BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of	**DOCKET NO. 920260-TL**
Comprehensive review of the revenue requirements and rate stabilization plan of Southern Bell Telephone and Telegraph Company	

PROCEEDINGS: **HEARING**

BEFORE: CHAIRMAN SUSAN F. CLARK
COMMISSIONER J. TERRY DEASON
COMMISSIONER JULIA L. JOHNSON
COMMISSIONER DIANE K. KIESLING
COMMISSIONER JOE GARCIA

DATE: **Wednesday, October 30, 1996**

TIME: Commenced at 9:40 a.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: JOY KELLY, CSR, RPR
Chief, Bureau of Reporting

DOCUMENT NUMBER-DATE
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APPEARANCES:

NANCY B. WHITE, BellSouth Telecommunications, Inc., 4300 Southern Bell Center, 675 West Peachtree Street, Northeast, Atlanta, Georgia 30375-0001, **PHILLIP CARVER** and **ROBERT BEATTY**, 150 West Flagler Street, Suite 1910, Miami, Florida 33130, appearing on behalf of **BellSouth Telecommunications Inc.**

ROBIN DUNSON, AT&T Communications of the Southern States, Inc., 1200 Peachtree Street, N. E, Room 4038, Atlanta, Georgia 30309, and **MARK K. LOGAN**, Bryant, Miller & Olive, 201 South Monroe Street, Tallahassee, Florida, and **MARSHA RULE**, Suite 700, 101 N. Monroe Street, Tallahassee, Florida 32301, appearing on behalf of **AT&T Communications of the Southern States, Inc.**

FLOYD R. SELF, Messer, Vickers, Caparello, Madsen, Goldman & Metz, P. O. Box 1876, Tallahassee, Florida 32302-1876, appearing on behalf of **AT&T Wireless Services of Florida, Inc.**

APPEARANCES CONTINUED:

PETER Q. NYCE, JR., Office of The Judge Advocate General, U.S. Army Litigation Center, 901 North Stuart Street, Suite 713, Arlington, Virginia 22203-1837, appearing on behalf of **The United States Department of Defense and All Other Federal Executive Agencies.**

BENJAMIN H. DICKENS, JR., Blooston, Mordkofsky, Jackson & Dickens, 2120 L Street, N. W., Washington, D. C. 20037, appearing on behalf of **Florida Ad Hoc Telecommunications Users' Committee.**

LAURA L. WILSON, Florida Cable Telecommunications Association, Inc., 310 North Monroe Street, Tallahassee, Florida 32301, appearing on behalf of **Florida Cable Telecommunications Association.**

VICKI GORDON KAUFMAN, McWhirter, Reeves, McGlothlin, Davidson, Rief and Bakas, 315 South Gadsden Street, Tallahassee, Florida 32301, appearing on behalf of the **Florida Interexchange Carriers Association.**

PATRICK K. WIGGINS, Wiggins & Villacorta, P. A., Post Office Drawer 1657, Tallahassee, Florida 32302, appearing on behalf of **Intermedia Communications, Inc. and Palm Beach Newspapers, Inc.**

APPEARANCES CONTINUED:

MICKEY HENRY, 780 Johnson Ferry Road, Suyite 700, Atlanta, Georgia 303402, appearing on behalf of **MCI Telecommunications Corporation.**

C. EVERETT BOYD, JR., Ervin, Varn, Jacobs & Ervin, P. O. Drawer 1170, Tallahassee, Florida 32302, and **BENJAMIN FINCHER**, 3100 Cumberland Circle, Atlanta, Georgia 30339, appearing on behalf of **Sprint Communications Company Limited Partnership.**

CHARLES J. BECK, Deputy Public Counsel, Office of Public Counsel, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400, appearing on behalf of the **Citizens of the State of Florida.**

ROBERT V. ELIAS, Florida Public Service Commission, Division of Legal Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0870, appearing on behalf of the **Commission Staff.**

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P R O C E E D I N G S

(Hearing convened at 9:40 a.m.)

CHAIRMAN CLARK: Mr. Elias, will you please read the notice.

MR. ELIAS: Notice issued by the Clerk of the Florida Public Service Commission advises that a hearing will be held in Docket 920260-TL on Wednesday, October 30th, 1996, beginning at 9:30 a.m, in room 148 of the Betty Easley Conference Center, located at 4075 Esplanade Way, Tallahassee, Florida.

CHAIRMAN CLARK: We'll take appearances. Mr. Beatty.

MR. BEATTY: I'm Robert Beatty, General Counsel for BellSouth appearing on behalf of BellSouth. My address is 150 West Flagler Street, Suite 1910, Miami, Florida 33130.

MS. WHITE: Nancy White, BellSouth Telecommunications, Atlanta, Georgia.

MR. CARVER: Phillip Carver also on behalf of BellSouth, Miami, Florida.

MR. DICKENS: Ben Dickens on behalf of the Ad Hoc Telecommunications Users Committee, Washington, D.C.

MR. BECK: Charlie Beck, Office of the Public Counsel, 111 West Madison Street, Room 812,

Tallahassee, Florida appearing behalf of Florida citizens.

MS. WILSON: Laura Wilson representing the Florida Cable Telecommunications Association, 310 North Monroe Street, Tallahassee, Florida 32301.

MR. NYCE: Peter Q. Nyce, Jr. on behalf of the Department of Defense and the Federal Executive Agencies. My address is Regulatory Law Office, U. S. Army Litigation Center, 901 North Stuart Street, Suite 713, Arlington, Virginia 22203-1837.

MS. KAUFMAN: Vicki Gordon Kaufman McWhirter, Reeves, McGlothlin, Davidson, Rief and Bakas, 117 South Gadsden Street, Tallahassee 32301, appearing on behalf of the Florida Interexchange Carriers Association.

MR. BOYD: Everett Boyd of the Ervin law firm, 305 South Gadsden Street, Tallahasse, Florida 32301, appearing on behalf of Sprint Communications Company Limited Partnership. Also appearing here this morning on behalf of Sprint is Benjamin Fincher of Sprint's Atlanta office at 3100 Cumberland Circle, Atlanta, Georgia 30339.

MR. SELF: Good morning, Commissioners. Floyd Self of the Messer Caperello law firm, P. O. Box 1876, Tallahassee, Florida 32302, appearing on behalf

of AT&T Wireless Services of Florida, Inc.

MR. LOGAN: Mark Logan; Bryant, Miller & Olive, 201 South Monroe Street, Tallahassee, Florida 32301, appearing on behalf of AT&T Communications of Southern States. Also appearing on behalf of AT&T are Robin Dunson of 1200 Peachtree Street Northeast, Room 4038, Atlanta, Georgia, and Marsha Rule, Suite 700, 101 North Monroe Street, Tallahassee 32301.

MR. HENRY: Mickey Henry appearing on behalf of MCI Telecommunications, 780 Johnson Ferry Road, Suite 700, Atlanta, Georgia 30342.

MR. WIGGINS: Patrick K. Wiggins, law firm of Wiggins and Villacorta, P.A. P. O. Box 1657, Tallahassee 32302, appearing on behalf of Intermedia Communications, Inc. and also on behalf of Palm Beach Newspapers, Inc.

MR. ELIAS: Robert V. Elias, 2540 Shumard Oak Boulevard, Tallahassee, Florida, appearing on behalf of the Commission Staff.

CHAIRMAN CLARK: Thank you.

Mr. Elias, I understand we may be able to stipulate the evidence into the record in this case.

MR. ELIAS: Yes, Madam Chairman. I believe there is agreement among all of the parties that the prefiled direct and rebuttal testimony can be admitted

into evidence and cross examination waived.

There are a number of exhibits which were not identified in the Prehearing Order which the parties wish to place in evidence. And what we'd like to do is take some time to go off the record, make sure that we have a list of exhibits that is agreed to and agreeable by everyone, and present that to the Commission for introduction into evidence as well.

CHAIRMAN CLARK: So we need to adjourn the hearing for a hour.

MR. ELIAS: I'm not certain if a hour is what we need. And I want to get a feel from some of the other parties. I think a hour is certainly safe. I think we would have it completed by then. There's a possibility we could take less time than that.

CHAIRMAN CLARK: Well, why don't we do this, we will adjourn the hearing. When you're ready, come and get me and I'll let the other Commissioners know and we'll reconvene the hearing at that time. Okay? All right. With that we will adjourn until we hear from you.

MR. ELIAS: Okay.

(Recess taken.)

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CHAIRMAN CLARK: We'll reconvene the hearing. Mr. Elias, were we able to reach agreement?

MR. ELIAS: I believe so. The answer is yes. You have, the Chairman and all the parties, a list of exhibits that were agreed to be offered into evidence in this proceeding.

I think the best way to proceed is to go party by party and have them offer the testimony that they intend to submit, and then just indicate that the exhibits -- all the exhibits they want are on that list.

CHAIRMAN CLARK: So you want me to go party by party, we'll stipulate their evidence into the record and label and admit into evidence their exhibits.

MR. ELIAS: I think that would be the fastest way to proceed, unless somebody has a better idea.

CHAIRMAN CLARK: Okay. Ms. White, Mr. Beatty.

MS. WHITE: Thank you. We would move the testimony of Jerry Hendrix into the record. That's direct testimony consisting of 10 pages and rebuttal testimony consisting of 12 pages.

There are three exhibits attached to

Mr. Hendrix's direct and rebuttal testimony that are on this list already.

COMMISSIONER CLARK: All right.

MS. WHITE: Mr. Hendrix also filed supplement rebuttal of four pages that was in response to Mr. Allen's testimony, which has been withdrawn so we would withdraw Mr. Hendrix's supplement rebuttal testimony.

CHAIRMAN CLARK: Without objection, the prefiled direct testimony of Mr. Hendrix and his rebuttal testimony will be inserted into the record as though read.

MS. WHITE: We would also offer for the record the prefiled testimony of Mr. Varner, 16 pages of direct with three exhibits that are also on this list of exhibits, and 15 pages of rebuttal testimony.

Mr. Varner also filed supplemental rebuttal testimony consisting of 14 pages, and because of Mr. Allen's withdrawal of testimony we would delete Page 2, Line 22 until the end of Mr. Varner's supplemental rebuttal. So the supplemental rebuttal he would have left would be Page 1 and Page 2 up to Line 21.

CHAIRMAN CLARK: All right. The prefiled direct and rebuttal testimony of Mr. Varner will be

inserted into the record as though read. And the supplemental rebuttal testimony of Mr. Varner as amended will be inserted into the record as though read.

MS. WHITE: The only comment BellSouth has, we have no problem with the list of exhibits and the exhibits that we want are included in this list. We just have a couple of comments we need to make.

One, it's No. 4 on Staff's exhibit list AJV-4, Response to Staff's First Interrogatories. Number 3.2 of that set of interrogatories we have a change to make to the answer. I can read the change into the record and follow it up with the written amendment, or I can just file the written amendment.

CHAIRMAN CLARK: Please make the change and then follow it up.

MS. WHITE: I'll go ahead and read it into the record.

CHAIRMAN CLARK: Yes.

MS. WHITE: It says "See attachment. Since the attached cost of PBX trunks is based a statewide average loop, the attached PBX trunk analysis is the same regardless of rate group; a comparison is provided in the rate group with the lowest rates, i.e., Rate Group 1." And we will follow that up with

a written change.

The only other piece that BellSouth has with regard to the -- I think it's the next to the last or the last exhibit on this list, it's marked Varner, party is Palm Beach Newspapers, Inc., it's a confidential exhibit. This was some information that BellSouth provided to Palm Beach Newspapers under a protective agreement. It has not been filed by the Commission and it's confidential, so, therefore, BellSouth will file it tomorrow with the Commission with a Notice of Intent to Request Confidential Classification. So that would be the only exhibit that the Staff and the Commissioners don't have in their hands right now.

CHAIRMAN CLARK: Okay.

MS. WHITE: That's all we have. Thank you.

CHAIRMAN CLARK: Mr. Dickens.

MR. DICKENS: Madam Chairman, we would offer the direct testimony of Douglas S. Metcalf consisting of seven pages filed August the 11th. And also an exhibit entitled SUNCOM Network User Distribution. I think we distributed a copy to everyone in the room. If there's someone that didn't get a copy, if you'll please see me I'll give you one. And we'll withdraw Mr. Metcalf's rebuttal testimony which was directed to

the testimony of Mr. Allen of Intermedia.

CHAIRMAN CLARK: Okay. So we will insert in the record as though read the direct prefiled testimony of Mr. Metcalf.

What I propose to do is after we get through inserting the testimony, we'll go through and number the exhibits. Okay.

CHAIRMAN CLARK: Mr. Beck.

MR. BECK: Thank you, Madam Chairman. We would offer the direct testimony of James A. Garver consisting of four pages.

CHAIRMAN CLARK: It will be inserted into the record as though read. Ms. Wilson.

MS. WILSON: FCTA would offer the direct testimony of Jill Butler consisting of six pages. There were some typographical errors that Ms. Butler was going to correct on the stand and I can read those into the record and follow up as well in writing.

MS. WILSON: The first is on Page 1, Line 23, "1993" should be changed to "1983". On Page 2, Line 1, "1984" should be changed to "1987". On Page 2, Line 6, after 1995 insert "I", capital "I". And then the final one is on Page 5, Line 5, the number "216" should be changed to "$263."

CHAIRMAN CLARK: With those changes the

prefiled direct testimony of Ms. Butler will be inserted into the record as though read.

MS. WILSON: Miss Butler had no exhibits attached to her direct testimony. The exhibit list does correctly state BellSouth -- our exhibit that we're going to offer under Witness Hendrix which is BellSouth's Responses to our First Set of Interrogatories.

MR. NYCE: Thank you, Madam Chairman.

We would like to offer the rebuttal testimony of Mr. Harry Gildea, consisting of nine pages. It was filed on August 28th.

CHAIRMAN CLARK: Did he have any exhibits?

MR. NYCE: He has no exhibits.

CHAIRMAN CLARK: All right. Without objection the prefiled rebuttal testimony of Mr. Gildea will be inserted into the record as though read.

MR. NYCE: Thank you.

CHAIRMAN CLARK: Mrs. Kaufman.

MS. KAUFMAN: Thank you, Madam Chairman. FIXCA would offer the testimony of Joseph Gillan consisting of 20 pages. He had direct testimony only and he had no exhibits.

CHAIRMAN CLARK: All right. The direct

prefiled testimony of Mr. Gillan will be inserted into the record as though read.

MS. KAUFMAN: We would also ask the Commission to take official recognition of two orders. They are both issued in Docket 950985-TP, and the first one is order PSC-96-0445-FOF-TP, and the second would be as PSC-96-0668-FOF-TP.

CHAIRMAN CLARK: We'll take official recognition of those two orders. Mr. Boyd.

MR. BOYD: Thank you, Chairman Clark. Sprint would offer the direct testimony as prefiled of Daniel S. Vanderpool consisting of six pages, and there are no exhibits to his testimony.

CHAIRMAN CLARK: All right. The prefiled direct testimony of Mr. Vanderpool will be inserted into the record as though read. Mr. Self.

MR. SELF: Thank you, Chairman Clark. AT&T Wireless Services of Florida would offer the direct and rebuttal testimony of Kurt Maass. The direct testimony consists of nine pages; the rebuttal testimony consists of six pages. And there are no exhibits associated with his testimony. We do have one that is on the list that we'll get to later.

CHAIRMAN CLARK: Okay. The prefiled direct and rebuttal testimony of Mr. Maass will be inserted

into the record as though read.

MR. SELF: Thank you.

CHAIRMAN CLARK: Mr. Logan.

MR. LOGAN: Yes, thank you, Chairman Clark. AT&T Communications of the Southern States offers the direct testimony of Mike Guedel consisting of 13 pages. There are no exhibits.

CHAIRMAN CLARK: The prefiled direct testimony of Mr. Guedel will be inserted into the record as though read.

MR. HENRY: Madam Chairman, MCI would offer the prefiled direct testimony of Don Wood, and Mr. Wood's' exhibit DJW-1. The direct testimony consists of 14 pages. And we would also offer the rebuttal testimony of Mr. Wood which consists of nine pages.

CHAIRMAN CLARK: The prefiled direct and rebuttal testimony of Mr. Wood will be inserted into the record as though read.

MR. WIGGINS: Madam Chairman, Palm Beach Newspaper, Inc. would introduce the prefiled direct testimony of James W. Freeman consisting of 16 pages. There are no corrections to make to that.

CHAIRMAN CLARK: Okay.

MR. WIGGINS: In terms of exhibits, he has a

vita which is already listed on the composite list as an exhibit and there is another exhibit that is not on the parties' list but I believe Staff has it and it's offered by PBNI and would like to offer it in connection with Mr. Varner. And it consists of BellSouth -- BST's responses to PBNI's production of Documents 1, 4 and 7.

CHAIRMAN CLARK: Let me ask a question. Is that the last on the list I have here?

MR. WIGGINS: I think the one you have last should be the confidential document. This would be a knew one, I think, unless you have the update.

MR. ELIAS: I don't think you have it unless it says 1, 4 and 7.

CHAIRMAN CLARK: So I have to list that as another exhibit. So it's Varner.

MR. WIGGINS: Varner, PBNI BST response to PBNI POD 1, 4 and 7.

CHAIRMAN CLARK: Okay. I have that listed and I'll mark it later. Did we do Mr. Allen?

MR. WIGGINS: Mr. Allen's testimony has been withdrawn.

CHAIRMAN CLARK: That's right. Excuse me. That concludes the testimony; is that correct?

MR. ELIAS: Staff has no testimony. We do

have three orders to be officially recognized. They are PSC-94-0172-FOF-TL, issued February 11th, 1994, in this docket.

CHAIRMAN CLARK: I'm sorry, I was distracted start again.

MR. ELIAS: Three orders we're offering for official recognition. PSC 94-0172-FOF-TL issued February 11, 1994, in this docket. Order PSC-95-1507-FOF-TL issued December 6th, 1995, in Docket No. 951160-TL, and Order PSC-96-0811-FOF-TP issued June 24th, 1996, in Docket No. 950984-TP.

CHAIRMAN CLARK: We will take official recognition of those orders.

MR. ELIAS: All the exhibits Staff would proffer are listed on the exhibit list.

CHAIRMAN CLARK: Okay. Let's go through that exhibit list.

AJV-1 will be marked as Exhibit 1. AJV-2 will be marked as Exhibit 2. AJV-3 will be marked as Exhibit 3. AJV-4 will be marked as Exhibit 4. AJV-5 will be marked as Exhibit 5. AJV-6 will be marked as Exhibit 6. AJV-7 will be marked as Exhibit 7, AJV-8 will be marked as Exhibit 8, AJV-9 will been marked as Exhibit 9.

JDH-1 will be Exhibit 10. JDH-2 will be

Exhibit 11. JDH-3 will be 12. JDH-4 will be Exhibit 13. JDH-5 will be Exhibit 14.

And an exhibit for Witnesses Varner and Hendrix entitled "BellSouth's Response to AT&T's First Set of Interrogatories" will be marked as Exhibit 15.

BellSouth's is that "response" -- what is the next one? I can't tell what that is supposed to be.

MR. ELIAS: 1 through 11 is part of Exhibit 15.

CHAIRMAN CLARK: That's number -- I'm sorry. Then the next one we have is for Wood and it's DJW-1 will be Exhibit 16.

And then BellSouth's Response to AT&T Wireless Third Set of Interrogatories, and the numbers listed there therein, a response to the production of document will be marked as Exhibit 17.

BellSouth's response to PBNI's first set of interrogatories will be Exhibit 18.

The Suncoast Network User Distribution by Mr. Metcalf will be Exhibit 19.

Exhibit 20 will be Mr. Freeman's vita.

Exhibit 21 will be BellSouth's Response to FCTA's First Set of Interrogatories, 1 through 5.

The confidential exhibit which is

BellSouth's Response to PBNI's --

MR. ELIAS: Data request.

CHAIRMAN CLARK: Data request as amended, and to be filed tomorrow by you, Ms. White, will be Exhibit 22.

And, finally, BellSouth's Response to PBNI Production of Documents 1, 4 and 7 will be marked as Exhibit 23. And exhibits 1 through 23 will be admitted in the record without objection.

BELLSOUTH TELECOMMUNICATIONS, INC.

DIRECT TESTIMONY OF JERRY D. HENDRIX

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 920260-TL

JULY 31, 1996

Q. PLEASE STATE YOUR NAME, EMPLOYER, POSITION AND BUSINESS ADDRESS WITH BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH" OR "THE COMPANY")

A. My name is Jerry D. Hendrix. I am employed by BellSouth Telecommunications, Inc., (hereinafter referred to as "BellSouth" or "the Company"). My position is Manager - Interconnection Services Pricing in the Interconnection Customer Business Unit. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. PLEASE GIVE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND EXPERIENCE.

A. I graduated from Morehouse College in Atlanta, Georgia in 1975 with a Bachelor of Arts Degree. I began employment with Southern Bell in 1979 and held various positions in the Network Distribution Department before joining the BellSouth Headquarters Regulatory organization in 1985. On January 1, 1996 my responsibilities moved to

Interconnection Services Pricing in the Interconnection Customer Business Unit.

Q. HAVE YOU TESTIFIED PREVIOUSLY?

A. Yes. I have testified in proceedings before the Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, South Carolina, and Tennessee Public Service Commissions and the North Carolina Utilities Commission.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to explain why BellSouth's proposed tariffs to reduce switched access by $56.4 million as filed on May 31, 1996 are appropriate and should be approved. In addition, I will explain why BellSouth's proposal to zone price Terminating Carrier Common Line, Local Switching and certain Switched Transport services using $16.4 million of the $56.4 million switched access reduction is appropriate.

Q. IN COMPLIANCE WITH THE COMMISSION'S ORDER NO. PSC-94-0172-FOF-TL IN DOCKET NUMBER 920260-TL WHICH APPROVED THE STIPULATION AND IMPLEMENTATION AGREEMENT, BELLSOUTH HAS BEEN REQUIRED TO REDUCE SWITCHED ACCESS RATES TO THE DECEMBER 29,1993 EFFECTIVE

INTERSTATE LEVELS OVER A THREE YEAR PERIOD. PLEASE DESCRIBE THE SWITCHED ACCESS RATE REDUCTIONS THAT HAVE BEEN OR WILL BE IMPLEMENTED IN COMPLIANCE WITH THIS ORDER.

A. In compliance with the Commission's Order No. PSC-94-0172-FOF-TL, dated February 11, 1994, approving the Stipulation and Implementation Agreement, BellSouth agreed to reduce switched access rates to the December 29, 1993 effective interstate levels over a three year period. The first year, BellSouth reduced switched access rates by $50 million effective July 1, 1994. The second year yielded a switched access rate reduction of $55 million effective October 1, 1995. The third and final year of the stipulated agreement includes a $36M switched access reduction to be effective on October 1, 1996. In order to file the rates previously provided to this Commission as shown in Attachment JDH-1 (a summary of the stipulated rate reductions over this three year period) the switched access reduction based on 1996 demand yields a $40 million reduction.

Q. WHY DID BELLSOUTH DECIDE TO REDUCE SWITCHED ACCESS BY $56.4 MILLION EFFECTIVE OCTOBER 1, 1996?

A. The Stipulation and Agreement in Docket 920260-TL required BellSouth to reduce gross revenues by $84 million on an annualized basis. Of the $84 Million, $36 million, which has now grown to $40

million, was to be applied to intrastate switched access rates as agreed to in the Stipulation and Implementation Agreement. With $16.4 million of the remaining $44 million, BellSouth has proposed to decrease and zone price certain switched access rates. The $16.4 million coupled with the stipulated $40 million will bring a total benefit to the interexchange carriers of more than $56 million in switched access reductions effective October 1, 1996. When summed with the reductions provided over the previous two years, the total switched access reductions in the state of Florida equal more than $161 million.

Q. THE FLORIDA STATUTE REQUIRES THAT BELLSOUTH'S INTRASTATE SWITCHED ACCESS RATES BE REDUCED BY 5% UNTIL PARITY IS REACHED WITH DECEMBER 31, 1994 INTERSTATE RATES. HOW DOES BELLSOUTH PLAN TO SATISFY THIS REQUIREMENT?

A. On July 1, 1995, the amended Florida State Statute Chapter 364 became effective. According to Chapter 364, beginning October 1, 1996, switched access rates are to be reduced by 5% until parity is reached with the December 31, 1994 interstate rates. The initial 5% reduction is being satisfied with the October 1, 1996 $40 million reduction being made in compliance with the Stipulation and Implementation Agreement. The $40 million reduction brings the interexchange access rates to a level that is in parity with the December, 1993 interstate access rates. See JDH -1. With the

proposed $16.4 million switched access reduction, the average (across all zones) switched access rate of $.05632 is below the composite December, 1994 interstate switched access rate of $.05811 for switched DS1 service. See JDH -2.

Q. BELLSOUTH IS PROPOSING TO ZONE PRICE SWITCHED ACCESS. HOW DID THE CONCEPT OF ZONE PRICING COME INTO BEING?

A. In the FCC's Expanded Interconnection Order in Docket No. 91-141, Local Exchange Companies (LECs) were granted greater flexibility to price access to reflect traffic density. The FCC believed that the combination of expanded interconnection and increased pricing flexibility for LECs would establish an equitable frame work for promoting competition.

Q. PLEASE EXPLAIN BELLSOUTH'S ZONE PRICING SWITCHED ACCESS TARIFF REVISIONS.

A. On February 6, 1996 the Zone Pricing structure for switched transport became effective in Florida. With the May 31, 1996 tariff filing, BellSouth is proposing to zone price Terminating Carrier Common Line, Local Switching and certain transport services. The zone pricing plan divides Florida into three density zones. The zone pricing plan introduces exchange areas for assignment of rate zone based on DS1

equivalent circuits in an exchange area. Zone 1 is the most dense area with more than 4,000 DS1 equivalent circuits; Zone 2 has 1,000 to 4,000 DS1 equivalent circuits, and Zone 3 has the least dense with fewer than 1,000 DS1 equivalent circuits. Consistent with the FCC findings, this filing allows more flexibility in the pricing of switched access rate elements.

Q. WHY DID BELLSOUTH CHOOSE TO ZONE PRICE THESE RATE ELEMENTS?

A. Zone pricing of these elements will allow BellSouth to strategically establish prices that meet competitive pressures in the more dense areas of Florida. A growing number of Alternative Access Vendors (AAVs) have entered the access transport market deploying fiber optic rings, microwave systems and other transport service options to service large business customers. AAVs generally target the more dense markets where their cost of providing service would justify a rate that is below the LEC's averaged rates. BellSouth chose to zone price the usage elements as well as certain transport services in response to customer requests for reduced switched access rates, especially Carrier Common Line and Interconnection.

Q. WHAT IMPACT WILL BELLSOUTH'S ZONE DENSITY PRICING TARIFF REDUCTION HAVE ON ITS CUSTOMERS?

A. With the introduction of zone pricing, no switched access customer will pay rates that are higher than current effective rates. Furthermore, zone pricing will benefit not only the access customers but also the general body of ratepayers.

Assuming total flow through by the Interexchange Carriers, with zone pricing, BellSouth will be better situated to compete with AAVs for high volume access customers. Prohibiting BellSouth from competing effectively could result in the loss of high volume access customers and revenue for access services which provide substantial contribution to basic service.

Q. IN THE JOINT PROPOSAL FOR THE DISPOSITION OF $48 MILLION IN UNSPECIFIED RATE REDUCTIONS SCHEDULED FOR 10/1/96, FLORIDA AD HOC TELECOMMUNICATIONS USERS' COMMITTEE ("AD HOC"), MCI TELECOMMUNICATIONS CORPORATION ("MCI"), AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC. ("AT&T"), THE FLORIDA INTEREXCHANGE CARRIERS ASSOCIATION ("FIXCA"), SPRINT COMMUNICATIONS COMPANY, LIMITED PARTNERSHIP ("SPRINT"), AND MCCAW COMMUNICATIONS OF FLORIDA, INC. ("MCCAW") ADVOCATE THAT THE COMMISSION SHOULD ELIMINATE THE INTERCONNECTION CHARGE, VALUED AT APPROXIMATELY $35 MILLION. WHAT IS BELLSOUTH'S RESPONSE TO THE JOINT PROPOSAL?

A. Over the past three years, BellSouth has reduced switched access rates by more than $161 million. In addition, with the October 1, 1996 tariff filing, we have met the requirement to reach December 31, 1994 interstate rate levels in compliance with the Florida Statutes Chapter 364. Of the $16.4 million switched access reduction, $12 million, or 75%, is being proposed to reduce the Interconnection Charge. In short, BellSouth does not support the joint proposal and would strongly urge the Commission to approve BellSouth's proposal.

Q. WHY IS IT NOT APPROPRIATE TO REDUCE THE RESIDUAL INTERCONNECTION CHARGE BY $35 MILLION?

A. It is not appropriate to reduce the Interconnection Charge by $35 million because this reduction does not afford BellSouth the flexibility it needs to compete in the marketplace. A single across the board reduction, which eliminates the Interconnection Charge, leaves BellSouth vulnerable in those areas where competition is the greatest. Competitors are targeting our more dense areas and BellSouth should be allowed to strategically zone price a variety of switched access rate elements to meet the competition in these areas. To deny BellSouth the flexibility to zone price the proposed switched access elements is simply playing in the hands of our competitors, while at the same time hamstringing BellSouth.

Q. IN THE PETITION AND PROPOSAL OF FLORIDA CABLE TELECOMMUNICATIONS ASSOCIATION, INC. FOR DISPOSITION OF 1996 UNALLOCATED RATE REDUCTIONS, THE FLORIDA CABLE TELECOMMUNICATIONS ASSOCIATION, INC. ("FCTA") PROPOSES THAT BELLSOUTH SHOULD ELIMINATE NON-RECURRING CHARGES FOR THE INTERCONNECTION TRUNKS THAT ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANIES (ALECS) ORDER FROM BELLSOUTH AND NON-RECURRING CHARGES FOR DEDICATED, SWITCHED CIRCUIT S ALECS ORDER OUT OF THE BELLSOUTH SPECIAL ACCESS TARIFF. WHAT IS BELLSOUTH'S RESPONSE TO THIS PROPOSAL?

A. BellSouth does not support utilizing any of the $48 million to eliminate non-recurring charges for interconnection trunks ordered by ALECs. BellSouth believes the cost of installing interconnection trunks is appropriately recovered through its non-recurring charges and reflects costs incurred to perform these functions. Further, end user customers should realize direct benefit from the $48 million in rate reductions. BellSouth cannot identify any immediate direct benefit to the end user from eliminating non-recurring charges.

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. In summary, 67% of the $84 million reduction has been applied to switched access rates. Additionally, BellSouth has zone priced switched access rates to meet competitive pressures in the market place which will benefit the Florida ratepayers. Further, BellSouth believes that a wide array of customers, not just the interexchange carriers, should benefit from any proposed rate changes. Therefore, BellSouth's proposals should be approved as filed with the Commission on May 31, 1996.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. YES.

BELLSOUTH TELECOMMUNICATIONS, INC.

REBUTTAL TESTIMONY OF JERRY D. HENDRIX

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 920260-TL

SEPTEMBER 16, 1996

Q. PLEASE STATE YOUR NAME, EMPLOYER, POSITION AND BUSINESS ADDRESS.

A. My name is Jerry D. Hendrix. I am employed by BellSouth Telecommunications, Inc. ("BellSouth") as Director - Pricing and Regulatory Interconnection Services Marketing in the Interconnection Customer Business Unit. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. ARE YOUR THE SAME JERRY D. HENDRIX WHO FILED DIRECT TESTIMONY ON BEHALF OF BELLSOUTH ON JULY 31, 1996?

A. Yes, I am.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS DOCKET?

A. The purpose of my testimony is to rebut direct testimony filed in this case by: Joseph Gillan on behalf of the Florida Interexchange Carriers Association;

Michael Guedel on behalf of AT&T Communications; Don J. Wood on behalf of MCI; Daniel Vanderpool on behalf of Sprint; and Jill Butler on behalf of Florida Cable Telecommunications Association, Inc.

Q. ON PAGE 4, LINES 15-20 OF JOSEPH GILLAN'S TESTIMONY, MR. GILLAN STATES THAT A REDUCTION IN THE CARRIER COMMON LINE CHARGE (CCLC) IS APPROPRIATE "BECAUSE IT IS THIS ELEMENT THAT IS MOST RESPONSIBLE FOR INTRASTATE RATES EXCEEDING INTERSTATE RATES. THE COMMISSION SHOULD THEN USE A PORTION OF THE DISCRETIONARY, UNSPECIFIED REDUCTION TO ELIMINATE THE RESIDUAL INTERCONNECTION CHARGE OR RIC." DO YOU HAVE ANY COMMENTS?

A. Yes. BellSouth agrees that the CCLC should be reduced, but BellSouth disagrees that the RIC should be eliminated. In 1994 BellSouth filed its first switched access reduction in compliance with the Stipulation and Agreement. At that time, BellSouth also indicated what the rate levels would be for the next two years and proposed them to the Florida Public Service Commission Staff. The switched access reductions filed in the past two years have been approved by this Commission as filed. BellSouth believes it is appropriate to use the remaining $40 million in 1996 to reduce the CCLCas we indicated in 1994.

BellSouth is also in agreement that a portion of the $48 million should be used to further reduce switched access rates. In fact, consistent with Mr. Gillan,

BellSouth has filed an additional $16.4 million switched access reduction of which $12 million or 75% of the reduction is used to reduce the Interconnection (RIC) rate element.

However, as usual, the Interexchange Carriers (IXCs) have gone to the extreme in their request for switched access reductions. The IXCs are requesting that $35 million of the $48 million be applied to eliminate the RIC. BellSouth believes the IXCs requested switched access reductions are excessive. BellSouth's pending $48 million reduction provides a benefit to a variety of our customers not just the IXCs. It is BellSouth's position that the reductions targeted in this docket should benefit as many of the ratepayers in Florida as possible. It is not appropriate to target $35 million or 73% of the rate reduction to one class of customer who has seen tremendous benefits to the tune of $145 million since 1994. BellSouth has attempted to consider many types of customers in its rate reduction proposal, including an additional $16.4 million in switched access charge reductions for the IXCs.

Q. MR. GUEDEL ON PAGE 7, MR. GILLAN ON PAGE 18, MR. VANDERPOOL ON PAGE 3 AND MR. WOOD ON PAGE 5 ALL STATE THAT THE RIC HAS NO COST BASIS. DOES BELLSOUTH AGREE THAT THERE IS NO COST BASIS FOR THE INTERCONNECTION RATE ELEMENT?

A. No. In the Federal Communications Commission's (FCC's) Transport Rate Structure and Pricing, Report and Order, CC Docket No. 91-213, released

October 16, 1992, the FCC apparently recognized that the RIC recovers common transport costs and tandem switching costs that are not recovered by the transport and tandem switching rates. The RIC was established because the rate paid by users of tandem switching and transport were intentionally set so low as to not recover the full cost of these elements.

Q. MR. GILLAN, MR. GUEDEL, MR. WOOD AND MR. VANDERPOOL ALL ARGUE THAT SWITCHED ACCESS CHARGES SHOULD BE REDUCED CLOSER TO COST IN ORDER TO, AS MR. VANDERPOOL STATES ON PAGE 3 OF HIS TESTIMONY, "SEND CORRECT ECONOMIC SIGNALS TO POTENTIAL COMPETITORS". SHOULD THE COMMISSION REQUIRE BELLSOUTH TO REDUCE ITS SWITCHED ACCESS RATES TO "COST-BASED" LEVELS AS ADVOCATED BY THESE WITNESSES?

A. No. BellSouth should not be required to reduce switched access rates to the "cost-based" levels that are being advocated by these witnesses. BellSouth has already reduced switched access rates by nearly 76% since 1984. In today's value, this amounts to over $590 million annually.

In addition, since 1994 alone, BellSouth has reduced switched access rates by more than $145 million. The Florida Statute requires BellSouth to reduce switched access rates by 5% each year until 1994 interstate parity is reached. With the Stipulated $40 million reduction, plus the $16.4 million additional switched access reduction, BellSouth will meet this requirement in 1996. As

BellSouth has come to expect, the IXCs are continuing to insist on further reductions; nonetheless, it is inappropriate.

Q. BEGINNING ON PAGE 8 LINE 25 AND CONTINUING ON PAGE 9, LINES 1-7 OF MIKE GUEDEL'S TESTIMONY, HE STATES THAT "HIGH ACCESS CHARGES CAN DISTORT THE ECONOMICS OF COMPETITIVE LOCAL ENTRY - PERHAPS ENCOURAGING POTENTIAL ENTRANTS TO BUILD FACILITIES WHERE OTHER FORMS OF ENTRY SUCH AS RESALE MAY MAKE BETTER ECONOMIC SENSE. IN EITHER CASE, THE END USER RECEIVES LESS THAN THE DESIRED RESULTS OF COMPETITION". IN ADDITION, MR. GILLAN ON PAGE 9 LINES 22 - 23 STATES "THE FULL UTILIZATION OF THESE NETWORKS IS ARTIFICIALLY RETARDED BY THE HIGH PRICES THAT LOCAL TELEPHONE COMPANIES IMPOSE ON LONG DISTANCE CALLING." MR. WOOD ECHOES ON PAGE 4 OF HIS TESTIMONY THAT "IF ACCESS RATES REMAIN EXCESSIVELY HIGH, RETAIL TOLL PRICES WILL LIKEWISE REMAIN HIGH EVEN IF THE MARKETPLACE FOR RETAIL TOLL SERVICES IS EFFECTIVELY COMPETITIVE." WILL YOU PLEASE COMMENT?

A. BellSouth has reduced intrastate switched access rates by nearly 76% since 1984; however, the majority of consumers in Florida have not directly benefited from these intrastate switched access reductions. In other words, the IXCs have not been reducing long distance rates correspondingly. My analysis

shows that on average, there have been increases in the IXC's basic toll rates (MTS) from 1991 to the present. During this same period, switched access rates declined by approximately 57%. See JDH-3.

In fact, as discussed in a previous North Carolina hearing, BellSouth's level of access charges has had little to do with retail toll prices assessed by IXCs. The North Carolina Utilities Commission acknowledged this fact in their recent Price Regulation Order in Docket No. P-55, Sub 1013 in which the Commission directed the IXCs to flow through switched access reductions to their MTS customers. The Commission stated that:

> those reductions should be flowed through in a way such that as many of the IXCs' customers as practicably possible would receive some direct benefit therefrom. The Commission believes that the foregoing can best be accomplished by directing the IXCs to flow through these reductions to their basic residential and business subscribers through decreased intrastate basic message telephone service (MTS) rates on a dollar-for-dollar basis.

AT&T, MCI and Worldcom, Inc. filed a Joint Motion with the North Carolina Utilities Commission requesting the Commission to reconsider and amend the Price Regulation Order to allow IXCs to flow through access charge reductions to all of their switched access customers. The Commission denied the IXCs' request to spread the access charge reduction among many services and reaffirmed the original May 2, 1996 Order in Docket No. P-55, Sub 1013. The

North Carolina Commission will even monitor flow through because end users were not seeing total benefit of access reductions.

Q. WHAT CONCLUSION CAN BE DRAWN ABOUT THE FLOW THROUGH OF SWITCHED ACCESS REDUCTIONS FROM PREVIOUS EXPERIENCES?

A. Unless the Florida Commission orders the IXCs to flow through the switched access reductions to their basic MTS toll rates, there are no guarantees that reduced switched access rates will result in benefits for the majority of consumers in Florida. As we have seen in the past, if not so ordered, the IXCs will target flow through reductions to their high volume markets and not to the basic MTS ratepayers. Section 364.163 of the Florida Statutes requires that "any telecommunications company whose intrastate switched access rate is reduced ... shall decrease its customer long distance rates by the amount necessary to return the benefits of such reduction to its customers." Even though the Florida Statutes require the IXCs to flow through switched access reductions, there is no guarantee that reduced switched access rates would result in benefits for end users in the form of lower basic toll rates.

Q. MR. GUEDEL STATES ON PAGE 8 THAT "ACCESS CHARGES IN EXCESS OF INCREMENTAL COST PROVIDE THE INCUMBENT MONOPOLIST WITH THE OPPORTUNITY TO EXACT A CONTRIBUTION...FROM ANY POTENTIAL COMPETITOR THAT WOULD "DARE" TO ATTEMPT TO COMPETE WITH AN

INCUMBENT'S RETAIL SERVICES." DO YOU AGREE WITH HIS ASSESSMENT?

A. No, Mr. Guedel's statement is ludicrous. There is already significant competition in the intraLATA toll market, and the lack of "cost-based" access rates has not prevented competitors from entering the market. This Commission has approved numerous IXC tariffs for services with intraLATA capability, such as AT&T's Software Defined Network, MegaCom, MegaCom 800, 800 Readyline, and similar services for MCI and Sprint. These services have made significant inroads into the intraLATA business toll market.

IXCs are also competing for intraLATA calls through the use of 10XXX, 500, 700, 800, and 900 access services. IXCs are using these services effectively to take any lucrative high volume customers from BellSouth. These same IXC competitors are now targeting the small to medium business markets and high volume residential users.

Furthermore, on February 13, 1995, the Florida Public Service Commission in Docket No. 930330-TP ordered the implementation of intraLATA presubscription by the end of 1997. BellSouth's tariff was approved on May 1, 1996 and BellSouth is moving forward to implement 1+ intraLATA presubscription. In fact, the IXCs such as AT&T are actively seeking customers in BellSouth to subscribe to AT&T as their only toll provider.

Finally, BellSouth's competitive intraLATA toll rates must cover the cost that an IXC would incur in providing a similar service. These rates satisfy the requirements of the imputation standard addressed in the Florida Statute which provide competitors an advantage in competing with our retail services.

Q. MR. GILLAN ON PAGE 11, LINES 1-2 OF HIS TESTIMONY STATES THAT "MOST ELEMENTS OF SWITCHED ACCESS SERVICE-- PARTICULARLY TERMINATING ACCESS- ARE INVULNERABLE TO COMPETITIVE PRESSURES." PLEASE EXPLAIN WHY HIS ASSESSMENT IS WRONG.

A. There are competitive pressures in the switched access market, many of which have been fueled by the FCC. In the past few years, the FCC has issued several orders restructuring local transport and allowing expanded interconnection or collocation for the purpose of reducing regulatory and economic barriers to competitive entry into the access transport services market. This Commission approved BellSouth's restructure of local transport with switched transport zone pricing on January 1, 1996 and collocation on February 6, 1996. Those changes in switched access have encouraged new competitors, i.e. Alternate Access Providers (AAVs), to enter the already competitive access markets.

AAVs, like IXCs, are targeting high volume customers, densely populated areas, and metropolitan business districts. Because revenues are highly concentrated in these areas, they are ideal areas for AAVs to target with

facilities and services to high volume customers and IXCs. As of 1996 there are at least 32 AAVs in numerous locations throughout the state, which have either constructed fiber networks in major cities or have expressed an interest in building networks. AAVs are displacing switched access (both originating and terminating) and special access services. Mr. Gillan's assessment is not well thought through.

Q. ON PAGE 18 OF MR. GILLAN'S TESTIMONY AND ON PAGE 10 OF MR. GUEDEL'S TESTIMONY, BOTH WITNESSES STATE THAT THE COMMISSION SHOULD NOT APPROVE BELLSOUTH'S ZONE PRICING PROPOSAL WITHOUT COST-JUSTIFICATION. WHY IS BELLSOUTH'S ZONE PRICING PROPOSAL APPROPRIATE AS FILED?

A. On January 1, 1996, the Zone Pricing for Switched Transport tariff became effective in Florida. This filing was made in compliance with the Florida Public Service Commission Order No. PSC-94-0277-PCO-TL in Docket No. 921074-TP. BellSouth has not performed cost studies related to zone pricing of the switched access rate elements. However, there may indeed be cost differences in providing switched access between the urban and rural areas.

Rather than providing cost based zone pricing reductions, BellSouth has zone priced switched access based on market pressures. This is consistent with the actions taken by BellSouth's competitors in the marketplace. The bottom line is simply that BellSouth chose to price its services to reflect market conditions in the various zones. It makes good business sense to lower BellSouth's

switched access rates in its most competitive areas. BellSouth's competitors, however, do not want zone pricing because it makes it more difficult for them to "cream skim"/"cherry pick" BellSouth's most valuable customers.

Q. MR. GILLAN STATES ON PAGE 18 THAT "BELLSOUTH WILL BE INCREASING, NOT REDUCING, ITS SWITCHED ACCESS PRICES...AFTER THIS PROCEEDING." WHAT IS BELLSOUTH'S RESPONSE TO THIS ALLEGATION?

A. Mr. Gillan has no basis to conclude that BellSouth will increase switched access rates after this proceeding. I am unaware of any plans to raise switched access rates at this time. Section 364.163 of the Florida Statutes mandates that BellSouth's intrastate switched access rates must be decreased by at least 5% annually until December 31, 1994 interstate parity is reached. In addition, switched access rates in Florida are capped at the rates in effect on July 1, 1995 and are to remain capped until January 1, 1999.

Q. JILL NICKEL BUTLER OF THE FLORIDA CABLE TELECOMMUNICATIONS ASSOCIATION (FCTA) ARGUES THAT "A PORTION OF THE $48 MILLION IN RATE REDUCTIONS SHOULD BE UTILIZED TO ELIMINATE THE NON-RECURRING CHARGES FOR THE INTERCONNECTION TRUNKS THAT ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANIES (ALECS) ORDER FROM BELLSOUTH AND NON-RECURRING CHARGES FOR DEDICATED, SWITCHED CIRCUITS ALECS ORDER OUT OF THE

BELLSOUTH ACCESS TARIFF." DOES BELLSOUTH SUPPORT ELIMINATING THESE NON-RECURRING CHARGES?

A. No. As stated in my direct testimony, the cost of installing interconnection trunks is appropriately recovered through non-recurring charges. The elimination of non-recurring charges would simply line the pockets of new vendors. End Users most likely would never see any benefit from the elimination of such charges. The nonrecurring charges that BellSouth has proposed to reduce in this docket are those charges that are paid by our end user customers, not competing carriers. Furthermore, this is not the appropriate docket to handle this particular issue.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

BELLSOUTH TELECOMMUNICATIONS, INC.

DIRECT TESTIMONY OF A. J. VARNER

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 920260-TL

July 31, 1996

Q. Please state your name, employer, position and business address.

A. My name is Alphonso J. Varner. I am employed by BellSouth Telecommunications, Inc. ("BellSouth") as Senior Director for Regulatory Policy and Planning for the nine state BellSouth Region. My business address is 675 West Peachtree Street, Atlanta, Georgia.

Q. Please summarize your background and experience.

A. I graduated from Florida State University in 1972 with a Bachelor of Engineering Science degree in systems design engineering. I immediately joined Southern Bell in the division of revenues organization with the responsibility for preparation of all Florida investment separations studies for division of revenues and for reviewing interstate settlements. Subsequently, I accepted an assignment in the rates and tariffs organization with responsibilities for administering selected rates and tariffs including preparation of tariff filings. In January 1994, I was appointed

Senior Director of Pricing for the nine state region. I assumed my current responsibilities in August of 1994.

Q. What is the purpose of your testimony?

A. My testimony describes price reductions which BellSouth has filed to comply with order number PSC-94-0172-FOF-TL dated February 11, 1994, associated with Docket Number 920260-TL. I also address the issues associated with the filing and describe why the BellSouth proposal is the most appropriate proposal.

Q. How were the services chosen for this filing?

A. The services for this filing were chosen to provide benefits to a broad base of Florida customers. Those customers receiving benefits include Interexchange Carriers, both large and small business customers, and residence customers.

Q. What is the required amount of revenue reduction from the Stipulation and Implementation Agreement?

A. The stipulation calls for an $84 Million reduction in 1996. Of that amount, $40 Million is required to bring switched access charges to parity with December 1993 interstate levels, as discussed in Mr. Hendrix' testimony. This leaves a remainder of $44 Million.

Q. What is the level of reductions which BellSouth is proposing?

A. The company is proposing $48 Million in reductions as previously noted in correspondence, shown as Attachment AJV-1.

Q. Which services will be affected by this filing?

A. The following services are being reduced in this filing:

	Annual effect
-Switched Access	($16,400,067)
-Selected Secondary Service Charges	
-Residence	($3,609,180)
-Business	($2,203,791)
-First Line Connection Charge for Business Customers	($3,222,592)
-PBX monthly & term contracts	($13,451,394)
-DID Recurring	($987,012)
-DID Nonrecurring	($893,625)
-WATS & 800 Service Access Line	($355,721)
-Secondary Service Charge for WatsSaver ® (Registered Service Mark of BellSouth)	($301,093)
-Business Line Monthly Rates	($622,518)
-AREA PLUS® for Business customers	($2,254,140)
-Usage Charge on RCF	($2,010,198)

-Special Number Assignment Charges for Business	($70,500)
-MegaLink® interoffice	($579,192)
-DS1 interoffice	($39,216)
-Extended Calling Service	($1,096,628)
TOTAL	($48,096,867)

I will be discussing the details of all the services in the filing except Switched Access, which will be addressed separately by Mr. Hendrix.

Q. What proposals have been made by other parties?

A. The following list of proposals has been made in this docket:

A) The BellSouth proposal described above.

B) Joint Proposal of ATT, MCI, Sprint Communications, FIXCA, Ad Hoc and McCaw Communications:

	Millions
1) Reduce PBX and DID trunk charges	($11.00)
2) Eliminate the Residual Interconnection Charge	($35.00)
3) Reduce mobile interconnection rates	($2.00)
	($48.00)

C) Public Counsel:

Establish a reserve fund to assist BST customers who have experienced problems with conversion to the 954 NPA.

D) FCTA:

Eliminate nonrecurring charges for interconnection trunks and special access circuits ordered by ALECs.

E) Palm Beach Newspapers, Inc./Florida Today:

Reduce usage rates for N11 service to $.02 per minute.

Q. Does BellSouth support the Joint Proposal of ATT, MCI, Sprint Communications, FIXCA, Ad Hoc and McCaw Communications?

A. No. BellSouth's proposal already contains reductions for PBX and DID totaling in excess of $15 Million. The Residual Interconnection Charge will be discussed in Mr. Hendrix' testimony. The proposed reduction in mobile interconnection rates should not be considered at this time since rates are being addressed by the courts as result of the November 13, 1995 appeal to the Florida Supreme Court of Order No. PSC-95-1247-FOF-TL by McCaw Communications of Florida, Inc. In addition, the FCC is examining interconnection related issues per the Telecommunications Act with rules governing all interconnection expected to be issued later this year. Mobile interconnection issues are expected to be addressed in the FCC proceeding, and any action on reduction in these rates should wait until the FCC and the court rule on the issues.

Q. Does BellSouth support the proposal by Public Counsel?

A. BellSouth is currently addressing the Public Counsel concerns through the Industry Plan which allows customers to utilize Remote Call Forwarding (RCF), at a rate not to exceed $12.00 for a seven month period, including waiving of Extended Calling Service and toll usage charges. BellSouth is also addressing these same concerns by the proposed reduction in RCF rates. This will allow customers to continue the use of RCF with no usage charges, since these charges would be eliminated in the proposal.

Q. Does BellSouth support the proposal by FCTA?

A. The FCTA proposal to eliminate nonrecurring charges for interconnection trunks and special access circuits ordered by ALECs will be discussed by Mr. Hendrix.

Q. Does BellSouth support the proposal by Palm Beach Newspapers, Inc./Florida Today?

A. No. The current price levels of N11 service have created a viable market with a waiting list of customers. Further reduction of the rate would be an inappropriate price change for this scarce resource of N11 codes.

Q. Further describe the BellSouth proposal beginning with Secondary Service Charge reductions.

A. This filing proposes a tariff revision in A4 of the GSST to waive the Secondary Service Charge when existing residence and business subscribers order selected services. Customers currently pay $10.00 (Residence) or $19.00 (Business) for adding selected features unless there is a waiver campaign. The proposed tariff revision in A4 will waive the Secondary Service Charge when existing residence and business subscribers order one or more of the following:

Custom Calling services
RingMaster* (Service Mark of BellSouth Corporation) service
TouchStar* service
Prestige* Communications service
Message Waiting Indication service
Customized Code Restriction
Remote Call Forwarding
Designer Listings

Although the proposal is to waive this charge, recurring rates for the above services in aggregate would cover the cost. Existing customers would not be charged a secondary service charge when adding the above services. Absent a waiver, this charge would apply.

The revenue impact is shown below. Existing quantities of service charges used for the analysis were reduced to include the effects of the service charge waiver for Complete Choice*.

-Residence ($3.6 Million)

-Business ($2.2 Million)

Q. Describe BellSouth's proposal for reducing the first line connection charge for business customers.

A. The purpose of this filing is to reduce the first line connection charge for business customers from $56.00 to $40.00. This charge is in A4.3 of the GSST. The first line connection charge is applied per access line (including ESSX, Digital ESSX, MultiServ * and MultiServ Plus* lines), trunk, or ESSX-1 NAR basis when appropriate. This nonrecurring charge is currently $56.00 for business customers. This rate reduction will be attractive to both existing and new business customers. These customers will benefit when they order new or additional access lines, trunks, or ESSX-1 NARs.

Although the proposed $40.00 charge is below the cost for business line connection, recurring business rates in aggregate would cover the lost revenues. The annual revenue impact of this proposed rate reduction is ($3.2 Million).

Q. Describe BellSouth's proposal for reducing PBX trunks and DID.

A. The proposed filing reduces PBX trunk rates in all Rate Groups and introduces Term Contracts for PBX trunks. This filing also reduces the nonrecurring service establishment charge for Direct-In-Dialing (DID) Service and the nonrecurring and recurring charge for DID Service Trunk Terminations.

The proposed filing reduces PBX trunk rates in all Rate Groups located in A3. and introduces 24 to 48 Month and 49 to 60 Month Term Contracts for PBX trunks. Pages 2 and 9 of Attachment AJV-2 further explain the rates for these term contracts.

Reductions in the PBX rates and the PBX Term Contracts are being proposed in order to respond to customer requests for lower rates and for rate stabilization.

In conjunction with the changes in PBX offerings, this filing reduces the nonrecurring service establishment charge (USOC NDZ) for Direct-In-Dialing (DID) Service from $915.00 to $55.00. The nonrecurring and recurring charges for DID Service Trunk Terminations (USOC NDT) will also be reduced, from $90.00 and $21.80 to $65.00 and $20.00, respectively. The DID rate reduction will be attractive to both existing and new business customers.

In summary, existing PBX trunk customers will receive the benefits of reduced trunk rates, a reduced DID trunk establishment charge and

reduced DID Trunk Termination charges. In addition, PBX trunk customers will also be provided with a mechanism to further reduce and stabilize rates for up to 60 months.

The revenue impact is as follows:

-PBX monthly rates and term contracts:	($13.5 Million)
-DID recurring rates:	($1.0 Million)
-DID nonrecurring rates:	($.9 Million)

Q. Describe the proposal for reducing rates for WATS and WatsSaver® Service.

A. This filing proposes to eliminate the application of a Secondary Service Charge when only WatsSaver® service is added and to reduce the monthly rates associated with WATS and Toll Free Dialing Service (TFD) dedicated access lines. These changes are being proposed to make these toll services more attractive to business customers.

Currently, customers must pay a Secondary Service Charge of $19.00 when only WatsSaver® service is added to existing service. Subscribers will be able to add WatsSaver® service to their accounts without incurring a Secondary Service Charge. Dedicated WATS and TFD Service access line subscribers will receive a reduction in monthly access line rates.

WATS and TFD Service dedicated access lines in Florida have the highest rates in the region. BellSouth has proposed to reduce the monthly rates for WATS and TFD Service dedicated access lines to $25.00 as a strategic pricing move. The elimination of Secondary Service Charges from WatsSaver service orders was proposed in order to bring the service more in line with competitive toll services that do not charge customers to purchase a usage commitment plan.

Customers will see reduced charges when ordering WatsSaver® service and in their monthly WATS and TFD Service access line charges. The net revenue impacts associated with this filing are:

-WATS and TFD Service Dedicated Access Line Reduction: ($.4 Million)

-Eliminate Secondary Service Charge on WatsSaver®: ($.3 Million)

Q. Describe BellSouth's proposal for reducing rates for business line monthly rates.

A. This filing reduces the rate group 12 monthly rate for flat rate business lines from $29.10 to $29.00. This change affects toll terminals, independent payphone provider access lines, flat rate resale lines and 976 service access lines. The $29.00 rate brings this service in line with the proposed 60 month term contract rate for a PBX trunk. This rate will facilitate negotiations with customers and promotional activities for the service. This filing also reduces the rate group 12 rate for Back-Up* Line

service from $14.55 to $14.50. The revenue impact of this proposed reduction is $.6 Million.

Q. Describe BellSouth's proposal for Area Plus® for business customers.

A. This filing introduces Area Plus® for business customers which is an expanded local calling plan that also includes a discounted toll feature. This optional plan is available to new customers, as well as existing flat rate or message rate individual line, PBX trunk or Network Access Register (NAR) customers.

The plan consists of three geographic parts that encompass all calls within the LATA:

- Basic Local Calling Area (BLCA) - is the calling scope which consists of access to all lines with the central office designation of exchanges and additional exchanges as defined in the tariff.
- Expanded Local Calling Area (ELCA) - this area extends the BLCA to a 40 mile calling radius, including any existing ECS areas that extend past this 40 mile limit.
- IntraLATA Area - the area past the ELCA radius, to the intraLATA toll boundary.

Each of the three components of Area Plus® is distinctly rated. The BLCA is flat rated as defined by rate group. The ELCA calls are rated on a per

minute of use basis. The intraLATA toll calls are rated by the existing MTS schedule, then discounted by 30 percent (Direct Distance Dialing calls, 0+ calling card and collect calls).

In addition, Back-Up* Line service is available to flat rate and message rate individual line customers. The basic definition of Back-Up* Line service is unchanged in the BLCA, with the addition of outward usage within additional ELCA exchanges being billed at the Area Plus® ELCA usage rate.

This is an optional service, available to existing and new customers. The annual revenue impact of this proposed rate reduction is ($2.3 Million).

Q. Describe BellSouth's proposal for reducing rates for Remote Call Forwarding.

A. The proposed tariff eliminates basic local usage rates for Remote Call Forwarding (RCF). These charges are in A13.11 of the GSST and apply for calls within the basic local calling area, which are between the call forwarding location and the terminating station, when RCF is provided.

This proposed rate change is consistent with our current pricing strategy for the product. New and existing RCF customers will benefit from this rate reduction. The annual revenue impact of this proposed rate reduction is ($2.0 Million).

Q. Describe BellSouth's proposal for reducing rates for Special Number Assignment Charge (SNAC).

A The purpose of this filing is to reduce the Special Number Assignment Charge for business customers for "search only" requests from $10.00 to $5.00 and for "search and assign" requests from $75.00 to $25.00, which will bring the business rates in line with the residence rates for the same service. These charges are in A4.6 of the GSST.

Feedback from customer contact personnel indicates that existing rates for this service often provide barriers to other sales. We believe that the proposed rates are reasonable for business customers. Both new and existing business customers will benefit from this rate reduction when special number assignment charges are applied. The annual revenue impact of this proposed rate reduction is ($.1 Million).

Q. Describe BellSouth's proposal for reducing rates for Dedicated Access DS1 High Capacity And Megalink® Service.

A. The Private Line MegaLink® and Dedicated Access DS1 High Capacity services interoffice channel (IOC) mileage is that portion of a customer's end-to-end service furnished between Company central offices. Included in this filing is a reduction in the per mile portion of the IOC. The IOC mileage rates for Private Line MegaLink® and Dedicated Access DS1 High

Capacity services are based on the airline distance between central offices. The IOC rate structure consists of two separate rate elements (fixed and per mile).

While the rate structure remains the same, rates associated with the per mile portion of the interoffice channel for Private Line MegaLink® service and Dedicated Access DS1 High Capacity service have been reduced.

New and existing customers will see a rate decrease. The revenue impact of this filing is:

-MegaLink®	($.6 Million)
-DS1	($.04 Million)

Q. Describe why BellSouth is including the prior conversion of Extended Calling Service on some routes in its proposal.

A. During the first half of 1996, ECS has been implemented on seven routes between BellSouth exchanges and Independent Company exchanges. This implementation was based on orders issued by the Florida Commission in 1995 and in 1996. The revenue impact has not been accounted for in prior filings or proceedings. The affected routes, order numbers, implementation dates, and revenue impacts are shown in Attachment AJV-3.

During the July 16, 1996 agenda session, countywide EAS was approved for all Bay County routes (Docket No. 950700-TL). Implementation will take place within six months from the date of the order. Those routes, and the estimated revenue impacts are listed in Attachment AJV-3. During the May 7, 1996 agenda session, the Commission approved ECS on the Lake City to High Springs route (Docket No. 951098-TL). An order was issued on May 29, 1996. The estimated revenue effect is listed in Attachment AJV-3.

Q. Please summarize your testimony.

A. This filing complies with the Stipulation and Implementation Agreement and is the best proposal to meet the needs of a wide range of Florida customers.

Q. Does this conclude your testimony?

A. Yes.

BELLSOUTH TELECOMMUNICATIONS, INC.

REBUTTAL TESTIMONY OF A. J. VARNER

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 920260-TL

SEPTEMBER 16, 1996

Q. Please state your name, employer, position and business address.

A. My name is Alphonso J. Varner. I am employed by BellSouth Telecommunications, Inc. ("BellSouth") as Senior Director for Regulatory Policy and Planning for the nine state BellSouth Region. My business address is 675 West Peachtree Street, Atlanta, Georgia.

Q. Are you the same Alphonso J. Varner who filed direct testimony on behalf of BellSouth on July 31, 1996?

A. Yes, I am.

Q. What is the purpose of your testimony?

A. My testimony rebuts direct testimony filed in this case by: Douglas S. Metcalf on behalf of Florida Ad Hoc Telecommunications Users' Committee; Joseph Gillan on behalf of the Florida Interexchange Carriers Association; Don J. Wood on behalf of MCI; Thomas Erwin Allen, Jr. of Intermedia Communications, Inc.; James A. Garver on behalf of the Citizens of the State

of Florida; and James W. Freeman on behalf of Palm Beach Newspapers, Inc. and Florida Today.

Q. Douglas S. Metcalf on behalf of Florida Ad Hoc Telecommunications Users' Committee states in his direct testimony on page 2, lines 8-10, "...First, the Commission should target the refund to the parties who have paid the most in excessive contribution and rates over the years..." Do you agree with this statement?

A. Absolutely not, and foremost, this docket is open to implement the Stipulation and Implementation Agreement ("Settlement Agreement"), approved by this Commission on February 11, 1994. The Settlement Agreement provided for, among other things, various rate reductions for 1994 thorough 1996. Mr. Metcalf is quite mistaken in his assessment that these monies are in the nature of a rate reduction.

Q. Do you have any overall comments concerning the intervenor testimony related to PBX trunks and DID?

A. Yes. It is no surprise that all of the intervenors favor those reductions which reduce their costs, increase their margins and make their services more economically viable. The basic arguments against the BellSouth proposals for PBX trunk term contracts and DID reductions allege that BellSouth is attempting to "foreclose competition" and to "lock" the marketplace. There

seems to be general consensus that PBX trunk and DID rate reductions are appropriate if the motive is not one of seeking a competitive advantage.

Q. On page 3 lines 15-18 Thomas Erwin Allen, Jr. of Intermedia Communications, Inc. states in his direct testimony, "The restructure of PBX rates and the elimination or reduction of NRCs [nonrecurring charges] provides little if no relief for the average rate payer and only improve BellSouth's competitive advantage..." Do you agree with this statement?

A. No. The reduction proposed by BellSouth provides varying degrees of relief to just about every type of customer in BellSouth's customer body. Some reductions favor residential customers, IXCs, AAVs, business customers, etc. All reductions, however, are consistent with BellSouth's commitment to the general rate payers in Florida to share in the benefits of Price Regulation. In addition, the proposed reductions in PBX recurring and nonrecurring trunk rates move BellSouth closer to an even playing field by helping to remove some of the cross-subsidy in trunk rates.

Q. On page 5 lines 12-14 Mr. Allen states in his direct testimony, "The proposal to introduce the term contracts are just another in a series of recent actions by BellSouth to lock up market share..." Do you agree with this statement?

A. No. Offering service contracts in BellSouth's General Subscriber Service Tariff is not a new or innovative concept. In fact, contracts have a long history as a common instrument used to document business transactions in this

marketplace. A BellSouth contract for PBX trunks will insure that customers have rate stability during the life of the contract. However, a BellSouth contract on PBX trunks, like contracts on other BellSouth services does not and has not "locked up" or eliminated any current BellSouth customer's right to seek or obtain, a more favored economic or value added competitive service offering, should one exist.

Q. On page 5 lines 19-23 Mr. Allen states in his direct testimony, "...BellSouth understands that competitors are gearing up to provide similar services [by reducing PBX trunk rates through contracts] to business customers and will also be willing to provide attractive pricing for these services. Therefore, it is attempting to restrict customer choice." Do you agree with this statement?

A. No. BellSouth believes that the benefits of price regulation and competition include providing greater value at reduced rates. To characterize the flow through of savings or to suggest that BellSouth not be allowed to offer lower rates and a variety of pricing options because competitors will offer them in the future as somehow "attempting to restrict customer choice" is ridiculous.

Q. On page 7 lines 5-6 Mr. Allen states in his direct testimony, "BellSouth is proposing to reduce DID Trunk Termination recurring rates from $31.00 to $20.00 (per month)..." Is this statement correct?

A. Absolutely not. The actual proposed reduction is from $21.80 to $20, or $1.80 less per month.

Q. On page 7 lines 12-21 Mr. Allen states in his direct testimony, "...NRCs are typically established at cost and if the cost for DID establishment has been reduced by 940%, then BellSouth efficiency increase in response to anticipated competition has been miraculous. With all due respect to BellSouth, however, Intermedia suggests that this proposed reduction is not due to any efficiency-based cost reductions. In addition, the Commission should not approve these reductions because NRCs typically affects future customers and the reductions in this proceeding should benefit current customers." Do you agree with these statements?

A. No. The existing DID rates reflect both value of service pricing and cost recovery concepts. The original DID non-recurring rates were based on the high cost associated with pre-electronic central office technology. The current non-recurring rates resulted from a restructure of DID service in 1988 from groups of 100 to groups of 20 numbers, using electronic central office technology. Nonrecurring charges remained significantly above cost, based on the established value of service. The proposed rates reflect both reduced cost and value of service pricing. In addition, BellSouth reminds Mr. Allen that DID is an inward calling service used by customers who typically have (and had) outward and/or combination PBX trunks to handle other calling needs prior to adding DID service. In addition, these same current customers occasionally add new DID trunk groups at both existing and new locations as a result of business growth. Many of BellSouth's current customers who add DID trunks, as well as some number of DID subscribers who will be totally

new to the BellSouth network, will receive the benefits of lower nonrecurring charges. These nonrecurring charges provide contribution to the Company's overheads, thereby benefiting the general body of rate payers.

Q. On page 5 lines 4-10 James W. Freeman on behalf of Palm Beach Newspapers, Inc. and Florida Today states in his direct testimony, "...An example of potentially anticompetitive side effects might be in the PBX area if it turns out that SBTT's rate reductions and long term contract proposals reflect a preemptive strike through which SBTT hopes to lock up the existing PBX business and foreclose future competitors from even bidding on it for several years..." Do you agree with this statement?

A. No. BellSouth's rate reductions and contract proposals are intended to provide rate relief and stability while reducing cross-subsidies. BellSouth's position is that neither current nor proposed contractual arrangements preclude any BellSouth customer from requesting, receiving or purchasing service from a competitor.

Q. On page 3 lines 3-4 of his direct testimony Mr. Metcalf on behalf of Florida Ad Hoc Telecommunications Users' Committee states, "..the proposed [PBX] rate reduction inequitably favors new business customers whose payments did not contribute to the overearnings being refunded." Do you agree with this statement?

A. No. Once again, Mr. Metcalf totally misunderstands the genesis of this docket. This is not a docket concerning a rate refund; rather it is a docket concerning a rate reduction. Additionally, Mr. Metcalf is conveniently ignoring the BellSouth proposal to reduce recurring PBX trunk charges. If approved, the BellSouth proposal would immediately reduce recurring rates on all existing PBX trunks (over 78,000 in Florida) as well as any newly added PBX trunks. Moreover, all of BellSouth's current DID subscribers will see lower monthly Trunk Termination charges.

From a nonrecurring charge perspective, Mr. Metcalf apparently does not understand that existing customers have needs for additional services as business needs change. The nonrecurring charge decreases proposed for adding lines, trunks, or ESSX^{R} NARs; and the proposed nonrecurring rate reductions for DID service will benefit both existing and new customers.

Q. On page 3 lines 8-15 of Mr. Metcalf's testimony, he states, "BST's proposal unfairly seeks to "lock-in" business users during a time that historic competitive opportunities will otherwise be available to these customers...BST's proposal unfairly holds hostage refunds, which are rightly due to the customers, to a scheme that would deny these customers the fruits of local competition." Do you agree with these statements?

A. No. Again, Mr. Metcalf continues under his mistaken apprehension that he is participating in a rate refund docket. Contracts do not preclude or lock-in business users from competitive alternatives nor are contracts available only to

new customers. BellSouth believes that the best way to pass on PBX trunk savings while providing rate stability is through contracts. The BellSouth proposed reductions will benefit both existing and new customers.

Q. On page 4 lines 11-15 of Mr. Metcalf's testimony, he states,"...However, BST's proposed rate structure targets new customers by eliminating/reducing non-recurring charges associated with ordering new or additional ESSX^{R}, Multiserve (sic), and DID services. This particular reduction badly misaligns costs and benefits -- a result which is just the opposite of that historically urged by BST's frequent reliance on principles of 'cost causation.' This proposal is simply inequitable." Do you agree with these statements?

A. No. This is a totally inaccurate characterization of the BellSouth proposal. As previously stated, over 78,000 existing PBX trunks, every newly added PBX trunk, every current DID subscriber, and every future DID subscriber will benefit from the reductions. ESSX^{R} service is an obsolete offering, one that did not use DID service for PBX trunks. It is therefore of no consequence in this Docket. Similarly, BellSouth's DID services are not used by its MultiServ^{sm} service subscribers and therefore, that comparison is also irrelevant to this Docket.

Q. On page 4 lines 19-24 of Mr. Metcalf's testimony, he states, "As the Commission knows, Ad Hoc is the principal advocate of business customers appearing before the Commission in telecommunications matters. Ad Hoc and its members have never communicated a desire to BST for this particular rate

structure, and Mr. Varner has not discussed it with Ad Hoc or its members. Accordingly, the Commission should not be misled into believing that there is a large nucleus of business users advocating this particular BST rate structure based upon a desire for this form of 'rate stabilization'." How do respond to these statements?

A. Although I acknowledge that I did not discuss the PBX contract structure nor many other elements of BellSouth's proposal with Ad Hoc, a BellSouth representative did meet with Ad Hoc to discuss BellSouth's proposal at great length. Moreover, Mr. Metcalf is misleading this Commission if he is trying to give the impression that Ad Hoc and virtually all PBX business customers in Florida have not communicated a desire to reduce PBX rates and to control and predict, with some degree of certainty, communications expenditures.

Q. On page 5 lines 3-11 of Mr. Metcalf's testimony, he makes the argument that PBX trunks are priced significantly above their relative costs, unlike their competitors, ESSX^{R} services. Do you agree?

A. No. Mr. Metcalf is apparently unaware that BellSouth has made its ESSX^{R} service offering obsolete, meaning that ESSX^{R} is no longer offered for new installations. The Commission addressed ESSX^{R} costs and pricing in earlier dockets. As ESSX did not and does not use DID trunks or trunk equipment and is an obsolete offering, the issues raised by Mr. Metcalf are not relevant to this docket.

Q. Concerning the proposed reductions for business line rates, Mr. Allen of Intermedia Communications, Inc. in his direct testimony on page 9 lines 2-5 states, "...ICI believes that while business rates may need to be reduced the rationale for BellSouth's proposal is flawed. We believe that these rates should not be reduced just because of the changes in PBX trunk rates." Do you agree with these statements?

A. No. While Mr. Allen acknowledges that business line rates "may need to be reduced", he states that the BellSouth rationale is flawed. However, he provides no support for his contention that the rationale is flawed. Since business lines and trunks are equivalent services, BellSouth believes rate parity between lines and trunks is a valid reason for reducing the business line rate.

Q. On page 7 lines 21-25, of his direct testimony, Mr. Freeman states, "...I see the local nature of N11, which allows small services to attempt to meet consumer demand as a small, almost cost free laboratory in which information services of the future can be developed." Do you agree with this statement?

A. No. N11 is not the proper service for market trials or experimentation for information services. A seven digit local number would be more appropriate for testing new innovative service offerings due to costs to activate and disconnect an N11 service. In addition, utilizing the limited number of available N11 codes for numerous service trials would create customer confusion concerning N11 applications. There have been approximately 51 applications for these limited N11 codes in Florida since the service was

introduced. The current demand exceeds the quantity of numbers which are available in the major markets where there is currently a waiting list for N11 codes.

Q. On page 10 lines 8-9 of his direct testimony, Mr. Freeman states, "...The variable cost of N11 is primarily associated with the rating and recording of each revenue producing call..." Do you agree with this statement?

A. No. Each N11 call must be switched by BellSouth switches, and most N11 calls must be transported over BellSouth interoffice trunk facilities. There is variable cost associated with switching and transporting N11 calls. Mr. Freeman fails to recognize such necessary functions and the cost associated therewith.

Q. On page 12 lines 6-8 of his direct testimony, Mr. Freeman states, "...The cost per call is a per minute charge, but the expenses to SBTT of rating and recording are per call, not per minute in nature..." Do you agree with this statement?

A. No. As mentioned previously, Mr. Freeman fails to acknowledge BellSouth's cost associated with switching and transport of N11 calls. Such costs are incurred both per minute and per message.

Q. On page 13 lines 4-5 of his direct testimony, Mr. Freeman states, "...I would also propose that a flat charge of $.01 per minute be instituted, so that N11

customers would pay the monthly minimum or $.01 per minute, whichever was greater..." Do you agree with this proposal?

A. No. As stated earlier, at the current price levels, demand exceeds capacity in the major markets. Therefore, we do not believe that the service is priced too high such that it is stifling the market. The current rate levels and structure are appropriate.

Q. Concerning WATS Access line rates, on page 8, lines 15-18 Mr. Allen states in his direct testimony, "...ICI believes that WATS Access line rates and the secondary service order charge should not be reduced using the revenues identified in this proceeding. BellSouth is again proposing a rate reduction that would not benefit the general body of ratepayers, nor for the most part, current customers." Do you agree with this statement?

A. No. The practice of charging customers for subscribing to an Optional Calling Plan was widespread throughout the industry in past years. However, that practice has now been virtually eliminated by all carriers who now charge their customers nothing when subscribing to one of the carriers' OCPs. BellSouth is simply bringing its WatsSaver service charge in line with the competition's. ICI gives no real reason in its testimony as to why they believe that WATS access line rates should not be reduced in this proceeding. Florida has the highest WATS access lines rates of any state in BellSouth's region. The technological advances in provisioning these lines and availability of competitive services are only two reasons that these rates should be lowered.

Q. Concerning mobile service interconnection rates, Kurt C. Maass on behalf of AT&T Wireless Services of Florida advocates on page 3 lines 3-4 of his direct testimony, a reduction in mobile interconnection service rates. Do you agree that the Commission should reconsider mobile interconnection rates in this Docket?

A. No. This Commission has already thoroughly examined this issue in Docket No. 940235-TL (In Re: Investigation into the rates for interconnection of mobile service providers with facilities of local exchange companies.), and rendered its decision in Order No. PSC-95-1247-FOF-TL on October 11, 1995. The Commission's decision was appealed to the Florida Supreme Court by McCaw Communications of Florida, Inc. on November 13, 1995, and a Motion for Stay was filed by McCaw on December 7, 1995. The Motion for Stay was denied by the Commission by Order No. PSC-96-0334-FOF-TL and BellSouth (and other LECs) filed mobile interconnection tariffs pursuant to Order No. PSC-95-1247-FOF-TL. The tariffs were approved under Order No. PSC-96-0132-FOF-TL on January 29, 1996. Again, on February 13, 1996, McCaw filed a Motion for Reconsideration, and again, the Motion for Reconsideration was denied by Order No. PSC-96-1003-FOF-TL, issued on August 5, 1996. This Docket remains open pending the outcome of the appeal filed by McCaw with the Florida Supreme Court. The outcome of the mobile interconnection rates is best handled through the existing legal process.

Q. Concerning Remote Call Forwarding ("RCF") for use in NPA splits, James A. Garver on behalf of the Citizens of the State of Florida states in his direct testimony on page 3 lines 12-13, "...this is an interim tariff that is scheduled to expire at the end of this year..." Is the RCF proposal for eliminating usage charges, filed as part of the overall $48 Million reduction, an interim tariff?

A. No. The Special RCF Offering Associated With Numbering Plan Area (NPA) Conversions, offered in A13.11.8 of the General Subscriber Service Tariff, is a special tariff that provides interim relief for customers affected by an area code change by waiving the Company-provided local and toll usage charges normally associated with RCF for up to five months following the date specified for mandatory dialing of the new area code.

The proposed BellSouth tariff filed in conjunction with Docket 920260-TL, permanently eliminates local usage billing for all RCF customers. This elimination of local usage charges should benefit subscribers affected by an area code change should they decide to retain RCF service beyond the interim period associated with the Special RCF Offering.

Q. Concerning reducing the Business Lines Connection Charge Reduction, Mr. Allen in his direct testimony on page 4 lines 13-24, advocates that nonrecurring charges should not be reduced. Do you agree?

A. No. In proposing this rate change, BellSouth is not suggesting that the non-recurring costs associated with the business line connection charge have

changed significantly, but rather that the costs associated with this reduction will be recovered in the recurring rates for the business services added. Residence and business services differ in respect to their ability to recover non-recurring costs in recurring rates. Currently business services provide contribution levels which allow for this recovery. Furthermore, our business customers have expressed specific concerns regarding the existing rate. This reduction is an attempt to satisfy some of these customer concerns.

Q. Does this conclude your testimony?

A. Yes, it does.

BELLSOUTH TELECOMMUNICATIONS, INC.

SUPPLEMENTAL REBUTTAL TESTIMONY OF A. J. VARNER

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 920260-TL

October 17, 1996

Q. Please state your name, employer, position and business address.

A. My name is Alphonso J. Varner. I am employed by BellSouth Telecommunications, Inc. ("BellSouth" or "BST") as Senior Director for Regulatory Policy and Planning for the nine state BellSouth Region. My business address is 675 West Peachtree Street, Atlanta, Georgia.

Q. Are you the same Alphonso J. Varner who filed direct testimony on behalf of BellSouth on July 31, 1996?

A. Yes, I am.

Q. What is the purpose of your testimony?

A. My testimony rebuts the amended direct testimony filed in this case by Thomas Erwin Allen, Jr. of Intermedia Communications, Inc. on September 11, 1996, and addresses the modified issue concerning the rating of N11 service.

Q. Palm Beach Newspapers, Inc. and Florida Today have modified their issue on N11 service and are now seeking a reduction of BellSouth's N11 service tariff so that the N11 customers pay a flat charge of $.01 per minute or the current monthly minimum, whichever is greater. Does BellSouth agree with this proposal?

A. No. This proposal is inappropriate from a cost perspective and from a market perspective. First, BellSouth's costs are associated with switching and transport of N11 calls. Such costs are incurred both per minute and per message. The proposal appears to ignore that there is a per message cost. Second, the market response indicates that BellSouth existing rates are appropriate. The current demand exceeds the quantity of numbers which are available in the major markets, where there is currently a waiting list for N11 codes (there have been approximately 51 applications for the limited N11 codes in Florida since the service was introduced). The price for the service is clearly within the market willingness to pay. Therefore, the current rate levels and structure are appropriate, and the modified N11 proposal should be rejected.

~~Q. Have you previously filed rebuttal to Mr. Allen's direct testimony?~~

~~A. Yes, I have.~~

Q: **Please state your name, business affiliation, address, and on whose behalf you are testifying?**

A: My name is Douglas S. Metcalf. I am President of Communications Consultants, Inc., 400 N. New York Avenue, Suite 213, Winter Park, Florida 32790-3159. CCI provides regulatory, tariff and management assistance to clients using or providing services affected by regulation. My responsibilities include the examination of costing methodologies and rate design policy. I have previously testified on behalf of the Florida Ad Hoc Telecommunications Users' Committee (Ad Hoc) in this proceeding.

Q: **What is the Florida Ad Hoc Telecommunications Users' Committee?**

A: It is an ad hoc group of large users of business telephone services within the state of Florida. The members are major customers of the local exchange companies who are vitally interested in the fairness of any tariff structure or rate changes affecting business services. Further, they are users who are very interested in fostering full and fair competition in the telecommunications marketplace. The current members of Ad Hoc are:

Advantis (Sears/IBM)	Great Western Bank
Alarm Assn. of Florida	Harris Corporation
American Express Co.	Honeywell Protection Svcs.
Barnett Technology Corp.	NationsBank of Florida
Burdine's	Publix Supermarkets
Dean Witter Reynolds	Seimens/Stromberg-Carlson
Equifax, Inc.	Southeast Switch (HONOR Group)
First Union National Bank	State of Florida - DMS
Florida Informanagement Svcs. (FIS)	SunTrust Service Corp.

Q: **What is the purpose of your testimony?**

A: The purpose of my testimony is to discuss and support the comments in the Joint Proposal for Disposition of $48 Million which was submitted by Ad Hoc, MCI, AT&T, FIXCA, Sprint, McCaw Communications, and later joined by the Department of Defense.

I will also comment on the proposal which has been made by BellSouth. These proposals were made to achieve the $48 million ($48M) rate reduction for 1996 which was agreed to and required by the Stipulation and Agreement dated January 5, 1994, and the Implementation Agreement dated January 12, 1994 in settlement of SBT's 1994 rate case.

Q. **What are the basic principles that should guide the Commission during their deliberations in this refund proceeding?**

A. The Commission's task in this proceeding is twofold: First, the Commission should target the refund to the parties who have paid the most in excessive contribution and rates over the years. Second, the Commission should effectuate this refund in a manner that enhances competition, on a going forward basis, as directed by the Legislature in the telecommunications legislation which was passed in the 1995 session. Ad Hoc believes that, of the proposals currently before the Commission in this proceeding, only the Joint Proposal filed by Ad Hoc and others reflects these two factors.

Q. **Please explain the differences in the Joint Proposal and BST's proposed reductions with respect to their impact on business users?**

A. First, the Commission will note that BST's proposed reduction in PBX and DID rates exceeds $15M, while Ad Hoc's proposal would decrease business user rates by only $11M. However, BST's reduction, although it is greater than that proposed by Ad Hoc and other parties to the Joint Proposal, is not an equitable reduction for BST's current business customers.

Q. **Please describe the factors which lead you to conclude that business users are better off foregoing the higher total PBX refund that BST has proposed.**

A. BST's proposal suffers from two serious flaws. The rate reductions filed May 31, 1996 will skew competition in business services in favor of BST (and to the ultimate detriment of other BST ratepayers), and the proposed rate reduction inequitably favors new business customers whose payments did not contribute to the overearnings being refunded.

Q. **Please address your concern that the BST proposal will unfairly skew competition for business users in favor of BST.**

A. BST's proposal unfairly seeks to "lock in" business users during a time that historic competitive opportunities will otherwise be available to these customers. Specifically, BST has tied its proposed business customer refund to the acceptance of long term customer contracts. In previous rate proceedings, Ad Hoc has testified, BST has agreed, and the Commission's staff has concluded in its recommendations, that PBX trunk rates across-the-board are priced significantly over cost. Yet BST's proposal unfairly holds hostage refunds, which are rightfully due to these customers, to a scheme that would now deny these customers the fruits of local competition.

Q. **Please explain your concern that BST's proposal will lessen competition and thereby, will hurt all current telecommunications customers within Florida.**

A. This proposal stifles competition, since it proposes to lower rates for subscribers of new DID services and long term PBX contracts. Lowering (in fact, virtually eliminating) nonrecurring charges for new subscribers has the impact of making BST's services significantly more attractive to new and expanding businesses within Florida. These are not the users who paid the overearnings in the past, but they *are* one of the larger potential markets for the new competitive telecommunications suppliers seeking a foothold in the business market with their offerings. BST's proposal would allow it to use its ill gained

earnings to leverage itself against would-be competitors in the local market. Since business users are usually the initial target market of competitors, and have facilitated nascent competitors in other market sectors to gain a foothold, BST's proposal will have the longer term effect of lessening competition for all users, including residential users.

Q. **Please address your point that the proposed rate reduction inequitably favors new business customers whose payments did not contribute to the overearnings and the consequent refund.**

A. As I mentioned earlier, it is Florida's current business customers who have paid the high business and access rates in existence today. Their rates are the rates that should be lowered. However, BST's proposed rate structure targets new customers by eliminating/reducing non-recurring charges associated with ordering new or additional ESSX, Multiserve, and DID services. This particular reduction badly misaligns costs and benefits -- a result which is just the opposite of that historically urged by BST's frequent reliance on principles of 'cost causation.' This proposal is simply inequitable.

Q. **Could you please respond to Mr. Varner's contention that this contract proposal responds to customer requests for "rate stabilization" (Page 9.1)?**

A. As the Commission knows, Ad Hoc is the principal advocate of business customers appearing before the Commission in telecommunications matters. Ad Hoc and its members have never communicated a desire to BST for this particular rate structure, and Mr. Varner has not discussed it with Ad Hoc or its members. Accordingly, the Commission should not be misled into believing that there is a large nucleus of business users advocating this particular BST rate structure based upon a desire for this form of "rate stabilization."

Q. **How does lowering PBX trunks $11M on an across-the-board basis, as suggested in the Joint Proposal, increase competition and customer choice?**

A. PBX trunk service competes with ESSX, yet it is priced significantly above its relative costs. ESSX, however, is not forced to recover revenues so substantially above its costs. This unfair pricing differential hinders fair competition between PBX service and ESSX service, and accordingly denies the full benefits of competition to the customer.

For example, two particular elements of PBX service, PBX trunks and Direct Inward Dial (DID), are items which have functionally equivalent features as compared to ESSX. Yet the rates are significantly higher for PBX, even though similar facilities are used and the costs of the elements are essentially the same. Disparities like these make PBX uncompetitive with ESSX, thereby hurting competition in the marketplace.

Q. **Does ESSX service *cost* less to provide than PBX service?**

A. No. As I stated in last year's $25M refund proceeding, if the cost of the service is based on the cost of the facilities used to provide it — the most logical way to view the cost of a service — ESSX should be priced significantly higher than PBX service, because ESSX uses more plant and facilities to operate than does PBX. Accordingly, if the aim of the Commission is to foster competition for BST's services, it must take these cost considerations into account.

Q. **How did this ESSX/PBX pricing disparity occur?**

A. Basically because PBX rates were initially set long ago based on an index of its perceived "value of service" relative to a B-1 line. ESSX, a newer offering, came along later and was priced based on the additional "incremental cost" of providing that service. If the Commission were to direct that PBX service be "incrementally costed" and priced to

produce relatively the same percent of contribution as ESSX, PBX vendors would have an opportunity to compete in the large user market, and customers would have an opportunity to purchase their customer provided equipment (CPE) based on the features of the equipment rather than the nonsensical cost of the telephone lines that connect it.

Q. **Summarize your reasons why the some of $48M should be applied first to repricing PBX trunks and DID to levels of contribution equivalent to ESSX service?**

A. First, because the resultant "leveling of the playing field" would meet the Legislature's obvious intent to foster competition on a local basis along with the attendant customer benefits. Second, it would more correctly align service prices with their costs, and would avoid an otherwise inequitable distribution of the refund.

Q. **Why should access rates be lowered beyond the levels agreed to in the original stipulation agreement?**

A. Interstate access charges have decreased further since the original target was set during the 1994 settlement discussions. Applying some of the refund to that category would assure that Florida's access charges would remain closer to the interstate average.

Q. **Would large users be a big beneficiary of that alternative?**

A. Large users would benefit less in general than other users. This is because the largest users have purchased dedicated access circuits directly to their IXCs, and often avoid the originating or terminating access charge for calls to their facilities connected by those means. The biggest beneficiaries would be the residential and small/medium business users who ultimately pay the excessive access rates within their toll service charges.

Q: **What is your recommendation to the Commission in this case?**

A: As the Legislature intended, the Commission can take a major step toward proactively fostering the development of fair and effective competition by using the available funds for some purpose that encourages direct competition between BST and existing or emerging players in the telecommunications marketplace. I believe this can best be done by lowering the cost of all BST PBX trunks to an amount which provides the same level of contribution for those loop/path facilities as for BST's proprietary ESSX product. DID service is similarly overpriced and should also be adjusted. Lowering intrastate access charges to, or even beyond, interstate access levels is also appropriate. I specifically recommend that the Commission not accept BST's suggestions, as they would allow the Company to leverage itself for future competition by the use of an anticompetitive rate structure.

Q: **Does this conclude your testimony?**

A: Yes, it does.

DIRECT TESTIMONY OF JAMES A GARVER

ON BEHALF OF THE CITIZENS OF FLORIDA

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

BELLSOUTH TELECOMMUNICATIONS, INC.

DOCKET NO. 920260-TL

Q. **Please state your name, business address and title.**

A. My name is James A. Garver. I am President and Chief Executive Officer of the Broward Economic Development Council, 200 E. Lasolas Blvd., Suite 1850, Ft. Lauderdale, Fla., 33301.

Q. **What is the purpose of your testimony?**

A. The purpose of my testimony is to propose that the Commission establish funding to insure that business customers are not adversely affected due to a requirement to change their telephone numbers as a result of area code changes. It is the intent of my testimony to encourage the Commission to set aside an emergency source of funding to be available for use at the discretion of the Commission in the event BellSouth business customers are adversely impacted by the addition of new area codes.

Q. **Why are business customers subject to adverse consequences due to the addition of new area codes?**

A. Because of the expanding need for new telephone numbers, it has been necessary for the telephone companies to begin to assign new area code number utilizing area code number having a middle number that is not a "1" or a "0". The Commission dealt with the complexities of this issue

in Docket No. 951160-TL. Basically, customers who are assigned area codes having a 0 or 1 as a middle number are at risk of losing incoming calls from domestic PBX systems and international calling from systems that recognize only 3-digit area codes with 0 or 1 as the middle number. Thus, unless these old telecommunications systems are upgraded, a local business customer in an area code area having no 1 or 0 as the middle number is at risk of losing business. The impact on individual customers relates to the amount of incoming traffic the customer may receive from either domestic or international callers whose equipment is not compatible with the more recent numbering plans.

Q. **Hasn't the Commission already dealt with this issue?**

A. Yes, in Order No. PSC-95-1507-FOF-TL, the Commission ordered an interim relief plan in connection with the implementation of the 954 Area Code in Broward County. However, it was not until August 1, 1996 that incoming calls to Broward County customers were rejected when the dialing party used the old 305 area code prefix. It's far too early to determine the effectiveness of the measures adopted by the Commission in the above referenced docket. In the meantime, it would be prudent for the Commission to establish a fund in the event the steps that have been taken by the Company and the Commission to date are not effective in solving the problem. By a simple review of the action plans of the Commission and the Company in Docket No. 951160-TL, it is very apparent that all parties appreciated that there was

a real potential for severe economic harm to certain business customers as a result of the adoption of new area codes such as 954. It is far too early to declare that this potential is not real or that the problem has been resolved. Today we can only begin to understand the potential adverse impact that Broward County businesses may experience. Beginning in August incoming calls for Broward that are routed through the 305 area code will be blocked.

Q. **Hasn't BellSouth also filed a tariff to provide remote call forwarding at a reduced price of $12.00 per month?"**

A. Yes it has. However, this is an interim tariff that is scheduled to expire at the end of this year. The Commission and the Company are assuming that the problem will be resolved by the end of this year. I am concerned that we have no way to know that business customers served by these new are codes, such as 954, will not continue to be disadvantaged by the change. Under no circumstances should these business customers be required to pay higher rates to receive the same level of service they enjoyed prior to the implementation of the new area code.

Q. **What do you propose in the way of funding to insure that business customers are not penalized by the new area code changes?**

A. It is my recommendation that the Company should be required to withhold $2 Million in annual rate reductions until the company, the Commission and the customers can be certain that this problem is resolved without the need

for additional funding. If, after an appropriate period of time, no further actions are required, then the Commission would have the flexibility to designate the final recipient of the $2 Million rate reductions. The advantage of my proposal is that if the PSC and the Company are wrong in their evaluation of this problem that there will still be adequate funding to quickly develop a solution that will work to the benefit of the customers who are at risk.

Q. **Then is it your proposal that the disposition of the $2 Million in rate reductions will be held in abeyance until the area code problem is fully resolved?**

A. That is correct. While we would designate the $2 Million reduction for area code relief, no tariff reductions would be implemented, unless the Interim Relief Plan adopted in Docket No. 951160 is ineffective in resolving the problem. Once all the parties are comfortable that the area code problem no longer exists, the Commission would be free to designate the final recipient of the rate reduction that BellSouth is obligated to make.

Q. **Does this conclude your testimony?**

A. Yes, it does.

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DIRECT TESTIMONY OF

JILL NICKEL BUTLER

ON BEHALF OF

FLORIDA CABLE TELECOMMUNICATIONS ASSOCIATIONS

DOCKET NO. 920260-TL

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Jill Nickel Butler. My business address is 2773 Red Maple Ridge, Tallahassee, Florida 32301.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am the Florida Director of Regulatory Affairs for Time Warner Communications.

Q. PLEASE STATE YOUR BACKGROUND AND QUALIFICATIONS.

A. I earned a Bachelor of Science degree in mathematics from the Florida State University in 1980. Since then, I have enhanced my training and education by undertaking graduate level studies in economics at the Florida State University from 1980 to 1983, and additional classes at Tallahassee Community College since then. I have also attended numerous industry schools and seminars covering a wide variety of technical and regulatory issues. I joined the staff of the Florida Public Service Commission (Commission) in 1983, as a Planning and Research Economist. My primary responsibilities were analyzing local exchange tariff filings and generic telecommunications policy recommendations,

rates will be reduced, targeted at services for which the Commission determines are appropriate.

With the revisions to Chapter 364, Florida Statutes (1995), the regulatory environment has changed. BellSouth has elected price regulation, and while the Commission's role continues to be exercising exclusive jurisdiction to protect the public interest, competition is intended to be the primary means of constraining BellSouth's prices in the future. Without competition, price regulation amounts to a huge giveaway to BellSouth. If the Commission embraces and encourages competition, customers will have alternatives and will not be forced to endure inappropriate behavior by a monopolist.

The Commission has the opportunity in this proceeding to implement rate reductions in a manner that encourages the consumer choices the Legislature intended in exchange for price regulation. The current nonrecurring charges for trunk ordering do not encourage competition, which is why I have recommended their elimination, or in the alternative, sharp reduction. Compared to our experience in other states, BellSouth's prices for trunk ordering are several orders of magnitude higher.

Other providers have benefited from BellSouth's price reductions in this case. IXCs will have had $140 million in access reductions; payphone providers have had price reductions on key elements important to them; end users have also had refunds and rate reductions. A portion of this

A. The amount will be quantified through the discovery process, as only BellSouth has the information necessary to answer this question at this time. I must review this data before I can fully answer and should reserve the right to comment upon this in greater detail in rebuttal or at hearing.

Q. WHY SHOULD THE COMMISSION ADOPT THIS PROPOSAL?

A. To answer this question, a little background on how we got to where we are today is in order. In early 1994, this case was on the eve of a hearing in which BellSouth earnings were being investigated and its customer practices were being scrutinized because of several grievous allegations. BellSouth signed a Stipulation and Implementation Agreement to settle all issues in these cases. Part of that agreement included BellSouth's commitment to reduce its prices (by millions of dollars) annually through 1996. The scheduled October 1, 1996 reductions that are the subject of this hearing are the last in the series of price reductions to which BellSouth committed to settle its cases.

In 1994 BellSouth enjoyed a monopoly for local exchange service and the Commission was acting as a surrogate for competition to protect the public from monopoly abuses. BellSouth was operating under a form of rate of return regulation. This enabled the Commission to limit a company's earnings by making adjustments to the company's earnings cap. In a rate case situation, if a company is earning in excess of a reasonable rate of return (as determined by the Commission), specific

such as the change in the local payphone end user rate. From 1984 until 1995, I served as Bureau Chief of Telecommunications rates, policy and planning, where I had oversight for all major telecommunications rate and policy recommendations.

In 1995 I joined Time Warner Communications, with primary responsibility for all Florida regulatory matters, including dealing with the Florida Public Service Commission on local interconnection, universal service, and ALEC requirements.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I am testifying on behalf of the Florida Cable Telecommunications Association (FCTA) in support of its proposal concerning the disposition of a portion of the unallocated $48 million in BellSouth rate reductions scheduled for October 1, 1996.

Q. PLEASE SUMMARIZE FCTA'S PROPOSAL.

A. A portion of the $48 million in rate reductions should be utilized to eliminate the non-recurring charges for the interconnection trunks that Alternative Local Exchange Telecommunications Companies (ALECs) order from BellSouth and non-recurring charges for dedicated, switched circuits ALECs order out of the BellSouth Access Tariff.

Q. HOW MUCH OF THE $48 MILLION IN UNALLOCATED RATE REDUCTIONS DOES THIS PROPOSAL UTILIZE?

rate reduction should be used to remove a very expensive barrier to entry. The prices to which I am referring are the nonrecurring charges for trunk side service in Section E6.8.1 of BellSouth's access tariff. Each trunk group incurs a nonrecurring charge of $915 for the first trunk and ~~$216~~ #263 for additional trunks. Even ordering out of BellSouth's interstate tariff, which is permitted by Time Warner's agreement with BellSouth (but which BellSouth has not yet implemented) has the same first trunk rate of $915 and an additional trunk rate of $100.

Further, BellSouth's continued insistence that ALECs purchase services out of the access tariff, which was designed to service IXCs and not ALECs, perpetuates BellSouth's position that local exchange providers are access customers rather than co-carriers. This difference in treatment between two incumbent LECs (which is typically a bill and keep arrangement) versus between an ALEC and an incumbent LEC (for which BellSouth has taken a usage-sensitive position), tends to support this notion, to the detriment of local competition.

Quite frankly, we expect that BellSouth and the other incumbent LECs will do all that they can to keep ALECs from competing. However, the area of nonrecurring charges is one that we can identify right now, and is one that the Commission has the ability to change. I urge the Commission to use this opportunity to encourage local competition.

Q. DOES THAT CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

Rebuttal Testimony of Harry Gildea

Introduction

Q. What is your name and business address?

A. My name is Harry Gildea. My business address is 1220 L Street, N.W., Suite 410, Washington, D.C. 20005.

Q. What is your professional background?

A. I have been a consultant for more than 34 years. Currently, I am a Senior Consultant with Snavely King Majoros O'Connor & Lee, Inc., a position I have held since 1972. Before then, I was with the Economic Development Administration in the U.S. Department of Commerce, where I was responsible for evaluating federal development programs. From 1962 to 1969, I was with Peat Marwick Livingston & Company, where I managed the firm's operations research consulting practice in the Washington area. Prior to 1962, I was a research engineer with Sylvania Electric Products, a subsidiary of the General Telephone and Electronics Corporation.

Q. What is your educational background?

A. I received the degrees of Bachelor of Science in Electrical Engineering and Master of Science in Electrical Engineering from the Massachusetts Institute of Technology in 1958.

Q. What is the nature of your work with Snavely King Majoros O'Connor & Lee, Inc.?

A. As a Senior Consultant for the firm, I work with clients in cases before state and federal regulatory agencies involving public utilities. In this

capacity, I perform research and analysis on issues in telecommunications policy, regulation, engineering and economics.

My work has been primarily in the telecommunications field. I also have participated in gas, electric and water cases, as well as several cases concerning the U.S. Postal Service. In my 24 years of experience in the telecommunications industry, I have analyzed almost all monopoly and competitive services, including local exchange services, message telephone services, private line services, Centrex, telex, video, data, cellular, personal communications, and other services.

Q. Have you previously submitted testimony in this matter?

A. Yes. In November 1993, I submitted testimony concerning rate proposals by BellSouth Telecommunications, Inc. ("BellSouth").

Q. Have you testified before other regulatory agencies?

A. Yes. I have testified as an expert witness before the Federal Communications Commission and the Federal Energy Regulatory Commission, as well as the regulatory agencies of California, Connecticut, the District of Columbia, Georgia, Illinois, Kentucky, Maryland, Massachusetts, Michigan, Missouri, New Jersey New York, North Carolina, Ohio, Pennsylvania, Rhode Island, North Carolina, Tennessee, Texas and Virginia. In addition to testimony, I have prepared and presented written comments on telecommunications matters to the FCC and many state regulatory agencies.

Q. Do you have additional experience in the telecommunications field?

A. Yes. I have been a consultant to the Federal Executive Agencies on rate design and tariff issues in major procurements, including the Aggregated System Procurements for local telephone services in 30 states and the FTS2000 system for intercity telecommunications throughout the U.S. I have also been a consultant to the Defense Information Systems Agency concerning domestic and international telecommunications rate structures and services, and the costs of military data and voice communications systems.

I have performed damage studies in three antitrust cases involving telecommunications firms. I have also been a consultant to the International Telephone & Telegraph Corporation, the Radio Corporation of America, Western Union International, and TRT Telecommunications Corporation in several proceedings before the Federal Communications Commission, and a case before the United States Court of Appeals. In addition, I have been a consultant to the government of Canada, carriers, and users of telecommunications services in many regulatory proceedings. Also, I testified as an expert witness in a proceeding before the General Services Administration Board of Contract Appeals concerning the award of a large contract for telecommunications services.

Q. For whom are you testifying in this proceeding?

A. I am testifying on behalf of the customer interests of the United States Department of Defense and All Other Federal Executive Agencies ("FEAs").

Q. What are the customer interests of the FEAs in this proceeding?

A. The federal government is a major user of the services and facilities offered by all telecommunications firms in Florida. Because of the presence of many federal offices and military installations in Florida, the government is one of the largest end users of the services provided by local exchange carriers and other telecommunications companies in the state.

From their experience as a major user of telecommunications services in Florida and other states, the FEAs have learned that competition benefits all parties. Therefore, the FEAs urge the Florida Public Service Commission to take the necessary steps to allow competition for all telecommunications services to develop quickly.

Subject of Testimony

Q. What is the general subject of your testimony?

A. My testimony is rebuttal to the direct testimony of BellSouth witness Alphonso J. Varner, which was filed in this case on July 31, 1996. In that testimony, Mr. Varner describes the price reductions which the company proposes pursuant to an order by the Commission in this proceeding on February 11, 1994.

Q. What is the total revenue reduction proposed by the company?

A. The company is proposing a total revenue reduction of $84 million for 1996. Of that amount, $40 million is allocated to bring switched access charges to parity with December 1993 interstate levels, as discussed in the testimony of BellSouth witness Jerry D. Hendrix.

Q. What aspect of BellSouth's proposals will you address?

A. I have no objection to the company's proposal to bring access charges to parity with the interstate levels. My rebuttal testimony concerns only the balance of the $84 million total, which has been increased from $44 million to $48 million, as noted in witness Varner's testimony.[1]

Evaluation of BellSouth's Refund Proposal

Q. How does BellSouth propose to apportion the $48 million revenue reduction?

A. As shown by the data in the table on pages 3 and 4 of BellSouth witness Varner's direct testimony, the $48 million total is divided into three fairly equal parts: $15.3 million for reductions in Private Branch Exchange ("PBX") and Direct Inward Dialing ("DID") charges; $16.4 for additional switched access charge reductions; and $16.3 million in rate reductions for a group of other services. This group includes residence and business service charges, business line monthly rates, usage charges for remote call forwarding, and a variety of additional service elements.

Q. What is your objection to BellSouth's proposals?

A. One objection concerns BellSouth's proposals with respect to PBX and DID services. BellSouth's proposals are misguided because they are not directed at the appropriate users. Also, the proposals will do little, if anything, to enhance the opportunities for competition for local telecommunications services in Florida.

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1 Direct Testimony of A. J. Varner, page 3.

Q. Why are the company's proposals not directed at the appropriate users?

A. BellSouth's proposals for DID services focus principally on new users rather than existing users who should be the primary beneficiaries of rate reductions. For example, the company proposes to reduce the nonrecurring service establishment charge for the trunk group and first group of 20 numbers from $915 to $55. Also, the company proposes to cut the nonrecurring installation charge for each trunk from $90 to $65. In contrast, the company is proposing no change in the recurring monthly charge for DID numbers and only a small reduction from $21.80 to $20.00 in the monthly recurring charge for DID trunks.

Q. Are the major reductions in nonrecurring charges intended to bring these charges nearer to costs?

A. The company's witnesses do not maintain that the changes are designed to better align the charges with the underlying costs. I do not know the costs for the work associated with these rate elements, so I do not know whether the proposed rates are compensatory or not.

Q. Is the lack of cost data significant?

A. Yes. In my November 1993 testimony in this proceeding, I explained why it is critical for rates to reflect costs in a mixed monopoly and competitive environment, but BellSouth has barely recognized the importance of costs in its proposals for revenue reductions this year.

Q. Are the company's proposals for other services also tilted in favor of new subscribers?

A. Yes. Of the $16.3 million reduction proposed for the other services, about $5.8 million is associated with reductions in service charges for residence and business customers. Reductions in the nonrecurring charges that BellSouth proposes will disproportionately benefit new customers or customers who change the location or other characteristics of their service. BellSouth's plan concentrates too much on this group, with insufficient reductions in the recurring monthly charges that will continue to be incurred by long–term users who have contributed to the levels of profitability that triggered the Commission's requirements for rate reductions in the first place.

Q. Are the reductions in nonrecurring charges for these other services designed to reflect BellSouth's costs?

A. Apparently not. BellSouth witness Varner states that one of these changes, the reduction in the first business line connection charge, will result in a rate below costs. The company's testimony does not contain cost information for most of the elements with rate changes, so it is difficult to assess most of the company's proposed changes from a cost perspective.

Q. Why will BellSouth's proposals do little to enhance the opportunities for competition in Florida?

A. Bell South's concentration on reducing nonrecurring charges also has the effect of restricting the opportunities for competitors. New businesses, expanding businesses or firms moving to a new location would naturally be evaluating telecommunications options with the company's competitors. Up–front savings in the form of lower service initiation charges

are particularly enticing to new subscribers. In short, by concentrating reductions on the nonrecurring charges rather than monthly charges, BellSouth is maximizing its chances of gaining new subscribers rather than providing benefits to present subscribers. At the minimum, the company's proposals will tend to confuse current users by presenting a reduction that they will not receive unless they change locations.

Q. What are the company's proposals for PBX services?

A. BellSouth is proposing to reduce PBX trunk rates in all rate groups and to introduce term contracts for PBX trunks.

Q. Do you concur with these proposals?

A. I concur with the company's proposal to reduce the monthly rates for PBX trunks. However, I have reservations about the company's proposal to initiate term contract plans. Although term contracts are an important feature of telecommunications rate structures, I do not believe that the company should be allowed to satisfy part of the requirement for an overall revenue reduction by introducing a structure clearly designed to lock–in present subscribers. BellSouth witness Varner's justification for this change seems disingenuous.

Witness Varner indicates that term contracts will respond to customer requests for lower rates and for rate stabilization.[2] However, fixed charges for a contract term do not provide "rate stabilization" unless there is a prevailing tendency for charges to increase. Because PBX rates are

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2 *Id.*, page 9.

coming down, and further decreases are expected, fixed charges are of more benefit to the company than to its subscribers.

Q Have you considered proposals by other parties for implementing a $48 million revenue reduction?

A. Yes. One of the alternatives to the proposal by BellSouth is a Joint Proposal by the Florida Ad Hoc Telecommunications Users' Committee ("Ad Hoc") and other parties. This proposal calls for a somewhat smaller reduction in PBX and DID charges, about $11 million as opposed to $15 million, with the major part of the $48 million reduction obtained by eliminating the Residual Interconnection Charge. The FEAs supported this proposal by a Motion of Joinder filed with the Commission on June 13, 1996.

Q. Do you believe that the appropriate total reduction for PBX and DID services is $15 million as proposed by BellSouth or $11 million as proposed by Ad Hoc and others?

A. If all other conditions were equal, I would prefer the larger $15 million reduction for these services. However, I believe that the procedure for applying the reduction is more important than the $4 million difference in the two plans. Therefore between the two alternatives, I recommend that the Commission adopt the revenue reduction plan proposed by Ad Hoc.

Q. Does that conclude your pre-filed testimony?

A. Yes, it does.

I. Introduction

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Q. Please state your name and business address.

A. My name is Joseph Gillan. My business address is P. O. Box 541038, Orlando, Florida 32854.

Q. What is your occupation?

A. I am an economist with a consulting practice specializing in telecommunications. My clients span a range of interests and have included state public utility commissions, consumer advocate organizations, local exchange carriers, competitive access providers and long distance companies.

Q. Please briefly outline your educational background and related experience.

A. I am a graduate of the University of Wyoming where I received B.A. [1978] and M.A. [1979] degrees in economics. My graduate program concentrated on the economics of public utilities and regulated industries.

In 1980 I joined the Illinois Commerce Commission where I had responsibility for policy analysis relating to the emergence of competition in regulated markets, in particular the telecommunications industry. While on the staff of the Commission,

I served on the staff subcommittee for the NARUC Communications Committee and was appointed to the Research Advisory Council overseeing NARUC's research arm, the National Regulatory Research Institute.

In 1985 I left the Commission to join U.S. Switch, a venture firm organized to develop interexchange access networks in partnership with independent local telephone companies. At the end of 1986, I resigned my position as Vice President-Marketing to begin a consulting practice. I currently serve on the Advisory Council for New Mexico State University's Center for Regulation.

Q. On whose behalf are you testifying?

A. I am testifying on behalf of the Florida Interexchange Carriers Association (FIXCA). Although FIXCA is best known (and presently labeled) by its ancestral roots as an association of competitive *long distance* companies, this characterization is far too limiting. FIXCA should more appropriately be considered an association of competitive *telecommunication* providers that are dependent, to one extent or another, on the use of the incumbent LEC's network to provide service. Today, these carriers primarily provide long distance services, but I would expect that most (if not all) of FIXCA's members will soon seek the ability to offer all manner of telecommunication services. What will not change -- even for those members who are involved in constructing local networks -- is a substantial dependence upon BellSouth to meet some, or all, of their exchange

network needs.

Q. What is the purpose of your testimony?

A. The central purpose of my testimony is to support the access charge reduction that lies at the heart of the Joint Proposal sponsored by a coalition of users and competitive providers, including FIXCA. I recognize that the novelty has long since worn thin on testimony supporting access charge reductions sponsored by interexchange carriers. But stop, don't put this testimony down just yet. However familiar this testimony *may seem*, the underlying message is *new*: Cost-based access charges, long the preferred policy, are now a policy imperative due to the federal Telecommunications Act of 1996 (Act). The unspecified rate reduction required by the BellSouth Stipulation is the Commission's last best chance to implement this reform.

In the testimony which follows, I make three fundamental points:

* The core benefits of the federal Act can only be realized if all of BellSouth's carrier-charges, including access, are cost-based. One of the Act's most significant (potential) benefits is the development of *competitively* drawn local calling areas -- but providers cannot compete along this important service dimension if the rates they must pay for the use of BellSouth's network depend upon

BellSouth's labeling of a call as local or toll. Among other conclusions, access and interconnection charges must be equal in order for service-boundary competition to become a reality.

* The time to achieve access reform is now. The Stipulation provides for a mandated, *specified* reduction in intrastate access to December 1993 interstate levels (which the Florida Telecommunications Act moved to December 1994 levels). In addition, the Stipulation permits additional access reductions through the disposition of discretionary, *unspecified* reductions. Significantly, this final disposition of unspecified revenues required under the BellSouth Stipulation is the Commission's last opportunity to order an access reduction.

* The Stipulation's *specified* access reduction to interstate levels should be accomplished with a reduction in the CCLC rate element because it is this element that is most responsible for intrastate rates exceeding interstate rates. The Commission should then use a portion of the discretionary, *unspecified* reduction to eliminate the "residual interconnection charge" or RIC. The Commission has already concluded that the RIC is competitively disruptive, without cost justification, and should be eliminated. Consequently, no policy question is at issue, only the implementation of a prior

Commission decision. The Commission should flatly reject BellSouth's proposal to strategically price access service by selectively reducing rates without any underlying cost justification.

In short, my testimony shows that access charge reductions are even more important under the new federal Act than before; the final step in implementing the Stipulation is the Commission's last opportunity to move access rates toward cost; and the specific rate eliminated by the Joint Proposal's recommended use of the unspecified reduction is consistent with a prior Commission order.

II. Realizing the Federal Act's Full Potential Demands Access Reductions

Q. Why are cost-based access charges a predicate to fully implementing the new federal Act?

A. When fully implemented, the federal Act is intended to fundamentally change the way that telecommunication services are packaged and priced. Significantly, cost-based access charges figure prominently in achieving "full service competition," where companies offer packages of services and the traditional lines between local and toll become increasingly blurred. The Commission has already experienced the beginnings of this trend with the introduction of ECS service by BellSouth. Of course, as FIXCA has emphasized before, the problem with BellSouth's ECS product is that *only* BellSouth is able to offer the service due to the excessive

access charges that BellSouth imposes on others (but more on that later).

Q. How can consumers be provided with a variety of local calling boundaries from which to choose?

A. The key is correctly pricing access/interconnection service so that a carrier's cost to terminate a call is not dependent upon BellSouth's retail classification. If both access (for "toll") and interconnection (for "local") call termination charges are the same, then carriers will be free to design products with differing boundaries, with the goal to attract subscribers by offering a "better" local calling area.

Such an environment, however, absolutely requires non-discriminatory termination rates that do not attempt to differentiate between types of calls. Otherwise, all carriers would have their cost-structure defined by BellSouth's retail rate structure -- a low cost to terminate a "local" call, a higher cost to complete a "toll" call -- and BellSouth's local calling boundaries would dominate the market.

A far better outcome is based on non-discriminatory, cost-based charges for call termination, irrespective of any *label* on the call. With such non-discriminatory charges, carriers would be free to decide the scope of their own local calling areas, sizing these areas to match their own perception of the market and to reflect their own pricing and marketing strategies. In this way, the market -- which is to say, *consumers* -- would decide the size and shape of the local calling area as

carriers compete along this important dimension of service.

Q. Do you believe that competition is one of the goals of the federal Act?

A. Yes. I believe that the competitive endpoint of the Act is an discrimination-free environment of cost-based carrier charges that permits competition on every service dimension, including calling boundaries. I am not alone in this opinion; this is also the endpoint described by the United States Telephone Association (USTA), of which BellSouth is a member:

> Ultimately, the 1996 Act contemplates a competitive endpoint where the pricing of local interconnection is not dependent upon the identity of the interconnecting entity, e.g. an IXC, a CAP, a CLEC, a CMRS provider or an information service provider.

USTA Comments, FCC Docket CC 96-98 at 3.

Q. Does BellSouth agree that interconnection prices should be non-discriminatory?

A. Yes. In BellSouth's Comments to the FCC on these same issues, BellSouth recommended that:

> The [Federal Communications] Commission should take a

> comprehensive view leading to a common model for interconnection that is not based on classification of carriers as LECs, IXCs, CMRS providers, or ESPs.

BellSouth comments, FCC Docket No. 96-98 at 63.

Similarly, this Commission should implement a comprehensive cost-based pricing system which does not discriminate between types of calls or carriers. Of course, such a system requires that access charges be based on cost.

Q. Are there operational efficiencies to be gained by non-discriminatory, cost-based access charges?

A. Yes. For BellSouth to enforce a price differential between "interexchange access" and "local termination", BellSouth would need to require that all competitors adopt the same definition of local calling *and* BellSouth would need to implement auditing systems to correctly assess its charges. Such systems are not only unnecessary, but they would cause both BellSouth and the entrant to needlessly incur costs solely to accomplish an unreasonable result: the continued discrimination between local and long distance calling.

Q. Are there other ways that the Act's success depends upon cost-based access rates?

A. Yes. Cost-based access rates are needed for one of the principle means of local competition -- local resale -- to be economically viable.

Q. How do access charges affect the viability of local competition using local resale?

A. With local resale using wholesale services, BellSouth remains the access provider even to the customers that have "left" and subscribe to a reseller. Because access charges are priced above cost, BellSouth would retain substantial profits from a customer even after it has lost its retail business. In effect, this means that the reseller markets the relatively less profitable service, while BellSouth retains the cream. This situation is somewhat analogous to agreeing with Gillette to market its razor handles, while Gillette retains a monopoly on the blades. Sound competition cannot proceed on this basis.

Q. Are there other consequences of pricing access above its economic cost?

A. Yes. In addition to the *new* problems created under the Act, the *old* problems caused by the overpricing of access continue. To date, the effect of above-cost access charges has principally been felt in the efficiency of carrier networks and the calling behavior of consumers. Over the past decade, interexchange carriers have made substantial investments in fiber optic transmission facilities. The full utilization of these networks is artificially retarded by the high prices that local

telephone companies impose on long distance calling. These inflated prices discourage both additional calling by customers and the introduction of innovative new services that cannot overcome the threshold pricing barrier imposed by access charges.

Even in the environment which predates the Act, the above-cost pricing of access has negatively impacted the economy and consumers. Compound these problems with the issues created under the Act -- no local-boundary competition, less local entry, fewer service choices, and a perpetual bar on BellSouth's provision of interLATA service -- and the reasons for immediate access reform mount. The relevant question, therefore, is how can access rates be reduced?

III. The Last Best Chance for Access Relief

Q. How are access rates regulated under Florida law?

A. Network access service is regulated under a price cap mechanism that would perpetuate the overpricing of this critical service. After the opportunity presented by the Stipulation passes, the Florida statutory section governing access (section 364.163, Florida Statutes) would actually permit access rates to *increase* with the rate of inflation.

Q. Do you expect competitive pressures to force access rates towards cost?

A. No. Most elements of switched access service -- particularly terminating access -- are invulnerable to competitive pressures. With the exception of the local transport component of switched access, the remaining rate elements for switched access service (local switching, the CCLC and the RIC) are not subject to competitive pressure because the interexchange carrier's switched access provider will be the end-user's local telephone company -- even if the end-user has a choice of local phone companies. These "non-competitive" access rate elements comprise more than 95% of BellSouth's average switched access charge.

Q. Is there evidence to support your contention that local competition will not bid down access prices?

A. Yes. There is growing evidence that entrant local telephone companies charge access rates that either mirror, or are actually higher than, those of the incumbent telephone company. For example, MFS has mirrored the incumbents' rates in both Maryland and Georgia, City-Signal has mirrored Ameritech's access rates in Michigan, and ACC-Syracuse actually charged access rates that were higher than NYNEX.

Q. If competition won't force access rates down, and Florida's price cap provisions won't force access rates down, how can they be reduced?

A. The Commission can use a portion of the final unspecified revenue reduction

provided for in the Stipulation to reduce BellSouth's access charges as recommended in the Joint Proposal. I recognize that this would mean that access reductions will receive a large share of the final reduction, but this is *only because* access has provided a disproportionate share of BellSouth's profits since their inception.

No one could have predicted -- and none did -- that Congress would enact legislation that would so fundamentally change the telecommunications industry. The need for access reform is far larger now than at the time the Stipulation was negotiated and implementing only the minimum, specified reduction required by the Stipulation (i.e., access levels in parity with December 1993 interstate rates) is no longer acceptable.

Q. What conditions existed at the time the specified access reductions in the BellSouth Stipulation were approved?

A. The basic objective of the access reductions specified by the Stipulation was parity with interstate rate levels. There were two motivations behind the attempt to achieve interstate parity. First, there was the economic motivation. High access rates depress long distance calling. Because interstate access rates were below intrastate, targeting intrastate rates towards interstate levels would bring them marginally closer to cost, increase usage, and increase network efficiency.

The second motivation was administrative simplicity. Parity between interstate and intrastate access rates eliminates incentives for carriers (or consumers) to use access configurations which complicated the jurisdictional identification of traffic. For these reasons, there was general industry consensus that interstate and intrastate access rates should first converge and then, one would hope, trend downward together.

Q. Are these still valid concerns?

A. In a sense, yes, but events have far outpaced the relevance of interstate parity. At the time the Stipulation was signed, distinct toll and local markets existed. Within the toll market, only one artificial boundary affected consumers and producers: the inter/intrastate boundary.

Under the new federal Act, however, there is the potential promise of an integrated toll/local market, where carriers compete, among other things, on the basis of individually determined local calling areas. Consequently, in the time since the Stipulation was signed, the target price for intrastate access has shifted from the *interstate* price to the *interconnection* charge.

I mentioned at the beginning of my testimony that the novelty of long distance companies requesting access reductions is long gone. This observation is both a testament to the perseverance of the (soon to be formerly known as) long distance

industry and a telling indication of the seriousness of the problem. These companies have patiently sought access relief for more than a decade; they agreed to let pass any claim to the first two unspecified reductions implemented under the Stipulation; and, even with the reduction sought here, access will still be seriously overpriced.

This is the Commission's last opportunity to (even partially) correct this problem. Under price cap regulation, the Commission's ability to affect retail rates is seriously limited. The best way to protect consumers is to give them the means to protect themselves: Choice. But assuring that consumers have choices requires that other carriers have the ability to offer services that consumers desire. Competition can protect *consumers*, but it will be many years before ubiquitous network competition will protect *carriers* from the charges they must pay BellSouth to use its network, and competition may never play a role in determining the charge to terminate traffic to BellSouth's subscribers. Only the Commission can establish cost-based charges, and only this last time under the Florida law.

IV. The CCLC and RIC Should Go First

Q. What specific pricing actions do you recommend?

A. The interstate parity *specified* by the Stipulation, and required under the Florida

Act, should be achieved through reductions in the CCLC charge. As set out in the Joint Proposal, $35 million of the $48 million in *unspecified* rate reductions for 1996 should be used to eliminate the "residual interconnection charge", more commonly known as the RIC, rate element.

Q. Why should the CCLC be reduced to achieve the interstate parity specified in the Stipulation?

A. There are two reasons why this should be the rate element reduced to accomplish the interstate parity required under the Stipulation. First, the CCLC element is the rate most responsible for intrastate rates exceeding interstate rate levels. The Table below compares the relevant interstate and intrastate rate levels for access service (intrastate access transport rates were established separately by this Commission after hearing and parity with their interstate counterpart is not a policy objective).

Interstate/Intrastate Access Comparison

Rate Element	Interstate 12/94	Interstate Current	Florida Current	Interstate Deviation 12/94	Interstate Deviation Current
CCLC-Orig	$0.010000	$0.010000	$0.010610	6.1%	6.1%
CCLC-Term	$0.015850	$0.011970	$0.029270	84.7%	144.5%
Local Switching	$0.008320	$0.007550	$0.008760	5.3%	16.0%
Interconnection	$0.005230	$0.004392	$0.005159	-1.4%	17.5%

The specified reduction required under the Stipulation is intended to bring intrastate levels in parity with interstate rate levels. As the above Table shows, because the terminating CCLC is the access rate element that is most at odds with this obligation, the CCLC should be the rate element that is reduced to meet this goal.

Second, the CCLC rate element was originally created by the FCC, then copied by the Florida Commission, so that BellSouth received the same revenues from long distance services *after* divestiture as it had been receiving when it provided long distance services itself. The net effect of this pricing policy has been to depress the long distance calling of those who are most sensitive to price, to cause consumers who make relatively more long distance calls to provide a subsidy to those who do not, and to use IXCs to transfer money from the long distance market to BellSouth.

Such social ratemaking may have been possible when there was a monopoly, and may have even seemed reasonable when "heavy" long distance users were businesses and "light" users were residential consumers. In today's culture, with extended families and the proliferation of beepers, fax machines, cellular phones, and home offices, artificially raising the cost of "long distance" calling raises more complicated social questions. Moreover, before BellSouth is permitted to offer interLATA services, this system must end. BellSouth cannot *both* impose an inflated charge to extract a subsidy from the long distance market and compete in that market directly.

Q. What rate element should the Commission address with the *unspecified* revenue reduction?

A. The Commission has already decided that the residual interconnection charge

should be eliminated. In the recent proceeding establishing interconnection terms and conditions for United and GTE, the Commission concluded:

> Although we are not eliminating the RIC in this proceeding, we do not believe the long run public interest is served when all competitive local carriers are collecting the RIC from IXCs. We believe that *none of them* should collect it. The RIC should be phased out as soon as possible in the course of the scheduled switched access reductions required by Section 364.163(6), Florida Statutes.

Order No. PSC-96-0668-FOF-TP at 26 (emphasis supplied). Notably, BellSouth will be increasing, not reducing, its switched access prices under the terms of section 364.163(6) after this proceeding. As a result, the Commission should direct that the RIC should be eliminated here.

Q. Should the Commission approve BellSouth's strategic zone pricing proposal?

A. No. Access is the most competitively significant, carrier-to-carrier service that exists. Non-discrimination is essential in the pricing of BellSouth's carrier-to-carrier services, and a strict cost-justification must underlie any pricing differential.

The principal rate element that BellSouth proposes to geographically deaverage -- the RIC -- shouldn't even *exist*. With no cost justification for its existence, there

can be no justification for any differential between zones. BellSouth's proposal is principally an attempt to manipulate a non-cost based element in its access charges to maintain its market dominance.

Finally, the rate reductions mandated by the Stipulation are not intended to promote BellSouth's interest; they were established as the solution to the Commission's last investigation into BellSouth's overearnings. If BellSouth truly feels competitive pressure to reduce its prices, then it should reduce its prices and receive less revenue like any other competitive firm -- but it should not be permitted to count these revenues against (and thereby evade) its *obligations* under the Stipulation.

V. Summary

Q, Please summarize your testimony.

A. The Commission stands at the brink of a new world founded on the federal Telecommunications Act of 1996. One of the key underpinnings of the Act, and the competitive environment that it hopes to create, are cost-based rates for the use of BellSouth's network by its rivals. For the full benefits of the Act to be realized, access charges must be based on cost like all other carrier-to-carrier charges. Without non-discriminatory charges, the entire industry will be locked into BellSouth's local calling areas and one of the most significant benefits of a

competitive environment -- carriers fighting for market share through products with differing calling areas -- will be lost (or, at the least, sharply reduced).

Although access reform is critically needed, the Commission is limited under the Florida Act from establishing cost-based rates. Thus, this final disposition of unspecified revenues under the BellSouth Stipulation is the last best opportunity for the Commission to address this problem under Florida law.

The Stipulation *requires* BellSouth to reduce its access rates to interstate levels. In addition, the Stipulation prevented long distance carriers from seeking additional access relief until this time -- the final reduction required by the Stipulation. No one could have predicted at the time the Stipulation was adopted, however, how much more important access reform would be in the future than in the past. The Commission should adopt the Joint Proposal and use a portion of the unspecified reduction to eliminate the RIC, with the remainder implemented as recommended by the proposal.

Q. Does this conclude your direct testimony?

A. Yes.

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 920260-TL

DIRECT TESTIMONY

OF

DANIEL S. VANDERPOOL

ON BEHALF OF

SPRINT COMMUNICATIONS COMPANY LIMITED PARTNERSHIP

AUGUST 14, 1996

Q. Please state your name, occupation and business address.

A. My name is Daniel S. Vanderpool. I am employed by Sprint Communications Company Limited Partnership ("Sprint") as a Manager in the Regulatory Access Planning department. My business address is 7171 West 95th Street, Overland Park, Kansas 66212.

Q. Please summarize your professional background.

A. I began working for Sprint's Long Distance Division in October 1995. In my current position, I represent Sprint's interests before state and federal regulatory commissions regarding access issues and negotiate access pricing and rate structures with LECs. I have previously testified on Sprint's behalf in Maryland, and prepared comments for several other jurisdictions. Prior to joining the Long Distance Division, I was employed by United Telephone of Indiana from 1979 through 1990. I held positions of increasing responsibility in the Accounting, Finance and Revenues departments. In the Revenues department, I assisted in completion of annual basic studies and assisted with costing and pricing of access services. I then joined the Access Services department as a Manager in the Access Billing area. In 1990, I transferred to the newly formed United -

collections. In 1992, I transferred to Kansas City as a Manager in the Access Services Staff Support group. My responsibilities included assisting in the development of a new access billing system, participation in the development of new access offerings, and representation of the Sprint Local Division on the Ordering and Billing Forum (OBF) Billing Committee and the MECAB Committee.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present Sprint's position on the disposition of the unspecified year three reductions of $48 million approved by this Commission in Order No. PSC-94-0172-FOF-TL. Sprint recommends that the intrastate residual interconnection charge (RIC) be eliminated from access charges and that the remainder of the stipulated reductions be applied to reduce rates for PBX trunks, DID services and mobile interconnection as specified in the Joint Proposal.

Q. BellSouth (BST) has recommended that $12 million of the unspecified reductions be applied to reduce the RIC element. As a signatory to the Joint Proposal, Sprint has requested that the intrastate RIC be eliminated completely, accounting for $35 million of the unspecified reductions. What is Sprint's rationale for the complete elimination of the RIC?

A. The elimination of the RIC charges is appropriate for a number of reasons. First, as this Commission is aware, the RIC has no basis in cost. The RIC was created as a "make whole" element to maintain LEC revenue requirements under rate of return regulation during the restructure of local transport (LTR). BST is now under price regulation rather than rate regulation. Revenue neutrality and revenue requirements are concepts that must not apply under price regulation. Price regulation allows a LEC the ability to maximize profits without sharing requirements, however, in return, the LEC gives up the guaranteed minimum rate of return assured, in part, by the RIC under Rate of Return regulation.

Second, the elimination of the RIC will send correct economic signals to potential competitors. As there is no cost basis for the RIC, access rates are artificially maintained at a much higher level than necessary for BST to recover the cost of providing access services. If the RIC charge is eliminated for intrastate access, it will decrease the composite access rate by 1.0318 cents per MOU (since the RIC is charged at the originating and the terminating end of each call.) This additional reduction in access charges is critical in sending correct economic signals to potential competitors, and will also assist BST in meeting competitive pressure from Alternative Access Vendors (AAVs).

Third, basing prices on cost is a major tenant of the Telecommunications Act of 1996 (the Act), and is a stated goal of this Commission. Removing this non-cost based charge will provide BST with the opportunity to move prices somewhat closer to cost with no additional revenue loss over and above what has already been agreed to in the stipulation.

Additionally, the elimination of the RIC will help level the playing field for local competition. BST currently has in place interconnection agreements with several interconnectors who intend to compete with BST in the local market. The RIC element is treated differently depending upon the negotiations with the interconnector. For instance, the RIC is billed to ICI for interconnected MOU, but MCI Metro negotiated an agreement with no RIC and no Carrier Common Line (CCL) charges for interconnected MOU. Eliminating the RIC will help to limit any potential abuse of market power by BST.

Finally, since lower prices to consumers is one of the primary goals of competition, BST should not be allowed to target the reductions stipulated in this Docket to specific services where they anticipate competition in the near future or to business services where they are beginning to feel competitive pressures for the first time. Instead, targeting these reductions primarily towards bottleneck services, as is done in the Joint Proposal, assures all customers making toll calls, including intraLATA toll calls, will share in the benefits of the rate reductions. Elimination of the RIC will lower the minimum imputed intraLATA toll rate, and should help to ease EAS concerns in Florida.

Q. Why should the remainder of the unspecified reduction be applied to reduce PBX, DID and Mobile interconnection rates.

A. The reduction of PBX and DID rates is essential to establish consistency between functionally equivalent services. BST's ESSX service is considerably less expensive than PBX and DID services although the services provide very similar functions. By utilizing $11 million of the unspecified reductions to reduce PBX and DID rates, the Commission will allow like services to be priced in a similar manner.

The reduction in mobile interconnection rates is critical in that it will re-establish a reasonable parity between the rates IXCs pay for access charges and the rates mobile service providers pay for access to the local network. Again, the justification is that prices for like services should priced in a similar manner.

Q. What are Sprint's concerns with BST's proposal to use a portion of the unspecified reductions to implement Zone Pricing?

A. Sprint supports Zone Pricing, since it allows access charges to more accurately reflect the cost of providing the service. However, Sprint feels that it is most appropriate for the Commission to use this last opportunity to dispose of overearnings by eliminating a non-cost-based rate element. If BST needs to invoke Zone Pricing to meet competitive pressures, it should be done outside of this proceeding, and not as a part of the stipulated reductions.

Q. BST has proposed that about $31.7 million, would be applied to non-access services. What is Sprint's response to the BellSouth proposal?

A. Sprint finds a major inconsistency in BST's proposed treatment of non-recurring charges. Mr. Hendrix states, "BellSouth does not support utilizing any of the $48 million to eliminate non-recurring charges for interconnection trunks ordered by ALECs. BellSouth believes the cost of installing interconnection trunks is appropriately recovered

through its non-recurring charges and reflects costs incurred to perform these functions[1]." However, Mr. Varner's testimony proposes to utilize over $10 million of the unspecified reductions to reduce or eliminate non-recurring charges for end user customers, primarily business customers.[2] It follows that if the cost-causer should bear the cost of non-recurring charges, the same rule should hold true for any type of customer, whether the customer is an AAV or a business customer.

The joint stipulation applies $11 million, or nearly 23% of the total stipulated reductions towards business services (DID and PBX). It is estimated that, on average, access costs the LEC about 1/2 cent per end for a total cost of 1 cent per intrastate minute of use. Even with the reductions that BST proposes, the composite charge for that same minute of use would be about 600 % of cost. It is unlikely that the non-access services BST proposes to discount exceed their cost by that amount. Eliminating the RIC simply applies reductions to the service which is currently most in excess of its cost.

BellSouth is attempting to steer the stipulated reductions to services where they anticipate competition, and where the current rates are in jeopardy of being underpriced by new competitors with more cost-based pricing. While these prices must come down for BST to compete, it is inappropriate to allow the disposition of overearnings to place BST in a more competitive position with regard to the business market. If BST's current prices for business and residence services are not sustainable in a competitive market, they will need to reduce these rates in order to compete. This is an anticipated, and a favorable outcome of competition in all market segments. However, BST should reduce these rates through increased efficiencies and by removing cost from their business, just like potential local competitors must do. With the advent of competition in the local market, the rates for these services will naturally move towards cost. To allow these rates to be reduced with the stipulated, unspecified reductions would be to preempt the normal forces of a competitive market. This would serve only to dilute the benefits of local competition to Florida customers. It is Sprint's position that the public interest would be better served by reducing the price of bottleneck services required by all potential

[1] Direct Testimony of Jerry D. Hendrix, pg 9
[2] Direct Testimony of A. J. Varner, pgs 3-4

competitors. This will allow more rapid entry of competition in all markets and will hasten the benefits of competition to Florida customers.

Q. Please summarize your testimony.

A. The RIC element was implemented to assure revenue neutrality for BST after the restructure of Local Transport. As a "make-whole" element, the RIC is no longer appropriate of necessary. The Commission has a unique opportunity to totally eliminate this non-cost-based relic without financial impact to BST. The BellSouth proposal is not in the public interest because it will not lower bottleneck costs to the extent possible, and it will alleviate competitive pressures on BST to reduce existing rates for service. Left alone, reductions in prices for competitive services are virtually guaranteed. Elimination of the RIC element will hasten competition and will provide a greater benefit to Florida customers through increased choices and reduced rates for toll and local services.

Q. Does this conclude your testimony?

A. Yes.

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Kurt C. Maass. My business address is 5400 Carillon Point, Kirkland Washington 98033.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I'm employed as Vice President of External Affairs by AT&T Wireless Services, Inc. ("AWS").

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.

A. I received a Bachelor's Degree in Business Administration with a concentration in Accounting from Pacific Lutheran University in 1980. I also hold a Certified Public Accountant certificate from the State of Washington.

Q. FOR WHOM ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf of AT&T Wireless Service of Florida, Inc. (formerly known as McCaw Communications of Florida, Inc.), which provides cellular and paging service in many communities in Florida and elsewhere.

Q. WHAT IS YOU PROFESSIONAL EXPERIENCE IN THE FIELD OF TELECOMMUNICATIONS?

A. I have been employed by the company since April, 1985. Since that time I have been responsible for external business affairs for AWS's cellular and paging operations. This encompasses interconnection of our cellular systems with local landline telephone companies and ensuring compliance with state regulatory requirements. I have also participated in policy-making proceedings at both the state and federal level and am a past member of the

Board of Directors of the Personal Communications Industry Association ("PICA") (formerly Telocator Network of American), the industry association for cellular and paging carriers. I currently serve on PICA's Interconnection Committee. I have represented the company on numerous occasions through testimony before several state commissions and legislatures on various issues related to the cellular industry.

Prior to April 1985, I was employed for approximately five years with the Telecommunications Consulting Group of Ernst & Young (formerly Ernst & Whinney) in Tacoma, Washington. With Ernst & Whinney, I performed numerous cost-separation, access charge, and local rate development studies for a variety of telephone company clients throughout the United States. In this capacity, I was exposed to basic telephone engineering, regulatory issues, industry practices and procedures, and rate and cost study development.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?

A. Yes. I was the company's witness in both the original mobile interconnection proceeding (Docket No. 870675-TL) and the more recent review of mobile interconnection policies (Docket No. 940235-TL). In addition, I have previously filed testimony in this docket.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I am testifying in support of the Joint Proposal filed by Florida Ad Hoc Telecommunications Users' Committee, MCI Telecommunications Corporation, AT&T Communications of the Southern States, Florida

Interexchange Carriers Association, Sprint Communications Company Limited Partnership, and AWS (the "Joint Petitioners"). While my testimony generally supports the Joint Proposal, I will offer specific testimony with respect to the proposed reductions in mobile interconnection service rates.

Q. COULD YOU EXPLAIN THE JOINT PROPOSAL?

A. Yes. The Joint Petitioners have proposed that $11 million be used to reduce the rates for BellSouth's PBX trunks and DID service associated with PBX trunks; $35 million be used to eliminate the Residual Interconnection Charge ("RIC") within the local transport rate of BellSouth's switched access service; and $2 million be used to reduce the usage rates of BellSouth's mobile interconnection services with the exception of the Type 2B rate which would not change.

Q. WHY SHOULD THE COMMISSION APPROVE THE JOINT PROPOSAL?

A. The Commission should approve the Joint Proposal because it is the only proposal that is in the best interests of the ratepayers. In addition, it is the only proposal that is consistent with the original objectives of the Stipulation and Implementation Agreement, and it is the only proposal that encourages and fosters the development of competition.

Q. HOW DOES APPROVAL OF THE JOINT PROPOSAL PROVIDE THESE BENEFITS?

A. The Settlement and Implementation Agreements that led to these proceedings

were entered into as a compromise to settle several dockets involving continuation of BellSouth's "rate stabilization plan," a review of BellSouth's rates and earnings, and several investigations into various billing and repair practices. The Commission recognized that the Settlement provided for substantial rate reductions and that the settlement "when viewed as a whole, provides substantial benefits to the Company's ratepayers." (Order No. PSC-94-0172-FOF-TL, at 4 (February 11, 1994).)

In order to assure fulfillment of the Stipulation, the Commission should now address those rate categories where the current price is greatly in excess of cost, there is a competitive inequality between customer service classes, or important public policy objectives can be advanced.

The rate reductions targeted in the Joint Proposal are the only proposed rate reductions that fairly meet these objectives. Intrastate access charges and mobile interconnection usage rates are priced so high above cost as to be confiscatory. It is my general understanding that PBX trunk rates are priced significantly higher than the functionally equivalent Centrex-type service BellSouth offers end users. As monopoly services, or services that likely will retain monopoly service characteristics for the foreseeable future, movement of these rates closer to cost will maximize the most efficient use of the network and prove an incentive to engage in the most efficient conduct. Thus, approval of the Joint Proposal will best encourage the development of a more competitive telecommunications market in Florida, to the benefit of

Florida's consumers.

Q. PLEASE DESCRIBE THE SPECIFIC REDUCTIONS IN THE JOINT PROPOSAL FOR MOBILE INTERCONNECTION USAGE RATES.

A. The parties to the Joint Proposal are requesting an aggregate reduction of $2 million for mobile interconnection usage rates. The specific rates to be reduced are the mobile-to-land usage rates for Type 1, Type 2A, Type 2A-CCS7, MSP lines, and MSP trunks and the land-to-mobile option. This proposal excludes Type 2B usage rates.

Q. WHAT WOULD BE THE RESULTING RATE LEVELS IF THE $2 MILLION RATE REDUCTION FOR MOBILE INTERCONNECTION USAGE RATES IS APPROVED?

A. We are currently pursuing discovery with BellSouth to make this determination. When we receive the information, I will make a more specific proposal as to the specific rate reductions. Without this information I cannot presently make a detailed recommendation.

Q. WHY ARE THESE MOBILE INTERCONNECTION USAGE RATES BEING TARGETED FOR REDUCTIONS UNDER THE JOINT PROPOSAL?

A. There are two reasons. The most important reason is that at their current rate levels, these mobile interconnection usage rates are greatly in excess of cost. The current price levels, being greatly in excess of cost for a monopoly service, discourage investment and are anticompetitive.

Q. TO WHAT EXTENT ARE THE CURRENT RATES IN EXCESS OF COST?

A. We have requested discovery from BellSouth with respect to their cost studies. Until such information is available I do not have a precise reply but, I would like to make several preliminary points.

First, the current Type 1 and Type 2A rate is $.0204 peak and $.0150 off-peak. The land-to-mobile option rate is $.0447 for intracompany and $.1422 for intercompany terminations.

Second, the FCC, in its August 1, 1996 First Report and Order (FCC 96-325) in the Local Competition proceeding (CC Docket No. 96-98) and LEC-CMRS Interconnection proceeding (CC Docket No. 95-185), established default interconnection prices in the range of 0.2 to 0.4 cents per minute for switching, with a preference for the lower end of the range, and a default ceiling of .15 cents for tandem switching. Applying these rates, which are based upon a TELRIC analysis plus a reasonable share of forward-looking joint and common costs reveals that the current rates are significantly in excess of cost.

Third, applying the $2 million in proposed rate reductions for non-Type 2B rates produces only slightly lower rates that would still remain significantly above cost and the FCC's pricing guidelines.

Q. WHAT IS THE OTHER REASON FOR REDUCING MOBILE INTERCONNECTION USAGE RATES?

A. The other basic problem with the current rate levels arises from the way that these usage rates were set. Originally, all MSP interconnection usage rates were linked to access charges under the formula approved in Order No. 20475. Therefore, each time there was a reduction in access charges, there would be a corresponding reduction in the MSP usage rates. In 1995, when the Commission broke the linkage to access charges, the rates for all non-Type 2B usage rates were frozen at their then effective price levels. Thus, with the October, 1995, and October, 1996 access charge reductions, there will be no reduction in the MSP usage rates. The result of this decision is that the mobile carriers are now paying more than the IXC's for essentially the same service.

Q. PLEASE EXPLAIN HOW THIS IS POSSIBLE.

A. The easiest way to see this is with the land-to-mobile option rate. Under the formula, the mobile-to-land option was set to equal the rate for originating access charges. This made sense since the LATA-wide origination made available through the land-to-mobile option roughly corresponds to the service associated with originating access charges.

Q. IS THIS ALSO TRUE FOR THE MOBILE-TO-LAND USAGE RATES?

A. Yes. The original formula for the mobile-to-land usage rates consisted of two separate rates blended together -- a local component and a toll component. The toll component consisted of terminating access charges -- the same terminating access charges paid by the IXCs. Thus, with the October 1995

and October 1996 access charge reductions, the former toll component is more than the corresponding terminating access charges .

Q. GIVEN THE FACT THAT THE COMMISSION COMPREHENSIVELY REVIEWED MOBILE INTERCONNECTION RATES IN 1995, WHY SHOULD THE COMMISSION CONSIDER THEM AGAIN SO SOON?

A. The Commission should examine these rates now because there have been significant legislative changes by both the Florida Legislature and the Congress that dramatically change the telecommunications landscape. Under the 1995 amendments to Chapter 364, the Florida Legislature has declared that the competitive provision of telecommunications service is in the public interest and has directed this Commission to encourage and promote such competition. More recently, with the adoption of the federal Telecommunications Act of 1996, the Congress has determined that telecommunications competition now is the national policy. These two enactments change the focus of regulation to the implementation of policies that promote competition. With reformulated universal service protections under both the Florida and federal enactments, this Commission should work, as quickly as possible, to reduce interconnection rates so the full benefits of a competitive market can be brought to Florida's consumers.

Q. IF APPROVED, WILL THE RATE REDUCTIONS IN THE JOINT PROPOSAL BE PASSED THROUGH TO END USERS?

A. Each company must individually respond to this question in order to avoid

even the appearance of collusive price setting. For wireless service, end user rates have decreased over the last ten years, and will continue to be reduced due to reductions in interconnection charges and as we add value to our networks through new technology and services.

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. The Commission should approve the Joint Proposal. It is the best plan for competition and consumers. The proposed mobile interconnection rate reductions further the objectives of the Settlement and Implementation Agreement and are necessary to ensure that mobile interconnection usage rates move toward cost and at least stay in line with, and not exceed, the corresponding access charge elements.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

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Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A: My name is Kurt C. Maass. My business address is 5400 Carillon Point, Kirkland Washington 98033.

Q: ARE YOU THE SAME KURT MAASS WHO FILED DIRECT TESTIMONY ON BEHALF OF MCCAW?

A: Yes, I am.

Q: HAVE YOU REVIEWED THE PREFILED DIRECT TESTIMONY OF THE OTHER PARTIES IN THIS DOCKET?

A: Yes, I have.

Q: WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A: I have three points to make in rebuttal. First, the rate reductions proposed by BellSouth hamper the development of competition. Second, the other pending proposals are unnecessary and inappropriate at this time. Third, mobile interconnection rate reductions requested in this proceeding by the Joint Proposal are a necessary and appropriate use of the unspecified rate reductions.

Q: TURNING TO YOUR FIRST POINT, HOW WOULD BELLSOUTH'S PROPOSAL FOR DISPOSITION OF THE UNSPECIFIED RATE REDUCTIONS HAMPER THE DEVELOPMENT OFCOMPETION?

A: As is clear from the testimony of both Mr. Varner and Mr. Hendrix for BellSouth, BellSouth's proposals are specifically targeted to unfairly

protecting and expanding BellSouth's customer base in the face of competition. For example, waiver of secondary service charges (Varner, p.7), reduction in first line connect charges (Varner, p.8), elimination of secondary service charges for WatsSaver (Varner, p.10), and more extended local calling for business in Area Plus (Varner, p.12), all make competition less viable. Indeed, a comparison of the two areas targeted by both BellSouth and the Joint Proposal further illuminates BellSouth's efforts to protect itself in the face of new competition. BellSouth's proposals for PBX/DID Service primarily benefit those who lock themselves into long term contracts or request new service (Varner, pp.9-10), while the zone pricing proposal for access charges is expressly intended to position BellSouth "to compete with AAVs for high volume access customers." (Hendrix, p.7).

On the other hand, the Joint Proposal would benefit all existing and future PBX/DID, long distance, and wireless customers by reducing the rates of bottleneck monopoly services which competitiors require. This will strengthen the competitive choices available to end users and facilitate the robust competition intended by the Federal Telecommunications Act of 1996 and the 1995 amendments to chapter 364. Acceptance of the BellSouth proposal would delay the entry of new competitors and the expansion of competitive alternatives.

Q: BUT IF THE COMMISSION DENIES BELLSOUTH'S PROPOSED

REDUCTIONS, WON'T BELLSOUTH BE PROHIBITED FROM COMPETING EFFECTIVELY?

A: No. Mr. Hendrix at page 7 of his direct testimony raises this point, but he is wrong. First, denying BellSouth's proposal will not prevent BellSouth from making any of the changes it has advanced in this proceeding. If competition is putting pressure on any of the services BellSouth has identified, now or in the future, BellSouth will be able to implement these or any other changes.

Second, the fact that BellSouth ignored and opposes reductions in the services identified in the Joint Proposal confirms the monopolistic character of these services, their necessity for BellSouth's competitors, and their need for rate relief. Without action now, in this proceeding, to reduce the services identified in the Joint Proposal, which are all priced substantially above cost, BellSouth has little incentive to reduce these rates. Thus, by approving BellSouth's plan, and denying the Joint Proposal, competition and consumers will be harmed twice: excessively priced monopoly services needing reductions won't be reduced while BellSouth is able to further entrench itself in those markets subject to competitive pressure. This cannot be what the Florida Legislature and Congress intended. Nor can this be what this Commission intended when the Stipulation and Implementation Agreement were approved.

Q. DO YOU HAVE ANY RESPONSE TO THE OTHER PROPOSALS THAT

HAVE BEEN FILED IN THIS PROCEEDING?

A. Yes. The Broward Economic Development Council request for a fund to deal with further implementation of the 954 area code in Broward County is both speculative and unnecessary. It is not appropriate to set up a fund on the assumption that there will continue to be long term problems.

As for the Palm Beach Newspapers' request, Professor Freeman makes numerous valuable points regarding the importance of proper pricing signals to a competitive market. However, given the excessiveness of the rates and longevity of the access charge, PBX/DID, and mobile interconnection charge pricing problems, it would be more appropriate for the Commission to now focus on these areas than on N11 pricing.

Q: CAN YOU RESPOND TO MR. VARNER'S TESTIMONY (P.5) REGARDING BELLSOUTH'S OPPOSITION TO REDUCING MOBILE INTERCONNECTION USAGE RATES?

A: Yes. His testimony is that these interconnection rates should not be considered at this time because of the appeal to the Florida Supreme Court of Order No. PSC-95-1247-FOF-TL and the FCC's pending review of mobile interconnection.

As for the appeal, its pendency does not change the fact that the mobile interconnection usage rates identified in my direct testimony are excessive and should be reduced. As for the FCC, it agrees with me: in its

August 8, 1996 Order, the FCC has significantly restructured interconnection between the mobile carriers and the LECs to redress numerous long standing issues. Essentially, the FCC's order mandates cost based rates and reciprocal compensation. At this time, the FCC's Order and new rules have not yet become final. But if the FCC's Order and rules stand, as we expect, they will require BellSouth, as all of the LECs, to make substantial changes in mobile interconnection to the benefit of the carriers and consumers.

While the time frame in which these changes are to occur is not well defined at this point, this Commission at this time has the opportunity to begin the corrective process. Even Mr. Varner did not say the requested mobile interconnection reductions were inappropriate, only untimely. But as the FCC has made clear, now is the time, and this Commission is not precluded from today moving mobile interconnection into the future.

Q: DO YOU HAVE ANY OTHER COMMENTS AT THIS TIME?

A: Yes. We have now received from BellSouth some information through discovery. Accepting this data at face value, it only confirm the points I made on direct regarding the discriminatory treatment and excessive price levels associated with the current mobile interconnection tariff. But more importantly, this data should not be accepted at face value. First, looking at BellSouth's response to our production of documents requests numbers 36-40, as we demonstrated in Docket No. 940235-TL, BellSouth has overloaded

this cost study. BellSouth has packed in independent LEC access charges. As we showed in Docket No. 940235-TL, intercompany terminations are minimal to nonexistent, and nowhere near the 6 percent level relied upon by BellSouth. Thus, evaluating just calls that terminate on BellSouth's network, BellSouth's own data shows the rates are more than double the cost of $.00751 shown in its study.

Second, the cost information produced by BellSouth are not TELRIC or TSLRIC cost studies. Based upon the information in the FCC's local interconnection order, we believe that a proper cost analysis would reveal a cost below the $.00751 level I have already identified.

Third, this analysis demonstrates that the current rates I identified in my direct testimony are substantially above cost and grossly exceed the FCC's pricing standards. In the final analysis, the current mobile interconnection price levels raise the same problems that have long been identified for interexchange carrier access charges. These rates should come down, and this is the perfect opportunity for this Commission to begin to address the problem.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes.

DIRECT TESTIMONY OF MIKE GUEDEL

ON BEHALF OF AT&T COMMUNICATIONS

OF THE SOUTHERN STATES INC.

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 920260-TL

FILED: AUGUST 14, 1996

Q. WILL YOU PLEASE IDENTIFY YOURSELF?

A. My name is Mike Guedel and my business address is AT&T, 1200 Peachtree Street, NE, Atlanta, Georgia, 30309. I am employed by AT&T as Manager-Network Services Division.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCES.

A. I received a Master of Business Administration with a concentration in Finance from Kennesaw State College, Marietta, GA in 1994. I

received a Bachelor of Science degree in Business Administration from Miami University, Oxford, Ohio. Over the past years, I have attended numerous industry schools and seminars covering a variety of technical and regulatory issues. I joined the Rates and Economics Department of South Central Bell in February of 1980. My initial assignments included cost analysis of terminal equipment and special assembly offerings. In 1982, I began working on access charge design and development. From May of 1983 through September of 1983, as part of an AT&T task force, I developed local transport rates for the initial NECA interstate filing. Post divestiture, I remained with South Central Bell with specific responsibility for cost analysis, design, and development relating to switched access services and intraLATA toll. In June of 1985, I joined AT&T, assuming responsibility for cost analysis of network services including access charge impacts for the five South Central States (Alabama, Kentucky, Louisiana, Mississippi, and Tennessee).

Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES.

A. My current responsibilities include directing analytical support activities necessary for AT&T's provision of intrastate communications service in Florida and other southern states. This includes detailed analysis of access charges and other Local Exchange Company (LEC) filings to assess their impact on AT&T and its customers. In this capacity, I have represented AT&T through formal testimony before the Florida Public Service Commission, as well as regulatory commissions in the states of Georgia, Kentucky, and South Carolina.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is twofold:

First, I will recommend the adoption of the "Joint Proposal" filed with this Commission on May 30, 1996 by the coalition of telecommunications users and telecommunications carriers, namely Florida Ad Hoc

Telecommunications Users' Committee, MCI Telecommunications Corporation, AT&T Communications of the Southern States, Inc., Florida Interexchange Carriers Association, Sprint Communications Company, LP, and McCaw Communications of Florida Inc. (hereafter "The Coalition"), regarding the disposition of certain BellSouth revenues found to be available for rate reductions earlier in this proceeding.

Second, I will recommend that the Commission reject BellSouth's proposal regarding "zone density pricing" of various switched access elements.

Q. COULD YOU SUMMARIZE THE RECOMMENDATIONS THAT WERE CONTAINED IN THE COALITION'S PROPOSAL?

A. Yes. The joint proposal recommends the disposition of the unspecified $48M available for rate reductions in the following manner:

1. $11M - Reduce rates for PBX trunk service and DID service related to PBX trunk service
2. $35M - Eliminate the Residual Interconnection Charge (RIC) within the local transport rate elements of BellSouth's switched access service
3. $2M - Reduce usage rates for BellSouth's mobile interconnection services.

My testimony will focus on item 2, the elimination of the RIC.

Q. COULD YOU DESCRIBE THE CURRENT LEVEL OF BELLSOUTH'S INTRASTATE SWITHCED ACCESS CHARGES IN FLORDIA?

A. Yes. With the specified $40M reduction (anticipated October 1, 1996), BellSouth's switched access charges will be approximately $.06 (6 cents) per minute including two ends of switched access - or, on an average basis, approximately $.03 (3 cents) per access minute

of use (one end of access). This level is essentially consistent with the level of BellSouth's interstate switched access rates as of December, 1993.

Q. HOW DOES THIS PRICE LEVEL COMPARE WITH THE UNDERLYING COST OF PROVIDING SWITCHED ACCESS SERVICES?

A. Information made available through Florida Public Service Commission Docket No. 950985-TP indicates that BellSouth's cost of providing switched access service is less than $.0025 per access minute of use - perhaps as low as $.002 or less. Thus even with the $40M reduction, the price of switched access will remain at a level of 12 to 15 times that of the underlying cost. Said another way, BellSouth will be enjoying a mark-up above cost of at least 1100% and possibly as much as 1400% in the provision of its switched access services. This mark-up is significantly higher than the mark-up BellSouth enjoys on any other major revenue producing service that it offers.

Q. WHAT IS THE INCREMENTAL COST INCURRED BY BELLSOUTH IN PROVIDING THE RIC ELEMENT?

A. The incremental cost is zero. In other words, a 10% increase in demand for the RIC would result in a zero percent increase in BellSouth's costs. The RIC is a pure contribution element, a tax if you will, levied by BellSouth on all interexchange carriers purchasing BellSouth's local switching access service.

Q. AT WHAT LEVEL WOULD BELLSOUTH'S SWITCHED ACCESS CHARGES REMAIN, IF THE RIC WERE TOTALLY ELIMINATED?

A. Elimination of the RIC would reduce BellSouth's average switched access charges to approximately $.05 per MOU for two ends of access. This level is reasonably close to BellSouth's current interstate switched access rates - but notable still in excess of 10 times BellSouth's underlying cost.

Q. WHY IS IT NECESSARY FOR THE COMMISSION TO UTILIZE SUCH A SIGNIFICANT PORTION OF THE "UNSPECIFIED" REVENUES TO REDUCE BELLSOUTH'S SWITCHED ACCESS CHARGES AT THIS TIME?

A. The Commission has long recognized the need to reduce BellSouth's switched access charges in Florida - and the Commission has made some significant progress over the years. However, recent events have raised the stakes surrounding BellSouth's high access charges.

First, the Telecommunication Act of 1996 has become law with a spirit of introducing competition into all phases of the telecommunications industry. High access charges have never been conducive of competitive development - and they will surely become much more of an impediment under the new Act. Access charges in excess of incremental cost provide the incumbent monopolist with the opportunity to exact a contribution or "a tribute" from any potential competitor that would "dare" to attempt to compete with an incumbent's retail services. High access

charges can distort the economics of competitive local entry - perhaps encouraging potential entrants to build facilities where other forms of entry such as resale may make better economic sense. In either case, the end user receives less than the desired results of competition.

Second, BellSouth's election of "price cap" regulation under the recent Florida statute has greatly limited the Commissions authority to control BellSouth's rates. This instant rate case opportunity, which has been protected by the statute, may offer the Commission its last obvious chance to drive BellSouth's access charges closer to (though still very far from) the underlying cost.

Q. SHOULD THE COMMISSION FOCUS ON APPLYING THE AVAILABLE REVENUES TOWARD REDUCING RATES THAT WILL "HELP BELLSOUTH MEET COMPETITION"?

A. No. BellSouth has elected price cap regulation under the current Florida statutes as a means to adjust its prices to meet its competitive

needs. The Commission need not further augment this process. The Commission should instead focus its prescribed rate relief on those rate elements or services that are: 1) recognized to be priced in excess of cost today, and 2) either not likely be positively influenced by competition, or likely to frustrate competition if prices remain at current levels. This focus will tend to optimize the consumer benefits associated with this revenue disposition.

Q. SHOULD THE COMMISSION APPROVE BELLSOUTH'S PROPOSAL REGARDING ZONE DENSITY PRICING OF SWITCHED ACCESS RATE ELEMENTS?

A. No. Zone density pricing should only be justified on the basis of cost. BellSouth's proposal fails to meet that standard.

Q. DOES AT&T SUPPORT ZONE DENSITY PRICING OF ANY SWITCHED ACCESS RATE ELEMENTS?

A. AT&T has not opposed zone density pricing of certain local transport rate elements (i.e., dedicated transport, and common transport links) recognizing that the cost of providing these elements may vary by density zone. AT&T will not oppose density sensitive pricing of these elements so long as the relative price levels reflect the relative differences in costs. BellSouth should be required to provide supporting cost data for any such pricing recommendation.

Q. DOES BELLSOUTH'S ZONE DENSITY PRICING PROPOSAL, AS IT APPLIES TO OTHER SWITCHED ACCESS ELEMENTS, MEET THIS COST STANDARD?

A. No. There is no apparent cost basis for applying a zone density pricing concept to other switched access elements (i.e., Carrier Common Line, RIC, and Local Switching).

First, the incremental cost of providing either the Carrier Common Line or the RIC is zero. If the cost is an absolute zero in all cases, it

cannot be accurately argued that such a cost would ever vary by density zone. Therefore, a pricing arrangement that would vary prices for these services based upon zone density must be considered to be unjustly discriminatory on its face and should be rejected by the Commission.

Second, BellSouth has not offered any information demonstrating that the cost of local switching would vary by density zone. Indeed it is not at all apparent that a forward looking cost analysis would find varying costs for this element as a function of density. BellSouth has made no attempt to justify its pricing recommendation of this element on the basis of cost. Without supporting cost information, the proposed price must be considered to be unjustly discriminatory (as with the CCL and the RIC) and should be rejected by this Commission.

Q. WOULD YOU SUMMARIZE YOUR TESTIMONY?

A. Yes. First, the Commission should approve the proposal offered by The Coalition with respect to the disposition of available BellSouth revenues. This proposal is consistent with the development of competition and will provide relief from some of the most excessive of BellSouth rates - those associated with switched access.

Second, the Commission should reject the concept of zone density pricing with respect to switched access charges (other than dedicated and common transport) and deny the BellSouth proposal that would establish zone specific rates for elements like the CCL, RIC or Local Switching. The Commission should consider "zone density" pricing of network elements only when cost differences can be demonstrated, and then, only to the extent that the cost differences occur.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Don J. Wood, and my business address is 914 Stream Valley Trail, Alpharetta, Georgia 30202. I provide consulting services to the ratepayers and regulators of telecommunications utilities.

Q. PLEASE DESCRIBE YOUR BACKGROUND AND EXPERIENCE.

A. I received a BBA in Finance with distinction from Emory University and an MBA with concentrations in Finance and Microeconomics from the College of William and Mary. My telecommunications experience includes employment at both a Regional Bell Operating Company ("RBOC") and an Interexchange Carrier ("IXC").

I was employed in the local exchange industry by BellSouth Services, Inc. in its Pricing and Economics, Service Cost Division. My responsibilities included performing cost analyses of new and existing services, preparing documentation for filings with state regulatory commissions and the Federal Communications Commission ("FCC"), developing methodology and computer models for use by other analysts, and performing special assembly cost studies. I was employed in the interexchange industry by MCI Telecommunications Corporation, as Manager of Regulatory Analysis for the Southern Division. In this capacity I was responsible for the development and implementation of regulatory policy for operations in the southern U. S. I then served as a Manager in the Economic Analysis and Regulatory Affairs Organization, where I participated in the development of regulatory policy for national issues.

Q. HAVE YOU PREVIOUSLY PRESENTED TESTIMONY BEFORE STATE

cost differentials).

As I explain later in my testimony, a sound economic basis exists for pricing for pricing switched access service specifically, and other interconnection elements generally, at a level equal to the Total Service Long Run Incremental Cost ("TSLRIC") incurred by BST. Pricing at this level will promote efficiency and permit end users of retail toll services to fully benefit from the operation of competitive market forces, while ensuring that BST is fully compensated for all relevant costs. I strongly urge the Commission to likewise view any proposed adjustments to switched access rates within the context of progress toward an economically rational, cost based rate structure for switched access service.

Q. PLEASE DESCRIBE THE OBJECTIVES THAT AN ECONOMICALLY RATIONAL RATE STRUCTURE FOR SWITCHED ACCESS SERVICE SHOULD MEET.

A. I urge the Commission to work toward a rate structure for switched access service that meets the following objectives:

1. The rates established for switched access service should maximize the potential for benefits to end users from toll competition by not artificially constraining price decreases and ensuring that competition can take place on a fair and equitable basis among carriers. This objective can be achieved by ensuring that the remaining three objectives are met.

2. The rates established for switched access service should fully compensate BST for all costs, but only those costs, that are *caused* by the decision/requirement to offer switched access. By definition, costs developed pursuant to a Total Service Long Run Incremental Cost

("TSLRIC") methodology are based on this principle of cost causation. Costs that cannot be avoided if switched access service is not offered by BST are not a part of the TSLRIC and need not be recovered in the rates for switched access.

3. The rates established for switched access service should minimize the distortion to the pricing of other services. Toll services provided by the IXCs are constrained by the rates that the IXCs must pay for access. If access rates remain excessively high, retail toll prices will likewise remain high even if the marketplace for retail toll services is effectively competitive. As a general principle, the objective should be to minimize the distortion to the pricing of the "retail" services provided by carriers who purchase "wholesale" inputs, including switched access and other forms of interconnection, from BST. To be clear, the phrase "wholesale service" is intended to mean a service sold by the LEC to another telecommunications service provider for the purpose of offering a service to end users. A LEC "retail service" is a service sold directly to end users.

4. The rates established for switched access service should minimize the potential for price squeezes related to toll or other retail services in the short term and minimize the need for the application of pricing safeguards in the long term. The need for a strenuously applied imputation standard is created by the disparity between switched access rates and the underlying cost. As this gap is narrowed and eliminated, the importance of imputation standards

and similar safeguards will be significantly diminished.

Q. DOES THE JOINT PROPOSAL ENDORSED BY MCI MEET THESE OBJECTIVES?

A. The Joint Proposal supported by MCI and others represents a good first step toward the goal of pricing all switched access rate elements at TSLRIC. Of course, additional steps will need to be taken to reduce the rates for all switched access rate elements (and ultimately all interconnection elements) to a level equal to the TSLRIC incurred by BST to provide them.

Specifically, the Joint Proposal addresses, as a first priority, those rates which are least representative of the underlying cost to provide them: the Carrier Common Line Charge and the Residual Interconnection Charge. Because the CCLC and RIC have no underlying cost, a "cost based" rate of zero should be established and the rate elements should be eliminated. Once these rate elements are eliminated, the Commission should then focus on establishing rates for the remaining rate elements that are equal to their underlying (TSLRIC) cost.

Q. DOES THE BST PROPOSAL MEET THESE OBJECTIVES?

A. No. The BST proposal appears to be a strategic attempt to establish a rate structure for switched access that will perpetuate existing rate/cost distortion, shield BST from competitive pressures, and help to ensure that it retains monopoly control over the various components of switched access service. It is not an effective step toward a rational switched access rate structure that will make it possible to meet the objectives listed above. To the contrary, the BST proposal will delay benefits to the end users of toll services by 1) retaining

markups over cost in the rates for those rate elements with an underlying cost, and perpetuating the "pure contribution" rate elements (CCLC and RIC), 2) permitting BST to strategically retain market control by leveraging existing monopoly power, and 3) exaggerating existing distortions in the relationships between rates and cost through non cost based geographic deaveraging of rates. *In these ways, the BST proposal represents a step backward and away from the switched access rate structure that will most benefit Florida toll consumers over the long run.*

Q. HOW SHOULD SWITCHED ACCESS BE PRICED IN ORDER TO PROMOTE EFFICIENCY AND PROVIDE MAXIMUM BENEFITS TO FLORIDA RATEPAYERS?

A. Rates for switched access service should be priced equal to the Total Service Long Run Incremental Cost ("TSLRIC") incurred by BST to provide the service. Pricing at this level will allow each of the objectives described previously in my testimony to be met: BST will be fully compensated for all costs that are caused by switched access service; the pricing of retail toll service will be at efficient levels, resulting in the greatest possible benefit to consumers; and the ability of BST to engage in price squeezes or other anticompetitive pricing strategies will be mitigated.

Without access pricing at this level, IXCs must continue to charge more for retail toll service than would otherwise be necessary. In summary, *existing rates for switched access service place artificial restrictions on the ability of competitive market forces to act to the benefit of consumers of retail toll services.*

Q. PLEASE DESCRIBE HOW COMPETITIVE MARKETS OPERATE TO

PRODUCE BENEFITS TO CONSUMERS, AND EXPLAIN WHY EXISTING ACCESS PRICING PLACES ARTIFICIAL CONSTRAINTS ON THESE BENEFITS.

A. The three primary benefits of competition -- the lowest possible prices, more rapid introduction of new technologies, and a broader range of service offerings provided in response to consumer demands -- are derived from how a competitive marketplace sets prices over time. In order for an effectively competitive market to develop and be maintained, it is necessary that there be as few barriers to entry facing new firms as possible -- and certainly no artificial barriers to entry -- so that it is relatively easy for new firms that see the possibility of making profits to enter and provide discipline to the firms already in the market. At any given time, there is a market price that all firms must either meet or beat. If a firm tries to increase a price (in the absence of cost increases affecting all firms in that market), it will lose sales to other firms and be forced to return to the market price. If a firm discovers a new and better (i. e. lower cost) method of producing the output, for a time that firm can increase its profits, but other firms will be motivated to make similar efforts to reduce their costs and duplicate the improved method of production in order to take away market share by lowering the price it charges to reflect the lower costs. In order to hold onto market share, other firms also have to lower their prices, in the process adopting the new lower cost way of producing the output. Thus, one very important characteristic of effectively competitive markets is that costs are the factor that is changed by a firm to ensure that its total revenues equal or exceed its total costs. In other words, a firm in an effectively competitive market makes total costs equal to or less than total revenues by reducing costs, not by raising prices.

Q. HOW DO END USERS BENEFIT FROM THIS PROCESS?

A. The activity described above is the process that creates the major benefits for consumers. It pushes prices to cost as firms strive to increase profits by increasing market share, thereby passing on lower costs to consumers in the process. As part of this process, firms are forced to adopt new technologies as rapidly as possible, even if they would otherwise prefer to delay such a step (until existing investments are fully depreciated, for example), otherwise another firm will adopt the new technology first and gain a competitive advantage. The same process also causes firms to strive actively and continuously to offer new services in order to capture additional customers and expand revenues and profits. A firm that believes it can increase its total market share and profits by offering a new service, even one designed to serve only a niche in the market, will offer that service and allow the market to test its acceptance. It will do so even if that service is a close substitute for some other service in the market, both because it hopes it will increase its own profits, and because the firm will fear that some other firm might beat it into the market with the same or a similar service. In short, firms in effectively competitive markets continuously offer new services, thereby subjecting these offerings to a market test.

Q. ARE THERE LIMITATIONS TO THIS PROCESS?

A. Yes. The limit of how low prices can be pushed by effective competition depends on the economic costs facing all of the firms in the market. To remain in the market over the long term, firms must recover all of the costs they incur for inputs when operating efficiently, as well as a normal return on the efficient amount of capital required to supply the level of output they succeed in selling in

the market. If all of the inputs needed to produce the services the market will support are themselves produced in effectively competitive markets, the price for those services will not only move ever closer to the economic cost of supplying them, but will also move ever closer to the social cost of producing them.

Q. WHAT IS "SOCIAL COST" AND HOW DOES IT RELATE TO ECONOMIC COSTS?

A. The social cost of providing a good or service is equal to the cost of the resources that society must give up to produce that good or service. It is the lowest possible cost that could be incurred, and is the actual cost incurred only if all of the markets supplying inputs to the firm are operating at the greatest possible efficiency. The economic cost of providing a good or service is equal to the least cost firms in the given market would face when operating efficiently, *but may be higher than the social cost if the firms in the market have to pay more than the social cost for all of their inputs.* Both concepts of cost include a competitive level of profit for the firm in the given market, but not any higher level of profit. If all goods and services are sold at their social cost, then the economic costs of services will be equal to their social costs.

If, however, some intermediate goods or services -- that is, goods or services used as inputs in the production of other goods or services -- are priced above their social costs, the economic costs of the goods or services that use them will be higher than their social costs. Retail toll services provide one example of just such a scenario. Switched access is priced well above its social cost, with a significant markup to provide "contribution." Because of this, the economic cost of retail toll services are also significantly above the social cost of these services.

Put simply, no degree of competition in the market for retail toll services can reduce the rates for these services to a level equal to their social cost unless the rates for all intermediate goods -- including switched access -- are also priced equal to their direct economic cost (i. e. at TSLRIC).

Q. DOES SETTING THE PRICE FOR BST'S SWITCHED ACCESS SERVICE (AND OTHER "WHOLESALE" AND INTERCONNECTION SERVICES) EQUAL TO DIRECT ECONOMIC (TSLRIC) COSTS, WITHOUT ANY MARKUPS TOWARD RECOVERY OF INDIRECT COSTS, MEAN THAT BST WOULD NOT BE EARNING A COMPETITIVE RATE OF RETURN ON ITS INVESTMENTS FOR THESE SERVICES OR FUNCTIONS OR THAT BST WOULD BE AT A COMPETITIVE DISADVANTAGE WHEN ATTEMPTING TO RECOVER ITS INDIRECT COSTS?

A. No. First, direct economic costs, as measured by the TSLRIC methodology, explicitly include a competitive return -- a competitive rate of profit -- on the capital invested to provide these functions. The prices for BST's retail services will recover both the direct economic costs of providing those services, including a competitive rate of profit on the capital invested to provide them, plus a markup to recover indirect (sometimes called "shared and common") costs. BST will be able to fully recover its indirect costs, including a competitive rate of return on the investment incurred as part of these costs, *so long as it is at least as efficient as its competitors, all of whom must also recover their indirect costs in retail rates.* Setting the rates for switched access at a level equal to TSLRIC, therefore, will put BST on exactly the same footing as its competitors when attempting to recover indirect costs in its retail rates. As long as BST operates as efficiently as

its competitors, it will be able to successfully recover its costs. Likewise, if BST fails to work as hard as its competitors in their ongoing efforts to develop and maintain efficient operations, it will not be successful. As described previously in my testimony, a primary benefit of competition is that firms operating in a competitive marketplace must continuously seek to improve efficiency, reduce cost, and pass those cost savings on to consumers in order to increase (or even to maintain) market share. BST, as a firm operating under price caps regulation, should face these same market forces (the Commission will recall that BST cited these same competitive market forces and the resulting incentives for increased efficiency when requesting pricing regulation). Existing rates for switched access, however, create a "buffer" for BST, eliminating the need for the Company's management to undertake the necessary efforts to increase efficiency and reduce cost. If the rates for switched access are set equal to TSLRIC, however, competitive market forces can begin to discipline BST's indirect costs.

Q. PLEASE REVIEW THE KINDS OF ANTICOMPETITIVE BEHAVIOR THAT BST CAN ENGAGE IN WHEN THE RATES FOR SWITCHED ACCESS (OR OTHER ESSENTIAL MONOPOLY INPUT FUNCTIONS) ARE SET ABOVE DIRECT ECONOMIC COST.

A. If BST is allowed to recover costs other than its TSLRIC costs from the rates for essential monopoly input functions, including switched access, that its dependent competitors must purchase, it can engage in two kinds of behavior that can prevent or eliminate competition from an equally efficient provider. First, it will have the opportunity to place those competitors in an anticompetitive price squeeze. Second, it could decide to recover so much of its indirect costs from its

prices for essential monopoly input functions that it would prevent equally efficient firms from being able to compete.

Q. HOW COULD BST PLACE ITS DEPENDENT COMPETITORS IN A PRICE SQUEEZE?

A. BST would do so any time it recovers less for essential monopoly input functions in its telecommunications rates than it charges its competitors. Thus, if the price for an end user service (retail toll service, for example) recovers less than the sum of (1) the price charged for the essential monopoly input functions used to supply that end user service (i. e. switched access) plus (2) the additional total service long run incremental costs of supplying the other inputs for the competing end user service, BST has created a price squeeze. A would-be competitor that is just as efficient as BST at supplying the telecommunications service would not be able to enter the market or remain in the market in the face of a price squeeze, and consumers would obtain none of the benefits of competition.

Q. HOW CAN BST PREVENT EFFICIENT COMPETITION IF IT CONTINUES TO RECOVER SOME OR ALL OF ITS INDIRECT COSTS IN ITS RATES FOR ESSENTIAL MONOPOLY INPUT FUNCTIONS, INCLUDING SWITCHED ACCESS?

A. It is possible for BST to force all equally efficient dependent competitors to use so much of the difference between social cost and market prices to recover the indirect costs of BST that they would be unable to recover all of their own indirect costs. If the prices in all markets equal but do not exceed the sum of the rates BST charges for essential monopoly input functions and the TSLRIC of the

remaining functions needed to supply the service, a firm that is just as efficient as BST cannot recover all of its indirect costs. Under these conditions, it will go out of business or never enter the market, in which case consumers will be denied the benefits of competition that otherwise would have been possible.

Q. HOW DO RATES FOR ESSENTIAL MONOPOLY INPUT FUNCTIONS, INCLUDING SWITCHED ACCESS, SET AT DIRECT ECONOMIC COST PREVENT THESE TWO FORMS OF ANTICOMPETITIVE BEHAVIOR?

A. If rates for essential monopoly input functions are set just at the direct cost of supplying them (at TSLRIC), there is no markup for recovery of indirect costs from these functions. As a result, there can be no price squeeze based on the failure of BST to recover the same prices as part of its rates for telecommunications services. BST could not decide to recover some or all of its indirect costs from the rates for essential monopoly input functions, but instead would have to recover them in its retail prices. As a result, not only could an equally efficient competitor survive in the market, but more efficient competitors have the greatest ability to force BST to become more efficient as well. These competitive market forces, if permitted to develop and operate, will benefit end users.

Q. SHOULD THE RATES FOR SWITCHED ACCESS BE GEOGRAPHICALLY DEAVERAGED IF NO COST BASIS FOR SUCH DEAVERAGING EXISTS?

A. No. As described previously in my testimony, increases in the efficiency of all providers and maximum benefits to consumers can be obtained as the rates for switched access service are moved toward TSLRIC. Rate deaveraging that has no

basis in the underlying costs of providing the service is a move away from efficient cost-based pricing.

Q. HOW SHOULD REDUCTIONS TO SWITCHED ACCESS RATES BE IMPLEMENTED?

A. Reductions to switched access rates should be based on a proper calculation of TSLRIC and should be implemented in a way that does not prevent equally efficient competitors from being successful in the marketplace. As a first priority, the rate elements which represent pure contribution and are not designed to recover an identifiable cost of providing the service should be eliminated. The CCLC and the RIC fall into this category. Next, other rate elements should be moved toward the TSLRIC of providing the underlying function. The priority of these reductions should be based on the existing rate/cost relationships. The geographic deaveraging of these rates should be permitted only to the extent that BST demonstrates that proportional differences exist in the underlying incremental cost. To be clear, rate reductions in specific geographic zones need not be prevented, but should be accompanied (absent a successful demonstration by BST of a cost differential) by equivalent reductions in all geographic areas served by BST in Florida.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

REBUTTAL TESTIMONY OF DON J. WOOD

ON BEHALF OF MCI TELECOMMUNICATIONS CORPORATION

DOCKET NO. 920260-TL

SEPTEMBER 16, 1996

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Don J. Wood, and my business address is 914 Stream Valley Trail, Alpharetta, Georgia 30202. I provide consulting services to the ratepayers and regulators of telecommunications utilities.

Q. ARE YOU THE SAME DON J. WOOD WHO FILED DIRECT TESTIMONY ON BEHALF OF MCI IN THIS PROCEEDING?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my rebuttal testimony is to respond to BellSouth Telecommunications, Inc.'s ("BST's") proposal for rate reductions as described in the direct testimony of Alphonso J. Varner. I will describe the set of guiding principles against which proposals for rate reductions should be evaluated and explain why BST's proposal fails to comply with these principles and, as a result, is neither equitable nor in the best interest of Florida ratepayers.

Q. PLEASE DESCRIBE THE GUIDING PRINCIPLES THAT YOU BELIEVE SHOULD USED TO EVALUATE BST'S PROPOSED RATE REDUCTIONS.

A. Commission-ordered rate reductions of a given dollar magnitude can be implemented in many different ways through any number of services offered by BST. Not all such combinations are equally beneficial to end user ratepayers, however, and not all combinations have the same impact on BST's shareholders. I urge the Commission to adopt the following two general principles for use when evaluating rate reduction proposals.

First, the primary objective of rate reductions in this proceeding should be to provide the maximum benefit to ratepayers. Strategic rate changes designed primarily to provide present and future financial benefits to BST shareholders at the expense of existing ratepayers do not comply with this principle.

Second, to the extent possible, the benefits of rate reductions implemented as a result of this proceeding should accrue to the ratepayers whose payments represent the source of BST's overearnings. Clearly, it is important to recognize that BST's past overearnings were generated by payments from ratepayers during the period of time being studied. As a result, equity considerations dictate that going-forward rate reductions be targeted to existing ratepayers, or, at a minimum, *not* be specifically targeted toward future customers that BST wishes to attract.

Q. PLEASE DESCRIBE THE BASIS FOR BST'S PROPOSED RATE REDUCTIONS AS DESCRIBED BY BST WITNESS VARNER.

A. At p. 2 of his testimony, Mr. Varner states that the BST proposal was designed "to provide benefits to a broad base of Florida customers," and he

goes on at p. 9 to suggest that BST is proposing certain rate reductions "to respond to customer requests." The nature of the specific rate reductions proposed by BST and other testimony in the record are simply at odds with these statements, however.

Q. PLEASE DESCRIBE THE REASONS WHY YOU BELIEVE BST'S PROPOSED RATE REDUCTIONS WERE NOT DESIGNED PRIMARILY TO "PROVIDE BENEFITS TO A BROAD BASE OF FLORIDA CUSTOMERS."

A. The strategic nature of BST's proposed reductions is made clear by a review of the implications of the proposed changes for existing ratepayers, existing/potential competitors, and BST shareholders. For example, BST is proposing to waive the Secondary Service Charge (a nonrecurring service initiation charge) when subscribers order any one of a number of vertical features, such as custom calling services or designer listings. Each of the services for which BST is proposing to waive this order processing charge is, without exception, priced to generate a significant margin (in other words, the tariffed recurring rates for these services are many multiples of the underlying incremental cost incurred by BST to provide the service). Clearly, BST shareholders will be better off if more end users subscribe to these services, and a decision to forego recovery of the nonrecurring costs associated with establishing service is one means of encouraging and increasing subscribership. Under the BST proposal, however, its shareholders need not forego anything; the lost nonrecurring costs will in effect be made up -- dollar for dollar -- with

funds that have been collected from existing ratepayers through past rates that were excessively high. As a result, this component of the BST proposal represents an excellent example of what Mr. Metcalf refers to in his testimony as "badly misaligned costs and benefits:" Existing ratepayers have provided the funds and will receive no benefit, while BST shareholders will put no funds at risk but will receive all of the future benefits.

An additional example illustrates how BST intends to use the overearnings generated by existing ratepayers to gain an advantage over its competitors. BST proposes to eliminate the Secondary Service Charges (nonrecurring service initiation charges) for its WatsSaver service. Once again, only new subscribers will benefit; existing ratepayers who provided the funds for the reduction will not. Similarly, BST will gain an artificial advantage over its competitors for intraLATA toll services, purely as a result of its position as the historic monopoly (and rate of return regulated) provider. And once again, BST shareholders will be the recipients of potentially substantial future benefits, without the necessity of putting a single penny of their own at risk.

Q. PLEASE DESCRIBE THE REASONS WHY YOU BELIEVE BST'S PROPOSED RATE REDUCTIONS WERE NOT DESIGNED PRIMARILY TO "RESPOND TO CUSTOMER REQUESTS."

A. In order to determine what customers actually want, it is often most useful to ask the customers themselves. For example, BST is proposing certain reductions to the rates for PBX trunks, including new more favorable terms

for PBX Term Contracts. Mr. Varner states at p. 9 that BST decided to propose these particular reductions based on "customer requests." As Ad Hoc Users' witness Metcalf points out at p. 4, however, the committee of end users that he represents "is the principal advocate of business customers appearing before the Commission in telecommunications matters," a fact well known to BST. Inexplicably, BST has proposed a rate reduction in order to "respond" to these customers, although, according to Mr. Metcalf, "Ad Hoc and its members have never communicated a desire to BST for this particular rate structure, and Mr. Varner has not discussed it with Ad Hoc or its members." Apparently, BST has adopted the spirit of an advertising slogan once used (albeit briefly) by its sister company, Bell Atlantic: "Its not what you think you want, its what we know you need." It is certainly clear that the proposed changes will benefit BST shareholders, even though they may not be responsive to the desires of the existing ratepayers who have provided the funds at issue in this proceeding.

Q. DON'T ALL MANAGERS OF PRIVATE CORPORATIONS MAKE DECISIONS, INCLUDING THOSE RELATED TO STRATEGIC PRICING, BASED ON THE OBJECTIVE OF MAXIMIZING THE WEALTH OF THEIR SHAREHOLDERS?

A. Of course. For example, the management of a firm may elect to forego today the costs associated with initiating service to a customer (especially for high margin services) in order to reap the financial benefits of higher subscribership in the future. Similarly, a decision may be made to reduce rates in those areas

or for those specific rate elements where it is concerned that competitive entry may occur (such a pricing strategy can be targeted to specific geographic areas or other subdivisions of a market in which the perceived threat of competition exists, or can be used to offer incentives to new customers to subscribe to BST's service or to commit to a long term contract arrangement with BST). In each case, the firm's management is betting that this foregone current revenue will pay off in higher returns in the future. *In both scenarios, it is the shareholders who take the risk and shareholders who will be the recipients of the anticipated future gains.*

These scenarios are *not* representative of the opportunities currently available to BST, however. The transition from a rate of return environment to a more competitive environment with more relaxed regulation presents BST with an opportunity to eliminate the necessity of putting shareholder money at risk today in order to create anticipated future gains to those same shareholders. By using dollars available from overearnings to implement the strategic pricing strategies described above, BST management can utilize dollars obtained from Florida ratepayers as excess earnings during a period of earnings regulation to create future financial gains that will be retained by BST shareholders.

The ability to engage in such a strategy indicates a fundamental difference in the environment faced by BST and that faced by firms that have historically operated in competitive markets. As a result, pricing strategies that may be appropriate for other firms, including those strategies described

above, may not be appropriate for BST. It is necessary for the Commission to continue to limit such strategic pricing by BST in order to protect ratepayers and to prevent BST shareholders from obtaining a "windfall" created by a change in form of regulation for BST.

Q. WON'T RATE REDUCTIONS DESIGNED TO ATTRACT NEW SUBSCRIBERS FOR BST'S SERVICES BENEFIT THOSE SUBSCRIBERS?

A. Yes. To adopt BST's proposed reductions on that basis would be a disservice to existing ratepayers for at least two reasons, however. First, such an approach ignores the source of the overearnings to be refunded, namely existing ratepayers. As Ad Hoc Users' witness Metcalf points out at p. 2 of his testimony, reductions should be targeted to "the parties who have paid the most in excessive contribution and rates over the years." A failure to do so, Mr. Metcalf correctly points out at p. 4, "badly misaligns costs and benefits," and would benefit new customers at the expense of current customers who have paid the excessive rates that led to the overearnings now being distributed. Second, BST's proposal, if adopted, would have adverse consequences for the development of competitive markets for telecommunications services within the state. If BST is permitted to use the funds from past overearnings to provide strategically targeted benefits to customers and potential customers for which BST either experiences or expects to experience some level of competition, BST will have a distinct advantage in the marketplace. Such an advantage will not have been gained because of the willingness of BST managers to work harder or by the willingness of BST

shareholders to take additional business risks, but will instead be entirely a function of BST's position as the former monopoly provider of these services. New entrants into the market do not share BST's ability to fund strategic pricing initiatives using ratepayer dollars, however. In short, BST's proposal, if adopted, would permit BST to leverage its past monopoly power well into future at the expense of current ratepayers (who paid the excessive rates in the past but are now receiving no corresponding benefit) and future ratepayers (who will be denied the benefits of a competitive marketplace for those services for which effective competition would have otherwise developed).

Q. DOES MR. VARNER'S TESTIMONY PROVIDE SOME INSIGHT INTO THE LIKELY ACTUAL MOTIVES FOR THE RATE REDUCTIONS PROPOSED BY BST?

A. Yes. Throughout his testimony describing each of the proposed rate reductions, Mr. Varner states that the changes will make the service more attractive to new subscribers (pp. 10, 14), will "facilitate negotiations with customers and promotional activities for the service" (p. 11), and uses language such as "this proposed rate change is consistent with our current pricing strategy for the product (p. 13).

To be absolutely clear, I am not suggesting that it is inappropriate for a firm to engage in strategic pricing practices (constrained, of course, by applicable anti-trust laws) in order to entice new customers to buy its product. Under such a scenario, the firm's shareholders put their capital at risk in hopes of receiving the expected future reward. If the rate reductions proposed by

BST in this proceeding are adopted, however, BST shareholders will receive these benefits without incurring any corresponding risk, while the ratepayers who have unwillingly contributed the funding necessary for BST to implement its strategic pricing objectives will receive no direct benefit. Through this process, BST will also gain a competitive advantage over those firms who are currently competing or have plans to compete, purely as a result of its position as the former monopoly provider. BST's proposal represents an opportunity for BST to prevent the erosion of its monopoly power, and instead to leverage it forward into the future.

Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION?

A. I am requesting that the Commission adopt the Joint Proposal of AT&T, MCI, Sprint Communications, FIXCA, Ad Hoc Users, and McCaw Communications. In direct contrast to the BST proposal, the rate reductions in the Joint Proposal do in fact "provide benefits to a broad base of Florida customers." In addition, since the parties to the Joint Proposal represent a group of BST's customers who have contributed much of the existing overearnings, implementation of the Joint Proposal would truly "respond to customer requests."

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes.

Q. Please state your name, address, occupation, and employer.

A. My name is James W. Freeman, College of Business and Economics, University of Kentucky, Lexington, Kentucky 40506. I am an Associate Professor. A copy of my resume is attached.

Q. Have you previously testified before this Commission?

A. Yes. Since about 1984 I have testified in several electric, water and sewer, and telephone cases before this Commission.

Q. What do you consider your area of expertise?

A. Generally, I have testified before this Commission in such areas as rate of return and cost of service. I have also been involved in the public policy issues inherent in the regulatory process, especially in the process and problems of deregulation. Cogeneration and telecommunications are two areas in which I have testified before this Commission concerning public policy issues.

Q. Typically, what types of clients do you represent before Public Service Commissions?

A. For approximately seven years I was the main expert witness for the Consumer Affairs Division, Office of the Attorney General, Commonwealth of Kentucky, which intervened on behalf of the public interest in significant cases before the Kentucky Public Service Commission. While I have represented a few major utilities, most of my PSC work

tends to be for utility customers, smaller companies in emerging markets, or those offering new or innovative services.

Q. What is the purpose of your testimony in this proceeding?

A. I have two purposes. One is to discuss the policy considerations involving how to price services such as N11 in the current regulatory environment. The other is to look at cost of service issues involving N11 service. At the outset, let me state that although my cost of service analysis is directed toward N11 service proper, my policy analysis considers N11 service as a forerunner to more broadly available, abbreviated dialing services ("ADS") such as #XXX.

Q. Please discuss the policy issues involved in abbreviated dialing services such as N11.

A. As the Commission is aware, the concept of deregulation is that movement toward market based pricing and ease of exit and entry will bring about greater efficiency and will promote innovative and improved services. The process of deregulation assumes that any existing cross-subsidies in pricing will be squeezed out and that market based pricing will prevail for those services and areas in which competition exists. For some areas or services, competitive service options may not be available. Thus, the unregulated competitive pricing model may not be

economically viable in the short run, or perhaps even in the long run. For these areas or services, some sort of regulatory oversight may be necessary to 1) promote long run competitive markets; 2) prevent price gouging; and/or 3) minimize new cross subsidy situations in which current captive customers are forced to pay unduly high charges so that the utility can reduce prices in competitive markets.

The process of opening local telephone service to competitive market forces and allowing local service providers to enter long distance markets are good examples of the above mentioned problems and regulatory considerations. Likewise, this Commission's interconnect service pricing policy appears to be an example of the push under a deregulated environment to eliminate cross-subsidies caused by the absence of competitive alternatives.

When competition exists, the only regulation that may be necessary is some sort of transitional rules to make sure that an entrenched former monopoly does not take advantage of its position to stifle new or innovative services or to keep competitive alternatives from reaching long term economic and financial viability. When competition does not exist, then the regulatory role should be to formulate a policy that will nourish any competitive alternatives which may exist in the future. In the

meantime, the continuing, proper regulatory role should be to assure fair pricing to captive customers and to promote the introduction of new and innovative services into the existing non-competitive regulatory environment.

Q. What type of pricing model should the commission adopt for those non-competitive areas and services?

A. I believe the Commission needs to promote and encourage cost based pricing and to minimize or eliminate any pricing cross- subsidies that it finds so that even non-competitive markets can have reasonable price signals which promote the growth and introduction of new products and services into those non-competitive markets. As I understand it, the above seems to be the Commission's policy.

Q. Generally speaking, what is your reaction to the SBTT proposal in this proceeding?

A. Without attempting a detailed analysis of the proposal, which is beyond the scope of my testimony, my general reaction is that the SBTT proposal is just what one would expect from an entrenched, partial monopolist. Naturally, SBTT wants to cut prices where it faces competition, which is to be expected and which is one of the touted benefits of deregulation; similarly SBTT wants no reductions or only token reductions in areas where it faces no competition.

While the role of the Commission with respect to pricing should be relatively small when it comes to pricing

decisions by SBTT in competitive markets, the Commission should maintain some oversight even over competitive markets to make sure that the proposed reductions in rates do not have anticompetitive side effects. An example of potentially anticompetitive side effects might be in the PBX area if it turns out that SBTT's rate reductions and long term contract proposals reflect a preemptive strike through which SBTT hopes to lock up the existing PBX business and foreclose future competitors from even bidding on it for several years. The purpose of my testimony is not to take a position on this issue, but simply to use it as an example of an instance in which a rate reduction in a potentially competitive market may not promote competition.

Just as the Commission should make sure that the SBTT proposal is not anticompetitive in its impact on various markets, it should also attempt to use this proceeding to continue its policy of eliminating cross-subsidies so that captive customers can receive some of the benefits of the increased efficiencies that result from deregulation. If the Commission believes that services such as N11 are cross-subsidizing other services, then this proceeding would be a good opportunity to allow those captive customers to receive some of the benefits of deregulation.

Q. You have mentioned the Commission's policy of eliminating

cross-subsidies as a possible reason for lowering N11 charges. Are there other non-cost based reasons that reductions in N11 rates might be in the public interest?

A. Yes. Abbreviated dialing service is an example of the innovative services that are supposed to flourish under the current minimized regulatory regime. Abbreviated dialing services such as N11 will provide customers with a convenient local access to various information services that is cheaper than other pay per call options. ADS is likely to bring about increased competition for information services generally, which should spur more options for consumers a growing abbreviated dialing service industry will also benefit non-ADS users by increasing revenues received by SBTT without a significant increase in system costs. Effectively, ADS through N11 is currently available to the system, but is under-utilized. If the ADS service becomes available statewide and becomes popular with information providers and consumer users, the increased revenues could be a substantial benefit to the body of ratepayers.

While it is true that some market exists for N11 service at current pricing levels, no one is sure what the magnitude of the ADS market would be if proper pricing signals were put into place (i.e., cost based rates). Without proper pricing signals, the N11 market will never

be able to reach its full potential.

Q. You mention "the full potential" of N11. What makes you believe that N11 could ever be anything more than a niche service for SBTT?

A. I believe that N11 has the ability to offer significant benefits to consumers and significant benefits to the common body of ratepayers simply because it is a cheap and efficient way to provide local information services. Because of the local nature of the N11 service, local providers throughout the country will eventually set up their own local, and often quirky, information services and offerings. Many may fail and will be replaced by other local services. Some will succeed and others will hit a home run with consumers. The success stories will spread throughout the country in response to their success. N11 will the prosper, consumers will benefit, and SBTT revenues will grow.

Just like the current policy of welfare reform in this country, which proposes to give states more leeway to innovate, some innovations will fail, but others will succeed and eventually be adopted nationwide. I see the local nature of N11, which allows small services to attempt to meet consumer demand as a small, almost cost free laboratory in which information services of the future can be developed.

Q. Isn't your view of N11 overstated given its limited presence in today's market?

A. No, I don't think so. While it is true that there are a fairly limited number of N11 numbers available in a given local market and thus only a few N11 vendors, it is important to recognize the almost unlimited number of local markets that are available for experimentation in the United States. It is also important to recognize that N11 is envisioned as an intermediate step toward developing other abbreviated dialing platforms for local markets. The proper pricing signals now could give the market the impetus it needs. The wrong signals could keep this market a very small one, which appeals only to a limited number of large companies who are willing to accept losses to keep N11 available on an experimental basis. In any event, if SBTT's rate for N11 and other abbreviated dialing services are cost based, then such services will be given an appropriate opportunity to flourish or fail, while SBTT will be given a fair return. Cost-based pricing for ADS such as N11 service is the optimum path.

Q. Much of your testimony seems to be predicated on the idea that N11 is not properly priced. What is the basis for your belief?

A. Unfortunately, we have not yet received SBTT responses to our discovery requests in this proceeding. Thus, I have

very little information of record in Florida on which to base my opinion. I plan to supplement my testimony after discovery is complete. There is, however, information which was developed for a similar proceeding in Georgia. In Georgia, however, there was unresolved confusion about proper costing techniques for N11 service.

Q. Is there any area of agreement within this confusion?

A. Yes, there are two basic themes for which there is underlying agreement. One is that when the tariffs were originally established, no one had any reliable estimates of what demand for the N11 service would be or how rapidly it would grow. The other is that N11 is a relatively cheap service, a high proportion of which represents fixed costs and a very low proportion of which is variable. Obviously, in this type of costing situation, an increase in expected call volume generates a much steeper decrease in per call total costs.

Q. What is the basic structure of the N11 tariff?

A. The tariff for N11 has three basic parts. The first part is a nonrecurring set up charge ("NRC"), which more than covers the actual cost of set up (with a 30% contribution). No one is proposing a change in the current NRCs. The second part of the N11 tariff sets a minimum monthly charge. The third part of the tariff is a minimum per call charge of $.10 or $.02 per minute, whichever is greater.

This last charge kicks in only to the extent that per call charges exceed the minimum monthly charge.

Q. What is your current analysis of the cost of providing N11 service?

A. While there is controversy about the fixed, non-recurring set up costs associated with providing N11 service, there is almost no controversy about the variable component of N11. The variable cost of N11 is primarily associated with the rating and recording of each revenue producing call. Billing and collection costs, which would also be somewhat variable in nature, are not discussed here because they are included under a separate tariff. Interpolated from data that SBTT submitted to the Georgia PSC in January 1993, the marginal cost of an N11 call to the system is approximately $.002 per call. In more recent filings SBTT has used a variable component of $.005 per N11 call. In any event, the variable component of N11 is well under $.01 per call. With per call N11 revenues of at least $.10, the percentage contribution that N11 makes toward SBTT's revenue needs is enormous. With an average call length of slightly under two minutes, the variable component of N11 is almost certainly somewhere between $.001 and $.003 per minute. As the service becomes more valuable and N11 calls increase in frequency and duration, the variable cost per minute is almost certain to fall. Unless the current rate structure,

the cross-subsidy paid by N11 subscribers would ever be increasing.

With respect to the fixed component of N11 service, the main dispute revolves around what costs should be allocated to the Billing and Collection tariff and what costs should be allocated to N11. It appears to me that SBTT is trying to include Billing and Collection upgrade costs and operating costs which should be recouped, if at all, through the Billing and Collection tariff, the revenues of which go up substantially as N11 services ask SBTT to serve as their B&C agent. In other words, SBTT is proposing a mismatch in revenues and expenses, by which Billing and Collection expenditures are allocated to N11 costs, but increased Billing and Collection revenues resulting from N11 calls are not used to offset the expenditures.

If these Billing and Collection costs are not allocable to N11, I believe everyone would be in agreement that the minimum monthly charge, as currently being received by SBTT, covers all relevant costs. While the SBTT witness is on record as stating that the current minimum monthly charge covers costs plus anticipated return, I believe that under this scenario, SBTT would actually receive revenues equal to 20-30 times its costs. Obviously, this represents a significant cross-subsidy to

the body of ratepayers. Under the current rate structure, with its five minute minimum charge, $.02 per minute, and monthly minimum charge, the current contribution is even greater than the above estimate.

Q. Are there other problems with this tariff?

A. Yes. The cost per call is a per minute charge, but the expenses to SBTT of rating and recording are per call, not per minute in nature. Just like in operator services situations, a tariff format of this type should be avoided so that the cost-causer pays a fair share of the cost imposed on the system.

Q. What do you think would be an appropriate tariff structure for N11?

A. A good argument could be made that the existing monthly minimum charge standing alone would adequately compensate SBTT and would make a reasonable contribution to its revenue needs. As the number of N11 services grows, SBTT'S revenues would also grow, with no significant increase in costs. On the other hand, SBTT participated in creating this new service and should be allowed to participate in its growth, as should the common body of rate payers. A totally flat rate would not allow for significant revenue growth per customer should N11 service explode in popularity.

Thus, I propose that the minimum monthly charge be

left unchanged from the existing tariff, which allows SBTT to totally cover its costs. Thus, the service would have no risk of requiring a cross-subsidy or not making a reasonable contribution to SBTT's revenue needs. I would also propose that a flat charge of $.01 per minute be instituted, so that N11 customers would pay the monthly minimum or $.01 per minute, whichever was greater. This proposal is essentially risk free for SBTT and allows the company to have a contribution of at least 100% on the revenues generated by the service, plus the additional revenue contribution generated through the Billing and Collection services offered to N11 users.

Q. Would you please summarize your recommendation and your justification for the lower rate.

A. I propose that the SBTT N11 service tariff be changed so that the N11 customers pay a flat charge of $0.01 per minute or the current monthly minimum, whichever is greater. At this time I recommend no other change to SBTT's tariff. My proposed change would make N11 service more cost-based, which would eliminate the cross-subsidy being provided by N11 service customers to other ratepayers while guaranteeing SBTT a fair return. Additionally, this lower rate will create an appropriate environment for a unique, local-based information services to either flourish or fail based on their value to the market. From a policy

perspective, making N11 service more cost-based as I propose is a low cost, no-risk, and potentially high gain proposal.

Q. Does this conclude your testimony?

A. Yes, it does.

(Exhibits 1 through 23 marked for identification and received in evidence.)

CHAIRMAN CLARK: Is there anything else?

MR. ELIAS: Not that I'm aware of.

CHAIRMAN CLARK: I want to thank you all very much. All the Commissioners feel like we've gotten some free days here and we're very appreciative of that. And I appreciate you all working hard and appearing here today in resolving this through stipulating the evidence into the record.

Thank you very much. This hearing is adjourned.

(Thereupon, the hearing concluded at 11:12 a.m.)

- - - - -

STATE OF FLORIDA)
:
COUNTY OF LEON)

CERTIFICATE OF REPORTER

I, JOY KELLY, CSR, RPR, Chief, Bureau of Reporting, Official Commission Reporter,

DO HEREBY CERTIFY that the Hearing in Docket No. 920260-TL was heard by the Florida Public Service Commission at the time and place herein stated; it is further

CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript, consisting of 196 pages, constitutes a true transcription of my notes of said proceedings and the insertion of the prescribed prefiled testimony of the witnesses.

DATED this 5th day of November, 1996.

JOY KELLY, CSR, RPR
Chief, Bureau of Reporting
Official Commission Reporter
(904) 413-6732

BELLSOUTH

BellSouth Telecommunications, Inc.
Suite 400
150 South Monroe Street
Tallahassee, Florida 32301-1556

904 224-7798
Fax 904 224-5073

A. M. Lombardo
Regulatory Vice President

June 20, 1996

Ms. Blanca S. Bayo
Director, Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Rm. 110
Tallahassee, Florida 32399-0850

Dear Ms. Bayo:

Subject: BellSouth Tariff Filing Docket No. 920260-TL

On May 31, 1996, BellSouth, pursuant to Order#PSC-94-0172-FOF-TL, Docket 920260-TL, made a tariff filing which consisted of rate reductions totaling $88.1 million.

As part of the Stipulation and Agreement (page 5 of 17, item 5.D),

> "On October 1, 1996, Southern Bell shall further reduce its gross revenues by $84 million, on an annualized basis."

Also as part of the Implementation Agreement (pages 5 & 6 of 19, item C),

> "On October 1, 1996, Southern Bell will further reduce its Intrastate Switched Access Charge rates to a level that is in parity with Southern Bell's Interstate Switched Access Charge rates in effect on January 11, 1994." "The PARTIES understand that the amount of such reduction will be approximately $35 million in annual revenues. The remainder of the $84 million designated for rate reductions on October 1, 1996 pursuant to paragraph 5.D of the Stipulation (approximately $49 million) will be disposed of in accordance with Paragraphs 3.C and 4 of this Implementation Agreement."

In order to bring the interexchange access rates to a level that is in parity with the January 11, 1994, interstate access rates, a reduction of $40 million is required. Based on the Stipulation and Agreement and the Implementation Agreement, $44 million remains of the $84 million in gross revenues to be used for further rate reductions.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. _____ EXHIBIT NO. 1
COMPANY/ WITNESS: _____
DATE: _____

DOCUMENT NUMBER-DATE
08029 JUL 31 96
FPSC-RECORDS/REPORTING

BellSouth's proposal includes $48 million in additional rate reductions which is $4 million above what is required. This additional amount should only be considered if BellSouth's proposal is approved as filed. If a proposal other than BellSouth's is adopted by the Commission, then only the required rate reduction amount of $44 million should be considered available to the Commission in implementing such a proposal.

If you have any questions, or need any additional information, please let me know.

Very truly yours,

Regulatory Vice President

Copy to: Walter D'Haeseleer
Office of Public Counsel
Parties of Record

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FLORIDA
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BY: Joseph P. Lacher, President -FL
Miami, Florida

Twenty First Revised Page 1
Cancels Twentieth Revised Page 1

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A3. BASIC LOCAL EXCHANGE SERVICE

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FLORIDA PUBLIC SERVICE COMMISSION
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COMPANY: BS/Varner
WITNESS:
DATE: 10/30/96

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A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service

A3.4.1 General

A. Monthly exchange rates shown in A3.4.2 are applicable in each exchange for classes of basic local exchange service offered.

Business PBX Trunks are available on a month-to-month basis or under Term Contract periods with rates based on contract lengths of 24 to 48 months and 49 to 60 months. Rates in effect at the time service is ordered will be applicable until the contract expires. Rates under contract will not be subject to Company initiated rate increases. The contract period can be extended at the contract expiration date for a period equal to or less than the original contract period. Month-to-month rates are also available upon contract expiration. Term Contracts which are discontinued prior to the expiration date will be billed a Cancellation Charge. The Cancellation Charge shall be $480 per PBX trunk under the 24 to 48 months contract period and $960 per PBX trunk under the 49 to 60 months contract period. The Cancellation Charge shall be reduced by fifty percent during the month in which one half of the Term Contract period is satisfied. (N)

A3.4.2 Monthly Rates

A. The rates specified herein entitle subscribers to an unlimited number of messages to all exchange access lines bearing the designation of central offices within the serving exchange and extended area service additional exchanges or portions of exchanges as shown in A3.3.1 of this Tariff.

B. Residence and Business Exchange Access Line Rates

1. Flat Rate Service

a. Residence Service

(1) Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC
(a) Individual service	$7.30	$7.70	$8.10	$8.40	$8.80	$9.15	1FR++

(2) Rate Groups 7 - 12

	Group 7	8	9	10	11	12	USOC
(a) Individual service	$9.50	$9.80	$10.05	$10.30	$10.45	$10.65	1FR++

A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

A3.4.2 Monthly Rates (Cont'd)

B. Residence and Business Exchange Access Line Rates (Cont'd)

1. Flat Rate Service (Cont'd)

b. Business Service

(1) Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC	
(a) Individual line service	$19.80	$20.80	$21.90	$22.90	$23.85	$24.90	1FB	

(2) Rate Groups 7 - 12

	Group 7	8	9	10	11	12	USOC	
(a) Individual line service	$25.75	$26.60	$27.40	$28.00	$28.60	$29.00	1FB	(R)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

A3.4.2 Monthly Rates (Cont'd)

B. Residence and Business Exchange Access Line Rates (Cont'd)

2. Residence and Business Basic Exchange Rates by Exchanges:

Exchange	Residence Ind.	Business Ind.	
Archer (Group 5)	$ 8.80	$23.85	
Baldwin (Group 9)	10.05	27.40	
Belle Glade (Group 3)	8.10	21.90	
Big Pine Key (See A3.8.5)	-	-	
Boca Raton (Group 10)	10.30	28.00	
Boynton Beach (Group 10)	10.30	28.00	
Bronson (See A3.8.6)	-	-	
Brooksville (Group 5)	8.80	23.85	
Bunnell (Group 3)	8.10	21.90	
Cantonment (Group 6)	9.15	24.90	
Cedar Keys (Group 1)	7.30	19.80	
Century (Group 6)	9.15	24.90	
Chiefland (Group 3)	8.10	21.90	
Chipley (Group 3)	8.10	21.90	
Cocoa (Group 7)			
- Cocoa Main (West of Indian River)	9.50	25.75	
- Cocoa Merritt Island (East of Indian River)	9.50	25.75	
Cocoa Beach (Group 7)	9.50	25.75	
Coral Springs (Group 12)	10.65	29.00	(R
Cross City (Group 2)	7.70	20.80	

A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

A3.4.2 Monthly Rates (Cont'd)

B. Residence and Business Exchange Access Line Rates (Cont'd)

2. Residence and Business Basic Exchange Rates by Exchanges: (Cont'd)

Exchange	Residence Ind.	Business Ind.	
Daytona Beach (Group 6)	$ 9.15	$24.90	
DeBary (Group 5)	8.80	23.85	
Deerfield Beach (Group 12)	10.65	29.00	(R)
Deland (Group 5)	8.80	23.85	
DeLeon Springs (Group 4)	8.40	22.90	
Delray Beach (Group 8)	9.80	26.60	
Dunnellon (Group 6)	9.15	24.90	
East Orange (Group 11)	10.45	28.60	
- Eau Gallie Area (Group 7) (West of Indian River)	9.50	25.75	
- Eau Gallie Beach Area (Group 7) (East of Indian River)	9.50	25.75	
Fernandina Beach (Group 3)	8.10	21.90	
Flagler Beach (Group 3)	8.10	21.90	
Ft. George (Group 9)	10.05	27.40	
Ft. Lauderdale (Group 12)	10.65	29.00	(R)
Ft. Pierce (Group 5)	8.80	23.85	

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A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

A3.4.2 Monthly Rates (Cont'd)

B. Residence and Business Exchange Access Line Rates (Cont'd)

2. Residence and Business Basic Exchange Rates by Exchanges: (Cont'd)

Exchange	Residence Ind.	Business Ind.	
Havana (Group 6)	$ 9.15	$24.90	
Hawthorne (Group 5)	8.80	23.85	
Hobe Sound (Group 6)	9.15	24.90	
Holley Navarre (Group 6)	9.15	24.90	
Hollywood (Group 12)	10.65	29.00	(R)
Homestead (Group 12)	10.65	29.00	(R)
Islamorada (Group 4)	8.40	22.90	
Jacksonville (Group 10)	10.30	28.00	
Jacksonville Beach (Group 9)	10.05	27.40	
Jay (See A3.8.15)			
Jensen Beach (Group 5)	8.80	23.85	
Julington (Group 9)	10.05	27.40	
Jupiter (Group 9)	10.05	27.40	
Key Largo (Group 4)	8.40	22.90	
Keystone Heights (Group 3)	8.10	21.90	
Key West (Group 4)	8.40	22.90	
Lake City (Group 4)	8.40	22.90	
Lynn Haven (Group 5)	8.80	23.85	

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A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

A3.4.2 Monthly Rates (Cont'd)

B. Residence and Business Exchange Access Line Rates (Cont'd)

2. Residence and Business Basic Exchange Rates by Exchanges: (Cont'd)

Exchange	Residence Ind.	Business Ind.	
Marathon (Group 3)	$ 8.10	$21.90	
Maxville (Group 9)	10.05	27.40	
Melbourne (Group 7)	9.50	25.75	
Miami (Group 12)	10.65	29.00	(R)
Micanopy (Group 5)	8.80	23.85	
Middleburg (Group 9)	10.05	27.40	
Milton (Group 6)	9.15	24.90	

A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

A3.4.2 Monthly Rates (Cont'd)

B. Residence and Business Exchange Access Line Rates (Cont'd)

2. Residence and Business Basic Exchange Rates by Exchanges: (Cont'd)

Exchange	Residence Ind.	Business Ind.	
Munson (Group 6)	$ 9.15	$24.90	
Newberry (Group 5)	8.80	23.85	
New Smyrna Beach (Group 4)	8.40	22.90	
North Dade (Group 12)	10.65	29.00	(R)
North Key Largo (Group 3)	8.10	21.90	
Oak Hill (Group 4)	8.40	22.90	
Old Town (Group 2)	7.70	20.80	
Orange Park (Group 9)	10.05	27.40	
Orlando (Group 11)	10.45	28.60	
Oviedo (Group 11)	10.45	28.60	
Pace (Group 6)	9.15	24.90	
Pahokee (Group 3)	8.10	21.90	
Palatka (Group 4)	8.40	22.90	
Palm Coast (Group 3)	8.10	21.90	
Panama City (Group 5)	8.80	23.85	
Panama City Beach (Group 5)	8.80	23.85	
Pensacola (Group 7)	9.50	25.75	
Perrine (Group 12)	10.65	29.00	(R)
Pierson (Group 4)	8.40	22.90	
Pomona Park (Group 4)	8.40	22.90	
Pompano Beach (Group 12)	10.65	29.00	(R)
Ponte Vedra Beach (Group 9)	10.05	27.40	

A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

A3.4.2 Monthly Rates (Cont'd)

C. PBX Trunks

PBX trunks are offered for residence and business service as specified following:

1. Residence - Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC
(a) Two way	$13.51	$14.20	$14.88	$15.38	$16.07	$16.66	TFR

2. Residence - Rate Groups 7-12

	Group 7	8	9	10	11	12	USOC
(a) Two way	$17.25	$17.77	$18.19	$18.62	$18.86	$19.21	TFR

3. Business, Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC	
(a) Combination	$33.00	$33.00	$33.00	$33.00	$39.00	$39.00	TFC	(R)
(b) Out dial	33.00	33.00	33.00	33.00	39.00	39.00	TFU	(R)
(c) Inward only	33.00	33.00	33.00	33.00	39.00	39.00	TFN	(R)
(d) DID (Direct In-Dial)	33.00	33.00	33.00	33.00	39.00	39.00	TDD1X	(R)

4. Business, Rate Groups 7-12

	Group 7	8	9	10	11	12	USOC	
(a) Combination	$39.00	$44.00	$44.00	$44.00	$44.00	$44.00	TFC	(R)
(b) Out dial	39.00	44.00	44.00	44.00	44.00	44.00	TFU	(R)
(c) Inward only	39.00	44.00	44.00	44.00	44.00	44.00	TFN	(R)
(d) DID (Direct In-Dial)	39.00	44.00	44.00	44.00	44.00	44.00	TDD1X	(R)

5. Business, All Rate Groups[1] (N)

	Term Contract 24 to 48 Months	49 to 60 Months	USOC	
(a) Combination	$34.00	$29.00	NA	(N)
(b) Outdial	34.00	29.00	NA	(N)
(c) Inward only	34.00	29.00	NA	(N)
(d) DID (Direct In-Dial)	34.00	29.00	NA	(N)

Note 1: See A3.4.1A. for Term Contract rules and regulations.

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A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Monthly Exchange Rates (Cont'd)

A3.4.2 Flat Rate Service (Cont'd)

(T)

D. Semipublic Telephone Service

1. Two Way Service - Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC
(a) Each	$12.21	$12.81	$13.47	$14.07	$14.64	$15.27	1SP

2. Two Way Service - Rate Groups 7-12

	Group 7	8	9	10	11	12	USOC
(a) Each	$15.78	$16.29	$16.77	$17.13	$17.49	$17.79	1SP

E. (DELETED)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

A3.4.2 Monthly Rates (Cont'd)

F. Auxiliary Line Service (Inward Service) (Cont'd)

2. The auxiliary line must terminate on the same premises as that in which the two-way service is located.
3. The auxiliary line is to be used for one way (inward to the subscriber) service only.
4. Auxiliary line service may or may not be arranged for rotary, hunting or similar service which allows completion of an incoming call from a line that is called but is in use, by means of an arrangement of central office equipment on a full time basis.
5. Auxiliary line service is furnished at a rate for each line equal to the rate applicable for business individual line flat rate service for that exchange. Where the lines are arranged for rotary, hunting or similar service, the rotary charge will apply as specified in A3.6.

a. Rates

(1) Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC
(a) Per Auxiliary line	$19.80	$20.80	$21.90	$22.90	$23.85	$24.90	7FB

(2) Rate Groups 7-12

	Group 7	8	9	10	11	12	USOC	
(a) Per Auxiliary line	$25.75	$26.60	$27.40	$28.00	$28.60	$29.00	7FB	(R)

G. Mobile Service Exchange Charge

1. See Section A17. for Rates.

H. Outgoing Only Service

1. See A3.29 for regulations and rates.

A3.4.3 Complete Choice* Service

A. General

1. Complete Choice* service provides the features specified following in conjunction with a flat rate access line.
2. The rates specified herein may only be applied in addition to the rates specified in A3.4.2.B.1.a for residence individual line service.
3. The rates specified herein also entitle a residence subscriber to unlimited use of the services/features specified in the following sections of this Tariff:

A13.9 Custom Calling Services

A13.19 TouchStar® service

A13.20 Customized Code Restriction

A13.34 RingMaster® service

A subscriber may select an unlimited number of compatible services or features from the sections listed above. All rules, regulations and limitations specified in the sections listed apply to the respective services/features requested as part of this service. Service Charges specified in Section A4. of this Tariff do not apply for transactions involving only additions, deletions or changes to the services/features requested as part of this service.

4. Normal service charges specified in Section A4. of this Tariff do not apply for a conversion from basic flat rate service or other existing service to Complete Choice* service or vice versa.
5. Existing Complete Choice* customers can not take advantage of special promotions for Complete Choice* service or any of the services/features specified in 3. preceding unless specifically allowed by the terms of the special promotion.

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BY: Joseph P. Lacher, President -FL
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A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

A3.4.3 Complete Choice* Service (Cont'd)

B. Rates and Charges

1. The following rates must be and may only be used in addition to the rates for residence individual line service specified in A3.4.2.B.1.a preceding. USOCs VR3 and VSB must both be used with this service.

a. Individual line service

(1) Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC
(a) Per residence line	$18.70	$18.30	$17.90	$17.60	$17.20	$16.85	NA

(2) Rate Groups 7-12

	Group 7	8	9	10	11	12	USOC
(a) Per residence line	$16.50	$16.20	$15.95	$15.70	$15.55	$15.35	NA

A3.4.4 Area Plus® Service

A. General

1. Area Plus® service provides the features specified following in conjunction with a flat rate access line.

2. The ***residence*** rates specified herein may only be applied in addition to the rates specified in A3.4.2.B.1.a for residence individual line service which entitle a residence subscriber to an unlimited number of messages to all exchange access lines in the subscriber's local calling area as defined in A3.3.1 of this Tariff. (C)

3. The business rates specified in A3.4.4.B.1. may only be applied in addition to the rates specified in A3.4.2.B.1.b. for business individual line service, in A3.4.2.C. for PBX trunk service, and in A3.13.3.A. for Network Access Register (NAR) Package Service, which entitle a business subscriber to an unlimited number of messages to all exchange access lines in the subscriber's exchange and the Extended Area Service (EAS) additional exchanges in the subscriber's local calling area as defined in A3.3.1. of this Tariff. In addition, business Area Plus® service subscribers are entitled to local calling to the Extended Calling Service (ECS) and Area Plus® service additional exchanges in the subscriber's local calling area as specified in A3.3.1. of this Tariff at the usage rates specified in C. following. (N)

4. Subscribers to Area Plus® service (APS) receive a thirty percent discount on rates specified in A18.3.1.H.1. This discount supersedes the volume discounts defined in A18.3.7 ***and A18.13.6.D.*** and is applied after the appropriate time period discounts specified in A18.3.1.H.4. have been applied and after the calls have been aggregated to a monthly total. This discount applies to covered customer-dialed sent paid calls originated from the subscriber's service; to covered customer-dialed calling card calls, including the calling card surcharges on these calls; and to covered customer-dialed collect calls accepted by the APS subscriber, including the operator surcharges on these calls. The discount is applied on a per line basis to each call type after the calls have been aggregated to a monthly total. (C)

5. Residential customers may also subscribe to Area Plus® service and Complete Choice* service. Rules and regulations for Complete Choice* service are specified in A3.4.3.A. Rates for Area Plus® service with the Complete Choice* option are specified in A3.4.4.B.2. following. (T)

6. Normal service charges specified in Section A4. of this Tariff do not apply for a conversion from basic flat rate service or other existing service to Area Plus® service or Area Plus® service with the Complete Choice* option or vice versa. (T)

7. Residential Area Plus® service and Area Plus® service with Complete Choice* option customers may not subscribe to Local Usage Detail ***(LUD). Business Area Plus® service customers may subscribe to LUD at no charge.*** (C)

8. Back-up Line service, as described in A3.38, is available to individual line business APS subscribers. (N)

(M)

Material previously appearing on this page now appears on page(s) 28.2 of this section.

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A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

A3.4.4 Area Plus® Service (Cont'd)

B. Rates and Charges (M)

1. The following ***residence*** rates must be and may only be used in addition to the rates for residence individual line service specified in A3.4.2.B.1.a. preceding. USOC VR5 must be used to provide this ***residence*** service. ***The following business rates must be and may only be used in addition to the rates specified in A3.4.2.B.1.b. for business individual line service, in A3.4.2.C. for PBX trunk service and in A3.13.3.A. for Network Access Register (NAR) Package service. USOC ABF must be used to provide this business individual line service, USOC [blank] for PBX trunk service and USOC [blank] for NAR service.*** (C) (M)

a. Area Plus® service (M)

(1) Rate Groups 1-6 (M)

		Group 1	2	3	4	5	6	USOC	
(a)	Per residence line	$18.70	$18.30	$17.90	$17.60	$17.20	$16.85	NA	(M)
(b)	Per business line	5.00	5.00	5.00	5.00	4.05	4.00	NA	(N)
(c)	Per PBX trunk	5.00	5.00	5.00	5.00	4.00	4.00	NA	(N)
(d)	Per NAR	3.00	3.00	3.00	3.00	2.44	1.81	NA	(N)

(2) Rate Groups 7-12 (M)

		Group 7	8	9	10	11	12	USOC	
(a)	Per residence line	$16.50	$16.20	$15.95	$15.70	$15.55	$15.35	NA	(M)
(b)	Per business line	3.15	2.30	1.50	1.90	1.30	0.90	NA	(N)
(c)	Per PBX trunk	4.00	2.00	2.00	2.00	2.00	2.00	NA	(N)
(d)	Per NAR	1.50	1.62	1.15	0.80	0.44	0.14	NA	(N)

2. The following monthly rates must be and may only be used in addition to the rates for residence individual line service specified in A3.4.2.B.1.a preceding. USOCs VR6 and VSB must both be used with this service.

a. Area Plus® service with the Complete Choice® Option

(1) Rate Groups 1-6

		Group 1	2	3	4	5	6	USOC
(a)	Per residence line	$34.70	$34.30	$33.90	$33.60	$33.20	$32.85	NA

(2) Rate Groups 7-12

		Group 7	8	9	10	11	12	USOC
(a)	Per residence line	$32.50	$32.20	$31.95	$31.70	$31.55	$31.35	NA

(M)

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Material previously appearing on this page now appears on page(s) 28.3 of this section.

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A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

A3.4.4 Area Plus® Service (Cont'd)

C. Usage Rates (N)

1. The following charges apply on a per call basis for customer dialed and operator handled local calls originated from business service equipped for APS placed to ECS and APS additional exchanges specified in A3.3.1. (N)

	Per Minute	USOC	
(a) Per minute on a per call basis	0.08	NA	(N)

2. The usage charges specified in 1.(a) preceding are billed in six second (.1 minute) increments or any fraction thereof with a minimum of thirty seconds (.5 minute) billed for each call (N)

A3.5 Message Rate Service

A3.5.1 General

(M)

A. Business and residence individual line message rate service is offered in all exchanges except where noted in the Local Exceptions A3.8 of this Tariff. Residence individual line message rate service is offered in all exchanges where facilities permit. The rates specified entitle subscribers to the number of messages specified to all exchange access lines bearing the designation of central offices of the serving exchange and extended area service additional exchanges as shown in A3.3.1 of this Tariff. (M) (M)

B. Subscribers to message rate service are regularly billed monthly in advance. Messages in excess of the monthly message allowance are billed monthly in arrears. Local messages not used in one month's allowance are not credited to the subscriber's account for any other month service is rendered. (M)

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A3. BASIC LOCAL EXCHANGE SERVICE

A3.16 Reserved for Future Use

A3.17 Reserved for Future Use

A3.18 Reserved for Future Use

A3.19 Reserved for Future Use

A3.20 Reserved for Future Use

A3.21 Reserved for Future Use

A3.22 Local Usage Detail (LUD)

A3.22.1 General

A. Local Usage Detail (LUD) is an option for customers who desire a printed listing of expanded call details in addition to the usual summary billing of all dialed, sent-paid, billed expanded local usage.

B. The provision of LUD will coincide with the billing period(s) for the access lines to receive detailed billing; i.e., the reporting of expanded call details will start at the beginning of a billing period and stop at the end of a billing period. For existing customers, LUD should be ordered at least five days prior to the billing date to ensure the timely start or stop of detailed reporting. However, if LUD is requested on an order which establishes service, detailed reporting will start coincident with establishment of the service.

C. LUD will be provided on a per account basis. For PBX, ESSX® service, Digital ESSX® service, MultiServ* service, and MultiServ PLUS* service accounts, all main station lines will be included.

D. Charges for LUD are in addition to applicable local usage charges specified in this Tariff.

E. LUD is available for the following services:

- Local Calling Plus (LCP)
- Extended Calling Service (ECS)
- Area Plus® service (APS) for business customers (N)

A3.22.2 Rates and Charges

A. The following charge applies for LUD.

1. Per monthly printed listing of call details

		Charge	USOC	
(a)	Per call listed *for LCP and ECS service only*	$.01	NA	(C)
(b)	Per call listed for APS service only	0.00	NA	(N)

B. To initiate LUD, a Secondary Service Order charge is applied *for LCP and ECS service only*. (C)

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A3. BASIC LOCAL EXCHANGE SERVICE

A3.28 Trunk Side Access Facility (Cont'd)

A3.28.3 Rates and Charges

A. Access Line Charges

1. The following rates and charges are for trunk-side connected local exchange access facilities for use with Uniform Access Number/Automatic Number Identification Service and are applicable to individual business lines, PBX trunks, MegaLink® channel service or LightGate® service lines.

a. Facilities Connected at a TOPS Tandem Office[1,2]

(1) Single Voice Grade Facility, Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC	
(a) Per Facility	$33.00	$33.00	$33.00	$33.00	$39.00	$39.00	B1E	(R)

(2) Single Voice Grade Facility, Rate Groups 7-12

	Group 7	8	9	10	11	12	USOC	
(a) Per Facility	$39.00	$44.00	$44.00	$44.00	$44.00	$44.00	B1E	(R)

(3) MegaLink® channel service, Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC
(a) Per NAR	$11.74	$12.34	$12.98	$13.58	$14.14	$14.77	6QN

(4) MegaLink® channel service, Rate Groups 7-12

	Group 7	8	9	10	11	12	USOC
(a) Per NAR	$15.28	$15.78	$16.25	$16.60	$16.96	$17.26	6QN

(5) LightGate® service, Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC
(a) Per NAR	$11.74	$12.34	$12.98	$13.58	$14.14	$14.77	6QG

(6) LightGate® service, Rate Groups 7-12

	Group 7	8	9	10	11	12	USOC
(a) Per NAR	$15.28	$15.78	$16.25	$16.60	$16.96	$17.26	6QG

Note 1: The TOPS tandem trunk is required for Automatic Number Identification (ANI) service. Uniform Access Number (UAN) is required for ANI service.

Note 2: Rates shown are same as rates specified in A3.4.2.C. and A3.13.3.A. of this Tariff.

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A3. BASIC LOCAL EXCHANGE SERVICE

A3.38 Back-Up* Line (Cont'd)

A3.38.1 Regulations and Rates (Cont'd)

I. The following usage charges apply to outward calls which originate from Back-Up* Line service:

1. The local calling area of a Back-Up* Line coincides with the local calling area of the customer's primary service.

a. Calls made within the flat or message rate local calling area specified in A3.3, or a measured service local exception specified in A3.8, ***or with Area Plus® service specified in A3.4.4.*** will be rated as follows: (C)

(1) Calls within a flat or message rate local calling area, or within a measured service local exception, ***or with Area Plus® service:*** (C)

	Rate Per Minute Of Use	USOC
(a) Usage charge	$.05	NA

b. Calls terminated within Extended Calling Service (ECS) or Local Calling Plus (LCP) exchanges will be billed at the appropriate ECS or LCP rates specified in A3.8.49 or A3.8.50, respectively.

c. Calls made by customers subscribing to an optional local calling plan will be billed according to the rates in the associated optional local calling plan tariff: A3.7.1 for basic Optional Extended Area Service (OEAS); A3.7.2 for Enhanced OEAS; A3.8.29, A3.8.30 or A3.8.31 for Optional Calling Service; A3.8.24, A3.8.25 or A3.8.26 for Optional Extended Area/Local Calling.

d. Calls made by Area Plus® service subscribers that terminate within ECS or APS additional exchanges in the subscriber's local calling area as specified in A3.3.1 of this Tariff, will be rated as follows: (N)

(1) Calls within ECS or APS additional exchanges: (N)

	Rate Per Minute Of Use	USOC	
(a) Usage charge	$.08	NA	(N)

2. Calls terminating in exchanges outside the customer's local calling area will be billed at rates as specified in Section A18. of this Tariff.

J. Usage charges, if appropriate, also apply to the calling party for calls which terminate on Back-Up* Line service.

K. A monthly Calling Activity Summary is provided as part of the regular monthly bill. This report includes a monthly count of incoming and outgoing calls, minutes of use, and associated charges.

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A4. SERVICE CHARGES

A4.2 Application of Charges (Cont'd)

A4.2.3 Line Change Charge Application (Cont'd)

D. The Line Change Charge applies: (Cont'd)

4. For each line or trunk, for each NAR on ESSX-1 being temporarily suspended at the request of a customer.
5. For changing from loop start to ground start and vice versa and for changing from a line to a trunk and vice versa, for changes in direction, etc..
6. For changing from Foreign Central Office Service to home wire center and vice versa.

A4.2.4 Secondary Service Charge Application

A. The Secondary Service Charge will not apply if a Line Connection Charge or Line Change Charge is applicable.

B. The Secondary Service Charge applies for adding or rearranging:

1. Custom Calling Service
2. Prestige® Communications service
3. Grouping Service
4. RingMaster® service
5. TouchStar® service
6. Customized Code Restriction
7. Customer requested directory listing changes
8. Remote Call Forwarding
9. Other features or services for which the Line Connection Charge and Line Change Charge are not ***applicable.*** (T)

C. The Secondary Service Charge applies for:

1. Transfers of responsibility.
2. Changing from residence to business service and vice versa. The business charge applies when changing to business and the residence charge applies when changing to residence. If the telephone number changes the Line Change Charge applies in lieu of the Secondary Service Charge.
3. Rearrangement of drop wire, protector, and/or network interface. Additionally, Premises Work Charges will apply.
4. Installing a Network Interface jack at the customer's request on existing service. Additionally, Premises Work Charges will apply.
5. Changing call referrals to another number at the customer's request.

D. The Secondary Service Charge is also applicable:

1. When installing or changing a station line or changing a station number on ESSX-1 service.
2. When adding or changing the operation of a NAR on ESSX® service, Digital ESSX® service or MultiServ PLUS® service. (T)

E. Beginning ***October 1, 1996,*** a special waiver of the Secondary Service Charge will apply when subscribers order one or more of the following services: Custom Calling services, Message Waiting Indication service, Prestige® Communications service, TouchStar® service, Designer Listings, ***Customized Code Restriction, Remote Call Forwarding*** or RingMaster® service. (C)

A4.2.5 Premises Work Charge Application

A. The appropriate Line Connection Charge, Secondary Service Charge or Line Change Charge applies in addition to the Premises Work Charge.

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A4. SERVICE CHARGES

A4.2 Application of Charges (Cont'd)

A4.2.5 Premises Work Charge Application (Cont'd)

B. Premises Work Charges apply per customer request, per Company employee performing billable work on the customer's premises. The sum of their time is used to determine the number of 15-minute increments to be billed. Only one initial increment is to be billed per customer request except when the customer specifically requests more employees than the Company would normally dispatch. Where additional employees are specifically requested by the customer, the initial increment charge will also apply per additional Company employee specifically requested.

C. Premises Work Charges apply:

1. For, but not limited to, rearrangement of drop wire, protector and/or network interface.
2. For work performed beyond the protector for semi-public telephone service.

D. The charge for a Network Interface jack applies in addition to the appropriate Premises Work Charges for installing a Network Interface at the customer's request on existing service.

A4.2.6 Service Charge Exceptions

A. Service Charges do not apply for: (T)

1. Adding Touch-Tone Service when no other services are requested.
2. Changing from a private or semiprivate listing to a listed number.
3. Changing the primary listing of a residence customer to the name of the remaining spouse in event of death or divorce of the spouse currently listed. (T)
4. Converting existing customers to Lifeline. (T)
5. Changing from one flat, measured or message rate basic local service (including Area Plus® service and Complete Choice® options) to another.
6. Adding WatsSaver® service. (N)
7. The move from a premises which has been destroyed or made untenantable by a disaster such as a hurricane, tornado, fire, flood, etc., when equivalent service is established, to the new/temporary location or for the move back into the original location.
8. Changing telephone numbers when in the judgment of the Company such changes are necessary for continuation of satisfactory service.
9. Requests for establishing toll credit cards. (T)
10. Requests for full or partial disconnection. (T)
11. Upgrades from Back-Up® Line service to business individual line service.

B. ***When a customer's request is provided:*** (T)

1. ***In accordance with a promotional waiver, additional service subject to an equal or lesser Service Charge may be made a part of the promotional order. Charges for Line Connection, Line Change, or Premises Work will apply, if applicable, for additional service.*** (T)
2. In accordance with the Service Charge waivers listed in A4.2.6.A.2. through 6. preceding, additional features or services subject to the Secondary Service Charge may be made a part of the waiver order. (N)

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A4. SERVICE CHARGES

A4.3 Schedule of Charges for Connecting or Changing Service

A4.3.1 Rates and Charges

A. Line Connection Charge

1. Applies per exchange access line, trunk, or per NAR for ESSX-1.

		Residence	Business	USOC	
(a)	First Line	$40.00	$40.00	NA	(R)
(b)	Additional Line (each)	12.00	12.00	NA	

B. Line Change Charge

1. Applies per exchange access line, trunk, or per NAR for ESSX-1.

(a)	First Line	23.00	38.00	NA
(b)	Additional Line (each)	11.00	11.00	NA

C. Secondary Service Charge

1. Applies per customer request

(a)	Each	10.00	19.00	NA

D. Premises Work Charge

1. First 15-minute increment or fraction thereof

(a)	Per increment	25.00	28.00	NA

2. Each additional 15-minute increment or fraction thereof

(a)	Per increment	9.00	9.00	NA

A4.4 Dual Service

A4.4.1 General

A. Dual Service is a service offering which supplies the same dial tone concurrently to two different addresses served from the same wire center for a limited period of time (90 days maximum) for nondesigned services only. The provision of Dual Service assures the customer continual service at both locations during the time of a move.

B. A request for Dual Service occurs on orders for a transfer of service (T&F) within the same wire center where no telephone number change is involved.

C. Dual Service will be offered subject to the availability of facilities and technical limitations.

A4. SERVICE CHARGES

A4.6 Special Number Assignment Charge (Cont'd)

A4.6.1 General (Cont'd)

C. All specific number requests other than numerical patterns must be made by specifying the digits desired.

D. If requesting a specific number, the customer will be allowed to name one or two alternative specific numbers, in order of preference, that would be acceptable if the first choice is not available.

If the customer does not wish to name any specific alternative choices, he may state a desire for two "easy" number alternatives. If his first choice is not available, he will be provided with two-"easy" number candidates from which to choose. The customer may name one alternative specific number as his second choice and state a desire for an "easy" number as a third alternative. If his first and second choice are not available, he will be provided with one "easy" number candidate to consider.

If the customer has no specific number to request but merely desires an "easy" number, he will be provided with three "easy" number candidates from which to choose.

In the case of both specific and "easy" numbers, only one number may be assigned per each charge listed.

E. The appropriate charge applies in addition to all otherwise applicable charges, e.g., Number Change, Record Service Order, Foreign Central Office, etc.

F. If a customer obtains a number under this Tariff that must subsequently be changed for Company reasons (e.g., area transfer), this charge will not apply for providing this same customer a special number from the newly available pool. A customer that moves but remains in the same serving office or wire center may retain his special number at no additional charge. Any requests to change to a new special number will be chargeable.

G. The charges apply for searching for and, if available, assigning a workable number and are not refundable. The number itself remains the property of the Company as stated in Section A2. of this Tariff.

H. This service is available where facilities or arrangements permit.

A4.6.2 Rates and Charges

A. Nonrecurring Charges, per request for a number to be assigned.

1. Search Only

	Nonrecurring Charge	USOC	
(a) Residence	$5.00	RNCSO	
(b) Business	5.00	RNCSO	(R)

2. Search and Assign

(a) Residence	25.00	RNCSN	
(b) Business	25.00	RNCSN	(R)

A4.7 Link-Up Florida

A4.7.1 General

A. Link-Up Florida is offered in all exchanges to provide subsidized assistance to qualifying applicants. It is intended to preserve and promote subscribership among low income households by providing a credit to and a deferred schedule for payment of the installation and connection charges applicable to the provisioning of residence service.

A12. CENTRAL OFFICE NON-TRANSPORT SERVICE OFFERINGS

A12.7 Direct-In-Dialing (DID) to Customer-Premises Located Switching Systems (Cont'd)

A12.7.2 Rates

A. Central Office Components

1. Direct-In-Dialing (DID) Service:[1]

		Installation Charge	Monthly Rate	USOC	
(a)	Establish trunk group and provide first group of 20 DID numbers[2]	$55.00	$4.00	NDZ	(C)
(b)	Each additional group of 20 DID numbers[2]	15.00	4.00	ND4	
(c)	DID Trunk Termination, each	65.00	20.00	NDT	(R)
(d)	Multifrequency (MF) Pulsing option, each[3]	-	7.50	S5MBD	
(e)	Dual Tone Multifrequency (DTMF) Pulsing option, each[3]	-	7.50	S5DBD	

Note 1: In addition to the rates and charges for the DID Trunk Termination, rates and charges for Inward Trunks or NARs as specified in Section A3 of this Tariff apply as appropriate.

Note 2: These rates and charges also apply to blocks of reserved telephone numbers.

Note 3: Provides faster signaling on DID trunks. The choice of pulsing alternative depends on the customer's premises equipment.

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A13. MISCELLANEOUS SERVICE ARRANGEMENTS

A13.11 Remote Call Forwarding (Cont'd)

A13.11.6 Message Charges (Cont'd)

A. (Cont'd)

2. Between the call forwarding location and the terminating station.

   The Remote Call forwarding customer is responsible for the applicable Local Usage Rate Service charges as specified in A13.11.6.A.4 following of this Tariff or for the applicable customer-dialed station-to-station charges specified in this or any other applicable Tariff. These charges apply to all calls answered at the terminating station, including person-to-person and collect calls, even though such calls might not be accepted at the answering location.

3. **(DELETED)** (D)

4. Local Usage Rate Service Charges (T)

   a. Where non-optional *l*ocal *e*xception rates are applicable for basic local exchange service customers, these rates are also applicable for similar "local" calls placed via the Remote Call Forwarding service. Examples of such services are: Extended Calling Service as described in A3.*7.3* of this Tariff, and Local Calling Plus as described in A3.8.50 of this Tariff. (T)

   b. No discounts, caps or allowances apply to these usage charges.

A13.11.7 Service Charges

A. Service Charges as shown in Section A4 of this Tariff apply as follows:

1. For the initial or subsequent installation of RCF features, the Secondary Service Charge shall apply.
2. For the subsequent addition of additional access facilities (RCAs) to an existing RCF service, the Secondary Service Charge shall apply.
3. To change the number at the Call Forwarding location, the number for the terminating location or both numbers on the same order, the Secondary Service Charge shall apply.

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A18. LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE

A18.13 Calling Plans - Saver® Service (Cont'd)

A18.13.1 Description of Service (Cont'd)

D. (Cont'd)

Saver® service, when offered in conjunction with Remote Call Forwarding, is available on a Revenue Accounting Office (RAO) basis only; i.e., a customer must select from the available plan options for each RAO which provides billing for specific geographic locations within the Company's serving area.

E. The service is offered on an account basis only which would include the number of individual lines, MultiServ® service Main Station Lines, PBX trunks, Centrex equivalent trunks or ESSX® service, Digital ESSX® service and MultiServ PLUS® service network access registers in the account.

F. All Saver® service plans designated as Outside Expanded Local (OEL) plans are limited to subscribers whose main (billing) location is in an area where an Extended Calling Service plan has been implemented. Only intrastate, intraLATA toll calls are subject to OEL rates in A18.13.6.

A18.13.2 General Regulations

A. A customer may subscribe to only one Section A18. toll Optional Calling Plan.

B. Except as otherwise stated in this Tariff, the minimum service period is one month.

C. Suspension of the service is not allowed.

D. This Tariff sets forth the minimum, maximum and current rates for Saver® service. Following a 30 day notice to the Commission and existing subscribers, the Company may increase or decrease rates within the minimum and maximum ranges specified in this Tariff unless denied or suspended by this Commission.

A18.13.3 Use of the Service

A. Resale or shared use of Saver® service is permitted. Use of the service is subject to regulations in this Section and in Section A2. of this Tariff, with the exceptions of A2.2.1.A. and A2.2.1.B. which restrict the use of service.

B. The service is offered on an account basis only, which would include the number of individual lines, MultiServ® service Main Station Lines, PBX trunks, Centrex equivalent trunks or ESSX® service, Digital ESSX® service and MultiServ PLUS® service network access registers in the account.

A18.13.4 Limitation of Service

A. The service is not available for use with intraLATA only Outward WATS and combined Outward WATS in Section A19. of this Tariff, Foreign Exchange Service, Mobile Telephone Servic., Dormitory Communications Service, Public and Semi-public Telephone Service.

A18.13.5 Nonrecurring Charges

A. Service Charges as specified in Section A4. of this Tariff ***will not*** apply when ***an order is issued to add WatsSaver®*** service. (C)

B. Saver® service can be offered with or without Remote Call Forwarding Service as specified in A13.11.

A18.13.6 Saver® Service Options (C)

A. Budgeting Plan. Depending upon the Option selected, a customer may use up to the initial block of time of toll calling per account for a fixed monthly rate. In the same billing period, usage which exceeds the initial block of time will be prorated based on the rate of the initial block.

1. Method of Determining Monthly Usage Charges

a. Usage is determined for each call based on minutes and tenths of minutes (or fraction thereof), with a minimum call duration of thirty seconds. This value is then multiplied by the rate per minute for the rate option selected by the customer. The resultant amount is truncated to whole cents for each call.

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A19. WIDE AREA TELECOMMUNICATIONS SERVICE

A19.1 General

A. Wide Area Telecommunications Service (WATS) is the furnishing of facilities by the Company and the concurring Local Exchange Carriers and, when applicable, an interLATA carrier for dial type telecommunications between a station associated with a WATS access line or an exchange access line and stations using the public switched network within the State of Florida in accordance with the regulations and schedule of charges specified in this Tariff and, when applicable, the tariff of the interLATA carrier. The WATS charges set forth in this Tariff are in payment for the service furnished between the calling and called stations within Florida. Toll Free Dialing (TFD) Service is the term now used to describe the service formerly known as 800 Service. Currently, Toll Free Dialing Service provides incoming service utilizing 800 and 888 numbers. This service will be expanded, as required, at a later date to include additional 8XX toll free dialing numbers, e.g., 877, 866, 855, etc. For both Outward WATS and Toll Free Dialing Service, intraLATA service may be subscribed to separately or may be subscribed to in combination (Combined WATS) with an interLATA carrier's interLATA WATS or WATS-like service requiring the use of the Company's WATS serving office. Combined Outward WATS and intraLATA only Outward WATS require the use of a WATS access line from A19.5.4 of this Tariff. Option TFD Service and Open TFD Service[1] can be terminated, at the direction of the customer, on a WATS access line from A19.5.4 of this Tariff or on an exchange line purchased from the appropriate tariff. See A19.5.20, following for applicable[2] charges when terminating on an exchange line. For WATS Access Lines arranged for bijurisdictional use, refer to A19.5.3.E. following. For the rules, regulations and rates of the interLATA portion of these services, refer to the interLATA carrier's tariffs.

1. The rates and charges specified herein for WATS provide for a WATS access line. The WATS access line consists of all Central Office line equipment and all outside plant facilities up to and including the Company-provided standard network interface as defined in Section A1. of this Tariff.
2. WATS access line extensions associated with an intraLATA WATS access line must be located within the same LATA as the WATS access line.[2] (C)
3. Jack charges for Company-provided jacks, other than the standard network interface, used in association with WATS are specified in Section A14. of this Tariff.

B. Dial type telecommunications, as specified in A. preceding, for Combined WATS and intraLATA only Outward WATS must be dialed and completed from or to a WATS Access Line. For Option TFD Service and Open TFD Service, service can be completed to a WATS Access Line or an exchange access line. In all cases communications must be completed without the assistance of a Company operator[3], except that a Company operator will: (T)

1. Reestablish a call which has been interrupted after the called number has been reached.

C. Each WATS access line will be arranged at the customer's option for either Outward WATS or Toll Free Dialing Service but not for both. Option TFD Service and Open TFD Service, at the direction of the customer, can be terminated on a WATS access line arranged for inward calling only or on an exchange access line. For service terminating on an exchange access line, only one Toll Free Dialing number can be assigned to terminate on any one exchange access number. An exchange access number may include residence or business line or trunk numbers including DID numbers from Section A12. of this Tariff. The termination of Toll Free Dialing Service to an existing Outward WATS or Open TFD Service or Option TFD Service telephone number is prohibited. These services are subject to the provisions and regulations outlined herein and in Section A2. of this Tariff. A WATS access line may also be provided over an intraLATA High Capacity Channel Service equipped with Outward WATS or Toll Free Dialing Service functionality. See Section B7. of the Private Line Service Tariff for additional applicable charges.

Note 1: The Area of Service for Open TFD Service provided on a WATS Access Line must be the state.

Note 2: Refer to the interLATA carrier's tariff for rates and charges applicable to WATS access line extensions terminated in a LATA other than the WATS access line.

Note 3: Due to the technical limitations of certain interLATA carriers' services, operator assistance as specified in A19.1.B. preceding cannot be provided with the Combined Outward WATS offered in conjunction with interLATA carriers having these technical limitations. (T)

(DELETED) (D)

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Miami, Florida

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A19. WIDE AREA TELECOMMUNICATIONS SERVICE

A19.1 General (Cont'd)

D. WATS arranged for Statewide[1] or combined outward service provides for the origination of calls from a station associated with WATS for telecommunications with stations within this State by way of the WATS access line and the public switched network. WATS arranged for intraLATA only outward service provides for the origination of calls from a station associated with WATS for telecommunications with stations within the same LATA and this same State by way of the WATS access line and the public switched network. WATS arranged for interLATA only outward service provides for the origination of calls from a station associated with WATS for telecommunications with stations in a different LATA and the same state by way of the WATS access line and the public switched network.[1] (C)

E. WATS arranged for Open TFD Service provides for the termination of calls from stations within this State, for telecommunications with a station associated with a Toll Free Dialing Service access line or exchange access line for Open TFD Service located within this State.[1] WATS arranged for Option TFD Service provides for the termination of calls from stations within the same LATA and the same State for telecommunications with a station associated with a Toll Free Dialing Service access line or exchange access line located within the same LATA and State.

F. WATS is furnished only if the necessary facilities are available in the offices technically capable of providing the service.

G. Combined Outward WATS is furnished only in offices where the interLATA carrier has purchased appropriate Feature Group C or D access facilities.

H. Directory Assistance Service for customers of the Company requesting telephone number of subscribers who are located outside their local calling area but within the same Number Plan Area is furnished under the provisions of A18.7 of this Tariff. Such calls will be included in the determination of WATS usage charges.

I. Option TFD Service and Open TFD Service are provided by the Company utilizing Toll Free Dialing Number Service.

1. Toll Free Dialing Number Assignment

Toll Free Dialing Number Service provides for the assignment of a single ten digit TFD Number to the customer which can be used on a statewide basis for Option TFD Service or Open TFD Service.[2] Toll Free Dialing Number Service provides the customer with one TFD number statewide for Option TFD Service or Open TFD Service. Toll Free Dialing Number Service, when used for Option TFD Service, can be selected for an area consisting of less than an entire state by specifying the desired Area of Service. Option TFD Service customers shall contain in all advertisements, publications or any other communication containing the Option TFD Service number a commonly understood description of all geographic calling limitations. Area of Service is described in 2. following. The assigned TFD number can terminate to a WATS Access line provided in A19.5.4 following or to an exchange access line. A19.5.20 following provides the applicable charges for Option TFD Service and Open TFD Service terminating to an exchange access line. In the provisioning of Open TFD Service, the Company will be the Responsible Organization (RESPORG). The Company will require the 10-digit POTS number for intraLATA screening.

Note 1: Refer to the interLATA carrier's tariff for rates applicable to interLATA usage. Refer to the Statewide carrier's tariff for rates applicable to Statewide usage.

Note 2: The Area of Service for Open TFD Service provided on a WATS Access Line must be the state.

A19. WIDE AREA TELECOMMUNICATIONS SERVICE

A19.3 Limitation of Service

A. Wide Area Telecommunications Service does not include person-to-person, collect, conference, or other calls requiring operator handling except as provided in A19.1.B. preceding.

B. WATS is not represented as adapted for connection to other services of the Company. This service contemplates the provision of satisfactory transmission only between the WATS access line or exchange access line for Option TFD Service and Open TFD Service and the called or calling station.

Extensions from WATS access lines are restricted to the use of the subscriber, his representatives and associates and are furnished only on the same or different premises of the same subscriber except that extensions from Toll Free Dialing Service may be located on other than the subscriber's premises for the purpose of answering calls when the subscriber is not available at the main station and except that WATS access line extensions may be shared, provided those extension lines are located on the customer's premises.

Connection of WATS to other services is permitted on a switched basis only. No permanent connection between WATS and other service may be established. However, satisfactory transmission cannot be assured when the WATS access line is connected to other Company services or to customer-provided equipment or services.

WATS may be terminated at a premises where telecommunications management functions are performed on behalf of the customer only if the customer has a requirement to communicate over the WATS line to or from premises of that customer located in the State of Florida. In such cases the premises where telecommunications management functions are performed will be considered a customers premises. WATS access lines and extensions will be terminated only at premises located within the State of Florida.

C. Toll Free Dialing Service is furnished upon condition that the customer accept and make use of the terminations or connections provided in accordance with A19.1.E. preceding, and that the customer obtain a sufficient number of WATS access lines or exchange access lines for Option TFD Service and Open TFD Service to prevent the percent of calls completed to calls attempted (including busy and unanswered calls) from falling below 50% for two consecutive months. Customers falling below the 50% level of completions will be required to subscribe to additional WATS access lines or exchange access lines for Option TFD Service and Open TFD Service to handle the incoming calls with at least a 50% completion level. Should the customer refuse to subscribe to these lines, the Company, without incurring any liability, may terminate the Toll Free Dialing Service, provided that, in case of termination of service, at least five days have elapsed following written notification to the subscriber by mail or in person of the Company's intention to terminate the service for such cause.

D. Any arrangement permitting customer control of the number of calls completed to a Toll Free Dialing Service access line is not permitted.

A19.4 Reserved for Future Use

A19.5 Rates

A19.5.1 Reserved for Future Use

A19.5.2 Reserved for Future Use

A19.5.3 Recurring Rate Structure

A. The separate recurring usage rate structures of the Local Exchange Carrier and the interLATA carrier providing Combined IntraLATA/InterLATA Outward WATS are based on separate identification of intraLATA and interLATA usage as directed by the Commission.

B. For Option TFD Service and Open TFD Service, Combined Outward WATS, and IntraLATA Outward WATS, the intraLATA usage is applied to the Schedule of Monthly Usage Charges in A19.5.4.C. following, and the interLATA usage is applied to the approved tariff rates of the interLATA carrier. (C)

19. WIDE AREA TELECOMMUNICATIONS SERVICE

A19.5 Rates (Cont'd)

A19.5.3 Recurring Rate Structure (Cont'd)

C. The Schedule of Monthly Usage Charges in A19.5.4.C. requires a separate monthly charge for each WATS access line or exchange access line for Option TFD Service or Open TFD Service independent of usage on that line.

D. Monthly usage charges are computed on the total hours of use per WATS access line account or the total hours of use per exchange access line utilized for Option TFD Service or Open TFD Service according to the schedule and methodology found in A19.5.4.C and A19.5.5. following. WATS access lines and exchange access lines will not be mixed at any one customer location for termination of Option TFD Service and Open TFD Service traffic associated with a given Toll Free Dialing number.

E. WATS Access Lines Arranged for Bijurisdictional Use

The following parameters apply only to WATS Access Lines arranged for bijurisdictional use.

1. "1+" and "0" intraLATA usage carried over outward WATS Access Lines, having both intra and interstate capability (bijurisdictional) and provided from the BellSouth Telephone Companies Tariff FCC No. 1 or other appropriate Local Exchange Carrier (LEC) interstate tariff, will be completed over LEC facilities at LEC intraLATA outward WATS rates and subject to rules and regulations applicable to LEC intraLATA outward WATS. Subscribers using a bijurisdictional access line for Toll Free Dialing Service may choose either the Company or the interexchange carrier to complete and bill intraLATA calls according to the appropriate rates, rules and regulations. The "1+" and "0" intraLATA usage will be billed to the customer (end user or IXC) where the closed end of the bijurisdictional WATS Access Line is terminated. Customer billing information must be provided to the Company at the time the bijurisdictional WATS Access Line is ordered when the Company is used to complete intraLATA calls.

2. Local calling and seven digit access to originating intrastate FGA and FGB Service are prohibited.

A19.5.4 Rate Tables

A. Access Line Charges[1,2]

1. Outward WATS

		Monthly Rate	USOC	
(a)	For Combined IntraLATA/InterLATA Service,[3] each	$25.00	WMCS+	(R)
(b)	For IntraLATA Service only, each	25.00	WFMS+	(R)
(c)	(DELETED)			(D)

Note 1: For Access Line Charges applicable to InterLATA Service, refer to Florida Access Tariff E6.8.3.

Note 2: The Dedicated Access Line Monthly Rates will be reduced by the amount of the gross receipts tax for certified vendors of telecommunications services.

Note 3: See A19.1.B. preceding.

(DELETED) (D)

A19. WIDE AREA TELECOMMUNICATIONS SERVICE

A19.5 Rates (Cont'd)

A19.5.4 Rate Tables (Cont'd)

A. Access Line Charges[1,2] (Cont'd)

1. Outward WATS (Cont'd)

		Monthly Rate	USOC	
(d)	For Combined IntraLATA/InterLATA Service[1] when provided over an intraLATA High Capacity Channel Service with WATS functionality, each	$10.00	WHTS+	(T)
(e)	For IntraLATA Service only when provided over an intraLATA High Capacity Channel Service with WATS functionality, each	10.00	WHPS+	(T)
(f)	(DELETED)			(D) (T)

Note 1: For Access Line Charges applicable to InterLATA Service, refer to Florida Access Tariff Section E6.8.3.

Note 2: The Dedicated Access Line Monthly Rates will be reduced by the amount of the gross receipts tax for certified vendors of telecommunications services.

Note 3: See A19.1.B. preceding.

(DELETED) (D)

A19. WIDE AREA TELECOMMUNICATIONS SERVICE

A19.5 Rates (Cont'd)

A19.5.4 Rate Tables (Cont'd)

A. Access Line Charges[1,2] (Cont'd)

3. Toll Free Dialing (TFD) Service

		Monthly Rate	USOC	
(a)	(Obsoleted, see Section A119.)	$-	NA	
(b)	Option TFD Service, each	25.00	W1MS+	(R)
(c)	Open TFD Service, each	25.00	WSAI+	(R)
(d)	(Obsoleted, see Section A119.)	-	NA	
(e)	For Option TFD Service when provided over an intraLATA High Capacity Channel Service with Toll Free Dialing Service functionality, each	10.00	8MKS+	
(f)	For Open TFD Service when provided over an intraLATA High Capacity Channel Service with Toll Free Dialing Service functionality, each	10.00	WH9T+	

Note 1: For Access Line Charges applicable to InterLATA Service, refer to Florida Access Tariff E6.8.3.

Note 2: The Dedicated Access Line Monthly Rates will be reduced by the amount of the gross receipts tax for certified vendors of telecommunications services.

A19. WIDE AREA TELECOMMUNICATIONS SERVICE

A19.5 Rates (Cont'd)

A19.5.4 Rate Tables (Cont'd)

C. Monthly Usage Charges[1] (Cont'd)

2. **(DELETED)** (D)

3. Toll Free Dialing (TFD) Service - Option TFD Service and Open TFD Service, per hour of use for the Company

Combined 800 Service (Obsoleted, see Section A119.)

		Per Hour		Per Minute		
		Peak	Off Peak	Peak	Off Peak	USOC
(a)	Up to 15 hours	9.36	7.50	.1560	.1250	NA
(b)	Greater Than 15 hours	8.70	6.96	.1450	.1160	NA
(c)	Greater Than 40 hours	8.10	6.96	.1350	.1160	NA
(d)	Greater Than 80 hours	7.50	6.96	.1250	.1160	NA
(e)	Greater Than 120 hours	6.90	6.90	.1150	.1150	NA
(f)	Greater Than 170 hours	6.30	6.30	.1050	.1050	NA
(g)	Greater Than 320 hours	6.00	6.00	.1000	.1000	NA
(h)	Greater Than 500 hours	5.88	5.88	.0980	.0980	NA
(i)	Greater Than 1200 hours	5.88	5.88	.0980	.0980	NA
(j)	Greater Than 2500 hours	5.88	5.88	.0980	.0980	NA

Note 1: Monthly Usage Charges will be reduced by the amount of the gross receipts tax for certified vendors of telecommunications services.

(DELETED) (D)

A19. WIDE AREA TELECOMMUNICATIONS SERVICE

A19.5 Rates (Cont'd)

A19.5.5 Method of Determining Usage Charges

A. For Combined IntraLATA/InterLATA Outward WATS or IntraLATA Outward WATS, apply the following to the intraLATA calls and usage. For Option TFD Service or Open TFD Service, apply the following to only the intraLATA Toll Free Dialing calls and usage. (C)

1. Determine the total number of completed calls for the WATS access line account for each rate period.
2. Determine the equivalent hours used for each rate period by applying the minimum average time requirement of 30 seconds (1 call x 30 seconds).
3. Determine the total actual hours used for each rate period for each WATS access line account, rounded to the nearest tenth (one decimal place).
4. Determine the total chargeable hours for each rate period for each WATS access line account. This is the greater of 2. or 3. preceding, rounded to the nearest tenth (one decimal place).

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A23. INTERCONNECTION OF LOCAL EXCHANGE SERVICES TO SHARED TENANT SERVICE

A23.1 Provision of Service (Cont'd)

A23.1.4 Rates and Charges (Cont'd)

A. The following charges will apply for Resale of Local Exchange Service. (Cont'd)

7. Usage Charges

a. The following usage charges apply for outward calls within the local calling area[1] other than those specified in b. following.

(1) Usage Charges

	Initial Minute or Fraction Thereof	Additional Minute, Each or Fraction Thereof	USOC
(a) Each	$.0275	$.0125	NA

b. The following usage charges apply for outward calls within the local calling area[1] placed between 12:00 P.M. and 2:00 P.M., 9:00 P.M. and 9:00 A.M., and Saturday and Sunday all day.

(1) Usage Charges

(a) Each	$.0175	$.0075	NA

c. Local usage charges do not apply on calls to 911, the Company operator, Company Repair (611) or on calls to the Company Business Office.

d. Calls to local Directory Assistance (411) will be charged the tariffed rate for such calls as specified elsewhere in this Tariff.

e. Calls to telephone numbers for which a charge is applicable to the caller, i.e., 900, 976, will be charged for at the appropriate rates for these services.

8. Resale Lines - Flat Rate, Rate Groups 1 - 6

a. Flat Rate Resale Lines will only be provided in the situations specified below:

(1) For sharing or resale configurations that do not exceed a total of six local exchange lines in a key system common billing arrangement.

	Group 1	2	3	4	5	6	USOC
(a) Per line[2]	$19.80	$20.80	$21.90	$22.90	$23.85	$24.90	NA

9. Resale Lines - Flat Rate, Rate Groups 7 - 12

a. Flat Rate Resale Lines will only be provided in the situations specified below:

(1) For sharing or resale configurations that do not exceed a total of six local exchange lines in a key system common billing arrangement.

	Group 7	8	9	10	11	12	USOC	
(a) Per line[2]	$25.75	$26.60	$27.40	$28.00	$28.60	$29.00	NA	(R)

Note 1: Calls within the local area are each charged for at least one (1) minute of use. For local calls that exceed one (1) minute, usage charges are based on conversation time rounded up to the nearest one tenth (1/10) minute.

Note 2: Monthly rate is 100% of the Business Flat Rate Exchange Access Line Rate.

B7. DIGITAL NETWORK SERVICE

B7.1 MegaLink® Service (Cont'd)

B7.1.2 Regulations (Cont'd)

E. Features

1. Clear Channel Capability

a. Clear Channel Capability (CCC) is an arrangement that alters a DS1/1.544 Mbps signal with unconstrained information bits, to meet pulse density requirements outlined in Technical Reference 73525. This will allow a customer to transport an all zero octet over a MegaLink® service channel providing an available combined maximum 1.536 Mbps data rate. This arrangement requires the customer signal at the channel interface to conform to Bipolar with 8 Zero Substitution (B8ZS) line code as described in Technical Reference 73525.

b. CCC is provided on MegaLink® service channels between two customer designated premises, from a customer premises to their Serving Wire Center or Node Central Office and/or to a remote Serving Wire Center or Node Central Office, and from a Central Office to a Central Office, and is subject to the availability of facilities. This optional feature may be ordered at the same time the MegaLink® service channel is ordered, or it may be ordered as an additional feature of an existing MegaLink® service channel.

c. When providing CCC via a DS3/44.736 Mbps High Capacity channel, that DS3 channel must be designated, in Company records, as having Clear Channel Capability prior to the provisioning of a DS1/1.544 Mbps High Capacity channel with CCC. Customers must agree to out-of-service periods required to add this feature to an existing MegaLink® service channel to be optioned for B8ZS.

F. Payment Arrangements and Credit Allowance

1. The minimum period for which MegaLink® service is furnished and for which charges are applicable is one month.
2. Suspension of service is not allowed.

B7.1.3 Rates and Charges[1]

A. A Digital Local Channel is furnished between a Serving Wire Center and the customer's premises. Rates are based on the airline distance between the Serving Wire Center and the customer's premises.

1. Digital Local Channel, each[2]

		Nonrecurring Charge	Month To Month	24 to 48 Months	49 to 72 Months	73 to 96 Months	USOC	
(a)	First 1/2 Mile	$350.00	$96.90	$95.05	$95.05	$95.05	1LDPZ	
(b)	Each additional 1/2 Mile, or fraction thereof		44.00	43.00	41.00	39.00	1LDPA	

B. Interoffice Channels furnished between Central Offices. Rates are based on the airline distance between Central Offices.[2,3]

1. Interoffice Channel, each channel 0-8 miles

(a)	Fixed Monthly Rate	100.00	64.35	59.75	59.75	59.75	1LNO1	
(b)	Each Airline Mile, or fraction thereof	-	28.80	22.25	20.35	18.50	1LNOA	(R)

Note 1: Contract lengths are flexible to allow customer choice of payment period per B2.4.9. (T)

Note 2: MegaLink® ISDN service, specified in B7.5 of this Tariff references rates and charges for this rate element.

Note 3: Refer to B3.3.3 of this Tariff for mileage measurement methodology.

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B7. DIGITAL NETWORK SERVICE

B7.1 MegaLink® Service (Cont'd)

B7.1.3 Rates and Charges[1] (Cont'd)

B. (Cont'd)[13]

2. Interoffice Channel, each channel 9-25 miles

		Nonrecurring Charge	Month To Month	24 to 48 Months	49 to 72 Months	73 to 96 Months	USOC	
(a)	Fixed monthly rate	$100.00	$64.35	$59.75	$59.75	$59.75	1LNO2	
(b)	Each airline mile or fraction thereof	-	26.95	20.35	18.50	16.65	1LNOB	(R)

3. Interoffice Channel, each channel over 25 miles

(a)	Fixed monthly rate	100.00	64.35	59.75	59.75	59.75	1LNO3	
(b)	Each airline mile or fraction thereof	-	25.10	18.50	16.65	14.75	1LNOC	(R)

C. Clear Channel Capability is furnished on a per MegaLink® service channel basis.

1. Per MegaLink® service channel optioned as:

		Monthly Rate	Nonrecurring Charge		USOC
			Initial	Subsequent	
(a)	Superframe Format (SF)	$-	$-	$655.00	CCOS
(b)	Extended Superframe Format (ESF)	-	-	655.00	CCOEF

D. Move Charge

A move charge, per MegaLink® service channel, applies for each Digital Local Channel moved to a new location in the same building. This move charge is equal to the sum of the Digital Local Channel Nonrecurring Charge, Service Change Charge - Inside Moves, and Premises Visit Charge.

A move charge, per MegaLink® service channel under CSPP, applies for each MegaLink® service moved to a new location in Company territory within the same state. This move charge is equal to the sum of all nonrecurring charges applicable to a new MegaLink® service channel installation at the new location.

Note 1: Contract lengths are flexible to allow customer choice of payment period per B2.4.9. (T)

Note 2: MegaLink® ISDN service, specified in B7.5 of this Tariff references rates and charges for this rate element.

Note 3: Refer to B3.3.3 of this Tariff for mileage measurement methodology.

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E3. CARRIER COMMON LINE ACCESS

E3.10 Rates and Charges

A. The rate for Carrier Common Line Access is:

	Rates Per Access Minute				
	Zone 1	Zone 2	Zone 3	USOC	
1. Per Originating Access Minute - ***BellSouth Telecommunications, Inc.***					(T)
(a) Feature Groups A, B, ***D***, LSBSA and TSBSA Technical ***Options*** 1 ***and 3***	$.01000	$.01000	$.01000	NA	(T)
2. Per Terminating Access Minute - ***BellSouth Telecommunications, Inc.***					(T)
(a) Feature Groups A, B, ***D***, LSBSA and TSBSA Technical ***Options*** 1 ***and 3***	.01760	.01807	.01853	NA	(C)

	Rates Per Access Minute	USOC	
3. ***Per Originating Access Minute*** - Indiantown Telephone System			(T)
(a) Feature Groups A, B, D, LSBSA and TSBSA Technical Options 1 and 3	$.0247	NA	(T)
4. ***Per Terminating Access Minute*** - Indiantown Telephone System			(T)
(a) Feature Groups A, B, D, LSBSA and TSBSA Technical Options 1 and 3	.0325	NA	(T)
5. ***Per Originating Access Minute*** - For all other Independent Companies concurring in this Tariff			(T)
(a) Feature Groups A, B, D, LSBSA and TSBSA Technical Options 1 and 3	.0304	NA	(T)
6. ***Per Terminating Access Minute*** - For all other Independent Companies concurring in this Tariff			(T)
(a) Feature Groups A, B, D, LSBSA and TSBSA Technical Options 1 and 3	.0382	NA	(T)

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E6. SWITCHED ACCESS SERVICE

E6.8 Rates and Charges

E6.8.1 Switched Transport

A. Switched Local Channel - per Local Channel

1. Voice Grade (T)

		Monthly Rate Rate Zone 1	Rate Zone 2	Rate Zone 3	Nonrecurring Charge First	Nonrecurring Charge Additional	USOC	
(a)	Two-Wire	$25.00	$25.00	$25.00	$308.95	$119.49	TEFV2	
(b)	Four-Wire	45.24	45.24	45.24	314.69	125.19	TEFV4	

2. DS1 (T)

(a)	1.544 Mbps	133.81	133.81	133.81	866.97	486.83	TEFHG

3. DS3 Service (T)

(a)	44.736 Mbps	2,100.00	2,100.00	2,100.00	870.50	427.88	TEFHJ

4. End-Office Based Private Network (T)

		Monthly Rate Rate Zone 1	Rate Zone 2	Rate Zone 3	Nonrecurring Charge	USOC
(a)	Per Local Channel	$4.75	$4.75	$4.75	$18.43	TEFHK

B. Switched Interoffice Channel - Switched Dedicated Transport

1. Voice Grade

(a)	Per mile	1.90	1.90	1.90	-	1L5XF	
(b)	Facility Termination	23.30	23.30	23.30	79.85	NA	

2. DSO - 56/64 Kbps

(a)	Per mile	3.95	3.95	3.95	-	1L5XK	
(b)	Facility Termination	38.37	38.37	38.37	24.01	NA	

3. DS1 - 1.544 Mbps

(a)	Per mile	15.00	15.90	16.75	-	1L5XL	(C)
(b)	Facility Termination	59.75	59.75	59.75	100.49	NA	

4. DS3 - 44.736 Mbps

(a)	Per mile	155.00	165.00	175.00	-	1L5XM	(C)
(b)	Facility Termination	1,200.00	1,200.00	1,200.00	67.19	NA	

C. Switched Interoffice Channel - Switched Common Transport

1. Per Mile

		Rate Per Access Minute	USOC	
(a)	Zone 1	$.000038	NA	(R)
(b)	Zone 2	.000039	NA	(R)
(c)	Zone 3	.000040	NA	

2. Facilities Termination

(a)	Zone 1	.00036	NA	
(b)	Zone 2	.00036	NA	
(c)	Zone 3	.00036	NA	

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E6. SWITCHED ACCESS SERVICE

E6.8 Rates and Charges (Cont'd)

E6.8.1 Switched Transport (Cont'd)

D. Access Tandem Switching

1. Premium

		Rates Per Access Minute	USOC	
(a)	*Zone 1*	$.000475	NA	(C)
(b)	Zone 2	.000488	NA	(N)
(c)	Zone 3	.000500	NA	(N)

E. Interconnection

1. Rate

(a)	***BellSouth Telecommunications, Inc. - Zone 1***	.002500	NA	(C)
(b)	BellSouth Telecommunications, Inc. - Zone 2	.003700	NA	(N)
(c)	BellSouth Telecommunications, Inc. - Zone 3	.005131	NA	(N)
(d)	Indiantown Telephone System, Inc.	.01552	NA	(T)

F. Installation of New Service

1. Line Side Service

		Nonrecurring Charge First	Nonrecurring Charge Additional	Monthly Rate	USOC
(a)	Per Line	$285.00	$263.00	$-	TPP++
(b)	Per Inward Only LSBSA Line for DID Service	285.00	263.00	-	TPP+1
(c)	Per Two-way LSBSA Line for DID/DOD Service	285.00	263.00	-	TPP+2
(d)	Per LSBSA Line with Answer Supervision	285.00	263.00	-	TPP+3

2. Trunk Side Service

(a)	Per Trunk or Signaling Connection	915.00	263.00	-	TPP++

3. Point Code Establishment or Change[1]

(a)	Per Originating Point Code Established or Changed	40.00	8.00	-	CCAPO
(b)	Per Destination Point Code Established or Changed	8.00	8.00	-	CCAPD

G. Network Blocking Charge[2]

1. Nonrecurring Charge

		Rate	USOC
(a)	Per Call Blocked	$.0080	NA

Note 1: Applies to Signaling Connections with TCAP Message Transmission Service.

Note 2: Applies to FGD and TSBSA Technical Option 3.

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E6. SWITCHED ACCESS SERVICE

E6.8 Rates and Charges (Cont'd)

E6.8.2 Local Switching

A. Local Switching Rates and Optional Features

		Rates Per Access Minute			USOC	
		Zone 1	Zone 2	Zone 3		
1.	Per Access Minute					
(a)	LS1 - ***BellSouth Telecommunication, Inc.*** - Feature Groups A and B	$.00832	$.00854 -	$.00876	NA	(C)
(b)	LS2 - ***BellSouth Telecommunication, Inc.*** - Feature Groups C and D	.00832	.00854	.00876		(C)
(c)	LS3 - ***BellSouth Telecommunication, Inc.*** - LSBSA and TSBSA Technical Option 1	.00830	.00852	.00874	NA	(C)
(d)	LS4 - ***BellSouth Telecommunication, Inc.*** - TSBSA Technical Options 2 and 3	.00830	.00852	.00874	NA	(C)
		Rates Per Access Minute			USOC	(N)
(e)	LS1 - Indiantown Telephone Company - Feature Groups A and B		$.01150		NA	(T)
(f)	LS2 - Indiantown Telephone Company - Feature Groups C and D		.01150		NA	(T)
(g)	LS3 - Indiantown Telephone Company - LSBSA and TSBSA Technical Option 1		.01147		NA	(T)
(h)	LS4 - Indiantown Telephone Company - TSBSA Technical Options 2 and 3		.01147		NA	(T)
(i)	For all other Independent Companies concurring in this Tariff		.01770		NA	(T)

2. Common Switching Optional Features (Feature Group Customers Only) [1]
   a. Hunt Group Arrangement, available with FGA
      Per Transmission Path Group
   b. Uniform Call Distribution Arrangement, available with FGA
      Per Transmission Path Group
   c. Nonhunting Numbers for use with Hunt Group Arrangements or Uniform Call Distribution Arrangement available with FGA
      Per Transmission Path

Note 1: These Common Switching Optional Features are not available for BSA. See E6.8.2.A.4. for the appropriate BSE.

BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA
ISSUED: May 31, 1996
BY: Joseph P. Lacher, President -FL
Miami, Florida

PRIVATE LINE SERVICE TARIFF

Eighth Revised Page 37
Cancels Seventh Revised Page 37

EFFECTIVE: October 1, 1996

E7. DEDICATED ACCESS SERVICES

E7.5 Rates and Charges (Cont'd)

E7.5.6 High Capacity Service (Cont'd)

B. Interoffice Channel

1. 1.544 Mbps

Mileage Bands

	Fixed Monthly Rate			Monthly Rate Per Mile					
	Rate Zone 1	Rate Zone 2	Rate Zone 3	Rate Zone 1	Rate Zone 2	Rate Zone 3	Nonrecurring Charge Per Channel	USOC	
(a) 0 mile	$-	$-	$-	$-	$-	$-	$-	1L5XX	
(b) 1 thru 8 miles	64.35	64.35	64.35	28.80	28.80	28.80	200.00	1L5XX	(R)
(c) 9 thru 25 miles	64.35	64.35	64.35	26.95	26.95	26.95	200.00	1L5XX	(R)
(d) Over 25 miles	64.35	64.35	64.35	25.10	25.10	25.10	200.00	1L5XX	(R)

2. 1.544 Mbps

a. Contract Rates[1]

Mileage Bands

(1) Per Channel, 0 Mile

	Nonrecurring Charge	Fixed Monthly Rate	24 to 48 Months	49 to 72 Months	73 to 96 Months	USOC	
(a) Rate Zone 1	$-	$-	$-	$-	$-	1L5XX	
(b) Rate Zone 2	200.00	59.75	-	-	-	1L5XX	
(c) Rate Zone 3	200.00	59.75	-	-	-	1L5XX	
(2) Per Channel, 1 thru 8 miles							
(a) Rate Zone 1	200.00	59.75	22.25	20.35	18.50	1L5XX	(R)
(b) Rate Zone 2	200.00	59.75	22.25	20.35	18.50	1L5XX	(R)
(c) Rate Zone 2	200.00	59.75	22.25	20.35	18.50	1L5XX	(R)
(3) Per Channel, 9 thru 25 miles							
(a) Rate Zone 1	200.00	59.75	20.35	18.50	16.65	1L5XX	(R)
(b) Rate Zone 2	200.00	59.75	20.35	18.50	16.65	1L5XX	(R)
(c) Rate Zone 3	200.00	59.75	20.35	18.50	16.65	1L5XX	(R)
(4) Per Channel, Over 25 Miles							
(b) Rate Zone 1	200.00	59.75	18.50	16.65	14.75	1L5XX	(R)
(b) Rate Zone 2	200.00	59.75	18.50	16.65	14.75	1L5XX	(R)
(c) Rate Zone 3	200.00	59.75	18.50	16.65	14.75	1L5XX	(R)

Note 1: Contract lengths are flexible to allow customer choice of payment period per E2.4.9.

BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA
ISSUED: May 31, 1996
BY: Joseph P. Lacher, President -FL
Miami, Florida

ACCESS SERVICE TARIFF

First Revised Page 7
Cancels Original Page 7

EFFECTIVE: October 1, 1996

E9. DIRECTORY ASSISTANCE ACCESS SERVICE

E9.5 Rate Regulations and Charges (Cont'd)

E9.5.2 Rate Categories (Cont'd)

A. There are three (3) rate categories which apply to Directory Assistance (DA) Access Service: (Cont'd)

2. Directory Assistance (DA) Service Call

The Directory Assistance (DA) Service Call rate category provides for the use of the Company DA operators and DA equipment.

3. Directory Assistance Interconnection

The DA Interconnection rate category provides for switching capability and network functions not assigned to other DA Service rate categories. This charge is assessed to all ICs and is applied on a per DA call basis.

B. Nonrecurring charges will apply for the installation of Directory Transport facilities, service rearrangements or features as defined in E9.2.2.B.3 preceding.

E9.5.3 Rates and Charges

		Rate	USOC	
A.	Directory Assistance			(T)
1.	*Access Service call*			(T)
(a)	Each	$.25	NA	
B.	Directory Transport			(T)
1.	Switched Local Channel[1]			(T)
(a)	Zone 1	-	NA	(N)
(b)	Zone 2	-	NA	(N)
(c)	Zone 3	-	NA	(N)
2	Switched Dedicated Transport[1]			(T)
(a)	Zone 1	-	NA	(N)
(b)	Zone 2	-	NA	(N)
(c)	Zone 3	-	NA	(N)
3.	Switched Common Transport per Directory Assistance Access Service Call			
(a)	Zone 1	.00030	NA	(N)
(b)	Zone 2	.00030	NA	(N)
(c)	Zone 3	.00030	NA	(N)
4.	Switched Common Transport per Directory Assistance Access Service Call Mile			
(a)	Zone 1	.000040	NA	(N)
(b)	Zone 2	.000040	NA	(N)
(c)	Zone 3	.000040	NA	(N)
5.	Access Tandem Switching per Directory Assistance Access Service Call			
(a)	Zone 1	.00055	NA	(N)
(b)	Zone 2	.00055	NA	(N)
(c)	Zone 3	.00055	NA	(N)
6.	Directory Assistance Interconnection per Directory Assistance Access Service Call			
(a)	Zone 1	.001304	NA	(C)
(b)	Zone 2	.001929	NA	(N)
(c)	Zone 3	.002675	NA	(N)
7.	Installation[2]		NA	(T)
(a)		-	NA	(T)

Note 1: Nonrecurring and monthly rates are as specified for Switched Transport in E6.8.1 preceding.

Note 2: Nonrecurring rates are as specified for Switched Transport in E6.8.1 preceding.

Route	Ord No.	Eff. Date	Revenue Impact
DeBary to Winter Park	95-1137	02/23/96	($410,676)
Panama City to The Beaches	95-1135	03/01/96	(49,536)
Panama City to Port St. Joe	95-1580	03/01/96	(107,712)
Lake City to MacClenny	95-1396	04/02/96	(48,192)
Lake City to Sanderson	95-1396	04/02/96	(15,780)
Gainesville to McIntosh	95-1135	05/09/96	(83,592)
Lake City to Live Oak	95-1135	05/09/96	(169,368)
Micanopy to McIntosh	95-1135	05/09/96	(17,232)
Lynn Haven to The Beaches	*	*	(8,081)
Lynn Haven to Tyndal AFB	*	*	(29,851)
Panama City Beach to The Beaches	*	*	(8,394)
Panama City Beach to Tyndal AFB	*	*	(27,258)
Youngstown-Fountain	*	*	(35,250)
Youngstown-Fountain to Panama City Beach	*	*	(32,421)
Youngstown-Fountain to The Beaches	*	*	(1,953)
Youngstown-Fountain to Tyndal AFB	*	*	(2,396)
Lake City to High Springs	96-0727	11/29/96	(48,936)
Total			($1,096,628)

* ECS was approved on these Bay County routes at the July 16, 1996 agenda session. Implementation will take place within six months of the date of the order.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TP EXHIBIT NO 3
COMPANY/ WITNESS: BS/ Varner
DATE: 10/30/96

EXHIBIT NO. 4

DOCKET NO: 920260-TL

WITNESS: AL VARNER
JERRY HENDRIX

PARTY: BELLSOUTH

DESCRIPTION:

CONFIDENTIAL

BELLSOUTH'S RESPONSE TO STAFF'S 1ST SET OF INTERROGATORIES (1996)

PROFFERING PARTY: STAFF

I.D. # AJV-4

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TL EXHIBIT NO 4
COMPANY/
WITNESS:
DATE: 10/30/96

EXHIBIT NO. 5

DOCKET NO: 920260-TL

WITNESS: AL VARNER
JERRY HENDRIX

PARTY: BELLSOUTH

DESCRIPTION:

MAY 31, 1996 TARIFF FILING

PROFFERING PARTY: STAFF

I.D. # AJV - 5

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TL EXHIBIT NO 5
COMPANY/
WITNESS:
DATE: 10/30/96

T-96-451

BELLSOUTH

BellSouth Telecommunications, Inc.
Suite 400
150 South Monroe Street
Tallahassee, Florida 32301-1556

904 224-7798
Fax 904 224-5073

A. M. Lombardo
Regulatory Vice President



May 31, 1996

Mr. Walter D'Haeseleer
Director, Division of Communications
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32301

Dear Mr. D'Haeseleer:

Pursuant to Order # PSC-94-0172-FOF-TL, Docket 920260-TL, we are filing herewith revisions to our General Subscriber Service Tariff, Private Line Service Tariff and Access Service Tariff.

The purpose of these revisions is to satisfy the outstanding 1996 revenue reduction commitment in accordance with the Stipulation and Agreement between the Office of Public Counsel and BellSouth Telecommunications, Inc. and with the Implementation Agreement between BellSouth and all other parties to Dockets 900960-TL, 910163-TL, 910727-TL, and 920260-TL.

Additional information is included in the following attachments:

Attachment A - List of Revised Tariff Pages
Attachment B - Executive Summary

The estimated total annual revenue effect as a result of this filing is ($88.1 Million). This includes various rate reductions to take care of the unspecified $48 Million reduction and the specified access rate reduction of approximately $40 Million.

Acknowledgment, date of receipt and authority number of this filing are requested. A duplicate letter of transmittal is attached for this purpose.

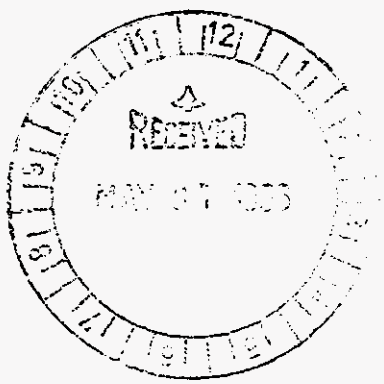
Your consideration and approval will be appreciated.

Yours very truly,

Nancy H. Sims

Regulatory Vice President

Attachments



EXECUTIVE SUMMARY

This filing is to comply with Docket Number 920260-TL, order number PSC-94-0172-FOF-TL dated February 11, 1994. This filing totals ($88,174,902). This includes rate reductions to take care of the unspecified $48 Million reduction and the specified access rate reduction of approximately $40 Million required by the Stipulation and Agreement. Numerous services are being adjusted to meet the needs of a broad base of customers. A summary of effects is shown below. The treatment of each service is further described in the pages following.

Annual Effect

	Unspecified	Specified
Switched Access Reductions	($16,400,067)	($40,078,035)
Extended waiver on selected Secondary Service Charges		
-Residence	($3,609,180)	
-Business	($2,203,791)	
Reduce First Line Connection Charge for Business Customers	($3,222,592)	
PBX monthly & term contracts	($13,451,394)	
DID Recurring	($987,012)	
DID Nonrecurring	($893,625)	
WATS & 800 Service Access Line	($355,721)	
Eliminate Secondary Service Charge for WatsSaver®	($301,093)	
Reduce Business Line Monthly Rates	($622,518)	
Introduce Area Plus® For Business Customers	($2,254,140)	
Eliminate Usage Charge on RCF	($2,010,198)	
Reduce SNAC Charges for Business	($70,500)	
MegaLink® interoffice	($579,192)	
DS1 interoffice	($39,216)	
Credit for ECS Routes	($1,096,628)	
TOTAL	($48,096,867)	($40,078,035)

® Registered Service Mark of BellSouth Corporation

Service-by-Service Description of Changes

Switched Access

Introduction
This filing proposes a reduction for switched access which includes zone pricing for carrier common line (CCL), local switching and certain transport services.

Present Tariff
Zone pricing structure and rates are not currently in effect for carrier common line (CCL) and local switching. Regarding Transport, a zone pricing structure has been approved but uniform rates exist at present.

Proposed Tariff
With this filing BellSouth is proposing a reduction for switched access which includes zone pricing for carrier common line (CCL), local switching and certain transport services. Prices for these rate elements exceed their costs.

Impact on Existing Customers
With the introduction of zone pricing for these rate elements, no switched access customer will pay rates that are higher than current effective rates.

Revenue Impact
The revenue impact of this filing includes :

($40,078,035) of specified reductions (in accordance with the Stipulation & Agreement)
+ ($16,400,067) of unspecified reductions (part of the $48 Million rate reduction)

($56,478,102)

M:\123R4\FLFGD.WK4

FLORIDA SWITCHED ACCESS
FGD RATE COMPARISON

RATE ELEMENTS	CURRENT	($40M) SWITCHED ACCESS REDUCTION EFFECTIVE 10/1/96*	($16.2M) SWITCHED ACCESS REDUCTION		
			ZONE 1	ZONE 2	ZONE 3
CARRIER COMMON LINE					
ORIGINATING	$0.01061	$0.01000	$0.01000	$0.01000	$0.01000
TERMINATING	$0.02927	$0.01853	$0.01760	$0.01807	$0.01853
SWITCHED TRANSPORT**					
DS1 LOCAL CHANNEL	$0.00062	$0.00062	$0.00062	$0.00062	$0.00062
INTERCONNECTION	$0.005159	$0.005159	$0.002500	$0.003700	$0.005034
DS1 INTEROFFICE CHANNEL	$0.00090	$0.00090	$0.00087	$0.00089	$0.00090
LOCAL SWITCHING 2	$0.00876	$0.00876	$0.00832	$0.00854	$0.00876
COMPOSITE FGD***					
ORIGINATING	$0.026049	$0.025439	$0.022310	$0.023750	$0.025314
TERMINATING	$0.044709	$0.033969	$0.029910	$0.031820	$0.033844
TOTAL	$0.070758	$0.059408	$0.052220	$0.055570	$0.059158

*SPECIFIED WITH A 10/1/96 EFFECTIVE DATE IN COMPLIANCE WITH THE COMMISSION'S ORDER NO. PSC-94-0172-FOF-TL

**THE SWITCHED TRANSPORT RATES PER MINUTE OF USE ASSUME 9,000 MINUTES OF USE PER VOICE GRADE EQUIVALENT, DS1 SWITCHED WITH INTEROFFICE TRANSPORT OF 8 MILES.

***COMPOSITE RATES INCLUDE CARRIER COMMON LINE, DS1 SWITCHED TRANSPORT, INTERCONNECTION AND LOCAL SWITCHING 2.

BellSouth Telecommunications - Florida
Attachment B
Page 3 of 13

T - 96 - 45

Secondary Service Charges

Introduction
This filing proposes a tariff revision in A4 to waive the Secondary Service Charge when existing residence and business subscribers order selected services.

Present Tariff
Customers currently pay for adding selected features unless there is a waiver campaign.

Proposed Tariff
The proposed tariff revision in A4 will waive the Secondary Service Charge when existing residence and business subscribers order one or more of the following:

Custom Calling services
RingMaster* service
TouchStar* service
Prestige* Communications service
Message Waiting Indication service
Customized Code Restriction
Remote Call Forwarding
Designer Listings

Although the proposal is to eliminate this charge, recurring rates for the above services in aggregate would cover the cost.

Impact on Existing Customers
Existing customers will not be charged a secondary service charge when adding the above services. Absent a waiver, this charge would apply.

Revenue Impact
The revenue impact is shown below. Existing quantities of service charges used for the analysis were reduced to include the effects of the service charge waiver for Complete Choice*, filed previously.

-Residence	($3,609,180)
-Business	($2,203,791)

* Service Mark of BellSouth Corporation

First Line Connection Charge For Business Customers

Introduction
The purpose of this filing is to reduce the first line connection charge for business customers from $56.00 to $40.00. This charge is in A4.3 of the GSST.

Description of the Present Tariff
The first line connection charge is applied on a per access line, trunk, or ESSX-1 NAR basis when appropriate. This nonrecurring charge is currently $56.00 for business customers.

Description of Proposed Tariff
The proposed tariff reduces the line connection charge for business customers to $40.00. Although this charge is below the cost for business line connection, recurring business rates in aggregate would cover the lost revenues.

Impact on Existing Customers
New and existing business customers will benefit from this rate reduction when they order new or additional exchange access lines, trunks, or ESSX-1 NARs.

Revenue Information
The annual revenue impact of this proposed rate reduction is ($3,222,592).

PBX/DID Trunk Summary

Introduction
The proposed filing reduces PBX trunk rates in all Rate Groups and introduces Term Contracts for PBX trunks. This filing also reduces the nonrecurring service establishment charge for Direct-In-Dialing (DID) Service and the nonrecurring and recurring charge for DID Service Trunk Terminations.

Present Tariff
Currently, term plans are not available for PBX trunks.

Proposed Tariff
The proposed filing reduces PBX trunk rates in all Rate Groups located in A3. and introduces 24 to 48 Month and 49 to 60 Month Term Contracts for PBX trunks. Term Contracts will offer customers the opportunity to stabilize trunk rates for a selected time period.

This filing also reduces the nonrecurring service establishment charge (USOC NDZ) for Direct-In-Dialing (DID) Service. Both the nonrecurring and recurring charge for DID Service Trunk Terminations (USOC NDT) will also be reduced. Prices for PBX trunks and DID exceed their costs.

Impact on Existing Customers
Existing PBX trunk customers will receive the benefits of reduced trunk rates, a reduced DID trunk establishment charge and reduced DID Trunk Termination charges. In addition, PBX trunk customers will also be provided with a mechanism to stabilize rates for 60 months.

Revenue Impact
The revenue impact is as follows:

-PBX monthly rates and term contracts:	($13,451,394)
-DID recurring rates:	($987,012)
-DID nonrecurring rates:	($893,625)

WATS and WatsSaver® Service

Introduction
The purpose of this filing is to eliminate the application of a Secondary Service Charge when only WatsSaver® service is added and to reduce the monthly rates associated with WATS and Toll Free Dialing Service dedicated access lines. These changes are being made to make these toll services more attractive to customers.

Present Tariff
Currently, customers must pay a Secondary Service Charge when only WatsSaver® service is added to existing service.

Proposed Tariff
Subscribers will be able to add WatsSaver® service to their accounts without incurring a Secondary Service Charge. Dedicated WATS and TFD Service access line subscribers will receive a reduction in monthly access line rates. Prices for WatsSaver® exceed their costs.

Impact on Existing Customers
Customers will see reduced charges when ordering WatsSaver® service and in their monthly WATS and TFD Service access line charges.

Revenue Analysis
The net revenue impacts associated with this filing are:

-WATS and TFD Service Dedicated Access Line Reduction	($355,721)
-Eliminate Secondary Service Charge on WatsSaver®	($301,093)

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Business Line Monthly Rates

Introduction
This filing reduces the rate group 12 monthly rate for flat rate business lines from $29.10 to $29.00. This change affects toll terminals, independent payphone provider access lines, flat rate resale lines and 976 service access lines. This filing also reduces the rate group 12 rate for Back-Up* Line service from $14.55 to $14.50.

Description of Present Tariff
The following services reflect a rate group 12 monthly rate of $29.10: flat rate business individual lines, flat rate resale lines, toll terminals, independent payphone provider access lines and 976 service access lines.

Description of Proposed Tariff
The rate group 12 monthly rate for the following services is reduced to $29.00: flat rate business individual lines, flat rate resale lines, toll terminals, independent payphone provider access lines and 976 service access lines. This reduction will bring the rate group 12 monthly business rate in line with the proposed PBX trunk rate of $29.00 for a 49 to 60 months term contract. Prices for these services exceed their costs.

Impact on Existing Customers
Existing customers in rate group 12 will see a rate decrease.

Revenue Analysis
The revenue impact of this filing is ($622,518).

* Service Mark of BellSouth Corporation

Area Plus® For Business Customers

Introduction
This filing introduces Area Plus® for business customers.

Service Description
Area Plus® for business customers is an expanded local calling plan which also includes a discounted toll feature. This optional plan is available to new customers as well as existing flat rate or message rate individual line, PBX trunk or Network Access Register customers.

The plan consists of three geographic parts that encompasses all calls within the LATA:

* Basic Local Calling Area (BLCA) - is the calling scope which consists of access to all
* Expanded Local Calling Area (ELCA) - this area extends the BLCA to a 40-mile calling radius, including any existing ECS areas that extend past this 40 mile limit.
* IntraLATA Area - the area past the ELCA radius, to the intraLATA toll boundary.

Description of Proposed Tariff
Each of the three components of Area Plus® is distinctly rated. The BLCA is flat rated as defined by rate group. The ELCA calls are rated on a per minute of use basis. The intraLATA toll calls are rated by the existing MTS schedule, then discounted by 30 percent (DDD calls, 0+ calling card and collect calls). Prices for this service exceed their costs.

In addition, Back-Up* Line service is available to flat rate and message rate individual line customers. The basic definition of Back-Up* Line service is unchanged in the BLCA, with the addition of outward usage within additional ELCA exchanges being billed at the Area Plus® ELCA usage rate.

Impact on Existing Customers
This is an optional service, available to existing and new customers.

Revenue Information
The annual revenue impact of this proposed rate reduction is ($2,254,140).

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* Service Mark of BellSouth Corporation

Remote Call Forwarding (RCF)

Introduction
The purpose of this filing is to eliminate basic local usage rates for Remote Call Forwarding (RCF). These charges are in A13.11 of the GSST.

Description of the Present Tariff
Local usage rates, as specified in A13.11.6.A.3 of the existing GSST, apply for calls within the basic local calling area, which are between the call forwarding location and the terminating station, when RCF is provided.

Description of Proposed Tariff
The proposed tariff eliminates the local usage rates which currently apply for calls within the basic local calling area, which are between the call forwarding location and the terminating station, when RCF is provided. Usage charges for non-optional extended local calling plans such as ECS will still apply. Prices for this service exceed their costs.

Impact on Existing Customers
New and existing RCF customers will benefit from this rate reduction.

Revenue Information
The annual revenue impact of this proposed rate reduction is ($2,010,198).

Special Number Assignment Charge (SNAC)

Introduction
The purpose of this filing is to reduce the special number assignment charge for business customers for "search only" requests from $10.00 to $5.00 and for "search and assign" requests from $75.00 to $25.00. These charges are in A4.6 of the GSST.

Description of the Present Tariff
The existing nonrecurring charge for a "search only" request from a business customer for a specific telephone number is $10.00. The existing nonrecurring charge for a "search and assign" request from a business customer is $75.00.

Description of Proposed Tariff
The proposed tariff reduces the "search only" charge to $5.00 and the "search and assign" charge to $25.00 for business customers. This reduction equalizes the rates for business and residence SNAC offerings. Prices for this service exceed their costs.

Impact on Existing Customers
New and existing business customers will benefit from this rate reduction when special number assignment charges are applied.

Revenue Information
The annual revenue impact of this proposed rate reduction is ($70,500).

Dedicated Access DS1 High Capacity And Megalink® Service(s)

Introduction
The Private Line MegaLink® and Dedicated Access DS1 High Capacity services interoffice channel (IOC) mileage is that portion of a customer's end-to-end service furnished between Company central offices. Included in this filing is a reduction in the per mile portion of the IOC.

Present Tariff
IOC mileage rates for Private Line MegaLink® and Dedicated Access DS1 High Capacity services are based on the airline distance between central offices. The IOC rate structure consists of two separate rate elements (fixed and per mile).

Proposed Tariff
While the rate structure remains the same, rates associated with the per mile portion of the interoffice channel for Private Line MegaLink® service and Dedicated Access DS1 High Capacity service have been reduced. Prices for the rate elements exceed their costs.

Impact on Existing Customers
Existing customers in rate group 12 will see a rate decrease.

Revenue Analysis
The revenue impact of this filing is:

-MegaLink®	($579,192)
-DS1	($39,216)

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Extended Calling Service (ECS)

During the first half of 1996, ECS has been implemented on seven routes between BellSouth exchanges and Independent Company exchanges. This implementation was based on orders issued by the Florida Commission in 1995. The revenue impact has not been accounted for in prior filings or proceedings. The affected routes, order numbers, implementation dates, and revenue impacts are shown below.

During the April 30, 1996 agenda session, countywide EAS was discussed for Bay County (Docket No. 950700-TL). While the decision was deferred, we expect that ECS will be ordered on those routes. Those routes, and the estimated revenue impacts are listed below. During the May 7, 1996 agenda session, the Commission approved ECS on the Lake City to High Springs route (Docket No. 951098-TL). The estimated revenue effect is listed below.

Route	Ord No.	Eff. Date	Revenue Impact
DeBary to Winter Park	95-1137	02/23/96	($410,676)
Panama City to The Beaches	95-1135	03/01/96	(49,536)
Panama City to Port St. Joe	95-1580	03/01/96	(107,712)
Lake City to MacClenny	95-1396	04/02/96	(48,192)
Lake City to Sanderson	95-1396	04/02/96	(15,780)
Gainesville to McIntosh	95-1135	05/09/96	(83,592)
Lake City to Live Oak	95-1135	05/09/96	(169,368)
Micanopy to McIntosh	95-1135	05/09/96	(17,232)
Lynn Haven to The Beaches	NA	NA	(8,081)
Lynn Haven to Tyndal AFB	NA	NA	(29,851)
Panama City Beach to The Beaches	NA	NA	(8,394)
Panama City Beach to Tyndal AFB	NA	NA	(27,258)
Panama City Beach to Youngstown-Fountain	NA	NA	(35,250)
Youngstown-Fountain to Panama City Beach	NA	NA	(32,421)
Youngstown-Fountain to The Beaches	NA	NA	(1,953)
Youngstown-Fountain to Tyndal AFB	NA	NA	(2,396)
Lake City to High Springs	NA	NA	(48,936)
Total			($1,096,628)

A3. BASIC LOCAL EXCHANGE SERVICE

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BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA
ISSUED: ~~May 21, 1996~~ May 31, 1996
BY: Joseph P. Lacher, President -FL
Miami, Florida

GENERAL SUBSCRIBER SERVICE TARIFF

TARIFF REVISIONS
LEGISLATIVE FORMAT
NOT FOR APPROVAL

EFFECTIVE: ~~June 5, 1996~~
October 1, 1996

A3. BASIC LOCAL EXCHANGE SERVICE

~~**A3.3 Local Calling Areas (Cont'd)**~~

~~(M)~~

A3.4 Flat Rate Service

A3.4.1 General

A. Monthly exchange rates shown in A3.4.2 are applicable in each exchange for classes of basic local exchange service offered.

A3.4.2 Monthly Rates

A. The rates specified herein entitle subscribers to an unlimited number of messages to all exchange access lines bearing the designation of central offices within the serving exchange and extended area service additional exchanges or portions of exchanges as shown in A3.3.1 of this Tariff.

B. Residence and Business Exchange Access Line Rates

1. Flat Rate Service

a. Residence Service

(1) Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC
(a) Individual service	$7.30	$7.70	$8.10	$8.40	$8.80	$9.15	1FR++

(2) Rate Groups 7 - 12

	Group 7	8	9	10	11	12	USOC
(a) Individual service	$9.50	$9.80	$10.05	$10.30	$10.45	$10.65	1FR++

Business PBX Trunks are available on a month-to-month basis or under Term Contract periods with rates based on contract lengths of 24 to 48 months and 49 to 60 months. Rates in effect at the time service is ordered will be applicable until the contract expires. Rates under contract will not be subject to Company initiated rate increases. The contract period can be extended at the contract expiration date for a period equal to or less than the original contract period. Month-to-month rates are also available upon contract expiration. Term Contracts which are discontinued prior to the expiration date will be billed a Cancellation Charge. The Cancellation Charge shall be $480 per PBX Trunk under the 24 to 48 months contract period and $960 per PBX trunk under the 49 to 60 months contract period. The Cancellation Charge shall be reduced by fifty percent during the month in which one half of the Term Contract is satisfied. (N)

Material previously appearing on this page now appears on page(s) 9.3 and 9.4 of this section.

A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

~~(C)~~

A3.4.2 Monthly Rates (Cont'd)

~~(C)~~

B. Residence and Business Exchange Access Line Rates (Cont'd)

1. Flat Rate Service (Cont'd)

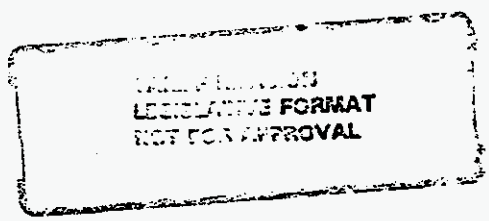
b. Business Service

(1) Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC	
(a) Individual line service	$19.80	$20.80	$21.90	$22.90	$23.85	$24.90	1FB	

(2) Rate Groups 7 - 12

	Group 7	8	9	10	11	12	USOC	
(a) Individual line service	$25.75	$26.60	$27.40	$28.00	$28.60	~~$29.10~~ 29.00	1FB	(R)



~~d/b/a SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY~~

A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

A3.4.2 Monthly Rates (Cont'd)

B. Residence and Business Exchange Access Line Rates (Cont'd)

2. Residence and Business Basic Exchange Rates by Exchanges:

Exchange	Residence Ind.	Business Ind.	
Archer (Group 5)	$ 8.80	$23.85	
Baldwin (Group 9)	10.05	27.40	
Belle Glade (Group 3)	8.10	21.90	
Big Pine *Key (See A3.8.5)*	-	-	(T)
Boca Raton (Group 10)	10.30	28.00	
Boynton Beach (Group 10)	10.30	28.00	
Bronson (*See A3.8.6*)	-	-	(T)
Brooksville (Group 5)	8.80	23.85	
Bunnell (Group 3)	8.10	21.90	
Cantonment (Group 6)	9.15	24.90	
Cedar Keys (Group 1)	7.30	19.80	
Century (Group 6)	9.15	24.90	
Chiefland (Group 3)	8.10	21.90	
Chipley (Group 3)	8.10	21.90	
Cocoa (Group 7)			
- Cocoa Main (West of Indian River)	9.50	25.75	
- Cocoa Merritt Island (East of Indian River)	9.50	25.75	
Cocoa Beach (Group 7)	9.50	25.75	
Coral Springs (Group 12)	10.65	~~29.10~~ 29.00	(R)
Cross City (Group 2)	7.70	20.80	

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A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

A3.4.2 Monthly Rates (Cont'd)

B. Residence and Business Exchange Access Line Rates (Cont'd)

2. Residence and Business Basic Exchange Rates by Exchanges: (Cont'd)

Exchange	Residence Ind.	Business Ind.	
Daytona Beach (Group 6)	$ 9.15	$24.90	
DeBary (Group 5)	8.80	23.85	
Deerfield Beach (Group 12)	10.65	~~39.10~~ 29.00	(R)
Deland (Group 5)	8.80	23.85	
DeLeon Springs (Group 4)	8.40	22.90	
Delray Beach (Group 8)	9.80	26.60	
Dunnellon (Group 6)	9.15	24.90	
East Orange (Group 11)	10.45	28.60	
- Eau Gallie Area (Group 7) (West of Indian River)	9.50	25.75	
- Eau Gallie Beach Area (Group 7) (East of Indian River)	9.50	25.75	
Fernandina Beach (Group 3)	8.10	21.90	
Flagler Beach (Group 3)	8.10	21.90	
Ft. George (Group 9)	*10.05*	*27.40*	~~(EXP)~~
Ft. Lauderdale (Group 12)	10.65	~~39.10~~ 29.00	(R)
Ft. Pierce (Group 5)	8.80	23.85	

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A3. BASIC LOCAL EXCHANGE SERVICE

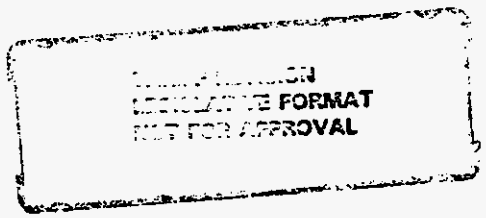
A3.4 Flat Rate Service (Cont'd)

A3.4.2 Monthly Rates (Cont'd)

B. Residence and Business Exchange Access Line Rates (Cont'd)

2. Residence and Business Basic Exchange Rates by Exchanges: (Cont'd)

Exchange	Residence Ind.	Business Ind.	
Havana (Group 6)	$ 9.15	$24.90	
Hawthorne (Group 5)	8.80	23.85	
Hobe Sound (Group 6)	9.15	24.90	
Holley Navarre (Group 6)	9.15	24.90	
Hollywood (Group 12)	10.65	~~29.10~~ 29.00	(R)
Homestead (Group 12)	10.65	~~29.10~~ 29.00	(R)
Islamorada (Group 4)	8.40	22.90	
Jacksonville (Group 10)	10.30	28.00	
Jacksonville Beach (Group 9)	10.05	27.40	
Jay *(See A3.8.15)*	-	-	~~(C)~~
Jensen Beach (Group 5)	8.80	23.85	
Julington (Group 9)	10.05	27.40	
Jupiter (Group 9)	10.05	27.40	
Key Largo (Group 4)	8.40	22.90	
Keystone Heights (Group 3)	8.10	21.90	
Key West (Group 4)	8.40	22.90	
Lake City (Group 4)	8.40	22.90	
Lynn Haven (Group 5)	8.80	23.85	



A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

A3.4.2 Monthly Rates (Cont'd)

B. Residence and Business Exchange Access Line Rates (Cont'd)

2. Residence and Business Basic Exchange Rates by Exchanges: (Cont'd)

Exchange	Residence Ind.	Business Ind.
Marathon (Group 3)	$ 8.10	$21.90
Maxville (Group 9)	10.05	27.40
Melbourne (Group 7)	9.50	25.75
Miami (Group 12)	10.65	~~39.10~~ 29.00 (R)
Micanopy (Group 5)	8.80	23.85
Middleburg (Group 9)	10.05	27.40
Milton (Group 6)	9.15	24.90

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A3. BASIC LOCAL EXCHANGE SERVICE

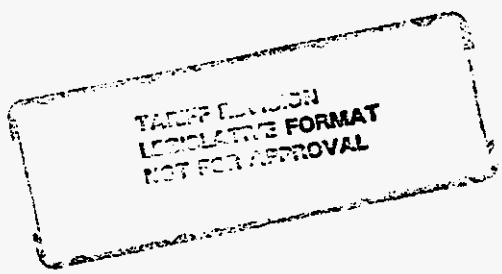
A3.4 Flat Rate Service (Cont'd)

A3.4.2 Monthly Rates (Cont'd)

B. Residence and Business Exchange Access Line Rates (Cont'd)

2. Residence and Business Basic Exchange Rates by Exchanges: (Cont'd)

Exchange	Residence Ind.	Business Ind.	
Munson (Group 6)	$ 9.15	$24.90	
Newberry (Group 5)	8.80	23.85	
New Smyrna Beach (Group 4)	8.40	22.90	
North Dade (Group 12)	10.65	~~29.10~~ 29.00	(R)
North Key Largo (Group 3)	8.10	~~21.90~~	
Oak Hill (Group 4)	8.40	22.90	
Old Town (Group 2)	7.70	20.80	
Orange Park (Group 9)	10.05	27.40	
Orlando (Group 11)	10.45	28.60	
Oviedo (Group 11)	10.45	28.60	
Pace (Group 6)	9.15	24.90	
Pahokee (Group 3)	8.10	21.90	
Palatka (Group 4)	8.40	22.90	
Palm Coast (Group 3)	8.10	21.90	
Panama City (Group 5)	8.80	23.85	
Panama City Beach (Group 5)	8.80	23.85	
Pensacola (Group 7)	~~9.50~~	~~25.75~~	~~(C)(R)~~
Perrine (Group 12)	10.65	~~29.10~~ 29.00	(R)
Pierson (Group 4)	8.40	22.90	
Pomona Park (Group 4)	8.40	22.90	
Pompano Beach (Group 12)	10.65	~~29.10~~ 29.00	(R)
Ponte Vedra Beach (Group 9)	10.05	27.40	



A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

A3.4.2 Monthly Rates (Cont'd)

C. PBX Trunks

PBX trunks are offered for residence and business service as specified following:

1. Residence - Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC	
(a) Two way	$13.51	$14.20	$14.88	$15.38	$16.07	$16.66	TFR	(R)
(b) (DELETED)								(D)

2. Residence - Rate Groups 7-12

	Group 7	8	9	10	11	12	USOC	
(a) Two way	$17.25	$17.77	$18.19	$18.62	$18.86	$19.21	TFR	(R)
(b) (DELETED)								(D)

3. Business, Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC	
(a) Combination	~~$33.00~~ ~~$35.66~~	~~$33.00~~ ~~$36.36~~	~~$33.00~~ ~~$37.23~~	~~$33.00~~ ~~$38.93~~	~~$39.00~~ ~~$40.55~~	~~$39.00~~ ~~$42.33~~	TFC	(R) (R)
(b) (DELETED)								(D)
(c) Out dial	~~33.00~~ 33.00	~~33.00~~ 33.00	~~33.00~~ 33.00	~~33.00~~ 33.00	~~39.00~~ 39.00	~~39.00~~ 39.00	TFU	(R) (R)
(d) Inward only	~~33.00~~ 33.00	~~33.00~~ 33.00	~~33.00~~ 33.00	~~33.00~~ 33.00	~~39.00~~ 39.00	~~39.00~~ 39.00	TFN	(R) (R)
(e) DID (Direct In-Dial)	~~33.00~~ 33.00	~~33.00~~ 33.00	~~33.00~~ 33.00	~~33.00~~ 33.00	~~39.00~~ 39.00	~~39.00~~ 39.00	TDD1X	(R) (R)

4. Business, Rate Groups 7-12

	Group 7	8	9	10	11	12	USOC	
(a) Combination	~~$39.00~~ ~~$43.78~~	~~$44.00~~ ~~$45.22~~	~~$44.00~~ ~~$46.58~~	~~$44.00~~ ~~$47.60~~	~~$44.00~~ ~~$48.62~~	~~$44.00~~ ~~$49.47~~	TFC	(R) (R)
~~(b) (DELETED)~~								(D)
(b) ~~(c)~~ Out dial	39.00 ~~43.78~~	44.00 ~~45.22~~	44.00 ~~46.58~~	44.00 ~~47.60~~	44.00 ~~48.62~~	44.00 ~~49.47~~	TFU	(R) (R)
(c) ~~(d)~~ Inward only	39.00 ~~43.78~~	44.00 ~~45.22~~	44.00 ~~46.58~~	44.00 ~~47.60~~	44.00 ~~48.62~~	44.00 ~~49.47~~	TFN	(R) (R)
(d) ~~(e)~~ DID (Direct In-Dial)	39.00 ~~43.78~~	44.00 ~~45.22~~	44.00 ~~46.58~~	44.00 ~~47.60~~	44.00 ~~48.62~~	44.00 ~~49.47~~	TDD1X	(R) (R)

5. Business, All Rate Groups[1]

	Term Contract 24 to 48 Months	49 to 60 Months	USOC	
(a) Combination	$34.00	$29.00	NA	(N)
(b) Outdial	$34.00	$29.00	NA	(N)
(c) Inward only	$34.00	$29.00	NA	(N)
(d) DID (Direct In-Dial)	$34.00	$29.00	NA	(N)

Note 1: See A3.4.1A. for Term Contract rules and regulations.

[1] d/b/a SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY

A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Monthly Exchange Rates (Cont'd)

A3.4.2 Flat Rate Service (Cont'd)

~~C. PBX Trunks (Cont'd)~~

~~5. (DELETED)~~ (D) (T)

~~6. (DELETED)~~ (D)

D. Semipublic Telephone Service

1. Two Way Service - Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC
(a) Each	$12.21	$12.81	$13.47	$14.07	$14.64	$15.27	1SP

2. Two Way Service - Rate Groups 7-12

	Group 7	8	9	10	11	12	USOC
(a) Each	$15.78	$16.29	$16.77	$17.13	$17.49	$17.79	1SP

E. (DELETED) (D)

* d/b/a SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY

A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

A3.4.2 Monthly Rates (Cont'd)

F. Auxiliary Line Service (Inward Service) (Cont'd)

2. The auxiliary line must terminate on the same premises as that in which the two-way service is located.
3. The auxiliary line is to be used for one way (inward to the subscriber) service only.
4. Auxiliary line service may or may not be arranged for rotary, hunting or similar service which allows completion of an incoming call from a line that is called but is in use, by means of an arrangement of central office equipment on a full time basis.
5. Auxiliary line service is furnished at a rate for each line equal to the rate applicable for business individual line flat rate service for that exchange. Where the lines are arranged for rotary, hunting or similar service, the rotary charge will apply as specified in A3.6.

a. Rates

(1) Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC
(a) Per Auxiliary line	$19.80	$20.80	$21.90	$22.90	$23.85	$24.90	7FB

(2) Rate Groups 7-12

	Group 7	8	9	10	11	12	USOC	
(a) Per Auxiliary line	$25.75	$26.60	$27.40	$28.00	$28.60	~~$29.10~~ 29.00	7FB	(R)

G. Mobile Service Exchange Charge

1. See Section A17. for Rates.

H. Outgoing Only Service

1. See A3.29 for regulations and rates.

A3.4.3 Complete Choice* Service

A. General

1. Complete Choice* service provides the features specified following in conjunction with a flat rate access line.
2. The rates specified herein may only be applied in addition to the rates specified in A3.4.2.B.1.a for residence individual line service. (D)
3. The rates specified herein also entitle a residence subscriber to unlimited use of the services/features specified in the following sections of this Tariff:

A13.9 Custom Calling Services
A13.19 TouchStar® service
A13.20 Customized Code Restriction
A13.34 RingMaster® service

A subscriber may select an unlimited number of compatible services or features from the sections listed above. All rules, regulations and limitations specified in the sections listed apply to the respective services/features requested as part of this service. Service Charges specified in Section A4. of this Tariff do not apply for transactions involving only additions, deletions or changes to the services/features requested as part of this service.

4. Normal service charges specified in Section A4. of this Tariff do not apply for a conversion from basic flat rate service or other existing service to Complete Choice* service or vice versa.
5. Existing Complete Choice* customers can not take advantage of special promotions for Complete Choice* service or any of the services/features specified in 3. preceding unless specifically allowed by the terms of the special promotion.

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A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

A3.4.3 Complete Choice* Service (Cont'd)

B. Rates and Charges

1. The following rates must be and may only be used in addition to the rates for residence individual line service specified in A3.4.2.B.1.a preceding. USOCs VR3 and VSB must both be used with this service. (T)

a. Individual line service

(1) Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC
(a) Per residence line	$18.70	$18.30	$17.90	$17.60	$17.20	$16.85	NA

(2) Rate Groups 7-12

	Group 7	8	9	10	11	12	USOC
(a) Per residence line	$16.50	$16.20	$15.95	$15.70	$15.55	$15.35	NA

(N)

A3.4.4 Area Plus® Service

A. General

1. Area Plus® service provides the features specified following in conjunction with a flat rate access line.
2. The rates specified herein may only be applied in addition to the rates specified in A3.4.2.B.1.a for residence individual line service which entitle a residence subscriber to an unlimited number of messages to all exchange access lines in the subscriber's local calling area as defined in A3.3.1 of this Tariff. (C)
3. The business rates specified in A3.4.4.B.1. may only be applied in addition to the rates specified in A3.4.2.B.1.b. for business individual line service, in A3.4.2.C. for PBX trunk service, and in A3.13.3.A. for Network Access Register (NAR) Package Service, which entitle a business subscriber to an unlimited number of messages to all exchange access lines in the subscriber's exchange and the Extended Area Service (EAS) additional exchanges in the subscriber's local calling area as defined in A3.3.1. of this Tariff. In addition, business Area Plus® service subscribers are entitled to local calling to the Extended Calling Service (ECS) and Area Plus® service additional exchanges in the subscriber's local calling area as specified in A3.3.1. of this Tariff at the usage rates specified in C. following. (N)

4 ~~3.~~ Subscribers to Area Plus® service (APS) receive a thirty (AND A18.13.6.D. percent discount on rates specified in A18.3.1.H.1. This discount supersedes the volume discounts defined in A18.3.7, and is applied after the appropriate time period discounts specified in A18.3.1.H.4. have been applied and after the calls have been aggregated to a monthly total. This discount applies to covered customer-dialed sent paid calls originated from the subscriber's service; to covered customer-dialed calling card calls, including the calling card surcharges on these calls; and to covered customer-dialed collect calls accepted by the APS subscriber, including the operator surcharges on these calls. The discount is applied on a per line basis to each call type after the calls have been aggregated to a monthly total. (C) ~~(N)~~

5 ~~4.~~ Residential customers may also subscribe to Area Plus® service and Complete Choice® service. Rules and regulations for Complete Choice® service are specified in A3.4.3.A. Rates for Area Plus® service with the Complete Choice® option are specified in A3.4.4.B.2. following. (T) ~~(N)~~

6 ~~5.~~ Normal service charges specified in Section A4. of this Tariff do not apply for a conversion from basic flat rate service or other existing service to Area Plus® service or Area Plus® service with the Complete Choice® option or vice versa. (T) ~~(N)~~

7 ~~6.~~ Residential Area Plus® service and Area Plus® service with Complete Choice® option customers may not subscribe to Local Usage Detail (LUD). BUSINESS AREA PLUS® SERVICE CUSTOMERS MAY SUBSCRIBE TO LUD AT NO CHARGE. (C) ~~(N)~~

8. BASIC LINE SERVICE, AS DESCRIBED IN A3.58, IS AVAILABLE TO INDIVIDUAL LINE BUSINESS APS SUBSCRIBERS. (N) ~~(N)~~

~~B. Rates and Charges~~

~~1. The following rates must be and may only be used in addition to the rates for residence individual line service specified in A3.4.2.B.1.a preceding. USOC VR5 must be used to provide this service.~~ ~~(N)~~

~~a. Area Plus® service~~ ~~(N)~~

~~(1) Rate Groups 1-6~~ ~~(N)~~

	~~Group 1~~	~~2~~	~~3~~	~~4~~	~~5~~	~~6~~	~~USOC~~
~~(a) Per residence line~~	~~$18.70~~	~~$18.30~~	~~$17.90~~	~~$17.60~~	~~$17.20~~	~~$16.85~~	~~NA~~ ~~(N)~~

~~(2) Rate Groups 7-12~~ ~~(N)~~

	~~Group 7~~	~~8~~	~~9~~	~~10~~	~~11~~	~~12~~	~~USOC~~
~~(a) Per residence line~~	~~$16.50~~	~~$16.20~~	~~$15.95~~	~~$15.70~~	~~$15.55~~	~~$15.35~~	~~NA~~ ~~(N)~~

(N)

Material previously appearing on this page now appears on page(s) 28.2 of this section.

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A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

A3.4.4 Area Plus® Service (Cont'd)

B. Rates and Charges ~~(Cont'd)~~ (N)

(N)

1. The following ***residence*** rates must be and may only be used in addition to the rates for residence individual line service specified in A3.4.2.B.1.a. preceding. USOC VR5 must be used to provide this ***residence*** service. ***The following business rates must be and may only be used in addition to the rates specified in A3.4.2.B.1.b. for business individual line service, in A3.4.2.C. for PBX trunk service and in A3.13.3.A. for Network Access Register (NAR) Package service. USOC ABF must be used to provide this business individual line service, USOC [blank] for PBX trunk service and USOC [blank] for NAR service.*** (C) (M)

a. Area Plus® service (M)

(1) Rate Groups 1-6 (M)

	Group 1	2	3	4	5	6	USOC	
(a) Per residence line	$18.70	$18.30	$17.90	$17.60	$17.20	$16.85	NA	(M)
(b) Per business line	5.00	5.00	5.00	5.00	4.05	4.00	NA	(N)
(c) Per PBX trunk	5.00	5.00	5.00	5.00	4.00	4.00	NA	(N)
(d) Per NAR	3.00	3.00	3.00	3.00	2.44	1.81	NA	(N)

(2) Rate Groups 7-12 (M)

	Group 7	8	9	10	11	12	USOC	
(a) Per residence line	$16.50	$16.20	$15.95	$15.70	$15.55	$15.35	NA	(M)
(b) Per business line	3.15	2.30	1.50	1.90	1.30	0.90	NA	(N)
(c) Per PBX trunk	4.00	2.00	2.00	2.00	2.00	2.00	NA	(N)
(d) Per NAR	1.30	1.62	1.15	0.80	0.44	0.14	NA	(N)

2. The following monthly rates must be and may only be used in addition to the rates for residence individual line service specified in A3.4.2.B.1.a preceding. USOCs VR6 and VSB must both be used with this service.

a. Area Plus® service with the Complete Choice® Option

(1) Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC
(a) Per residence line	$34.70	$34.30	$33.90	$33.60	$33.20	$32.85	NA

(2) Rate Groups 7-12

	Group 7	8	9	10	11	12	USOC
(a) Per residence line	$32.50	$32.20	$31.95	$31.70	$31.55	$31.35	NA

~~A3.5 Message Rate Service~~ (M)

~~A3.5.1 General~~

~~A. Business and residence individual line message rate service is offered in all exchanges except where noted in the Local Exceptions A3.8 of this Tariff. Residence individual line message rate service is offered in all exchanges where facilities permit. The rates specified entitle subscribers to the number of messages specified to all exchange access lines bearing the designation of central offices of the serving exchange and extended area service additional exchanges as shown in A3.3.1 of this Tariff.~~ (M)

~~B. Subscribers to message rate service are regularly billed monthly in advance. Messages in excess of the monthly message allowance are billed monthly in arrears. Local messages not used in one month's allowance are not credited to the subscriber's account for any other month service is rendered.~~

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Material previously appearing on this page now appears on page(s) 28.3 of this section.

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A3. BASIC LOCAL EXCHANGE SERVICE

A3.4 Flat Rate Service (Cont'd)

A3.4.4 Area Plus® Service (Cont'd)

C. Usage Rates (N)

1. The following charges apply on a per call basis for customer dialed and operator handled local calls originated from business service equipped for APS placed to ECS and APS additional exchanges specified in A3.3.1. (N)

	Per Minute	USOC	
(a) Per minute-on a per call basis	0.08	NA	(N) (N)

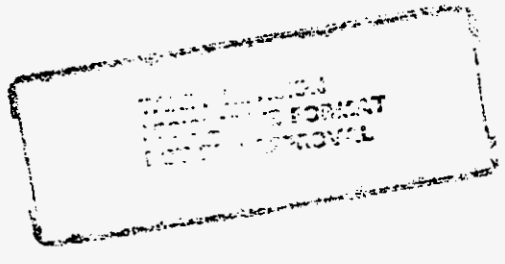
2. The usage charges specified in 1.(a) preceding are billed in six second (.1 minute) increments or any fraction thereof with a minimum of thirty seconds (.5 minute) billed for each call. (N)

A3.5 Message Rate Service (M)

A3.5.1 General (M)

A. Business and residence individual line message rate service is offered in all exchanges except where noted in the Local Exceptions A3.8 of this Tariff. Residence individual line message rate service is offered in all exchanges where facilities permit. The rates specified entitle subscribers to the number of messages specified to all exchange access lines bearing the designation of central offices of the serving exchange and extended area service additional exchanges as shown in A3.3.1 of this Tariff. (M)

B. Subscribers to message rate service are regularly billed monthly in advance. Messages in excess of the monthly message allowance are billed monthly in arrears. Local messages not used in one month's allowance are not credited to the subscriber's account for any other month service is rendered. (M)



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A3. BASIC LOCAL EXCHANGE SERVICE

A3.16 Reserved for Future Use

A3.17 Reserved for Future Use

A3.18 Reserved for Future Use

A3.19 Reserved for Future Use

A3.20 Reserved for Future Use

A3.21 Reserved for Future Use

A3.22 Local Usage Detail (LUD)

A3.22.1 General

A. Local Usage Detail (LUD) is an option for customers who desire a printed listing of expanded call details in addition to the usual summary billing of all dialed, sent-paid, billed expanded local usage.

B. The provision of LUD will coincide with the billing period(s) for the access lines to receive detailed billing; i.e., the reporting of expanded call details will start at the beginning of a billing period and stop at the end of a billing period. For existing customers, LUD should be ordered at least five days prior to the billing date to ensure the timely start-or stop of detailed reporting. However, if LUD is requested on an order which establishes service, detailed reporting will start coincident with establishment of the service.

C. LUD will be provided on a per account basis. For PBX, ESSX® service, ***Digital ESSX® service, MultiServ* service, and MultiServ PLUS* service*** accounts, all main station lines will be included. (R)

D. Charges for LUD are in addition to applicable local usage charges specified in this Tariff.

E. LUD is available for the following services:

- Local Calling Plus (LCP)
- Extended Calling Service (ECS)
- Area Plus® service (APS) for business customers (N)

A3.22.2 Rates and Charges

A. The following charge applies for LUD.

1. Per monthly printed listing of call details

	Charge	USOC	
(a) Per call listed for LCP and ECS service only	$.01	NA	(C)

B. To initiate LUD, a Secondary Service Order charge is applied for LCP and ECS service only. (C)

A3.23 Reserved for Future Use

(b) Per call listed for APS service only. (N)

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A3. BASIC LOCAL EXCHANGE SERVICE

A3.28 Trunk Side Access Facility (Cont'd)

A3.28.3 Rates and Charges

A. Access Line Charges

1. The following rates and charges are for trunk-side connected local exchange access facilities for use with Uniform Access Number/Automatic Number Identification Service and are applicable to individual business lines, PBX trunks, MegaLink® channel service or LightGate® service lines.

a. Facilities Connected at a TOPS Tandem Office[1,2]

(1) Single Voice Grade Facility, Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC	
(a) Per Facility	$33.00 ~~$33.66~~	$33.00 ~~$35.56~~	$33.00 ~~$37.23~~	$33.00 ~~$38.93~~	$39.00 ~~$40.86~~	$39.00 ~~$42.33~~	B1E	(R) ~~(R)~~

(2) Single Voice Grade Facility, Rate Groups 7-12

	Group 7	8	9	10	11	12	USOC	
(a) Per Facility	$39.00 ~~$43.78~~	$44.00 ~~$46.23~~	$44.00 ~~$46.58~~	$44.00 ~~$47.60~~	$44.00 ~~$48.63~~	$44.00 ~~$49.47~~	B1E	(R) ~~(R)~~

(3) MegaLink® channel service, Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC	
(a) Per NAR	$11.74	$12.34	$12.98	$13.58	$14.14	$14.77	6QN	~~(R)~~

(4) MegaLink® channel service, Rate Groups 7-12

	Group 7	8	9	10	11	12	USOC	
(a) Per NAR	$15.28	$15.78	$16.25	$16.60	$16.96	$17.26	6QN	~~(R)~~

(5) LightGate® service, Rate Groups 1-6

	Group 1	2	3	4	5	6	USOC	
(a) Per NAR	$11.74	$12.34	$12.98	$13.58	$14.14	$14.77	6QG	~~(R)~~

(6) LightGate® service, Rate Groups 7-12

	Group 7	8	9	10	11	12	USOC	
(a) Per NAR	$15.28	$15.78	$16.25	$16.60	$16.96	$17.26	6QG	~~(R)~~

Note 1: The TOPS tandem trunk is required for Automatic Number Identification (ANI) service. Uniform Access Number (UAN) is required for ANI service.

Note 2: Rates shown are same as rates specified in A3.4.2.C. and A3.13.3.A. of this Tariff.

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A3. BASIC LOCAL EXCHANGE SERVICE

A3.38 Back-Up* Line (Cont'd)

A3.38.1 Regulations and Rates (Cont'd)

I. The following usage charges apply to outward calls which originate from Back-Up* Line service:

1. The local calling area of a Back-Up* Line coincides with the local calling area of the customer's primary service. OR WITH AREA PLUS® SERVICE SPECIFIED IN A3.4.9.

a. Calls made within the flat or message rate local calling area specified in A3.3, or a measured service local exception specified in A3.8, will be rated as follows:

(1) Calls within a flat or message rate local calling area, or within a measured service local exception: OR WITHIN THE BASIC LOCAL CALLING AREA WITH AREA PLUS® SERVICE

	Rate Per Minute Of Use	USOC
(a) Usage charge	$.05	NA

b. Calls terminated within Extended Calling Service (ECS) or Local Calling Plus (LCP) exchanges will be billed at the appropriate ECS or LCP rates specified in A3.8.49 or A3.8.50, respectively.

c. Calls made by customers subscribing to an optional local calling plan will be billed according to the rates in the associated optional local calling plan tariff: A3.7.1 for basic Optional Extended Area Service (OEAS); A3.7.2 for Enhanced OEAS; A3.8.29, A3.8.30 or A3.8.31 for Optional Calling Service; A3.8.24, A3.8.25 or A3.8.26 for Optional Extended Area/Local Calling.

2. Calls terminating in exchanges outside the customer's local calling area will be billed at rates as specified in Section A18. of this Tariff.

J. Usage charges, if appropriate, also apply to the calling party for calls which terminate on Back-Up* Line service.

K. A monthly Calling Activity Summary is provided as part of the regular monthly bill. This report includes a monthly count of incoming and outgoing calls, minutes of use, and associated charges.

d. Calls made by Area Plus® subscribers that terminate within ECS or APS additional exchanges in the subscriber's local calling area as specified in A3.3.1 of this Tariff, will be rated as follows:

(1) Calls within ECS or APS additional exchanges:

	Rate Per Minute Of Use	USOC
(a) Usage charge	$.08	NA

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A4. SERVICE CHARGES

A4.2 Application of Charges (Cont'd)

A4.2.3 Line Change Charge Application (Cont'd)

D. The Line Change Charge applies: (Cont'd)

4. For each line *or trunk, for each NAR on ESSX-1* being temporarily suspended at the request of a customer. ~~(T)~~
5. For changing from loop start to ground start and vice versa and for changing from a line to a trunk and vice versa, *for changes in direction, etc.*. ~~(T)~~
6. For changing from Foreign Central Office Service to home wire center and vice versa.

A4.2.4 Secondary Service Charge Application

A. The Secondary Service Charge will not apply if a Line Connection Charge or Line Change Charge is applicable.

B. The Secondary Service Charge applies for adding or rearranging:

1. Custom Calling Service
2. Prestige® Communications service
3. Grouping Service
4. RingMaster® service
5. TouchStar® service
6. Customized Code Restriction
7. Customer requested directory listing changes
8. Remote Call Forwarding
9. Other features or services for which the Line Connection Charge and Line Change Charge are not applicable. (T) ~~(T)~~ ~~applications unless specifically excluded.~~

C. The Secondary Service Charge applies for:

1. Transfers of responsibility.
2. Changing from residence to business service and vice versa. The business charge applies when changing to business and the residence charge applies when changing to residence. If the telephone number changes the Line Change Charge applies in lieu of the Secondary Service Charge.
3. Rearrangement of drop wire, protector, and/or network interface. Additionally, Premises Work Charges will apply.
4. Installing a Network Interface jack at the customer's request on existing service. Additionally, Premises Work Charges will apply.
5. Changing call referrals to another number at the customer's request.

D. The Secondary Service Charge is also applicable: ~~(T)~~

1. When installing or changing a station line or changing a station number on ESSX-1 service. ~~(T)~~
2. When adding or changing the operation of a NAR or ESSX® service, Digital ESSX® service, ~~Centrex service~~ or MultiServ PLUS® service. (T) ~~(T)~~

E. Beginning ~~December 1, 1995 and ending November 30, 1996~~ October 1, 1996, a special waiver of the Secondary Service Charge will apply when ~~residence~~ subscribers order one or more of the following services: Custom Calling services, Message Waiting Indication service, Prestige® Communications service, TouchStar® service, Designer Listings or RingMaster® service. ~~(T)~~ (C)

A4.2.5 Premises Work Charge Application

Customized Code Restriction, Remote Call Forwardin

A. The appropriate Line Connection Charge, Secondary Service Charge or Line Change Charge applies in addition to the Premises Work Charge.

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A4. SERVICE CHARGES

A4.2 Application of Charges (Cont'd)

A4.2.5 Premises Work Charge Application (Cont'd)

B. Premises Work Charges apply per customer request, per Company employee performing billable work on the customer's premises. The sum of their time is used to determine the number of 15-minute increments to be billed. Only one initial increment is to be billed per customer request except when the customer specifically requests more employees than the Company would normally dispatch. Where additional employees are specifically requested by the customer, the initial increment charge will also apply per additional Company employee specifically requested.

C. Premises Work Charges apply:

1. For, but not limited to, rearrangement of drop wire, protector and/or network interface.
2. For work performed beyond the protector for semi-public telephone service.

D. The charge for a Network Interface jack applies in addition to the appropriate Premises Work Charges for installing a Network Interface at the customer's request on existing service.

A4.2.6 Service Charge Exceptions

A. Any additional work done concurrently with the following excepted work will entail service charges applicable to that work.

~~A.~~ B. Service Charges do not apply for: (T)

1. Adding Touch-Tone Service when no other services are requested.
2. Changing from a private or semiprivate listing to a listed number.

9. ~~3.~~ Requests for establishing toll credit cards. (T)

10. ~~4.~~ Requests for full or partial disconnection. (T)

5. Changing from one flat, measured or message rate basic local service (including ***Area Plus® service and*** Complete Choice® ***options***) to another. (N)

4. ~~6.~~ Converting existing customers to Lifeline. (T)

7. The move from a premises which has been destroyed or made untenantable by a disaster such as a hurricane, tornado, fire, flood, etc., when equivalent service is established, at the new/temporary location or for the move back into the original location.

8. Changing telephone numbers when in the judgment of the Company such changes are necessary for continuation of satisfactory service.

3. ~~5.~~ Changing the primary listing of a residence customer to the name of the remaining spouse in event of death or divorce of the spouse currently listed. (T)

10. Additional features requested with and provided as a part of the customer's request for service that is subject to a service ~~ordering~~ waiver. Charges other than for service ordering may apply for additional services added.

11. Upgrades from Back-Up® Line service to business individual line service.

6. Adding WatsSaver® service. (N)

combine and reword in Paragraph B. as shown below

B. When a customer's request is provided: (T)

1. In accordance with a promotional waiver, additional service subject to an equal or lesser Service Charge may be made a part of the promotional order. Charges for Line Connection, Line Change, or Premises Work will apply, if applicable, for additional service. (T)

2. In accordance with the Service Charge waivers listed in A4.2.6.A2. through 6. preceding, additional features or services subject to the Secondary Service Charge may be made a part of the waiver order. (N)

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A4. SERVICE CHARGES

A4.3 Schedule of Charges for Connecting or Changing Service

A4.3.1 Rates and Charges

A. Line Connection Charge

1. Applies per exchange access line, trunk, *or per NAR for* ESSX-1.

		Residence	Business	USOC	
(a)	First Line	$40.00	~~$56.00~~ 46.00	NA	(R)
(b)	Additional Line (each)	12.00	12.00	NA	

B. Line Change Charge

1. Applies per exchange access line, trunk, *or per NAR for* ESSX-1.

(a)	First Line	23.00	38.00	NA
(b)	Additional Line (each)	11.00	11.00	NA

C. Secondary Service Charge

1. Applies per customer request

(a)	Each	10.00	19.00	NA

D. Premises Work Charge

1. First 15-minute increment or fraction thereof

(a)	Per increment	25.00	28.00	NA

2. Each additional 15-minute increment or fraction thereof

(a)	Per increment	9.00	9.00	NA

A4.4 Dual Service

A4.4.1 General

A. Dual Service is a service offering which supplies the same dial tone concurrently to two different addresses served from the same wire center for a limited period of time (90 days maximum) for nondesigned services only. The provision of Dual Service assures the customer continual service at both locations during the time of a move.

B. A request for Dual Service occurs on orders for a transfer of service (T&F) within the same wire center where no telephone number change is involved.

C. Dual Service will be offered subject to the availability of facilities and technical limitations.

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A4. SERVICE CHARGES[1]

A4.6 Special Number Assignment Charge (Cont'd)

A4.6.1 General (Cont'd)

C. All specific number requests other than numerical patterns must be made by specifying the digits desired.

D. If requesting a specific number, the customer will be allowed to name one or two alternative specific numbers, in order of preference, that would be acceptable if the first choice is not available.

If the customer does not wish to name any specific alternative choices, he may state a desire for two "easy" number alternatives. If his first choice is not available, he will be provided with two-"easy" number candidates from which to choose. The customer may name one alternative specific number as his second choice and state a desire for an "easy" number as a third alternative. If his first and second choice are not available, he will be provided with one "easy" number candidate to consider.

If the customer has no specific number to request but merely desires an "easy" number, he will be provided with three "easy" number candidates from which to choose.

In the case of both specific and "easy" numbers, only one number may be assigned per each charge listed.

E. The appropriate charge applies in addition to all otherwise applicable charges, e.g., Number Change, Record Service Order, Foreign Central Office, etc.

F. If a customer obtains a number under this Tariff that must subsequently be changed for Company reasons (e.g., area transfer), this charge will not apply for providing this same customer a special number from the newly available pool. A customer that moves but remains in the same serving office or wire center may retain his special number at no additional charge. Any requests to change to a new special number will be chargeable.

G. The charges apply for searching for and, if available, assigning a workable number and are not refundable. The number itself remains the property of the Company as stated in Section A2. of this Tariff.

H. This service is available where facilities or arrangements permit.

A4.6.2 Rates and Charges

A. Nonrecurring Charges, per request for a number to be assigned.

1. Search Only

	Nonrecurring Charge	USOC
(a) Residence	$5.00	RNCSO
(b) Business	~~10.00~~ 5.00	RNCSO (R)
2. Search and Assign		
(a) Residence	25.00	RNCSN
(b) Business	~~25.00~~ 25.00	RNCSN (R)

A4.7 Link-Up Florida

A4.7.1 General

A. Link-Up Florida is offered in all exchanges to provide subsidized assistance to qualifying applicants. It is intended to preserve and promote subscribership among low income households by providing a credit to and a deferred schedule for payment of the installation and connection charges applicable to the provisioning of residence service.

Note 1: The changes on this page are a result of the restructure of this section.

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A12. CENTRAL OFFICE NON-TRANSPORT SERVICE OFFERINGS

A12.7 Direct-In-Dialing (DID) to Customer-Premises Located Switching Systems (Cont'd)

A12.7.2 Rates

A. Central Office Components

1. Direct-In-Dialing (DID) Service:[1]

		Installation Charge	Monthly Rate	USOC
(a)	Establish trunk group and provide first group of 20 *DID* numbers[2]	~~$15.00~~ $65.00	$4.00	NDZ (C)
(b)	Each additional group of 20 DID numbers[2]	15.00	4.00	ND4
(c)	DID Trunk Termination, each	~~$0.00~~ 65.00	~~$0.00~~ 20.00	NDT (R)
(d)	Multifrequency (MF) Pulsing option, each[3]	-	7.50	S5MBD
(e)	Dual Tone Multifrequency (DTMF) Pulsing option, each[3]	-	7.50	S5DBD

Note 1: In addition to the rates and charges for the *DID Trunk Termination*, rates and charges for Inward Trunks or NARs as specified in Section A3 of this Tariff apply as appropriate.

Note 2: These rates and charges also apply to blocks of reserved telephone numbers.

Note 3: Provides faster signaling on DID trunks. The choice of pulsing alternative depends on the customer's premises equipment.

~~[1] d/b/a SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY~~

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

A13.11 Remote Call Forwarding (Cont'd)

A13.11.6 Message Charges (Cont'd)

A. (Cont'd)

2. Between the call forwarding location and the terminating station.

The Remote Call forwarding customer is responsible for the applicable Local Usage Rate Service charges as specified in A13.11.6.A.3. and .4 following of this Tariff or for the applicable customer-dialed station-to-station charges specified in ***this or any other applicable Tariff.*** These charges apply to all calls answered at the terminating station, including person-to-person and collect calls, even though such calls might not be accepted at the answering location.

3. ~~***Basic* Local Usage Rate Service Charges.~~ (DELETED) (D)

~~a. The following usage charges apply for calls within the *basic* local calling area.~~

~~(1) *Basic Local* Calling Area~~

~~Initial Minute or Fraction Thereof~~	~~Additional Minute, Each or Fraction Thereof~~
~~$.06~~	~~$.02~~

~~b. For calls *within the basic local calling area* placed in the following listed time periods, discounted usage charges will apply as described following.~~

~~(1) 12:00 P.M. - 2:00 P.M. (50% discount)~~

~~(2) 9:00 P.M. - 9:00 A.M. (50% discount)~~

~~(3) Saturday and Sunday All Day (50% discount)~~

~~c. No monthly usage allowance applies for RCF local measured.~~

4. ~~Other~~ Local Usage Rate Service Charges (T)

a. Where non-optional Local Exception ~~Service~~ rates are applicable for basic local exchange service customers, these rates are also applicable for similar "local" calls placed via the Remote Call Forwarding service. Examples of such services are: Extended Calling Service as described in A3.8.~~49~~ 7.3 of this Tariff, and Local Calling Plus as described in A3.8.50 of this Tariff. (T)

b. No discounts, caps or allowances apply to these usage charges.

A13.11.7 Service Charges

A. Service Charges as shown in Section A4 of this Tariff apply as follows:

1. For the initial or subsequent installation of RCF features, the ***Secondary*** Service Charge shall apply.
2. For the subsequent addition of additional access facilities (RCAs) to an existing RCF service, the ***Secondary*** Service Charge shall apply.
3. To change the number at the Call Forwarding location, the number for the terminating location or both numbers on the same order, the ***Secondary*** Service Charge shall apply.

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~~Material previously appearing on this page now appears on page(s) 22.1 of this section.~~

~~1 d/b/a SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY~~

A18. LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE

A18.13 Calling Plans - Saver® Service (Cont'd)

A18.13.1 Description of Service (Cont'd)

D. (Cont'd)

Saver® service, when offered in conjunction with Remote Call Forwarding, is available on a Revenue Accounting Office (RAO) basis only; i.e., a customer must select from the available plan options for each RAO which provides billing for specific geographic locations within the Company's serving area.

E. The service is offered on an account basis only which would include the number of individual lines. ***MultiServ® service Main Station Lines,*** PBX trunks, Centrex equivalent trunks or ESSX® service, ***Digital ESSX® service and MultiServ PLUS® service*** network access registers in the account.

F. All Saver® service plans designated as Outside Expanded Local (OEL) plans are limited to subscribers whose main (billing) location is in an area where an Extended Calling Service plan has been implemented. Only intrastate, intraLATA toll calls are subject to OEL rates in A18.13.6.

A18.13.2 General Regulations

A. A customer may subscribe to only one Section A18. toll Optional Calling Plan.

B. Except as otherwise stated in this Tariff, the minimum service period is one month.

C. Suspension of the service is not allowed.

D. This Tariff sets forth the minimum, maximum and current rates for Saver® service. Following a 30 day notice to the Commission and existing subscribers, the Company may increase or decrease rates within the minimum and maximum ranges specified in this Tariff unless denied or suspended by this Commission.

A18.13.3 Use of the Service

A. Resale or shared use of Saver® service is permitted. Use of the service is subject to regulations in this Section and in Section A2. of this Tariff, with the exceptions of A2.2.1.A. and A2.2.1.B. which restrict the use of service.

B. The service is offered on an account basis only, which would include the number of individual lines, ***MultiServ® service Main Station Lines,*** PBX trunks, Centrex equivalent trunks or ESSX® service, ***Digital ESSX® service and MultiServ PLUS® service*** network access registers in the account.

A18.13.4 Limitation of Service

A. The service is not available for use with intraLATA only Outward WATS and combined Outward WATS in Section A19. of this Tariff. Foreign Exchange Service, Mobile Telephone Service, Dormitory Communications Service, Public and Semi-public Telephone Service.

A18.13.5 Nonrecurring Charges

A. Service Charges as specified in Section A4. of this Tariff will not apply ~~as appropriate~~ when an order is issued to add WorkSaver® service ~~the service is ordered.~~ (C

B. ~~Service Charges as specified in Section A4. of this Tariff will not apply for customers converting from GeoSaver® service to Saver® service.~~ Saver® service can be offered with or without Remote Call Forwarding Service as specified in A13.11. (C)

A18.13.6 Saver® Service Options

A. Budgeting Plan. Depending upon the Option selected, a customer may use up to the initial block of time of toll calling per account for a fixed monthly rate. In the same billing period, usage which exceeds the initial block of time will be prorated based on the rate of the initial block.

1. Method of Determining Monthly Usage Charges

a. Usage is determined for each call based on minutes and tenths of minutes (or fraction thereof), with a minimum call duration of thirty seconds. This value is then multiplied by the rate per minute for the rate option selected by the customer. The resultant amount is truncated to whole cents for each call.

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FLORIDA
ISSUED: ~~February 15, 1996~~ May 31, 1996
Joseph P. Lacher, President -FL
Miami, Florida

GENERAL SUBSCRIBER SERVICE TARIFF

Fourteenth
~~Thirteenth~~ Revised Page 1
Cancels ~~Twelfth~~ Revised Page 1
Thirteenth
EFFECTIVE: ~~March 1, 1996~~
October 1, 1996

A19. WIDE AREA TELECOMMUNICATIONS SERVICE

A19.1 General

A. Wide Area Telecommunications Service (WATS) is the furnishing of facilities by the Company and the concurring Local Exchange Carriers and, when applicable, an interLATA carrier for dial type telecommunications between a station associated with a WATS access line or an exchange access line and stations using the public switched network within the State of Florida in accordance with the regulations and schedule of charges specified in this Tariff and, when applicable, the tariff of the interLATA carrier. The WATS charges set forth in this Tariff are in payment for the service furnished between the calling and called stations within Florida. ***Toll Free Dialing (TFD) Service is the term now used to describe the service formerly known as 800 Service. Currently, Toll Free Dialing Service provides incoming service utilizing 800 and 888 numbers. This service will be expanded, as required, at a later date to include additional 8XX toll free dialing numbers, e.g., 877, 866, 855, etc.*** For both Outward WATS and ***Toll Free Dialing*** Service, intraLATA service may be subscribed to separately or may be subscribed to in combination (Combined WATS) with an interLATA carrier's interLATA WATS or WATS-like service requiring the use of the Company's WATS serving office. Combined Outward WATS and intraLATA only Outward WATS require the use of a WATS access line from A19.5.4 of this Tariff. Option ***TFD*** Service and Open ***TFD*** Service[1] can be terminated, at the direction of the customer, on a WATS access line from A19.5.4 of this Tariff or on an exchange line purchased from the appropriate tariff. See A19.5.20, following for applicable charges when terminating on an exchange line. For WATS Access Lines arranged for bijurisdictional use, refer to A19.5.3.E. following. For the rules, regulations and rates of the interLATA portion of these services, refer to the interLATA carrier's tariffs. (C)

1. The rates and charges specified herein for WATS provide for a WATS access line. The WATS access line consists of all Central Office line equipment and all outside plant facilities up to and including the Company-provided standard network interface as defined in Section A1. of this Tariff.
2. WATS access line extensions associated with an intraLATA WATS access line must be located within the same LATA as the WATS access line.[2] (C)

   ~~WATS access line extensions associated with an intraEAEA WATS access line must be located within the same EAEA[3] as the WATS access line.~~
3. Jack charges for Company-provided jacks, other than the standard network interface, used in association with WATS are specified in Section A14. of this Tariff.

B. Dial type telecommunications, as specified in A. preceding, for Combined WATS and intraLATA only Outward WATS must be dialed and completed from or to a WATS Access Line. For Option ***TFD*** Service and Open ***TFD*** Service, service can be completed to a WATS Access Line or an exchange access line. In all cases communications must be completed without the assistance of a Company operator[3], except that a Company operator will: (T) (C)

1. Reestablish a call which has been interrupted after the called number has been reached.

C. Each WATS access line will be arranged at the customer's option for either Outward WATS or ***Toll Free Dialing*** Service but not for both. Option ***TFD*** Service and Open ***TFD*** Service, at the direction of the customer, can be terminated on a WATS access line arranged for inward calling only or on an exchange access line. For service terminating on an exchange access line, only one ***Toll Free Dialing*** number can be assigned to terminate on any one exchange access number. An exchange access number may include residence or business line or trunk numbers including DID numbers from Section A12. of this Tariff. The termination of ***Toll Free Dialing*** Service to an existing Outward WATS or Open ***TFD*** Service or Option ***TFD*** Service telephone number is prohibited. These services are subject to the provisions and regulations outlined herein and in Section A2. of this Tariff. A WATS access line may also be provided over an intraLATA High Capacity Channel Service equipped with Outward WATS or ***Toll Free Dialing*** Service functionality. See Section B7. of the Private Line Service Tariff for additional applicable charges. (C)

Note 1: The Area of Service for Open ***TFD*** Service provided on a WATS Access Line must be the ~~state~~. (C)

Note 2: Refer to the interLATA carrier's tariff for rates and charges applicable to WATS access line extensions terminated in a LATA other than the WATS access line.

~~**Note 3:** Refer to E10.3.2 of the Florida Access Service Tariff for the definition of EAEA.~~

Note 4: 3 Due to the technical limitations of certain interLATA carriers' services, operator assistance as specified in A19.1.B. preceding cannot be provided with the Combined Outward WATS offered in conjunction with interLATA carriers having these technical limitations. (T)

(DELETED) (D)

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A19. WIDE AREA TELECOMMUNICATIONS SERVICE

A19.1 General (Cont'd)

D. WATS arranged for Statewide[1] or combined outward service provides for the origination of calls from a station associated with WATS for telecommunications with stations within this State by way of the WATS access line and the public switched network. WATS arranged for intraLATA only outward service provides for the origination of calls from a station associated with WATS for telecommunications with stations within the same LATA and this same State by way of the WATS access line and the public switched network. ~~WATS arranged for intraLATA only outward service provides for the origination of calls from a station associated with WATS for telecommunications with stations within the same LATA and this same state by way of the WATS access line and the public switched network.~~ WATS arranged for interLATA only outward service provides for the origination of calls from a station associated with WATS for telecommunications with stations in a different LATA and the same state by way of the WATS access line and the public switched network.[1] (C)

E. WATS arranged for Open ***TFD*** Service provides for the termination of calls from stations within this State, for telecommunications with a station associated with a ***Toll Free Dialing*** Service access line or exchange access line for Open ***TFD*** Service located within this State.[1] WATS arranged for Option ***TFD*** Service provides for the termination of calls from stations within the same LATA and the same State for telecommunications with a station associated with a ***Toll Free Dialing*** Service access line or exchange access line located within the same LATA and State. (C)

F. WATS is furnished only if the necessary facilities are available in the offices technically capable of providing the service. (C)

G. Combined Outward WATS is furnished only in offices where the interLATA carrier has purchased appropriate Feature Group C or D access facilities. (C)

H. Directory Assistance Service for customers of ***the Company*** requesting telephone number of subscribers who are located outside their local calling area but within the same Number Plan Area is furnished under the provisions of A18.7 of this Tariff. Such calls will be included in the determination of WATS usage charges. (C)

I. Option ***TFD*** Service and Open ***TFD*** Service are provided by the Company utilizing ***Toll Free Dialing*** Number Service. (C)

1. ***Toll Free Dialing*** Number Assignment (C)

Toll Free Dialing Number Service provides for the assignment of a single ten digit ***TFD*** Number to the customer which can be used on a statewide basis for Option ***TFD*** Service or Open ***TFD*** Service.[2] ***Toll Free Dialing*** Number Service provides the customer with one ***TFD*** number statewide for Option ***TFD*** Service or Open ***TFD*** Service. ***Toll Free Dialing*** Number Service, when used for Option ***TFD*** Service, can be selected for an area consisting of less than an entire state by specifying the desired Area of Service. Option ***TFD*** Service customers shall contain in all advertisements, publications or any other communication containing the Option ***TFD*** Service number a commonly understood description of all geographic calling limitations. Area of Service is described in 2. following. The assigned ***TFD*** number can terminate to a WATS Access line provided in A19.5.4 following or to an exchange access line. A19.5.20 following provides the applicable charges for Option ***TFD*** Service and Open ***TFD*** Service terminating to an exchange access line. In the provisioning of Open ***TFD*** Service, the Company will be the Responsible Organization (RESPORG). The Company will require the 10-digit POTS number for intraLATA screening.

Note 1: Refer to the interLATA carrier's tariff for rates applicable to interLATA usage. Refer to the Statewide carrier's tariff for rates applicable to Statewide usage.

Note 2: The Area of Service for Open ***TFD*** Service provided on a WATS Access Line must be the state. (C)

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A19. WIDE AREA TELECOMMUNICATIONS SERVICE

A19.3 Limitation of Service

A. Wide Area Telecommunications Service does not include person-to-person, collect, conference, or other calls requiring operator handling except as provided in A19.1.B. preceding.

B. WATS is not represented as adapted for connection to other services of the Company. This service contemplates the provision of satisfactory transmission only between the WATS access line or exchange access line for Option *TFD* Service and Open *TFD* Service and the called or calling station. (R)

Extensions from WATS access lines are restricted to the use of the subscriber, his representatives and associates and are furnished only on the same or different premises of the same subscriber except that extensions from *Toll Free Dialing* Service may be located on other than the subscriber's premises for the purpose of answering calls when the subscriber is not available at the main station and except that WATS access line extensions may be shared, provided those extension lines are located on the customer's premises. (R)

Connection of WATS to other services is permitted on a switched basis only. No permanent connection between WATS and other service may be established. However, satisfactory transmission cannot be assured when the WATS access line is connected to other Company services or to customer-provided equipment or services.

WATS may be terminated at a premises where telecommunications management functions are performed on behalf of the customer only if the customer has a requirement to communicate over the WATS line to or from premises of that customer located in the State of Florida. In such cases the premises where telecommunications management functions are performed will be considered a customers premises. WATS access lines and extensions will be terminated only at premises located within the State of Florida.

C. *Toll Free Dialing* Service is furnished upon condition that the customer accept and make use of the terminations or connections provided in accordance with A19.1.E. preceding, and that the customer obtain a sufficient number of WATS access lines or exchange access lines for Option *TFD* Service and Open *TFD* Service to prevent the percent of calls completed to calls attempted (including busy and unanswered calls) from falling below 50% for two consecutive months. Customers falling below the 50% level of completions will be required to subscribe to additional WATS access lines or exchange access lines for Option *TFD* Service and Open *TFD* Service to handle the incoming calls with at least a 50% completion level. Should the customer refuse to subscribe to these lines, the Company, without incurring any liability, may terminate the *Toll Free Dialing* Service, provided that, in case of termination of service, at least five days have elapsed following written notification to the subscriber by mail or in person of the Company's intention to terminate the service for such cause. (R)

D. Any arrangement permitting customer control of the number of calls completed to a *Toll Free Dialing* Service access line is not permitted. (R)

A19.4 Reserved for Future Use

A19.5 Rates

A19.5.1 Reserved for Future Use

A19.5.2 Reserved for Future Use

A19.5.3 Recurring Rate Structure

A. The separate recurring usage rate structures of the Local Exchange Carrier and the interLATA carrier providing Combined IntraLATA/InterLATA Outward WATS are based on separate identification of intraLATA and interLATA usage as directed by the Commission.

B. For Option *TFD* Service and Open *TFD* Service, Combined Outward WATS, and IntraLATA Outward WATS, the intraLATA usage is applied to the Schedule of Monthly Usage Charges in A19.5.4.C. following, and the interLATA usage is applied to the approved tariff rates of the interLATA carrier. ~~For IntraEAEA Outward WATS, the IntraEAEA usage is applied to the Schedule of Monthly Usage Charges in A19.5.4.C. following.~~ (C) (R)

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A19. WIDE AREA TELECOMMUNICATIONS SERVICE

A19.5 Rates (Cont'd)

A19.5.3 Recurring Rate Structure (Cont'd)

C. The Schedule of Monthly Usage Charges in A19.5.4.C. requires a separate monthly charge for each WATS access line or exchange access line for Option ***TFD*** Service or Open ***TFD*** Service independent of usage on that line. (C)

D. Monthly usage charges are computed on the total hours of use per WATS access line account or the total hours of use per exchange access line utilized for Option ***TFD*** Service or Open ***TFD*** Service according to the schedule and methodology found in A19.5.4.C and A19.5.5, following. WATS access lines and exchange access lines will not be mixed at any one customer location for termination of Option ***TFD*** Service and Open ***TFD*** Service traffic associated with a given ***Toll Free Dialing*** number. (C)

E. WATS Access Lines Arranged for Bijurisdictional Use

The following parameters apply only to WATS Access Lines arranged for bijurisdictional use.

1. "1+" and "0" intraLATA usage carried over outward WATS Access Lines, having both intra and interstate capability (bijurisdictional) and provided from the BellSouth Telephone Companies Tariff FCC No. 1 or other appropriate Local Exchange Carrier (LEC) interstate tariff, will be completed over LEC facilities at LEC intraLATA outward WATS rates and subject to rules and regulations applicable to LEC intraLATA outward WATS. Subscribers using a bijurisdictional access line for ***Toll Free Dialing*** Service may choose either the Company or the interexchange carrier to complete and bill intraLATA calls according to the appropriate rates, rules and regulations. The "1+" and "0" intraLATA usage will be billed to the customer (end user or IXC) where the closed end of the bijurisdictional WATS Access Line is terminated. Customer billing information must be provided to the Company at the time the bijurisdictional WATS Access Line is ordered when the Company is used to complete intraLATA calls. (C)

2. Local calling and seven digit access to originating intrastate FGA and FGB Service are prohibited.

A19.5.4 Rate Tables

A. Access Line Charges[1,2]

1. Outward WATS

		Monthly Rate		USOC	
(a)	For Combined IntraLATA/InterLATA Service,[3] each	$25.00	~~$37.46~~	WMCS+	(R)
(b)	For IntraLATA Service only, each	25.00	~~37.46~~	WFMS+	(R)
(c)	~~For IntraEAEA Service only, each[4]~~ (DELETED)		~~37.46~~	WFQS+	(D)

Note 1: For Access Line Charges applicable to InterLATA Service, refer to Florida Access Tariff E6.8.3.

Note 2: The Dedicated Access Line Monthly Rates will be reduced by the amount of the gross receipts tax for certified vendors of telecommunications services.

Note 3: See A19.1.B. preceding.

~~Note 4: The technical capability to provide this service is not available at this time. This service is included in this Tariff per the Florida Public Service Commission Order No. 14621.~~
(DELETED) (D)

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A19. WIDE AREA TELECOMMUNICATIONS SERVICE

A19.5 Rates (Cont'd)

A19.5.4 Rate Tables (Cont'd)

A. Access Line Charges[1,2] (Cont'd)

1. Outward *WATS* (Cont'd)

		Monthly Rate	USOC	
	~~(d) (DELETED)~~			~~(D)(D)~~
(d)	~~(e)~~ For Combined IntraLATA/InterLATA Service[3] when provided over an intraLATA High Capacity Channel Service with WATS functionality, each	$10.00	WHTS+	~~(D)~~
	~~(e)~~ ~~(f)~~ For IntraLATA Service only when provided over an intraLATA High Capacity Channel Service with WATS functionality, each	10.00	WHPS+	~~(T)~~
(f)	~~(g) For IntraLATA Service[4] only when provided over an intraLATA High Capacity Channel Service with WATS functionality, each~~ (DELETED)	~~10.00~~	~~WHSS+~~	~~(T)~~ (D)
	~~(h) (DELETED)~~			~~(D)(T)~~

Note 1: For Access Line Charges applicable to InterLATA Service, refer to Florida Access Tariff Section E6.8.3.

Note 2: The Dedicated Access Line Monthly Rates will be reduced by the amount of the gross receipts tax for certified vendors of telecommunications services.

Note 3: See A19.1.B. preceding.

~~Note 4: The technical capability to provide this service is not available at this time. This service is included in this Tariff per the Florida Public Service Commission Order No. 14621.~~ (DELETED) (D)

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A19. WIDE AREA TELECOMMUNICATIONS SERVICE

A19.5 Rates (Cont'd)

A19.5.4 Rate Tables (Cont'd)

C. Monthly Usage Charges[1] (Cont'd)

2. ~~Outward WATS - intraLATA portion, per hour of use for the Company[2]~~ (DELETED) (D) ~~(T)~~

	Per Hour		Per Minute		
	Peak	Off Peak	Peak	Off Peak	USOC
~~(a) Up to 15 hours~~	~~9.00~~	~~7.80~~	~~.1600~~	~~.1230~~	~~NA~~
~~(b) Greater Than 15 hours~~	~~8.60~~	~~7.68~~	~~.1600~~	~~.1280~~	~~NA~~
~~(c) Greater Than 40 hours~~	~~8.30~~	~~7.44~~	~~.1650~~	~~.1240~~	~~NA~~
~~(d) Greater Than 80 hours~~	~~8.70~~	~~6.86~~	~~.1450~~	~~.1160~~	~~NA~~
~~(e) Greater Than 120 hours~~	~~8.10~~	~~6.48~~	~~.1350~~	~~.1080~~	~~NA~~
~~(f) Greater Than 170 hours~~	~~7.20~~	~~5.76~~	~~.1200~~	~~.0960~~	~~NA~~
~~(g) Greater Than 320 hours~~	~~6.60~~	~~5.88~~	~~.1100~~	~~.0880~~	~~NA~~
~~(h) Greater Than 500 hours~~	~~6.00~~	~~4.80~~	~~.1000~~	~~.0800~~	~~NA~~
~~(i) Greater Than 1200 hours~~	~~6.00~~	~~4.80~~	~~.1000~~	~~.0800~~	~~NA~~
~~(j) Greater Than 2500 hours~~	~~6.00~~	~~4.80~~	~~.1000~~	~~.0800~~	~~NA~~

3. *Toll Free Dialing (TFD)* Service - Option *TFD* Service and Open *TFD* Service, per hour of use for *the Company* ~~(C)~~

Combined 800 Service (Obsoleted, see Section A119.)

(a)	Up to 15 hours	9.36	7.50	.1560	.1250	NA
(b)	Greater Than 15 hours	8.70	6.96	.1450	.1160	NA
(c)	Greater Than 40 hours	8.10	6.96	.1350	.1160	NA
(d)	Greater Than 80 hours	7.50	6.96	.1250	.1160	NA
(e)	Greater Than 120 hours	6.90	6.90	.1150	.1150	NA
(f)	Greater Than 170 hours	6.30	6.30	.1050	.1050	NA
(g)	Greater Than 320 hours	6.00	6.00	.1000	.1000	NA
(h)	Greater Than 500 hours	5.88	5.88	.0980	.0980	NA
(i)	Greater Than 1200 hours	5.88	5.88	.0980	.0980	NA
(j)	Greater Than 2500 hours	5.88	5.88	.0980	.0980	NA

Note 1: Monthly Usage Charges will be reduced by the amount of the gross receipts tax for certified vendors of telecommunications services.

~~*Note 2:* The technical capability to provide this service is not available at this time. This service is included in this Tariff per the Florida Public Service Commission Order No. 14621.~~

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A19. WIDE AREA TELECOMMUNICATIONS SERVICE

A19.5 Rates (Cont'd)

A19.5.5 Method of Determining Usage Charges

A. For Combined IntraLATA/InterLATA Outward WATS or IntraLATA Outward WATS, apply the following to the intraLATA calls and usage. ~~For IntraEAEA WATS, apply the following to the intraEAEA calls and usage.~~ For Option *TFD* Service or Open *TFD* Service, apply the following to only the intraLATA ***Toll Free Dialing*** calls and usage. (C) ←

1. Determine the total number of completed calls for the WATS access line account for each rate period.
2. Determine the equivalent hours used for each rate period by applying the minimum average time requirement of 30 seconds (1 call x 30 seconds).
3. Determine the total actual hours used for each rate period for each WATS access line account, rounded to the nearest tenth (one decimal place).
4. Determine the total chargeable hours for each rate period for each WATS access line account. This is the greater of 2. or 3. preceding, rounded to the nearest tenth (one decimal place).

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A23. INTERCONNECTION OF LOCAL EXCHANGE SERVICES TO SHARED TENANT SERVICE

A23.1 Provision of Service (Cont'd)

A23.1.4 Rates and Charges (Cont'd)

A. The following charges will apply for Resale of Local Exchange Service. (Cont'd)

7. Usage Charges

a. The following usage charges apply for outward calls within the local calling area[1] other than those specified in b. following.

(1) Usage Charges

	Initial Minute or Fraction Thereof	Additional Minute, Each or Fraction Thereof	USOC
(a) Each	$0.0275	$0.0125	NA

b. The following usage charges apply for outward calls within the local calling area[1] placed between 12:00 P.M. and 2:00 P.M., 9:00 P.M. and 9:00 A.M., and Saturday and Sunday all day.

(1) Usage Charges

(a) Each	$0.0175	$0.0075	NA

c. Local usage charges do not apply on calls to 911, the Company operator, Company Repair (611) or on calls to the Company Business Office.

d. Calls to local *Directory Assistance* (411) will be charged the tariffed rate for such calls as specified elsewhere in this Tariff.

e. Calls to telephone numbers for which a charge is applicable to the caller, i.e., 900, 976, will be charged for at the appropriate rates for these services.

8. Resale Lines - Flat Rate, Rate Groups 1 - 6

a. Flat Rate Resale Lines will only be provided in the situations specified below:

(1) For sharing or resale configurations that do not exceed a total of six local exchange lines in a key system common billing arrangement.

	Group 1	2	3	4	5	6	USOC
(a) Per line[2]	$19.80	$20.80	$21.90	$22.90	$23.85	$24.90	NA

9. *Resale Lines - Flat Rate, Rate Groups 7 - 12*

a. Flat Rate Resale Lines will only be provided in the situations specified below:

(1) For sharing or resale configurations that do not exceed a total of six local exchange lines in a key system common billing arrangement.

	Group 7	8	9	10	11	12	USOC
(a) Per line[2]	$25.75	$26.60	$27.40	$28.00	$28.60	~~$29.10~~ $29.00	NA

Note 1: Calls within the local area are each charged for at least one (1) minute of use. For local calls that exceed one (1) minute, usage charges are based on conversation time rounded up to the nearest one tenth (1/10) minute.

Note 2: Monthly rate is 100% of the Business Flat Rate Exchange Access Line Rate.

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~~Material appearing on this page previously appeared on page(s) 3 of this section.~~

B7. DIGITAL NETWORK SERVICE

B7.1 MegaLink® Service (Cont'd)

B7.1.2 Regulations (Cont'd)

E. Features

1. Clear Channel Capability

   a. Clear Channel Capability (CCC) is an arrangement that alters a DS1/1.544 Mbps signal with unconstrained information bits, to meet pulse density requirements outlined in Technical Reference 73525. This will allow a customer to transport an all zero octet over a MegaLink® service channel providing an available combined maximum 1.536 Mbps data rate. This arrangement requires the customer signal at the channel interface to conform to Bipolar with 8 Zero Substitution (B8ZS) line code as described in Technical Reference 73525.

   b. CCC is provided on MegaLink® service channels between two customer designated premises, from a customer premises to their Serving Wire Center or Node Central Office and/or to a remote Serving Wire Center or Node Central Office, and from a Central Office to a Central Office, and is subject to the availability of facilities. This optional feature may be ordered at the same time the MegaLink® service channel is ordered, or it may be ordered as an additional feature of an existing MegaLink® service channel.

   c. When providing CCC via a DS3/44.736 Mbps High Capacity channel, that DS3 channel must be designated, in Company records, as having Clear Channel Capability prior to the provisioning of a DS1/1.544 Mbps High Capacity channel with CCC. Customers must agree to out-of-service periods required to add this feature to an existing MegaLink® service channel to be optioned for B8ZS.

F. Payment Arrangements and Credit Allowance

1. The minimum period for which MegaLink® service is furnished and for which charges are applicable is one month.
2. Suspension of service is not allowed.

B7.1.3 Rates and Charges[1]

A. A Digital Local Channel is furnished between a Serving Wire Center and the customer's premises. Rates are based on the airline distance between the Serving Wire Center and the customer's premises. (T)

1. Digital Local Channel, each[2]

		Nonrecurring Charge	Month To Month	24 to 48 Months	49 to 72 Months	73 to 96 Months	USOC	
(a)	First 1/2 Mile	$350.00	$96.90	$95.05	$95.05	$95.05	1LDPZ	
(b)	Each additional 1/2 Mile, or fraction thereof	-	44.00	43.00	41.00	39.00	1LDPA	

B. Interoffice Channels furnished between Central Offices. Rates are based on the airline distance between Central Offices.[2,3] (T)

1. Interoffice Channel, each channel 0-8 miles

(a)	Fixed Monthly Rate	100.00	64.35	59.75	59.75	59.75	1LNO1	
(b)	Each Airline Mile, or fraction thereof	-	~~29.80~~ *28.80*	~~24.35~~ *22.25*	~~22.35~~ *20.35*	~~20.60~~ *18.50*	1LNOA	(R)

Note 1: Contract lengths are ~~now~~ flexible to allow customer choice of payment period per B2.4.9. (T)

Note 2: MegaLink® ISDN service, specified in B7.5 of this Tariff references rates and charges for this rate element. (T)

Note 3: Refer to B3.3.3 of this Tariff for mileage measurement methodology.

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B7. DIGITAL NETWORK SERVICE

B7.1 MegaLink® Service (Cont'd)

B7.1.3 Rates and Charges[1] (Cont'd)

B. *(Cont'd)*[2,3] (L)

2. Interoffice Channel, each channel 9-25 miles

		Nonrecurring Charge	Month To Month	24 to 48 Months	49 to 72 Months	73 to 96 Months	USOC	
(a)	Fixed monthly rate	$100.00	$64.35	$59.75	$59.75	$59.75	1LNO2	
(b)	Each airline mile or fraction thereof	-	~~37.96~~ *26.95*	~~32.35~~ *20.35*	~~20.60~~ *18.50*	~~18.65~~ *16.65*	1LNOB	(R)

3. Interoffice Channel, each channel over 25 miles

(a)	Fixed monthly rate	100.00	64.35	59.75	59.75	59.75	1LNO3	
(b)	Each airline mile or fraction thereof	-	~~36.10~~ *25.10*	~~20.60~~ *18.50*	~~18.66~~ *16.65*	~~16.75~~ *14.75*	1LNOC	(R)

C. Clear Channel Capability is furnished on a per MegaLink® service channel basis.

1. *Per MegaLink® service channel optioned as:*

		Monthly Rate	Nonrecurring Charge Initial	Nonrecurring Charge Subsequent	USOC
(a)	*Superframe Format* (SF)	$-	$-	$655.00	CCOS
(b)	Extended Superframe Format (ESF)	-	-	655.00	CCOEF

D. Move Charge

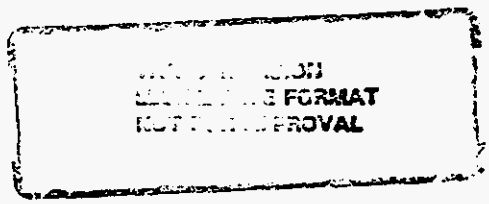
A move charge, per MegaLink® service channel, applies for each Digital Local Channel moved to a new location in the same building. This move charge is equal to the sum of the Digital Local Channel Nonrecurring Charge, Service Change Charge - Inside Moves, and Premises Visit Charge.

A move charge, per MegaLink® service channel under CSPP, applies for each MegaLink® service moved to a new location in Company territory *within the same state. This move charge* is equal to the sum of all nonrecurring charges applicable to a new MegaLink® service channel installation at the new location.

Note 1: Contract lengths are ~~now~~ flexible to allow customer choice of payment period per B2.4.9. (T)

Note 2: MegaLink® ISDN service, specified in B7.5 of this Tariff references rates and charges for this rate element. (N)

Note 3: Refer to B3.3.3 of this Tariff for mileage measurement methodology.



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E3. CARRIER COMMON LINE ACCESS

E3.10 Rates and Charges

A. The rate for Carrier Common Line Access is:

		Rates Per Access Minute				
		Rate				
		Zone 1	Zone 2	Zone 3	USOC	
1.	Per Originating Access Minute - BellSouth Telecommunications, Inc.					D
	(a) ~~Southern Bell Telephone and Telegraph Company~~ Feature Groups A, B, D, LSBSA and TSBSA Technical Options 1 and 3	$.01000 ~~$.01061~~	$.01000	$.01000	NA	~~(R)~~ D
	~~(b) Southern Bell Telephone and Telegraph Company - Feature Group D and TSBSA Technical Option 3~~	~~.01061~~			~~NA~~	~~(R)~~
	~~(c) Indiantown Telephone System - Feature Groups A, B, LSBSA and TSBSA Technical Option 1~~	~~.0247~~			~~NA~~	
	~~(d) Indiantown Telephone System - Feature Group D and TSBSA Technical Option 3~~	~~.0247~~			~~NA~~	
	~~(e) For all other Independent Companies concurring in this Tariff~~	~~.0304~~			~~NA~~	
2.	Per Terminating Access Minute - BellSouth Telecommunications, Inc.					D
	(a) ~~Southern Bell Telephone and Telegraph Company~~ Feature Groups A, B, D, LSBSA and TSBSA Technical Options 1 and 3	.01760 ~~.03937~~	.01807	.01853	NA	C
	~~(b) Southern Bell Telephone and Telegraph Company - Feature Group D and TSBSA Technical Option 3~~	~~.03937~~			~~NA~~	
	~~(c) Indiantown Telephone System - Feature Groups A, B, LSBSA and TSBSA Technical Option 1~~	~~.0325~~			~~NA~~	
	~~(d) Indiantown Telephone System - Feature Group D and TSBSA Technical Option 3~~	~~.0325~~			~~NA~~	
	~~(e) For all other Independent Companies concurring in this Tariff~~	~~.0382~~			~~NA~~	

		Rates Per Access Minute	USOC	
3.	Per Originating Access Minute - Indiantown Telephone System			D
	(a) Feature Groups A, B, D, LSBSA and TSBSA Technical Options 1 and 3	$.0247	NA	D
4.	Per Terminating Access Minute - Indiantown Telephone System			D
	(a) Feature Groups A, B, D, LSBSA and TSBSA Technical Options 1 and 3	.0325	NA	D
5.	Per Originating Access Minute - For all other Independent Companies concurring in this Tariff			D
	(a) Feature Groups A, B, D, LSBSA and TSBSA Technical Options 1 and 3	.0304	NA	D
6.	Per Terminating Access Minute - For all other Independent Companies concurring in this Tariff			D
	(a) Feature Groups A, B, D, LSBSA and TSBSA Technical Options 1 and 3	.0382	NA	D

TARIFF REVISIONS
LEGISLATIVE FORMAT
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~~d/b/a SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY~~

T-96-451

E6. SWITCHED ACCESS SERVICE

E6.8 Rates and Charges

E6.8.1 Switched Transport

A. *Switched Local Channel - per Local Channel*

~~1. (DELETED)~~

1. Voice Grade

		Monthly Rate Zone 1	Monthly Rate Zone 2	Monthly Rate Zone 3	Nonrecurring Charge First	Nonrecurring Charge Additional	USOC	
(a)	Two-Wire	$25.00	$25.00	$25.00	$308.95	$119.49	TEFV2	
(b)	Four-Wire	45.24	45.24	45.24	314.69	125.19	TEFV4	
2. DS1								(T)
(a)	1.544 Mbps	133.81	133.81	133.81	866.97	486.83	TEFHG	
3. DS3 Service								(T)
(a)	44.736 Mbps	2,100.00	2,100.00	2,100.00	870.50	427.88	TEFHJ	
4. End-Office Based Private Network								(T)

	Monthly Rate Zone 1	Monthly Rate Zone 2	Monthly Rate Zone 3	Nonrecurring Charge	USOC	
(a) Per Local Channel	$4.75	$4.75	$4.75	$18.43	TEFHK	

B. Switched Interoffice Channel - Switched Dedicated Transport

1. Voice Grade							
(a)	Per mile	1.90	1.90	1.90	-	1L5XF	
(b)	Facility Termination	23.30	23.30	23.30	79.85	NA	
2. DS0 - 56/64 Kbps							
(a)	Per mile	3.95	3.95	3.95	-	1L5XK	
(b)	Facility Termination	38.37	38.37	38.37	24.01	NA	
3. DS1 - 1.544 Mbps							
(a)	Per mile	15.00 ~~16.75~~	15.90 ~~16.75~~	16.75	-	1L5XL	(C)
(b)	Facility Termination	59.75	59.75	59.75	100.49	NA	
4. DS3 - 44.736 Mbps							
(a)	Per mile	155.00 ~~175.00~~	165.00 ~~175.00~~	175.00	-	1L5XM	(C)
(b)	Facility Termination	1,200.00	1,200.00	1,200.00	67.19	NA	

C. Switched Interoffice Channel - Switched Common Transport

1. Per Mile

		Rate Per Access Minute	USOC	
(a)	Zone 1	$.000038 ~~$.00004~~	NA	(N)
(b)	Zone 2	.000032 ~~.00004~~	NA	(N)
(c)	Zone 3	~~.00004~~	NA	
2. Facilities Termination				
(a)	Zone 1	~~.00036~~	NA	
(b)	Zone 2	~~.00036~~	NA	
(c)	Zone 3	~~.00036~~	NA	

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Material previously appearing on this page now appears on page(s) 54.0.0.1 of this section.

E6. SWITCHED ACCESS SERVICE

E6.8 Rates and Charges (Cont'd)

E6.8.1 Switched Transport (Cont'd)

D. Access Tandem Switching

1. Premium

		Rates Per Access Minute		USOC
(a)	~~Per access Minute~~ *Zone 1*	~~$.00074~~	$.000475	NA (C)
(b)	Zone 2		.000488	NA (N)
(c)	Zone 3		.000500	NA (N)

E. Interconnection

1. Rate

(a)	*BellSouth Telecommunications, Inc. - Zone 1*	~~$.006189~~	.002500	NA (C)
(b)	BellSouth Telecommunications, Inc. - Zone 2		.003700	NA (N)
(c)	BellSouth Telecommunications, Inc. - Zone 3		.005034	NA (N)
(d)	Indiantown Telephone System, Inc.		.01552	NA (T)

F. Installation of New Service

1. Line Side Service

		Nonrecurring Charge First	Nonrecurring Charge Additional	Monthly Rate	USOC
(a)	Per Line	$285.00	$263.00	$-	TPP++
(b)	Per Inward Only LSBSA Line for DID Service	285.00	263.00	-	TPP+1
(c)	Per Two-way LSBSA Line for DID/DOD Service	285.00	263.00	-	TPP+2
(d)	Per LSBSA Line with Answer Supervision	285.00	263.00	-	TPP+3

2. Trunk Side Service

(a)	Per Trunk or Signaling Connection	915.00	263.00	-	TPP++

3. Point Code Establishment or Change[1]

(a)	Per Originating Point Code Established or Changed	40.00	8.00	-	CCAPO
(b)	Per Destination Point Code Established or Changed	8.00	8.00	-	CCAPD

G. Network Blocking Charge[2]

1. Nonrecurring Charge

		Rate	USOC
(a)	Per Call Blocked	$.0080	NA

Note 1: Applies to Signaling Connections with TCAP Message Transmission Service.

Note 2: Applies to FGD and TSBSA Technical Option 3.

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~~Material previously appearing on this page now appears on page(s) 54 of this section.~~

T-96-451

E6. SWITCHED ACCESS SERVICE

E6.8 Rates and Charges (Cont'd)

E6.8.2 Local Switching

A. Local Switching Rates and Optional Features

		Rates Per Access Minute			USOC	
		Zone 1	Zone 2	Zone 3		
1.	Per Access Minute					
(a)	LS1 - *BellSouth Telecommunication, Inc.* - Feature Groups A and B	$.00832 ~~$.00876~~	$.00854	$.00876	NA	(C)
(b)	LS2 - *BellSouth Telecommunication, Inc.* - Feature Groups C and D	$.00832 ~~.00876~~	.00854	.00876		(C)
(c)	LS3 - *BellSouth Telecommunication, Inc.* - LSBSA and TSBSA Technical Option 1	$.00830 ~~.00874~~	.00852	.00874	NA	(C)
(d)	LS4 - *BellSouth Telecommunication, Inc.* - TSBSA Technical Options 2 and 3	.00830 ~~.00874~~	.00852	.00874	NA	(C)
		Rates Per Access Minute			USOC	(N)
(e)	LS1 - Indiantown Telephone Company - Feature Groups A and B	$.01150			NA	(T)
(f)	LS2 - Indiantown Telephone Company - Feature Groups C and D	.01150			NA	(T)
(g)	LS3 - Indiantown Telephone Company - LSBSA and TSBSA Technical Option 1	.01147			NA	(T)
(h)	LS4 - Indiantown Telephone Company - TSBSA Technical Options 2 and 3	.01147			NA	(T)
(i)	For all other Independent Companies concurring in this Tariff	.01770			NA	(T)

2. Common Switching Optional Features (Feature Group Customers Only) [1]
   a. Hunt Group Arrangement, available with FGA
      Per Transmission Path Group
   b. Uniform Call Distribution Arrangement, available with FGA
      Per Transmission Path Group
   c. Nonhunting Numbers for use with Hunt Group Arrangements or Uniform Call Distribution Arrangement available with FGA
      Per Transmission Path

Note 1: These Common Switching Optional Features are not available for BSA. See E6.8.2.A.4. for the appropriate BSE.

TARIFF REVISIONS
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[illegible] REPRO DATE: 05/15/96 REPRO TIME: 02:34 PM

E7. DEDICATED ACCESS SERVICES

E7.5 Rates and Charges (Cont'd)

E7.5.6 High Capacity Service (Cont'd)

(M)

B. Interoffice Channel

1. 1.544 Mbps

Mileage Bands

		Fixed Monthly Rate Rate Zone 1	Fixed Monthly Rate Rate Zone 2	Fixed Monthly Rate Rate Zone 3	Monthly Rate Per Mile Rate Zone 1	Monthly Rate Per Mile Rate Zone 2	Monthly Rate Per Mile Rate Zone 3	Nonrecurring Charge Per Channel	USOC	
(a)	0 mile	$-	$-	$-	$-	$-	$-	$-	1L5XX	
(b)	1 thru 8 miles	64.35	64.35	64.35	~~29.80~~ *28.80*	~~29.80~~ *28.80*	~~29.80~~ *28.80*	200.00	1L5XX	(R)
(c)	9 thru 25 miles	64.35	64.35	64.35	~~27.96~~ *26.95*	~~27.96~~ *26.95*	~~27.96~~ *26.95*	200.00	1L5XX	(R)
(d)	Over 25 miles	64.35	64.35	64.35	~~26.10~~ *25.10*	~~26.10~~ *25.10*	~~26.10~~ *25.10*	200.00	1L5XX	(R)

2. 1.544 Mbps

a. Contract Rates[1]

Mileage Bands

(1) Per Channel, 0 Mile

	Nonrecurring Charge	Fixed Monthly Rate	24 to 48 Months	49 to 72 Months	73 to 96 Months	USOC	
(a) Rate Zone 1	$-	$-	$-	$-	$-	1L5XX	(T)
(b) Rate Zone 2	200.00	59.75	-	-	-	1L5XX	(T)
(c) Rate Zone 3	200.00	59.75	-	-	-	1L5XX	(T)
(2) Per Channel, 1 thru 8 miles							
(a) Rate Zone 1	200.00	59.75	~~24.25~~ *22.25*	~~22.36~~ *20.35*	~~20.50~~ *18.50*	1L5XX	(T)(R)
(b) Rate Zone 2	200.00	59.75	~~24.25~~ *22.25*	~~22.36~~ *20.35*	~~20.50~~ *18.50*	1L5XX	(T)(R)
(c) Rate Zone 2	200.00	59.75	~~24.25~~ *22.25*	~~22.36~~ *20.35*	~~20.50~~ *18.50*	1L5XX	(T)(R)
(3) Per Channel, 9 thru 25 miles							(M)
(a) Rate Zone 1	200.00	59.75	~~22.36~~ *20.35*	~~20.50~~ *18.50*	~~18.66~~ *16.65*	1L5XX	(M)(R)
(b) Rate Zone 2	200.00	59.75	~~22.36~~ *20.35*	~~20.50~~ *18.50*	~~18.66~~ *16.65*	1L5XX	(M)(R)
(c) Rate Zone 3	200.00	59.75	~~22.36~~ *20.35*	~~20.50~~ *18.50*	~~18.66~~ *16.65*	1L5XX	(M)(R)
(4) Per Channel, Over 25 Miles							(M)
(a) Rate Zone 1	200.00	59.75	~~20.50~~ *18.50*	~~18.66~~ *16.65*	~~16.76~~ *14.75*	1L5XX	(M)(R)
(b) Rate Zone 2	200.00	59.75	~~20.50~~ *18.50*	~~18.66~~ *16.65*	~~16.76~~ *14.75*	1L5XX	(M)(R)
(c) Rate Zone 3	200.00	59.75	~~20.50~~ *18.50*	~~18.66~~ *16.65*	~~16.76~~ *14.75*	1L5XX	(M)(R)

Note 1: Contract lengths are flexible to allow customer choice of payment period per E2.4.9. (T)

~~Material appearing on this page previously appeared on page(s) 37.1 of this section.~~
~~Material previously appearing on this page now appears on page(s) 36.2 of this section.~~

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E9. DIRECTORY ASSISTANCE ACCESS SERVICE

E9.5 Rate Regulations and Charges (Cont'd)

E9.5.2 Rate Categories (Cont'd)

A. There are three (3) rate categories which apply to Directory Assistance (DA) Access Service: (Cont'd)

2. Directory Assistance (DA) Service Call

The Directory Assistance (DA) Service Call rate category provides for the use of the Company DA operators and DA equipment.

3. Directory Assistance Interconnection

The DA Interconnection rate category provides for switching capability and network functions not assigned to other DA Service rate categories. This charge is assessed to all ICs and is applied on a per DA call basis.

B. Nonrecurring charges will apply for the installation of Directory Transport facilities, service rearrangements or features as defined in E9.2.2.B.3 preceding.

E9.5.3 Rates and Charges

A. Directory Assistance

1. *Access Service call*

	Rate	USOC
(a) Each	$.25	NA

B. Directory Transport

1. Switched Local Channel[1]			
(a) Zone 1	-	NA	
(b) Zone 2	-	NA	
(c) Zone 3	-	NA	
2 Switched Dedicated Transport[1]			
(a) Zone 1	-	NA	
(b) Zone 2	-	NA	
(c) Zone 3	-	NA	
3. Switched Common Transport per Directory Assistance Access Service Call			
(a) Zone 1	.00030	NA	
(b) Zone 2	.00030	NA	
(c) Zone 3	.00030	NA	
4. Switched Common Transport per Directory Assistance Access Service Call Mile			
(a) Zone 1	.000040	NA	
(b) Zone 2	.000040	NA	
(c) Zone 3	.000040	NA	
5. Access Tandem Switching per Directory Assistance Access Service Call			
(a) Zone 1	.00055	NA	
(b) Zone 2	.00055	NA	
(c) Zone 3	.00055	NA	
6. Directory Assistance Interconnection per Directory Assistance Access Service Call			
(a) Zone 1	~~.00269~~ .001304	NA	
(b) Zone 2	.001929	NA	
(c) Zone 3	.002625	NA	
7. Installation[2]			
(a) Per Trunk	-	NA	

Note 1: Nonrecurring and monthly rates are as specified for Switched Transport in E6.8.1 preceding.

Note 2: Nonrecurring rates are as specified for Switched Transport in E6.8.1 preceding.

[1] ~~Material appearing on this page previously appeared on page(s) 6 of this section.~~

EXHIBIT NO. 6

DOCKET NO: 920260-TL

WITNESS: AL VARNER
JERRY HENDRIX

PARTY: BELLSOUTH

DESCRIPTION:

JUNE 10, 1996 SUPPLEMENT TO TARIFF FILING

PROFFERING PARTY: STAFF

I.D. # AJV - 6

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TL EXHIBIT NO. 6
COMPANY/
WITNESS:
DATE: 10/30/96

BellSouth Telecommunications, Inc.
Suite 400
150 South Monroe Street
Tallahassee, Florida 32301-1556

904 224-7798
Fax 904 224-5073

A. M. Lombardo
Regulatory Vice President

June 10, 1996

Mr. Walter D'Haeseleer
Director, Division of Communications
Florida Public Service Commission
2540 Shumarad Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. D'Haeseleer:

Re: Tariff Filing T-96-0451; $48 Million Revenue Reduction

Attached is supplemental information for the above filing:

-Revised list of affected pages: A19 Sixth Revised Page 3.3 is added.

-Additional Services Description and rationale for the proposed changes.

-Priceout information for:

-Switched Access
-Secondary Service Order Charge Waiver
-Line Connection Charge reduction
-PBX Trunk reductions and term contracts
-DID
-WATS
-Area Plus
-Remote Call Forwarding
-Megalink and DS1

Please advise if there are questions.

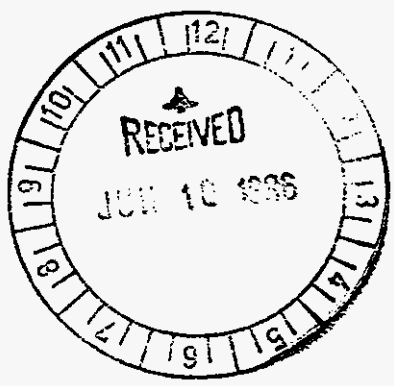
Yours very truly,

A M Lombardo

Regulatory Vice President

Attachments

cc: All parties of Record



Service Description and Rationale

Switched Access

In compliance with the amended Florida State Statutes Chapter 364 which became effective on July 1, 1995, intrastate switched access rates are capped for three years beginning January 1, 1996. Beginning October 1, 1996, switched access rates are to be reduced by 5% until parity is reached with the December 31, 1994 interstate rates. The initial 5% reduction is being satisfied with the October 1, 1996 ($40) million reduction being made in compliance with Docket Number 920260-TL, Order Number PSC-94-0172-FOF-TL.

In compliance with the same Order, ***BELLSOUTH*** is proposing a reduction for switched access which includes zone pricing for Terminating Carrier Common Line (Originating CCL is at Interstate rate levels), Local Switching and certain transport services. The estimated revenue impact of these switched access rate changes is approximately ($16.4) million, of which approximately $12 million is associated with the Transport Interconnection Charge (RIC).

Zone pricing of these elements will allow ***BELLSOUTH*** to strategically establish prices that meet competitive pressures in the more dense areas of Florida. Further, with this ($16.4) million reduction, the proposed composite (originating plus terminating) rates for Zones 1 and 2 are below the composite December 31, 1994 interstate rate levels.

First Line Connection Charge For Business Customers

The purpose of this filing is to reduce the first line connection charge for business customers from $56.00 to $40.00. The business first line connection charge is a non-recurring charge applied, when appropriate, on a per access line, trunk, or ESSX-1 NAR basis.

This rate reduction is intended to provide a benefit to business customers and will be attractive to both existing and new business customers in that it will help reduce "start up" expenses. They will receive this benefit when they order new or additional exchange access lines, trunks, or ESSX-1 NARs.

PBX/DID Trunk Summary

The PBX trunk and DID Service reductions are being proposed in order to respond to PBX customer requests for rate relief. PBX Term Contracts are being proposed in order to provide customers with the opportunity for additional rate relief and to implement some of the Company's strategic pricing initiatives.

Service Description and Rationale

Secondary Service Charges

The proposed tariff revision in A4 will waive the Secondary Service Charge when existing residence and business subscribers order one or more of the following:

Custom Calling services
RingMaster* service
TouchStar* service
Prestige* Communications service
Message Waiting Indication service
Customized Code Restriction
Remote Call Forwarding
Designer Listings

Existing customers will not be charged a secondary service charge when adding the above services. Absent a waiver, this charge would apply. Long term, we believe the most important effects will be improved customer satisfaction and customer line retention in a fully competitive market. However, we do not have market research or empirical data that provides quantitative retention estimates.

* Service Mark of BellSouth Corporation

WATS and WatsSaver® Service

Rates for WATS and Toll Free Dialing Service dedicated access lines in Florida are the highest in the BellSouth region. BellSouth has proposed to reduce the monthly rate for WATS and TFD Service dedicated access lines to $25.00 as a strategic pricing move. BellSouth has also proposed to eliminate the application of the Secondary Service Charge when WatsSaver service is ordered. This will make the service more competitive with business customers when they are considering alternative competitive usage plans.

The elimination of Secondary Service Charges from WatsSaver service orders was proposed in order to bring the service more in line with competitive toll services that do not charge customers to purchase a usage commitment plan.

Business Line Monthly Rates

This filing reduces the rate group 12 monthly rate for flat rate business lines from $29.10 to $29.00. This change affects toll terminals, independent payphone provider access lines, flat rate resale lines and 976 service access lines. This reduction brings the rate in line with the 48 plus months term contract rate of $29.00 for PBX trunks. This rate will facilitate negotiations with customers and promotional activities for the service. This filing also reduces the rate group 12 rate for Back-Up* Line service from $14.55 to $14.50.

Area Plus® For Business Customers

Area Plus® for business customers is an expanded local calling plan which also includes a discounted toll feature. This optional plan is available to new customers as well as existing flat rate or message rate individual line, PBX trunk or Network Access Register customers.

Area Plus® Service gives customers a service option that features a single plan which provides for their telephone needs from the customer's place of business to the LATA boundary. This combination local and intraLATA toll plan is strategically priced to benefit many customers whose calling patterns include calling outside of their BLCA.

The plan consists of three geographic parts that encompasses all calls within the LATA:

* Basic Local Calling Area (BLCA) - is the calling scope which consists of access to all
* Expanded Local Calling Area (ELCA) - this area extends the BLCA to a 40 mile calling radius, including any existing ECS areas that extend past this 40 mile limit.
* IntraLATA Area - the area past the ELCA radius, to the intraLATA toll boundary.

Each of the three components of Area Plus® is distinctly rated. The BLCA is flat rated as defined by rate group with rates ranging from $5.00 to $.90 per month. For this additive, ELCA

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* Service Mark of BellSouth Corporation

calls are rated at $.08 per minute and toll calls are at toll rates less a 30% discount (DDD calls, 0+ calling card and collect calls). Prices for this service exceed their costs. In addition, Back-Up* Line service is available to flat rate and message rate individual line customers. The basic definition of Back-Up* Line service is unchanged in the BLCA, with the addition of outward usage within additional ELCA exchanges being billed at the Area Plus® ELCA usage rate.

Remote Call Forwarding (RCF)

The purpose of this filing is to eliminate basic local usage rates for Remote Call Forwarding (RCF). Local usage rates, as specified in A13.11.6.A.3 of the existing GSST, apply for calls within the basic local calling area, which are between the call forwarding location and the terminating station, when RCF is provided. The proposed tariff eliminates these local usage rates.

RCF is the only service in the family of forwarding services that has a usage rate component in addition to a flat monthly rate. Eliminating the usage component brings uniformity to forwarding service. The remaining flat monthly rate exceeds the cost of providing the service.

Special Number Assignment Charge (SNAC)

The purpose of this filing is to reduce the special number assignment charge for business customers for "search only" requests from $10.00 to $5.00 and for "search and assign" requests from $75.00 to $25.00.

Feedback from customer contact personnel indicates that existing rates for this service often provide barriers to other sales. We believe that the proposed rates are reasonable for business customers and also equalizes the rates for residence and business. Both new and existing business customers will benefit from this rate reduction when special number assignment charges are applied.

Dedicated Access DS1 High Capacity And MegaLink® Services

This filing proposes to reduce the interoffice channel mileage rates for Dedicated Access DS1 High Capacity and Private Line MegaLink® services. The interoffice channel (IOC) is that portion of a customer's end-to-end service furnished between Company central offices. The reductions are proposed to position IOC rates for these 1.544 Mbps services at levels that are more comparable to market factors.

Extended Calling Service (ECS)

During the first half of 1996, ECS has been implemented on seven routes between BellSouth exchanges and Independent Company exchanges. This implementation was based on orders issued by the Florida Commission in 1995. The revenue impact has not been accounted for in prior filings or proceedings.

During the April 30, 1996 agenda session, countywide EAS was discussed for Bay County (Docket No. 950700-TL). While the decision was deferred, we expect that ECS will be ordered on those routes. Those routes, and the estimated revenue impacts are included. During the May 7, 1996 agenda session, the Commission approved ECS on the Lake City to High Springs route (Docket No. 951098-TL). The estimated revenue effect is also included.

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FILENAME: C:\IA595PO\FL\FL1001AA.WK3

YEAR 3 SWITCHED ACCESS REDUCTION
ASSOCIATED WITH FL RATE CASE

1996
FLORIDA
INTRASTATE
SWITCHED ACCESS

	BASE		PROPOSED	
	REVENUE	MOU	REVENUE	MOU
CARRIER COMMON LINE				
ORIGINATING - PREM	$30,745,350	2,897,771,001	$28,977,710	2,897,771,001
TERMINATING - PREM	$104,389,008	3,566,416,388	$66,085,696	3,566,416,388
ORIGINATING - NON PREM	$7,782	977,534	$7,332	977,534
TERMINATING - NON PREM	$18,083	823,824	$11,450	823,824
TOTAL CARRIER COMMON LINE	$135,160,223	6,465,988,748	$95,082,188	6,465,988,748
SWITCHED TRANSPORT				
DEDICATED ##	$10,262,966	NA	$10,262,966	NA
COMMON	$2,046,973	NA	$2,046,973	NA
INTERCONNECTION - PREM	$33,562,092	6,504,281,380	$33,562,092	6,504,281,380
INTERCONNECTION - NON PREM	$9,585	1,857,486	$9,585	1,857,486
TOTAL LOCAL TRANSPORT	$45,881,616	6,506,138,866	$45,881,616	6,506,138,866
LOCAL SWITCHING *				
LS1	$1,144,923	130,698,938	$1,144,923	130,698,938
LS2	$55,716,327	6,360,311,245	$55,716,327	6,360,311,245
LS3	$0	0	$0	0
LS4	$0	0	$0	0
LS TRAN EQUIV PGs	$15,675	1,801,359	$15,675	1,801,359
LS TRAN EQUIV BSAs	$0	0	$0	0
TOTAL LOCAL SWITCHING	$56,876,925	6,492,811,541	$56,876,925	6,492,811,541
TOTAL TRAFFIC SENSITIVE & CCLC REVENUES.....	$237,918,764		$197,840,729	
REVENUE PER MINUTE	$0.03664		$0.03047	

	BASE REVENUE	GROSS REVENUE CHANGE	DEMAND IMPACT	NET EFFECT
CCLC	$135,160,223	($40,078,035)	$0	($40,078,035)
SWITCHED TRANSPORT	$45,881,616	$0	$0	$0
* LOCAL SWITCHING	$56,876,925	$0	$0	$0
OTHER	$9,439,288	$0	$0	$0
TOTAL	$247,358,052	($40,078,035)	$0	($40,078,035)

* REVENUE INCLUDES INFORMATION SURCHARGE WHERE APPLICABLE
SWITCHED TRANSPORT DOES NOT INCLUDE NON-RECURRING CHARGES, OR DA TRANSPORT

24-May-96

1996 FORECASTED
FLORIDA
INTRASTATE
SWITCHED ACCESS

PRICEOUT NO.
FOR THE YR.
2

	BASE		PROPOSED	
	REVENUE	MOU	REVENUE	MOU
CARRIER COMMON LINE				
ORIGINATING - PREM	$27,142,280	2,714,228,064	$27,142,280	2,714,228,064
TERMINATING - PREM	$71,878,013	3,879,007,687	$69,475,522	3,879,007,687
ORIGINATING - NON PREM	$7,794	1,039,220	$7,794	1,039,220
TERMINATING - NON PREM	$12,368	889,779	$12,368	889,779
TOTAL CARRIER COMMON LINE	$99,040,455	6,595,164,749	$96,637,964	6,595,164,749
SWITCHED TRANSPORT				
LOCAL TRPT - PREM	NA	NA	NA	NA
LOCAL TRPT - TRAN	NA	NA	NA	NA
DEDICATED ##	$7,851,233	NA	$7,784,935	NA
COMMON	$2,805,739	NA	$2,769,286	NA
INTERCONNECTION - PREM	$34,971,151	6,778,668,676	$22,976,985	6,778,668,676
INTERCONNECTION - NON PREM	$9,623	2,552,753	$6,323	2,552,753
TOTAL LOCAL TRANSPORT	$45,637,746	6,781,221,428	$33,537,529	6,781,221,428
LOCAL SWITCHING *				
LS1	$477,348	54,491,746	$459,372	54,491,746
LS2	$57,449,849	6,558,201,959	$55,592,585	6,558,201,959
LS3	$0	0	$0	0
LS4	$0	0	$0	0
LS TRAN EQUIV PGs	$17,775	2,043,062	$17,775	2,043,062
LS TRAN EQUIV BSAs	$0	0	$0	0
TOTAL LOCAL SWITCHING	$57,944,972	6,614,736,768	$56,069,732	6,614,736,768
TOTAL TRAFFIC SENSITIVE & CCLC REVENUES.....	$202,623,173		$186,245,225	
REVENUE PER MINUTE	$0.03063		$0.02816	

	BASE REVENUE	GROSS REVENUE CHANGE	DEMAND IMPACT	NET EFFECT
CCLC	$99,040,455	($2,402,491)	$0	($2,402,491)
SWITCHED TRANSPORT	$45,637,746	($12,100,217)	$0	($12,100,217)
* LOCAL SWITCHING	$57,944,972	($1,875,240)	$0	($1,875,240)
OTHER	$9,379,087	($22,119)	$0	($22,119)
TOTAL	$212,002,260	($16,400,067)	$0	($16,400,067)

* REVENUE INCLUDES INFORMATION SURCHARGE WHERE APPLICABLE

SWITCHED TRANSPORT DOES NOT INCLUDE NON-RECURRING CHARGES, OR D. TRANSPORT

STATE : Florida

Present and Proposed Rates and Revenues
A004 SERVICE CHARGES

Develop Date : 03/96
Page 1 of 4
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NON-RECURRING RATES

Tariff Section/ Page #	Service Description	USOC	Present Annual Demand	Proposed Annual Demand	Present Rate	Proposed Rate	$ Change	% Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change	MB Seg.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	A4.3.1 LINE CONNECTION CHARGE											
A4/4	RESIDENCE - 1ST LINE		1,262,228	1,262,228	$40.00	$40.00	$0.00	0.00%	$50,489,120	$50,489,120	$0	1006
A4/4	RESIDENCE - ADDL LINE		53,677	53,677	$12.00	$12.00	$0.00	0.00%	$644,124	$644,124	$0	1006
A4/4	BUSINESS FLAT - 1ST LINE		170,753	170,753	$56.00	$40.00	($16.00)	-28.57%	$9,562,168	$6,830,120	($2,732,048)	1006
A4/4	BUSINESS FLAT - ADDL LI		171,922	171,922	$12.00	$12.00	$0.00	0.00%	$2,063,064	$2,063,064	$0	1006
A4/4	BUSINESS - 1ST LINE		23,136	23,136	$56.00	$40.00	($16.00)	-28.57%	$1,295,616	$925,440	($370,176)	2260
A4/4	BUSINESS - ADDL LINE		71,924	71,924	$12.00	$12.00	$0.00	0.00%	$863,088	$863,088	$0	2260
A4/4	PUBLIC - 1ST LINE		7,523	7,523	$56.00	$40.00	($16.00)	-28.57%	$421,288	$300,920	($120,368)	2601
A4/4	PUBLIC - ADDL LINE		2,458	2,458	$12.00	$12.00	$0.00	0.00%	$29,496	$29,496	$0	2601
	A4.3.1 LINE CONNECTION CHARGE						SUB-TOTAL		$65,367,964	$62,145,372	($3,222,592)	
	A4.3.1 LINE CHANGE CHARGE											
A4/4	RESIDENCE - 1ST LINE		241,637	241,637	$23.00	$23.00	$0.00	0.00%	$5,557,651	$5,557,651	$0	1006
A4/4	RESIDENCE - ADDL LINE		3,106	3,106	$11.00	$11.00	$0.00	0.00%	$34,166	$34,166	$0	1006
A4/4	BUSINESS FLAT - 1ST LINE		5,725	5,725	$38.00	$38.00	$0.00	0.00%	$217,550	$217,550	$0	1006
A4/4	BUSINESS FLAT - ADDL LI		2,867	2,867	$11.00	$11.00	$0.00	0.00%	$31,537	$31,537	$0	1006
A4/4	BUSINESS - 1ST LINE		966	966	$38.00	$38.00	$0.00	0.00%	$36,708	$36,708	$0	2260
A4/4	BUSINESS - ADDL LINE		2,483	2,483	$11.00	$11.00	$0.00	0.00%	$27,313	$27,313	$0	2260
A4/4	PUBLIC - 1ST LINE		240	240	$38.00	$38.00	$0.00	0.00%	$9,120	$9,120	$0	2601
A4/4	PUBLIC - ADDL LINE		5	5	$11.00	$11.00	$0.00	0.00%	$55	$55	$0	2601
	A4.3.1 LINE CHANGE CHARGE						SUB-TOTAL		$5,914,100	$5,914,100	$0	
	A4.3.1 SECONDARY SERVICE CHARGE											
A4/4	RESIDENCE - PER CUST REQ		467,511	106,593	$10.00	$10.00	$0.00	0.00%	$4,675,110	$1,065,930	($3,609,180)	1006
A4/4	BUSINESS FLAT - CUST REQ		104,422	23,808	$19.00	$19.00	$0.00	0.00%	$1,984,018	$452,352	($1,531,666)	1006
A4/4	BUSINESS - PER CUST REQ		44,209	10,080	$19.00	$19.00	$0.00	0.00%	$839,971	$191,520	($648,451)	2260
A4/4	PUBLIC - PER CUST REQ		1,614	368	$19.00	$19.00	$0.00	0.00%	$30,666	$6,992	($23,674)	2601
A4/4	WATSAVER PERM WAIVER		15,847	0	$19.00	$19.00	$0.00	0.00%	$301,093	$0	($301,093)	2260
	A4.3.1 SECONDARY SERVICE CHARGE						SUB-TOTAL		$7,830,858	$1,716,794	($6,114,064)	

NON-RECURRING RATES

Tariff Section/ Page #	Service Description	USOC	Present Annual Demand	Proposed Annual Demand	Present Rate	Proposed Rate	$ Change	% Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change	MB Seg.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	A4.3.1 PREMISES WORK CHARGE											
A4/4	RESIDENCE - 1ST 15 MIN		4,335	4,335	$25.00	$25.00	$0.00	0.00%	$108,375	$108,375	$0	1006
A4/4	RESIDENCE - ADDL 15 MIN		16,637	16,637	$9.00	$9.00	$0.00	0.00%	$149,733	$149,733	$0	1006
A4/4	BUSINESS FLAT-1ST 15 MIN		119	119	$28.00	$28.00	$0.00	0.00%	$3,332	$3,332	$0	1006
A4/4	BUSINESS FLAT-ADL 15 MIN		6,817	6,817	$9.00	$9.00	$0.00	0.00%	$61,353	$61,353	$0	1006
A4/4	BUSINESS - 1ST 15 MIN		72	72	$28.00	$28.00	$0.00	0.00%	$2,016	$2,016	$0	2260
A4/4	BUSINESS - ADDL 15 MIN		1,019	1,019	$9.00	$9.00	$0.00	0.00%	$9,171	$9,171	$0	2260
A4/4	PUBLIC - 1ST 15 MIN		115	115	$28.00	$28.00	$0.00	0.00%	$3,220	$3,220	$0	2601
A4/4	PUBLIC - ADDL 15 MIN		376	376	$9.00	$9.00	$0.00	0.00%	$3,384	$3,384	$0	2601
	A4.3.1 PREMISES WORK CHARGE						SUB-TOTAL		$340,584	$340,584	$0	
	A4.6.2 SPECIAL NUMBER ASSIGNMENT CHARGE											
A4/6	SEARCH ONLY - RESIDENCE	RNCSO	8,231	8,231	$5.00	$5.00	$0.00	0.00%	$41,155	$41,155	$0	2903
A4/6	SEARCH ONLY - BUSINESS	RNCSO	1,110	1,110	$10.00	$5.00	($5.00)	-50.00%	$11,100	$5,550	($5,550)	2903
A4/6	SEARCH/ASSIGN-RESIDENCE	RNCSN	6,753	6,753	$25.00	$25.00	$0.00	0.00%	$168,825	$168,825	$0	2903
A4/6	SEARCH/ASSIGN-BUSINESS	RNCSN	1,299	1,299	$75.00	$25.00	($50.00)	-66.67%	$97,425	$32,475	($64,950)	2903
	A4.6.2 SPECIAL NUMBER ASSIGNMENT CHARGE						SUB-TOTAL		$318,505	$248,005	($70,500)	
		TOTAL NON-RECURRING							$79,772,011	$70,364,855	($9,407,156)	

TOTAL REVENUE

	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change
	(1)	(2)	(3)
SUB-TOTALS			
Recurring	$0	$0	$0
Non-recurring	$79,772,011	$70,364,855	($9,407,156)
SECTION TOTALS	$79,772,011	$70,364,855	($9,407,156)

TOTAL REVENUE SUMMED BY MARKET BASKET

MB Seg.	Service Description	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change
(1)	(2)	(3)	(4)	(5)
1006	CHARGES FOR CONNECTNG OR CHANGING SERVICE - RES & BUS FLAT	$75,581,301	$67,708,407	($7,872,894)
2260	CHARGES FOR CONNECTING OR CHANGING SERVICE - BUS OPT SVC	$3,374,976	$2,055,256	($1,319,720)
2601	CHARGES FOR CONNECTING OR CHANGING SERVICE - PUB & SEMI-PUB SVC	$497,229	$353,187	($144,042)
2903	SPECIAL NUMBER ASSIGNMENT CHARGE - MISC	$318,505	$248,005	($70,500)

STATE : FLORIDA
FLAT TRUNK AND RG-12 BUSINESS
LINE RATE REDUCTIONS

Present and Proposed Rates and Revenues
A3. LOCAL EXCHANGE

Develop Date : 03/96
Run Date : 05/21/96

Tariff Section/ Page #	Service Description	Present Inservice	Proposed Inservice	RECURRING RATES Present Rate	Proposed Rate	$ Change	% Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change	Svc ID
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	RATE GROUP-01 - M TO M										
A3/24	TRK FLAT-IN	0	0	$33.66	$33.00	($0.66)	-1.96%	$0	$0	$0	2133
A3/24	TRK FLAT-OUT	0	0	$33.66	$33.00	($0.66)	-1.96%	$0	$0	$0	2133
A3/24	TRK FLAT-2W	2	1	$33.66	$33.00	($0.66)	-1.96%	$808	$396	($412)	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$33.66	$33.00	($0.66)	-1.96%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$33.66	$33.00	($0.66)	-1.96%	$0	$0	$0	2103
	RATE GROUP-01 - M TO M					SUB-TOTAL		$808	$396	($412)	
	RATE GROUP-01 - 24-48 MO.										
A3/24	TRK FLAT-IN	0	0	$33.66	$34.00	$0.34	1.01%	$0	$0	$0	2133
A3/24	TRK FLAT-OUT	0	0	$33.66	$34.00	$0.34	1.01%	$0	$0	$0	2133
A3/24	TRK FLAT-2W	0	0	$33.66	$34.00	$0.34	1.01%	$0	$0	$0	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$33.66	$34.00	$0.34	1.01%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$33.66	$34.00	$0.34	1.01%	$0	$0	$0	2103
	RATE GROUP-01 - 24-48 MO.					SUB-TOTAL		$0	$0	$0	
	RATE GROUP-01 - >48 MO.										
A3/24	TRK FLAT-IN	0	0	$33.66	$29.00	($4.66)	-13.84%	$0	$0	$0	2133
A3/24	TRK FLAT-OUT	0	0	$33.66	$29.00	($4.66)	-13.84%	$0	$0	$0	2133
A3/24	TRK FLAT-2W	0	1	$33.66	$29.00	($4.66)	-13.84%	$0	$348	$348	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$33.66	$29.00	($4.66)	-13.84%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$33.66	$29.00	($4.66)	-13.84%	$0	$0	$0	2103
	RATE GROUP-01 - >48 MO.					SUB-TOTAL		$0	$348	$348	
	RATE GROUP-01 TOTAL							$808.00	$744.00	($64.00)	

STATE : FLORIDA
FLAT TRUNK AND RG-12 BUSINESS
LINE RATE REDUCTIONS

Present and Proposed Rates and Revenues
A3. LOCAL EXCHANGE

Develop Date : 03/96
Run Date : 05/21/96

				RECURRING RATES							
Tariff Section/ Page #	Service Description	Present Inservice	Proposed Inservice	Present Rate	Proposed Rate	$ Change	% Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change	Svc ID
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	RATE GROUP-02 - M TO M										
A3/24	TRK FLAT-IN	0	0	$35.36	$33.00	($2.36)	-6.67%	$0	$0	$0	2133
A3/24	TRK FLAT-OUT	0	0	$35.36	$33.00	($2.36)	-6.67%	$0	$0	$0	2133
A3/24	TRK FLAT-2W	5	2	$35.36	$33.00	($2.36)	-6.67%	$2,122	$792	($1,330)	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$35.36	$33.00	($2.36)	-6.67%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$35.36	$33.00	($2.36)	-6.67%	$0	$0	$0	2103
	RATE GROUP-02 - M TO M					SUB-TOTAL		$2,122	$792	($1,330)	
	RATE GROUP-02 - 24-48 MO.										
A3/24	TRK FLAT-IN	0	0	$35.36	$34.00	($1.36)	-3.85%	$0	$0	$0	2133
A3/24	TRK FLAT-OUT	0	0	$35.36	$34.00	($1.36)	-3.85%	$0	$0	$0	2133
A3/24	TRK FLAT-2W	0	0	$35.36	$34.00	($1.36)	-3.85%	$0	$0	$0	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$35.36	$34.00	($1.36)	-3.85%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$35.36	$34.00	($1.36)	-3.85%	$0	$0	$0	2103
	RATE GROUP-02 - 24-48 MO.					SUB-TOTAL		$0	$0	$0	
	RATE GROUP-02 - >48 MO.										
A3/24	TRK FLAT-IN	0	0	$35.36	$29.00	($6.36)	-17.99%	$0	$0	$0	2133
A3/24	TRK FLAT-OUT	0	0	$35.36	$29.00	($6.36)	-17.99%	$0	$0	$0	2133
A3/24	TRK FLAT-2W	0	3	$35.36	$29.00	($6.36)	-17.99%	$0	$1,044	$1,044	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$35.36	$29.00	($6.36)	-17.99%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$35.36	$29.00	($6.36)	-17.99%	$0	$0	$0	2103
	RATE GROUP-02 - >48 MO.					SUB-TOTAL		$0	$1,044	$1,044	
	RATE GROUP-02 TOTAL							$2,122.00	$1,836.00	($286.00)	

STATE : FLORIDA
FLAT TRUNK AND RG-12 BUSINESS
LINE RATE REDUCTIONS

Present and Proposed Rates and Revenues
A3. LOCAL EXCHANGE

Develop Date : 03/96
Run Date : 05/21/96

Tariff Section/ Page #	Service Description	Present Inservice	Proposed Inservice	RECURRING RATES Present Rate	Proposed Rate	$ Change	% Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change	Svc ID
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	RATE GROUP-03 - M TO M										
A3/24	TRK FLAT-IN	179	72	$37.23	$33.00	($4.23)	-11.36%	$79,970	$28,512	($51,458)	2133
A3/24	TRK FLAT-OUT	49	20	$37.23	$33.00	($4.23)	-11.36%	$21,891	$7,920	($13,971)	2133
A3/24	TRK FLAT-2W	529	212	$37.23	$33.00	($4.23)	-11.36%	$236,336	$83,952	($152,384)	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$37.23	$33.00	($4.23)	-11.36%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$37.23	$33.00	($4.23)	-11.36%	$0	$0	$0	2103
	RATE GROUP-03 - M TO M					SUB-TOTAL		$338,197	$120,384	($217,813)	
	RATE GROUP-03 - 24-48 MO.										
A3/24	TRK FLAT-IN	0	0	$37.23	$34.00	($3.23)	-8.68%	$0	$0	$0	2133
A3/24	TRK FLAT-OUT	0	0	$37.23	$34.00	($3.23)	-8.68%	$0	$0	$0	2133
A3/24	TRK FLAT-2W	0	0	$37.23	$34.00	($3.23)	-8.68%	$0	$0	$0	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$37.23	$34.00	($3.23)	-8.68%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$37.23	$34.00	($3.23)	-8.68%	$0	$0	$0	2103
	RATE GROUP-03 - 24-48 MO.					SUB-TOTAL		$0	$0	$0	
	RATE GROUP-03 - >48 MO.										
A3/24	TRK FLAT-IN	0	107	$37.23	$29.00	($8.23)	-22.11%	$0	$37,236	$37,236	2133
A3/24	TRK FLAT-OUT	0	29	$37.23	$29.00	($8.23)	-22.11%	$0	$10,092	$10,092	2133
A3/24	TRK FLAT-2W	0	317	$37.23	$29.00	($8.23)	-22.11%	$0	$110,316	$110,316	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$37.23	$29.00	($8.23)	-22.11%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$37.23	$29.00	($8.23)	-22.11%	$0	$0	$0	2103
	RATE GROUP-03 - >48 MO.					SUB-TOTAL		$0	$157,644	$157,644	
	RATE GROUP-03 TOTAL							$338,197.00	$278,028.00	($60,169.00)	

STATE : FLORIDA
FLAT TRUNK AND RG-12 BUSINESS
LINE RATE REDUCTIONS

Present and Proposed Rates and Revenues
A3. LOCAL EXCHANGE

Develop Date : 03/96
Run Date : 05/21/96

				RECURRING RATES							
Tariff Section/ Page #	Service Description	Present Inservice	Proposed Inservice	Present Rate	Proposed Rate	$ Change	% Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change	Svc ID
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	RATE GROUP-04 - M TO M										
A3/24	TRK FLAT-IN	295	118	$38.93	$33.00	($5.93)	-15.23%	$137,812	$46,728	($91,084)	2133
A3/24	TRK FLAT-OUT	126	50	$38.93	$33.00	($5.93)	-15.23%	$58,862	$19,800	($39,062)	2133
A3/24	TRK FLAT-2W	924	370	$38.93	$33.00	($5.93)	-15.23%	$431,656	$146,520	($285,136)	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$38.93	$33.00	($5.93)	-15.23%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$38.93	$33.00	($5.93)	-15.23%	$0	$0	$0	2103
	RATE GROUP-04 - M TO M					SUB-TOTAL		$628,330	$213,048	($415,282)	
	RATE GROUP-04 - 24-48 MO.										
A3/24	TRK FLAT-IN	0	0	$38.93	$34.00	($4.93)	-12.66%	$0	$0	$0	2133
A3/24	TRK FLAT-OUT	0	0	$38.93	$34.00	($4.93)	-12.66%	$0	$0	$0	2133
A3/24	TRK FLAT-2W	0	0	$38.93	$34.00	($4.93)	-12.66%	$0	$0	$0	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$38.93	$34.00	($4.93)	-12.66%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$38.93	$34.00	($4.93)	-12.66%	$0	$0	$0	2103
	RATE GROUP-04 - 24-48 MO.					SUB-TOTAL		$0	$0	$0	
	RATE GROUP-04 - >48 MO.										
A3/24	TRK FLAT-IN	0	177	$38.93	$29.00	($9.93)	-25.51%	$0	$61,596	$61,596	2133
A3/24	TRK FLAT-OUT	0	76	$38.93	$29.00	($9.93)	-25.51%	$0	$26,448	$26,448	2133
A3/24	TRK FLAT-2W	0	554	$38.93	$29.00	($9.93)	-25.51%	$0	$192,792	$192,792	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$38.93	$29.00	($9.93)	-25.51%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$38.93	$29.00	($9.93)	-25.51%	$0	$0	$0	2103
	RATE GROUP-04 - >48 MO.					SUB-TOTAL		$0	$280,836	$280,836	
	RATE GROUP-04 TOTAL							$628,330.00	$493,884.00	($134,446.00)	

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	RATE GROUP-05 - M TO M										
A3/24	TRK FLAT-IN	656	164	$40.55	$39.00	($1.55)	-3.82%	$319,210	$76,752	($242,458)	2133
A3/24	TRK FLAT-OUT	173	43	$40.55	$39.00	($1.55)	-3.82%	$84,182	$20,124	($64,058)	2133
A3/24	TRK FLAT-2W	2,164	541	$40.55	$39.00	($1.55)	-3.82%	$1,053,002	$253,188	($799,814)	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$40.55	$39.00	($1.55)	-3.82%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$40.55	$39.00	($1.55)	-3.82%	$0	$0	$0	2103
	RATE GROUP-05 - M TO M					SUB-TOTAL		$1,456,394	$350,064	($1,106,330)	
	RATE GROUP-05 - 24-48 MO.										
A3/24	TRK FLAT-IN	0	98	$40.55	$34.00	($6.55)	-16.15%	$0	$39,984	$39,984	2133
A3/24	TRK FLAT-OUT	0	26	$40.55	$34.00	($6.55)	-16.15%	$0	$10,608	$10,608	2133
A3/24	TRK FLAT-2W	0	325	$40.55	$34.00	($6.55)	-16.15%	$0	$132,600	$132,600	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$40.55	$34.00	($6.55)	-16.15%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$40.55	$34.00	($6.55)	-16.15%	$0	$0	$0	2103
	RATE GROUP-05 - 24-48 MO.					SUB-TOTAL		$0	$183,192	$183,192	
	RATE GROUP-05 - >48 MO.										
A3/24	TRK FLAT-IN	0	394	$40.55	$29.00	($11.55)	-28.48%	$0	$137,112	$137,112	2133
A3/24	TRK FLAT-OUT	0	104	$40.55	$29.00	($11.55)	-28.48%	$0	$36,192	$36,192	2133
A3/24	TRK FLAT-2W	0	1,298	$40.55	$29.00	($11.55)	-28.48%	$0	$451,704	$451,704	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$40.55	$29.00	($11.55)	-28.48%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$40.55	$29.00	($11.55)	-28.48%	$0	$0	$0	2103
	RATE GROUP-05 - >48 MO.					SUB-TOTAL		$0	$625,008	$625,008	
	RATE GROUP-05 TOTAL							$1,456,394.00	$1,158,264.00	($298,130.00)	

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	RATE GROUP-06 - M TO M										
A3/24	TRK FLAT-IN	1,132	283	$42.33	$39.00	($3.33)	-7.87%	$575,011	$132,444	($442,567)	2133
A3/24	TRK FLAT-OUT	315	79	$42.33	$39.00	($3.33)	-7.87%	$160,007	$36,972	($123,035)	2133
A3/24	TRK FLAT-2W	2,870	717	$42.33	$39.00	($3.33)	-7.87%	$1,457,845	$335,556	($1,122,289)	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$42.33	$39.00	($3.33)	-7.87%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$42.33	$39.00	($3.33)	-7.87%	$0	$0	$0	2103
	RATE GROUP-06 - M TO M					SUB-TOTAL		$2,192,863	$504,972	($1,687,891)	
	RATE GROUP-06 - 24-48 MO.										
A3/24	TRK FLAT-IN	0	170	$42.33	$34.00	($8.33)	-19.68%	$0	$69,360	$69,360	2133
A3/24	TRK FLAT-OUT	0	47	$42.33	$34.00	($8.33)	-19.68%	$0	$19,176	$19,176	2133
A3/24	TRK FLAT-2W	0	431	$42.33	$34.00	($8.33)	-19.68%	$0	$175,848	$175,848	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$42.33	$34.00	($8.33)	-19.68%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$42.33	$34.00	($8.33)	-19.68%	$0	$0	$0	2103
	RATE GROUP-06 - 24-48 MO.					SUB-TOTAL		$0	$264,384	$264,384	
	RATE GROUP-06 - >48 MO.										
A3/24	TRK FLAT-IN	0	679	$42.33	$29.00	($13.33)	-31.49%	$0	$236,292	$236,292	2133
A3/24	TRK FLAT-OUT	0	189	$42.33	$29.00	($13.33)	-31.49%	$0	$65,772	$65,772	2133
A3/24	TRK FLAT-2W	0	1,722	$42.33	$29.00	($13.33)	-31.49%	$0	$599,256	$599,256	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$42.33	$29.00	($13.33)	-31.49%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$42.33	$29.00	($13.33)	-31.49%	$0	$0	$0	2103
	RATE GROUP-06 - >48 MO.					SUB-TOTAL		$0	$901,320	$901,320	
	RATE GROUP-06 TOTAL							$2,192,863.00	$1,670,676.00	($522,187.00)	

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	RATE GROUP-07 - M TO M										
A3/24	TRK FLAT-IN	1,260	315	$43.78	$39.00	($4.78)	-10.92%	$661,954	$147,420	($514,534)	2133
A3/24	TRK FLAT-OUT	823	206	$43.78	$39.00	($4.78)	-10.92%	$432,371	$96,408	($335,963)	2133
A3/24	TRK FLAT-2W	2,722	681	$43.78	$39.00	($4.78)	-10.92%	$1,430,030	$318,708	($1,111,322)	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$43.78	$39.00	($4.78)	-10.92%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$43.78	$39.00	($4.78)	-10.92%	$0	$0	$0	2103
	RATE GROUP-07 - M TO M					SUB-TOTAL		$2,524,355	$562,536	($1,961,819)	
	RATE GROUP-07 - 24-48 MO.										
A3/24	TRK FLAT-IN	0	189	$43.78	$34.00	($9.78)	-22.34%	$0	$77,112	$77,112	2133
A3/24	TRK FLAT-OUT	0	123	$43.78	$34.00	($9.78)	-22.34%	$0	$50,184	$50,184	2133
A3/24	TRK FLAT-2W	0	408	$43.78	$34.00	($9.78)	-22.34%	$0	$166,464	$166,464	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$43.78	$34.00	($9.78)	-22.34%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$43.78	$34.00	($9.78)	-22.34%	$0	$0	$0	2103
	RATE GROUP-07 - 24-48 MO.					SUB-TOTAL		$0	$293,760	$293,760	
	RATE GROUP-07 - >48 MO.										
A3/24	TRK FLAT-IN	0	756	$43.78	$29.00	($14.78)	-33.76%	$0	$263,088	$263,088	2133
A3/24	TRK FLAT-OUT	0	494	$43.78	$29.00	($14.78)	-33.76%	$0	$171,912	$171,912	2133
A3/24	TRK FLAT-2W	0	1,633	$43.78	$29.00	($14.78)	-33.76%	$0	$568,284	$568,284	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$43.78	$29.00	($14.78)	-33.76%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$43.78	$29.00	($14.78)	-33.76%	$0	$0	$0	2103
	RATE GROUP-07 - >48 MO.					SUB-TOTAL		$0	$1,003,284	$1,003,284	
	RATE GROUP-07 TOTAL							$2,524,355.00	$1,859,580.00	($664,775.00)	

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	RATE GROUP-08 - M TO M										
A3/24	TRK FLAT-IN	328	82	$45.22	$44.00	($1.22)	-2.70%	$177,986	$43,296	($134,690)	2133
A3/24	TRK FLAT-OUT	45	11	$45.22	$44.00	($1.22)	-2.70%	$24,419	$5,808	($18,611)	2133
A3/24	TRK FLAT-2W	1,054	264	$45.22	$44.00	($1.22)	-2.70%	$571,943	$139,392	($432,551)	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$45.22	$44.00	($1.22)	-2.70%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$45.22	$44.00	($1.22)	-2.70%	$0	$0	$0	2103
	RATE GROUP-08 - M TO M					SUB-TOTAL		$774,348	$188,496	($585,852)	
	RATE GROUP-08 - 24-48 MO.										
A3/24	TRK FLAT-IN	0	49	$45.22	$34.00	($11.22)	-24.81%	$0	$19,992	$19,992	2133
A3/24	TRK FLAT-OUT	0	7	$45.22	$34.00	($11.22)	-24.81%	$0	$2,856	$2,856	2133
A3/24	TRK FLAT-2W	0	158	$45.22	$34.00	($11.22)	-24.81%	$0	$64,464	$64,464	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$45.22	$34.00	($11.22)	-24.81%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$45.22	$34.00	($11.22)	-24.81%	$0	$0	$0	2103
	RATE GROUP-08 - 24-48 MO.					SUB-TOTAL		$0	$87,312	$87,312	
	RATE GROUP-08 - >48 MO.										
A3/24	TRK FLAT-IN	0	197	$45.22	$29.00	($16.22)	-35.87%	$0	$68,556	$68,556	2133
A3/24	TRK FLAT-OUT	0	27	$45.22	$29.00	($16.22)	-35.87%	$0	$9,396	$9,396	2133
A3/24	TRK FLAT-2W	0	632	$45.22	$29.00	($16.22)	-35.87%	$0	$219,936	$219,936	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$45.22	$29.00	($16.22)	-35.87%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$45.22	$29.00	($16.22)	-35.87%	$0	$0	$0	2103
	RATE GROUP-08 - >48 MO.					SUB-TOTAL		$0	$297,888	$297,888	
	RATE GROUP-08 TOTAL							$774,348.00	$573,696.00	($200,652.00)	

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Tariff Section/ Page #	Service Description	Present Inservice	Proposed Inservice	RECURRING RATES Present Rate	Proposed Rate	$ Change	% Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change	Svc ID
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	RATE GROUP-09 - M TO M										
A3/24	TRK FLAT-IN	272	68	$46.58	$44.00	($2.58)	-5.54%	$152,037	$35,904	($116,133)	2133
A3/24	TRK FLAT-OUT	113	28	$46.58	$44.00	($2.58)	-5.54%	$63,162	$14,784	($48,378)	2133
A3/24	TRK FLAT-2W	539	135	$46.58	$44.00	($2.58)	-5.54%	$301,279	$71,280	($229,999)	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$46.58	$44.00	($2.58)	-5.54%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$46.58	$44.00	($2.58)	-5.54%	$0	$0	$0	2103
	RATE GROUP-09 - M TO M					SUB-TOTAL		$516,478	$121,968	($394,510)	
	RATE GROUP-09 - 24-48 MO.										
A3/24	TRK FLAT-IN	0	41	$46.58	$34.00	($12.58)	-27.01%	$0	$16,728	$16,728	2133
A3/24	TRK FLAT-OUT	0	17	$46.58	$34.00	($12.58)	-27.01%	$0	$6,936	$6,936	2133
A3/24	TRK FLAT-2W	0	81	$46.58	$34.00	($12.58)	-27.01%	$0	$33,048	$33,048	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$46.58	$34.00	($12.58)	-27.01%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$46.58	$34.00	($12.58)	-27.01%	$0	$0	$0	2103
	RATE GROUP-09 - 24-48 MO.					SUB-TOTAL		$0	$56,712	$56,712	
	RATE GROUP-09 - >48 MO.										
A3/24	TRK FLAT-IN	0	163	$46.58	$29.00	($17.58)	-37.74%	$0	$56,724	$56,724	2133
A3/24	TRK FLAT-OUT	0	68	$46.58	$29.00	($17.58)	-37.74%	$0	$23,664	$23,664	2133
A3/24	TRK FLAT-2W	0	323	$46.58	$29.00	($17.58)	-37.74%	$0	$112,404	$112,404	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$46.58	$29.00	($17.58)	-37.74%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$46.58	$29.00	($17.58)	-37.74%	$0	$0	$0	2103
	RATE GROUP-09 - >48 MO.					SUB-TOTAL		$0	$192,792	$192,792	
	RATE GROUP-09 TOTAL							$516,478.00	$371,472.00	($145,006.00)	

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Tariff Section/ Page #	Service Description	Present Inservice	Proposed Inservice	Present Rate	Proposed Rate	$ Change	% Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change	Svc ID
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	RATE GROUP-10 - M TO M										
A3/24	TRK FLAT-IN	4,930	1,232	$47.60	$44.00	($3.60)	-7.56%	$2,816,016	$650,496	($2,165,520)	2133
A3/24	TRK FLAT-OUT	1,464	366	$47.60	$44.00	($3.60)	-7.56%	$836,237	$193,248	($642,989)	2133
A3/24	TRK FLAT-2W	10,970	2,742	$47.60	$44.00	($3.60)	-7.56%	$6,266,064	$1,447,776	($4,818,288)	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$47.60	$44.00	($3.60)	-7.56%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$47.60	$44.00	($3.60)	-7.56%	$0	$0	$0	2103
	RATE GROUP-10 - M TO M					SUB-TOTAL		$9,918,317	$2,291,520	($7,626,797)	
	RATE GROUP-10 - 24-48 MO.										
A3/24	TRK FLAT-IN	0	740	$47.60	$34.00	($13.60)	-28.57%	$0	$301,920	$301,920	2133
A3/24	TRK FLAT-OUT	0	220	$47.60	$34.00	($13.60)	-28.57%	$0	$89,760	$89,760	2133
A3/24	TRK FLAT-2W	0	1,646	$47.60	$34.00	($13.60)	-28.57%	$0	$671,568	$671,568	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$47.60	$34.00	($13.60)	-28.57%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$47.60	$34.00	($13.60)	-28.57%	$0	$0	$0	2103
	RATE GROUP-10 - 24-48 MO.					SUB-TOTAL		$0	$1,063,248	$1,063,248	
	RATE GROUP-10 - >48 MO.										
A3/24	TRK FLAT-IN	0	2,958	$47.60	$29.00	($18.60)	-39.08%	$0	$1,029,384	$1,029,384	2133
A3/24	TRK FLAT-OUT	0	878	$47.60	$29.00	($18.60)	-39.08%	$0	$305,544	$305,544	2133
A3/24	TRK FLAT-2W	0	6,582	$47.60	$29.00	($18.60)	-39.08%	$0	$2,290,536	$2,290,536	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$47.60	$29.00	($18.60)	-39.08%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$47.60	$29.00	($18.60)	-39.08%	$0	$0	$0	2103
	RATE GROUP-10 - >48 MO.					SUB-TOTAL		$0	$3,625,464	$3,625,464	
	RATE GROUP-10 TOTAL							$9,918,317.00	$6,980,232.00	($2,938,085.00)	

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Tariff Section/ Page #	Service Description	Present Inservice	Proposed Inservice	RECURRING RATES Present Rate	Proposed Rate	$ Change	% Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change	Svc ID
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	RATE GROUP-11 - M TO M										
A3/24	TRK FLAT-IN	1,913	478	$48.62	$44.00	($4.62)	-9.50%	$1,116,121	$252,384	($863,737)	2133
A3/24	TRK FLAT-OUT	793	198	$48.62	$44.00	($4.62)	-9.50%	$462,668	$104,544	($358,124)	2133
A3/24	TRK FLAT-2W	5,722	1,431	$48.62	$44.00	($4.62)	-9.50%	$3,338,444	$755,568	($2,582,876)	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$48.62	$44.00	($4.62)	-9.50%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$48.62	$44.00	($4.62)	-9.50%	$0	$0	$0	2103
	RATE GROUP-11 - M TO M					SUB-TOTAL		$4,917,233	$1,112,496	($3,804,737)	
	RATE GROUP-11 - 24-48 MO.										
A3/24	TRK FLAT-IN	0	287	$48.62	$34.00	($14.62)	-30.07%	$0	$117,096	$117,096	2133
A3/24	TRK FLAT-OUT	0	119	$48.62	$34.00	($14.62)	-30.07%	$0	$48,552	$48,552	2133
A3/24	TRK FLAT-2W	0	858	$48.62	$34.00	($14.62)	-30.07%	$0	$350,064	$350,064	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$48.62	$34.00	($14.62)	-30.07%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$48.62	$34.00	($14.62)	-30.07%	$0	$0	$0	2103
	RATE GROUP-11 - 24-48 MO.					SUB-TOTAL		$0	$515,712	$515,712	
	RATE GROUP-11 - >48 MO.										
A3/24	TRK FLAT-IN	0	1,148	$48.62	$29.00	($19.62)	-40.35%	$0	$399,504	$399,504	2133
A3/24	TRK FLAT-OUT	0	476	$48.62	$29.00	($19.62)	-40.35%	$0	$165,648	$165,648	2133
A3/24	TRK FLAT-2W	0	3,433	$48.62	$29.00	($19.62)	-40.35%	$0	$1,194,684	$1,194,684	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$48.62	$29.00	($19.62)	-40.35%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$48.62	$29.00	($19.62)	-40.35%	$0	$0	$0	2103
	RATE GROUP-11 - >48 MO.					SUB-TOTAL		$0	$1,759,836	$1,759,836	
	RATE GROUP-11 TOTAL							$4,917,233.00	$3,388,044.00	($1,529,189.00)	

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	RATE GROUP-12 - M TO M										
A3/24	TRK FLAT-IN	9,258	2,314	$49.47	$44.00	($5.47)	-11.06%	$5,495,919	$1,221,792	($4,274,127)	2133
A3/24	TRK FLAT-OUT	2,031	507	$49.47	$44.00	($5.47)	-11.06%	$1,205,683	$267,696	($937,987)	2133
A3/24	TRK FLAT-2W	25,003	6,251	$49.47	$44.00	($5.47)	-11.06%	$14,842,781	$3,300,528	($11,542,253)	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	4	2	$49.47	$44.00	($5.47)	-11.06%	$2,375	$1,056	($1,319)	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$49.47	$44.00	($5.47)	-11.06%	$0	$0	$0	2103
A112/13	CTX CO EXCH ACC	9	9	$49.47	$44.00	($5.47)	-11.06%	$5,343	$4,752	($591)	2118
A3/11	BUS 1-PARTY FLAT	450,592	450,592	$29.10	$29.00	($0.10)	-0.34%	$157,346,726	$156,806,016	($540,710)	2133
A3/11	BUS 1-PARTY FLAT-BASIC	49,871	49,871	$29.10	$29.00	($0.10)	-0.34%	$17,414,953	$17,355,108	($59,845)	1002
A3/91	BUS BACK-UP LINE	3,080	3,080	$14.55	$14.50	($0.05)	-0.34%	$537,768	$535,920	($1,848)	2105
A7/9.1	COCOT-FLAT	15,275	15,275	$29.10	$29.00	($0.10)	-0.34%	$5,334,030	$5,315,700	($18,330)	3002
A7/9	COCOT-MEAS	19	19	$23.28	$23.20	($0.08)	-0.34%	$5,308	$5,290	($18)	3002
A23/3.1	LINE S/R FLAT	0	0	$29.10	$29.00	($0.10)	-0.34%	$0	$0	$0	3006
13/25.1&112/	TOLL TERM	1,345	1,345	$29.10	$29.00	($0.10)	-0.34%	$469,674	$468,060	($1,614)	2219
A113/20	DIAL-IT MEAS (976)	121	121	$29.10	$29.00	($0.10)	-0.34%	$42,253	$42,108	($145)	2116
A24/8.0.2	911 ACCESS	7	7	$29.10	$29.00	($0.10)	-0.34%	$2,444	$2,436	($8)	2908
	RATE GROUP-12 - M TO M					SUB-TOTAL		$202,705,257	$185,326,462	($16,756,277)	
	RATE GROUP-12 - 24-48 MO.										
A3/24	TRK FLAT-IN	0	1,389	$49.47	$34.00	($15.47)	-31.27%	$0	$566,712	$566,712	2133
A3/24	TRK FLAT-OUT	0	305	$49.47	$34.00	($15.47)	-31.27%	$0	$124,440	$124,440	2133
A3/24	TRK FLAT-2W	0	3,750	$49.47	$34.00	($15.47)	-31.27%	$0	$1,530,000	$1,530,000	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$49.47	$34.00	($15.47)	-31.27%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$49.47	$34.00	($15.47)	-31.27%	$0	$0	$0	2103
	RATE GROUP-12 - 24-48 MO.					SUB-TOTAL		$0	$2,221,152	$2,221,152	
	RATE GROUP-12 - >48 MO.										
A3/24	TRK FLAT-IN	0	5,555	$49.47	$29.00	($20.47)	-41.38%	$0	$1,933,140	$1,933,140	2133
A3/24	TRK FLAT-OUT	0	1,219	$49.47	$29.00	($20.47)	-41.38%	$0	$424,212	$424,212	2133
A3/24	TRK FLAT-2W	0	15,002	$49.47	$29.00	($20.47)	-41.38%	$0	$5,220,696	$5,220,696	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	2	$49.47	$29.00	($20.47)	-41.38%	$0	$696	$696	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$49.47	$29.00	($20.47)	-41.38%	$0	$0	$0	2103
	RATE GROUP-12 - >48 MO.					SUB-TOTAL		$0	$7,578,744	$7,578,744	
	RATE GROUP-12 TOTAL							$202,705,257.00	$195,126,358.00	($6,956,381.00)	

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	A3.8.1 BRONSON - M TO M										
A3/24	TRK FLAT-IN	3	1	$50.69	$48.75	($1.94)	-3.83%	$1,825	$585	($1,240)	2133
A3/24	TRK FLAT-OUT	2	1	$50.69	$48.75	($1.94)	-3.83%	$1,217	$585	($632)	2133
A3/24	TRK FLAT-2W	5	1	$50.69	$48.75	($1.94)	-3.83%	$3,041	$585	($2,456)	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$50.69	$48.75	($1.94)	-3.83%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$50.69	$48.75	($1.94)	-3.83%	$0	$0	$0	2103
	A3.8.1 BRONSON - M TO M					SUB-TOTAL		$6,083	$1,755	($4,328)	
	A3.8.1 BRONSON - 24-48 MO.										
A3/24	TRK FLAT-IN	0	0	$50.69	$42.50	($8.19)	-16.16%	$0	$0	$0	2133
A3/24	TRK FLAT-OUT	0	0	$50.69	$42.50	($8.19)	-16.16%	$0	$0	$0	2133
A3/24	TRK FLAT-2W	0	1	$50.69	$42.50	($8.19)	-16.16%	$0	$510	$510	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$50.69	$42.50	($8.19)	-16.16%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$50.69	$42.50	($8.19)	-16.16%	$0	$0	$0	2103
	A3.8.1 BRONSON - 24-48 MO.					SUB-TOTAL		$0	$510	$510	
	A3.8.1 BRONSON - >48 MO.										
A3/24	TRK FLAT-IN	0	2	$50.69	$36.25	($14.44)	-28.49%	$0	$870	$870	2133
A3/24	TRK FLAT-OUT	0	1	$50.69	$36.25	($14.44)	-28.49%	$0	$435	$435	2133
A3/24	TRK FLAT-2W	0	3	$50.69	$36.25	($14.44)	-28.49%	$0	$1,305	$1,305	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$50.69	$36.25	($14.44)	-28.49%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$50.69	$36.25	($14.44)	-28.49%	$0	$0	$0	2103
	A3.8.1 BRONSON - >48 MO.					SUB-TOTAL		$0	$2,610	$2,610	
	A3.8.1 BRONSON - TOTAL							$6,083.00	$4,875.00	($1,208.00)	

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	A3.8.5 BIG PINE KEY - M TO M										
A3/24	TRK FLAT-IN	0	0	$48.66	$48.75	$0.09	0.18%	$0	$0	$0	2133
A3/24	TRK FLAT-OUT	0	0	$48.66	$48.75	$0.09	0.18%	$0	$0	$0	2133
A3/24	TRK FLAT-2W	8	2	$48.66	$48.75	$0.09	0.18%	$4,671	$1,170	($3,501)	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$48.66	$48.75	$0.09	0.18%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$48.66	$48.75	$0.09	0.18%	$0	$0	$0	2103
	A3.8.5 BIG PINE KEY - M TO M					SUB-TOTAL		$4,671	$1,170	($3,501)	
	A3.8.5 BIG PINE KEY - 24-48 MO.										
A3/24	TRK FLAT-IN	0	0	$48.66	$42.50	($6.16)	-12.66%	$0	$0	$0	2133
A3/24	TRK FLAT-OUT	0	0	$48.66	$42.50	($6.16)	-12.66%	$0	$0	$0	2133
A3/24	TRK FLAT-2W	0	1	$48.66	$42.50	($6.16)	-12.66%	$0	$510	$510	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$48.66	$42.50	($6.16)	-12.66%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$48.66	$42.50	($6.16)	-12.66%	$0	$0	$0	2103
	A3.8.5 BIG PINE KEY - 24-48 MO.					SUB-TOTAL		$0	$510	$510	
	A3.8.5 BIG PINE KEY - >48 MO.										
A3/24	TRK FLAT-IN	0	0	$48.66	$36.25	($12.41)	-25.50%	$0	$0	$0	2133
A3/24	TRK FLAT-OUT	0	0	$48.66	$36.25	($12.41)	-25.50%	$0	$0	$0	2133
A3/24	TRK FLAT-2W	0	5	$48.66	$36.25	($12.41)	-25.50%	$0	$2,175	$2,175	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$48.66	$36.25	($12.41)	-25.50%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$48.66	$36.25	($12.41)	-25.50%	$0	$0	$0	2103
	A3.8.5 BIG PINE KEY - >48 MO.					SUB-TOTAL		$0	$2,175	$2,175	
	A3.8.5 BIG PINE KEY - TOTAL							$4,671.00	$3,855.00	($816.00)	

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	A3.8.15 JAY - M TO M										
A3/24	TRK FLAT-IN	0	0	$52.91	$48.75	($4.16)	-7.86%	$0	$0	$0	2133
A3/24	TRK FLAT-OUT	0	0	$52.91	$48.75	($4.16)	-7.86%	$0	$0	$0	2133
A3/24	TRK FLAT-2W	0	0	$52.91	$48.75	($4.16)	-7.86%	$0	$0	$0	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$52.91	$48.75	($4.16)	-7.86%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$52.91	$48.75	($4.16)	-7.86%	$0	$0	$0	2103
	A3.8.15 JAY - M TO M					SUB-TOTAL		$0	$0	$0	
	A3.8.15 JAY - 24-48 MO.										
A3/24	TRK FLAT-IN	0	0	$52.91	$42.50	($10.41)	-19.67%	$0	$0	$0	2133
A3/24	TRK FLAT-OUT	0	0	$52.91	$42.50	($10.41)	-19.67%	$0	$0	$0	2133
A3/24	TRK FLAT-2W	0	0	$52.91	$42.50	($10.41)	-19.67%	$0	$0	$0	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$52.91	$42.50	($10.41)	-19.67%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$52.91	$42.50	($10.41)	-19.67%	$0	$0	$0	2103
	A3.8.15 JAY - 24-48 MO.					SUB-TOTAL		$0	$0	$0	
	A3.8.15 JAY - >48 MO.										
A3/24	TRK FLAT-IN	0	0	$52.91	$36.25	($16.66)	-31.49%	$0	$0	$0	2133
A3/24	TRK FLAT-OUT	0	0	$52.91	$36.25	($16.66)	-31.49%	$0	$0	$0	2133
A3/24	TRK FLAT-2W	0	0	$52.91	$36.25	($16.66)	-31.49%	$0	$0	$0	2133
A112/71	NAR ESSX-1/SPL FLAT-2W	0	0	$52.91	$36.25	($16.66)	-31.49%	$0	$0	$0	2102
A3/88.0.1	TRUNK SIDE ACCESS FACILITY	0	0	$52.91	$36.25	($16.66)	-31.49%	$0	$0	$0	2103
	A3.8.15 JAY - >48 MO.					SUB-TOTAL		$0	$0	$0	
	A3.8.15 JAY - TOTAL							$0.00	$0.00	$0.00	

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TOTALS BY CLASS OF SERVICE

Service Description	Present Inservice	Proposed Inservice	Average Present Rate	Average Proposed Rate	$ Change	% Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
CLASSES OF SERVICE									
TRK FLAT-IN	20,226	20,226	$47.52	$33.24	($14.28)	-30.05%	$11,533,861	$8,068,719	($3,465,142)
TRK FLAT-OUT	5,934	5,934	$47.06	$33.14	($13.92)	-29.58%	$3,350,699	$2,359,716	($990,983)
TRK FLAT-2W	52,517	52,517	$47.51	$33.24	($14.27)	-30.04%	$29,940,022	$20,945,967	($8,994,055)
NAR ESSX-1/SPL FLAT-2W	4	4	$49.48	$36.50	($12.98)	-26.23%	$2,375	$1,752	($623)
TRUNK SIDE ACCESS FACILITY	0	0	$0.00	$0.00	$0.00	0.00%	$0	$0	$0
CTX CO EXCH ACC	9	9	$49.47	$44.00	($5.47)	-11.06%	$5,343	$4,752	($591)
BUS 1-PARTY FLAT	450,592	450,592	$29.10	$29.00	($0.10)	-0.34%	$157,346,726	$156,806,016	($540,710)
BUS 1-PARTY FLAT-BASIC	49,871	49,871	$29.10	$29.00	($0.10)	-0.34%	$17,414,953	$17,355,108	($59,845)
BUS BACK-UP LINE	3,080	3,080	$14.55	$14.50	($0.05)	-0.34%	$537,768	$535,920	($1,848)
COCOT-FLAT	15,275	15,275	$29.10	$29.00	($0.10)	-0.34%	$5,334,030	$5,315,700	($18,330)
COCOT-MEAS	19	19	$23.28	$23.20	($0.08)	-0.34%	$5,308	$5,290	($18)
LINE S/R FLAT	0	0	$0.00	$0.00	$0.00	0.00%	$0	$0	$0
TOLL TERM	1,345	1,345	$29.10	$29.00	($0.10)	-0.34%	$469,674	$468,060	($1,614)
DIAL-IT MEAS (976)	121	121	$29.10	$29.00	($0.10)	-0.34%	$42,253	$42,108	($145)
911 ACCESS	7	7	$29.10	$29.00	($0.10)	-0.34%	$2,444	$2,436	($8)
CLASSES OF SERVICE TOTALS							$225,985,456	$211,911,544	($14,073,912)

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TOTAL REVENUE SUMMED BY MARKET BASKET SERVICE ID'S

MB Seg.	Service Description	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change
(1)	(2)	(3)	(4)	(5)
1002	FLAT RATE, SINGLE LINE BUSINESS SERVICE	$17,414,953	$17,355,108	($59,845)
2102	NETWORK ACCESS REGISTER USAGE PACKAGE - BUS EXCH ACCESS SVC	$2,375	$1,752	($623)
2103	TRUNK SIDE ACCESS FACILITY - BUS EXCH ACCESS SVC	$0	$0	$0
2105	BACKUP LINE - BUS EXCH ACCESS SVC	$537,768	$535,920	($1,848)
2116	NETWORK FACILITIES FOR USE WITH 976 SERVICE - BUS EXCH ACCESS SVC	$42,253	$42,108	($145)
2118	CENTREX-CO SERVICE - BUS EXCH ACCESS SVC	$5,343	$4,752	($591)
2133	FLAT RATE MULTI-LINE BUSINESS SERVICE - BUS EXCH ACCESS SVC	$202,171,308	$188,180,418	($13,990,890)
2219	TOLL TRUNKS (TOLL TERMINALS) - BUS OPT SVC	$469,674	$468,060	($1,614)
2908	ENHANCED 911 EMERGENCY SERVICE - MISC	$2,444	$2,436	($8)
3002	ACCESS LINE SVC FOR CUST. PROVIDED TELEPHONE	$5,339,338	$5,320,990	($18,348)

FLORIDA
$48M RATE REDUCTION
AREA PLUS SUMMARY

RECEIVED
SEP 25 1996

Item	Rate Group	Non Area Plus Rate	Area Plus Rate	Revenue Impact Per Line			Number of Item (e.g.,lines)	Number of Area Plus Subscriber	Monthly Revenue Impact				Annual Total
				Recurring Revenue	Toll Revenue	ELCA Revenue			Recurring	Toll	ELCA	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10) (5)*(9)	(11) (6)*(9)	(12) (7)*(9)	(13) (10)+(11)+(12)	(14) (13)*12
Flat Lines	1	19.80	24.80	5.00	-0.46	-1.19	148	2	10	-1	-2	7	84
	2	20.80	25.80	5.00	-9.33	5.57	726	20	100	-187	111	24	288
	3	21.90	26.90	5.00	-8.59	1.43	17639	329	1645	-2825	471	-709	-8508
	4	22.90	27.90	5.00	-24.85	3.55	33059	897	4485	-22287	3186	-14616	-175392
	5	23.85	27.90	4.05	-13.27	4.46	64466	1361	5512	-18061	6070	-6479	-77748
	6	24.90	28.90	4.00	-11.18	4.73	106994	2344	9376	-26208	11084	-5748	-68976
	7	25.75	28.90	3.15	-11.63	0.18	55468	1505	4741	-17504	278	-12485	-149820
	8	26.60	28.90	2.30	-6.16	0.01	13984	843	1939	-5190	8	-3243	-38916
	9	27.40	28.90	1.50	-6.79	1.67	107961	8161	12242	-55442	13624	-29576	-354912
	10	28.00	29.90	1.90	-2.07	-1.02	139491	7238	13752	-15007	-7378	-8633	-103596
	11	28.60	29.90	1.30	-1.63	0.2	98082	5841	7593	-9549	1193	-763	-9156
	12	29.00	29.90	0.90	-2.47	-0.46	538778	45547	40992	-112288	-21060	-92356	-1108272
	Totals						1176796	74088	102387	-284549	7585	-174577	-2094924
Message Lines	1	14.71	24.80	10.09	0	0	16	0	0	0	0	0	0
	2	15.46	25.80	10.34	-14.58	3.37	29	0	0	0	0	0	0
	3	16.29	26.90	10.61	-4.76	-0.83	603	0	0	0	0	0	0
	4	17.04	27.90	10.86	0	0	1374	0	0	0	0	0	0
	5	17.75	27.90	10.15	-39.79	17.79	2634	7	71	-279	125	-83	-996
	6	18.54	28.90	10.36	-17.07	8.33	3657	2	21	-34	17	4	48
	7	19.18	28.90	9.72	-14.21	3.44	2610	6	58	-85	21	-6	-72
	8	19.81	28.90	9.09	-7.98	-0.45	1152	1	9	-8	0	1	12
	9	20.41	28.90	8.49	-98.44	43.44	926	20	170	-1969	869	-930	-11160
	10	20.86	29.90	9.04	-15.13	6.76	8464	4	36	-61	27	2	24
	11	21.31	29.90	8.59	-6.64	3.73	4526	0	0	0	0	0	0
	12	21.69	29.90	8.21	-46.28	7.07	3112	7	57	-324	50	-217	-2604
	Totals						29103	47	422	-2760	1109	-1229	-14748
Flat PBX	1	33.00	38.00	5.00	0.00	0.00	1	0	0	0	0	0	0
	2	33.00	38.00	5.00	0.00	0.00	2	0	0	0	0	0	0
	3	33.00	38.00	5.00	-1.00	-0.86	304	4	20	-4	-3	13	156
	4	33.00	38.00	5.00	-2.89	-3.20	538	7	35	-20	-22	-7	-84
	5	39.00	43.00	4.00	-6.74	2.18	748	15	60	-101	33	-8	-96
	6	39.00	43.00	4.00	-9.22	3.40	1079	28	112	-258	95	-51	-612
	7	39.00	43.00	4.00	-4.33	-0.55	1202	33	132	-143	-18	-29	-348
	8	44.00	46.00	2.00	-1.53	-3.11	357	36	72	-55	-112	-95	-1140
	9	44.00	46.00	2.00	-0.87	-4.64	231	12	24	-10	-56	-42	-504
	10	44.00	46.00	2.00	-0.19	-0.98	4340	192	384	-36	-189	159	1908
	11	44.00	46.00	2.00	-0.12	-0.16	2106	87	174	-11	-14	149	1788
	12	44.00	46.00	2.00	-1.73	-0.58	9072	473	946	-819	-276	-149	-1788
	Totals						19980	887	1959	-1457	-562	-60	-720

Note: Some numbers may not add due to rounding.

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FLORIDA
$48M RATE REDUCTION
AREA PLUS SUMMARY

Item	Rate Group	Non Area Plus Rate	Area Plus Rate	Revenue Impact Per Line			Number of Item (e.g.lines)	Number of Area Plus Subscriber	Monthly Revenue Impact				Annual Total
				Recurring Revenue	Toll Revenue	ELCA Revenue			Recurring	Toll	ELCA	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10) (5)*(9)	(11) (6)*(9)	(12) (7)*(9)	(13) (10)+(11)+(12)	(14) (13)*12
Message PBX	1	15.26	38.00	22.74	0	0	0	0	0	0	0	0	0
	2	16.01	38.00	21.99	0	0	6	0	0	0	0	0	0
	3	16.84	38.00	21.16	0	0	346	0	0	0	0	0	0
	4	17.59	38.00	20.41	0	0	942	0	0	0	0	0	0
	5	18.3	43.00	24.70	-53.75	25.85	1304	1	25	-54	26	-3	-36
	6	19.09	43.00	23.91	0	0	1793	0	0	0	0	0	0
	7	19.73	43.00	23.27	0	0	887	0	0	0	0	0	0
	8	20.36	46.00	25.64	0	0	141	0	0	0	0	0	0
	9	20.96	46.00	25.04	-120.15	53.5	285	5	125	-601	268	-208	-2496
	10	21.41	46.00	24.59	0	0	2024	0	0	0	0	0	0
	11	21.86	46.00	24.14	0	0	1669	0	0	0	0	0	0
	12	22.24	46.00	23.76	-128.76	21.27	5837	4	95	-515	85	-335	-4020
	Totals						15234	10	245	-1170	379	-546	-6552
Flat NAR	1	11.74	14.74	3.00	0.00	0.00	0	0	0	0	0	0	0
	2	12.34	15.34	3.00	-2.89	1.08	28	1	3	-3	1	1	12
	3	12.98	15.98	3.00	0.00	-0.09	700	14	42	0	-1	41	492
	4	13.58	16.58	3.00	-0.07	0.04	1752	35	105	-2	2	105	1260
	5	14.14	16.58	2.20	-0.33	0.08	3369	99	217	-33	8	192	2304
	6	14.77	16.58	1.75	-0.34	0.09	8028	343	599	-117	32	514	6168
	7	15.28	16.58	1.30	-0.18	-0.05	5435	280	364	-50	-14	300	3600
	8	15.78	17.40	1.57	0.00	-3.74	1142	112	175	0	-419	-244	-2928
	9	16.25	17.40	1.13	-1.19	0.23	9725	651	739	-774	151	116	1392
	10	16.60	17.40	0.80	-0.22	-0.36	21190	1580	1264	-345	-575	344	4128
	11	16.96	17.40	0.23	-0.18	-0.13	9697	800	181	-147	-108	-74	-888
	12	17.26	17.40	0.14	-0.99	-0.89	65934	7337	1027	-7228	-6527	-12728	-152736
	Totals						127000	11252	4716	-8699	-7450	-11433	-137196
Message NAR	1	5.04	14.74	9.70	0.00	0.00	0	0	0	0	0	0	0
	2	5.28	15.34	10.06	0.00	0.00	0	0	0	0	0	0	0
	3	5.56	15.98	10.42	0.00	0.00	32	0	0	0	0	0	0
	4	5.80	16.58	10.78	0.00	0.00	37	0	0	0	0	0	0
	5	6.04	16.58	10.54	0.00	0.00	205	0	0	0	0	0	0
	6	6.30	16.58	10.28	0.00	0.00	245	0	0	0	0	0	0
	7	6.51	16.58	10.07	0.00	0.00	313	0	0	0	0	0	0
	8	6.72	17.40	10.68	0.00	0.00	38	0	0	0	0	0	0
	9	6.92	17.40	10.48	-15.20	6.33	30	0	0	0	0	0	0
	10	7.07	17.40	10.33	0.00	0.00	1253	0	0	0	0	0	0
	11	7.21	17.40	10.19	0.00	0.00	623	0	0	0	0	0	0
	12	7.34	17.40	10.06	0.31	-4.06	3179	0	0	0	0	0	0
	Totals						5955	0	0	0	0	0	0

Note: Some numbers may not add due to rounding.

STATE : Florida
DID Rate Reduction

Present and Proposed Rates and Revenues
A012.07 DIRECT-IN-DIALING CUST PREM LOC SS

Develop Date : 03/96
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Run Date : 05/09/96

Tariff Section/ Page #	Service Description	USOC	Present Annual Demand	Proposed Annual Demand	RECURRING RATES Present Rate	Proposed Rate	$ Change	% Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change	MB Seg.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	A12.7.2 DID CENTRAL OFFICE COMPONENTS											
A12/114.3	EST TRK GRP + 1ST 20 NOS	NDZ	3,249	3,249	$4.00	$4.00	$0.00	0.00%	$155,952	$155,952	$0	2212
A12/114.3	EA ADDL GRP 20 NOS	ND4	65,609	65,609	$4.00	$4.00	$0.00	0.00%	$3,149,232	$3,149,232	$0	2212
A12/114.3	TRUNK TERMINATION	NDT	45,695	45,695	$21.80	$20.00	($1.80)	-8.26%	$11,953,812	$10,966,800	($987,012)	2212
A12/114.3	MF PULSING OPTION	S5NBD	388	388	$7.50	$7.50	$0.00	0.00%	$34,920	$34,920	$0	2212
A12/114.3	DIALTONE MF PULSING OPT	S5DBD	11,533	11,533	$7.50	$7.50	$0.00	0.00%	$1,037,970	$1,037,970	$0	2212
	A12.7.2 DID CENTRAL OFFICE COMPONENTS						SUB-TOTAL		$16,331,886	$15,344,874	($987,012)	
		TOTAL RECURRING							$16,331,886	$15,344,874	($987,012)	

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STATE : Florida
DID Rate Reduction

Present and Proposed Rates and Revenues
A012.07 DIRECT-IN-DIALING CUST PREM LOC SS

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Tariff Section/ Page #	Service Description	USOC	Present Annual Demand	Proposed Annual Demand	NON-RECURRING RATES Present Rate	Proposed Rate	$ Change	% Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change	MB Seg.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	A12.7.2 DID CENTRAL OFFICE COMPONENTS											
A12/114.3	EST TRK GRP e 1ST 20 NOS	NDZ	745	745	$915.00	$55.00	($860.00)	-93.99%	$681,675	$40,975	($640,700)	2212
A12/114.3	EA ADDL GRP 20 NOS	ND4	19,588	19,588	$15.00	$15.00	$0.00	0.00%	$293,820	$293,820	$0	2212
A12/114.3	TRUNK TERMINATION	NDT	10,117	10,117	$90.00	$65.00	($25.00)	-27.78%	$910,530	$657,605	($252,925)	2212
	A12.7.2 DID CENTRAL OFFICE COMPONENTS						SUB-TOTAL		$1,886,025	$992,400	($893,625)	
		TOTAL NON-RECURRING							$1,886,025	$992,400	($893,625)	

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TOTAL REVENUE

	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change
	(1)	(2)	(3)
SUB-TOTALS			
Recurring	$16,331,886	$15,344,874	($987,012)
Non-recurring	$1,886,025	$992,400	($893,625)
SECTION TOTALS	$18,217,911	$16,337,274	($1,880,637)

STATE : Florida
DID Rate Reduction

Present and Proposed Rates and Revenues
A012.07 DIRECT-IN-DIALING CUST PREM LOC SS

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TOTAL REVENUE SUMMED BY MARKET BASKET

MB Seg.	Service Description	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change
(1)	(2)	(3)	(4)	(5)
2212	DIRECT-INWARD DIALING (DID) SERVICE - BUS OPT SVC	$18,217,911	$16,337,274	($1,880,637)

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STATE : Florida
WATS Access Lines Rate Reduction

Present and Proposed Rates and Revenues
A019 WIDE AREA TELECOMMUNICATIONS SVC (WATS)

Develop Date : 03/96
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Tariff Section/ Page #	Service Description	USOC	Present Annual Demand	Proposed Annual Demand	RECURRING RATES Present Rate	Proposed Rate	$ Change	% Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change	MB Seg.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	A19.5.4 ACCESS LINE CHARGES - OUTWARD											
A19/3.1	COMB INTRA/TER LATA	WNCS+	916	916	$37.45	$25.00	($12.45)	-33.24%	$411,650	$274,800	($136,850)	2403
A19/3.1	FOR INTRALATA SVC ONLY	WFNS+	140	140	$37.45	$25.00	($12.45)	-33.24%	$62,916	$42,000	($20,916)	2403
A19/3.1	FOR INTRAEAEA SVC ONLY	WFQS+	0	0	$37.45	$25.00	($12.45)	-33.24%	$0	$0	$0	2403
A19/3.1.1	FOR WNCS+ +HCC W/ WATS	WHTS+	28	28	$10.00	$10.00	$0.00	0.00%	$3,360	$3,360	$0	2403
A19/3.1.1	FOR INTRAL ONLY+HCC/WATS	WHPS+	2	2	$10.00	$10.00	$0.00	0.00%	$240	$240	$0	2403
A19/3.1.1	INTRAEAEA +HCC/WATS	WHSS+	0	0	$10.00	$10.00	$0.00	0.00%	$0	$0	$0	2403
	A19.5.4 ACCESS LINE CHARGES - OUTWARD						SUB-TOTAL		$478,166	$320,400	($157,766)	
	A19.5.4 ACCESS LINE CHARGES - TFD SERVICE											
A19/3.3	OPTION TFD SERVICE	W1NS+	28	28	$37.45	$25.00	($12.45)	-33.24%	$12,583	$8,400	($4,183)	2403
A19/3.3	OPEN TFD SERVICE	WSA1+	34	34	$37.45	$25.00	($12.45)	-33.24%	$15,280	$10,200	($5,080)	2403
A19/3.3	OPTION TFD SVC HCC W/TFD	8NKS+	2	2	$10.00	$10.00	$0.00	0.00%	$240	$240	$0	2403
A19/3.3	OPEN TFD SVC HCC W/TFD	WH9T+	0	0	$10.00	$10.00	$0.00	0.00%	$0	$0	$0	2403
	A19.5.4 ACCESS LINE CHARGES - TFD SERVICE						SUB-TOTAL		$28,103	$18,840	($9,263)	
	TOTAL RECURRING								$506,269	$339,240	($167,029)	

3C

TOTAL REVENUE

	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change
	(1)	(2)	(3)
SUB-TOTALS			
Recurring	$506,269	$339,240	($167,029)
Non-recurring	$0	$0	$0
SECTION TOTALS	$506,269	$339,240	($167,029)

STATE : Florida
MATS Access Lines Rate Reduction

Present and Proposed Rates and Revenues
A119 OBSOLETE-WIDE AREA TELECOMM SVC

Develop Date : 03/96
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Tariff Section/ Page #	Service Description	USOC	Present Annual Demand	Proposed Annual Demand	RECURRING RATES Present Rate	Proposed Rate	$ Change	% Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change	MB Seg.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	A119.5.4 800 SVC - ACCESS LINE CHARGES											
A119/1	COMPLEX-COMB STATEWIDE	8L9++	1,263	1,263	$37.45	$25.00	($12.45)	-33.24%	$567,592	$378,900	($188,692)	2403
A119/1	COMPLEX-COMB SW-HCCS	WH9S+	7	7	$10.00	$10.00	$0.00	0.00%	$840	$840	$0	2403
	A119.5.4 800 SVC - ACCESS LINE CHARGES						SUB-TOTAL		$568,432	$379,740	($188,692)	
		TOTAL RECURRING							$568,432	$379,740	($188,692)	

STATE : Florida
WATS Access Lines Rate Reduction

Present and Proposed Rates and Revenues
A119 OBSOLETE-WIDE AREA TELECOMM SVC

Develop Date : 03/96
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TOTAL REVENUE

	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change
	(1)	(2)	(3)
SUB-TOTALS			
Recurring	$568,432	$379,740	($188,692)
Non-recurring	$0	$0	$0
SECTION TOTALS	$568,432	$379,740	($188,692)

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STATE : Florida

Present and Proposed Rates and Revenues
A013 MISCELLANEOUS SERVICE ARRANGEMENTS

Develop Date : 03/96
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Tariff Section/ Page #	Service Description	USOC	Present Annual Demand	Proposed Annual Demand	RECURRING RATES Present Rate	Proposed Rate	$ Change	% Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change	MB Seg.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	A13.11.6 REMOTE CALL FORWARDING - USAGE											
A13/22	RESIDENCE						$0.00	0.00%	$54,490	$0	($54,490)	2313
A13/22	BUSINESS						$0.00	0.00%	$1,955,708	$0	($1,955,708)	2218
	A13.11.6 REMOTE CALL FORWARDING - USAGE						SUB-TOTAL		$2,010,198	$0	($2,010,198)	
		TOTAL RECURRING							$2,010,198	$0	($2,010,198)	

STATE : Florida

Present and Proposed Rates and Revenues
A013 MISCELLANEOUS SERVICE ARRANGEMENTS

Develop Date : 03/96
Page 2 of 3
Run Date : 05/14/96

TOTAL REVENUE

	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change
	(1)	(2)	(3)
SUB-TOTALS			
Recurring	$2,010,198	$0	($2,010,198)
Non-recurring	$0	$0	$0
SECTION TOTALS	$2,010,198	$0	($2,010,198)

STATE : Florida

Present and Proposed Rates and Revenues
A013 MISCELLANEOUS SERVICE ARRANGEMENTS

Develop Date : 03/96
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Run Date : 05/14/96

TOTAL REVENUE SUMMED BY MARKET BASKET

MB Seg.	Service Description	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change
(1)	(2)	(3)	(4)	(5)
2218	REMOTE CALL FORWARDING SERVICE - BUS OPT SVC	$1,955,708	$0	($1,955,708)
2313	REMOTE CALL FORWARDING SERVICE - RES OPT SVC	$54,490	$0	($54,490)

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1996 ANNUAL FILING
WORKPAPER A
Network Access
Revenue Summary

(1) Service ID	(2) Description	(3) Existing Recurring Revenues	(4) Proposed Recurring Revenues	(5) Revenue Change	(6) Percent Change
3013	Special Access - DS1 Interoffice Channels	$1,248,532	$1,209,316	($39,216)	-3.14%
	Total Recurring Revenues	$1,248,532	$1,209,316	($39,216)	

1996 ANNUAL FILING
WORKPAPER B
Network Access

Service ID	Tariff Section	Description	Annualized Mar. 1996 Recurring Demand (A)	Existing Rate (B)	Proposed Rate (C)	Percent Change (D)=C/B-1	Existing Recurring Revenue (E)=A*B	Proposed Recurring Revenue (F)=A*C
	**** Special Access ***							
3013	E7.5.6	HICAP (1.544 MBPS) IOC (0 MILES) CKT	3132	$0.00	$0.00	NA	$0	$0
3013	E7.5.6	HICAP (1.544 MBPS) IOC (0 MILES) IOM	3132	$0.00	$0.00	NA	$0	$0
3013	E7.5.6	HICAP (1.544 MBPS) IOC (1 - 8 MI) CKT	2160	$64.35	$64.35	0.00%	$138,996	$138,996
3013	E7.5.6	HICAP (1.544 MBPS) IOC (1 - 8 MI) IOM	11400	$29.80	$28.80	-3.36%	$339,720	$328,320
3013	E7.5.6	HICAP (1.544 MBPS) IOC (9 - 25 MI) CKT	984	$64.35	$64.35	0.00%	$63,320	$63,320
3013	E7.5.6	HICAP (1.544 MBPS) IOC (9 - 25 MI) IOM	11304	$27.95	$26.95	-3.58%	$315,947	$304,643
3013	E7.5.6	HICAP (1.544 MBPS) IOC (OVER 25 MI) CKT	252	$64.35	$64.35	0.00%	$16,216	$16,216
3013	E7.5.6	HICAP (1.544 MBPS) IOC (OVER 25 MI) IOM	12360	$26.10	$25.10	-3.83%	$322,596	$310,236
3013	E7.5.6	HICAP (1.544 MBPS) IOC (0 MILES) CKT 24-48 MO.	12	$0.00	$0.00	NA	$0	$0
3013	E7.5.6	HICAP (1.544 MBPS) IOC (0 MILES) IOM 24-48 MO.	12	$0.00	$0.00	NA	$0	$0
3013	E7.5.6	HICAP (1.544 MBPS) IOC (1 - 8 MI) CKT 24-48 MO.	0	$59.75	$59.75	0.00%	$0	$0
3013	E7.5.6	HICAP (1.544 MBPS) IOC (1 - 8 MI) IOM 24-48 MO.	0	$24.25	$22.25	-8.25%	$0	$0
3013	E7.5.6	HICAP (1.544 MBPS) IOC (9 - 25 MI) CKT 24-48 MO.	12	$59.75	$59.75	0.00%	$717	$717
3013	E7.5.6	HICAP (1.544 MBPS) IOC (9 - 25 MI) IOM 24-48 MO.	144	$22.35	$20.35	-8.95%	$3,218	$2,930
3013	E7.5.6	HICAP (1.544 MBPS) IOC (OVER 25 MI)CKT 24-48 MO.	0	$59.75	$59.75	0.00%	$0	$0
3013	E7.5.6	HICAP (1.544 MBPS) IOC (OVER 25 MI)IOM 24-48 MO.	0	$20.50	$18.50	-9.76%	$0	$0
3013	E7.5.6	HICAP (1.544 MBPS) IOC (0 MILES) CKT 49-72 MO.	0	$0.00	$0.00	NA	$0	$0
3013	E7.5.6	HICAP (1.544 MBPS) IOC (0 MILES) IOM 49-72 MO.	0	$0.00	$0.00	NA	$0	$0
3013	E7.5.6	HICAP (1.544 MBPS) IOC (1 - 8 MI) CKT 49-72 MO.	12	$59.75	$59.75	0.00%	$717	$717
3013	E7.5.6	HICAP (1.544 MBPS) IOC (1 - 8 MI) IOM 49-72 MO.	48	$22.35	$20.35	-8.95%	$1,073	$977
3013	E7.5.6	HICAP (1.544 MBPS) IOC (9 - 25 MI) CKT 49-72 MO.	24	$59.75	$59.75	0.00%	$1,434	$1,434
3013	E7.5.6	HICAP (1.544 MBPS) IOC (9 - 25 MI) IOM 49-72 MO.	432	$20.50	$18.50	-9.76%	$8,856	$7,992
3013	E7.5.6	HICAP (1.544 MBPS) IOC (OVER 25 MI)CKT 49-72 MO.	0	$59.75	$59.75	0.00%	$0	$0
3013	E7.5.6	HICAP (1.544 MBPS) IOC (OVER 25 MI)IOM 49-72 MO.	0	$18.65	$16.65	-10.72%	$0	$0
3013	E7.5.6	HICAP (1.544 MBPS) IOC (0 MILES) CKT 73-96 MO.	24	$0.00	$0.00	NA	$0	$0
3013	E7.5.6	HICAP (1.544 MBPS) IOC (0 MILES) IOM 73-96 MO.	24	$0.00	$0.00	NA	$0	$0
3013	E7.5.6	HICAP (1.544 MBPS) IOC (1 - 8 MI) CKT 73-96 MO.	72	$59.75	$59.75	0.00%	$4,302	$4,302
3013	E7.5.6	HICAP (1.544 MBPS) IOC (1 - 8 MI) IOM 73-96 MO.	408	$20.50	$18.50	-9.76%	$8,364	$7,548
3013	E7.5.6	HICAP (1.544 MBPS) IOC (9 - 25 MI) CKT 73-96 MO.	60	$59.75	$59.75	0.00%	$3,585	$3,585
3013	E7.5.6	HICAP (1.544 MBPS) IOC (9 - 25 MI) IOM 73-96 MO.	1044	$18.65	$16.65	-10.72%	$19,471	$17,383
3013	E7.5.6	HICAP (1.544 MBPS) IOC (OVER 25 MI)CKT 73-96 MO.	0	$59.75	$59.75	0.00%	$0	$0
3013	E7.5.6	HICAP (1.544 MBPS) IOC (OVER 25 MI)IOM 73-96 MO.	0	$16.75	$14.75	-11.94%	$0	$0
		Total Revenues					$1,248,532	$1,209,316

STATE : Florida

Present and Proposed Rates and Revenues
8007 DIGITAL NETWORK SERVICE

Develop Date : 03/96
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Run Date : 05/13/96

					RECURRING RATES							
Tariff Section/ Page #	Service Description	USOC	Present Annual Demand	Proposed Annual Demand	Present Rate	Proposed Rate	$ Change	% Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change	MB Seg.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	B7.1.3 MEGALINK - INTEROFFICE CHAN - MTM											
B7/5	0-8 MILES - FIXED	1LN01	801	801	$64.35	$64.35	$0.00	0.00%	$618,532	$618,532	$0	2515
B7/5	0-8 MILES - PER MILE	1LN0A	3,953	3,953	$29.80	$28.80	($1.00)	-3.36%	$1,413,593	$1,366,157	($47,436)	2515
B7/5.0.1	9-25 MILES - FIXED	1LN02	563	563	$64.35	$64.35	$0.00	0.00%	$434,749	$434,749	$0	2515
B7/5.0.1	9-25 MILES - PER MILE	1LN0B	7,659	7,659	$27.95	$26.95	($1.00)	-3.58%	$2,568,829	$2,476,921	($91,908)	2515
B7/5.0.1	OVER 25 MILES - FIXED	1LN03	274	274	$64.35	$64.35	$0.00	0.00%	$211,583	$211,583	$0	2515
B7/5.0.1	OVER 25 MILES - PER MILE	1LN0C	8,250	8,250	$26.10	$25.10	($1.00)	-3.83%	$2,583,900	$2,484,900	($99,000)	2515
	B7.1.3 MEGALINK - INTEROFFICE CHAN - MTM						SUB-TOTAL		$7,831,186	$7,592,842	($238,344)	
	B7.1.3 MEGALINK - INTEROFFICE CHAN - 24-48M											
B7/5	0-8 MILES - FIXED	1LN01	314	314	$59.75	$59.75	$0.00	0.00%	$225,138	$225,138	$0	2515
B7/5	0-8 MILES - PER MILE	1LN0A	1,656	1,656	$24.25	$22.25	($2.00)	-8.25%	$481,896	$442,152	($39,744)	2515
B7/5.0.1	9-25 MILES - FIXED	1LN02	212	212	$59.75	$59.75	$0.00	0.00%	$152,004	$152,004	$0	2515
B7/5.0.1	9-25 MILES - PER MILE	1LN0B	3,148	3,148	$22.35	$20.35	($2.00)	-8.95%	$844,294	$768,742	($75,552)	2515
B7/5.0.1	OVER 25 MILES - FIXED	1LN03	114	114	$59.75	$59.75	$0.00	0.00%	$81,738	$81,738	$0	2515
B7/5.0.1	OVER 25 MILES - PER MILE	1LN0C	5,117	5,117	$20.50	$18.50	($2.00)	-9.76%	$1,258,782	$1,135,974	($122,808)	2515
	B7.1.3 MEGALINK - INTEROFFICE CHAN - 24-48M						SUB-TOTAL		$3,043,852	$2,805,748	($238,104)	
	B7.1.3 MEGALINK - INTEROFFICE CHAN - 49-72M											
B7/5	0-8 MILES - FIXED	1LN01	106	106	$59.75	$59.75	$0.00	0.00%	$76,002	$76,002	$0	2515
B7/5	0-8 MILES - PER MILE	1LN0A	565	565	$22.35	$20.35	($2.00)	-8.95%	$151,533	$137,973	($13,560)	2515
B7/5.0.1	9-25 MILES - FIXED	1LN02	105	105	$59.75	$59.75	$0.00	0.00%	$75,285	$75,285	$0	2515
B7/5.0.1	9-25 MILES - PER MILE	1LN0B	1,262	1,262	$20.50	$18.50	($2.00)	-9.76%	$310,452	$280,164	($30,288)	2515
B7/5.0.1	OVER 25 MILES - FIXED	1LN03	34	34	$59.75	$59.75	$0.00	0.00%	$24,378	$24,378	$0	2515
B7/5.0.1	OVER 25 MILES - PER MILE	1LN0C	901	901	$18.65	$16.65	($2.00)	-10.72%	$201,644	$180,020	($21,624)	2515
	B7.1.3 MEGALINK - INTEROFFICE CHAN - 49-72M						SUB-TOTAL		$839,294	$773,822	($65,472)	
	B7.1.3 MEGALINK - INTEROFFICE CHAN - 73-96M											
B7/5	0-8 MILES - FIXED	1LN01	26	26	$59.75	$59.75	$0.00	0.00%	$18,642	$18,642	$0	2515
B7/5	0-8 MILES - PER MILE	1LN0A	145	145	$20.50	$18.50	($2.00)	-9.76%	$35,670	$32,190	($3,480)	2515

STATE : Florida

Present and Proposed Rates and Revenues
B007 DIGITAL NETWORK SERVICE

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Tariff Section/ Page #	Service Description	USOC	Present Annual Demand	Proposed Annual Demand	RECURRING RATES Present Rate	Proposed Rate	$ Change	% Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change	MB Seg.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
B7/5.0.1	9-25 MILES - FIXED	1LN02	44	44	$59.75	$59.75	$0.00	0.00%	$31,548	$31,548	$0	2515
B7/5.0.1	9-25 MILES - PER MILE	1LN0B	728	728	$18.65	$16.65	($2.00)	-10.72%	$162,926	$145,454	($17,472)	2515
B7/5.0.1	OVER 25 MILES - FIXED	1LN03	16	16	$59.75	$59.75	$0.00	0.00%	$11,472	$11,472	$0	2515
B7/5.0.1	OVER 25 MILES - PER MILE	1LN0C	680	680	$16.75	$14.75	($2.00)	-11.94%	$136,680	$120,360	($16,320)	2515
	B7.1.3 MEGALINK - INTEROFFICE CHAN - 73-96M						SUB-TOTAL		$396,938	$359,666	($37,272)	
		TOTAL RECURRING							$12,111,270	$11,532,078	($579,192)	

EXHIBIT NO. 7

DOCKET NO: 920260-TL

WITNESS: AL VARNER

PARTY: BELLSOUTH

DESCRIPTION:

10/22/96 DEPOSITION TRANSCRIPT

PROFFERING PARTY: STAFF

I.D. # AJV-7

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TL EXHIBIT NO 7
COMPANY/
WITNESS:
DATE: 10/30/96

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of: Comprehensive review of the revenue requirements and rate stabilization plan of Southern Bell Telephone and Telegraph Company.	DOCKET NO. 920260-TL



TELEPHONIC DEPOSITION OF:	A. J. VARNER Located in Tennessee
TAKEN AT THE INSTANCE OF:	The Staff of the Florida Public Service Commission
CONDUCTED FROM:	Gerald L. Gunter Building 2540 Shumard Oak Boulevard Room 362 Tallahassee, Florida
TIME:	Commenced at 10:00 .m. Concluded at 11:40 a.m.
DATE:	Tuesday, October 22, 1996
REPORTED BY:	ROWENA NASH HACKNEY H. RUTHE POTAMI, CSR, RPR Official Commission Reporters

APPEARANCES:

ROBERT V. ELIAS, Florida Public Service Commission, Division of Legal Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, appearing on behalf of the Commission Staff, located at Tallahassee.

ROBERT G. BEATTY, Southern Bell Telephone and Telegraph Company, 150 W. Flagler Street, Suite 1910, Miami, Florida 33130, appearing on behalf located at Miami. And WILLIAM ELLENBERG, BellSouth Telecommunications, Inc., 4300 Southern Bell Center, 675 West Peachtree Street, Northeast, Atlanta, Georgia 30375-0001, appearing on behalf of BellSouth Telecommunications, Inc., located at Nashville, Tennessee.

VICKI GORDON KAUFMAN, McWhirter, Reeves, McGlothlin, Davidson, Rief and Bakas, 117 South Gadsden Street, Tallahassee, Florida 32301, appearing on behalf of Florida Interexchange Carriers Association, located at Tallahassee.

APPEARANCES CONTINUED:

MARK LOGAN, AT&T Communications of the Southern States, Inc., 106 East College Avenue, Suite 1410, Tallahassee, Florida 32301, **located at Tallahassee**, and **ROBIN DUNSON**, 1200 Peachtree Street, Room 4038, Atlanta, Georgia 30309, appearing on behalf of **AT&T Communications of the Southern States, Inc., located at Atlanta.**

PATRICK K. WIGGINS, Wiggins & Villacorta, P. A., Post Office Drawer 1657, Tallahassee, Florida 32302, appearing on behalf of **ICI Intermedia and Palm Beach Newspapers, located at Tallahassee.**

TICO GIMBEL, Messer, Vickers, Caparello, Madsen, Lewis, Goldman & Metz, Post Office Box 1876, Tallahassee, Florida 32302-1876, appearing on behalf of **AT&T Wireless, located at Tallahassee.**

EARL POUCHER, Class C Practitioner, Office of Public Counsel, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400, appearing on behalf of **the Citizens of the State of Florida, located at Tallahassee.**

ALSO PRESENT:

ROBIN NORTON, FPSC Division of Communications

I N D E X

MISCELLANEOUS

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STIPULATION	5
ERRATA SHEET	64
AFFIDAVIT OF DEPONENT	65
CERTIFICATE OF REPORTER	66

WITNESS

NAME	PAGE NO.
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Examination By Mr. Elias	6
Examination By Ms. Kaufman	61

EXHIBITS

NUMBER		ID.	ADMTD.
1	(Late-Filed) PBX/DID trunk cost LRIC information	27	
2	(Late-Filed) Revenue remote call forwarding usage	40	

S T I P U L A T I O N

IT IS STIPULATED that this deposition was taken pursuant to notice in accordance with the applicable Florida Rules of Civil Procedure; that counsel present stipulate that the witness is the person he identified himself as; that objections, except as to the form of the question, are reserved until hearing in this cause; and that reading and signing was not waived.

IT IS ALSO STIPULATED that any off-the-record conversations are with the consent of the deponent.

A. J. VARNER

was called as witness telephonically and, it having been stipulated by the parties that the witness is sworn to tell the truth, testified as follows:

EXAMINATION

MR. ELIAS: We are here pursuant to Staff's notice of rescheduled telephonic deposition that was issued last Friday. And I would note that the phone numbers that are on that notice are, in fact, correct this time.

I'm Bob Elias, and with me in Tallahassee is Robin Norton representing the Commission Staff. I'd ask that all parties that are participating in this deposition put in an appearance. And in deference of the fact that there are a number of people, unless it's clearly indicated from the context, you make sure you let the court reporter know who you are before you speak.

MR. BEATTY: I'm Robert Beatty. That's B-E-A-T-T-Y. The address is 150 West Flagler Street, Suite 1910, Miami 33130. I represent BellSouth.

MR. ELLENBERG: This is William Ellenberg, E-L-L-E-N-B-E-R-G. I also represent BellSouth. My office address is 4300 BellSouth Center, Atlanta, Georgia 30675.

MR. ELIAS: Hello.

MS. DUNSON: Hello, this is Robin Dunson.

MR. LOGAN: Good morning, Robin. This is Mark.

MS. DUNSON: Hi Mark, how are you.

MR. LOGAN: You're just in time to enter an appearance.

MS. DUNSON: Great. Robin Dunson, 1200 Peachtree Street, Room 4038, Atlanta, Georgia 30309.

MR. LOGAN: This is Mark Logan with the firm Bryant, Miller & Olive, 201 South Monroe Street, Suite 500, Tallahassee, Florida 32301. And both Robin and I are appearing on behalf of AT&T Communications of the Southern States.

MR. POUCHER: This is Earl Poucher. I am a Class B practitioner representing the Office of Public Counsel, 111 West Madison Street, Tallahassee 32399-1400.

MS. KAUFMAN: Vicki Gordon Kaufman, 117 South Gadsden Street, Tallahassee 32301. I represent the Florida Interexchange Carriers Association.

MR. GIMBEL: My name is Tico Gimbel, G-I-M-B-E-L. I'm with Messer Caparello at 215 South Monroe Street, Suite 701, Tallahassee, Florida on behalf of AT&T Wireless.

MR. ELIAS: Okay. Is that everyone?

All right. Is the deponent there?

MR. ELLENBERG: Yes, he is.

MR. ELIAS: All right. Mr. Ellenberg, is there a notary there in Tennessee?

MR. ELLENBERG: Yes, we have one.

MR. ELIAS: Okay. I guess at this point it would be appropriate for the notary to administer the oath.

MR. ELLENBERG: Does she need to identify herself on the record?

MR. ELIAS: Yes.

MR. ELLENBERG: Does the notary need to identify herself on the record?

MR. ELIAS: Yes.

MS. THURMAN: Deborah L. Thurman, I'm a notary public for the State of Tennessee.

(Witness sworn.)

BY MR. ELIAS:

Q Would you state your name for the record?

A My name is Alphonso Varner.

Q Before the notary leaves, do you have the affidavit?

MR. ELLENBERG: No, we don't have one here.

MR. ELIAS: Okay. We'll have the court

reporter send one out. If you could give us the appropriate address so that we can get that notary to execute it.

MS. THURMAN: Okay. You can send it to BellSouth, 333 Commerce Street, Suite 2101, Nashville, Tennessee 37201-3300. You can send it to my attention.

MR. BEATTY: Bob, this is Robert Beatty. I'm having a little bit of difficulty hearing you. Could you get maybe a little closer to the microphone, please?

MR. ELIAS: Is that better?

MR. BEATTY: Yes, it is. Thank you.

MR. ELIAS: Did someone else just come on the line?

MR. WIGGINS: Yes, Bob. This is Pat Wiggins. I'm on behalf of PB&I and Intermedia this morning. I'm sorry for the interruption.

MR. ELIAS: No problem. I do believe, unless anybody has got anything else, that we are ready to get started.

Q **(By Mr. Elias)** Mr. Varner, are you the same Alphonso Varner who prefiled direct testimony consisting of some 16 pages, I believe it was and exhibits.

A Let's see here. Yes, 16 pages and an exhibit, that's correct.

Q And did you also file in this docket or cause to be filed rebuttal testimony consisting of some 15 pages?

A That sounds correct. Yes, that's correct, also.

Q Do you have any changes, corrections or additions to either your prefiled direct or rebuttal testimony?

A No, I don't.

Q Okay. Now we'll start with the direct testimony. And if you would look on Page 5, beginning at Line 9, you are asked a question about the joint proposal of AT&T, MCI, Sprint, FIXCA, the Florida Ad Hoc Telecommunications Users and McCaw. And you make reference to the fact that mobile interconnection rates were the subject of an appeal to the Florida Supreme Court.

Now, at the time you filed your testimony and your rebuttal testimony, that appeal was still pending. The Supreme Court has issued its order and the time for filing reconsideration or rehearing on that order has expired.

What should the Commission do now, if

anything, with respect to mobile interconnection rates now that that issue has been resolved in Florida?

A Well, first, I was not aware that the order had been issued, so I will have to get a copy of it, read it and see what, in fact, it does require and then make a determination based on that. I don't know what the order provided for.

Q Okay. I believe the order was issued September 26, 1996.

A All right.

But further, though, I don't think that would change the proposal that we've made.

Q Understood. It's just an issue that's out there.

In the same area with respect to mobile interconnection rates, do you believe that the FCC rules implementing the Federal Telecommunications Act apply to mobile interconnection?

A They did have a set of rules that applied to mobile interconnection, but that part was stayed. So currently the rules that they did put out with regard to pricing of mobile interconnection was stayed, so they currently don't have any rules in effect.

Q Do you believe that Sections 251 and 252 apply to requests of mobile carriers for local

interconnection?

A Some respects yes, some respects no. As I understand it, mobile -- and when I say "mobile," I'm talking about cellular. I'm not sure exactly if the PCS fits the same pattern. But they are telecommunications carriers, so they are entitled to be treated as telecommunications carriers under 251 and 252. However, they are not local exchange carriers, as I understand it, so they don't have the obligations of local exchange companies under those sections.

Q Now, the Florida Ad Hoc Telecommunications Users have proposed reducing PBX and the ID trunk rates by approximately $11 million; is that correct?

A Yes.

Q And they have not made a specific proposal as to where they would like to see these rate reductions applied. Is that your understanding?

A That's my understanding, yes.

Q BellSouth has made some specific proposals with respect to these rates; is that correct?

A Yes.

Q And you have proposed, if I can summarize, to reduce PBX trunk rates and offer term contracts?

A Yes.

Q And you state on Page 9 of your direct testimony that you are making this proposal in response to customer requests?

A Could you tell me where you are there?

Q I'm looking specifically at the paragraph that begins on Line 12 of Page 9.

A Yes.

Q And my question to you is: Why is BellSouth making this proposal for the first time at this point?

A Well, again, as I said, we are responding to customer requests for lower rates and for rate stabilization. Customers for some time have wanted reductions, I guess, in PBX trunk rates. However, we have had to wait until we had opportunities to be able to put those kinds of reductions in effect.

As you can see in this case, we are having to reduce rates by some $44 million. And as part of that, we are trying to deal with as many of the known situations that we have as we possibly can. And we now have an opportunity to put in some rate reductions in this area and to satisfy the concern for rate stabilization.

Also, in the past I think there have been some concerns about rate stabilization and whether or not it should apply on PBX or basic exchange service,

if you will, local exchange service, which had been of local competition. I think those concerns have largely been debated.

Q Now, the Ad Hoc Telecommunications Users say someplace in their testimony that they have not made such requests of Southern Bell -- or BellSouth. Who has specifically requested the PBX reductions in rate stabilization?

A I cannot give you a specific name at this point. What this results from is when we go and make pricing changes, we try to get a fifth of the marketplace and what our customers are telling us. As with these changes, we have said it's okay. We have people who meet with customers -- salespeople who meet with customers and try to make a determination of what is it that the customers are asking us for and what do we most need to do to satisfy our customers. But I can't give you a specific name.

Q To your knowledge when was the last time BellSouth or its predecessor, Southern Bell, increased PBX or DID trunk rates in Florida?

A Did you say decrease or increase?

Q Increased.

A I don't know. I don't know. It hasn't been in recent times that I know of.

Q Have rates decreased to your knowledge at any time in that same time frame?

A You cut out there. Could you repeat the question, please?

Q To your knowledge have PBX or DID trunk rates ever decreased in that same time frame that you referred to, the quote, the recent past?

A Did you say decreased?

Q Decreased.

A There was one word in there that cut out. Unfortunately, it was an important word.

Q I guess so.

A What was it?

Q The question is: Have PBX or DID trunk rates ever decreased?

A Decreased?

Q Yes, sir.

A We have made proposals in the past to reduce DID trunk rates, I know. And in fact, one of the proposals here to reduce DID trunk rates follows on from some unsuccessful attempts we had made to reduce those rates in the past.

As far as PBX trunk rates, I thought they were reduced as part of this -- one of the earlier reductions in the stipulation process, but I'm not

100% sure of that. And I thought they were reduced in one of the earlier installments, I guess, under the stipulation.

Q To your knowledge has any customer complained of a PBX rate decrease?

A PBX rate -- the last word I couldn't make it out.

Q Decrease.

A Did they complain about getting a decrease?

Q Has anyone ever?

A Not that I know of.

Q Okay.

A No customer has ever complained about that or about getting a rate decrease.

Q Now, if you turn to your rebuttal testimony on Page 4.

A All right.

Q And I'm looking at the response to the question that begins on Line 19 of Page 3.

A Hold on a minute. Let me make sure -- okay. I have it.

Q And if I can paraphrase, you say that BellSouth telecommunications contracts do not lock up or otherwise eliminate customers' rights to seek better rates elsewhere. Is that a fair paraphrasing?

A Yes, it is.

Q Is there any termination liability associated with the PBX term contracts that you've proposed?

A I don't think there's termination liability per se, but there is a charge if, in fact, the customer terminates the contract early. I was just looking for the tariff to find out what those exact numbers were.

Yes. There is a cancellation charge that applies if, in fact, the contract is cancelled early.

Q And what are those charges?

A For the 24 to 48-month period, it's $480. And for the 49 to 60 month-period it's $960. And the cancellation charges are cut in half when the customer gets to half the length of the contract.

Q Now, is that cancellation charge per trunk or per contract or --

A Per trunk. It's per trunk.

Q Now, how does that square and how is that consistent with your statement that BellSouth has not locked up or eliminated any current BellSouth customers' right to seek or obtain a more favor or value added competitive service offering should one exist?

A We haven't forced a customer to stay with us in any way, shape or form. What we have done is we've put out a set of prices, not unlike what is common in virtually every industry. What we are doing, for example, for the 24 to 48 month contract, is the customer is receiving a price reduction of $10 per trunk per month for signing up for that contract.

Now if, in fact, Mr. -- the company of Mr. Allen represents, I think it's ICI, comes along and wants that customer to go with them, the customer can go with them by simply paying whatever remains of the cancellation charge and going with ICI. And the customer really just makes an economic choice. Whether or not it's better for him to go with the rate that ICI is offering and pay whatever the cancellation charge is, or to stay with what they have with BellSouth. But that's not unlike choices that customers make in buying any number of services these days. There's nothing in here that forces customers to stay with us.

Q Are there any costs -- or is there any cost basis for the cancellation charges?

A Yeah. If you look, for example, the term, the cancellation charge for the 24 to 48-month contract is $480. The customer gets $10 a month

reduction in the price. So that's $10. The $480 represents 48 months, $10 a month reduction. And when half the contract period is over, that drops to 240.

Q So there's no cost element associated with it or additional costs that BellSouth would incur upon cancellation of a contract?

A Well, when you say "cost," it depends on how you want to define cost. And when you start looking at these kinds of things, what you have to look at, I think, is more of an opportunity cost rather than an equipment cost.

What you have done is you've given the customer -- you have a price. We have a price of $44 a month. And we've said if you will sign up with us for a certain period of time, we will give you an even lower price than the $44 a month.

Now, without some means of ensuring that the customer will take advantage for the contract period, then you might as well not even have the contract; you might as well just reduce your base rate from $44 to $34. So that's really all the cancellation charge does, is it makes it an economic choice for the customer to make. If I didn't have the cancellation charge, there would be no point in even offering the contract. I might as well reduce the base rate to

$34.

Q Do you believe that PBX and DID trunk charges are currently subject to competitive pressures?

A There, I don't think there's -- some, but I think it's pretty minimal at this point.

Q Do you foresee the competition for PBX and DID trunks increasing in the future?

A Oh, yes, very rapidly.

Q Now, your current flat PBX rates range from $33.66 to 49.47 per month; is that correct?

A Yes, it is.

Q And the proposed rates range from $33 to $44 per month; is that correct?

A I think it's -- let's see. Yes, that's right.

Q And these are the month-to-month rates which are higher than the proposed contract rates?

A Yes.

Q Are you familiar with an acronym that has come into vogue in the telecommunications industry in the last couple of years, TELRIC?

A Well, actually, it's the last few months.

Q I just was corrected on that.

A Actually, I think it was born on August the

8th.

Q What's your understanding of the definition of that term?

A TELRIC is a costing method that the FCC came up with in its attempt to implement the rules -- put in rules to implement the telecom act. And what it says is that you calculate your costs on the basis of forward-looking cost utilizing, you know, your actual networks. Utilize the forward-looking cost of capital and economic depreciation rates. And to that you add what they call a reasonable allocation of joint and common costs. And that's what they call TELRIC.

Q Are you familiar with the TELRIC studies which BellSouth Telecommunications has conducted in conjunction with its arbitration proceedings in Florida and other states?

A Just minimally. I know that we have been working on some. There have been some things that have been produced, but I haven't looked at them in any detail.

Q Do you believe that it would be appropriate for your retail PBX trunk rates to be higher than their total element long run incremental costs?

A Yes.

Q Could it be considered anticompetitive if

they were below their total element long run incremental costs?

A No, I don't think it would be.

Q Why not?

A Well, again, as I've explained this, that total element long run incremental costs is sort of a mixture of incremental cost and allocations to try to get to the standard that FCC came out with. To determine whether it's anticompetitive, I think you have to apply the incremental cost test. And that's not TELRIC, that's more of a long run incremental cost test to determine if, in fact, rates priced below that level are a candidate -- or possibly be a candidate.

Let me check something on TELRIC just quick.

Q Okay.

A There's something in the back of my mind that tells me I might not have defined it exactly right. Let me just be sure before we let this go any further.

Okay, yeah, that's what I thought. Yeah, the allocation of forward-looking common costs is not a part of TELRIC.

Q Thank you.

A That is added to TELRIC to get to what the FCC defines as economic costs.

Q Well, let me ask you the same question that I asked before. Given that definition, do you believe it would be appropriate for retail PBX trunk rates to be higher than their total element long run incremental costs?

A We can't hear you now. You just faded completely.

Q I'm sorry. I'll tell you what, sitting back a foot makes all the difference in the world.

Do you believe it would be appropriate for the retail PBX trunk rates to be higher than their total element long run incremental costs using the definition that you just gave me?

A To be higher than that rate, yes.

Q Could it be considered anticompetitive if retail PBX trunk rates or retail DID trunk rates are below their total element long run incremental costs as you just defined it?

MR. ELLENBERG: This is William Ellenberg. I'm going to interpose an objection to the extent you're asking for some kind of legal conclusion. To the extent the witness has an opinion, that's fine; but, of course, it wouldn't be a legal conclusion.

MR. ELIAS: Duly noted.

WITNESS VARNER: And the only thing I'm

trying to do is give you my understanding of how, what sort of an economic standard you might use to make this determination, or to determine if there's a candidate, of when a certain rate is a candidate for this kind of consideration. But, no, I don't think that they would be if they were priced below TELRIC.

Q (By Mr. Elias) And why not?

A Well, again, as I understand it, before you can determine -- before you can determine that a rate is even a candidate for being anticompetitive utilizing some sort of incremental cost data, what you would really use is a long run incremental cost standard which says that are these rates below, really, what it costs the company to incrementally add this service to its network.

What TELRIC includes is it includes some costs that are attributable to the service, but not directly caused by it. And they also have a classification that the FCC says is costs that are reasonably identifiable and incremental to the service, which I think we've taken to mean under the parlance that they tend to use indirectly attributable costs. Neither one of those costs, I think, would be properly included in an assessment of long run incremental costs to decide whether or not the price

service is being priced too low.

Q Do the proposed PBX and DID trunk rates and contract rates cover their long run incremental costs?

A I believe that they do.

Q And in your definition of "long run incremental cost," what sorts of costs would be included?

A It will be those costs that would be caused by adding a trunk to the network.

Q Is there anyplace in Bell's filing, or does Bell intend to provide evidence that would support that assertion? In other words, that this rate exceeds the cost to add the trunk to the network.

A I don't think that has been provided. And as I'm thinking about it, I'm not sure that it's even available.

Q I think that we've asked for it, at least we think we've asked for it, in discovery in Interrogatory No. 3.

A Which, unfortunately, I don't have in front of me.

Q I don't believe it's been filed yet.

A Oh, okay. Good reason why I don't have it then.

Q Do you know if BellSouth plans to include

that information in its response to Interrogatory No. 3?

A I haven't seen the answer, so -- I mean, if the information is available and that interrogatory has requested it, yes, we would provide it.

Q Okay. I would like to ask you for a late-filed exhibit, and that is that if the information is not included in the interrogatory response and it's available, we would like to get it. And if it's not available, just an indication that that's the case.

MR. ELLENBERG: Could you give us a type --

MR. ELIAS: A short statement?

MR. ELLENBERG: -- statement of what it is that you've identified?

MR. ELIAS: What we want is information that details that the prices of the PBX and DID trunk rates and contract rates cover their long run incremental costs. And that's using Mr. Varner's definition.

And you want a short title? Call it PBX/DID trunk rates -- trunk costs LRIC information.

MR. ELLENBERG: All right.

MR. ELIAS: Okay. And that will be Late-Filed Exhibit No. 1.

(Late-Filed Exhibit 1 identified.)

Q (By Mr. Elias) Now, how did you determine the demand quantities for the term contracts and your price-out of this service?

A Those would have to have been determined by making a forecast of what we would -- the number of customers that we would expect to take them. And that's going to have to depend on the expertise of the people in the marketing organizations that deal with those customers.

Q So you are not personally familiar with how those demand quantities were determined?

A No.

Q Now, previously, I believe that there were 12 rate groups associated with PBX and DID trunks. Why did you collapse, or why did BellSouth collapse the rate groups from twelve to essentially three?

A Again, the amount of variation that's needed in those prices is planned over time. The number of rate groups that we have are really a reflection of the value of service pricing principles that existed for some time. It's not really necessary to have that degree of granularity anymore. And if you look at the rate differences between many of those rates groups, they are relatively small.

We think that collapsing them will make

things -- obviously, it simplifies the rate structure considerably and also doesn't really take anything away from the customers.

Q Can you tell us why BellSouth telecommunications set up a month-to-month rate in rate groups 1 to 4 to be less than the two to four-year rate?

A Get back to the tariff. Yeah, what happens, whenever you go in -- again, the term "contract rates" are the same for every rate group. There is no rate group differential for those. And as a result of that, you -- as a result of putting those in place, you are obviously going to have to set them at some point within the rate group structure in order to be able to give a discount.

If you set it anything below Rate Group 12, it's going to be higher than some rate groups and lower than some rate groups. And that's just a matter of looking at it and saying, okay, what would be a reasonable discount to give on a 48-month contract. We came up with $10. And as a result of it being $10, when you went through and established the month-to-month rate, 1 through 4 came out less that than that.

Q Other than what we've discussed, just

discussed, is there anything else that went into determining the price relationships among the rate groups?

A It's essentially, it's sort of a smoothing function of taking the rate groups, reducing -- the biggest rival was trying to reduce the amount of spread in the prices. So you can see from the contracts all rate groups are priced at the same level. So then we went into the other rate groups and tried to reduce the spread from the highest to the lowest, and that's really what you see.

Q Now, turning your attention to the DID nonrecurring charges, how were the proposed charges determined?

A I think I talked about that a little bit in the testimony, I was trying to recall.

Q I believe Page 9 of --

A Of the direct?

Q Of the direct testimony.

A Yes. Well, for one thing -- I recall it. The $915 for DID service, trying to get that reduced and restructured has been something that we have been trying to do for years. I think the proposal -- if I recall right, the proposal was first made for that when Joe Cresse was still on the Commission. And we

were never able to get any reductions on restructuring. We got them in restructuring, but we could never get these reductions made. It's been recognized that that number has been, you know, just extraordinarily high. It should have been reduced for several years. So what we are trying to do is to get it down to something that more approximates the cost of doing this.

Q And so, I understand, was there ever a proposal to do this that BellSouth put before the Commission that was rejected?

A Yes. I don't know that we went down to these same levels, but I do know that they were supposed to put forth to dramatically reduce the $915 that was rejected.

Q Can you give me a docket number or a context?

A I can. I'd have to search back, but if I recall, I think it was in our last rate of return rate case, which must have been back in the early '80s.

Q Now, I want to turn to the proposal that OPC made with respect to establishing a reserve for customers experiencing difficulties with the conversion from 305 to the 954 area codes.

A Yes, okay.

Q What problems are you aware of, is BellSouth aware of, that have arisen with the establishment of the 954 area code, and how has the Commission and BellSouth responded to address those problems?

A The problems that have essentially arisen -- and not peculiar to BellSouth -- everywhere this has been done, when we are now using numbers that are no longer -- excuse me, 0 or 1 is the area code -- the middle digit in the area code rather, resulted in some problems with PBXs not being able to be programmed to properly recognize those and causes some problems for business customers. And, also, it's the same problems we've experienced whenever we do a geographic split of an area code. Business customers have to change their number. Resident customers don't like it either, but business customers tend to like it less because it causes them to have to change business cards and stationery and so forth. So these are the problems that we tend to run into every time we do geographic split.

And I might point out that BellSouth has been trying not to do geographic splits, to be responsive to these customers. And they've proposed not doing them. But as a result of doing them, you invariably get these problems. And we're -- it

happens whenever it's done anywhere in the country.

Now, what was the second part of it? What have we done?

Q Yes.

A Yeah, we had an arrangement with the customers in, I think it's Fort Lauderdale or Broward County actually, to give them remote call forwarding for $12 for seven months, including waiving any ECS and toll usage charges. So that was what was put in place to provide sort of a buffer zone or a period of time to enable those customers in that area who did not -- couldn't, didn't want to deal with changing the number, to give them more time to deal with cutting over to the new area code.

Q Now, you said that was for a period of up to seven months?

A Yes.

Q And does the special offering expire at that time?

A The special offering would expire, is that what you said?

Q Yes.

A Yes.

Q So then it's an interim tariff, as it were?

A It's an interim arrangement. Now, what

we've done with the current proposal is that it will eliminate the local usage charges on RCF altogether. So it would effect -- take that feature of the interim arrangement and make it permanent.

And if I remember correctly, I think it also reduced the RCF price, if I remember right. That's not right. I know we got rid of the usage charge. So that puts that in and makes that a permanent feature.

Q Now, in your rebuttal testimony on Page 14 --

A Rebuttal, Page 14?

Q Yes, sir. And I'm looking at your response to the question that begins on Line 1 of that page.

A Okay, I'm just trying to find it. All right, yes.

Q The answer begins on Line 7.

A Yes.

Q And you close the response by saying that by waiving, the company provided local and toll usage charges normally associated with RCF for up to five months following the date specified for mandatory dialing of the new area code.

A Yes.

Q How does the five-month period square with the seven-month period that's in the interim

arrangement?

A I just don't recall.

Q Okay. There's a request on the floor to take a five-minute break.

A All right.

Q Why don't we do that?

A All right.

(Brief recess.)

- - - - -

MR. ELIAS: Okay. We are back here in Tallahassee. Is everybody ready to go?

MS. DUNSON: This is Robin Dunson. I'm here.

MR. LOGAN: We're all ready, Mark Logan.

MR. BEATTY: Robert Beatty, ready to go.

MR. GIMBEL: Tico Gimbel, ready to go.

MR. ELIAS: Mr. Varner, are you there? I guess we're not ready to go.

MR. LOGAN: We appear to be missing a key ingredient. (Laughter)

MR. WIGGINS: Hey, Bob?

MR. ELIAS: Yes.

MR. WIGGINS: This is Pat Wiggins. How much more you got?

MR. ELIAS: Oh, probably I would say about

another hour. Probably a lot less if Mr. Varner doesn't come back.

MS. KAUFMAN: It would go a lot quicker.

(Discussion off the record.)

Q **(By Mr. Elias)** Now, the special RCF plan that's in place now calls for waiving both ECS and toll usage, while your proposal in this case waives only local usage; is that correct?

A That's correct. But remember the one that's in place now is a temporary plan.

Q Understood. So that ECS and local call-plus charges would still apply to subscribers to the special RCF offering; is that correct?

A ECS would. I'm not sure about local calling-plus. And long distance would, any applicable long distance on RCF.

Q You would accept that subject to check?

A Yes.

Q Now, subscriber's to the special RCF plan do not currently pay local usage rates; is that correct?

A Yes, they do. That's what's being waived under the new plan.

Q Well, currently where are the users or the customers who would use the special RCF plan located?

A I don't follow your question.

Q Is this particular to the 954 area code?

A No. Anybody can subscribe to RCF anywhere. What's peculiar to the RCF to that 954 areas code is the arrangement of pricing of RCF.

Q I want to clarify that we're discussing just the industry plan and not RCF in general.

A Okay.

Q And does that change your answer to the previous question?

A Yeah, well, the industry plan, which is the pricing arrangement, you know, special pricing arrangement for RCF is on there for Broward County.

Q And they don't pay your local usage charges, correct?

A That's right, nor the ECS, nor the toll under the special pricing plan.

Q So then your proposal to eliminate the local usage rate would have no impact one way or the other on subscribers to the special plan; is that correct?

A Yes, it would, because the special plan is temporary, and it expires after a specific period of time. This proposal will extend that on beyond that period.

Q To the extent that a user is located in the southeast LATA, and specifically in Broward County,

are there any local usage rates which would apply under the special RCF plan?

A Under the arrangement that they have in place today, no. But remember that arrangement is time limited. Once that time period expires, then, yes, there would be.

Q What local usage rates would apply when the plan expires?

A It would go back to whatever is in the existing RCF tariff if our proposal is not approved. What our proposal does is it eliminates.

Q Is everything between Broward and Dade in the southeast LATA currently ECS?

A I believe that's correct.

Q So then there would be no local usage charges applicable?

A No, no. Everything outside of the local calling area, I think, is ECS. The local calling area still has, you know, they still have calls, but they don't call in here. So everything outside the local calling area is ECS.

Q Now, $12 is the normal basic charge for remote calling forwarding; is that correct?

A I think that is correct. I was trying to see if I had that tariff in front of me. That sounds

right.

Q Subject to check?

A Yes. It's $12 as a monthly price plus usage.

Q And it applies to both regular RCF and the industry plan users; is that correct?

A The $12 or the usage?

Q The $12.

A The $12, yes, if that's the regular price. Subject to check that would be the regular price, then, yes, that's correct. And the difference between the two being that under the industry plan there's no usage charges added.

Q Now, you provided a price-out of your RCF proposal. Do you have it?

A You cut out a little bit, but I think you were asking me if I had a price-out of the RCF proposal?

Q Yes, sir.

A Let me see. I believe I do. Let me just go back and locate it.

Q And I believe that was provided to the Commission on June 10th of this year.

A Yes. I think it was part of that tariff filing.

Q Right.

A If I can just find it in here. All right. I think this is it. (Long pause.)

All right. I think I've found it.

Q And is it Page A-13, miscellaneous service arrangements, that you're looking at?

A Yes. Like Page 1 of 3.

Q Yes, sir. Now, the impact that's shown on that page, the revenue impact, is approximately $2 million. Do you see that figure?

A Yes, I do.

Q Is that for 1996?

A I would have to check to be sure. The attempt on these was to calculate demand using the latest available data that we have. And I don't know what data -- what was the latest available data for remote call forwarding. So I would have to check and see.

Q We'd like to understand what this $2 million figure includes.

A Okay.

Q For example, does it include the impact of regaining the charges that are currently waived under the special RCF plan?

A Okay.

Q Or is it only the effect of eliminating --

A The existing.

Q Yes.

A That's outside of that. And I would have to check.

Q Okay. Can we get the next late-filed exhibit, No. 2, breakdown of revenue remote call-forwarding usage.

All right. Mr. Varner, are you clear on that?

(Late-Filed Exhibit 2 identified.)

A Yes.

Q If you know, how many subscribers to the special RCF plan, the so-called industry plan, do you currently have?

A I don't know. I don't know how many people have decided to take advantage of that.

Q Can you get that information?

A I can try. If it's available, I'll get it. It should be.

Q Well, rather than labeling another late-filed exhibit --

A I could just include that in this same one.

Q That would be fine with us.

A If I could tell you anything, what I could

tell you is how many lines are taking advantage of it. I probably can't tell you customers.

Q Lines is fine.

A Okay.

Q Now, Palm Beach Newspapers, Incorporated included, or filed a proposal to reduce N11 usage rates. Are you generally familiar with that proposal?

A Yes, I am.

Q And in your testimony, I believe it was your rebuttal, you stated that there have been 51 applications for N11 codes in Florida since the service was introduced.

A I was trying to find that. I think I recall that. I was just trying to find out where that was.

Q Okay. It's Page 6 of your direct testimony.

A It's the direct? Okay. Got it. All right.

Q Do you know how many N11 codes are available at a given time?

A Not, no, off the top of my head. I think it's five, five or six. The one that's causing me trouble is 611. I think in some places that's available and some places it's not.

Q Can it be used in more than one area at the same time?

A Yes. For example, you would use it in the

Palm Beach area and you could use it in Jacksonville.

Q Is there a waiting list for N1I codes?

A Generally, yes. I would hesitate to say that there is completely. But generally, yes. In fact when these codes became available, we had to go through some sort of a process to figure out who would get the codes, because there were more people that wanted them than we had codes available.

Q Is there much in the way of changes as far as who the customers are for the various codes?

A Customer desire?

Q No, who the customers are. CHURN, if you will.

A There has been some, but I don't think it's been a great deal.

Q And when you say some?

A There have been a couple of occasions that I'm aware of. Quite frankly, I'm not sure that those are in Florida. Wherein they've had customers that have come in and done some things with it and then decided that they weren't interested anymore.

Q Do information service providers ever use vanity numbers?

A Information service providers. There are several people that do, and I can't say for sure,

positively, that any information service providers do, but we do sell a number of them.

Q And how do you define vanity numbers?

A Oh, they are numbers that people want that say a specific thing. It's usually trying to spell out some specific type things or a specific number sequence that they want for a particular reason.

Q Do you believe that vanity numbers could be considered a reasonable less expensive alternative to N11 codes?

A In some cases, yes. It depends on what the marketing plan is and what they feel the attractiveness is. But it certainly does give them a substantial form, is what they are trying to get with an N11 number.

Q Now I want to talk some more about some of the aspects of BellSouth's proposal. And I'm going to Page 7 of your direct testimony.

A Yes.

Q And beginning on Line 9, you list eight service offerings for which BellSouth has proposed to waive the secondary service order charges when a subscriber has ordered them.

A Yes.

Q Why are you making this particular proposal?

A Again, what we found is that -- well, first, customers tend to -- and they have to pay $10 a residence, $19 a business, unless there is a waiver campaign when they add these particular services. And the nonrecurring charge does act as somewhat of a barrier to customers subscribing to these when a waiver campaign is not in place. And as you know, we've conducted many of these waiver campaigns wherein those charges are waived, and customers subscribe to this thing.

What we found is that the prices for these services are well above cost and can more than recover the nonrecurring costs to putting these customers in. I mean, that's why we were able to do waivers in the first place. So it just doesn't seem to make sense to continue to have that barrier there.

Q Is the secondary service order charge the only nonrecurring charge applied when these services are ordered by an existing customer?

A Adding to an existing service, yes.

Q And how did you select these particular services for the waiver?

A This is the group of services that, you know, our customers tend to buy. Even though the list looks somewhat short, it's the whole grouping, like

custom calling services. It's all of the custom calling services, all the touch star services, all of the prestige services. And this is the list of services that vertical services seem to be most popular and are priced far enough above cost to handle waiving a charge.

Q Now, you also propose reducing the first line connection charge for business customers?

A Yes.

Q And my reading of the testimony was that BellSouth is proposing to offer connection charges to business customers below cost?

A That's correct.

Q Why is that appropriate?

A First, the business line is priced above cost, and the difference between this nonrecurring charge -- you see, we are reducing it from 56 down to 40, it's $16. I was trying to recall what the cost number was, and I just can't recall it right this minute. But the amount that this is below cost can be more than made up in the monthly recurring charge from the business customer, because the business customer's recurring charges are above cost.

Q And why did you not make the same proposal for residential customers?

A Because the residence customers are priced below cost already. So there's no way to make up the difference that you would lose on the site in nonrecurring below cost at a recurring rate that's already below cost.

Q And when you said that the business line rates were above costs, what kind of costs were you referring to?

A Could you repeat that?

Q You stated that the business line recurring costs were above costs. And my question is what kind of costs were you including in that statement?

A I think you said what kind of cost.

Q Yes. In other words, what definition of costs.

A Oh, it would be incremental costs.

Q Would that be LRIC or TSLRIC?

A That, I would have to check. We've recently gone to utilizing this new terminology, and I'm always confused about which one is which, so I have to check to be sure. I think it's TSLRIC.

Q Now, you've proposed some reductions in the WATS and 800, 888 service access lines and the secondary service ordering charges for WATS saver service offerings.

A Yes.

Q Do you consider these to be competitive offerings?

A Yes, they will be.

Q Is that why you are proposing these changes, to meet competitive pressures?

A Yes.

Q What costs are recovered by the secondary service ordering charges?

A The costs that are recovered are essentially ordering type costs, the cost of making the change in the -- you know, taking the call from the customer and the nonrecurring costs is affecting the change in their account.

Q Will these services still recover all their costs?

A Yes, they will.

Q And is that because -- why is that?

A Because the rates, the other rates that remain in effect, the monthly rate and the usage rates where they apply, would more than cover the cost of both providing the service on an ongoing basis, plus installation or start-up calls.

Q Now, if the Commission decides not to adopt BellSouth's proposal to reduce PBX trunk rates, does

BellSouth still want to reduce B1 rates as has been proposed in your testimony?

A Does BellSouth still want to reduce which rates?

Q The B1 rate in Rate Group 12.

A I don't think so. I mean, we've reduced the B1 rate in concert with the reduction in the PBX trunk rate. If the PBX trunk rate is not reduced, then clearly the driving force for making the B1 rate reduction is not there, so I don't believe we would.

Q Now, beginning on Page 12 of your direct testimony, you discuss a new service offering, area-plus for business.

A Yes.

Q Would you explain the service offering in a little bit more detail than what's in the testimony?

A Okay. We already have area-plus for residence customers. And what this does is it introduces a similar plan for business customers. It's very similar to the residence plan. And what it does is it says, it creates a plan wherein the business customer for a price gets calling within his basic local calling area which will be defined, I think it's earlier in A3, which is essentially the existing local calling area. He gets local calling to

an expanded local calling area, which goes out 40 miles effectively from wherever he is. And that would include any existing ECS areas.

So if there was an ECS area that was beyond 40 miles, it would be brought into the expanded local calling area. And then any area left beyond the expanded local calling area -- oh, and he gets a set price per minute. I was trying to recall what it is. I think it's 8 cents or something like that per minute for call to the expanded local calling area. And then if there's any toll between the expanded local calling area and the intraLATA boundary, he gets a 30% discount.

And the way of thinking about it, you think of it sort of like three concentric circles, where you've got the basic local calling area at a base price. You go out from there, you've got an expanded local calling area, the permitted charge. Then you go out from there and you've got toll at a 30% discount.

Q How did you determine the rates for these services, for this service offering?

A There were a number of things of looking at it. We have a number of expanded local calling area plans and toll discount plans; and so do our competitors have a number of those. And it's a matter

of looking at the various plans that we have and trying to craft a plan that we think this fits what we believe the customers would want.

Q How did you determine the estimated take rates used in calculating the revenue impact?

A Yeah, that's based on our experience with having various plans in place and instituting various plans. You know, based on the experience that we've gained, we use that experience to try to forecast what's going to happen when we put in one of these other plans.

Q Now, can you tell us why the B1 rate is higher than the network access register?

A Why the what rate is?

Q B1.

A Yeah. The principal reason for that is the B1 includes the loop and the network access register doesn't.

Q Now, why are the additives so high in the lower rate groups and so relatively low in the higher rate groups?

A When you say "additives," for?

Q Area-plus.

A For area-plus?

Q Yes, sir.

A Let me get to the tariff and maybe I can understand this better.

All right. When you're -- okay. Now, what was your question again?

Q All right. We are looking at the June 10th supplement to your May 31st filing.

A Yes.

Q And there is an area-plus summary and also tariff Page A3, 28.2.

A Yes, that's what I'm looking at.

Q Okay. Now, if you look at the additives, the rate groups that go across the page there, 1 through 12, and specifically the line that's labeled "B," per business line.

A Uh-huh.

Q It starts with $5.00 in Rate Group 1 and goes to 90 cents in Rate Group 12.

A Yes.

Q And what we want to understand is why the difference?

A Oh, okay. It's inversed -- well, first thing that you notice is that it's inversed to where the rates are. These are additives in addition to the basic rate. So what you end up doing is that when you add these additives to the existing rate, what you end

up with is that the rate including area-plus service in Rate Group 1 is closer to what it is in Rate Group 12 and what the existing rate is. In part, that represents sort of what the customers tend to receive for. Customers in Rate Group 12 don't tend to get as much value out of a service like this as customers in Rate Group 1. And also, it's consistent with what we discussed earlier with the idea of trying to bring these prices for these various plans that are based on rate groups closer together.

Q Now, can you explain the usage rates associated with this service?

A How they are applied?

Q And how they were derived.

A I can't tell you exactly how they were derived. We have looked at any number of different usage rates on these various plans over time and tried out several of them and seen what the response has been. So it could have been selected from that process, or it could have been a direct relationship to a discount, and I can't tell you for sure at this point. But the way it's applied is that it's, you know, it's at 8 cents a minute for every call that they made.

Q Does BellSouth Telecommunications have a

general policy towards moving towards eliminating rate group differentials in general?

A Okay. As a general policy, we do believe that they ought to be reduced, and as you can see in this file, we're making proposals to reduce the degree of variation among the rate groups.

Q One of the proposals on the table that BellSouth has put forth in this docket is special number assignment for business, changes to those rates.

A Yes.

Q And I'm looking -- I think it's Page 14. Yes, it starts at the top of Page 14.

A On the direct?

Q How do the existing rates provide barriers to other sales?

A What happens is this, is that, you know, we're -- this information comes back again to us from our marketing people who go out and meet with customers; and these are the vanity numbers, if you will, that we talked about earlier.

And when they go out and they meet with the customers and the customer wants to get one of these numbers and they're willing to buy something else from us, and they see these prices for those, sometimes

irritates the customer that the price level for this thing is that high.

So that's why we say -- that's what we mean by being a barrier to other sales. It's a barrier to selling the customer other things, because they get irritated with us because this price is so high. Put it this way; sort of like you get irritated when you go buy a car, and you look at one of the options and it doesn't make sense that they're going to charge you that much for something like that.

Q And why are you making this proposal at this point in time?

A To remove that source of irritation.

Q And could you describe the service in a little bit more detail than in your testimony?

A Yes. This is the -- I'm thinking it's the vanity number establishment wherein the customer wants a particular number. We have to go in and determine what we can offer the customer, whether that number is even available. They want a number that spells out, you know, 322 Car, or something like that, or whatever it is that they want to spell out; and we have to go in and determine whether or not it's available, and if it is available, to make the assignment for the customer.

And that's divided into two parts. There's a search only wherein we go in and we search and see if, in fact, the number is available, and let the customer know whether or not it's available; and there's a search and assign wherein we actually go in and we look and see if it's available. If it's available, we make the assignment.

Q Are these rates cost based in any way? And I'm speaking --

A They do cover the cost at the time that they were put in. The costs associated with this, you know, as you can see from the function is all nonrecurring administrative type costs.

Q Is there an additional per month or recurring charge associated with this service?

A I was trying to recall. I believe there is a monthly charge, but I don't know that it's under this same name, because this is the charge for assigning the number. There is a charge, if I recall, for the number itself, but it's not under special number assignment charge, it's under something else.

Q Are there any competitive implications associated with special number assignment charges or the service in general?

A Well, there are competitive implications

from the standpoint of, you know, we want to sell customers things. We want to sell customers our services and, you know, to the extent that there are competitors for other services and we lose a customer for those competitive services, yes, there are competitive implications associated with this. As far as with this service specifically and alone, I don't think that there really are.

Q Now, beginning on that same page at Line 18, BellSouth proposes to reduce rates for DS-1 and MegaLink service interoffice rates. Why are you proposing to reduce these rates in this proceeding?

A Again, you know, there are -- one of the drivers behind that is competition. There are other providers of these dedicated type facilities. They can come in and offer them, and we need to make sure that our prices fair well relative to those other providers.

Q How were the actual rate levels determined?

A Again, it's canvassing what else is available in the marketplace and what we believe will be a price that we can sustain with our customers and be competitive with the other providers.

Q Now, BellSouth has also requested that the revenue effect of implementing ECS and EAS on several

toll routes be offset in this proceeding; is that correct?

A Yes.

Q And in your proposal you've shown the impact to be approximately a million dollars.

A Yes.

Q Does this amount reflect a 1996 annualized impact?

A I don't know. I'll have to go back and see whether this was -- what we expect it to be in 1996, whether it was what we identified at the time that it was ordered. I just don't remember.

Q We think it's part of the pending discovery request.

A All right.

Q So, hopefully, it will be addressed there. To your knowledge, has the Florida Public Service Commission previously authorized ECS and EAS offsets such as those which you have proposed here?

A Yes.

Q And what circumstance was that?

A In the early Florida -- the stipulation was -- I think the initial installment, it was either the initial installment of the stipulation or the first annual installment of the stipulation, there was

recognition or allowance made for introduction of some ECS. The one I think that was -- the one that comes to mind was Dade and Broward.

Q And you do have the May 31st tariff filing with you; correct?

A Yes, I do.

Q Would you turn to the very last page of the tariffs?

A All right.

Q And you have included a Section E-9.5.

A 19.5?

Q No.

A No; 819.5.

Q E, as in Everest.

A Everest; all right. E-9.5?

Q Yes, sir.

A Yes.

Q And that's Page 7, is the tariff sheet?

A Yes, it is.

Q It shows new rate reductions and zone price differentials for directory --

A What now?

Q New rate reductions and zone price differentials for directory assistance access service.

A Yes.

Q We're not so sure that this has been discussed anywhere else in this proceeding. And is this part of another proposal that's reflected someplace else in your testimony?

A No, it's not in mine, it's in Mr. Hendricks', actually, because he has all of the access -- this is an access charge.

Q Is this related to the zone density pricing proposal?

A Yes, it is.

Q And is the revenue impact of these tariff changes included with the zone density pricing?

A It should be. It should be included with the switched access price reduction, the 13 million something.

Q Uh-huh. We just weren't sure.

A Yes.

Q Now, are you aware of any problems providing cost data which are the subject of the pending interrogatories for the --

A I haven't seen the pending interrogatories, so I couldn't answer that.

Q And I guess probably the same thing is true about the price-outs that --

A Which price-outs? There were some

price-outs that have been made available already.

Q And I think I'm speaking to the ones that we asked for in the interrogatories.

A Oh; okay. I haven't seen the interrogatories.

Q So you probably don't know if there's any problems with those.

A Not that I know of. I've haven seen them. Again, if there are cost studies in there, the only -- and I won't term it a problem, it's just a procedural aspect -- some of them may be proprietary, and we may have to deal with that.

Q Would you turn to -- and I think this would be the last question that we have -- Page 2 of your rebuttal testimony, and beginning on Line 10, you respond to a question concerning Mr. Metcalf's testimony, and you finish your response on Lines 14, 15 and 16 by saying, "Mr. Metcalf is quite mistaken in his assessment that these moneys are in the nature of a rate reduction."

A Yes.

Q Is that a correct statement?

A No. It should be rate refund. On 15 these are rate reductions. It's not a rate refund.

Q Mr. Varner, thank you very much. That's all

the questions Staff has.

MR. ELIAS: Anyone else have any questions?

MS. KAUFMAN: Bob, this is Vicki. I have a question, if nobody else does. Do you want me to go ahead?

MR. ELIAS: Sure.

EXAMINATION

BY MS. KAUFMAN:

Q Mr. Varner, I'm Vicki Kaufman, and I represent the Florida Interexchange Carriers Association, and I just have one question for you.

In your rebuttal testimony on Page 1, the page prior to the one Mr. Elias was just referring to, beginning on Line 21 you discuss the testimony of various witnesses that you are rebutting. Do you see where I am?

A Yes, I see that.

Q And on Line 22 going to 23 you state that this rebuttal testimony partly rebuts the testimony of Mr. Gillan. I looked through all your rebuttal and I didn't see his name or his testimony mentioned anywhere, and I wondered did I miss something, or is that an error in that sentence?

A I thought I saw something in here where we did address Mr. Gillan.

Q Okay. I might have missed it, but I didn't see it.

A I don't see it either, so I guess not.

Q Okay. I just --

A I thought I saw it. Maybe it was in the supplemental, but, nonetheless, that wouldn't be this testimony anyway.

Q Do you have some testimony supplemental to your rebuttal?

A Yes. Here is supplemental rebuttal that was filed on the 17th.

Q Of October?

A Yes.

Q I guess I haven't received that. At any rate --

A So it's not in this one.

Q Okay.

A And that one really only address Mr. Allen, and if his testimony has been withdrawn -- so I probably don't even need that testimony.

Q Okay. Thank you.

A Uh-huh.

MS. KAUFMAN: That's all I've got, Bob.

MR. ELIAS: Anybody else? No response, so the only other thing I'd like to do is if we could

establish a due date for the late-fileds.

MR. ELLENBERG: Can we could go off the record a second?

MR. ELIAS: Sure.

(Discussion off the record.)

MR. ELLENBERG: We're back. We talked, and don't think there will be a problem -- other than the fact we're not in the office, we're out of town -- in getting these to you by Friday. If we get off this call and make a couple of calls and find out any problem with that, we will follow up with you.

MR. ELIAS: All right; this Friday, the 25th. Okay. That works for us. Thank you, Mr. Varner. If nobody has anything further, we'll conclude.

(Deposition concluded at 11:40 a.m.)

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ERRATA SHEET

DOCKET NO. 920260-TL
NAME: A. J. VARNER
DATE: October 22, 1996

Page	Line	

AFFIDAVIT OF DEPONENT

This is to certify that I, A. J. VARNER have read the foregoing transcription of my testimony, Page 1 through 63, given on the 22nd day of October, 1996, in Docket No. 920260-TL, and finds the same to be true and correct, with the exceptions, and/or corrections, if any, as shown on the errata sheet attached hereto.

_____
A. J. VARNER

Sworn to and subscribed before me this

_____ day of _____, 19_____

_____

NOTARY PUBLIC

State of _____

My Commission Expires:

STATE OF FLORIDA)
: CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, ROWENA NASH HACKNEY and H. RUTHE POTAMI, Official commission Reporters,

DO HEREBY CERTIFY that we were authorized to and did stenographically report the foregoing deposition of A. J. VARNER.

I FURTHER CERTIFY that this transcript, consisting of 65 pages, constitutes a true record of the testimony given by the witness.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 23rd day of October 1996.

ROWENA NASH HACKNEY

H. RUTHE POTAMI, CSR, RPR
Official Commission Reporters

Florida Docket No. 980260-TL
Revenue to Cost Comparison
DID Trunk

Monthly	Present Annual Demand	Proposed Annual Demand	Present Rate	Proposed Rate	Present Annual Revenue	Proposed Annual Revenue	Revenue Change	Unit Cost	% Prop Rate/Unit Cost	Annual Cost	Proposed Revenue - Cost
DID Central Office Components											
Est Trk Grp & 1st 20 nos	3,249	3,249	$4.00	$4.00	$155,952.00	$155,952.00	$0.00	$0.01	40000%	$389.88	$155,562.12
Ea addl Grp 20 nos	65,609	65,609	$4.00	$4.00	$3,149,232.00	$3,149,232.00	$0.00	$0.01	40000%	$7,873.08	$3,141,358.92
Trunk Termination	45,695	45,695	$21.80	$20.00	$11,953,812.00	$10,966,800.00	($987,012.00)	$9.34	214%	$5,121,495.60	$5,845,304.40
MF Pulsing Option	388	388	$7.50	$7.50	$34,920.00	$34,920.00	$0.00	$0.07	10714%	$325.92	$34,594.08
Dialtone MF Pulsing Opt	11,533	11,533	$7.50	$7.50	$1,037,970.00	$1,037,970.00	$0.00	$4.08	184%	$584,655.68	$473,314.32
Total					$16,331,886.00	$15,344,874.00	($987,012.00)			$5,694,740.16	$9,650,133.84
Nonrecurring											
DID Central Office Components											
Est Trk Grp & 1st 20 nos	745	745	$915.00	$55.00	$681,675.00	$40,975.00	($640,700.00)	$45.89	120%	$34,188.05	$6,786.95
Ea addl Grp 20 nos	19,588	19,588	$15.00	$15.00	$293,820.00	$293,820.00	$0.00	$4.10	366%	$80,310.80	$213,509.20
Trunk Termination	10,117	10,117	$90.00	$85.00	$910,530.00	$657,605.00	($252,925.00)	$61.39	106%	$621,082.63	$36,522.37
Total					$1,886,025.00	$992,400.00	($893,625.00)			$735,581.48	$256,818.52
Grand Total					$18,217,911.00	$16,337,274.00	($1,880,637.00)			$6,430,321.64	$9,906,952.36

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 980260
COMPANY/ EXHIBIT NO. 2
WITNESS:
DATE: 10/30/98

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DOCUMENT NUMBER-DATE
11404 OCT 28 98
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FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 960260
COMPANY/
WITNESS:
DATE: 16-36-96
EXHIBIT NO. 9

Florida Docket No. 960260-TL
Revenue to Cost Comparison
PBX Trunk

Monthly	Present Annual Demand	Proposed Annual Demand	Present Rate	Proposed Rate	Present Annual Revenue	Proposed Annual Revenue	Revenue Change	Unit Cost	%Prop Rate/Unit Cost	Annual Cost	Proposed Revenue - Cost
Rate Group-01 - M to M											
Trk Flat-In	0	0	$33.66	$33.00	$0.00	$0.00	$0.00	$20.58	160%	$0.00	$0.00
Trk-Flat-Out	0	0	$33.66	$33.00	$0.00	$0.00	$0.00	$20.58	160%	$0.00	$0.00
Trk Flat-2W	2	1	$33.66	$33.00	$807.84	$396.00	($411.84)	$20.58	160%	$246.96	$149.04
NAR ESSX-1/SPL Flat-2W	0	0	$33.66	$33.00	$0.00	$0.00	$0.00	$20.58	160%	$0.00	$0.00
Trunk Side Access Facility	0	0	$33.66	$33.00	$0.00	$0.00	$0.00	$20.58	160%	$0.00	$0.00
Total					$807.84	$396.00	($411.84)			$246.96	$149.04
Rate Group-01 - 24-48 Mo											
Trk Flat-In	0	0	$33.66	$34.00	$0.00	$0.00	$0.00	$20.58	165%	$0.00	$0.00
Trk Flat-Out	0	0	$33.66	$34.00	$0.00	$0.00	$0.00	$20.58	165%	$0.00	$0.00
Trk Flat-2W	0	0	$33.66	$34.00	$0.00	$0.00	$0.00	$20.58	165%	$0.00	$0.00
NAR ESSX-1/SPL Flat-2W	0	0	$33.66	$34.00	$0.00	$0.00	$0.00	$20.58	165%	$0.00	$0.00
Trunk Side Access Facility	0	0	$33.66	$34.00	$0.00	$0.00	$0.00	$20.58	165%	$0.00	$0.00
Total					$0.00	$0.00	$0.00			$0.00	$0.00
Rate Group-01->48 Mo.											
Trk Flat-In	0	0	$33.66	$29.00	$0.00	$0.00	$0.00	$20.58	141%	$0.00	$0.00
Trk Flat-Out	0	0	$33.66	$29.00	$0.00	$0.00	$0.00	$20.58	141%	$0.00	$0.00
Trk Flat-2W	0	1	$33.66	$29.00	$0.00	$348.00	$348.00	$20.58	141%	$246.96	$101.04
NAR ESSX-1/SPL Flat-2W	0	0	$33.66	$29.00	$0.00	$0.00	$0.00	$20.58	141%	$0.00	$0.00
Trunk Side Access Facility	0	0	$33.66	$29.00	$0.00	$0.00	$0.00	$20.58	141%	$0.00	$0.00
Total					$0.00	$348.00	$348.00			$246.96	$101.04
Grand Total					$807.84	$744.00	($63.84)			$493.92	$250.08

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FLORIDA

FGD SWITCHED ACCESS RATE COMPARISON
FLORIDA RATE CASE STIPULATION AND IMPLEMENTATION AGREEMENT
ORDER NO. PSC-94-0172-FOF-TL

RATE ELEMENTS	INTERSTATE		FLORIDA INTRASTATE			
				($50M)	($55M)	($40M)*
	12/29/93	CURRENT	CURRENT	7/1/94	10/1/95	10/1/96
Carrier Common Line						
Originating	$0.01000	$0.01000	$0.01061	$0.02600	$0.01061	$0.01000
Terminating	$0.01853	$0.01197	$0.02927	$0.02927	$0.02927	$0.01853
Local Transport						
0 - 1	$0.00610	———	———	$0.00706 **	$0.00706 **	———
1 - 8	$0.00610	———	———	$0.00706 **	$0.00706 **	———
8 - 16****	$0.00701	———	———	$0.00706 **	$0.00706 **	———
16 - 25	$0.00828	———	———	$0.00706 **	$0.00706 **	———
25 - 50	$0.00998	———	———	$0.00706 **	$0.00706 **	———
Over 50	$0.11650	———	———	$0.00706 **	$0.00706 **	———
Switched Transport						
DS1 Local Channel	———	$0.00062	$0.00062	———	———	$0.00062
Interconnection	———	$0.004392	$0.005159	———	———	$0.005159
DS1 Interoffice Channel	———	$0.00148	$0.00105	———	———	$0.00105
Local Switching 1	$0.00839	$0.00755	$0.00876	$0.01160	$0.00876 ***	$0.00876 ***
Local Switching 2	$0.00839	$0.00755	$0.00876	$0.01160	$0.00876 ***	$0.00876 ***
Information Surcharge (per MOU)	$0.00037	$0.00032	———	———	———	———
Composite FGD****						
Originating	$0.02577	$0.024364	$0.026199	$0.04466	$0.02643	$0.025589
Terminating	$0.03430	$0.026334	$0.044859	$0.04793	$0.04509	$0.034119
Total	$0.06007	$0.050698	$0.071058	$0.09259	$0.07152	$0.059708

*With the ($40M) filing, the Florida 10/1/96 switched access total composite rate will be at parity with 12/93 interstate composite rate.

**Transport In FL was not distance sensitive. $0.00706 was the average transport rate for FL.

***The FL Local Switching rate = 12/93 Interstate Local Switching + Information Surcharge rate (per 100 MOU) ($0.00839 + $0.00037 = $0.00876)

****Composite rates include Carrier Common Line, Local/Switched Transport, LS2 and Information Surcharge (per 100 MOU). With Switched Transport, the rates per MOU for DS1 Local Channel and DS1 Interoffice Channel assume 9,000 minutes of use per voice grade equivalent and interoffice transport of 10 miles.

DOCUMENT NUMBER-DATE
08028 JUL 31 96
FPSC-RECORDS/REPORTING

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TL EXHIBIT NO 10
COMPANY/ WITNESS: BST/Hendrix
DATE: 8/30/96

BellSouth Telecommunications, Inc.
FPSC Docket No. 920260-TL
Witness: Hendrix Direct Testimony
Attachment JDH - 1
Exhibit
Page 1 of 2

PLANNED ZONE PRICING

SWITCHED ACCESS - FLORIDA RATE COMPARISON

Rate Elements	INTERSTATE 12/31/94	Tandem Switched			DS1 Dedicated			DS3 Dedicated		
		Zone 1	Zone 2	Zone 3	Zone 1	Zone 2	Zone 3	Zone 1	Zone 2	Zone 3
CCL - Originating	$0.01000	$0.01000	$0.01000	$0.01000	$0.01000	$0.01000	$0.01000	$0.01000	$0.01000	$0.01000
CCL - Terminating	$0.01585	$0.01760	$0.01807	$0.01853	$0.01760	$0.01807	$0.01853	$0.01760	$0.01807	$0.01853
Local Switching 2	$0.00832	$0.00832	$0.00854	$0.00876	$0.00832	$0.00854	$0.00876	$0.00832	$0.00854	$0.00876
Information Surcharge (per 100 MOU)	$0.03729									
Switched Local Channel-Monthly Rate-VG (4W)	$45.24									
—VG (4W) Rate per MOU	$0.00503									
Switched Local Channel-Monthly Rate-DS1	$133.81	$133.81	$133.81	$133.81	$133.81	$133.81	$133.81			
—DS1 Rate per MOU	$0.00062	$0.00062	$0.00062	$0.00062	$0.00062	$0.00062	$0.00062			
Switched Local Channel-Monthly Rate-DS3	$2,165.87							$2,100.00	$2,100.00	$2,100.00
—DS3 Rate per MOU	$0.00036							$0.00035	$0.00035	$0.00035
Access Tandem Switching	$0.000780	$0.000475	$0.000488	$0.000500						
Interconnection	$0.005230	$0.002500	$0.003700	$0.005034	$0.002500	$0.003700	$0.005034	$0.002500	$0.003700	$0.005034
Common Transport - Facility Termination	$0.00039	$0.00036	$0.00036	$0.00036						
Common Transport - IOC Facility (10 Miles)	$0.00050	$0.00038	$0.00039	$0.00040						
VG - Facility Termination	$23.30									
VG -IOC Facility (10 Miles)	$19.00									
—VG IOC Rate per MOU	$0.00470									
DS1 - Facility Termination	$90.47				$59.75	$59.75	$59.75			
-IOC Facility (10 Miles)	$253.30				$160.00	$165.00	$167.50			
—DS1 IOC Rate per MOU	$0.00159				$0.00102	$0.00104	$0.00105			
DS3 - Facility Termination	$1,541.84							$1,200.00	$1,200.00	$1,200.00
-IOC Facility (10 Miles)	$2,000.00							$1,550.00	$1,650.00	$1,750.00
—DS3 IOC Rate per MOU	$0.00059							$0.00045	$0.00047	$0.00049
Channelization Equipment - (DS3 TO DS1)	$1,049.51							$970.00	$970.00	$970.00
—Equivalent MOU Rate	$0.00017							$0.00016	$0.00016	$0.00016
Originating Rate - Tandem Switched	$0.026213	$0.022655	$0.024098	$0.025674						
Terminating Rate - Tandem Switched	$0.032063	$0.030255	$0.032168	$0.034204						
Total Rate - Tandem Switched	$0.058276	$0.052910	$0.056266	$0.059878						
Originating Rate - Voice Grade Dedicated	$0.033650									
Terminating Rate - Voice Grade Dedicated	$0.039500									
Total Rate - Voice Grade Dedicated	$0.073149									
Originating Rate - DS1 Dedicated	$0.026133				$0.022460	$0.023900	$0.025464			
Terminating Rate - DS1 Dedicated	$0.031983				$0.030060	$0.031970	$0.033994			
Total Rate - DS1 Dedicated	$0.058116				$0.052520	$0.055870	$0.059458			
Originating Rate - DS3 Dedicated	$0.025041							$0.021780	$0.023220	$0.024794
Terminating Rate - DS3 Dedicated	$0.030891							$0.029380	$0.031290	$0.033324
Total Rate - DS3 Dedicated	$0.055932							$0.051160	$0.054510	$0.058118

AVERAGE SWITCHED ACCESS RATE ACROSS ALL ZONES IS $.05632.

ASSUMPTIONS:

9,000 Minutes of Use per Voice Grade Equivalent
Interoffice Transport of 10 miles
Assume DS1 Local Channel for Tandem Switched (Common) Transport

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TL EXHIBIT NO. 11
COMPANY/ WITNESS: BST / Hendrix
DATE: 10/30/96

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TL EXHIBIT NO. 12
COMPANY/ BellSouth Telecommunications Inc.
WITNESS: J. D. Hendrix
DATE: 12-30-92

RESIDENCE 3 - MINUTE DAY MTS CALL
COMPARED WITH FLORIDA'S COMPOSITE INTRASTATE SWITCHED ACCESS RATES

	1991			CURRENT INTRALATA CALLS			% Change		
	Miles	AT&T	MCI	Sprint	AT&T	MCI	Sprint	AT&T	MCI	Sprint
3 - Minute Day MTS Call										
	0 - 10	$0.3700	$0.3582	$0.3700	$0.5400	$0.5397	$0.5400	45.9% (I)	50.7% (I)	45.9% (I)
	11 - 22	$0.5850	$0.3423	$0.5850	$0.6000	$0.5997	$0.6000	2.6% (I)	75.2% (I)	2.6% (I)
	23 - 55	$0.7050	$0.6931	$0.7050	$0.6900	$0.6297	$0.6900	-2.1%	-9.1%	-2.1%
	56 - 124	$0.7195	$0.7066	$0.7134	$0.7500	$0.6297	$0.7500	4.2% (I)	-10.9%	5.1% (I)
	125 - 292	$0.7355	$0.7224	$0.7294	$0.7800	$0.6297	$0.7800	6.1% (I)	-12.8%	6.9% (I)
	293 - 430	$0.7450	$0.7339	$0.7387	$0.7800	$0.6297	$0.7800	4.7% (I)	-14.2%	5.6% (I)
	431 - 624	$0.7645	$0.7534	$0.7580	$0.7800	$0.6297	$0.7800	2.0% (I)	-16.4%	2.9% (I)

	1991			CURRENT*			% Change		
3 - Minute Switched Access Call	$0.39660	$0.39660	$0.39660	$0.168960	$0.168960	$0.168960	-57.4%	-57.4%	-57.4%

Legend:

* Current composite switched access rate assumes pending switched access reductions are effective

(I) - Increase

DOCUMENT NUMBER-DATE
09802 SEP 16 92
FPSC-RECORDS/REPORTING

BUSINESS 3 - MINUTE DAY MTS CALL
COMPARED WITH FLORIDA'S COMPOSITE INTRASTATE SWITCHED ACCESS RATES

	1991			CURRENT INTRALATA CALLS			% Change					
	Miles	AT&T	MCI	Sprint	AT&T	MCI	Sprint	AT&T	MCI		Sprint	
3 - Minute Day MTS Call												
	0 - 10	$0.3700	$0.3582	$0.3700	$0.3700	$0.5397	$0.5400	0.0%	50.7%	(I)	45.9%	(I)
	11 - 22	$0.5850	$0.3423	$0.5850	$0.5800	$0.5997	$0.6000	-0.9%	75.2%	(I)	2.6%	(I)
	23 - 55	$0.7050	$0.6931	$0.7050	$0.7020	$0.6297	$0.6900	-0.4%	-9.1%		-2.1%	
	56 - 124	$0.7195	$0.7066	$0.7134	$0.7100	$0.6297	$0.7500	-1.3%	-10.9%		5.1%	(I)
	125 - 292	$0.7355	$0.7224	$0.7294	$0.7200	$0.6297	$0.7800	-2.1%	-12.8%		6.9%	(I)
	293 - 430	$0.7450	$0.7339	$0.7387	$0.7200	$0.6297	$0.7800	-3.4%	-14.2%		5.6%	(I)
	431 - 624	$0.7645	$0.7534	$0.7580	$0.7200	$0.6297	$0.7800	-5.8%	-16.4%		2.9%	(I)

	1991			CURRENT*			% Change		
3 - Minute Switched Access Call	$0.39660	$0.39660	$0.39660	$0.168960	$0.168960	$0.168960	-57.4%	-57.4%	-57.4%

Legend:

* Current composite switched access rate assumes pending switched access reductions are effective

(I) - Increase

BellSouth Telecommunications Inc.
FPSC Docket No. 920260-TL
Exhibit No. JDH-3
Page 2 of 4

RESIDENCE 3 - MINUTE DAY MTS CALL
COMPARED WITH FLORIDA'S COMPOSITE INTRASTATE SWITCHED ACCESS RATES

	1991			CURRENT INTERLATA CALLS			% Change		
	Miles	AT&T	MCI	Sprint	AT&T	MCI	Sprint	AT&T	MCI	Sprint
3 - Minute Day MTS Call										
	0 - 10	$0.3700	$0.3582	$0.3700	$0.6000	$0.5997	$0.5400	62.2% (I)	67.4% (I)	45.9% (I)
	11 - 22	$0.5850	$0.3423	$0.5850	$0.6600	$0.6597	$0.6000	12.8% (I)	92.7% (I)	2.6% (I)
	23 - 55	$0.7050	$0.6931	$0.7050	$0.7500	$0.7497	$0.6900	6.4% (I)	8.2% (I)	-2.1%
	56 - 124	$0.7195	$0.7066	$0.7134	$0.8100	$0.8097	$0.7500	12.6% (I)	14.6% (I)	5.1% (I)
	125 - 292	$0.7355	$0.7224	$0.7294	$0.8400	$0.8397	$0.7800	14.2% (I)	16.2% (I)	6.9% (I)
	293 - 430	$0.7450	$0.7339	$0.7387	$0.8400	$0.8397	$0.7800	12.8% (I)	14.4% (I)	5.6% (I)
	431 - 624	$0.7645	$0.7534	$0.7580	$0.8400	$0.8397	$0.7800	9.9% (I)	11.5% (I)	2.9% (I)

	1991			CURRENT*			% Change		
3 - Minute Switched Access Call	$0.39660	$0.39660	$0.39660	$0.168960	$0.168960	$0.168960	-57.4%	-57.4%	-57.4%

Legend:

* Current composite switched access rate assumes pending switched access reductions are effective

(I) - Increase

BellSouth Telecommunications Inc.
FPSC Docket No. 920260-TL
Exhibit No. JDH-3
Page 3 of 4

BUSINESS 3 - MINUTE DAY MTS CALL
COMPARED WITH FLORIDA'S COMPOSITE INTRASTATE SWITCHED ACCESS RATES

	1991			CURRENT INTERLATA CALLS			% Change		
	Miles	AT&T	MCI	Sprint	AT&T	MCI	Sprint	AT&T	MCI	Sprint
3 - Minute Day MTS Call										
	0 - 10	$0.3700	$0.3582	$0.3700	$0.4036	$0.5997	$0.5400	9.1% (I)	67.4% (I)	45.9% (I)
	11 - 22	$0.5850	$0.3423	$0.5850	$0.6328	$0.6597	$0.6000	8.2% (I)	92.7% (I)	2.6% (I)
	23 - 55	$0.7050	$0.6931	$0.7050	$0.7657	$0.7497	$0.6900	8.6% (I)	8.2% (I)	-2.1%
	56 - 124	$0.7195	$0.7066	$0.7134	$0.7743	$0.8097	$0.7500	7.6% (I)	14.6% (I)	5.1% (I)
	125 - 292	$0.7355	$0.7224	$0.7294	$0.7853	$0.8397	$0.7800	6.8% (I)	16.2% (I)	6.9% (I)
	293 - 430	$0.7450	$0.7339	$0.7387	$0.7961	$0.8397	$0.7800	6.9% (I)	14.4% (I)	5.6% (I)
	431 - 624	$0.7645	$0.7534	$0.7580	$0.7961	$0.8397	$0.7800	4.1% (I)	11.5% (I)	2.9% (I)

	1991			CURRENT*			% Change		
3 - Minute Switched Access Call	$0.39660	$0.39660	$0.39660	$0.168960	$0.168960	$0.168960	-57.4%	-57.4%	-57.4%

Legend:

* Current composite switched access rate assumes pending switched access reductions are effective

(I) - Increase

BellSouth Telecommunications Inc.
FPSC Docket No. 920260-TL
Exhibit No. JDH-3
Page 4 of 4

EXHIBIT NO. 13

DOCKET NO: 920260-TL

WITNESS: JERRY HENDRIX

PARTY: BELLSOUTH

DESCRIPTION:

10/21/96 DEPOSITION TRANSCRIPT

PROFFERING PARTY: STAFF

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TL EXHIBIT NO 13 I.D. # JDH-4
COMPANY/
WITNESS:
DATE: 10/30/96

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Comprehensive review of the revenue requirements and rate stabilization plan of Southern Bell Telephone and Telegraph Company.	))))))	Docket No. 920260-TL

DEPOSITION OF:	JERRY D. HENDRIX (Via Telephone)
TAKEN AT THE INSTANCE OF:	The Staff of the Florida Public Service Commission
PLACE:	FPSC Conference Room 362 Gerald L. Gunter Building 2450 Shumard Oak Boulevard Tallahassee, Florida
TIME:	Commenced at 10:12 a.m. Concluded at 11:50 a.m.
DATE:	Monday, October 21, 1996
REPORTED BY:	Lisa Girod Jones, RPR, RMR

BUREAU OF REPORTING
RECEIVED 10-24-96

W. Paul Rayborn
and Associates
P.O. BOX 10195
TALLAHASSEE, FLORIDA 32302-2195
(904) 224-7642

APPEARANCES:

ROBERT G. BEATTY, Esquire, (Via Telephone) 150 West Flagler Street, Suite 1910, Miami, Florida 33130; appearing on behalf of BellSouth Telecommunications, Inc.

PATRICK K. WIGGINS, Attorney at Law, Wiggins & Villacorta, P. O. Box 1657, Tallahassee, Florida 32302; appearing on behalf of PBNI and Intermedia.

MARK LOGAN, Attorney at Law, (Via Telephone) Bryant, Miller & Olive, 201 South Monroe Street, Suite 500, Tallahassee, Florida 32301; appearing on behalf of AT&T Communications of the Southern States, Inc.

TICO GIMBEL, Attorney at Law, (Via Telephone) Messer, Caparello, Madsen, Goldman & Metz, P.A., P. O. Box 1876, Tallahassee, Florida 32302-1876; appearing on behalf of AT&T Wireless.

LAURA WILSON, Esquire, (Via Telephone) 310 North Monroe Street, Tallahassee, Florida 32301; appearing on behalf of Florida Cable Telecommunications Association.

VICKI GORDON KAUFMAN, Attorney at Law, (Via Telephone) McWhirter, Reeves, McGlothlin, Davidson & Bakas, 117 South Gadsden Street, Tallahassee, Florida; appearing on behalf of the Florida Interexchange Carriers Association.

ROBERT V. ELIAS, Staff Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850; appearing on behalf of Staff.

ALSO PRESENT: Robin Norton

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EXHIBITS

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DEPOSITION

MR. ELIAS: Good morning, everybody. We're here pursuant to the Staff's notice of deposition as filed on October 9th. It was for Messrs. Varner and Hendrix. Mr. Carver of BellSouth called me last Friday and told me that Mr. Varner would not be available this morning due to testifying in a proceeding in Tennessee, and we agreed to reschedule his deposition for 10:00 tomorrow morning.

I want to apologize to everybody else for the short notice, but these are, if nothing else, interesting times.

Mr. Hendrix, are you here?

THE WITNESS: Yes, I am.

MR. ELIAS: Okay, I would ask -- and you have a court reporter with you?

THE WITNESS: Yes, a notary public.

MR. ELIAS: I'm sorry. And I would ask that the deponent be sworn at this time.

Whereupon,

JERRY D. HENDRIX

was called as a witness, having first been duly sworn to speak the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

MR. ELIAS: Could we have the notary's name and

address for the record, please?

THE NOTARY: Kiki, K-I-K-I, last name is Missailidis, M-I-S-S-A-I-L-I-D-I-S, 675 West Peachtree Street, Room 4300, Atlanta, Georgia 30375.

THE REPORTER: And what is your fax number?

THE NOTARY: (404) 614-4054.

MR. ELIAS: Okay, if the other parties would enter an appearance.

MR. BEATTY: I'm Robert Beatty on behalf of BellSouth representing the witness today. I guess you need my address. I'm at 150 West Flagler Street, Suite 1910, Miami, Florida 33130. My last name is spelled B-E-A-T-T-Y.

MR. LOGAN: This is Mark Logan of the firm Bryant, B-R-Y-A-N-T, Miller & Olive, 201 South Monroe Street, Suite 500, Tallahassee, 32301, and I'm appearing on behalf of AT&T Communications of the Southern States.

MR. GIMBEL: My name us Tico Gimbel, G-I-M-B-E-L, representing AT&T Wireless, with the law firm of Messer, Caparello in Tallahassee.

MS. WILSON: This is Laura Wilson, 310 North Monroe Street, Tallahassee, Florida 32301, representing Florida Cable Telecommunications Association.

MS. KAUFMAN: Vicki Gordon Kaufman, McWhirter, Reeves, McGlothlin, Davidson, Reeves & Bakas, 117 South Gadsden Street, Tallahassee, on behalf of the Florida Interexchange Carriers Association.

MR. WIGGINS: Patrick K. Wiggins, law firm of Wiggins & Villacorta, P. O. Box 1657, Tallahassee, 32302, on behalf of PBNI and Intermedia.

MR. ELIAS: And I'm Robert V. Elias representing the Commission Staff.

EXAMINATION

BY MR. ELIAS:

Q. Would the deponent state his name for the record, please?

A. Yes, my name is Jerry D. Hendrix, H-E-N-D-R-I-X.

Q. And Mr. Hendrix, are you the same Jerry D. Hendrix who prefiled direct testimony consisting of some 10 pages plus exhibits in this docket?

A. Yes, I am.

Q. And are you the same Jerry D. Hendrix that prefiled rebuttal testimony consisting of 12 pages plus exhibits in this docket?

A. Yes, I am.

Q. And Mr. Hendrix, you've had your deposition taken before; have you not?

A. Yes, I have.

Q. Do you have any changes, corrections or additions to your prefiled testimony, either direct or rebuttal?

A. No, I do not.

Q. Now, I want to get right into what you proposed beginning on probably Page 5, and that is zone density pricing, which you've proposed for a portion of the rate reduction that's required by the order approving the stipulation in this docket. And the concept of zone density pricing was originally approved by the Florida Commission in Docket No. 921074. Did you testify in that docket?

A. Yes, I did.

Q. And what was the Commission's decision with respect to zone density pricing in that docket, as you remember it?

A. They actually approved the structure, the concept required out to make a tariff filing, which we later did, and the tariff was actually allowed to become effective.

Q. Okay, do you recall that several LECs requested reconsideration and/or clarification of that order?

A. I do not recall that. That may be fact. I do not recall it.

Q. Do you know if out of that docket, either on the final order and/or the order upon -- on reconsideration, the Commission required zone density pricing tariffs to be cost-based?

A. I do. I remember that being a subject of the hearing. At the very moment I do not recall that that was actually a requirement of the order.

Q. Okay, well let me ask you this. The tariffs that BellSouth Telecommunications filed pursuant to that order, you reference the fact that they included zone density pricing as part of the format; is that correct?

A. That is correct.

Q. And for the various zones that were identified in that proposal, were there different prices?

A. No. There was only the structure that was actually approved with the understanding that we would come back at a later date and vary the prices among the zones.

Q. And excuse me, vary the prices among the zones?

A. That's correct, in other words that have different prices for different zones.

Q. And is it your understanding that the current Commission policy would have those various -- would require that those various prices for the different zones be cost-based?

A. It depends on what you define as cost-based. I think I would actually argue that there are costs underlying the various rates and those rates do in fact reflect cost, and when you think or reflect back on exactly why the zone pricing tariff was actually put into place, it was to mirror

a structure that had already been approved at the federal level, and BellSouth had proposed to introduce the structure in the state tariff as a part of the local transport docket, which was a docket you referenced earlier, but we do in fact cover costs, and there are underlying costs for those rate elements.

Q. Mr. Hendrix, we're having a little bit of trouble hearing you on this end.

A. Okay, I'll get closer to the phone.

Q. And I think it's more the level of your voice than how close or far away you are, because it seems like you're moving in and out, as it were.

A. Okay, I'm closer to the phone now.

Q. Okay, I appreciate that. In your filing and in your testimony you stated that BellSouth has not done cost studies in support of the zone prices that were filed as part of this proceeding; is that correct?

A. That's correct.

Q. And why is that?

A. The main reason is I don't believe that they are actually needed. What we do is determine whether or not we cover those costs, and we do in fact cover the costs in our rates when you look at the average switched access cost. So it wasn't something that was actually needed to reflect, you know, the difference in -- it wasn't needed to reflect the

difference in the cost for each of the zones.

Q. Do you know whether BellSouth Telecommunications ever did any analysis of the key cost drivers that go into making up the zone density prices?

A. Let me make sure I understand your question. You're asking if we ever did any cost studies of the key cost drivers?

Q. Yes.

A. I think earlier on when we talked about zone pricing at the federal level, there may have been some -- and I'm not sure there were actually cost studies that were done, but some surrogates for cost, but I'm not real sure about that, but I know we looked as a whole to ensure that we covered our costs. But keep in mind, also, you know, when you look at even a federal tariff, there aren't any rate differences yet, but whether calls were done earlier when we first looked at the concept of zone pricing, there may have been some done.

Q. Do I take -- do I understand what you said to say that you don't have different zone pricing prices for the tariffs that you filed at the federal level?

A. We have not filed different prices for the zones at the federal level yet. Those are planned to be filed shortly.

Q. What sort of requirements are there at the federal

level for justifying or considering in coming up with the differentials for the various zones, if any?

A. I would have to go back and look. I don't recall exactly at this moment if there are any. I know at the federal level where we filed a revised plan, which was approved, I believe, in May of this year, they actually approved a plan and the vehicle that we would use in actually doing the pricing, but other than satisfying the requirements of the various baskets and fitting those prices, I don't know that there would be any others.

Q. And this federal -- or this proposal that was approved at the federal level, how was that approval memorialized? Is there an order reflecting that approval or was this in response to a tariff that Bell filed, or --

A. There is an order reflecting the approval of the revised zone plan at the federal level.

Q. And would you happen to know the number of that order or some way that we can identify it?

A. I do not have the number. Let me check. I thought perhaps I referenced that in the testimony. Page 5 at Line 10, there is the docket number.

Q. So it's in that docket that the order was issued?

A. That's correct.

Q. Some time in the spring of this year?

A. That is correct.

Q. And you reference that you submitted a plan to the FCC?

A. Yes, I did.

Q. And when would that have been submitted?

A. I believe it was submitted in October of '95. And the purpose of the plan was to reflect what we thought was a more appropriate zone pricing plan which looked not only at a given office and the density in that office, but looked at the exchange for that office, as well as surrounding areas, bedroom areas.

Q. I'm sorry, did you say bedroom areas?

A. Yes, uh-huh.

Q. And what I want to know next is can we get a copy of that plan as a late-filed deposition exhibit?

A. Sure.

Q. Do you know whether that has ever been submitted in Florida?

A. I don't believe so.

Q. Could we identify that as late-filed Exhibit 1, call it BellSouth Federal Zone Density Pricing Proposal.

(Late-filed Exhibit No. 1 identified.)

BY MR. ELIAS:

Q. In this docket, some time in mid to late September, Staff served BellSouth Telecommunications with an interrogatory that asked for certain cost data relative to

the various rate proposals that it submitted in this proceeding. Are you aware of that request?

A. Yes, I am.

Q. What do you intend to file in the way of cost support for the zone price differentials?

A. I think it would be consistent with what I just told you here, that we had not done cost studies to reflect what the cost differences are among the zones. I believe there was also a previous request where you asked for the cost of certain elements, being local switching and transport, and I believe under a proprietary cover, those were made available to you. But going beyond that, to have them reflected in the various zones, we did not propose to give you any costs to indicate that there are cost differences among the zones.

Q. Do you believe that there are cost differences associated with the various zones?

A. I think, based on my knowledge and what I see happening throughout the industry, and conversation with others, I would venture to say that perhaps there are some small differences among the zones.

Q. And if we were to draw any generalizations, how would those price differences shake out? Is it cheaper in a heavily concentrated area or a rural area? How does that shake out for the various zones the way they've been

defined?

A. Generally, I would assume that your costs in your more dense areas are cheaper -- I mean that your costs are less, and the further away from the offices into your more rural areas would likely have higher costs.

Q. And that's generally the way you see it?

A. That's correct.

Q. Are you familiar with an acronym of fairly recent vintage in the telecommunications arena, TSLRIC?

A. Yes, I am.

Q. And what would you describe that to mean? What does it stand for?

A. Total service long run incremental cost. And to answer the first part of your question, I suppose there are various terms and various ways of defining that term in the industry, but I myself would define it to mean variable costs, in other words costs that would change with usage, plus costs that would actually not change. So you have volume-sensitive and volume-insensitive costs. I believe those are the two components that would make up your TSLRIC costs.

Q. Have you done any TSLRIC studies on the switched access elements -- or when I say you, I mean BellSouth -- on the switched access elements that are the subject of -- or included in Bell's proposal in this proceeding?

A. I don't know if any have been done for Florida, and I personally have not done any.

Q. Have you done any or are you aware of any others that were done for other states?

A. There's been various dockets in various states as a result of arbitration, and I'm not sure if these studies were done on TSLRIC or, you know, the new term TELRIC, or LRIC, but I recall that being talked about a lot. But as to whether it's actually been done and filed and submitted in other states, I'm not aware.

Q. Do you recall what kind of cost studies were done for the switched access elements that were the subject of Docket No. 921074 that we've previously referenced?

A. I believe they would have been LRIC studies. That was prior to -- well, let me go back first. I'm assuming in your question that there were some done and there were some filed. If that is in fact the case -- that docket went on for I believe two years, I think. If, in fact, costs were filed, I would venture -- and this is only a guess -- that perhaps they were LRIC.

Q. Now, I would like to talk a little bit about the specific rate elements that -- for which you've proposed zone rates. And the first one is the CCL, or carrier common line charge?

A. All right.

Q. BellSouth's proposal is to establish zone rates for the terminating end but not the originating end; isn't that correct?

A. That's correct.

Q. Now, traditionally in Florida the originating CCL has been priced lower than the terminating common carrier line charge; is that correct?

A. In the more recent cases, yes. I don't recall if that was the fact -- if in fact that happened in '84, but more recently, yes.

Q. Do you know how that came about?

A. Yes, I do.

Q. And what's your understanding of why and how that came about?

A. Well, the understanding was that carriers would be more easily able to bypass you on the originating end of the call, and for that reason you lowered the originating rate, making it more difficult from a cost standpoint for the carrier to want to move to high cap type services.

Q. Now, in this proceeding you've -- as you stated before, you've proposed zone density pricing for the terminating end and not the originating end. Have your competitors -- or BellSouth's competitive concerns changed?

A. No. I think in looking at the zone prices for carrier common line, even with the zone pricing of

terminating and not the originating carrier common line, originating is still lower. For instance, if you were to look at originating, which is at a penny, and look at Zone 1, it is still lower than the .01760, which is the terminating carrier common line rate.

Now, I think what has happened, you know, as carriers and competitors offer new options and new services, terminating is also a concern with them being able to bypass us on the terminating end, especially with the more common use of 800s and 888 type services.

Q. Now, BellSouth has not proposed zone density pricing for the local channel portion of switched transport. Why is that?

A. The reason we chose not to zone price that element is in looking at the other elements and looking at the prices, and given the amount of money we had, we just felt that it was money better used and -- for that money to be placed on other elements. I mean there is no real reason not, except for, you know, they wanted to put together a balanced package to benefit as many people as we could in reducing revenues by $48 million --

THE REPORTER: I'm sorry, I didn't hear the end of your last statement.

THE WITNESS: Okay, I hadn't finished it. Let me just go back and restate it then. There is no magic

in not choosing to zone price the local channel. In an effort to put together a balanced package to reduce revenues by 48 million, we picked the elements that we thought would be more appropriate to zone price, and for that reason we looked at the switching. We looked at the interoffice transport and the other elements that are actually shown here.

BY MR. ELIAS:

Q. What sort of bypass opportunities would a would-be user of switched access service from BellSouth have with respect to the local channel portion of the switched transport?

A. Well, clearly, if a CAP chose to collocate in our office, they could bypass the local channel. You know, if it's in the serving wire center, then there would be little need to purchase a local channel from Bell since the cross-connect in that case would serve that same purpose. So that is one option that is available to customers to bypass the local channel.

Q. And you don't think that zone density pricing would change the likelihood of a competitive access provider physically collocating in -- at a Bell switch?

A. Well, I think -- I think zone pricing will. I don't think you can simply look at a single element, and I think that's what some of the parties perhaps have done, you

know, in wanting to focus on what their game plan is. But I think you have to look at switched access in total because that's what the carrier is actually paying. So if they're paying me seven cents or six cents today for switched access, but the total charges assessed to that customer, that would be the driving factor in whether they go to a CAP, or go to someone else to provide any portion of transport, or to simply bypass the service totally, bypass switched access services totally.

Q. Now, you have not proposed zone density pricing for voice-grade switched transport. Why is that?

A. The -- and it's really for the same reason that I stated earlier, you know, relative to the local channels, but the other thing is we try to reflect in our zone pricing where our customers, you know, have actually indicated they would like to see rate changes, as well as to reflect what we felt needed to happen in the access market. And if you look at the $16.4 million, the bulk of it, or 75 percent of that is being used to reduce the RIC, which is the subject of many proposals in this docket from other parties.

Q. We'll come back to that. For DS1 and DS3 dedicated switched transport, BellSouth has proposed zone density pricing for the mileage but not for the terminations. Why is that?

A. And it's for the same reason, is to spend the

money, what monies we had available, that we felt were appropriate, and wanting to present a balanced package, was to put the money where we felt we needed to put it to reflect the market pressures and the pricing scheme that we felt was appropriate in this market.

Q. Okay, with respect to interoffice transport common, you've proposed -- BellSouth has proposed zone density pricing for the mileage and tandem switching components, but not the termination piece. Why is that?

A. For the same reason given previously, the termination piece is the equivalent of the termination piece for DS1 and DS3, facility termination. So the thinking is very much in line with that that we use for the DS1 and the DS3.

Q. Now, the RIC which you spoke of earlier -- and let me just define that as residual interconnection charge. Is that your understanding of the term?

A. That is how the industry has actually defined it, but the actual tariff element is interconnection charge, and residual was added on because of the way it was put into place in the federal docket.

Q. Now, the RIC, as we've been referring to it, is not associated with a specific cost component in Florida; is that correct?

A. I don't know that I would agree with that.

Q. Okay, could you tell me --

A. If what you're asking, if there are costs associated with the RIC, I would venture to say, yes, there are.

Q. And what costs would those be?

A. Well, one item that is -- one cost item that is likely to be reflected in the RIC would be signaling, SS7 signaling. Also, let me make you aware, there is an effort at the federal level to identify costs that are in the -- that are in the RIC -- and I'm assuming this is a federal issue. But signaling will be one. Another item would likely be most remote situations where not all of the costs are recovered from those items. Those are the two that come to mind now, and there may be others. It's just right now those are the two that would come to mind that perhaps are recovered through the charge assessed for RIC, but I would not agree that there aren't any costs in the RIC.

And I think even in the testimony, I believe it was my rebuttal, or I know in a data request that was answered by Mr. Scheye, there is a mention of there being some costs associated with the RIC. As a matter of fact, on Page 3, starting at Line 24, continuing on to Page 4 and ending at Line 5 of my rebuttal, I make mention of that and cite the FCC order that was issued on October 16th of '92.

Q. Now, was that same local transport restructure

docket that we spoke of earlier, that being 921074, that was the Florida statement on the same question that was answered by the federal order? Is that correct?

A. I'm not sure I understood your question.

Q. I'm not sure that I did either. Let me try and restate it. The same issue that was addressed in the Florida -- in the federal order that you reference on the bottom of Page 3, and the top of Page 4 of your prefiled rebuttal testimony, was addressed in Florida in Docket No. 921074; is that correct?

A. It was mentioned in Florida, yes.

Q. What was -- did BellSouth make a proposal with respect to the RIC in the Florida proceeding?

A. In what way? I'm not -- I mean, we actually filed the tariff restructured transport, provided the interconnection charge element. When you say a proposal, I'm lost as to what you're asking me.

Q. All right, let me say it this way. In Florida, were you instructed or required by the Commission order issued in Docket 921074 to create cost-based transport elements?

A. I believe that is right, without going back and checking the order. And we argued that the rates we offered, which were ultimately approved, except for some changes to certain rate elements as a result of the

intervening parties and trying to reach some agreement with certain parties, the rates did not change but mirrored what were compared to rates that were approved at the federal level. So we argued that those were the appropriate rates. Perhaps I'm just not understanding the question.

Q. Wasn't the RIC designed solely to produce revenue neutrality after the restructure, in Florida?

A. But it didn't.

Q. But you would agree that that's what it was designed to do, or expected to do?

A. The total -- I mean the concept of the interconnection charge, but once you had priced out your other elements, the other rate elements, then you would close to your revenue requirements by developing this usage-sensitive charge. And we did that. It did not bring us back to revenue neutrality in Florida. We actually had stipulated to a rate in an effort to get the tariff in, but it did not close back to keep us revenue neutral.

Q. BellSouth was never required to price transport rates below cost, is that correct, in Florida?

A. Not that I'm aware of, no.

Q. Now, you mentioned in your testimony that BellSouth is attempting to strategically price these rates, and I want to understand a little bit about BellSouth's approach to doing that. You reduce the common transport

interoffice mileage rate by 1/10,000th of a cent for each zone; is that correct?

A. No, that's not correct.

Q. Okay. How am I wrong?

A. Well, if you would go back and look at JDH-2.

Q. On your prefiled direct testimony?

A. That's correct. And perhaps when you say common transport, you know, and when you speak of zone pricing, I'm looking at common transport as being anything that is tandem switched. Are you all still there?

Q. Yes.

A. Okay. There was a big hum on this side and I wasn't sure whether you all were still there or whether you had dropped off. But if you look at Zone 1, the composite rate is .0529. Zone 2, the composite rate is .056. And those differences there are greater than the number you mention.

Q. And I'm speaking just to the interoffice mileage rate element.

A. Okay. For the interoffice mileage rate element, yes, but that doesn't hold true for what a customer would pay for what you refer to as common and what I refer to as tandem switched services.

Q. Okay, now, in that same -- on that same exhibit you reduced the residual, or interconnection charge, or RIC,

by over 50 percent between Zones 1 and 3, from just over half a cent to approximately a quarter of a cent. Is that correct?

A. That is correct.

Q. Why the big difference in the level of discount between the two elements, that is between the interoffice mileage rate and the residual interconnection charge?

A. Okay. And the reason is, as I stated earlier, we tried to do what we felt would have been the -- in our best interests in competitively pricing the services, but also to reflect in our pricing what the other petitioners or other parties to this docket had asked be done. And for that reason, the focus was on reducing the RIC as much as we could while trying to satisfy the marketing approach that we felt was appropriate to get zone pricing in.

Q. When you say marketing approach to get zone pricing in, what is that marketing approach?

A. To strategically price your services such that, let's say, in Zone 1 your rates are at a level that would allow you to more effectively compete with CAPs or any other provider of access services. And the second reason was to listen to what our customers are saying that they would like to have happen. In other words we're trying to balance both ends, satisfy marketing by strategically pricing switched access to reflect competitive pressures in Zone 1 and Zone 2

and at the same time reduce elements that we had a lot of pressure on to reduce.

Q. I want to ask you a kind of a global question. But with respect to those rate reductions that you are testifying in favor of in this docket, I would like you to explain to me for each one how a residential consumer of BellSouth is going to benefit?

A. For each element, or to explain it on an access charge basis? In other words, you know, a carrier coming to BellSouth will pay originating carrier common lines, originating call switching and either get transport from me or from someone else, or he would bypass switched access totally. So it's hard to say or -- well, to me it makes little sense to do it on an elemental basis. What you really want to do ideally is to look at the composite rate that would be assessed to the carrier. And given that, I can easily break down how a residential customer would actually benefit.

Q. Go ahead and do that.

A. Okay, great. Well, the premise, first, is that the -- well, let me just say it this way. They may not benefit if the carriers do not flow through these benefits to the end user customers. So the premise is that the carriers are going to flow it through. Secondly, they would flow it through such that the masses would actually benefit,

and that would mean reducing message toll rates for plans that are targeted more at the masses as opposed to large business customers.

Q. Now, you mentioned on Page 7 of your rebuttal testimony in response to a question that begins on Line 4, and starting on Line 16, you said, even though the Florida Statutes require IXCs to flow through switched access rate reductions, there is no guarantee that switched access rates would benefit -- would result in benefit for end users in the form of lower basic toll rates.

I have two questions about that. First of all, where does the requirement to flow through switched access reductions come from? And secondly, why is it that that requirement is not sufficient to assure that end users benefit in the form of lower basic toll rates?

A. Okay, the requirement to flow it through is from the statute, and I believe -- let me see if I can find that portion of the statute. But I believe it's 364.163(6), and it says, "Any telecommunications company whose intrastate switched access rate is reduced by this subsection shall decrease his customer long distance rate by the amount necessary to return the benefits of such reduction to its customers." That's, again, subsection 364.163(6). I forgot the second part of your question.

Q. I'm sorry, I thought you were going to answer the

second part of the question.

A. I forgot it.

Q. The second part is why isn't that sufficient to make sure that residential customers benefit?

A. Well, the reason I feel as if it isn't is because given the market, marketplace, who wants to ensure that the rural customers that make message toll calls benefit? It is more appropriate, you know, in the long distance carrier to target it to my high volume end user customers to ensure there is little impetus for them to move on to other carriers. So why should I flow it through to message toll where that end user res. type customer would actually benefit? I mean there's nothing there and the statute does not state that it must be residential customers. It simply says that it must be flowed through.

Q. On June 10th of this year, BellSouth filed with the Commission supplemental information relative to its $48 million revenue reduction tariff filing which was filed in satisfaction of the requirements of the settlement agreement in this docket. Do you have that information in front of you? It consists of several revised tariff sheets, a narrative summary and then some supporting data.

A. When was that filed?

Q. June 10th, 1996.

A. Yes, I do.

Q. All right, I wonder if you could turn to the first page after the last tariff sheets. It's labeled at the top on one side 1996 Florida Intrastate Switched Access and then on the other side is 1996 Forecasted Florida Intrastate Switched Access.

A. Let me ask if I may be granted a favor here. You know how coffee is, it runs right through you.

Q. Sure. We'll take five.

A. Okay, thank you.

(Brief recess)

BY MR. ELIAS:

Q. We were looking at the first page after the tariff page that was included in BellSouth's June 10th, 1996 supplemental filing in this docket.

A. Okay.

Q. And first of all, would you describe these two pages to us, the one that's labeled 1996 Florida Intrastate Switched Access and the one that's styled -- titled 1996 Florida -- or 1996 Forecasted Florida Intrastate Switched Access.

A. Yes. The first one is a summary sheet to support the $40 million filing that became effective on 10-1. And what it does is just summarize by major elements, carrier common line, switched transport, local switching, and then it gives you a total traffic-sensitive, plus carrier common

line, revenue, and also minutes of use for each of those major elements. And then at the bottom of that sheet it summarizes it further, carrier common line, switched transport, local switch and other, total, and then the gross revenue change and the net revenue change.

Q. Now, that --

A. Do you want me to go to the second sheet?

Q. Let me stop and ask you a question about the first sheet. That is reflective of the $40 million access charge, specified access charge reduction, that is part of this period -- part of this proceeding; is that correct?

A. Well, yes, in that this $40 million filing, I believe that in agenda session it was later approved, but you all had asked permission to be able to go back and adjust those rates if as a result of the outcome of this docket it was deemed to be appropriate do so.

Q. But that was part of the specified as opposed to unspecified reductions that were required by the settlement agreement?

A. Yes, but the specified amount initially was around $36 million, and as a result of the growth in minutes, that amount increased to 40 million.

Q. All right. Now, if you could go ahead and explain the second sheet?

A. Okay, the second sheet is pretty much the same, it

contains the same data, except for this is the $16.4 million filing that was used to support the zone pricing proposal submitted by BellSouth.

Q. Okay. Now, so then is it fair to say that the second sheet includes the $40 million reduction, which is detailed on the first sheet?

A. Yes, it is.

Q. Okay. I've got one question, and that is, if looking at the bottom of the first sheet you take the $247,358,052 base revenue number that's shown in the lower left-hand side of that page and subtract the $40,078,035 gross revenue change, you would get what should be a base -- an adjusted base revenue, if you will, of about $207 million. But if you turn over to Page 2, you get a starting number for base revenue of approximately $212,002,260. And my question to you is, what accounts for the approximately $5 million difference in those two numbers?

A. Okay. That's a fair question. The difference is, one, is the time of the filing. Early in the year, because of requests from customers, we go out and prepare these filings, since those were specified numbers that we would actually reduce revenues by. So if you look at the minutes of use -- for instance, let's look at the total local switching minutes on the first sheet. You have

6,492,000,000 minutes per sheet, looking at local switching. Are you with me?

Q. Yes, sir.

A. Okay, on the second sheet you have 6,614,000,000 minutes. At the time the zone pricing proposal was put together, we had more current forecast data and we chose to use the more current forecast numbers, always trying to be current in the data we filed. So that is the difference. The difference is the timing of the two filings, along with the updated forecast numbers reflected in the second priceout sheet.

Q. Are both of these forecasted?

A. Yes, they are. It's just a difference in the timing as to when they were actually done. In order to facilitate clarifying the two, we put forecasted at the top of the second sheet, but clearly, since we're not yet through 1996 for the forecast data, especially when it was, I think, given to you all back in June, so this would clearly be forecast data, since we would have only been through five months of '96 at that time.

Q. Does BellSouth have more recent data than this now?

A. You mean more up-to-date forecasts for 1996?

Q. Yes.

A. I'm not sure if another view, if another forecast

view has been done. I'm just not sure. If you're asking if we have actuals, actuals for '96, I think we would have through August, perhaps. And I think we're trying to finalize or ensure that the data is good for the September month.

Q. Would it be appropriate to recalculate the gross revenue change for the $40 million specified reduction based on the actual data that you have, either through August or September, if it's available by the time this issue is decided?

A. In my opinion, no.

Q. And why is that?

A. And the reason is, is in the previous two filings that were made, first on 7-1-1994, 10-1-1995, they had all included forecast data consistent with what we have offered here. To go in and to use actuals and not reflect what is happening in a marketplace to the set rates, I just do not feel is appropriate.

Q. How would actuals not reflect what was in the marketplace?

A. It reflects what is happening then, but it does not reflect what we believe would actually happen, you know, at the end of this year. It's not like we're giving you a forecast based on 1998 units, you know, and forecast data have been used in the previous filing. For consistency, I

would offer that we simply stay with the forecast. I would be happy to go back and see if there was a more up-to-date forecast and would be happy even to go back and redo the 40 million to reflect a more up-to-date forecast. But to go and use actuals would be inconsistent with what was done previously on the other two filings. Keep in mind, too, when we initially gave rates, and when we stipulated to the amounts that we would actually reduce rates by, those were based on forecasted data also. So at this juncture, to go in and change, it's not appropriate.

Q. You said that as far as the $40 million, you could do a reworked exhibit based on the most recent projections; is that correct? Did I -- am I paraphrasing what you said correctly?

A. Yes, you did. And that is to do it based on the same data that is used to support the $16.4 million change.

Q. I think that's the basis that we would like to have it on. If we could ask you to do a second late-filed deposition exhibit?

A. That's fine.

Q. Which would be recalculation of 40 million switched access reduction based on -- using same basis, based on the $16.4 million reduction.

A. Okay. Let me ask, will you all be giving us the actual titles to include at the top of these?

Q. I'm just getting daggers thrown at me from both directions here. Here is the title: Recalculation of $40 Million Switched Access Reduction Using Same Base Demand as $16.4 Million Reduction. Does that match your understanding of what you're going to do?

A. Yes, it does.

Q. We'll call that Late-filed Exhibit 2.

(Late-filed Exhibit No. 2 identified.)

THE WITNESS: Let me ask, if I may, would you read the title for the first one?

MR. ELIAS: Late-filed Exhibit 1 was the BellSouth Telecommunications Federal Zone Density Pricing Proposal. Okay?

THE WITNESS: Fine, thank you.

BY MR. ELIAS:

Q. Now, in your rebuttal testimony, and if I can paraphrase, you say, don't reduce access charges, but you don't say why it's inappropriate.

A. Which page is that?

Q. On Pages 4 and 5 of your rebuttal testimony. And my first question is why is it inappropriate?

A. Well, I think first I would not agree that I'm not saying it is not appropriate to reduce access. I mean, we proposed a $16.4 million change. I think what's being stated here -- well, I know what's being stated here is to

require to reduce what has been termed cost-based levels is not appropriate when you look at the levels in the amount of reductions that have taken place to date and the changes since 1984. I think we have to understand that as the basis for which I am stating that it's not appropriate to go to cost-based level.

Q. Okay, and in your rebuttal testimony you included a four-page exhibit, JDH-3.

A. That's correct.

Q. And that compares the basic residential and business three-minute daytime MTS call in 1991, and currently, versus the change in switched access rates during the same period; is that correct?

A. That is correct.

Q. And why did you choose 1991 as a starting point?

A. Mainly because of -- let me get to another little chart I have here. When I look back over the changes that have taken place in switched access -- bear with me one moment, please.

When I looked back over the changes that had taken place, it was just a good starting point. And as to not inflate my numbers and to reflect poorly on the other parties, I chose not to include the $22.6 million reduction that took place in 1990, but simply thought it was 1991 where we had a $5.8 million change.

And then there were a couple of other minor changes, say 2.2 million, and then of course, we came into the 50- and the $55 million change. But it was just as good a period as any, and I figured it was useless in going back more than five years, because things really, you know, started to happen in the marketplace in 1991. You know, we had a lot of imputation issues, similar type issues, you know, that were being addressed. So I just thought that was an appropriate place to start. I promise you I have no other reason for starting there other than that, because I could have gone back earlier and gotten greater switched access changes, but simply chose not to look past a five-year period.

Q. And again, this is the basic calling plan, if you will, or the basic rate for each of these three interexchange carriers; is that correct?

A. That is correct.

Q. So it doesn't include any discount plans or anything like that?

A. No, it does not.

Q. Now, the access charges would be the same for any call; is that correct? I mean in terms of whether it's a call that's discounted by an IXC or not, the same access charge would apply; is that correct?

A. No, that's not correct.

Q. Okay, could you tell me how I'm wrong there?

A. Okay. One key difference is what the carrier would actually use. On a discounted plan that's going over special access, originating and/or terminating over special access, then of course he would not pay two ends of switched access. So the charges would actually be different.

Q. Well, let's say like a Friends and Family call, or True whatever it is this month call, where you get a fixed percentage discount off the basic rate, would the access charges attributable to those calls be the same, or no?

A. Not necessarily, because you got quite a few True plans, but I would agree, for those calls that originate and terminate over switched access, the access charges would be the same.

Q. Now, do you believe that access charges will need to be reduced in light of the access reform proceeding that's being initiated by the Federal Communications Commission?

A. You're asking me if I believe they would need to be? I'm not sure. I'm not sure that anyone knows exactly what's going to happen. You have three major dockets, you know. You have the local -- the interconnection docket, you have the access reform docket, you have the universal service docket. And my best guidance would be let's not be too hasty in reducing charges because we don't know what the

outcome of those dockets is actually going to be.

I know that carriers would like very much for you to think that access charges have to come down, you know. But you should also keep in mind as to the impact that could have on end user customers. What are you getting for lowering those access charges? So I'm not really sure that they have to come down.

I think there's so many things that are uncertain, especially in light of the stay that was issued. You know, there is just so many things that are not certain. So I would suggest that any state considering the lowering of access charges, which provides a good bit of support to basic customer services, that they move cautiously in doing so.

Q. Beginning on Line 18 of Page 11 of your prefiled rebuttal testimony.

A. Yes.

Q. You are asked a question about the proposal of the Florida Cable Telecommunications Association, which suggests that a portion of the $48 million rate reduction should be utilized to eliminate the nonrecurring charges for the interconnection trunks that ALECs order from BellSouth, and nonrecurring charges for dedicated switched circuits ALECs order out of the BellSouth access tariff.

And you state as part of your response that this

is not the appropriate docket to handle this particular issue, beginning on Line 10 on Page 12. And my question for you is, why not?

A. The reason being, that is a totally separate, separate issue, and is a very big issue. And you have various arbitration cases that will be heard. So, I mean, address it in those dockets as to what the charges should actually be to allow those customers to interconnect with Bell and set up a different docket. But to use this money -- and the major point of what I wanted to say here is, to use this money to reduce those rate elements would not benefit the end user customers, but simply lining the pockets of someone else that's wanting to get into the market with little benefit, if any, going to the end user customers. That is the major point. And then the secondary point would be to set up another docket, if you think something should actually happen. But to reduce these rates without any end user benefit, I see little reason that that should be addressed, nor is it appropriate to be addressed in this docket.

Furthermore, I think you will want to, you know, perhaps look at the charges, the up front cost to BellSouth, or customer, to come in and order these services. And to flow all of that into this docket, I'm not sure that you all have time to address these issues. We have other dockets

that are addressing these issues. Address them there.

Q. Your position presumes that these rate reductions will not be flowed through to end use customers; is that correct?

A. Well, yes. And that's based on some knowledge I have of what has taken place in other states, in other dockets, and furthermore, there is no reason or there is no vehicle, rather, I see, that would actually allow these to be flowed through.

Q. I'm sorry, you said there's no way that they could -- that --

A. I see no vehicle that would actually allow these charges to be flowed through. I mean, you could argue that, you know, perhaps I could reduce other rates and charges to the end user customer. Well, that probably could happen, but just based on what I've seen in other states, I'm very doubtful that it actually would happen.

Q. And when you say what you've seen in other states, can you be a little bit more specific?

A. Yes. For instance up in Raleigh, I was involved in the price reg hearing there. And we stipulated that carriers would be allowed to compete on a 10XXX basis, and as part of that there was some other issues. But the LEC industry reduced access charges by $21.4 million. A month after those access charges were reduced, one carrier -- I

will not mention the carrier's name now, but is a major player -- came in and increased other rates, you know, increased certain toll rates. And the end users, in essence, saw little benefit, if any, of those changes. But what they did see was some increases in the amounts they were paying for certain types of toll calls.

The other thing in one other state, when access charges were reduced to the carriers, the end user customers, the major masses of customers, did not see benefits, but it was the high volume type customers that actually saw those benefits. So given that as the track record, I would see little that would make me agree that the end user customers would see these benefits, if we were to reduce the nonrecurring charges here.

Q. So you're not aware of any other instances where nonrecurring charges have been reduced and the benefits haven't been flowed through to end users?

A. No, I'm not aware.

Q. So then the basis is limited to your experience with respect to access charge reductions?

A. Access charge reductions where the carriers were asked or ordered to flow through changes, but the end users did not see those benefits.

Q. I believe that's all the questions we have.

THE WITNESS: Okay, whose next?

MS. KAUFMAN: I have some questions, Bob. This is Vicki. I don't know if anybody else does. Do you want me to go ahead?

THE WITNESS: Sure, Vicki.

EXAMINATION

BY MS. KAUFMAN:

Q. Hi, Mr. Hendrix.

A. Good morning.

Q. I'm Vicki Kaufman, and you know I'm appearing on behalf of the Florida Interexchange Carriers Association. I just have a very few questions for you. The first one has to do with your $16.4 million proposed reduction in access. Am I correct in understanding that if your proposal is approved, that entire amount is going to be applied to your zone pricing proposal?

A. Yes. The $16.4 million, which is the zone pricing proposal, you really have to factor that in with the $40 million change that you received benefit from as of 10-1.

Q. Okay, but right now I just want to talk to you about your 16.4, and I just want to be clear that that is all going to be apply to this zone pricing proposal, right?

A. To reduce access rates, yes.

Q. Now, I think I heard you several times, in response to some of Mr. Elias's questions, say that this

proposal was in response to some of the parties' concerns in this docket. Did I understand that correctly?

A. Yes, you did.

Q. And I guess -- and if I'm wrong you'll tell me -- you were referring to the parties that have sponsored the joint proposal in this docket? Is that who you were talking about?

A. Those would be among the parties I'm talking about, yes.

Q. Okay, and I'm sure you know that those parties are proposing the elimination of the RIC?

A. The interconnection charge?

Q. The residual interconnection charge, correct?

A. Well, the tariff element is the interconnection charge.

Q. Right, but I guess commonly folks refer to it as the RIC, and you know what I'm talking about, don't you?

A. Yes, I do.

Q. Now, it's true, also, isn't it, that there is absolutely no mention in the joint proposal of any zone pricing plan, and in fact the parties that have made a joint proposal are adamantly opposed to any zone pricing of access; isn't that right?

A. There is no mention. I'm not really sure that they're adamantly opposed to it.

Q. Well, have you reviewed Mr. Gillan's testimony in this case?

A. Yes, I have.

Q. Have you reviewed Mr. Guedel's testimony in this case?

A. Sure.

Q. And they're opposed to this zone pricing; are they not?

A. Well you mentioned "adamantly" opposed.

Q. All right, we'll get rid of adamantly. They're opposed to zone pricing; aren't they?

A. To be used as a result of this switched access reduction, yes.

Q. Now, I also think -- and I'm just going to paraphrase here -- that you said in response to some of Mr. Elias's questions, that basically you don't advocate any further reduction in switched access because basically the IXCs have already gotten some big reductions; is that a fair characterization of what you said?

A. That's part of it, yes.

Q. Have you -- I think you said already that you reviewed Mr. Guedel's testimony in this case; didn't you?

A. Yes, I did say that.

Q. And do you disagree with Mr. Guedel's comments regarding the fact that switched access is priced now about

15 times more than its actual cost?

A. I'm not saying that I agree or disagree on that.

Q. You have no opinion on it?

A. Do you have a page reference?

Q. Yes, this is Mr. Guedel's testimony. I think he only had direct. And it's Page 6 beginning at Line -- begins at Line 16. He says, Even with the $40 million reduction that's already in place, switched access will remain at a level of 12 to 15 times that of its underlying cost. And then he goes on to say that this is a markup of at least 1100 percent. So Mr. Hendrix, do you disagree with Mr. Guedel on that?

A. I would not agree or disagree. I've actually not had a chance to go in and check his numbers.

Q. So you don't have an opinion as to whether or not your access charges are 15 times greater than their cost?

A. Well, I think that's a mischaracterization of the testimony.

Q. Well, it says --

A. Why don't you just repeat it.

Q. "Thus, even with the $40 million reduction, the price of switched access will remain at a level of 12 to 15 times that of the underlying cost."

A. And what I'm saying is that I do not have an -- I will not agree or disagree with what he is stating because I

have not taken the time to go in and check his numbers.

Q. Would another way of saying that is you don't have a basis to disagree with what he said?

MR. BEATTY: No, no.

THE WITNESS: No, that's not correct.

MS. KAUFMAN: I'm sorry, you both shouted to me at once.

MR. BEATTY: At this point I'm going to object. Again, he can repeat his answer. I think his answer was abundantly clear for the record. But for the record, if the witness would repeat the answer to the question.

THE WITNESS: And my answer is, I am not agreeing or disagreeing with what is stated here because I have not taken the time to go in to check the numbers.

BY MS. KAUFMAN:

Q. One final point, I think Mr. Elias asked you whether -- or why, I guess, you were opposed to further access reduction than what is in your proposal. And he referenced the FCC proceeding. And would it be correct to say that, as we sit here today, BellSouth does not have any plans to reduce its access charges any further than what you've proposed?

A. Are you speaking of intrastate or interstate, or exactly what is the scope of your question?

Q. Intrastate.

A. I'm sorry.

Q. Let's deal with intrastate. I just want to know, does BellSouth have any plans to reduce their intrastate access charges any further than what you've proposed that we've discussed today?

A. No. No. And may I also add, you know, we've met the requirements of the statute in reducing the rates as we've offered here.

MS. KAUFMAN: That's all I've got, Bob. Thank you, Mr. Hendrix.

THE WITNESS: Thank you.

MR. LOGAN: AT&T has no questions.

MS. KAUFMAN: Is that everybody?

MR. ELIAS: Laura? Anyone else have any questions?

MR. GIMBEL: No questions.

MR. BEATTY: I have no direct -- redirect that, that is.

MR. ELIAS: I just want to make one announcement. And during the last hour and a half I had people check to make sure that the numbers that are on the notice of rescheduled telephonic deposition for tomorrow are in fact correct. And they are. The telephone number is area code (904) 921-2591 and

SunCom 291-2591.

Okay. I guess if there's nothing further. Thank you very much, Mr. Hendrix.

THE WITNESS: Thank you all.

(Deposition concluded at 11:50 a.m.)

REPORTER'S DEPOSITION CERTIFICATE

STATE OF FLORIDA)

COUNTY OF LEON)

I, LISA GIROD JONES, Registered Professional Reporter, certify that I was authorized to and did stenographically report the above-styled deposition; that a review of the transcript WAS requested; and that the transcript is a true and complete record of my stenographic notes.

I further certify that I am not a relative, employee, attorney, or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 24th day of October, 1996.

Lisa Girod Jones

LISA GIROD JONES, RPR, RMR

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EXHIBIT NO. 14

DOCKET NO: 920260-TL

WITNESS: JERRY HENDRIX

PARTY: BELLSOUTH

DESCRIPTION:

LATE-FILED DEPOSITION EXHIBIT
NOS. 1 AND 2

PROFFERING PARTY: STAFF

I.D. # JDH - 5

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TL EXHIBIT NO. 14
COMPANY/
WITNESS:
DATE: 10/30/96

REQUEST: Provide a copy of the BellSouth Telecommunications Federal Zone Density Pricing Proposal.

RESPONSE: Attached is a copy of BellSouth Telecommunications, Inc. modified Density Zone Pricing Plan for Expanded Interconnection filed on October 20, 1995.

INFORMATION PROVIDED BY: Jerry D. Hendrix
Director - Interconnection Services Pricing
675 West Peachtree Street
Atlanta, Georgia

October 20, 1995

Mr. William Caton
Secretary
Federal Communications Commission
1919 M Street, N W Room 222
Washington, D. C. 20554

Dear Mr Caton:

Attached for filing with the Commission is the BellSouth Telecommunications, Inc. (hereinafter BellSouth) modified Density Zone Pricing Plan for Expanded Interconnection. This filing is in compliance with the Commission's Report and Order and Notice of Proposed Rulemaking in Expanded Interconnection with Local Telephone Company Facilities, CC Docket No. 91-141, released October 19, 1992.

BellSouth's Density Zone Pricing Plan satisfies the requirements set forth in paragraph 180 of the above- referenced order. Accordingly, BellSouth requests that the Commission expeditiously approve its modified Density Zone Pricing Plan.

Please call me if you have questions.

Sincerely,

W. W. Jordan
Director - Federal Regulatory

BELLSOUTH TELECOMMUNICATIONS, INC.
EXPANDED INTERCONNECTION
DENSITY ZONE PRICING PLAN

October 20 , 1995

DENSITY ZONE PRICING PLAN

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A	**BellSouth Exchanges By Zone**
B	**Illustrative Tariff**

I. INTRODUCTION

With this filing, BellSouth Telecommunications, Inc. (hereinafter BellSouth) presents a modified density zone pricing plan for special and switched access services pursuant to the Commission's Report and Order released October 19, 1992, in Docket No. 91-141[1]. BellSouth has developed a modification to its original zone plan in accordance with the standards established in that order.

BellSouth has an approved Density Zone Pricing Plan. However, the plan, which is based on wire centers, presents a variety of administrative problems that reduce the pricing flexibility benefits the Commission intended to afford LECs. Accordingly, BellSouth is submitting this modification to remedy the deficiencies of the existing plan, but yet remain within the limits enunciated by the Commission for zone pricing. The modified plan introduces exchange areas as the classification unit for assignment to a rate zone. Included in the attached material is a description of the methodology by which BellSouth determined the density characteristics of its exchanges. In addition, supporting documentation is included that identifies the density zones to which BellSouth's exchanges have been assigned, as well as density characteristics by exchange.

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[1] Throughout this submission parenthetical references to paragraph and footnote numbers refer to the October 19 Order. Analogous provisions to implement zone pricing for Switched Access are contained in the Second Memorandum Opinion and Order on Reconsideration released September 2, 1993.

The plan is accompanied by illustrative tariff pages, as required by the October 19 order. These pages detail the zone pricing structure BellSouth proposes to implement upon approval by the Commission.

2 BACKGROUND

Prior to the Commission's decision to allow expanded interconnection for special access, the Part 69 rules required rate averaging for Local Exchange Carriers (LECs) at the study area level. In recognition of the increased competition for special access associated with expanded interconnection, the October 19, 1992 Report and Order in Docket No. 91-141 granted the LECs greater freedom to adjust rates to reflect traffic density-related cost differences (para. 174). Pursuant to the October 19 order and a subsequent Commission order addressing switched access, LECs with operational expanded interconnection offerings are now permitted to implement a system of traffic density-related rate zones, and to establish prices that differ among zones (para 179).

The Commission established certain standards by which density pricing plans would be evaluated: (1) The Commission found that the use of up to three pricing zones should afford a reasonable opportunity to reflect cost differences among zones (fn 413). (2) LECs filing density pricing zones are required to make a showing that the assignment of central offices to zones reflects cost-related characteristics such as traffic density. In particular, the Commission requires LECs to consider traffic patterns and density factors beyond special access alone, which the Commission considers too narrow a segment of traffic to accurately reflect cost patterns (para. 179; fn 415).

(3) LECs must file their zone plans with illustrative tariff pages in advance of the tariff filings implementing zone plans, and may not file to implement the tariff revisions more than 31 days before their expanded interconnection arrangements become operational (para. 180, fn 419). (4) The Commission requires the LECs to establish new price caps subindices for competitive services in each zone. However, the overall subindices for each service across all zones will remain intact (paras. 181-183).

3 NUMBER OF ZONES

The Commission found that up to three density zones would provide LECs with a reasonable opportunity to reflect density-based cost differences. BellSouth therefore proposed a system of three zones to reflect density differences. BellSouth identifies these zones as follows:

Zone 1 - Most Dense Zone

Zone 2 - Medium Density Zone

Zone 3 - Least Dense Zone

4 ASSIGNMENT OF EXCHANGES TO ZONE

BellSouth's modified plan employs exchange area as the classification unit for assignment to a rate zone. The use of exchanges has previously been authorized by the Commission (fn 414). BellSouth's methodology for assigning exchanges to zones likewise comports with the Commission's requirement that such assignments reflect traffic density. All BellSouth exchanges in this modification were ranked on the basis of DS1 equivalent circuits for switched access, high

capacity special access, and high capacity private line quantities. These quantities were selected as representing a reasonable overall reflection of cost patterns, as required by the order (fn 415).

DS1 equivalents for switched access services with dedicated trunks were counted as DS1s and switched access circuits with common usage were calculated using a loading factor of 216,000 minutes of use per month per facility. This loading factor was prescribed by the Commission for the analysis of interexchange carrier impact in Docket No. 91-213. All of the access data is based on June 1995 Carrier Access Billing System (CABS) billing. The private line high capacity quantities were obtained from June 1995 customer billing records.

Based on the Commission's ruling concerning geographic contiguity, BellSouth has included an additional ten exchanges in Zone 1. All are contiguous to a Zone 1 exchange and are comprised within a local calling area which includes a Zone 1 exchange.

Density characteristics for the zones are as follows:

Zone 1 - (High Density) Exchanges with more than 4,000 Circuits

Zone 2 - (Medium Density) Exchanges with at least 1,000 and no more than 4,000 circuits

Zone 3 - (Low Density) Exchanges with less than 1,000 circuits

The distribution of exchanges by zone is:

Zone 1 - 28

Zone 2 - 24

Zone 3 - 1111.

The average number of DS1 equivalents per exchange by zone is:

Zone 1 - 6,132

Zone 2 - 2,188

Zone 3 - 51

The zone assignments for all BellSouth exchanges will be filed in the National Exchange Carriers' Association (NECA) Tariff No. 4. Appendix A Attachment I contains a Zone Density Analysis by Exchange which reflects the rate zone assignment and the number of DS1 links in that zone. Appendix A Attachment II is an alphabetical listing of Exchanges by name and reflects the appropriate zone designation.

5 IMPLEMENTATION OF DENSITY ZONE PRICING

Upon approval by the Commission, BellSouth will implement its density zone pricing plan with a tariff filing. BellSouth will file state specific pages for all states with the initial filing. However, in the event that expanded interconnection is not operational in all states, BellSouth will defer the appropriate state pages as necessary.[2]

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[2] As of the date of this filing, expanded interconnection arrangements are operational in all states but Louisiana.

BellSouth will establish state specific rates within each zone for recurring rate elements of those services for which expanded interconnection is offered. Illustrative tariff pages reflecting zone pricing for two (2) such rate elements are included as Appendix B. Subsequent zone pricing of additional rate elements will use the format shown in Appendix B.

6 PRICE CAPS

As required by the order, BellSouth will establish new subindices for DS3 and DS1 services within each zone. Prices within each zone will be constrained by a subindex of +5/-10 percent, while the overall subindex for all zones will continue to be banded at +5/-5 percent.

7 MODIFICATIONS TO ZONE ASSIGNMENTS

The zone designation of individual exchanges will be altered if warranted by changes in the density characteristics of such exchanges. If growth patterns in an exchange increase its density to a degree that justifies moving it from a less dense to a more dense zone, BellSouth will make a filing reflecting the change and recalculating the appropriate indices. BellSouth's expectation is that such filings will be made on a yearly basis. However, extraordinary or unanticipated events could necessitate more frequent filings.

8 APPLICATION OF RATES

In compliance with Commission orders, BellSouth made a tariff filing to introduce expanded interconnection. Expanded interconnection provides collocators with central office space for

placement of transmission equipment to interconnect with BellSouth's interstate high capacity DS1 (1.544 Mbps) and DS3 (44.736 Mbps) level services. In this modified plan, BellSouth proposes the introduction of pricing zones with state specific rates for those DS1 and DS3 level services for which expanded interconnection is offered. Appendix B provides an illustrative tariff for high capacity service rate elements proposed under this zone plan.

BellSouth will introduce three rate zones to reflect density differences. Initially, all rates for those elements included in the density pricing zone plan will be established at current tariff levels. Although BellSouth will file rate pages for all nine states upon approval of the modified plan, the tariff effective date will be deferred in any state where expanded interconnection is not yet operational. Filings to change rate levels within (a) zone(s) will be made on a state-by-state basis.

Introduction of pricing zones affords BellSouth the opportunity to rate its high capacity services to reflect the relative economies associated with exchange density characteristics. Rates for Zone 1, the most dense zone, may therefore be lower than Zone 2 rates. Zone 3 exchanges being in the least dense zone may have rates that are higher than Zone 2 rates. As required by the October 19 order, interoffice channel facilities between central offices that are in different zones would be billed at the rates assigned to the higher priced zone.

APPENDIX A

ATTACHMENT I

ZONE DENSITY ANALYSIS

By Exchange

ZONE		DS 1 LINKS
1		22207
1		12993
1		11060
1		9793
1		9606
1		9463
1		8740
1		8660
1		7684
1		7674
1		7573
1		7029
1		6799
1		5355
1		5092
1		4958
1		4848
1		4455
1	•	3920
2		3897
2		3544
2		3447
1	•	3306
2		3252
2		3185
2		3112
2		3102
1	•	2965
2		2850
2		2637
2		2397
1	•	2371
2		2262
2		2004
2		1900
2		1742
2		1611
2		1545
1	•	1439
2		1390
2		1339
2		1332
1	•	1265
2		1251
2		1241
2		1193
1	•	1185
2		1175
2		1110
3		981
3		963
3		956
3		892
3		814
3		769
3		764
3		737
3		704
3		678
3		646

• Indicates continuous Zone Assignment

ZONE DENSITY ANALYSIS

By Exchange

ZONE		DS 1 LINKS
3		616
3		604
3		602
3		601
3		595
3		577
3		569
3		545
3		504
3		504
3		501
3		496
3		488
1	*	487
3		486
3		474
3		455
1	*	434
3		422
3		419
3		409
3		408
3		404
3		391
3		389
3		382
3		342
1	*	339
3		338
3		334
3		316
3		308
3		307
3		301
3		291
3		281
3		279
3		270
3		269
3		267
3		263
3		257
3		256
3		255
3		254
3		248
3		242
3		241
3		240
3		229
3		228
3		225
3		215
3		213
3		208
3		207
3		195
3		195
3		195
3		194

* Indicates continuous Zone Assignment

ZONE DENSITY ANALYSIS

By Exchange

ZONE	DS 1 LINKS
3	193
3	191
3	190
3	182
3	181
3	178
3	176
3	174
3	172
3	172
3	171
3	169
3	167
3	165
3	165
3	160
3	160
3	158
3	155
3	155
3	154
3	148
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3	141
3	140
3	139
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3	138
3	136
3	134
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3	132
3	130
3	130
3	127
3	127
3	126
3	124
3	123
3	123
3	120
3	120
3	119
3	118
3	117
3	116
3	116
3	115
3	112
3	112
3	110
3	110
3	107
3	106

ZONE DENSITY ANALYSIS

By Exchange

ZONE	DS 1 LINKS
3	106
3	106
3	105
3	105
3	105
3	104
3	103
3	103
3	102
3	102
3	100
3	100
3	100
3	99
3	96
3	96
3	96
3	95
3	93
3	92
3	90
3	88
3	88
3	88
3	87
3	85
3	85
3	85
3	83
3	83
3	82
3	82
3	81
3	80
3	79
3	78
3	77
3	77
3	77
3	76
3	76
3	76
3	75
3	74
3	73
3	73
3	72
3	71
3	68
3	68
3	68
3	68
3	68
3	67
3	66
3	65
3	65
3	64
3	64
3	63

* Indicates continuous Zone Assignment

ZONE DENSITY ANALYSIS

By Exchange

ZONE	DS 1 LINKS
3	63
3	63
3	63
3	62
3	62
3	62
3	62
3	62
3	61
3	61
3	60
3	60
3	60
3	59
3	59
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* Indicates continuous Zone Assignment

ZONE DENSITY ANALYSIS

By Exchange

ZONE	DS 1 LINKS
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ZONE DENSITY ANALYSIS

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* Indicates contiguous Zone Assignment

ZONE DENSITY ANALYSIS

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ZONE	DS 1 LINKS
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ZONE DENSITY ANALYSIS

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ZONE	DS 1 LINKS
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* Indicates contiguous Zone Assignment

ZONE DENSITY ANALYSIS

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* Indicates continuous Zone Assignment

ZONE DENSITY ANALYSIS

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ZONE	DS 1 LINKS
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ZONE DENSITY ANALYSIS

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ZONE	DS 1 LINKS
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ZONE DENSITY ANALYSIS

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ZONE	DS 1 LINKS
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ZONE DENSITY ANALYSIS

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ZONE	DS 1 LINKS
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ZONE DENSITY ANALYSIS
By Exchange

ZONE	DS 1 LINKS
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ZONE DENSITY ANALYSIS

By Exchange

ZONE	DS 1 LINKS
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ZONE DENSITY ANALYSIS
By Exchange

ZONE	DS 1 LINKS
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ZONE DENSITY ANALYSIS

By Exchange

ZONE	DS 1 LINKS
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ZONE DENSITY ANALYSIS

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ZONE	DS 1 LINKS
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ZONE DENSITY ANALYSIS

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ZONE	DS 1 LINKS
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APPENDIX A

ATTACHMENT II

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
1	ATLNGAAC	GA	ATLANTA	1
2	ATLNGAAD	GA	ATLANTA	1
3	ATLNGABH	GA	ATLANTA	1
4	ATLNGABU	GA	ATLANTA	1
5	ATLNGACD	GA	ATLANTA	1
6	ATLNGACS	GA	ATLANTA	1
7	ATLNGAEL	GA	ATLANTA	1
8	ATLNGAEP	GA	ATLANTA	1
9	ATLNGAFP	GA	ATLANTA	1
10	ATLNGAOC	GA	ATLANTA	1
11	ATLNGAOR	GA	ATLANTA	1
12	ATLNGAHR	GA	ATLANTA	1
13	ATLNGAIC	GA	ATLANTA	1
14	ATLNGALA	GA	ATLANTA	1
15	ATLNGANW	GA	ATLANTA	1
16	ATLNGAPP	GA	ATLANTA	1
17	ATLNGASS	GA	ATLANTA	1
18	ATLNGATH	GA	ATLANTA	1
19	ATLNGAUY	GA	ATLANTA	1
20	ATLNGAWD	GA	ATLANTA	1
21	ATLNGAWE	GA	ATLANTA	1
22	BCRTFLBT	FL	BOCA RATON	1
23	BCRTFLMA	FL	BOCA RATON	1
24	BCRTFLSA	FL	BOCA RATON	1
25	BRHMALBH	AL	BIRMINGHAM	1
26	BRHMALCH	AL	BIRMINGHAM	1
27	BRHMALCP	AL	BIRMINGHAM	1
28	BRHMALEL	AL	BIRMINGHAM	1
29	BRHMALEN	AL	BIRMINGHAM	1
30	BRHMALEW	AL	BIRMINGHAM	1
31	BRHMALPO	AL	BIRMINGHAM	1
32	BRHMALPS	AL	BIRMINGHAM	1
33	BRHMALHW	AL	BIRMINGHAM	1
34	BRHMALMT	AL	BIRMINGHAM	1
35	BRHMALOM	AL	BIRMINGHAM	1
36	BRHMALOX	AL	BIRMINGHAM	1
37	BRHMALRC	AL	BIRMINGHAM	1
38	BRHMALTA	AL	BIRMINGHAM	1
39	BRHMALVA	AL	BIRMINGHAM	1
40	BRHMALWE	AL	BIRMINGHAM	1
41	BRHMALWL	AL	BIRMINGHAM	1
42	BYBHFLMA	FL	BOYNTON BEACH	1
43	CHMBGAMA	GA	CHAMBLEE	1
44	CHRLNCBO	NC	CHARLOTTE	1
45	CHRLNCCA	NC	CHARLOTTE	1
46	CHRLNCCE	NC	CHARLOTTE	1
47	CHRLNCCR	NC	CHARLOTTE	1
48	CHRLNCDE	NC	CHARLOTTE	1
49	CHRLNCER	NC	CHARLOTTE	1
50	CHRLNCLP	NC	CHARLOTTE	1
51	CHRLNCLX	NC	CHARLOTTE	1
52	CHRLNCMI	NC	CHARLOTTE	1
53	CHRLNCMO	NC	CHARLOTTE	1
54	CHRLNCOD	NC	CHARLOTTE	1
55	CHRLNCRE	NC	CHARLOTTE	1
56	CHRLNCSH	NC	CHARLOTTE	1
57	CHRLNCTH	NC	CHARLOTTE	1
58	CHRLNCUN	NC	CHARLOTTE	1
59	CLMASCAR	SC	COLUMBIA	1
60	CLMASCBQ	SC	COLUMBIA	1
61	CLMASCCH	SC	COLUMBIA	1
62	CLMASCDF	SC	COLUMBIA	1
63	CLMASCMI	SC	COLUMBIA	1
64	CLMASCPA	SC	COLUMBIA	1
65	CLMASCSA	SC	COLUMBIA	1
66	CLMASCSC	SC	COLUMBIA	1
67	CLMASCSH	SC	COLUMBIA	1
68	CLMASCSN	SC	COLUMBIA	1
69	CLMASCSU	SC	COLUMBIA	1
70	CLMASCSW	SC	COLUMBIA	1

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
71	COCYFLJJ	FL	MIAMI	1
72	DNWDGAMA	GA	CHAMBLEE	1
73	DRBHFLMA	FL	DEERFIELD BEACH	1
74	FTLDFLAP	FL	FORT LAUDERDALE	1
75	FTLDFLCR	FL	FORT LAUDERDALE	1
76	FTLDFLCY	FL	FORT LAUDERDALE	1
77	FTLDFLFT	FL	FORT LAUDERDALE	1
78	FTLDFLJA	FL	FORT LAUDERDALE	1
79	FTLDFLMR	FL	FORT LAUDERDALE	1
80	FTLDFLOA	FL	FORT LAUDERDALE	1
81	FTLDFLPL	FL	FORT LAUDERDALE	1
82	FTLDFLSG	FL	FORT LAUDERDALE	1
83	FTLDFLSU	FL	FORT LAUDERDALE	1
84	FTLDFLWN	FL	FORT LAUDERDALE	1
85	GNBONCAP	NC	GREENSBORO	1
86	GNBONCAS	NC	GREENSBORO	1
87	GNBONCEU	NC	GREENSBORO	1
88	GNBONCHO	NC	GREENSBORO	1
89	GNBONCLA	NC	GREENSBORO	1
90	GNBONCMC	NC	GREENSBORO	1
91	GNBONCPG	NC	GREENSBORO	1
92	GRNRNCJB	NC	RALEIGH	1
93	GTWSTN3W	TN	MEMPHIS	1
94	HLWDFLHA	FL	HOLLYWOOD	1
95	HLWDFLMA	FL	HOLLYWOOD	1
96	HLWDFLPE	FL	HOLLYWOOD	1
97	HLWDFLWH	FL	HOLLYWOOD	1
98	JCBHFLAB	FL	JACKSONVILLE	1
99	JCBHFLMA	FL	JACKSONVILLE BEACH	1
100	JCBHFLSP	FL	JACKSONVILLE	1
101	JCSNMSBL	MS	JACKSON	1
102	JCSNMSCB	MS	JACKSON	1
103	JCSNMSCP	MS	JACKSON	1
104	JCSNMSMB	MS	JACKSON	1
105	JCSNMSNR	MS	JACKSON	1
106	JCSNMSPC	MS	JACKSON	1
107	JCSNMSRW	MS	JACKSON	1
108	JCSNMSTR	MS	JACKSON	1
109	JCVLFLAR	FL	JACKSONVILLE	1
110	JCVLFLBW	FL	JACKSONVILLE	1
111	JCVLFLCL	FL	JACKSONVILLE	1
112	JCVLFLFC	FL	JACKSONVILLE	1
113	JCVLFLIA	FL	JACKSONVILLE	1
114	JCVLFLJT	FL	JACKSONVILLE	1
115	JCVLFLLF	FL	JACKSONVILLE	1
116	JCVLFLNO	FL	JACKSONVILLE	1
117	JCVLFLOW	FL	JACKSONVILLE	1
118	JCVLFLPP	FL	JACKSONVILLE	1
119	JCVLFLRV	FL	JACKSONVILLE	1
120	JCVLFLSJ	FL	JACKSONVILLE	1
121	JCVLFLSM	FL	JACKSONVILLE	1
122	JCVLFLWC	FL	JACKSONVILLE	1
123	LKWOFLAJ	FL	WEST PALM BEACH	1
124	LLBNGAMA	GA	TUCKER	1
125	LSVLKY26	KY	LOUISVILLE	1
126	LSVLKY33	KY	LOUISVILLE	1
127	LSVLKYAN	KY	LOUISVILLE	1
128	LSVLKYAP	KY	LOUISVILLE	1
129	LSVLKYBE	KY	LOUISVILLE	1
130	LSVLKYBR	KY	LOUISVILLE	1
131	LSVLKYCS	KY	LOUISVILLE	1
132	LSVLKYCW	KY	LOUISVILLE	1
133	LSVLKYFC	KY	LOUISVILLE	1
134	LSVLKYHA	KY	LOUISVILLE	1
135	LSVLKYJT	KY	LOUISVILLE	1
136	LSVLKYOA	KY	LOUISVILLE	1
137	LSVLKYSH	KY	LOUISVILLE	1
138	LSVLKYSL	KY	LOUISVILLE	1
139	LSVLKYSM	KY	LOUISVILLE	1
140	LSVLKYTS	KY	LOUISVILLE	1

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
141	LSVLKYVS	KY	LOUISVILLE	1
142	LSVLKYWE	KY	LOUISVILLE	1
143	MIAMFLAE	FL	MIAMI	1
144	MIAMFLAP	FL	MIAMI	1
145	MIAMFLAL	FL	MIAMI	1
146	MIAMFLAP	FL	MIAMI	1
147	MIAMFLBA	FL	MIAMI	1
148	MIAMFLBC	FL	MIAMI	1
149	MIAMFLBR	FL	MIAMI	1
150	MIAMFLCA	FL	MIAMI	1
151	MIAMFLDB	FL	MIAMI	1
152	MIAMFLFL	FL	MIAMI	1
153	MIAMFLGR	FL	MIAMI	1
154	MIAMFLHL	FL	MIAMI	1
155	MIAMFLIC	FL	MIAMI	1
156	MIAMFLKE	FL	MIAMI	1
157	MIAMFLMI	FL	MIAMI	1
158	MIAMFLNM	FL	MIAMI	1
159	MIAMFLNS	FL	MIAMI	1
160	MIAMFLOL	FL	MIAMI	1
161	MIAMFLPB	FL	MIAMI	1
162	MIAMFLPL	FL	MIAMI	1
163	MIAMFLRC	FL	MIAMI	1
164	MIAMFLRR	FL	MIAMI	1
165	MIAMFLSH	FL	MIAMI	1
166	MIAMFLSO	FL	MIAMI	1
167	MIAMFLWD	FL	MIAMI	1
168	MIAMFLWM	FL	MIAMI	1
169	MMPHTNBA	TN	MEMPHIS	1
170	MMPHTNBM	TN	MEMPHIS	1
171	MMPHTNCK	TN	MEMPHIS	1
172	MMPHTNCT	TN	MEMPHIS	1
173	MMPHTNEL	TN	MEMPHIS	1
174	MMPHTNFR	TN	MEMPHIS	1
175	MMPHTNGT	TN	MEMPHIS	1
176	MMPHTNHP	TN	MEMPHIS	1
177	MMPHTNMA	TN	MEMPHIS	1
178	MMPHTNMT	TN	MEMPHIS	1
179	MMPHTNOA	TN	MEMPHIS	1
180	MMPHTNSL	TN	MEMPHIS	1
181	MMPHTNST	TN	MEMPHIS	1
182	MMPHTNWW	TN	MEMPHIS	1
183	MMPHTNZP	TN	MEMPHIS	1
184	MNDRFLAV	FL	JACKSONVILLE	1
185	MNDRFLLO	FL	JACKSONVILLE	1
186	MTGMAL11	AL	MONTGOMERY	1
187	MTGMALBE	AL	MONTGOMERY	1
188	MTGMALDA	AL	MONTGOMERY	1
189	MTGMALMB	AL	MONTGOMERY	1
190	MTGMALMT	AL	MONTGOMERY	1
191	MTGMALNO	AL	MONTGOMERY	1
192	MTRELABK	LA	NEW ORLEANS	1
193	MTRELABS	LA	NEW ORLEANS	1
194	NDADFLAC	FL	NORTH DADE	1
195	NDADFLBR	FL	NORTH DADE	1
196	NDADFLGG	FL	NORTH DADE	1
197	NDADFLOL	FL	NORTH DADE	1
198	NMBHFLAT	FL	NORTH DADE	1
199	NRCRGAMA	GA	NORCROSS	1
200	NSVLTNAA	TN	NASHVILLE	1
201	NSVLTNAP	TN	NASHVILLE	1
202	NSVLTNBK	TN	NASHVILLE	1
203	NSVLTNBV	TN	NASHVILLE	1
204	NSVLTNBW	TN	NASHVILLE	1
205	NSVLTNCD	TN	NASHVILLE	1
206	NSVLTNCH	TN	NASHVILLE	1
207	NSVLTNDO	TN	NASHVILLE	1
208	NSVLTNGH	TN	NASHVILLE	1
209	NSVLTNGH	TN	NASHVILLE	1
210	NSVLTNIN	TN	NASHVILLE	1

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
211	NSVLTNMC	TN	NASHVILLE	1
212	NSVLTNMT	TN	NASHVILLE	1
213	NSVLTNST	TN	NASHVILLE	1
214	NSVLTNUN	TN	NASHVILLE	1
215	NSVLTNWC	TN	NASHVILLE	1
216	NSVLTNWM	TN	NASHVILLE	1
217	NWORLAAR	LA	NEW ORLEANS	1
218	NWORLAAV	LA	NEW ORLEANS	1
219	NWORLABM	LA	NEW ORLEANS	1
220	NWORLACA	LA	NEW ORLEANS	1
221	NWORLACM	LA	NEW ORLEANS	1
222	NWORLAFR	LA	NEW ORLEANS	1
223	NWORLAHY	LA	NEW ORLEANS	1
224	NWORLALK	LA	NEW ORLEANS	1
225	NWORLAMA	LA	NEW ORLEANS	1
226	NWORLAMC	LA	NEW ORLEANS	1
227	NWORLAMR	LA	NEW ORLEANS	1
228	NWORLAMT	LA	NEW ORLEANS	1
229	NWORLAMU	LA	NEW ORLEANS	1
230	NWORLARV	LA	NEW ORLEANS	1
231	NWORLASC	LA	NEW ORLEANS	1
232	NWORLASK	LA	NEW ORLEANS	1
233	NWORLASW	LA	NEW ORLEANS	1
234	ORLDFLAP	FL	ORLANDO	1
235	ORLDFLCL	FL	ORLANDO	1
236	ORLDFLMA	FL	ORLANDO	1
237	ORLDFLPC	FL	ORLANDO	1
238	ORLDFLPH	FL	ORLANDO	1
239	ORLDFLSA	FL	ORLANDO	1
240	PMBHFLPB	FL	POMPANO BEACH	1
241	PMBHFLMA	FL	POMPANO BEACH	1
242	PMBHFLNP	FL	POMPANO BEACH	1
243	PMBHFLTA	FL	POMPANO BEACH	1
244	RLGHNCDU	NC	RALEIGH	1
245	RLGHNCGA	NC	RALEIGH	1
246	RLGHNCGL	NC	RALEIGH	1
247	RLGHNCHO	NC	RALEIGH	1
248	RLGHNCID	NC	RALEIGH	1
249	RLGHNCMD	NC	RALEIGH	1
250	RLGHNCRB	NC	RALEIGH	1
251	RLGHNCRC	NC	DURHAM	1
252	RLGHNCRI	NC	RALEIGH	1
253	RLGHNCRK	NC	RALEIGH	1
254	SMYRGACP	GA	SMYRNA	1
255	SMYRGAMA	GA	SMYRNA	1
256	SMYRGAPP	GA	SMYRNA	1
257	TUCRGAMA	GA	TUCKER	1
258	VRBHFLBB	FL	VERO BEACH	1
259	VRBHFLMA	FL	VERO BEACH	1
260	WCLMSCBD	SC	COLUMBIA	1
261	WCLMSCMA	SC	COLUMBIA	1
262	WPBHFLAA	FL	WEST PALM BEACH	1
263	WPBHFLAE	FL	WEST PALM BEACH	1
264	WPBHFLGA	FL	WEST PALM BEACH	1
265	WPBHFLGR	FL	WEST PALM BEACH	1
266	WPBHFLHB	FL	WEST PALM BEACH	1
267	WPBHFLLE	FL	WEST PALM BEACH	1
268	WPBHFLRB	FL	WEST PALM BEACH	1
269	WPBHFLRP	FL	WEST PALM BEACH	1
270	AGSTGAAU	GA	AUGUSTA	2
271	AGSTGABM	GA	AUGUSTA	2
272	AGSTGAFL	GA	AUGUSTA	2
273	AGSTGAMT	GA	AUGUSTA	2
274	AGSTGATB	GA	AUGUSTA	2
275	AHVLNCBL	NC	ASHEVILLE	2
276	AHVLNCOB	NC	ASHEVILLE	2
277	AHVLNCOT	NC	ASHEVILLE	2
278	ALBYGAMA	GA	ALBANY	2
279	ALPRGAMA	GA	ALPHARETTA	2
280	BTRGLA19	LA	BATON ROUGE	2

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
281	BTRGLABK	LA	BATON ROUGE	2
282	BTRGLABS	LA	BATON ROUGE	2
283	BTRGLAET	LA	BATON ROUGE	2
284	BTRGLAGW	LA	BATON ROUGE	2
285	BTRGLAHR	LA	BATON ROUGE	2
286	BTRGLAIS	LA	BATON ROUGE	2
287	BTRGLAMA	LA	BATON ROUGE	2
288	BTRGLAOH	LA	BATON ROUGE	2
289	BTRGLASB	LA	BATON ROUGE	2
290	BTRGLASW	LA	BATON ROUGE	2
291	BTRGLAWN	LA	BATON ROUGE	2
292	CHTGTNBR	TN	CHATTANOOGA	2
293	CHTGTNDT	TN	CHATTANOOGA	2
294	CHTGTNHT	TN	CHATTANOOGA	2
295	CHTGTNMV	TN	CHATTANOOGA	2
296	CHTGTNNS	TN	CHATTANOOGA	2
297	CHTGTNPV	TN	CHATTANOOGA	2
298	CHTGTNRB	TN	CHATTANOOGA	2
299	CHTGTNRO	TN	CHATTANOOGA	2
300	CHTGTNSE	TN	CHATTANOOGA	2
301	CHTGTNSM	TN	CHATTANOOGA	2
302	CHTNSCBE	SC	CHARLESTON	2
303	CHTNSCCM	SC	CHARLESTON	2
304	CHTNSCDP	SC	CHARLESTON	2
305	CHTNSCDT	SC	CHARLESTON	2
306	CHTNSCJM	SC	CHARLESTON	2
307	CHTNSCJN	SC	CHARLESTON	2
308	CHTNSCLB	SC	CHARLESTON	2
309	CHTNSCNO	SC	CHARLESTON	2
310	CHTNSCWA	SC	CHARLESTON	2
311	CLMBGAAT	GA	COLUMBUS	2
312	CLMBGABV	GA	COLUMBUS	2
313	CLMBGACR	GA	COLUMBUS	2
314	CLMBGAMT	GA	COLUMBUS	2
315	CLMBGAMW	GA	COLUMBUS	2
316	CLMBGATM	GA	COLUMBUS	2
317	DYBHFLFN	FL	DAYTONA BEACH	2
318	DYBHFLMA	FL	DAYTONA BEACH	2
319	DYBHFLOB	FL	DAYTONA BEACH	2
320	DYBHFLOS	FL	DAYTONA BEACH	2
321	DYBHFLPO	FL	DAYTONA BEACH	2
322	DYBHFLRA	FL	DAYTONA BEACH	2
323	FLRNSCAL	SC	FLORENCE	2
324	FLRNSCMA	SC	FLORENCE	2
325	FNVLSCMA	SC	SPARTANBURG	2
326	GNVLSCBE	SC	GREENVILLE	2
327	GNVLSCCH	SC	GREENVILLE	2
328	GNVLSCCR	SC	GREENVILLE	2
329	GNVLSCDT	SC	GREENVILLE	2
330	GNVLSCHP	SC	GREENVILLE	2
331	GNVLSCMZ	SC	GREENVILLE	2
332	GNVLSCWE	SC	GREENVILLE	2
333	GNVLSCWP	SC	GREENVILLE	2
334	GNVLSCWR	SC	GREENVILLE	2
335	GSVLFLMA	FL	GAINESVILLE	2
336	GSVLFLNW	FL	GAINESVILLE	2
337	HNVIAL15	AL	HUNTSVILLE	2
338	HNVIALBH	AL	HUNTSVILLE	2
339	HNVIALLW	AL	HUNTSVILLE	2
340	HNVIALMT	AL	HUNTSVILLE	2
341	HNVIALPW	AL	HUNTSVILLE	2
342	HNVIALRA	AL	HUNTSVILLE	2
343	HNVIALRW	AL	HUNTSVILLE	2
344	HNVIALUN	AL	HUNTSVILLE	2
345	KNVLTN02	TN	KNOXVILLE	2
346	KNVLTNBE	TN	KNOXVILLE	2
347	KNVLTNPC	TN	KNOXVILLE	2
348	KNVLTNMA	TN	KNOXVILLE	2
349	KNVLTNWH	TN	KNOXVILLE	2
350	KNVLTNYH	TN	KNOXVILLE	2

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
351	LFYTLAJ9	LA	LAFAYETTE	2
352	LFYTLAMA	LA	LAFAYETTE	2
353	LFYTLAVM	LA	LAFAYETTE	2
354	MACNGAAZ	GA	MACON	2
355	MACNGAGP	GA	MACON	2
356	MACNGAMR	GA	MACON	2
357	MACNGAMT	GA	MACON	2
358	MACNGAVN	GA	MACON	2
359	MOBLALAP	AL	MOBILE	2
360	MOBLALAZ	AL	MOBILE	2
361	MOBLALBF	AL	MOBILE	2
362	MOBLALOS	AL	MOBILE	2
363	MOBLALPR	AL	MOBILE	2
364	MOBLALSA	AL	MOBILE	2
365	MOBLALSE	AL	TANNER WILLIAMS	2
366	MOBLALSF	AL	MOBILE	2
367	MOBLALSH	AL	MOBILE	2
368	MOBLALSK	AL	MOBILE	2
369	MOBLALTH	AL	MOBILE	2
370	MRTTGAEA	GA	MARIETTA	2
371	MRTTGAMA	GA	MARIETTA	2
372	PNSCFLBL	FL	PENSACOLA	2
373	PNSCFLFP	FL	PENSACOLA	2
374	PNSCFLHC	FL	PENSACOLA	2
375	PNSCFLPB	FL	PENSACOLA	2
376	PNSCFLWA	FL	PENSACOLA	2
377	SBRKSCSK	SC	CHARLESTON	2
378	SHPTLABS	LA	SHREVEPORT	2
379	SHPTLACL	LA	SHREVEPORT	2
380	SHPTLAHD	LA	SHREVEPORT	2
381	SHPTLAMA	LA	SHREVEPORT	2
382	SHPTLAQB	LA	SHREVEPORT	2
383	SHPTLASG	LA	SHREVEPORT	2
384	SPBGSCBS	SC	SPARTANBURG	2
385	SPBGSCCV	SC	SPARTANBURG	2
386	SPBGSCHW	SC	SPARTANBURG	2
387	SPBGSCMA	SC	SPARTANBURG	2
388	SPBGSCWV	SC	SPARTANBURG	2
389	SVNHGABS	GA	SAVANNAH	2
390	SVNHGADS	GA	SAVANNAH	2
391	SVNHGAGC	GA	SAVANNAH	2
392	SVNHGASI	GA	SAVANNAH	2
393	SVNHGAWB	GA	SAVANNAH	2
394	SVNHGAWI	GA	SAVANNAH	2
395	WLMGNCPO	NC	WILMINGTON	2
396	WLMGNCLE	NC	WILMINGTON	2
397	WLMGNCWI	NC	WILMINGTON	2
398	WNSLNCAR	NC	WINSTON SALEM	2
399	WNSLNCCL	NC	WINSTON SALEM	2
400	WNSLNCFI	NC	WINSTON SALEM	2
401	WNSLNCGL	NC	WINSTON SALEM	2
402	WNSLNCLE	NC	WINSTON SALEM	2
403	WNSLNCSH	NC	WINSTON SALEM	2
404	WNSLNCVI	NC	WINSTON SALEM	2
405	WNSLNCWA	NC	WINSTON SALEM	2
406	WNSLNCWH	NC	WINSTON SALEM	2
407	ABRDMSBS	MS	ABERDEEN	3
408	ABVLLAMA	LA	ABBEVILLE	3
409	ACHLTNMT	TN	ADAMS CEDAR HILL	3
410	ACMENCMA	NC	ACME	3
411	ACWOGAMA	GA	ACWORTH	3
412	AIKNSCMA	SC	AIKEN	3
413	AIVLGAMA	GA	ADAIRSVILLE	3
414	ALBSALMA	AL	ALABASTER	3
415	ALBYLAMA	LA	ALBANY	3
416	ALCYALMT	AL	ALEXANDER CITY	3
417	ALDLSCMA	SC	ALLENDALE	3
418	ALLNKYMA	KY	ALLEN	3
419	ALVLALMA	AL	ALBERTVILLE	3
420	ALXNLA19	LA	ALEXANDRIA	3

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
421	ALXNLADV	LA	ALEXANDRIA	3
422	ALXNLAMA	LA	ALEXANDRIA	3
423	ALXNLATG	LA	ALEXANDRIA	3
424	AMITLAMA	LA	AMITE CITY	3
425	AMRCGAMA	GA	AMERICUS	3
426	AMRYMSMA	MS	AMORY	3
427	ANGILAMA	LA	ANGIE	3
428	ANTNALLE	AL	ANNISTON	3
429	ANTNALMT	AL	ANNISTON	3
430	ANTNALOX	AL	ANNISTON	3
431	APEXNCCE	NC	APEX	3
432	APNGGAES	GA	APPLING	3
433	ARCDLABW	LA	ARCADIA	3
434	ARCDLAMA	LA	ARCADIA	3
435	ARCHFLMA	FL	ARCHER	3
436	ARDNNCCE	NC	ARDEN	3
437	ARSNNCMA	NC	ANDERSON	3
438	ARSNSCAH	SC	ANDERSON	3
439	ARSNSCMA	SC	ANDERSON	3
440	ARSNSCTV	SC	ANDERSON	3
441	ARSNSCUT	SC	ANDERSON	3
442	ARTNGAES	GA	ARLINGTON	3
443	ARTNTNMT	TN	ARLINGTON	3
444	ASCYTNMA	TN	ASHLAND CITY	3
445	ASLDMSMA	MS	ASHLAND	3
446	ASTLGAMA	GA	AUSTELL	3
447	ATHNALER	AL	ATHENS	3
448	ATHNALMA	AL	ATHENS	3
449	ATHCGAES	GA	ATHENS	3
450	ATHNGAHS	GA	ATHENS	3
451	ATHNGAMA	GA	ATHENS	3
452	ATHNTNMA	TN	ATHENS	3
453	ATSNNCMA	NC	ATKINSON	3
454	ATTLALNM	AL	ATTALLA	3
455	AUBNALMA	AL	AUBURN	3
456	AURRKYMA	KY	AURORA	3
457	BATHSCMA	SC	BATH	3
458	BAVLSCMA	SC	BLACKVILLE	3
459	BCHNGAES	GA	BUCHANAN	3
460	BCMTNCCE	NC	BLACK MOUNTAIN	3
461	BCTNGAMA	GA	BACONTON	3
462	BCTNMSMA	MS	BUCKATUNNA	3
463	BDFDKYMA	KY	BEDFORD	3
464	BEMTMSMA	MS	BLUE MOUNTAIN	3
465	BENTMSSU	MS	YAZOO CITY	3
466	BERNLAMA	LA	BERNICE	3
467	BERNLASP	LA	BERNICE	3
468	BETNSCMA	SC	BELTON	3
469	BEVLSCMA	SC	BENNETTSVILLE	3
470	BOCHMSSU	MS	BROOKHAVEN	3
471	BODDKYMA	KY	BAGDAD	3
472	BOLSLAMA	LA	BOGALUSA	3
473	BOPTFLMA	FL	BIG PINE	3
474	BORTGAMA	GA	BOGART STATHAM	3
475	BOSNTNMA	TN	BIG SANDY	3
476	BSISSCMA	SC	BEECH ISLAND	3
477	BLXIMSDI	MS	BILOXI	3
478	BLXIMSED	MS	BILOXI	3
479	BLXIMSMA	MS	BILOXI	3
480	BKVLFLJF	FL	BROOKSVILLE	3
481	BKVLMSSU	MS	MACON	3
482	BLBGSCMA	SC	BLACKSBURG	3
483	BLCSGAES	GA	BLACKSHEAR	3
484	BLDWFLMA	FL	BALDWIN	3
485	BLDWLAMA	LA	BALDWIN	3
486	BLDWMSMF	MS	BALDWYN	3
487	BLFDKYMA	KY	BLOOMFIELD	3
488	BLFNALMA	AL	BELLE FONTAINE	3
489	BLGLFLMA	FL	BELLE GLADE	3
490	BLGPTNMA	TN	BULLS GAP	3

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
491	BLLSTNMA	TN	BELLS	3
492	BLMTMSMA	MS	BELMONT	3
493	BLMTNCCE	NC	BELMONT	3
494	BLNCLAMA	LA	BLANCHARD	3
495	BLNCTNMT	TN	BLANCHE	3
496	BLNHSCMA	SC	BLENHEIM	3
497	BLRGSCMA	SC	BLUE RIDGE	3
498	BLRJNCCE	NC	BLOWING ROCK	3
499	BLSPKYMA	KY	BLUFF SPRINGS	3
500	BLVRTNMA	TN	BOLIVAR	3
501	BLZNMSMA	MS	BELZONI	3
502	BMBRSCMA	SC	BAMBERG	3
503	BNBRGAMA	GA	BAINBRIDGE	3
504	BNTTMSMA	MS	BENOIT	3
505	BNLYKYMA	KY	BENHAM LYNCH	3
506	BNNLFLMA	FL	BUNNELL	3
507	BNTNKYMA	KY	BENTON	3
508	BNTNLAMA	LA	BENTON	3
509	BNTNMSSU	MS	YAZOO CITY	3
510	BNTNTNMT	TN	TENNGA	3
511	BNVLMSMA	MS	BOONEVILLE	3
512	BOAZALMA	AL	BOAZ	3
513	BOONNCXI	NC	BOONE	3
514	BOTNMSMA	MS	BOLTON	3
515	BOYCLAMA	LA	BOYCE	3
516	BRGNKYMA	KY	BURGIN	3
517	BRGWNCMA	NC	BURGAW	3
518	BRHVMSMA	MS	BROOKHAVEN	3
519	BRMNGAEB	GA	BREMEN	3
520	BRMNKYMA	KY	BREMEN	3
521	BRNDMSEB	MS	BRANDON	3
522	BRPTALMA	AL	BRIDGEPORT	3
523	BRSNFLMA	FL	BRONSON	3
524	BRSSLAMA	LA	BROUSSARD	3
525	BRTOALMA	AL	BREWTON	3
526	BRTWKYEB	KY	BARDSTOWN	3
527	BRVEGAMA	GA	BARNESVILLE	3
528	BRVLMSMA	MS	BURNSVILLE	3
529	BRWDMSMA	MS	BRIARWOOD	3
530	BRWDTNAM	TN	BRENTWOOD	3
531	BRWKGAMA	GA	BRUNSWICK	3
532	BRWLSCBE	SC	BARNWELL	3
533	BSCYNCMA	NC	BESSEMER CITY	3
534	BSLSMSMA	MS	BAY ST LOUIS	3
535	BSMRALBP	AL	BESSEMER	3
536	BSMRALBU	AL	BESSEMER	3
537	BSMRALMT	AL	BESSEMER	3
538	BSMRALMA	AL	BESSEMER	3
539	BSTRLAMA	LA	BASTROP	3
540	BTBGSCMA	SC	BATESBURG	3
541	BTHPTNMA	TN	BETHEL SPRINGS	3
542	BTVLMSEB	MS	BATESVILLE	3
543	BUFRGABE	GA	BUFORD	3
544	BUMTMSMA	MS	BEAUMONT	3
545	BUNILAMA	LA	BUNICE	3
546	BURLNCMA	NC	BURLINGTON	3
547	BURLNCSL	NC	BURLINGTON	3
548	BURLNCMA	NC	BURLINGTON	3
549	BURLNCML	NC	BURLINGTON	3
550	BURSLAMA	LA	BURAS	3
551	BUSHLAMA	LA	BUSH	3
552	BVDMKYMA	KY	BEAVER DAM	3
553	BWDNGAMA	GA	BOWDON	3
554	BWLGKYMA	KY	BOWLING GREEN	3
555	BWLGKYEV	KY	BOWLING GREEN	3
556	BWVLTNMA	TN	BROWNSVILLE	3
557	BXLYGAEB	GA	BAXLEY	3
558	BYMNALMA	AL	BAY MINETTE	3
559	BYVLKYMA	KY	BEATTYVILLE	3
560	CADZKYMA	KY	CADIZ	3

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
561	CAFBMSMA	MS	COLUMBUS AIR FORCE BASE	3
562	CALRALMA	AL	CALERA	3
563	CARYNCCE	NC	CARY	3
564	CARYNCWS	NC	CARY	3
565	CASTLAMA	LA	CASTOR	3
566	CCBHFLAF	FL	COCOA BEACH	3
567	CCBHFLMA	FL	COCOA BEACH	3
568	CCHRGAMA	GA	COCHRAN	3
569	CDKYFLMA	FL	CEDAR KEYS	3
570	CDTWGAMA	GA	CEDARTOWN	3
571	CDWRMSMA	MS	COLDWATER	3
572	CENTSCWS	SC	CENTRAL	3
573	CFLDFLMA	FL	CHIEFLAND	3
574	CFVLMSMA	MS	COFFEEVILLE	3
575	CHAPSCCL	SC	CHAPIN LITTLE MOUNTAIN SOUTH	3
576	CHBGALMA	AL	CHILDERSBURG	3
577	CHBYLAMA	LA	CHACKBAY	3
578	CHLSALMA	AL	CHELSEA	3
579	CHNCMSSU	MS	MERIDIAN	3
580	CHPLFLJA	FL	CHIPLEY	3
581	CHPLKYMA	KY	CHAPLIN	3
582	CHRLTNMT	TN	CHARLOTTE	3
583	CHRWSCES	SC	CHERAW	3
584	CHTNMSMA	MS	CHARLESTON	3
585	CHTNTNMT	TN	CHARLESTON	3
586	CHVLNCCE	NC	CHERRYVILLE	3
587	CLANALMA	AL	CLANTON	3
588	CLAYKYMA	KY	CLAY	3
589	CLDGTNMA	TN	CUMBERLAND GAP	3
590	CLDNMSMA	MS	CALEDONIA	3
591	CLEVMSMA	MS	CLEVELAND	3
592	CLEVNCMA	NC	CLEVELAND	3
593	CLEVTNMA	TN	CLEVELAND	3
594	CLFXLAMA	LA	COLFAX	3
595	CLHNGAES	GA	CALHOUN	3
596	CLHNKYMA	KY	CALHOUN	3
597	CLHNLAMA	LA	CALHOUN	3
598	CLIOSCMA	SC	CLIO	3
599	CLMALAMA	LA	COLUMBIA	3
600	CLMAMSMA	MS	COLUMBIA	3
601	CLMATNMA	TN	COLUMBIA	3
602	CLMBALMA	AL	COLUMBIANA	3
603	CLMBMSMA	MS	COLUMBUS	3
604	CLMNALFA	AL	CULLMAN	3
605	CLMNALJC	AL	CULLMAN	3
606	CLMNALMA	AL	CULLMAN	3
607	CLMTGAMA	GA	CLERMONT	3
608	CLMTNCMA	NC	CLAREMONT	3
609	CLNSMSMA	MS	COLLINS	3
610	CLPTKYMA	KY	CLOVERPORT	3
611	CLQTGAES	GA	COLQUITT	3
612	CLSNSCMA	SC	CLEMSON	3
613	CLTNKYES	KY	CLINTON	3
614	CLTNLAMA	LA	CLINTON	3
615	CLTNSCMA	SC	CLINTON	3
616	CLTNTNMA	TN	CLINTON	3
617	CLVLTNMA	TN	CLARKSVILLE	3
618	CLVRSCES	SC	CLOVER	3
619	CLYDNCMA	NC	CLYDE	3
620	CMBGKYMA	KY	CAMPBELLSBURG	3
621	CMCYTNMT	TN	CUMBERLAND CITY	3
622	CMDNSCLG	SC	CAMDEN	3
623	CMDNSCMA	SC	CAMDEN	3
624	CMDNTNMA	TN	CAMDEN	3
625	CMLLGAMA	GA	CAMILLA	3
626	CMNGGAMA	GA	CUMMING	3
627	CNCRGAMA	GA	CONCORD	3
628	CNCYKYMA	KY	CENTRAL CITY	3
629	CNHMTNMA	TN	CUNNINGHAM	3
630	CNTMFLLE	FL	CANTONMENT	3

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
631	CNTNKYMA	KY	CANTON	3
632	CNTNMSMA	MS	CANTON	3
633	CNTNNCMA	NC	CANTON	3
634	CNTWKYMA	KY	CENTERTOWN	3
635	CNVIALMA	AL	CENTREVILLE	3
636	CNVIMSMA	MS	CENTREVILLE	3
637	CNVLLAMA	LA	CENTERVILLE	3
638	CNVLTNMA	TN	CENTERVILLE	3
639	CNVNLAMA	LA	CONVENT	3
640	CNVRLAMA	LA	CONVERSE	3
641	CNYRGAMA	GA	CONYERS	3
642	COCOFLMA	FL	COCOA	3
643	COCOFLME	FL	COCOA	3
644	COMOMSMA	MS	COMO	3
645	CORDGAMA	GA	CORDELE	3
646	COTNKYMA	KY	CROFTON	3
647	COVLMSSU	MS	MERIDIAN	3
648	CPHLNCRO	NC	CHAPEL HILL	3
649	CRBHNCCE	NC	CAROLINA BEACH	3
650	CRBNKYMA	KY	CORBIN	3
651	CRBOKYMA	KY	CRAB ORCHARD	3
652	CRDVALMA	AL	CORDOVA	3
653	CRHLALNM	AL	CARBON HILL	3
654	CRHLTNCB	TN	MCCAYSVILLE	3
655	CRLDALMA	AL	COURTLAND	3
656	CRLNNCMA	NC	CAROLEEN	3
657	CRLSKYMA	KY	CARLISLE	3
658	CRNCLAMA	LA	CARENCRO	3
659	CRNSMSMA	MS	CRENSHAW	3
660	CRNTMSMA	MS	MICHIE	3
661	CRPLTNMA	TN	CROSS PLAINS ORLINDA	3
662	CRSPMSMA	MS	CRYSTAL SPRINGS	3
663	CRTHMSMA	MS	CARTHAGE	3
664	CRTHTNMA	TN	CARTHAGE	3
665	CRTNGAMA	GA	CARROLLTON	3
666	CRTNKYMA	KY	CARROLLTON	3
667	CRTNMSMA	MS	CARROLLTON	3
668	CRVLGAMA	GA	CARTERSVILLE	3
669	CRVLTNMA	TN	COLLIERVILLE	3
670	CRWYLAMA	LA	CROWLEY	3
671	CSCYFLBA	FL	CROSS CITY	3
672	CSDLMSMA	MS	CLARKSDALE	3
673	CSHTLAMA	LA	COUSHATTA	3
674	CSHYNCMA	NC	CASTLE HAYNE	3
675	CSSTGAMA	GA	CUSSETA	3
676	CSVLMSSU	MS	MERIDIAN	3
677	CTRNALNM	AL	CITRONELLE	3
678	CULKTNMA	TN	CULLEOKA	3
679	CVSPGAMA	GA	CAVE SPRING	3
680	CVTNGAMT	GA	COVINGTON	3
681	CVTNLAMA	LA	COVINGTON	3
682	CVTNTNMT	TN	COVINGTON	3
683	CWPNSCMA	SC	COWPENS	3
684	CWVLLAMA	LA	CROWVILLE	3
685	CXTNGAMA	GA	CLAYTON	3
686	CYDNKYMA	KY	CORYDON	3
687	CYNTKYMA	KY	CYNTHIANA	3
688	CYTNALMA	AL	CLAYTON	3
689	DAVLKYMA	KY	DANVILLE	3
690	DBCHLAMA	LA	DUBACH	3
691	DBLNGAMA	GA	DUBLIN	3
692	DBRYFLDL	FL	DEBARY	3
693	DBRYFLMA	FL	DEBARY	3
694	DCHLMSMA	MS	DUCK HILL	3
695	DCTRALMT	AL	DECATUR	3
696	DCTRTNMT	TN	DECATUR	3
697	DDVLALMA	AL	DADEVILLE	3
698	DELDFLMA	FL	DELAND	3
699	DELHLAMA	LA	DELHI	3
700	DFFLMSMA	MS	DUFFEE	3

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
701	DGVLGAMA	GA	DOUGLASVILLE	3
702	DXONKYMA	KY	DIXON	3
703	DKLBMSMA	MS	DE KALB	3
704	DKSNTNMT	TN	DICKSON	3
705	DLBHFLKP	FL	DELRAY BEACH	3
706	DLBHFLMA	FL	DELRAY BEACH	3
707	DLCXLAMA	LA	DELACROIX	3
708	DLLNSCMA	SC	DILLON	3
709	DLLSGAES	GA	DALLAS	3
710	DLSPFLMA	FL	DE LEON SPRINGS	3
711	DLTHGAHS	GA	DULUTH	3
712	DMPLALMA	AL	DEMOPOLIS	3
713	DNCNMSMA	MS	DUNCAN	3
714	DNLNFLWM	FL	DUNNELLON	3
715	DNMKSCES	SC	DENMARK	3
716	DNRGTNMA	TN	DANDRIDGE	3
717	DNSPLAMA	LA	DENHAM SPRINGS	3
718	DNVLLAMA	LA	DONALDSONVILLE	3
719	DNVRNCMA	NC	DENVER	3
720	DORAALMA	AL	DORA	3
721	DOVRTNMT	TN	DOVER	3
722	DRBOKYES	KY	DRAKESBORO	3
723	DRDELAMA	LA	DE RIDDER	3
724	DREWMSMA	MS	DREW	3
725	DRNTMSMA	MS	DURANT	3
726	DRPOLAMA	LA	DRY PRONG	3
727	DRTNSCMA	SC	DARLINGTON	3
728	DULCLAMA	LA	DULAC	3
729	DUSNLAMA	LA	DUSON	3
730	DVSNNCPO	NC	DAVIDSON	3
731	DWSPKYES	KY	DAWSON SPRINGS	3
732	DYBGTNMA	TN	DYERSBURG	3
733	DYERTNMT	TN	DYER	3
734	DYLNLAMA	LA	DOYLINE	3
735	DYTNTNMA	TN	DAYTON	3
736	EAVLTNMA	TN	EAGLEVILLE	3
737	EBTNGAMA	GA	ELBERTON	3
738	EDSHSCMA	SC	EDISTO ISLAND	3
739	EDFDSCMA	SC	EDGEFIELD	3
740	EDGRLAMA	LA	EDGARD	3
741	EDVLKYMA	KY	EDDYVILLE	3
742	EDWRMSDS	MS	EDWARDS	3
743	EGLLFLBG	FL	EAU GALLIE	3
744	EGLLFLEK	FL	EAU GALLIE	3
745	EKTNKYMA	KY	ELKTON	3
746	ELBONCMA	NC	ELLENBORO	3
747	ELCYKYES	KY	ELKHORN CITY	3
748	ELVLMSMA	MS	ELLISVILLE	3
749	EMNNKYES	KY	EMINENCE	3
750	EMNNKYFL	KY	EMINENCE	3
751	ENKANCMA	NC	ENKA CANDLER	3
752	ENSRKYMA	KY	ENSOR	3
753	ENTRMSMA	MS	ENTERPRISE	3
754	EORNFLMA	FL	EAST ORANGE	3
755	EOVRSCMA	SC	EASTOVER	3
756	EPPSLAMA	LA	EPPS	3
757	ERTHLAMA	LA	ERATH	3
758	ERTNKYMA	KY	EARLINGTON	3
759	ESLYSCMA	SC	EASLEY	3
760	ESMNGAES	GA	EASTMAN	3
761	ETHLMSMA	MS	ETHEL	3
762	ETTNGAES	GA	EATONTON	3
763	ETWHTNMT	TN	ETOWAH	3
764	EUFLALMA	AL	GEORGETOWN	3
765	EUNCLAMA	LA	EUNICE	3
766	EUPRMSFA	MS	EUPORA	3
767	EUTWALBO	AL	EUTAW	3
768	EUTWALMA	AL	EUTAW	3
769	EVRGALMA	AL	EVERGREEN	3
770	FAMTNCMA	NC	FAIRMONT	3

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
771	FDCKKYES	KY	FEDSCREEK	3
772	FDVLKYMA	KY	FORDSVILLE	3
773	FEBRKYMA	KY	FREEBURN	3
774	FTVLTNMA	TN	MARYVILLE	3
775	FKLNGAMA	GA	FRANKLIN	3
776	FKLNKYMA	KY	FRANKLIN	3
777	FKLNLAMA	LA	FRANKLIN	3
778	FKLNTNCC	TN	FRANKLIN	3
779	FKLNTNMA	TN	FRANKLIN	3
780	FKTNLAMA	LA	FRANKLINTON	3
781	FLBHFLMA	FL	FLAGLER BEACH	3
782	FLBHSCMA	SC	FOLLY BEACH	3
783	FLBRGAMA	GA	FLOWERY BRANCH	3
784	FLORMSMA	MS	FLORA	3
785	FLRNALMA	AL	FLORENCE	3
786	FLRNLAMA	LA	FLORIEN	3
787	FLSMLAMA	LA	FOLSOM	3
788	FLTNKYMA	KY	SOUTH FULTON	3
789	FLVLTNMA	TN	FLINTVILLE	3
790	FMTNALNM	AL	FLOMATON	3
791	FNTNSCES	SC	FOUNTAIN INN	3
792	FNVLKYMA	KY	FINCHVILLE	3
793	FORDKYMA	KY	FORD	3
794	FORSMSMA	MS	FOREST	3
795	FRBHFLFP	FL	FERNANDINA BEACH	3
796	FRBNGAEB	GA	FAIRBURN	3
797	FRCYNCCR	NC	FOREST CITY	3
798	FRDNKYMA	KY	FREDONIA	3
799	FRDNTNMA	TN	FREDONIA	3
800	FRDYLAMA	LA	FERRIDAY	3
801	FRFTKYES	KY	FRANKFORT	3
802	FRFTKYMA	KY	FRANKFORT	3
803	FRHPALMA	AL	FAIRHOPE	3
804	FRPNMSMA	MS	FRIARS POINT	3
805	FRSYGAMA	GA	FORSYTH	3
806	FRVLLADV	LA	FARMERVILLE	3
807	FRVLLAMA	LA	FARMERVILLE	3
808	FRVWNCMA	NC	FAIRVIEW	3
809	FRVWTNMT	TN	FAIRVIEW	3
810	FTDPALMA	AL	FORT DEPOSIT	3
811	FTGRFLMA	FL	FORT GEORGE	3
812	FTNCLAMA	LA	FORT NECESSITY	3
813	FTPRFLMA	FL	FORT PIERCE	3
814	FTPYALMA	AL	FORT PAYNE	3
815	FTVYGAMA	GA	FORT VALLEY	3
816	FYTTMSMA	MS	FAYETTE	3
817	FYVLGASG	GA	FAYETTEVILLE	3
818	FYVLTNMA	TN	FAYETTEVILLE	3
819	GALLTNMA	TN	GALLATIN	3
820	GAY GAMA	GA	GAY	3
821	GBLDLAMN	LA	GIBSLAND	3
822	GBSNGAEB	GA	GIBSON	3
823	GBSNLAMA	LA	GIBSON	3
824	GBSNNCMA	NC	NEWTONVILLE	3
825	GBSNTNMT	TN	GIBSON	3
826	GBVLKYMA	KY	GILBERTSVILLE	3
827	GCSPFLCN	FL	GREEN COVE SPRINGS	3
828	GCVLFLMA	FL	GRACEVILLE	3
829	GDJTTNMA	TN	MICHIGAN CITY	3
830	GDMNMSMA	MS	GOODMAN	3
831	GDSDALHS	AL	GADSDEN	3
832	GDSDALMT	AL	GADSDEN	3
833	GDSDALRD	AL	GADSDEN	3
834	GDVLTNMA	TN	GOODLETTSVILLE	3
835	GDWRALMA	AL	GOODWATER	3
836	GENVFLMA	FL	GENEVA	3
837	GFNYSCMA	SC	GAFFNEY	3
838	GHNTKYMA	KY	GHENT	3
839	GTVLSCMA	SC	GRANITEVILLE	3
840	GLBONCAD	NC	GOLDSBORO	3

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
841	GLBONCMA	NC	GOLDSBORO	3
842	GLBRFLMC	FL	GULF BREEZE	3
843	GLPTMSLY	MS	GULFPORT	3
844	GLPTMSRR	MS	GULFPORT	3
845	GLPTMSTS	MS	GULFPORT	3
846	GLSNTNMA	TN	GLEASON	3
847	GLSTMSMA	MS	GLOSTER	3
848	GNBOALMA	AL	GREENSBORO	3
849	GNBOGAEB	GA	GREENSBORO	3
850	GNBRTNMA	TN	GREENBRIER	3
851	GNFDTNMT	TN	GREENFIELD	3
852	GNHMNCMA	NC	GRANTHAM	3
853	GNSNMSMA	MS	GUNNISON	3
854	GNVLGAMA	GA	GREENVILLE	3
855	GNVLKYMA	KY	GREENVILLE	3
856	GNVLMSMA	MS	GREENVILLE	3
857	GNWDLAMA	LA	GREENWOOD	3
858	GNWDMSMA	MS	GREENWOOD	3
859	GRACKYMA	KY	GRACEY	3
860	GRCNLAMA	LA	GRAND CANE	3
861	GRDLALNM	AL	GARDENDALE	3
862	GRERSCMA	SC	GREER	3
863	GRFNGAMA	GA	GRIFFIN	3
864	GRLYALMA	AL	GURLEY	3
865	GRNBTNMA	TN	GREENBACK	3
866	GRNDMSMA	MS	GRENADA	3
867	GRNGLAMA	LA	GRAMBLING	3
868	GRTWKYMA	KY	GEORGETOWN	3
869	GRTWLAMA	LA	GEORGETOWN	3
870	GRVRNCMA	NC	ANTIOCH	3
871	GSTANCDA	NC	GASTONIA	3
872	GSTANCSO	NC	MILL CREEK	3
873	GSVLGAMA	GA	GAINESVILLE	3
874	GTBGTNMT	TN	GATLINBURG	3
875	GTHRKYMA	KY	SOUTH GUTHRIE	3
876	GTVLALNM	AL	GUNTERSVILLE	3
877	GTVLGAMA	GA	GRANTVILLE	3
878	GTWDNCMA	NC	GATEWOOD	3
879	GYDNLAMA	LA	GUEYDAN	3
880	GYVLALNM	AL	GRAYSVILLE	3
881	HABTKYMA	KY	HABIT	3
882	HANSKYMA	KY	HANSON	3
883	HAVNFLMA	FL	HAVANA	3
884	HBSDFLMA	FL	HOBE SOUND	3
885	HBVLKYMA	KY	HEBBARDSVILLE	3
886	HCGVSCMA	SC	HICKORY GROVE	3
887	HCMNKYMA	KY	HICKMAN	3
888	HDBGKYMA	KY	HARRODSBURG	3
889	HDLBMSMA	MS	HEIDELBERG	3
890	HDVLTNMA	TN	HENDERSONVILLE	3
891	HGTNLAEM	LA	HAUGHTON	3
892	HGTNLAMA	LA	HAUGHTON	3
893	HGVLGAMA	GA	HOGANSVILLE	3
894	HHNWTNMA	TN	HOHENWALD	3
895	HRMNTNMA	TN	HARRIMAN	3
896	HLLSTNMT	TN	HALLS	3
897	HLNVFLMA	FL	HOLLEY NAVARRE	3
898	HLSPMSMA	MS	HOLLY SPRINGS	3
899	HLVLALMA	AL	HOLTVILLE	3
900	HMBLTNMA	TN	HUMBOLDT	3
901	HMLTNCMA	NC	HAMLET	3
902	HMNDLAMA	LA	HAMMOND	3
903	HMPNGAJW	GA	HAMPTON	3
904	HMPSTNMA	TN	HAMPSHIRE	3
905	HMSTFLEA	FL	HOMESTEAD	3
906	HMSTFLHM	FL	HOMESTEAD	3
907	HMSTFLNA	FL	HOMESTEAD	3
908	HMTNGAMA	GA	HAMILTON	3
909	HMTNMSSU	MS	ABERDEEN	3
910	HNLDTNMA	TN	HUNTLAND	3

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
911	HNNGTNMA	TN	HENNING	3
912	HNPHSCMA	SC	HONEA PATH	3
913	HNSNKYMA	KY	HENDERSON	3
914	HNSNTNMT	TN	HENDERSON	3
915	HNTGTNMA	TN	HUNTINGDON	3
916	HNVLALER	AL	HANCEVILLE	3
917	HNVLALNM	AL	HANCEVILLE	3
918	HNVLNCCH	NC	HENDERSONVILLE	3
919	HNVLNCED	NC	HENDERSONVILLE	3
920	HNVLNCMI	NC	HENDERSONVILLE	3
921	HODLMSMA	MS	HOLLANDALE	3
922	HOMRLAMA	LA	HOMER	3
923	HOUMLAMA	LA	HOUMA	3
924	HPHZGAES	GA	HEPHZIBAH	3
925	HPVLKYMA	KY	HOPKINSVILLE	3
926	HPVLMSSU	MS	FOREST	3
927	HRBGKYES	KY	HARDINSBURG	3
928	HRBGLAMA	LA	HARRISONBURG	3
929	HRBOALOM	AL	HURTSBORO	3
930	HRFRKYMA	KY	HARTFORD	3
931	HRFRTNMA	TN	BENT CREEK	3
932	HRLMGAMA	GA	HARLEM	3
933	HRLNKYMA	KY	HARLAN	3
934	HRLYMSMA	MS	HURLEY	3
935	HRNBLAMA	LA	HORNBECK	3
936	HRNBTNMT	TN	HORNBEAK	3
937	HRNNMSDS	MS	HERNANDO	3
938	HRTSALNM	AL	HARTSELLE	3
939	HRTSALPE	AL	HARTSELLE	3
940	HSTNMSMA	MS	HOUSTON	3
941	HSVLNCCE	NC	HUNTERSVILLE	3
942	HTBGMSMA	MS	HATTIESBURG	3
943	HTBGMSWE	MS	HATTIESBURG	3
944	HTSFLMA	FL	JENSEN BEACH	3
945	HTVLSCMA	SC	HARTSVILLE	3
946	HTVLTNMA	TN	HARTSVILLE	3
947	HWTHFLMA	FL	HAWTHORNE	3
948	HWVLKYMA	KY	HAWESVILLE	3
949	HYVLLAMA	LA	HAYNESVILLE	3
950	HZGRALMA	AL	HAZEL GREEN	3
951	HZLHGAMA	GA	HAZLEHURST	3
952	HZLHMSMA	MS	HAZLEHURST	3
953	INDNMSMA	MS	INDIANOLA	3
954	INDPLAMA	LA	INDEPENDENCE	3
955	INDPMSSU	MS	COLDWATER	3
956	INEZKYMA	KY	INEZ	3
957	INVRMSMA	MS	INVERNESS	3
958	ISLDKYMA	KY	ISLAND	3
959	ISLMFLMA	FL	ISLAMORADA	3
960	ISPLSCIB	SC	ISLE OF PALMS	3
961	ITTNMSMA	MS	ITTA BENA	3
962	IUKAMSEB	MS	IUKA	3
963	JAY FLMA	FL	JAY	3
964	JCSNALNM	AL	JACKSON	3
965	JCSNGAMA	GA	JACKSON	3
966	JCSNKYMA	KY	JACKSON	3
967	JCSNLAMA	LA	JACKSON	3
968	JCSNTNMA	TN	JACKSON	3
969	JCSNTNNE	TN	JACKSON	3
970	JCVLALMA	AL	JACKSONVILLE	3
971	JESPGAES	GA	JESUP	3
972	JFCYTNMA	TN	JEFFERSON CITY	3
973	JHCRGAES	GA	JOHNSON CORNER	3
974	JHTNSCMA	SC	JOHNSTON	3
975	JKISGAMA	GA	JEKYLL ISLAND	3
976	JLLCTNMA	TN	JELLICO	3
977	JNBOGAMA	GA	JONESBORO	3
978	JNBOLAMA	LA	JONESBORO	3
979	JNCYKYMA	KY	JUNCTION CITY	3
980	JNOSLAMA	LA	JENNINGS	3

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
981	JNRTLAMA	LA	JEANERETTE	3
982	JNTWMSMA	MS	JONESTOWN	3
983	JNVLLAMA	LA	JONESVILLE	3
984	JNVLSCMA	SC	JONESVILLE	3
985	JONNSCES	SC	JOANNA	3
986	JPTRFLMA	FL	JUPITER	3
987	JSBNLAMA	LA	JESUIT BEND	3
988	JSPRALMT	AL	JASPER	3
989	JSPRTNMT	TN	JASPER	3
990	JULNNCMA	NC	JULIAN	3
991	KGMTNCMA	NC	KINGS MOUNTAIN	3
992	KGTNGAMA	GA	KINGSTON	3
993	KGTNTNMT	TN	KINGSTON	3
994	KKVLKYMA	KY	KIRKSVILLE	3
995	KLLNALMA	AL	KILLEN	3
996	KLMCMSMA	MS	KILMICHAEL	3
997	KNDLNCCE	NC	KNIGHTDALE	3
998	KNNRLABR	LA	KENNER	3
999	KNNRLAHN	LA	KENNER	3
1000	KNTNTNMA	TN	KENTON	3
1001	KNWDLAMA	LA	KENTWOOD	3
1002	KRSPLAMA	LA	KROTZ SPRINGS	3
1003	KSCSMSMA	MS	KOSCIUSKO	3
1004	KTCHLAMA	LA	KEATCHIE	3
1005	KTVLLAMA	LA	KEITHVILLE	3
1006	KYHGFLMA	FL	KEYSTONE HEIGHTS	3
1007	KYLRFLLS	FL	KEY LARGO	3
1008	KYLRFLMA	FL	KEY LARGO	3
1009	KYWSFLMA	FL	KEY WEST	3
1010	LAKEMSMA	MS	LAKE	3
1011	LARLMSMA	MS	LAUREL	3
1012	LATTSCLS	SC	LATTA	3
1013	LBJTKYMA	KY	LEBANON JUNCTION	3
1014	LBNNTNMA	TN	LEBANON	3
1015	LBRTMSMA	MS	LIBERTY	3
1016	LBRTSCMA	SC	LIBERTY	3
1017	LBVLLAMA	LA	LABADIEVILLE	3
1018	LCDLMSMA	MS	LUCEDALE	3
1019	LCMBLAMA	LA	LACOMBE	3
1020	LCMPLAMA	LA	LECOMPTE	3
1021	LCPTLAMA	LA	LOCKPORT	3
1022	LCSRNCMA	NC	LEICESTER	3
1023	LCSTNCMA	NC	LOCUST	3
1024	LELDMSMA	MS	LELAND	3
1025	LENAMSJU	MS	CARTHAGE	3
1026	LENRNCHA	NC	LENOIR	3
1027	LENRNCHU	NC	LENOIR	3
1028	LERYGAMA	GA	LEARY	3
1029	LEVLLABF	LA	LEESVILLE (VERNON)	3
1030	LEVLLAFP	LA	LEESVILLE (VERNON)	3
1031	LEVLLAMA	LA	LEESVILLE (VERNON)	3
1032	LEVLLASN	LA	LEESVILLE (VERNON)	3
1033	LFLTTNMA	TN	LA FOLLETTE	3
1034	LFTTLAMA	LA	LAFITTE	3
1035	LFYTALBS	AL	LAFAYETTE	3
1036	LFYTKYMA	KY	LA FAYETTE	3
1037	LGPTLAMA	LA	LOGANSPORT	3
1038	LGRNGAMA	GA	OAKLAND (CHAMBERS)	3
1039	LGRNKYES	KY	LA GRANGE	3
1040	LGTNALMA	AL	LEIGHTON	3
1041	LGVLGACE	GA	LOGANVILLE	3
1042	LKARLAMA	LA	LAKE ARTHUR	3
1043	LKCHLA09	LA	LAKE CHARLES	3
1044	LKCHLADT	LA	LAKE CHARLES	3
1045	LKCHLAMB	LA	LAKE CHARLES	3
1046	LKCHLAMW	LA	LAKE CHARLES	3
1047	LKCHLAUN	LA	LAKE CHARLES	3
1048	LKCTLAMA	LA	LAKE CATHERINE	3
1049	LKCYFLMA	FL	LAKE CITY	3
1050	LKCYTNMA	TN	LAKE CITY	3

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
1051	LKLRNCCE	NC	LAKE LURE	3
1052	LKMRFLAB	FL	SANFORD	3
1053	LKMRFLMA	FL	SANFORD	3
1054	LKPKGAMA	GA	LAKE PARK	3
1055	LKPRLAAL	LA	LAKE PROVIDENCE	3
1056	LKPRLAMA	LA	LAKE PROVIDENCE	3
1057	LKVWSCMA	SC	LAKE VIEW	3
1058	LKWLSCRS	SC	LAKE WYLIE	3
1059	LLNGLABU	LA	LULING	3
1060	LLNGLAHV	LA	LULING	3
1061	LMCYGAMA	GA	LUMBER CITY	3
1062	LMKNGAMA	GA	LUMPKIN	3
1063	LMTNMSSS	MS	LUMBERTON	3
1064	LMTNNCMA	NC	LUMBERTON	3
1065	LNBHNCMA	NC	LONG BEACH	3
1066	LNCYTNMA	TN	LENOIR CITY	3
1067	LNDNALMA	AL	LINDEN	3
1068	LNTNNCMA	NC	LINCOLNTON	3
1069	LNTNNCVA	NC	LINCOLNTON	3
1070	LODNTNMA	TN	LOUDON	3
1071	LOUSKYES	KY	LOUISA	3
1072	LOVLLAMA	LA	LEONVILLE	3
1073	LPLCLAMA	LA	LAPLACE	3
1074	LRBGKYMA	KY	LAWRENCEBURG	3
1075	LRBGNCMA	NC	LAURINBURG	3
1076	LRBGTNMA	TN	LAWRENCEBURG	3
1077	LRVLGAOS	GA	LAWRENCEVILLE	3
1078	LRVLLAMA	LA	LOREAUVILLE	3
1079	LSBGGAMA	GA	LEESBURG	3
1080	LSBNLAMA	LA	LISBON	3
1081	LSVLGAMA	GA	LOUISVILLE	3
1082	LSVLMSMA	MS	LOUISVILLE	3
1083	LTCHLAMA	LA	LUTCHER	3
1084	LTHNGAJS	GA	LITHONIA	3
1085	LTMRNCCE	NC	LATTIMORE	3
1086	LTVLGACS	GA	LUTHERSVILLE	3
1087	LULAGAMA	GA	LULA	3
1088	LULAMSMA	MS	LULA	3
1089	LVMRKYMA	KY	LIVERMORE	3
1090	LVTNALMA	AL	LIVINGSTON (SUMTER)	3
1091	LVTNLAMA	LA	LIVINGSTON	3
1092	LWBGTNMA	TN	LEWISBURG	3
1093	LWDLNCCE	NC	LAWNDALE	3
1094	LWLLNCMA	NC	LOWELL	3
1095	LWTLLAMA	LA	LAWTELL	3
1096	LXTNALMA	AL	LEXINGTON	3
1097	LXTNKYXI	KY	LEXINGTON	3
1098	LXTNMSMA	MS	LEXINGTON	3
1099	LXTNTNMA	TN	LEXINGTON	3
1100	LYBGTNMT	TN	LYNCHBURG	3
1101	LYHNFLOH	FL	LYNN HAVEN	3
1102	LYLSTNMA	TN	LYLES	3
1103	LYMNSCES	SC	LYMAN	3
1104	LYMNSCSP	SC	LYMAN	3
1105	LYNSGAMA	GA	LYONS	3
1106	LYVLMSMA	MS	LYNVILLE	3
1107	LYVLTNMA	TN	LYNNVILLE	3
1108	MABNMSMA	MS	MABEN	3
1109	MACEKYMA	KY	MACEO	3
1110	MACNMSMA	MS	MACON	3
1111	MADNNCCE	NC	MAIDEN	3
1112	MAGEMSMA	MS	MAGEE	3
1113	MANYLAMA	LA	MANY	3
1114	MARNALNM	AL	MARION	3
1115	MARNKYMA	KY	MARION	3
1116	MARNSCEN	SC	MARION	3
1117	MARNSCMA	SC	MARION	3
1118	MARTKYMA	KY	MARTIN	3
1119	MAVLTNMA	TN	MARYVILLE	3
1120	MCCLMSMA	MS	MCCOOL	3

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
1121	MCCLSCMA	SC	MCCOLL	3
1122	MCCMGMSMA	MS	MCCOMB	3
1123	MCCMGMSSM	MS	MCCOMB	3
1124	MCDNGAGS	GA	MCDONOUGH	3
1125	MCDNKYMA	KY	MCDANIELS	3
1126	MCINALMA	AL	MCINTOSH	3
1127	MCKNTNMA	TN	MCKENZIE	3
1128	MCLNMSMA	MS	MCLAIN	3
1129	MCNPFLMA	FL	MCCANOPY	3
1130	MCWLKYMA	KY	MCDOWELL	3
1131	MCWNTNMT	TN	MCEWEN	3
1132	MDBGFLPM	FL	MIDDLEBURG	3
1133	MDBOKYMA	KY	FORK RIDGE	3
1134	MDSNALNM	AL	MADISON	3
1135	MDSNGAMA	GA	MADISON	3
1136	MDSNMSES	MS	MADISON	3
1137	MDTNTNMA	TN	MIDDLETON	3
1138	MDVBKYMA	KY	MADISONVILLE	3
1139	MDVLABR	LA	MANDEVILLE	3
1140	MDVLAMA	LA	MADISONVILLE	3
1141	MDVTNMT	TN	MADISONVILLE	3
1142	MEDNTNMA	TN	MEDINA	3
1143	MEVLLAMA	LA	MELVILLE	3
1144	MGFDKYMA	KY	MORGANFIELD	3
1145	MGNLMSMA	MS	MAGNOLIA	3
1146	MGTNNCOL	NC	MORGANTON	3
1147	MGTNNCGR	NC	MORGANTON	3
1148	MGTWKYMA	KY	MORGANTOWN	3
1149	MGVANCCR	NC	MAGGIE VALLEY	3
1150	MGCCFLBB	FL	SEBASTIAN	3
1151	MILNTNMA	TN	MILAN	3
1152	MINDLAMA	LA	MINDEN	3
1153	MIZEMSMA	MS	MIZE	3
1154	MKVLLAHM	LA	MARKSVILLE	3
1155	MKVLLAMN	LA	MARKSVILLE	3
1156	MLBGKYMA	KY	MILLERSBURG	3
1157	MLBRFLMA	FL	MELBOURNE	3
1158	MLLNGAMA	GA	MILLEN	3
1159	MLNSSCWP	SC	NICHOLS	3
1160	MLTNFLRA	FL	MILTON	3
1161	MLTNKYMA	KY	MILTON	3
1162	MLTNNCMA	NC	MILTON	3
1163	MNASMSMA	MS	NAVAL AIR STATION	3
1164	MNCHTNMA	TN	MANCHESTER	3
1165	MNDNMSMA	MS	MENDENHALL	3
1166	MNDRFLLW	FL	JULINGTON	3
1167	MNFDALMA	AL	MUNFORD	3
1168	MNFDLAMA	LA	MANSFIELD	3
1169	MNPLSCRS	SC	MOUNT PLEASANT	3
1170	MNPLTNMA	TN	MOUNT PLEASANT	3
1171	MNSNFLMA	FL	MUNSON	3
1172	MNTIGAMA	GA	MONTICELLO	3
1173	MNTIMSMA	MS	MONTICELLO	3
1174	MNTINCMA	NC	MONTICELLO	3
1175	MNTVALNM	AL	MONTEVALLO	3
1176	MNVLLAMA	LA	MANDEVILLE	3
1177	MOLTALNM	AL	MOULTON	3
1178	MONRLACT	LA	BASTROP	3
1179	MONRLADS	LA	MONROE	3
1180	MONRLAMA	LA	MONROE	3
1181	MONRLAWM	LA	MONROE	3
1182	MPVLALMA	AL	MAPLESVILLE	3
1183	MRBOTNMA	TN	MURFREESBORO	3
1184	MRCYLAAM	LA	MORGAN CITY	3
1185	MRCYLAIN	LA	MORGAN CITY	3
1186	MRDNMSTL	MS	MERIDIAN	3
1187	MRGPKYMA	KY	MORTONS GAP	3
1188	MROZLAMA	LA	MORGANZA	3
1189	MRHDMSMA	MS	MOORHEAD	3
1190	MRKSMSHW	MS	MARKS	3

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
1191	MRRGLAMA	LA	MER ROUGE	3
1192	MRRWGAMA	GA	JONESBORO	3
1193	MRRYKYMA	KY	MURRAY	3
1194	MRTHFLVE	FL	MARATHON	3
1195	MRTNMSMA	MS	MORTON	3
1196	MRTTSCMA	SC	TRAVELERS REST	3
1197	MRTWTNMA	TN	MORRISTOWN	3
1198	MSCTTNMT	TN	MASCOT	3
1199	MSCWTNMA	TN	MOSCOW	3
1200	MSPNMSMA	MS	MOSS POINT	3
1201	MSTPMSCU	MS	BAY ST LOUIS	3
1202	MTEDKYMA	KY	MOUNT EDEN	3
1203	MTGMLAMA	LA	MONTGOMERY	3
1204	MTGTLAMA	LA	MONTEGUT	3
1205	MTHLNCMA	NC	MOUNT HOLLY	3
1206	MTHRLAMA	LA	MOUNT HERMON	3
1207	MTOLMSMA	MS	MOUNT OLIVE	3
1208	MTOLNCCE	NC	MOUNT OLIVE	3
1209	MTRYLAMA	LA	MONTEREY	3
1210	MTSTKYMA	KY	MOUNT STERLING	3
1211	MTVRALMA	AL	MOUNT VERNON (MOBILE)	3
1212	MXVLFLMA	FL	MAXVILLE	3
1213	MYFDKYMA	KY	MAYFIELD	3
1214	MYVLKYMA	KY	MAYSVILLE	3
1215	MYVLLAMA	LA	MERRYVILLE	3
1216	MYVLTNMA	TN	MAYNARDVILLE	3
1217	NAGSSCMA	SC	NORTH AUGUSTA	3
1218	NEBOKYMA	KY	NEBO	3
1219	NEONKYEB	KY	NEON	3
1220	NKLRFLMA	FL	NORTH KEY LARGO	3
1221	NOBCLAMN	LA	NOBCO	3
1222	NPVLLAMA	LA	NAPOLEONVILLE	3
1223	NRRSTNMA	TN	NORRIS	3
1224	NRVLKYMA	KY	NORTONVILLE	3
1225	NSBHFLMA	FL	NEW SMYRNA BEACH	3
1226	NTCHLACR	LA	NATCHITOCHES	3
1227	NTCHLAMA	LA	NATCHITOCHES	3
1228	NTCHMSMA	MS	NATCHEZ	3
1229	NTTNMSMA	MS	NETTLETON	3
1230	NWALMSMA	MS	NEW ALBANY	3
1231	NWBRTNMA	TN	NEWBERN	3
1232	NWBYFLMA	FL	NEWBERRY	3
1233	NWBYSCMA	SC	NEWBERRY	3
1234	NWELSCMA	SC	NEW ELLENTON	3
1235	NWHNKYMA	KY	NEW HAVEN	3
1236	NWIBLA11	LA	NEW IBERIA	3
1237	NWIBLAMA	LA	NEW IBERIA	3
1238	NWLDNCCE	NC	NEWLAND	3
1239	NWNNGAMA	GA	NEWNAN	3
1240	NWPTTNMT	TN	NEWPORT	3
1241	NWRDLAMA	LA	NEW ROADS	3
1242	NWTNGAHD	GA	NEWTON	3
1243	NWTNLAMA	LA	NEWELLTON	3
1244	NWTNMSEC	MS	NEWTON HICKORY	3
1245	NWTNMSMA	MS	NEWTON HICKORY	3
1246	NWTNNCMA	NC	NEWTON	3
1247	OBDHMSMA	MS	OBADIAH	3
1248	OCSPMSGO	MS	OCEAN SPRINGS	3
1249	OHTCALMA	AL	OHATCHEE	3
1250	OKDLLAMA	LA	OAKDALE	3
1251	OKGVKYEB	KY	SOUTH OAK GROVE	3
1252	OKGVLAMA	LA	OAK GROVE	3
1253	OKHLFLMA	FL	OAK HILL	3
1254	OKLDMSMA	MS	OAKLAND	3
1255	OKLNMSMA	MS	OKOLONA	3
1256	OKRGTNMT	TN	OAK RIDGE	3
1257	OLCYLAMA	LA	OIL CITY	3
1258	OLHCTNMA	TN	OLD HICKORY	3
1259	OLSPTNMA	TN	OLIVER SPRINGS	3
1260	OLTWFLLN	FL	OLD TOWN	3

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
1261	OPLKALMT	AL	OPELIKA	3
1262	OPLSLATL	LA	OPELOUSAS	3
1263	ORBGSCMA	SC	ORANGEBURG	3
1264	ORLDFLOE	FL	WINTER PARK	3
1265	ORPKFLMA	FL	ORANGE PARK	3
1266	ORPKFLRW	FL	ORANGE PARK	3
1267	OSYKMSMA	MS	SOUTH OSYKA	3
1268	OVIDFLCA	FL	OVIEDO	3
1269	OWBOKYMA	KY	OWENSBORO	3
1270	OWTNKYMA	KY	OWENTON	3
1271	OXFRMSMA	MS	OXFORD	3
1272	PACEFLFV	FL	PACE	3
1273	PACEMSMA	MS	PACE	3
1274	PAHKFLMA	FL	PAHOKEE	3
1275	PANLGAMA	GA	PANOLA	3
1276	PARSKYMA	KY	PARIS	3
1277	PARSTNMA	TN	PARIS	3
1278	PASNLAMN	LA	PATTERSON	3
1279	PCBHFLNT	FL	PANAMA CITY BEACH	3
1280	PCKNMSMA	MS	PICKENS	3
1281	PCKNSCES	SC	PICKENS	3
1282	PCLTSCES	SC	PACOLET	3
1283	PCYNMSMA	MS	PICAYUNE	3
1284	PDCHKYIP	KY	PADUCAH	3
1285	PDCHKYLO	KY	PADUCAH	3
1286	PDCHKYMA	KY	PADUCAH	3
1287	PDCHKYRL	KY	SYMSONIA	3
1288	PDMTALMA	AL	PIEDMONT	3
1289	PDMTSCES	SC	PIEDMONT	3
1290	PGSNMSMA	MS	PORT GIBSON	3
1291	PHCYALFM	AL	PHENIX CITY	3
1292	PHCYALMA	AL	PHENIX CITY	3
1293	PHLAMSMA	MS	PHILADELPHIA	3
1294	PINELAMA	LA	PINE	3
1295	PIVLKYMA	KY	PINEVILLE	3
1296	PIVLLA04	LA	ALEXANDRIA	3
1297	PKVLKYMA	KY	PIKEVILLE	3
1298	PKVLKYMT	KY	PIKEVILLE	3
1299	PLCSFLMA	FL	PALM COAST	3
1300	PLHMGAMA	GA	PELHAM	3
1301	PLHTMSMA	MS	PELAHATCHIE	3
1302	PLLCLAMA	LA	POLLOCK	3
1303	PLMTGAMA	GA	PALMETTO	3
1304	PLMYTNMA	TN	PALMYRA	3
1305	PLQMLACR	LA	PLAQUEMINE	3
1306	PLQMLAMA	LA	PLAQUEMINE	3
1307	PLRGKYMA	KY	PLEASANT RIDGE	3
1308	PLSKTNMA	TN	VETO	3
1309	PLTKFLMA	FL	PALATKA	3
1310	PLTNMSMA	MS	PEARLINGTON	3
1311	PMBHFLCS	FL	CORAL SPRINGS	3
1312	PMBRKYMA	KY	PEMBROKE	3
1313	PMBRNCCR	NC	PEMBROKE	3
1314	PMPKFLMA	FL	POMONA PARK	3
1315	PNALLAMA	LA	POINTE A LA HACHE	3
1316	PNCHLAMA	LA	PONCHATOULA	3
1317	PNCYFLCA	FL	PANAMA CITY	3
1318	PNCYFLDA	FL	PANAMA CITY	3
1319	PNCYFLMA	FL	PANAMA CITY	3
1320	PNMTGAMA	GA	PINE MOUNTAIN	3
1321	PNSNALMA	AL	PINSON	3
1322	PNTHKYMA	KY	PANTHER	3
1323	PNTNSCMA	SC	PENDLETON	3
1324	PNTTMSMA	MS	PONTOTOC	3
1325	PNVDFLMA	FL	PONTE VEDRA BEACH	3
1326	PNVLKYMA	KY	PAINTSVILLE	3
1327	POLRGAMA	GA	POOLER	3
1328	PPVLMSMA	MS	POPLARVILLE	3
1329	PRSGKYLS	KY	PRESTONSBURG	3
1330	PRDSLAMA	LA	PARADIS	3

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
1331	PRPRLAMA	LA	PIERRE PART	3
1332	PRRNFLAE	FL	PERRINE	3
1333	PRRNFLMA	FL	PERRINE	3
1334	PRRVLAMA	LA	PEARL RIVER	3
1335	PRSHALNM	AL	PARRISH	3
1336	PRSNFLFD	FL	PIERSON	3
1337	PRSRSCMA	SC	PROSPERITY	3
1338	PRTNKYES	KY	PRINCETON	3
1339	PRVDKYMA	KY	PROVIDENCE	3
1340	PRVLALMA	AL	PRATTVILLE	3
1341	PRVLKYMA	KY	PERRYVILLE	3
1342	PRVSMSMA	MS	PURVIS	3
1343	PSCGMSGA	MS	PASCAGOULA	3
1344	PSCGMSMA	MS	PASCAGOULA	3
1345	PSCHMSLT	MS	PASS CHRISTIAN	3
1346	PSCHMSMA	MS	PASS CHRISTIAN	3
1347	PSVWTNMT	TN	PLEASANT VIEW	3
1348	PTBGTNMA	TN	PETERSBURG	3
1349	PTBRLAMA	LA	PORT BARRE	3
1350	PTCHMSSU	MS	HOLLY SPRINGS	3
1351	PTCYGAMA	GA	FAYETTEVILLE	3
1352	PTLDTNMA	TN	PORTLAND	3
1353	PTRYKYMA	KY	PORT ROYAL	3
1354	PTSLFLLR	FL	STUART	3
1355	PTSLFLMA	FL	PORT ST LUCIE	3
1356	PTSLFLSO	FL	PORT ST LUCIE	3
1357	PTSLLAMA	LA	PORT SULPHUR	3
1358	PWSPGAAS	GA	POWDER SPRINGS	3
1359	QTMNMSMA	MS	QUITMAN	3
1360	RAYNLAMA	LA	RAYNE	3
1361	RBLNLAMA	LA	ROBELINE	3
1362	RBRDKYMA	KY	ROBARDS	3
1363	RCHMNCMA	NC	ROCKINGHAM	3
1364	RCKMGAES	GA	ROCKMART	3
1365	RCLDGAMA	GA	RICHLAND	3
1366	RCLDLAMA	LA	RACELAND	3
1367	RCMDKYMA	KY	RICHMOND	3
1368	RCTNMSMA	MS	RICHTON	3
1369	RDBAALMA	AL	RED BAY	3
1370	RDGLTNMA	TN	RIDGELY	3
1371	RDVLNCMA	NC	REIDSVILLE	3
1372	RDVLNCSE	NC	REIDSVILLE	3
1373	RFFNNCMA	NC	RUFFIN	3
1374	RKWDTNMA	TN	ROCKWOOD	3
1375	RLFKMSMA	MS	ROLLING FORK	3
1376	RLGHMSMA	MS	RALEIGH	3
1377	RLVLALMA	AL	RUSSELLVILLE	3
1378	RLVLKYMA	KY	RUSSELLVILLE	3
1379	RLVLMSMA	MS	RULEVILLE	3
1380	ROGNLAMA	LA	ROUGON	3
1381	ROMEGATL	GA	ROME	3
1382	ROXIMSMA	MS	ROXIE	3
1383	RPLYMSMA	MS	RIPLEY	3
1384	RPLYTNMA	TN	RIPLEY	3
1385	RPVLGAMA	GA	ROOPVILLE	3
1386	RRVLALAB	AL	ROGERSVILLE	3
1387	RRVLALMA	AL	ROGERSVILLE	3
1388	RRVLTNMA	TN	ROGERSVILLE	3
1389	RSDLMSMA	MS	ROSEDALE	3
1390	RSTNLAMA	LA	RUSTON	3
1391	RSTRKYES	KY	ROSE TERRACE	3
1392	RSWLGAMA	GA	ROSWELL	3
1393	RTLDGAMA	GA	RUTLEDGE	3
1394	RTTNNCSE	NC	RUTHERFORDTON	3
1395	RVDLGAMA	GA	JONESBORO	3
1396	RWLDNCMA	NC	ROWLAND	3
1397	RYMNMSDS	MS	RAYMOND	3
1398	RYTNGAMA	GA	ROYSTON	3
1399	RYVLLAMA	LA	RAYVILLE	3
1400	SALMSCMA	SC	SALEM	3

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
1401	SALNLAMA	LA	SALINE	3
1402	SANGTNMT	TN	SANGO	3
1403	SBSTFLFE	FL	SEBASTIAN	3
1404	SBSTFLMA	FL	SEBASTIAN	3
1405	SCCRGAMA	GA	SOCIAL CIRCLE	3
1406	SCHLNCHA	NC	SCOTTS HILL	3
1407	SCHLNCMA	NC	SCOTTS HILL	3
1408	SCHLSCES	SC	SOCIETY HILL	3
1409	SCISLAMA	LA	SICILY ISLAND	3
1410	SCOBMSMA	MS	SCOOBA	3
1411	SCRMKYMA	KY	SACRAMENTO	3
1412	SDDSTNMA	TN	SODDY DAISY	3
1413	SDVLKYMA	KY	SADIEVILLE	3
1414	SEBRKYMA	KY	SEBREE	3
1415	SELMALMT	AL	SELMA	3
1416	SELMNCMA	NC	SELMA	3
1417	SENCSCMA	SC	SENECA	3
1418	SENOGAMA	GA	SENOIA	3
1419	SEWNTNMW	TN	SEWANEE	3
1420	SFVLLAMA	LA	ST FRANCISVILLE	3
1421	SGKYFLMA	FL	SUGARLOAF KEY	3
1422	SHAWMSES	MS	SHAW	3
1423	SHBTMSMA	MS	SHUBUTA	3
1424	SHFDALMT	AL	SHEFFIELD	3
1425	SHGVKYMA	KY	SHARON GROVE	3
1426	SHLBMSDS	MS	SHELBY	3
1427	SHLBNCMA	NC	SHELBY	3
1428	SHNNMSMA	MS	SHANNON	3
1429	SHQUMSMA	MS	SHUQUALAK	3
1430	SHRNSCMA	SC	SHARON	3
1431	SHVLKYMA	KY	SHELBYVILLE	3
1432	SHVLTNMA	TN	SHELBYVILLE	3
1433	SKVLMSMA	MS	STARKVILLE	3
1434	SLBRNCMA	NC	SALISBURY	3
1435	SLCKMSMA	MS	SILVER CREEK	3
1436	SLGHKYMA	KY	SLAUGHTERS	3
1437	SLIDLAMA	LA	SLIDELL	3
1438	SLIDLASE	LA	SLIDELL	3
1439	SLMRTNMT	TN	SELMER	3
1440	SLPHKYMA	KY	SULPHUR	3
1441	SLPHLAMA	LA	SULPHUR	3
1442	SLTLMSSU	MS	TUPELO	3
1443	SLVSKYMA	KY	SALVISA	3
1444	SMDLMSSU	MS	MCCOMB	3
1445	SMNRMSMA	MS	SUMNER	3
1446	SMRLMSMA	MS	SUMRALL	3
1447	SMTWTNMA	TN	SUMMERTOWN	3
1448	SMVLGAMA	GA	SMITHVILLE	3
1449	SMVLLAMA	LA	ST MARTINVILLE	3
1450	SMYRTNMA	TN	SMYRNA	3
1451	SNFRFLMA	FL	SANFORD	3
1452	SNLVGAMA	GA	LAWRENCEVILLE	3
1453	SNMTGALR	GA	STONE MOUNTAIN	3
1454	SNRYMSMA	MS	SEMINARY	3
1455	SNSDMSSU	MS	GREENWOOD	3
1456	SNTRMSPS	MS	SENATOBIA	3
1457	SNTFTNMA	TN	SANTA FE	3
1458	SNTNKYMA	KY	STANTON	3
1459	SNVLGAES	GA	SANDERSVILLE	3
1460	SNVLTNMA	TN	SNEEDVILLE	3
1461	SOHNMSDC	MS	MEMPHIS	3
1462	SOPTNCCE	NC	SOUTHPORT	3
1463	SOVLTNMT	TN	SOMERVILLE	3
1464	SPBGTNMA	TN	SOUTH PITTSBURG	3
1465	SPCYTNMT	TN	SPRING CITY	3
1466	SPFDKYMA	KY	SPRINGFIELD	3
1467	SPFDLAMA	LA	SPRINGFIELD	3
1468	SPFDSCMA	SC	SPRINGFIELD SALLEY	3
1469	SPFDTNMA	TN	SPRINGFIELD	3
1470	SPHLTNMT	TN	SPRING HILL	3

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
1471	SPPNNCMA	NC	SPRUCE PINE	3
1472	SPRKGAMA	GA	SPARKS	3
1473	SPRTGAMA	GA	SPARTA	3
1474	SRDSGAES	GA	SARDIS	3
1475	SRDSMSMA	MS	SARDIS	3
1476	SRFDNCCE	NC	SUMMERFIELD	3
1477	SRGHKYMA	KY	SORGHO	3
1478	SRSMSMSA	MS	PASCAGOULA	3
1479	SRVLTNMA	TN	SURGOINSVILLE	3
1480	SSISGAES	GA	ST SIMONS ISLAND	3
1481	SSVLKYMA	KY	SIMPSONVILLE	3
1482	SSVLNCJE	NC	STATESVILLE	3
1483	SSVLNCMA	NC	STATESVILLE	3
1484	STAGFLBS	FL	ST AUGUSTINE	3
1485	STAGFLMA	FL	ST AUGUSTINE	3
1486	STAGFLSH	FL	ST AUGUSTINE	3
1487	STBRGANH	GA	STOCKBRIDGE	3
1488	STBRLAMA	LA	ST BERNARD	3
1489	STCHKYMA	KY	ST CHARLES	3
1490	STFRKYMA	KY	STANFORD	3
1491	STGBLAMA	LA	ST GABRIEL	3
1492	STGRKYMA	KY	STAMPING GROUND	3
1493	STGRSCMA	SC	ST GEORGE	3
1494	STJSLAMA	LA	ST JOSEPH	3
1495	STLNLAMA	LA	ST LANDRY	3
1496	STNLKYMA	KY	STANLEY	3
1497	STNLNCCE	NC	STANLEY	3
1498	STONKYMA	KY	STONE	3
1499	STPNNCMA	NC	STONY POINT	3
1500	STRGKYMA	KY	STURGIS	3
1501	STRGMSSU	MS	STARKVILLE	3
1502	STRTFLMA	FL	STUART	3
1503	STSNALMA	AL	STEVENSON	3
1504	STTNLAMA	LA	STERLINGTON	3
1505	SUVLSCMA	SC	SUMMERVILLE	3
1506	SVNHTNMT	TN	SAVANNAH	3
1507	SVVLTNMT	TN	SEVIERVILLE	3
1508	SWBOGAES	GA	SWAINSBORO	3
1509	SWLKLAMA	LA	SWEET LAKE	3
1510	SWNNNCMA	NC	SWANNANOA	3
1511	SWSNKYMA	KY	SOUTH WILLIAMSON	3
1512	SWTWTNMT	TN	SWEETWATER	3
1513	SXMLSCMA	SC	SIX MILE	3
1514	SXPHNCMA	NC	SAXAPAHAW	3
1515	SYHSFLCC	FL	SUNNY HILLS	3
1516	SYLCALMT	AL	SYLACAUGA	3
1517	SYLVGAES	GA	SYLVESTER	3
1518	TBISGAMA	GA	TYBEE ISLAND	3
1519	TCHLMSMA	MS	TCHULA	3
1520	TFTNGAMA	GA	TIFTON	3
1521	THBDLAMA	LA	THIBODAUX	3
1522	THSNGAMA	GA	THOMSON	3
1523	THVLALMA	AL	THOMASVILLE	3
1524	THVLGAMA	GA	THOMASVILLE	3
1525	TINASCST	SC	SENECA	3
1526	TLDGALMA	AL	TALLADEGA	3
1527	TLDGALRF	AL	TALLADEGA	3
1528	TLLHLAMA	LA	TALLULAH	3
1529	TLLHTNMA	TN	TULLAHOMA	3
1530	TLLPGAES	GA	TALLAPOOSA	3
1531	TMPLGAMA	GA	TEMPLE	3
1532	TMSBMSMA	MS	TOOMSUBA	3
1533	TMVLSCMA	SC	TIMMONSVILLE	3
1534	TPVLTNMA	TN	TIPTONVILLE	3
1535	TRENFLMA	FL	TRENTON	3
1536	TRENKYMA	KY	TRENTON	3
1537	TRNTNMA	TN	TRUNE	3
1538	TRMNNCMA	NC	TROUTMAN	3
1539	TROYALMA	AL	TROY	3
1540	TROYTNMT	TN	TROY	3

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
1541	TRRSSCMA	SC	TRAVELERS REST	3
1542	TRRYMSMA	MS	TERRY	3
1543	TRTNTNMA	TN	TRENTON	3
1544	TSCLALDH	AL	TUSCALOOSA	3
1545	TSCLALMT	AL	TUSCALOOSA	3
1546	TSCLALNO	AL	TUSCALOOSA	3
1547	TSKGALMA	AL	TUSKEGEE	3
1548	TTVLFLMA	FL	TITUSVILLE	3
1549	TTWLMSMA	MS	TUTWILER	3
1550	TUNCLAMA	LA	TUNICA	3
1551	TUNCMSMA	MS	TUNICA	3
1552	TUPLMSMA	MS	TUPELO	3
1553	TWCKALMA	AL	TOWN CREEK	3
1554	TWNSTNMA	TN	MARYVILLE	3
1555	TYTWMSMC	MS	TYLERTOWN	3
1556	TYVLKYMA	KY	TAYLORSVILLE	3
1557	TYVLMSMA	MS	TAYLORSVILLE	3
1558	TYVLNCMA	NC	TAYLORSVILLE	3
1559	UNCYTNMA	TN	UNION CITY	3
1560	UNINMSDS	MS	UNION	3
1561	UNINSCMA	SC	UNION	3
1562	UNTWALNM	AL	UNIONTOWN	3
1563	UTICKYMA	KY	UTICA	3
1564	UTICMSDS	MS	UTICA	3
1565	VADNMSMA	MS	VAIDEN	3
1566	VCBGMSMA	MS	VICKSBURG	3
1567	VCHRLAMA	LA	VACHERIE	3
1568	VDALGAMA	GA	VIDALIA	3
1569	VDALLAMA	LA	VIDALIA	3
1570	VENCLAMA	LA	VENICE	3
1571	VERNFLMA	FL	VERNON	3
1572	VRGKYMA	KY	VIRGIE	3
1573	VLDSGAMA	GA	VALDOSTA	3
1574	VLRCGARS	GA	VILLA RICA	3
1575	VNCLMSMA	MS	VANCLEAVE	3
1576	VNCNALMA	AL	VINCENT	3
1577	VNLRTNMA	TN	VANLEER	3
1578	VNTNLAMA	LA	VINTON	3
1579	VRNAMSMA	MS	VERONA	3
1580	WACOKYMA	KY	WACO	3
1581	WASHLAMA	LA	WASHINGTON	3
1582	WETNALNM	AL	WEST BLOCTON	3
1583	WDBYGARS	GA	WOODBURY	3
1584	WDDYKYMA	KY	WADDY	3
1585	WDLYGAMA	GA	WADLEY	3
1586	WDSTGACR	GA	WOODSTOCK	3
1587	WDVLMSMA	MS	WOODVILLE	3
1588	WELKFLMA	FL	WELAKA	3
1589	WETSMSMA	MS	WEST	3
1590	WGNSMSMA	MS	WIGGINS	3
1591	WGVLGARS	GA	WRIGHTSVILLE	3
1592	WGVLNCMA	NC	WRIGHTSVILLE BEACH	3
1593	WHBGKYMA	KY	WHITESBURG	3
1594	WHBLTNMT	TN	WHITE BLUFF	3
1595	WHCSLAMA	LA	WHITE CASTLE	3
1596	WHSETNMA	TN	WHITE HOUSE	3
1597	WHPTNMA	TN	WHITE PINE	3
1598	WHTMSCMA	SC	WHITMIRE	3
1599	WHVLKYMA	KY	WHITESVILLE	3
1600	WHVLTNMT	TN	WEST WHITEVILLE	3
1601	WHWLTNMA	TN	WHITWELL	3
1602	WNONMSMA	MS	WINONA	3
1603	WKSLAMA	LA	WEEKS ISLAND	3
1604	WLBGKYMA	KY	WILLIAMSBURG	3
1605	WLCKKYLS	KY	WALLINS CREEK	3
1606	WLGVMSSU	MS	CARTHAGE	3
1607	WLHLSCRS	SC	WALHALLA	3
1608	WLNTMSMA	MS	WALNUT	3
1609	WLPTTNMA	TN	WILLIAMSPORT	3
1610	WLSNLAMA	LA	WILSON	3

BELLSOUTH ZONE PLAN
OFFICE VIEW

	CLLI	STATE	EXCHANGE	ZONE
1611	WLVLKYMA	KY	WEST LOUISVILLE	3
1612	WMNSSCES	SC	WESTMINSTER	3
1613	WMTNSCPW	SC	WILLIAMSTON	3
1614	WNBOLAMA	LA	WINNSBORO	3
1615	WNCHKY2S	KY	WINCHESTER	3
1616	WNCHKYMA	KY	WINCHESTER	3
1617	WNCHKYPV	KY	WINCHESTER	3
1618	WNCHTNMA	TN	WINCHESTER	3
1619	WNDLNCPI	NC	WENDELL	3
1620	WNFDLACA	LA	WINNFIELD	3
1621	WNFDLAMA	LA	WINNFIELD	3
1622	WNRDMSSU	MS	PORT GIBSON	3
1623	WRFDKYMA	KY	WARFIELD	3
1624	WRNSGAMA	GA	WRENS	3
1625	WRRBGAMA	GA	WARNER ROBINS	3
1626	WRRRALNM	AL	WARRIOR	3
1627	WRTNGAMA	GA	WARRENTON	3
1628	WRTRTNMT	TN	NORMANDY	3
1629	WSBGKYMA	KY	WILLISBURG	3
1630	WSPNKYMA	KY	WEST POINT	3
1631	WSPNMSMA	MS	WEST POINT	3
1632	WSSNMSMA	MS	WESSON	3
1633	WTMPALMA	AL	WETUMPKA	3
1634	WTPRLAMA	LA	WATER PROOF	3
1635	WTTWTNMA	TN	WATERTOWN	3
1636	WTVLGAES	GA	WATKINSVILLE	3
1637	WTVYMSMA	MS	WATER VALLEY	3
1638	WVRLTNMT	TN	WAVERLY	3
1639	WWSPFLHE	FL	WEEKIWACHEE SPRINGS	3
1640	WWSPFLSH	FL	WEEKIWACHEE SPRINGS	3
1641	WYBOGAES	GA	WAYNESBORO	3
1642	WYBOMSMA	MS	WAYNESBORO	3
1643	WYCRGAMA	GA	WAYCROSS	3
1644	WYLDKYES	KY	WAYLAND	3
1645	WYVLNCMA	NC	WAYNESVILLE	3
1646	YNFNFLMA	FL	YOUNGSTOWN FOUNTAIN	3
1647	YNTWFLMA	FL	YANKEETOWN	3
1648	YNVLLAMA	LA	YOUNGSVILLE	3
1649	YORKALMA	AL	YORK	3
1650	YORKSCMA	SC	YORK	3
1651	YSCLLAMA	LA	YSCLOSKEY	3
1652	YULEFLMA	FL	YULEE	3
1653	YZCYMSMA	MS	YAZOO CITY	3
1654	ZBLNGAMA	GA	ZEBULON	3
1655	ZBLNNCCR	NC	ZEBULON	3
1656	ZCHRLAMA	LA	ZACHARY	3
1657	ZWLLLAMA	LA	ZWOLLE	3

APPENDIX B

BELLSOUTH TELECOMMUNICATIONS, INC.
BY: Operations Manager - Pricing
29G57, 675 W. Peachtree St., N.E.
Atlanta, Georgia 30375
ISSUED:

EFFECTIVE:

ACCESS SERVICE

6 - Special Access Service (Cont'd)

6.8 Rates and Charges (Cont'd)

6.8.1 Switched Transport

ALL STATES

	Monthly Rate	USOC
(B) Switched Interoffice Channel		
(1) Dedicated Transport		
c. DS1 - 1.544 Mbps - Facility Termination		
Zone 1		
State		
Alabama	$xx.xx	1L5XL
Florida	$xx.xx	1L5XL
Georgia	$xx.xx	1L5XL
Kentucky	$xx.xx	1L5XL
Louisiana	$xx.xx	1L5XL
Mississippi	$xx.xx	1L5XL
North Carolina	$xx.xx	1L5XL
South Carolina	$xx.xx	1L5XL
Tennessee	$xx.xx	1L5XL
Zone 2		
State		
Alabama	$xx.xx	1L5XL
Florida	$xx.xx	1L5XL
Georgia	$xx.xx	1L5XL
Kentucky	$xx.xx	1L5XL
Louisiana	$xx.xx	1L5XL
Mississippi	$xx.xx	1L5XL
North Carolina	$xx.xx	1L5XL
South Carolina	$xx.xx	1L5XL
Tennessee	$xx.xx	1L5XL

BELLSOUTH TELECOMMUNICATIONS, INC.
BY: Operations Manager - Pricing
29G57, 675 W. Peachtree St., N.E.
Atlanta, Georgia 30375
ISSUED:

EFFECTIVE:

ACCESS SERVICE

6 - Special Access Service (Cont'd)

6.8 Rates and Charges (Cont'd)

6.8.1 Switched Transport

ALL STATES

	Monthly Rate	USOC
(B) Switched Interoffice Channel		
(1) Dedicated Transport		
c. DS1 - 1.544 Mbps - Facility Termination		
Zone 3		
State		
Alabama	$xx.xx	1L5XL
Florida	$xx.xx	1L5XL
Georgia	$xx.xx	1L5XL
Kentucky	$xx.xx	1L5XL
Louisiana	$xx.xx	1L5XL
Mississippi	$xx.xx	1L5XL
North Carolina	$xx.xx	1L5XL
South Carolina	$xx.xx	1L5XL
Tennessee	$xx.xx	1L5XL

BELLSOUTH TELECOMMUNICATIONS, INC.
BY: Operations Manager - Pricing
29G57, 675 W. Peachtree St., N.E.
Atlanta, Georgia 30375
ISSUED:

EFFECTIVE:

ACCESS SERVICE

7 - Special Access Service (Cont'd)

7.5 Rates and Charges (Cont'd)

7.5.9 High Capacity Service

ALL STATES

(A) Local Channel
- Per Local Channel

(1) DS1 Service
- 1.544 Mbps

Zone 1 States	Month to Month	Plan A 24 to 48 Months*	Plan B 49 to 72 Months*	USOC
Alabama	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
Florida	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
Georgia	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
Kentucky	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
Louisiana	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
Mississippi	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
North Carolina	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
South Carolina	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
Tennessee	$xxx.xx	$xxx.xx	$xxx.xx	TMECS

Zone 2 States	Month to Month	Plan A 24 to 48 Months*	Plan B 49 to 72 Months*	USOC
Alabama	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
Florida	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
Georgia	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
Kentucky	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
Louisiana	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
Mississippi	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
North Carolina	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
South Carolina	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
Tennessee	$xxx.xx	$xxx.xx	$xxx.xx	TMECS

• Channel Services Payment Plan and Area Commitment Plan Rates

BELLSOUTH TELECOMMUNICATIONS, INC.
BY: Operations Manager - Pricing
29G57, 675 W. Peachtree St., N.E.
Atlanta, Georgia 30375
ISSUED:

EFFECTIVE:

ACCESS SERVICE

7 - Special Access Service (Cont'd)

7.5 Rates and Charges (Cont'd)

7.5.9 High Capacity Service (Cont'd)

ALL STATES (Cont'd)

(A) Local Channel
- Per Local Channel (Cont'd)

(1) DS1 Service
- 1.544 Mbps

Zone 3 States	Month to Month	Plan A 24 to 48 Months*	Plan B 49 to 72 Months*	USOC
Alabama	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
Florida	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
Georgia	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
Kentucky	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
Louisiana	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
Mississippi	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
North Carolina	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
South Carolina	$xxx.xx	$xxx.xx	$xxx.xx	TMECS
Tennessee	$xxx.xx	$xxx.xx	$xxx.xx	TMECS

BellSouth Telecommunications, Inc.
Florida Docket No. 920260-TL
Late Filed Exhibit No. 2 to JDH Deposition
October 21, 1996

REQUEST: Please provide an updated priceout which recalculates the $40 million switched access reduction based on the same 1996 forecasted demand as the $16.4 million priceout.

RESPONSE: Attached is the recalculation of the $40 million switched access reduction using the same 1996 base demand as the $16.4 million switched access reduction.

INFORMATION PROVIDED BY: Jerry D. Hendrix
Director - Interconnection Services Pricing
675 West Peachtree Street
Atlanta, Georgia

FILENAME: D:\SWITCHED\FL\FL1001AB.WK3 21-Oct-96

YEAR 3 SWITCHED ACCESS REDUCTION ASSOCIATED WITH FL RATE CASE
UPDATED BASE DEMAND FROM FLZONEAB.WK3

1996
FLORIDA
INTRASTATE
SWITCHED ACCESS

PRICEOUT NO. FOR THE YR.
13

	BASE REVENUE	BASE MOU	PROPOSED REVENUE	PROPOSED MOU
CARRIER COMMON LINE				
ORIGINATING - PREM	$28,797,960	2,714,228,064	$27,142,281	2,714,228,064
TERMINATING - PREM	$113,538,555	3,879,007,687	$71,878,012	3,879,007,687
ORIGINATING - NON PREM	$8,272	1,039,220	$7,795	1,039,220
TERMINATING - NON PREM	$19,531	889,779	$12,368	889,779
TOTAL CARRIER COMMON LINE	$142,364,318	6,595,164,749	$99,040,456	6,595,164,749
SWITCHED TRANSPORT				
DEDICATED ##	$7,851,233	NA	$7,851,233	NA
COMMON	$2,805,739	NA	$2,805,739	NA
INTERCONNECTION - PREM	$34,977,930	6,778,668,676	$34,977,930	6,778,668,676
INTERCONNECTION - NON PREM	$13,172	2,552,753	$13,172	2,552,753
TOTAL LOCAL TRANSPORT	$45,648,074	6,781,221,428	$45,648,074	6,781,221,428
LOCAL SWITCHING *				
LS1	$477,348	54,491,746	$477,348	54,491,746
LS2	$57,449,849	6,558,201,959	$57,449,849	6,558,201,959
LS3	$0	0	$0	0
LS4	$0	0	$0	0
LS TRAN EQUIV FGs	$17,778	2,043,062	$17,778	2,043,062
LS TRAN EQUIV BSAs	$0	0	$0	0
TOTAL LOCAL SWITCHING	$57,944,975	6,614,736,768	$57,944,975	6,614,736,768
TOTAL TRAFFIC SENSITIVE & CCLC REVENUES.....	$245,957,367		$202,633,505	
REVENUE PER MINUTE	$0.03718		$0.03063	

	BASE REVENUE	GROSS REVENUE CHANGE	DEMAND IMPACT	NET EFFECT
CCLC	$142,364,318	($43,323,862)	$0	($43,323,862)
SWITCHED TRANSPORT	$45,648,074	$0	$0	$0
* LOCAL SWITCHING	$57,944,975	$0	$0	$0
OTHER	$9,379,102	$0	$0	$0
TOTAL	$255,336,469	($43,323,862)	$0	($43,323,862)

* REVENUE INCLUDES INFORMATION SURCHARGE WHERE APPLICABLE

SWITCHED TRANSPORT DOES NOT INCLUDE NON-RECURRING CHARGES, OR DA TRANSPORT

FLORIDA SWITCHED ACCESS
FGD RATE COMPARISON

RATE ELEMENTS	CURRENT	PROPOSED	%CHANGE
CARRIER COMMON LINE			
ORIGINATING	$0.01061	$0.01000	-5.75%
TERMINATING	$0.02927	$0.01853	-36.69%
TRANSPORT			
DS1 LOCAL CHANNEL	$0.00062	$0.00062	0.00%
INTERCONNECTION	$0.005159	$0.005159	0.00%
DS1 INTEROFFICE CHANNEL	$0.00090	$0.00090	0.00%
LOCAL SWITCHING 2	$0.00876	$0.00876	0.00%
COMPOSITE FGD*			
ORIGINATING	$0.02605	$0.02544	-2.34%
TERMINATING	$0.04471	$0.03397	-24.02%
TOTAL	$0.07076	$0.05941	-16.04%

*COMPOSITE RATES INCLUDE CARRIER COMMON LINE, DS1 SWITCHED TRANSPORT AND LOCAL SWITCHING 2 . THE LTR RATES PER MINUTE OF USE ASSUME 9,000 MINUTES OF USE PER VOICE GRADE EQUIVALENT AND INTEROFFICE TRANSPORT OF 8 MILES.

CERTIFICATE OF SERVICE
Docket No. 920260-TL
Docket No. 900960-TL
Docket No. 910163-TL
Docket No. 910727-TL

I HEREBY CERTIFY that a copy of the foregoing has been furnished by United States Mail this 25th day of October, 1996 to:

Robin Norton
Division of Communications
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Martha Brown
Division of Legal Services
Florida Public Svc. Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Grandoff & Reeves
117 South Gadsden Street
Tallahassee, FL 32301

Kenneth A. Hoffman
Messer, Vickers, Caparello,
Madsen, Lewis & Metz, PA
Post Office Box 1876
Tallahassee, FL 32302

Michael W. Tye
AT&T Communications of the
Southern States, Inc.
101 N. Monroe Street
Suite 200
Tallahassee, Florida 32301

Dan B. Hendrickson
Post Office Box 1201
Tallahassee, FL 32302

Charles J. Beck
Deputy Public Counsel
Office of the Public Counsel
111 W. Madison Street
Room 812
Tallahassee, FL 32399-1400

Michael J. Henry
MCI Telecommunications Corp.
780 Johnson Ferry Road
Suite 700
Atlanta, Georgia 30342

Richard D. Melson
Hopping Boyd Green & Sams
Post Office Box 6526
Tallahassee, Florida 32314

Rick Wright
Regulatory Analyst
Division of Audit and Finance
Florida Public Svc. Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Laura L. Wilson, Esq.
Florida Cable Telecommunications
Assn., Inc.
310 North Monroe Street
Tallahassee, FL 32301

Benjamin W. Fincher
Sprint Communications Co.
Limited Partnership
3100 Cumberland Circle, #802
Atlanta, GA 30339

Benjamin H. Dickens, Jr.
Blooston, Mordkofsky,
Jackson & Dickens
2120 L Street, N.W.
Washington, DC 20037

C. Everett Boyd, Jr.
Ervin, Varn, Jacobs, Odom
& Ervin
305 South Gadsen Street
Post Office Drawer 1170
Tallahassee, Florida 32302

Angela Green
Florida Public
Telecommunications Assn., Inc.
125 South Gadsden Street
Suite 200
Tallahassee, FL 32301

Monte Belote
Florida Consumer Action Network
4100 W. Kennedy Blvd., #128
Tampa, FL 33609

Joseph Gillan
J.P. Gillan & Associates
P.O. Box 541038
Orlando, FL 32854-1038

Mark Richard
Attorney for CWA
Locals 3121, 3122, and 3107
304 Palermo Avenue
Coral Gables, FL 33134

Marsha E. Rule
Wiggins & Villacorta P.A.
501 East Tennessee St.
Suite B
P.O. Drawer 1657
Tallahassee, FL 32302

Marilyn Lenard
Council of Florida AFL-CIO
135 S. Monroe Street
Tallahassee, FL 32301

David Larimer
P.O. Box 419000
Melbourne, FL 32941

Michael Gross
Department of Legal Affairs
The Capitol, PL-01
Tallahassee, FL 32399

Mr. Douglas S. Metcalf
Communications Consultants, Inc.
631 S. Orlando Ave., Suite 450
P. O. Box 1148
Winter Park, FL 32790-1148

Mr. Cecil O. Simpson, Jr.
Mr. Peter Q. Nyce, Jr.
Department of the Army
901 North Stuart Street, #400
Arlington, VA 22203

Mr. Michael Fannon
Cellular One
2735 Capital Circle, NE
Tallahassee, FL 32308

Floyd R. Self, Esq.
Messer, Vickers, Caparello,
Madsen, Lewis, Goldman & Metz
Post Office Box 1876
Tallahassee, FL 32302-1876

Stan Greer
Division of Communications
Florida Public Svc. Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Patricia Kurlin
Intermedia Communications Inc.
9280 Bay Plaza Boulevard, #720
Tampa, FL 33619

Susan Weinstock
Department of State Legislation
601 E. Street, NW
Washington, DC 20049

Mark Logan
201 S. Monroe Street, #500
Tallahassee, FL 32301

Dan Shorter
P.O. Box 24700
West Palm Beach, FL 33416

Robin Dunson
1200 Peachtree Street
Promenade I, Room 4038
Atlanta, GA 30309

William H. Higgins, Esq.
AT&T Wireless Services of
Florida, Inc.
250 S. Australian Avenue
W. Palm Beach, FL 33401

Nancy B. White

Prof by ATT
Sponsor: Varner Hendrix
Exhibit 15

Legal Department

NANCY B. WHITE
General Attorney

BellSouth Telecommunications, Inc.
150 South Monroe Street
Suite 400
Tallahassee, Florida 32301
(404) 335-0710

August 23, 1996

Mrs. Blanca S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

RE: Docket No. 920260-TL

Dear Mrs. Bayo:

Today, BellSouth Telecommunications, Inc. served its Response to AT&T Communications of the Southern States, Inc.'s First Set of Interrogatories dated July 24, 1996 in the captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served on the parties shown on the attached Certificate of Service.

Sincerely,

Nancy B. White

Nancy B. White

Enclosures

cc: All Parties of Record
A. M. Lombardo
R. G. Beatty
W. J. Ellenberg

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TL EXHIBIT NO. 15
COMPANY/ WITNESS: ATT / Varner Hendrix
DATE: 10/30/96

PROPRIETARY

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
AT&T's First Set of Interrogatories
July 24, 1996
Item No. 2
Page 1 of 1

REQUEST: What is BellSouth's 1994 Florida intrastate estimated 24 hour average incremental cost per originating or terminating access minute of use for Local Transport and Local Switching 1 and 2 in the following format:

Local Transport: $.xxxx
Local Switching 1: $.xxxx
Local Switching 2: $.xxxx

RESPONSE: The BellSouth's 1994 Florida intrastate estimated 24 hour average incremental cost per originating or terminating access minute of use for Local Transport and Local Switching 1 and 2 are as follows:

Local Transport: $0.0008
Local Switching 1: $0.0011
Local Switching 2: $0.0011

BellSouth objects to this interrogatory on the grounds that the information requested contains proprietary business information. However, BellSouth will provide this proprietary data to AT&T upon execution of a Protective Nondisclosure Agreement.

Nancy B. White
General Attorney

RESPONSE PROVIDED BY: Reginald Starks
Director - Economic Costs
675 W. Peachtree Street
Atlanta, Georgia 30375

REQUEST: What is the name and address of the person answering these interrogatories, and any person assisting in the answering of these interrogatories. State, if applicable, the person's official position or relationship to BellSouth.

RESPONSE: Jerry D. Hendrix
Manager - Interconnection Services Pricing
675 W. Peachtree Street
Atlanta, GA

Reginald Starks
Director - Economic Costs
675 W. Peachtree Street
Atlanta, GA

Johnnie R Simmons
Manager - Pricing
675 W Peachtree St. N E
Atlanta, GA 30375

INFORMATION PROVIDED BY: Jerry D. Hendrix
Manager - Interconnection Services Pricing
675 West Peachtree Street
Atlanta, Georgia 30375

PROPRIETARY

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
AT&T's First Set of Interrogatories
July 24, 1996
Item No. 2
Page 1 of 1

REQUEST: What is BellSouth's 1994 Florida intrastate estimated 24 hour average *incremental cost per originating or terminating access minute of use* for Local Transport and Local Switching 1 and 2 in the following format:

Local Transport: $.xxxx
Local Switching 1: $.xxxx
Local Switching 2: $.xxxx

RESPONSE: The BellSouth's 1994 Florida intrastate estimated 24 hour average incremental cost per originating or terminating access minute of use for Local Transport and Local Switching 1 and 2 are as follows:

Local Transport: $
Local Switching 1: $
Local Switching 2: $

BellSouth objects to this interrogatory on the grounds that the information requested contains proprietary business information. However, BellSouth will provide this proprietary data to AT&T upon execution of a Protective Nondisclosure Agreement.

General Attorney

RESPONSE PROVIDED BY: Reginald Starks
Director - Economic Costs
675 W. Peachtree Street
Atlanta, Georgia 30375

REQUEST: What is BellSouth's 1994 Florida intrastate estimated 24 average incremental cost per originating or terminating access minute of use for Local Transport and Local Switching 1 and 2. State in the same format as requested in Interrogatory Number 1, but listed by BellSouth's proposed switched access "zones".

RESPONSE: BellSouth performed no zone specific cost studies. The rates proposed for each zone are above the estimated 24 hour average incremental cost.

INFORMATION PROVIDED BY: Jerry D. Hendrix
Manager - Interconnection Services Pricing
675 West Peachtree Street
Atlanta, Georgia

REQUEST: State whether the elimination of the BellSouth Switched Transport Interconnection charge would result in a revenue reduction to BellSouth in the amount of approximately $33,565,170 (the Switched Transport Interconnection demand expressed in minutes of use - Prem. of 6,504,281,380 plus the Switched Transport Interconnection - Non-Prem. of 1,857,486 times the rate of $.005159). If this is not the case, what is the revenue reduction that would result and how is that result reached.

RESPONSE: Based on the current 1996 forecast, the elimination of the Interconnection charge would result in a revenue reduction to BellSouth of approximately $34,980,774.

INFORMATION PROVIDED BY: Jerry D. Hendrix
Manager - Interconnection Services Pricing
675 West Peachtree Street
Atlanta, Georgia

REQUEST: Detail the differences in base revenues and demand (in minutes of use) between the priceout regarding the BellSouth proposed $40,078,035 reduction in switched access charges and the priceout regarding the BellSouth proposed $16,400,047 revenue reduction associated with the zone pricing of switched access.

RESPONSE: The priceout regarding the BellSouth proposed $40,078,035 reduction in switched access charges was based on an earlier forecast of 1996 demand than the priceout regarding the BellSouth proposed $16,400,047 revenue reduction associated with the zone pricing of switched access. The current 1996 forecast reflects an increase in switched access minutes of use over the previous 1996 demand forecast.

INFORMATION PROVIDED BY: Jerry D. Hendrix
Manager - Interconnection Services Pricing
675 West Peachtree Street
Atlanta, Georgia

REQUEST: State the demand and revenue amounts supporting BellSouth's proposed zone pricing of switched access by zone and by rate element.

RESPONSE: Please refer to BellSouth's response to AT&T Communications of the Southern States, Inc.'s First Set of Requests for Production of Documents, Item No. 1.

INFORMATION PROVIDED BY: Jerry D. Hendrix
Manager - Interconnection Services Pricing
675 West Peachtree Street
Atlanta, Georgia

REQUEST: List each and every cost study or other memorandum or document and any associated analysis, including the author of the document and the date it was produced, that supports: a) the concept of zone pricing of switched access service, and b) the zone specific rates proposed by BellSouth for each switched access element.

RESPONSE: As indicated in response to Request No. 3, BellSouth performed no zone specific cost studies. For other documents, please refer to BellSouth's response to AT&T Communications of the Southern States, Inc.'s First Set of Requests for Production of Documents, Item No. 1.

INFORMATION PROVIDED BY: Jerry D. Hendrix
Manager - Interconnection Services Pricing
675 West Peachtree Street
Atlanta, Georgia

REQUEST: Please state how BellSouth's Proposal to introduce Area Plus® is consistent with the Florida Public Service Commission requirements that BellSouth's toll rates include the imputation of switched access charges with respect to: a) calls made within the ELCA; and b) rates for intraLATA calls beyond the ELCA.

RESPONSE: a) For calls within the ELCA, the usage charge is $.08/mou which is greater than the composite rate for two ends of switched access plus billing and collection cost of $.07482/mou.

b) The minimum toll rate for calls beyond the ELCA is $.088/mou which is also greater than the imputed switched access charge of $.07482/mou.

INFORMATION PROVIDED BY: J. Edward Matejick and
Jerry Hendrix
Managers
675 West Peachtree Street
Atlanta, GA

REQUEST: What underlying market assumptions were used to support the assumed shift in demand of present customers from the "month-to-month" arrangement to BellSouth's proposed 24-48 month term contracts and the 48 plus month term contract with respect to BellSouth's quantification of a assumed revenue reduction of $12,451,394 due to changes in rates BellSouth would charge for PBX trunk services.

RESPONSE: The projected amount of PBX trunk and Term Contract rate reductions as filed with the FPSC are $13,451,394 instead of the $12,451,394 stated above in the request. Given BellSouth's high quality of service and reliability in the PBX trunk marketplace, economic price is typically the next variable which BellSouth customers use to make purchasing decisions. Customers who will not receive a benefit or who will only receive a minimal economic benefit of moving to a contract typically will not. Based upon BellSouth's experience in the customer switching marketplace and the pricing structure proposed, 25% of current PBX trunks are projected to remain under the month-to-month plan. 15% of BellSouth's current PBX trunks are projected to be placed under the 24-48 months term contract and 60% of PBX trunks are projected to be placed under the 48 to 60 months term contract.

INFORMATION PROVIDED BY: Johnnie R Simmons
Manager - Pricing
675 W Peachtree St. NE
Atlanta, GA 30375

REQUEST: What underlying market assumptions were used to support the "rate group 12" impact priceout, contained in BellSouth's assumed revenue reduction $12,451,394 due to changes in rates charged for PBX trunk services, which estimates that of BellSouth's present 25,003 trunks/customers for PBX Trunk Flat 2W, 6251 trunks will continue to be billed at month -to-month rates, 3750 trunks will be converted to 24 to 48 month contracts, and 15,002 trunks will be converted to 48 plus month contracts.

RESPONSE: See response to Item No. 9.

INFORMATION PROVIDED BY: Johnnie R Simmons
Manager - Pricing
675 W Peachtree St. N E
Atlanta, GA 30375

REQUEST: Is a rate of $.0025 per interconnection minute of use and, by reference, per access minute of use, sufficient to cover BellSouth's average incremental costs of providing interconnection services. If not, state why.

RESPONSE: BellSouth is unable to answer this question because there are numerous factors involved in determining what the average cost is for interconnection. For example, it is unclear as to what assumptions are to be used to convert flat rate elements to a usage sensitive basis and what the average length of transport should be for the elements involved in interconnection.

Furthermore, BellSouth objects to this interrogatory on the on the grounds that the requested information is not relevant, and therefore, not calculated to produce admissible evidence in this proceeding. The average incremental costs of providing interconnection services is irrelevant to the issues being addressed in this docket.

General Attorney

INFORMATION PROVIDED BY: Jerry D. Hendrix
Manager - Interconnection Services Pricing
675 West Peachtree Street
Atlanta, Georgia

STATE OF GEORGIA

COUNTY OF FULTON

BEFORE ME, the undersigned authority, personally appeared Perry M. Eller, who being first duly sworn deposes and says:

That he occupies the position of Manager, Headquarters Regulatory and is the person who has furnished answers to these interrogatories No. 1 through No. 11 and further says that said answers are true and correct to the best of his knowledge and belief.

WITNESS my hand and seal this 22nd day of AUGUST, A.D., 1996.

Signature Perry M Eller

Notary Public

State of Georgia

My Commission Expires:

Notary Public, Gwinnett County, GA
My Commission Expires Feb. 19, 2000

CERTIFICATE OF SERVICE
Docket No. 920260-TL
Docket No. 900960-TL
Docket No. 910163-TL
Docket No. 910727-TL

I HEREBY CERTIFY that a copy of the foregoing has been furnished by United States Mail this 23rd day of August, 1996 to:

Robin Norton
Division of Communications
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Martha Brown
Division of Legal Services
Florida Public Svc. Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Grandoff & Reeves
117 South Gadsden Street
Tallahassee, FL 32301
atty for FIXCA

Kenneth A. Hoffman
Messer, Vickers, Caparello,
Madsen, Lewis & Metz, PA
Post Office Box 1876
Tallahassee, FL 32302
atty for FPTA

Michael W. Tye
AT&T Communications of the
Southern States, Inc.
101 N. Monroe Street
Suite 200
Tallahassee, Florida 32301

Dan B. Hendrickson
Post Office Box 1201
Tallahassee, FL 32302
atty for FCAN

Charles J. Beck
Deputy Public Counsel
Office of the Public Counsel
111 W. Madison Street
Room 812
Tallahassee, FL 32399-1400

Michael J. Henry
MCI Telecommunications Corp.
780 Johnson Ferry Road
Suite 700
Atlanta, Georgia 30342

Richard D. Melson
Hopping Boyd Green & Sams
Post Office Box 6526
Tallahassee, Florida 32314
atty for MCI

Rick Wright
Regulatory Analyst
Division of Audit and Finance
Florida Public Svc. Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Laura L. Wilson, Esq.
Florida Cable
Telecommunications Assn., Inc.
310 North Monroe Street
Tallahassee, FL 32301
atty for FCTA

Benjamin W. Fincher
Sprint Communications Co.
Limited Partnership
3100 Cumberland Circle, #802
Atlanta, GA 30339

Benjamin H. Dickens, Jr.
Blooston, Mordkofsky,
Jackson & Dickens
2120 L Street, N.W.
Washington, DC 20037
Atty for Fla Ad Hoc

C. Everett Boyd, Jr.
Ervin, Varn, Jacobs, Odom
& Ervin
305 South Gadsen Street
Post Office Drawer 1170
Tallahassee, Florida 32302
atty for Sprint

Angela Green
Florida Public
Telecommunications Assn., Inc.
125 South Gadsden Street
Suite 200
Tallahassee, FL 32301

Monte Belote
Florida Consumer Action Network
4100 W. Kennedy Blvd., #128
Tampa, FL 33609

Joseph Gillan
J.P. Gillan & Associates
P.O. Box 541038
Orlando, FL 32854-1038

Mark Richard
Attorney for CWA
Locals 3121, 3122, and 3107
304 Palermo Avenue
Coral Gables, FL 33134

Marsha E. Rule
Wiggins & Villacorta P.A.
501 East Tennessee St.
Suite B
P.O. Drawer 1657
Tallahassee, FL 32302

Marilyn Lenard
Council of Florida AFL-CIO
135 S. Monroe Street
Tallahassee, FL 32301

David Larimer
P.O. Box 419000
Melbourne, FL 32941

Michael Gross
Department of Legal Affairs
The Capitol, PL-01
Tallahassee, FL 32399

Mr. Douglas S. Metcalf
Communications Consultants,
Inc.
631 S. Orlando Ave., Suite 450
P. O. Box 1148
Winter Park, FL 32790-1148

Mr. Cecil O. Simpson, Jr.
Mr. Peter Q. Nyce, Jr.
Department of the Army
901 North Stuart Street, #400
Arlington, VA 22203

Mr. Michael Fannon
Cellular One
2735 Capital Circle, NE
Tallahassee, FL 32308

Floyd R. Self, Esq.
Messer, Vickers, Caparello,
Madsen, Lewis, Goldman & Metz
Post Office Box 1876
Tallahassee, FL 32302-1876
Attys for McCaw Cellular

Stan Greer
Division of Communications
Florida Public Svc. Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Patricia Kurlin
Intermedia Communications Inc.
9280 Bay Plaza Boulevard, #720
Tampa, FL 33619

Susan Weinstock
Department of State Legislation
601 E. Street, NW
Washington, DC 20049

Mark Logan
201 S. Monroe Street, #500
Tallahassee, FL 32301

Dan Shorter
P.O. Box 24700
West Palm Beach, FL 33416

Robin Dunson
1200 Peachtree Street
Promenade I, Room 4038
Atlanta, GA 30309

William H. Higgins, Esq.
AT&T Wireless Services of
Florida, Inc.
250 S. Australian Avenue
W. Palm Beach, FL 33401

Nancy B. White

Vita of Don J. Wood
914 Stream Valley Trail, Alpharetta, Georgia 30202 ■ (770) 475-9971, FAX (770) 475-9972

EDUCATION

Emory University, Atlanta, Ga.
BBA in Finance, with Distinction.

College of William and Mary, Williamsburg, Va.
MBA, with concentration in Finance and Microeconomics.

CURRENT EMPLOYMENT

Don J. Wood provides economic and regulatory analysis services in telecommunications and related industries. He has been employed in a management capacity at a major Local Exchange Company and an Interexchange Carrier, and has been directly involved in both the development and implementation of regulatory policy. He has presented testimony before the Regulatory Commissions of twenty-three states and the District of Columbia, state courts, and has prepared comments for filing with the Federal Communications Commission.

PREVIOUS EXPERIENCE

BellSouth Services, Inc.

Staff Manager responsible for conducting cost of service studies to be filed for regulatory purposes at State Commissions and FCC. Developed new costing methodologies and models for use by other analysts.

MCI Telecommunications Corporation.

Manager of Regulatory Analysis, Southeast Division. Responsible for development and implementation of regulatory policy for nine state division of the company. Duties included testimony before State Commissions, preparation of related pleadings, settlement negotiations, and development of relationships with Commission Staff and key industry personnel. After company reorganization, responsibilities expanded to new 15 state Southern Division.

Manager, Corporate Economic Analysis and Regulatory Affairs. Responsible for national regulatory policy development. Acted as part of a four person internal consulting team, specifically assigned to new/complex issues. Testimony before State Commissions throughout eastern US and comments/lobbying at FCC.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TL EXHIBIT NO. 16
COMPANY/ WITNESS: Wood
DATE: 10/30/96

DOCUMENT NUMBER-DATE
08537 AUG 14 96
FPSC-RECORDS/REPORTING

TESTIMONY - STATE REGULATORY COMMISSIONS:

Alabama Public Service Commission

Docket No. 19356, Phase III: Alabama Public Service Commission vs. All Telephone Companies Operating in Alabama, and Docket 21455: AT&T Communications of the South Central States, Inc., Applicant, Application for a Certificate of Public Convenience and Necessity to Provide Limited IntraLATA Telecommunications Service in the State of Alabama.

Docket No. 20895: In Re: Petition for Approval to Introduce Business Line Termination for MCI's 800 Service.

Docket No. 21071: In Re: Petition by South Central Bell for Introduction of Bidirectional Measured Service.

Docket No. 21067: In Re: Petition by South Central Bell to Offer Dial Back-Up Service and 2400 BPS Central Office Data Set for Use with PulseLink Public Packet Switching Network Service.

Docket No. 21378: In Re: Petition by South Central Bell for Approval of Tariff Revisions to Restructure ESSX and Digital ESSX Service.

Docket No. 21865: In Re: Petition by South Central Bell for Approval of Tariff Revisions to Introduce Network Services to be Offered as a Part of Open Network Architecture.

Arkansas Public Service Commission

Docket No. 92-337-R: In the Matter of the Application for a Rule Limiting Collocation for Special Access to Virtual or Physical Collocation at the Option of the Local Exchange Carrier.

State of Connecticut, Department of Utility Control

Docket 91-12-19: DPUC Review of Intrastate Telecommunications Services Open to Competition (Comments).

Docket No. 94-07-02: Development of the Assumptions, Tests, Analysis, and Review to Govern Telecommunications Service Reclassifications in Light of the Eight Criteria Set Forth in Section 6 of Public Act 94-83 (Comments).

Delaware Public Service Commission

Docket No. 93-31T: In the Matter of the Application of The Diamond State Telephone Company for Establishment of Rules and Rates for the Provision of IntelliLinQ-PRI and IntelliLinQ-BRI.

Docket No. 41: In the Matter of the Development of Regulations for the Implementation of the Telecommunications Technology Investment Act.

Florida Public Service Commission

Docket No. 881257-TL: In Re: Proposed Tariff by Southern Bell to Introduce New Features for Digital ESSX Service, and to Provide Structural Changes for both ESSX Service and Digital ESSX Service.

Docket No. 880812-TP: In Re: Investigation into Equal Access Exchange Areas (EAEAs), Toll Monopoly Areas (TMAs), 1+ Restriction to the Local Exchange Companies (LECs), and Elimination of the Access Discount.

Docket No. 890183-TL: In Re: Generic Investigation into the Operations of Alternate Access Vendors.

Docket No. 870347-TI: In Re: Petition of AT&T Communications of the Southern States for Commission Forbearance from Earnings Regulation and Waiver of Rule 25-4.495(1) and 25-24.480 (1) (b), F.A.C., for a trial period.

Docket No. 900708-TL: In Re: Investigation of Methodology to Account for Access Charges in Local Exchange Company (LEC) Toll Pricing.

Docket No. 900633-TL: In Re: Development of Local Exchange Company Cost of Service Study Methodology.

Docket No. 910757-TP: In Re: Investigation into the Regulatory Safeguards Required to Prevent Cross-Subsidization by Telephone Companies.

Docket No. 920260-TL: In Re: Petition of Southern Bell Telephone and Telegraph Company for Rate Stabilization, Implementation Orders, and Other Relief.

Docket No. 950985-TP: In Re: Resolution of Petitions to establish 1995 rates, terms, and conditions for interconnection involving local exchange companies and alternative local exchange companies pursuant to Section 364.162, Florida Statutes.

Georgia Public Service Commission

Docket No. 3882-U: In Re: Investigation into Incentive Telephone Regulation in Georgia.

Docket No. 3883-U: In Re: Investigation into the Level and Structure of Intrastate Access Charges.

Docket No. 3921-U: In Re: Compliance and Implementation of Senate Bill 524.

Docket No. 3905-U: In Re: Southern Bell Rule Nisi.

Docket No. 3995-U: In Re: IntraLATA Toll Competition.

Docket No. 4018-U: In Re: Review of Open Network Architecture (ONA) (Comments).

Docket No. 5258-U: In Re: Petition of BellSouth Telecommunications for Consideration and Approval of its "Georgians FIRST" (Price Caps) Proposal.

Docket No. 5825-U: In Re: The Creation of a Universal Access Fund as Required by the Telecommunications Competition and Development Act of 1995.

Iowa Utilities Board

Docket No. RPU-95-10.

Docket No. RPU-95-11.

Kentucky Public Service Commission

Administrative Case No. 10321: In the Matter of the Tariff Filing of South Central Bell Telephone Company to Establish and Offer Pulselink Service.

Administrative Case No. 323: In the Matter of An Inquiry into IntraLATA Toll Competition, An Appropriate Compensation Scheme for Completion of IntraLATA Calls by Interexchange Carriers, and WATS Jurisdictionality.

- Phase IA: Determination of whether intraLATA toll competition is in the

public interest.

- Phase IB: Determination of a method of implementing intraLATA competition.

- Rehearing on issue of Imputation.

Administrative Case No. 90-256, Phase II: In the Matter of A Review of the Rates and Charges and Incentive Regulation Plan of South Central Bell Telephone Company.

Administrative Case No. 336: In the Matter of an Investigation into the Elimination of Switched Access Service Discounts and Adoption of Time of Day Switch Access Service Rates.

Administrative Case No. 91-250: In the Matter of South Central Bell Telephone Company's Proposed Area Calling Service Tariff.

Louisiana Public Service Commission

Docket No. 17970: In Re: Investigation of the Revenue Requirements, Rate Structures, Charges, Services, Rate of Return, and Construction Program of AT&T Communications of the South Central States, Inc., in its Louisiana Operations.

Docket No. U-17949: In the Matter of an Investigation of the Revenue Requirements, Rate Structures, Charges, Services, Rate of Return, and Construction Program of South Central Bell Telephone Company, Its Louisiana Intrastate Operations, The Appropriate Level of Access Charges, and All Matters Relevant to the Rates and Service Rendered by the Company.

- Subdocket A (SCB Earnings Phase)

- Subdocket B (Generic Competition Phase)

Docket No. 18913-U: In Re: South Central Bell's Request for Approval of Tariff Revisions to Restructure ESSX and Digital ESSX Service.

Docket No. U-18851: In Re: Petition for Elimination of Disparity in Access Tariff Rates.

Public Service Commission of Maryland

Case 8584, Phase II: In the Matter of the Application of MFS Intelenet of Maryland, Inc. for Authority to Provide and Resell Local Exchange and Intrastate Telecommunications Services in Areas Served by C&P Telephone Company of Maryland.

Case 8715: In the Matter of the Inquiry into Alternative Forms of Regulating Telephone Companies.

Mississippi Public Service Commission

Docket No. U-5086: In Re: MCI Telecommunications Corporation's Metered Use Service Option D (Prism I) and Option E (Prism II).

Docket No. U-5112: In Re: MCI Telecommunications Corporation's Metered Use Option H (800 Service).

Docket No. U-5318: In Re: Petition of MCI for Approval of MCI's Provision of Service to a Specific Commercial Banking Customers for Intrastate Interexchange Telecommunications Service.

Docket 89-UN-5453: In Re: Notice and Application of South Central Bell Telephone Company for Adoption and Implementation of a Rate Stabilization Plan for its Mississippi Operations.

Docket No. 90-UA-0280: In Re: Order of the Mississippi Public Service Commission Initiating Hearings Concerning (1) IntraLATA Competition in the Telecommunications Industry and (2) Payment of Compensation by Interexchange Carriers and Resellers to Local Exchange Companies in Addition to Access Charges.

Docket No. 92-UA-0227: In Re: Order Implementing IntraLATA Competition.

New York Public Service Commission

Case No. 28425: Proceeding on Motion of the Commission as to the Impact of the Modification of Final Judgement and the Federal Communications Commission's Docket 78-72 on the Provision of Toll Service in New York State.

North Carolina Public Utilities Commission

Docket No. P-100, Sub 72: In the Matter of the Petition of AT&T to Amend Commission Rules Governing Regulation of Interexchange Carriers (Comments).

Docket No. P-141, Sub 19: In the Matter of the Application of MCI Telecommunications Corporation to Provide InterLATA Facilities-Based Telecommunications Services (Comments).

Docket No. P-55, Sub 1013: In the Matter of Application of BellSouth Telecommunications, Inc. for, and Election of, Price Regulation.

Docket Nos. P-7, Sub 825 and P-10, Sub 479: In the Matter of Petition of Carolina Telephone and Telegraph and Central Telephone Company for Approval of a Price Regulation Plan Pursuant to G.S. 62-133.5.

Docket No. P-19, Sub 277: In the Matter of Application of GTE South Incorporated for and Election of, Price Regulation.

Public Utilities Commission of Ohio

Case No. 93-487-TP-ALT: In the Matter of the Application of The Ohio Bell Telephone Company for Approval of an Alternative Form of Regulation.

Oklahoma Corporation Commission

Cause No. PUD 01448: In the Matter of the Application for an Order Limiting Collocation for Special Access to Virtual or Physical Collocation at the Option of the Local Exchange Carrier.

Public Utility Commission of Oregon

Docket No. UT 119: In the Matter of an Investigation into Tariffs Filed by US West Communications, Inc., United Telephone of the Northwest, Pacific Telecom, Inc., and GTE Northwest, Inc. in Accordance with ORS 759.185(4).

Pennsylvania Public Utilities Commission

Docket No. I-00910010: In Re: Generic Investigation into the Current Provision of InterLATA Toll Service.

Docket No. P-00930715: In Re: The Bell Telephone Company of Pennsylvania's Petition and Plan for Alternative Form of Regulation under Chapter 30.

Docket No. R-00943008: In Re: Pennsylvania Public Utility Commission v. Bell Atlantic-Pennsylvania, Inc. (Investigation of Proposed Promotional Offerings Tariff).

Docket No. M-00940587: In Re: Investigation pursuant to Section 3005 of the Public Utility Code, 66 Pa. C. S. §3005, and the Commission's Opinion and Order at Docket No. P-930715, to establish standards and safeguards for competitive services, with particular emphasis in the areas of cost allocations, cost studies, unbundling, and imputation, and to consider generic issues for future rulemaking.

South Carolina Public Service Commission

Docket No. 90-626-C: In Re: Generic Proceeding to Consider Intrastate Incentive Regulation.

Docket No. 90-321-C: In Re: Petition of Southern Bell Telephone and Telegraph Company for Revisions to its Access Service Tariff Nos. E2 and E16.

Docket No. 88-472-C: In Re: Petition of AT&T of the Southern States, Inc., Requesting the Commission to Initiate an Investigation Concerning the Level and Structure of Intrastate Carrier Common Line (CCL) Access Charges.

Docket No. 92-163-C: In Re: Position of Certain Participating South Carolina Local Exchange Companies for Approval of an Expanded Area Calling (EAC) Plan.

Docket No. 92-182-C: In Re: Application of MCI Telecommunications Corporation, AT&T Communications of the Southern States, Inc., and Sprint Communications Company, L.P., to Provide IntraLATA Telecommunications Services.

Docket No. 95-720-C: In Re: Application of BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company for Approval of an Alternative Regulation Plan.

Tennessee Public Service Commission

Docket No. 90-05953: In Re: Earnings Investigation of South Central Bell Telephone Company.

Docket Nos. 89-11065, 89-11735, 89-12677: AT&T Communications of the South Central States, MCI Telecommunications Corporation, US Sprint Communications

Company -- Application for Limited IntraLATA Telecommunications Certificate of Public Convenience and Necessity.

Docket No. 91-07501: South Central Bell Telephone Company's Application to Reflect Changes in its Switched Access Service Tariff to Limit Use of the 700 Access Code.

Public Utility Commission of Texas

Docket No. 12879: Application of Southwestern Bell Telephone Company for Expanded Interconnection for Special Access Services and Switched Transport Services and Unbundling of Special Access DS1 and DS3 Services Pursuant to P. U. C. Subst. R. 23.26.

Virginia State Corporation Commission

Case No. PUC920043: Application of Virginia Metrotel, Inc. for a Certificate of Public Convenience and Necessity to Provide InterLATA Interexchange Telecommunications Services.

Case No. PUC920029: Ex Parte: In the Matter of Evaluating the Experimental Plan for Alternative Regulation of Virginia Telephone Companies.

Case No. PUC930035: Application of Contel of Virginia, Inc. d/b/a GTE Virginia to implement community calling plans in various GTE Virginia exchanges within the Richmond and Lynchburg LATAs.

Case No. PUC930036: Ex Parte: In the Matter of Investigating Telephone Regulatory Methods Pursuant to Virginia Code § 56-235.5, & Etc.

Washington Utilities and Transportation Commission

Docket Nos. UT-941464, UT-941465, UT-950146, and UT-950265 (Consolidated): Washington Utilities and Transportation Commission, Complainant, vs. US West Communications, Inc., Respondent; TCG Seattle and Digital Direct of Seattle, Inc., Complainant, vs. US West Communications, Inc., Respondent; TCG Seattle, Complainant, vs. GTE Northwest Inc., Respondent; Electric Lightwave, Inc., vs. GTE Northwest, Inc., Respondent.

Docket No. UT-950200: In the Matter of the Request of US West Communications, Inc. for an Increase in its Rates and Charges.

Public Service Commission of Wyoming

Docket No. 70000-TR-95-238: In the Matter of the General Rate/Price Case Application of US West Communications, Inc.

Docket No. PSC-96-32: In the Matter of Proposed Rule Regarding Total Service Long Run Incremental Cost (TSLRIC) Studies.

Public Service Commission of the District of Columbia

Formal Case No. 814, Phase IV: In the Matter of the Investigation into the Impact of the AT&T Divestiture and Decisions of the Federal Communications Commission on Bell Atlantic - Washington, D. C. Inc.'s Jurisdictional Rates.

COMMENTS - FEDERAL COMMUNICATIONS COMMISSION

CC Docket No. 92-91: In the Matter of Open Network Architecture Tariffs of Bell Operating Companies.

CC Docket No. 93-162: Local Exchange Carriers' Rates, Terms, and Conditions for Expanded Interconnection for Special Access.

CC Docket No. 91-141: Common Carrier Bureau Inquiry into Local Exchange Company Term and Volume Discount Plans for Special Access.

CC Docket No. 94-97: Review of Virtual Expanded Interconnection Service Tariffs.

CC Docket No. 94-128: Open Network Architecture Tariffs of US West Communications, Inc.

CC Docket No. 94-97, Phase II: Investigation of Cost Issues, Virtual Expanded Interconnection Service Tariffs.

ATT Wireless
Maas
(Varner)

EXHIBIT NO. 17

DOCKET NO. 920260-TL

1996 RATE REDUCTION PROCEEDINGS

BellSouth Discovery Responses to AT&T Wireless Services':

- Third Set of Interrogatories, Item Nos. 31, 38, 41, 42, and 43

- Fifth Request for Production of Documents, Item No. 42

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TL EXHIBIT NO. 17
COMPANY/ WITNESS: ATT/Varner
DATE: 10/30/96

REQUEST: Assuming that the linkage between access charges and the mobile interconnection rates was not broken, what would be the resulting Type 2A and land-to-mobile option rates corresponding with the scheduled access charge reductions of $55 million in 1995 and the approximately $35 million in 1996 that will be occurring under the Stipulation and Implementation Agreement? Please specify any assumptions and identify all documents used in responding to this interrogatory.

RESPONSE: The 1996 adjustment has not been completed. Any of the rate elements could change prior to the finalization of scheduled access charge reductions on October 1, 1996. However, based on these assumptions and on preliminary switched access rate element changes, below are the rates for 10/1/96 using the old access linked formula.

MTL Peak	$.0160
MTL Off-peak	$.0114
LTM - Intracompany	$.0254
LTM - Intercompany *	$.1166

* Rate calculated using average Independent Company Switched Access Rates as of August 8, 1996.

INFORMATION PROVIDED BY: R. J. Ham
Manager - Interconnection Services
SE3D1
3535 Colonnade Parkway
Birmingham, AL 35243

2

REQUEST: What are the projected average per minute terminating and originating intrastate access rates that will be effective October 1, 1996 based upon the rates approved by the Commission in the Stipulation and Implementation Agreement? Please specify any necessary assumptions and identify all documents used in responding to this interrogatory.

RESPONSE: Based upon the rates approved by the Commission in the Stipulation and Implementation Agreement, the FGD Composite switched access rate for terminating switched access that will be effective October 1, 1996 is $.033969. The FGD Composite originating switched access rate that will be effective October 1, 1996 is $.025439. The total FGD Composite Switched Access rate is $.059408.

The composite rates include Carrier Common Line, DS1 Dedicated Transport, Interconnection Charge, and Local Switching 2. The DS1 Dedicated Transport per minute of use assumes 9,000 minutes of use per voice grade equivalent and interoffice transport of 8 miles. The Carrier Common Line rate reductions were filed with the Florida Commission on August 1, 1996 to be effective October 1, 1996. The other switched access rates are effective as found in the Florida Access Services Tariff, Section E6.8.

INFORMATION PROVIDED BY: Jerry D. Hendrix
Manager - Interconnection Services Pricing
675 West Peachtree Street
Atlanta, Georgia

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Request: Describe the similarities and differences between the services performed by BellSouth in provisioning the land-to-mobile option for mobile carriers with the services performed by BellSouth in provisioning originating access service for interexchange carriers.

Response: The similarity between the provisioning of land-to-mobile (LTM) and Originating FGD access is as follows: The LTM option is a local routing option that provisions the LTM NPA-NXX as a local 7/10 digit NPA-NXX in every BST central office within the LATA. Originating FGD access is provisioned based on the IXC FGD Access Order and may include provisioning of the FGD Access Customer in every BST central office within the LATA.

The differences between provisioning LTM and Originating FGD access begin with the switching system software utilized in the provisioning process. LTM uses the basic generic switching system software for routing local 7/10 digit NPA-NXXs. Originating FGD access utilizes equal access switching system software designed for compliance with the MFJ and has been updated and enhanced based on requirements specified by the FCC.

INFORMATION PROVIDED BY: Gennie Walker
Specialist
675 West Peachtree St., N.E.
Atlanta, GA 30375

4

REQUEST: Are BellSouth's mobile interconnection usage rates linked to access charges in any other state? If yes, identify the state and the corresponding rates.

RESPONSE: Yes, BellSouth's mobile interconnection usage rates are linked to access charges in Georgia and Louisiana. The current usage rates are:

Georgia

Usage Charges for Mobile Originated Traffic - Local and Toll Calls terminated within the Basic Local Calling Area.

Type 1, Type 2A, MSP Lines and MSP Trunks	$.0255
Type 2B Service	$.0150

InterLATA calls terminated outside the Basic Local Calling Area

Type 1, Type 2A, MSP Lines and MSP Trunks	$.02219

Usage Charge for Mobile Originating Traffic LATA-wide.

Type 1, Type 2A, MSP Lines and MSP Trunks	$.0242

Louisiana

Usage Charges for Mobile Originated Traffic - Local and Toll Calls terminated within the Basic Local Calling Area.

Type 1, Type 2A, MSP Lines and MSP Trunks	$.0180
Type 2B Service	$.0100

InterLATA calls terminated outside the Basic Local Calling Area

Type 1, Type 2A, MSP Lines and MSP Trunks	$.02620

Usage Charge for Mobile Originating Traffic LATA-wide.

Type 1, Type 2A, MSP Lines and MSP Trunks	$.02128

INFORMATION PROVIDED BY: R. J. Ham
Manager - Interconnection Services
SE3D1
3535 Colonnade Parkway
Birmingham, AL 35243

6

REQUEST: What is the revenue effect of a one-tenth of a cent ($.001) reduction in your Type 1 rate? Please specify any assumptions.

RESPONSE: The Company cannot provide the revenue effect of reducing the mobile originated usage rate for Type 1 interconnection only, or any other type individual mobile originated usage rate. However the revenue effect of reducing the mobile originated usage for all mobile interconnection by a tenth of a cent ($.001) can be estimated.

1996 Jan. - Jun. Estimated Billed MOUs.	257,660,806
Reduction of $.001	
1996 Jan. - Jun. Reduction	($257,661)

INFORMATION PROVIDED BY: R. J. Ham
Manager - Interconnection Services
SE3D1
3535 Colonnade Parkway
Birmingham, AL 35243

7

920260-TL

AT&T Wireless 5th POD

File Date: 8/14/96

Item : 42

PROPRIETARY (N) P

8

FLORIDA
SWITCHED ACCESS RATE COMPARISON (FGD)

RATE ELEMENTS	CURRENT	PROPOSED
CARRIER COMMON LINE		
ORIGINATING	$0.01061	$0.01000
TERMINATING	$0.02927	$0.01853
TRANSPORT		
DS1 LOCAL CHANNEL***	$0.00062	$0.00062
INTERCONNECTION	$0.005159	$0.005159
DS1 INTEROFFICE CHANNEL***	$0.00090	$0.00090
LOCAL SWITCHING 2	$0.00876 **	$0.00876
INFORMATION SURCHARGE (PER 100 MOU)	----	----
COMPOSITE FGD*		
ORIGINATING	$0.026049	$0.025439
TERMINATING	$0.044709	$0.033969
TOTAL	$0.070758	$0.059408

*COMPOSITE RATES INCLUDE CARRIER COMMON LINE, DS1 DEDICATED TRANSPORT, INTERCONNECTION CHARGE, LOCAL SWITCHING 2 AND INFORMATION SURCHARGE (PER 100 MOU).

**THE FL LOCAL SWITCHING RATE = INTERSTATE LOCAL SWITCHING RATE + INFORMATION SURCHARGE (PER 100 MOU)

***THE LTR RATES PER MINUTE OF USE ASSUME 9,000 MINUTES OF USE PER VOICE GRADE EQUIVALENT AND INTEROFFICE TRANSPORT OF 8 MILES.

E3. CARRIER COMMON LINE ACCESS

E3.10 Rates and Charges (Cont'd)

A. The rate for Carrier Common Line Access is: (Cont'd)

1. Per Originating Access Minute (Cont'd)

		Rate	USOC	
(a)	BellSouth Telecommunications, Inc. - Feature Groups A, B, *D*, LSBSA and TSBSA Technical *Options* 1 *and 3*	5.01000	NA	(R)
(b)	Indiantown Telephone System - Feature Groups A, B, *D*, LSBSA and TSBSA Technical *Options* 1 *and 3*	.0247	NA	(T)
(c)	For all other Independent Companies concurring in this Tariff	.0304	NA	(T)
(d)	**(DELETED)**			(D)
(e)	**(DELETED)**			(D)

2. Per Terminating Access Minute

(a)	BellSouth Telecommunications, Inc. - Feature Groups A, B, *D*, LSBSA and TSBSA Technical *Options* 1 *and 3*	.01853	NA	(R)
(b)	Indiantown Telephone System - Feature Groups A, B, *D*, LSBSA and TSBSA Technical *Options* 1 *and 3*	.0325	NA	(T)
(c)	For all other Independent Companies concurring in this Tariff	.0382	NA	(T)
(d)	**(DELETED)**			(D)
(e)	**(DELETED)**			(D)

E6. SWITCHED ACCESS SERVICE

E6.8 Rates and Charges

E6.8.1 Switched Transport

A. *Switched Local Channel - per Local Channel*

1. (DELETED)
2. Voice Grade

		Monthly Rate Rate Zone 1	Monthly Rate Rate Zone 2	Monthly Rate Rate Zone 3	Nonrecurring Charge First	Nonrecurring Charge Additional	USOC	
(a)	Two-Wire	$25.00	$25.00	$25.00	$308.95	$119.49	TEFV2	(N)
(b)	Four-Wire	45.24	45.24	45.24	314.69	125.19	TEFV4	(N)

3. DS1

(a)	1.544 Mbps	133.81	133.81	133.81	866.97	486.83	TEFHG	(N)

4. DS3 Service

(a)	44.736 Mbps	2,100.00	2,100.00	2,100.00	870.50	427.88	TEFHJ	(N)

5. End-Office Based Private Network

		Monthly Rate Rate Zone 1	Monthly Rate Rate Zone 2	Monthly Rate Rate Zone 3	Nonrecurring Charge	USOC	
(a)	Per Local Channel	$4.75	$4.75	$4.75	$18.43	TEFHK	(N)

B. Switched Interoffice Channel - Switched Dedicated Transport

1. Voice Grade

(a)	Per mile	1.90	1.90	1.90	-	1L5XF	(N)
(b)	Facility Termination	23.30	23.30	23.30	79.85	NA	(N)

2. DSO - 56/64 Kbps

(a)	Per mile	3.95	3.95	3.95	-	1L5XK	(N)
(b)	Facility Termination	38.37	38.37	38.37	24.01	NA	(N)

3. DS1 - 1.544 Mbps

(a)	Per mile	16.75	16.75	16.75	-	1L5XL	(N)
(b)	Facility Termination	59.75	59.75	59.75	100.49	NA	(N)

4. DS3 - 44.736 Mbps

(a)	Per mile	175.00	175.00	175.00	-	1L5XM	(N)
(b)	Facility Termination	1,200.00	1,200.00	1,200.00	67.19	NA	(N)

C. Switched Interoffice Channel - Switched Common Transport

1. Per Mile

		Rates Per Access Minute	USOC	
(a)	Zone 1	$.00004	NA	(N)
(b)	Zone 2	.00004	NA	(N)
(c)	Zone 3	.00004	NA	(N)

2. Facilities Termination

(a)	Zone 1	.00036	NA	(N)
(b)	Zone 2	.00036	NA	(N)
(c)	Zone 3	.00036	NA	(N)

(M)

Material previously appearing on this page now appears on page(s) 54.0.0.1 of this section

E6. SWITCHED ACCESS SERVICE

E6.8 Rates and Charges (Cont'd)

E6.8.1 Switched Transport (Cont'd)

D. Access Tandem Switching

1. Premium

		Rates Per Access Minute	USOC	
(a)	Per Access Minute	$.00050	NA	N)

E. Interconnection

1. Rate

(a)	Southern Bell	.005159	NA	N)
(b)	Indiantown Telephone System, Inc.	.01552	NA	N)

F. Installation of New Service

1. Line Side Service

		Nonrecurring Charge First	Nonrecurring Charge Additional	Monthly Rate	USOC	
(a)	Per Line	$285.00	$263.00	$-	TPP++	
(b)	Per Inward Only LSBSA Line for DID Service	285.00	263.00	-	TPP+1	
(c)	Per Two-way LSBSA Line for DID/DOD Service	285.00	263.00	-	TPP+2	
(d)	Per LSBSA Line with Answer Supervision	285.00	263.00	-	TPP+3	

2. Trunk Side Service

(a)	Per Trunk or Signaling Connection	915.00	263.00	-	TPP++	

3. Point Code Establishment or Change[1]

(a)	Per Originating Point Code Established or Changed	40.00	8.00	-	CCAPO	
(b)	Per Destination Point Code Established or Changed	8.00	8.00	-	CCAPD	

G. Network Blocking Charge[2]

1. Nonrecurring Charge

		Rate	USOC	
(a)	Per Call Blocked	$.0080	NA	

Note 1: Applies to Signaling Connections with TCAP Message Transmission Service.

Note 2: Applies to FGD and TSBSA Technical Option 3

Material appearing on this page previously appeared on page(s) 54 of this section

E6. SWITCHED ACCESS SERVICE

E6.8 Rates and Charges (Cont'd)

E6.8.2 Local Switching

A. Local Switching Rates and Optional Features

1. Per Access Minute

		Rate	USOC	
(a)	LS1 - Southern Bell Telephone and Telegraph Company - Feature Groups A and B	$.00876	NA	R)
(b)	LS2 - Southern Bell Telephone and Telegraph Company - Feature Groups C and D	.00876	NA	R)
(c)	LS3 - Southern Bell Telephone and Telegraph Company LSBSA and TSBSA Technical Option 1	.00874	NA	R)
(d)	LS4 - Southern Bell Telephone and Telegraph Company TSBSA Technical Options 2 and 3	.00874	NA	R)
(e)	LS1 - Indiantown Telephone Company - Feature Groups A and B	.01150	NA	
(f)	LS2 - Indiantown Telephone Company - Feature Groups C and D	.01150	NA	
(g)	LS3 - Indiantown Telephone Company - LSBSA and TSBSA Technical Option 1	.01147	NA	
(h)	LS4 - Indiantown Telephone Company - TSBSA Technical Options 2 and 3	.01147	NA	
(i)	For all other Independent Companies concurring in this Tariff	.01770	NA	

2. Common Switching Optional Features (Feature Group Customers Only)[1]

a. Hunt Group Arrangement, available with FGA
Per Tranmission Path Group

b. Uniform Call Distribution Arrangement, available with FGA
Per Transmission Path Group

c. Nonhunting Numbers for use with Hunt Group Arrangements or Uniform Call Distribution Arrangement available with FGA
Per Transmission Path

Note 1: These Common Switching Optional Features are not available for BSA. See E6.8.2.A.4. for the appropriate BSE.

Prof by BST
Sponsor: Varner
Exhibit 18

Legal Department

NANCY B. WHITE
General Attorney

BellSouth Telecommunications, Inc.
150 South Monroe Street
Suite 400
Tallahassee, Florida 32301
(404) 335-0710

August 22, 1996

Martha E. Rule
Wiggins & Villacorta, P.A.
501 E. Tennessee Street
Suite B
P.O. Drawer 1657
Tallahassee, FL 32302

RE: Docket No. 920260-TL

Dear Ms. Rule:

Enclosed is an original of BellSouth Telecommunications, Inc.'s Response to Palm Beach Newspapers, Inc.'s and Florida Today's First Set of Interrogatories dated July 23, 1996.

Sincerely,

Nancy B. White

Enclosures

cc: All Parties of Record
A. M. Lombardo
R. G. Beatty
W. J. Ellenberg

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TL EXHIBIT NO. 18
COMPANY/ WITNESS: BST / Varner
DATE: 10/30/96

Legal Department

NANCY B. WHITE
General Attorney

BellSouth Telecommunications, Inc.
150 South Monroe Street
Suite 400
Tallahassee, Florida 32301
(404) 335-0710

August 22, 1996

Mrs. Blanca S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

RE: Docket No. 920260-TI

Dear Mrs. Bayo:

Today, BellSouth Telecommunications, Inc. served its Response to Palm Beach Newspapers, Inc. and Florida Today's First Set of Interrogatories dated July 23, 1996 in the captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served on the parties shown on the attached Certificate of Service.

Sincerely,

Nancy B. White

Nancy B. White

Enclosures

cc: All Parties of Record
A. M. Lombardo
R. G. Beatty
W. J. Ellenberg

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 1
Page 1 of 1

REQUEST: For each state in BellSouth region, please describe the N11 tier structure, including the name of each tier and the population, number of lines or other economic features used to classify a geographic area into a particular tier.

RESPONSE: The N11 tier structure for each BellSouth state is detailed in Section A39 of the General Subscriber Services Tariff which is a matter of public record. Geographic areas were assigned to tiers based on the number of access lines in their respective basic local calling areas and on the cost of providing the N11 service.

BellSouth objects to a portion of this interrogatory on the grounds that some of the requested information is not relevant, and therefore, not calculated to produce admissible evidence in this proceeding. The requested information for markets outside the state of Florida is not relevant to this proceeding.

General Attorney

INFORMATION PROVIDED BY: Sandy E. Sanders
Manager
29H62 BellSouth Center
Atlanta, Georgia 30375

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 2
Page 1 of 5

REQUEST: For each state in the BellSouth region, please identify the number of N11 codes assigned in each tier for each of the years 1992 through 1996, and how many became operational in each such period for each tier. Please explain all assumptions and identify all documents used in responding to this interrogatory.

RESPONSE: Please see the summary of N11 assignments by tier for the state of Florida and a summary of N11 Vendors who activated their N11 number assignment provided in BellSouth's response to Item No. 1 of PBN's 1st Request for Production of Documents. These summaries were generated from customer specific assignment, ordering and provisioning files.

BellSouth objects to a portion of this interrogatory on the grounds that some of the requested information is not relevant, and therefore, not calculated to produce admissible evidence in this proceeding. The requested information for markets outside the state of Florida is not relevant to this proceeding.

General Attorney

INFORMATION PROVIDED BY: Dave Szczuka
Project Manager
E5G1 -1 - 3535 Colonnade Parkway
Birmingham, Alabama 35243

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 3
Page 1 of 1

REQUEST: For each state in the BellSouth region, please indicate whether BellSouth bills N11 providers for all calls, or whether there is a minimum length of call, below which BellSouth does not bill. Please identify the minimum below which BellSouth does not bill, if any, for each state in the BellSouth region.

RESPONSE: The method of charging for N11 calls is detailed in Section A39 of the General Subscriber Services Tariff which is a matter of public record. BellSouth does not bill for calls to N11 numbers in Florida which last 18 seconds or less.

BellSouth objects to a portion of this interrogatory on the grounds that some of the requested information is not relevant, and therefore, not calculated to produce admissible evidence in this proceeding. The requested information for markets outside the state of Florida is not relevant to this proceeding.

General Attorney

INFORMATION PROVIDED BY: Sandy E. Sanders
Manager
29H62 BellSouth Center
Atlanta, Georgia 30375

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 4
Page 1 of 1

REQUEST: For each state in the BellSouth region, please provide the total number of N11 calls placed in each tier for each of the years 1992 through 1996. Indicate whether each response includes only those calls billed by BellSouth, or whether it also includes calls of short duration that were not billed. Please explain all assumptions and identify all documents used in responding to this interrogatory.

RESPONSE: Information is provided for Florida only for the latest 6 month period. This information was obtained from a mainframe output report created in job QA02P57. This report is retained by BellSouth for 6 months.

TOTAL BILLED CALLS

Month	Tier 1	Tier 2	Tier 3	Tier 4
February, 1996	96,283	60,956	11,138	236
March, 1996	64,443	51,017	11,716	255
April, 1996	57,663	54,732	11,742	577
May, 1996	57,610	51,099	11,016	523
June, 1996	62,992	56,552	10,744	0
July, 1996	59,545	56,344	11,989	201

BellSouth objects to a portion of this interrogatory on the grounds that some of the requested information is not relevant, and therefore, not calculated to produce admissible evidence in this proceeding. The requested information for markets outside the state of Florida is not relevant to this proceeding.

General Attorney

INFORMATION PROVIDED BY: Jackie Spann
Specialist
8 West - 600 N. 19th Street
Birmingham, Alabama 35203

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 5
Page 1 of 1

REQUEST: For each state in the BellSouth region, please provide the total number of minutes logged for N11 calls placed in each tier for each of the years 1992 through 1996. Indicate whether each response includes only those calls billed by BellSouth, or whether it also includes calls of short duration that were not billed. Please explain all assumptions and identify all documents used in responding to this interrogatory.

RESPONSE: Information is provided for Florida only for the latest 6 month period. This information was obtained from a mainframe output report created in job QA02P57. This report is retained by BellSouth for 6 months.

TOTAL MINUTES *(Includes short duration calls that were not billed)*

Month	**Tier 1**	**Tier 2**	**Tier 3**	**Tier 4**
February, 1996	200,642	144,723	23,799	666
March, 1996	148,025	119,957	24,925	547
April, 1996	157,975	135,126	24,244	1,449
May, 1996	172,966	133,418	22,916	1,102
June, 1996	177,765	153,727	23,563	0
July, 1996	178,503	163,327	28,588	292

BellSouth objects to a portion of this interrogatory on the grounds that some of the requested information is not relevant, and therefore, not calculated to produce admissible evidence in this proceeding. The requested information for markets outside the state of Florida is not relevant to this proceeding.

General Attorney

INFORMATION PROVIDED BY: Jackie Spann
Specialist
8 West - 600 N. 19th Street
Birmingham, Alabama 35203

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 6
Page 1 of 1

REQUEST: For each state in the BellSouth region please provide the types and amounts of charges paid by N11 subscribers in each tier for each of the years 1992 - 1996 (including but not limited to all startup, setup or other nonrecurring charges; minimum monthly charges; per call charges; and per minute charges). Please explain all assumptions and identify all documents used in responding to this interrogatory.

RESPONSE: The types and amounts of charges for N11 Service are detailed in Section A39 of the General Subscriber Services Tariff which is a matter of public record. Historical and current pages from Section A39 of the Florida General Subscriber Service Tariff reflecting the types and amounts of charges paid by N11 subscribers in each tier since the service was implemented in 1992 are provided in response to Item No. 4 of PBN's 1st Request for Production of Documents.

BellSouth objects to a portion of this interrogatory on the grounds that some of the requested information is not relevant, and therefore, not calculated to produce admissible evidence in this proceeding. The requested information for markets outside the state of Florida is not relevant to this proceeding. This objection notwithstanding,, the requested information is a matter of public record.

General Attorney

INFORMATION PROVIDED BY: Sandy E. Sanders
Manager
29H62 BellSouth Center
Atlanta, Georgia 30375

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 7
Page 1 of 1

REQUEST: Please provide the rationale for each type of charge identified in response to Interrogatory No. 6, including the type and amount of each specific BellSouth cost that each charge is designed to recover. Please explain all assumptions and identify all documents used in responding to this interrogatory.

RESPONSE: The types of charges paid by N11 subscribers were identified based on functions required to provide the service. The types of charges were initially priced based on market considerations at appropriate contribution levels. BellSouth's accounting system does not track N11 costs on a recurring/ongoing basis.

INFORMATION PROVIDED BY: Sandy E. Sanders
Manager
675 West Peachtree St., NE
Atlanta, Georgia 30375

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 8
Page 1 of 1

REQUEST: Please provide the rationale for the amount or level of each type of charge identified in response to Interrogatory No. 6, including all assumptions used to determine the original and current amount or level of each charge. Please explain all assumptions and identify all documents used in responding to this interrogatory.

RESPONSE: See response to Item No. 7.

INFORMATION PROVIDED BY: Sandy E. Sanders
Manager
29H62 BellSouth Center
Atlanta, Georgia 30375

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 9
Page 1 of 2

REQUEST: For each state in the BellSouth region, please provide the billing and collection revenues generated from N11 calls in each tier for each of the years 1992-1996. Please explain all assumptions and identify all documents used in responding to this interrogatory.

RESPONSE: Information is provided for Florida only for the period from January, 1995 through July, 1996. This represents the amounts billed to the vendors by BellSouth as documented in the Billing and Collection Service (A37) Tariff. The amounts shown include the .04 per bill print line as well as the one-time Billing Service Establishment Fee of $3,000.00. This information was obtained from the individual settlement statements (MP-6260) created by N11 entity each month.

BILLING AND COLLECTION CHARGES

Month	Tier 1	Tier 2	Tier 3	Tier 4
January, 1995	0.00	630.48	3,009.04	3,000.00
February, 1995	0.00	6,811.20	48.24	2.88
March, 1995	0.00	3,808.72	133.44	10.96
April, 1995	0.00	915.521	140.72	14.16
May, 1995	6,000.00	3,745.52	102.32	9.52
June, 1995	54.48	731.12	94.72	6.80
July, 1995	3,167.60	309.92	47.12	2.88
August, 1995	363.57	104.70	0.00	0.00
September, 1995	5.92	2.00	0.00	0.00
October, 1995	346.80	3,002.72	0.00	0.00
November, 1995	2.20	.40	0.00	3,000.00
December, 1995	1.28	6,000.00	3,000.00	0.00
January, 1996	2.48	134.98	0.00	0.00
February, 1996	61[illegible].32	1,506.12	123.48	3.92
March, 1996	3,756.88	1,596.24	188.84	5.12
April, 1996	313.68	1,145.16	185.72	5.44
May, 1996	314.96	1,104.84	157.64	6.40
June, 1996	264.32	1,251.92	146.64	7.92
July, 1996	0.00	1,087.76	171.80	5.92

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 9
Page 2 of 2

BellSouth objects to a portion of this interrogatory on the grounds that some of the requested information is not relevant, and therefore, not calculated to produce admissible evidence in this proceeding. The requested information for markets outside the state of Florida is not relevant to this proceeding.

General Attorney

INFORMATION PROVIDED BY: Jackie Spann
Specialist
8 West - 600 N. 19th Street
Birmingham, Alabama 35203

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 10
Page 1 of 1

REQUEST: For each state in the BellSouth region, please provide the average duration of N11 calls placed in each tier for each of the years 1992 through 1996. Indicate whether each response includes only those calls billed by BellSouth, or whether it also includes calls of short duration that were not billed. Please explain all assumptions and identify all documents used in responding to this interrogatory.

RESPONSE: Information is provided for Florida only for the latest 6 month period. This information was obtained from a mainframe output report created in job QA02P57. This report is retained by BellSouth for 6 months.

Average duration of N11 Calls (Includes calls of short duration that were not billed)

MINUTES

Month	Tier 1	Tier 2	Tier 3	Tier 4
February, 1996	.83	.61	.53	.44
March, 1996	.87	.63	.54	.65
April, 1996	.79	.63	.54	.49
May, 1996	.72	.59	.55	.61
June, 1996	.76	.57	.53	.00
July, 1996	.68	.53	.48	.95

BellSouth objects to a portion of this interrogatory on the grounds that some of the requested information is not relevant, and therefore, not calculated to produce admissible evidence in this proceeding. The requested information for markets outside the state of Florida is not relevant to this proceeding.

General Attorney

INFORMATION PROVIDED BY: Jackie Spann
Specialist
8 West - 600 N. 19th Street
Birmingham, Alabama 35203

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 11
Page 1 of 2

REQUEST: For each state in the BellSouth region, please provide the total BellSouth revenues generated from N11 service in each tier for each of the years 1992 - 1996. Please explain all assumptions used in responding to this interrogatory.

RESPONSE: Information is provided for Florida only for the latest 6 month period. These revenues were developed from customer specific files in addition to sources utilized to respond to #'s 9, 12, 13, and 14.

Month	Tier 1	Tier 2	Tier 3	Tier 4
January, 1995	3214.28	9371.34	3533.96	3450.00
February, 1995	6394.21	18793.42	291.44	57.78
March, 1995	6758.62	15384.54	665.06	92.24
April, 1995	10621.22	12942.38	760.54	121.30
May, 1995	18307.96	17510.10	600.58	104.24
June, 1995	12985.86	19855.72	587.04	89.80
July, 1995	23445.46	26262.37	1387.24	252.26
August, 1995	21522.40	14083.26	893.00	146.50
September, 1995	21360.66	11302.76	542.80	77.10
October, 1995	17038.76	23575.54	1094.00	146.50
November, 1995	23143.24	13998.46	1121.50	3604.88
December, 1995	23422.36	19774.06	4604.38	183.38
January, 1996	23274.54	13836.06	1616.68	184.84
February, 1996	24598.96	17098.24	2252.48	191.26
March, 1996	24616.56	16224.94	2306.60	112.80
April, 1996	14173.86	12671.42	1596.44	147.38
May, 1996	14176.42	12581.68	1540.28	211.76
June, 1996	14075.14	14894.22	1518.28	190.84
July, 1996	6946.50	8482.98	1568.60	186.84

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 11
Page 2 of 2

BellSouth objects to a portion of this interrogatory on the grounds that some of the requested information is not relevant, and therefore, not calculated to produce admissible evidence in this proceeding. The requested information for markets outside the state of Florida is not relevant to this proceeding.

General Attorney

INFORMATION PROVIDED BY: Dave Szczuka
Project Manager
E5G1 -1 - 3535 Colonnade Parkway
Birmingham, Alabama 35243

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 12
Page 1 of 2

REQUEST: For each state in the BellSouth region, please provide the amount of BellSouth N11 revenues generated by the minimum monthly bill in each tier for each of the years 1992-1996. Please explain all assumptions and identify all documents used in responding to this interrogatory.

RESPONSE: Information is provided for Florida only for the period from January, 1995 through July, 1996. This information was obtained from the individual settlement statements (MP-6260) created by N11 entity each month.

MINIMUM MONTHLY USAGE ADJUSTMENT

Month	Tier 1	Tier 2	Tier 3	Tier 4
January, 1995	0.00	787.88	0.00	0.00
February, 1995	3,522.54	2,064.62	0.00	0.00
March, 1995	3,687.74	2,057.96	0.00	0.00
April, 1995	2,968.94	1,414.68	0.00	0.00
May, 1995	2,608.52	3,255.40	0.00	0.00
June, 1995	2,177.94	5,551.68	0.00	0.00
July, 1995	8,373.32	14,963.36	867.04	167.10
August, 1995	4,108.20	1,959.58	390.18	63.76
September, 1995	8,426.42	619.40	69.40	0.00
October, 1995	6,197.86	11,506.28	703.90	70.18
November, 1995	12,389.28	7,586.90	689.52	72.82
December, 1995	12,674.26	6,426.88	595.88	65.34
January, 1996	12,678.64	7,256.62	659.96	72.52
February, 1996	12,901.10	6,273.52	604.26	83.06
March, 1996	12,759.64	6,694.38	470.86	0.00
April, 1996	9,793.10	6,024.20	434.68	0.00
May, 1996	9,305.32	6,038.06	503.04	69.86
June, 1996	9,367.04	7,419.16	532.40	73.42
July, 1996	3,091.22	1,317.50	472.56	79.82

BellSouth objects to a portion of this interrogatory on the grounds that some of the requested information is not relevant, and therefore, not calculated to produce admissible evidence in this proceeding. The requested information for markets outside the state of Florida is not relevant to this proceeding.

General Attorney

INFORMATION PROVIDED BY: Jackie Spann
Specialist
8 West - 600 N. 19th Street
Birmingham, Alabama 35203

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 13
Page 1 of 2

REQUEST: For each state in the BellSouth region, please provide the amount of BellSouth N11 revenues generated by per minute charge (over and above the minimum monthly bill) in each tier for each of the years 1992-1996. Please explain all assumptions and identify all documents used in responding to this interrogatory.

RESPONSE: Information is provided for Florida only for the period from January, 1995 through July, 1996. This information was obtained from the individual settlement statements (MP-6260) created by N11 entity each month.

MONTHLY USAGE CHARGE *(per minute charge)*

Month	Tier 1	Tier 2	Tier 3	Tier 4
January, 1995	2,221.28	6,733.00	19.38	0.00
February, 1995	2,685.67	8,470.40	101.96	5.52
March, 1995	2,884.88	8,476.64	305.18	23.82
April, 1995	7,466.28	9,464.16	386.10	46.48
May, 1995	9,513.44	8,981.16	302.94	38.70
June, 1995	10,512.96	12,562.80	304.60	29.70
July, 1995	11,550.94	10,400.17	332.96	32.90
August, 1995	16,501.06	11,635.28	409.82	36.24
September, 1995	12,736.40	10,400.36	380.40	30.60
October, 1995	10,294.42	8,784.82	297.10	29.82
November, 1995	10,460.06	5,999.76	310.48	35.56
December, 1995	10,302.54	5,586.18	408.50	43.04
January, 1996	10,290.94	5,166.48	731.72	37.32
February, 1996	10,165.22	6,622.98	1,176.26	25.36
March, 1996	7,043.16	5,552.08	1,233.06	27.56
April, 1996	3,406.90	3,570.90	565.32	61.50
May, 1996	3,894.68	3,547.94	496.96	54.10
June, 1996	3,832.96	4,185.22	467.60	26.58
July, 1996	3,508.78	4,203.96	527.44	20.18

BellSouth objects to a portion of this interrogatory on the grounds that some of the requested information is not relevant, and therefore, not calculated to produce admissible evidence in this proceeding. The requested information for markets outside the state of Florida is not relevant to this proceeding.

General Attorney

INFORMATION PROVIDED BY: Jackie Spann
Specialist
8 West - 600 N. 19th Street
Birmingham, Alabama 35203

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 14
Page 1 of 2

REQUEST: For each state in the BellSouth region, please provide the amount of BellSouth N11 revenues generated by line charges in each tier for each of the years 19921996. Please explain all assumptions and identify all documents used in responding to this interrogatory.

RESPONSE: Information is provided for Florida only for the period from January, 1995 through July, 1996. This represents the amounts billed to the vendors by BellSouth as documented in the Billing and Collection Service (A37) Tariff. The amounts shown include the .04 per bill print line and does not include the one-time Billing Service Establishment Fee of $3,000.00. This information was obtained from the individual settlement statements (MP-6260) created by N11 entity each month.

BILL PRINT LINE CHARGES

Month	Tier 1	Tier 2	Tier 3	Tier 4
January, 1995	0.00	630.48	9.04	0.00
February, 1995	0.00	811.20	48.24	2.88
March, 1995	0.00	808.72	133.44	10.96
April, 1995	0.00	915.52	140.72	14.16
May, 1995	0.00	745.52	102.32	9.52
June, 1995	54.48	731.12	94.72	6.80
July, 1995	167.60	309.92	47.12	2.88
August, 1995	363.57	104.70	0.00	0.00
September, 1995	5.92	2.00	0.00	0.00
October, 1995	13.68	2.72	0.00	0.00
November, 1995	2.20	.40	0.00	0.00
December, 1995	1.28	0.00	0.00	0.00
January, 1996	2.48	134.98	0.00	0.00
February, 1996	616.32	1,506.12	123.48	3.92
March, 1996	756.88	1,596.24	188.84	5.12
April, 1996	313.68	1,145.16	185.72	5.44
May, 1996	314.96	1,104.84	157.64	6.40
June, 1996	264.32	1,251.92	146.64	7.92
July, 1996	0.00	1,087.76	171.80	5.92

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 14
Page 1 of 2

BellSouth objects to a portion of this interrogatory on the grounds that some of the requested information is not relevant, and therefore, not calculated to produce admissible evidence in this proceeding. The requested information for markets outside the state of Florida is not relevant to this proceeding.

General Attorney

INFORMATION PROVIDED BY: Jackie Spann
Specialist
8 West - 600 N. 19th Street
Birmingham, Alabama 35203

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 15
Page 1 of 1

REQUEST: For each state in the BellSouth region, please provide the total cost of providing N11 service in each tier for each of the years 1992 - 1996. If a response includes billing and collection costs, please identify, this amount separately. Please explain all assumptions and identify all documents used in responding to this interrogatory.

RESPONSE: BellSouth does not have any cost studies that are responsive to this request. BellSouth has no N11 studies that capture the historical costs as requested. Costs and revenues are not captured on N11 at this level of detail. The N11 cost studies that are available are provided in BellSouth's response to Items No. 5 and No. 15 of PBN's 1st Request for Production of Documents.

BellSouth objects to a portion of this interrogatory on the grounds that some of the requested information is not relevant, and therefore, not calculated to produce admissible evidence in this proceeding. The requested information for markets outside the state of Florida is not relevant to this proceeding.

General Attorney

INFORMATION PROVIDED BY: Dave Szczuka
Project Manager
E5G1 -1 - 3535 Colonnade Parkway
Birmingham, Alabama 35243

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 16
Page 1 of 1

REQUEST: For each state in the BellSouth region, please provide the average cost per completed call (excluding calls of short duration that were not billed) in each tier for each of the years 1992 - 1996. If a response includes billing, and collection costs, please identify this amount separately. Please explain all assumptions and identify all documents used in responding to this interrogatory.

RESPONSE: See response to Item No. 15.

BellSouth objects to a portion of this interrogatory on the grounds that some of the requested information is not relevant, and therefore, not calculated to produce admissible evidence in this proceeding. The requested information for markets outside the state of Florida is not relevant to this proceeding.

General Attorney

INFORMATION PROVIDED BY: Dave Szczuka
Project Manager
E5G1 -1 - 3535 Colonnade Parkway
Birmingham, Alabama 35243

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 17
Page 1 of 1

REQUEST: Please identify all projections, cost studies, or the like developed by or on behalf of BellSouth regarding usage of N11 or other abbreviated dialing services.

RESPONSE: BellSouth developed a 1992 N11 cost study that quantifies incremental cost associated with usage of N11 Service in Florida.

INFORMATION PROVIDED BY: Reginald E. Starks
Director
675 W. Peachtree Street, NE
Atlanta, Georgia 30375

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 18
Page 1 of 1

REQUEST: For each state in the BellSouth region, please identify each service for which BellSouth charges a flat rate.

RESPONSE: Each service for which BellSouth charges a flat rate is detailed in the General Subscriber Services Tariff, Private Line Tariff, or Access Tariff, all of which are a matter of public record.

BellSouth objects to a portion of this interrogatory on the grounds that some of the requested information is not relevant, and therefore, not calculated to produce admissible evidence in this proceeding. The requested information for markets outside the state of Florida is not relevant to this proceeding.

General Attorney

INFORMATION PROVIDED BY: Bob Ebinger
Manager
3535 Colonnade Parkway
Birmingham, AL 35243

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 19
Page 1 of 1

REQUEST: For each state in the BellSouth region, please identify each service for which BellSouth charges a flat rate plus a usage fee.

RESPONSE: Each service for which BellSouth charges a flat rate plus a usage fee is detailed in the General Subscriber Services Tariff, Private Line Tariff, or Access Tariff, all of which are a matter of public record.

BellSouth objects to a portion of this interrogatory on the grounds that some of the requested information is not relevant, and therefore, not calculated to produce admissible evidence in this proceeding. The requested information for markets outside the state of Florida is not relevant to this proceeding.

General Attorney

INFORMATION PROVIDED BY: Bob Ebinger
Manager
3535 Colonnade Parkway
Birmingham, AL 35243

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 20
Page 1 of 1

REQUEST: For each state in the BellSouth region, please identify each service for which BellSouth charges a minimum monthly fee plus a per minute charge (either as an override or in addition to the minimum).

RESPONSE: Each service for which BellSouth charges a minimum monthly fee plus a per minute charge is detailed in the General Subscriber Services Tariff, Private Line Tariff, or Access Tariff, all of which are a matter of public record.

BellSouth objects to a portion of this interrogatory on the grounds that some of the requested information is not relevant, and therefore, not calculated to produce admissible evidence in this proceeding. The requested information for markets outside the state of Florida is not relevant to this proceeding.

General Attorney

INFORMATION PROVIDED BY: Bob Ebinger
Manager
3535 Colonnade Parkway
Birmingham, AL 35243

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 21
Page 1 of 1

REQUEST: For each state in the BellSouth region, please describe and quantify any additional expense (other than setup charges) that BellSouth would expect to incur due to increased usage of N11 or other abbreviated dialing services. Please explain all assumptions and identify all documents used in responding to this interrogatory.

RESPONSE: As a result of increased usage of N11 or other abbreviated dialing services, BellSouth would incur additional cost associated with measurement equipment, trunking, and switching. The cost study cited in the response to Interrogatory Item No. 17 is the document used to respond to this interrogatory.

BellSouth objects to a portion of this interrogatory on the grounds that some of the requested information is not relevant, and therefore, not calculated to produce admissible evidence in this proceeding. The requested information for markets outside the state of Florida is not relevant to this proceeding.

General Attorney

INFORMATION PROVIDED BY: Reginald E. Starks
Director
675 W. Peachtree Street, NE
Atlanta, Georgia 30375

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 22
Page 1 of 1

REQUEST: Does BellSouth agree that incremental costing techniques are appropriate to develop or allocate costs for N11 or other abbreviated dialing services? If not, please identify costing techniques that BellSouth contends are more appropriate.

RESPONSE: BellSouth advocates Long Run Incremental Cost as the appropriate cost to establish a price floor for products or services in an environment in which BellSouth has pricing flexibility for those products or services.

INFORMATION PROVIDED BY: Frank Kolb
Director
3535 Colonnade Parkway
Birmingham, Alabama 35243

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 23
Page 1 of 1

REQUEST: Please identify the per minute charge that, coupled with current Florida minimum monthly fees, would be the lowest amount necessary to cover BellSouth's costs identified in response to Interrogatory No. 15. Please explain all assumptions and identify all documents used in responding to this interrogatory.

RESPONSE: Please see response to Item No. 15 of PBN's 1st Request for Production of Documents.

INFORMATION PROVIDED BY: Dave C. Szczuka
Project Manager
E5G1 - 3535 Colonnade Parkway
Birmingham, Alabama 35243

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 24
Page 1 of 1

REQUEST: What is the revenue effect of a change in current Florida per minute N11 charges to the amount identified in Interrogatory No. 23, assuming current monthly minimums remain in effect?

RESPONSE: See response to Item No. 23.

INFORMATION PROVIDED BY: Dave C. Szczuka
Project Manager
E5G1 - 3535 Colonnade Parkway
Birmingham, Alabama 35243

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 25
Page 1 of 1

REQUEST: What is the revenue effect of a reduction in current Florida per minute charge to $0.02 per minute, assuming current monthly minimums remain in effect? Please explain all assumptions and identify all documents used in responding to this interrogatory.

RESPONSE: The revenue effect in Florida of a reduction in N11 usage charges to $.02 per minute with the current monthly minimums in effect is estimated to be a reduction of approximately $71,800 of annual revenue. This estimate is based upon billing and usage data from February, 1996 through July, 1996. Usage and billing data associated with minimum monthly charges were excluded from these calculations. It was assumed that the average length of a non billable short duration call was 8 seconds during this period.

INFORMATION PROVIDED BY: Dave Szczuka
Project Manager
E5G1 - 3535 Colonnade Parkway
Birmingham, Alabama 35243

BellSouth Telecommunications, Inc.
Docket No. 920260-TL
PBN's First Set of Interrogatories
July 23, 1996
Item No. 26
Page 1 of 1

REQUEST: What is the revenue effect of a reduction in current Florida per minute charge to $0.01 per minute, assuming current monthly minimums remain in effect? Please explain all assumptions and identify all documents used in responding to this interrogatory.

RESPONSE: The revenue effect in Florida of a reduction in N11 usage charges to $0.01 per minute with the current monthly minimums in effect is estimated to be a reduction of approximately $99,500 of annual revenue. This estimate is based upon billing and usage data from February, 1996 through July, 1996. Usage and billing data associated with minimum monthly charges were excluded from these calculations. It was assumed that the average length of a non billable short duration call was 8 seconds during this period.

INFORMATION PROVIDED BY: Dave Szczuka
Project Manager
E5G1 - 3535 Colonnade Parkway
Birmingham, Alabama 35243

STATE OF GEORGIA

COUNTY OF FULTON

BEFORE ME, the undersigned authority, personally appeared Perry M. Eller, who being first duly sworn deposes and says:

That he occupies the position of Manager, Headquarters Regulatory and is the person who has furnished answers to these interrogatories No. 1 through No. 26 and further says that said answers are true and correct to the best of his knowledge and belief.

WITNESS my hand and seal this 22nd day of AUGUST, A.D., 1996.

Signature Perry M Eller

Notary Public

State of Georgia

My Commission Expires:

Notary Public, Gwinnett County, GA
My Commission Expires Feb. 18, 2000

CERTIFICATE OF SERVICE
Docket No. 920260-TL
Docket No. 900960-TL
Docket No. 910163-TL
Docket No. 910727-TL

I HEREBY CERTIFY that a copy of the foregoing has been furnished by United States Mail this 22nd day of August, 1996 to:

Robin Norton
Division of Communications
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Martha Brown
Division of Legal Services
Florida Public Svc. Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Grandoff & Reeves
117 South Gadsden Street
Tallahassee, FL 32301
atty for FIXCA

Kenneth A. Hoffman
Messer, Vickers, Caparello,
Madsen, Lewis & Metz, PA
Post Office Box 1876
Tallahassee, FL 32302
atty for FPTA

Michael W. Tye
AT&T Communications of the
Southern States, Inc.
101 N. Monroe Street
Suite 200
Tallahassee, Florida 32301

Dan B. Hendrickson
Post Office Box 1201
Tallahassee, FL 32302
atty for FCAN

Charles J. Beck
Deputy Public Counsel
Office of the Public Counsel
111 W. Madison Street
Room 812
Tallahassee, FL 32399-1400

Michael J. Henry
MCI Telecommunications Corp.
780 Johnson Ferry Road
Suite 700
Atlanta, Georgia 30342

Richard D. Melson
Hopping Boyd Green & Sams
Post Office Box 6526
Tallahassee, Florida 32314
atty for MCI

Rick Wright
Regulatory Analyst
Division of Audit and Finance
Florida Public Svc. Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Laura L. Wilson, Esq.
Florida Cable
Telecommunications Assn., Inc.
310 North Monroe Street
Tallahassee, FL 32301
atty for FCTA

Benjamin W. Fincher
Sprint Communications Co.
Limited Partnership
3100 Cumberland Circle, #802
Atlanta, GA 30339

Benjamin H. Dickens, Jr.
Blooston, Mordkofsky,
Jackson & Dickens
2120 L Street, N.W.
Washington, DC 20037
Atty for Fla Ad Hoc

C. Everett Boyd, Jr.
Ervin, Varn, Jacobs, Odom
& Ervin
305 South Gadsen Street
Post Office Drawer 1170
Tallahassee, Florida 32302
atty for Sprint

Angela Green
Florida Public
Telecommunications Assn., Inc.
125 South Gadsden Street
Suite 200
Tallahassee, FL 32301

Monte Belote
Florida Consumer Action Network
4100 W. Kennedy Blvd., #128
Tampa, FL 33609

Joseph Gillan
J.P. Gillan & Associates
P.O. Box 541038
Orlando, FL 32854-1038

Mark Richard
Attorney for CWA
Locals 3121, 3122, and 3107
304 Palermo Avenue
Coral Gables, FL 33134

Marsha E. Rule
Wiggins & Villacorta P.A.
501 East Tennessee St.
Suite B
P.O. Drawer 1657
Tallahassee, FL 32302

Marilyn Lenard
Council of Florida AFL-CIO
135 S. Monroe Street
Tallahassee, FL 32301

David Larimer
P.O. Box 419000
Melbourne, FL 32941

Michael Gross
Department of Legal Affairs
The Capitol, PL-01
Tallahassee, FL 32399

Mr. Douglas S. Metcalf
Communications Consultants,
Inc.
631 S. Orlando Ave., Suite 450
P. O. Box 1148
Winter Park, FL 32790-1148

Mr. Cecil O. Simpson, Jr.
Mr. Peter Q. Nyce, Jr.
Department of the Army
901 North Stuart Street, #400
Arlington, VA 22203

Mr. Michael Fannon
Cellular One
2735 Capital Circle, NE
Tallahassee, FL 32308

Floyd R. Self, Esq.
Messer, Vickers, Caparello,
Madsen, Lewis, Goldman & Metz
Post Office Box 1876
Tallahassee, FL 32302-1876
Attys for McCaw Cellular

Stan Greer
Division of Communications
Florida Public Svc. Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Patricia Kurlin
Intermedia Communications Inc.
9280 Bay Plaza Boulevard, #720
Tampa, FL 33619

Susan Weinstock
Department of State Legislation
601 E. Street, NW
Washington, DC 20049

Mark Logan
201 S. Monroe Street, #500
Tallahassee, FL 32301

Dan Shorter
P.O. Box 24700
West Palm Beach, FL 33416

Robin Dunson
1200 Peachtree Street
Promenade I, Room 4038
Atlanta, GA 30309

William H. Higgins, Esq.
AT&T Wireless Services of
Florida, Inc.
250 S. Australian Avenue
W. Palm Beach, FL 33401

by Ad Hoc
Spon (Metcalf)

Ad Hoc Committee
Docket No. 920260-TL
Witness: Metcalf
Exhibit No. 19 (DSM-1)

SUNCOM Network User Distribution*

Date	ESSX/ Centrex	PBX	Total	% ESSX/ Centrex
DEC '86	41	412	453	9.1%
JUN '90	151	409	560	27.0%
JUN '95	276	350	626	44.1%
OCT '96	306	330	636	48.1%

*Information provided by Winston E. Pierce on October 30, 1996 re PBX/ESSX system distribution within DMS's SUNCOM Network in Florida.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TL EXHIBIT NO. 19
COMPANY/ WITNESS: Metcalf
DATE: 10/30/96

VITA

James Walter Freeman
College of Business and Economics
University of Kentucky
Lexington, Kentucky 40506-0034
(606)257-4920

DATE OF BIRTH

July 16, 1950

EDUCATION

L.L.M.	Harvard Law School, 1978
J.D.	University of South Carolina, 1976
M.A.	University of South Carolina, 1982 (Economics)
B.S.E.	Wharton School, University of Pennsylvania, 1971

PRINCIPAL AREAS OF INTEREST

Transportation, Telecommunications, Water and Sewer, Electric, and Natural Gas Regulation and Policy, Coal Economics, Health Care

Primarily involved with public policy issues of how to move from a regulated to a deregulated environment. Specific projects have involved:

1) Impacts of transportation deregulation on small or isolated users;

2) The promotion of telecommunications competition involving radio common carriers, operator services, coin operated telephones, resellers, and other common carriers.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TL EXHIBIT NO. 26
COMPANY/
WITNESS:
DATE: 10/30/96

3) Appropriate regulatory schemes for cable television;

4) Legal issues involving access to satellite facilities;

5) The relationship between state and federal regulation of telecommunications

6) Issues of Rate Structure and Economic Efficiency

AREAS OF RESEARCH INTEREST AND TEACHING COMPETENCE

Regulated Industries

Business and Commercial Law

Employment Discrimination

Business Ethics

Business and Government Relations

Securities and Finance

Real Estate

Coal Industry Economics

ACADEMIC APPOINTMENTS AND OTHER RELEVANT EMPLOYMENT

Associate Professor, Department of Management and Department of Finance, College of Business and Economics, University of Kentucky, July 1984 to present

Assistant Professor, Department of Management, College of Business and Economics, University of Kentucky, August 1980 - June 1984

Faculty, Transportation Law Institute, University of Denver College of Law, Summer 1981, 1982

Attorney, Troutman, Sanders, Lockerman and Ashmore, Atlanta, Georgia, May 1978 to August 1980

Director of Research, Columbia (SC) Economic Development Commission,

March 1972 to December 1972

BAR ADMISSIONS

South Carolina, 1976

Georgia, 1978

Interstate Commerce Commission, 1978

United States Supreme Court and various Federal Circuit Courts, 1979

CONSULTANCIES

Texas Industrial Traffic League, 1981 to present

Research for and implementation of program designed to encourage transportation deregulation in Texas

Texas Association to Improve Distribution, 1982 to present

Research concerning motor carrier policy in Texas

Railroad Commission of Texas, 1981

Research concerning transportation deregulation in Florida and Arizona

Richmond (KY) Utilities Board, 1983

Legal analysis of natural gas supply contract

Berwind Corporation

Legal analysis of railroad unit train dispute

Warner Cable Television, 1976

Feasibility studies in Louisiana and South Carolina

Several Kentucky Counties, 1983

Economic analysis of proposed telephone rate increases

Various Law Firms

Jury selection in major litigation

State of Utah, 1983 - 1984

Study of trucking regulation

State of Arizona, 1982

Pre-deregulation survey of attitudes concerning motor carrier deregulation

State of Arizona, 1983

Study of the effects of a new weight-and-distance tax on Arizona business

State of Arizona, 1983

Study of the effects of transportation deregulation on Arizona business
Ohio Radio Common Carriers, 1983

Analysis of effects of ATT antitrust action on their business

Various Law Firms, 1984

Analysis of competition in coin telephone market

Kentucky Attorney - General, 1985 to present

Consumer intervention in public utility rate cases

Central Corporation

Analysis of alternative operator services in various states

Various Hospitals, 1984-85

Developing methods for improving profitability based on changes in telecommunications regulatory policy

U.S. Equal Employment Opportunity Commission and others, 1983-present

Analysis of possible sex, race, and age discrimination complaints and estimate of lost earnings resulting from disparate treatment or impact

GRANTS AND CONTRACTS

University of Kentucky Graduate School, 1981

$3,000 to begin development of research program in transportation regulation

University of Kentucky Research Foundation, 1981

$2,200 to study trucking in Florida

University of Kentucky Research Foundation, 1982

$1,200 to study trucking in Arizona

U.S. Department of Transportation, 1982 - 84

$55,000 to study trucking deregulation in Florida and Arizona

U.S. Department of Transportation, 1983 - 85

$140,000 to conduct a study of the effects of motor carrier deregulation on rate levels in Florida and Arizona

U.S. Department of Agriculture and other agencies, 1988 - 93

Funding level is still under discussion for S-182, Transportation of Southern Perishables, a study involving nine universities and authorized for five years, with a five year renewal probable

IBM Summer Grant Program, 1985

$3000 to study the interstate bus industry

University of Kentucky Research Foundation, 1987

$1,800 to study long-term contracting

Small Business Administration, 1988 - 89

$70,000 to study impacts of economic deregulation on small business

EXPERT TESTIMONY

Before Federal Motor Carrier Ratemaking Study Commission and U.S. Congress concerning Motor Carrier Act of 1980 (April 1982)

Before the Nevada legislature concerning motor carrier deregulation (1983)

Before the Council of Economic Advisers (Washington, D.C.) concerning motor carrier deregulation (1983)

Before Kentucky Public Service Commission concerning coin telephones (1984)

Before the United States Department of Transportation concerning motor carrier deregulation (1983)

Before Arizona Department of Transportation concerning motor carrier deregulation (1983)

Before Kentucky Alcoholic Beverage Control Board concerning economic growth in Marion County (1984 and 1985)

Before Texas Legislature and Texas Sunset Review Commission concerning Texas Railroad Commission (1982 and 1983)

Before Kentucky Public Service Commission concerning Cincinnati Bell, Inc. (1983)

Before Utah legislature concerning motor carriage (1984)

Before Kentucky Public Service Commission concerning General Telephone (1983)

Before Florida Public Service Commission concerning coin telephones (1984)

Before Kentucky Public Service Commission concerning South Central Bell (1983)

Before Texas Association of Business concerning changes in Texas law with respect to motor carriers (1983)

Before Kansas Corporation Commission concerning coin telephones (1984)

Before South Carolina Public Service Commission concerning telecommunications policy (1985)

Before Kentucky Public Service Commission in Administrative Case No. 297, which concerns regulation of natural gas activities (1986 and 1987)

Before Kentucky Public Service Commission in Columbia Gas rate case (1986)

Before Kentucky Public Service Commission in Western Kentucky Gas rate cases (1986)

Before Florida Public Service Commission in Withlacoochee REC CIAC case (1986)

Before the Mississippi Public Service Commission for Central Corporation (alternative operator services)

Before the North Carolina Public Service Commission for Central Corporation

Before the Public Service Commission of Nevada for Central Corporation

Before the Public Service Commission of Indiana for Central Corporation

Before the Florida Public Service Commission and Florida Division of Administrative Hearings for Central Corporation

Before the Massachussetts Department of Public Utilities for Central Corporation

Before the Kentucky Public Service Commission for Central Corporation

Before the Tennessee Public Service Commission for Central Corporation

Before the Kentucky Public Service Commission in a Columbia Gas of Kentucky rate case (1988)

Before the Florida Public Service Commission concerning water rates and rate structure involving Marco Island Water Company (1988)

Before the Florida Public Service Commission in Withlacoochee REC CIAC and rate structure (1988)

Before U. S. District Court (E.D. KY) concerning an age discrimination case against U.S. Steel (1989)

Before the Kentucky Public Service Commission concerning the rate structure of Kentucky-American Water Company (1989)

Before the Kentucky Public Service Commission concerning the rates of Goshen Utilities, Inc. (1990)

Before the Kentucky Public Service Commission concerning Columbia Gas of Kentucky (1991)

SCHOLARLY JOURNAL ARTICLES

"Excess Demand and Cost Relationships Among Kentucky Nursing Homes," Health Care Financing Review (with M. Davis), 15 (3), 1-15 (1994)

"A Comparison of the Performance of Large and Small U.S. Motor Carriers Before and After Regulatory Reform," JOURNAL OF TRANSPORTATION MANAGEMENT (with R. Beilock and J. Jones), V, 1, 1-18 (1994)

"Broadening Participation in Regulated Freight, TRANSPORTATION JOURNAL (with R. Beilock), 20, 4, 23-35 (1991)

"Backhaul Movements of Produce Haulers in the 1980s" JOURNAL OF TRANSPORTATION RESEARCH (with R. Beilock), 41, 2, 425-432 (1992)

"Easing Rules Aid Truck Efficiency" JOURNAL OF COMMERCE, March 15, 1990, p. 8. (op/ed piece)

"Natural Gas Rate Structure Determination in a Mandatory Carriage Environment: An Application of Option Pricing Theory" (with J. Born), National Regulatory Research Institute, Vol. 1, pp. 285-302 (1988).

"The Effect of Motor Carrier Deregulation on Rate Levels and Rate Structures" (with R. Beilock), accepted by Journal of Transport Economics and Policy, Vol. 27, pp. 167-188 (May 1987)

"The Ties That Bind: Railroads, Coal, Utilities, the ICC and the Public Interest," Transportation Law Journal, Vol. 14, No. 1, pp. 1-38 (1985) (lead article) (reprinted in Public Utilities Law Anthology, Vol. VIII and honored as one of the ten best administrative law review articles for 1985)

"A Survey of Motor Carrier Deregulation in Florida," Vol. 50, No. 1, Interstate Commerce Commission Practitioners Journal, pp. 51-83 (November/December, 1982)

"Carrier and Shipper Perceptions of Deregulation in Florida," Transportation Research Forum, Vol. 23, No. 1, pp. 250-257 (1982) (with R. Beilock)

"Florida Motor Carrier Deregulation: Urban and Rural Perspectives," American Journal of Agricultural Economics, Vol. 66, No. 1, 91-98 (February 1984) (with R. Beilock)

"Motor Carrier Service to Rural and Agricultural Shipper/Receivers in Regulated and Unregulated Environments," American Journal of Agricultural Economics, Vol. 66, No. 5, pp. 657-662, (December 1984) (with S. Fuller and R. Beilock)

"Coal Transportation Policy and the ICC," Transportation Research Forum", Vol. 26, No. 1, pp. 96-99 (1985)

"State Regulatory Responses to Federal Transportation Regulation," University of Florida Law Review, Vol. 35, No. 1, pp. 56-79 (Winter 1983) (with R. Beilock)

"The Effects of Motor Carrier Regulatory Reform on the Use of Private Carriage," Defense Transportation Journal, 39, 2 (April 1983): 25-27 (with R. Beilock)

"Motor Carrier Deregulation in Florida: Shipper/Receiver and Carrier Perspectives," Growth and Change, Vol. 14, No. 2 (April 1983), pp. 30-41 (with R. Beilock)

"Motor Carrier Operating Rights Applications: How Do I Lose Thee?",

Transportation Law Journal, Vol. 11, No. 1, pp. 1-64, (1980) (with R. Gerson) (lead article)

"State Response to Federal Motor Carrier Regulatory Reforms: Efficiency and Effectiveness Implications," Defense Transportation Journal, 39, 4(August 1983), 15-19 (with R. Beilock)

"Motor Carrier Deregulation: Implications of Florida's Experience for Northeast Agriculture and Rural Communities," Journal of Northeast Agricultural Economics Council, Vol. 12, No. 1 (Spring 1983), pp. 13-20 (with R. Beilock)

"Impacts of the Arizona Motor Carrier Weight-Distance Tax," Transportation Research Forum, Vol. 25, No. 1, pp. 362-369 (1984) (with R. Beilock)

"The Agricultural Truck Brokers' Perspective of Florida's Motor Carrier Deregulation," Journal of the Food Distribution Research Society, 13, 3(1982): 10-14 (with R. Beilock)

"Interstate Motor Carrier Regulation, Regulators, and the Regulated," Interstate Commerce Commission Practitioners Journal, Vol. 51, No. 3 (March/April 1984), pp. 275-85 (with R. Beilock)

"Deregulated Motor Carrier Service to Small Communities," Transportation Journal, Vol. 23, No. 4, pp. 71-82 (1984) (with R. Beilock)

INVITED BOOK CHAPTERS

"Motor Carrier Deregulation in Florida: A Preliminary Analysis," 1981 Transportation Law Institute, A Practice Primer for the Eighties, pp. 133-166. Butterworth Legal Publishers (Seattle 1982)

"Business Organization and Securities Regulation," McAdams, Legal Environment of Business, Chapter 8, pp. 471-527 (BPI, 1986)

"An Analysis of Arizona and Florida Motor Carrier Deregulation and the Implications for Regulatory Change," 1982 Transportation Law Institute, pp. 12-44, Butterworth Legal Publishers (Seattle 1983) (with R. Beilock)

PROCEEDINGS PAPERS AND GOVERNMENT PUBLICATIONS

"Variation in Producer Responses to Automobile Fuel Economy Mandates," Transportation Research Forum (1994) (with B. Shaffer)

"Trucking Deregulation's Impact on Agriculture," Transportation Research Forum, 1992.

"The Financial Impact of Deregulation on Trucking," Transportation Research Forum (1991) (with R. Bielock)

"Financial Impact of Deregulation on Small Motor Carriers," Symposium on Small Business Finance, Florida State University (1991) (with R. Bielock)

"Backhaul Produce Movements," Transportation Research Forum (1990) (with R. Bielock)

"Deregulation in the Motor Carrier Industry" - Transportation Research Board, Washington, D.C. (1990)

"Surface and Air Passenger Travel", PROCEEDINGS OF TRANSPORTATION RESEARCH FORUM, Vol. 4, pp. 58-59. (1990)

"Deregulation, Mergers, and Misrouting of Freight," Selected Papers of the American Business Law Association National Proceedings, 1986

"Coal Transportation and the ICC," ABLA National Proceedings, 1985

"The Impact of Motor Carrier Deregulation on Freight Rates in Florida and Arizona," DOT/OST/P-34/85/026, U.S. Department of Transportation, April 1985

"The Effects of Florida Motor Carrier Deregulation on Agricultural Transport: The Truck Broker's Perspective," American Journal of Agricultural Economics, 64, 5 [1982]: 1081 (abstract) (with R. Beilock)

"Federal Antitrust Policy: An Instrument for Change," Selected Papers of the American Business Law Association National Proceedings, 1982, pp. 135-155 (with Hotelling, et al.)

"Florida Motor Carrier Deregulation: Perspectives of Urban and Rural Shippers/Receivers," accepted by Southern Journal of Agricultural Economics (abstract) (with R. Beilock)

"A Comparative Analysis of the Effects of Motor Carrier Deregulation on Shippers and Receivers of Freight in Selected Countries." Anglo-American Law Conference, Edinburgh, 1984 (with R. Beilock)

"Findings of Pre-Deregulation Survey of Motor Carriers and Shippers in Arizona," Arizona Department of Transportation, January 1983

"A First Look at Arizona Motor Carrier Deregulation," United States Department of Transportation Research Conference on Regulatory Reform in Surface Transportation, Syracuse University, March 16-18, 1983, pp. 13-34 (published by U.S.D.O.T.) (with R. Beilock)

"Worm Grunting: The Need for an Expanded Federal Role," Selected Papers of the American Business Law Association National Proceedings, 1983

"Initial Impacts of Motor Deregulation in Arizona," Arizona Department of Transportation, 1983 (with R. Beilock)

"The Effects of Motor Carrier Deregulation in Florida and Arizona on Motor Carrier Service in Florida and Arizona, DOT/OST/P-30/85/006," United States Department of Transportation, May 1984, 128 pp. (with R. Beilock)

"Motor Carrier Deregulation and Tax Issues in Arizona," Arizona Department of Transportation, 1984 (with R. Beilock)

"Motor Carrier Deregulation and Rate Levels," American Economic Association Conference, New York, 1985 (with R. Beilock)

OTHER PUBLICATIONS

"Motor Carriers and Intrastate Motor Carrier Regulation," Staff Paper No. 212, Institute of Food and Agricultural Sciences, University of Florida, July 1982 (with R. Beilock)

An Analysis of Motor Carrier Regulation in Florida," The Florida Outlook 6, 2(1982): 89-100 (with R. Beilock)

"Florida's Motor Carrier Deregulation: Performance and Implications for the State, Rural Areas, and Agricultural Transport," Florida Food and Resource Economics, No. 47, (July-August 1982) (with R. Beilock)

"Analysis of Motor Carrier Deregulation - What It Means to Shippers, Receivers, and Carriers," Thomas Registry, January 1983, pp. 15-16 (with R. Beilock)

WORK IN PROGRESS

Book on transportation deregulation

A law review article on federal pre-emption of state regulation of telecommunications

Study of the effects of transportation deregulation on coal shippers

Study of natural gas rate regulation

Study of long-term contracting procedures for major corporations

Study on nursing home cost issues

UNIVERSITY RELATED PUBLIC SERVICE ACTIVITIES

Member, University Senate, 1981-1983, 1986-1990

Chairman, J.D./M.B.A. Joint Degree Committee, 1981 to present

Member, Management Department Undergraduate Studies Committee, 1986 to present

Member, Management Board of Growth and Change, 1984 to present

Faculty Adviser, Phi Beta Lambda Business Honorary, 1982 to 1986

Member, Ad Hoc Committee on Future of Business and Society and Business Law Areas, 1983

Member, Ad Hoc Committee on Teacher Evaluations, 1982-1983

Member, Curriculum Committee, 1982

Member, Library Committee, 1985 to present

Member, Graduate Faculty

Member, Human Investigations and Study Committee, 1983
Member, Planning Group for Ethics Seminar, 1983

Member, Eight Dissertation Committees in Accounting, three in Management, one in Education, one in Marketing, and one in Economics

Participant, U.K. Host Family Program

Member, Management Department Ad Hoc Planning Committee, 1984-85

Member, Business and Economics Scholarship Committee, 1986-Present

Management Center, performed fourteen seminars for General Electric on long term purchasing agreements, 1986 to present

Management Center, negotiating seminar for General Electric, 1990

Management Center, seminar on long term contracting for Chinese coal officials

Member, Law School Dean's Search Committee, 1988

Member, Committee Z, AAUP

Member, College Building Committee, 1988 to 1992

Member, Dean's Advisory Committee

Member, Ad Hoc Accounting Department Review Committee (1990-1991)

Member, AAUP Committee on Economic Welfare, 1989 to present

Member, Better Business Bureau Ethics and Education Committee, 1989 to present

Library Campaign, Fund Raiser (1991)

Kentucky Bar Association, Lecturer at Seminar on Employment Discrimination, 1990

Chair, Education Committee, Association of Transportation Practitioners, 1990 - present

Member, Strategic Planning Committee, ATP, 1992 - present

Management Center, Seminars on Employment Law (1990 to Present)

Participant, Kazakhstan Training Program (1992-1993) (training Kazakhstan Business School Professors in U.S. and in Almaty, Kazakhstan)

OTHER PROFESSIONAL ACTIVITIES AND HONORS

Member, American Bar Association

Member, State Bar of Georgia

Member, South Carolina Bar

Member, Interstate Commerce Commission Practitioners Association

Member, American Finance Association

Member, American Agricultural Economics Association

Member, American Economics Association

Member, American Business Law Association

Member, Transportation Research Forum

Member, Southern Regional Science Association

Member, Southeastern Business Law Association

Member, U.S.C. Law Review

Member, Omicron Delta Epsilon

Invited Speaker, Delta Nu Alpha (Phoenix, Arizona), January 1983

Invited Speaker, National Industrial Traffic League National Conference (Dallas, Texas), November 1988

Invited Speaker, Florida Bar Association, Administrative Law Conference (Tallahassee, Florida), January, 1987

Invited Speaker, ICC Practitioners Association (Phoenix, Arizona), November 1982

Invited Speaker, Transportation Law Institute (Salt Lake City, Utah), July

by FCTA
Butler

Legal Department

(Hendrix Exhibit 21)

NANCY B. WHITE
General Attorney

BellSouth Telecommunications, Inc.
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(404)335-0710

RECEIVED
SEP 23 1996
By

September 19, 1996

Laura L. Wilson
Florida Cable
Telecommunications Association, Inc.
310 N. Monroe Street
Tallahassee, FL 32301

RE: Docket No. 920260-TL

Dear Ms. Wilson:

Enclosed is an original of BellSouth Telecommunications, Inc.'s Response to FCTA's First Set of Interrogatories dated August 20, 1996.

Sincerely,

Nancy B. White

Enclosures

cc: All Parties of Record
A. M. Lombardo
R. G. Beatty
W. J. Ellenberg

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TL EXHIBIT NO. 21
COMPANY/
WITNESS:
DATE: 10/30/96

Legal Department

NANCY B. WHITE
General Attorney

BellSouth Telecommunications, Inc.
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(404)335-0710

September 19, 1996

Mrs. Blanca S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

RE: Docket No. 920260-TL

Dear Mrs. Bayo:

Today, BellSouth Telecommunications, Inc. filed its Response to FCTA's First Set of Interrogatories dated August 20, 1996.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served on the parties shown on the attached Certificate of Service.

Sincerely,



Nancy B. White

Enclosures

cc: All Parties of Record
A. M. Lombardo
R. G. Beatty
W. J. Ellenberg

REQUEST: For each calendar year 1992 through year-to-date 1996, state the total revenues generated from the non-recurring trunk side service charges located in Section E6.8.1 of BellSouth's access tariff. providing all assumptions utilized in responding to this interrogatory.

RESPONSE: Following is the Florida non-recurring trunk side service yearly revenues for calendar years 1992 through 1996 year-to-date. The data was extracted from the CABS Billing Data Tapes.

FLORIDA NR TRUNK SIDE SERVICE REVENUES

Section	Rate Element	1992	1993	1994	1995	1/96-7/96
E6.8.1A	Switched LC - DS1 - 1st	$0	$0	$0	$0	$16,602
	Switched LC - DS1 - add	$0	$0	$0	$0	$8,383
	Switched LC - DS3 - 1st	$0	$0	$0	$0	$192
E6.8.1B	Dedicated Switched IOC - DS1 - NR	$0	$0	$0	$0	$2,083
	Dedicated Switched IOC - DS3 - NR	$0	$0	$0	$0	$15
E6.8.1F.2	Installation Charge - FG B,D - 1st	$100,219	$131,167	$355,633	$142,191	$92,470
	Installation Charge - FG B,D - add	$843,838	$1,321,651	$4,706,219	$1,366,769	$806,084
	Install Charge - per Line/Trnk - NR	$0	$0	$0	$1,500	$600
E6.8.1H.5 (A) & (B)	Superframe Format (SF) - sub	$0	$0	$0	$0	$0
	Extended Superframe Format (ESF) - sub	$0	$0	$0	$0	$0
E6.8.1H.6 (A) & (B)	DS3 Channel - DS3 to DS1 - init	$0	$0	$0	$0	$41
	DS3 Channel - COCI /DS1 - init	$0	$0	$0	$0	$9,919

INFORMATION PROVIDED BY:

Edd Wadley
Manager, BellSouth Telecommunications, Inc.
3535 Colonnade Parkway
Birmingham, AL 35243

REQUEST: For each calendar year 1996 through 2000, state the total revenues BellSouth forecasts it will generate from the non-recurring trunk side service charges located in Section E6.8.1 of BellSouth's access tariff, providing all assumptions utilized in responding to this interrogatory. If forecasts are unavailable, state the total estimated revenues, providing all assumptions utilized in responding to this interrogatory.

RESPONSE: BellSouth does not forecast its revenues down to this level of detail.

RESPONSE PROVIDED BY: Chuck Blackburn
Manager - Forecast
675 West Peachtree St., NE
Atlanta, GA 30375

REQUEST: What is the total estimated revenue effect of eliminating the non-recurring trunk side service charges located in Section E6.8.1 of BellSouth's access tariff for each calendar year 1996 - 2000? Please specify any assumptions.

RESPONSE: BellSouth does not forecast its revenues down to this level of detail.

RESPONSE PROVIDED BY: Chuck Blackburn
Manager - Forecast
675 West Peachtree St., NE
Atlanta, GA 30375

REQUEST: State BellSouth's total costs of providing the trunk side service purchased by competitive local exchange providers, out of Section E6.8.1 of BellSouth's access tariff, providing the type and amount of each cost category that BellSouth's non-recurring charges are designed to recover.. Please specify any assumptions.

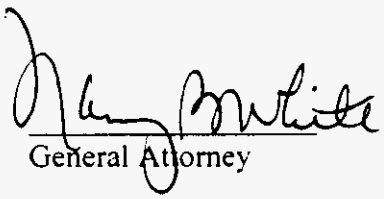
RESPONSE: Please see BellSouth's response to Item No. 1 of FCTA's 1st Request for Production of Documents.

RESPONSE PROVIDED BY: Reginald E. Starks
Director
675 West Peachtree St., NE
Atlanta, GA 30375

REQUEST: For each state in the BellSouth region, please list the non-recurring trunk side service charges that competitive local exchange providers must purchase for local interconnection.

RESPONSE: BellSouth objects to this request on the grounds that it applies to areas other than BellSouth's regulated intrastate operations in Florida. To the extent that any request is intended to apply to matters other than Florida intrastate operations subject to the jurisdiction of the Commission, BellSouth objects to such as irrelevant, overly broad, and unduly burdensome. This objection notwithstanding, BellSouth submits the following information:

For Florida, Local Interconnection is provided through Network Interconnection Service (NIS). The trunk side elements and associated non-recurring charges are as shown on the attached.



General Attorney

BellSouth Florida Area

Rate Element	Nonrecurring Charges
Switched Local Channel	
VG - 2 wire	$308.95 / first $119.49 / additional
VG - 4 wire	$314.69 / first $125.19 / additional
DS1 - 1.544 Mbps	$866.97 / first $486.83 / additional
DS3 - 44.735 Mbps	$870.50 / first $427.88 / additional
Switched Dedicated Transport	
VG - facility termination	$ 79.85
DS0 - 56/64 Kbps - facility termination	$ 24.01
DS1 - 1.544 Mbps - facility termination	$100.49
DS3 - 44.736 - facility termination	$ 67.19
Installation of New Service	
Trunk Side Service - per trunk or signaling connection	$915.00 / first $263.00 / additional
Channelization - DS3	
(a) DS3 to DS1, per arrangement	$145.45 / initial $584.80 / subsequent
(b) Central Office Interface, per arrangement	$ 85.00 / initial

INFORMATION PROVIDED BY: Ida M. Levine
Manager
29L65, 675 W. Peachtree St., N.E.
Atlanta, Georgia 30375

STATE OF GEORGIA

COUNTY OF FULTON

BEFORE ME, the undersigned authority, personally appeared Perry M. Eller, who being first duly sworn deposes and says:

That he occupies the position of Manager, Headquarters Regulatory and is the person who has furnished answers to these interrogatories No. 1 through No. 5 and further says that said answers are true and correct to the best of his knowledge and belief.

WITNESS my hand and seal this 19th day of SEPTEMBER, A.D., 1996.

Signature _____

_____

Notary Public

State of Georgia

My Commission Expires:

Notary Public, DeKalb County, GA
My Commission Expires Feb. 19, 2000

CERTIFICATE OF SERVICE
Docket No. 920260-TL
Docket No. 900960-TL
Docket No. 910163-TL
Docket No. 910727-TL

I HEREBY CERTIFY that a copy of the foregoing has been

furnished by United States Mail this 19th day of September, 1996 to:

Robin Norton
Division of Communications
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Martha Brown
Division of Legal Services
Florida Public Svc. Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Grandoff & Reeves
117 South Gadsden Street
Tallahassee, FL 32301
atty for FIXCA

Kenneth A. Hoffman
Messer, Vickers, Caparello,
Madsen, Lewis & Metz, PA
Post Office Box 1876
Tallahassee, FL 32302
atty for FPTA

Michael W. Tye
AT&T Communications of the
Southern States, Inc.
101 N. Monroe Street
Suite 200
Tallahassee, Florida 32301

Dan B. Hendrickson
Post Office Box 1201
Tallahassee, FL 32302
atty for FCAN

Charles J. Beck
Deputy Public Counsel
Office of the Public Counsel
111 W. Madison Street
Room 812
Tallahassee, FL 32399-1400

Michael J. Henry
MCI Telecommunications Corp.
780 Johnson Ferry Road
Suite 700
Atlanta, Georgia 30342

Richard D. Melson
Hopping Boyd Green & Sams
Post Office Box 6526
Tallahassee, Florida 32314
atty for MCI

Rick Wright
Regulatory Analyst
Division of Audit and Finance
Florida Public Svc. Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Laura L. Wilson, Esq.
Florida Cable Telecommunications
Assn., Inc.
310 North Monroe Street
Tallahassee, FL 32301
atty for FCTA

Benjamin W. Fincher
Sprint Communications Co.
Limited Partnership
3100 Cumberland Circle, #802
Atlanta, GA 30339

Benjamin H. Dickens, Jr.
Blooston, Mordkofsky,
Jackson & Dickens
2120 L Street, N.W.
Washington, DC 20037
Atty for Fla Ad Hoc

C. Everett Boyd, Jr.
Ervin, Varn, Jacobs, Odom
& Ervin
305 South Gadsen Street
Post Office Drawer 1170
Tallahassee, Florida 32302
atty for Sprint

Angela Green
Florida Public
Telecommunications Assn., Inc.
125 South Gadsden Street
Suite 200
Tallahassee, FL 32301

Monte Belote
Florida Consumer Action Network
4100 W. Kennedy Blvd., #128
Tampa, FL 33609

Joseph Gillan
J.P. Gillan & Associates
P.O. Box 541038
Orlando, FL 32854-1038

Mark Richard
Attorney for CWA
Locals 3121, 3122, and 3107
304 Palermo Avenue
Coral Gables, FL 33134

Marsha E. Rule
Wiggins & Villacorta P.A.
501 East Tennessee St.
Suite B
P.O. Drawer 1657
Tallahassee, FL 32302

Marilyn Lenard
Council of Florida AFL-CIO
135 S. Monroe Street
Tallahassee, FL 32301

David Larimer
P.O. Box 419000
Melbourne, FL 32941

Michael Gross
Department of Legal Affairs
The Capitol, PL-01
Tallahassee, FL 32399

Mr. Douglas S. Metcalf
Communications Consultants, Inc.
631 S. Orlando Ave., Suite 450
P. O. Box 1148
Winter Park, FL 32790-1148

Mr. Cecil O. Simpson, Jr.
Mr. Peter Q. Nyce, Jr.
Department of the Army
901 North Stuart Street, #400
Arlington, VA 22203

Mr. Michael Fannon
Cellular One
2735 Capital Circle, NE
Tallahassee, FL 32308

Floyd R. Self, Esq.
Messer, Vickers, Caparello,
Madsen, Lewis, Goldman & Metz
Post Office Box 1876
Tallahassee, FL 32302-1876
Attys for McCaw Cellular

Stan Greer
Division of Communications
Florida Public Svc. Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Patricia Kurlin
Intermedia Communications Inc.
9280 Bay Plaza Boulevard, #720
Tampa, FL 33619

Susan Weinstock
Department of State Legislation
601 E. Street, NW
Washington, DC 20049

Mark Logan
201 S. Monroe Street, #500
Tallahassee, FL 32301

Dan Shorter
P.O. Box 24700
West Palm Beach, FL 33416

Robin Dunson
1200 Peachtree Street
Promenade I, Room 4038
Atlanta, GA 30309

William H. Higgins, Esq.
AT&T Wireless Services of
Florida, Inc.
250 S. Australian Avenue
W. Palm Beach, FL 33401

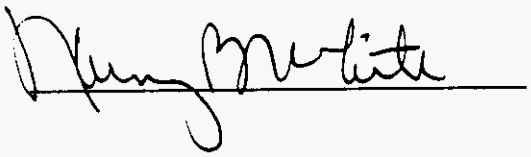


EXHIBIT NO. 22

DOCKET NO: 920260-TL

WITNESS: AL VARNER

PARTY: BELLSOUTH

DESCRIPTION: CONFIDENTIAL

10/15/96 BELLSOUTH'S RESPONSE TO PBNI'S DATA REQUEST

PROFFERING PARTY: PBNI

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TL EXHIBIT NO. 22
COMPANY/
WITNESS:
DATE: 10/30/96

Prof by PBNI
Spons. by Varner
Exhibit 23

920260-TL

PALM BCH POST 1ST P.O.D.

DATE 8/22/96

ITEM 1

PROPRIETARY Y (N)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TL EXHIBIT NO 23
COMPANY/
WITNESS:
DATE: 10/30/96

N11 VENDORS

N11 VENDOR	LOCATION	ENTITY ID N11 #	SVC. EFF. DATE	DISC. DATE
Florida				
Palm Beach Post	Belle Glade, FL	I34511/511	11/1/95	
BAPCO	Daytona, FL	I14511/511	11/15/94	
811 Inc.	Daytona, FL	I14811/811	2/28/95	7/26/96
LifeFleet Atlantic	Ft. Lauderdale, FL	I11211/211	6/14/96	8/l/96
311 Direct	Ft. Lauderdale, FL	I11311/311	1/6/95	
BAPCO	Ft. Lauderdale, FL	I11511/511	8/10/94	
811 Inc.	Ft. Lauderdale, FL	I11811/811	5/19/95	7/26/95
BAPCO	Gainsville, FL	I15511/511	12/4/95	
311 Direct	Jacksonville, FL	I16211/211	12/14/95	
Morris Info	Jacksonville, FL	I16311/311	12/1/94	
BAPCO	Jacksonville, FL	I16511/511	12/1/94	
811 Inc.	Jacksonville, FL	I16811/811	4/10/95	7/26/95
311 Direct	Melbourne, FL	I32311/311	12/7/95	
Florida Today	Melbourne, FL	I32511/511	1/10/95	
(Extended Exchange Option)	Titusville, FL		2/12/96	
311 Direct	Miami, FL	I12311/311	1/6/95	
BAPCO	Miami, FL	I12511/511	8/2/94	
811 Inc.	Miami, FL	I12811/811	5/19/96	7/26/96
Orlando Sentinel	Orlando, Fl	I13211/211	1/5/95	10/13/95
311 Direct	Orlando, FL	I13311/311	1/6/95	
BAPCO	Orlando, FL	I13511/511	8/12/94	
811 Inc.	Orlando, FL	I13811/811	2/27/95	7/26/96
811 Florida Info.	Pensacola, FL	I35811/811	10/20/95	7/26/96
Palm Beach Newspaper	Port St. Lucie, FL	I27511/511	1/6/95	
311 Direct	West Palm Beach, FL	I00311/311	1/6/95	
(Extended Exchange Option)	Delray Beach, FL		11/7/95	
(Extended Exchange Option)	Boca Raton, FL		11/7/95	

N11 VENDOR	LOCATION	ENTITY ID N11 #		SVC. EFF. DATE		DISC. DATE
Florida (Continued)						
West Palm Beach News	West Palm Beach, FL	100511/511		2/1/93		
(Extended Exchange Option)	Delray Beach, Fl			11/1/95		
(Extended Exchange Option)	Boca Raton, FL			11/1/95		
811 Inc.	West Palm Beach, FL	100811/811		5/19/95		7/26/96

N11 NUMBER ASSIGNED AND DISCONNECTED										
Sun Sentinel			Miami, FL		I12211		8/2/94		1/25/95
			Ft. Lauderdale		I11211		8/8/94		1/25/95
Metro One			Miami		I12811		8/9/94		11/18/94
			Ft. Lauderdale		I11511		8/9/94		11/18/94
Florida Freedom Newspapers			Panama City, Fl		I17711		10/3/94		9/20/94
M2 Communications			Miami		I12711		10/3/95		10/31/95
			Ft. Lauderdale		I11711		10/3/95		10/31/95
			West Palm Beach, FL		I00711		10/3/95		10/31/95
Info Service			Miami		I12711		1/6/95		7/31/95
			Ft. Lauderdale		I11711		1/6/95		7/31/95
			West Palm Beach		I00711		1/6/95		7/31/95
			Orlando		I13711		I/6/95		2/17/95

19

N11 Assignments - Florida Markets
6/1994-8/1996

Tier	Market	Date of Assignment	Number	Comments
1	Miami	06/06/94	211	Via Lottery
		06/06/94	311	Via Lottery
		06/06/94	511	Via Lottery
		06/06/94	711	Via Lottery
		06/06/94	811	Via Lottery
		01/09/95	811	
		08/22/95	711	
		04/04/96	711	
	Fort Lauderdale	06/06/94	211	Via Lottery
			311	Via Lottery
			511	Via Lottery
			711	Via Lottery
			811	Via Lottery
		01/09/95	811	
		08/22/95	711	
		03/22/96	711	
		04/01/96	211	
2	Orlando	06/06/94	211	Initial Selection, No Lottery
			311	Initial Selection, No Lottery
			511	Initial Selection, No Lottery
			711	Initial Selection, No Lottery
			811	Initial Selection, No Lottery
	West Palm Beach	07/11/94	211	
		07/11/94	711	
		08/22/95	711	
		03/12/96	711	
	Jacksonville	07/11/94	511	
		07/11/94	311	
		08/09/95	211	
		10/30/95	211	
	Gainesville	07/11/94	511	
		02/10/95	511	
	Panama City	07/11/94	711	
	Daytona Beach	07/11/94	511	
	Pensacola	09/16/94	511	
		08/13/95	811	
3	Brooksville			
	Melbourne	09/16/94	511	
		10/30/95	811	
	Port St. Lucie	09/16/94	511	
	Delray Beach	08/02/95	511	
		08/12/95	311	
		08/22/95	711	
	Boca Raton	08/02/95	811	
		08/12/95	311	
		08/22/95	711	
4	Bunnell			
	Belle Glade	12/13/94	811	
		02/10/95	511	
		08/02/95	511	
	Chipley			
	Key Largo			
	Lake City			
	Pierson			
	Pomona Park			
	St. Augustine			
	Sugarloaf Key	09/16/94	211	
	Titusville	09/29/94	811	
		01/16/95	511	

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ITEM 4

PROPRIETARY Y (N)

A39. ABBREVIATED DIALING

A39.1 N11 Service (Cont'd)

A39.1.6 Rates and Charges (Cont'd)

A. Application of Rates (Cont'd)

6. A Minimum Usage Charge will be billed to the N11 subscriber in each billing period, following the 6-month period after the service has been provisioned, in which the N11 subscriber's usage charges fall below the amount of the Minimum Usage Charge in B.5. following.

7. Extended N11 Service is provided from exchanges as indicated in A39.1.1.C. A monthly charge applies per business line or PBX trunk to the N11 subscriber in addition to the regular monthly charges for business lines or PBX trunks in Section A3. of this Tariff. Toll charges to N11 codes do not apply from extended N11 exchanges when the N11 subscriber subscribes to the Extended N11 service option; however, usage charges as specified in A39.1.6.B.4. will apply on these N11 calls.

B. Charges applicable to the N11 Service Subscriber:

1. Establishment of N11 Service, per N11 Service number, per Local Calling Area

		Nonrecurring Charge	USOC
(a)	Tier 1	$30,000.00	NA
(b)	Tier 2	16,500.00	NA
(c)	Tier 3	6,300.00	NA
(d)	Tier 4	3,100.00	NA

2. Billing Arrangement Change by Subscriber

(a)	Per N11 Service Number, per Local Calling Area	675.00	N11NS

3. Change of Point-to Number by Subscriber, Per Local Calling Area

(a)	Tier 1	1,500.00	N11AP
(b)	Tier 2	400.00	N11NP
(c)	Tier 3	220.00	N11NQ
(d)	Tier 4	60.00	N11NR (I)

4. Usage Charges

		Nonrecurring Charge	Monthly Rate Minimum	Monthly Rate Maximum	Current	USOC
(a)	Per message rate	$-	$.05	$.15	$.10	NA
					Rate	USOC
(b)	Per minute charge for each message minute in excess of 5 minutes				$.02	NA

5. Minimum Usage Charge, per N11 Service Number, per Local Calling Area

		Monthly Minimum Charge	USOC
(a)	Tier 1	$3,300.00	NA
(b)	Tier 2	1,000.00	NA
(c)	Tier 3	500.00	NA
(d)	Tier 4	100.00	NA

A39. ABBREVIATED DIALING

A39.1 N11 Service (Cont'd)

A39.1.6 Rates and Charges (Cont'd)

A. Application of Rates (Cont'd)

6. A Minimum Usage Charge will be billed to the N11 subscriber in each billing period, following the 6-month period after the service has been provisioned, in which the N11 subscriber's usage charges fall below the amount of the Minimum Usage Charge in B.5. following.

7. Extended N11 Service is provided from exchanges as indicated in A39.1.1.C. A monthly charge applies per business line or PBX trunk to the N11 subscriber in addition to the regular monthly charges for business lines or PBX trunks in Section A3. of this Tariff. Toll charges to N11 codes do not apply from extended N11 exchanges when the N11 subscriber subscribes to the Extended N11 service option; however, usage charges as specified in A39.1.6.B.4. will apply on these N11 calls.

B. Charges applicable to the N11 Service Subscriber:

1. Establishment of N11 Service, per N11 Service number, per Local Calling Area

	Nonrecurring Charge	USOC
(a) Tier 1	$30,000.00	NA
(b) Tier 2	16,500.00	NA
(c) Tier 3	6,300.00	NA
(d) Tier 4	3,100.00	NA

2. Billing Arrangement Change by Subscriber

(a) Per N11 Service Number, per Local Calling Area	675.00	N11NS

3. Change of Point-to Number by Subscriber, Per Local Calling Area

(a) Tier 1	1,500.00	N11AP
(b) Tier 2	400.00	N11NP
(c) Tier 3	220.00	N11NQ
(d) Tier 4	32.00	N11NR

4. Usage Charges

	Nonrecurring Charge	Monthly Rate Minimum	Monthly Rate Maximum	Current	USOC
(a) Per message rate	$-	$.05	$.15	$.10	NA
				Rate	USOC
(b) Per minute charge for each message minute in excess of 5 minutes				$.02	NA

5. Minimum Usage Charge, per N11 Service Number, per Local Calling Area (T)

	Monthly Minimum Charge	USOC
(a) Tier 1	$3,300.00	NA
(b) Tier 2	1,000.00	NA
(c) Tier 3	500.00	NA
(d) Tier 4	100.00	NA

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A39. ABBREVIATED DIALING

A39.1 N11 Service (Cont'd)

A39.1.6 Rates and Charges (Cont'd)

A. Application of Rates (Cont'd)

6. A Minimum Usage Charge will be billed to the N11 subscriber in each billing period, following the 6-month period after the service has been provisioned, in which the N11 subscriber's usage charges fall below the amount of the Minimum Usage Charge in B.5. following.

7. Extended N11 Service is provided from exchanges as indicated in A39.1.1.C. A monthly charge applies per business line or PBX trunk to the N11 subscriber in addition to the regular monthly charges for business lines or PBX trunks in Section A3. of this Tariff. Toll charges to N11 codes do not apply from extended N11 exchanges when the N11 subscriber subscribes to the Extended N11 service option; however, usage charges as specified in A39.1.6.B.4. will apply on these N11 calls. (N)

B. Charges applicable to the N11 Service Subscriber:

1. Establishment of N11 Service, per N11 Service number, per Local Calling Area

		Nonrecurring Charge	USOC	
(a)	Tier 1	$30,000.00	NA	(I)
(b)	Tier 2	16,500.00	NA	(I)
(c)	Tier 3	6,300.00	NA	
(d)	Tier 4	3,100.00	NA	(R)

2. Billing Arrangement Change by Subscriber

(a)	Per N11 Service Number, per Local Calling Area	675.00	N11NS

3. Change of Point-to Number by Subscriber, Per Local Calling Area

(a)	Tier 1	1,500.00	N11AP
(b)	Tier 2	400.00	N11NP
(c)	Tier 3	220.00	N11NQ
(d)	Tier 4	32.00	N11NR

4. Usage Charges

		Nonrecurring Charge	Monthly Rate Minimum	Maximum	Current	USOC
(a)	Per message rate	$-	$.05	$.15	$.10	NA
				Rate		USOC
(b)	Per minute charge for each message minute in excess of 5 minutes			$.02		NA

5. Minimum Usage Charge, per N11 Service Number, per Local Calling Area

		Nonrecurring Charge	USOC	
(a)	Tier 1	$3,300.00	NA	(R)
(b)	Tier 2	1,000.00	NA	(R)
(c)	Tier 3	500.00	NA	(R)
(d)	Tier 4	100.00	NA	(R)

A39. ABBREVIATED DIALING

A39.1 N11 Service (Cont'd)

A39.1.6 Rates and Charges (Cont'd)

A. Application of Rates (Cont'd)

6. A Minimum Usage Charge will be billed to the N11 subscriber in each billing period, following the 6-month period after the service has been provisioned, in which the N11 subscriber's usage charges fall below the amount of the Minimum Usage Charge in B.5. following. (T

B. Charges applicable to the N11 Service Subscriber:

1. Establishment of N11 Service, per N11 Service number, per Local Calling Area

		Nonrecurring Charge	USOC	
(a)	Tier 1	$25,000.00	NA	
(b)	Tier 2	15,000.00	NA	
(c)	Tier 3	6,300.00	NA	
(d)	Tier 4	4,600.00	NA	

2. *Billing Arrangement* Change by Subscriber (T)

(a)	Per N11 Service Number, per Local Calling Area	675.00	N11NS	

3. Change of Point-to Number by Subscriber, Per Local Calling Area

(a)	Tier 1	1,500.00	N11AP	
(b)	Tier 2	400.00	N11NP	
(c)	Tier 3	220.00	N11NQ	(U)
(d)	Tier 4	32.00	N11NR	(U)

4. Usage Charges

		Nonrecurring Charge	Monthly Rate Minimum	Monthly Rate Maximum	Monthly Rate Current	USOC	
(a)	Per message rate	$-	$.05	$.15	$.10	NA	
					Rate	USOC	
(b)	Per minute charge for each message minute in excess of 5 minutes				$.02	NA	

5. Minimum Usage Charge, per N11 Service Number, per Local Calling Area

		Nonrecurring Charge	USOC	
(a)	Tier 1	$6,000.00	NA	(R)
(b)	Tier 2	2,900.00	NA	(R)
(c)	Tier 3	600.00	NA	(R)
(d)	Tier 4	200.00	NA	(R)

A39. ABBREVIATED DIALING

A39.1 N11 Service (Cont'd) (C)

A39.1.6 Rates and Charges (Cont'd)

A. Application of Rates (Cont'd)

5. A Minimum Usage Charge will be billed to the N11 subscriber in each billing period, following the 6-month period after the service has been provisioned, in which the N11 subscriber's usage charges fall below the amount of the Minimum Usage Charge in ***B.5.*** following. (T)

B. Charges applicable to the N11 Service Subscriber: (T)

1. Establishment of N11 Service, per N11 Service number, per Local Calling Area (T)

		Nonrecurring Charge	USOC	
(a)	Tier 1	$25,000.00	NA	(T)
(b)	Tier 2	15,000.00	NA	(T)
(c)	Tier 3	6,300.00	NA	(N)
(d)	Tier 4	4,600.00	NA	(N)

2. Service Price Change by Subscriber (T)

(a)	Per N11 Service Number, per Local Calling Area	675.00	N11NS	(T)

3. Change of Point-to Number by Subscriber, Per Local Calling Area (T)

(a)	Tier 1	1,500.00	N11AP	(T)
(b)	Tier 2	400.00	N11NP	(T)
(c)	Tier 3	220.00	BLANK	(N)
(d)	Tier 4	32.00	BLANK	(N)

4. Usage Charges (T)

		Nonrecurring Charge	Monthly Rate Minimum	Monthly Rate Maximum	Current	USOC	
(a)	Per message rate	$-	$.05	$.15	$.10	NA	(T)

		Rate	USOC	
(b)	Per minute charge for each message minute in excess of 5 minutes	$.02	NA	(T)

5. Minimum Usage Charge, per N11 Service Number, per Local Calling Area (T)

		Nonrecurring Charge	USOC	
(a)	Tier 1	$10,000.000	NA	(T)
(b)	Tier 2	5,000.00	NA	(T)
(c)	Tier 3	3,000.00	NA	(N)
(d)	Tier 4	2,000.00	NA	(N)

A39. ABBREVIATED DIALING

A39.1 N11 Service (Experimental Tariff) (Cont'd)

A39.1.6 Rates and Charges (Cont'd) (T)

A. Application of Rates (Cont'd)

5. A Minimum Usage Charge will be billed to the N11 subscriber in each billing period, following the 6-month period after the service has been provisioned, in which the N11 subscriber's usage charges fall below the amount of the Minimum Usage Charge in B.3. following.

B. Charges applicable to the N11 Subscriber:

1. Establishment of N11 Service

		Nonrecurring Charge	USOC
(a)	Per N11 Number, Per Local Calling Area with more than 500,000 access lines	$25,000.00	NA
(b)	Per N11 Number, Per Local Calling Area with less than 500,000 access lines	15,000.00	NA
(c)	Per Service Price Change by Subscriber, Per Local Calling Area	675.00	N11NS
(d)	Per Change of Point-to Number by Subscriber, Per Local Calling Area with more than 500,000 access lines	1,500.00	N11AP
(e)	Per Change of Point-to Number by Subscriber, Per Local Calling Area with less than 500,000 access lines	400.00	N11NP

2. Usage Charges

		Nonrecurring Charge	Monthly Rate Minimum	Monthly Rate Maximum	Current	USOC
(a)	Per message rate	$-	$.05	$.15	$.10	NA

		Rate	USOC
(b)	Per minute charge for each message minute in excess of 5 minutes	$.02	NA

3. Minimum Usage Charge

		Nonrecurring Charge	USOC
(a)	Per Local Calling Area with more than 500,000 access lines	$10,000.00	NA
(b)	Per Local Calling Area with less than 500,000 access lines	5,000.00	NA

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Material previously appearing on this page now appears on page(s) 9 of this section

A39. ABBREVIATED DIALING (N)

A39.1 N11 Service (Experimental Tariff) (Cont'd) (N)

A39.1.5 Rates and Charges (Cont'd) (N)

A. Application of Rates (Cont'd) (N)

5. A Minimum Usage Charge will be billed to the N11 subscriber in each billing period, following the 6-month period after the service has been provisioned, in which the N11 subscriber's usage charges fall below the amount of the Minimum Usage Charge in B.3. following. (N)

B. Charges applicable to the N11 Subscriber: (N)

1. Establishment of N11 Service (N)

		Nonrecurring Charge	USOC	
(a)	Per N11 Number, Per Local Calling Area with more than 500,000 access lines	$25,000.00	NA	(N)
(b)	Per N11 Number, Per Local Calling Area with less than 500,000 access lines	15,000.00	NA	(N)
(c)	Per Service Price Change by Subscriber, Per Local Calling Area	675.00	N11NS	(N)
(d)	Per Change of Point-to Number by Subscriber, Per Local Calling Area with more than 500,000 access lines	1,500.00	N11AP	(N)
(e)	Per Change of Point-to Number by Subscriber, Per Local Calling Area with less than 500,000 access lines	400.00	N11NP	(N)

2. Usage Charges (N)

		Nonrecurring Charge	Monthly Rate Minimum	Monthly Rate Maximum	Current	USOC	
(a)	Per message rate	$-	$.05	$.15	$.10	NA	(N)

		Rate	USOC	
(b)	Per minute charge for each message minute in excess of 5 minutes	$.02	NA	(N)

3. Minimum Usage Charge (N)

		Nonrecurring Charge	USOC	
(a)	Per Local Calling Area with more than 500,000 access lines	$10,000.00	NA	(N)
(b)	Per Local Calling Area with less than 500,000 access lines	5,000.00	NA	(N)

4. N11 Subscriber Billing Information (N)

		Monthly Rate	USOC	
(a)	Per Occasion, Per Local Calling Area	$90.00	N11S8	(N)

A39. ABBREVIATED DIALING

A39.1 N11 Service (Cont'd)

A39.1.6 Rates and Charges (Cont'd)

B. Charges applicable to the N11 Subscriber: (Cont'd)

6. N11 Service Monthly Report

	Nonrecurring Charge	Monthly Rate	USOC
(a) Per Occasion, Per Local Calling Area	$450.00	$46.50	N11MR
	Rate		USOC
(b) Per Message, each	$.005		NA

7. N11 Call Detail Information[1]

	Nonrecurring Charge	Monthly Rate	USOC
(a) Per Occasion, Per Local Calling Area	$450.00	$75.00	N11SB

8. Extended N11 Service Option

	Monthly Rate	USOC	
(a) Boca Raton, per business line or PBX trunk	$10.60	N11EB	
(b) Delray Beach, per business line or PBX trunk	10.15	N11ED	
(c) ***DeBary***, Marathon, per business line or PBX trunk	9.30	N11EM	(C)
(d) ***Sanford***, Titusville, per business line or PBX trunk	9.75	N11ET	(C)
(e) Geneva, per business line or PBX trunk	8.85	N11EG	(N)

Note 1: Customers who subscribe to the N11 Service Monthly Report in paper format and who subsequently convert to the N11 Call Detail Information option will not be billed the associated nonrecurring charge.

A39. ABBREVIATED DIALING

A39.1 N11 Service (Cont'd)

A39.1.6 Rates and Charges (Cont'd)

B. Charges applicable to the N11 Subscriber: (Cont'd)

6. N11 Service Monthly Report

		Nonrecurring Charge	Monthly Rate	USOC	
(a)	Per Occasion, Per Local Calling Area	$450.00	$46.50	N11MR	
			Rate	USOC	
(b)	Per Message, each		$.005	NA	

7. N11 *Call Detail* Information[1] (T)

		Nonrecurring Charge	Monthly Rate	USOC	
(a)	Per Occasion, Per Local Calling Area	$450.00	$75.00	N11SB	(C)(R)

8. Extended N11 Service Option (N)

		Monthly Rate	USOC	
(a)	Boca Raton, per business line or PBX trunk	$10.60	N11EB	(N)
(b)	Delray Beach, per business line or PBX trunk	10.15	N11ED	(N)
(c)	Marathon, per business line or PBX trunk	9.30	N11EM	(N)
(d)	Titusville, per business line or PBX trunk	9.75	N11ET	(N)

Note 1: Customers who subscribe to the N11 Service Monthly Report in paper format and who subsequently convert to the N11 Call Detail Information option will not be billed the associated nonrecurring charge. (N)

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A39. ABBREVIATED DIALING

A39.1 N11 Service (Cont'd) (C)

A39.1.6 Rates and Charges (Cont'd)

B. Charges applicable to the N11 Subscriber: (Cont'd)

6. N11 Service Monthly Report (T)

	Nonrecurring Charge	Monthly Rate	USOC
(a) Per Occasion, Per Local Calling Area	$450.00	$46.50	N11MR
		Rate	USOC
(b) Per Message, each		$.005	NA

7. N11 Subscriber Billing Information (T)

	Monthly Rate	USOC
(a) Per Occasion, Per Local Calling Area	$90.00	N11SB

A39. ABBREVIATED DIALING

A39.1 N11 Service (Experimental Tariff) (Cont'd)

A39.1.6 Rates and Charges (Cont'd) (T)

B. Charges applicable to the N11 Subscriber: (Cont'd)

4. N11 Service Monthly Report (N)

	Nonrecurring Charge	Monthly Rate	USOC	
(a) Per Occasion, Per Local Calling Area	$450.00	$46.50	N11MR	(N)
		Rate	USOC	
(b) Per Message, each		$.005	NA	(N)

5. N11 Subscriber Billing Information (T)(M)

	Monthly Rate	USOC	
(a) Per Occasion, Per Local Calling Area	$90.00	N11SB	(M)

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ITEM 7

PROPRIETARY Y (N)

A37. BILLING AND COLLECTION SERVICES

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A37. BILLING AND COLLECTION SERVICES

A37.1 Bill Processing Service

A37.1.1 General

A. This Section of this Tariff covers the provision of Bill Processing Service to *enhanced and information* service providers (customers). Bill Processing Service allows a customer to send rated charges to the Company to be printed on the end user's telephone bill. In order for the Company to bill for these services, the end user must be a subscriber of the Company who receives a monthly telephone bill. ***Enhanced and/or information services are defined as those services which are offered over the Company's common carrier facilities and which employ computer processing applications that: act on the format, content, code, protocol, or similar aspects of the end user's transmitted information; provide the end user additional, different, or restructured information; or involve end user interaction with stored information. Enhanced and/or information service providers include those customers who provide on-line: transaction processing, alarm monitoring and telemetry, telemessaging/answering services, voice messaging, electronic messaging, database services, videotex services, audiotex services, electronic data interchange, data processing services, video services, database management services, network management services and facilities management services*** and any set or subset of these or similar services. ***Services offered using 976 or 900 numbers, or 700 numbers used in a 900-like manner, will not be billed*** under the terms of this Tariff. (C)

B. The Company will provide Bill Processing Service pursuant to this Section of this Tariff in its operating territory. Billing will be provided only for customer rated service charges. The customer will provide rated service charges, properly formatted and ready to be printed, to the Company for inclusion on the end user's bill. These charges will appear on a page separate from any page showing Company charges and from any page showing certified carrier charges. Charges for more than one customer may appear on this separate page. The end user will remit payment for these charges to the Company. The Company will remit payment to the customer each month based upon the total revenue billed to end users less the Company's charges, any uncollectibles, and any adjustments.

C. Programming which involves live group interaction, such as "GAB" lines, "chat" lines or similar type programs where the primary purpose is for callers to interact with one another, will not be billed under the terms of this Tariff. (N)

D. Automated calls will not be billed if such calls have not been affirmatively accepted by the billed party (e.g., affirmative acceptance is not present when a call is automatically billed to called party if called party does not disconnect within a given time period). Automated calls must comply with the provisions of the Telephone Consumer Protection Act of 1991, all federal regulations promulgated thereunder and all applicable state statutes and tariffs. (N)

E. Autodialers which deliver a recorded message to the end user must release the connection as promptly as possible following disconnection by the end user. (N)

A37.1.2 Undertaking of the Company

A. When Bill Processing Service is ordered by a customer, the Company will establish an account for the customer and render bills to the end users in the Company's territory to whom the Company normally provides a monthly telephone bill. Bill Processing Service will be provided at the rates and charges as set forth in A37.1.6.

B. The Company will bill all customer-rated service charges provided by the customer. Toll messages will not be billed under this Section of this Tariff. The bill format will be determined by the Company.

C. When the customer supplies properly formatted input records, the Company will process those input records in the Company's next billing cycle. The Company will furnish the customer the precise details of the billing format. If, in the course of Company business, it is necessary to change the format, the Company will attempt to notify customers affected by this change six months prior to the change. (M)

Material previously appearing on this page now appears on page(s) 1.1 of this section

A37. BILLING AND COLLECTION SERVICES

A37.1 Bill Processing Service (Cont'd)

A37.1.2 Undertaking of the Company (Cont'd)

D. With the exception of *enhanced/Information Services* provided by the Company, these statements will be included on a page, separate from any page showing Company charges and from any page showing certified carrier charges, as part of the regular monthly telephone bill. Charges for more than one customer may appear on this separate page. (C)(M)

E. Typically, the Company will be paying out the billed amount to the customer prior to receiving payment from the end user. Therefore, the Company reserves the right to require a deposit from the customer to cover any potential deficiency that may arise as a result of end user non-payment of the billed charges. This deposit may be up to the equivalent of the customer's anticipated billing for a three month period. The deposit may be made in cash or by an approved bank letter of credit. All cash deposits will accrue interest as described in Section A2. of this Tariff. Upon termination of service, the deposit and any accrued interest may be credited by the Company against uncollectibles and/or adjustments. The balance, if any, shall be returned promptly to the customer but in no event later than forty-five days after service is discontinued. (M)

Bill Processing Service may be suspended if the billing submitted during a month exceeds one-third of the deposit on record. The customer may be required to either adjust the billing or increase the deposit to cover the higher amount. (M)

A37. BILLING AND COLLECTION SERVICES

A37.1 Bill Processing Service (Cont'd)

A37.1.2 Undertaking of the Company (Cont'd)

F. The Company will not become involved in disputes between a customer and the customer's end users. The end user will be referred to the customer for resolution of any disputed charges. The customer will provide adjustments to end user accounts using the established billing procedures. Therefore, the Company should not find it necessary to remove customer charges from the end user's bill. However, the Company may block billing of a customer's charges to an end user's telephone number pending resolution of a dispute between the end user and the customer. If resolution is not reached, the Company may remove a customer's disputed charge from an end user's bill and deduct that amount from the customer's accounts receivable. It will be the customer's responsibility to pursue the collection of that amount. Upon notification that the dispute has been resolved, billing to the end user's telephone number may be resumed.

G. The Company will not render bills under this Section of this Tariff for the provision and/or delivery of telegrams, flowers, gifts, wine or other similar services.

H. Nonpayment of customer billing by an end user shall not be cause for denial or termination of an end user's local exchange service.

I. The Company will not bill any pay-per-call charges on behalf of the subscriber that exceed a maximum of $10.00. (N)

A37.1.3 Liability of the Company

A. If the Company finds, or is notified of, an error in billing to an end user, the Company will make a reasonable effort to correct the error and bill the appropriate end user within the limits permitted by laws of the state in which it provides the service. If the error is caused by the Company and the Company cannot timely bill the proper end user, the extent of the Company's liability for damages will be the known amount misbilled. If the error is not caused by the Company, the customer shall be liable for all appropriate charges as specified in A37.1.6 following and any other cost and expenses incurred by the Company to correct the error.

B. If Bill Processing Service detail is not available because the Company lost or damaged records or incurred processing system outages, the Company will attempt to recover the lost billing data. If the customer's lost billing data cannot be recovered, the customer will be asked to resupply the billing data. If the customer cannot provide the billing data, the Company will estimate the volume of lost billing and associated revenue based on previously known values. In such an event, the extent of the Company's liability for damages shall be limited to the granting of a credit adjustment to the customer of estimated amounts due to account for the unbillable revenue.

C. In the absence of willful misconduct, no liability for damages to the customer other than as set forth in A. and B. preceding shall attach to the Company for Company action or the conduct of Company employees in providing Bill Processing Service.

D. A customer may not use the Company's facilities and services, including but not limited to, the Company's billing and collection services for the provision of enhanced and/or information services if the display, broadcasting or transmission of such services are in violation of federal, state or local law. The Company will take all legal and practical steps to disassociate itself from customers providing enhanced and/or information services (or individual services provided by such customers) whose business and/or public conduct (whether demonstrated or proposed) is of a type that generates unacceptable levels of complaints by end users. This may result in refusal to provide billing and collection services to such customers. (N)

A37.1.4 Obligations of the Customer

A. The customer must provide rated service charges in order to subscribe to Bill Processing Service. The customer will provide the rated charges and those charges must be in the standard format established by the Company and delivered to the location specified by the Company. The customer may not submit service charges more than six months old. Customer-provided charges must identify the end user account to be billed.

B. When submitting the end user charges, the customer will also include the customer name and telephone number to which inquiries should be directed and which will be provided to the end user on the bill page.

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d/b/a SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY

A37. BILLING AND COLLECTION SERVICES

A37.1 Bill Processing Service (Cont'd)

A37.1.4 Obligations of the Customer (Cont'd)

C. The customer, in the listing of charges to the end user, will provide a total amount billed. The total charges billed to the end user will include the appropriate federal, state and/or local jurisdiction taxes. The customer is solely responsible for the computation, tracking, reporting and payment of all federal, state and/or local jurisdiction taxes associated with the customer's billing to the end user through Bill Processing Service. (M)

Should any federal, state or local jurisdiction determine that sales, use, gross receipts or any other taxes (including interest, penalties and surcharges thereon) are due by the Company as a result of the Company's provision of service in this Section of this Tariff, the Company will advise the customer and the customer shall be liable for any such tax, interest, penalty and surcharge. The customer shall immediately reimburse the Company the amount of such tax, interest, penalty and surcharge paid by the Company. If the customer disagrees with the determination that any taxes are due by the Company or disagrees with an assessment of any tax, interest, penalty and surcharge due by the Company as a result of the Company's provision of this service, the customer shall, at its option and expense (including immediate payments of any such assessment), have the right to seek a ruling as to the inapplicability of any such tax. The customer may protest any assessment and participate in any legal challenge to such assessment, but shall be liable for any tax, interest, penalty, and surcharge ultimately determined to be due.

D. The customer is responsible for collecting from the end user any deposit amount required for the services provided by the customer.

E. The customer must provide the end user with written notification that future charges from the customer will be included on the end user's bill for Local Exchange Service.

F. The customer will not use the Bill Processing Service as a means of placing any informational messages onto the bill page.

G. Bill Processing Service shall not be used for any communication which is prohibited by law, or which is unlawful, contains matter which implicitly or explicitly invites, describes, stimulates, excites, arouses, or otherwise refers to sexual conduct, or which contains sexual innuendo which may arouse or attempt to arouse sexual desire. This service is not to be used or administered in conjunction with misleading, exploitative or similarly abusive business practices. The dissemination of such messages by the customer shall be grounds for immediate discontinuance of Bill Processing Service and the Company will have no liability to anyone as a result of Company action in this regard.

H. The customer shall respond promptly to any and all complaints lodged with any regulatory authority against any of its enhanced and/or information services for which the Company provides billing services. If requested by the Company, the customer shall assist the Company in responding to complaints made to the Company concerning any enhanced and/or information service of the customer. (N)

I. The Company will actively support industry efforts aimed at providing end users with advance information to enable end users to judge the suitability or unsuitability of pay-per-call enhanced and/or information services before choosing to access those services. It is the responsibility of the end user to decide the suitability of the enhanced and/or information service before accessing the service. The Company will not become involved in disputes between an end user and a customer. The customer providing pay-per-call enhanced and/or information services for which the total charge exceeds $3.00, must include a clearly understandable and audible preamble statement at the beginning of the pay-per-call enhanced and/or information service that includes the following information: a generic description of the information or service that the end user will receive if the call is completed (i.e., "sports scores", "stock quotes", etc.), the name of the provider of the enhanced and/or information service, and a statement regarding the charge to the end user as follows: "This call will cost you $_____. If you do not wish to incur this charge, hang up now." The preamble message must be given within 15 seconds and must be followed by a 3 second period within which the caller can hang up without being charged for the call. The program providing pay-per-call enhanced and/or information services may allow the end user to affirmatively bypass a preamble. (N)

J. The customer must provide for each program promotion where there is a potential for minors (defined as under 18 years of age) to be attracted to the program, clear and conspicuous notification, in language understandable to children, of the requirement to obtain parental permission before placing or continuing with the call (i.e., "Children, you should ask your parents for permission before calling. Hang up now if you have not asked your parents for permission before calling this number.") The parental consent notification must appear prominently in all advertising and promotional materials, and in the program preamble. Children's programs shall not have rates in excess of $5.00 per call, and shall not include the enticement of a gift or premium. (N)

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* d/b/a SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY

A37. BILLING AND COLLECTION SERVICES

A37.1 Bill Processing Service (Cont'd)

A37.1.4 Obligations of the Customer (Cont'd)

K. The customer must prominently disclose the additional cost per minute or per call for any other telephone number that the customer's end user is referred to either directly or indirectly. (N)

A37.1.5 Payment Arrangements and Audit Provisions (M)

A. The Company will issue a remittance check each month to each customer for which it provides Bill Processing Service. The amount will be based upon the total revenue billed to end users of the customer, less the Company's rates and charges as specified in A37.1.6 following and less any uncollectibles or adjustments. (M)

- Remittance will be made to the customer within thirty days following the close of the month under report. (M)
- If service is discontinued, all remittance money due the provider may be credited or applied to the final bill issued for the charges associated with this Section of this Tariff. (M)
- Should the Company's charges plus any uncollectibles and adjustments exceed the total revenue billed, the customer will remit to the Company the outstanding balance within thirty days from the date of the Company's invoice. (M)
- In the event the customer cancels Bill Processing Service, the customer is responsible for any outstanding balance which is not covered by the customer's total revenue billed less any uncollectibles and adjustments and shall pay such amount to the Company within thirty days from the date of the Company's invoice. (M)

B. Upon written notice by the customer to the Company, the customer shall have the right through an authorized representative to examine and audit, during normal business hours and at reasonable intervals determined by the Company, all such records and accounts, as may under recognized accounting practices contain information bearing upon the amount payable to the customer. Adjustments shall be made by the proper party to compensate for any errors or omissions disclosed by such examination or audit. Neither such right to examine and audit nor the right to receive such adjustment shall be affected by any statement to the contrary, appearing on checks or otherwise, unless such statement expressly waiving such right appears in a letter signed by the authorized representative of the party having such right and delivered to the other party.

Any information received or reviewed by the customer or an authorized representative during the audit is to be considered confidential and is not to be distributed, provided or disclosed in any form to anyone not involved in the audit, nor is such information to be used for any other purpose.

A37.1.6 Rates and Charges

A. Customer Charges

1. Account Establishment

	Nonrecurring Charge	USOC
(a) Per customer	$3,000.00	NA

2. Per End User's Bill

	Rate	USOC
(a) Per line, or portion of line	$0.04	NA

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* d/b/a SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY

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