18.00	\$55.20	\$17.00	\$44.80	\$17.00	\$25.80	\$17.00	\$58.40
4-Wire HDSL	\$28.80	\$55.20	\$27.20	\$44.80	\$27.20	\$25.80	\$27.20	\$58.40
2-Wire ISDN Digital	\$28.80	\$55.20	\$27.20	\$44.80	\$27.20	\$25.00	\$27.20	\$58.40
Cross-Connects								
2-Wire Analog	\$0.30	\$18.40	\$0.30	\$15.20	\$0.30	\$12.60	\$0.30	\$16.00
4-Wire Analog	\$0.50	\$18.40	\$0.50	\$15.20	\$0.50	\$12.60	\$0.50	\$16.00
Loop Channelization								
Equipment	\$400.00	\$525.00	\$400.00	\$525.00	\$400.00	\$525.00	\$400.00	\$525.00
Per Line	\$1.15	\$8.00	\$1.15	\$8.00	\$1.15	\$8.00	\$1.15	\$8.00

* These rates reflect 90% of the Business Service Connection Charge. If the Business Service Connection Charge is modified, this rate will become 80% of the revised rate.

** In the event that an unbundled loop ordered by ACSI is part of an Integrated Digital Loop Carrier (IDLC) system, the loop will be unbundled from the IDLC and provided to ACSI in accordance with the corresponding rates specified above.

ATTACHMENT C-2

States:	Louisiana		Mississippi		North Carolina		South Carolina	
Rate Elements	Monthly	Nonrecurring *	Monthly	Nonrecurring *	Monthly	Nonrecurring *	Monthly	Nonrecurring *
Unbundled Exchange Access Loop **								
2-Wire Analog	\$17.00	\$68.00	\$22.00	\$53.36	\$17.00	\$33.00	\$18.00	\$51.20
4-Wire Analog	\$27.20	\$68.00	\$35.20	\$53.36	\$27.20	\$33.00	\$28.80	\$51.20
2-Wire ADSL/HDSL	\$17.00	\$68.00	\$22.00	\$53.36	\$17.00	\$33.00	\$18.00	\$51.20
4-Wire HDSL	\$27.20	\$68.00	\$35.20	\$53.36	\$27.20	\$33.00	\$28.80	\$51.20
2-Wire ISDN Digital	\$27.20	\$68.00	\$35.20	\$53.36	\$27.20	\$33.00	\$28.80	\$51.20
Cross-Connects								
2-Wire Analog	\$0.30	\$20.80	\$0.30	\$13.00	\$0.30	\$11.60	\$0.38	\$8.00
4-Wire Analog	\$0.50	\$20.80	\$0.50	\$13.00	\$0.50	\$11.60	\$0.50	\$8.00
Loop Channelization Equipment	\$400.00	\$525.00	\$400.00	\$525.00	\$400.00	\$525.00	\$400.00	\$525.00
Per Line	\$1.15	\$8.00	\$1.15	\$8.00	\$1.15	\$8.00	\$1.15	\$8.00

* These rates reflect 30% of the Business Service Connection Charge. If the Business Service Connection Charge is modified, this rate will become 80% of the revised rate.

** In the event that an unbundled loop ordered by ACSI is part of an Integrated Digital Loop Carrier (IDLC) system, the loop will be unbundled from the IDLC and provided to ACSI in accordance with the corresponding rates specified above.

ATTACHMENT C-2

States: Tennessee

Rate Elements	Monthly	Nonrecurring *
Unbundled Exchange Access Loop **		
2-Wire Analog	\$18.00	\$46.80
4-Wire Analog	\$28.80	\$46.80
2-Wire ADSL/HDSL	\$18.00	\$46.80
4-Wire HDSL	\$28.80	\$46.80
2-Wire ISDN Digital	\$28.80	\$46.80
Cross-Connects		
2-Wire Analog	\$0.30	\$9.20
4-Wire Analog	\$0.50	\$9.20
Loop Channelization		
Equipment	\$400.00	\$525.00
Per Line	\$1.15	\$8.00

* These rates reflect 80% of the Business Service Connection Charge. If the Business Service Connection Charge is modified, this rate will become 80% of the revised rate.

** In the event that an unbundled loop ordered by ACSI is part of an Integrated Digital Loop Carrier (IDLC) system, the loop will be unbundled from the IDLC and provided to ACSI in accordance with the corresponding rates specified above.