BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for arbitration of unresolved issues in negotiation of interconnection agreement with BellSouth Telecommunications, Inc. by ITC^Deltacom Communications, Inc. d/b/a ITC^DeltaCom Docket No. 030137-TP

Filed: August 22, 2008

DELTACOM'S CONDITIONAL NOTICE TO WITHDRAW <u>PETITION FOR ARBITRATION</u>

ITC^Deltacom Communications, Inc., now known as DeltaCom, Inc. ("Deltacom"), pursuant to Rule 28-106.204, Florida Administrative Code, files this Conditional Notice To Withdraw Petition For Arbitration ("Notice") in the above-captioned proceeding. This Notice is conditioned on the effectiveness of the amendment to extend the interconnection agreement between itself and BellSouth Telecommunications, Inc. (d/b/a AT&T Florida) ("AT&T") that was filed for approval on August 19, 2008 in Docket No. 080563-TP. In support thereof, Deltacom states as follows:

1. Deltacom filed its Petition for Arbitration in this docket in February 2003. A hearing was held in September 2003, after which the parties filed post-hearing briefs and continued to negotiate in good faith to resolve outstanding issues.

2. During the pendancy of the proceeding, the Federal Communications Commission issued a series of orders impacting the parties' interconnection rights and obligations. *In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers* (CC Docket No. 01-338); Report and Order and Order on Remand and Further Notice of Proposed Rulemaking, FCC No. 03-36, (rel. Aug. 21, 2003) ("Triennial Review Order" or "TRO"), vacated and remanded in part sub nom., United States Telecom Ass'n v. FCC, 359 F.3d

554 (DC. Cir 2004); and In the Matter of Review of Unbundled Access to Network Elements, Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers (WC Docket No. 04-313, CC Docket No. 01-338); Order on Remand, FCC No. 04-290, (rel. Feb. 4, 2005) ("Triennial Review Remand Order" or "TRRO"). In addition, this Commission opened Docket No. 041269-TP to consider the effect of these changes in law on BellSouth's thenexisting interconnection dockets.

3. Such pending proceedings made it difficult, if not impossible, to resolve the parties' remaining arbitration issues. Accordingly, the parties ultimately agreed to await the resolution of the FCC, court, and Commission proceedings before attempting to bring closure to this docket.

4. Thereafter, in March 2006, BellSouth Corporation, the ultimate parent of BellSouth Telecommunications, Inc., proposed to merge with AT&T, Inc., resulting in a corporate structure in which BellSouth Corporation (and its subsidiaries, including BellSouth Telecommunications, Inc.) would be a wholly-owned subsidiary of AT&T, Inc. In order to facilitate the FCC's approval of the merger, AT&T, Inc. later made a number of commitments (the "Merger Commitments"), including, without limitation, a number of commitments to reduce transaction costs associated with interconnection agreements.

5. The FCC approved the merger in December 2006, and issued its formal Order authorizing the merger on March 26, 2007. *In the Matter of AT&T Inc. and BellSouth Corporation Application for Transfer of Control*, WC Docket No. 06-74 ("*FCC Merger Order*"). In its Merger Order, the FCC ordered AT&T and BellSouth to comply with the Merger Commitments, as set forth in Appendix F therein. *FCC Merger Order*, ¶ 227 at page 112.

2

6. On April 24, 2007, Deltacom requested that the instant proceeding be held in abeyance to invoke the merger conditions related to reducing the transaction costs associated with interconnection agreements. The parties initially worked to "port" their North Carolina interconnection agreement into Florida by conforming it to applicable Florida law, rules and orders. While that effort was underway, AT&T released an Accessible Letter November 16, 2007, announcing a shift in its policy whereby CLECs could now extend older interconnection agreements by three years. Since the effort to conform the North Carolina agreement was proving rather cumbersome, Deltacom requested and AT&T agreed simply to extend the parties' existing Florida interconnection agreement for three additional years, pursuant to Merger Commitment, Reducing Transaction Costs Associated with Interconnection Agreements, No. 4; to wit:

The AT&T/BellSouth ILECs shall permit a requesting telecommunications carrier to extend its current interconnection agreement, regardless of whether its initial term has expired, for a period of up to three years, subject to amendment to reflect prior and future changes of law. During this period, the interconnection agreement may be terminated only via the carrier's request unless terminated pursuant to the agreement's "default" provisions.

7. The parties have negotiated and executed an amendment to extend their current interconnection agreement.

8. On August 19, 2008, AT&T filed such amendment for Commission approval in Docket No. 080563-TP.

9. Deltacom would withdraw its petition for arbitration, however, only upon the effectiveness of the amendment extending the parties' existing interconnection agreement.

WHEREFORE, Deltacom provides this Notice conditioned upon the approval and effectiveness of the amendment extending the parties' current interconnection agreement in Docket No. 080563-TP.

Respectfully submitted this 22nd day of August, 2008.

<u>/s/ Marsha E. Rule</u> MARSHA E. RULE Florida Bar No. 0302066 Rutledge, Ecenia, Purnell & Hoffman, P. A. Post Office Box 551 Tallahassee, Florida 32302-055 (850) 681-6788 (telephone) (850) 681-6515 (facsimile) marsha@reuphlaw.com

D. ANTHONY MASTANDO DeltaCom, Inc. 7037 Old Madison Pike Huntsville, AL 35806 (256) 382-3856 (telephone) (256) 382-3936 (facsimile) tony.mastando@deltacom.com

ATTORNEYS FOR DELTACOM, INC.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by email

and U.S. Mail as shown below on this 22nd day of August, 2008 to the following:

E. Edenfield/M. Mays/A. Shore c/o Gregory Follensbee 150 South Monroe Street, Suite 400 Tallahassee, FL 32301-1561 greg.follensbee@att.com David I. Adelman Charles B. Jones, III Sutherland, Asbill & Brennan, LLP 999 Peachtree Street, N.E. Atlanta, Georgia 30309 David.adelman@sablaw.com

Adam Teitzman Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850 <u>ATeitzma@psc.state.fl.us</u>

> <u>/s/ Marsha E. Rule</u> MARSHA E. RULE