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DOCKET NO. 920260-TL
TEST PERIOD ENDED 12/31/92
NOVEMBER 12, 1993

of IV

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Southern Bell Tel. & Tel. Co.
FPSC Docket No. 920260-TL
Audit
Date: 06/29/93
Amended Response to
Item No. 6-021
Page 1 of 1

Request: Please provide copies of all formal agreements between BSC and its subsidiaries and affiliates regarding cost assignment or allocation and related billings.

Response: In its response dated July 14, 1993 the Company stated that it would provide a response on or before July 30, 1993. Following is the response:

The agreement between BellSouth Corporation and BellSouth Enterprises, Inc. is being sent in the overnight mail on July 30, 1993.

The agreement between BellSouth Corporation and BellSouth Telecommunications was previously provided on March 9, 1993 in response to Item No. 2-023. The numbers associated with that contract are FO1K02W000244 through FO1K02W000253.

Date Provided: July 30, 1993

AGREEMENT

Between

BELLSOUTH CORPORATION

and

BELLSOUTH ENTERPRISES, INC.

WHEREAS, BellSouth Enterprises, Inc. ("BellSouth Enterprises") a wholly-owned subsidiary of BellSouth Corporation ("BellSouth"), has been organized for the purpose of engaging in various business ventures; and

WHEREAS, BellSouth Enterprises has determined that it is desirable and appropriate for BellSouth Enterprises to obtain certain corporate oversight and administrative services from BellSouth;

NOW, THEREFORE, it is agreed by the parties hereto as follows:

1. BellSouth will furnish to BellSouth Enterprises:

(a) Advice and assistance in the areas of financial management, planning, legal affairs, personnel and other matters ("general services") pertaining to the efficient, economical and successful conduct of the business of BellSouth Enterprises. Attached hereto is Appendix A which is incorporated herein by reference and is, inter alia, an outline of general services to be rendered pursuant to this paragraph.

(b) Advice and assistance in connection with such Projects as may be adopted from time to time by BellSouth Enterprises and identified as such to BellSouth. Attached hereto is Appendix B which is incorporated herein by reference and which, inter alia, further defines such Projects.

2. BellSouth Enterprises will furnish to BellSouth advice and assistance in connection with such Projects as may be adopted from time to time by BellSouth and identified as such to BellSouth Enterprises. Attached hereto is Appendix C which is incorporated herein by reference and which, inter alia, further defines such Projects.

3. For all benefits accruing to BellSouth Enterprises hereunder, BellSouth Enterprises shall pay BellSouth such sums as shall compensate BellSouth for the costs it incurs in rendering services under Paragraphs 1(a) and 1(b) above, including direct costs, overhead costs, and return on investment. Such costs will be determined and billed in accordance with and as more fully described in Appendices A, B, and D which are attached hereto and incorporated by reference herein.

4. For all benefits accruing to BellSouth hereunder, BellSouth shall pay such sums as shall compensate BellSouth Enterprises for the costs it incurs in rendering services under Paragraph 2 above, including direct costs, overhead costs, and return on investment. Such costs will be determined and billed in accordance with and as more fully described in Appendices C and D which are attached hereto and incorporated by reference herein..

5. BellSouth Enterprises hereby authorizes BellSouth to perform the functions described herein and all necessary authority is given to perform such functions.

6. BellSouth hereby authorizes BellSouth Enterprises to perform the functions described herein and all necessary authority is given to perform such functions.

7. (a) This agreement shall be effective as of January 1, 1986 and shall remain in effect until cancelled upon fifteen (15) months' prior written notice from either party to the other or upon mutual written agreement of the parties.

(b) The services described in Appendix A may be revised to reflect additions and deletions of services or changes in allocation factors as requested by either Party and agreed to by the the other. Such revisions may be agreed upon by the Contract Administrators of the Parties, who shall be identified by each Party by letter to the other. All other amendments to this Agreement must be signed by officers of the respective Parties.

IN WITNESS WHEREOF, the parties hereto have caused this agreement, in duplicate, to be signed and their corporate seals to be affixed thereto by their duly authorized officers.

BELLSOUTH CORPORATION

By: O. F. Williamson
Vice President - Senior
Financial Officer

Attest:

Donald F. Crang
Asst. Secretary

BELLSOUTH ENTERPRISES, INC.

By: W. O. McCoy
President

Attest:

John F. Beasley
Secretary

5. Legal

- Provide corporate legal services, including advice and assistance in labor relations, taxation, corporate, regulatory, antitrust and intellectual property matters.

6. Personnel

- Provide research, advice, assistance and oversight, develop policy, programs and plans for functions covered by the following Personnel disciplines:
 - Human resources planning and development.
 - Benefit and Medical administration.
 - Labor relations, Safety, Quality of Work Life, and Pioneer activities.
 - Planning for and administration of and executive compensation benefits and executive development.

7. Corporate Information

- Provide guidelines and oversight in the development and implementation of the subsidiaries' Advertising, Public Relations/Public Affairs programs and results.
- Provide corporate information of a financial aid nature.

This appendix outlines certain services ("general services") which BellSouth Corporation ("BellSouth") will provide BellSouth Enterprises, Inc. ("BellSouth Enterprises") in accordance with paragraph 1(a) of the Agreement between the parties effective January 1, 1986 and the method of determining the costs of and billing for such services in accordance with paragraph 2 of the Agreement.

A. Definitions.

1. "General Services" as used in this Appendix shall mean those services enumerated below and similar ones which are of the type that are beneficial to BellSouth subsidiaries generally, the costs of which are allocated as described below.

2. "Overhead Costs" include managerial, financial, support and employee related benefit costs that support BellSouth work functions. These costs will be loaded on all general services and project costs distributed to BellSouth Enterprises. Overhead costs include, but are not limited to, the following:

- Pensions
- Social Security Taxes
- Unemployment Compensation Taxes
- Ad Valorem Taxes
- Other (e.g., sickness and accident, savings plans, dental and medical expenses, etc.)

3. "Return on Investment" ("ROI") - An ROI factor will be applied to the costs billed to BellSouth Enterprises once sufficient investment has been made to justify application of the

factor. BellSouth will give BellSouth Enterprises written notice of the amount of the ROI factor no less than thirty (30) days before an ROI factor will be applied.

B. General Services to be Performed by BellSouth

The following general services will be performed by BellSouth in the following areas:

1. Comptrollers

- Coordinate data requirements for budget reporting.
- Coordinate data requirements for consolidated financial reports.
- Analyze, interpret and maintain accounting pronouncements and issue classifications interpretations.
- Develop and coordinate methods for employee benefits, employee compensation planning, intercompany billing, and pension and savings plan funds.
- Provide interface and support with regard to Securities and Exchange Commission.
- Provide internal audit services.
- Provide security services.
- Provide risk management and insurance services.
- Provide capital recovery advice and assistance.

2. Corporate Planning

- Provide broad corporate strategic planning and assistance in the setting of corporate goals.
- Provide guidelines for the development of company strategic plans and operational plans in support of budgets.
- Provide consulting support in the areas of development of situational analyses, scenarios and company plans.

3. Federal Relations

- Establish communications with Federal executive and legislative agencies (e.g., FCC, EEOC, Dept. of Labor, etc.) on items affecting BellSouth's subsidiaries.
- Provide interface support between such agencies and the subsidiaries.

4. Financial Management

- Review, negotiate and concur in capital, expense and revenue forecasts.
- Provide economic forecasts and assumptions for budget development.
- Coordinate overall financial planning.
- Prepare forecasts for use in reviewing market areas, circulation and market mobility.

8. Secretary

- Provide support functions related to certain shareholder and public correspondence, and BellSouth corporate governance and corporate records.

9. Strategic Market Planning

- Prepare guidelines to be used in the development of marketing plans for each line of business.
- Provide consulting support in the areas of market research, market information, pricing, promotion, and distribution on ongoing basis for line of business market planning and implementation activities.
- Review line of business market plans to ensure completeness and consistency with overall BellSouth objectives.
- Research and analyze evolving markets and market trends to identify potential new lines of business.

10. Strategic Planning - Technical

- Provide consultative services to assist in avoiding technological and competitive obsolescence.
- Develop responses to competitive threats.
- Influence the development of new technologies.

- Provide technology forecasting.
- Translate technology to business opportunities.

11. Treasury

- Provide financial planning and earnings analysis.
- Pension Fund and Savings and other benefit Plan asset administration.
- Provide analyst, rating agency, investment broker, stock exchange and shareowner service interface.
- Provide Treasury operational procedures, advice and assistance.
- Provide for equity funding.
- Provide pool of funds management.

12. Tax

- Provide tax accounting advice and procedures.
- Develop and maintain a mechanized income tax return system.
- Coordinate audits of consolidated federal income tax returns.
- Perform federal, state, and local tax research.

13. Regulatory Matters and Public Policy Analysis

- Evaluate FCC releases and filings to assess impact on the corporation and its subsidiaries.

- Provide regulatory advice and support to the subsidiaries and to corporate officers.
- Ensure compliance of the corporation and its subsidiaries with federal regulation.
- Formulate and refine regulatory strategies.
- Ensure compatibility of regulatory policy implementation among subsidiaries.
- Provide research and support on regulatory issues before federal legislative, judicial and administrative agencies.
- Monitor changes in the structure of telecommunications markets and assess implication for federal and state regulatory policies.

14. Executive

- Formulate corporate policies.
- Analyze management and organizational effectiveness.
- Provide advice and counsel.
- Maintain control of resources for rate of return requirements.
- Provide broad strategic planning.
- Implement basic policies and overall objectives.

C. Determination of Costs of General Services.

The costs of general services (including direct costs, overhead costs, and return on investment) rendered by BellSouth to BellSouth Enterprises and other BellSouth subsidiaries that enter into similar agreements shall be allocated among the subsidiaries by use of allocation factors. These factors include number of employees, investment, revenues, expenses, capital, or a "composite factor" which may include a combination of the previously listed factors. The factor or factors selected as the basis for allocating costs depends primarily upon the cost/benefit relationship to each subsidiary. The use of such factors will result in an equitable distribution of costs among the subsidiaries.

Actual allocation ratios will be computed monthly based on the current month's statistics, which will be provided by BellSouth Enterprises in a timely manner. These ratios will be determined by the relationship of the individual based items for each subsidiary to the total of the based items for all participating subsidiaries.

As an example, the number of employees may be the base used to distribute BellSouth Personnel costs. BellSouth Enterprises' share of costs would be determined by the relationship of BellSouth Enterprises' total number of employees to the total of all benefiting subsidiaries' number of employees times the cost to be distributed. These ratios will be used to allocate current month's costs in the next month's business.

The allocation factors for general services provided by BellSouth to BellSouth Enterprises in Section B of this Appendix follow:

- | | | |
|-----|-----------------------------------|---|
| 1. | Comptrollers | Composite Factor
(average of investment,
number of employees,
expenses and revenues) |
| 2. | Corporate Planning | Composite Factor
(average of expenses,
investment and revenues) |
| 3. | Federal Relations | Composite Factor
(average of expenses,
investment, and revenues) |
| 4. | Financial Management | Composite Factor
(average of investment,
expenses and revenues) |
| 5. | Legal | Composite Factor
(average of investment,
number of employees,
expenses and revenues) |
| 6. | Personnel | Number of employees |
| 7. | Corporate Information | Composite Factor
(average of number of
employees, capital and
revenues) |
| 8. | Secretary | Capital |
| 9. | Strategic Market
Planning | Composite Factor
(average of investment and
revenues) |
| 10. | Strategic Planning -
Technical | Composite Factor
(average of investment and
revenues) |
| 11. | Treasury | Capital |
| 12. | Tax | Composite Factor
(average of investment and
expenses) |

13. Regulatory Matters
and Public Policy
Analysis

Composite Factor
(average of investment,
expenses and revenues)

14. Executive

Composite Factor
(average of capital,
number of employees,
expenses and revenues)

This appendix outlines the meaning of a "Project" as used in the agreement between BellSouth Corporation ("BellSouth") and BellSouth Enterprises, Inc. ("BellSouth Enterprises") effective January 1, 1986.

BellSouth will incur cost on behalf of BellSouth Enterprises and other subsidiaries for the performance of functions or services, or both, which may be initiated by a request from BellSouth Enterprises or by BellSouth. Projects are functions or services performed by BellSouth departments that, due to the nature of the tasks, require special cost identification and billing considerations.

Costs billable to BellSouth Enterprises for each Project performed will be specified on Project documentation sheets completed by a BellSouth representative (Project Manager) in accordance with BellSouth's Executive Instruction No. 10, Section 1. Project documentation will include a description of the Project, the estimated cost, start and estimated completion dates, BellSouth and BellSouth Enterprises approvals, and the percent of the billable cost applicable to BellSouth Enterprises.

This appendix outlines the meaning of a "Project" as used in the agreement between BellSouth Corporation ("BellSouth") and BellSouth Enterprises, Inc. ("BellSouth Enterprises") effective January 1, 1986.

BellSouth Enterprises will incur cost on behalf of BellSouth for the performance of functions or services, or both, which may be initiated by a request from BellSouth or from BellSouth Enterprises. Projects are functions or services performed by BellSouth Enterprises that, due to the nature of the tasks, require special cost identification and billing considerations.

Costs billable to BellSouth for each Project performed will be specified on Project documentation sheets completed by a BellSouth Enterprises representative (Project Manager). Project documentation will include a description of the Project, the estimated cost, start and estimated completion dates, BellSouth and BellSouth Enterprises approvals, and the percent of the billable cost applicable to BellSouth Corporation.

This appendix describes the billing of general services and Project costs to BellSouth Enterprises, Inc. ("BellSouth Enterprises") by BellSouth Corporation ("BellSouth"), and the billing of Project costs to BellSouth by BellSouth Enterprises, in accordance with the agreement entered into by the parties effective January 1, 1986.

Costs

General services costs to be allocated to all subsidiaries, including BellSouth Enterprises, and Project costs to be directly billed to BellSouth Enterprises or BellSouth will include direct costs, overhead costs (which include managerial, financial, support, and employee-related benefit costs that support BellSouth functions), and a return on investment, as referred to in Appendix A of this Agreement.

General Services Billing

General services costs will be distributed by use of allocation factors. These factors include number of employees, capital, investment, revenues, expenses, and a composite factor, which may include a combination of previously mentioned factors. The factor selected for the basis of allocating costs primarily depends upon the cost/benefit relationships to BellSouth Enterprises. The factor used should result in an equitable distribution of costs among all participating BellSouth subsidiaries.

General services costs will be billed to the participating subsidiaries one month in arrears.

Necessary detail of services provided will be reflected on the BellSouth bill for subsidiary information and use.

Project Billing

Project costs will be identified and directly billed to BellSouth Enterprises or to BellSouth by the use of project numbers. Project billing to BellSouth Enterprises or BellSouth will, where practicable, occur a month in arrears. Bills rendered will have adequate detail by project by which BellSouth Enterprises or BellSouth can make proper classification and journalization entries and obtain proper approvals for payment.

AGREEMENT
BETWEEN
BELLSOUTH CORPORATION
AND
BELLSOUTH TELECOMMUNICATIONS, INC.
COVERING
CONSULTING, MARKETING, AND SUPPORT SERVICES

THIS AGREEMENT is made by and between BELLSOUTH CORPORATION, a corporation incorporated under the laws of the State of Georgia ("BSC") and BELLSOUTH TELECOMMUNICATIONS, INC., a corporation incorporated under the laws of the State of Georgia ("BST"), hereinafter collectively referred to as the "Parties."

WITNESSETH:

WHEREAS, a Modification of Final Judgment ("Decree") was entered in U. S. v. Western Electric, 552 F. Supp. 131, at 227 (D.D.C. 1982) and a Plan of Reorganization pursuant to that Decree has been approved by the U. S. District Court, Washington, D.C.; and

WHEREAS the Plan of Reorganization created a regional holding company, BellSouth Corporation, Inc., which owns BellSouth Telecommunications, Inc.; and

WHEREAS, the Parties mutually agree it would be economical and beneficial for each to obtain certain services and goods from the other; and

WHEREAS, the Parties are desirous of setting forth the terms and conditions under which each will furnish services and goods to the other.

NOW, THEREFORE, in consideration of the premises and of the covenants herein set forth, the Parties mutually agree as follows:

SECTION I

GENERAL

- 1.00 This Agreement shall be effective as of the later of (i) receipt of any necessary regulatory approvals required in the jurisdiction where this Agreement is to be enforced, or (ii) January 1, 1992 and shall continue in effect unless terminated by one Party upon thirty (30) days written advance notice to the non-terminating Party at the address specified in Section 4.01 herein.
- 1.01 Subject to the terms and conditions hereinafter set forth, each Party hereby agrees to provide (on a non-exclusive basis) to the other Party certain administrative and operational support services and goods (herein collectively referred to as "Services"). A description of such Services, the terms and conditions under which they are to be provided, and the reimbursement to be paid, are more particularly set forth hereunder.

SECTION II

ADMINISTRATIVE AND OPERATIONAL SUPPORT SERVICES

2.00 Either Party may request that the other Party perform for it one or more of the following Services in return for reimbursement as set forth herein. This reimbursement will be in accordance with the provisions of Section 3.01. At its option, the Party requested may decline any such request or provide any or all of the following Services.

2.01 DATA SYSTEMS DEVELOPMENT, SUPPORT AND SYSTEMS OPERATIONS -

Provide certain support services for designing, developing and operating computer systems and for processing computer programs. This may also include, but is not limited to, technical support and development, installation and maintenance and sale of software.

2.02 CLIENT SERVICES - Provide client service functions including, but not limited to, forms management, conference arrangements, copier selection, documentation services, travel services, graphics, records management, mail service, reproduction, courier service and food service management.

2.03 CORPORATE SERVICES - Provide services which include, but are not limited to:

- (a) Legal - Provision of legal research, representation, advice and counsel.
- (b) Corporate TV - Production of video tapes for distribution and/or broadcasting.
- (c) Teleconferencing - Provision of the teleconferencing services.
- (d) Security - Investigation of such areas as theft, personnel and grievances.

2.04 TRANSPORTATION SERVICES - Provide support to include, but not be limited to, motor pool services, motor vehicle maintenance and shuttle services.

2.05 PROPERTY MANAGEMENT - Provide services to include, but not be limited to, floor space, building operations services, house services and office rearrangements.

2.06 TRAINING

- (a) Course Development - Develop specific course materials and job aids to meet the needs of individual training requests.
- (b) Course Delivery - Provide instructional services in the delivery of course materials.
- (c) Board and Lodging - Provide lodging at a training facility while a student or conferee attending training classes.

(d) Centralized Training Records System (CTRS) - Allow access into CTRS, a timeshare computer application used to maintain employee training records and to register employees for specific courses.

(e) Information Systems - Provide Information Systems educational training services.

2.07 PURCHASE/SALE/LEASE OF ASSETS - Procure and dispose of assets to include, but not be limited to, furniture, equipment, computers, and software as well as administration of maintenance provisions.

2.08 COMMUNICATIONS SERVICES - Plan, design, install and administer official voice and data communications systems and services for affiliates' internal use, as permitted by law.

2.09 PROCUREMENT/PROVISIONING - Provide support to include, but not be limited to, negotiation and administration of contracts for the bulk purchase of goods and services, product management and analysis, material services, warehousing, distribution and disposition.

2.10 MARKETING/NETWORK SERVICES - Provide services which include, but are not limited to, dial tone referral, support for national accounts and customer premises equipment.

2.11 FINANCIAL SERVICES

- (a) Accounting/Treasury - Provide voucher, payroll checks and payment services.
- (b) Budget/Financial Management - Administer corporate budget, provide economic forecasting and analysis for regional planning and strategic management, preparation/coordination of guidelines and financial planning assumptions used in strategic plans and budget.
- (c) Internal Auditing - Provide internal auditing services on a programmed and requested basis.

2.12 ENVIRONMENTAL MANAGEMENT SERVICES - Provide, on request, support for the disposition of hazardous materials and waste. Disposition may include, but is not limited to, identification, removal, packaging, transportation, storage and disposal.

2.13 DOCUMENT PREPARATION AND DOCKET MANAGEMENT FOR REGULATORY PROCEEDINGS: Assist in document preparation and docket management for proceedings before all regulatory agencies.

2.14 VENDOR COORDINATION - Procure staff and support services from suppliers or outside vendors.

2.15 MISCELLANEOUS AND ADVISORY SERVICES - Provide loaned employees, secretarial support and nonrecurring

consultation and advice for such items as equipment evaluation and preparation of presentations and reports.

SECTION III

REIMBURSEMENT AND BILLING

3.00 BILLING PROCEDURES FOR SERVICES - By the 16th work day of the month following the provision of the Services listed above, each Party will forward to the person designated by the other Party a bill for Services rendered. The bill will be in sufficient detail to accommodate the reasonable accounting needs of each Party. Each Party will remit payment in full for billed services within thirty (30) days of the date of the invoice. Any unpaid balance may incur a late payment charge as permitted by law. Any discrepancies in billing which are not resolved by the remittance date will be handled as a credit on subsequent billing, as appropriate.

3.01 DETERMINATION OF CHARGES - All costs associated with the Services provided to the Parties shall be in compliance with the rules set forth by any applicable state regulatory authority or the Federal Communications Commission in In The Matter of BellSouth Corporation's Permanent Cost Allocation Manual for the Separation of Regulated and Nonregulated Costs, adopted December 28, 1987, released January 14, 1988, and as may be subsequently amended.

SECTION IV

RESPONSIBILITY FOR ADMINISTRATION

- 4.00 LIAISON ORGANIZATION - Each Party shall designate an individual as Contract Administrator to be responsible for certain corporate functions, including liaison between the Parties regarding arrangements for providing and billing the Services covered by this Agreement. Such individuals will have the responsibility for administering this Agreement, including dispute resolution.
- 4.01 NOTICES - Each Party shall send notices as specified in this Agreement to the following:

BellSouth -
Telecommunications,
Inc.

Contract Administration
Room 42E62
675 West Peachtree Street
Atlanta, Georgia 30375

BellSouth -
Corporation

Assistant Manager
Room 8G08
1155 Peachtree Street
Atlanta, Georgia 30367-6000

- SECTION V

MISCELLANEOUS

- 5.00 AMENDMENTS - No provision of this Agreement shall be amended by the Parties unless such amendment is in a written instrument, signed by the appropriate, duly authorized, officer of each Party.

- 5.01 ASSIGNMENT - This Agreement may not be assigned by either Party without the prior written consent of the other Party.
- 5.02 SECTION HEADINGS - The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation hereof.
- 5.03 SEVERABILITY - If any provision, or portion thereof, of this Agreement is found to be invalid for any reason, this Agreement shall be construed as if not containing the particular invalid portion or portions, and the rights and obligations of each Party shall be construed accordingly.
- 5.04 GOVERNING LAW - The construction and performance of this Agreement shall be governed by the laws of the State of Georgia.
- 5.05 EXCHANGE OF INFORMATION - Upon written request, the Parties agree to provide information relating to the Services available under this Agreement to each other, as may be necessary for planning purposes.

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NO B5C

RESPONSE TO 6-065

CONF

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC - Governmental Affairs EFFECTIVE DATE: 04/01/91
 DIVISION/DISTRICT: Executive Department RESPONSIBILITY CODE: SEOS00-HE0H70
 CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Manages two vice presidents and their staffs who deal with federal relations and federal regulatory issues of interest to BellSouth, as well as certain support personnel.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reports.

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on costs associated with position's direct reports.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Composite portion of MFJ grassroots lobbying expense (PB9443) and 10% of salaries and all direct lobbying expenses for two registered lobbyists (PB0903).

RECOMMENDED: _____ DATE: _____
 TITLE: _____ AL: _____ RC: _____
 APPROVED: Raymond McCune DATE: 4-10-91
 TITLE: Executive Vice Pres - Govtl Affairs AL: 70 RC: SEOS00

BELLSOUTH HEADQUARTERS

SECTION 1

DEPARTMENT:

BSDC - Governmental Affairs

EFFECTIVE DATE:

07/01/92

DIVISION/DISTRICT:

Executive Department

RESPONSIBILITY CODE:

SE0S00-HE0H70

CORPORATE SERVICES MANAGER:

Linda Cook

TELEPHONE NUMBER:

249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Manages one vice president, five Directors and other personnel who: identify issues, policies, and actions that could affect BellSouth and provide this information on BellSouth management and policymakers; provide information on BellSouth's existing and

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reports.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on costs associated with position's direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Composite portion of MFJ grassroots lobbying expense (PB9443) and 10% of salaries and all direct lobbying expenses for two registered lobbyists (PB0903).

SECTION 7

RECOMMENDED:

DATE:

TITLE:

APPROVED:

Raymond H. McCune

DATE:

8-14-92

TITLE:

Executive Vice President - Governmental Affairs

AL: 70

RC: SE0S00

KEM
10/5/92

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs

EFFECTIVE DATE: 04/01/91

DIVISION/DISTRICT: Federal Regulatory

RESPONSIBILITY CODE: SEOS30-HEOH73

CORPORATE SERVICES MANAGER: Linda Cook

TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Manages six direct subordinates in the accomplishment of duties including interface with the FCC on issues related to the operation of BellSouth, contact with national associations of state regulatory and legislative bodies, contact with various federal executive agencies and international organizations regarding matters of international concern, and telecommunications regulatory policy analysis and issues planning.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reports.

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on costs associated with position's direct reports.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED:

DATE:

TITLE:

AL:

RC:

APPROVED:

DATE:

33

TITLE: Vice President - Federal Regulatory

AL: 65

RC: SEOS30

BELLSOUTH HEADQUARTERS

SECTION 1

DEPARTMENT: BSDC Governmental Affairs	EFFECTIVE DATE: 07/01/92
DIVISION/DISTRICT: Federal Regulatory	RESPONSIBILITY CODE: SE0S30-HEOH73
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: 249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Manages eight direct subordinates in the accomplishment of duties including interface with the FCC on issues related to the operation of BellSouth, contact with National Associations of State Regulatory and Legislative bodies, contact with various federal executive agencies and international organizations regarding matters of international concern, and telecommunications regulatory policy analysis and issues planning. Also provides supervision over activities related to federal and legislative agenda with members of Congress and staff.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reports

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on costs associated with position's direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF) :

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED:

DATE: July 27 1992

TITLE:

APPROVED:

DATE: July 27 1992

TITLE:

Vice President - Federal Regulatory

AL: 65

RC: SE0S30

KEM
156

SECTION 1

DEPARTMENT: Secretary/Treasury EFFECTIVE DATE: 07/91
DIVISION/DISTRICT: Corp. Secy./Bd. Matters RESPONSIBILITY CODE: H11001
CORPORATE SERVICES MANAGER: Nell Thomas TELE. NO. 249-2435

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Coordination of BellSouth Board of Directors activities, i.e., board and committee meetings, administration of compensation plans, and corporate records retention.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

General allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Services provide support to all entities. No other method identified that would more accurately identify the services provided.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Director's fees and expenses.

SECTION 7

RECOMMENDED: Maria Furth DATE: 06/24/91

TITLE: Assistant Staff Manager

APPROVED:

[Signature]

DATE: 08-08-91

TITLE: VP, Secretary & Treasurer

AL: 65

RC: HEOH11

PLM

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Secretary/Treasury EFFECTIVE DATE: 07/91

DIVISION/DISTRICT: Trust Assets RESPONSIBILITY CODE: H11200

CORPORATE SERVICES MANAGER: K. Patterson TELE. NO. 249-3410

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for corporate and employee benefit plan trusts, including the Directors' Trust, STAP Trust, BellSouth Foundation, Vail Trust, and PAYSOP.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reports.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on costs associated with position's direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Responsible for employee benefit trusts, including master pension trust (PN4001), master savings trust (PN4002), health trusts (PN8328), and the group life trust (PN8341).

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Maria Furth DATE: 06/24/91

TITLE: Assistant Staff Manager

APPROVED: *[Signature]* DATE: 05-05-91

TITLE: VP, Secretary & Treasurer AL: 65 RC: HEOH11

psm

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Secretary/Treasury EFFECTIVE DATE: 07/91

DIVISION/DISTRICT: Trust Assets-Investments RESPONSIBILITY CODE: H11210

CORPORATE SERVICES MANAGER: James R. Meynard TELE. NO. 249-3451

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for overseeing and directing investments for corporate and employee benefit plan trusts, including the Directors' Trust, STAP Trust, and BellSouth Foundation.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

General allocation for Directors' Trust and Foundation.

Exception basis CX0009 for STAP Trust.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

General allocator: costs incurred benefit the whole corporation. No cost causative relationships have been identified.

Number of employees in plans: costs incurred benefit those covered by STAP.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Responsible for overseeing and directing investments for employee benefit trusts, including master pension trust (PN4001), master savings trust (PN4002), health trusts (PN8328), and the group life trust (PN8341).

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Maria Furth DATE: 06/24/91

TITLE: Assistant Staff Manager

APPROVED: *Maria Furth* DATE: 08-05-91

TITLE: VP, Secretary & Treasurer AL: 65 RC: HEOH11

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Secretary/Treasury EFFECTIVE DATE: 07/91

DIVISION/DISTRICT: Trust Asset-Actuarial RESPONSIBILITY CODE: H11230

CORPORATE SERVICES MANAGER: Therman Davis TELE. NO. 249-3532

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provides actuarial services for corporate and employee benefit trusts, including the Directors' Trust and STAP Trust.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

General allocation for Directors' Trust.
Exception basis CX0009 for STAP Trust.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

General allocator: costs incurred benefit the whole corporation. No cost causative relationships have been identified.

Number of employees in plans: costs incurred benefit those covered by STAP.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Provides actuarial services for employee benefit trusts, including master pension trust (PN4001), health trusts (PN8328), group life trust (PN8341).

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Maria Furth DATE: 06/24/91

TITLE: Assistant Staff Manager

APPROVED: *Jerry E. White* DATE: 05-05-91

TITLE: VP, Secretary & Treasurer AL: 65 RC: HEOH11

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Secretary/Treasury EFFECTIVE DATE: 07/91

DIVISION/DISTRICT: Investor & Shareholder Relations RC: H11300

CORPORATE SERVICES MANAGER: Nancy C. Humphries TELE. NO. 249-3428

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Develops financial communication policy and strategy for BellSouth Corporation. Directs financial communication management as a single point of contact in the corporation for the investment community (individuals and institutions) on a worldwide basis. Briefs senior officers and Board of Directors on the external perception of BellSouth financial performance and impact of external earnings, legislative, regulation and financial events. Directs corporate governance planning and policy development and planning and execution of the BellSouth annual shareholders meeting. Sets the financial content and financial emphasis of all information releases (speeches, press releases, interviews). Directs research and analysis of stock ownership and financial market intelligence required for financial communications policy decisions and planning.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reports

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on costs associated with position's direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

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SECTION 7

RECOMMENDED: Maria Furth

DATE: 06/24/91

TITLE: Assistant Staff Manager

APPROVED:

Doug Pelletier

DATE: 5-2-91

TITLE: VP, Secretary & Treasurer

AL: 65

RC: HEOH11

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Secretary/Treasury EFFECTIVE DATE: 07/91

DIVISION/DISTRICT: Investor & Shareholder Relations RC: H11310

CORPORATE SERVICES MANAGER: Jerry D. Guthrie TELE. NO. 249-2410

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Coordination of shareholder related activities, i.e., proxy solicitations, shareholder correspondence, quarterly newsletter; analysis of corporate governance issues; and management of the integrated administration of the IR department including research and analysis, development of IR Information Systems and program development and implementation.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reports

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on cost associated with position's direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Maria Furth DATE: 06/24/91

TITLE: Assistant Staff Manager

APPROVED: *[Signature]* DATE: 05-08-91

TITLE: VP, Secretary & Treasurer AL: 65 RC: HEOH11

PSM

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Secretary/Treasury EFFECTIVE DATE: 07/91

DIVISION/DISTRICT: Investor & Shareholder Relations RC: H11311

CORPORATE SERVICES MANAGER: Mary Jane Kellett TELE. NO. 249-2412

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Coordination of shareholder related activities, i.e., proxy solicitations, shareholder correspondence, quarterly newsletter, executive correspondence, and analysis of corporate governance issues.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Subsidiary equity

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Headquarters management and shareholder services relate to subsidiary's equity.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Maria Furth DATE: 06/24/91

TITLE: Assistant Staff Manager

APPROVED: *Maria Furth* DATE: 08-05-91

TITLE: VP, Secretary & Treasurer AL: 65 RC: HEOH11

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Secretary/Treasury EFFECTIVE DATE: 07/91

DIVISION/DISTRICT: Investor & Shareholder Relations RC: H11312

CORPORATE SERVICES MANAGER: Betty Terrell TELE. NO. 249-3444

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: *Investor Relations*

Manages the integrated administration of the total IR department that includes research and analysis, development and operation of IR Information Systems, and program development and implementation.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Allocate to SCB, SBT, and BSE in relation to subsidiaries capital.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

IR services relate to the capital component of the corporation. Support for financial community interface.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Maria T. Furth DATE: 06/24/91

TITLE: Assistant Staff Manager

APPROVED: *[Signature]* DATE: 08-08-91

Joe TITLE: *in* VP, Secretary & Treasurer AL: 65 RC: HEOH11

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Secretary/Treasury EFFECTIVE DATE: 07/91

DIVISION/DISTRICT: Investor Relations RESPONSIBILITY CODE: H11320

CORP. SERVICES MANAGER: Paul Blalock & Michael Wolfe TELE. NO. 249-3438,3436

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Financial Community Interface

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Allocate to SCB, SBT, and BSE in relation to subsidiaries capital.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

IR services relate to the capital component of the corporation.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Maria Furth DATE: 06/24/91

TITLE: Assistant Staff Manager

APPROVED: *[Signature]*

DATE: 05-05-91

TITLE: VP, Secretary & Treasurer

AL: 65

RC: HEOH11

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

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SECTION 1

DEPARTMENT: Comptrollers EFFECTIVE DATE: _____

DIVISION/DISTRICT: Risk Management RESPONSIBILITY CODE: H13350^{hm}

CORPORATE SERVICES MANAGER: Judy S. Hughes TELE. NO. 249-2952

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SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1. Develops and maintains a comprehensive risk and insurance management program to minimize the cost of non-speculative risk by exposure identification and control, risk financing through retention or insurance, and contractual transfer for all BellSouth entities.
 2. Manages the placement and renewal of all property and casualty insurance, including general and automobile liability coverages, workers' compensation coverages, and bonds for self-insurance.
 3. Coordinates the adjustment of insured claims for all BellSouth entities.
 4. Interfaces between the Asset Protection Group and BellSouth's property insurance carriers to ensure that BellSouth's risk for fire and other perils is minimized.
- =====

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

1. CX0010 - Charged based on the insured assets
 2. 75% BSE, 25% shared equally between BSS, SB, and SCB
- See attached memo.
LCS
- =====

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

1. Manager's responsibility associated with insured assets which can be directly attributed to an entity.
 2. Remaining staff's responsibility for general liabilities and workmen's compensation claims. These cost can be attributed to the entities for which the staff is contracted to perform these tasks; 28 entities of which 22 are BSE subsidiaries. Additionally, work is done for BSS, SB, and SCB for review of contract renewals.
- =====
- 45m

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):
Risk Assessment for Mergers and Acquisitions activities.

PB0500 - REVERSE RAC
PB0501 - CAMEL
PB0502 - TRUMPET
PB0503 - CONTRACT
PB0505 - BALLOON
PB0506 - ACORN
PB0507 - MARCONI
PB0508 - TRIANGLE
PB8365 - METHANE
PB8524 - REV YELLOW JACKET
PB8527 - CORAL
PB8536 - CARNIVAL
PB8537 - OUTBACK

PB8539 - BINOCULARS
PB9300 - ATHENA II
PB9541 - AMIGO
PB9542 - DICK TRACY
PB9543 - CATHEDRAL
PB9546 - SAMBA
PB9553 - PINATA
PB9560 - GRAND SPORT II
PB9578 - HIGH WIRE
PB9579 - PADRE
PB9580 - HEAVEN II
PB9581 - PINE PULP

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):
None identified.

SECTION 7

RECOMMENDED: Judy A. Hughes DATE: 6/13/91
TITLE: Operation Manager
APPROVED: Elizabeth A. Gray DATE: 6/14/91
TITLE: Assistant Comptroller AL: 60 RC: H13300

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Risk Management - Comptrollers EFFECTIVE DATE: July 1992

DIVISION/DISTRICT: Risk Management RESPONSIBILITY CODE: H13050

CORPORATE SERVICES MANAGER: Judy S. Hughes TELE. NO. 249-2952

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1. Develop and maintain a comprehensive risk and insurance management program through exposure identification and control, risk financing, and non-insurance and/or contractual transfer of liability. 2) Manage placement of risk financing program. 3) Coordinate adjustment of insured claims. 4) Interface with legal departments, PPSM & contracts groups, disaster recovery teams, and Human Resources staffs on Risk Management and insurance issues.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

33 1/3 BBS; 33 1/3 BST; 33 1/3 BSE.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Costs associated with staff responsibility of risk management services can be distributed equally to 1) BBS due to volume of contracts and complexity of claims issues; 2) BST due to company size, number of employees and asset protection concerns; and 3) BSE due to number of diverse operations and growth from mergers and acquisitions.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Risk assessments for mergers, acquisitions, and divestitures.

See Attached. Also EXCCC3, EXCCC10, EXCCC14, EXCCC20, EXCCC22, EXCCC23

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None identified

SECTION 7

RECOMMENDED: Deanne A. Gladle DATE: 7/16/92

TITLE: Acting Operations Manager

APPROVED: Patrick H. Casey

P. H. Casey

DATE: 7/20/92

TITLE: V.P. & Comptroller

AL: 65

RC: HEOH13

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9/3/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Comptrollers EFFECTIVE DATE: 7-1-91

DIVISION/DISTRICT: Corp. Accounting Matters RESPONSIBILITY CODE: H13100

CORPORATE SERVICES MANAGER: Lyn Rogers-Haney TELE. NO. 249-3033

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Corporate accounting functions primarily in the accounting policy, regulatory and standard setting analysis, financial reporting, SEC compliance, merger and acquisitions and Executive Directives/Executive Instructions/Administrative Procedures.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Based on composite of the position's direct reports' costs.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on costs associated with position's direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None identified.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Accounting activities associated with BellSouth's merger and acquisition function and the oversight of the associated due diligence process.

SECTION 7

APPROVED: *J. L. Haney* DATE: 4-24-91

TITLE: Assistant Comptroller AL: 60 RC: H13100

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Comptrollers EFFECTIVE DATE: July 1, 1992

DIVISION/DISTRICT: Corporate Accounting RESPONSIBILITY CODE: H13100

CORPORATE SERVICES MANAGER: Lyn Rogers-Haney TELE. NO. 249-3033

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:
Supervises, directs and coordinates various corporate accounting and accounting policy functions. Corporate accounting functions include corporate accounting services, benefit accounting methods and procedures, and executive compensation plan accounting methods. Accounting policy functions include regulatory and standard setting analysis, financial reporting, SEC compliance, mergers and acquisitions, Executive Directives, Executive Instructions, and Administrative Procedures.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:
Based on composite of the position's direct reports' costs.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:
Managerial expenses assigned based on costs associated with position's direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF): None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):
Accounting activities associated with BellSouth's mergers and acquisitions function and the oversight of the associated due diligence process.

SECTION 7

APPROVED: *[Signature]* DATE: 7/27/92

TITLE: Assistant Comptroller AL: 60 RC: H13100

*KEM
9/2/92*

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Comptrollers EFFECTIVE DATE: 3/15/91
DIVISION/DISTRICT: Corp Consol/Ext Reporting RESPONSIBILITY CODE: H13120
CORPORATE SERVICES MANAGER: Patrick M. Smith TELE. NO. (404) 249-2992

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for maintaining and enhancing the BellSouth financial architecture, providing SEC financial reporting policy guidance, and generating consolidated monthly/quarterly/annual internal and external financial reports.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Equity of all subsidiaries

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Services are in support of all subsidiaries and are attributable based on the investment/interest BellSouth has in each.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

- PN4003 - Methods and procedures for BellSouth Savings Plans billed to the Trustee, Bankers Trust Company
- PF2C20 - Preparation of debt registration for BellSouth Capital Funding
- PF2800 - Filing registration statements for mergers and acquisitions for BSE
- PF2200 - Preparation of debt registrations for Southern Bell
- PF2100 - Preparation of debt registrations for South Central Bell

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Patrick M. Smith DATE: 06/21/91
TITLE: Operations Manager
APPROVED: Michael Smith DATE: 6/24/91
TITLE: Assistant Comptroller, AL: 60 RC: H13100

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Comptrollers EFFECTIVE DATE: July 1, 1992

DIVISION/DISTRICT: Corp Consol/External Rptg RESPONSIBILITY CODE: H13120

CORPORATE SERVICES MANAGER: Stephanie Pulliam TELE. NO. 249-3044

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:
Responsible for maintaining and enhancing the BellSouth Financial architecture, providing SEC financial reporting policy guidance, and generating consolidated monthly/quarterly/annual internal and external financial reports.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:
Equity of all subsidiaries Also cxc code 00009

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:
Services are in support of all subsidiaries and are attributable based on the investment/interest BellSouth has in each.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

- PN4003 Methods and procedures for BellSouth Savings Plans billed to the Trustee, Bankers Company
 - PF2C20 Preparation of debt registration for BellSouth Capital Funding
 - PF2800 Filing registration statements for mergers and acquisitions for BSE
 - PF0210 Preparation of debt registrations for BellSouth Telecommunications
-
-

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB): None

SECTION 7

RECOMMENDED: Stephanie Pulliam DATE: 7/25/92

TITLE: Operations Manager

APPROVED: James H. H. H. DATE: 7/23/92

TITLE: Assistant Comptroller AL: 60 RC: H13100

KEM
8/4/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Comptrollers EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: Corp. Acctg. Standards RESPONSIBILITY CODE: H13130

CORPORATE SERVICES MANAGER: Lyn Rogers-Haney TELE. NO. 249-3033

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1. Research and prepare BellSouth's responses to accounting issues related to FCC filings and inquiries.
 2. Interface between BellSouth and external standard setting bodies (e.g. FASB, AICPA) for assessing the impact of non-employee related issues on BellSouth.
 3. Interact with USTA and Bellcore on accounting issues.
 4. Prepare and issue interpretations and accounting policy for all BellSouth subsidiaries.
 5. Provide research services to subsidiaries.
 6. Coordinate filings to the FCC (Form M, ARMIS, CAM, etc.).
 7. Administer BellSouth Headquarters' Cost Allocation Methodology.
 8. Directs development and production of Executive Instructions and Administrative Procedures for BellSouth Headquarters.
-

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

1. Headquarters Allocator 9%
 2. BellSouth Enterprises (BSE) 9%
 3. Southern Bell (SB) 41%
 4. South Central Bell (SCB) 41%
 5. CX codes are used on an exception basis
-

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

1. Functions allocated via the Headquarters Allocator are in support of BellSouth Headquarters and are not directly attributable to the subsidiaries.
 2. Functions allocated equally between BSE, SB, & SCB are performed in relation to setting general accounting policy for all subsidiaries.
 3. Functions allocated equally between SB & SCB are performed in relation to regulatory issues.
-

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None identified

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None identified

SECTION 7

RECOMMENDED:

Francis A. Davis

DATE:

6/12/91

TITLE:

Operations Manager

APPROVED:

J. [Signature]

DATE:

6/24/91

TITLE:

Assistant Comptroller

AL:

60

RC:

H13100

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Comptrollers EFFECTIVE DATE: July 1, 1992

DIVISION/DISTRICT: Corp. Acctg. Standards RESPONSIBILITY CODE: H13130

CORPORATE SERVICES MANAGER: Lyn Rogers-Haney TELE. NO. 249-3033

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1. Research and prepare BellSouth's responses to accounting issues related to FCC filings and inquiries.
2. Interface between BellSouth and external standard setting bodies (e.g. FASB, AICPA) for assessing the impact on BellSouth of issues which are not compensation related.
3. Interact with USTA and Bellcore on accounting issues.
4. Prepare and issue interpretations and accounting policy for all BellSouth subsidiaries.
5. Provide research services to subsidiaries.
6. Coordinate filings to the FCC (Form M, ARMIS, CAM, etc.).
7. Administer BellSouth Headquarters' Cost Allocation Methodology.
8. Directs development and production of Executive Instructions and Administrative Procedures for BellSouth Headquarters.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

1. Headquarters Allocator 9%
2. BellSouth Enterprises (BSE) 9%
3. BellSouth Telecommunications (BST) 82%
4. CX codes are used on an exception basis CXCCC6

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

1. Functions allocated via the Headquarters Allocator are in support of BellSouth Headquarters and are not directly attributable to the subsidiaries.
2. Functions allocated equally between BSE & BST are performed in relation to setting general accounting policy for all subsidiaries.
3. Functions allocated to BST are performed in relation to regulatory issues.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF): None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB): None

SECTION 7

RECOMMENDED: Francis E. Davis DATE: July 23, 1992

TITLE: Operations Manager

APPROVED: [Signature] DATE: 7/27/92

TITLE: Assistant Comptroller AL: 60 RC: H13100

REM
2/28

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1
DEPARTMENT: Comptrollers EFFECTIVE DATE: 3-15-91
DIVISION/DISTRICT: Affiliated Int. Matters RESPONSIBILITY CODE: H13140
CORPORATE SERVICES MANAGER: Gary J. Grace TELE. NO. 249-2456

- SECTION 2
DESCRIPTION OF CORPORATE SERVICES FUNCTIONS PROVIDED TO ENTITIES:
1. Serves as BSC Affiliated Interest Witness on behalf of Southern Bell and South Central Bell before the state public utility commissions.
 2. Coordinates with interdepartmental representatives and regulatory staffs to collect and distribute data for BellSouth Headquarters.
 3. Performs investigations, analyses, and ongoing monitoring of affiliate interest issues concerning BellSouth Headquarters and non-regulated subsidiaries.
 4. Provides information on BellSouth matters to BOC regulatory personnel.

SECTION 3
COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:
50% SB and 50% SCB
CX0001 - Southern Bell (exception basis)
CX0002 - South Central Bell (exception basis)

SECTION 4
RATIONALE SUPPORTING METHODOLOGY:
Services are provided on behalf of SB and SCB concerning BellSouth Headquarters and other BellSouth entities. Cost which are not specifically identified and charged directly to SB or SCB are caused equally by the regulatory requirements of both BOCs.

SECTION 5
DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BASIS (PS, PN, PF):
None identified

SECTION 6
DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):
None identified

SECTION 7
RECOMMENDED: Gary J. Grace DATE: 4/9/91
TITLE: Operations Manager
APPROVED: [Signature] DATE: 4/15/91
TITLE: Assistant Comptroller AL: 60 RC: H13100

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Comptrollers EFFECTIVE DATE: July 1, 1992

DIVISION/DISTRICT: Affiliate Interest Matters RESPONSIBILITY CODE: H13140

CORPORATE SERVICES MANAGER: Gary J. Grace TELE. NO. 249-2456

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1. Serves as BSC Affiliated Interest Witness on behalf of BellSouth Telecommunications (BST) before the state public utility commissions.
2. Coordinates with interdepartmental representatives and regulatory staffs to collect and distribute data for BellSouth Headquarters.
3. Performs investigations, analyses, and ongoing monitoring of affiliate interest issues concerning BellSouth Headquarters and nonregulated subsidiaries.
4. Provides information on BellSouth matters to BST regulatory personnel.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: 100% BST

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Services are provided on behalf of BST concerning BellSouth Headquarters and other BellSouth entities.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF): None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB): None

SECTION 7

RECOMMENDED: Gary J. Grace DATE: 7/28/92

TITLE: Operations Manager

APPROVED: [Signature] DATE: 7/25/92

TITLE: Assistant Comptroller AL: 60 RC: H13100

MEM
9/2/92

RC deleted 11/93

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Comptrollers EFFECTIVE DATE: 3/15/91
DIVISION/DISTRICT: Compensation & Benefits RESPONSIBILITY CODE: H13860

CORPORATE SERVICES MANAGER: Greg Griffin TELE. NO. 249-3037

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Responsible for the development of corporate-wide accounting policy and methods and procedures for all compensation and benefit plans. Such plans include pension and savings plans, ESOP, insurance plans, and the executive and key manager compensation plans. Also responsible for processing the Executive Payroll and administering corporate-wide executive compensation plans.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Number of employees in each company participating in BellSouth pension and benefit plans. On an exception basis, via exception reporting or hard coded:

CX0013 Number of executives paid from the executive payroll system
CX0001 SBT direct
CX0002 SCB direct
CX0003 BSE direct
CX0016 BSS direct

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: Services provided relate to those subsidiaries participating in the BellSouth pension and benefit plans. CX codes are used on an exception basis.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

PN4003 - Methods and procedures for BellSouth Savings Plans billed to the Trustee, Bankers Trust Company

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Greg A. Griffin DATE: 4-10-91

TITLE: Operations Manager

APPROVED: Elizabeth A. Grigo DATE: 4/11/91

TITLE: Assistant Comptroller AL: 60 RC: H13300

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Comptrollers EFFECTIVE DATE: July 1, 1992

DIVISION/DISTRICT: Compensation & Benefits RESPONSIBILITY CODE: H13160

CORPORATE SERVICES MANAGER: Greg Griffin TELE. NO. 249-3037

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Responsible for the development of corporate-wide accounting policy and methods and procedures for all compensation and benefit plans. Such plans include pension and savings plans, ESOP, insurance plans, and the executive and key manager compensation plans. Also, responsible for processing the Executive Payroll and administering corporate-wide executive compensation plans.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Number of employees in each company participating in BellSouth pension and benefit plans. On an exception basis, via exception reporting or hard coded:

CX0013 Number of executives paid from the executive payroll system
CX0003 BSE Direct
CX0019 BBS Direct
CX0020 BST Direct

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: Services provided relate to those subsidiaries participating in the BellSouth pension and benefit plans. CX codes are used on an exception basis.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

PN4C03 - Methods and procedures for BellSouth Savings Plans billed to Trustee, Bankers Trust Company

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB): None

SECTION 7

RECOMMENDED: Doug A. Guff DATE: 7/28/92

TITLE: Operations Manager

APPROVED: [Signature] DATE: 7/29/92

TITLE: Assistant Comptroller AL: 60 RC: H13130

*Ken
8/4/92*

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Comptrollers EFFECTIVE DATE: 5-1-91

DIVISION/DISTRICT: Accounting Services RESPONSIBILITY CODE: H13320 H13170 km

CORPORATE SERVICES MANAGER: LARRY GLOVER TELE. NO. 249-2460

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1. Provides traditional accounting services functions, such as intercompany billing (Headquarters & "flow through"), corporate books, and disbursements.
2. Compiles Corporate Financial reports from subsidiary data transmissions for BellSouth Corporation.
3. Provides mechanization support for BSHQ Comptrollers.
4. Provides support for Affiliated Accounting Witness.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

1. Headquarters Allocator - 100%
On an exception basis, via exception time reporting or hard coded:
2. CX0012 BellSouth Human Resources Administration
3. CX0001 Southern Bell
4. CX0002 South Central Bell
5. CX0003 BellSouth Enterprises

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

1. All functions allocated via the Headquarters Allocator are in support of BellSouth Headquarters and BellSouth D.C. operations and are not attributable to the subsidiaries.
2. CX codes are used on an exception basis.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):
PS8315 - Capital Funding Inc. Accounting Services

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):
None identified

SECTION 7

RECOMMENDED: *Perry Gilman* DATE: 5/20/91

TITLE: Operations Manager

APPROVED: *Elizabeth A. Grayson* DATE: 5/3/91

TITLE: Assistant Comptroller AL: 60 RC: H13300

4/5m

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Comptrollers EFFECTIVE DATE: July 1, 1992

DIVISION/DISTRICT: Corporate Accounting RESPONSIBILITY CODE: E13170

CORPORATE SERVICES MANAGER: John Robinson TELE. NO. 249-2460

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1. Provides traditional accounting services functions, such as intercompany billing (Headquarters & "flow through"), corporate books, and disbursements.
2. Compiles Corporate Financial reports from subsidiary data transmissions for BellSouth Corporation.
3. Provides mechanization support for BellSouth Headquarters Comptrollers.
4. Provides support for Affiliated Accounting Witness.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

1. Headquarters Allocator - 100%
On an exception basis, via exception time reporting or hard coded:
2. CX0003 BellSouth Enterprises *CX0019 BellSouth Business Systems*
3. CX0020 BellSouth Telecommunications

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

1. All functions allocated via the Headquarters Allocator are in support of BellSouth Headquarters and BellSouth D.C. operations and are not attributable to subsidiaries.
2. CX codes are used on an exception basis.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):
PS8315 Capital Funding Inc. Accounting Services

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB): None

SECTION 7

RECOMMENDED: *[Signature]* DATE: 7/28/92

TITLE: Operations Manager

APPROVED: *[Signature]* DATE: 7/28/92

TITLE: Assistant Comptroller AL: 60 RC: E13100

KEM
9/2/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Comptrollers

EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: Corporate Support

RESPONSIBILITY CODE: H132XX

Entire Division

CORPORATE SERVICES ASSISTANT MANAGER: Zelina Hines

TELE. NO. 249-2552

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provides administrative, building and facilities, and graphics support services to corporate employees located in the BellSouth Headquarters building (Campanile) located in Atlanta, Georgia.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Entire division billed out as overhead on salaries and wages.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Functions in Section 2 are performed for the benefit of BSC Headquarters employees only.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

PS0729 BSE

PS0731 BSS

PS0732 SBT

PS7233 BSI

PS8307 BIS

PS9438 BSS

PS9441 BSE

PN8333 BSE, BSI, BSS, BIS (Project removes Graphics charges from corporate services; billed to user for graphics jobs each month.)

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

PB0725

To retain a portion of Campanile's rent.

SECTION 7

RECOMMENDED: Zelina M. Hines

DATE: 8/6/91

TITLE: Asst. Manager - Corporate Support

APPROVED: [Signature]

DATE: 8/7/91

TITLE: AVP - Corporate Support

AL: 60 RC: H13200

psm

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Comptrollers

EFFECTIVE DATE: 10/1/92

DIVISION/DISTRICT: Corporate Support

RESPONSIBILITY CODE: H132XX

Entire Division

CORPORATE SERVICES ASSISTANT MANAGER: Zelina Hines

TELE. NO. 249-2552

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provides administrative, building and facilities, and graphics support services to corporate employees located in the BellSouth Headquarters building (Campanile) located in Atlanta, Georgia.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Entire division billed out as overhead on salaries and wages.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Functions in Section 2 are performed in support of BSC Headquarters employees only.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

PS0729 BSE

PS0731 BST

PS2794 BST

PS2801 BST

PS7233 BSI

PS8307 BIS

PS9438 BST

PS9441 BSE

PN8333 BSE, BSI, BST, BIS (Project removes Graphics charges from corporate services; billed to user for graphics jobs each month.)

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

PB0725

To retain a portion of Campanile's rent.

SECTION 7

RECOMMENDED:

Zelina Hines

DATE:

10/5/92

TITLE: Asst. Manager - Corporate Support

APPROVED:

[Signature]

DATE:

10/9/92

TITLE: AVP - Corporate Support

AL: 60

RC: H13200

KEM
10/12/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Comptrollers EFFECTIVE DATE: July 1, 1991

DIVISION/DISTRICT: Corp. Acctg. Svcs. RESPONSIBILITY CODE: H13300

CORPORATE SERVICES MANAGER: Lyn Rogers-Haney TELE. NO. 249-3033

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Supervises, directs and coordinates various corporate accounting functions including corporate accounting services, risk management and insurance, benefit accounting methods and procedures, and executive compensation plan accounting methods.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Based on composite of costs of associated positions directly reporting to this position.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: Expenses are associated with a function which manages other financial support services. Allocation treatment should be consistent with reporting positions.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):
None identified.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):
None identified.

SECTION 7

APPROVED: *Clyde A. Gray* DATE: 7/1/91

TITLE: Assistant Comptroller AL: 60 RC: H13300

PSA

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 8/1/92

DIVISION/DISTRICT: FIT Audits & Research RESPONSIBILITY CODE: H15020

CORPORATE SERVICES MANAGER: R. H. Proehl TEL. NO.: 249-3690

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide tax research related to accounting matters, accounting policy changes, legislative issues, and rate-making techniques; coordinate tax sections of commitment view and budget assumptions. In addition, provide federal and state income tax audit services and tax advice related to potential audit issues.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

General allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Services benefit all subsidiaries.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: Robert A. Proehl
TITLE: Corporate Manager - Taxes

DATE: 9/2/92

APPROVED: C. V. Blalock III
TITLE: Asst. Vice President - Taxes

DATE: 9/9/92
AL: 60 RC: H15300

KEM
10/5/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: July 1, 1991
DIVISION/DISTRICT: Other Taxes RESPONSIBILITY CODE: H15100
CORPORATE SERVICES MANAGER: C. M. Brasfield TELE. NO. 249-3610

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Tax policy, tax compliance, research, audit, legislative review and related activities.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reports.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on costs associated with position's direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

n/a

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: C. M. Brasfield DATE: 6-18-91
TITLE: Director-Corporate Taxes
APPROVED: C. W. Blenkins III DATE: 8/6/91
TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: August 1, 1992

DIVISION/DISTRICT: Other Taxes RESPONSIBILITY CODE: H15100

CORPORATE SERVICES MANAGER: C. M. Brasfield TELE. NO. (404) 249-3610

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Tax policy, tax compliance, research, audit, legislative review and related activities.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reports.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on costs associated with position's direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

n/a

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: C. M. Brasfield DATE: 8-28-92

TITLE: Director-Corporate Taxes

APPROVED: C. W. Sheldy III DATE: 8/28/92

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

KEM
10/5/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: August 1, 1992

DIVISION/DISTRICT: Other Taxes-Compliance RESPONSIBILITY CODE: H15101

CORPORATE SERVICES MANAGER: Dennis Greer ^{KEM}
E. E. Thompson ¹¹¹⁷⁹² TELE. NO. (404) 249-3551

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Training, professional licenses, tax compliance, audit support, tax research, and methods and procedures related to sales and use, payroll and other taxes for Headquarters, as well as assessing proposed state legislation.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Headquarters allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Time spent handling Headquarters' tax compliance and research should be billed to entities in the same proportion as Headquarters' cost are billed.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Tax compliance, research, audit support for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: [Signature] DATE: 8/27/92

TITLE: Manager-Taxes

APPROVED: C.W. Slidley II DATE: 8/28/92

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

KEM
10/5/92

^{KEM}
... confirmed that D. Moore is replacing Thompson = no change in duties

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: July 1, 1991
DIVISION/DISTRICT: Other Taxes-Research RESPONSIBILITY CODE: H15110
CORPORATE SERVICES MANAGER: A. H. Shepherd TELE. NO. 249-3612

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Tax compliance, research, audit, legislative review and related tax activities. All taxes other than income and property taxes.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Investments of subsidiary

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Taxes other than income generally relate to the size of the entity. Therefore, investment provides the closest correlation for taxes within the supervision of this RC.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Consulting, audit, and tax research for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Occasional M & A Activity

SECTION 7

RECOMMENDED: A. H. Shepherd DATE: 6-18-91
TITLE: Corporate Manager-Taxes
APPROVED: C. W. Sheldy, III DATE: 8/6/91
TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: August 1, 1992

DIVISION/DISTRICT: Other Taxes-Research RESPONSIBILITY CODE: H15110

CORPORATE SERVICES MANAGER: A. H. Shepherd TELE. NO. (404) 249-3612

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Tax compliance, research, audit, legislative review and related tax activities.
All taxes other than income and property taxes.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Investments of subsidiary

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Taxes other than income generally relate to the size of the entity. Therefore, investment provides the closest correlation for taxes within the supervision of this RC.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Consulting, audit, and tax research for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Occasional M & A Activity/Litigation

SECTION 7

RECOMMENDED: Alex H. Shepherd DATE: Aug. 28, 1992

TITLE: Corporate Manager-Taxes

APPROVED: C. V. Soliday III DATE: 8/28/92

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

KEM
10/5/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: July 1, 1991

DIVISION/DISTRICT: Other Taxes-Compliance RESPONSIBILITY CODE: H15120

CORPORATE SERVICES MANAGER: T. S. Parsons TELE. NO. 249-3614

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Training, professional licenses, tax compliance, audit support, tax research, and methods and procedures related to sales and use, payroll and other taxes for Headquarters, as well as assessing proposed state legislation.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Headquarters allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Time spent handling Headquarters' tax compliance and research should be billed to entities in the same proportion as Headquarters' cost are billed.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Tax compliance, research, audit support for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: Adele H. Shepherd (for TSP) DATE: 6-18-91

TITLE: Corporate Manager-Taxes

APPROVED: C. W. Blenkins III DATE: 8/6/91

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

psm

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: July 1, 1991

DIVISION/DISTRICT: Other Taxes-Research RESPONSIBILITY CODE: H15130

CORPORATE SERVICES MANAGER: P. H. Cook TELE. NO. 249-3886

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Training, industry meetings, professional licenses, membership dues for professional organizations and initial review of legislation for BSC.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Headquarters allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Time spent should be billed to entities in the same proportion as Headquarters costs are billed.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

All functions relative to Southern Bell and South Central Bell state and local taxes. This includes tax planning, analysis of state legislation (SB), audits and administration.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: *Phil Cook* DATE: 6/18/91

TITLE: Corporate Manager-Taxes

APPROVED: *C. W. Slendley III* DATE: 8/6/91

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: August 1, 1992

DIVISION/DISTRICT: Other Taxes-Research RESPONSIBILITY CODE: H15130

CORPORATE SERVICES MANAGER: P. H. Cook TELE. NO. (404) 249-3886

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Training, industry meetings, professional licenses, membership dues for professional organizations and initial review of legislation for BSC.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Headquarters allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Time spent should be billed to entities in the same proportion as Headquarters costs are billed.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

All functions relative to BellSouth Telecommunications, Inc. state and local taxes. This includes tax planning, analysis of state legislation, audits and administration.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: *P. H. Cook* DATE: 8/27/92

TITLE: Corporate Manager-Taxes

APPROVED: *C. W. Shildy III* DATE: 8/28/92

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

KEM
10/5/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: July 1, 1991

DIVISION/DISTRICT: Other Taxes-Property RESPONSIBILITY CODE: H15140

CORPORATE SERVICES MANAGER: J. T. Flanagan TELE. NO. 249-3890

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Review of state legislation and expertise gained through industry seminars, training conferences and conventions.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

5% on investments to unregulated operations
95% on investments to Southern & South Central Bell operations

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Cost apportioned based on investment relationship which is driving force behind property taxation.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Tax compliance, research, audit support for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7
RECOMMENDED:

J. Flanagan
TITLE: Corporate Manager-Taxes

DATE: 6/18/91

APPROVED: C.W. Sheldy III

DATE: 8/6/91

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

PS,

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: August 1, 1992

DIVISION/DISTRICT: Other Taxes-Property RESPONSIBILITY CODE: H15140

CORPORATE SERVICES MANAGER: J. T. Flanagan TELE. NO. (404) 249-3890

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Review of state legislation and expertise gained through industry seminars, training conferences and conventions.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

5% BellSouth Enterprises
95% BellSouth Telecommunications, Inc.

an exception - OXCC7C

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Cost apportioned based on investment relationship which is driving force behind property taxation.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Tax compliance, research, audit support for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: *J. T. Flanagan* DATE: 8/27/92

TITLE: Corporate Manager-Taxes

APPROVED: *C. S. Blalock III* DATE: 8/28/92

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

*KEM
10/5/92*

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: Income Tax

RESPONSIBILITY CODE: H15200

CORPORATE SERVICES MANAGER: B. D. Copping

TEL. NO.: 249-3646

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Federal, state and international income tax return preparation and review for all BellSouth companies; monthly accruals; tax accounting and planning.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reports.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on costs associated with position's direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Research and planning related to mergers and acquisitions.

SECTION 7

RECOMMENDED: B. D. Copping
TITLE: Corporate Manager - Taxes

DATE: 8/5/91

APPROVED: C. W. Blenkins III
TITLE: Asst. Vice President Taxes

DATE: 8/6/91
AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: Consolidated FIT & SIT RESPONSIBILITY CODE: H15210
Compliance

CORPORATE SERVICES MANAGER: G. Demick

TEL. NO.: 249-3648

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Preparation and review of consolidated federal income tax return; tax software support; coordination of tax accounting, research and legislative issues for consolidated group; coordination of tax sections of commitment view and budget assumptions.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Allocate to the subsidiaries based on the ratio of corporate operating expenses.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

This group has a Corporate wide focus. Allocating based on operating expenses most accurately sends the costs to our subsidiaries.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES(PS,PN,PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: B. D. Gypny
TITLE: Corporate Manager - Taxes

DATE: 8/5/91

APPROVED: C. V. Blawie, III
TITLE: Asst. Vice President - Taxes

DATE: 8/6/91
AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: FIT & SIT Returns

RESPONSIBILITY CODE: H15220

CORPORATE SERVICES MANAGER: L. W. Hunt

TEL. NO.: 249-3650

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Administrative support costs other than departmental overhead costs which benefit BSC and BSE.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Allocate based on the following percentages:

BellSouth - 12%

BSE - 88%

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Percentages based on budgeted salary and wages amounts.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES(PS,PN,PF):

All services including tax research, necessary to comply with all requirements of governmental taxing authorities and to meet financial reporting responsibilities for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Research and planning related to mergers and acquisitions.

SECTION 7

RECOMMENDED: *Rep. W. B. [Signature]*
TITLE: Corporate Manager - Taxes

DATE: 8.2.91

APPROVED: *C. V. [Signature]*
TITLE: Asst. Vice President - Taxes

DATE: 8/2/91
AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: SBT & SCBT FIT & SIT

RESPONSIBILITY CODE: H15230

CORPORATE SERVICES MANAGER: S. S. Creel

TEL. NO.: 249-3892

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

All services including tax research, necessary to comply with all requirements of governmental taxing authorities and to meet financial reporting responsibilities for Southern Bell and South Central Bell.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Southern Bell - 50%

South Central Bell 50%

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

District will provide income tax services which will benefit each company equally.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: Sam Smith Creel
TITLE: Corporate Manager - Taxes

DATE: August 2, 1991

APPROVED: C. W. Sledge III
TITLE: Asst. Vice President - Taxes

DATE: 8/6/91
AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: FIT & SIT Returns

RESPONSIBILITY CODE: H15240

CORPORATE SERVICES MANAGER: David Robichaud TEL. NO.: 249-3711

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Administrative support costs other than departmental overhead costs which benefit BSC and BSE.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Allocate based on the following percentages:

BSE - 62% BSC - 38%

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Percentages based on budgeted salary and wages amounts.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES (PS, PN, PF):

All services including tax research, necessary to comply with all requirements of governmental taxing authorities and to meet financial reporting responsibilities for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Research and planning related to mergers and acquisitions.

SECTION 7

RECOMMENDED: D. Robichaud
TITLE: Corporate Manager - Taxes

DATE: 2 AUG 91

APPROVED: C.W. Sheldahl
TITLE: Asst. Vice President - Taxes

DATE: 8/6/91
AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: FIT & SIT Returns

RESPONSIBILITY CODE: H15250

CORPORATE SERVICES MANAGER: Julia Amendola TEL. NO.: 249-2468

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

All services, including tax research, necessary to comply with all requirements of governmental taxing authorities and to meet financial reporting responsibilities for BellSouth Corporation (unconsolidated), BSDC and HRA.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Headquarters allocation.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

General corporate expenses which benefit all subsidiaries. Only BSC and BSDC costs are not project billed.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES(PS,PN,PF):

All services including tax research, necessary to comply with all requirements of governmental taxing authorities and to meet financial reporting responsibilities for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Research and planning related to mergers and acquisitions.

SECTION 7

RECOMMENDED: Julia V. Amendola DATE: 8-1-91

TITLE: Corporate Manager - Taxes

APPROVED: C. W. Blodgett III

TITLE: Asst. Vice President - Taxes

DATE: 8/6/91

AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: July 1, 1991

DIVISION/DISTRICT: Fixed Assets Compliance

RESPONSIBILITY CODE: H15310

CORPORATE SERVICES MANAGER: J. R. Robinson

TELE. NO. 249-3737

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

None

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

N/A

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

N/A

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF): PS6126

Provide manual and mechanized tax compliance support for fixed assets to the regulated operating companies. This support applies to the fixed assets portion of the annual federal income tax returns, annual state income tax returns, estimates for MR and FR accruals, and other regulatory requirements.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED:

J. Robinson

DATE:

6/14/91

TITLE:

Corporate Manager - Taxes

APPROVED:

C.W. Blawie III

DATE:

8/1/91

TITLE:

Asst. Vice President - Taxes

AL:

60

RC:

H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: July 1, 1991
DIVISION/DISTRICT: Fixed Asset Tax Methods RESPONSIBILITY CODE: H15320
CORPORATE SERVICES MANAGER: L. N. Harvey TELE. NO. 249-3713

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

None

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

N/A

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

N/A

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF): PS5069

Provide manual and mechanized tax methods support for fixed assets to the regulated operating companies. This support applies to the fixed asset portion of the annual federal income tax returns, annual state income tax returns, estimates for MR and FR accruals, and other regulatory requirements.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: L. N. Harvey DATE: 6/17/91
TITLE: Corporate Manager - Taxes
APPROVED: C. W. Bledley III DATE: 8/1/91
TITLE: Asst. Vice President - Taxes AL: 60 RC: H15000

FSM

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 8/1/92

DIVISION/DISTRICT: Tax Methods

RESPONSIBILITY CODE: H15320

CORPORATE SERVICES MANAGER: L. N. Harvey

TEL. NO.: 249-3713

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide manual and mechanized tax methods support for fixed assets to the regulated operating companies. This support applies to the fixed asset portion of the annual federal income tax returns, annual state income tax returns, estimates for MR and FR accruals, and other regulatory requirements; provide mechanized support for federal income tax preparation system.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Allocate based on the following percentages:

BST - 70%

General allocator - 30%

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Percentages based on headcount providing services specific to BST or services benefiting all subsidiaries.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES(PS,PN,PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: Deanne Harvey
TITLE: Corporate Manager - Taxes

DATE: 9/2/92

APPROVED: Paul J. Lee
TITLE: Director - Corporate Taxes

DATE: 9/4/92
AL: 60 RC/ H15300

KEM
10/5/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: July 1, 1991

DIVISION/DISTRICT: FIT Audits & Research RESPONSIBILITY CODE: H15330

CORPORATE SERVICES MANAGER: R. H. Proehl TELE. NO. 249-3690

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide tax research related to accounting matters, accounting policy changes, and rate-making techniques. In addition, provide federal and state income tax audit services and tax advice related to potential audit issues.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Operating expenses of subsidiaries.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Services provided benefit all corporations in the consolidated group.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: Robert H. Proehl DATE: 6/14/91

TITLE: Corporate Manager - Taxes

APPROVED: C.W. Sheldy III DATE: 8/1/91

TITLE: Asst. Vice President - Taxes AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 8/1/92

DIVISION/DISTRICT: FIT & SIT Returns

RESPONSIBILITY CODE: H15340

CORPORATE SERVICES MANAGER: Julia Amendola TEL. NO.: 249-2468

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Administrative support costs other than departmental overhead costs which benefit BSE, BBS and BST.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Allocate based on the following percentages:

BSE - 92% BBS - 6% BST - 2%

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Percentages are based on budgeted salary and wage amounts.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES (PS, PN, PF):

All services including tax research, necessary to comply with all requirements of governmental taxing authorities and to meet financial reporting responsibilities for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: Julia V. Amendola
TITLE: Corporate Manager - Taxes

DATE: 9/2/92

APPROVED: Paul J. Keene
TITLE: Director - Corporate Taxes

DATE: 9/4/92
AL: 60 RC: H15300

KEM
10/5/92

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 8/1/92

DIVISION/DISTRICT: SBTT & SCBT FIT & SIT

RESPONSIBILITY CODE: H15350

CORPORATE SERVICES MANAGER: S. S. Creel

TEL. NO.: 249-3892

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

All services including tax research, necessary to comply with all requirements of governmental taxing authorities and to meet financial reporting responsibilities for BellSouth Telecommunications; provide clerical support for Income Tax Division.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

BST - 92% General allocator - 8%

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

District will provide income tax services which benefit BST and clerical support which benefits all subsidiaries equally. Percentages based on budgeted salary and wage amounts.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED Susan Smith Creel
TITLE: Corporate Manager - Taxes

DATE: Sept. 2, 1992

APPROVED: [Signature]
TITLE: Director - Corporate Taxes

DATE: 9/4/92
AL: 60 RC: H15300

KEM
10/5/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 8/1/92

DIVISION/DISTRICT: Consolidated FIT & SIT RESPONSIBILITY CODE: H15360
Compliance

CORPORATE SERVICES MANAGER: G. Demick TEL. NO.: 249-3648

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Preparation and review of consolidated federal income tax return; coordination of tax accounting and research for consolidated group; all services, including tax research, to comply with governmental taxing requirements for BellSouth Corporation and BSDC.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Allocate based on the following percentages:

BSE - 14% BBS - 6% General allocator - 80%

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Percentages based on budgeted salary and wage amounts.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES (PS, PN, PF):

All services, including tax research, necessary to comply with all requirements of governmental taxing authorities and to meet financial reporting responsibilities for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: G. Demick
TITLE: Corporate Manager - Taxes

DATE: 9/2/92

APPROVED: [Signature]
TITLE: Director - Corporate Taxes

DATE: 9/14/92
AL: 60 RC: H15300

KEM
10/5/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: Income Tax

RESPONSIBILITY CODE: H15200

CORPORATE SERVICES MANAGER: B. D. Copping

TEL. NO.: 249-3646

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Federal, state and international income tax return preparation and review for all BellSouth companies; monthly accruals; tax accounting and planning.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reports.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on costs associated with position's direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES(PS,PN,PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Research and planning related to mergers and acquisitions.

SECTION 7

RECOMMENDED: B. Copping
TITLE: Corporate Manager - Taxes

DATE: 8/5/91

APPROVED: C. W. Steadley III
TITLE: Asst. Vice President Taxes

DATE: 8/6/91
AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: Consolidated FIT & SIT RESPONSIBILITY CODE: H15210
Compliance

CORPORATE SERVICES MANAGER: G. Demick

TEL. NO.: 249-3648

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Preparation and review of consolidated federal income tax return; tax software support; coordination of tax accounting, research and legislative issues for consolidated group; coordination of tax sections of commitment view and budget assumptions.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Allocate to the subsidiaries based on the ratio of corporate operating expenses.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

This group has a Corporate wide focus. Allocating based on operating expenses most accurately sends the costs to our subsidiaries.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES(PS,PN,PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: BD Gypson
TITLE: Corporate Manager - Taxes

DATE: 8/5/91

APPROVED: C.W. Blenkins
TITLE: Asst. Vice President - Taxes

DATE: 8/6/91
AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: FIT & SIT Returns

RESPONSIBILITY CODE: H15220

CORPORATE SERVICES MANAGER: L. W. Hunt

TEL. NO.: 249-3650

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Administrative support costs other than departmental overhead costs which benefit BSC and BSE.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Allocate based on the following percentages:

BellSouth - 12% BSE - 88%

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Percentages based on budgeted salary and wages amounts.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES (PS, PN, PF):

All services including tax research, necessary to comply with all requirements of governmental taxing authorities and to meet financial reporting responsibilities for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Research and planning related to mergers and acquisitions.

SECTION 7

RECOMMENDED: *Rep. W. K. [Signature]* PXC
TITLE: Corporate Manager - Taxes

DATE: 8.2.91

APPROVED: *C. V. Shindler, III*
TITLE: Asst. Vice President - Taxes

DATE: 8/2/91
AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: SBTT & SCBT FIT & SIT

RESPONSIBILITY CODE: H15230

CORPORATE SERVICES MANAGER: S. S. Creel

TEL. NO.: 249-3892

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

All services including tax research, necessary to comply with all requirements of governmental taxing authorities and to meet financial reporting responsibilities for Southern Bell and South Central Bell.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Southern Bell - 50%

South Central Bell 50%

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

District will provide income tax services which will benefit each company equally.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: S. S. Creel
TITLE: Corporate Manager - Taxes

DATE: August 2, 1991

APPROVED: C. W. Stenley III
TITLE: Asst. Vice President - Taxes

DATE: 8/1/91
AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: FIT & SIT Returns

RESPONSIBILITY CODE: H15240

CORPORATE SERVICES MANAGER: David Robichaud TEL. NO.: 249-3711

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Administrative support costs other than departmental overhead costs which benefit BSC and BSE.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Allocate based on the following percentages:

BSE - 62% BSC - 38%

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Percentages based on budgeted salary and wages amounts.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES (PS, PN, PF):

All services including tax research, necessary to comply with all requirements of governmental taxing authorities and to meet financial reporting responsibilities for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Research and planning related to mergers and acquisitions.

SECTION 7

RECOMMENDED: D. Robichaud
TITLE: Corporate Manager - Taxes

DATE: 2 AUG 91

APPROVED: C.W. Sheldahl
TITLE: Asst. Vice President - Taxes

DATE: 8/6/91
AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: FIT & SIT Returns

RESPONSIBILITY CODE: H15250

CORPORATE SERVICES MANAGER: Julia Amendola TEL. NO.: 249-2468

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

All services, including tax research, necessary to comply with all requirements of governmental taxing authorities and to meet financial reporting responsibilities for BellSouth Corporation (unconsolidated), BSDC and HRA.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Headquarters allocation.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

General corporate expenses which benefit all subsidiaries. Only BSC and BSDC costs are not project billed.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES(PS,PN,PF):

All services including tax research, necessary to comply with all requirements of governmental taxing authorities and to meet financial reporting responsibilities for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Research and planning related to mergers and acquisitions.

SECTION 7

RECOMMENDED: Julia V. Amendola DATE: 8-1-91

TITLE: Corporate Manager - Taxes

APPROVED: C. W. Bloddy III

DATE: 8/6/91

TITLE: Asst. Vice President - Taxes

AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: July 1, 1991

DIVISION/DISTRICT: Other Taxes RESPONSIBILITY CODE: H15100

CORPORATE SERVICES MANAGER: C. M. Brasfield TELE. NO. 249-3610

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Tax policy, tax compliance, research, audit, legislative review and related activities.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reports.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on costs associated with position's direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

n/a

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: C. M. Brasfield DATE: 6-18-91

TITLE: Director-Corporate Taxes

APPROVED: C. W. Sheldige III DATE: 8/6/91

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

FSM

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: August 1, 1992

DIVISION/DISTRICT: Other Taxes RESPONSIBILITY CODE: H15100

CORPORATE SERVICES MANAGER: C. M. Brasfield TELE. NO. (404) 249-3610

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Tax policy, tax compliance, research, audit, legislative review and related activities.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reports.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on costs associated with position's direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

n/a

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: A. M. Brasfield DATE: 8-28-92

TITLE: Director-Corporate Taxes

APPROVED: C. W. Sheldy III DATE: 8/28/92

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

KEM
10/5/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: August 1, 1992

DIVISION/DISTRICT: Other Taxes-Compliance RESPONSIBILITY CODE: H15101

CORPORATE SERVICES MANAGER: Dennis Greer ^{KEM}
E. E. Thompson ^{11/17/92} TELE. NO. (404) 249-3551

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Training, professional licenses, tax compliance, audit support, tax research, and methods and procedures related to sales and use, payroll and other taxes for Headquarters, as well as assessing proposed state legislation.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Headquarters allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Time spent handling Headquarters' tax compliance and research should be billed to entities in the same proportion as Headquarters' cost are billed.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Tax compliance, research, audit support for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: [Signature] DATE: 8/27/92

TITLE: Manager-Taxes

APPROVED: C.W. Blodgett II DATE: 8/28/92

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

KEM
10/5/92

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KEM
... confirmed that J. Moon is a ... Thompson = ...

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: July 1, 1991

DIVISION/DISTRICT: Other Taxes-Research RESPONSIBILITY CODE: H15110

CORPORATE SERVICES MANAGER: A. H. Shepherd TELE. NO. 249-3612

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Tax compliance, research, audit, legislative review and related tax activities. All taxes other than income and property taxes.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Investments of subsidiary

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Taxes other than income generally relate to the size of the entity. Therefore, investment provides the closest correlation for taxes within the supervision of this RC.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Consulting, audit, and tax research for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Occasional M & A Activity

SECTION 7

RECOMMENDED: Adek H. Shepherd DATE: 6-18-91

TITLE: Corporate Manager-Taxes

APPROVED: C. W. Sheldy, III DATE: 8/6/91

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: August 1, 1992

DIVISION/DISTRICT: Other Taxes-Research RESPONSIBILITY CODE: H15110

CORPORATE SERVICES MANAGER: A. H. Shepherd TELE. NO. (404) 249-3612

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Tax compliance, research, audit, legislative review and related tax activities.
All taxes other than income and property taxes.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Investments of subsidiary

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Taxes other than income generally relate to the size of the entity. Therefore, investment provides the closest correlation for taxes within the supervision of this RC.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Consulting, audit, and tax research for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Occasional M & A Activity/Litigation

SECTION 7

RECOMMENDED: Albert H. Shepherd DATE: Aug. 28, 1992

TITLE: Corporate Manager-Taxes

APPROVED: C. V. Scully III DATE: 8/28/92

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

KEM
10/3/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: July 1, 1991

DIVISION/DISTRICT: Other Taxes-Compliance RESPONSIBILITY CODE: H15120

CORPORATE SERVICES MANAGER: T. S. Parsons TELE. NO. 249-3614

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Training, professional licenses, tax compliance, audit support, tax research, and methods and procedures related to sales and use, payroll and other taxes for Headquarters, as well as assessing proposed state legislation.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Headquarters allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Time spent handling Headquarters' tax compliance and research should be billed to entities in the same proportion as Headquarters' cost are billed.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Tax compliance, research, audit support for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: Debra H. Stephens (for TSP) DATE: 6-18-91

TITLE: Corporate Manager-Taxes

APPROVED: C. W. Blendley III DATE: 8/2/91

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: July 1, 1991

DIVISION/DISTRICT: Other Taxes-Research RESPONSIBILITY CODE: H15130

CORPORATE SERVICES MANAGER: P. H. Cook TELE. NO. 249-3886

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Training, industry meetings, professional licenses, membership dues for professional organizations and initial review of legislation for BSC.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Headquarters allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Time spent should be billed to entities in the same proportion as Headquarters costs are billed.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

All functions relative to Southern Bell and South Central Bell state and local taxes. This includes tax planning, analysis of state legislation (SB), audits and administration.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: *P. H. Cook* DATE: 6/18/91

TITLE: Corporate Manager-Taxes

APPROVED: *C. W. S. ...* DATE: 8/2/91

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: August 1, 1992

DIVISION/DISTRICT: Other Taxes-Research RESPONSIBILITY CODE: H15130

CORPORATE SERVICES MANAGER: P. H. Cook TELE. NO. (404) 249-3886

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Training, industry meetings, professional licenses, membership dues for professional organizations and initial review of legislation for BSC.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Headquarters allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Time spent should be billed to entities in the same proportion as Headquarters costs are billed.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

All functions relative to BellSouth Telecommunications, Inc. state and local taxes. This includes tax planning, analysis of state legislation, audits and administration.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: *P. H. Cook* DATE: 8/27/92

TITLE: Corporate Manager-Taxes

APPROVED: *C. S. Blalock III* DATE: 8/28/92

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

KEM.
1015/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: July 1, 1991

DIVISION/DISTRICT: Other Taxes-Property RESPONSIBILITY CODE: H15140

CORPORATE SERVICES MANAGER: J. T. Flanagan TELE. NO. 249-3890

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Review of state legislation and expertise gained through industry seminars, training conferences and conventions.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

5% on investments to unregulated operations
95% on investments to Southern & South Central Bell operations

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Cost apportioned based on investment relationship which is driving force behind property taxation.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Tax compliance, research, audit support for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: J. Flanagan DATE: 6/18/91

TITLE: Corporate Manager-Taxes

APPROVED: C.W. Sheldy III DATE: 8/6/91

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

PS

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: August 1, 1992

DIVISION/DISTRICT: Other Taxes-Property RESPONSIBILITY CODE: H15140

CORPORATE SERVICES MANAGER: J. T. Flanagan TELE. NO. (404) 249-3890

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Review of state legislation and expertise gained through industry seminars, training conferences and conventions.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

5% BellSouth Enterprises
95% BellSouth Telecommunications, Inc. *ON EXCEPTION - CXC07C*

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Cost apportioned based on investment relationship which is driving force behind property taxation.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Tax compliance, research, audit support for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: *J. T. Flanagan* DATE: *8/27/92*

TITLE: Corporate Manager-Taxes

APPROVED: *C. W. Blalock III* DATE: *8/28/92*

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

*KEM.
1015192*

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: Income Tax

RESPONSIBILITY CODE: H15200

CORPORATE SERVICES MANAGER: B. D. Copping

TEL. NO.: 249-3646

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Federal, state and international income tax return preparation and review for all BellSouth companies; monthly accruals; tax accounting and planning.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reports.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on costs associated with position's direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Research and planning related to mergers and acquisitions.

SECTION 7

RECOMMENDED: B. D. Copping
TITLE: Corporate Manager - Taxes

DATE: 3/5/91

APPROVED: C. J. S. [Signature]
TITLE: Asst. Vice President - Taxes

DATE: 8/6/91
AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: Consolidated FIT & SIT RESPONSIBILITY CODE: H15210
Compliance

CORPORATE SERVICES MANAGER: G. Demick

TEL. NO.: 249-3648

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Preparation and review of consolidated federal income tax return; tax software support; coordination of tax accounting, research and legislative issues for consolidated group; coordination of tax sections of commitment view and budget assumptions.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Allocate to the subsidiaries based on the ratio of corporate operating expenses.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

This group has a Corporate wide focus. Allocating based on operating expenses most accurately sends the costs to our subsidiaries.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES(PS,PN,PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: BD Gwyn
TITLE: Corporate Manager - Taxes

DATE: 8/5/91

APPROVED: C.V. S. [Signature]
TITLE: Asst. Vice President - Taxes

DATE: 8/12/91
AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: FIT & SIT Returns

RESPONSIBILITY CODE: H15220

CORPORATE SERVICES MANAGER: L. W. Hunt

TEL. NO.: 249-3650

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Administrative support costs other than departmental overhead costs which benefit BSC and BSE.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Allocate based on the following percentages:

BellSouth - 12%

BSE - 88%

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Percentages based on budgeted salary and wages amounts.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES(PS,PN,PF):

All services including tax research, necessary to comply with all requirements of governmental taxing authorities and to meet financial reporting responsibilities for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Research and planning related to mergers and acquisitions.

SECTION 7

RECOMMENDED: *L. W. Hunt*
TITLE: Corporate Manager - Taxes

DATE: 8.7.91

APPROVED: *C. V. Shindler III*
TITLE: Asst. Vice President - Taxes

DATE: 8/2/91

AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax

EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: SBT & SCBT FIT & SIT

RESPONSIBILITY CODE: H15230

CORPORATE SERVICES MANAGER: S. S. Creel

TEL. NO.: 249-3892

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

All services including tax research, necessary to comply with all requirements of governmental taxing authorities and to meet financial reporting responsibilities for Southern Bell and South Central Bell.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Southern Bell - 50%

South Central Bell 50%

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

District will provide income tax services which will benefit each company equally.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASES (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: S. S. Creel
TITLE: Corporate Manager - Taxes

DATE: August 2, 1991

APPROVED: C. W. Blalock III
TITLE: Asst. Vice President - Taxes

DATE: 8/6/91
AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: July 1, 1991

DIVISION/DISTRICT: Other Taxes RESPONSIBILITY CODE: H15100

CORPORATE SERVICES MANAGER: C. M. Brasfield TELE. NO. 249-3610

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Tax policy, tax compliance, research, audit, legislative review and related activities.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reports.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on costs associated with position's direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

n/a

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: C. M. Brasfield DATE: 6-18-91

TITLE: Director-Corporate Taxes

APPROVED: C. W. Sheldige III DATE: 8/6/91

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

jsm

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: August 1, 1992

DIVISION/DISTRICT: Other Taxes RESPONSIBILITY CODE: H15100

CORPORATE SERVICES MANAGER: C. M. Brasfield TELE. NO. (404) 249-3610

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Tax policy, tax compliance, research, audit, legislative review and related activities.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reports.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on costs associated with position's direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

n/a

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: A. M. Brasfield DATE: 8-28-92

TITLE: Director-Corporate Taxes

APPROVED: C. W. Sheldy III DATE: 8/28/92

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

KEM
10/5/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: August 1, 1992

DIVISION/DISTRICT: Other Taxes-Compliance RESPONSIBILITY CODE: H15101

CORPORATE SERVICES MANAGER: Dennis Greer ^{KEM}
E. E. Thompson ^{11/17/92} TELE. NO. (404) 249-3551

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Training, professional licenses, tax compliance, audit support, tax research, and methods and procedures related to sales and use, payroll and other taxes for Headquarters, as well as assessing proposed state legislation.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Headquarters allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Time spent handling Headquarters' tax compliance and research should be billed to entities in the same proportion as Headquarters' cost are billed.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Tax compliance, research, audit support for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: [Signature] DATE: 8/27/92

TITLE: Manager-Taxes

APPROVED: C.W. Blodgett II DATE: 8/28/92

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

KEM
10/5/92

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KEM

... confirmed that J. Mason is replacing Thompson = maintenance duties

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: July 1, 1991

DIVISION/DISTRICT: Other Taxes-Research RESPONSIBILITY CODE: H15110

CORPORATE SERVICES MANAGER: A. H. Shepherd TELE. NO. 249-3612

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Tax compliance, research, audit, legislative review and related tax activities. All taxes other than income and property taxes.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Investments of subsidiary

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Taxes other than income generally relate to the size of the entity. Therefore, investment provides the closest correlation for taxes within the supervision of this RC.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Consulting, audit, and tax research for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Occasional M & A Activity

SECTION 7

RECOMMENDED: A. H. Shepherd DATE: 6-18-91

TITLE: Corporate Manager-Taxes

APPROVED: C. J. Sheldy, III DATE: 8/6/91

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: August 1, 1992

DIVISION/DISTRICT: Other Taxes-Research RESPONSIBILITY CODE: H15110

CORPORATE SERVICES MANAGER: A. H. Shepherd TELE. NO. (404) 249-3612

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Tax compliance, research, audit, legislative review and related tax activities.
All taxes other than income and property taxes.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Investments of subsidiary

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Taxes other than income generally relate to the size of the entity. Therefore,
investment provides the closest correlation for taxes within the supervision of
this RC.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Consulting, audit, and tax research for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Occasional M & A Activity/Litigation

SECTION 7

RECOMMENDED: A. H. Shepherd DATE: Aug. 28, 1992

TITLE: Corporate Manager-Taxes

APPROVED: C. V. Shuldy, III DATE: 8/24/92

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

KEM
10/3/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: July 1, 1991
DIVISION/DISTRICT: Other Taxes-Compliance RESPONSIBILITY CODE: H15120
CORPORATE SERVICES MANAGER: T. S. Parsons TELE. NO. 249-3614

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Training, professional licenses, tax compliance, audit support, tax research, and methods and procedures related to sales and use, payroll and other taxes for Headquarters, as well as assessing proposed state legislation.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Headquarters allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Time spent handling Headquarters' tax compliance and research should be billed to entities in the same proportion as Headquarters' cost are billed.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Tax compliance, research, audit support for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: Adele H. Stephens (for TSP) DATE: 6-18-91
TITLE: Corporate Manager-Taxes
APPROVED: C. W. Blenkins III DATE: 8/6/91
TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: July 1, 1991

DIVISION/DISTRICT: Other Taxes-Research RESPONSIBILITY CODE: H15130

CORPORATE SERVICES MANAGER: P. H. Cook TELE. NO. 249-3886

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Training, industry meetings, professional licenses, membership dues for professional organizations and initial review of legislation for BSC.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Headquarters allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Time spent should be billed to entities in the same proportion as Headquarters costs are billed.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

All functions relative to Southern Bell and South Central Bell state and local taxes. This includes tax planning, analysis of state legislation (SB), audits and administration.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: *Philat Hook* DATE: 6/18/91

TITLE: Corporate Manager-Taxes

APPROVED: *C. W. Slevidy III* DATE: 8/6/91

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: August 1, 1992
DIVISION/DISTRICT: Other Taxes-Research RESPONSIBILITY CODE: H15130
CORPORATE SERVICES MANAGER: P. H. Cook TELE. NO. (404) 249-3886

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Training, industry meetings, professional licenses, membership dues for professional organizations and initial review of legislation for BSC.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Headquarters allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Time spent should be billed to entities in the same proportion as Headquarters costs are billed.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

All functions relative to BellSouth Telecommunications, Inc. state and local taxes. This includes tax planning, analysis of state legislation, audits and administration.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: *P. H. Cook* DATE: 8/27/92
TITLE: Corporate Manager-Taxes
APPROVED: *C. W. Blalock III* DATE: 8/28/92
TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

KEM
1015/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: July 1, 1991

DIVISION/DISTRICT: Other Taxes-Property RESPONSIBILITY CODE: H15140

CORPORATE SERVICES MANAGER: J. T. Flanagan TELE. NO. 249-3890

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Review of state legislation and expertise gained through industry seminars, training conferences and conventions.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

5% on investments to unregulated operations
95% on investments to Southern & South Central Bell operations

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Cost apportioned based on investment relationship which is driving force behind property taxation.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Tax compliance, research, audit support for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: *J. Flanagan* DATE: 6/18/91

TITLE: Corporate Manager-Taxes

APPROVED: *C.W. Sheldy III* DATE: 8/2/91

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: August 1, 1992

DIVISION/DISTRICT: Other Taxes-Property RESPONSIBILITY CODE: H15140

CORPORATE SERVICES MANAGER: J. T. Flanagan TELE. NO. (404) 249-3890

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Review of state legislation and expertise gained through industry seminars, training conferences and conventions.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

5% BellSouth Enterprises
95% BellSouth Telecommunications, Inc.

ON EXCEPTION - EXCC7C

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Cost apportioned based on investment relationship which is driving force behind property taxation.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Tax compliance, research, audit support for specific companies.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

n/a

SECTION 7

RECOMMENDED: *J. T. Flanagan* DATE: *8/27/92*

TITLE: Corporate Manager-Taxes

APPROVED: *C. S. Blalock IV* DATE: *8/28/92*

TITLE: Asst. Vice President-Taxes AL: 60 RC: H15000

*KEM
10/5/92*

Budget
and Planning

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Financial Management EFFECTIVE DATE: 07/01/91

DIVISION/DISTRICT: Unregulated Operations RESPONSIBILITY CODE: H22070

CORPORATE SERVICES MANAGER: David Zell TELE. NO. 249-3353

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Develop and maintain dynamic long-term Financial Plans for BellSouth Enterprises that are consistent with the Strategic Plans, and offer recommendations to top management concerning the establishment of Commitment levels. Plans use market analyst and competitor analysis to form corporate independent view of BSE potential. Compare submitted plans to independent view and resolve differences.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

100% to BSE.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

This group focuses primarily on Unregulated issues and interfaces with BSE.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: BK Tolbert DATE: 8/26/91

TITLE: Operations Manager - Unregulated Operations

APPROVED: W Marshall DATE: 8/28/91

TITLE: Director - Consol Operations AL: 55 RC: H22500

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Financial Management EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Unregulated Operations RESPONSIBILITY CODE: H22070

CORPORATE SERVICES MANAGER: David Zell TELE. NO. 249-3353

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Develop and maintain dynamic long-term Financial Plans for BellSouth Enterprises that are consistent with the Strategic Plans, and offer recommendations to top management concerning the establishment of Commitment levels. Plans use market analyst and competitor analysis to form corporate independent view of BSE potential. Compare submitted plans to independent view and resolve differences.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

100% to BSE.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

This group focuses primarily on Unregulated issues and interfaces with BSE.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: BK Tolbert DATE: 6/26/92

TITLE: Operations Manager - Unregulated Operations

APPROVED: [Signature] DATE: 6/30/92

TITLE: Chief Economist AL: 55 RC: H22100

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Financial Management EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Chief Economist RESPONSIBILITY CODE: H22100

CORPORATE SERVICES MANAGER: David Zell TELE. NO. 249-3353

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide support to senior management on financial issues concerning BellSouth. Support entails: developing and maintaining long-term financial plans for BellSouth; developing and maintaining planning models for use in analyzing policy and environmental alternatives; participating in setting of financial commitments; and participating in the development of materials for special and recurring meetings of the BellSouth Board of Directors.

Develop national and regional economic and financial projections as inputs to the financial planning assumptions, upon which entity plans are built.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Prorated by the expense levels of SBT, SCB and BSE.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

This group has a Corporate wide focus. Allocating based on operating expenses most accurately sends the costs to our subsidiaries.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: _____ DATE: _____

TITLE: _____

APPROVED: [Signature]

DATE: 6/30/92

TITLE: Chief Economist

AL: 55 RC: H22100

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Financial Management EFFECTIVE DATE: 07/01/91

DIVISION/DISTRICT: Consolidated Operations RESPONSIBILITY CODE: H22500

CORPORATE SERVICES MANAGER: David Zell TELE. NO. 249-3353

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide support to senior management concerning financial matters which affect BellSouth. This entails analyzing and interpreting results, developing current year projections, coordinating financial adjustments for incentive compensation plans, collection of subsidiary and Headquarters departmental budget views, and offering recommendations concerning the establishment of Headquarters departmental commitment levels.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Prorated by the expense levels of SBT, SCB and BSE.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

This group has a Corporate wide focus. Allocating based on operating expenses most accurately sends the costs to our subsidiaries.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: _____ DATE: _____

TITLE: _____

APPROVED: *W. Marshall* DATE: 8/21/91

TITLE: Director - Consl Operations AL: 55 RC: H22500

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Financial Management EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Consolidated Operations RESPONSIBILITY CODE: H22500

CORPORATE SERVICES MANAGER: David Zell TELE. NO. 249-3353

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide support to senior management concerning financial matters which affect BellSouth. This entails analyzing and interpreting results, developing current year projections, coordinating financial adjustments for incentive compensation plans, collection of subsidiary and Headquarters departmental budget views, and offering recommendations concerning the establishment of Headquarters departmental commitment levels.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Prorated by the expense levels of SBT, SCB and BSE.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

This group has a Corporate wide focus. Allocating based on operating expenses most accurately sends the costs to our subsidiaries.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: Kathy M. Coletta DATE: 6/25/92

TITLE: Operations Manager - Consol Operations

APPROVED: [Signature] DATE: 6/30/92

TITLE: Chief Economist AL: SS RC: H22100

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Financial Management EFFECTIVE DATE: 07/01/92
DIVISION/DISTRICT: Telco Operations RESPONSIBILITY CODE: H22800
CORPORATE SERVICES MANAGER: David Zell TELE. NO. 249-3353

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Develop and maintain dynamic long-term Financial Plans for BellSouth Telecommunications and BellSouth Business Systems that are consistent with the Strategic Plans, and offer recommendations to top management concerning the establishment of Commitment levels. This includes development of independent financial planning views, analysis of submitted plans, and analysis of alternative scenarios.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs should be allocated to BST and BBS based upon their operating expenses.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

This group focuses primarily on Telco issues and interfaces with BST and BBS.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: _____ DATE: _____
TITLE: _____
APPROVED: [Signature] DATE: 6/30/92
TITLE: Director - Telco Operations AL: 55 RC: H22800

KEM
10/5/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Financial Management

EFFECTIVE DATE: 01/01/92

DIVISION/DISTRICT: Telco Operations

RESPONSIBILITY CODE: H22800

CORPORATE SERVICES MANAGER: David Zell

TELE. NO. 249-3353

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Develop and maintain dynamic long-term Financial Plans for BellSouth Telecommunications and BellSouth Business Systems that are consistent with the Strategic Plans, and offer recommendations to top management concerning the establishment of Commitment levels. This includes development of independent financial planning views, analysis of submitted plans, and analysis of alternative scenarios.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs should be allocated to BST and BBS based upon their operating expenses.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

This group focuses primarily on Telco issues and interfaces with BST and BBS.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED:

DATE:

TITLE:

APPROVED:

DATE:

TITLE: Director - Telco Operations

AL: 55

RC: H22800

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Corporate Planning EFFECTIVE DATE: 8/23/91

DIVISION/DISTRICT: _____ RESPONSIBILITY CODE: H23000

CORPORATE SERVICES MANAGER: Carolyn Oliver TELE. NO. 249-3212

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Manage the BellSouth Corporate Planning Process. Review and analyze subsidiary strategic and operations plans. Develop Environmental Analysis for the members of the Corporate Planning Council and other BSC officers. Perform Marketing Research Services in support of the planning efforts. Perform Competitive Analysis in support of planning efforts. (This is a summary of direct reports.)

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Based on composite of direct reports.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses based on costs associated with direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Upon request, Marketing Research Services are performed on behalf of specific subsidiaries.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Lane Sims Calum DATE: 8/23/91

TITLE: Operations Manager

APPROVED: M. J. Bell DATE: 8/23/91

TITLE: Director-Corporate Planning AL# 60 RC: H23000

(This position is vacant)

**BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM**

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SECTION 1

DEPARTMENT: Corp. Plng. EFFECTIVE DATE: 12/8/92

DIVISION/DISTRICT: _____ RESPONSIBILITY CODE: H23000

CORPORATE SERVICES MANAGER: J. Hornbuckle TELE. NO. 249-3247

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SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Manage the BellSouth Corporate Planning Process. Review and analyze subsidiary strategic and operations plans. Develop Environmental Analysis for the members of the Corp. Plng. Council and other BSC officers. Perform Mrktng. Research Svcs. in support of the plng. efforts. Perform Competitive Analysis in support of plng. efforts.

(This is a summary of direct reports.)

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Based on composite of direct reports.

=====

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses based on costs associated with direct reports.

=====

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Upon request, Marketing Research Services are performed on behalf of specific subsidiaries.

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SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

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SECTION 7

RECOMMENDED:  DATE: 12/8/92

TITLE: Operations Manager

APPROVED:  DATE: 12/8/92

TITLE: Director

AL: 55 RC: H23400

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12/10/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Corporate Planning EFFECTIVE DATE: 8/23/91

DIVISION/DISTRICT: Strategic Research RESPONSIBILITY CODE: H23020

CORPORATE SERVICES MANAGER: Carolyn Oliver TELE. NO. 249-3212

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Strategic primary and secondary marketing research in support of entity planning efforts.

Library resources for all BellSouth companies.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

The costs should be assigned on the general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Functions performed benefit the entire Corporation. No cost causitive relationship between expenses incurred and duties performed exists.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Upon request, Marketing-Research Services are performed on behalf of specific subsidiaries.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Janet Hambrick DATE: 8/26/91

TITLE: Asstant Staff Manager

APPROVED: [Signature] DATE: 8/23/91

TITLE: Operations Manager AL: 55 RC: H23020

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Corp. Plng. EFFECTIVE DATE: 12/8/92
DIVISION/DISTRICT: Strat. Rch. RESPONSIBILITY CODE: H23020
CORPORATE SERVICES MANAGER: J. Hornbuckle TELE. NO. 249-3247

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Strategic primary and secondary marketing research in support of entity planning efforts.
Library resources for all BellSouth companies.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

The costs should be assigned on the general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Functions performed benefit the entire Corporation. No cost causative relationship between expenses incurred and duties performed exists.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Upon request, Marketing Research services are performed on behalf of specific subsidiaries.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: [Signature] DATE: 12/8/92
TITLE: Operations Manager
APPROVED: [Signature] DATE: 12/8/92
TITLE: Director AL: 55 RC: H23400

KEM
12/10/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Corporate Planning EFFECTIVE DATE: 8/23/91

DIVISION/DISTRICT: Subsidiary Strategy RESPONSIBILITY CODE: H23400

CORPORATE SERVICES MANAGER: Carolyn Oliver TELE. NO. 249-3212

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Develop guidelines for strategic and operational planning. Analyze strategic and operations plans of entities to ensure support of corporate goals. Integrate entity strategic plans into a cohesive plan which supports corporate strategic direction.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

The costs should be assigned on the general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Functions performed benefit the entire Corporation. No cost causitive relationship between expenses incurred and duties performed exists.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: *Gene Sam Cole* DATE: 8/23/91

TITLE: Operations Manager

APPROVED: *William R. Hyman* DATE: 8/23/91

TITLE: Director-Subsidiary Strategy AL: 55 RC: H23400

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Corp. Plng. EFFECTIVE DATE: 12/8/92
DIVISION/DISTRICT: Sub. Strat. RESPONSIBILITY CODE: H23400
CORPORATE SERVICES MANAGER: J. Hornbuckle TELE. NO. 249-3247

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Develop guidelines for strategic planning and analyze strategic/operational plans of entities to ensure support of corporate goals. Conduct scenario planning to determine view(s) of the industry landscape and develop/evaluate strategic options for BellSouth. Based upon this evaluation, recommend changes to the corporate direction.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

The costs should be assigned on the general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Functions performed benefit the entire Corporation. No cost causative relationship between expenses incurred and duties performed exists.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: [Signature] DATE: 12/8/92
TITLE: Operations Manager
APPROVED: [Signature] DATE: 12/8/92
TITLE: Director - Subsidiary Strategy AL: 55 RC: H23400

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KEM
12/10/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Corporate Planning EFFECTIVE DATE: 8/23/91

DIVISION/DISTRICT: Advanced Strategy RESPONSIBILITY CODE: H23500

CORPORATE SERVICES MANAGER: Carolyn Oliver TELE. NO. 249-3212

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Formulates corporate strategic plan. Develops Performance Measurements System requirements. Analyzes specific corporate issues and recommends direction.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

The costs should be assigned on the general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Functions performed benefit the entire Corporation. No cost causitive relationship between expenses incurred and duties performed exists.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: *Samuel Cole* DATE: 8/23/91

TITLE: Operations Manager

APPROVED: *Richard Cook* DATE: 8/26/91

TITLE: Director-Advanced Strategy AL# 55 RC: H23500

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Corp. Plng. EFFECTIVE DATE: H23500
DIVISION/DISTRICT: Adv Strat RESPONSIBILITY CODE: H23500
CORPORATE SERVICES MANAGER: J. Hornbuckle TELE. NO. 249-3247

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:
Formulates corporate strategic plan. Develops Performance Measurements System requirements. Analyzes specific corporate issues and recommends direction.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:
The costs should be assigned on the general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:
Functions performed benefit the entire Corporation. No cost causitive relationship between expenses incurred and duties performed exists.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):
None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):
None

SECTION 7

RECOMMENDED: *A. J. Lan* DATE: 12/8/92
TITLE: Operations Manager
APPROVED: *J. A. J. J. J. J.* DATE: 12-8-92
TITLE: Director-Advanced Strategy AL: 55 RC: H23500

KEM
12/10/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Corporate Planning EFFECTIVE DATE: 8/23/91

DIVISION/DISTRICT: Technology Planning RESPONSIBILITY CODE: H23600

CORPORATE SERVICES MANAGER: Carolyn Oliver TELE. NO. 249-3212

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Perform research, conduct studies and prepare position papers on specific projects as assigned by the Chairman of BellSouth and the BellSouth Corporate Policy Council. Prepare supporting documentation and illustrations, as well as preparing presentations for corporate officers concerning the projects mentioned above. Address other specific questions and issues as appropriate concerning numerous BellSouth companies or lines of business and recommend corporate solutions to BellSouth executives.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

The costs should be assigned on the general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Functions performed benefit the entire Corporation. No cost causative relationship between expenses incurred and duties performed exists.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: *Paul Sean Oliver* DATE: 8/23/91

TITLE: Operations Manager

APPROVED: *J.S. Pruitt* DATE: 8/26/91

TITLE: Director-Technology Planning AL: 55 RC: H23600

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Corp. Plng. EFFECTIVE DATE: 12/7/92
DIVISION/DISTRICT: Tech. Plng. RESPONSIBILITY CODE: H23600
CORPORATE SERVICES MANAGER: J. Hornbuckle TELE. NO. 249-3247

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:
Perform research, conduct studies and prepare position papers on specific projects as assigned by the Chairman of BellSouth and the Corp. Policy Council. Prepare supporting documentation and illustrations, as well as preparing presentations for corporate officers concerning the projects mentioned above. Address other specific questions and issues as appropriate concerning numerous BellSouth companies or LOBs and recommend corp. solutions to BellSouth executives

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:
The costs should be assigned on the general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:
Functions performed benefit the entire Corporation. No cost causitive between expenses incurred and duties performed exists.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):
None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):
None

SECTION 7

RECOMMENDED: [Signature] DATE: 12/8/92
TITLE: Operations Manager
APPROVED: [Signature] DATE: 12/8/92
TITLE: Director-Technology Planning AL: 55 RC: H23600

KEM
12/10/92

Corporate
Responsibility
and
Compliance

Organizational Methodology
4/1/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: INTERNAL AUDITING EFFECTIVE DATE: 1-1-92

DIVISION/DISTRICT: DEPARTMENT HEAD & SECRETARY RESPONSIBILITY CODE: H41000

CORPORATE SERVICES MANAGER: DEBBIE CONNER TEL. NO. 249-3001

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

The Assistant Vice President - Chief Corporate Auditor (Department Head of BSHQ Internal Auditing) is responsible for auditing in the BellSouth Corporation. At BSHQ the Corporate audit groups, the ISA group, and the Methods & Procedures group are direct reports of this position. The General Internal Auditor in SBT and SCB report to this position functionally. This position reports directly to the Audit Committee of the Board of Directors.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

BST 74% BBS 10% BSE 13% BSC 3% BSC spread using Headquarters Allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Spread based upon personnel assigned in the entities that are supported.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Auditing services performed for a specific subsidiary of BellSouth Corporation.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Any audit that is required as a result of a merger, acquisition or Corporate Development should be exception coded using Project Number PB8301.

SECTION 7

RECOMMENDED: _____ DATE: 12/6/91

TITLE: Operations Manager AL 55 RC: H41020

APPROVED: VE Jones DATE: 12/6/91

TITLE: Assistant Vice President - Chief Corporate Auditor AL 60 RC: H41000

BELL SOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: INTERNAL AUDITING

EFFECTIVE DATE: 4-28-92

DIVISION/DISTRICT: DEPARTMENT HEAD & SECRETARY

RESPONSIBILITY CODE: H41000

CORPORATE SERVICES MANAGER: DEBBIE CONNER

TEL.. NO. 249-3001

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

The Assistant Vice President - Chief Corporate Auditor (Department Head of BSHQ Internal Auditing) is responsible for auditing in the BellSouth Corporation. At BSHQ the Corporate audit groups, the ISA group, and the Methods & Procedures group are direct reports of this position. The General Internal Auditor in SBT and SCB report to this position functionally. This position reports directly to the Audit Committee of the Board of Directors.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

BST 83% BSE 13% BSC 4% BSC spread using Headquarters Allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Spread based upon personnel assigned in the entities that are supported.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Auditing services performed for a specific subsidiary of BellSouth Corporation.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Any audit that is required as a result of a merger, acquisition or Corporate Development should be exception coded using Project Number PB8301.

SECTION 7

RECOMMENDED: *Steven Bishop*

DATE: 4/29/92

TITLE: Operations Manager

AL 55 RC: H41020

APPROVED: *VE Janice*

DATE: 4/30/92

TITLE: Assistant Vice President -
Chief Corporate Auditor

AL 60 RC: H41000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: INTERNAL AUDITING

EFFECTIVE DATE: 10-1-92

DIVISION/DISTRICT: DEPARTMENT HEAD & SECRETARY

RESPONSIBILITY CODE: H41000

CORPORATE SERVICES MANAGER: DEBBIE CONNER

TEL. NO. 249-3001

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

The Assistant Vice President - Chief Corporate Auditor (Department Head of BSHQ Internal Auditing) is responsible for auditing in the BellSouth Corporation. At BSHQ the Corporate audit groups, the ISA group, and the Methods & Procedures group are direct reports of this position. The General Internal Auditor in SBT and SCB report to this position functionally. This position reports directly to the Audit Committee of the Board of Directors.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

BST 74% BBS 10% BSE 13% BSC 3% BSC spread using Headquarters Allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Spread based upon personnel assigned in the entities that are supported.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Auditing services performed for a specific subsidiary of BellSouth Corporation.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Any audit that is required as a result of a merger, acquisition or Corporate Development should be exception coded using Project Number PB8301.

SECTION 7

RECOMMENDED:

Karen Bishop

DATE:

10/6/92

TITLE: Operations Manager

AL 55 RC: H41020

APPROVED:

DE Jones

DATE:

10/7/92

TITLE: Assistant Vice President -
Chief Corporate Auditor

AL 60 RC: H41000

Signature
1/93

Changed methodology
4/1/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: INTERNAL AUDITING EFFECTIVE DATE: 1-1-92

DIVISION/DISTRICT: CORPORATE AUDITS (STRAWN) RESPONSIBILITY CODE: H41010

CORPORATE SERVICES MANAGER: DEBBIE CONNER TEL.. NO. 249-3001

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

The Corporate audit group is responsible for performing required audits of BellSouth Headquarters as a service to upper management and the Audit Committee of the Board of Directors. A monthly report is available showing each audit performed and the time spent.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

BSE 76% BSC 24% Use Headquarters Allocator for BSC

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Cost incurred are not attributable to a specific entity but are incurred in relation to the services provided by the auditing group.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Auditing services performed for a specific subsidiary of BellSouth Corporation.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Any audit that is required as a result of a merger, acquisition or Corporate Development should be exception coded using Project Number PB8301.

SECTION 7

RECOMMENDED: _____ DATE: 12/6/91

TITLE: Operations Manager AL 55 RC: H41020

APPROVED: W E Jarvis DATE: 12/6/91

TITLE: Assistant Vice President - Chief Corporate Auditor AL 60 RC: H41000

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: INTERNAL AUDITING

EFFECTIVE DATE: 4-28-92

DIVISION/DISTRICT: CORPORATE AUDITS (STRAWN) RESPONSIBILITY CODE: H41010

CORPORATE SERVICES MANAGER: DEBBIE CONNER

TEL. NO. 249-3001

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

The Corporate audit group is responsible for performing required audits of BellSouth Headquarters as a service to upper management and the Audit Committee of the Board of Directors. A monthly report is available showing each audit performed and the time spent.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

BSE 73% BSC 27% Use Headquarters Allocator for BSC

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Cost incurred are not attributable to a specific entity but are incurred in relation to the services provided by the auditing group.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Auditing services performed for a specific subsidiary of BellSouth Corporation.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Any audit that is required as a result of a merger, acquisition or Corporate Development should be exception coded using Project Number PB8301.

SECTION 7

RECOMMENDED:

Karen Bishop

DATE:

4/29/92

TITLE: Operations Manager

AL 55 RC: H41010

APPROVED:

W.E. Jowers

DATE:

4/30/92

TITLE: Assistant Vice President -
Chief Corporate Auditor

AL 60 RC: H41000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: INTERNAL AUDITING

EFFECTIVE DATE: 10-1-92

DIVISION/DISTRICT: CORPORATE AUDITS (STRAWN)

RESPONSIBILITY CODE: H41010

CORPORATE SERVICES MANAGER: DEBBIE CONNER

TEL. NO. 249-3001

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

The Corporate audit group is responsible for performing required audits of BellSouth Headquarters as a service to upper management and the Audit Committee of the Board of Directors. A monthly report is available showing each audit performed and the time spent.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

BSE 73X BSC 27X Use Headquarters Allocator for BSC

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Cost incurred are not attributable to a specific entity but are incurred in relation to the services provided by the auditing group.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Auditing services performed for a specific subsidiary of BellSouth Corporation.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Any audit that is required as a result of a merger, acquisition or Corporate Development should be exception coded using Project Number PB8301.

SECTION 7

RECOMMENDED: Kamir Bides

DATE: 10/6/92

TITLE: Operations Manager

AL 55 RC: H41010

APPROVED: VE Jawn

DATE: 10/7/92

TITLE: Assistant Vice President -
Chief Corporate Auditor

AL 60 RC: H41000

*Supervised
1/93*

*KEM
11/5/92*

Changed methodology
4/1/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: INTERNAL AUDITING EFFECTIVE DATE: 1-1-92

DIVISION/DISTRICT: METHODS & PROCEDURES RESPONSIBILITY CODE: H41020

CORPORATE SERVICES MANAGER: DEBBIE CONNER TEL.. NO. 249-3001

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

It is the responsibility of the Methods & Procedures group to serve as the administrative support group for BSHQ, SBT and SCB Internal Auditing. These responsibilities include the annual audit plan, audit universe, auditing procedures, all standards, time reporting, audit plan tracking, BSC Audit Committee and other special projects.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

BST 72X BBS 9X BSE 15X BSC 4X BSC spread using Headquarters allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Spread based upon personnel assigned in the entities that are supported.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Auditing services performed for a specific subsidiary of BellSouth Corporation.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Any audit that is required as a result of a merger, acquisition or Corporate Development should be exception coded using Project Number PB8301.

SECTION 7

RECOMMENDED: [Signature] DATE: 2/6/91

TITLE: Operations Manager AL 55 RC: H41020

APPROVED: [Signature] DATE: 12/6/91

TITLE: Assistant Vice President - Chief Corporate Auditor AL 60 RC: H41000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: INTERNAL AUDITING

EFFECTIVE DATE: 4-28-92

DIVISION/DISTRICT: METHODS & PROCEDURES

RESPONSIBILITY CODE: H41020

CORPORATE SERVICES MANAGER: DEBBIE CONNER

TEL.. NO. 249-3001

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

It is the responsibility of the Methods & Procedures group to serve as the administrative support group for BSHQ, SBT and SCB Internal Auditing. These responsibilities include the annual audit plan, audit universe, auditing procedures, all standards, time reporting, audit plan tracking, BSC Audit Committee and other special projects.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

BST 83X BSE 13X BSC 4X BSC spread using Headquarters allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Spread based upon personnel assigned in the entities that are supported.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Auditing services performed for a specific subsidiary of BellSouth Corporation.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Any audit that is required as a result of a merger, acquisition or Corporate Development should be exception coded using Project Number PB8301.

SECTION 7

RECOMMENDED:

Karen Bishop

DATE:

4/29/92

TITLE: Operations Manager

AL 55 RC: H41020

APPROVED:

V E Jarvis

DATE:

4/30/92

TITLE: Assistant Vice President -
Chief Corporate Auditor

AL 60 RC: H41000

F01K06W 001587

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: INTERNAL AUDITING EFFECTIVE DATE: 10-1-92

DIVISION/DISTRICT: METHODS & PROCEDURES RESPONSIBILITY CODE: H41020

CORPORATE SERVICES MANAGER: DEBBIE CONNER TEL. NO. 249-3001

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

It is the responsibility of the Methods & Procedures group to serve as the administrative support group for BSHQ, SBT and SCB Internal Auditing. These responsibilities include the annual audit plan, audit universe, auditing procedures, all standards, time reporting, audit plan tracking, BSC Audit Committee and other special projects.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

BST 72X BBS 9X BSE 15X BSC 4X BSC spread using Headquarters allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Spread based upon personnel assigned in the entities that are supported.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Auditing services performed for a specific subsidiary of BellSouth Corporation.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Any audit that is required as a result of a merger, acquisition or Corporate Development should be exception coded using Project Number PB8301.

SECTION 7

RECOMMENDED: Karen Bishop DATE: 10/6/92

TITLE: Operations Manager AL 55 RC: H41020

APPROVED: VE Jones DATE: 10/7/92

TITLE: Assistant Vice President - Chief Corporate Auditor AL 60 RC: H41000

Supp rec'd 11/23

KEM 11/5/92

Changed methodology
4/1/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: INTERNAL AUDITING EFFECTIVE DATE: 1-1-92

DIVISION/DISTRICT: INFORMATION SYSTEMS AUDITS RESPONSIBILITY CODE: H41030

CORPORATE SERVICES MANAGER: DEBBIE CONNER TEL.. NO. 249-3001

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

The Information Systems audit group is responsible for performing required EDP or assistance to audits of BellSouth Headquarters as a service to upper management and the Audit Committee of the Board of Directors. A monthly report is available showing each audit performed and the time spent. This group also supports the office automation services for the department at BellSouth Headquarters and supports the program which generates the audit plan and tracking for the whole corporation.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

BST 75% EBS 5% BSE 17% BSC 3% BSC spread using Headquarters allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Cost incurred are not attributable to a specific entity but are incurred in relation to the time spent supporting audits within the respective entities.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Auditing services performed for a specific subsidiary of BellSouth Corporation.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Any audit that is required as a result of a merger, acquisition or Corporate Development should be exception coded using Project Number PB8301.

SECTION 7

RECOMMENDED: [Signature] DATE: 1-1-92

TITLE: Operations Manager AL 55 RC: H41020

APPROVED: [Signature] DATE: 12/6/91

TITLE: Assistant Vice President - Chief Corporate Auditor AL 60 RC: H41000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: INTERNAL AUDITING

EFFECTIVE DATE: 4-28-92

DIVISION/DISTRICT: INFORMATION SYSTEMS AUDITS

RESPONSIBILITY CODE: H41030

CORPORATE SERVICES MANAGER: DEBBIE CONNER

TEL.. NO. 249-3001

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

The Information Systems audit group is responsible for performing required EDP or assistance to audits of BellSouth Headquarters as a service to upper management and the Audit Committee of the Board of Directors. A monthly report is available showing each audit performed and the time spent. This group also supports the office automation services for the department at BellSouth Headquarters and supports the program which generates the audit plan and tracking for the whole corporation.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

BST 84% BSE 11% BSC 5% BSC spread using Headquarters allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Cost incurred are not attributable to a specific entity but are incurred in relation to the time spent supporting audits within the respective entities.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Auditing services performed for a specific subsidiary of BellSouth Corporation.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Any audit that is required as a result of a merger, acquisition or Corporate Development should be exception coded using Project Number PB8301.

SECTION 7

RECOMMENDED:

Karen Bolz

DATE:

4/29/92

TITLE: Operations Manager

AL 55 RC: H41030

APPROVED:

VE Jarvis

DATE:

4/30/92

TITLE: Assistant Vice President -
Chief Corporate Auditor

AL 60 RC: H41000

F01K06W 001590

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: INTERNAL AUDITING

EFFECTIVE DATE: 10-1-92

DIVISION/DISTRICT: INFORMATION SYSTEMS AUDITS

RESPONSIBILITY CODE: H41030

CORPORATE SERVICES MANAGER: DEBBIE CONNER

TEL. NO. 249-3001

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

The Information Systems audit group is responsible for performing required EDP or assistance to audits of BellSouth Headquarters as a service to upper management and the Audit Committee of the Board of Directors. A monthly report is available showing each audit performed and the time spent. This group also supports the office automation services for the department at BellSouth Headquarters and supports the program which generates the audit plan and tracking for the whole corporation.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

BST 75% BBS 5% BSE 17% BSC 3% BSC spread using Headquarters allocator

Also cx codes: cx0003, cx0019, cx0020

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Cost incurred are not attributable to a specific entity but are incurred in relation to the time spent supporting audits within the respective entities.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Auditing services performed for a specific subsidiary of BellSouth Corporation.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Any audit that is required as a result of a merger, acquisition or Corporate Development should be exception coded using Project Number PB8301.

SECTION 7

RECOMMENDED:

Karen Bishop

DATE:

10/6/92

TITLE: Operations Manager

AL 55 RC: H41030

APPROVED:

VE Jarvis

DATE:

10/7/92

TITLE: Assistant Vice President -
Chief Corporate Auditor

AL 60 RC: H41000

NOVEMBER 1988

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

DEPARTMENT: Corp. Human Resources EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: Employee Relations RESPONSIBILITY CODE: H52000

CORPORATE SERVICES MANAGER: Carol Garrett TELE. NO. 249-2329

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

- 1) Provide management oversight for the coordination of BellSouth collective bargaining and Union/Company relations.
- 2) Provide management oversight for financial planning assumptions for wages, benefits and telephone concessions.
- 3) Provide management oversight for development and delivery of safety policies, programs, and practices.
- 4) Provide management oversight for development and delivery of environmental management policies, programs, practices and control methods to ensure compliance with local, state, and federal environmental regulations.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs are a composite of direct reports.

RATIONALE SUPPORTING METHODOLOGY:

Responsibilities are reflective of direct report activities.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

RECOMMENDED: *[Signature]*

DATE: 9/9/91

TITLE: AVP-Employee Relations AL: 60 RC: H52000

APPROVED: _____ DATE: _____

TITLE: Sr. VP-Corp. Human Resources AL: 65 RC: HE0H50

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NOVEMBER 1988

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

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DEPARTMENT: Corp. Human Resources EFFECTIVE DATE: 11/1/92

DIVISION/DISTRICT: Employee Relations RESPONSIBILITY CODE: H52000

CORPORATE SERVICES MANAGER: Carol Garrett TELE. NO. 249-2329

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DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

- Provide management oversight for the following functions:
- Development of BellSouth collective bargaining strategies and Union/Company relations.
 - Financial planning assumptions for wages, benefits and telephone concessions.
 - Development and implementation of non-management compensation policies and plans.
 - Development and delivery of safety and environmental management policies, programs, practices and control methods to ensure compliance with local, state, and federal environmental regulations.
 - Assessment Center selection and staffing programs.
 - Development and delivery of MJE, relocation, Title Plan, hiring, staffing, selections, and appraisal policies.
 - Focus and development of Corporate response to work, family, and personal life issues.

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COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs are a composite of direct reports.

=====

RATIONALE SUPPORTING METHODOLOGY:

Responsibilities are reflective of direct report activities.

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DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

PS0724 - Cost of travel and associated expenses of conferences attended by Co-chair of Employee Security Partnership (ESP) and CWA representative on behalf of ESP.

=====

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

=====

RECOMMENDED: _____ DATE: _____

TITLE: AVP-Employee Relations AL: 60 RC: H52000

APPROVED:  DATE: 12/4/92

KEM
12/1

NOVEMBER 1988

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

DEPARTMENT: Corp. Human Resources

EFFECTIVE DATE: 11/1/92

DIVISION/DISTRICT: Labor Relations

RESPONSIBILITY CODE: H52030

CORPORATE SERVICES MANAGER: Carol Garrett

TELE. NO. 249-2329

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Coordinates and interfaces with Union officers on non-management job evaluation, NTIA, QWL, and WRS.
Develops and implements non-management compensation policies and plans.
Directs research and development of Corporate bargaining strategies.
Conducts wage surveys and provides financial view assumptions for wages, benefits and employee telephone concessions.
Conducts contract negotiations between Union and Headquarters.
Supports contract negotiations between Union and Subsidiaries.
Provides price-out and costing information to support future contract negotiations.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs are allocated based upon the number of represented employees in BellSouth Telecommunications, Inc., BellSouth Business Systems, and BellSouth Enterprises.

RATIONALE SUPPORTING METHODOLOGY:

Services provided and/or functions performed are related to represented employees and employment.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

RECOMMENDED:

Fullard

DATE:

11/30/92

TITLE: Operations Manager-Labor Relations AL: 55 RC: H52030

APPROVED:

DeLoe

DATE:

12/4/92

TITLE: AVP- Employee Relations AL: 60 RC: H52000

NOTICE Not for use or disclosure outside the BellSouth Corporation except under written agreement.

KEM
12/10/92

NOVEMBER 1988

change on 2/1/92 Cost Methodology

TERS
ORM

DEPARTMENT: Corp. Human Resc

EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: Labor Relations

RESPONSIBILITY CODE: H52030

CORPORATE SERVICES MANAGER: Carol Garrett

TELE. NO. 249-2329

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

- 1) Coordinate and interface with Union officers on non-management job evaluation, NTIA, QWL, and WRS.
- 2) Research and develop collective bargaining issues.
- 3) Conduct wage surveys, provide financial view assumptions for wages, benefits and employee telephone concessions.
- 4) Provide price-out and costing information to support future contract negotiations.
- 5) Coordinate Pioneer Administration Activities for the region.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs are allocated based upon the number of represented employees in Southern Bell, South Central Bell, BellSouth Services, and BellSouth Enterprises. Per Carol Garrett 2/1/92: Should be BST, BBS, BSE

RATIONALE SUPPORTING METHODOLOGY:

Services provided and/or functions performed are related to represented employees and employment.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

RECOMMENDED:

Carol Garrett

DATE:

8/23/91

TITLE: Operations Manager-Labor Relations AL: 55 RC: H52030

APPROVED:

Carol Garrett

DATE:

9/9/91

TITLE: AVP- Employee Relations AL: 60 RC: H52000

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-JSM

NOVEMBER 1988

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

DEPARTMENT: Corp. Human Resources

EFFECTIVE DATE: 7/1/91

DIVISION/DISTRICT: Safety

RESPONSIBILITY CODE: H52040
(H52041)

CORPORATE SERVICES MANAGER: Melissa Hess

TELE. NO. 249-2374

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

- 1) Coordinate all activities related to compliance with the Occupational Safety and Health Act.
- 2) Develop and deliver safety policies, programs, and practices such as: Safety Personnel Training Curriculum; Hazard Communications Program; Commercial Motor Vehicle Safety Practice; Accident Prevention Plan; Employee Safety Standards; Equipment Safety Standards; Safety Training Videos; VDT Program;
- 3) Maintain and interpret safety results for employee injuries and company motor vehicle accidents in accordance with OSHA standards through the development and implementation of the Safety Results Plan and Benefits and Safety Information System.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs are allocated based upon the number of employees in Southern Bell, South Central Bell, BellSouth Services, BellSouth Enterprises' companies located within the United States.

RATIONALE SUPPORTING METHODOLOGY:

Services provided and/or functions performed are related to employees.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

RECOMMENDED:

Joseph H. Span

DATE: 8/29/91

TITLE: Operations Manager-Safety/
Environmental Affairs

AL: 55

RC: H52040

APPROVED:

DC [Signature]

DATE: 9/9/91

TITLE: AVP- Employee Relations

AL: 60

RC: H52000

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JSM

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

DEPARTMENT: Corp. Human Resources

EFFECTIVE DATE: 11/1/92

DIVISION/DISTRICT: Safety/Environ. Affairs

RESPONSIBILITY CODE: H52040
(H52041, H52043)

CORPORATE SERVICES MANAGER: Melissa Hess

TELE. NO. 249-2374

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

SAFETY

- Coordinate activities related to compliance with the Occupational Safety and Health Act.
- Develop and deliver safety policies, programs, and practices such as: Safety Personnel Training Curriculum; Hazard Communications Program; Commercial Motor Vehicle Safety Practice; Accident Prevention Plan; Employee Safety Standards; Equipment Safety Standards; Safety Training Videos; VDT Program.
- Maintain and interpret safety results for employee injuries and company motor vehicle accidents in accordance with OSHA standards through the development and implementation of the Safety Results Plan and Benefits and Safety Information System.

ENVIRONMENTAL AFFAIRS

- Coordinate activities related to compliance with local, state, and federal environmental regulations.
- Develop and deliver environmental management policies, programs, practices, and control methods such as: Hazardous Waste Management; Hazardous Material Transport; Community "Right to Know"; Air Quality Control; Real Estate Environmental Assessment; PCB Practice and Emergency Response; Underground Storage Tank Management; Chemical Storage, disposal and spill clean-up.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Costs are allocated based upon the number of employees in BellSouth Telecommunications, Inc., BellSouth Business Systems, and BellSouth Enterprises' companies located within the United States.

RATIONALE SUPPORTING METHODOLOGY: Services provided and/or functions performed are related to employees and the material resources they utilize.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF): None

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB): None

RECOMMENDED:

TITLE: J. H. Spann
Operations Manager-Safety/
Environmental Affairs

AL: 55

DATE: 12/1/92
RC: H52040

APPROVED:

TITLE: [Signature]
AVP-Employee Relations

AL: 60

DATE: 12/4/92
RC: H52000

Handwritten initials

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: CHR PLANNING AND DEVELOPMENT

EFFECTIVE DATE: 01/01/92

DIVISION/DISTRICT: STAFFING, RESEARCH & DEVELOPMENT RESPONSIBILITY CODE: H52050

CORPORATE SERVICES MANAGER: GWEN BOWIE

TELE. NO. 249-2121

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1. PROVIDE BASIC RESEARCH, OPERATIONS MONITORING, AND QUALITY ASSURANCE SUPPORT FOR IN PLACE ASSESSMENT CENTER PROGRAMS (AE/AD, HRA).
2. PROVIDE RESEARCH, DESIGN AND DEVELOPMENT FOR NEW (REPLACEMENT) ASSESSMENT CENTER PROGRAMS USED FOR MANAGEMENT SELECTIONS.
3. DEVELOP AND PROVIDE RESEARCH SUPPORT FOR MANAGEMENT AND NON-MANAGEMENT SELECTION AND STAFFING PROGRAMS.
4. DEVELOP MANAGEMENT JOB EVALUATION (MJE) POLICY AND UPDATE MJE GUIDELINES.
5. PROVIDE MANAGEMENT RELOCATION POLICY AND COORDINATE HOME SALE PLAN AND MARKET RATE FINANCING.
6. UPDATE AND ISSUE BELLSOUTH TITLE PLAN POLICY AND GUIDELINES.
7. UPDATE AND ISSUE PERFORMANCE EVALUATION PLAN AND PROGRAM OF MANAGEMENT COMMITMENT AND REVIEW.
8. DEVELOP MANAGEMENT AND NON-MANAGEMENT HIRING AND STAFFING POLICY AND METHODS.
9. DEVELOP CORPORATE POLICIES ON EMPLOYEE SELECTION.
10. DEVELOP AND MAINTAIN THE BELLSOUTH TESTING MANUAL, HUMAN RESOURCES EMPLOYMENT MANUAL, AND SELECTION WORKSHOP MANUAL.
11. DEVELOP AND MAINTAIN BELLSOUTH NON-MANAGEMENT PERFORMANCE APPRAISAL POLICY.
12. DEVELOP AND MAINTAIN CORPORATE MANAGEMENT EMPLOYMENT AND STAFFING POLICY.
13. DEVELOP AND MAINTAIN EARLY RETIREMENT INCENTIVE PROGRAMS.
14. DEVELOP AND MAINTAIN FORCE MANAGEMENT PROGRAMS.
15. DEVELOP AND MAINTAIN CAREER ALTERNATIVE PLANS.
16. ADDRESS POLICY MATTERS FOR MATCH SELECTION SYSTEM.
17. FOCUS AND DEVELOP CORPORATE RESPONSE TO WORK, FAMILY AND PERSONAL LIFE ISSUES.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

COSTS ARE ALLOCATED BASED UPON THE TOTAL NUMBER OF EMPLOYEES IN EACH BELLSOUTH COMPANY PARTICIPATING IN THE BELLSOUTH PENSION AND BENEFIT PLANS.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Use of services provided/functions performed is roughly proportional to employee headcount for regulated entities. Total headcount overstates BSE participation (particularly by acquired companies), therefore B.S. pension participation is most accurate choice.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

154 NONE IDENTIFIED

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

NONE IDENTIFIED

SECTION 7

RECOMMENDED: _____

DATE: _____

TITLE: O.M.

APPROVED: _____

DATE: _____

TITLE: AVP EMPLOYEE RELATIONS

AL: 60 **RC:** H52000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

DEPARTMENT: CHR STAFFING AND DEVELOPMENT EFFECTIVE DATE: 11/01/92

DIVISION/DISTRICT: STAFFING, RESEARCH & DEVELOPMENT RESPONSIBILITY CODE: H52050

CORPORATE SERVICES MANAGER: Carol Garrett TELE. NO. 249-2329

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1. PROVIDE BASIC RESEARCH, DEVELOPMENT AND VALIDATION FOR JOB QUALIFICATION SELECTION SCREENS.
2. PROVIDE RESEARCH, DESIGN AND DEVELOPMENT, OPERATIONS MONITORING AND QUALITY ASSURANCE SUPPORT FOR ASSESSMENT PROGRAMS USED FOR SELECTIONS.
3. DEVELOP AND PROVIDE RESEARCH SUPPORT FOR MANAGEMENT AND NON-MANAGEMENT SELECTION AND STAFFING PROGRAMS.
4. DEVELOP MANAGEMENT AND NON-MANAGEMENT HIRING AND STAFFING POLICY.
5. DEVELOP CORPORATE POLICIES ON EMPLOYEE SELECTION.
6. DEVELOP AND MAINTAIN THE BELLSOUTH TESTING MANUAL AND THE POLICY PORTION OF THE GENERAL EMPLOYMENT MANUAL AND THE SELECTION WORKSHOP MANUAL.
7. DEVELOP AND MAINTAIN BELLSOUTH NON-MANAGEMENT PERFORMANCE APPRAISAL POLICY.
8. FOCUS AND DEVELOP CORPORATE RESPONSES TO WORKPLACE ENHANCEMENTS AND EMPLOYEE SKILLS ACQUISITION.
9. DEVELOP AND MAINTAIN EARLY RETIREMENT INCENTIVE PROGRAMS.
10. DEVELOP AND MAINTAIN FORCE MANAGEMENT PROGRAMS.
11. DEVELOP AND MAINTAIN CAREER ALTERNATIVE PLANS.
12. ADDRESS POLICY MATTERS FOR MATCH SELECTION SYSTEM.
13. FOCUS AND DEVELOP CORPORATE RESPONSE TO WORK, FAMILY AND PERSONAL LIFE ISSUES.
14. PROVIDE CORPORATE MONITORING, GOVERNMENT REPORTING AND CORPORATE RESPONSE (INTERNAL AND EXTERNAL) FOR EEO/AA AND OTHER CIVIL RIGHTS LEGISLATION.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

COSTS ARE ALLOCATED BASED UPON THE TOTAL NUMBER OF EMPLOYEES IN EACH BELLSOUTH COMPANY PARTICIPATING IN THE BELLSOUTH PENSION AND BENEFIT PLANS.

RATIONALE SUPPORTING METHODOLOGY:

Use of services provided/functions performed is roughly proportional to employee headcount for regulated entities. Total headcount overstates BSE participation (particularly by acquired companies), therefore BellSouth pension participation is most accurate choice.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

NONE IDENTIFIED

KEM
12/10/92

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

NONE IDENTIFIED

RECOMMENDED: *[Signature]*

DATE: 12-07-92

TITLE: Director-HR Staffing&Development

AL: 55 RC: H52050

APPROVED: *[Signature]*

DATE: 12/4/92

TITLE: AVP EMPLOYEE RELATIONS

AL: 60 RC: H52000

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: HUMAN RESOURCES EFFECTIVE DATE: 07/01/91

DIVISION/DISTRICT: HR PLANNING RESPONSIBILITY CODE: H51050

CORPORATE SERVICES MANAGER: JUDY BOREN TELE. NO. 249-2112

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1. Coordinate and develop the Human Resources Strategic Plan and provide Human Resources planning and consultative services to various planning constituencies.
2. Research and document generic force planning issues and provide technical support for force analysis, planning projects and information request.
3. Coordinate and develop the Human Resources portion of all aspects of the BellSouth Strategic Plan.
4. Coordinate force, capital and expense data in conjunction with the corporate budget process.
5. Analyze, monitor and publish corporate force levels and serve as source for force and Human Resources data request.
6. Coordinate and develop the Human Resources portion of all aspects of the BellSouth Operation Plans.
7. Develop and implement planning process for evaluating Human Resources impacts on existing and proposed projects.
8. Conduct internal demographic and employee opinion scans plus external environmental scans and synthesize trend implications for planning purpose.
9. Provide planning and consultative service to aid in the development of high level plans for Human Resources mechanization programs and projects.
10. Coordinate Human Resources Executive support.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Cost are allocated based upon the total number of employees in each BellSouth Company participating in the BellSouth Pension and Benefit plans.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Use of services provided/functions performed is roughly proportional to employee headcount for regulated entities. Total headcount overstates BSE participation (particularly by acquired companies), therefore B.S. pension participation is most accurate choice.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED:

Judy Bowen

DATE:

9-9-91

TITLE:

O.N.

APPROVED:

John R. Benjamin

DATE:

9-11-91

TITLE:

AVP COMPENSATION

AL:

60

RC:

H53000

psm

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

DEPARTMENT: Corp. Human Resources

EFFECTIVE DATE: 1/1/92

DIVISION/DISTRICT: Employee Relations RESPONSIBILITY CODE: H52080

CORPORATE SERVICES MANAGER: Carol Garrett TELE. NO. 249-2329

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1) Assist with special projects directly related to collective bargaining.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs are allocated based upon the number of represented employees in BellSouth Telecommunications, Inc., BellSouth Business Systems, and BellSouth Enterprises.

RATIONALE SUPPORTING METHODOLOGY:

Services provided and/or functions performed are related to represented employees and employment.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

RECOMMENDED: Maitha Lee Doyle

DATE: 12/20/91

TITLE: Operations Manager-Employee Relations AL: 55

RC: H52080

APPROVED: [Signature]

DATE: 12/20/91

TITLE: AVP-Industrial Relations AL: 60 RC: H52000

NOTICE Not for use or disclosure outside the BellSouth Corporation except under written agreement.

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

DEPARTMENT: Corp. Human Resources

EFFECTIVE DATE: 11/1/92

DIVISION/DISTRICT: Employee Relations

RESPONSIBILITY CODE: H52080

CORPORATE SERVICES MANAGER: Carol Garrett

TELE. NO. 249-2329

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1) Assist with special projects directly related to collective bargaining.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs are allocated based upon the number of represented employees in BellSouth Telecommunications, Inc., BellSouth Business Systems, and BellSouth Enterprises.

RATIONALE SUPPORTING METHODOLOGY:

Services provided and/or functions performed are related to represented employees and employment.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

RECOMMENDED: Maitha Lee Doyle

DATE: 10-22-92

TITLE: Operations Manager-Employee Relations AL: 55

RC: H52080

APPROVED: [Signature]

DATE: 12/4/92

TITLE: AVP- Employee Relations

AL: 60 RC: H52000

NOTICE Not for use or disclosure outside the BellSouth Corporation except under written agreement.

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12/10/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Human Resources-Exec. Personnel Matters EFFECTIVE DATE: 01/01/92

DIVISION/DISTRICT: Assistant Vice President RESPONSIBILITY CODE: B53000

CORPORATE SERVICES MANAGER: J. R. Baugus TELE. NO. 249-2200

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Research, development and administration of the Compensation, Incentive and Benefit Plans, Job Evaluation & Relocation Plans, and Title Models for Key Managers & Officers, Management Employees, certain Management Sales Employees of the BellSouth Corporation and its subsidiaries (including BSE Acquired Companies for Benefit Plan Administration only). Job Evaluation for Officers & selected Key Managers.

Research, develop and coordinate the Human Resources Strategic Plan, provide technical support for policy development and programs and conduct internal demographic scans and employee opinion surveys (e.g. ExChange) for BellSouth Corporation and its subsidiaries (excluding BSE acquired companies).

Develop, implement and provide performance management processes, policy and research support for directing and motivating employee and organizational performance towards business goals and strategic objectives for BellSouth Corporation and its subsidiaries (excluding BSE acquired companies).

Provide support for employee selection, employee development, succession/career planning, force reduction, employee education, Management Skills Assessment, Middle Management Assessment and Advanced Management Assessment for BellSouth Corporation and its subsidiaries (excluding BSE acquired companies) and non-affiliated companies.

Provide development, policy, direction, support, and administration for Executive Education, BellSouth Leadership Institute, BellSouth Corporate Conference Center, BellSouth Management Continuity Program, Management Review Conference, executive developmental programs and external education programs for BellSouth Corporation and its subsidiaries (excluding BSE acquired companies)

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reporting employees.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on cost associated with positions direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: John R. Baugus DATE: _____

TITLE: AVP-Executive Personnel Matters

APPROVED: *John R. Baugus*

DATE: 1-2-72

TITLE: AVP-Executive Personnel Matters AL: 60 RC: H53000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Human Resources-Exec. Personnel Matters EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Assistant Vice President RESPONSIBILITY CODE: H53000

CORPORATE SERVICES MANAGER: J. R. Baugus TELE. NO. 249-2200

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Research, development and administration of the Compensation, Incentive and Benefit Plans, Job Evaluation & Relocation Plans, and Title Models for Key Managers & Officers, Management Employees, certain Management Sales Employees of the BellSouth Corporation and its subsidiaries (including BSE & BST acquired companies for Benefit Plan Administration only). Job Evaluation for Officers & selected Key Managers.

Research, develop and coordinate the Human Resources Strategic Plan, provide technical support for policy development and programs and conduct internal demographic scans and employee opinion surveys (e.g. ExChange) for BellSouth Corporation and its subsidiaries (excluding BSE & BST acquired companies).

Develop, implement and provide performance management processes, policy and research support for directing and motivating employee and organizational performance towards business goals and strategic objectives for BellSouth Corporation and its subsidiaries (excluding BSE & BST acquired companies).

Provide support for employee selection, employee development, succession/career planning, force reduction, employee education, Management Skills Assessment, Middle Management Assessment, Advanced Management Assessment and INSIGHT for BellSouth Corporation and its subsidiaries (excluding BSE & BST acquired companies) and non-affiliated companies.

Provide development, policy, direction, support, and administration for Executive Education, BellSouth Leadership Institute, BellSouth Corporate Conference Center, BellSouth Management Continuity Program, Management Review Conference, executive developmental programs and external education programs for BellSouth Corporation and its subsidiaries (excluding BSE & BST acquired companies)

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reporting employees.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on cost associated with positions direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: John R. Baugus DATE: _____

TITLE: AVP-Executive Personnel Matters

APPROVED: John R. Baugus

DATE: 8-24-92

TITLE: AVP-Executive Personnel Matters AL: 60 RC: H53000

KEM
9/2/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Human Resources-Exec. Personnel Matters EFFECTIVE DATE: 01/01/92

DIVISION/DISTRICT: Exec/Mgt Compensation RESPONSIBILITY CODE: H53010 H53300

CORPORATE SERVICES MANAGER: B. H. Harkins TELE. NO. 249-2210

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Research, development and administration of the Compensation & Incentive Plans, Job Evaluation & Relocation Plans, and Title Models for Key Managers & Officers, Management Employees, certain Management Sales Employees of the BellSouth Corporation and its subsidiaries (excluding BSE Acquired Companies). Job Evaluation for officers and selected key managers

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Cost are allocated based upon the number of Key Managers & Officers, Management Employees and certain Management Sales Employees in each BellSouth company (excluding BSE Acquired Companies).

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Work activities related to providing the services above based on the number of Key Managers & Officers, Management Employees and certain Management Sales Employees in each BellSouth company (excluding BSE Acquired Companies).

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Birva N. Harkins DATE: 12/9/91
TITLE: B. H. Harkins
TITLE: Operations Manager-Exec. Comp.
APPROVED: John R. Baugher DATE: 1-2-92
TITLE: AVP - Exec. Personnel Matters AL: 60 RC: H53000

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Human Resources-Exec. Personnel Matters EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Compensation RESPONSIBILITY CODE: H53010

CORPORATE SERVICES MANAGER: Vacant TELE. NO. _____

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Research, development and administration of the Compensation & Incentive Plans, Job Evaluation & Relocation Plans, and Title Models for Key Managers & Officers, Management Employees, certain Management Sales Employees of the BellSouth Corporation and its subsidiaries (excluding BSE & BST Acquired Companies). Job Evaluation for officers and selected key managers

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Cost are allocated based upon the number of Key Managers & Officers, Management Employees and certain Management Sales Employees in each BellSouth company (excluding BSE & BST Acquired Companies).

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Work activities related to providing the services above based on the number of Key Managers & Officers, Management Employees and certain Management Sales Employees in each BellSouth company (excluding BSE & BST Acquired Companies).

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PP):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: _____ DATE: _____

TITLE: Operations Manager - Compensation

APPROVED: John D. Baugher DATE: 8-24-92

TITLE: AVP - Exec. Personnel Matters AL: 60 RC: H53000

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Human Resources-Exec. Personnel Matters EFFECTIVE DATE: 01/01/92

DIVISION/DISTRICT: Executive Development RESPONSIBILITY CODE: H53020

CORPORATE SERVICES MANAGER: V. H. Markos TELE. NO. 249-2171

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1. Provide direction for Executive Education.
2. Provide direction for external education programs.
3. Provide direction for the administration of BellSouth Leadership Institute programs (PG6 & above) and the BellSouth Corporate Conference Center.
4. Provide direction for curriculum development for all BellSouth Leadership Institute programs.
5. Provide policy and support for high potential executive development programs.
6. Provide support for annual Management Review Conference.
7. Provide direction for BellSouth Management Continuity Program.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs are allocated based upon the total number of management employees in each company participating in the BellSouth Pension and Benefit Plans.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Use of services provided/functions performed is roughly proportional to employee headcount for regulated entities. Total headcount overstates BSE participation (particularly by acquired companies), therefore, BellSouth Pension participation is most accurate choice.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED:

V. H. Markos
V. H. Markos

DATE:

12/13/91

TITLE:

Director - Executive Development

APPROVED:

John R. Breyer

DATE:

1-2-92

TITLE:

AVP-Exec. Personnel Matters

AL: 60

RC:

H53000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Human Resources-Exec. Personnel Matters EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Executive Development RESPONSIBILITY CODE: H53020

CORPORATE SERVICES MANAGER: V. H. Markos TELE. NO. 249-2171

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1. Provide direction for Executive Education.
2. Provide direction for external education programs.
3. Provide direction for the administration of BellSouth Leadership Institute programs (PG6 & above) and the BellSouth Corporate Conference Center.
4. Provide direction for curriculum development for all BellSouth Leadership Institute programs.
5. Provide policy and support for high potential executive development programs.
6. Provide support for annual Management Review Conference.
7. Provide direction for BellSouth Management Continuity Program.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs are allocated based upon the total number of management employees in each company participating in the BellSouth Pension and Benefit Plans.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Use of services provided/functions performed is roughly proportional to employee headcount for regulated entities. Total headcount overstates BSE & BST participation (particularly by acquired companies), therefore, BellSouth Pension participation is most accurate choice.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED:

V. H. Markos
V. H. Markos

DATE:

7/25/92

TITLE:

Director - Executive Development

APPROVED:

John R. Baugher

DATE:

8-24-92

TITLE:

AVP - Exec. Personnel Matters

AL: 60

RC:

H53000

*KEM
9/2/92*

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Human Resources-Exec. Personnel Matters EFFECTIVE DATE: 01/01/92

DIVISION/DISTRICT: Assessment Center RESPONSIBILITY CODE: H53030

CORPORATE SERVICES MANAGER: R. L. Slider TELE. NO. 320-4121

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide support for special projects in areas of employee selection, employee development, succession/career planning, force reduction and employee education, Management Skills Assessment, Middle Management Assessment, Advanced Management Assessment.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs are allocated based upon the number of employees in each BellSouth company participating in the BellSouth Pension and Benefit Plans.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Services provided and/or functions performed are related to employee selection, development, succession/career planning, education and force reduction, and Management Skills Assessment, Middle Management Assessment, Advanced Management Assessment.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

75% PN4005 100% PN1770 (MSA only)

Participating Companies: BellSouth Corporation, BellSouth Telecommunications Inc., BellSouth Enterprises & subsidiaries, BellSouth Business Systems & subsidiaries, Bell Communications Research, Ameritech Inc., Cincinnati Bell, New York Telephone

Provide Middle Management Assessment, Advanced Management Assessment and Management Skills Assessment for BellSouth employees and participants from non-affiliated companies. Participating companies are billed direct based on the number of participants attending.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED:

R. L. Sliger

DATE: 12-12-91

TITLE: Dir. - Assessment Center

APPROVED:

John R. Bayen

DATE: 1-2-92

TITLE: AVP - Exec. Personnel Matters AL: 60 RC: H53000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Human Resources-Exec. Personnel Matters EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Assessment Center RESPONSIBILITY CODE: H53030

CORPORATE SERVICES MANAGER: R. L. Slider TELE. NO. 320-4121

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide support for special projects in areas of employee selection, employee development, succession/career planning, force reduction and employee education, Management Skills Assessment, Middle Management Assessment, Advanced Management Assessment and INSIGHT.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs are allocated based upon the number of employees in each BellSouth company participating in the BellSouth Pension and Benefit Plans.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Services provided and/or functions performed are related to employee selection, development, succession/career planning, education and force reduction, and Management Skills Assessment, Middle Management Assessment, Advanced Management Assessment and INSIGHT.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

75% PN4005 100% PN1770 (MSA only) 100% Unassigned PN (INSIGHT)

Participating Companies: BellSouth Corporation, BellSouth Telecommunications Inc., BellSouth Enterprises & subsidiaries, BellSouth Business Systems & subsidiaries, Bell Communications Research, Ameritech Inc., Cincinnati Bell, New York Telephone

Provide Management Skills Assessment, Advanced Management Assessment, Middle Management Assessment and INSIGHT for BellSouth employees and participants from non-affiliated companies. Participating companies are billed direct based on the number of participants attending.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED:

R. L. Slider

DATE:

8-12-92

TITLE: R. L. Slider
~~Director. -- Assessment Center~~

APPROVED:

John R. Bayan
MANAGEMENT Assessment +
Succession Planning

DATE:

8-24-92

TITLE: AVP - Exec. Personnel Matters AL:

60

RC:

H53000

*Kem
9/2/92*

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Human Resources-Exec. Personnel Matters EFFECTIVE DATE: 01/01/92

DIVISION/DISTRICT: Strategic Planning RESPONSIBILITY CODE: H53040

CORPORATE SERVICES MANAGER: J. K. Boren TELE. NO. 249-2112

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1. Research, document, track and forecast force planning issues and provide technical support for policy development and programs, utilizing workforce planning information.
2. Coordinate and develop the Human Resources Strategic Plan and provide Human Resources planning and consultative services to various planning constituencies.
3. Provide planning and consultative services to aid in the development of high level plans for affiliated company Human Resources organizations and departmental staffs.
4. Develop and implement planning processes for evaluating Human Resources impacts to existing and proposed projects.
5. Conduct internal demographic scans and employee opinion surveys (e.g. ExChange) plus external environmental scans and synthesize trend implications for planning purposes.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Cost are allocated based upon the total number of employees in each BellSouth Company participating in the BellSouth Pension and Benefit plans.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Use of services provided/functions performed is roughly proportional to employee headcount for regulated entities. Total headcount overstates BSE participation (particularly by acquired companies), therefore, BellSouth Pension participation is most accurate choice.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED:

Judy Bowen
J. K. Boren

DATE: 12-31-91

TITLE:

Dir. - Strategic Planning

APPROVED:

John P. Bagnan

DATE: 1-2-92

TITLE:

AVP-Exec. Personnel Matters

AL: 60

RC: H53000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Human Resources-Exec. Personnel Matters EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Strategic Planning RESPONSIBILITY CODE: H53040

CORPORATE SERVICES MANAGER: J. K. Boren TELE. NO. 249-2112

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1. Research, document, track and forecast force planning issues and provide technical support for policy development and programs, utilizing workforce planning information.
2. Coordinate and develop the Human Resources Strategic Plan and provide Human Resources planning and consultative services to various planning constituencies.
3. Provide planning and consultative services to aid in the development of high level plans for affiliated company Human Resources organizations and departmental staffs.
4. Develop and implement planning processes for evaluating Human Resources impacts to existing and proposed projects.
5. Conduct internal demographic scans and employee opinion surveys (e.g. ExChange) plus external environmental scans and synthesize trend implications for planning purposes.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Cost are allocated based upon the total number of employees in each BellSouth Company participating in the BellSouth Pension and Benefit plans.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Use of services provided/functions performed is roughly proportional to employee headcount for regulated entities. Total headcount overstates BSE & BST participation (particularly by acquired companies), therefore, BellSouth Pension participation is most accurate choice.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Judy Boun DATE: 7-27-92

J. K. Soren
TITLE: Director - Strategic Planning

APPROVED: John R. Bayner DATE: 8-24-92

TITLE: AVP-Exec. Personnel Matters AL: 60 RC: H53000

Kem
9/2/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Human Resources-Exec. Personnel Matters EFFECTIVE DATE: 01/01/92

DIVISION/DISTRICT: Performance Management RESPONSIBILITY CODE: H53050

CORPORATE SERVICES MANAGER: S. R. Gordon TELE. NO. 249-2173

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1. Develop and implement performance management processes for directing and motivating employee and organizational performance towards the accomplishment of commitments in support of business goals and strategic objectives.
2. Develop and provide policy and research support for programs in the area of performance management including performance appraisal.
3. Develop and implement new programs and processes to assist in the management of organizational change, redesign of organizations and jobs, and streamlining of work processes.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs are allocated based upon the number of employees in each BellSouth company participating in the BellSouth Pension and Benefit Plans. Payroll costs allocated to General Services are based upon the percentage of time each employee spends on General Services Functions.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Use of services provided/functions performed is roughly proportional to employee headcount for regulated entities. Total headcount overstates BSE participation (particularly by acquired companies), therefore, BellSouth Pension participation is most accurate choice.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: *S. R. Gordon* DATE: _____

TITLE: S. R. Gordon
Corporate Manager - Performance Management

APPROVED: *John R. Bangor* DATE: 1-2-92

TITLE: AVP-Exec. Personnel Matters AL: 60 RC: H53000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Human Resources-Exec. Personnel Matters EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Performance Management RESPONSIBILITY CODE: ~~H53050~~ H53310

CORPORATE SERVICES MANAGER: S. R. Gordon TELE. NO. 249-2173

2/1/93 KEM

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1. Develop and implement performance management processes for directing and motivating employee and organizational performance towards the accomplishment of commitments in support of business goals and strategic objectives.
2. Develop and provide policy and research support for programs in the area of performance management including performance appraisal.
3. Develop and implement new programs and processes to assist in the management of organizational change, redesign of organizations and jobs, and streamlining of work processes.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs are allocated based upon the number of employees in each BellSouth company participating in the BellSouth Pension and Benefit Plans. Payroll costs allocated to General Services are based upon the percentage of time each employee spends on General Services Functions.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Use of services provided/functions performed is roughly proportional to employee headcount for regulated entities. Total headcount overstates BSE & BST participation (particularly by acquired companies), therefore, BellSouth Pension participation is most accurate choice.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED:

S. R. Gordon
S. R. Gordon

DATE:

7/24/92

TITLE:

Director - Performance Management

APPROVED:

John R. Baugher

DATE:

8-24-92

TITLE:

AVP-Exec. Personnel Matters

AL:

60

RC:

H53000

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Human Resources-Exec. Personnel Matters EFFECTIVE DATE: 01/01/92

DIVISION/DISTRICT: Executive Benefit Matters RESPONSIBILITY CODE: H53200

CORPORATE SERVICES MANAGER: T. R. Sommer TELE. NO. 249-2217

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Research, development and administration of the Benefit Plans for Key Managers & Officers of the BellSouth Corporation and its subsidiaries (including BSE Acquired Companies for Benefit Plan Administration only).

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs are allocated based upon the number of Key Managers & Officers in each BellSouth company (including BSE Acquired Companies for Benefit Plan Administration only).

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Work activities related to providing the services described above based on the number of Key Managers & Officers in each BellSouth company (including BSE Acquired Companies for Benefit Plan Administration only).

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED:

T. R. Sommer
T. R. Sommer

DATE:

12/9/91

TITLE: Dir. - Exec. Dev. & Bene. Matters

APPROVED:

John D. Baugher

DATE:

1-2-92

184

TITLE: AVP - Exec. Personnel Matters

AL:

60

RC:

H53000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Human Resources-Exec. Personnel Matters EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Executive Benefit Matters RESPONSIBILITY CODE: H53200

CORPORATE SERVICES MANAGER: T. R. Sommer TELE. NO. 249-2217

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Research, development and administration of the Benefit Plans for Key Managers & Officers of the BellSouth Corporation and its subsidiaries (including BSE & BST Acquired Companies for Benefit Plan Administration only).

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs are allocated based upon the number of Key Managers & Officers in each BellSouth company (including BSE & BST Acquired Companies for Benefit Plan Administration only).

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Work activities related to providing the services described above based on the number of Key Managers & Officers in each BellSouth company (including BSE & BST Acquired Companies for Benefit Plan Administration only).

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED:

T. R. Sommer

DATE:

7/21/92

TITLE:

Dir. - Exec. Dev. & Bene. Matters

APPROVED:

John R. Bauger

DATE:

8-24-92

TITLE:

AVP - Exec. Personnel Matters

AL: 60

RC:

H53000

MEM 912b

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Human Resources-Exec. Personnel Matters EFFECTIVE DATE: 01/01/92

DIVISION/DISTRICT: Sloan Fellowship Prog./MIT RESPONSIBILITY CODE: H53210

CORPORATE SERVICES MANAGER: T. R. Sommer TELE. NO. 249-2217

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Employee selected for participation in the Sloan Fellowship Program at MIT in connection with the Executive Continuity Programs of the BellSouth Corporation and its subsidiaries (excluding BSE Acquired Companies).

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs are allocated based on the number of Key Managers & Officers in each BellSouth company (excluding BSE Acquired Companies).

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Employees eligible for participation in the Sloan Fellowship Program are generally in a Key Manager or Officer paygrade, therefore, upon return based on the training received can be placed in a position that will be the most beneficial to the BellSouth Corporation and its subsidiaries (excluding BSE Acquired Companies).

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

PF2015 - This project is used to flow thru to BellSouth Telecommunications, Inc. for their share of participants's living differential.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED:

T. R. Sommer
T. R. Sommer

DATE:

12/9/91

186

TITLE:

Dir.- Exec. Dev. & Bene. Matters

APPROVED:

John R. Bayner

DATE:

1-2-92

TITLE:

AVP - Exec. Personnel Matters

AL:

60

RC:

H53000

F01M05H 001634

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Human Resources-Exec. Personnel Matters EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Sloan Fellowship Prog./MIT RESPONSIBILITY CODE: H53210

CORPORATE SERVICES MANAGER: V. H. Markos TELE. NO. 249-2171

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Employee selected for participation in the Sloan Fellowship Program at MIT in connection with the Executive Continuity Programs of the BellSouth Corporation and its subsidiaries (excluding BSE & BST Acquired Companies).

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs are allocated based on the number of Key Managers & Officers in each BellSouth company (excluding BSE & BST Acquired Companies).

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Employees eligible for participation in the Sloan Fellowship Program are generally in a Key Manager or Officer paygrade, therefore, upon return based on the training received can be placed in a position that will be the most beneficial to the BellSouth Corporation and its subsidiaries (excluding BSE & BST Acquired Companies).

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: V. H. Markos DATE: 7/25/92

TITLE: Director - Executive Development

APPROVED: John R. Baugher DATE: 8-24-92

TITLE: AVP - Exec. Personnel Matters AL: 60 RC: H53000

MEM
9/2/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Human Resources-Exec. Personnel Matters EFFECTIVE DATE: 01/01/92

DIVISION/DISTRICT: Sloan Fellowship/Stanford RESPONSIBILITY CODE: H53220

CORPORATE SERVICES MANAGER: T. R. Sommer TELE. NO. 249-2217

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Employee selected for participation in the Sloan Fellowship Program at Stanford in connection with the Executive Continuity Programs of the BellSouth Corporation and its subsidiaries (excluding BSE Acquired Companies).

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs are allocated based on the number of Key Managers & Officers in each BellSouth Company (excluding BSE Acquired Companies).

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Participants eligible for participation in the Sloan Fellowship Program are generally in a Key Manager or Officer paygrade, therefore, upon return based on the training received can be placed in a position that will be the most beneficial to the BellSouth Corporation and its subsidiaries (excluding BSE Acquired Companies).

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: T. R. Sommer DATE: 12/9/91

188

TITLE: Dir. - Exec. Dev. & Bene. Matters

APPROVED: John R. Benjamin DATE: 1-2-92

TITLE: AVP - Exec. Personnel Matters AL: 60 RC: H53000

Notes: This is a draft of a form to be used for the Sloan Fellowship Program.

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Human Resources-Exec. Personnel Matters EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Sloan Fellowship/Stanford RESPONSIBILITY CODE: H53220

CORPORATE SERVICES MANAGER: V. H. Markos TELE. NO. 249-2171

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Employee selected for participation in the Sloan Fellowship Program at Stanford in connection with the Executive Continuity Programs of the BellSouth Corporation and its subsidiaries (excluding BSE & BST Acquired Companies).

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Costs are allocated based on the number of Key Managers & Officers in each BellSouth Company (excluding BSE & BST Acquired Companies).

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Participants eligible for participation in the Sloan Fellowship Program are generally in a Key Manager or Officer paygrade, therefore, upon return based on the training received can be placed in a position that will be the most beneficial to the BellSouth Corporation and its subsidiaries (excluding BSE & BST Acquired Companies).

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: *V. H. Markos* DATE: 7/25/92
TITLE: Director - Executive Development
APPROVED: *John R. Baugher* DATE: 8-24-92
TITLE: AVP - Exec. Personnel Matters AL# 60 RC: H53000

*REM
7/26*

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Executive Personnel Matters EFFECTIVE DATE: 07/01/91
DIVISION/DISTRICT: B. H. Harkins RESPONSIBILITY CODE: H53010
CORPORATE SERVICES MANAGER: Pearl Evans TELE. NO. 249-2268

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Research, development and administration of the Compensation and Incentive Plans and selected Job Evaluations for Key Managers & Officers, Management Employees, certain Management Sales Employees of the BellSouth Corporation and its subsidiaries (excluding BSE Acquired Companies).

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Cost are allocated based upon the number of Key Managers & Officers, Management Employees and certain Management Sales Employees in each BellSouth company (excluding BSE Acquired Companies).

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Work activities related to providing the services above based on the number of Key Managers & Officers, Management Employees and certain Management Sales Employees in each BellSouth company (excluding BSE Acquired Companies).

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Barbara N. Harkins DATE: 6/24/91
B. H. Harkins
TITLE: Operations Manager-Exec. Comp.
APPROVED: John R. Bangen DATE: 6-26-91
TITLE: AVP - Exec. Personnel Matters AL: 60 RC: H53000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Human Resources-Exec. Personnel Matters EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Compensation RESPONSIBILITY CODE: H53300

CORPORATE SERVICES MANAGER: B. H. Harkins TELE. NO. 249-2210

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Research, development and administration of the Compensation & Incentive Plans, Job Evaluation & Relocation Plans, and Title Models for Key Managers & Officers, Management Employees, certain Management Sales Employees of the BellSouth Corporation and its subsidiaries (excluding BSE & BST Acquired Companies). Job Evaluation for officers and selected key managers.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Cost are allocated based upon the number of Key Managers & Officers, Management Employees and certain Management Sales Employees in each BellSouth company (excluding BSE & BST Acquired Companies).

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Work activities related to providing the services above based on the number of Key Managers & Officers, Management Employees and certain Management Sales Employees in each BellSouth company (excluding BSE & BST Acquired Companies).

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: B. H. Harkins DATE: 7/24/92
TITLE: Director - Compensation
APPROVED: John P. Bayne DATE: 8-24-92
TITLE: AVP - Exec. Personnel Matters AL: 60 RC: H53000

REM
9/2/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: LEGAL EFFECTIVE DATE: JULY 1, 1991

DIVISION/DISTRICT: FCC RESPONSIBILITY CODE: H61100

CORPORATE SVCS. MGR.: William B. Barfield TELE. NO. 249-2641

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Review, edit and approve pleadings to FCC on behalf of Southern Bell, South Central Bell, and BellSouth Mobility Inc.; supervise FCC attorneys; offer legal advice on all regulatory matters.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Charge 80% to Southern Bell and South Central Bell on the basis of actual time and allocate between them on basis of investment; charge 10% to BellSouth Enterprises; charge 10% through the general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Use of time spent for each entity reflects cost causation and is administratively simple. Use of investment to allocate expense between Southern and South Central Bell is a reasonable measure of the value each receives from my services.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS
(PS, PN, PF):

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

SECTION 7

RECOMMENDED: William B. Barfield DATE: 6/10/91

TITLE: General Attorney

APPROVED: [Signature] DATE: 6-11-91 PSM

TITLE: General Counsel AL: 70 RC: HEOH60

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: LEGAL EFFECTIVE DATE: JULY 1, 1992

DIVISION/DISTRICT: FCC RESPONSIBILITY CODE: H61100

CORPORATE SERVICES MANAGER: William B. Barfield TEL.. NO. 249-2641

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Review, edit and approve pleadings to FCC on behalf of BellSouth Telecommunications, Inc. and BellSouth Mobility, Inc.; supervise FCC attorneys; offer legal advice on all regulatory matters.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Charge 75% to BellSouth Telecommunications, Inc. on the basis of actual time; charge 15% to BellSouth Enterprises, Inc.; charge 10% through general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: Use of time spent for each entity reflects cost causation and is administratively simple.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

SECTION 7

RECOMMENDED: William B. Barfield DATE: July 7, 1992

TITLE: General Attorney

APPROVED: Robert W. O'Neill DATE: July 7, 1992

TITLE: Vice President and Associate General Counsel AL: 65 RC: HEOH61

Mem
9/3/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: LEGAL

EFFECTIVE DATE: JANUARY 1, 1992

DIVISION/DISTRICT: FCC

RESPONSIBILITY CODE: H61130

CORPORATE SERVICES MGR.: THOMPSON T. RAWLS II TEL. NO. 249-2706

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Prepare and submit pleadings to FCC on behalf of Southern Bell and South Central Bell; counsel clients on federal legal/regulatory matters.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Charge 70% to BellSouth Telecommunications, Inc. on the basis of actual time and allocate on basis of investment; charge 25% to BellSouth Enterprises and charge 5% to BellSouth Business Systems.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: FCC work benefits both regulated operating companies, South Central Bell and Southern Bell. Investment is an appropriate method of determining basis for allocation because work benefits both in proportion to each Company's investment. Periodic advice is given to BellSouth Enterprises on regulatory implication of those companies' activities.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED:

Thompson Rawls

DATE:

2/11/92

TITLE: General Attorney

APPROVED:

Robert W. O'Neill

DATE:

2-12-92

Vice President & Associate

TITLE: General Counsel

AL:

65

RC: HEOH61

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Legal EFFECTIVE DATE: July 1, 1992

DIVISION/DISTRICT: FCC RESPONSIBILITY CODE: H61130

CORPORATE SERVICES MANAGER: Thompson T. Rawls, II TELE. NO. 249-2706

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Prepare and submit pleadings to FCC on behalf of BellSouth Telecommunications, Inc.; counsel clients on federal legal/regulatory matters.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Charge 70% to BellSouth Telecommunications, Inc. on the basis of actual time and allocate on the basis of investment; charge 25% to BellSouth Enterprises; charge 5% to BellSouth Business Systems.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: FCC work benefits BellSouth Telecommunications, Inc. Investment is an appropriate method of determining basis for allocation because work benefits the Company's investment. Periodic advice is given to BellSouth Enterprises on regulatory implication of those companies' activities.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):
None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Thompson Rawls

DATE: 10/6/92

TITLE: General Attorney

APPROVED: Robert W. O'Neill

DATE: 10-13-92

TITLE: Vice President and Associate
General Counsel

AL: 65 RC: HEOH61

11/5/92
KEM

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: LEGAL EFFECTIVE DATE: JULY 1, 1991

DIVISION/DISTRICT: FCC RESPONSIBILITY CODE: H61140

CORPORATE SVCS. MGR.: R. M. SBARATTA TEL. NO. 249-2661

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Prepare and file pleadings with the FCC on behalf of Southern Bell and South Central Bell relating to federal regulatory matters; provide advice and counsel relating to interstate access charges and interstate access tariffs.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Charge 100% to Southern Bell and South Central Bell on the basis of actual time and allocate between them on the basis of investment.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: Southern Bell and South Central Bell provide interstate access under a unified interstate access tariff which is subject to the oversight of the FCC. The work performed benefits both companies. It is appropriate to allocate costs of the work on the basis of investment because each company benefits from the work performed is reasonable related to the proportion of each company's investment.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS

(PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: *R. M. Sbaratta* DATE: 6/28/91

TITLE: General Attorney

APPROVED: *William R. G. G. G. G.* DATE: 7/1/91

TITLE: General Attorney AL: 60 RC: H61100

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1
DEPARTMENT: Legal EFFECTIVE DATE: July 1, 1992
DIVISION/DISTRICT: FOC RESPONSIBILITY CODE: H61140
CORPORATE SERVICES MANAGER: R. M. Sbaratta TELE. NO. 249-2661

SECTION 2
DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Prepare and file pleadings with the FCC on behalf of BellSouth Telecommunications, Inc. (BST) relating to federal regulatory matters; provide advice and counsel relating to interstate access charges and interstate access tariffs.

SECTION 3
COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Charge 100% to BST on the basis of actual time and allocate between them on the basis of investment.

SECTION 4
RATIONALE SUPPORTING METHODOLOGY: BST provides interstate access under a unified interstate access tariff which is subject to the oversight of the FCC. The work performed benefits both companies. It is appropriate to allocate costs of the work on the basis of investment because each company benefits from the work performed is reasonable related to the proportion of each company's investment.

SECTION 5
DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF): Provide general advice concerning application of FCC's rules to proposed business activities of BellSouth Enterprises and affiliated companies.

SECTION 6
DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7
RECOMMENDED: *Richard J. Sbaratta* DATE: July 21, 1992
TITLE: General Attorney
APPROVED: *Robert W. O'Neill* DATE: 7/23/92
TITLE: Vice President & Associate General Counsel AL: 65 RC: HEOH61

KEM
10/5/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Legal EFFECTIVE DATE: July 1, 1991

DIVISION/DISTRICT: FCC RESPONSIBILITY CODE: H61150

CORPORATE SERVICES MANAGER: M. Robert Sutherland TELE. NO. 249-2647

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Prepare and submit pleadings to FCC on behalf of Southern Bell and South Central Bell; give legal advice on federal regulatory matters; advise on affiliated interest matters; advise on rate of return matters; advise on accounting matters; advise on separation matters; advise on cost allocation matters; advise on alternatives to rate of return regulation.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Charge 85% to Southern Bell and South Central Bell on basis of investment; charge 15% through general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: This work primarily benefits Southern Bell and South Central Bell. Some FCC work benefits all BellSouth entities. Investment provides a reasonable basis for allocating costs between the operating companies.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):
None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: M. Robert Sutherland DATE: June 10, 1991

TITLE: General Attorney

APPROVED: William B. Seefelt DATE: June 11, 1991

TITLE: General Attorney AL: 60 RC: H61100

FSM

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Legal

EFFECTIVE DATE: JULY 1, 1992

DIVISION/DISTRICT: FCC

RESPONSIBILITY CODE: H61150

CORPORATE SERVICES MANAGER: M. Robert Sutherland TEL. NO. 249-2647

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Prepare and submit pleadings to FCC on behalf of BellSouth Telecommunications, Inc. (BST); give legal advice on federal regulatory matters; advise on affiliated interest matters; advise on rate of return matters; advise on accounting matters; advise on separation matters; advise on cost allocation matters; advise on alternatives to rate of return regulation. Represent all BellSouth entities in appellate matters resulting from FCC actions.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Charge 85% to BST; charge 5% to BellSouth Enterprises, Inc. (BSE); charge 10% through general allocator.

SECTION 4

ANALYTICAL SUPPORTING METHODOLOGY: This work primarily benefits BST. Some appellate work benefits BSE directly. Remaining FCC work benefits all BellSouth entities.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: M. Robert Sutherland

DATE: July 7, 1992

TITLE: General Attorney

APPROVED: Robert W. O'Neil

DATE: July, 1992

TITLE: Vice President and Associate General Counsel

AL: 65 RC: HEOH61

KEM
10/5/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: LEGAL EFFECTIVE DATE: JULY 1, 1991

DIVISION/DISTRICT: _____ RESPONSIBILITY CODE: S20110-H61190

CORPORATE SVCS. MGR.: DAVID RICHARDS TEL. NO. (202) 463-4155

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:
Preparation and filing of applications for paging and cellular authorizations and transfer and assignment applications, monitoring of regulatory developments at the FCC and legislative initiatives on Capitol Hill that involve any aspect of radio spectrum, and support to other members of BellSouth DC concerning radio spectrum issues and general legal matters.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:
Charge 90% to BellSouth Enterprises; charge 10% to Southern Bell and South Central Bell

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:
Most of my time is spent on matters that directly concern BellSouth Enterprises or one or more of its subsidiaries, such as BellSouth Mobility Inc. or MCCA. My activities on behalf of Southern Bell and South Central Bell amount to 10% of my time.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

SECTION 7

RECOMMENDED: David Richards DATE: 7/9/91

TITLE: General Attorney

APPROVED: William A. Bevilacqua DATE: 7/10/91

TITLE: General Attorney AL: 60 RC: H61100

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: LEGAL EFFECTIVE DATE: July 1, 1992

DIVISION/DISTRICT: _____ RESPONSIBILITY CODE: S20110/H61190

CORPORATE SERVICES MANAGER: DAVID G. RICHARDS TELE. NO. (202) 463-4155

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Preparation and filing of applications for paging and cellular authorizations and transfer and assignment applications, monitoring of regulatory developments at the FCC and legislative initiatives on Capitol Hill that involve any aspect of radio spectrum, and support to other members of BellSouth D.C. concerning radio spectrum issues and general legal matters.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Charge 80% to BellSouth Enterprises; charge 20% to BellSouth Telecommunications, Inc.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Most of my time is spent on matters that directly concern BellSouth Enterprises or one or more of its subsidiaries, such as BellSouth Mobility, Inc. or MCCA. My activities on behalf of BellSouth Telecommunications, Inc. amount to 20% of my time.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS
(PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: David G. Richards DATE: 7-24-92

TITLE: GENERAL ATTORNEY

APPROVED: Robert W. O'Neill DATE: 7/29/92

TITLE: Vice President & Associate AL: 65 RC: HE0161
General Counsel

KEM 10/5/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Legal EFFECTIVE DATE: July 1, 1991

DIVISION/DISTRICT: Human Resources RESPONSIBILITY CODE: H61200

CORPORATE SERVICES MANAGER: Keith W. Kochler TELE. NO. 249-2678

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide legal advice on Human Resources matters and provide advice and assistance to the Human Resources attorneys in the various BellSouth Companies.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Charge 27% to BellSouth Telephone Operations on the basis of actual time and allocate between them on basis of investment; charge 5% to BellSouth Enterprises; charge 68% through general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

The Human Resources legal issues and policy questions which I am involved affect the other BellSouth Companies and this methodology is appropriate because my work benefits those companies in proportion to each of the company's investment.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Keith W. Kochler DATE: 6/7/91

TITLE: General Attorney

APPROVED: William H. Bradford DATE: 6/10/91

TITLE: General Attorney AL: 60 RC: H61100

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Legal EFFECTIVE DATE: JULY 1, 1992

DIVISION/DISTRICT: Human Resources RESPONSIBILITY CODE: H61200

CORPORATE SERVICES MANAGER: Keith W. Kochler TEL.. NO. 249-2678

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide legal advice on Human Resources matters and provide advice and assistance to the Human Resources attorneys in the various BellSouth companies.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Directly assign 25% to BST, 10% to BBS, and 5% to BSE. Assign the balance (60%) through a general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: The percent of cost allocated by direct assignment reflects work that directly and specifically is performed on behalf of the identified entity. The balance of my time, and therefore my cost, involves Human Resources/Legal issues and policy questions that generally affect the other BellSouth companies and that

SECTION 5 should be assigned through the general allocator.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Keith W. Kochler DATE: August 11, 1992

TITLE: General Attorney

APPROVED: Robert W. O'Neil

DATE: 8/19/92

TITLE: Vice President and Associate
General Counsel

AL: 65 RC: HEOH61

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: LEGAL EFFECTIVE DATE: JULY 1, 1991

DIVISION/DISTRICT: ANTITRUST RESPONSIBILITY CODE: H61300

CORPORATE SVCS. MGR.: MARK D. HALLENBECK TEL. NO. 249-2690

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Provide legal advice on matters relating to the Modification of Final Judgment (MFJ) and general antitrust matters. This includes drafting pleadings to file with the Court responsible for the MFJ.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Charge 50% to Southern Bell and South Central Bell on the basis of actual time and allocate between them on the basis of investment; charge 35% to BellSouth Enterprises; charge 15% through general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: A study of my activities indicates a majority of work involves regulated operations and investment is the most appropriate way to allocate costs. The remainder of my work benefits BellSouth Enterprises and BellSouth Corporate in the percentages set forth.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):
None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):
None

SECTION 7

RECOMMENDED: Mark D. Hallenbeck DATE: 7/1/91

TITLE: General Attorney

APPROVED: William R. Herford DATE: 7/6/91

TITLE: General Attorney AL: 60 RC: H61100

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Legal EFFECTIVE DATE: July 1, 1992

DIVISION/DISTRICT: Antitrust RESPONSIBILITY CODE: H61300

CORPORATE SERVICES MANAGER: Mark D. Hallenbeck TELE. NO. 249-2690

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide legal advice on matters relating to the Modification of Final Judgment (MFJ) and general antitrust matters. This includes drafting pleadings to file with the Court responsible for the MFJ.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Charge 50% to BellSouth Telecommunications, Inc. on the basis of actual time and allocate on the basis of investment; charge 31% to BellSouth Enterprises; charge 19% through general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: A study of my activities indicates a majority of work involves regulated operations and investment is the most appropriate way to allocate costs. The remainder of my work benefits BellSouth Enterprises and BellSouth Corporation in the percentages set forth.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Mark D. Hallenbeck DATE: 10/22/92

TITLE: General Attorney

APPROVED: Robert W. O'Neil DATE: 10/02/92

TITLE: Vice President and Associate
General Counsel

AL: 65 RC: HEOH61

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11/4/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: LEGAL EFFECTIVE DATE: July 1, 1991

DIVISION/DISTRICT: Antitrust RESPONSIBILITY CODE: H61310

CORPORATE SVCS. MGR.: Michael J. Schwarz TELE. NO. 249-2655

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide legal advice on matters relating to the Modification of Final Judgment (MFJ) and general antitrust matters. This includes drafting pleadings to file with the Court responsible for the MFJ.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Charge 70% to Southern Bell and South Central Bell on the basis of actual time and allocate between them on basis of investment; charge 10% to BellSouth Enterprises; charge 20% through general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: Review of work load indicated majority of work involved regulated operations. Reassignment of responsibilities among group increased amount of work done for regulated companies. Investment was felt to be an appropriate way to allocate the time between the two operating telephone companies. In addition, work is performed specifically for BellSouth Enterprises and BellSouth Corporation.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

NONE

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

NONE

SECTION 7

RECOMMENDED: Michael J. Schwarz DATE: 6-17-91

TITLE: General Attorney

APPROVED: William H. Kaufman DATE: 6/28/91

TITLE: General Attorney AL: 60 RC: H61100

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Legal

EFFECTIVE DATE: July 1, 1992

DIVISION/DISTRICT: Antitrust

RESPONSIBILITY CODE: H61310

CORPORATE SERVICES MANAGER: Michael J. Schwarz

TELE. NO. 249-2655

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Provide legal advice on matters relating to the Modification of Final (MFJ) and general antitrust matters. This includes drafting pleadings to file with the Court responsible for the MFJ.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Charge 70% to BellSouth Telecommunications, Inc. on the basis of actual time and allocate on the basis of investment; charge 10% to BellSouth Enterprises charge 20% through general allocator.

SECTION 4

FUNCTIONAL SUPPORTING METHODOLOGY: Review of work load showed that majority of work continued to involve regulated operations. Investment was felt to be an appropriate way to allocate the time between the operating telephone company. In addition, work is performed specifically for BellSouth Enterprises and BellSouth Corporation.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF): Provided advice on MFJ matters during review of operations of an independent telephone company regarding possible purchase by BellSouth.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):
None

SECTION 7

RECOMMENDED:

Michael J. Schwarz

DATE: Oct. 16, 1992

TITLE: General Attorney

APPROVED:

Robert W. O'Neill

DATE: 10-13-92

TITLE: Vice President and Associate
General Counsel

AL: 65

RC: HEOH6

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: LEGAL EFFECTIVE DATE: JULY 1, 1991

DIVISION/DISTRICT: ANTITRUST RESPONSIBILITY CODE: H61320

CORPORATE SVCS. MGR.: FREDERICK W. JOHNSON TEL. NO. 249-2692

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Provide legal advice on matters relating to the Modification of Final Judgment (MFJ) and general antitrust matters. This includes drafting pleadings to file with the Court responsible for the MFJ. Provide legal advice on matters relating to contracts with the Federal Government. This includes reviewing contracts and filing bid protests.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Charge 20% (10% MFJ; 10% Government Contracts) to Southern Bell and South Central Bell on the basis of actual time and allocate between them on basis of investment; charge 60% to BellSouth Enterprises; charge 20% through general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: Review of work load indicated majority of MFJ work involved unregulated operations. Rearrangement of government contract responsibilities increased amount of government contracts work done for regulated companies. Investment was felt to be an appropriate way to allocate the time between the two operating telephone companies. In addition, work is performed specifically for BellSouth Enterprises and BellSouth Corporation.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF): As occurs

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):
PB9443

SECTION 7

RECOMMENDED: *Frederick W. Johnson* DATE: 7/1/91

TITLE: General Attorney

APPROVED: *William B. Sheffield* DATE: 7/2/91

TITLE: General Attorney AL: 60 RC: H61100

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: LEGAL EFFECTIVE DATE: JULY 1, 1992

DIVISION/DISTRICT: ANTITRUST RESPONSIBILITY CODE: H61320

CORPORATE SVCS. MGR: FREDERICK W. JOHNSON TEL. NO.: 249-2692

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Provide legal advice on matters relating to the Modification of Final Judgment (MFJ) and general antitrust matters, including drafting pleadings to file with the Court responsible for the MFJ. Provide legal advice on matters relating to contracts with the Federal Government, including reviewing contracts and filing bid protests. Provide legal advice concerning pending legislation and general corporate matters such as audits.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Charge 27% to BellSouth Telecommunications on the basis of actual time; charge 31% to BellSouth Enterprises; charge 42% through general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: Review of work load indicated that MFJ work involved unregulated operations. Rearrangement of government contract responsibilities increased amount of government contracts work done for regulated companies. Work on legislation and audits is applicable to all BellSouth companies. In addition, work is performed specifically for BellSouth Enterprises and BellSouth Corporation on a project billing basis.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF): As occurs.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):
PB9443

SECTION 7

RECOMMENDED: *William J. ...* DATE: 07/24/92
TITLE: General Attorney

APPROVED: *Robert W. O'Neil* DATE: 07/27/92

TITLE: Vice President and Associate General Counsel AL: 65 RC: HEOH61

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: LEGAL EFFECTIVE DATE: JULY 1, 1991

DIVISION/DISTRICT: ANTITRUST RESPONSIBILITY CODE: H61330

CORPORATE SVCS. MGR.: ALAN L. SILVERSTEIN TEL. NO. 249-2694

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Provide legal advice to all BellSouth companies on antitrust matters, and provide in-house coordination of antitrust suits. Prepare and submit antitrust-related forms and pleadings to various agencies.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Charge 60% to Southern Bell and South Central Bell on the basis of actual time and allocate between them on a basis of investment; charge 30% to BellSouth Enterprises; charge 10% through general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: Work done at the federal level, and advice provided to Services, benefit both regulated operating companies. Investment is an appropriate basis for allocation between them because work benefits each operating company in proportion to its investment. Of the remaining 40 percent, three-fourths of that work benefits Enterprises, and the remainder benefits BellSouth and all its subsidiaries.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF): AS OCCURS.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB): AS OCCURS.

SECTION 7

RECOMMENDED: *Alan L. Silverstein* DATE: *7/2/91*

TITLE: General Attorney

APPROVED: *William R. ...* DATE: *7/5/91*

TITLE: GENERAL ATTORNEY AL: 60 RC: H61100

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: LEGAL EFFECTIVE DATE: JULY 1, 1992

DIVISION/DISTRICT: ANTITRUST RESPONSIBILITY CODE: H61330

CORPORATE SVCS. MGR: ALAN L. SILVERSTEIN TEL. NO.: 249-2694

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Provide legal advice to all BellSouth companies on antitrust matters, and provide in-house coordination of antitrust suits. Prepare and submit antitrust-related forms and pleadings to various agencies.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Charge 55% to BellSouth Telecommunications on the basis of actual time; charge 35% to BellSouth Enterprises; charge 10% through general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: 55% of the work done benefits BellSouth Telecommunications and 35% benefits BellSouth Enterprises. The remainder benefits BellSouth and all its subsidiaries.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF): As occurs.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB): As occurs.

SECTION 7

RECOMMENDED: *Alan L. Silverstein* DATE: 07/24/92

TITLE: General Attorney

APPROVED: *Robert W. O'Neill* DATE: 07/27/92

TITLE: Vice President and Associate General Counsel AL: 65 RC: HEOH61

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Legal EFFECTIVE DATE: _____

DIVISION/DISTRICT: Intellectual Properties RESPONSIBILITY CODE: H61340

CORPORATE SERVICES MANAGER: Sandra J. Evans TELE. NO. 249-2714

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Advise regarding the adoption and use of trademarks, the protection of inventions, copyrightable materials and trade secrets, obtain trademark, patent and copyright protection of intellectual property, protect the company against the misuse of third party intellectual property rights, enforce the company's intellectual property rights against others, and negotiate and draft license agreements, nondisclosure agreements and other related documents.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Charge 35% to Southern Bell and South Central Bell on the basis of actual time and allocate between them on basis of investment; charge 35% to BellSouth Enterprises; charge 30% through general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: Trademarks and patents developed by the BellSouth companies will be owned by BellSouth Corporation and the advice given to subsidiary companies protects the ownership interest of BellSouth Corporation. While copyrights and trade secrets are owned by the individual subsidiaries, the protection of such intellectual property is of general benefit to all of the BellSouth companies.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF): None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB): Assist in the acquisition process by providing intellectual property advice regarding due diligence matters.

SECTION 7

RECOMMENDED:  DATE: 6/6/91

TITLE: Cost Assignment Administrator

APPROVED:  DATE: 6/6/91

TITLE: General Attorney AL: 60 RC: H61100

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1
DEPARTMENT: Legal EFFECTIVE DATE: July 1, 1992
DIVISION/DISTRICT: Intellectual Properties RESPONSIBILITY CODE: H61340
CORPORATE SERVICES MANAGER: Sandra J. Evans TELE. NO. 249-2714

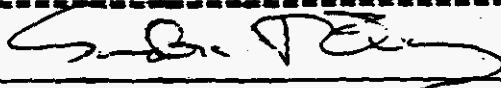

SECTION 2
DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Handle all lawsuits brought against BellSouth Corporation and regarding the adoption and use of trademarks, the protection of inventions, copyrightable materials and trade secrets, obtain trademark, patent and copyright protection of intellectual property, protect the Company against the misuse of third party intellectual property rights, enforce the company's intellectual property rights against others, and negotiate and draft license agreements, nondisclosure agreements and other related documents.

SECTION 3
COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Charge 35% to BellSouth Telecommunications, Inc. on the basis of actual time and allocate between them on basis of investment; charge 35% to BellSouth Enterprises; charge 30% through general allocator.

SECTION 4
RATIONALE SUPPORTING METHODOLOGY: Trademarks and patents developed by the BellSouth companies will be owned by BellSouth Corporation and the advice given to subsidiary companies protects the ownership interest of BellSouth Corporation. While copyrights and trade secrets are owned by the individual subsidiaries, the protection of such intellectual property is of general benefit to all of the BellSouth companies.

SECTION 5
DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):
None

SECTION 6
DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB): Assist in the acquisition process by providing intellectual property advice regarding due diligence matters.

SECTION 7
RECOMMENDED:  DATE: 10/13/92
TITLE: General Attorney
APPROVED:  DATE: 10-13-92
TITLE: Vice President and Associate General Counsel AL: 65 RC: HEOH61

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1
DEPARTMENT: Legal EFFECTIVE DATE: May 31, 1991
DIVISION/DISTRICT: Litigation RESPONSIBILITY CODE: H61350
CORPORATE SERVICES MANAGER: Richard F. Browne TELE. NO. 249-2720

SECTION 2
DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Handle all lawsuits brought against BSC with the exception of labor law cases; provides record retention advice for BSC & BS Telecommunication, Inc.; provides legal advice to the BSC data security group & to security groups in BS Telecommunication, Inc. as needed and negotiate and approve all contracts entered into by BSC.

SECTION 3
COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:
Charge 95% to Southern Bell and South Central Bell on the basis of actual time allocate between them on basis of investment; charge 5% to BellSouth Enterprises.

SECTION 4
RATIONALE SUPPORTING METHODOLOGY: My legal services are rendered in one of three ways (1) directly on behalf of BSC which benefit insures to regulated and non-regulated business as provided above; (2) to the regulated companies in which case investment is an appropriate method of determining basis for allocation; and (3) on behalf of BellSouth Enterprises.

SECTION 5
DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

NONE

SECTION 6
DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

NONE

SECTION 7
RECOMMENDED: Richard F. Browne DATE: 5/31/91
TITLE: Cost Assignment Administrator
APPROVED: William H. Hooper DATE: 5/31/91
TITLE: General Attorney AL: 60 RC: H61100

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Legal EFFECTIVE DATE: July 21, 1992

DIVISION/DISTRICT: Litigation RESPONSIBILITY CODE: H61350

CORPORATE SERVICES MANAGER: Richard F. Browne TELE. NO. 249-2720

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Handle all lawsuits brought against BellSouth Corporation with the exception of labor law cases; provide record retention advice for BellSouth Corporation and BellSouth Telecommunications, Inc. ("BST"); provide legal advice to the BellSouth Telecommunications Data Security group, provide advice and assistance to BellSouth Corporation and BellSouth Telecommunications, Inc. concerning the organizational sentencing guidelines and negotiate and approve all contracts entered into by BellSouth Corporation.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Charge 100% to BellSouth Telecommunications, Inc. on the basis of actual time and allocate on the basis of investment.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: My legal services are rendered in one of two ways: (1) directly on behalf of BellSouth Corporation which benefit inures to regulated and non-regulated business as provided above; and (2) to the regulated companies in which case investment is an appropriate method of determining basis for allocation.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Richard F. Browne DATE: 10-7-92

TITLE: General Attorney

APPROVED: Robert W. O'Neill DATE: 10-13-92

TITLE: Vice-President and Associate
General Counsel AL: 65 RC: HEOH61

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Legal

EFFECTIVE DATE: July 1, 1991

DIVISION/DISTRICT: Corporate

RESPONSIBILITY CODE: H61400

CORPORATE SERVICES MANAGER: Clarence B. Manning

TELE. NO. 249-2700

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Compliance with all foreign, federal and state securities laws, SEC rules and regulations, state and foreign corporate laws, stock exchange requirements (foreign and domestic) and other miscellaneous corporate matters.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Charge 38% to Southern Bell and South Central Bell on the basis of actual time and allocate between them on basis of investment; charge 62% through general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Primary work involving federal securities laws benefits both regulated operating companies. Investment is an appropriate basis for allocation between them because the work benefits the operating companies in proportion to each company's investment. Remainder of work benefits all entities and should be shared by all companies on the basis of the general allocator. Specific merger and acquisition work is captured and billed to the non-regulated entity involved.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS

(PS, PN, PF):

Certain financings for non-regulated entities; foreign stock exchange requirements.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Legal advice concerning corporation and securities laws regarding non-regulated entities (LIN merger proposal).

SECTION 7

RECOMMENDED: Clarence B. Manning

DATE: June 7, 1991

TITLE: Cost Assignment Administrator

APPROVED: William H. Steinfeld

DATE: June 10, 1991

TITLE: General Attorney

AL: 60 RC: H61100

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Legal EFFECTIVE DATE: JULY 1, 1992

DIVISION/DISTRICT: Corporate RESPONSIBILITY CODE: H61400

CORPORATE SERVICES MANAGER: Clarence B. Manning TELE.NO. 249-2700

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Compliance with all foreign, federal and state securities laws, SEC rules and regulations, state and foreign corporate laws, stock exchange requirements (foreign and domestic) and other miscellaneous corporate matters.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Charge 35% to BST on the basis of actual time; charge 65% through general allocator. Also CX Codes: CXCCC3

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Primary work involving federal securities laws benefits both regulated operating companies. Investment is an appropriate basis for allocation between them because the work benefits the operating companies in proportion to each company's investment. Remainder of work benefits all entities and should be shared by all companies on the basis of the general allocator. Specific merger and acquisition work is captured and billed to the non-regulated entity involved.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Certain financings for non-regulated entities; foreign stock exchange requirements.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Legal advice concerning corporation and securities laws regarding non-regulated entities (LIN merger proposal).

SECTION 7

RECOMMENDED: Clarence B. Manning DATE: 7/16/92

TITLE: Cost Assignment Administrator

APPROVED: Robert W. O'Neil

DATE: 7/20/92

Vice President and Associate

TITLE: General Counsel AL: 65 RC: HEOH61

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: LEGAL

EFFECTIVE DATE: APRIL 1, 1992

DIVISION/DISTRICT: CORPORATE

RESPONSIBILITY CODE: H614100

CORPORATE SERVICES MGR.: DONALD CRANE, JR. TEL. NO. 249-3875

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide counsel to BSHQ and Board of Directors on corporate law and practice; coordination of actions and materials requiring Board approval; advice and review as to shareholder matters, proxy development, and corporate governance practices; compliance with all foreign, federal and state securities laws, SEC rules and regulations, state and foreign corporate laws, stock exchange requirements (foreign and domestic) and other miscellaneous corporate matters.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

General allocation

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Functions directly support shareholder relations activities, general corporate and financial, and BSHQ Board of Directors which in turn benefits all entities. (No methodology identified that would more accurately allocate services provided.) Work for specific entities or related to mergers/acquisitions is captured and billed to the non-regulated entity involved.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Financings/corporate or securities advice to discrete entities.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

As occurs

SECTION 7

RECOMMENDED:

Donald Crane, Jr.

DATE: April 1, 1992

TITLE: General Attorney

APPROVED:

Robert W. O'Neill
Vice President & Associate

DATE: 4-3-92

TITLE: General Counsel

AL: 65

RC: HEOH61

**BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM**

SECTION 1

DEPARTMENT: LEGAL **EFFECTIVE DATE:** JULY 1, 1992

DIVISION/DISTRICT: CORPORATE **RESPONSIBILITY CODE:** H61410

CORPORATE SERVICES MANAGER: Donald F. Crane, Jr. **TELE. NO.** 249-3875

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Provide counsel to BSHQ and Board of Directors on corporate law and practice; coordination of actions and materials requiring Board approval; advice and review as to shareholder matters, proxy development and corporate governance practices; compliance with all foreign, federal and state securities laws, SEC rules and regulations, state and foreign corporate laws, stock exchange requirements (foreign and domestic) and other miscellaneous corporate matters.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

General allocation

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: Functions directly support shareholder relations activities, general corporate and financial, and BSHQ Board of Directors which in turn benefits all entities. (No methodology identified that would more accurately allocate services provided.) Work for specific entities related to mergers/acquisitions is captured and billed to the non-regulated entity involved.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, FN, PF):

Financings/corporate or securities advice to discrete entities.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

As occurs

SECTION 7

RECOMMENDED: Donald J. Cray **DATE:** July 17, 1992

TITLE: Assistant Secretary and Corporate Counsel

APPROVED: Robert W. O'Neill **DATE:** 7-23-92

TITLE: General Counsel **AL:** 65 **RC:** HEOH61

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10/5/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Legal

EFFECTIVE DATE: JULY 1, 1992

DIVISION/DISTRICT: Tax

RESPONSIBILITY CODE: H61500

CORPORATE SERVICES MANAGER: Albert G. Moore, Jr. TELE. NO. 404-249-2730

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Advise on tax, benefit planning, and compliance; plan, draft, and review benefit plans; IRS audit support and litigation; analyze and comment on legislation and administrative regulations and rulings; acquisition planning.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Charge 10% to BellSouth Enterprises; charge 40% to BellSouth Telecommunications, Inc.; charge 50% through general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: Federal income taxes affect both regulated and unregulated companies. The majority of my work affects all companies and all employees and supports the other departments at BellSouth Corporate headquarters. The 40% charge is based on IRS audit, appeals, and litigation involving BellSouth Telecommunications, Inc. issues and state tax matters. The 10% charge is based upon general planning, advice, and compliance with respect to BellSouth Enterprises and its subsidiaries.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Financings for unregulated entities.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Benefits and tax analysis and planning for acquisitions and start-up ventures.

SECTION 7

RECOMMENDED:

Albert G. Moore, Jr.

DATE:

July 13, 1992

TITLE:

General Attorney

APPROVED:

Robert W. O'Neill

DATE:

7/13/92

TITLE:

Vice President & Associate
General Counsel

AL:

65

RC:

HEOH61

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Legal EFFECTIVE DATE: _____

DIVISION/DISTRICT: Tax RESPONSIBILITY CODE: H61520

CORPORATE SERVICES MANAGER: Susan R. Boltacz TELE. NO. 249-2736

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Advise on federal income tax matters affecting any BellSouth company (acquisitions, dispositions, partnership matters, tax accounting, restructurings, tax reporting and withholding; including negotiations, drafting and reviewing relevant documents). Draft and submit ruling requests to IRS on normalization and reorganization tax issues. Monitor federal tax →

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Charge 20% to Southern Bell and South Central Bell on the basis of actual time and allocate between them on basis of investment; charge 80% to BellSouth Enterprises.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: Federal income taxes affect both regulated and unregulated companies. Experience over the past several years indicates the proportion of my time spent on each. Federal income tax issues affecting regulated companies typically have an economic impact on the BOCs in proportion to each company's investment.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF): Advise, research and provide tax planning strategies as needed for projects billed to subsidiaries, including, but not limited to the following: Breckenridge

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB): Advise, research and provide tax planning strategies as needed for M&A projects (including negotiation of tax issues and drafting and reviewing documents) including, but not limited to the following: Nationwide, Paradise

SECTION 7

RECOMMENDED: Susan R Boltacz DATE: 06/03/91

TITLE: General Attorney

APPROVED: William J. [Signature] DATE: 6/4/91

TITLE: General Attorney AL: 60 RC: H61100 PSM

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Legal

EFFECTIVE DATE: JULY 1, 1992

DIVISION/DISTRICT: Tax

RESPONSIBILITY CODE: H61520

CORPORATE SERVICES MANAGER: Susan R. Boltacz

TEL.. NO. 249-2736

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Advise on federal income tax matters affecting any BellSouth company (acquisitions, dispositions, partnership matters, tax accounting, restructurings, tax reporting and withholding; including negotiations, drafting and reviewing relevant documents). Draft and submit ruling requests to IRS on normalization and reorganization tax issues. Monitor federal tax legislative and administrative activity. Supervise and participate in administrative appeals and tax litigation. Coordinate restructuring of mobile systems group. Advise on selected state income and non-income tax matters associated with federal income tax projects. Advise on and review currency and interest rate swap transactions and documentation. Advise on and review documents relating to certain overseas investments of the BellSouth pension trust. Advise on certain issues involved in renegotiation of collective bargaining agreement.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Charge 20% to BellSouth Telecommunications, Inc. on the basis of actual time; charge 80% to BellSouth Enterprises.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: Federal and state income taxes affect both regulated and unregulated companies. Experience over the past several years indicates the proportion of my time spent on each.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF): Advise, research and provide tax planning strategies as needed for projects billed to subsidiaries. No such projects are currently in process.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB): Advise, research and provide tax planning strategies as needed for M&A projects (including negotiation of tax issues and drafting and reviewing documents), including, but not limited to the following: Comet, Printshop

ACTION 7

RECOMMENDED:

Susan R Bottacy

DATE: 7/2/92

TITLE: General Attorney

APPROVED:

Robert W O'Neill

DATE: 7/13/92

TITLE:

Vice President and Associate
General Counsel

AL:

65

RC:

HEOH61

KEM
9/3/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: LEGAL EFFECTIVE DATE: JULY 1, 1991

DIVISION/DISTRICT: TAX RESPONSIBILITY CODE: H61530

CORPORATE SVCS. MGR.: GLENN T. INFINGER TELE. NO. 249-2614

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Provide legal advice with respect to miscellaneous tax matters, tax qualified retirement plans (pension, savings, ESOP), health and welfare plans, executive compensation and miscellaneous fringe benefits, including funding and investment activities; monitor legislative, regulatory, and judicial developments.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Charge 15% to BellSouth Enterprises; charge 85% through general allocator.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: The 15% charged to BellSouth Enterprises represents a reasonable estimate of time actually devoted to providing services directly to BellSouth Enterprises and its subsidiary companies.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF): Legal advice and assistance in connection with specific merger and acquisition projects, and other BellSouth Enterprises projects.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB): Assist in various tax and benefits matters on behalf of BellSouth Enterprises and its subsidiary companies.

SECTION 7

RECOMMENDED:  DATE: 7/3/91

TITLE: General Attorney

APPROVED:  DATE: 7/5/91

TITLE: General Attorney

AL: 60

RC: H61100 951

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: LEGAL

EFFECTIVE DATE: JULY 1, 1992

DIVISION/DISTRICT: TAX

RESPONSIBILITY CODE: H6153

CORPORATE SERVICES MANAGER: GLENN T. INFINGER

TEL. NO. 404/249-26

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Provide legal advise with respect to miscellaneous tax matters, tax qualified retirement plans (pension, savings, ESOP), health and welfare plans, executive compensation and miscellaneous fringe benefits, including funding and investment activities; monitor legislative, regulatory, and judicial developments.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Charge 10% to BellSouth Enterprises; charge 90% through general allocation

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: The 10% charged to BellSouth Enterprises represents a reasonable estimate of time actually devoted to providing services directly to BellSouth Enterprises and its subsidiary companies.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, P): Legal advice and assistance in connection with specific merger and acquisition projects, and other BellSouth Enterprises projects.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

Assist in various tax and benefits matters on behalf of BellSouth Enterprises and its subsidiary companies.

SECTION 7

RECOMMENDED:

[Signature]

DATE:

7/27/92

TITLE:

General Attorney

APPROVED:

Robert W. O'Neill

DATE: 7/27/92

TITLE:

Vice President and Associate
General Counsel

AL:

65

RC:

H1

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Legal

EFFECTIVE DATE:

November 1, 1992
~~JULY 1, 1992~~

DIVISION/DISTRICT: Tax

RESPONSIBILITY CODE: H61540

CORPORATE SERVICES MANAGER: Daniel O. Bradley

TELE. NO. 249-2065

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Advise on federal income tax matters affecting any BellSouth Company (primary emphasis on acquisitions and dispositions, including negotiations, drafting and reviewing relevant documents). Monitor federal tax legislative and administrative activity.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY: Charge no more than 5% to BellSouth Telecommunications, Inc. on the basis of actual time and allocate on the basis of investment; charge remainder, at least 95% to BellSouth Enterprises. Also CXCodes: CXCC03

SECTION 4

RATIONALE SUPPORTING METHODOLOGY: Federal income taxes affect both regulated and unregulated companies. Experience over the past several years indicates the proportion of my time spent on each. Federal income tax issues affecting regulated companies typically have an economic impact on the BOCs in proportion to each company's investment.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB): Advise, research and provide tax planning strategies as needed for M&A projects (including negotiation of tax issues and drafting and reviewing documents).

SECTION 7

RECOMMENDED:

Daniel O. Bradley

DATE: October 6, 1992

TITLE: General Attorney

APPROVED:

Robert W. O'Neil

DATE: 10/13/92

TITLE: Vice President and Associate
General Counsel

AL: 65

RC: HEOH61

Governmental
Affairs ;
Federal
Relations

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC - Governmental Affairs EFFECTIVE DATE: 04/01/91
DIVISION/DISTRICT: Federal Relations RESPONSIBILITY CODE: S1-B71100
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Identify issues, policies and actions that could affect BellSouth and provide this information to BellSouth management and policymakers. Provide information on BellSouth's existing and future operations as well as its position on national business issues to Federal legislators, their staffs and other key decision makers and stakeholders.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

100% - General Allocator

RATIONALE SUPPORTING METHODOLOGY:

Impact of issues dealt with is generally corporate-wide and assessment of direct benefit to a specific subsidiary is impossible (or impractical).


DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

MFJ grassroots lobbying expense (PB9443) and 10% of salaries and all direct lobbying expenses for two registered lobbyists (PB0903).

RECOMMENDED:  DATE: 4/10/91
TITLE: Director-Congressional Affairs AL: 55 RC: S10400

APPROVED:  DATE: 4-10-91
227 TITLE: Vice President - Federal Relations AL: 65 RC: SEOS10

BELLSOUTH HEADQUARTERS

SECTION 1

DEPARTMENT: BSDC - Governmental Affairs	EFFECTIVE DATE: 07/01/92
DIVISION/DISTRICT: Federal Relations	RESPONSIBILITY CODE: S1-H71100
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: 249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Identify issues, policies and actions that could affect BellSouth and provide this information to BellSouth management and policymakers. Provide information on BellSouth's existing and future operations as well as its position on national business issues to Federal legislators, their staffs and other key decision makers and stakeholders.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

100% - General Allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Impact of issues dealt with is generally corporate-wide and assessment of direct benefit to a specific subsidiary is impossible (or impractical).

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF) :

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

MFJ grassroots lobbying expense (PB9443) and 10% of salaries and all direct lobbying expenses for two registered lobbyists (PB0903) (registered lobbyists are Dan Murray and Dan Mattoon).

SECTION 7

RECOMMENDED:

TITLE:

Director-Congressional Affairs

APPROVED:

TITLE:

Vice President-Federal Regulatory

DATE: July 29 1992

DATE: 8-5-92

AL: 65

RC: SE0S30

KEM
10/5/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: BSDC - Governmental Affairs EFFECTIVE DATE: 11/01/91

DIVISION/DISTRICT: Atlanta Office RESPONSIBILITY CODE: H71410-S10410

CORPORATE SERVICES MANAGER: Linda Cook TELE. NO. 249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provision of staff support activities concerning budgets, business and strategic plans, human resources and comptrollers interface and administration of the BellSouth Federal Political Action Committee.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Same as R. L. McGuire - composite of direct reports (G/A staff)

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Provides administrative support for entire Governmental Affairs staff

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: William A. Zippone DATE: 10/08/91

TITLE: Manager - Governmental Affairs

APPROVED: [Signature] DATE: 10/08/91

TITLE: Director - Congressional Affairs AL: 55 RC: S10400

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: BSDC - Governmental Affairs EFFECTIVE DATE: 7/1/92

DIVISION/DISTRICT: Atlanta Office RESPONSIBILITY CODE: H71410-S10410

CORPORATE SERVICES MANAGER: Linda Cook TELE. NO. 249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provision of staff support activities concerning budgets, business and strategic plans, human resources and comptrollers interface and administration of the BellSouth Federal Political Action Committee.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Same as R. L. McGuire - composite of direct reports (G/A staff)

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Provides administrative support for entire Governmental Affairs staff

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: *W.A. Zippins* DATE: 7/15/92

TITLE: Manager - Governmental Affairs AL: 45 RC: S10410

APPROVED: *Robert V. ...* DATE: 7/20/92

TITLE: Director - Congressional Affairs AL: 55 RC: S10400

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: BSDC - Governmental Affairs EFFECTIVE DATE: 11/01/91
04/01/91

DIVISION/DISTRICT: Washington, D.C. RESPONSIBILITY CODE: H71411-S10411

CORPORATE SERVICES MANAGER: Linda Cook TELE. NO. 249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provision of staff support activities concerning budgets, human resources and comptrollers interface, systems administration, and general Washington Office administration.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Same as R. L. McGuire - composite of direct reports (G/A staff)

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Provides administrative support for entire Governmental Affairs staff

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: William O. Zippin DATE: 10/08/91

TITLE: Manager - Governmental Affairs

APPROVED: [Signature] DATE: 10/08/91

TITLE: Director - Congressional Affairs AL: 55 RC: S10400

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: BSDC - Governmental Affairs EFFECTIVE DATE: 7/1/92

DIVISION/DISTRICT: Washington, D.C. RESPONSIBILITY CODE: H71411-S10411

CORPORATE SERVICES MANAGER: Linda Cook TELE. NO. 249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provision of staff support activities concerning budgets, human resources and comptrollers interface, systems administration, and general Washington Office administration.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Same as R. L. McGuire - composite of direct reports (G/A staff)

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Provides administrative support for entire Governmental Affairs staff

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A-

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: W.A. Zippins DATE: 7/15/92

TITLE: Manager - Governmental Affairs AL: 45 RC: S10410

APPROVED: [Signature] DATE: 7/20/92

TITLE: Director - Congressional Affairs AL: 55 RC: S10400

KEM
10/5/92

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: Governmental Affairs EFFECTIVE DATE: 11/01/91
DIVISION/DISTRICT: Washington, D.C. RESPONSIBILITY CODE: H71420-S10420
CORPORATE SERVICES MANAGER: Linda H. Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Common area costs for Governmental Affairs Washington Office

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of all Governmental Affairs RC's (same as SEOS00)

RATIONALE SUPPORTING METHODOLOGY:

RC established to cover common area costs in support of the entire BellSouth D.C. staff in the Washington Office.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

RECOMMENDED: William A. Zippins DATE: 10/08/91
TITLE: Manager AL: 45 RC: S10401
APPROVED: [Signature] DATE: 10/08/91
TITLE: Director - Congressional Affairs AL: 55 RC: S10400

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: Governmental Affairs EFFECTIVE DATE: 7/1/92
DIVISION/DISTRICT: Washington, D.C. RESPONSIBILITY CODE: H71420-S10420
CORPORATE SERVICES ~~MANAGER~~: Linda H. Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Common area costs for Governmental Affairs Washington Office

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of all Governmental Affairs RC's (same as SE0S00)
HEOH70

RATIONALE SUPPORTING ~~METHODOLOGY~~:

RC established to cover common area costs in support of the entire BellSouth D.C. staff in the Washington Office.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

RECOMMENDED: *L. A.iggins* DATE: 7/15/92
TITLE: Manager AL: 45 RC: S10410
APPROVED: *R. H. M. H. H. H.* DATE: 7/20/92
TITLE: Director - Congressional Affairs AL: 55 RC: S10400

*KEM
10/5/92

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: Governmental Affairs EFFECTIVE DATE: 11/01/91
DIVISION/DISTRICT: Atlanta, GA RESPONSIBILITY CODE: H71421-S10421
CORPORATE SERVICES MANAGER: Linda H. Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Common area costs for Governmental Affairs Atlanta Office

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of all Governmental Affairs RC's (same as SE0S00)

RATIONALE SUPPORTING METHODOLOGY:

RC established to cover common area costs in support of the entire BellSouth D.C. staff in the Atlanta Office.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

RECOMMENDED: William G. Zippin DATE: 10/08/91
TITLE: Manager - Governmental Affairs AL: 45 RC: S10401
APPROVED: [Signature] DATE: 10/08/91
TITLE: Director - Congressional Affairs AL: 55 RC: S10400

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: Governmental Affairs EFFECTIVE DATE: 7/1/92
DIVISION/DISTRICT: Atlanta, GA RESPONSIBILITY CODE: H71421-S10421
CORPORATE SERVICES MANAGER: Linda H. Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Common area costs for Governmental Affairs Atlanta Office

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of all Governmental Affairs RC's (same as SE0S00)
HEOH70

RATIONALE SUPPORTING METHODOLOGY:

RC established to cover common area costs in support of the entire
BellSouth D.C. staff in the Atlanta Office.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

RECOMMENDED: W.A.iggins DATE: 7/15/92
TITLE: Manager - Governmental Affairs AL: 45 RC: S10410
APPROVED: [Signature] DATE: 7/20/92
TITLE: Director - Congressional Affairs AL: 55 RC: S10400

*KEM
10/5/92

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs EFFECTIVE DATE: 04/01/91
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30200-H73020
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Interface with FCC's Tariff Division, Enforcement Division, Industry Analysis Division and other entities for providing information on BellSouth's existing and future operations and its positions on tariff and policy issues.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

100% - Southern Bell/South Central Bell

RATIONALE SUPPORTING METHODOLOGY:

Advocacy of issues (tariffs - primarily access), complaints, new regulated products industry monitoring are exclusively of concern to regulated operation and benefit Southern and South Central Bell equally.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED: *W. J. [Signature]* DATE: 4-9-91
TITLE: Director Federal Regulatory AL: 55 RC: S30200
APPROVED: *R. C. [Signature]* DATE: 4/10/91
TITLE: Vice President - Federal Regulatory AL: 65 RC: SE0S30

BELLSOUTH HEADQUARTERS

SECTION 1

DEPARTMENT: BSDC Governmental Affairs	EFFECTIVE DATE: 11/18/92
DIVISION/DISTRICT: Federal Regulatory	RESPONSIBILITY CODE: S30200-H73020
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: 404 249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Interface with FCC's Tariff Division, Policy & Program Planning Division, Enforcement Division, Industry Analysis Division & other entities for providing information on BellSouth's existing and future operations.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

90% - BellSouth Telecommunications, Inc. (BST)
10% - BellSouth Enterprises (BSE)

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Most of work effort benefits BST through advocating BST positions, responding to complaints, promoting new regulated products and monitoring industry. Remainder of work effort benefits BSE through advocating BSE positions, responding to complaints filed against BSE subsidiaries and monitoring telecommunication industry.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF) :

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED:

W. W. Jordan

DATE: November 18, 1992

TITLE:

Director - Federal Regulatory

APPROVED:

D. I. Mackey

DATE: November 18, 1992

TITLE:

Vice President - Federal Regulatory

AL: 65

RC: SE0S30

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs

EFFECTIVE DATE: 04/01/91

DIVISION/DISTRICT: Federal Regulatory

RESPONSIBILITY CODE: S30300-H73030

CORPORATE SERVICES MANAGER: Linda Cook

TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for liaison with the Federal Communications Commission in the following areas: Rate of Return, price caps, depreciation, separations, and accounting matters. Responsible for contacts with Commissioners and Commission staff in the above areas of responsibility. Provide the Commission with information and the BellSouth corporate position on the above issues.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

100% - Southern Bell/South Central Bell

RATIONALE SUPPORTING METHODOLOGY:

All of the above work efforts benefit BellSouth regulated entities equally.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED:

Maurice P. Talbot, Jr.
TITLE: Director - Federal Regulatory

DATE:

AL: 55

RC: S30300

APPROVED:

D.C. Mundy
TITLE: Vice President - Federal Regulatory

DATE:

4/10/91

AL: 65

RC: SE0S30

BELLSOUTH HEADQUARTERS

SECTION 1

DEPARTMENT: BSDC Governmental Affairs	EFFECTIVE DATE: 11/17/92
DIVISION/DISTRICT: Federal Regulatory	RESPONSIBILITY CODE: S30300-H73030
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: 249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for liaison with the FCC in the following areas: Rate of Return, price caps, depreciation, separations, audits and accounting matters. Responsible for contacts with Commissioners and Commission staff in the above areas of responsibility. Provide the Commission with information and the BellSouth corporate position on the above issues.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

80% - BellSouth Telecommunications Inc.
20% - BSE

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Most of above work efforts benefit BST, Inc. while the remainder is of benefit to BSE including work in such areas as: 1) cost allocation manual which defines regulated and nonregulated activities as well as affiliate transactions, 2) structural and nonstructural safeguards required for the provision of enhanced services, and 3) audits on such subjects as affiliate transactions, lobbying and enhanced services.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF):

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED:

Maurice D. Talbot, Jr.
TITLE:
Director - Federal Regulatory

DATE: November 17 1992

APPROVED:

D.C. Mabry
TITLE:
Vice President - Federal Regulatory

DATE: November 17 1992

AL: 65

RC: *1*

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs EFFECTIVE DATE: 04/01/91
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30400-H73040
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Contact responsibilities with national associations of state regulatory (NARUC), legislative (NGA, NCSL, etc.), and other governmental bodies (USCM, NLC, etc.).

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

80% - Southern Bell/South Central Bell
20% - General Allocator

RATIONALE SUPPORTING METHODOLOGY:

Primary focus of responsibilities deals with issues directly related to operations and activities of the operating companies. Remaining time spent on activities with a corporate-wide impact and assessment of direct benefit to a specific subsidiary is impossible.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED: Cynthia R. Preston DATE: 4/11/91
TITLE: Director-State & Agency Relations AL: 50 RC: S30400

241

APPROVED: D. C. Maly DATE: 4/11/91
TITLE: Vice President - Federal Regulatory AL: 65 RC: SEOS30

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs EFFECTIVE DATE: 11/16/92
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30400-H73040
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Contact responsibilities with national associations of state regulatory (NARUC), legislative (NGA, NCSL, etc) and other governmental bodies (USCM, NLC, etc)

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

80% - BellSouth Telecommunications
20% - General Allocator

RATIONALE SUPPORTING METHODOLOGY:

Primary focus of responsibilities deals with issues directly related to operations and activities of BellSouth Telecommunications. Remaining time spent on activities with a corporate-wide impact and assessment of direct benefit to a specific subsidiary is impossible.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED: *Cynthia K. Cox* DATE: 11/16/92
TITLE: Director - State & Agency Relations AL: 50 RC: S30400
APPROVED: *D. L. Marley* DATE: 11/11/92
TITLE: Vice President - Federal Regulatory AL: 65 RC: SE0S30

KEM
12/1/92

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs

EFFECTIVE DATE: 04/01/91

DIVISION/DISTRICT: Federal Regulatory

RESPONSIBILITY CODE: S30500-H73050

CORPORATE SERVICES MANAGER: Linda Cook

TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for contact with various federal executive agencies and international organizations on issues concerning foreign market access, deregulation of telecommunications systems overseas, international treaty and standards-setting negotiations, and international spectrum allocations.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

70% - BSE

30% - Southern Bell/South Central Bell

RATIONALE SUPPORTING METHODOLOGY:

Majority of work is to benefit BellSouth Enterprises with the remainder equally supporting Southern Bell and South Central Bell through both federal agency and international contacts.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PP):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED:

Francis J. Mahoney

DATE:

4/9/91

TITLE: Director-Internatl & Agency Relations AL: 60

RC: S30500

APPROVED:

D.C. Mahoney

DATE:

4/10/91

TITLE: Vice President - Federal Regulatory AL: 65

RC: SE0S30

BELLSOUTH HEADQUARTERS

SECTION 1

DEPARTMENT:

BSDC Governmental Affairs

EFFECTIVE DATE:

July 1, 1992

DIVISION/DISTRICT:

Federal Regulatory

RESPONSIBILITY CODE:

S30500-H73050

CORPORATE SERVICES MANAGER:

Linda Cook

TELEPHONE NUMBER:

249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for contact with various federal executive agencies and international organizations on issues concerning foreign market access, deregulation of telecommunications systems overseas, international treaty and standards-setting

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

70% - BSE

30% - BellSouth Telecommunications, Inc.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Majority of work is to benefit BellSouth Enterprises with the remainder supporting BellSouth Telecommunications, Inc. through both federal agency and international contacts.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED:

Francis J. Mahoney

TITLE:

Director-International and Agency Relations

DATE:

7/14/92

APPROVED:

D. J. Martin

TITLE:

Vice President - Federal Regulatory

DATE: 7-16-92

AL: 65

RC: S30500

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: (Cont'd)
negotiations, and international spectrum allocations.

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: Governmental Affairs EFFECTIVE DATE: 01/01/92
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30700-H73070
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 404/249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Interface responsibilities with Congressional Staffs in Washington, DC for the states represented by North Carolina, South Carolina, Georgia & Florida House & Senate Members to provide them with information on BellSouth Corporation's existing and future operations.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

100% - General Allocator

RATIONALE SUPPORTING METHODOLOGY:

Impact of issues dealt with is generally corporate-wide and assessment of direct benefit to a specific subsidiary is impossible (or impractical).

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

MFJ grassroots lobbying expense (PB9443), all social membership dues (PB1765)

RECOMMENDED: *M. Hathorn* DATE: 10-30-91
TITLE: Director - Staff Relations AL: 55 RC: S30700

APPROVED: *D. Mack* DATE: 10/30/91
TITLE: Vice President - Federal Regulatory AL: 65 RC: SE0S30

**BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM**

SECTION 1

DEPARTMENT: Governmental Affairs	EFFECTIVE DATE: 07/01/92
DIVISION/DISTRICT: Federal Regulatory	RESPONSIBILITY CODE: S30700-H73070
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: (404) 240-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Interface responsibilities with Congressional Staffs in Washington, DC for the states represented by North Carolina, South Carolina, Georgia & Florida House & Senate Members to provide them with information on BellSouth Corp.'s existing and future operations.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

100% - General Allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Impact of issues dealt with is generally corporate-wide and assessment of direct benefit to a specific subsidiary is impossible (or impractical).

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF) :

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

MFJ grassroots lobbying expense (PB9443), all social membership dues (PB1765)

SECTION 7

RECOMMENDED:

TITLE:

Director - Staff Relations

APPROVED:

TITLE:

Vice President - Federal Regulatory

DATE: July 29 1992

DATE: 7-30-92

AL: 65

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RC: SEOS30

*10/5/92
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BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: Governmental Affairs EFFECTIVE DATE: 01/01/92
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30800-H73080
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 404/249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Interface responsibilities with Congressional Staffs in Washington, DC for the states represented by Kentucky, Tennessee, Louisiana, Mississippi & Alabama House & Senate Members to provide them with information on BellSouth Corporation's existing and future operations.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

100% - General Allocator

RATIONALE SUPPORTING METHODOLOGY:

Impact of issues dealt with is generally corporate-wide and assessment of direct benefit to a specific subsidiary is impossible (or impractical).

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

MFJ grassroots lobbying expense (PB9443), all social membership dues (PB1765)

RECOMMENDED: *Mary English* DATE: 10-30-91
TITLE: Director - Staff Relations AL: 55 RC: S30800
APPROVED: *D.L. Mah* DATE: 10/30/91
TITLE: Vice President - Federal Regulatory AL: 65 RC: SE0530

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Governmental Affairs	EFFECTIVE DATE: 07/01/92
DIVISION/DISTRICT: Federal Regulatory	RESPONSIBILITY CODE: S30800-H73080
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: (404) 249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Interface responsibilities with Congressional Staffs in Washington, DC for the states represented by Kentucky, Tennessee, Louisiana, Mississippi & Alabama House & Senate Members to provide them with information on BellSouth Corporation's existing and future operations.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

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100% - General Allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Impact of issues dealt with is generally corporate-wide and assessment of direct benefit to a specific subsidiary is impossible (or impractical).

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

MFJ grassroots lobbying expense (PB9443), all social membership dues (PB1765)

SECTION 7

RECOMMENDED:

[Signature]

DATE: July 29 1992

TITLE:

Director - Staff Relations

APPROVED:

[Signature]

DATE: 8-3-92

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TITLE:

Vice President - Federal Regulatory

AL: 65

RC: SEOS30

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BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs EFFECTIVE DATE: 04/01/91
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30600-H73060
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for telecommunications policy analysis and telecommunications issues planning. Contact responsibility with federal policymaker planning groups, academic institutions, and telecommunications policy research organizations.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

70% - Southern Bell/South Central Bell
20% - General Allocator
10% - BSE

RATIONALE SUPPORTING METHODOLOGY:

Primary focus of responsibilities deals with issues directly related to operations and activities of the operating companies and benefit Southern and South Central Bell equally. Very small amount of time spent on activities directly benefitting unregulated subsidiaries. Remaining time spent on activities with a corporate-wide impact and assessment of direct benefit to a specific subsidiary is impossible.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED: *Robert T. B.* DATE: 4/9/91
TITLE: Director-Public Policy Analysis AL: 55 RC: S30600

250 APPROVED: *David M. ...* DATE: 4/10/91
TITLE: Vice President - Federal Regulatory AL: 65 RC: SE0S30

BELLSOUTH HEADQUARTERS

SECTION 1

DEPARTMENT: BSDC Governmental Affairs	EFFECTIVE DATE: July 1, 1992
DIVISION/DISTRICT: Federal Regulatory	RESPONSIBILITY CODE: S30600-H7300060 H73060
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: 249 2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for telecommunications policy analysis and telecommunications issues planning. Contact responsibility with federal policymaker planning groups, academic institutions, and telecommunications policy research organizations.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

70% - BST
20% - General Allocator
10% - BSE

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Primary focus of responsibility deals with issues directly related to operations and activities of BST. Very small amount of time spent on activities directly benefitting subsidiaries. Remaining time spent on activities with a corporate-wide impact and assessment of direct benefit to a specific subsidiary is impossible.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF):

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED:

Robert T. Blum

DATE: July 29 1992

Supervisor HES

TITLE:

Director, Policy Analysis

APPROVED:

D. C. Mack

DATE: July 29 1992

F01K05W 001701

TITLE:

Vice President - Federal Regulatory

AL: 65

RC: SE9530

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BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs

EFFECTIVE DATE: 04/01/91

DIVISION/DISTRICT: Federal Regulatory

RESPONSIBILITY CODE: S30100-H73010

CORPORATE SERVICES MANAGER: Linda Cook

TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide information on BellSouth's existing and future operations and its positions before the FCC in network, engineering, radio, paging, and cellular dockets, and in competitive matters including structural relief, CPE and enhanced services. Monitor cable activities with FCC and industry. Involved in small and limited way in providing information to Congressional staffs on same issues. Support MFJ activities related to preparing testimonies; limited international activities relating to numbering plans and voice and data networks.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

70% - Southern Bell/South Central Bell
15% - BSE
15% - General Allocator

RATIONALE SUPPORTING METHODOLOGY:

Bulk of activities support regulated telephone companies equally. Limited time spent on activities supporting corporate policy issues of benefit to BSE functions. Remaining time spent on activities with a corporate-wide impact and assessment of direct benefit to a specific subsidiary is impossible.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED:

Gay G. Dennis

DATE: 4/9/91

TITLE: Director - Federal Regulatory

AL: 55 RC: S30100

APPROVED:

R. C. Math

DATE: 4/10/91

TITLE: Vice President - Federal Regulatory

AL: 65 RC: SE0530

BELLSOUTH HEADQUARTERS

SECTION 1

DEPARTMENT: BSDC Government Affairs	EFFECTIVE DATE: July 1, 1992
DIVISION/DISTRICT: Federal Regulatory	RESPONSIBILITY CODE: S30100-H73010
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: 240-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide information on BellSouth's existing and future operations and its positions before the FCC in network, engineering, radio, paging, and cellular dockets, and in competitive matters including structural relief, CPE and enhanced services. Monitor cable activities with FCC and industry. Involved in small and limited way in providing information to Congressional staffs on same issues. Support MFJ activities related to preparing testimonies; limited international activities relating to numbering plans and voice and data networks.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

70% - BellSouth Telecommunications, Inc.
30% - BSE

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Bulk of activities support BellSouth Telecommunications, Inc. (BST). Remainder of time spent on activities supporting corporate policy issues of benefit to BSE functions. Remaining time spent on activities with a corporate-wide impact and assessment of direct benefit to a specific subsidiary is impossible.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED:

Larry W. Hight

DATE: July 27 1992

TITLE:

Director - Federal Regulatory

APPROVED:

D. H. Maw

DATE: July 27 1992

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TITLE:

Vice President-Federal Regulatory

AL: 65

RC: SE 530

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: BSDC - Governmental Affairs EFFECTIVE DATE: 7/1/92

DIVISION/DISTRICT: Atlanta Office RESPONSIBILITY CODE: H71410-S10410

CORPORATE SERVICES MANAGER: Linda Cook TELE. NO. 249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provision of staff support activities concerning budgets, business and strategic plans, human resources and comptrollers interface and administration of the BellSouth Federal Political Action Committee.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Same as R. L. McGuire - composite of direct reports (G/A staff)

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Provides administrative support for entire Governmental Affairs staff

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: W.A. Jipina DATE: 7/15/92

TITLE: Manager - Governmental Affairs AL: 45 RC: S10410

APPROVED: Paul White DATE: 7/20/92

TITLE: Director - Congressional Affairs AL: 55 RC: S10400

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**BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM**

SECTION 1

DEPARTMENT: BSDC - Governmental Affairs

EFFECTIVE DATE: 11/01/91
04/01/91

DIVISION/DISTRICT: Washington, D.C.

RESPONSIBILITY CODE: H71411-S10411

CORPORATE SERVICES MANAGER: Linda Cook

TELE. NO. 249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provision of staff support activities concerning budgets, human resources and comptrollers interface, systems administration, and general Washington Office administration.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Same as R. L. McGuire - composite of direct reports (G/A staff)

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Provides administrative support for entire Governmental Affairs staff

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: William O. Zippie

DATE: 10/08/91

TITLE: Manager - Governmental Affairs

APPROVED: [Signature]

DATE: 10/08/91

TITLE: Director - Congressional Affairs AL: 55 RC: S10400

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: BSDC - Governmental Affairs EFFECTIVE DATE: 7/1/92
DIVISION/DISTRICT: Washington, D.C. RESPONSIBILITY CODE: H71411-S10411
CORPORATE SERVICES MANAGER: Linda Cook TELE. NO. 249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provision of staff support activities concerning budgets, human resources and comptrollers interface, systems administration, and general Washington Office administration.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Same as R. L. McGuire - composite of direct reports (G/A staff)

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Provides administrative support for entire Governmental Affairs staff

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A-

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: W. A. Zippin DATE: 7/15/92
TITLE: Manager - Governmental Affairs AL: 45 RC: S10410
APPROVED: [Signature] DATE: 7/20/92
TITLE: Director - Congressional Affairs AL: 55 RC: S10400

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10/15/92

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: Governmental Affairs EFFECTIVE DATE: 11/01/91
DIVISION/DISTRICT: Washington, D.C. RESPONSIBILITY CODE: H71420-S10420
CORPORATE SERVICES MANAGER: Linda H. Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Common area costs for Governmental Affairs Washington Office

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of all Governmental Affairs RC's (same as SEOS00)

RATIONALE SUPPORTING METHODOLOGY:

RC established to cover common area costs in support of the entire BellSouth D.C. staff in the Washington Office.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

RECOMMENDED: William A. Tappin DATE: 10/08/91
TITLE: Manager AL: 45 RC: S10401
APPROVED: [Signature] DATE: 10/08/91
TITLE: Director - Congressional Affairs AL: 55 RC: S10400

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: Governmental Affairs EFFECTIVE DATE: 7/1/92
DIVISION/DISTRICT: Washington, D.C. RESPONSIBILITY CODE: H71420-S10420
CORPORATE SERVICES MANAGER: Linda H. Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Common area costs for Governmental Affairs Washington Office

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of all Governmental Affairs RC's (same as SE0S00)
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RATIONALE SUPPORTING METHODOLOGY:

RC established to cover common area costs in support of the entire
BellSouth D.C. staff in the Washington Office.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

RECOMMENDED: *L.A. Jiggins* DATE: 7/15/92
TITLE: Manager AL: 45 RC: S10410
APPROVED: *Robert M. ...* DATE: 7/20/92
TITLE: Director - Congressional Affairs AL: 55 RC: S10400

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BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: Governmental Affairs EFFECTIVE DATE: 11/01/91
DIVISION/DISTRICT: Atlanta, GA RESPONSIBILITY CODE: H71421-S10421
CORPORATE SERVICES MANAGER: Linda H. Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Common area costs for Governmental Affairs Atlanta Office

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of all Governmental Affairs RC's (same as SE0500)

RATIONALE SUPPORTING METHODOLOGY:

RC established to cover common area costs in support of the entire BellSouth D.C. staff in the Atlanta Office.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

RECOMMENDED: William G. Figgins DATE: 10/08/91
TITLE: Manager - Governmental Affairs AL: 45 RC: S10401
APPROVED: [Signature] DATE: 10/08/91
TITLE: Director - Congressional Affairs AL: 55 RC: S10400

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: Governmental Affairs EFFECTIVE DATE: 7/1/92
DIVISION/DISTRICT: Atlanta, GA RESPONSIBILITY CODE: H71421-S10421
CORPORATE SERVICES MANAGER: Linda H. Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Common area costs for Governmental Affairs Atlanta Office

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of all Governmental Affairs RC's (same as SE0S00)
HE0H70

RATIONALE SUPPORTING METHODOLOGY:

RC established to cover common area costs in support of the entire
BellSouth D.C. staff in the Atlanta Office.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

RECOMMENDED: W.A. Jiggins DATE: 7/15/92
TITLE: Manager - Governmental Affairs AL: 45 RC: S10410
APPROVED: [Signature] DATE: 7/20/92
TITLE: Director - Congressional Affairs AL: 55 RC: S10400

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10/5/92

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs EFFECTIVE DATE: 04/01/91
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30200-H73020
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Interface with FCC's Tariff Division, Enforcement Division, Industry Analysis Division and other entities for providing information on BellSouth's existing and future operations and its positions on tariff and policy issues.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

100% - Southern Bell/South Central Bell

RATIONALE SUPPORTING METHODOLOGY:

Advocacy of issues (tariffs - primarily access), complaints, new regulated products industry monitoring are exclusively of concern to regulated operation and benefit Southern and South Central Bell equally.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED: *W. J. Jick* DATE: 4-9-91
TITLE: Director Federal Regulatory AL: 55 RC: S30200

APPROVED: *A. C. Mack* DATE: 4/10/91
TITLE: Vice President - Federal Regulatory AL: 65 RC: SE0S30

BELLSOUTH HEADQUARTERS

SECTION 1

DEPARTMENT: BSDC Governmental Affairs	EFFECTIVE DATE: 11/18/92
DIVISION/DISTRICT: Federal Regulatory	RESPONSIBILITY CODE: S30200-473020
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: 404 249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Interface with FCC's Tariff Division, Policy & Program Planning Division, Enforcement Division, Industry Analysis Division & other entities for providing information on BellSouth's existing and future operations.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

90% - BellSouth Telecommunications, Inc. (BST)
10% - BellSouth Enterprises (BSE)

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Most of work effort benefits BST through advocating BST positions, responding to complaints, promoting new regulated products and monitoring industry. Remainder of work effort benefits BSE through advocating BSE positions, responding to complaints filed against BSE subsidiaries and monitoring telecommunication industry.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED:

W.W. Jordan

TITLE:

Director - Federal Regulatory

DATE: November 18, 1992

APPROVED:

D.L. Mackay

TITLE:

Vice President - Federal Regulatory

DATE: November 18, 1992

AL: 65

RC: SE0S30

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs EFFECTIVE DATE: 04/01/91
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30300-H73030
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for liaison with the Federal Communications Commission in the following areas: Rate of Return, price caps, depreciation, separations, and accounting matters. Responsible for contacts with Commissioners and Commission staff in the above areas of responsibility. Provide the Commission with information and the BellSouth corporate position on the above issues.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

100% - Southern Bell/South Central Bell

RATIONALE SUPPORTING METHODOLOGY:

All of the above work efforts benefit BellSouth regulated entities equally.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED: Maurice P. Talbot, Jr. DATE: _____
TITLE: Director - Federal Regulatory AL: 55 RC: S30300
APPROVED: D.C. Mundy DATE: 4/10/91
TITLE: Vice President - Federal Regulatory AL: 65 RC: SEOS30

BELLSOUTH HEADQUARTERS

SECTION 1

DEPARTMENT: BSDC Governmental Affairs	EFFECTIVE DATE: 11/17/92
DIVISION/DISTRICT: Federal Regulatory	RESPONSIBILITY CODE: S30300-173030
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: 249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for liaison with the FCC in the following areas: Rate of Return, price caps, depreciation, separations, audits and accounting matters. Responsible for contacts with Commissioners and Commission staff in the above areas of responsibility. Provide the Commission with information and the BellSouth corporate position on the above issues.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

80% - BellSouth Telecommunications Inc.
20% - BSE

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Most of above work efforts benefit BST, Inc. while the remainder is of benefit to BSE including work in such areas as: 1) cost allocation manual which defines regulated and nonregulated activities as well as affiliate transactions, 2) structural and nonstructural safeguards required for the provision of enhanced services, and 3) audits on such subjects as affiliate transactions, lobbying and enhanced services.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF) :

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED:

Maurice D. Talbot, Jr.

DATE: November 17 1992

TITLE:

Director - Federal Regulatory

APPROVED:

D.L. Mar...

DATE: November 17 1992

TITLE:

Vice President - Federal Regulatory

AL: 65

RC:

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs

EFFECTIVE DATE: 04/01/91

DIVISION/DISTRICT: Federal Regulatory

RESPONSIBILITY CODE: S30400-H73040

CORPORATE SERVICES MANAGER: Linda Cook

TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Contact responsibilities with national associations of state regulatory (NARUC), legislative (NGA, NCSL, etc.), and other governmental bodies (USCM, NLC, etc.).

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

80% - Southern Bell/South Central Bell
20% - General Allocator

RATIONALE SUPPORTING METHODOLOGY:

Primary focus of responsibilities deals with issues directly related to operations and activities of the operating companies. Remaining time spent on activities with a corporate-wide impact and assessment of direct benefit to a specific subsidiary is impossible.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED:

Cynthia R. Preston

DATE:

4/11/91

TITLE: Director-State & Agency Relations

AL: 50

RC: S30400

APPROVED:

D. C. Mearns

DATE:

4/11/91

TITLE: Vice President - Federal Regulatory

AL: 65

RC: SEOS30

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs EFFECTIVE DATE: 11/16/92
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30400-H73040
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Contact responsibilities with national associations of state regulatory (NARUC), legislative (NGA, NCSL, etc) and other governmental bodies (USCM, NLC, etc)

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

80% - BellSouth Telecommunications
20% - General Allocator

RATIONALE SUPPORTING METHODOLOGY:

Primary focus of responsibilities deals with issues directly related to operations and activities of BellSouth Telecommunications. Remaining time spent on activities with a corporate-wide impact and assessment of direct benefit to a specific subsidiary is impossible.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED: Cynthia K. Cox DATE: 11/16/92
TITLE: Director - State & Agency Relations AL: 50 RC: S30400
APPROVED: D. C. Marley DATE: 11/11/92
TITLE: Vice President - Federal Regulatory AL: 65 RC: SE0S30

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs EFFECTIVE DATE: 04/01/91
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30500-H73050
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for contact with various federal executive agencies and international organizations on issues concerning foreign market access, deregulation of telecommunications systems overseas, international treaty and standards-setting negotiations, and international spectrum allocations.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

70% - BSE
30% - Southern Bell/South Central Bell

RATIONALE SUPPORTING METHODOLOGY:

Majority of work is to benefit BellSouth Enterprises with the remainder equally supporting Southern Bell and South Central Bell through both federal agency and international contacts.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED: Francis S. Whaley DATE: 4/9/91
TITLE: Director-Internatl & Agency Relations AL: 60 RC: S30500

APPROVED: D.C. Mackay DATE: 4/10/91
TITLE: Vice President - Federal Regulatory AL: 65 RC: SEOS30

BELLSOUTH HEADQUARTERS

SECTION 1

DEPARTMENT:

BSDC Governmental Affairs

EFFECTIVE DATE:

July 1, 1992

DIVISION/DISTRICT:

Federal Regulatory

RESPONSIBILITY CODE:

S30500-H73050

CORPORATE SERVICES MANAGER:

Linda Cook

TELEPHONE NUMBER:

249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for contact with various federal executive agencies and international organizations on issues concerning foreign market access, deregulation of telecommunications systems overseas, international treaty and standards-setting

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

70% - BSE

30% - BellSouth Telecommunications, Inc.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Majority of work is to benefit BellSouth Enterprises with the remainder supporting BellSouth Telecommunications, Inc. through both federal agency and international contacts.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED:-

Francis L. Whaley

DATE:

7/14/92

TITLE:

Director-International and Agency Relations

APPROVER:

D. I. Martin

DATE:

7-16-92

TITLE:

Vice President - Federal Regulatory

AL: 65

RC: S30500

KEM
10/5/92

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: (Cont'd)
negotiations, and international spectrum allocations.

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: Governmental Affairs EFFECTIVE DATE: 01/01/92
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30700-H73070
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 404/249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Interface responsibilities with Congressional Staffs in Washington, DC for the states represented by North Carolina, South Carolina, Georgia & Florida House & Senate Members to provide them with information on BellSouth Corporation's existing and future operations.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

100% - General Allocator

RATIONALE SUPPORTING METHODOLOGY:

Impact of issues dealt with is generally corporate-wide and assessment of direct benefit to a specific subsidiary is impossible (or impractical).

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

MFJ grassroots lobbying expense (PB9443), all social membership dues (PB176

RECOMMENDED: *M. Hather* DATE: 10-30-91
TITLE: Director - Staff Relations AL: 55 RC: S30700

APPROVED: *D. Mark* DATE: 10/30/91
TITLE: Vice President - Federal Regulatory AL: 65 RC: SE053

**BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM**

SECTION 1

DEPARTMENT: Governmental Affairs	EFFECTIVE DATE: 07/01/92
DIVISION/DISTRICT: Federal Regulatory	RESPONSIBILITY CODE: S30700-173070
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: (404) 249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Interface responsibilities with Congressional Staffs in Washington, DC for the states represented by North Carolina, South Carolina, Georgia & Florida House & Senate Members to provide them with information on BellSouth Corp.'s existing and future operations.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

100% - General Allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Impact of issues dealt with is generally corporate-wide and assessment of direct benefit to a specific subsidiary is impossible (or impractical).

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF) :

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

MFJ grassroots lobbying expense (PB9443), all social membership dues (PB1765)

SECTION 7

RECOMMENDED:

C. J. Blathorn

DATE: July 29 1992

TITLE:

Director - Staff Relations

APPROVED:

D. L. Mack

DATE: 7-30-92

F01K06W 001697

TITLE:

Vice President - Federal Regulatory

AL: 65

RC: SEOS30

KEM

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: Governmental Affairs EFFECTIVE DATE: 01/01/92
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30800-H73080
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 404/249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Interface responsibilities with Congressional Staffs in Washington, DC for the states represented by Kentucky, Tennessee, Louisiana, Mississippi & Alabama House & Senate Members to provide them with information on BellSouth Corporation's existing and future operations.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

100% - General Allocator

RATIONALE SUPPORTING METHODOLOGY:

Impact of issues dealt with is generally corporate-wide and assessment of direct benefit to a specific subsidiary is impossible (or impractical).

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

MFJ grassroots lobbying expense (PB9443), all social membership dues (PB1765)

RECOMMENDED: *[Signature]* DATE: 10-30-91
TITLE: Director - Staff Relations AL: 55 RC: S30800
APPROVED: *[Signature]* DATE: 10/30/91
TITLE: Vice President - Federal Regulatory AL: 65 RC: SE0S30

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Governmental Affairs	EFFECTIVE DATE: 07/01/92
DIVISION/DISTRICT: Federal Regulatory	RESPONSIBILITY CODE: S30800-H73080
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: (404) 249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Interface responsibilities with Congressional Staffs in Washington, DC for the states represented by Kentucky, Tennessee, Louisiana, Mississippi & Alabama House & Senate Members to provide them with information on BellSouth Corporation's existing and future operations.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

7.1 sum

100% - General Allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Impact of issues dealt with is generally corporate-wide and assessment of direct benefit to a specific subsidiary is impossible (or impractical).

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

MFJ grassroots lobbying expense (PB9443), all social membership dues (PB1765)

SECTION 7

RECOMMENDED:

DATE: July 29 1992

TITLE:

Director - Staff Relations

APPROVED:

DATE: 8-3-92

F01K06W 001699

TITLE:

Vice President - Federal Regulatory

AL: 65

RC: SEOS30

10/1st
KEM

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs EFFECTIVE DATE: 04/01/91
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30600-H73060
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for telecommunications policy analysis and telecommunications issues planning. Contact responsibility with federal policymaker planning groups, academic institutions, and telecommunications policy research organizations.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

70% - Southern Bell/South Central Bell
20% - General Allocator
10% - BSE

RATIONALE SUPPORTING METHODOLOGY:

Primary focus of responsibilities deals with issues directly related to operations and activities of the operating companies and benefit Southern and South Central Bell equally. Very small amount of time spent on activities directly benefitting unregulated subsidiaries. Remaining time spent on activities with a corporate-wide impact and assessment of direct benefit to a specific subsidiary is impossible.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED: *Robert TB* DATE: 4/9/91
TITLE: Director-Public Policy Analysis AL: 55 RC: S30600
APPROVED: *David M...* DATE: 4/10/91
TITLE: Vice President - Federal Regulatory AL: 65 RC: SE0530

BELLSOUTH HEADQUARTERS

SECTION 1

DEPARTMENT: BSDC Governmental Affairs	EFFECTIVE DATE: July 1, 1992
DIVISION/DISTRICT: Federal Regulatory	RESPONSIBILITY CODE: S30600-H7300060 H73060
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: 249 2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for telecommunications policy analysis and telecommunications issues planning. Contact responsibility with federal policymaker planning groups, academic institutions, and telecommunications policy research organizations.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

70% - BST
20% - General Allocator
10% - BSE

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Primary focus of responsibility deals with issues directly related to operations and activities of BST. Very small amount of time spent on activities directly benefitting subsidiaries. Remaining time spent on activities with a corporate-wide impact and assessment of direct benefit to a specific subsidiary is impossible.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF):

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED:

Robert T. Blum

DATE: July 29 1992

*Supervised
HCS*

TITLE:

Director, Policy Analysis

APPROVED:

D. C. Mackay

DATE: July 29 1992

F01K06W 001701

TITLE:

Vice President - Federal Regulatory

AL: 65

RC: SE0530

*KEM
msk*

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs

EFFECTIVE DATE: 04/01/91

DIVISION/DISTRICT: Federal Regulatory

RESPONSIBILITY CODE: S30100-H73010

CORPORATE SERVICES MANAGER: Linda Cook

TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide information on BellSouth's existing and future operations and its positions before the FCC in network, engineering, radio, paging, and cellular dockets, and in competitive matters including structural relief, CPE and enhanced services. Monitor cable activities with FCC and industry. Involved in small and limited way in providing information to Congressional staffs on same issues. Support MFJ activities related to preparing testimonies; limited international activities relating to numbering plans and voice and data networks.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

70% - Southern Bell/South Central Bell
15% - BSE
15% - General Allocator

RATIONALE SUPPORTING METHODOLOGY:

Bulk of activities support regulated telephone companies equally. Limited time spent on activities supporting corporate policy issues of benefit to BSE functions. Remaining time spent on activities with a corporate-wide impact and assessment of direct benefit to a specific subsidiary is impossible.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED:

Gay G. Dennis

DATE: 4/9/91

TITLE: Director - Federal Regulatory

AL: 55

RC: S30100

APPROVED:

D. C. M...

DATE: 4/10/91

TITLE: Vice President - Federal Regulatory

AL: 65

RC: SEOS30

BELLSOUTH HEADQUARTERS

SECTION 1

DEPARTMENT: BSDC Government Affairs	EFFECTIVE DATE: July 1, 1992
DIVISION/DISTRICT: Federal Regulatory	RESPONSIBILITY CODE: S30100-H73010
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: 240-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide information on BellSouth's existing and future operations and its positions before the FCC in network, engineering, radio, paging, and cellular dockets, and in competitive matters including structural relief, CPE and enhanced services. Monitor cable activities with FCC and industry. Involved in small and limited way in providing information to Congressional staffs on same issues. Support MFJ activities related to preparing testimonies; limited international activities relating to numbering plans and voice and data networks.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

70% - BellSouth Telecommunications, Inc.
30% - BSE

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Bulk of activities support BellSouth Telecommunications, Inc. (BST). Remainder of time spent on activities supporting corporate policy issues of benefit to BSE functions. Remaining time spent on activities with a corporate-wide impact and assessment of direct benefit to a specific subsidiary is impossible.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED:

Don W. Hill

DATE: July 27 1992

TITLE:

Director - Federal Regulatory

APPROVED:

Ed Murray

DATE: July 27 1992

F01K06H 001703

TITLE:

Vice President-Federal Regulatory

AL: 65

RC: SEP530

*Supervised
1193*

*KEM
105*

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 01/01/91

DIVISION/DISTRICT: Director-Public Relations RESPONSIBILITY CODE: H92000

CORPORATE SERVICES MANAGER: Cruse Braswell TELE. NO. 245-2800

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Employee communications, executive speech writing, financial communications, departmental budgeting, administrative and clerical support.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of H92010, H92030, H92040

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Composite of H92010, H92030, H92040

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

PB9443 - MFJ grassroots efforts

SECTION 7

RECOMMENDED: *Bill Thor* DATE: 2/27/91

TITLE: Assistant Manager

APPROVED: *[Signature]* DATE: 2/28/91

TITLE: Director-Public Relations AL: 60 RC: H92000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Director-Public Relations RESPONSIBILITY CODE: H92000

CORPORATE SERVICES MANAGER: Cruse Braswell TELE. NO. 249-2800

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Employee communications, strategic communications, executive speech writing, financial communications, BellSouth Classic, annual meeting, executive services, departmental budgeting, administrative and clerical support.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of H92010, H92030, H92040, H92050

ALC CXC003, CXC003, CXC019, CXC020, CX1992, CX1993

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses based on costs associated with direct reports

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

PB9443 - MFJ grassroots efforts

SECTION 7

RECOMMENDED: Ruth W. Owen DATE: 07/01/92

TITLE: Assistant Manager

APPROVED: [Signature] DATE: 07/01/92

TITLE: Director-Public Relations AL: 60 RC: H92000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 01/01/91

DIVISION/DISTRICT: Employee Communications RESPONSIBILITY CODE: H92010

CORPORATE SERVICES MANAGER: Charlie Hayslett TELE. NO. 249-2811

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide employee communications articles for publications in entity newspapers. Coordinate public relations planning with entity coordinators. Direct Issues Management function that services all public relations entities. Coordinates internal and external opinion research for public relations purposes.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Total employees for all entities.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

All functions are provided at the corporate level and are assumed to benefit all employees equally.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Charlie Hayslett DATE: 2/27/91

TITLE: Operations Manager

APPROVED: [Signature] DATE: 2/28/91

TITLE: Director-Public Relations AL: 60 RC: H92000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 07/01/92
DIVISION/DISTRICT: Strategic Communications RESPONSIBILITY CODE: H92010
CORPORATE SERVICES MANAGER: Charlie Hayslett TELE. NO. 249-2811

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Direct Issues Management function that services all public relations entities. Coordinates internal and external opinion research for public relations purposes. Provide strategic planning and communications. Coordinate MFJ/grassroots efforts.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Total employees for all entities.

FILED CXCC11, CX1992, CX1993

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

All functions are provided at the corporate level and are assumed to benefit all employees equally.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

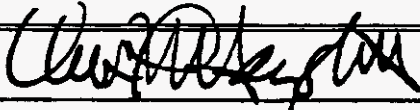

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

PB9443 - MFJ grassroots effort

SECTION 7

RECOMMENDED:  DATE: 07/01/92
TITLE: Operations Manager
APPROVED:  DATE: 07/01/92
TITLE: Director-Public Relations AL: 60 RC: H92000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1
DEPARTMENT: Public Relations EFFECTIVE DATE: 1/1/90

DIVISION/DISTRICT: Exec. Speechwriting RESPONSIBILITY CODE: H92030

CORPORATE SERVICES MANAGER: Tack Cornelius TELE. NO. 249-2847

SECTION 2
DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Write speeches for senior corporate executives.

SECTION 3
COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

General Allocator

SECTION 4
RATIONALE SUPPORTING METHODOLOGY:

All functions are provided at the corporate level and are not connected with any specific corporate entity.

SECTION 5
DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

SECTION 6
DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

SECTION 7
RECOMMENDED: Tack Cornelius DATE: 2/25/91

TITLE: Corporate Manager

APPROVED: [Signature] DATE: 2/28/91

TITLE: _____ AL: _____ RC: _____

FD-1065M 001705

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Executive Speechwriting RESPONSIBILITY CODE: H92030

CORPORATE SERVICES MANAGER: Tack Cornelius TELE. NO. 249-2847

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Write speeches for senior corporate executives.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

General allocator

Also OXC 011, CX1992, CX1993

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

All functions are provided at the corporate level and are not connected with any specific corporate entity.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: _____ DATE: 07/01/92

TITLE: Corporate Manager

APPROVED: Tack Cornelius

DATE: 07/01/92

TITLE: Director-Public Relations

AL: 60 RC: H92000

KEM
11/25/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 03/01/91
DIVISION/DISTRICT: Finl. Comm. & Admin. RESPONSIBILITY CODE: H92040
CORPORATE SERVICES MANAGER: Steve Napoli TELE. NO. 249-3861

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1. Writing and production of Annual Report to Shareholders; writing and production of Quarterly Shareholder Newsletters; writing and related creative coordination of BLS Journal (publication to keep professional investment community informed about BellSouth); write speeches for senior corporate executives; support employee communication programs with research and writing; special projects as required; production of annual meeting film for shareholders.
2. Departmental budgeting; administrative and clerical support.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

1. Equity of subsidiaries — budget 94%
2. General Allocator — budget 6%

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

1. All functions are provided at the corporate level and are not connected with any specific corporate entity.
2. These functions are connected specifically with departmental budgeting and administrative and clerical support.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: *S. Napoli* DATE: 2/27/91
TITLE: Corporate Manager
APPROVED: *[Signature]* DATE: 2/28/91
TITLE: Director-Public Relations AL: 60 RC: H92000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 07/01/92
DIVISION/DISTRICT: Finl. Comm. & Admin. RESPONSIBILITY CODE: H92040
CORPORATE SERVICES MANAGER: Steve Napoli TELE. NO. 249-3861

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

1. Writing and production of Annual Report to Shareholders; writing and production of Quarterly Shareholder Newsletters; writing and related creative coordination of ELS Journal (publication to keep professional investment community informed about BellSouth); write speeches for senior corporate executives; support employee communication programs with research and writing; special projects as required; production of annual meeting film for shareholders.
2. Departmental budgeting; administrative and clerical support.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

1. Equity of subsidiaries — budget 94%
2. General Allocator — budget 6%

Also CXCO11, CX1992, CX1993

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

1. All functions are provided at the corporate level and are not connected with any specific corporate entity.
2. These functions are connected specifically with departmental budgeting and administrative and clerical support.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: [Signature] DATE: 07/01/92
TITLE: Corporate Manager
APPROVED: [Signature] DATE: 07/01/92
TITLE: Director-Public Relations AL: 60 RC: H92000

November 1988

(Reference Paragraph 3.02a)

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

DEPARTMENT: Public Relations EFFECTIVE DATE: 8-1-92
DIVISION/DISTRICT: Headquarters RESPONSIBILITY CODE: H92050
CORPORATE SERVICES MANAGER: Marsha K. Mock TELE. NO. 249-2446

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for implementing and coordinating employee communications, the related activities of the Annual Meeting of Shareholders, the BellSouth Classic, executive conferences, staff support for CEO, Board of Directors' candidates for membership and presentation on Corporate Governance matters as relates to all entities.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

~~Ratio of corporate expenses~~ ^{100%} general allocator

RATIONALE SUPPORTING METHODOLOGY:

Conference coordination functions support shareholder services area and headquarters management team which in turn benefits all entities. (No methodology identified that would more accurately allocate the services provided).

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None.

NOTE: All management conference costs are accumulated under a "cost identification" project for the purpose of allocating back to BSHQ departments and applicable subsidiaries.

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PS):

None.

RECOMMENDED: Marsha K. Mock DATE: 7-15-92
TITLE: Opr Mgr-Pub Rel AL: 55 RC: H92040
APPROVED: [Signature] DATE: 7-15-92
TITLE: Dir-Public Relations AL: 60 RC: H92000

KEM
9/1/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Exec. Svcs. & Emp. Comm. RESPONSIBILITY CODE: H92050

CORPORATE SERVICES MANAGER: Marsha Mock TELE. NO. 249-2446

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for implementing and coordinating the related activities of the Annual Meeting of Shareholders, BellSouth Classic, executive conferences, staff support for CEO and presentations on Public Relations matters as related to all entities. Provide employee communications articles for publications in entity newspapers and magazines. Coordinate public relations planning with entity coordinators.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Ratio of corporate expenses (general allocator)

CX1992 - Marketing general allocator on exception basis for BellSouth Classic

(XCC 22 on exception)
(XCC 21 on exception)
(XCC 11 on exception)
(X1992, X1993 on exception)

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Conference coordination functions support shareholder services area and headquarters management team which in turn benefits all entities. (No methodology identified that would more accurately allocate the services provided.)

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

Note: All management conference costs are accumulated under a "cost identification" project for the purpose of allocating back to BSHQ departments and applicable subsidiaries.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: *Shirley K. Shook* DATE: 07/01/92

TITLE: Operations Manager

APPROVED: *Samuel J.* DATE: 07/01/92

TITLE: Director-Public Relations AL: 60 RC: H92000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: _____

DIVISION/DISTRICT: Corp. Affairs RESPONSIBILITY CODE: H94040

CORPORATE SERVICES MANAGER: James A. Breedlove TELE. NO. 249-2462

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

See attached

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

General Allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

All functions are provided at the corporate level and are not connected with any specific corporate entities.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: [Signature] DATE: February 28, 1991

TITLE: Director, External Affairs

APPROVED: [Signature]

DATE: 2/28/91

TITLE: Director, Corporate Affairs AL: 60 RC: H94000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: External Affairs RESPONSIBILITY CODE: H94040

CORPORATE SERVICES MANAGER: Jim Breedlove TELE. NO. 249-2462

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Encourage and support BellSouth corporate employees' involvement in community and civic volunteer efforts and handle related special projects. Develop a BellSouth arts program and an in-kind contributions policy and program. Develop a contributions policy handbook and corporate membership directory. Provide staff support and handle special projects for the Chairman related to his external activities, such as Chairman and Executive Board Committee Member of the U.S. Chamber of Commerce, member of United Way of America's Board of Governors, Business Roundtable, Boy Scouts of America, Woodruff Arts Center, Atlanta Historical Society, etc. Manage all fund-raising efforts related to the Chairman's external activities, including the National Alliance of Business, U.S. Chamber of Commerce, the JFK Center for the Performing Arts and National Junior Achievement.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

General allocator On exception (XCC01), (X1992), (XKFB)

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

All functions are provided at the corporate level and are not connected with any specific corporate entity.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, FN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: *Jim Breedlove* DATE: 07/01/92

TITLE: Director-External Affairs

APPROVED: *John G. ...* DATE: 07/01/92

TITLE: V.P.-Public Relations AL: 60 RC: H94040

KEM
11/25/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Corporate&Education Affairs RESPONSIBILITY CODE: H94100

CORPORATE SERVICES MANAGER: Pat Willis TELE. NO. 249-2414

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Oversees BellSouth's interests in education and its support for local, regional, and national issues of community interest. Directs the BellSouth Foundation which provides financial support to education in the nine-state operating territory; oversees the director of education affairs; coordinates the Global Leaders program; and directs the corporate contributions and membership programs.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

General allocator C (EXCEPT) CX11, CX192, CX193

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

The education and community support provided through Corporate and Education Affairs support the subsidiaries' needs for qualified employees, for educated consumers, for strong communities and for economic development. Several methodologies, therefore apply.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

The National Merit and National Achievement Scholarship programs are billed to the BellSouth Enterprises subsidiaries based on the number of their employees whose children are receiving scholarships.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: *Patricia L. Willis* DATE: 07/01/92

TITLE: Director, Corporate and Education Affairs

APPROVED: *[Signature]* DATE: 07/01/92

TITLE: V.P.-Public Relations AL: 65 RC: HE0890

KEM
11/25/92

November 1988

(Reference Paragraph 3.02a)

Page 13

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

DEPARTMENT: Public Relations EFFECTIVE DATE: 8-1-92

DIVISION/DISTRICT: Headquarters RESPONSIBILITY CODE: H94110

CORPORATE SERVICES MANAGER: Clarence O'Banner TELE. NO. 249-2829

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Administration of BellSouth sponsored programs dedicated to improving public education in the southeast, using existing corporate resources.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

~~Ratio of corporate expenses~~

100% General Allocator

RATIONALE SUPPORTING METHODOLOGY:

Services provided benefit all entities. (No methodology identified that would more accurately allocate services provided.)

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PP):

None

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

RECOMMENDED: Clarence O'Banner DATE: 7-15-92

TITLE: Dir-Education Affairs AL: 55 RC: H94110

APPROVED: [Signature] DATE: _____

TITLE: VP-Public Relations AL: 60 RC: HEQH90

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 01/01/92

DIVISION/DISTRICT: Advertising RESPONSIBILITY CODE: H9500000

CORPORATE SERVICES MANAGER: Don G. Reichardt TELE. NO. 249-2400

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Provide direction and management support for BST and BSC Advertising. Provide liaison and coordination of advertising for all BellSouth entities.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

- For BST Advertising Financial Management costs(65%)
- For BSE Advertising support(10%) - 10% marketing general
- For BSC Advertising (25%) - 20% marketing general; 5% - general

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

E: Uses in support of BST and BSE will be charged to Advertising
All other costs are allocable to all subsidiaries.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

SECTION 7

RECOMMENDED: *Don G. Reichardt* DATE: 4-20-92
TITLE: Director Advertising
APPROVED: *[Signature]* DATE: 4/21/92
TITLE: VP-Public Relations AL: 65 RC: HEOH90

REM dlr

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Advertising RESPONSIBILITY CODE: H95000

CORPORATE SERVICES MANAGER: Don Reichardt TELE. NO. 249-2400

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide marketing focused advertising for BellSouth Corporation and BellSouth Telecommunications. Provide investment/financial advertising. Develop other advertising as needed for BellSouth Corporation. Coordination and oversight of advertising for all BellSouth subsidiaries.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Change from CK011
to CK192, CK191B

- For marketing focused costs—CK0011 marketing general allocator
- For investment/financial advertising—CK0007 equity of subsidiaries
- For other advertising expenses—CS0006 general allocator
- For all other costs 70% marketing general, 20% equity, 10% general allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Advertising expenses will be charged according to the function supported.

All other costs reflect a composite of marketing, general and equity allocation.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Don Reichardt DATE: 07/01/92

TITLE: Director-Advertising

APPROVED: Don Reichardt DATE: 07/01/92

TITLE: Director-Advertising AL: 60 RC: H95000

KEM
12/1/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 01/01/92

DIVISION/DISTRICT: Advertising RESPONSIBILITY CODE: H9501000

CORPORATE SERVICES MANAGER: H. Taylor Lynn TELE. NO. 249-2817

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Provide Financial Management support for BST Advertising. Provide direction for BSC Advertising. Assist in advertising coordination for all BellSouth entities.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

- For BST Advertising Financial Management (10%)
- For BSE Advertising (5%)
- For BSC Advertising (85%) - 80% marketing general; 5% general

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Expenses in support of BST and BSE will be charged to Advertising. All other costs are allocable to all subsidiaries.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

SECTION 7

RECOMMENDED: *Don S. [Signature]* DATE: 4-2-92

TITLE: Director - Advertising

APPROVED: *[Signature]* DATE: 4/21/92

TITLE: Vice President - Public Relations AL: 65 RC: HE0490

MEM 6/1/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Advertising RESPONSIBILITY CODE: H95010

CORPORATE SERVICES MANAGER: Taylor Lynn TELE. NO. 249-2817

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide marketing focused advertising for BellSouth Corporation. Provide investment/financial advertising. Develop other advertising as needed for BellSouth Corporation. Provide advertising counsel for other entities as needed.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

- For marketing focused costs—CX0011 marketing general allocator
- For investment/financial advertising—CX0007 equity of subsidiaries
- For other advertising expenses—CS0006 general allocator
- For all other costs 70% marketing general, 20% equity, 10% general allocator

- Exception (XCC1),
(X1992, X1993)

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Advertising expenses will be charged according to the function supported.

All other costs reflect a composite of marketing, general and equity allocation.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: *Taylor Lynn* DATE: 07/01/92

TITLE: Operations Manager

APPROVED: *Don G. ...* DATE: 07/01/92

TITLE: Director-Advertising AL: 60 RC: H95000

KEM
12/28/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 01/01/92
DIVISION/DISTRICT: Advertising RESPONSIBILITY CODE: H9500100
CORPORATE SERVICES MANAGER: Tracy Metclaf TELE. NO. 249-2848

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Provide Financial Management support for BST Advertising. Assist coordination of advertising for all BellSouth entities.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:
-For BST Advertising Financial Management costs (90%)
-For BSE Advertising support (5%) - 5% marketing general
-For BSC Advertising (5%) - 2 1/2% marketing; 2 1/2% general

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:
Entities in support of BST and BSE will be charged to Advertising.
All other costs are allocable to all subsidiaries.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

SECTION 7

RECOMMENDED: H. Jay Johnson DATE: 4/2/92
TITLE: Operations Manager
APPROVED: Ken S. Parsons DATE: 4-2-92
TITLE: Director - Advertising AL: 60 RC: H95000

KEM
6/1/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 01/01/92

DIVISION/DISTRICT: Advertising RESPONSIBILITY CODE: ~~H95012~~
H95012

CORPORATE SERVICES MANAGER: Stephanie Huntsinger TELE. NO. 249-2823

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Perform Advertising function for BSC. Assist in advertising coordination for all BellSouth entities.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

- For BSC Advertising (95%) 90% marketing general; 5% general
- For BSE Advertising support (5%)

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

of expenses in support of BSC and all BSE expenses will be charged to Advertising.

All other costs are allocable to all subsidiaries.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

SECTION 7

RECOMMENDED: [Signature] DATE: 4/2/92
TITLE: Operations Manager
APPROVED: [Signature] DATE: 4-2-92
TITLE: Director - Advertising AL: 60 RC: H95000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Advertising RESPONSIBILITY CODE: H95000

CORPORATE SERVICES MANAGER: Don Reichardt TELE. NO. 249-2400

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide marketing focused advertising for BellSouth Corporation and BellSouth Telecommunications. Provide investment/financial advertising. Develop other advertising as needed for BellSouth Corporation. Coordination and oversight of advertising for all BellSouth subsidiaries.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

- For marketing focused costs—CX0011 marketing general allocator
- For investment/financial advertising—CX0007 equity of subsidiaries
- For other advertising expenses—CS0006 general allocator
- For all other costs 70% marketing general, 20% equity, 10% general allocator

*Exception CX0011
CX 1992, CX 1991*

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Advertising expenses will be charged according to the function supported.

All other costs reflect a composite of marketing, general and equity allocation.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Don Reichardt DATE: 07/01/92

TITLE: Director-Advertising

APPROVED: Don Reichardt DATE: 07/01/92

TITLE: Director-Advertising AL: 60 RC: H95000

*KEM
12/1/92*

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 01/01/92
DIVISION/DISTRICT: Advertising RESPONSIBILITY CODE: H9501000
CORPORATE SERVICES MANAGER: H. Taylor Lynn TELE. NO. 249-2817

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Provide Financial Management support for BST Advertising. Provide direction for BSC Advertising. Assist in advertising coordination for all BellSouth entities.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

- For BST Advertising Financial Management (10%)
- For BSE Advertising (5%)
- For BSC Advertising (85%) - 80% marketing general; 5% general

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Expenses in support of BST and BSE will be charged to Advertising. All other costs are allocable to all subsidiaries.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

SECTION 7

RECOMMENDED: *Don D. [Signature]* DATE: 4-2-92
TITLE: Director Advertising
APPROVED: *[Signature]* DATE: 4/21/92
TITLE: Vice President - Public Relations AL: 65 RC: HEO H90

MEM 6/1/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 07/01/92

DIVISION/DISTRICT: Advertising RESPONSIBILITY CODE: H95010

CORPORATE SERVICES MANAGER: Taylor LATH TELE. NO. 249-2817

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide marketing focused advertising for BellSouth Corporation. Provide investment/financial advertising. Develop other advertising as needed for BellSouth Corporation. Provide advertising counsel for other entities as needed.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

- For marketing focused costs—CX0011 marketing general allocator
- For investment/financial advertising—CX0007 equity of subsidiaries
- For other advertising expenses—CS0006 general allocator
- For all other costs 70% marketing general, 20% equity, 10% general allocator

- Exception CX0011, CX1992, CX1993

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Advertising expenses will be charged according to the function supported.

All other costs reflect a composite of marketing, general and equity allocation.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: [Signature] DATE: 07/01/92

TITLE: Operations Manager

APPROVED: [Signature] DATE: 07/01/92

TITLE: Director-Advertising AL: 60 RC: H95000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 01/01/92

DIVISION/DISTRICT: Advertising RESPONSIBILITY CODE: H9500100

CORPORATE SERVICES MANAGER: Tracy Metclaf TELE. NO. 249-2848

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Provide Financial Management support for BST Advertising. Assist coordination of advertising for all BellSouth entities.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

- For BST Advertising Financial Management costs (90%)
- For BSE Advertising support (5%) - 5% marketing general
- For BSC Advertising (5%) - 2 1/2% marketing; 2 1/2% general

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Expenses in support of BST and BSE will be charged to Advertising.
All other costs are allocable to all subsidiaries.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

SECTION 7

RECOMMENDED: H. Jay Johnson DATE: 4/2/92
TITLE: Operations Manager
APPROVED: Don S. [Signature] DATE: 4-2-92
TITLE: Director - Advertising AL: 60 RC: H95000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Public Relations EFFECTIVE DATE: 01/01/92

DIVISION/DISTRICT: Advertising RESPONSIBILITY CODE: H95012

CORPORATE SERVICES MANAGER: Stephanie Huntsinger TELE. NO. 249-2823

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: Perform Advertising function for BSC. Assist in advertising coordination for all BellSouth entities.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

-For BSC Advertising (95%) 90% marketing general; 5% general

-For BSE Advertising support (5%)

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

5% of expenses in support of BSC and all BSE expenses will be charged to Advertising.

All other costs are allocable to all subsidiaries.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

SECTION 7

RECOMMENDED: [Signature]

DATE: 4/2/92

TITLE: Operations Manager

APPROVED: [Signature]

DATE: 4-2-92

TITLE: Director - Advertising

AL: 60 RC: H95000

FAX TRANSMITTAL SHEET
FROM

BST REGULATORY AFFAIRS
3700 COLONNADE PARKWAY
BIRMINGHAM, ALABAMA 35243

FACSIMILE NUMBER: 205/977-1563

DATE SENT: 10/21/93 NUMBER OF PAGES (EXCLUDING COVER): 28

TO: Lane Kellen

TELEPHONE NUMBER: _____

FAX NUMBER: 404 396-0151

*****PLEASE CALL ABOVE TELEPHONE NUMBER FOR PICKUP*****

FROM:

Peggy MacAllister
205/977-3391

SPECIAL INSTRUCTIONS:

IF ANY PROBLEMS WITH TRANSMISSION, PLEASE CALL: SANDRA HENLEY
205/977-1564

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: CORPORATE RESPONSIBILITY & COMPLIANCE EFFECTIVE DATE: 10-1-92

DIVISION/DISTRICT: INTERNAL AUDITING & SECURITY RESPONSIBILITY CODE: HEOH40

CORPORATE SERVICES MANAGER: DEBBIE CONNER TEL. NO. 249-3001

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

The Vice President of Corporate Responsibility and Compliance is responsible for administering the Security and Internal Auditing departments including both BSC and BST. This position also serves as the Ombudsman for the corporation and reports directly to the chairman of the board.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Based on headcount for the entire corporation (BSC, BSE & BST).

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Costs incurred are not attributable to a specific entity but are incurred in relation to the services provided for the entire corporation (BSC, BSE & BST).

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PY):

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

SECTION 7

RECOMMENDED:

VE Jarvis

DATE:

10/7/92

TITLE: Assistant Vice President -

AL 60 RC: B41000

APPROVED:

John F. Ranta

DATE:

10-9-92

TITLE: Vice President -

Corporate Responsibility & Compliance

AL 65 RC: HEOH40

KEM
11/3/92

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Marketing EFFECTIVE DATE: 7/16/91

Information Services
DIVISION/DISTRICT: & Market Plans RESPONSIBILITY CODE: HEOH40

CORPORATE SERVICES MANAGER: Lynel Wiseman TELE. NO. 249-2793

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

This organization coordinates the information services efforts of the BellSouth subsidiaries, and provides strategic planning and direction as appropriate to guide the efforts of the subsidiaries.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

General Marketing Allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

The information services efforts of the BellSouth Corporation span the range from regulated activities (e.g., ONA planning and basic service element provision) to unregulated (e.g., protocol conversion and voice messaging) through multiple subsidiaries, in a complex and interdependent environment. It is not possible to identify directly the benefits to each product and each subsidiary. The most accurate method is to allocate the expenses of this organization to BSE, SB, and SCB based on the relative size of their marketing budgets.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: Lynel Wiseman DATE: 7-23-91

TITLE: Staff Manager - Info. Svcs

APPROVED: John R. Smith DATE: 7-24-91

TITLE: Vice President - Info. Svcs. AL: 65 RC: HEOH40

psm

Southern Bell Tel. & Tel.Co.
FPSC Docket No. 920260-TL
Audit
Date: 06/29/93
Amended Response to
Item No. 6-065
Page 1 of 1

Request: Provide a copy of all BellSouth Headquarters Cost Assignment Forms developed for each responsibility code for 1992. Indicate the months in which changes to cost assignment forms were implemented, if any.

Response: The Company amends its response dated July 30, 1993 as follows:

The Company is faxing the following cost assignment forms that were listed as missing from the attachment that was sent on July 30, 1993.

HROH40	H73040	H71420
H15000	H73050	H73020
H11400	H73060	H73030
H71410	H73070	H73080
H73010	H71410	

These forms were pulled from the Company's copy of the original attachment that was provided on July 30, 1993.

The Company has requested copies of the remaining 42 BSC cost assignment forms if they existed in 1992, and will provide either the 1992 forms or a status report on the research by October 29, 1993.

Data Provided: October 31, 1993

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: 8/1/91 ^{perm}

DIVISION/DISTRICT: Department Head RESPONSIBILITY CODE: H15000

CORPORATE SERVICES MANAGER: C. W. Shewbridge, III TELE. NO. 249-3600

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Senior tax executive responsible for Federal, state, local and international tax policy, tax compliance, research, audit, legislative review, tax accounting, tax systems and related activities for all Bellsouth entities.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reports.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on costs associated with position's direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: C. W. Shewbridge, III DATE: 8/7/91

TITLE: Assistant Vice President-Taxes

APPROVED: C. W. Shewbridge, III DATE: 8/7/91

TITLE: Assistant Vice President-Taxes AL: 60 RC: H15000

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BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Tax EFFECTIVE DATE: 8-1-92

DIVISION/DISTRICT: Department Head RESPONSIBILITY CODE: H15000

CORPORATE SERVICES MANAGER: C. W. Shawbridge, III TELE. NO. 249-3600

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Senior tax executive responsible for Federal, state, local and international tax policy, tax compliance, research, audit, legislative review, tax accounting, tax systems and related activities for all BellSouth entities.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reports.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on costs associated with position's direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: C. W. Shawbridge III DATE: 9/9/92

TITLE: Assistant Vice President-Taxes

APPROVED: C. W. Shawbridge III DATE: 9/9/92

TITLE: Assistant Vice President-Taxes AL: 60 RC: H15000

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: Secretary/Treasury EFFECTIVE DATE: 07/91

DIVISION/DISTRICT: Corporate Finance RESPONSIBILITY CODE: H11400

CORPORATE SERVICES MANAGER: Gary L. Walton TELE. NO. 249-3447

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Assists Vice President in developing philosophy and guiding principles for the entire Treasury organizations. Formulates policy for activities within the cash management/Treasury operations, methods/information systems, cash investments, shareowner financial services, budget/FED PAC, capital funding (borrowing and lending), foreign currency management, global financial planning, and earnings analysis areas. Integrates and coordinates all aspects of Corporate Finance - from the creation of the corporate financial plans to the implementation of the financing, investment of corporate funds, and management of corporate cash - with other BellSouth departments and with all BellSouth subsidiaries. Performs special assignments for upper management affecting multiple organizations.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of direct reports.
CX008 coordination of disbursements and records of multi FedPacs on exception basis.

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Managerial expenses assigned based on costs associated with position's direct reports.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

Administration and record keeping for BellSouth Federal Political Action Committee.

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

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SECTION 7

RECOMMENDED: Maria Furth

DATE: 06/24/91

TITLE: Assistant Staff Manager

APPROVED:

[Signature]

DATE:

08-08-91

[Initials]

TITLE: VP, Secretary & Treasurer

AL: 65

RC: HEOH11

PSM

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: BSDC - Governmental Affairs EFFECTIVE DATE: 7/1/92

DIVISION/DISTRICT: Atlanta Office RESPONSIBILITY CODE: H71410-S10410

CORPORATE SERVICES MANAGER: Linda Cook TELE. NO. 249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provision of staff support activities concerning budgets, business and strategic plans, human resources and comptrollers interface and administration of the BellSouth Federal Political Action Committee.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Same as R. L. McGuire - composite of direct reports (G/A staff)

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Provides administrative support for entire Governmental Affairs staff

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: W.A. Jippine DATE: 7/15/92

TITLE: Manager - Governmental Affairs AL: 45 RC: S10410

APPROVED: [Signature] DATE: 7/20/92

TITLE: Director - Congressional Affairs AL: 55 RC: S10400

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BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs EFFECTIVE DATE: 04/01/91
 DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30100-N73010
 CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide information on BellSouth's existing and future operations and its positions before the FCC in network, engineering, radio, paging, and cellular dockets, and in competitive matters including structural relief, CPE and enhanced services. Monitor cable activities with FCC and industry. Involved in small and limited way in providing information to Congressional staffs on same issues. Support MFJ activities related to preparing testimonies; limited international activities relating to numbering plans and voice and data networks.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

70% - Southern Bell/South Central Bell
 15% - BSE
 15% - General Allocator

RATIONALE SUPPORTING METHODOLOGY:

Bulk of activities support regulated telephone companies equally. Limited time spent on activities supporting corporate policy issues of benefit to BSE functions. Remaining time spent on activities with a corporate-wide impact and assessment of direct benefit to a specific subsidiary is impossible.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED: *Guy J. Dennis* DATE: 4/9/91
 TITLE: Director - Federal Regulatory AL: 55 RC: S30100
 APPROVED: *D. C. Mack* DATE: 4/10/91
 TITLE: Vice President - Federal Regulatory AL: 65 RC: SE0530

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BELLSOUTH HEADQUARTERS

SECTION 1

DEPARTMENT: BSOC Government Affairs	EFFECTIVE DATE: July 1, 1992
DIVISION/DISTRICT: Federal Regulatory	RESPONSIBILITY CODE: 830100-473010
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: 240-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provide information on BellSouth's existing and future operations and its positions before the FCC in network, engineering, radio, paging, and cellular dockets, and in competitive matters including structural relief, CPE and enhanced services. Monitor cable activities with FCC and industry. Involved in small and limited way in providing information to Congressional staffs on same issues. Support MFJ activities related to preparing testimonies; limited international activities relating to numbering plans and voice and data networks.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

70% - BellSouth Telecommunications, Inc.
30% - BSE

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Bulk of activities support BellSouth Telecommunications, Inc. (BST). Remainder of time spent on activities supporting corporate policy issues of benefit to BSE functions. Remaining time spent on activities with a corporate-wide impact and assessment of direct benefit to a specific subsidiary is impossible.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

NA

SECTION 7

RECOMMENDED:

Sam W. Huff
TITLE:
Director - Federal Regulatory

DATE: July 27 1992

APPROVED:
John M...
TITLE:
Vice President - Federal Regulatory

DATE: July 27 1992

AL: 65

RC: SEPSSOP

*Supervisor
1193*

*KEM
105*

HELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs EFFECTIVE DATE: 04/01/91
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30400-H73040
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Contact responsibilities with national associations of state regulatory (NARUC), legislative (NGA, NCSL, etc.), and other governmental bodies (USCM, NLC, etc.).

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

80X - Southern Bell/South Central Bell
20X - General Allocator

RATIONALE SUPPORTING METHODOLOGY:

Primary focus of responsibilities deals with issues directly related to operations and activities of the operating companies. Remaining time spent on activities with a corporate-wide impact and assessment of direct benefit to a specific subsidiary is impossible.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PR, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED: Cynthia R. Preston DATE: 4/11/91
TITLE: Director-State & Agency Relations AL: 50 RC: S30400

APPROVED: D. C. Mack DATE: 4/11/91
TITLE: Vice President - Federal Regulatory AL: 65 RC: SE0530

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BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs EFFECTIVE DATE: 11/16/92
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30400-H73040
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Contact responsibilities with national associations of state regulatory (NARUC), legislative (NGA, NCSL, etc) and other governmental bodies (USCN, NLC, etc)

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

80% - BellSouth Telecommunications
20% - General Allocator

RATIONALE SUPPORTING METHODOLOGY:

Primary focus of responsibilities deals with issues directly related to operations and activities of BellSouth Telecommunications. Remaining time spent on activities with a corporate-wide impact and assessment of direct benefit to a specific subsidiary is impossible.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED: *Cynthia K. Cox* DATE: 11/16/92
TITLE: Director - State & Agency Relations AL: 50 RC: S30400

APPROVED: *D. C. Marley* DATE: 11/11/92
TITLE: Vice President - Federal Regulatory AL: 65 RC: SE0530

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs EFFECTIVE DATE: 04/01/91
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30500-H73050
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for contact with various federal executive agencies and international organizations on issues concerning foreign market access, deregulation of telecommunications systems overseas, international treaty and standards-setting negotiations, and international spectrum allocations.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

70% - BSE
30% - Southern Bell/South Central Bell

RATIONALE SUPPORTING METHODOLOGY:

Majority of work is to benefit BellSouth Enterprises with the remainder equally supporting Southern Bell and South Central Bell through both federal agency and international contacts.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED: Francis Urbaniak DATE: 4/9/91
TITLE: Director-Internatl & Agency Relations AL: 60 RC: S30500
APPROVED: D.C. Mark DATE: 4/10/91
TITLE: Vice President - Federal Regulatory AL: 65 RC: SEOS30

BELLSOUTH HEADQUARTERS

SECTION 1

DEPARTMENT:

BSDC Governmental Affairs

EFFECTIVE DATE:

July 1, 1992

DIVISION/DISTRICT:

Federal Regulatory

RESPONSIBILITY CODE:

830500-873080

CORPORATE SERVICES MANAGER:

Linda Cook

TELEPHONE NUMBER:

349-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for contact with various federal executive agencies and international organizations on issues concerning foreign market access, deregulation of telecommunications systems overseas, international treaty and standards-setting

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

70% - BSE

30% - BellSouth Telecommunications, Inc.

SECTION 4

NATIONALE SUPPORTING METHODOLOGY:

Majority of work is to benefit BellSouth Enterprises with the remainder supporting BellSouth Telecommunications, Inc. through both federal agency and international contacts.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF) :

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED:-

Francis J. Mahoney

DATE:

7/14/92

TITLE:

Director-International and Agency Relations

APPROVER:

D. J. Martin

DATE:

7-16-92

TITLE:

Vice President - Federal Regulatory

AL: 65

RC: 830500

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DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES: (Cont'd)
negotiations, and international spectrum allocations.

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs EFFECTIVE DATE: 04/01/91
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30600-H73060
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for telecommunications policy analysis and telecommunications issues planning. Contact responsibility with federal policymaker planning groups, academic institutions, and telecommunications policy research organizations.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

70% - Southern Bell/South Central Bell
20% - General Allocator
10% - BSE

RATIONALE SUPPORTING METHODOLOGY:

Primary focus of responsibilities deals with issues directly related to operations and activities of the operating companies and benefit Southern and South Central Bell equally. Very small amount of time spent on activities directly benefitting unregulated subsidiaries. Remaining time spent on activities with a corporate-wide impact and assessment of direct benefit to a specific subsidiary is impossible.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED: *Robert T. B...* DATE: 4/9/91
TITLE: Director-Public Policy Analysis AL: 55 RC: S30600
APPROVED: *David M...* DATE: 4/10/91
TITLE: Vice President - Federal Regulatory AL: 65 RC: SE0530

BELLSOUTH HEADQUARTERS

SECTION 1

DEPARTMENT: BSDC Governmental Affairs	EFFECTIVE DATE: July 1, 1992
DIVISION/DISTRICT: Federal Regulatory	RESPONSIBILITY CODE: 530600-N7300060 H13060
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: 249 2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for telecommunications policy analysis and telecommunications issues planning. Contact responsibility with federal policymaker planning groups, academic institutions, and telecommunications policy research organizations.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

- 70% - BST
- 20% - General Allocator
- 10% - BSE

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Primary focus of responsibility deals with issues directly related to operations and activities of BST. Very small amount of time spent on activities directly benefitting subsidiaries. Remaining time spent on activities with a corporate-wide impact and assessment of direct benefit to a specific subsidiary is impossible.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF):

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED:

Robert T. B...

DATE: July 29 1992

Supplement 11/83

TITLE:

Director, Policy Analysis

APPROVED:

D. C. Mack...

DATE: July 29 1992

FBIKDCM #01701

TITLE:

Vice President - Federal Regulatory

AL: 65

RC: SE0530

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BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: Governmental Affairs EFFECTIVE DATE: 01/01/92
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30700-E73070
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 404/249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Interface responsibilities with Congressional Staffs in Washington, DC for the states represented by North Carolina, South Carolina, Georgia & Florida House & Senate Members to provide them with information on BellSouth Corporation's existing and future operations.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

100% - General Allocator

RATIONALE SUPPORTING METHODOLOGY:

Impact of issues dealt with is generally corporate-wide and assessment of direct benefit to a specific subsidiary is impossible (or impractical).

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PM, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

MFJ grassroots lobbying expense (PB9443), all social membership dues (PB1765)

RECOMMENDED: *D. Hather* DATE: 10-30-91
TITLE: Director - Staff Relations AL: 55 RC: S30700
APPROVED: *D. Mark* DATE: 10/30/91
TITLE: Vice President - Federal Regulatory AL: 65 RC: SE0530

BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM

SECTION 1

DEPARTMENT: BSDC - Governmental Affairs EFFECTIVE DATE: 11/01/91

DIVISION/DISTRICT: Atlanta Office RESPONSIBILITY CODE: H71410-S10410

CORPORATE SERVICES MANAGER: Linda Cook TELE. NO. 249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Provision of staff support activities concerning budgets, business and strategic plans, human resources and comptrollers interface and administration of the BellSouth Federal Political Action Committee.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Same as R. L. McGuire - composite of direct reports (G/A staff)

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Provides administrative support for entire Governmental Affairs staff

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED: Lillian A. Zippins DATE: 10/08/91

TITLE: Manager - Governmental Affairs

APPROVED: [Signature] DATE: 10/08/91

TITLE: Director - Congressional Affairs AL: 55 RC: S10400

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: Governmental Affairs EFFECTIVE DATE: 11/01/91
DIVISION/DISTRICT: Washington, D.C. RESPONSIBILITY CODE: H71420-S10420
CORPORATE SERVICES MANAGER: Linda H. Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Common area costs for Governmental Affairs Washington Office

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of all Governmental Affairs RC's (same as SEOS00)

RATIONALE SUPPORTING METHODOLOGY:

RC established to cover common area costs in support of the entire BellSouth D.C. staff in the Washington Office.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

RECOMMENDED: William A. Zippin DATE: 10/08/91
TITLE: Manager AL: 45 RC: S10401
APPROVED: [Signature] DATE: 10/08/91
TITLE: Director - Congressional Affairs AL: 55 RC: S10400

BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: Governmental Affairs EFFECTIVE DATE: 7/1/92
 DIVISION/DISTRICT: Washington, D.C. RESPONSIBILITY CODE: H71420-S10420
 CORPORATE SERVICES MANAGER: Linda H. Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Common area costs for Governmental Affairs Washington Office

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

Composite of all Governmental Affairs RC's (same as SE0500)
HE0H70

RATIONALE SUPPORTING METHODOLOGY:

RC established to cover common area costs in support of the entire BellSouth D.C. staff in the Washington Office.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

None

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

RECOMMENDED: L.A.iggins DATE: 7/15/92
 TITLE: Manager AL: 45 RC: S10410
 APPROVED: Robert Kuttler DATE: 7/20/92
 TITLE: Director - Congressional Affairs AL: 55 RC: S10400

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BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs EFFECTIVE DATE: 04/01/91
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30200-H73020
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Interface with FCC's Tariff Division, Enforcement Division, Industry Analysis Division and other entities for providing information on BellSouth's existing and future operations and its positions on tariff and policy issues.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

100% - Southern Bell/South Central Bell

RATIONALE SUPPORTING METHODOLOGY:

Advocacy of issues (tariffs - primarily access), complaints, new regulated products industry monitoring are exclusively of concern to regulated operation and benefit Southern and South Central Bell equally.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED: *W. J. [Signature]* DATE: 4-9-91
TITLE: Director Federal Regulatory AL: 55 RC: S30200
APPROVED: *A. C. [Signature]* DATE: 4/10/91
TITLE: Vice President - Federal Regulatory AL: 65 RC: SEOS30

BELLSOUTH HEADQUARTERS

SECTION 1

DEPARTMENT: SSDC Governmental Affairs	EFFECTIVE DATE: 11/18/82
DIVISION/DISTRICT: Federal Regulatory	RESPONSIBILITY CODE: 830200-1173020
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: 404 249-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Interface with FCC's Tariff Division, Policy & Program Planning Division, Enforcement Division, Industry Analysis Division & other entities for providing information on BellSouth's existing and future operations.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

90% - BellSouth Telecommunications, Inc. (BST)
10% - BellSouth Enterprises (BSE)

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Most of work effort benefits BST through advocating BST positions, responding to complaints, promoting new regulated products and monitoring industry. Remainder of work effort benefits BSE through advocating BSE positions, responding to complaints filed against BSE subsidiaries and monitoring telecommunication industry.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF):

N/A

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED:

W. W. Jordan
TITLE:
Director - Federal Regulatory

DATE: November 18, 1982

APPROVED:

D. L. Mack
TITLE:
Vice President - Federal Regulatory

DATE: November 18, 1982

AL: 65

RC: 850830

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BELLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: BSDC Governmental Affairs EFFECTIVE DATE: 04/01/91
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30300-H73030
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for liaison with the Federal Communications Commission in the following areas: Rate of Return, price caps, depreciation, separations, and accounting matters. Responsible for contacts with Commissioners and Commission staff in the above areas of responsibility. Provide the Commission with information and the BellSouth corporate position on the above issues.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

100% - Southern Bell/South Central Bell

RATIONALE SUPPORTING METHODOLOGY:

All of the above work efforts benefit BellSouth regulated entities equally.

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

RECOMMENDED: Maurice P. Talbot, Jr. DATE: _____
TITLE: Director - Federal Regulatory AL: 55 RC: S30300

APPROVED: D.C. Mackey DATE: 4/10/91
TITLE: Vice President - Federal Regulatory AL: 65 RC: SE0530

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BELLSOUTH HEADQUARTERS

SECTION 1

DEPARTMENT: BSDC Governmental Affairs	EFFECTIVE DATE: 11/17/82
DIVISION/DISTRICT: Federal Regulatory	RESPONSIBILITY CODE: 830300-473030
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: 240-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Responsible for liaison with the FCC in the following areas: Rate of Return, price caps, depreciation, separations, audits and accounting matters. Responsible for contacts with Commissioners and Commission staff in the above areas of responsibility. Provide the Commission with information and the BellSouth corporate position on the above issues.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

80% - BellSouth Telecommunications Inc.
20% - BSE

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Most of above work efforts benefit B&T, Inc. while the remainder is of benefit to BSE including work in such areas as: 1) cost allocation manual which defines regulated and nonregulated activities as well as affiliate transactions, 2) structural and nonstructural safeguards required for the provision of enhanced services, and 3) audits on such subjects as affiliate transactions, lobbying and enhanced services.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF):

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

N/A

SECTION 7

RECOMMENDED:

Maurice D. Talbot, Jr.
TITLE:
Director - Federal Regulatory

DATE: November 17 1982

APPROVED:

D. L. M...
TITLE:
Vice President - Federal Regulatory

DATE: November 17 1982

AL: 85

RC:

328

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MEM 12/10/82

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**BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM**

SECTION 1

DEPARTMENT: Governmental Affairs	EFFECTIVE DATE: 07/01/92
DIVISION/DISTRICT: Federal Regulatory	RESPONSIBILITY CODE: 830700-H73070
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: (404) 248-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Interoffice responsibilities with Congressional Staffs in Washington, DC for the states represented by North Carolina, South Carolina, Georgia & Florida House & Senate Members to provide them with information on BellSouth Corp.'s existing and future operations.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

(A-1) JRM

100% - General Allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Impact of issues dealt with is generally corporate-wide and assessment of direct benefit to a specific subsidiary is impossible (or impractical).

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (PS, PN, PF):

NA

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

MFJ grassroots lobbying expenses (PB9443), all social membership dues (PB1788)

SECTION 7

RECOMMENDED

C. J. Hatcher

TITLE:

Director - Staff Relations

DATE: July 29 1992

APPROVED:

D. J. Mack

TITLE:

Vice President - Federal Regulatory

DATE: 7-30-92

F81K6W 001697

AL: 05

RC: 8E030

KEM 10/5/92

BALLSOUTH HEADQUARTERS

COST ASSIGNMENT FORM

DEPARTMENT: Governmental Affairs EFFECTIVE DATE: 01/01/92
DIVISION/DISTRICT: Federal Regulatory RESPONSIBILITY CODE: S30800-N73080
CORPORATE SERVICES MANAGER: Linda Cook TELEPHONE NUMBER: 404/249-2279

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Interface responsibilities with Congressional Staffs in Washington, DC for the states represented by Kentucky, Tennessee, Louisiana, Mississippi & Alabama House & Senate Members to provide them with information on BallSouth Corporation's existing and future operations.

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

100% - General Allocator

RATIONALE SUPPORTING METHODOLOGY:

Impact of issues dealt with is generally corporate-wide and assessment of direct benefit to a specific subsidiary is impossible (or impractical).

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PM, PF):

N/A

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

MPJ grassroots lobbying expense (PB9443), all social membership dues (PB1765)

RECOMMENDED: *Mary J. English* DATE: 10-30-91
TITLE: Director - Staff Relations AL: 55 RC: S30800
APPROVED: *D. I. Maty* DATE: 10/30/91
TITLE: Vice President - Federal Regulatory AL: 65 RC: SE0530

**BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM**

SECTION 1

DEPARTMENT: Governmental Affairs	EFFECTIVE DATE: 07/01/82
DIVISION/DISTRICT: Federal Regulatory	RESPONSIBILITY CODE: 830800-1173080
CORPORATE SERVICES MANAGER: Linda Cook	TELEPHONE NUMBER: (404) 248-2279

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Interface responsibilities with Congressional Staffs in Washington, DC for the states represented by Kentucky, Tennessee, Louisiana, Mississippi & Alabama House & Senate Members to provide them with information on BellSouth Corporation's existing and future operations.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

② *JMM*
100% - General Allocator

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

Impact of issues dealt with is generally corporate-wide and assessment of direct benefit to a specific subsidiary is impossible (or impractical).

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A BILLING BASIS (FS, FN, FF):

NA

SECTION 6

DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (FB):

MFJ grassroots lobbying expense (PB9443), all social membership dues (PB1785)

SECTION 7

RECOMMENDED:

TITLE:

Director - Staff Relations

DATE: July 28 1982

APPROVED:

TITLE:

Vice President - Federal Regulatory

DATE: 8-3-82

FB1K86M 881699

AL: 65

RC: 820830

331

62J

WA 92:20 86-12-01

*10/1st
KEM*

FAX TRANSMITTAL SHEET
FROM

BST REGULATORY AFFAIRS
3700 COLONNADE PARKWAY
BIRMINGHAM, ALABAMA 35243

FACSIMILE NUMBER: 205/977-1563

DATE SENT: 10/29/93 NUMBER OF PAGES (EXCLUDING COVER): 4

TO: Lane Kellen

TELEPHONE NUMBER: _____

FAX NUMBER: _____

*****PLEASE CALL ABOVE TELEPHONE NUMBER FOR PICKUP*****

FROM:

Theresa Coplin
205/977-1412

SPECIAL INSTRUCTIONS:

Response to 6-065

IF ANY PROBLEMS WITH TRANSMISSION, PLEASE CALL:

Sherry Cox
(205) 977-1540

Southern Bell Tel. & Tel.Co.
FPSC Docket No. 920260-TL
Audit
Date: 06/29/93
Amended Response to
Item No. 6-065
Page 1 of 2

Request: Provide a copy of all BellSouth Headquarters Cost Assignment Forms developed for each responsibility code for 1992. Indicate the months in which changes to cost assignment forms were implemented, if any.

Response: The Company amends its response dated October 21, 1993 as follows:

The Company is faxing the cost assignment form for H43010 that was listed as missing from the attachment. This form was pulled from the Company's copy of the original attachment that was provided on July 30, 1993.

The following RC's were listed as "vacant" on the RC list provided in response to Item No. 6-047. There were no forms for these RC's during 1991 or 1992:

HEOH10, H61120, H22000, H61160, H91000, H94000, H41100, and H61110.

The following are not valid RC's for the time period in question:

H61600, HEO71, H52200, H15010, H61600, H94010, H90200, H94020, H71402 and H94030.

The following RC's are assigned to executives. Executives are generally allocated as a composite of their direct reports. Therefore, no Allocation Methodology forms are required. There were no forms for these executives:

HEOH00, HEOH50, HEOH11, HEOH60, HEOH13, HEOH61, HEOH20, and HEOH90.

The following RC's are allocated as a part of their larger organizational group:

H41021, H41031, H41032, H41033, H59001 and H59002 are included on higher level forms.

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FPSC Docket No. 920260-TL
Audit
Date: 06/29/93
Amended Response to
Item No. 6-065
Page 2 of 2

Response continued:

BSC is still investigating the following RC's to determine if forms were in existence for 1992. BST will provide forms or let the auditor know that there were no forms for these RC's by November 12, 1993:

H11421, H59000, H59010, H59020, H59050, H59060,
H59070, H61170, H61180 and H61510.

Date Provided: October 29, 1993

**BELLSOUTH HEADQUARTERS
COST ASSIGNMENT FORM**

SECTION 1

DEPARTMENT: Corp. Responsibility & Compliance **EFFECTIVE DATE:** 07/01/92

DIVISION/DISTRICT: Security **RESPONSIBILITY CODE:** H4301000

CORPORATE SERVICES MANAGER: P. T. Walton **TELE. NO.** 249-3092

SECTION 2

DESCRIPTION OF CORPORATE FUNCTIONS PROVIDED TO ENTITIES:

Administers security functions, i.e. pre-employment and contractor/vendor background investigations, administers executive protection and fidelity bond programs, coordinates security for annual events, i.e. Shareholders' Meeting and BellSouth Classic.

SECTION 3

COST CAUSATIVE CORPORATE FUNCTIONS ASSIGNMENT METHODOLOGY:

• Headquarters Allocator *Exception (X0022, X0023, X1992, X1993)*

SECTION 4

RATIONALE SUPPORTING METHODOLOGY:

No cost-causative relationships have been identified for the investigative duties performed outside of services rendered and charged on a project.

SECTION 5

DESCRIPTION OF SERVICES PROVIDED ON A PROJECT BILLING BASIS (PS, PN, PF):

PN6212	Bellcore
PS2796	Executive Protection for BellSouth Enterprises
PS0479	Sunlink Corporation
PS6229	BellSouth Information Systems, Inc.
PS8292	BellSouth Advertising & Publishing Corporation
PS8294	BellSouth Enterprises, Inc.
PS8295	BellSouth Mobility Inc
PS8305	Stevens Graphics, Inc.
PS8310	BellSouth DC
PS8314	BellSouth International, Inc.
PS8344	Berry Network, Inc.
PS8347	TechSouth, Inc.
PS9434	Mobile Communications Corporation of America
140	BellSouth Advanced Networks, Inc.

SECTION 6
DESCRIPTION OF SERVICES NOT CHARGEABLE TO SUBSIDIARIES (PB):

None

SECTION 7

RECOMMENDED: J.R. Mark

DATE: 7/29/92

TITLE: General Security Manager

APPROVED: John R. Ginter

DATE: 7-30-92

TITLE: Vice President

AL: 65

RC: HEOH4000

KEM
8/4/92

Southern Bell Tel. & Tel. Co.
 FPSC Docket No. 920260-TL
 Audit
 Date: 06/29/93
 Amended Response
 Item No. 6-059
 Page 1 of 1

- Request:**
- A - Provide a summary of the administrative expenses incurred by the BellSouth Foundation for 1991 and 1992.
 - B - Please provide a table showing the total amount of BellSouth Foundation charges billed to BSC-HQ and to each other BS entity, the total BellSouth Foundation charges from each BS entity including BSC-HQ (both direct and chained) charged to BST and its predecessors in each of the nine states by account.

Response: The Company amends its response of July 14, 1993 as follows:

A - BellSouth Corporation
 Summary of Costs Associated with
 Administration of BellSouth Foundation

	<u>Salaries & Wages</u>	<u>Other Expenses</u>	<u>Total Overheads</u>	<u>TOTALS</u>
1991	\$180,900	\$140,600	\$191,000	\$512,500
1992	149,400	106,400	208,100	463,900

B - BellSouth Corporation
 Allocation to Subsidiaries of
 Costs Associated with
 Administration of BellSouth Foundation

	<u>SBT/BST</u>	<u>SCB</u>	<u>BBS</u>	<u>BSE</u>	<u>TOTALS</u>
1991	\$257,500	\$185,100	\$ 4,300	65,600	\$512,500
1992	383,400	N/A	17,600	62,900	463,900

Date Provided: *

Southern Bell Tel. & Tel. Co.
FPSC Docket No. 920260-TL
Audit
Date: 06/29/93
Amended Response
Item No. 6-078
Page 1 of 1

Request: Please provide the costs of the following (total \$) and the amount flowed through from BSC in total and to each of the BST states in 1991 and 1992:

- A. BellSouth Atlanta Golf Classic
- B. Any other BSC promotional "event" sponsorships
- C. Charitable contributions (list all recipients and specific amounts for contributions in excess of \$25,000 for the calendar year).
- D. Dues and memberships (list all payees and amounts for organization receiving in excess of \$10,000 for the calendar year).

Response: The Company amends its response of October 15, 1993 as follows:

See Attachment I for a list of BellSouth Corporate Contributions recipients for amounts over \$25,000 for 1991 and 1992.

See Attachment II for a list of payees and amounts for organizations receiving in excess of \$10,000 for 1991 and 1992.

These attachments are being sent in the overnight mail on October 25, 1993.

This material constitutes proprietary confidential business information and is being produced subject to a "Notice of Intent to Request Confidential Classification."

Date Provided: October 25, 1993

FAX TRANSMITTAL SHEET
FROM

BST REGULATORY AFFAIRS
3700 COLONNADE PARKWAY
BIRMINGHAM, ALABAMA 35243

FACSIMILE NUMBER: 205/977-1563

DATE SENT: 10/25/93 NUMBER OF PAGES (EXCLUDING COVER): 1

TO: Lane Kollen

TELEPHONE NUMBER: _____

FAX NUMBER: (404) 396-0151

*****PLEASE CALL ABOVE TELEPHONE NUMBER FOR PICKUP*****

FROM:

Karen Kaetz
205/977-1569

SPECIAL INSTRUCTIONS:

Item # 6-078

IF ANY PROBLEMS WITH TRANSMISSION, PLEASE CALL:

Sherry Cox
(205) 977-1540

Southern Bell Tel. & Tel. Co.
FPSC Docket No. 920260-TL
Audit
Date: 06/29/93
Amended Response
Item No. 6-078
Page 1 of 2

Request: Please provide the costs of the following (total \$) and the amount flowed through from BSC in total and to each of the BST states in 1991 and 1992:

- A. BellSouth Atlanta Golf Classic
- B. Any other BSC promotional "event" sponsorships
- C. Charitable contributions (list all recipients and specific amounts for contributions in excess of \$25,000 for the calendar year).
- D. Dues and memberships (list all payees and amounts for organization receiving in excess of \$10,000 for the calendar year).

Response: The Company amends its response of July 14, 1993 as follows:

- A. BSC-HQ's total expenses associated with the BellSouth Atlanta Golf Classic for 1991 and 1992 are \$793,500 and \$891,400, respectively, excluding the sponsorship fees retained by BellSouth Corporation and BellSouth Corporate advertisements run concurrent with the tournament. See Attachment I for associated amounts billed to BellSouth Telecommunications, Inc. and prorated to each state.
- B. BellSouth sponsors no other major promotional "events" similar to the BellSouth Atlanta Golf Classic.
- C. BSC-HQ's total expenses for charitable contributions for 1991 and 1992 are \$1,632,700 and \$2,279,100, respectively. See Attachment I for associated amounts billed to BellSouth Telecommunications, Inc. and prorated to each state.

A list of BellSouth Corporate Contributions recipients for amounts over \$25,000 for 1991 and 1992 will be provided by October 25, 1993.

Southern Bell Tel. & Tel. Co.
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Date: 06/29/93
Amended Response
Item No. 6-078
Page 2 of 2

Response Continued:

- D. BSC-HQ's total expenses associated with dues and memberships for 1991 and 1992 are \$869,100 and \$870,100, respectively. See Attachment I for associated amounts billed to BellSouth Telecommunications, Inc. and prorated to each state.

A list of payees and amounts for organizations receiving in excess of \$10,000 for 1991 and 1992 will be provided by October 25, 1993.

The attachment is being sent in the overnight mail on October 15, 1993.

Date Provided: October 15, 1993

A. Golf Classic: (000)

State	88 1991	89T 1992
FL	\$216.3	\$149.4
GA	\$139.4	\$78.8
NC	\$80.3	\$55.0
SC	\$53.3	\$36.8
AL		\$68.4
KY		\$28.1
LA		\$56.9
MS		\$33.4
TN		\$64.8
	\$483.4	\$571.6

B. Other Event Sponsorships - None

C. Contributions: (000)

State	88 1991	89T 1992
FL	\$339.1	\$495.2
GA	\$238.0	\$327.4
NC	\$137.2	\$182.3
SC	\$91.0	\$122.0
AL		\$160.5
KY		\$93.2
LA		\$188.5
MS		\$110.8
TN		\$214.6
	\$825.4	\$1,891.5

B. Dues and Memberships

(000)

State	99 1991	99T 1992
FL	\$182.2	\$174.2
GA	\$120.8	\$115.2
NC	\$69.6	\$64.1
SC	\$46.2	\$42.9
AL		\$56.5
KY		\$32.8
LA		\$66.3
MS		\$39.0
TN		\$75.5
	\$418.7	\$666.6

Southern Bell Tel. & Tel. Co.
FPSC Docket No. 920260-TL
Audit
Date: 06/29/93
Amended Response
Item No. 6-078
Page 1 of 1

Request: Please provide the costs of the following (total \$) and the amount flowed through from BSC in total and to each of the BST states in 1991 and 1992:

- A. BellSouth Atlanta Golf Classic
- B. Any other BSC promotional "event" sponsorships
- C. Charitable contributions (list all recipients and specific amounts for contributions in excess of \$25,000 for the calendar year).
- D. Dues and memberships (list all payees and amounts for organization receiving in excess of \$10,000 for the calendar year).

Response: The Company amends its response of October 25, 1993 as follows:

See Attachment I for a list of BellSouth Corporate Contributions recipients for amounts over \$25,000 for 1991 and 1992.

See Attachment II for a list of payees and amounts for organizations receiving in excess of \$10,000 for 1991 and 1992.

These attachments are being sent in the overnight mail on October 26, 1993.

RECEIVED 10000

OCT 27 1993

Date Provided: October 26, 1993

BELLSOUTH CORPORATION
Charitable Contributions
\$25,000 and Above

1991

<u>Organization Name</u>	<u>Amount</u>
American Red Cross	\$ 25,000
Atlanta Historical Society	29,900
Center for Workforce Preparation	25,000
Duke university	25,300
University of Georgia	100,000
Kennedy Center for the Performing Arts	71,060
NAACP - Special Contribution Fund	25,000
National Alliance of Business	55,000
National Chamber Foundation/ U.S. Chamber of Commerce	25,000
New American Schools Development Found.	120,000
Science Museum of Charlotte	25,000
Southern Center for international Studies	25,000
United Negro College Fund	100,000
United Way of America	50,000
United Way of Metropolitan Atlanta	221,500
Wake Forest University	40,000

BELLSOUTH CORPORATION
Charitable Contributions
\$25,000 and Above

1992

<u>Organization Name</u>	<u>Amount</u>
American Red Cross	\$ 50,000
Committee for Economic Development	30,000
University of Georgia	50,000
Greater Atlanta Chamber Foundation	25,000
Jackson Public School District	36,493
Kennedy Center for the Performing Arts	35,000
NAACP - Special contribution Fund	25,000
National Alliance of Business	50,000
New American Schools Development Found.	120,000
University of North Carolina	30,000
Partnership for a Drug-Free America	25,000
Patriots Foundation	25,000
Southern Center for International Studies	25,000
Southern Growth Policies Board	30,000
United Way of America	50,000
Vote America Foundation	25,000
We Will Rebuild, Inc.	115,000
Woodruff Arts Center	212,500

BELLSOUTH CORPORATION
Corporate Memberships & Dues
Payees of Expenses Billed in 1991 and 1992
in Excess of \$10,000

	1991	1992
	----	----
Association of National Advertisers	\$20,925	\$19,500
Business Higher Education Forum	15,000	16,250
Business Roundtable	69,900	75,500
Citizens for a Sound Economy Foundation	25,000	25,000
Conference Board	27,000	30,000
Council on Competitiveness	15,000	0
National Association of Manufactures	17,500	17,500
Nat'l Minority Supplier Dev'l Council	11,500	11,500
Southern Growth Policies Board	12,500	0
United States Chamber of Commerce	65,000	50,000
Brookings Institution	0	15,000

CONF

Southern Bell Tel. & Tel. Co.
FPSC Docket No. 920260-TL
Audit
Date: 06/29/93
Amended Response to
Item No. 6-075
Page 1 of 7

- Request:**
- A. Please provide a detailed narrative description of each step in the computation and for allocation of intrastate jurisdictional income taxes starting with BSC-HQ. Address whether income taxes are computed on an entity by entity stand alone basis or on a consolidated basis and allocated or some other means. Address all BellSouth entities in the narrative. Also indicate at what point in the process computations or allocations are made and by what departments and computational systems.
 - B. Please provide all existing formal documentation of the tax computation/allocation process including directives, procedures manuals, letters or other correspondence.

Response: The Company amends its response of July 14, 1993 in which it stated that the requested information would be provided on or before August 16, 1993 as follows:

A. I. Computation of Total Corporate Income Taxes

Each company in the BellSouth Corporation affiliated group independently computes its own current and deferred income tax expense on a monthly basis. The steps each company/entity goes through on a monthly basis are slightly different, as explained below. However, BellSouth Telecommunications (BST) is the only company that records its Federal and state income tax expenses on a jurisdictional basis. Other non-regulated BellSouth companies compute and record their income taxes on a total company basis, since their ledger systems are not set up to be state-specific.

BellSouth Corporation and its subsidiaries compute separately their monthly income tax expense using one of two methods: 1) estimate of taxable income or 2) effective rate calculation.

Estimate of Taxable Income Method

The monthly income tax expense accrual process begins by verifying book income before income taxes for the month, as determined by the various Comptrollers organizations. Then, the Tax

Southern Bell Tel. & Tel. Co.
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Page 2 of 7

Response continued:

Department considers known items giving rise to book/tax timing differences. For instance, the difference between book depreciation and tax depreciation for the month is estimated. Book expenses disallowed for income tax purposes are determined and accumulated. There are also "permanent difference" items, expenses determined by the Internal Revenue Code (RC) as never recognizable for tax purposes, which are also accumulated.

All book/tax timing recognition items and permanent difference items, whether based on current month book information or the best available estimate, are accumulated as an adjustment to book income to arrive at taxable income for the month. Taxable income, state and Federal, is then multiplied by the current statutory income tax rate to determine current income tax expense.

The timing differences (as opposed to permanent differences) are the basis for the next step in calculating deferred income tax expense. For BST, all timing differences are evaluated separately because of the prior accumulation of deferred taxes at rates other than the current rate. For the unregulated companies, all timing differences are combined and the current income tax rate is applied to compute deferred tax expense for the month. After the necessary tax entries are computed, they are communicated back to Comptrollers, who key them into the general ledger system.

Effective Rate Method

The effective rate method is used by some of the unregulated BellSouth companies to calculate monthly tax expense entries. Effective tax rates, for both current and deferred, are calculated at the beginning of each year based on budgeted amounts. These effective rates are then applied to each month's pre-tax book income to determine a

Southern Bell Tel. & Tel. Co.
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Amended Response to
Item No. 6-075
Page 3 of 7

Response continued:

current tax expense and a deferred tax expense entry. This method is used by those companies whose timing and permanent differences are stable and highly predictable.

Items Allocated

There are two exceptions to the entity by entity stand-alone basis of computing income tax expense. Those are: 1) Superfund or environmental tax expense and 2) research and development (R&D) tax credit. Per the IRC, these items are only determinable on a consolidated basis. Therefore, they are determined on a combined group basis, then allocated back to each company based on the individual company contribution to the statutory computation base of each item.

The environmental tax is accrued monthly, based on an estimate from the prior year's actual Federal income tax return. BellSouth Corporation and subsidiaries have not had a research credit for several years.

All Companies

In October of each year, after filing the prior calendar year's Federal and state tax returns, all companies "true-up" their prior year tax accruals to match what is reflected on the filed tax return. Each company compares their current and deferred tax expense resulting from the final tax liability on the return. The current expense as accrued for the subject year is compared with the amount of the tax paid on each return, and the difference is booked to the current tax expense account. Each timing difference is compared to the timing differences shown on the return and a deferred income tax true-up is computed on the difference.

Southern Bell Tel. & Tel. Co.
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Amended Response to
Item No. 6-075
Page 4 of 7

Response continued:

BellSouth Corporation and Subsidiaries
Tax Accrual Methodologies

Actual Income Accrual Method

ACCC & Subsidiaries
BellSouth Brussels
BellSouth Capital Funding
BellSouth Chile
BellSouth Corporation
BellSouth Financial Services
BellSouth International
BellSouth International A/P
BellSouth Mobile Data
BellSouth Mobility & Subsidiaries
BellSouth Systems Integration
BellSouth Telecommunications, Inc.
Cooperative Healthcare Network
Intelligent Media Ventures
Intelligent Messaging Services
MCCA & Subsidiaries
Stephens Graphics, Inc.

Effective Rate Calculation

BellSouth Advanced Networks
BellSouth Advertising and Publishing
BellSouth Communications, Inc.
BellSouth D. C.
BellSouth Enterprises
BellSouth Information System
BellSouth Products
BellSouth Ventures
Executive Services
Sunlink

II. Computation of Jurisdictional Income Taxes by BellSouth Telecommunications, Inc.

The computation of intrastate jurisdictional income tax expense is done on an entity by entity, stand alone basis. Once total corporate income taxes are calculated, the following steps are taken to calculate intrastate jurisdictional income taxes.

Southern Bell Tel. & Tel. Co.
FPSC Docket No. 920260-TL
Audit
Date: 06/29/93
Amended Response to
Item No. 6-075
Page 5 of 7

Response continued:

NON-REGULATED:

CSS processing, following Part 64 rules, allocates FIT and SIT between regulated/nonregulated using a mathematical calculation called Specifically Defined Booked Income (SDBI). This is a calculation of Nonregulated income to Combined income. This factor times FIT and SIT creates the Nonregulated portion of those accounts.

For the intrastate FIT calculation, a nonregulated taxable income is determined as follows:

Nonregulated Revenues
less Expenses
less a/c 7240
less SIT
less Interest
equals "A"

From the calculated nonregulated FIT, Amortization of ITC is removed and the remaining number is grossed up using .34 (Statutory FIT rate). This result represents taxable Nonregulated Income. By subtracting "A" from taxable Nonregulated Income, the Nonregulated adjustment to create Taxable Income is completed.

HOW INTERSTATE FIT IS CALCULATED:

Interstate FIT is calculated as total Federal tax on interstate taxable income as follows:

Revenues
less Expenses
less OTHER TAX
less SIT
less INTEREST
less OTHER DEDUCTIONS =
TAXABLE INCOME x .34 =

FIT + AMORTZ. ITC = T. FIT

Interstate revenues are definable by account with the exceptions of a/c 5240 and 5260 which are subject to

Southern Bell Tel. & Tel. Co.
FPSC Docket No. 920260-TL
Audit
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Amended Response to
Item No. 6-075
Page 6 of 7

Response continued:

separations, and therefore, found in Separations Information Systems (SIS) processing. Interstate expenses, other taxes (including SIT), and interest are all found in SIS processing. SIS also separates amounts input, for example "adds" and "deducts", to create taxable income (including flow-through).

INTRASTATE:

Intrastate income taxes are calculated as follows:

Federal

Combined total tax from books:
a/c 7220, 7250 (SRC 1100->1199 + 2100->2199)

less Nonreg calculated tax
(Calculated as SDBI x Combined Tax)

less Interstate calculated tax
(Calculated as Interstate taxable income x .34)

= MR Intrastate FIT (before Amortized ITC)

State

Combined total tax from books:
a/c 7230, 7250 (src 1200->1299 + 2200->2299)

less Nonreg calculated tax
(Calculated as SDBI x Combined Tax)

less Interstate separated tax
(SIT subject to separations, separated in SIS processing)

= MR Intrastate SIT

Southern Bell Tel. & Tel. Co.
FPSC Docket No. 920260-TL
Audit
Date: 06/29/93
Amended Response to
Item No. 6-075
Page 7 of 7

Response continued:

Attachment I which shows how intrastate FIT is calculated is being mailed in the overnight mail September 17, 1993.

- B. Attachment II, which is being mailed in the overnight mail, contains procedures documentation for the following systems processes:

Monthly accrual entry calculations (LOTUS)

Monthly accrual entry calculations--Regulated Income Tax

Software (RITS), an in-house FOCUS language program; and

Comprehensive Capital Assets Tax System (CCATS)

Tax return computations--Price Waterhouse Tax Management System (TMS)

Financial Systems Documentation re Specifically Defined Booked Income

Operating Taxes write-up from NECA

BSSP 001 Separations Procedures

Date Provided: September 17, 1993

MR FIT

		A PLUS COMBINED MR BOOKS	B LESS NONREGULATED	C LESS INTERSTATE	D EQUALS INTRASTATE
LN 1	REVENUE	+ A/C 500X	CSS - A/C 500X	A/C 500X DEFINED AS INTERSTATE + A/C 5240+5260 SEPARATED IN SIS	A-B-C
LN 2	EXPENSE	- A/C 600X,71XX	CSS - A/C 600X,71XX	SIS - A/C 600X,71XX	A-B-C
LN 3	OTHER TAXES	- A/C 7240	CSS - A/C 7240	SIS - A/C 7240	A-B-C
LN 4	SIT	- A/C 7230+A/C 7250, (SRC 1200->1299+2200->2299)	SDBI x COMBINED SIT (from CSS)	SIS - MR TOTAL SIT	A-B-C
LN 5	INTEREST	- A/C 75XX	CSS - A/C 75XX	SIS - A/C 75XX	A-B-C
LN 6	OTHER TAX ADJ's	- (PERMANENT TIMING DIFFERENCES + OUT-OF-PERIOD FIT/.34 + FIT FLOW-THROUGH/.34)	(Nonreg FIT / .34) LESS (Taxable income CSS) [i.e. Ln.6 / .34 LESS Lns.(1-2-3-4-5)]	MISC INCOME ADJUSTMENTS	A-B-C
LN 7		= TAXABLE INCOME	TAXABLE INCOME	TAXABLE INCOME	A-B-C
		X .34		X .34	X .34
LN 8		= FEDERAL INCOME TAX	SDBI x COMBINED FIT (from CSS)	FEDERAL INCOME TAX	FEDERAL INCOME TAX

OFFBOOK FIT

FR OR GAAP ISSUES These are "combined" and get separated based on MR-SIS factors related to the account the entry is made in.
 JD (Jurisdictional Difference) These are 100% intrastate

INTRA: CURRENT AND DEFERRED

	A PLUS COMBINED MR BOOKS	B LESS NONREGULATED	C LESS INTERSTATE	D EQUALS INTRASTATE
DEFERRED	A/C 7250 FIT	CSS-A/C 7250 FIT	1. (A-B) x (INTER % A/C4940)	(A-B-C)
REALIZED ITC	A/C 7210.1	CSS-A/C 7210.1	2. (A-B) x (INTER % A/C2001)	(A-B-C)
AMORTIZATION ITC	A/C 7210.2	CSS-A/C 7210.2	3. SIS-A/C 7210.2	(A-B-C)
CURRENT	A/C 7220	CSS-A/C 7220	5. (Ln.4 is Ln.(1+2+3)) = CURRENT	(A-B-C)
	TOTAL COMBINED FIT	TOTAL NONREG FIT	4. TOTAL INTER FIT (CALC'D ABOVE)	(A-B-C)

PROPRIETARY

RITS TAX ACCRUALS PROCESS

The RITS Tax Accruals Process has been designed to collect and store revenue/expense data and calculate and print tax accruals. Data is downloaded from CAP, extracted from RITS and mechanically loaded into the ACCRUALS process. The user has been given the capability of inputting manual data and overriding any of the mechanized data. The ACCRUALS process is executed from the RITS main menu and provides the following options (Attachment A):

- Initialize File For New Month
- Load RITS Data
- Load CAP Data
- Input Manual Data
- Override Mechanized Data
- Print Listing of CAP Data
- Print Listing of Accruals Database
- Calculate and Print Tax Accruals

INITIALIZE FILE FOR NEW MONTH:

The accruals data is stored one month at a time in a file in the RITS system. At the beginning of each month the database must be initialized to delete the previous month's data and get ready for the current month. This option zeroes out all data except FIT rate, SIT rate, debt ratio and operating specific state adjustments which are carried forward from month to month. This option should be run only once per month.

LOAD RITS DATA:

Extracts the following data from the RITS ISSUES database and automatically loads it to the ACCRUALS database:

- Operating:
 - FCC Regulatory Flow-thru Differences
 - Timing Differences
 - Permanent Differences Adjustment
 - Environment Taxes

- Non-Operating:
 - Timing Differences
 - Permanent Differences Adjustment

This option should be run only once per month.

LOAD CAP DATA:

Reads the file downloaded from the CAP system and loads the following data into the ACCRUALS database:

Operating:
Revenues
Expenses
Interest Deductions
AFUDC
Property Taxes
Gross Receipts Taxes
Capital Stock Taxes
Other Taxes

Non-Operating:
Revenues
Expenses
Property Taxes
Gross Receipts Taxes
Other Taxes
Dividend Received Deduction
Travel and Entertainment
PAC

Extraordinary/Delayed:
Revenues
Expenses
Other Items

This option is executed once per month and can only be run by the person responsible for downloading the CAP file. The CAP file should be placed on this person's C: drive and named C:CAPDATA.FIL. The download procedure will not be in place for the first processing month. The file will be delivered to the tax department on a diskette.

INPUT MANUAL DATA:

Allows user to input the following data into the ACCRUALS database (Attachment B):

FIT Rate
SIT Rate
Debt Ratio

Operating:
Adjustment to Revenues
FIT Adjustment
Collected From Customer
Specific State Adjustment
SIT Adjustment

Non-Operating:
Adjustment to Revenues
AFUDC
FCC Regulatory Flow-thru Differences
FIT Adjustment
Specific State Adjustment
SIT Adjustment

Extraordinary/Delayed:
Other Items
FIT Adjustment
SIT Adjustment

OVERRIDE MECHANIZED DATA:

Allows the user to override any of the data loaded from RITS or CAP (Attachment C).

PRINT LISTING OF CAP DATA:

Prints a listing of the file received from CAP before it is loaded to the ACCRUALS database (Attachment D). This can be run only by the person who has downloaded the CAP file to their C: drive.

PRINT LISTING OF ACCRUALS DATABASE:

Prints a listing of all data loaded into the ACCRUALS database including RITS data, CAP data, manual inputs, and overrides (Attachment E).

CALCULATE AND PRINT TAX ACCRUALS:

Calculates tax accruals from the data loaded into the ACCRUALS database and prints report of all calculations (Attachment F).

```

#####
:          REGULATED INCOME TAX SYSTEM
#####

```

```

#####
: INCOME  REPORTS  ACCRUALS  PARAMETERS  ASSOC  GUIT  :
#####

```

```

#####
: TAX ACCRUAL PROCESS OPTIONS:  :
:#####:
: Initialize File For New Month  :
: Load RITS Data                 :
: Load CAP Data                  :
: Input Manual Data              :
: Override Mechanized Data       :
: Print Listing of CAP Data      :
: Print Listing of Accruals Database :
: Calculate and Print Tax Accruals :
#####

```

```

#####
: YEAR: 1991
: MONTH: 9
#####
: FEDERAL TAX RATE: .340000      BEST RATE: .379700
:
: STATE TAX RATE
:
: FL      .023546
: GA      .017951
: NC      .012954
: SC      .005874
:
: AL      .007659
: KY      .016717
: LA      .013644
: ME      .007574
: TN      .014432
#####
: F3: 8017
#####

```

402

: YEAR: 1991 INCOME TAX ACCRUALS PAGE 1 OF 3 :
: MONTH: 9 :
#####

	OPERATING REV ADJ	OPERATING FIT ADJ	COLLECTED FROM CUST	OPERATING SPEC ST ADJ	OPERATING FIT ADJ
FL				-16523769	
GA				-17473767	
NC				-2405704	
SC				-1299663	
AL					
KY					
LA					
MS					
TN					
CO	#####	#####	#####	#####	#####
				-37302903	

: F3: QUIT : F4: RATES : : F9: NEXT PAGE : ENTER: UPDATE :
#####

NR

: YEAR: 1991 INCOME TAX ACCRUALS PAGE 2 OF 3 :
: MONTH: 9 :
#####

	NON-OPER REV ADJ	NON-OPER AFUDC	NON-OPER REV DIFF	NON-OPER FIT ADJ	NON-OPER SPEC ST ADJ
FL					
GA					
NC					
SC					
AL					
KY					
LA					
MS					
TN					
CO	#####	#####	#####	#####	#####

: F3: QUIT : F4: RATES : F7: PREV PAGE : F9: NEXT PAGE : ENTER: UPDATE :
#####

: YEAR: 1991 : INCOME TAX ACCRUALS : PAGE 3 OF 3 :
: MONTH: 9 :
#####

	REG-DEB SET ASB	EXT-SEL STREP	EXTR-SEL FIT ASB	EXTR-SEL SET ASB
FL				
SA				
NC				
SC				
AL				
RY				
LA				
NS				
TW				

#####

CC

: F3: QUIT : F4: SATES : F7: PREV PAGE : : ENR: UPDATE :
#####

NY

```

: POSITION CURSOR NEXT TO TYPE OF DATA AND PRESS ENTER:
: OPERATING
: NON-OPERATING
: DEFERRED/INCOME/DELAYED

```

```

: F3: GUIT

```

```

: YEAR: 1991 OPERATING INCOME TAX ACCRUALS PAGE 1 OF 3
: MONTH:

```

	OPERATING REVENUES	OPERATING EXPENSES	INTEREST REDUCTIONS	AFUCO	REGULATORY DIFFERENCES
FL	264567983	200817520	12332459	-310123	2276531
SA	165301461	139977650	9025270	-248939	1276527
NE	106593503	79529151	4545135	-6175	745973
SC	74462454	57601238	3249741	-30743	594436

AL
BY
LA
RS
TH

```

0000000000 0000000000 0000000000 0000000000 0000000000
00 003926401 477740582 29372803 -592201 4655527

```

```

: F3: GUIT : F4: MENU : F5: NEXT PAGE : ENTER: UPDATE

```

YEAR: 1991 OPERATING INCOME TAX ACCRUALS PAGE 2 OF 3
 MONTH: 9

	TINING DIFFERENCES	PROPERTY TAXES	GROSS RCPTS TAXES	CAP STOCK TAXES	OTHER TAXES
FL	-26952	924933	436600		13333
GA	-1884696	3872256	1011090	417	23183
NC	-656271	1814333	1484000		6833
SC	3189139	2854500	651632		110116

AL
 KY
 LA
 MS
 TN

0000000000 0000000000 0000000000 0000000000 0000000000
 CO 551240 17501416 7452632 417 153365

F3: QUIT F4: MENU F7: PREV PAGE F8: NEXT PAGE ENTER: UPDATE

NUM

YEAR: 1991 OPERATING INCOME TAX ACCRUALS PAGE 3 OF 3
 MONTH: 9

	PERM DIFF ADJUSTMENT	ENVIRONMENT TAXES
FL	-77096	51352
GA	-38569	34238
NC	-20170	17117
SC	-11752	11412

AL
 KY
 LA
 MS
 TN

0000000000 0000000000
 CO -152807 114116

F3: QUIT F4: MENU F7: PREV PAGE ENTER: UPDATE

YEAR: 1991 NON-OPERATING INCOME TAX ACCRUALS PAGE 19
MONTH: 9

	NON-OPER REVENUE	NON-OPER EXPENSES	TIMING DIFFERENCES	PROPERTY TAXES	GROSS STATE TAXES
FL	29437	53116		26167	
GA	23025	195675		1250	
NC	27494	135974		2157	
SC	5664	59410		1063	

AL
KY
LA
ME
TN

CO	66626	922149		30667	
----	-------	--------	--	-------	--

F3: QUIT : F4: MENU : F6: NEXT PAGE : ENTR: UPDATE

NEW

YEAR: 1991 NON-OPERATING INCOME TAX ACCRUALS PAGE 2 OF 2
MONTH: 9

	OTHER TAXES	DIVIDEND KOD DEDUCT	FORM DIFF ADJUSTMENT	TRAVEL AND ENTERTAINM	PAC
FL		-2		107411	3127
GA		-1		67324	2226
NC		-1		41534	1217
SC		-1		26051	1911

AL
KY
LA
ME
TN

CO		-5		242320	7577
----	--	----	--	--------	------

F3: QUIT : F4: MENU : F7: PREV PAGE : ENTR: UPDATE

YEAR: 1991 EXTRAORDINARY/REVENUE/EXPENSE
 MONTH: 9

	EXTRAORD. REVENUES	EXTRAORD. EXPENSES
FL		
GA		
NC		
SC		
AL		
KY		
LA		
MS		
TX		
*****	*****	
CO		
*****;		
: F3: QUIT : F4: MENU : : : ENTR: UPDATE :		

MS

CAP DATA LISTING

	OP REV (ST1010)	OP EXP (ST1020)	OP INT RES (ST1030)	OP AFUC (ST1040)	OP PROP TAX (ST4010)	OP GR RCPT TAX (ST4020)
ALABAMA	93,451,476	35,124,181	(29,642)	(127,916)	1,005	0
FLORIDA	266,113,752	0	(476,071)	0	0	0
GEORGIA	256,333,519	45,264,194	(208,186)	(294,463)	0	0
KENTUCKY	55,152,759	0	(56,301)	0	0	0
LOUISIANA	111,983,561	0	(30,773)	0	0	0
MISSISSIPPI	65,254,764	0	(9,102)	0	0	0
N CAROLINA	106,773,971	0	123,477	0	0	0
S CAROLINA	74,449,164	0	(41,527)	0	0	0
TENNESSEE	106,817,462	0	(135,237)	0	0	0
COMPANY	1,135,340,427	81,408,375	(823,646)	(422,279)	1,005	0

	OP CAP STOCK TAX (ST4030)	OP OTHER TAX (ST4040)	NOF REV (ST6010)	NOF EXP (ST6020)	NOF PROP TAX (ST6010)	NOF GR RCPT TAX (ST6020)
ALABAMA	500	250	9,256	5,751	250	250
FLORIDA	0	0	278,163	0	0	0
GEORGIA	0	0	278,150	128	0	0
KENTUCKY	0	0	0	0	0	0
LOUISIANA	0	0	0	0	0	0
MISSISSIPPI	0	0	0	0	0	0
N CAROLINA	0	0	278,163	0	0	0
S CAROLINA	0	0	278,150	0	0	0
TENNESSEE	0	0	0	0	0	0
COMPANY	500	250	1,121,870	5,879	250	250

	NOF OTHER TAX (ST6030)	NOF REV LED (ST6010)	NOF TRAF & ENT (ST6020)	NOF PAC (ST6040)	EXTR REV (ST6010)	EXTR EXP (ST6020)
ALABAMA	250	1,750	5,654	97	1,750	2,000
FLORIDA	0	0	0	0	0	0
GEORGIA	0	0	0	128	0	0
KENTUCKY	0	0	0	0	0	0
LOUISIANA	0	0	0	0	0	0
MISSISSIPPI	0	0	0	0	0	0
N CAROLINA	0	0	0	0	0	0
S CAROLINA	0	0	0	0	0	0
TENNESSEE	0	0	0	0	0	0
COMPANY	250	1,750	5,654	97	1,750	2,000

	FIT RATE	SIT RATE	BEST RATIO	OPERATING REVENUES	OPERATING EXPENSES	OPERATING ADJ TO REVENUE	OPERATING INTEREST DE
FLORIDA	.340000	.023548	.379700	264,567,963	200,617,520	0	12,332.
GEORGIA	.340000	.017951	.379700	168,301,461	139,997,650	0	9,223.
N CAROLINA	.340000	.010954	.379700	106,593,503	79,524,160	0	4,565.
S CAROLINA	.340000	.009874	.379700	74,463,454	57,601,236	0	3,249.
ALABAMA	.340000	.007620	.379700	0	0	0	0
KENTUCKY	.340000	.007257	.379700	0	0	0	0
LOUISIANA	.340000	.007144	.379700	0	0	0	0
MISSISSIPPI	.340000	.007374	.379700	0	0	0	0
TENNESSEE	.340000	.014452	.379700	0	0	0	0
COMPANY				413,926,401	477,740,382	0	29,372.1

	OPERATING ASSET	OPER FOR REG FLOW-THRU DIFF	OPERATING TIMING DIFF	OPERATING FIT ADJUSTMENT	OPERATING PROPERTY TAX	OPERATING ESTATE DEPT TAX	OPERATING CAP STOCK
FLORIDA	(316,123)	2,236,531	(26,932)	0	7,246,333	4,351,630	
GEORGIA	(246,959)	1,274,527	(1,856,696)	0	3,572,150	1,011,000	
N CAROLINA	(8,176)	745,973	(681,771)	0	1,814,333	1,434,000	
S CAROLINA	(30,943)	550,496	2,187,139	0	2,654,300	651,632	
ALABAMA	0	0	0	0	0	0	
KENTUCKY	0	0	0	0	0	0	
LOUISIANA	0	0	0	0	0	0	
MISSISSIPPI	0	0	0	0	0	0	
TENNESSEE	0	0	0	0	0	0	
COMPANY	(598,201)	4,565,527	591,240	0	17,801,416	7,432,632	4

	OPERATING OTHER TAXES	OPERATING COLL FROM CUST	OPERATING PERM DIFF ADJ	OPERATING SPEC ESTATE ADJ	OPERATING SIT ADJUSTMENT	OPERATING ENVY TAX	NON-OPERATING REVENUE
FLORIDA	10,000	0	(79,076)	(16,523,769)	0	51,352	10,000
GEORGIA	21,000	0	(36,367)	(17,373,767)	0	34,233	21,000
N CAROLINA	6,000	0	(21,176)	(2,405,704)	0	17,107	6,000
S CAROLINA	100,000	0	(12,932)	(1,295,663)	0	11,400	100,000
ALABAMA	0	0	0	0	0	0	0
KENTUCKY	0	0	0	0	0	0	0
LOUISIANA	0	0	0	0	0	0	0
MISSISSIPPI	0	0	0	0	0	0	0
TENNESSEE	0	0	0	0	0	0	0
COMPANY	137,000	0	(129,551)	(35,598,143)	0	114,092	137,000

ACCUALS DATABASE LISTING

	NON-OPERATING EXPENSES	NON-OPERATING ADD TO REVENUE	NON-OPERATING AFUCO	NON-OP FCC RES FLOW-THRU DIFF	NON-OPERATING TIMING DIFF	NON-OPERATING FIT ADJUSTMENT	NON-OPERATING PROPERTY TAX
A	531,181	0	0	0	0	0	26,167
B	175,671	0	0	0	0	0	1,230
LINE	133,874	0	0	0	0	0	2,167
LEAD	57,416	0	0	0	0	0	1,030
C	0	0	0	0	0	0	0
D	0	0	0	0	0	0	0
E	0	0	0	0	0	0	0
F	0	0	0	0	0	0	0
G	0	0	0	0	0	0	0
H	0	0	0	0	0	0	0
I	922,140	0	0	0	0	0	30,457

	NON-OPERATING GROSS DEPT TAX	NON-OPERATING OTHER TAXES	NON-OPERATING DIV ROYAL REDUCT	NON-OPERATING FERM DIFF ADJ	NON-OPERATING TRAV AND ENT	NON-OPERATING PAC	NON-OPERATING SPEC STATE ADJ
A	0	0	(2)	0	167,411	3,127	0
B	0	0	(1)	0	67,304	2,220	0
LINE	0	0	(1)	0	41,534	1,215	0
LEAD	0	0	(1)	0	26,051	1,010	0
C	0	0	0	0	0	0	0
D	0	0	0	0	0	0	0
E	0	0	0	0	0	0	0
F	0	0	0	0	0	0	0
G	0	0	0	0	0	0	0
H	0	0	0	0	0	0	0
I	0	0	(3)	0	242,220	7,577	0

	NON-OPERATING SIT ADJUSTMENT	EXTRAORDINARY REVENUES	EXTRAORDINARY EXPENSES	EXTRAORDINARY OTHER ITEMS	EXTRAORDINARY FIT ADJUSTMENT	EXTRAORDINARY SIT ADJUSTMENT
A	0	0	0	0	0	0
B	0	0	0	0	0	0
LINE	0	0	0	0	0	0
LEAD	0	0	0	0	0	0
C	0	0	0	0	0	0
D	0	0	0	0	0	0
E	0	0	0	0	0	0
F	0	0	0	0	0	0
G	0	0	0	0	0	0
H	0	0	0	0	0	0
I	0	0	0	0	0	0

TAX ACCRUALS

	4070.1000	4070.2000	7220.1000	7220.4000	7230.1000
FLORIDA	(13,015,294)	(1,642,762)	13,107,215	91,352	1,657,744
GEORGIA	(4,265,931)	(1,242,536)	4,204,315	34,235	1,253,956
N CAROLINA	(6,193,615)	(1,066,643)	4,196,749	17,117	1,094,905
S CAROLINA	(4,510,325)	(479,244)	4,514,663	11,412	562,962
ALABAMA	225,325	(652,722)	(226,987)	0	667,665
KENTUCKY	314,429	(924,791)	(316,747)	0	931,610
LOUISIANA	400,365	(1,177,367)	(403,257)	0	1,186,047
MISSISSIPPI	222,216	(453,575)	(223,854)	0	655,394
TENNESSEE	424,011	(1,247,091)	(427,136)	0	1,256,287
CORPARY	(26,346,652)	(9,156,751)	26,424,357	114,116	9,209,538
	7420.0000	7430.0000	7630.1000	7630.2000	TOTAL
FLORIDA	(143,273)	(14,982)	0	0	0
GEORGIA	(32,617)	(11,422)	0	0	0
N CAROLINA	(20,242)	(2,242)	0	0	0
S CAROLINA	(7,150)	(3,735)	0	0	0
ALABAMA	1,662	(4,867)	0	0	0
KENTUCKY	2,319	(6,519)	0	0	0
LOUISIANA	2,952	(8,652)	0	0	0
MISSISSIPPI	1,639	(4,617)	0	0	0
TENNESSEE	3,127	(9,156)	0	0	0
CORPARY	(191,592)	(72,767)	0	0	0

PREPARED BY: ESN 12/04/92

REVIEWED:
 NAME : _____
 TITLE : _____
 DATE : _____

APPROVED:
 NAME : _____
 TITLE : OPERATIONS MANAGER - TAXES
 DATE : _____

FEDERAL OPERATING INCOME TAX ACCRUALS

DEBIT: 7226.1000 CREDIT: 4676.1000

	OPERATING REVENUES	OPERATING EXPENSES	ADJUSTMENT TO REVENUES	NET OPERATING REVENUES	OTHER TAXES EXCEPT SIT	INTEREST DEDUCTIONS
FLORIDA	264,567,983	200,617,320	0	63,950,663	13,659,666	12,332,659
GEORGIA	165,301,461	139,597,659	0	25,703,802	4,966,750	9,223,270
N CAROLINA	106,573,503	77,524,150	0	27,049,353	3,225,166	6,545,155
S CAROLINA	74,463,454	57,661,238	0	16,802,216	3,616,245	3,249,741
ALABAMA	0	0	0	0	0	0
KENTUCKY	0	0	0	0	0	0
LOUISIANA	0	0	0	0	0	0
MISSISSIPPI	0	0	0	0	0	0
TENNESSEE	0	0	0	0	0	0
COMPANY	613,923,401	477,740,568	0	136,182,833	25,467,830	29,372,825

	AFUCB	PRE-TAX BOOK INCOME	PERMANENT DIFFERENCES	FCC REGULATORY FLOW-THRU DIFF	ADJUSTED BOOK INCOME	TIMING DIFFERENCES
FLORIDA	(316,103)	38,266,241	(271,463)	2,238,531	40,235,327	(26,752)
GEORGIA	(245,959)	14,420,730	(172,555)	1,274,527	15,534,279	(1,894,151)
N CAROLINA	(8,376)	19,267,178	(24,242)	745,573	20,005,909	(634,271)
S CAROLINA	(20,543)	10,027,170	(31,184)	554,470	10,590,459	3,159,155
ALABAMA	0	0	0	0	0	0
KENTUCKY	0	0	0	0	0	0
LOUISIANA	0	0	0	0	0	0
MISSISSIPPI	0	0	0	0	0	0
TENNESSEE	0	0	0	0	0	0
COMPANY	(590,981)	62,013,359	(521,351)	4,618,527	66,336,995	511,240

	STATE-TAX TAXABLE INCOME	SIT TOTAL	FEDERAL TAXABLE INCOME	DEFERRED SIT	FIT ADJUSTMENT	FIT TOTAL
FLORIDA	40,263,278	1,657,744	38,559,801	12,127,218	0	10,167,218
GEORGIA	15,619,183	1,033,192	13,389,825	4,214,023	0	4,214,023
N CAROLINA	19,320,638	1,374,901	18,228,733	3,184,749	0	6,174,749
S CAROLINA	10,779,609	392,982	13,276,657	4,514,863	0	4,514,863
ALABAMA	0	517,595	(647,609)	(224,957)	0	(224,957)
KENTUCKY	0	731,610	(931,610)	(216,773)	0	(216,773)
LOUISIANA	0	1,151,049	(1,189,049)	(418,287)	0	(418,287)
MISSISSIPPI	0	851,394	(618,394)	(228,000)	0	(228,000)
TENNESSEE	0	1,281,887	(1,281,887)	(427,103)	0	(427,103)
COMPANY	66,002,708	6,009,358	77,719,157	24,414,027	0	24,414,027

SEPTEMBER 1991

ATTACHMENT F

PG 3

OTHER TAXES - OPERATING

	PROPERTY TAXES	GROSS RECEIPTS TAXES	CAPITAL STOCK TAXES	OTHER TAXES	COLLECTED FROM CUSTOMERS	TOTAL OTHER TAXES
FLORIDA	9,260,333	4,386,900	0	13,333	0	13,659,666
GEORGIA	3,872,210	1,911,000	417	23,093	0	4,986,720
N CAROLINA	1,814,333	1,404,599	0	6,833	0	3,225,765
S CAROLINA	2,854,500	651,632	0	116,116	0	3,611,248
ALABAMA	0	0	0	0	0	0
KENTUCKY	0	0	0	0	0	0
LOUISIANA	0	0	0	0	0	0
MISSISSIPPI	0	0	0	0	0	0
TENNESSEE	0	0	0	0	0	0
COMPANY	17,891,416	7,452,632	417	153,365	0	25,497,830

PERMANENT DIFFERENCES - OPERATING

FEDERAL OPERATING ENVIRONMENT TAX
DEBIT: 7220.4000 CREDIT: 4070.1000

	AFUDC	BEST PORTION OF AFUDC	PERM DIFF ADJUSTMENT	TOTAL PERM DIFFERENCES	ENVIRONMENT TAXES
FLORIDA	(210,123)	(117,754)	(79,056)	(271,663)	51,352
GEORGIA	(246,459)	(94,529)	(36,569)	(172,595)	34,239
N CAROLINA	(3,175)	(3,104)	(21,170)	(28,249)	17,117
S CAROLINA	(10,943)	(11,749)	(11,992)	(31,184)	11,412
ALABAMA	0	0	0	0	0
KENTUCKY	0	0	0	0	0
LOUISIANA	0	0	0	0	0
MISSISSIPPI	0	0	0	0	0
TENNESSEE	0	0	0	0	0
COMPANY	(592,200)	(227,137)	(158,627)	(978,964)	114,120

STATE OPERATING INCOME TAX ACCRUALS
DEBIT: 7230.1000 CREDIT: 4070.0000

	PRELIMINARY STATE INCOME	SPECIFIC STATE ADJUSTMENTS	SPECIFIC STATE TAXABLE INCOME	CURRENT SIT	SIT ADJUSTMENT	SIT TOTAL
FLORIDA	40,265,378	(16,523,769)	23,741,609	2,857,744	0	2,857,744
GEORGIA	17,619,550	(17,073,767)	545,783	1,253,932	0	1,253,932
N CAROLINA	19,320,536	(2,473,704)	16,846,832	1,054,969	0	1,054,969
S CAROLINA	13,779,458	(1,199,403)	12,580,055	312,982	0	312,982
ALABAMA	0	0	66,900,000	667,009	0	667,009
KENTUCKY	0	0	66,900,000	661,000	0	661,000
LOUISIANA	0	0	66,900,000	1,136,000	0	1,136,000
MISSISSIPPI	0	0	66,900,000	661,000	0	661,000
TENNESSEE	0	0	66,900,000	1,136,000	0	1,136,000
COMPANY	100,000,000	(37,270,843)	62,729,157	7,119,634	0	7,119,634

FEDERAL NON-OPERATING INCOME TAX ACCRUAL
DEBIT: 7420.0000 CREDIT: 4070.1000

	NON-OPERATING REVENUES	NON-OPERATING EXPENSES	ADJUSTMENT TO REVENUES	NET NON-OPER REVENUES	OTHER TAXES EXCEPT SIT	AFUDC
FLORIDA	10,437	531,181	0	(520,742)	26,167	0
GEORGIA	20,479	195,675	0	(175,196)	1,250	0
N CAROLINA	27,454	135,674	0	(108,220)	2,167	0
S CAROLINA	6,664	59,410	0	(52,746)	1,083	0
ALABAMA	0	0	0	0	0	0
KENTUCKY	0	0	0	0	0	0
LOUISIANA	0	0	0	0	0	0
MISSISSIPPI	0	0	0	0	0	0
TENNESSEE	0	0	0	0	0	0
COMPANY	64,974	922,260	0	(857,286)	30,607	0

	PRE-TAX BOOK INCOME	PERMANENT DIFFERENCES	FCC REGULATORY FLOW-THRU DIFF	ADJUSTED BOOK INCOME	TIMING DIFFERENCES	PRE-TAX TAXABLE INCOME
FLORIDA	(545,909)	110,536	0	(435,373)	0	(435,373)
GEORGIA	(172,595)	69,543	0	(103,052)	0	(103,052)
N CAROLINA	(111,547)	42,752	0	(68,795)	0	(68,795)
S CAROLINA	(33,619)	27,061	0	(6,558)	0	(6,558)
ALABAMA	0	0	0	0	0	0
KENTUCKY	0	0	0	0	0	0
LOUISIANA	0	0	0	0	0	0
MISSISSIPPI	0	0	0	0	0	0
TENNESSEE	0	0	0	0	0	0
COMPANY	(863,670)	249,892	0	(613,778)	0	(613,778)

	SIT TOTAL	FEDERAL TAXABLE INCOME	CURRENT SIT	FIT ADJUSTMENT	FIT TOTAL
FLORIDA	(14,900)	(421,373)	140,373	0	(140,373)
GEORGIA	(10,420)	(103,052)	102,617	0	(102,617)
N CAROLINA	(8,040)	(68,795)	120,240	0	(120,240)
S CAROLINA	(10,700)	(6,558)	(7,150)	0	(7,150)
ALABAMA	0	0	1,662	0	1,662
KENTUCKY	0	0	2,318	0	2,318
LOUISIANA	0	0	2,952	0	2,952
MISSISSIPPI	0	0	1,635	0	1,635
TENNESSEE	0	0	3,127	0	3,127
COMPANY	21,760	(530,920)	(141,650)	0	(672,410)

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ATTACHMENT F-

PG 5

OTHER TAXES - NON-OPERATING

	PROPERTY TAXES	GROSS RECEIPTS TAXES	OTHER TAXES	TOTAL OTHER TAXES
FLORIDA	26,167	0	0	26,167
GEORGIA	1,250	0	0	1,250
N CAROLINA	2,167	0	0	2,167
S CAROLINA	1,000	0	0	1,000
ALABAMA	0	0	0	0
KENTUCKY	0	0	0	0
LOUISIANA	0	0	0	0
MISSISSIPPI	0	0	0	0
TENNESSEE	0	0	0	0
COMPANY	30,667	0	0	30,667

PERMANENT DIFFERENCES - NON-OPERATING

	DIVIDEND ROVD DEDUCTION	PERM DIFF ADJUSTMENT	TRAVEL AND ENTERTAINMENT	PAC	TOTAL PERM. DIFFERENCES
FLORIDA	(2)	0	107,411	3,127	110,536
GEORGIA	(1)	0	67,324	2,220	69,544
N CAROLINA	(3)	0	41,534	1,219	42,752
S CAROLINA	(1)	0	26,051	1,011	27,061
ALABAMA	0	0	0	0	0
KENTUCKY	0	0	0	0	0
LOUISIANA	0	0	0	0	0
MISSISSIPPI	0	0	0	0	0
TENNESSEE	0	0	0	0	0
COMPANY	(6)	0	242,320	7,577	249,821

STATE NON-OPERATING INCOME TAX ACCRUALS

DEBIT: 7430.0000 CREDIT: 4970.2000

	PRELIMINARY STATE INCOME	SPECIFIC STATE ADJUSTMENTS	SPECIFIC STATE TAXABLE INCOME	CURRENT SET	SET ADJUSTMENT	SET TOTAL
FLORIDA	(436,370)	0	(436,370)	(14,902)	0	(451,272)
GEORGIA	(107,350)	0	(107,350)	(11,402)	0	(118,752)
N CAROLINA	(57,750)	0	(57,750)	(19,242)	0	(76,992)
S CAROLINA	(26,740)	0	(26,740)	(3,730)	0	(30,470)
ALABAMA	0	0	(636,030)	(6,552)	0	(642,582)
KENTUCKY	0	0	(676,030)	(1,512)	0	(677,542)
LOUISIANA	0	0	(604,030)	(1,512)	0	(605,542)
MISSISSIPPI	0	0	(476,030)	(1,512)	0	(477,542)
TENNESSEE	0	0	(400,030)	(1,512)	0	(401,542)
COMPANY	(1,028,210)	0	(1,028,210)	(57,660)	0	(1,085,870)

FEDERAL EXTRAORDINARY/DELAYED INCOME TAX ACCRUALS
 FEDERAL DEBIT: 7636.1000 CREDIT: 4076.1000
 STATE DEBIT: 7636.2000 CREDIT: 4076.2000

	EXTRAORDINARY REVENUES	EXTRAORDINARY EXPENSES	OTHER EXTRA. ITEMS	NET EXTRA. REVENUES	SIT EFFECT OF E AND D ITEMS	SIT EFFECT OF E AND D ITEMS
FLORIDA	0	0	0	0	0	0
GEORGIA	0	0	0	0	0	0
N CAROLINA	0	0	0	0	0	0
S CAROLINA	0	0	0	0	0	0
ALASKA	0	0	0	0	0	0
KENTUCKY	0	0	0	0	0	0
LOUISIANA	0	0	0	0	0	0
MISSISSIPPI	0	0	0	0	0	0
TENNESSEE	0	0	0	0	0	0
COMPANY	0	0	0	0	0	0
	<u>FIT ADJUSTMENT</u>	<u>SIT ADJUSTMENT</u>	<u>ADD FIT EFF OF E AND D ITEMS</u>	<u>ADD SIT EFF OF E AND D ITEMS</u>		
FLORIDA	0	0	0	0		
GEORGIA	0	0	0	0		
N CAROLINA	0	0	0	0		
S CAROLINA	0	0	0	0		
ALASKA	0	0	0	0		
KENTUCKY	0	0	0	0		
LOUISIANA	0	0	0	0		
MISSISSIPPI	0	0	0	0		
TENNESSEE	0	0	0	0		
COMPANY	0	0	0	0		

PREPARED BY: BSA - 09/04/91

Comments: The Income Tax Accrual Journal Entry (JE) programs (JEINPUT.wk* and JECALC.wk*) allow you to input certain book and tax information to produce the income tax journal entries on a monthly. The programs are written in Lotus 123 using macro commands. The programs are user-friendly, which means the user is prompted to perform keystrokes via choices from various menu screens. [NOTE: These programs must be used in version 2.2 of Lotus or higher or some functions will not be performed.]

Lotus commands or program choices are indicated by bold text.

Particular Files Used:
JECALC.wk*

This program links information from the JEINPUT.wk* file to calculate current and deferred U.S. and state tax expense and effective tax rates. You input additional information into this program for purposes of computing state taxes. This information includes certain state adjustments, allocable income, apportionment factors, NOL carry-forwards, state tax rates and total cumulative temporary differences. The objective of this program is to generate the tax accrual journal entry for the current month.

Detailed Instructions

Procedure:

Description:

Step 1

Loading the Programs: The JE programs will be provided to you on diskettes, but it is not recommended that you run these programs from the floppy drive. The programs are rather large and will take longer to process from the floppy. You need to create a directory on your hard drive where the programs can reside. We suggest that you create a separate directory for each of your companies that will use the programs. To create a directory, type the following:

- A. From the C:> prompt we will make a directory to store the programs.

Type C:> MD JECO (for Journal Entry plus the company name, e.g., JEBSC) {Enter}

- B. Now, type CD JE {Enter}

This will allow us to copy the files into the directory.

- C. To copy the files in this directory, make sure the diskette is in drive A (or the appropriate drive) and type Copy A:*. * C:JE {Enter}

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The programs are now loaded into the directory you created. Repeat these steps for each company directory.

Step 2 Starting the JECALC.wk1 program: Get into Lotus and change the directory in Lotus to the JE directory you created in Step 1. From here, retrieve the JECALC.wk* file by typing /FR JECALC {Enter}. The program will come up to an information screen which introduces you to the program and asks you if you are Ready to Go?.

Press Enter to Continue, and you will be taken to the Main Menu.

Step 3 Main Menu: The Main Menu choices are as follows:

Set-Up Input Valuation Print Save Exit

Subsequent Steps will explain each of these processes in detail. You can return to this menu from any where in the program by pressing [CTRL] & [BREAK] simultaneously and then pressing [ALT] & [G].

Step 4 Set-Up Process: Set-Up is a quick procedure that saves the previous month's effective tax rate and tax expense amounts to a history area and prepares the program to receive current month links with the JEINPUT.wk* file. You must perform Set-Up prior to inputting any new month information (including January).

Step 5 Input Process: This process is the most involved portion of the program and is the central focus. You enter here your company's state adjustments, allocable Income, apportionment factors, state tax rates, net operating loss carryforwards and total cumulative temporary differences. All information must be entered by state. The program does not assume that an amount entered for the state of Florida applies to Georgia also. If you wish to use Lotus's copy function (/WC) to copy information from one state to another, you must halt the program functions by pressing [CTRL] & [BREAK] simultaneously and pressing [ESC] to clear the break. To reactivate program functions, press [ALT] & [G].

This input area is not controlled (similar to the Schedule M and Other Information input area in the JEINPUT.wk* file). You can move around the input area (including labels) by using the arrow keys or {Enter}. As in the JEINPUT.wk* file, if you press {Enter} when {Num Lock} is activated, the number pad on your keyboard will function as a 10-key calculator and automatically move you down to the next cell.

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You enter all state adjustments and allocable income as full year (annual) amounts in Dr/(Cr) format. The program lists three state adjustments (Other Interest Income, Restoral of Deferred Gain and BAPCO) that have amounts which flow directly from the JEINPUT.wk* file; you do not enter amounts on these lines.

You enter state apportionment factors and state tax rates as positive percentages in decimal format. (For example, you enter 35% as .35.) The program designers have input the state tax rates for twenty (20) of the states. We will continue to monitor changes in the tax law related to these twenty jurisdictions and notify you of any rate changes. You must input and update the state tax rates for the other 31 states.

You enter 100% of your available net operating loss carryforwards as negative numbers.

You enter 100% of your cumulative gross temporary differences (before valuation, if any) through the prior year, which is 12/31/92 for journal entries computed in 1993. If your cumulative gross temporary differences are net assets, enter the amount as a positive. If your cumulative gross temporary differences are net liabilities, enter the amount as a negative. Because the program will apply the applicable state apportionment percentage to the gross temporary differences, you must enter 100% of the differences before apportionment. (For all practical purposes, you should enter the same amount for each state unless you have a material state adjustment in a particular state.) Additionally, you input these amounts at the beginning of the year and after the tax true-up recalculates prior year deferred tax balances (usually October).

IMPORTANT: If you book state taxes for your company and must complete this input area, do not choose an actual year-to-date only "Input Summary". The state data that you enter in this input area is full year information and not year-to-date information. Consequently, if your U.S. taxable income is based on year-to-date amounts only (less than a full year), your state tax computation will be distorted.

To get out of this input area, press the [CTRL] & [BREAK] keys simultaneously and press [ALT] & [G] to return to the Main Menu.

Step 6

Valuation Option: You must choose whether or not you want a valuation allowance computed on your state deferred tax assets. If you choose 1 - for 'No Valuation', the program will not compute a valuation allowance on any deferred tax assets. Additionally, in

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reversing deferred tax assets, it will assume that no valuation was booked at implementation of SFAS 109. If you choose 2 - for 'Perform Valuation', the program computes a valuation on 100% of state deferred tax assets only. Additionally, upon reversal of any deferred tax assets (including NOLs), the program assumes that the valuation allowance must be reversed. If you did not book a valuation allowance for 100% of your deferred state tax assets at implementation of SFAS 109, do not choose this option.

Please note that the program does not compute a valuation on any federal deferred tax assets. Additionally, it does not reverse the valuation allowance for any deferred tax assets realized for which a valuation existed.

Step 7

Print Menu: The Print Menu choices are as follows:

**All States Groups Current Rates Prior Rates RF-4700
Combo Input Return**

Subsequent Steps will explain what each Print choice will give you.

Step 8

All States: This printout provides a worksheet that shows the calculation of current and deferred taxes and the state deferred tax asset valuation allowance (including effective tax rates) for the U.S. and all 51 states. The calculation uses pretax (income)/loss, permanent book/tax adjustments, current temporary book/tax adjustments and noncurrent temporary book/tax adjustments linked from the "Input Summary" in the JEINPUT.wk* program as well as information entered in Step 5 above. This printout provides the ultimate end to all information input and calculated by the JEINPUT.wk* and JECALC.wk* programs.

Step 7

Grouped States Option: This printout provides the same worksheet generated in Step 6, but you can choose the following State Groupings to print with the U.S. information:

SBT&SCB - This printout will give the you the nine states in the BellSouth region (FL, GA, NC, SC, AL, KY, LA, MS, TN) plus D.C.

AK2HI - This printout will give you the following states: Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, and Hawaii.

ID2MA - This printout will give you the following states: Idaho,

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Illinois, Indiana, Iowa, Kansas, Maine, Maryland, and Massachusetts.

MI2NM - This printout will give you the following states: Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, and New Mexico.

NY2TX - This printout will give you the following states: New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, and Texas.

UT2WY - This printout will give you the following states: Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

Return - This choice will take you back to the previous menu, which is the Main Menu in this case.

- Step 8** **Current Rates Printout:** This printout provides you with the current month U.S. and state effective tax rates and the year-to-date tax account activity (income statement and balance sheet) using actual year-to-date pretax income. Choosing the menu option also provides you with a printout of the current month activity in the tax accounts by subtracting year-to-date tax account activity from prior month year-to-date tax account activity.
- Step 9** **Prior Month Rates Printout:** This printout provides you with the same information discussed in Step 8 (first sentence only) except for the previous month. You will use this to reconcile current month activity and current month year-to-date activity to prior month year-to-date activity.
- Step 10** **RF-4700 Journal Entry:** This printout provides you with the actual journal entry that will be used by Accounting Services to book current month tax activity.
- Step 11** **Combo Printout:** To save time, this printout will provide the Current Month and Prior Month Rates printouts (Steps 8 and 9) and the current month tax accrual journal entry (Step 10).
- Step 12** **Input Printout:** This printout will provide you with the input entered in Step 5 above.
- Step 13** **Return:** This choice will take you back to the previous menu, which is the Main Menu in this case.

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Step 14

Save Option: You choose this option to save the information in the file. There is an insurance device built into this procedure which will make a backup copy of the program. In the event the .wk1 program is erased, this backup copy can be restored with identical information. Because of this feature, the save option takes a few seconds to complete, so do not be alarmed if it does not look like anything is happening.

Once Save is completed, the program will take you back to the Main Menu. From here further processing could be performed, additional printouts made, or you could do the next Step.

Step 15

Exit: This choice takes you out of the JEINPUT program and back to the Lotus access screen. See you next month!

Comments: The Income Tax Accrual Journal Entry (JE) programs (JEINPUT.wk* and JECALC.wk*) allow you to input certain book and tax information to produce the income tax journal entries on a monthly. The programs are written in Lotus 123 using macro commands. The programs are user-friendly, which means the user is prompted to perform keystrokes via choices from various menu screens. [NOTE: These programs must be used in version 2.2 of Lotus or higher or some functions will not be performed.]

Lotus commands and program choices are indicated by bold text.

Particular Files Used:
JEINPUT.wk*

This program accumulates all necessary information to produce your company's taxable income and associated income tax accrual on a monthly basis. Input information (actual and budget) comes from your company's trial balance, certain Comptroller's reports and the Tax Department. [Please note that the program was specifically designed to take input from a trial balance (sequence 17) that uses the BIAS chart of accounts.] The objective of this program is to generate an "Input Summary" which shows pretax income, permanent book/tax differences, current temporary book/tax differences, noncurrent temporary book/tax differences and taxable income by month. At the option of the user, the "Input Summary" will include actual year-to-date information only or a combination of actual year-to-date information plus budget information for future months in the year. Information from this program updates the JECALC program via Lotus Link Commands.

Detailed Instructions

Procedure:

Description:

Step 1

Loading the Programs: The JE programs will be provided to you on diskettes, but it is not recommended that you run these programs from the floppy drive. The programs are rather large and will take longer to process from the floppy. You need to create a directory on your hard drive where the programs can reside. We suggest that you create a separate directory for each of your companies that will use the programs. To create a directory, type the following:

- A. From the C:> prompt we will make a directory to store the programs.

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- Type C: > MD JECO (for Journal Entry plus the company name, e.g., JEBS) {Enter}
- B. Now, type CD JE {Enter}
This will allow us to copy the files into the directory.
- C. To copy the files in this directory, make sure the diskette is in drive A (or the appropriate drive) and type Copy A:*. * C:\JE {Enter}

The programs are now loaded into the directory you created. Repeat these steps for each company directory.

Step 2

Starting the JEINPUT.wk1 program: Get into Lotus and change the directory in Lotus to the JE directory you created in Step 1. From here, retrieve the JEINPUT program by typing /FR JEINPUT {Enter}. The program will come up to an information screen which introduces you to the program and asks you if you are Ready to Go?.

Press Enter to Continue - From here you will be taken to an information screen where you can enter your Company name and the month you will be processing. The month prompt asks you to enter the three character code for the month (i.e. JAN for January) you are closing out. After typing the code, press {Enter}, and you will be taken to the Main Menu. Please note that because the program is month sensitive, you cannot vary from the codes given and expect the program to work.

Step 3

Main Menu: The Main Menu choices are as follows:

Set-Up Input Print Choose Save & Return Exit

Subsequent Steps will explain each of these processes in detail. You can always return to this screen from any place in the program by pressing [Ctrl] & [Break] simultaneously to halt the program functions and pressing [ALT] & [G].

Step 4

Set-Up Process: Set-Up is a quick procedure that saves the previous month's input to a history file and prepares the program for current month input. Additionally, Set-Up tells the program which month you indicated in Step 2. You must perform Set-Up prior to inputting any new month information (including January).

Step 5

Input Process: This process is the most involved portion of the program and is the central focus. This option provides you with the opportunity to enter trial balance amounts and other tax data, if

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applicable. Press {Enter} to continue. The next menu choice will be as follows:

Trial Balance Schedule M & Other Budget Information

Each choice is discussed in detail as follows:

Trial Balance - You enter here the year-to-date ending balance information for the current processing month from specific accounts in the trial balance. Enter all amounts in debit/(credit) format.

NOTE: If the processing month is January you will be prompted to enter the ending balances from the previous year [December 31st balances] before you enter January's ending balances. You are only required to enter the amounts for previous year's ending balance sheet accounts, not income statement accounts. The program uses the previous year's ending balance sheet accounts to compute certain Schedule Ms.

The program compares the current month's year-to-date ending balance amounts to the previous month's ending balance amounts to generate current month activity. This information is used in various capacities throughout the program.

The trial balance input area is controlled, which means the user has limited movement within the program. Specifically, the number pad on your keyboard has been set up for use as a 10-key calculator. Press {Num Lock} and you can enter the amounts by account; press {Enter} and the cursor will automatically move down to the next cell for your next entry. For the program to function properly, you must press {Enter} after each of the 62 input cells. To prevent you from using the arrow keys to move around in this input section, we suggest that you enter zero (0) if there is no actual amount to enter. (This applies for the December balances you must enter prior to inputting JAN.) Should you make an input error, do not attempt to correct it then (again, do not use arrow keys to move around). Once you have entered amounts, including zeros, for all accounts, the program will take you back to the start of the input area and ask you if you wish to check your entries. By choosing Check Data?, the program will let you check your input by repeating the input process described above. While checking your data, if you do not wish to change an amount, press {Enter} and the cursor will automatically move down to the next cell without changing the original amount entered. To change the input, enter the correct amount and press {Enter}. By choosing

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Return, you indicate that your input is correct, and the program will take you back to the Input Menu.

Schedule M and Other Information - Enter here your actual pretax income for the month and other book/tax differences not specifically identified by trial balance accounts. You can get pretax income from the trial balance and the other information from the Tax Department or specific reports generated by Comptrollers (e.g. a grassroots lobbying tracking report or tax depreciation report). In this section of the program, you generally enter actual information in DR/(CR) format unless otherwise noted in the input description. You can change the input descriptions (a/k/a labels) to customize "other" permanent and temporary differences if you make the choice to do so at the prompt. The prompt will ask you if you wish to change description labels. If you answer Yes, you will have access to the labels. If you answer No, you will not have access to the labels.

This input area is not controlled like the Trial Balance input area. You can move around the input area (including labels, if you choose to) by using the arrow keys or {Enter}. Similar to the trial balance input section, if you press {Enter} when {Num Lock} is activated, the number pad on your keyboard will function as a 10-key calculator and automatically move you down to the next cell. The specific line-by-line instructions for this input follow:

1. **PRIOR YRS' SOFTWARE PURCHASES** (line #1) The amount you enter in any month must be the full year (not monthly) software amortization for previous years' capitalized software. The program will automatically copy the amount you enter in the JAN column to succeeding months. If you have to change this amount in a future month, just input the new amount at that time. The program will adjust succeeding months accordingly. To enter amounts on this line you must choose Yes when asked to change labels in order to access this line of input. The Tax Department is the source for this amount.
2. **PRE-TAX ACCOUNTING INCOME** (line #2) You enter on this line the actual pretax income for the month.
3. **GRASSROOTS to OTHER** (lines #3 through #19) You enter on these lines the actual monthly amount for each book/tax adjustment (a/k/a Schedule M). The amount you input in JAN will automatically carry to the FEB column. Should this amount change in the future, input the revised amount in the current

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month only; the program will adjust succeeding months accordingly (for actual input only, not budget). The Tax Department or certain Comptroller's reports (e.g. a ROTOC accrual letter) will provide the amounts for you to enter on these lines.

4. **BS SERVICE PENSIONS-TAX to DEPRECIATION EXPENSE-TAX** (lines #20 through #22) You enter on these lines the year-to-date amount for each Schedule M. The amount you enter in JAN will not automatically carry to succeeding months because the year-to-date amounts will generally change each month. (For example, if annual tax depreciation is expected to be \$120,000, you enter \$10,000 in JAN, \$20,000 in FEB, \$30,000 in MAR, etc.) You may enter amounts in all months at the same time, if appropriate. The Tax Department will provide you with the amounts to enter in each month.
5. **BAPCO OPERATING REVENUE - BUDGET** (line #23) For BellSouth Information Systems only! You enter the budgeted BAPCO sales amounts for all months. These entries are made one time only prior to calculating January's journal entry. These amounts will not change during the year. The Tax Department will input these amounts.

To get out of the Schedule M and Other Information input area, press the [CTRL] & [BREAK] keys simultaneously and press [ALT] & [I] to return to the Input Menu or [ALT] & [G] to go to the Main Menu.

Budget Information - Enter here your budgeted pretax income and Schedule Ms by month for the entire year. You must enter all amounts in Dr/(Cr) format. The Tax Department will enter these amounts prior to calculating the first month's journal entry. The Tax Department will change or will notify Comptrollers to change the amounts entered in budget months (months succeeding actual year-to-date information) as necessary throughout the year. Please note that this input area is uncontrolled and works exactly as the Schedule M and Other Information input area discussed above. If you wish to use Lotus's copy function (/WC) to copy budget information from one month to another, you must halt the program functions by pressing [CTRL] & [BREAK] simultaneously and pressing [ESC] to clear the break. To reactivate the program functions, press [ALT] & [I] to return to the Input Menu or [ALT] & [G] to go to the Main Menu.

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To get out of the Budget Information section, press the [CTRL] & [BREAK] keys simultaneously and press [ALT] & [I] to return to the Input Menu or [ALT] & [G] to go to the Main Menu. At this point the Main Menu is probably where you want to be.

Step 6

Print Menu: The Print Menu choices are as follows:

Input Balance History Sch Ms Other Summary Return

Subsequent Steps will explain what each Print choice will give you. The print options are set up for printing on HP LaserJet printers.

Step 7

Input Printout: This printout provides the trial balance information that you entered in Step 5 above. By choosing this print option, you will receive the current and prior month's year-to-date ending balances and the current month activity for all accounts listed in the trial balance input. You will use this printout to check the input information.

Step 8

Balance Printout: This printout provides each month's year-to-date ending balance from the trial balance input through the current processing month. You can use this printout to check your trial balance input.

Step 9

History Printout: This printout provides a history of each month's activity as generated from the third column of the Input Printout.

Step 10

Sch Ms Printout: This printout provides you a worksheet that shows how the program calculates certain Schedule Ms. Some amounts from the Trial Balance input and the Schedule M and Other Information input carry to this schedule for purposes of computing certain actual current month book/tax adjustments. You can use this printout to check the calculation of the Schedule Ms. We suggest that you review this schedule on a monthly basis.

Step 11

Other Printout: This printout shows you what you entered in the Schedule M and Other Information area discussed in Step 5 above. You will use this printout to check the input information.

Step 12

Summary Print Menus: By selecting this print option, the program will take you to the following menu:

Updated Return

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- Step 13** Updated Option: By choosing this option, you ask the program to place all current month information (pretax income and Schedule Ms) in the appropriate column of the actual input summary. After you choose this option, a "read information screen" will appear on your monitor (see step 14 below). If you choose the Return option, the program will take you back to the print menu (see step 6 above).
- Step 14** Read Information Screen: This screen gives you information on the three choices you have for printing an "Input Summary". The "Input Summary" shows a monthly calculation of taxable income (pretax income plus/minus book/tax adjustments) using actual year-to-date information (if it is available) or budget information. The sum of the amounts included in the separate months' calculations equals total taxable income. The "Input Summary" menu options (see below) let you choose which monthly taxable income calculations you want the program to sum for a total taxable income amount. The "Input Summary" that you choose to print does not have to be the same "Input Summary" you choose to link to the JECALC.wk* file; however, it would make sense for you to choose to print the same "Input Summary" you will use to link to the JECALC.wk* file (see Step 19). Press {Enter} to proceed to the Input Summary Print menus. You have the following Input Summary options:
- Actual YTD Combined Budget SetBack Return**
- Subsequent Steps will explain what each Print option will yield.
- Step 15** Actual YTD Printout: The Input Summary produced here includes actual year-to-date information only. For example, if the current month is February, the Input Summary will include JAN and FEB calculations of taxable income using actual information and a total of the two months. This input summary will not include any budget information. The current month actual information in this summary is generated directly from the trial balance input, the Schedule M calculations and the Schedule M and Other Information input. The audit trail of all input items ends in this report.
- Step 16** Combined Printout: The Input Summary produced here includes actual year-to-date information and budget information for months succeeding the current month. For example, if the current month is February, the Input Summary will include JAN and FEB calculations of taxable income using actual information, MAR through DEC calculations of taxable income using budget information and a total taxable income using all 12 months. The current month actual

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information in this summary is generated directly from the trial balance input, the Schedule M calculations and the Schedule M and Other Information input. The audit trail of all input items ends in this report. The budget information in this summary comes directly from the budget input in Step 5 above.

Step 17 **Budget Printout:** The Input Summary produced here includes the 12 months of budget information you entered in Step 5 above.

Step 18 **SetBack Option:** By choosing SetBack, you will reset the Combined Input Summary back to all budget information. This might be necessary in the event you must start over with year-to-date actual input. **Warning!** - If you choose this option, you will wipe-out all year-to-date actual information and reset it to budget information.

From this point you will leave the print menu and return to the Main Menu (see Step 3) for further choices.

Step 19 **Choose Option:** The Choose option is the most critical part of this program since it determines what taxable income information you will link to the JECALC program. Here you are deciding whether you want the information on the Actual YTD Input Summary or the Combined Input Summary linked to the JECALC program. Your choices read as follows:

Actual YTD Combined Budget/Actual

If you do not make a choice here, the program will default and link the Combined Input Summary to the JECALC program.

IMPORTANT: If you book state taxes for your company, do not choose an actual year-to-date only "Input Summary". The state data that you enter in the JECALC worksheet is full year information and not year-to-date information. Consequently, if your U.S. taxable income is based on year-to-date amounts only (less than a full year), your state tax computation will be distorted.

Step 20 **Save & Return Option:** You choose this option to save the information in the file. Because the Choose option is so critical to what data the program provides to the JECALC program, the user is first prompted to answer if they made the right choice for the Choose option. If you answer Yes, the program will continue with saving the file. If you answer No, the program will take you to the Choose option menu (see Step 19). Once you make the choice in Step 19, the

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program will continue to save the file.

There is an insurance device built into this procedure which will make a backup copy of the program. In the event the .wk1 program is erased, this backup copy can be restored with identical information. Because of this feature, the save option takes a few seconds to complete, so do not be alarmed if it does not look like anything is happening.

Once Save is completed, the program will take you back to the Main Menu. From here further processing could be performed, additional printouts made, or you could do the next Step.

Step 19

Exit: This choice takes you out of the JEINPUT program and back to the Lotus access screen. Now you need to go into the JECALC program to calculate your journal entry.

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APPLICATION AB01: CSS/PPS USER GUIDE
PART 12: RATIO DEVELOPMENT
SECTION 7: SPECIFICALLY DEFINED BOOKED INCOME
SUBSECTION 1: CSS

INDEX

1. GENERAL
2. CTX02 - SPECIFICALLY DEFINED BOOKED INCOME

GENERAL

1.01 This section defines the development of the SDBI used as the basis for assigning the federal and state income taxes to regulated/nonregulated.

CTX02 - SPECIFICALLY DEFINED BOOKED INCOME

2.01 The SDBI factors are calculated by product by deducting specifically defined expenses in Accounts 6XXX, 7240, 7370, 7440, and 75XX from the revenues in Accounts 5XXX and 7110. Current month totals, for each of the accounts selected, are used in the calculation.

12.7.1.1

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APPLICATION	AB01:	CSS/PPS USER GUIDE
FART	9:	CSS INVESTMENT AND EXPENSE APPORTIONMENT
SECTION	21:	OTHER INCOME AND EXPENSE

- 6.04.1 CP01 contains the entire account.
- 6.04.2 CP01 is directly assigned to regulated/nonregulated.

ACCOUNT 7210 - OPERATING INVESTMENT TAX CREDITS - NET

- 7.01 Account 7210 contains the balance of investment tax credits generated from qualified capital expenditures net of cumulative amortization of investment tax credits.
- 7.02 The following inputs are used in this account:
CISSP
TACCOUNT
- 7.03 Account 7210 consists of the following cost pool:
CP01 Operating Investment Tax Credits - Net -
Direct Regulated/Nonregulated
- 7.04.1 CP01 contains the entire account.
- 7.04.2 CP01 is directly assigned to regulated/nonregulated.

ACCOUNT 7220 - OPERATING FEDERAL INCOME TAXES

- 8.01 Account 7220 contains current year federal income tax expense accrued on Telephone Company operations.
- 8.02 The following inputs are used in this account:
CISSP
TACCOUNT
- 8.03 Account 7220 consists of the following cost pool:
CP01 Operating Federal Income Taxes
- 8.04.1 CP01 contains both direct and indirect charges.
- 8.04.2 Since direct and common charges are in this cost pool, identifying charges with products is a two step process. First, direct charges are identified via CSS programs. Once the direct dollars are identified, the remaining amounts are allocated.
- CP01 is allocated as follows:

9.21.4

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APPLICATION	AB01:	CSS/PPS USER GUIDE
PART	9:	CSS INVESTMENT AND EXPENSE APPORTIONMENT
SECTION	21:	OTHER INCOME AND EXPENSE

1. 7220 is multiplied by the SDBI factor to get the percentage of Federal Tax to product. Note: SDBI (Specifically Defined Booked Income) represents total taxable revenues minus expenses broken down by product. This factor is documented in greater detail in Part 12 - Ratio Development, Section 7 - CTX02.

2. An adjustment is computed, by product, that represents the difference between booked income and property related taxes. The adjustment is computed by multiplying the SDBI factor by the total amount in 7250.11XX then subtracting the result from the directly reported products in 7250.11XX.

3. Finally, subtract the adjustment, by product, from the amounts computed in step 1.

In formula form, the allocation is:

$$7220 \text{ Common} * \text{SDBI} - (7250.11\text{XX Direct by Product} - (7250.11\text{XX Total} * \text{SDBI})).$$

ACCOUNT 7230 - STATE AND LOCAL INCOME TAXES

9.01 Account 7230 contains current year state and local income tax expense accrued on Telephone Company operations.

9.02 The following inputs are used in this account:

CISSP
TACCOUNT

9.03 Account 7230 consists of the following cost pool:

CP01 State and Local Income Taxes

9.04.1 CP01 contains the entire account and has both direct and common charges.

9.04.2 Since direct and common charges are in this cost pool, identifying charges with products is a two step process. First, direct charges are identified via CSS programs. Once the direct dollars are identified, the remaining amounts are allocated.

CP01 is allocated as follows:

9.21.5

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APPLICATION	AB01:	CSS/PPS USER GUIDE
PART	9:	CSS INVESTMENT AND EXPENSE APPORTIONMENT
SECTION	21:	OTHER INCOME AND EXPENSE

1. 7230 is multiplied by the SDBI factor to get the percentage of Federal Tax to product. Note: SDBI (Specifically Defined Booked Income) represents total taxable revenues minus expenses broken down by product. This factor is documented in greater detail in Part 12 - Ratio Development, Section 7 - CTX02.

2. An adjustment is computed, by product, that represents the difference between booked income and property related taxes. The adjustment is computed by multiplying the SDBI factor by the total amount in 7250.12XX then subtracting the result from the directly reported products in 7250.12XX.

3. Finally, subtract the adjustment, by product, from the amounts computed in step 1.

In formula form, the allocation is:

$$7230 \text{ Common} \cdot \text{SDBI} - (7250.12\text{XX Direct by Product} - (7250.12\text{XX Total} \cdot \text{SDBI})).$$

ACCOUNT 7240 - OPERATING OTHER TAXES

10.01 Account 7240 contains all taxes other than federal, state, and local income taxes, and payroll related taxes related to Telephone Company operations applicable to current periods. Items includable are property, gross receipts, franchise, and capital stock taxes.

10.02 The following inputs are used in this account:

CISSP
TACCOUNT
TDACAT

10.03 Account 7240 consists of the following cost pools/subpools:

CP01 SP01 Direct Regulated/Nonregulated - EA/NR
CP01 SP02 Direct Regulated/Nonregulated - Gross Receipts
and Property Taxes
CP02 Property Taxes
CP03 Other
CP04 Capital Stock Taxes

10.04.1 CP01 SP01 contains SRCs 7240.1200, 7240.1300, 7240.23XX, and 7240.24XX.

9.21.6

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APPLICATION	AB01: CSS/PPS USER GUIDE
PART	9: CSS INVESTMENT AND EXPENSE APPORTIONMENT
SECTION	21: OTHER INCOME AND EXPENSE

- 10.04.2 CP01 SP01 is directly assigned to regulated.
- 10.05.1 CP01 SP02 contains SRCs 7240.21XX, 7240.22XX, 7240.25XX, and 7240.4000.
- 10.05.2 CP01 SP02 is directly assigned.
- 10.06.1 CP02 contains SRCs 7240.1100, 7240.1400, and 7240.1500.
- 10.06.2 CP02 is allocated to regulated/nonregulated based on Account 2001, Account Type 1 records, excluding EA/NR and Account 2681.
- 10.07.1 CP03 contains SRC 7240.9000.
- 10.07.2 CP03 is allocated to regulated/nonregulated based on the TDACAT nonregulated ratio. This ratio represents the nonregulated factor for other taxes.
- 10.08.1 CP04 contains SRC 7240.3000.
- 10.08.2 CP04 is allocated to regulated/nonregulated based on Account Type 1 records excluding EA/NR.

ACCOUNT 7250 - PROVISION FOR DEFERRED OPERATING INCOME TAXES -NET

- 11.01 Account 7250 contains property and nonproperty related federal, state, and local income tax expense which is related to current operations but is deferred to future periods under the income tax law.
- 11.02 The following inputs are used in this account:
 - CISSP
 - TACCOUNT
- 11.03 Account 7250 consists of the following cost pools:

CP01	Property Related
CP02	Nonproperty Related
- 11.04.1 CP01 contains SRCs 7250.1XXX.
- 11.04.2 CP01 is allocated to regulated/nonregulated based on all Account Type 1 records excluding those in Account 2681.
- 11.05.1 CP02 contains SRCs 7250.2XXX.
- 11.05.2 CP02 is allocated to regulated/nonregulated based on CTX02.

9.21.7

JAN 20 1993

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OPERATING TAXES

§ 36.411 Operating taxes - Account 7200.

(a) This account includes the taxes arising from the operations of the company, i.e.,

Operating Investment Tax Credits
Operating Federal Income Taxes
Operating State and Local Income Taxes
Operating Other Taxes
Provision for Deferred Operating Income Taxes

§ 36.412 Apportionment procedures.

(a) For apportionment purposes, the expenses in this account are segregated into two groups as follows: (1) operating federal, state and local income taxes and (2) all other operating taxes.

(b) Operating federal, state and local income taxes are apportioned among the operations on the basis of the approximate net taxable income (positive or negative) applicable to each of the operations. The approximate net taxable income from each of the operations is the summation of the following amounts apportioned to each operation by means of the procedures set forth in this Manual:

(1) Operating revenues,

(2) Less operating expenses,

(3) Less operating taxes except the net income tax being apportioned and except any other tax not treated as a deductible item in the determination of taxable net income for this purpose.

(4) Less operating fixed charges.

(i) The amount of fixed charges attributable to the operations is obtained by subtracting the tax component (positive or negative) attributable to other than the operating fixed charges, i.e., fixed charges on non-operating investments are that proportion of total fixed charges which non-operating net investments are of total operating and non-operating net investments.

(ii) Operating fixed charges including interest on Rural Telephone Bank Stock are apportioned among the operations on the basis of the separation of the cost of telephone plant less appropriate reserves.

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§ 36.412 Apportionment procedures. (Cont'd)

(c) Other operating taxes should be directly assigned to the appropriate jurisdiction where possible, e.g., Local Gross Receipts may be directly identified as applicable to one jurisdiction. Where direct assignment is not feasible, these expenses should be apportioned among the operations on the basis of the separation of the cost of Telecommunications Plant in Service - Account 2001.

EQUAL ACCESS EXPENSES

§ 36.421 Equal access expenses.

(a) Equal access expenses include only initial incremental presubscription costs and other initial incremental expenditures related directly to the provision of equal access, that would not be required to upgrade the capabilities of the office involved absent the provision of equal access. Equal access expenses are limited to such expenditures for converting central offices that serve competitive interexchange carriers or where there has been a bona fide request for conversion to equal access.

(b) Equal access expenses are apportioned between the jurisdictions by first segregating them from all other expenses in the primary accounts and then allocating them on the same basis as equal access investment.

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Revised: August 1, 1992

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8. AMORTIZED INVESTMENT TAX CREDIT

8.01 Investment tax credits are a reduction to tax expenses. Amounts in Account 7210, Operating Investment Tax Credits-Net, that reduce tax expenses are apportioned by telecommunications plant in service.

9. STATE AND LOCAL INCOME TAX

9.01 State and Local Income Taxes (SLIT), Account 7290, are apportioned on the basis of taxable income for each service category being apportioned. Ratios of taxable income by service category to total taxable income are applied to monthly study area tax expenses.

9.02 FIT is a deductible expense for SLIT in some states. Current FIT (Account 7220) is the deductible amount. A factor of 1.0 should be input where FIT is deductible for SLIT. A factor of 0.0 should be input where FIT is not deductible for SLIT.

9.03 Separated message SLIT amounts are directly assigned the interexchange category for intraLATA. Separated SLIT private line interLATA is assigned the special access element, interstate and intrastate. Separated SLIT interLATA message is allocated to access elements by the ratio of net income by element to total interLATA net income excluding special access.

10. GROSS RECEIPTS TAXES

10.01 Gross Receipts Taxes in Account 7240, Other Operating Taxes, may be apportioned to jurisdictions based on taxable receipts applicable to a jurisdiction. In this case, the gross receipts tax portion of Account 7240 is a separate input to a separations system and a gross receipts tax basic study is used to determine the taxes related to jurisdictional receipts.

10.02 Those Gross Receipts Taxes in Account 7240 not apportioned by taxable receipts applicable to a jurisdiction are not a separate input to a separations system. The total Account 7240 is apportioned based on telecommunications plant in service. In general, gross receipts taxes would be based on total revenues rather than only jurisdictional revenues for apportionment by telecommunications plant in service.

10.03 Gross receipts taxes separated to the interLATA category, interstate and intrastate, are allocated to access elements by relative taxable revenues. A basic study is used for this purpose. Taxes separated to intraLATA are assigned the interexchange category.

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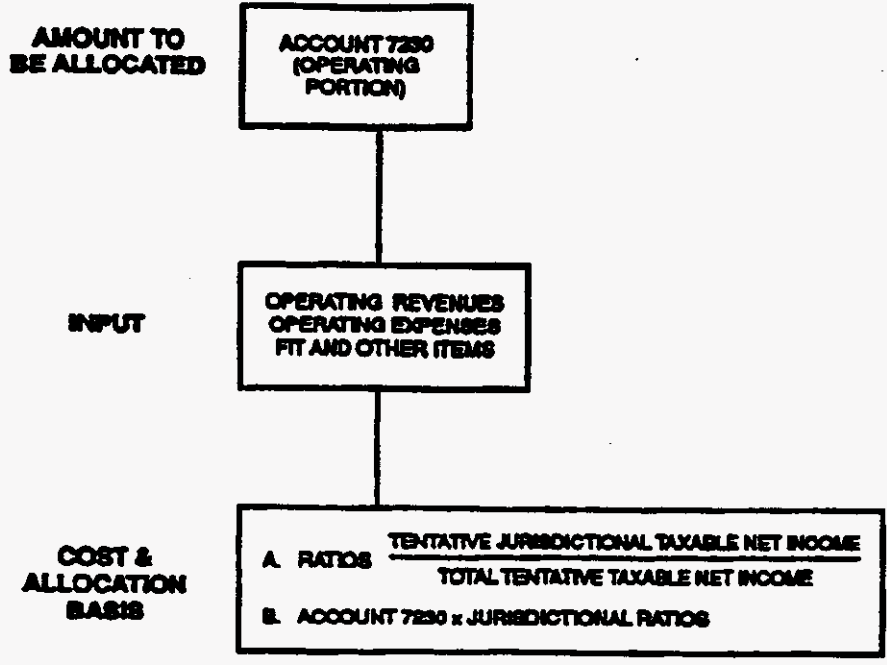
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Separations Procedures

OPERATING TAXES - SLIT





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ATTACHMENT 2

STATE AND LOCAL INCOME TAX - BASIC STUDY

PURPOSE

1.01 The purpose of the State and Local Income Tax (SLIT) FIT factor is to determine the approximate amount of normalized FIT, Account 7220, allowable as a deduction for SLIT.

Basic Study Factor

1.02 The FIT factor has application in states where FIT (Account 7220) is an allowable deduction for SLIT.

1.03 In the separations system, the FIT factor is 1.0 when fully deductible. The basic study factor is 0.0 when FIT is not deductible for SLIT.



**SECTION 410, APPENDIX 1
OPERATING TAXES**

1. GENERAL

1.01 This appendix describes the procedures used in monthly separations of operating taxes. Operating taxes include State and Local Income taxes (SLIT), Gross Receipts taxes, Other Operating taxes, and Amounts affecting federal taxes on income, including investment tax credits.

2. ACCOUNTS

2.01 Operating taxes in Class B Account 7200 are separated by Class A accounts and subaccounts. In addition, amounts affecting federal taxes on income are identified in tax accounting records, which are Part 32 accounts and adjustments to Part 32 accounts.

2.02 Part 32 tax accounts include operating and nonoperating tax accounts. The operating tax accounts are applicable to separations. Identification of the accounting treatment related to nonoperating tax accounts is necessary to ensure that only operating taxes and the operating portion of adjustments to net income are used for separations. Amounts affecting federal taxes on income, delayed and unusual items, etc., may require special treatment before the operating portion becomes an input to the SIS system.

Account 7210 - Operating Investment Tax Credit-Net

Effective with the 1986 Tax year Account 7210 is no longer charged except for transition rules. Account 7210 continues to be credited and Account 4320 charged ratably with amortization of each year's investment tax credits.

Account 7220 - Federal Income Taxes (FIT)

This account is charged for the amount of federal income taxes for the current period and subsequent adjustments for amounts previously charged, exclusive of interperiod tax allocations. Amounts in this account are used in connection with SLIT for states where FIT is an allowance to net income.

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Separations Procedures****BellSouth Services**
A BELL SOUTHWEST COMPANY**Account 7230 - State and Local Income Taxes (SLIT)**

This account is charged for the amount of current period state and local income taxes.

Account 7240 - Other Operating Taxes

This account is charged for all taxes other than federal, state and local income taxes and payroll related taxes, related to regulated operations. Gross Receipts taxes are included in this account.

Account 7240.2 - Other Operating Taxes-Gross Receipts

This subaccount is charged for Gross Receipts Taxes and Public Utility Commission assessments.

2.03 Amounts affecting federal taxes on income are primarily from tax records or Part 32 accounts that match applications in tax accounting. Sources for tax data and forms or letters used to transmit tax data to separations organizations should be coordinated with tax offices. The need to copy original numbers on tax records to forms or letters when transmitting to separations groups is an error prone procedure. Changes in tax office procedures may alter the data or form used for transmittal to separations groups from time to time.

2.04 Company instructions for these accounts should be followed. Amounts for separations should be the operating portion, derived in a consistent manner when allocations of total accounts between operating and nonoperating allocations, or between study areas, is necessary.

2.05 Adjustments to net income for net taxable income may be positive (reducing net taxable income) or negative (increasing net taxable income). Adjustments related to tax expenses (taxable income times tax rate equals tax expenses) should be grossed-up by the tax rate when used as a miscellaneous adjustment because the adjustments are made for net taxable income before the tax rate is applied.

2.06 SLIT and Other Operating Taxes, Accounts 7230 and 7240, billed others in contract billing (SNFA) are a SIS input for deducting these amounts before apportionment to jurisdictions. The portion of the FIT liability (Account 7220) billed others in contract billing is a miscellaneous adjustment to net FIT taxable income to lower total net taxable income. This adjustment may be included as a miscellaneous income adjustment separated on TPIS for SIS input.



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2.07 Apportioned tax expenses are summarized for Class B Account 7200. These taxes are the sum of Accounts 7230, 7240 less Gross Receipts, and 7240 Gross Receipts.

3. APPORTIONMENT

3.01 Operating income taxes are apportioned on the basis of the approximate net taxable income applicable to each of the operations.

3.01.1 SLIT is apportioned by ratios of the tentative net taxable income by jurisdictions. An FTT deduction from net income is made for states where this is an allowable SLIT deduction.

3.01.2 Items affecting federal taxes on income are apportioned to jurisdictions on a basis related to the nature of the item. Only the operating portion of these items should be used. These items are as follows.

Total Delayed Income Adjustments

Fixed Charges

Net Miscellaneous Adjustments

Net Amount Other Items Directly Assigned

Surplus Tax

Miscellaneous Adjustments by TPIS

Miscellaneous Adjustments by Net Plant

Allowance for Funds Under Construction

Less Depreciation on Capitalized Amounts

3.01.3 The operating portion of total fixed charges (interest) is computed by applying a ratio of operating net investment to total net investment. The operating portion is apportioned to jurisdictional entities.

3.01.4 Amortized Operating Investment Tax Credits, Account 7210, are apportioned on the basis of Telephone Plant in Service, Account 2001.

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Separations Procedures**BellSouth Services**

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- 3.01.5 Gross Receipts taxes are developed by applying basic study factors for each of the jurisdictional operations to current revenues for each of the jurisdictional operations. The basic study factors are a composite gross receipts tax rate.
- 3.02 Other Operating taxes, except for the gross receipts portion and taxes billed others (SNFA), are apportioned by ratios of TPIS.
- 3.03 Attachment 1 displays the apportionment basis for these accounts.



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4. SIS FORMS

4.01 The following SIS forms are used for Operating Taxes.

Basic Study SS 1009-10
Gross Receipts Basic Study Ratio and FIT Deductible
Factor
FIT Deductible Factor (SLIT)

Monthly Input SS 1031-10 Total Company
SS1031-11 Non-Regulated
SS1031-12 Leased
SS1031-13 Other Adjustments
Net Miscellaneous Income Adjustments - on 2001
Net Miscellaneous Income Adjustments - on Net B.C
Net Amount Other Items
Net Income Adjustments Delayed - Other
Depreciation Expense on Capitalized Amounts
Surplus Deferred Tax
SS 1204-10
Revenues by Jurisdictions
SS 1209-10 Subject to Separations
Operating Taxes (Accounts 7220, 7230, 7240)
Provision for Deferred Income Taxes (7250)
Gross Receipts Tax (Portion of Account 7240)
Allowance for Funds Used During Construction (7340)
Amortization Investment Credit (7210.2)
Fixed Charges (7510, 7520, 7530-7540)

Calculations SS 1130-10 (Constants)
FIT Rate (Fixed Rate)
SS 1650-10 Amounts Affecting Federal Taxes on Income
(Includes Investment Tax Credit)

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SS 1652-10 Other Operating Taxes (Including Gross Receipts Taxes)

SS 1654-10 State and Local Income Taxes

4.02 The Separation Calculation forms (SS1650-10, SS1652-10, and SS1654-10) should be filed with this appendix. Input forms including basic study forms and Form SS1190-10 are in the appendix to Section 100, General.

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Southern Bell Tel. & Tel. Co.
FPSC Docket No. 920260-TL
Audit
Date: 06/29/93
Amended Response to
Item No. 6-093
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Request: Please provide or state any otherwise undocumented general and/or specific goals at BSC-HQ and/or BST that addresses the appropriate capital structure for BSC consolidated, BSC-HQ, and/or any BSC affiliates including BST. If there are none, please explicitly state.

Response: The Company amends its response of July 14, 1993 in which it stated that the requested information would be provided on or before August 6, 1993 as follows:

There are no undocumented general and/or specific goals of BSC-HQ and/or BST that addresses the appropriate capital structure for BSC consolidated, BSC-HQ, and/or any BSC affiliates.

Date Provided: October 15, 1993

Rationale For Equipment Leasing

Leasing is a highly leveragable line of business, where industry debt-to-equity ratios range from 3:1 to 8:1 depending on asset quality, operating history of the firm and credit rating as described below.

1. Asset quality. Equipment leasing is generally considered by rating agencies to offer below average liquidity and portfolio diversity, and provide average collateral, income characteristics and credit quality relative to other sectors of commercial finance. Overall it is accorded an average composite rating, which suggests avoidance of aggressive leveraging because of the risk of loss in this category.
2. Operating history. A firm's operating history is important in developing financial benchmarks. In terms of leverage, 3:1 to 4:1 is recommended as the maximum leverage for leasing firms in the early stages of development and still under a support agreement with their parent. After an operating history is established and the subsidiary is no longer dependent on a parent support agreement, those leverage guidelines increase to 4:1 to 7:1. However, in the U.S., only in very mature leasing companies does the recommended leverage exceed 6:1.
3. Credit rating. Standard and Poor's financial benchmarks for an "AA" rating for finance companies (which includes consumer, commercial and captive finance companies) specify a debt-to-equity ratio of 4.65:1 for portfolios of average quality. For portfolios of above average quality, the "AA" benchmark is 5.45:1. As leverage increases for the same asset quality, credit ratings decrease, which drives up a company's cost of funds. Short-term debt (two to three years) rated "AA" is approximately 35 basis points less costly than "BBB" rated debt, which has a leverage benchmark of 7.45:1 for asset portfolios of average quality.

Another factor in the analysis of finance companies is the amount of nonrecourse debt utilized. While nonrecourse debt is typically higher in cost than recourse, its principal advantage used to be that it could be "netted" against related assets to produce off-balance sheet financing. However, with new SEC rules requiring balance sheet presentation of nonrecourse debt in the U.S., the additional cost may no longer be justified. Therefore, it is recommended that BellSouth's equipment leasing subsidiaries not incur additional debt financing of this type.

PROPRIETARY

Equipment Sales and Leasing Operations*
Financial Objectives Analysis and Guidelines

Recommendation

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BellSouth Treasury has studied BellSouth's activity in equipment sales and leasing, the risk characteristics of both lines of business and their current and long-term capital needs in order to derive appropriate capital structure and return to equity objectives. For equipment sales operations, the analysis indicates that a prudent debt-to-equity ratio is with an RTE objective of at least For equipment leasing operations, the analysis indicates that a prudent debt-to-equity ratio is between and with an RTE objective of The rationales for these recommendations are outlined in more detail below.

Rationale For Equipment Sales

Since divestiture, the sales industry for telecommunications equipment such as CPE and PBX switches has been highly competitive. While the Bell holding companies were precluded from equipment manufacturing under terms of the MFJ, others, including AT&T, remained in or entered this industry. Domestic firms such as AT&T were soon buffeted by suppliers from the Far East. To gain market share, these new players engaged in significant price competition and severely shortened product life cycles. As a result, telecommunications equipment vendors have found their inventories vulnerable to obsolescence and have been left with excess manufacturing capacity in a product which could not be differentiated in the minds of customers.

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These industry trends still prevail and current investments in telecommunications equipment assets do not have a stable earnings power. The industry contains medium to high business risk and erratic profit performance. Member firms are expected to carry debt ratios from 18% to 20% for the 1993-97 period. These moderate leverage ratios indicate an understanding that high business risk should not be exacerbated by greater financial risk from leverage. Given these parameters, the objective capital structure for BellSouth entities involved in equipment sales should have no more than debt.

* The equipment sales and leasing companies described below in Sections 3.232 through 3.235 were transferred from BellSouth Enterprises to BellSouth Telecommunications, Inc. (BST). Even though they are owned and managed by the regulated BST, these companies are unregulated.

PROPRIETARY

- Request: A. Please provide any documentation (including internal correspondence) at BSC-HQ and/or BST that addresses the appropriate capital structure for BSC Consolidated, BSC-HQ, and/or any BSC affiliates including BST. This would include, but is not limited to, policy directives, general or specific goals or targets, and corporate plans.
- B. For any documentation provided in response to part (A) of this question, identify the source of the documentation, that date of the documentation, the purpose and utilization of the documentation, and knowledgeable person(s) including Company and departmental affiliation to whom questions may be orally addressed.

Response: The Company amends its response of July 14, 1993 in which it stated that the requested information would be provided on or before August 6, 1993 as follows:

- A. As stated in 6-091, the consolidated capital structure of BellSouth Corporation is a result of the corporation's individual subsidiaries capital structures. The Company's policy is to establish appropriate capital structures for each subsidiary, considering the subsidiaries business risk, desired credit quality, and objective of obtaining low cost capital. Therefore BellSouth's consolidated capitalization can vary depending upon the relative sizes of the individual subsidiaries and their appropriate capital structure. See Attachment I regarding the target capital structure for BST and its subsidiaries.

To the extent this request seeks documents regarding the appropriate capital structure of BSE companies, these documents are in the possession, custody or control of BSE and BSE has declined to provide the requested information. Therefore, the Company objects to providing this information on the grounds that (1) Southern Bell does not have possession, custody or control of such information, (2) the entity that is in possession of such documents is not subject to the jurisdiction of this commission and (3) in any event, such information is neither relevant nor reasonable

Response continued:

calculated to lead to the discovery of admissible evidence (a) related to transactions or cost allocations among these companies or (b) necessary to show that Southern Bell's Florida customers do not subsidize either Southern Bell's or its affiliates' unregulated activities.

This material constitutes proprietary confidential business information and is being produced subject to a "Notice of Intent to Request Confidential Classification."

B. See A. above.

Date Provided: October 15, 1993

July 28, 1993

TO: Ron Dykes
FROM: Earle Mauldin
SUBJECT: Subsidiary Financial Objectives

As the subsidiaries begin preparing their 1994-1996 budget views, the long-range financial objectives which help guide this process need to be disseminated to the individual subsidiaries and to members of your staff involved in analyzing the budget submissions.

The objectives, developed by BellSouth Treasury, are designed to balance the interest of all of BellSouth's stakeholders -- the shareholders, bondholders, regulators, customers, management and employees -- and are periodically monitored and updated.

Financial objectives are similar to strategic plans, corporate values, and other tools that management uses to communicate its long-run vision of the Corporation. These objectives should be used to move the Company toward that vision over time. They are not necessarily expected as a subsidiary's commitment in the next year's budget, but we expect to see progress towards these goals over the budget horizon.

If you or your staff have questions about these objectives or the process of developing or disseminating them, Arlen and Jim Grenfell are available for assistance.



Attachment

PROPRIETARY

FINANCIAL OBJECTIVES
BELLSOUTH TELECOMMUNICATIONS, INC. AND ITS SUBSIDIARIES
1994-1996

REGULATED OPERATIONS

Capitalization

Debt Ratio-Average (1)	-----38.0%-40.0%-----
Lease Obligations	Max. of 1% of Investor Supplied Capital

Earnings

Return to Equity-Minimum (2)	-----16.0%-----
Dividend Payout Percent	-----100%-----

Cash Flow

Valuation Cash Flow (VCF) - Operations, Investment, Net	-----See Note (3)-----
Pre-tax Interest Coverage-times	-----Minimum of 5.0-----
Earnings to Fixed Charges-times	-----Minimum of 4.75-----
Gross Cash Flow plus Interest Expense - Percent of Investor Supplied Capital) (4)	-----Minimum of 28%-----
Net Cash Financing-Percent of Acquisition of PP&E-Net (5)	-----Max. 5% of Construction-----
Internally Generated Cash-Percent of Acquisition of PP&E-Net (5)	-----90%-100%-----

PROPRIETARY

Notes For Regulated Operations:

1. For objective computation purposes, lease obligations (including lease arrangements similar to SBT Funding) will be included in the debt numbers. Financial objectives will apply to the combined capital structure.
2. The earnings objectives, defined as the minimum return to equity objective, are based on the financial leverage reflected in the average debt ratio objectives. Any deviation of the projected debt ratio above the objective debt ratio will require an appropriate adjustment of the Return-to-Equity Objective.
3. Specific financial targets for Valuation Cash Flow-Operations and Valuation Cash Flow-Investments will be provided under separate cover.
4. Gross cash flow is internally generated cash plus dividends. Investor-supplied capital consists of average debt and average equity.
5. The denominator, acquisition of PP&E - Net, is computed as the change in net PP&E plus depreciation expense for the period. The internally generated cash minimum objective is relaxed only where the debt ratio, as computed per footnote 2 above, is less than 40%.

UNREGULATED OPERATIONS

Capitalization

Debt Ratio-Average (%)	-----See Note (1)-----
Lease Obligations	Max. of 1% of Investor Supplied Capital

Earnings

Return to Equity-Minimum (%) (2)	-----18+% Over Time-----
Dividend Payout-% (3)	-----100%-----

Cash Flow

Pretax Interest Coverage-times	-----See Note (1)-----
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PROPRIETARY.

Notes For Unregulated Operations:

1. The objectives for BST's unregulated subsidiaries are provided in the following pages.
2. The earnings objectives, defined as the minimum return to equity objective, are based on the financial leverage reflected in the average debt ratio objectives. Any deviation of the projected debt ratio above the objective debt ratio will require an appropriate adjustment of the Return to Equity Objective.
3. Dividend payout for unregulated subsidiaries is set at 100% of net income, or 100% of valuation cash flow available less interest expense if greater. BellSouth Treasury should be contacted for specific payout objectives for these subsidiaries and for approval of any other exceptions to the 100% objective.

PROPRIETARY

BellSouth Telecommunications, Inc. (Consolidated)
Risk Analysis and Earnings Objectives

Nature of Business: BellSouth Telecommunications, Inc. (BST) is primarily engaged in the regulated provision of universal local telephone service in a nine state region including Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. Service also consists of limited long-distance service and enhanced products such as call waiting and call forwarding. In addition to the regulated operations, BST owns unregulated subsidiaries which are engaged in the marketing and/or maintenance of computer and telecommunications equipment. The unregulated subsidiaries comprise only a small part of the total activity of BST.

Assets: Plant and equipment to deliver telephone service and investments in unregulated subsidiaries.

Business Risk: Equivalent to the overall weighted risk of its regulated telephone operations and its unregulated subsidiaries.

Target Capital Structure: Dollar-weighted average of its regulated telephone operations and its unregulated subsidiaries.

Derivation: An assessment of business risk indicates that the threat of alternative carriers bypassing the local exchange network, the potential for technological obsolescence of the embedded plant and equipment, reductions in access charges, the issue of collocation, and other changes in regulatory plans are major factors influencing an ever-increasing level of business risk for the local exchange telephone business. The targeted capital structure reflects management's desire to be conservatively capitalized in light of the expectation of increased business risk. Furthermore, management's capitalization philosophy is conservative so the company may have continued access to capital markets at a reasonable cost under all economic environments. This desire for financial flexibility is reflected by BellSouth's maintenance of a very high credit rating. The target capital structure meets the benchmarks established by the rating agencies for the high creditworthiness rating desired by management and is within the bounds of similar industry comparisons.

Also, the impact on the capital structure of the unregulated operations is minimal versus the regulated impact on the consolidated capital structure, but the weighted average capital structure of the regulated operations and the unregulated operations comprise the capital structure of BST.

PROPRIETARY

Target Pre-tax Interest Coverage: Dollar-weighted average of its regulated telephone operations and unregulated subsidiaries.

Expected Return to Equity: The weighted average RTE objectives of its regulated telephone operations and unregulated subsidiaries.

PROPRIETARY

BellSouth Telecommunications, Inc. (Regulated Operations)
Risk Analysis and Earnings Objectives

Nature of Business: The primary business of the regulated operations of BellSouth Telecommunications, Inc. is the provision of universal local telephone service in a nine state region (Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee). Service also consists of limited long-distance and enhanced products such as call waiting and call forwarding.

Assets: Consists primarily of plant and equipment to deliver telephone service.

Business Risk: BST's business risk used to solely be regulatory in nature. While this source of risk continues, competitive risks are increasing due to the threat of alternative carriers bypassing the local exchange network, the potential for technological obsolescence of the embedded plant and equipment, reductions in access charges and the associated revenue, the issue of collocation and pricing inflexibility. With prices averaged to fulfill social goals, the telephone companies are subject to having the more profitable segments of their markets targeted and captured by competition. Within the local exchange telephone industry, BellSouth's properties are considered high risk.

Target Capital Structure: 38%-40% debt/62%-60% equity.

Derivation: The targeted range reflects management's desire to be conservatively capitalized in light of the expectation of increased business risk as described above. Furthermore, management's capitalization philosophy is conservative so the company may have continued access to capital markets at a reasonable cost under all economic environments. This desire for financial flexibility is reflected by BellSouth's maintenance of a very high credit rating. The target capital structure meets the benchmarks established by the rating agencies for the high creditworthiness rating desired by management and is within the bounds of similar industry comparisons.

Target Pre-tax Interest Coverage: At least 5 times.

Expected Return to Equity: Although the cost of equity may at times fluctuate downward or upward, the long-run RTE objective of 16% reflects management's belief that the increasing business risk requires increased return on equity. Additionally, meeting or exceeding the 16% benchmark is necessary for the telephone companies to be considered financial performance leaders.

PROPRIETARY

The dollar level of debt being incurred by a finance subsidiary in relation to the total parent business is also a consideration in deriving capital structure objectives. All of a parent company's debt-issuing subsidiaries could suffer credit rating downgrades based on an excessive level of consolidated debt.

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Further, while a change in debt-to-equity from [redacted] to [redacted] increases the amount of debt employed by only [redacted] it decreases the amount of equity cushion by six times that amount, or [redacted]. An equity cushion is particularly important to rating agencies and lenders who look at the percentage ownership--and therefore, risk--a parent is willing to take in a subsidiary.

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The forecast of finance industry average returns on equity for the period 1993-1995 is [redacted] but returns are highly dependent on leverage. The additional risk of greater leverage pushes up return requirements. At a [redacted] to [redacted] debt-to-equity level, the RTE objective for the leasing business should be 17%.

PROPRIETARY

BellSouth Business Systems, Inc.
Risk Analysis and Earnings Objectives

Nature of Business: BellSouth Business Systems, Inc. (BBS) is a holding company for a number of unregulated firms which provide equipment sales and marketing activities for its parent entity, BellSouth Telecommunications, Inc. These activities involve both regulated network and nationwide CPE products and services. The companies held by BBS are Dataserv, Inc., BellSouth Communications, Inc., BellSouth Communications Systems, Inc. and BellSouth Financial Services, Inc.

Assets: Investment in subsidiaries.

Business Risk: Equivalent to the overall weighted risk of its subsidiaries.

Target Capital Structure:

Derivation: BellSouth Business Systems' capital structure is mostly a function of the capital structures of its subsidiaries, although BBS could have some debt for short-term working capital needs. Equity financing for headquarters operations is provided by BellSouth Telecommunications, Inc. External debt financing is issued by BellSouth Capital Funding when appropriate.

Target Pre-tax Interest Coverage:

Expected Return to Equity: BBS is evaluated on how well its subsidiaries meet their return requirements. Therefore, since BBS's subsidiaries are expected to return between to BBS's return requirement is also between to

PROPRIETARY

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BellSouth Communications, Inc.
Risk Analysis and Earnings Objectives

Nature of Business: BellSouth Communications, Inc. (BCI) is a subsidiary of BellSouth Business Systems. BCI provides sales activities for both regulated network and BBS nationwide products and services in the customer premises equipment industry. BCI functions as a cost center by billing its clients, which are BellSouth Telecommunications, Inc. and BellSouth Communications Systems, Inc. (BCS).

Assets: Mostly internal receivables for employee marketing services.

Business Risk: As a cost center, BCI has no direct revenues but bills client companies for marketing and administrative expenses. However, the indirect business risks of BCI clients are those of the telecommunications services marketplace. Since divestiture, alternative service providers to BST have set up business phone networks in direct competition with network access services. The company's unregulated client, BCS, operates in the customer premises marketplace for PBX and CPE equipment which has been vulnerable to obsolescence, excess capacity and import competition. Therefore, though BCI has direct business risk that is low, its indirect risk through client companies is medium to high.

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Target Capital Structure: debt/ equity.

Derivation: BCI will not have sizable fixed assets or current assets that can be leveraged. As a cost center, its operations will also not yield excess cash flow for debt service capability. Capital financing will be provided primarily from internal equity infusions, and the sole need for working capital will involve the internal timing of receivable processing.

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Target Pre-tax Interest Coverage:

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Expected Return to Equity: Dollar weighted RTE target based on portion of business serving the BST regulated telecommunications network clients and the unregulated client, BCS, which markets customer premises equipment. The regulated network RTE target is and the target RTE for unregulated CPE equipment is as explained more fully in risk analysis profiles for BellSouth units in these industries.

PROPRIETARY

BellSouth Financial Services Corporation
Risk Analysis and Earnings Objectives

Nature of Business: BellSouth Financial Services Corporation (FINS) is a captive finance company that provides financing alternatives for the equipment customers of BellSouth Telecommunications, Inc. FINS operates as a subsidiary of BellSouth Business Systems.

Assets: Mostly accounts receivable. Virtually all commitments from its leasing customers are one to five years in length.

Business Risk: The business risk that Financial Services faces is that of the creditworthiness of its customers and its ability to provide a less costly source of financing than third party financial institutions. Business risk is low to medium.

Target Capital Structure:

Derivation: In general, financial service organizations are more highly leveraged than other service or industrial companies. Debt-to-equity ratios in the finance/leasing industry range from _____ depending on asset quality, operating history of the firm, and credit ratings. A prudent debt-to-equity ratio for BellSouth Financial Services is _____

Target Pre-tax Interest Coverage:

Expected Return to Equity: Historically, captive finance companies in the equipment leasing business have earned returns on equity _____ Given current market expectations and BellSouth's overall corporate objectives, FINS would normally use an expected return to equity of _____ in pricing decisions when leveraged between _____ and _____. However, for FINS' clients that are affiliated with the regulated entity, the expected return to equity will be the average allowed rate of return for telephone operations.

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BellSouth Communication Systems, Inc.
Risk Analysis and Earnings Objectives

Nature of Business: BellSouth Communication Systems, Inc. (BCS) is a subsidiary of BellSouth Business Systems. BCS provides CPE installation and maintenance activities for all BellSouth Business Systems CPE functions. It also conducts sales activities for out-of-region CPE sales, and functions as a profit center for CPE.

Assets: The majority of BellSouth Communication Systems' assets are inventory and receivables related to equipment sales and maintenance.

Business Risk: BCS' major asset is its inventory of customer premise telecommunications equipment. Since divestiture, the realizable product lives on CPE and PBX equipment has been vulnerable to obsolescence, excess manufacturing capacity and stringent import competition. As a result, these equipment assets do not have a stable earnings power, and industry profit performance has been erratic. The telecommunications equipment industry is highly competitive, and its member firms face medium to high business risk.

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Target Capital Structure: Over the long term, the target capital structure

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Derivation: The telecommunications equipment industry is expected to have debt ratios that range from to during the period of 1992-96. The computer and peripherals industry, and the computer and software services industry have debt ratios between and respectively. Given this analysis, the objective capital structure for BellSouth Communication Systems should be to maintain a debt ratio of no more than

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Target Pre-tax Interest Coverage: Over the long term, the target coverage

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Expected Return to Equity: The cost of equity for telecommunications equipment vendors currently ranges from to while the computer and peripherals industry currently ranges from to Therefore, BellSouth Communication Systems should target a return to equity of at least

PROPRIETARY

Dataserv, Inc. (Parts and Maintenance)
Risk Analysis and Earnings Objectives

Nature of Business: Dataserv, Inc., also referred to as Dataserv Parts and Maintenance, provides maintenance services and parts for IBM and certain other computer equipment. The company is a unit of BellSouth Business Systems.

Assets: The majority of Dataserv's assets are inventory and accounts receivable.

Business Risk: The majority of Dataserv's risk is the creditworthiness of customers under service contract. Currently, these customers are of good credit standing, covering a broad range of financial, governmental, and industrial concerns. Dataserv's emphasis on IBM products means that much of its business is based on the marketability and serviceability of IBM and compatible products.

17 Target Capital Structure:

Derivation: The computer parts & maintenance industry does not have major stand-alone firms that are publicly listed. Most firms, notably Sorbus and the IBM maintenance division, are listed under consolidated reporting within a parent company manufacturer or conglomerate.

The computer and peripherals industry, and the computer software and services industry have debt ratios that are expected to be 10% and 15% to 17%, respectively, over the period 1992-1996.

25 Target Pre-tax Interest Coverage:

27 Expected Return to Equity: The cost of equity in the computer and peripherals industry currently ranges from to The computer software and services industries have recently averaged returns to equity of to respectively. Based on market expectations and Dataserv's current risks, the expected return to equity should be at least

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PROPRIETARY

CONF

Southern Bell Tel. & Tel. Co.
FPSC Docket No. 920260
Audit
Date: 10/27/93
Item No. 6-109
Page 1 of 1

Request: RE: Regarding ESOP and other Benefits Plan Accounting.

- A. Please provide the amount of ESOP expense assigned to BST for calendar year 1992, exclusive of the BSC-HQ allocations.
- B. Please provide copies of the Accounting Letters transmitted to BST for calendar year 1992, directing BST to book specific amounts for ESOP expense.

This request is follow-up from the interview with Mr. Greg Griffin - unable to provide numerical amounts.

Response: A. The 1992 ESOP expense recognized by BST, exclusive of the BSC-HQ allocated amount, was \$101,502,000.

- B. A copy of Region Letters RL92-01-027BS, which covers the first six months of 1992, and RL92-07-038BS, which covers the last six months, is being sent in the overnight mail on November 4, 1993. These accounting letters are supported by the workpapers provided in response to Item 6-084 dated September 23, 1993.

NOV - 5 1993

Date Provided: November 4, 1993

BELLSOUTH

subject: BellSouth Savings Plans Contributions

Item No. 6-109
Attachment

Type: Strong Recommendation

Date: January 21, 1992

Distribution Lists: Attached

File No.	Related Letters: RL 90-06-063BS
	Other: N/A

To: Assistant Comptroller-BellSouth Telecommunications
Assistant Vice President and Comptroller-BellSouth Enterprises

Entities: BSC, BST, BSE

From: Assistant Comptroller-BellSouth Corporation

Description: Transmits the LESOP Funding Adjustment Rates and the monthly journal entry for accrual of the non-cash Leveraged ESOP expense adjustment for the BellSouth Management Savings Plan and the BellSouth Savings and Security Plan.

* * *

Based upon the most recent calculation of the funding requirements for the BellSouth Leveraged ESOPs (LESOP), the new LESOP Funding Adjustment Rates to be used by all companies for the period January - June, 1992 are as follows:

BellSouth Management Savings Plan (MSP) - 7.90%
BellSouth Savings and Security Plan (SSP) - 5.48%

These rates replace the rates used from July - December 1991 of 5.84% and 14.26% for the MSP and the SSP, respectively. The new rates should be entered on line 10 of the N Letter and used to calculate the total amount to be remitted to BellSouth Corporation. Please note, the total amount remitted for the employer contributions (including the additional funding amount) should be debited to the appropriate expense account in accordance with the M-Letter instructions transmitted under RL 90-06-063BS.

Financial reporting practices dictate that expense recognized in connection with the LESOPs be based on the FASB defined "Shares Allocated Method," not on the related cash requirements.

NOTICE

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BellSouth Corporation except under written agreement.

Accordingly, an additional expense accrual associated with the Shares Allocated accounting method must also be recorded by each company on a monthly basis. This accrual represents the amount necessary to adjust the expense recognized based upon the funding requirements of the LESOPs to the shares allocated formula-driven expense level. Attached are the monthly adjustment amounts for the MSP and the SSP detailed by company for the six month period January - June 1992.

A deferred tax entry related to the additional expense accrual must also be recorded. The dollar amounts will be provided by the tax department.

New rates and monthly accrual amounts for the period July - December 1992 will be issued by July 22, 1992. Questions regarding this matter or other Leveraged ESOP issues should be directed to Merrill McCreary at (404) 249-3045 or Greg Griffin at (404) 249-3037.


J. Michael Hostinsky
Assistant Comptroller

Attachment

NOTICE

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BellSouth Corporation except under written agreement.

Distribution List
RL 92-01-0278S

BellSouth Corporation

J. L. Reese, Director - Corporate Taxes
T. E. Brooks, Operations Manager - Pension/Savings/International Plans
K. M. Coletti, Operations Manager - Consolidated Operations
G. W. Demick, Corporate Manager - Tax
N. S. Gardner, Operations Manager - Trust Asset Management
L. E. Glover, Operations Manager - Accounting Services
P. M. Smith, Operations Manager - SEC Compliance

BellSouth Telecommunications

C. M. Burke, Operations Manager - Comptrollers Operations
F. V. King, Operations Manager - Corporate Matters

BellSouth Enterprises

J. M. Fox, Operations Manager - Financial Accounting Matters
J. D. Smiley, Operations Manager - Corporate Accounting
M. W. McKeehan, Operations Manager - Accounting Methods & Procedures

BellSouth Communications, Inc.

J. M. Schenk, Operations Manager - Finance

BellSouth Communication Systems

D. B. Love, Controller

Attachment 1

Beginning with January 1992 business, the following journal entry should be recorded each month using the accrual amounts shown below:

	<u>Account</u>	<u>CTB</u>	<u>Amount</u>
Debit	Savings Plan Expense MSP	-	A
Debit	Savings Plan Expense SSP	-	B
Credit	LESOP Payable to HQ	239470	(C)

* Note, separate instructions are provided for BellSouth Corporation HQ in Attachment 2 (Attachment 2 provided only to BellSouth Corporation HQ).

January - June 1992
Shares Allocated Adjustment Amounts

<u>Company</u>	<u>A</u> <u>MSP Monthly</u> <u>Accrual</u>	<u>B</u> <u>SSP Monthly</u> <u>Accrual</u>	<u>C</u> <u>Total</u>
BellSouth Corporation - HQ	\$ 42,322 *	\$ 1,030 *	\$ 43,352 *
BellSouth D.C.	4,185	0	4,185
BellSouth Telecommunications	1,267,088	679,894	1,946,982
BellSouth Communications, Inc.	126,780	14,625	141,405
BellSouth Communication Systems	10,667	16,626	27,293
BAPCO	0	36,140	36,140
BellSouth Financial Services	<u>1,519</u>	<u>324</u>	<u>1,843</u>
	<u>\$1,452,561</u>	<u>\$ 748,639</u>	<u>\$2,201,200</u>

NOTICE

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BellSouth Corporation except under written agreement.

Attachment 2
 (BellSouth Corporation HQ only)

Beginning with January 1992 business, the following journal entry should be made each month through June 1992 to record the "shares allocated expense" accrual:

	<u>Account</u>	<u>Account #</u>	<u>Amount</u>
Debit	Savings Plan Expense MSP	721.311	42,322
Debit	Savings Plan Expense SSP	721.321	1,030
Debit	LESOP Receivable from Subs	169700	2,157,848
Credit	Deferred Compensation ESOP	318000	(2,201,200)

NOTICE

Not for use or disclosure outside the
 BellSouth Corporation except under written agreement.

BELLSOUTH**subject:** BellSouth Savings Plans Contributions**type:** Strong Recommendation**date:** July 22, 1992**Distribution Lists:** Attached**file
no.****Related Letters:** RL 90-06-063BS**other:** N/A**to:** Assistant Comptroller-BellSouth Telecommunications
Assistant Vice President and Comptroller-BellSouth Enterprises**entities:** BSC, BST, BSE**from:** Assistant Comptroller-BellSouth Corporation**description:** Transmits the LESOP Funding Adjustment Rates and the monthly journal entry for accrual of the non-cash Leveraged ESOP expense adjustment for the BellSouth Management Savings Plan and the BellSouth Savings and Security Plan.

* * *

Based upon the most recent calculation of the funding requirements for the BellSouth Leveraged ESOPs (LESOP), the new LESOP Funding Adjustment Rates to be used by all companies for the period July - December, 1992 are as follows:

BellSouth Management Savings Plan (MSP) - 16.64%
BellSouth Savings and Security Plan (SSP) - 22.70%

These rates replace the rates used from January - June 1992 of 7.90% and 5.48% for the MSP and the SSP, respectively. The new rates should be entered on line 10 of the N Letter and used to calculate the total amount to be remitted to BellSouth Corporation. Please note, the total amount remitted for the employer contributions (including the additional funding amount) should be debited to the appropriate expense account in accordance with the M-Letter instructions transmitted under RL 90-06-063BS.

Financial reporting practices dictate that expense recognized in connection with the LESOPs be based on the FASB defined "Shares Allocated Method," not on the related cash requirements.

NOTICE

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BellSouth Corporation except under written agreement.

Accordingly, an additional expense accrual associated with the Shares Allocated accounting method must also be recorded by each company on a monthly basis. This accrual represents the amount necessary to adjust the expense recognized based upon the funding requirements of the LESOPs to the shares allocated formula-driven expense level. Attached are the monthly adjustment amounts for the MSP and the SSP detailed by company for the six month period July - December 1992.

A deferred tax entry related to the additional expense accrual must also be recorded. The dollar amounts will be provided by the tax department.

New rates and monthly accrual amounts for the period January - June 1992 will be issued by January 22, 1993. Questions regarding this matter or other Leveraged ESOP issues should be directed to Merrill McCreary at (404) 249-3045 or Greg Griffin at (404) 249-3037.


J. Michael Hostinsky
Assistant Comptroller

Attachment

NOTICE

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BellSouth Corporation except under written agreement.

Distribution List
RL 92-07-0388S

BellSouth Corporation

J. L. Reese, Director - Corporate Taxes
T. E. Brooks, Operations Manager - Pension/Savings/International Plans
K. M. Coletti, Operations Manager - Consolidated Operations
G. W. Demick, Corporate Manager - Tax
N. S. Gardner, Operations Manager - Trust Asset Management
J. R. Robinson, Operations Manager - Accounting Services

BellSouth Telecommunications

C. M. Burke, Operations Manager - Comptrollers Operations
F. V. King, Operations Manager - Corporate Matters

BellSouth Enterprises

B. S. Parrott, Operations Manager - Financial Accounting Matters
J. D. Smiley, Operations Manager - Corporate Accounting
M. W. McKeehan, Operations Manager - Accounting Methods & Procedures

BellSouth Communications, Inc.

J. M. Schenk, Operations Manager - Finance

BellSouth Communication Systems

D. B. Love, Controller

Beginning with July 1992 business, the following journal entry should be recorded each month using the accrual amounts shown below:

	<u>Account</u>	<u>CTB</u>	<u>Amount</u>
Debit	Savings Plan Expense MSP	-	A
Debit	Savings Plan Expense SSP	-	B
Credit	LESOP Payable to HQ	239470	(C)

* Note, separate instructions are provided for BellSouth Corporation HQ in Attachment 2 (Attachment 2 provided only to BellSouth Corporation HQ).

January - June 1992
Shares Allocated Adjustment Amounts

<u>Company</u>	<u>A</u> <u>MSP Monthly</u> <u>Accrual</u>	<u>B</u> <u>SSP Monthly</u> <u>Accrual</u>	<u>C</u> <u>Total</u>
BellSouth Corporation - HQ	\$ 52,202 *	\$ 660 *	\$ 52,862 *
BellSouth D.C.	5,547	0	5,547
BellSouth Telecommunications	1,436,367	626,937	2,063,304
BellSouth Communications, Inc.	143,812	9,111	152,923
BellSouth Communication Systems	13,259	10,330	23,589
BAPCO	0	21,143	21,143
BellSouth Financial Services	1,508	177	1,685
	<u>\$1,652,695</u>	<u>\$ 668,358</u>	<u>\$2,321,053</u>

NOTICE
Not for use or disclosure outside the
BellSouth Corporation except under written agreement.

1 capital markets

2

3 The auditors' comment stating "according to the Company,
4 capital structure and debt equity studies have not been
5 prepared by BSC for BST" is incorrect. Capital structure and
6 debt equity are constantly being studied by BSC and financial
7 objectives are published and revised annually in the Financial
8 Planning Guide.

9

10 There is no apparent duplication of effort between BSC and BST
11 in the financial planning arena, as the two financing groups
12 work together and in parallel in accomplishing their own,
13 distinctly different, objectives. BST is concerned with the
14 day-to-day matters relating to the long-term debt financing
15 for BST itself, while BSC is concerned with more long-range,
16 analytical, and coordination issues related to the
17 corporation's debt and equity financing plans and activities.

18

19 Both types of activities are necessary to support BST or any
20 other publicly held corporation the size of BST. Furthermore,
21 nearly one-half the cost of the function which is allocated to
22 BST relates to the combination of stock exchange listing fees
23 and the amortization of ESOP debt issuance costs. As a stand-
24 alone company, BST would need to pay its own stock exchange
25 listing fees which, due to economies of scale, would be higher

1 than what it currently is charged by BSC. The ESOP directly
2 benefits BST and BST employees, and consequently a prorata
3 share of the costs should be paid by the Company.

4
5 RC11430 (Treasury Methods) - This RC provides the following
6 services to BSC subsidiaries:

- 7
8 . Research, development and documentation of operating
9 procedures, methods, and management information systems
10 for the Treasury Department
11
12 . Provision of centralized planning and analyses of
13 methods, procedures, and management information systems
14 needed in the Treasury Departments of various BellSouth
15 companies
16
17 . Monitoring of the implementation and adherence to
18 accepted Treasury procedures
19
20 . Performance of various administrative duties such as
21 budgeting, force, and space planning, etc.
22

23 There is no comparable function at BST. A centralized
24 Treasury Methods function is a common industry practice,
25 necessary for reasons of efficiency and effectiveness of

1 operation of the company's treasury activities. In addition,
2 the centralization of the function offers economies of scale
3 from the aggregation of a wide range of expertise in such
4 areas as accounting, banking, data processing, and treasury.

5
6 Recently, a large share of the RC's costs were directly
7 assigned to BST reflecting projects which solely benefitted
8 BST, most notably the consolidation of the BST treasury
9 organization from twelve to two units. Other major RC
10 projects, the costs of which were allocated to all
11 subsidiaries, have included development of an information
12 system disaster recovery program, negotiation of a corporate
13 credit card program, and shareholder services contract
14 implementation.

15
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22 **PREPARED BY: TB&A**

Attachment 2
 (BellSouth Corporation HQ only)

Beginning with July 1992 business, the following journal entry should be made each month through December 1992 to record the "shares allocated expense" accrual:

	<u>Account</u>	<u>Account #</u>	<u>Amount</u>
Debit	Savings Plan Expense MSP	721.311	52,202
Debit	Savings Plan Expense SSP	721.321	660
Debit	LESOP Receivable from Subs	169700	2,268,191
Credit	Deferred Compensation ESOP	318000	(2,321,053)

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Page 1

Transcription of Interview Minutes
Interview of Greg Griffin
October 21, 1993

This has not
been verified

Transcribed: November 21, 1993

Lane Kollen: It's October 21. My name is Lane Kollen, I'm with Kennedy and Associates and I'm interviewing Greg Griffin who's with BellSouth Corporation. And the subject matter of this interview is BellSouth Corporation's ESOP plan and the other benefits' accounting and the consequent allocations or assignments of cost to BST. Mr. Griffin why don't you tell us a little bit about your educational background to start off with?

Greg Griffin: Okay. I have a business degree from Auburn University.

Lane Kollen: With a major, any particular major?

Greg Griffin: A major in Accounting. I am a CPA. I worked in public accounting for 4 and a half years. I've been with BellSouth for 10 years now.

Lane Kollen: How long have you been in this position?

Greg Griffin: Uh, about 5 or 6 years.

Lane Kollen: And with respect to the term "this position," I mean, I'm referring to the responsibility for computing the ESOP plan costs and the other accounting costs associated with the benefit plans.

Greg Griffin: 5 to 6 years.

Lane Kollen: 5 to 6 years.

Greg Griffin: I've been here since the inception of the ESOP.

Lane Kollen: So then you were with BellSouth Corporation when the ESOP plans, as I understand it there are more than one, were changed to incorporate a leveraged feature, is that right?

Greg Griffin: That's correct.

Lane Kollen: And that was done in 1990? Is that right?

Greg Griffin: Correct.

Lane Kollen: And why was that done, to the best of your knowledge?

Greg Griffin: To I guess, the modeling for a leveraged ESOP projected lower expense over time than under the current savings plan arrangement.

Lane Kollen: And the rationale for the lower expense was what?

Greg Griffin: Utilization of the leveraged ESOP utilizing BS stock as the funding vehicle for the savings plans.

Lane Kollen: And the general concept behind an ESOP, a leveraged ESOP, is that the stock of a corporation is used to, in essence, to secure a loan to an ESOP trust, is that correct?

Greg Griffin: . . . (no response) used to secure a loan . . .

Lane Kollen: In other words, the shares of the corporation's stock are transferred in effect, to the ESOP trust and then used as collateral, by the trust, to obtain a loan from a bank. Is that the general process, or is it something different than that?

Greg Griffin: Um. . .

Lane Kollen: If you feel uncomfortable, then . . .

Greg Griffin: I'm not sure I can answer that, I'm don't believe our stock is used as collateral for the loan.

Lane Kollen: I see. But the shares of stock are held by the ESOP trust, are they not?

Greg Griffin: That's is correct.

Lane Kollen: And the ESOP trust has bank loans outstanding, does it not?

Greg Griffin: That's correct, that's correct.

Lane Kollen: And the loans are being repaid over a 13 year period. Is that correct?

Greg Griffin: That is correct.

Lane Kollen: And is that roughly on a prorata basis, some straight line repayment schedule, or is it a ramp-up schedule, or is it an up-front type of payment with a decline in principal thing?

Greg Griffin: I can't recall, off the top of my head. We've got debt repayment schedules that we can provide, but off the top of my head, I do not recall how the debt repayment schedule goes.

Lane Kollen: Okay. Now, when the ESOP plan, um, I'm sorry the leveraged feature was added to the ESOP plans, in 1990, it was projected, as you said, to result in a lower cost. And one of the reasons, I presume, was due to the tax benefits associated with that form of . . . that activity.

Greg Griffin: When you say tax benefits, what do you mean?

Lane Kollen: As I understand ESOP plans, there are a number of tax benefits associated with ESOP plans. For example, the deductibility of dividends on common stock, which is not typically the case.

Greg Griffin: I guess I would say that the primary reason for the reduced costs is the fact that you were buying stock today at one cost in anticipation that that stock, that value will increase over time, and we use those shares at higher value to fund those benefits.

Lane Kollen: Would you describe the addition of the leveraged feature to the ESOP plan as a financing technique?

Greg Griffin: Yes, I would. Yes.

Lane Kollen: And is the general idea that, because it is a financing technique, that essentially, you are using debt to replace common stock on the balance sheet? Is that why it's called a financing technique?

Greg Griffin: I don't think so. We're, we're providing benefits in the future with the stock at today's costs as opposed to the future costs. Hopefully anticipating higher share value in the future.

Lane Kollen: So in other words, you're financing the stock by borrowing, whether it's effectively collateral or not, but borrowing against the stock value today in the anticipation that it will increase in the future?

Greg Griffin: That's r . . .

Lane Kollen: Is that it?

Greg Griffin: Yes.

Lane Kollen: Okay. Now who does BellSouth Corporation perceive as the beneficiary of this leveraged feature added to the ESOP plans?

Greg Griffin: I would say, um, the corporation, the customers, the employees.

Lane Kollen: Okay. Let's take each one of them at a time. How would the corporation benefit from incorporating the leveraged feature into the ESOP plans?

Greg Griffin: Okay, in the long term, the cost of the match, the matching feature in the savings plan, would be less, would cost us less over time.

Lane Kollen: Okay. You said that the customers would benefit. Which customers, first of all?

Greg Griffin: Um . . .

Gayle Barber: Is this not getting a little out of his area . . . he's here to discuss the mechanics and how it works, rather than the policy . . . (inaudible)

Lane Kollen: Well, I think that I'm here to understand, to the extent that I can, the creation of the leveraged feature in the plan in order to address the questions that we are going to be talking about.

Gayle Barber: That's different than the beneficiary issue is it not?

Lane Kollen: No, I don't think so. Because one of the things we're going to be talking about is the allocation of the cost to Telecommunications, and I need to understand how the company perceives the beneficiary to be any of the customers at BST, if indeed they do, as opposed to any of the other customers of BSC and its affiliates. So there's two aspects to this that I need to know as far as the beneficiaries are concerned. I first need to know because it factors into the computation of the expense. And secondly I need to know because it factors into the allocation of the expense.

Gayle Barber: We can go into the accounting and why does the accounting work this way. But I think its getting a little outside his area to ask about the policy, his, the formulation of the policy . . . and the public benefits of it . . .

Lane Kollen: Let me ask you this . . .

Gayle Barber: And it may be that you can go through what he does know, and he can answer what he does know, you know, what he does know about this . . .

Lane Kollen: Well, let me ask a few questions, and we'll see if that will satisfy your concerns. With respect to the beneficiaries, you indicated in a previous answer that you believed that the customers were beneficiaries of the leveraged feature ESOP plans. In what respect did you believe them to be beneficiaries of that feature of the ESOP plans?

Greg Griffin: Lower cost to the corporation, lower overall, total lower expenses that would be passed on to ie. the BST customers, and it can lower costs over to unregulated companies, anybody that participates in the savings plans.

Lane Kollen: Do you know what the relative percentage of costs is that are passed on to BST of the ESOP plan, compared to the total cost?

Greg Griffin: No, not off the top of my head.

Lane Kollen: Now with respect to the debt that was incurred by the ESOP trust. That is recorded as debt on the balance sheet of BellSouth Corporation, is it not?

Greg Griffin: It is the debt of the ESOP trust and due to financial reporting conventions we are required to record entries on our books to reflect the debt.

Lane Kollen: Now, let me make sure I understand this. The entries are recorded on whose books, BellSouth Corporation headquarters or are they recorded on some type of books that are created in order to consolidate the books of all of the subsidiaries.

Greg Griffin: I believe they're on the headquarters' books.

Lane Kollen: Now is it also your belief that the headquarters' books reflect a consolidated entity? Meaning BellSouth Telecommunication, Enterprises, Capital Funding, etc., etc.

Greg Griffin: The headquarters books do not reflect the consolidated books, their headquarters' books only.

Lane Kollen: So, do the headquarters books then to the best of your knowledge, reflect the debt of the ESOP plans, the trusts . . .

Greg Griffin: Yes.

Lane Kollen: In fact, then, BellSouth Corporation, at least on a consolidated basis, also records debt interest expenses associated with that debt reported on its balance sheet, does it not?

Greg Griffin: We do not report interest expense on our,, I do not believe we record interest expense on our headquarters' books. That it the interest that is reflected in our financial statements, our external financial statements, is um, a financial reporting convention.

Lane Kollen: So the BellSouth Corporation headquarters' books do not reflect the interest on the ESOP debt. Is that correct?

Greg Griffin: I don't believe so. I believe we make a re-class entry for financial reporting only.

Lane Kollen: Um, just for your information that what the responses to the data requests indicate. Let me make sure I understand this. Presumably, you had some involvement in the preparation of the . . .

Greg Griffin: Thank you.

Gayle Barber: This is a test, if at any time you need to refer to, I understand you're involved in the preparation, if you need to refer to anything, you are certainly free to do that and you can ask Lane to point out to you what he is referring to, and I would appreciate if you would do that . . .

Lane Kollen: Sure, absolutely.

Gayle Barber: That you are referring to the data and everything . . .

Lane Kollen: I'm trying to understand I guess, this multiple set of general ledger, presumably, I understand that BellSouth Telecommunications has its general ledger. I understand apparently that BellSouth Corporation headquarters has a general ledger. Now, how do we get to the consolidated books, is there a granddaddy general ledger then, for BellSouth Corporation consolidated. How does that work?

Greg Griffin: How do we get to consolidated financial statements?

Lane Kollen: Well, is there a general ledger?

Greg Griffin: There is not a general ledger.

Lane Kollen: There is not a consolidated general ledger?

Greg Griffin: No there is not.

Lane Kollen: So, essentially what you do is take the general ledger amounts from each one of the subsidiaries, including BellSouth Corporation headquarters put them into some type of process and you come up with a set of consolidated financial statements?

Greg Griffin: That's correct.

Lane Kollen: Is that process a PC based process, or is it a mainframe process?

Greg Griffin: Our consolidation process?

Lane Kollen: Yes.

Greg Griffin: It is a PC based system.

Lane Kollen: And are you responsible for any of the entries related either to the ESOP plan, accounting level expense for the consolidated entity, or for the benefits plan expense for the consolidated entity for any of the benefits plans?

Greg Griffin: I provide the journal entry information to the subsidiaries to book on their general ledger's. And then to get to the consolidated, you add up the subsidiary ledgers.

Lane Kollen: Now, who is it, if you know, that does the rec-lass entry on the BellSouth Corporation's consolidated financial statements?

Greg Griffin: That's me. My group does.

Lane Kollen: And that is something that you provide to someone to reclassify the components of the ESOP expense, is that correct?

Greg Griffin: Yes sir.

Lane Kollen: Okay. Now, the ESOP plan existed prior to the addition of the leveraged feature, did it not?

Greg Griffin: No, it didn't.

Lane Kollen: No.

Greg Griffin: We had savings plans, 401(k) savings plans.

Lane Kollen: I see. And then the leveraged ESOP was, in its entirety, imposed upon those plans, or added to them, however you would care to describe it?

Greg Griffin: Correct, the savings plans were incorporated into the leveraged ESOP's, in 1990.

Lane Kollen: Was there anything that changed with respect to those savings plans the contents of the plans, if you know, other than adding the leveraged feature to the plans?

Greg Griffin: I don't recall. I suspect their, in our SEC files it goes through what was incorporated at that time, I don't recall.

Lane Kollen: Are you involved at all in the SEC filings?

Greg Griffin: Not currently.

Lane Kollen: Were you at the time? in 1990?

Greg Griffin: Yes.

Lane Kollen: And what filings did you make with the SEC with respect to this plan?

Greg Griffin: Um, off the top of my head I can not, I don't recall. I know that we've got 'em in this data request here. But um, I don't recall the particular SEC filing.

Lane Kollen: Maybe we could refer to that data request response, because my recollection of that response as to what was provided was a series of form 10K reports that did not really address the details of the plan. And if your recollection is that you had to make a filing to the SEC that addressed the details of the plan including any changes, maybe you could point that out to me.

Greg Griffin: I believe that the prospectus supplements would detail any changes to the plan.

Lane Kollen: Could you take a look through that rather briefly. My recollection to that response is that there is a single, perhaps a single paragraph that tells the SEC that we added leveraged feature to the savings plans. And that was the extent of the filing with the SEC. And the reason that I'm asking that you look at it is that I'd like to you to either confirm that or point me to something that has more detail in the response, or in the filings.

(paper shuffling . . .)

Greg Griffin: Now here's a communication that is a supplement to the prospectus data, Feb. 4, 1987. It talks about changes to the savings plans.

Lane Kollen: Alright, could you just give me the number down at the lower right corner of the page, and I'll look at that later.

Greg Griffin: Okay. F01K-0-6W-002-002.

Lane Kollen: Sounds like a credit card number.

Gayle Barber: Um-huh.

Greg Griffin: Um, actually that whole document.

Lane Kollen: Thank you. To go back to the subject we were talking about before and the different sets of general ledgers. There is the BellSouth Telecommunications' general ledger, and I presume that the ESOP trust is a separate legal entity and it has a separate general ledger as well, is that your understanding?

Greg Griffin: Yes.

Lane Kollen: And, I'd like to talk with you about, first of all, are you involved at all in the accounting for the ESOP trust itself, as opposed to the accounting for BellSouth Corporation or BellSouth Telecommunications?

Greg Griffin: I'm not associated or affiliated with the trust accounting.

Lane Kollen: With the trust accounting?

Greg Griffin: Yes.

Lane Kollen: Let me ask you this, do you know how the trust accounts for interest expense?

Greg Griffin: No I do not.

Lane Kollen: Why is that on a BellSouth Corporation's consolidated financial statements basis, there is a reclassification made of the ESOP plan expense into two components, compensation expense and interest expense? Why is that done?

Greg Griffin: We are required to do that under the accounting literature.

Lane Kollen: What accounting literature is that?

Greg Griffin: There is an SOP and I don't recall the number, maybe 78 something

Lane Kollen: Does 76-03 ring a bell?

Greg Griffin: That may be it, is that the one on ESOP accounting?

Lane Kollen: Yes.

Greg Griffin: That SOP in connection with EITF issue 89, I forget that number too, that deals with ESOP accounting, we are following the accounting requirements of those two standards.

Lane Kollen: Okay. Let's see. I think that that might be EITF abstract #89-8, Expense Recognition for Employee Stock Option Plan. I'll show you the synopsis of it. That might help jog your memory.

Greg Griffin: That's correct.

Lane Kollen: If you like to see the actual statement, I have it . . .

Greg Griffin: We're fine on that one.

Lane Kollen: So the reason that you perform the reclassification at the BellSouth Corporation consolidated level is to comply with GAAP, is that correct?

Greg Griffin: Financial disclosure. Correct.

Lane Kollen: Now, are you required to comply with GAAP at the BST level? Not only with respect to its general ledger but also its published financial statements filed with the SEC?

Greg Griffin: They follow general accepted accounting principles.

Lane Kollen: And you are required to, are you not?

Greg Griffin: Yes.

Lane Kollen: Now, why is it that nobody does this reclassification, or this segregation of expense between compensation expense and interest expense on their actual general ledgers at BellSouth Corporation headquarters or BellSouth Telecommunications, if it is required by GAAP? I'm really puzzled by this.

Greg Griffin: We make the re-class entry in our consolidated financial statements.

Lane Kollen: Well, except that the problem that I'm having, to be real honest with you, is that I see that BellSouth Telecommunications has to file financial statements with the SEC that comport with generally accepted accounting principles, and there is yet no segregation between compensation expense and interest expense on their general ledger?

Greg Griffin: The reason we make the re-class entry is that BellSouth Corporation, the reason the debt is booked on our books at headquarters, is that BellSouth Corporation guarantees the debt of the ESOP trust, not BST. It is a BellSouth Corporation guarantee.

Lane Kollen: Okay. Lets take a little different path then. It is my understanding that the BellSouth Telecommunication ESOP expense is computed by you, or your department, is that correct? And it is also my understanding that you provide them with a single number that is not segregated between compensation expense and interest expense, is that correct?

Greg Griffin: That's correct.

Lane Kollen: And in fact that single number is referred to as "Benefits Expense", is it not?

Greg Griffin: Correct.

Lane Kollen: And so, BellSouth Telecommunications, to the best of your knowledge, records the ESOP plan expense on its books, as an operating expense as benefits expense.

Greg Griffin: It's my understanding.

Lane Kollen: And in fact you don't even provide information to BellSouth Telecommunications that would enable them to segregate that benefits' expense between compensation expense and interest expense, even if they wanted to, is that correct?

Greg Griffin: Correct.

Lane Kollen: Do you have responsibility for the decision how that is to be accounted for by BST? "That" meaning ESOP plan expense. Or who makes that decision?

Greg Griffin: Which decision for what?

Lane Kollen: Well the decision to report and record the totality of the BST ESOP plan expense as benefits expense on the books at BST?

Greg Griffin: That went out under the direction of control of the department.

Lane Kollen: Of which company?

Greg Griffin: Headquarters.

Lane Kollen: Okay. Who made that policy decision?

Greg Griffin: That would have emanated from my group.

Lane Kollen: Did you make the decision?

Greg Griffin: Uh, I would have . . . yeah, I'll take credit for it. I . . .

Lane Kollen: Was there . . . did you want to finish your answer?

Greg Griffin: No, go ahead, go ahead.

Lane Kollen: Was there someone that you report to that would have reviewed that decision and approved it?

Greg Griffin: Yes.

Lane Kollen: Who was that?

Greg Griffin: Mike Hostinsky.

Lane Kollen: But he doesn't know anything about ESOP plan accounting . . . (. . .laughing) we'll skip that. No joke. Okay. Um, Do you know if Mr. Hostinsky took that decision and had it reviewed and approved by anybody?

Greg Griffin: I don't know.

Lane Kollen: Have you been questioned on this issue by Coopers & Lybrand?

Greg Griffin: On the accounting?

Lane Kollen: Yes.

Greg Griffin: No, I have not.

Lane Kollen: Now, when you compute the amount of the ESOP plan expense, do you compute it in total for the entire company to start out with? In other words there is not a separate computation for each one of the subsidiary corp. entities and then an aggregation or summation of that. You compute it in total first. Is that correct?

Greg Griffin: That's correct.

Lane Kollen: How do you parcel out that total allocation to each one of the entities that is going to receive some of this expense?

Greg Griffin: The piece that goes to each subsidiary is based on their funding, their, employer match.

Lane Kollen: The funding of the employer match?

Greg Griffin: It is the employer match. Based on the employer match, not on the funding. That's correct.

Lane Kollen: So essentially its based on, what I would characterize, and I'd like you to either agree with me or disagree with me, is based upon the compensation aspect of the plan, is it not?

Greg Griffin: Yes.

Lane Kollen: And then you essentially develop, what an allocation factor. Based upon the employer match, um, on the compensation element of the expense and then apply that to the total expense? How does that work?

Greg Griffin: We do not, I do not distinguish between the compensation and interest, I do it on total expense.

Lane Kollen: Would you be opposed to providing both of those pieces of information to BellSouth Telecommunications and having them account for them separately?

Greg Griffin: Yes I would.

Lane Kollen: And why would you be opposed to that?

Greg Griffin: There is no, there is no debt. The debt is the debt of the trust. Only because of financial reporting conventions incorporated in that ESOP does BellSouth have to reflect that debt on our books. It is that guarantee that causes us to put that on our books. There is no true debt for BellSouth or BST. Therefore, there is no interest expense.

Lane Kollen: Okay, I would like to talk then, I guess about the actual computation of the expense. As I understand it SOP 76-3 provides for three components of expense, of the expense computation. What, as I understand it the expense computation consists of; compensation expense, plus interest expense, minus dividends. And, is that your general understanding of the SOP 76-3? I'll hand you a copy of that.

Greg Griffin: Actually that sounds more closer to the EITF abstract.

Lane Kollen: I think you are quite correct. I'm going to hand you a copy of Statement of Position # 76-03, which deals with the accounting for ESOP plans, and ask you first of all, is that something you are familiar with?

Greg Griffin: Yes. It is.

Lane Kollen: Okay, and secondly it doesn't really have a formula in it does it? For the computation ESOP plan expense?

Greg Griffin: Actually whether it does or it doesn't, the expense computation is based on the EITF abstract.

Lane Kollen: Alright. Let me find the EITF abstract. I think what we're talking about is EITF # 89-8 which is entitled Expense Recognition for Employee Stock Ownership Plans, and . . .

Greg Griffin: Uh-huh.

Lane Kollen: And um, my synopsis of that EITF abstract is that expenses are required to be computed according to the shares allocated method, consisting of interest incurred for the period, plus compensation based on the cost of the shares allocated for the period as follows: and that the dividends are used to service the ESOP debt and reduce the expense for the period. And I'll show you a copy of that, I'll show you a copy of the abstract #89-8 and then the second page of that has a formula, that's what I wanted to talk to you about, is that formula.

Greg Griffin: Okay.

Lane Kollen: That's on page 546, in the discussion.

Greg Griffin: Okay.

Lane Kollen: Um, the computation that is identified in the EITF 89-8, consists of at least this formula on page 546 that we're looking at. It consists of a compensation expense component and then an interest expense component, is that your understanding?

Greg Griffin: We're required to show the compensation by its elements, of the total cost of the two elements, one compensation, one interest.

Lane Kollen: Okay. In the next paragraph following that formula representation, it says that dividends used to service the ESOP debt reduce the amount of expense recognized each period, is that correct?

Greg Griffin: Yes.

Lane Kollen: And in fact that's how you compute your total ESOP plan expense, if I'm not mistaken.

Greg Griffin: That's the formula we use, correct.

- Lane Kollen: Okay. So that, really, if we wanted to write it out as a formula we could take this formula here, on this page 546 of EITF 89-8 and just add another term on there, "minus dividends used to service the debt", could we not?
- Greg Griffin: Yes.
- Lane Kollen: Okay. Now, does it tell anyplace in the 89-8 or any place else in the accounting literature, to your knowledge, how those dividends are to be applied to the previous two components of the formula? Whether or not they are to be applied to the compensation expense or whether they are to be applied to the interest expense?
- Greg Griffin: No, it does not.
- Lane Kollen: But you have made a selection, have you not?
- Greg Griffin: Correct.
- Lane Kollen: And what is that selection?
- Greg Griffin: The total cost is the shares, (less), plus the interest incurred, less the dividends and any earnings in the trust for that matter. And we use, we reduce the compensation cost and the interest amount on a, some sort of allocated basis, for the dividends and the earnings of the trust.
- Lane Kollen: Now, as I understand it, you take those dividends and you allocate them according to the debt service for the period between principal and interest. Is that correct?
- Greg Griffin: I'm sorry, say that again.
- Lane Kollen: You take the dividends that are factored into this formula here, and you would then allocate them between principal and interest. And, I believe, for the purpose of offsetting the interest component in the equation, by the interest component as computed by the BSC dividends. And I don't know what you do with the principal portion of the dividends, perhaps you offset that against compensation expense, I don't know. But is there, what I'm looking for is, how do you take the third element of this equation, which is minus the BSC dividends, ok,
- Greg Griffin: Um-huh.
- Lane Kollen: and then take that amount and allocate it between each of the previous two terms, because the end result is only compensation expense and interest expense.
- Greg Griffin: Okay. I believe the methodology used is in one of these responses, I'll need to refer to that to be precise.
- Lane Kollen: Okay, go ahead. Because, I've looked at that, and I'll have to be honest with you, I am not following it. Do you want to take a break.
- Greg Griffin: Can you do that for a second. Okay.
- (break) . . .(end break)
- Lane Kollen: Okay, we're back from break, and um before we left, I had asked Mr. Griffin to try to determine for me, with respect to the formula contained in the EITF 89-8, the allocation of the dividend component between compensation expense and interest expense.

Greg Griffin: Okay. Again, we are required to show total expense. I believe, broken down between two components, one compensation and one interest. And as you pointed out, dividends reduce the total cost and earnings in the trust also reduce the total cost of the compensation here.

Lane Kollen: And where are the interest earnings factored in? Do they go against the compensation expense or against the interest expense?

Greg Griffin: They are prorated against both.

Lane Kollen: Okay.

Greg Griffin: So, I'm, going to refer you to a document, if I may.

Lane Kollen: Okay.

Greg Griffin: It's number is F01K-06W-00-1981, and I'm in the 88 stack.

Lane Kollen: Response to question # 88.

Greg Griffin: Yes.

Lane Kollen: Alright, this is one of the ones which I did not have a legible copy, so I suspect that that's why . . . alright, I see it.

Greg Griffin: This workpaper one reconciles you down from the actual interest on the ESOP notes for the debt schedule. Gets you from the 72 down to the 40 that I believe is in the footnote. And what you see is a prorated dividend amount and interest earnings which is applied to that interest.

Lane Kollen: Okay.

Greg Griffin: That's the basis for the re-class entry.

Lane Kollen: Alright, so that umm-, I'm still not quite sure that I understand this. There then, is it some allocation of the dividend amount between interest expense and compensation expense? In other words, the full amount of the dividend is not going against the interest expense, or is it?

Greg Griffin: No it's not. The methodology is that we have total expense, ok, we know, we then come up with what the interest piece is, per the, the debt repayment schedule . . .

Lane Kollen: Okay. That's the 72.4

Greg Griffin: That's correct. We know how many dividends we paid, we know what the interest in the trust was for the period.

Lane Kollen: Yes.

Greg Griffin: Okay, that total dividend and interest is then prorated to the interest expense. And I'm not sure I know on what basis without looking further, ok, and, so then we come up with an interest figure the 40.5, and that is reduced from the total expense to come up with the compensation piece. Okay.

Lane Kollen: Okay.

Greg Griffin: And that I believe is the methodology.

Lane Kollen: So, let me see if I can clarify this in my mind. And that is that is the prorate of the dividend piece, that you are talking about, is a prorate between an interest component and a principal

component, may be consistent, I would say consistent with the debt service payments requirements between principal and interest. Is that right or not?

- Greg Griffin: Yes. Right. I don't know what basis it's prorated at, I'd have to look, I don't know how it's prorated. But it's prorated back against the interest and effectively against the compensation piece.
- Lane Kollen: Okay. I think I see. Alright. So essentially what you are telling me, is that since the formula that we've already discussed from the EITF Abstract 89-8, is that it subtracts the full amount of dividends from the total expense so then what you are doing is determining the interest component of the total expense, by in essence, prorating a portion of that dividend to the interest and then by default the rest goes against compensation expense. Is that correct?
- Greg Griffin: That's correct.
- Lane Kollen: Okay. That was very helpful. Now, when BellSouth Corporation pays dividends into the trust, it's my understanding that one of the benefits of an ESOP plan is that those dividends are tax deductible. Is that correct?
- Greg Griffin: That's correct.
- Lane Kollen: And in one of the data requests, I requested that you provide the tax entries associated with the BellSouth Corporation dividends, and it looked to me that what you provided me with were both sides of an entry that debited accumulated deferred taxes and . . . , I'm sorry debited retained earnings and credited accumulated deferred taxes? Let's see if we can find that.
- Greg Griffin:
(end of side one) I think that's correct.
- Lane Kollen: 57, of attachment one the request in response to 6-089, that first page shows an entry, and I'd like you to describe to me that entry if you would please.
- Greg Griffin: Okay, we are debiting income taxes payable, in effect, and we are crediting retained earnings.
- Lane Kollen: Do you do any reclassification of tax expense when you reclassify on the BellSouth Corporation's consolidated financial statements the ESOP plan expense?
- Greg Griffin: No, we don't.
- Lane Kollen: Okay. Are these entries that were provided in response to the question # 6-089 the totality of the accounting entries relating to the tax effects of the BSC dividends?
- Greg Griffin: I believe so.
- Lane Kollen: In fact, these BSC dividends, the tax effect of the BSC dividends, are recorded on the BSC headquarters' books' general ledger. Is that how it works?
- Greg Griffin: That is correct.
- Lane Kollen: And to the best of your knowledge that tax effect is not . . . I'm not even going to ask that . . . Um, I'd like to refer you to the response to data request #6-090, if possible, and again about the tax effects of the BSC dividends and how it might be allocated to BST and any other BSC affiliates? And do you agree with that answer?
- Greg Griffin: Yes. It is retained at headquarters.
- Lane Kollen: Did you prepare this answer?

Greg Griffin: No, I did not.

Lane Kollen: Who did?

Greg Griffin: Someone on my staff did.

Lane Kollen: Okay. It's one of those longs Caps, let me tell you. Now how is this information about ESOP plan expense communicated to BellSouth Telecommunications, and by information I mean the expense accrual that you want them to book.

Greg Griffin: We instruct them through, through an accounting letter, we tell them what the amounts are for each 6 month period.

Lane Kollen: Do you tell them what accounts, Part 32 USOA accounts, to book those amounts to?

Greg Griffin: No, I do not.

Lane Kollen: But we established earlier, that you don't give them any further breakdown, other than the total amount.

Greg Griffin: We give them the total amounts.

Lane Kollen: Now, just to make sure that I understand this as well, this is different than other cost allocations, if you will, from BellSouth Corporation headquarters to BST, this is where you compute the expense and you tell them what to book. You don't bill them for it.

Greg Griffin: That is correct.

Lane Kollen: Okay. So they don't ever send you any cash or anything else in response to this letter that you send them? There's not an intercompany billing associated with it?

Greg Griffin: No, there's no intercompany billing . . . they do send cash.

Lane Kollen: Okay. They do send cash, for what, funding purposes?

Greg Griffin: Correct.

Lane Kollen: And is that an independent computation?

Greg Griffin: Um, no it is not. They are instructed, I believe in that accounting letter on how to compute what amount to send.

Lane Kollen: And does that tie into the funding amount that would be effectively assigned to them?

Greg Griffin: Yes it does.

Lane Kollen: I think we may just about be done, that is with respect to ESOP. Before we leave the ESOPs and go into the other benefit plan expense, and I think that will be relatively brief. I want to just go back to this issue of if BST has to file financial statements with the SEC that comport with GAAP, and if GAAP requires the segregation of the expense between compensation expense and interest expense, then how is it again that BST really doesn't have to do that?

Greg Griffin: BellSouth Corporation is the guarantor of the trust debt. It is BellSouth Corp. that has to make that reporting entry. Okay . . . We put the debt on our books we're offsetting equity directly, and therefore we're the ones that should reflect that re-class between compensation and interest. There's no such entry on BST books, that goes on our books.

Lane Kollen: So, the reason that BST doesn't have to do it, this is, of course your opinion on this, but in your opinion the reason that BST doesn't have to show this segregation on its books is that the ESOP is held at the Corp holding company level, as opposed to the BST level, . . . or what?

Greg Griffin: The trust for a separate entity due to a quirk in the financial reporting, because that ESOP and the fact that we guarantee that debt, BellSouth Corp has to reflect this debt on their books. It's not true debt, it's not true interest, we have to report it though as if it is. The only expense to BST is the compensation expense.

Lane Kollen: Let's go ahead then into the other benefits expense accounts areas. What other benefits expense accounting computations do you have responsibility for?

Greg Griffin: Pensions, post-retirement expenses.

Lane Kollen: Okay. Do you for example, have the responsibility, to determine the accounting cost associated with any of your retirement programs, or I guess what you call force reduction, work force management programs?

Greg Griffin: I'm sorry, can you rephrase that?

Lane Kollen: Yes, do you have the responsibility to perform the accounting expense computations for the cost of the various work force reduction programs?

Greg Griffin: Yes, I do, particularly as it relates to pensions.

Lane Kollen: Okay. Do you have the responsibility to do the accounting for any charges other than through pensions or through OPEB expense related to work force reductions, such as buy-out costs, for example.

Greg Griffin: I don't determine those, no I don't.

Lane Kollen: If somebody gives you the assumption, then tells you, uh, Mr. Griffin we're going to eliminate 6,000 people. And we're going to provide them one week of pay for every year of service.

Greg Griffin: Okay.

Lane Kollen: So you have all of the assumptions given to you. Or given to someone. Now, we want you to compute, or someone needs to compute what the amount is that is going to be charged out. Who does that?

Greg Griffin: Uh, well I participate. Well, yeah, I'll say I do that. Yes.

Lane Kollen: And then one component of that of course, is the effect on the pension expense. Correct?

Greg Griffin: Yes.

Lane Kollen: It also affects your OPEB expense computation. Does it not?

Greg Griffin: Um, yes it could.

Lane Kollen: Do you recall whether in 1992 you made any special computations of early termination or work force reduction expense, above and beyond the effect on pension expense or the OPEB expense?

Greg Griffin: Could you rephrase that, I mean, the "for what purpose"?

Lane Kollen: For the purpose of booking an accounting charge.

Greg Griffin: In '92. I can tell you we calculated the VESOP and VEER, early-out programs, I can't specifically remember what years those were in. Those would be the two early-out programs.

Lane Kollen: With respect to those types of costs, and I'm talking about these early retirement programs, force management, whatever you want to call them,

Greg Griffin: Sure.

Lane Kollen: I understand you have a series of programs. Where do those get booked on in BSC headquarters books? Do they get booked in a special account, in an overhead account? Do they get booked directly by the 18 departments at BellSouth Corporation? How do they get booked? Do those get booked in your area, or do they stick them in Human Resources?

Greg Griffin: I'm not sure I can tell you whether its by department, or whether it's at the corporate level.

Lane Kollen: Okay.

Greg Griffin: Off the top of my head, I can't tell you.

Lane Kollen: Okay. Do you know how they get factored into the allocation process? The allocation from Corp to Telecommunications?

Greg Griffin: Uh, I'd have to look that up. I honestly don't know whether its a special account or whether it is in the overhead accounts.

Lane Kollen: Okay. I'm going to ask Mr. Griffin to provide me that information, and I think I can go ahead and write a formal data request for it, and I will do that. But given the amount of time that we have left, I was given the expectation that we would know that and I would like, you know an expedited response on that.

Greg Griffin: That's not a problem at all, I just don't want to mislead you. I honestly don't know.

Lane Kollen: Okay.

Greg Griffin: I assumed something other than that, from the notes. Can I just right that down again? Specifically what we're asking.

Lane Kollen: Sure, basically what I'm looking for is this, the cost of these force management programs, the accounting charge for recognizing the cost of these early-outs, where do they get booked? And how are they factored into the BSC allocation to BST process?

Gayle Barber: What accounts do they get booked to?

Lane Kollen: Where they get booked to, to direct charges in the departmental accounts, or whether they get booked into a some kind of overhead either at the corporate or departmental level. And then in turn allocated out to Telecommunications or maybe not at all. I don't know, that's why I want to know. Okay. With respect to the pensions and the OPEB expense. In general is the methodology, the process rather, similar to that which you described to me for ESOPs, and let me briefly describe it to you, then you can either agree or disagree. That is that you compute the total amount for the entire company, and then you determine what the portion is that is for BST.

Greg Griffin: That is correct.

Lane Kollen: Okay. And again, for pension and OPEBs you account for those costs in accordance with GAAP?

Greg Griffin: Absolutely.

Lane Kollen: And in fact you account for them in accordance with GAAP not only at BellSouth Corporation on a consolidated basis, but in all the general ledgers as well, BST, BSC headquarters?

Greg Griffin: That's right.

Lane Kollen: Are you aware of any reclass entries that are made at the time that BellSouth Corporation consolidated financial statements are prepared for pension expenses or OPEB expenses, or is that a pretty straightforward type of thing? A total's a total, and pension expense is pension expense as opposed to . . .

Greg Griffin: I don't believe there are any reclass entries. There's a portion that gets capitalized through the, I guess, the, and I may be speaking out of turn, but through the expense matrix down at BST. Okay. But other than that, I don't believe there are any other reclass entries. So, yes you could probably just add them up.

Lane Kollen: Okay. One very important thing that I forgot to address. I'm finished with the other benefit plans expense areas, now. But I need to go back to the ESOP plan. One of the things that I had discussed with Mr. Hutchens is that in the response to um . . . one of the data requests, to provide the effect of BellSouth Corporation ESOP plan expense on BST, was that I needed to have the amounts for BST of the ESOP expense for each one of the components of the expense. And he indicated to me that he would convey that. Unfortunately I don't seem to have that response with me. But the response was in the 80's series. I've got 84, 86, 87, it must have been 85. It was 85. My request was intended to, because I was not aware of this distinction between the determination of the cost in total for the ESOP plan expense and then the assignment of a portion of it to BellSouth Telecommunications. The interpretation of the request that I made was, how much of the BellSouth Corporation headquarters assignment in turn was allocated to BST. Now, that leaves me with a pretty big hole in my information. I don't know how much BST got on a component basis. In other words, I know what was assigned to BellSouth Corporation headquarters, I know what was allocated out of that to BST. But I do not know what portion of the total went to BST. Okay.

Greg Griffin: Um huh, direct?

Lane Kollen: Directly to BST. I've been told that the term for that is assigned. I don't know. I don't have that information. I told Wayne this. I was assured that Mr. Griffin would have that information at this interview. So I am going to ask you. Do you have this information?

Greg Griffin: That was not communicated to me. It will not take long to pull that information together.

Lane Kollen: Okay. Is that something that if I would FAX Ms. Kates tomorrow morning, a data request for that information, is that something that I could get back, even tomorrow?

Greg Griffin: It's probable.

Lane Kollen: Okay.

Gayle Barber: You may want to do one more day, the logistics . . .

Greg Griffin: Let me qualify and say that my ESOP expert is in transition to another job. And is on part time assignment, so I'll have to make arrangements to get that individual back into the office in order to get that information. I don't know whether she's going to be here tomorrow or not. It's not difficult to get.

Lane Kollen: Let me ask you this, is it possible that that information is contained in the detail of some of the responses that you have provided? I know that in some of the responses, there is a delineation of some elements of the cost between BST and some of the Enterprise entities. But I don't know quite how to translate that to BST, total. If you could show me, and if you have it that would be good . . .

Greg Griffin:

I'm sure.

(Tape stops abruptly although only half way through second side...)?