

ATTACHMENT B

ORIGINAL

**BellSouth Telecommunications, Inc.
FPSC Docket 960833-TP
Staff's 3rd Document Request
Request for Confidential Classification
Page 1
12/22/97**

**REQUEST FOR CONFIDENTIAL CLASSIFICATION OF DATA FILED IN
RESPONSE TO FPSC STAFF'S 3RD REQUEST FOR DOCUMENTS ON
DECEMBER 9, 1997 IN DOCKETS 960833-TP, 960846-TP, 960757-TP,
960916-TP AND 971140-TP**

**2 REDACTED COPIES OF MATERIAL
FOR
PUBLIC RECORD**

DOCUMENT NUMBER-DATE

1308 | DEC 22 5

FPSC-RECORDS/REPORTING

Redacted

BELLSOUTH

Relationship Review

May 15, 1997



ABN•AMRO Bank
Media and Communications Finance

DOCUMENT NUMBER - DATE

13081 DEC22 6

FPSC-RECORDS/REPORTING

To ABN AMRO enhancing our winning partnership will require delivering...

- Solutions versus products
- Quality versus quantity
- A “Partnership” mentality versus a vendor position



Partnership Goals

- Fully understand BellSouth's strategies and objectives
- Offer access to high quality advisory services
- Provide access to global capital markets
- Utilize the Bank's balance sheet as needed
- Concentrate on unique value-added services
- Execute professionally

Implications of Industry Change

- Industry change will be fast-paced but not revolutionary
- Consolidation and partnering will continue as companies seek to expand products, technology choices, and service offerings
- While increasing competition will stimulate usage growth in most sub-sectors...
- Financial markets will be more discriminating in financing these diversified ventures

BELLSOUTH

BellSouth is well positioned to compete effectively in this new competitive landscape...

Success factors include:

- Financial flexibility
- Superior customer service
- Value-added product bundle
- Local distribution and presence
- Strong brand recognition and reputation
- Network management expertise
- Billing system proficiency
- Competitive cost structure

BellSouth Profile

Perceived Financial Objectives:

- Sustain double-digit revenue and earnings growth
- Achieve shareholder returns in top quartile of industry and S&P 500
- Maintain strong investment grade rating (debt/cap targets of 40-45%)
- Ensure capital investments benefit competitive position
- Remain “currency” prepared for major acquisitions
- Provide above average dividend growth through earnings (?)



How will BellSouth balance these objectives?

BellSouth Profile

Issues

- **Managing market share loss**
- **Margin compression from increased competition and reductions in access revenues**
- **Large capital outlays**
- **Consumer confusion**
- **Global alliances...friend or foe**
 - **new competitors**
 - **potential solutions**

BellSouth Profile

Competitive Position

- **New opportunities in long distance, internet access, enhanced services, wireless, and video**
- **Productivity gains and high margin new products, features, and businesses**
- **Technology choices and international investments**
- **Brand recognition and image**
- **Widest product bundle and distribution network**
- **Consolidation/ partnering strategies**

The Partnership History... where we have been

LEAD = NATIONSBANK

- BellSouth Carolinas PCS
 - 4 - Co-agent \$ million revolver/term facility
- Optus Communications and Optus Vision
 - 6 - Lead arranger A \$ billion facility
 - 7 - Lead arranger Optus Vision A \$ million facility
 - Lead manager, Optus IPO
- E-plus
 - 10 - Arranger, shareholder DEM 440 mln sub debt (increasing to DEM mln)
- BellSouth New Zealand
 - 12 - Co-arranger NZ \$ mln medium term facility
- BellSouth Comunicaciones
 - 14 - Participant, \$ mln "club deal"

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The Partnership History ...where we have been

- **Sonofon**
 - Nokia vendor paper refinanced
- **SkyCell**
 - Working capital facility
- **Trust Services**
 - Private equity partnerships managed by ABN AMRO Causeway for UK and Europe
- **International tax planning and trustee services**
 - European tax investment vehicle

1997 Projects Completed/ Underway...where we are

- **BellSouth Carolinas PCS**
 - Fleet lease proposal
- **BellSouth Comunicaciones**
- **Optus Communications restructure, Optus IPO**
- **E-plus facility increase**
- **New Zealand facility increase**
- **Otecel (Ecuador)**
- **Tele 2000 (Peru)**
- **Additional South/ Central American needs**
- **European IPO discussions**

Ideas to Explore...where we are going

- **Acquisition capacity/ funding analysis**
 - Review market transactions, debt capacity, and capital structure scenarios
 - Financing alternatives and process
 - Syndicated loan market conditions and strategy
 - Characteristics/ roles of Financial Advisor and Lead Arranger
- **Financial engineering**
 - Valuations
 - Public spin-offs/ advisory work
 - Private asset sales
 - JV introductions
 - Real estate sale/ leaseback
- **Capital Funding**
 - Direct Access Notes
 - Medium term notes and Euro fundings
 - Long-term bonds
 - Lease structures

Ideas to Explore...where we are going

- **Treasury services**
 - International and domestic cash management
 - Derivatives
 - Foreign exchange (including exotics)
 - Futures

- **Trust services**
 - Pension investments
 - Short-term money market instruments
 - Global custody

Resource Team

Atlanta based Relationship Management	Jerold M. Sniderman	770/352-1262	Relationship Manager/ Communications & Media Finance Specialist
Atlanta based Relationship Management	Steven B. Farley	770/399-7378 770/399-7397 Fax	Relationship Manager/ Corporate Finance Specialist
North American Communications	Donna Cordner	212/838-7300	Group Head, Communications
Latin America Telecom	Jay Rocio	305/416-7797	Latin America Telecom Group - Miami
U. S. Bank Syndications	David Mahanes	212/314-1757	North American Bank Syndications
Latin America Bank Syndications	Paulo Sousa	212/314-1722	Latin America Bank Syndications
European Investment Banking	Tony Worthington	44-171-374-1709	ABN AMRO Hoare Govett - London
ABN AMRO Chicago Corp.	Harold Wong	212/314-1166	Equity Capital Markets
ABN AMRO Chicago Corp.	M.E. Bozzi	212/314-1687	Fixed Income Debt Markets
	Paul Lange	212/314-1766	Fixed Income Debt Markets
ABN AMRO Chicago Corp.	Ken Leon Sr.	212/293-5306	Group Head, Telecom Equity Research
Asia/Pacific Relationship Management	Adam Greene	65-437-4620	Asia/Pacific Telecom - Singapore
Australia Relationship Management	Chris Whittle	61-2-9321-2134	ABN AMRO Bank
	Alan Menton	61-2-9364-6603	ABN AMRO Hoare Govett
Treasury Services	Ken Murakami	312/904-5555	Foreign Exchange Marketing
	Marie Hollein	312/904-5575	Foreign Exchange Marketing
Treasury Services	Rob Sabo	312/904-5806	Interest Swaps/Caps/Collars
International Cash Management	Adelbert Spaan	312/904-6814	Cash Management Sales (Chicago)
Domestic Cash Management	Jim Vause	770/396-0066	Cash Management Sales (Atlanta)
Administrative Assistant	Carolyn Wiley	770/396-0066	Sales Associate/Customer Service (Atlanta)

ABN AMRO Capabilities

- **Global network and presence**
 - 70 countries, over 1700 branch offices
 - Top 8 in North America for large corporate market
 - # 6 Global Bank Europe and North America (*Global Finance Magazine, 1996*)
- **Financial strength**
 - 14th largest bank worldwide
 - Total assets exceed \$400 bln, \$85 bln in North America
 - Aa1/ AA Long term, A1+/P1 Short term

ABN AMRO Capabilities

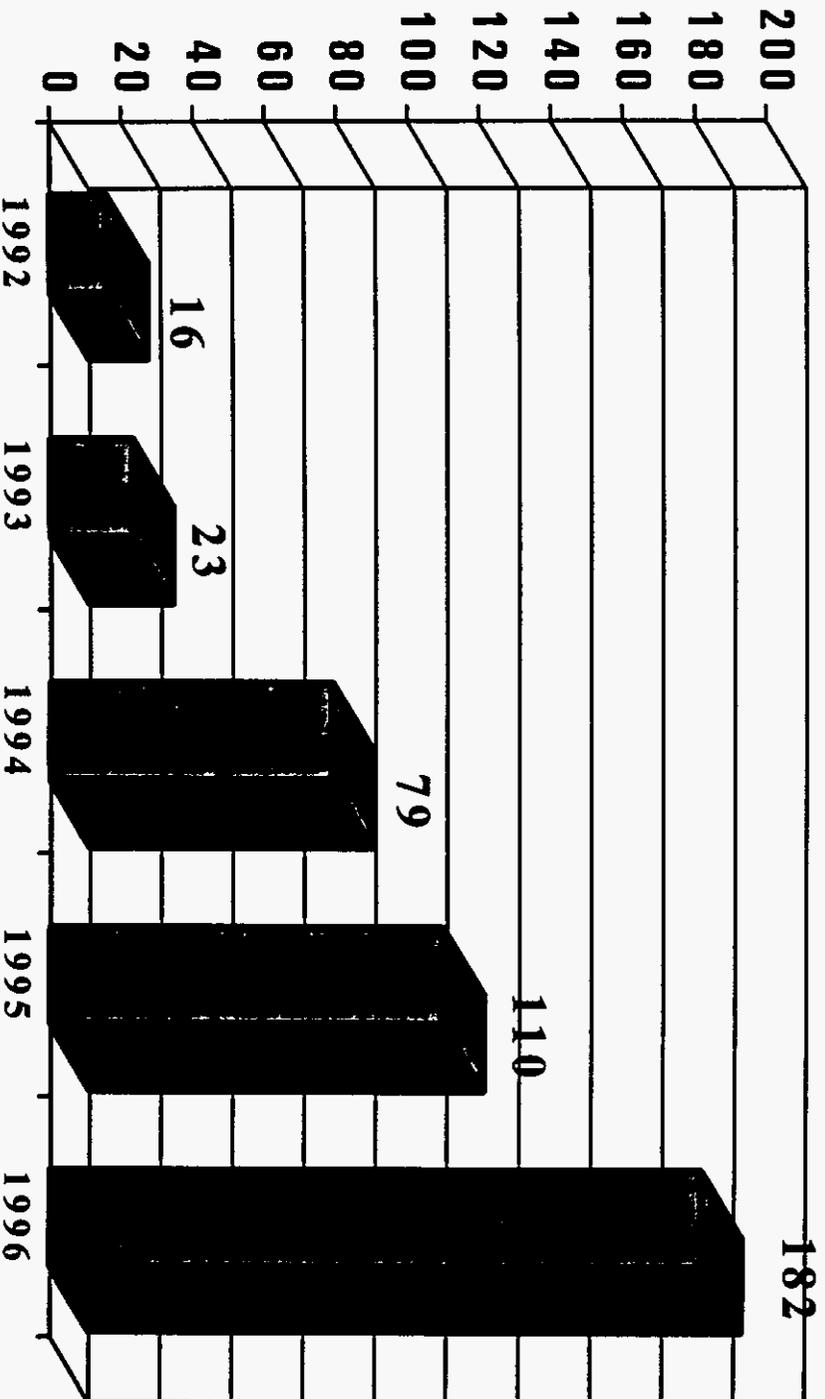
- **Reputation**
 - “Bank of the Year” Award (*IFR, 1995*)
 - “Most Improved Capital Markets Bank” (*Euromoney 1995 and 1996*)
 - “Best Project Finance Arranger” (*Project and Trade Finance, 1996*)
 - “Project Finance Arranger of the Year for the Americas” (*Project Finance International Yearbook 1996*)
 - “Most Improved EMTN House” (*Euromoney, 1995 and 1996*)
 - “U.S. EXIMBANK’s #1 Lender” (*International Trade Finance Report, 1996*)

- **Industry expertise**
 - Strategic Global commitment to industry
 - \$14 bln in global commitments
 - Dedicated industry specialists in equity research, capital markets, project finance, and syndications
 - Global equity and debt origination and distribution

BELLSOUTH

ABN AMRO's Loan Syndication Expertise in North America

Number of ABN AMRO Agent/Co-Agent Transactions



Select ABN AMRO North American Telecommunications Clients

- 360° Communications
- Airtouch Communications
- Ameritech
- Bell Atlantic
- BellSouth Enterprises
- Cox Communications
- FLAG
- Glenayre
- GTE Corporation
- Harris Corporation
- LCI International
- Lucent Technologies
- MCI Communications
- Motorola
- Nextel
- Nortel
- NYNEX Corp.
- Pacific Telesis
- PCS PrimeCo
- QWEST
- Rogers Communications
- SBC Communications
- Scientific Atlanta
- Sprint Corporation
- Time Warner
- TCI
- TDS / US Cellular
- US West Corporation
- Vanguard Cellular Systems
- Western Wireless Inc.
- Worldcom Inc.
- Winstar Communications

Select Global Transactions

Customer Name	Country	ABN AMRO Role	Deal Size
Avantel	Mexico	Arranger	US\$ 100 mln
BCE Mobile	Canada	Co-Agent	CAD 250 mln
Bezeq	Israel	Manager	US\$ 150 mln
CCPI	Argentina	Arranger	US\$ 80 mln
Comunicaciones Celulares	Guatemala	Arranger	US\$ 15 mln
Compania de Telefonos de Chile S.A.	Chile	Co-Lead	US\$ 71 mln
Compania de Telefonos de Chile S.A.	Chile	Arranger	US\$ 275 mln
Compania de Telefonos de Chile S.A.	Chile	Co-Managing Agent	US\$ 225 mln
Comvik International Vietnam AB	Vietnam	Arranger	US\$ 70 mln
E-Plus	Germany	Arranger	DEM 440 mln
France Telecom SA	France	Co-manager	US\$ 500 mln
Hong Kong Telecom	Hong Kong	Arranger	HKD 3.25 bln
Hutchison Telecom Holdings (UK) Ltd	UK	Underwriter	GBP 1.2 bln
Hutchison Telecom Holdings (UK) Ltd	UK	Joint Lead Manager	GBP 700 mln
Mercury-One-To-One	UK	Underwriter	GBP 600 mln
Millicom International Cellular	Luxembourg	Arranger	US\$ 200 mln
Netia	Poland	Arranger	US\$ 180 mln
Nynex Cable Comms.	UK	Underwriter	GBP 48.5 mln
OPTUS	Australia	Global co-ordinator	AUD 400 mln
OPTUS	Australia	Arranger	AUD 2 bln
Royal PTT Nederland	Netherlands	Global Co-ordinator	US\$ 3.4 bln
Smart	Philippines	Arranger	US\$ 195 mln
SmerTone	Hong Kong	Underwriter	HKD 700 mln
TCP	Argentina	Arranger	US\$ 133 mln
Telefonica de Argentina	Argentina	Managing Agent	US\$ 150 mln
Telefonica Internacional	Spain	Co-Arranger / Underwriter	US\$ 1.1 bln
Telia	Sweden	Arranger / Agent	US\$ 400 mln
UPC	Netherlands	Arranger	US\$ 300 mln
Winston Inv.	UK	Sr. Underwriter	GBP 665 mln

ABN AMRO Global Securities Capabilities

- ABN's global securities business is conducted through ABN AMRO Hoare Govett, ABN AMRO Rothschild, and ABN AMRO Chicago Corporation. Securities trading, sales, and research is conducted on a worldwide basis. New issue transactions are executed and distributed in multiple currencies. Telecommunications is a core focus for ABN AMRO's investment banks.
- ABN AMRO Rothschild is particularly strong in the telecommunications sector, having served as advisor to Deutsche Telecom, British Telecom, Vodafone, KPN, and CTC. ABN AMRO Rothschild was recently appointed Global Co-ordinator for Telstra's upcoming privatization.

Highlights of ABN AMRO's Global Securities Activities

- 1st among co-managers of Eurobonds for 1996 (*Capital Data Bondware*)
- Top ten investment banks in overall capital raising in the international equity markets (*Euromoney, 1996*)
- 4th among co-lead managers and co-managers of international equity (*IFR: Securities Data 1996*)
- 7th among all bookrunners of international equity for 1996 (*IFR: Securities Data*)
- 6th among top underwriters of non-U.S. Securities in the U.S. for 1996 (*WSJ: Securities Data*)

Global Telecommunications Equity Research

ABN AMRO Chicago Corporation

Competitive Local Exchange Carriers (CLECs and CAPS)

ACSI, Inc.	ACNS
Brooks Fiber Properties	BFPT
GST Telecommunications, Inc.	GST
ICG Communications, Inc.	ICG
Intermedia Comm. Inc.	ICIX
McLeod, Inc.	MCLD
Teleport Comm. Group	TCGI
WinStar Comm. Inc.	WCLI

Wireless Companies

360 Communications	XO
Aerial Communications, Inc.	AERL
AirTouch Comm. Inc.	ATI
Geotek Communications, Inc.	GOTK
Globalstar Telecom.	GSTRF
Metrocall	MCLL
Millicom International	MICCF
Nextel	CALL
Omnipoint	OMPT
PageNet	PAGE
Rogers Cantel	RCN

Internet/On-Line Service Providers

America Online, Inc.	AOL
CompuServe, Inc.	CSRV
NETCOM On-Line Services	NETC

Local Exchange Carriers (LECs)

Ameritech	AIT
Bell Atlantic/NYNEX	BEL
BellSouth	BLS
GTE	GTE
SBC Comm./Pac Telesis	SBC
U.S. West Comm. Inc.	USW

Long Distance Companies

AT&T Corp.	T
EXCEL Com. Inc.	ECI
Frontier Corporation	FRO
LCI International, Inc.	LCI
MCI Com. Corp.	MCIC
U.S. Long Distance Corp.	USLD
WorldCom, Inc.	WCOM

Related Services

Billing Information Concepts	BILL
Davel Comms. Group, Inc.	DAVL
T-NEXTIX, Inc.	TNTX

Global Telecommunications Equity Research

ABN AMRO Hoare Govett

ABN AMRO Hoare Govett London

Cable & Wireless PLC

Orange PLC

Securicor PLC

Wynex Cablecomms Group

Telephonica de Espana

STET SpA

Deutsche Telekom AG

ABN AMRO HG ASIA

APT Satellite

SmarterOne

Indosat

Technology Resources Industry

Digitel

PLDT

Shinawatra Computer

Total Access Communications

Eastern Communications

ABN AMRO Amsterdam Emerging Market Group
CANTVOTE

ABN AMRO Sociedad de Valores y Bolsa, Spain

Thompson - CSP

Amper S.A.

Banque MSM

CIE Generale Des Eaux

Group Lagardere S.C.A.

Sagen (subsidiary of SAFT)

British Telecom PLC

Telewest Communications PLC

Atlantic Telecom PLC

KPN NV

Telecom Italia SpA

Portugal Telecom SA

Asia Sat

Mahanagar Telephone Nigam Limited

PT Telkom

Telekom Malaysia

Globe Tel

Singapore Telecom

TelecomAsia

United Communications

Shanghai Post & Telecoms

Vodafone Group PLC

General Cable PLC

Coit Telecom Group PLC

Tale Danmark AS

Telecom Italia Mobilia SpA

France Telecom SA

Hong Kong Telecom

Videsh Sanchar Nigam Ltd

Korea Mobile Telecom

Pakistan Telecom

PITel

Advanced Info Services

Thai Telephone and Telecom

Nanjing Telecoms Equipment

ABN AMRO ROTHSCHILD

Representative Telecom Advisory Activities

Company	Transaction
DeutscheTelecom	Privatization/IPO
Telstra	Privatization
Koninklijke PPT Nederland N.V.	Privatization/IPO/Secondary Offering
Vodafone Group	IPO/Equity Offering/Demerger
British Telecom	Sale of AT&T holdings
British Telecom	Privatization/Secondary Offering
Compania de Telefonos de Chile	Public Offering
Orange	IPO
Telkom	IPO
INDOSAT	IPO
Portugal Telecom	IPO

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BellSouth Corporation

Debt Financing Discussion
NationsBanc Capital Markets, Inc.

March 31, 1997

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Executive Summary

Introduction

- NationsBank and NationsBanc Capital Markets, Inc. (“NCMI”) continue their active interest in widening their already strong relationship with BellSouth Corporation (“BellSouth” or the “Company”). Today’s discussion is to be used as a forum to:
 1. Provide thoughts on managing BellSouth’s liability mix;
 2. Provide general information to BellSouth on the current conditions in the U.S. Treasury and corporate debt markets; and
 3. Provide information to BellSouth on NCMI’s approach as a managing underwriter on a public debt offering.

Executive Summary

Corporate Lending Relationship

- 3 • Total Credit Commitments of over \$ million
- 4 • Lead arranger for \$ million credit facility to Carolina PCS Partnership
- 5 • Lead arranger for \$ million credit facility to BellSouth Chile
- 6 • Named financial adviser to BellSouth for Brazilian cellular bids
- 7 • \$ million 364 day facility for commercial paper backup to BS Capital Funding Corporation
- 8 • \$ million 364 day facility for commercial backup to BS Telecommunications
- 9 • \$ million auction/buildout facility for BSC de Panama
- 10 • \$ million liquidity facility for CRM/Movicom in Argentina (paid out)
- 11 • \$ million trading line in place for foreign exchange transactions
- 12 • \$ million multi-currency line for BellSouth Corporation

Executive Summary

NationsBank is Committed to the Media & Telecommunications Industry

- A leader in providing corporate banking services to the Media and Telecommunications industry.
 - ◇ \$7.9 Billion Media & Telecommunications loan portfolio
 - ◇ Lender to five of the Regional Bell Operating Companies
 - ◇ Lender to all of the Top Five U.S. based long distance companies
 - ◇ \$2.3 Billion in commitments to the cable television industry
 - ◇ Largest domestic cable television loan portfolio
 - ◇ Lender to 16 of the Top 20 Cable TV MSOs
 - ◇ 100 client relationships across industry segments
 - ◇ Access to industry leaders through professionals in 12 institutional banking offices

NationsBank Team

- NationsBank has dedicated a team of professionals to work on the highest priority with BellSouth.

NationsBanc Capital Markets, Inc.**Capital Markets Services**

Chuck Drakos	Managing Director	704-388-8853
Peter Hanson	Director	704-388-8853

Syndicate

Jeff Kane	Managing Director	704-386-9690
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Sales & Trading

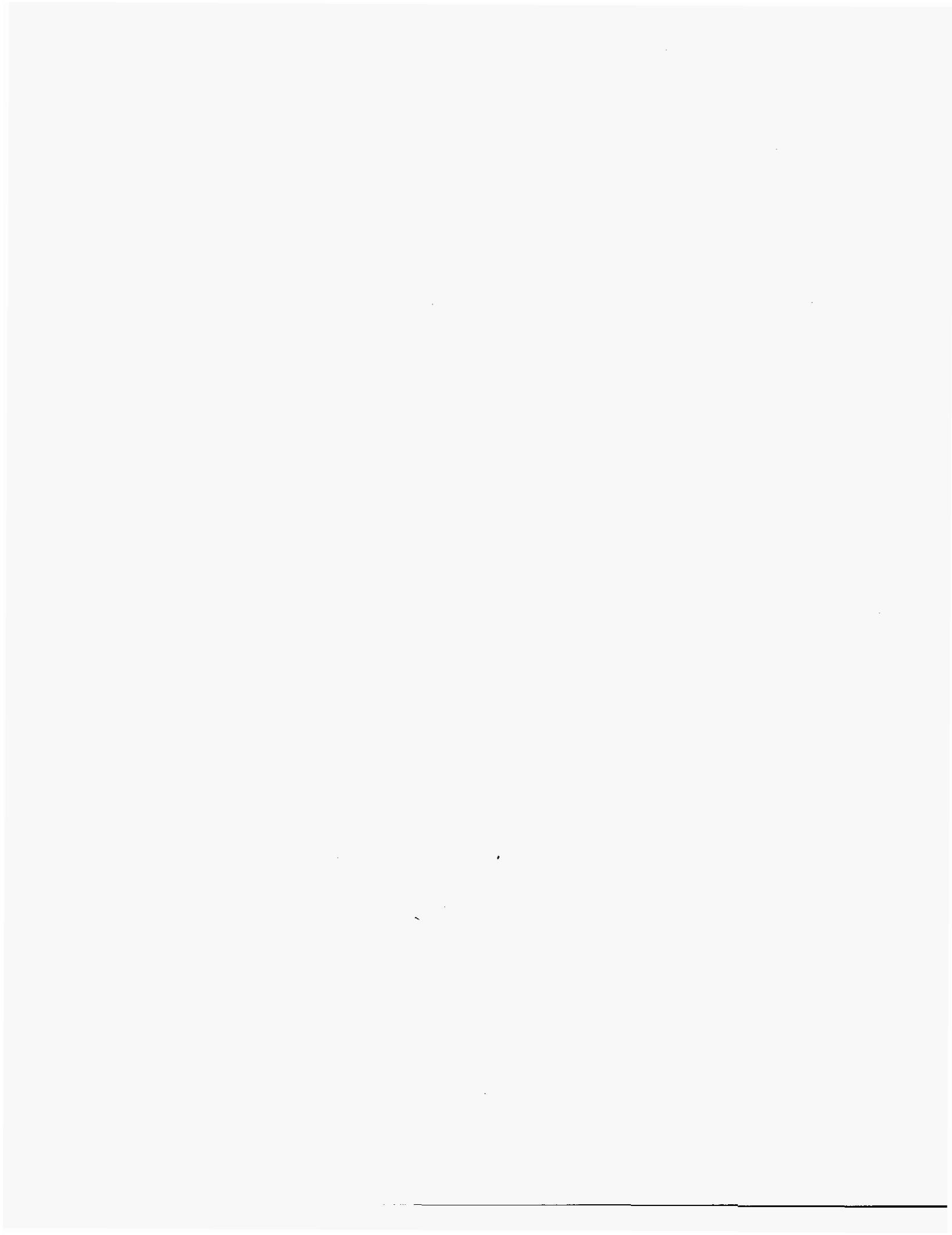
George Ellison	Managing Director	704-388-5671
Dave Fergione	Director	704-386-5019

Research

Michael Weiner	Director	704-388-1436
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NationsBank**Client Management**

Phyllis Riggins	Senior Vice President	214-508-0915
Penn Wells	Senior Vice President	214-508-9357
Dan Rabbit	Vice President	404-607-5389`



Liability Analysis

Liability Analysis

Detailed Public Debt Structure

Issue Date	Issuer	Security	Coupon	Maturity	Ratings	Call Date	Put Date	Issued (\$MM)	Outstanding (\$MM)
03/21/61	Southern Bell Telephone	Debentures	4.375%	03/01/98	Aaa/AAA	Present	N/A	\$70.00	\$70.00
04/18/62	Southern Bell Telephone	Debentures	4.375%	04/01/01	Aaa/AAA	Present	N/A	\$75.00	\$75.00
07/31/63	Southern Bell Telephone	Debentures	4.375%	08/01/03	Aaa/AAA	Present	N/A	\$70.00	\$70.00
09/15/65	Southern Bell Telephone	Debentures	4.750%	09/01/00	Aaa/AAA	Present	N/A	\$100.00	\$100.00
12/05/60	Southern Bell Telephone	Debentures	5.000%	12/01/97	Aaa/AAA	Present	N/A	\$75.00	\$75.00
05/11/93	BellSouth Telecomm.	Euro-Dollar	5.250%	06/08/98	Aaa/AAA	N/A	N/A	\$500.00	\$500.00
01/12/94	BellSouth Capital Funding	Euro-ECU	5.250%	02/02/99	Aa1/AAA	N/A	N/A	\$125.00	\$125.00
11/20/95	BellSouth Telecomm.	Debentures	5.850%	11/15/45	Aaa/AAA	N/A	11/15/00	\$300.00	\$300.00
10/08/93	BellSouth Telecomm.	Debentures	5.875%	01/15/09	Aaa/AAA	N/A	N/A	\$350.00	\$350.00
09/27/66	Southern Bell Telephone	Debentures	6.000%	10/01/04	Aaa/AAA	Present	N/A	\$100.00	\$100.00
11/08/96	BellSouth Capital Funding	Debentures	6.040%	11/15/26	Aa1/AAA	N/A	11/15/01	\$300.00	\$300.00
08/25/93	BellSouth Telecomm.	Euro-Dollar	6.125%	09/23/08	Aaa/AAA	N/A	N/A	\$300.00	\$300.00
05/04/93	BellSouth Telecomm.	Notes	6.250%	05/15/03	Aaa/AAA	N/A	N/A	\$450.00	\$450.00
12/06/95	BellSouth Telecomm.	Debentures	6.300%	12/15/15	Aaa/AAA	Sink	N/A	\$375.13	\$365.36
06/08/93	BellSouth Telecomm.	Notes	6.375%	06/15/04	Aaa/AAA	N/A	N/A	\$200.00	\$200.00
01/15/93	BellSouth Telecomm.	Notes	6.500%	02/01/00	Aaa/AAA	N/A	N/A	\$275.00	\$275.00
06/21/95	BellSouth Telecomm.	Notes	6.500%	06/15/05	Aaa/AAA	N/A	N/A	\$300.00	\$300.00
12/06/95	BellSouth Telecomm.	Debentures	6.650%	12/15/2095	Aaa/AAA	N/A	N/A	\$500.00	\$500.00
10/08/93	BellSouth Telecomm.	Debentures	6.750%	10/15/33	Aaa/AAA	10/15/03	N/A	\$400.00	\$400.00
05/22/95	BellSouth Capital Funding	Euro-Dollar	7.000%	06/19/02	Aa1/AAA	N/A	N/A	\$200.00	\$200.00

Source: Bloomberg

Liability Analysis

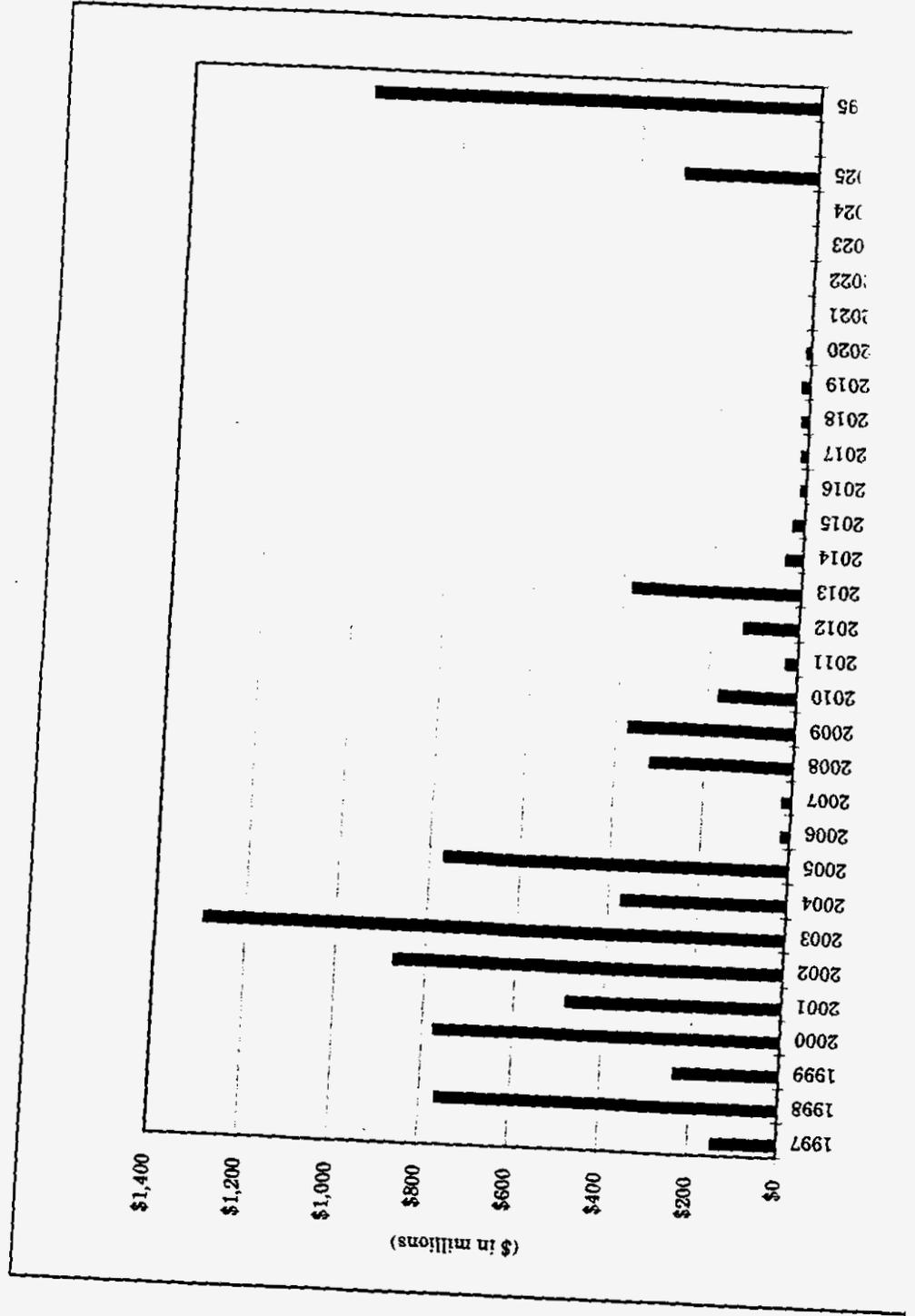
Detailed Public Debt Structure (cont.)

Issue Date	Issuer	Security	Coupon	Maturity	Ratings	Call Date	Put Date	Issued (\$MM)	Outstanding (\$MM)
01/15/93	BellSouth Telecomm.	Notes	7.000%	02/01/05	Aaa/AAA	N/A	N/A	\$150.00	\$150.00
10/03/95	BellSouth Telecomm.	Debentures	7.000%	10/01/25	Aaa/AAA	N/A	N/A	\$300.00	\$300.00
11/28/95	BellSouth Telecomm.	Debentures	7.000%	12/01/2095	Aaa/AAA	N/A	N/A	\$500.00	\$500.00
07/19/72	Southern Bell Telephone	Debentures	7.375%	07/15/10	Aaa/AAA	Present	N/A	\$150.00	\$150.00
08/08/72	So Cent Bell Tel	Debentures	7.375%	08/01/12	Aaa/AAA	Present	N/A	\$100.00	\$100.00
06/08/93	BellSouth Telecomm.	Debentures	7.500%	06/15/33	Aaa/AAA	06/15/03	N/A	\$300.00	\$300.00
03/20/73	Southern Bell Telephone	Debentures	7.625%	03/15/13	Aaa/AAA	Present	N/A	\$350.00	\$350.00
05/15/95	BellSouth Telecomm.	Debentures	7.625%	05/15/35	Aaa/AAA	05/15/05	N/A	\$300.00	\$300.00
07/29/92	BellSouth Telecomm.	Debentures	7.875%	08/01/32	Aaa/AAA	08/01/02	N/A	\$300.00	\$300.00
06/25/92	BellSouth Telecomm.	Debentures	8.250%	07/01/32	Aaa/AAA	07/01/02	N/A	\$250.00	\$250.00
09/21/89	BellSouth Capital Funding	MTN	8.650%	10/01/99	Aa1/AAA	N/A	N/A	\$22.50	\$22.50
12/08/94	BellSouth Telecomm.	Pass Thru Cert	8.650%	01/02/20	Aaa/AAA	04/08/17	N/A	\$82.10	\$82.10
01/24/90	BellSouth S&E ESOT	Debentures	9.125%	07/01/03	Aa1/AAA	Sink	N/A	\$275.00	\$183.21
01/31/90	BellSouth S&E ESOP	MTN	9.125%	07/01/03	Aa1/AAA	Sink	N/A	\$300.00	\$189.26
06/01/90	BellSouth SAV-ESOT	MTN	9.190%	07/02/03	Aa1/AAA	Sink	N/A	\$275.00	\$190.92
01/15/88	BellSouth Capital Funding	Debentures	9.250%	01/15/98	Aa1/AAA	N/A	N/A	\$115.00	\$115.00

Source: Bloomberg

Liability Analysis

Public Debt Maturity Profile



Fixed Income Market Conditions

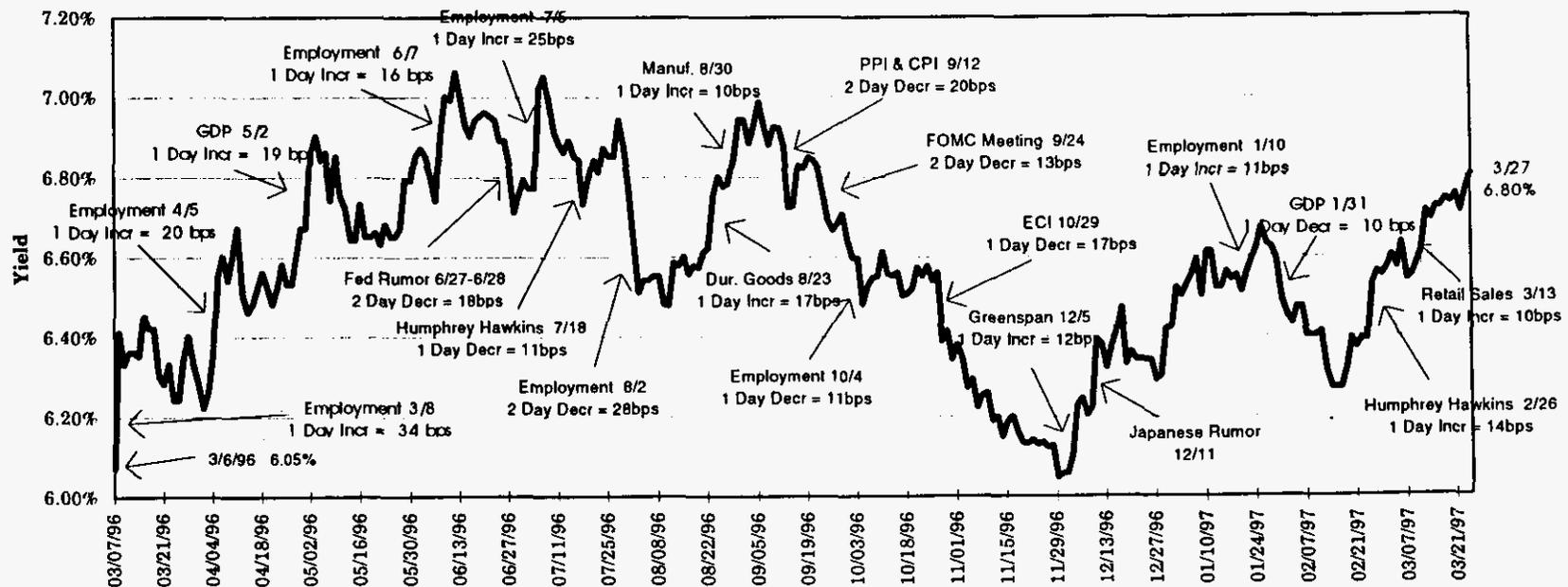
Fixed Income Market Conditions

U.S. Treasury Market

• Federal Reserve Raises Rates

The Federal Reserve decided to raise the federal funds target rate by 25 basis points to 5.50% at the FOMC meeting on Tuesday. Greenspan delivered on his earlier comments of a preemptive strike against inflation as the Fed stated its decision was a "prudent step that affords greater assurance of prolonging the current economic expansion." The market initially reacted positively to the announcement, but sold off as investors grew concerned that this tightening may be the beginning of a series of rate increases. The last time the Fed raised interest rates was February 1994 when the central bank followed with six more rate hikes over the next year.

10 Year Treasury Yields



Corporate Fixed Income Market Trends

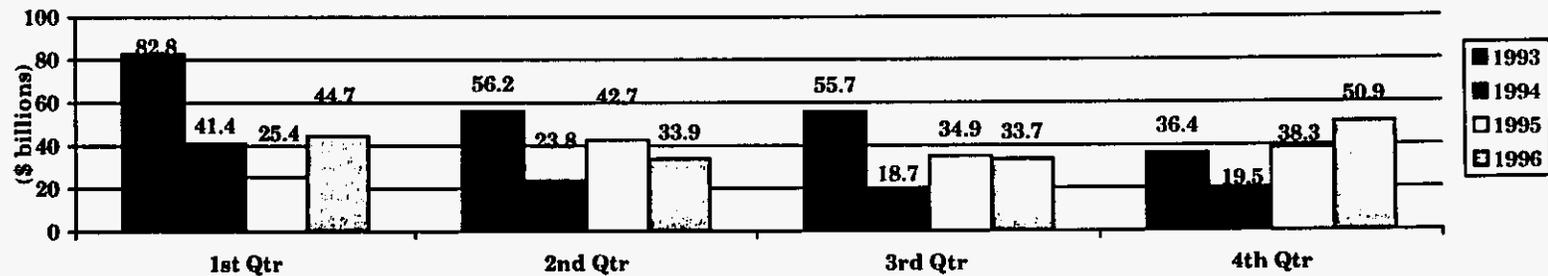
- The market continues to be very receptive to infrequent industrial issuers as a majority of corporate issuance has come from frequent issuers in the financial and agency sectors.
- There has been an increase in demand for put bonds as investors seek to add positive convexity to their portfolios. The majority of put bonds that have come to market are structured with long extension periods and save the issuer 8 to 15 basis points versus a bullet reoffer spread.
- There has also been an insatiable demand for long-term, quality paper which has dramatically tightened credit spreads out the curve. Historically, the credit spread between ten and thirty year paper has been approximately 20 - 25 basis points. Recent thirty year issues have priced at a credit spread of approximately 15 - 20 basis points above a ten year issue.
- On October 21, 1996, The Federal Reserve Board approved trust preferred securities as Tier 1 Capital for U.S. banks thereby triggering a deluge of issuance by banks. Since October, the volume for trust preferred issuance has reached over 75 deals totaling over \$25 billion, nearly all issues being financial institutions.
- On January 29, 1997, the U.S. Treasury sold \$7.003 billion of 10-year Treasury Inflation-Indexed Notes ("TII"). As a result of the successful auction of the inflation-indexed notes by the Treasury, many corporations have issued inflation-indexed securities. The market is likely to grow as the inflation-indexed swap market develops.

Fixed Income Market Conditions

Issuance Levels

- Relatively low Treasury rates, combined with strong investor demand and tight credit spreads led to healthy levels of issuance during 1996.
- Current trends in the new issue market include trust preferred and put bond structures, inflation-indexed securities, acquisition driven financings, increasing asset-backed security issuance, and a strong Yankee calendar.

Investment Grade Corporate Bond Issuance ⁽¹⁾



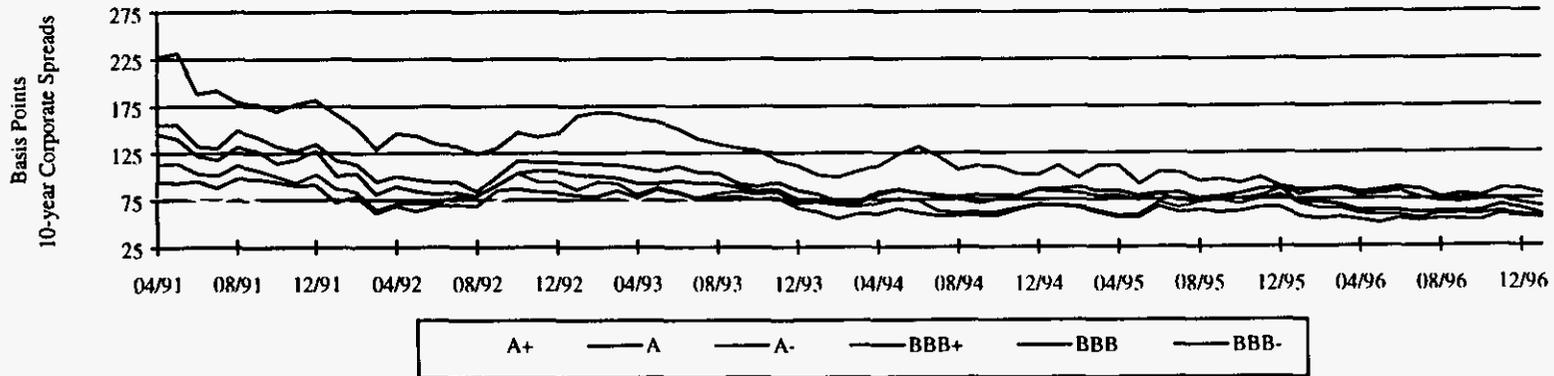
⁽¹⁾ Includes all domestic underwritten, non-convertible corporate bonds; excludes agencies and asset-backed securities, but includes split rated.

Source: MCM CORPORATEWATCH

Historical Credit Spreads

- **Corporate Spreads Remain at Historically Tight Levels**

Corporate spreads have continued their 1995 trend and have tightened to historically low levels due to redemptions and the lack of new issue supply relative to demand. While NCMi believes spreads will remain stable due to the supply/demand equation, the prospects for significantly lower spreads are limited. The “weak BBB” and “BB” sectors have witnessed significant spread compression as high-grade investors continue to reach for yield.



Fixed Income Market Conditions

Recent Investment Grade Debt Issuance

Offer Date	Issuer	Coupon (%)	Principal (\$ mil)	Type of Security	Final Maturity	Ratings		Spread
						Moody's	S&P	
02/05/97	Amoco Argentina Oil Company	6.750%	\$100.0	Guaranteed Nts	02/01/07	Aa1	AA	35
12/12/96	Mobil Corp.	Varies	\$231.9	Equip Tr Certs	07/02/17	Aa2	AA	60
12/10/96	Consolidated Natural Gas Co.	6.625%	\$150.0	Debentures	12/01/08	A1	AA-	43
12/04/96	Abbott Laboratories	6.400%	\$250.0	Notes	12/01/06	Aa1	AA	33
11/15/96	Coca-Cola Enterprises, Inc.	6.950%	\$250.0	Debentures	11/15/26	A3	AA-	63
11/12/96	Bristol-Myers Squibb Co.	6.800%	\$350.0	Debentures	11/15/26	Aaa	AAA	34
11/08/96	Anheuser-Busch Companies, Inc.	6.750%	\$250.0	Notes	11/01/06	A1	AA-	55
10/31/96	Massachusetts Institute of Tech.	7.250%	\$75.0	Bonds	2096	Aaa	AAA	60
10/16/96	Consolidated Natural Gas Co.	6.875%	\$150.0	Debentures	10/15/26	A1	AA-	16
10/16/96	Campbell Soup Company	6.900%	\$300.0	Notes	10/15/06	Aa3	AA-	35
10/03/96	Coca-Cola Enterprises, Inc.	6.700%	\$300.0	Debentures	10/15/36	A3	AA-	22
09/26/96	SmithKline Beecham Corp.	6.625%	\$100.0	Medium-Term Nts	10/01/01	Aa3	A+	22
09/25/96	Coca-Cola Enterprises, Inc.	7.000%	\$300.0	Debentures	10/01/26	A3	AA-	33
09/16/96	Consolidated Rail Corp.	7.900%	\$86.3	Medium-Term Nts	01/03/14	Aa2	AA	-
08/05/96	Anheuser-Busch Companies, Inc.	6.750%	\$200.0	Notes	08/01/03	A1	AA-	35
07/18/96	Pitney Bowes Credit Corporation	6.540%	\$76.0	Medium-Term Nts	07/15/99	Aa3	AA	19
07/18/96	Pitney Bowes Credit Corporation	6.540%	\$79.0	Medium-Term Nts	07/15/99	Aa3	AA	-
07/16/96	Burlington Northern Railroad Co.	7.330%	\$104.6	Pass-Thru Certs	06/23/10	Aa3	A	53
06/25/96	Union Pacific Corporation	7.620%	\$135.1	Pass-Thru Certs	01/16/16	Aa2	AA	70
06/12/96	Albertson's Inc	7.750%	\$200.0	Debentures	06/15/26	Aa3	A+	60
06/03/96	Northwest Airlines Corp.	7.670%	\$325.0	Pass-Thru Certs	01/02/15	A2	AA	80
05/01/96	Union Pacific Corporation	7.060%	\$103.0	Pass-Thru Certs	05/15/03	Aa2	AA-	49
05/01/96	Union Pacific Railroad Co.	7.060%	\$103.0	Equip Tr Certs	05/15/03	Aa3	A	45
04/25/96	Sysco Corporation	7.000%	\$200.0	Senior Notes	05/01/06	A1	AA-	42
04/02/96	Yale University	7.375%	\$125.0	Notes	2096	Aaa	AAA	70

Fixed Income Market Conditions

Secondary Trading Levels

Issuer	Amount Outstand.	Security	Coupon	Maturity	Call Date	Ratings	Bid/Ask Spread
BellSouth Telecomm.	\$450.0	Notes	6.250%	5/15/03	NC-L	Aaa/AAA	33/30
BellSouth Telecomm.	\$300.0	Notes	6.500%	6/15/05	NC-L	Aaa/AAA	35/31
BellSouth Telecomm.	\$300.0	Debs	7.000%	10/01/25	NC-L	Aaa/AAA	46/42
BellSouth Telecomm.	\$500.0	Debs	7.000%	12/01/2095	NC-L	Aaa/AAA	56/52
BellSouth Telecomm.	\$300.0	Debs	7.625%	5/15/35	5/15/05	Aaa/AAA	89/85
BellSouth Telecomm.	\$300.0	Debs	7.500%	6/15/33	6/15/03	Aaa/AAA	88/84
BellSouth Telecomm.	\$400.0	Debs	6.750%	10/15/33	10/15/03	Aaa/AAA	70/65
BellSouth Telecomm.	\$250.0	Debs	8.250%	7/01/32	7/01/02	Aaa/AAA	100/95
NJ Bell Tel.	\$200.0	Debs	8.000%	6/01/22	NC-L	Aaa/AA+	55/51
Southwestern Bell	\$200.0	Debs	6.625%	9/01/24	9/01/03	Aa3/AA-	75/70
Southwestern Bell	\$300.0	Debs	7.200%	10/15/26	10/15/05	Aa3/AA-	78/73
Pacific Bell	\$325.0	Notes	6.250%	3/01/05	NC-L	A1/AA-	46/42
Pacific Bell	\$250.0	Debs	5.875%	2/15/06	NC-L	A1/AA-	49/46
Pacific Bell	\$625.0	Debs	7.125%	3/15/26	NC-L	A1/AA-	57/53
Pacific Bell	\$550.0	Debs	6.625%	10/15/34	10/15/13	A1/AA-	75/70
Pacific Bell	\$300.0	Debs	7.375%	7/15/43	7/15/13	A1/AA-	85/80
US West Communications	\$150.0	Notes	6.125%	11/15/05	NC-L	Aa3/A+	47/43
US West Communications	\$250.0	Debs	7.250%	9/15/25	NC-L	Aa3/A+	58/54
US West Communications	\$235.5	Debs	7.200%	11/10/26	11/10/05	Aa3/A+	88/84
US West Communications	\$1,000.0	Debs	6.875%	9/15/33	9/15/03	Aa3/A+	91/88
US West Communications	\$250.0	Debs	8.875%	6/01/31	6/01/01	Aa3/A+	140/135

Fixed Income Market Conditions

Indicative New Issue Levels

Bullet Structures

Maturity:	7 NC-L	10 NC-L	12 NC-L	20 NC-L	30 NC-L	100 NC-L
Reference Treasury	<i>5 7/8% due 2/04</i>	<i>6 1/4% due 2/07</i>	<i>6 1/4% due 2/07</i>	<i>6 1/2% due 11/26</i>	<i>6 1/2% due 11/26</i>	<i>6 1/2% due 11/26</i>
Treasury Rate	6.86%	6.90%	6.90%	7.13%	7.13%	7.13%
Spread (bps)	25 - 28	32 - 35	34 - 37	38 - 41	41 - 44	50 - 53
Reoffer Yield	7.11% - 7.14%	7.22% - 7.25%	7.24% - 7.27%	7.51% - 7.54%	7.54% - 7.57%	7.63% - 7.66%

Put Structures

Maturity:	30PUT10	30PUT12
Reference Treasury	<i>6 1/4% due 2/07</i>	<i>6 1/4% due 2/07</i>
Treasury Rate	6.90%	6.90%
Spread to Treasury (bps)	17 - 22	19 - 24
Reoffer Yield	7.07% - 7.12%	7.09% - 7.14%

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Origination

- Lead or co-managed over 630 offerings totaling over \$90 billion since obtaining debt underwriting powers in July 1993.
- For the year-end 1996, NCMI ranked 10th in lead-managed transactions for all fixed-income securities.
- NCMI's performance in terms of lead-managed dollar volume over its first two years of operation outpaced that of any other Section 20 company.
- All NCMI lead or co-managed new issues supported by fixed income research.
- NCMI's distribution expertise is increasingly being recognized by its competitors. Many of NCMI's competitors including Lehman Brothers, Chase, Bear Stearns, Goldman Sachs, JP Morgan, Morgan Stanley, and Salomon Inc. have utilized NCMI's deep investor base to raise some \$4.3 billion* in public debt over the past two years.

** Includes an approximately \$566 million in financings for SKW Real Estate and Marcus Cable, two Goldman Sachs controlled companies.*

Origination (cont.)

**1996 Year-End
Fixed-Income League Tables
(\$ millions)**

<u>Straight Corporate Debt</u>			<u>All Fixed-Income*</u>		
Full Credit to Lead Manager			Full Credit to Lead Manager		
Goldman Sachs	\$25,186	1	Merrill Lynch	\$126,335	1
Merrill Lynch	23,436	2	Lehman Brothers	91,444	2
Morgan Stanley	18,024	3	Salomon Brothers	87,957	3
Salomon Brothers	16,904	4	Goldman Sachs	72,618	4
JP Morgan	16,279	5	Morgan Stanley	66,118	5
Lehman Brothers	12,660	6	JP Morgan	65,806	6
CS First Boston	10,297	7	CS First Boston	53,482	7
NationsBank	6,646	8	Bear Stearns	38,569	8
UBS	5,964	9	DLJ	24,360	9
Smith Barney	5,481	10	NationsBank	19,052	10

* Includes Agencies, Asset-Backed, High Grade, High Yield, Medium Term Notes and Mortgage-Backed.

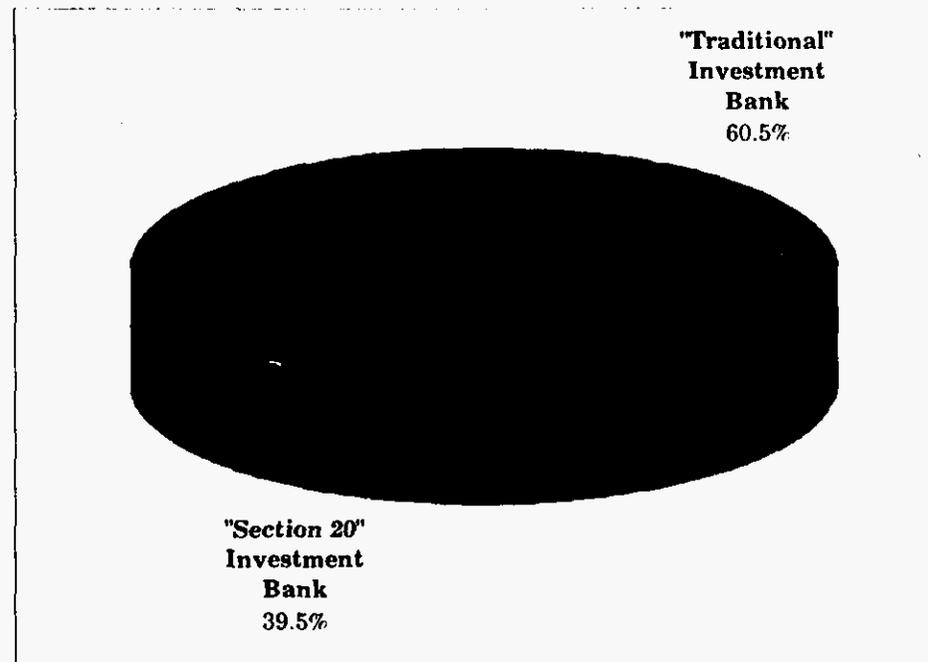
Source: MCM CorporateWatch

Source: Securities Data Company

Origination (cont.)

- Corporate Investment Banks (i.e., Section 20 institutions) continue to increase market share, as corporate issuers recognize the collective experience of the individuals at these firms, as well as the benefits of full service financial partners.

1996 Market Share of Corporate Investment Banks
Lead or Co-Managed Straight Corporate Debt



Source: Securities Data Company

Strong Institutional Research Focus

- NCMI is a research-focused firm with deep knowledge of the telecommunications sector. This intimate knowledge of the industry ensures effective on-going communication of BellSouth's investment merits to institutional investors.
- NCMI brings a strong research focus to its client's transactions.
 - 26 fixed income professionals rank among the largest and most experienced group on "Wall Street"
 - Comprehensive coverage of 40 industries and more than 520 companies
- Opinions and recommendations of NCMI economic and corporate bond research are actively incorporated in trading positions and shared with clients throughout the firm.
- Host Annual Corporate Bond High Yield/High-Grade Conference for institutional investors and corporate issuers.

Strong Institutional Research Focus (cont.)

- Dr. Mickey D. Levy, Chief Financial Economist, analyzes and forecasts national and international economic performance and financial market behavior. In addition to the NCMI role, Dr. Levy is involved in the following activities:
 - Member, Shadow Open Market Committee
 - Board of Academic Advisors, Federal Reserve Bank of New York
 - Advisory Board of Graduate School of Public Policy, University of California, Berkeley
 - Board of Directors, Economic and Social Research Institute

- Dr. Peter E. Kretzmer, Economist, analyzes developments in the national and world economics and the Federal Reserve's monetary policy. He also conducts research on economic and financial issues.

Economic Publications:

- Economic and Financial Perspectives
- Economic Brief
- Snapshot
- Weekly Market Calendar

High Grade Corporate Trading

- Secondary desk headed up by Jude Driscoll, formerly a 10-year veteran with Goldman, Sachs
- Successful trades that combine research and capital commitment, creating profitable opportunities for our customers
- Average Daily Inventory: \$1.0 Billion - \$1.2 Billion
- Driven by Research views and Target Client relationships
- Products Traded:
 - Long Industrials
 - Intermediate Industrials
 - Banks and Finance Companies
 - Asset Backed Securities (fixed and floating)
 - Agencies
 - Floating Rate Notes
 - Utilities
 - Selective Eurobonds

Powerful Distribution Network

- NCMI's broad distribution network would provide complementary marketing strength to a BellSouth debt offering.
 - Broad national coverage of large institutional investors (largest 100-150 accounts)
 - Deep penetration of Tier II institutional accounts (a key strength of NCMI)
 - Institutional sales professionals who advise over 4,500 institutional accounts
 - Network of 5 domestic offices provide a springboard to many smaller regional institutional accounts

**Corporate Bonds Distribution by Sector Type
1996**

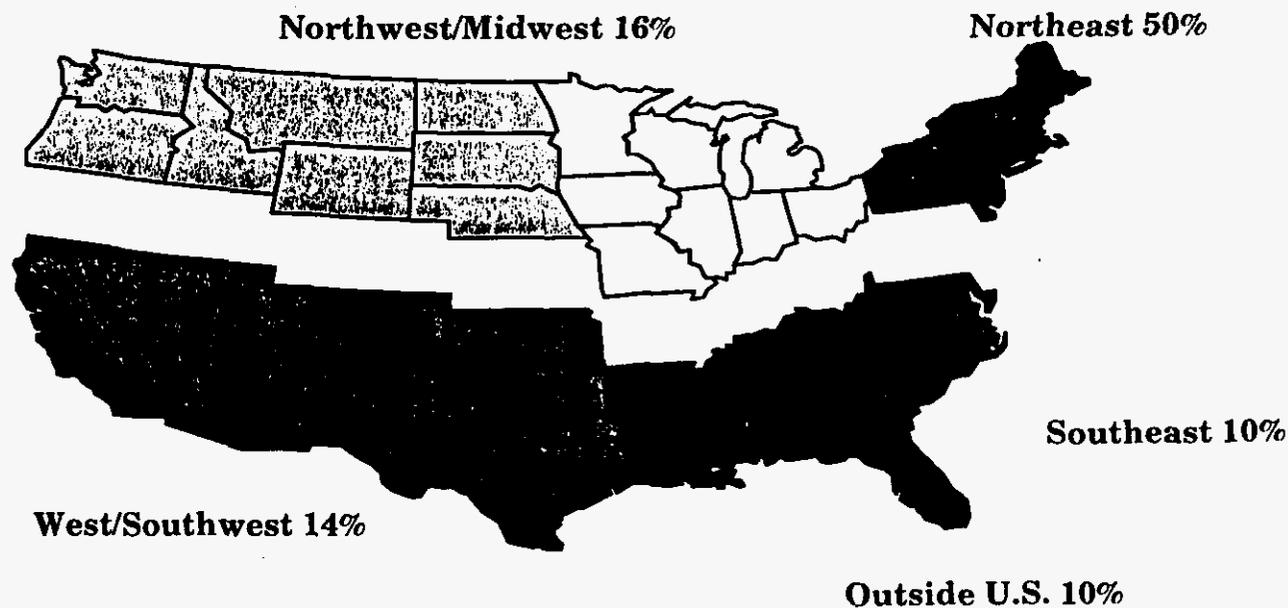


Source: NCMI

Powerful Distribution Network (cont.)

- NCMI's institutional salesforce consists of a two-tiered account focus. The specialist sales team concentrates on top tier accounts investing in specific products. The generalist group provides services on all fixed-income products to a more diverse investor base extending to middle market buyers.
- The extensive regional distribution network of NCMI is driven through the sales offices highlighted below to ensure nationwide access.

**Corporate Bonds Distribution by Region
1996**



Physical Collocation Matrix

Rate Element	Mo/NRC	Input Description	Physical Collocation Input	Concurrence (w/date)
Application Fee	NRC	Account Executive Worktime	24 20 hours AE 3 hours clerical	3/24/97 N. Nelson (phone)
		INAC Worktime (Interexchange Network Access Coordinator)	40 hours	3/20/97 N. Kallus (phone)
		ICSC Worktime (Interexchange Carrier Service Center)	30 minutes install 1.8 minutes disconnect JFC 2300	3/14/97 B. Scarborough (phone)
		CSCM Worktimes (Common Systems Capacity Management)	8 hours	3/24/97 T. Weber (VNS)
		CCM Worktimes (Circuit Capacity Management)	8 hours	3/24/97 B. McAllister (VNS)
		OSPE Worktimes (Outside Plant Engineering)	30 minutes	3/21/97 R. Harris (phone)
		PPSM Worktimes (Property Services Management)	210 minutes	3/21/97 D. Redmond (phone)

F2

Virtual Collocation Matrix

Rate Element	Mo/NRC
Application Fee	NRC

Input Description	Virtual Collocation Input	Concurrence (w/date)			
		GA	AL	SC	TA
Account Executive Worktime	8 hours AE 3 hours clerical	OK	OK	OK	OK
INAC Worktime (Interexchange Network Access Coordinator)	20 hours	3/26 OK	3/20 OK	3/20 OK	3/20 OK
ICSC Worktime (Interexchange Carrier Service Center)	30 minutes install 1.8 minutes disconnect JFC 2300	OK	OK	OK	OK
CSCM Worktimes (Common Systems Capacity Management)	5 hours	OK	OK	OK	OK
CCM Worktimes (Circuit Capacity Management)	8 hours	OK	OK	OK	OK
OSPE Worktimes (Outside Plant Engineering)	30 minutes	OK	OK	OK	OK

3/24 per
Gurley
per line
KATERS
phone

3/14 per
Duv. Sx

3/24 per
PTor

3/24 per
per dec

3/21/9
per dec

MESSAGE
Subject: Virtual Collocation Pricing

Dated: 02/19/97 at 19:05
Contents: 2

t 1

!:

Part 2

Virtual Collocation Rate Elements

Cable Installation - Capacity Management 4 hours

Floor Space - no CM inputs. Virtual collocation equipment is installed in collocator provided racks. Floor space computed based upon size (footprint) and quantity of racks.

Cable support structure - same as Physical (\$35/linear foot installed). 350 ft avg. length OK.

Note: I should have had you increase the Physical avg length from 350 to

400 when we changed the Physical DS0 cross connect to 400 - I am not yet perfect!

Application fee - 5 hours for CSCM.

Power - same as Physical

2 wire cross connect - delete cable investment (collocator provided); retain avg lengths at 300 ft.; otherwise, same as physical.

4 wire cross connect - same changes as shown for 2 wire cross connect.

DS1 cross connect - delete cable (collocator provided); delete repeater bay, shelf, and repeaters (should not be required with virtual); change cable rack length to 300ft.; otherwise same as physical.

DS3 cross connect - same changes as for DS1 cross connect

2 wire POT - delete (not currently used with virtual, however this may change if DS0 non-designed provisioning is implemented).

4 wire POT - same as 2 wire POT

DS1 POT - delete (not used with virtual)

DS3 POT - delete (not used with virtual)

CALL IF I MISSED SOMETHING OR YOU HAVE QUESTIONS.

PA

Physical Collocation Matrix

Rate Element	MO/MS/RC	Input Description	Physical Collocation Input	Concurrence (Months)
Cage Construction	Monthly	Standard Cage, materials, contract costs for construction; first 100 sq ft, add 1 50 sq ft	First 100 Sq ft construction \$9,114.77 Add 1 50 Sq ft construction \$1,007.00 PPSM worktime - 485 minutes	<i>[Signature]</i> 02-27-97

SPACE CONSTRUCTION FEE										
ENCLOSURE SIZE	100 SF	150 SF	200 SF	250 SF	300 SF	350 SF	400 SF	450 SF	500 SF	
WALL (LF)	2427.3	3236.4	4045.5	4854.6	5259.15	5178.24	4854.6	5501.88	5663.7	
DUST BARRIER (LF)	1047.5	1257	1466.5	1676	1571.25	1759.8	1676	1843.6	1885.5	
DOOR(S)	499.52	499.52	499.52	499.52	499.52	499.52	499.52	999.04	999.04	
MECHANICAL (HVAC)	3077.3	3077.3	3077.3	3077.3	3077.3	3077.3	3077.3	3077.3	3077.3	
ELECTRICAL	462.06	558.77	558.77	558.77	655.48	655.48	752.4	848.69	848.69	
<i>sub-total</i>	7513.68	8628.99	9647.59	10666.19	11062.7	11170.34	10859.82	12270.51	12474.23	
A/E FEE (8%)	601.09	690.32	771.81	853.30	885.02	893.63	868.79	981.64	997.94	
grand total	\$ 8,114.77	\$ 9,319.31	\$ 10,337.91	\$ 11,519.49	\$ 11,947.72	\$ 12,063.97	\$ 11,728.61	\$ 13,252.15	\$ 13,472.17	
<i>price per square foot</i>	<i>\$ 81.15</i>	<i>\$ 62.13</i>	<i>\$ 51.69</i>	<i>\$ 46.08</i>	<i>\$ 39.83</i>	<i>\$ 34.47</i>	<i>\$ 29.32</i>	<i>\$ 29.45</i>	<i>\$ 26.94</i>	
ENCLOSURE SIZE	550 SF	600 SF	650 SF	700 SF	750 SF	800 SF	850 SF	900 SF	950 SF	1000 SF
WALL (LF)	6068.25	6472.8	6877.35	7281.9	7686.45	8091	8495.55	8091	9304.65	9709.2
DUST BARRIER (LF)	1990.25	2095	2199.75	2304.5	2409.25	2514	2618.75	2451.15	2828.25	2933
DOOR(S)	999.04	999.04	999.04	999.04	999.04	999.04	999.04	999.04	1498.56	1498.56
MECHANICAL (HVAC)	3077.3	3077.3	3077.3	3077.3	3077.3	3077.3	3077.3	3077.3	3077.3	3077.3
ELECTRICAL	945.4	945.4	945.4	945.4	1042.11	1042.11	1138.82	1138.82	1235.53	1235.53
<i>sub-total</i>	13080.24	13589.54	14098.84	14608.14	15214.15	15723.45	16329.46	15757.31	17944.29	18453.59
A/E FEE (8%)	1046.42	1087.16	1127.91	1168.65	1217.13	1257.88	1306.36	1280.58	1435.54	1476.29
grand total	\$ 14,126.66	\$ 14,676.70	\$ 15,226.75	\$ 15,776.79	\$ 16,431.28	\$ 16,981.33	\$ 17,636.82	\$ 17,017.89	\$ 19,379.83	\$ 19,929.88
<i>price per square foot</i>	<i>\$ 25.68</i>	<i>\$ 24.46</i>	<i>\$ 23.43</i>	<i>\$ 22.54</i>	<i>\$ 21.91</i>	<i>\$ 21.23</i>	<i>\$ 20.75</i>	<i>\$ 18.91</i>	<i>\$ 20.40</i>	<i>\$ 19.93</i>

COST DATA FOR COLLOCATION						
The following data should be used as back-up information for the space construction spreadsheet.						
Some of the data is historical and the remainder was taken from the 1997 R.S. Means						
Building Construction Cost Data catalog.						
	PRICE	UNIT				
WALL	\$ 80.91	linear foot				
DUST BARRIER	\$ 20.95	linear foot				
DOOR(S)	\$ 499.52	each				
MECHANICAL (HVAC)						
DUCTWORK	\$ 2,950.00	30 - 50 M				
DIFFUSER	\$ 127.30	each				
ELECTRICAL						
LIGHT FIXTURE	\$ 96.71	each				
SWITCH	\$ 100.00	each				
OUTLET	\$ 80.00	each				
CIRCUIT	\$ 38.85	each				
CONDUIT	\$ 50.00	misc				
EXIT LIGHT FIXTURE	\$ 96.50	each				
The following data covers annual expenses. Data is historical.						
	PRICE	UNIT				
HSE & XFORMER PWR	\$ 1.10	square foot				
HOUSE SERVICE	\$ 0.80	square foot				
MAINTENANCE	\$ 0.80	square foot				
UTILITIES	\$ 1.10	square foot				
total	\$ 3.60					

DEVELOPMENT OF NONRECURRING TSLRIC
APPLICATION FEE *Revised 1/97*

LEVEL 1997 - 1999

	(A)	(B)
DESCRIPTION	INSTALL WORKTIMES (HRS)	DISCONNECT WORKTIMES (HRS)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11	4.0000	0.0000
12		
13	7.5000	0.4000
14		
15		
16	16.0000	0.4000
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		

North Carolina													\$ 823.3641
													\$ 188.4004
													\$ 441.0256
													\$ 448.7179
													\$ 737.8517
													\$ 564.1028
													\$1,959.5449
													\$ 569.6203
													\$ 695.3224
													\$ 436.4570
													\$ 600.6006
													\$2,275.6005
													\$ 568.9001
													\$ 632.1113
													\$ 706.9409
													\$ 610.5398
													\$ 544.3038
													\$ 678.6172
													\$ 632.1113
													\$ 506.3291
South Carolina													\$ 114.2857
Tennessee													\$ 99.0566
													\$ 96.1761
													\$ 126.3036
													\$ 148.4561
Regional Totals		139,556											\$ 42,553.20
Regional Cost per Square Foot													\$ 304.9185

Physical Collocation Matrix

Rate Element	Mo/NRC	Input Description	Physical Collocation Input	Concurrence (w/date)	
Cable Support Structure	Monthly	Investments for duct, riser and o/h racking structure; rooftop placement 3% of the time.	① \$35/linear foot installed	3/24/97 Tom (1/2)	*
			② 50% network Utilization	3/1/97 B. McAllister	
			① 400 ft. avg length	3/24/97 Tom	*
			① 30 trunk max	3/24/97 Tom	*

BST Power Physical Colocation Cost Estimate Revised August 16, 1996

Provisioning:

\$\$\$ / Fused Ampere Capacity

— DC Power Plant	\$ 77.45
AC Standby Plant -	\$ 16.12
Distribution Plant	\$ 72.23

Prov Subtotal	\$ 165.80
----------------------	------------------

Provisioning data was obtained from the BST Power Strategy Team and includes the one time cost to provision power capacity per ampere (assuming a -48V DC system) and includes the cost of all central office AC and DC power network elements classified as telecommunications plant by the FCC. This includes rectifiers, batteries, controllers, power boards, BDFBs, standby AC systems, and fuel tanks. The costs associated with house service panels, some transfer switches, air conditioning, lights, etc. are not included.

Example: The cost of providing a pair of load A & B DC power feeds protected by 60 A fuses:

$$60 \text{ Amps} * \$ 165.80 / \text{Amp} = \$ 9,948.00$$

Note that this price includes the cost for both A & B power feeds.

Maintenance:

\$\$\$ / Fused Amp capacity / Year

C.O. AC & DC Power Element Maintenance	\$ 3.93
---	----------------

Maintenance data was also obtained from the Power Strategy Team and includes the labor and materials to maintain all central office AC and DC power network elements classified as telecommunications plant by the FCC. Note that while provisioning is a one time cost maintenance costs are recurring annually in this case.

Example: Continuing with our prior example of providing a physical collocator with a pair of load A & B DC power feeds protected by 60 A fuses:

$$60 \text{ Amps} * \$ 3.93 / \text{Amp} / \text{Yr} = \$ 236 / \text{yr}$$

Estimated AC power Utilization for Collocation based upon per amp DC current drain

Assume nominal 50V DC power.

Regional average AC power cost = \$.07/KWHr (per John Clements and Larry Langham - P&SM)

Power (watts) usage per DC amp drain = Voltage x Current = 50 X 1 = 50 watts

Monthly Cost (\$) = \$.07/1000W Hr x 50 watts x 24 Hrs/Day x 30 Days/Month x 1/.85 Rectifier efficiency

- = \$.07/Month x 36000/850**
- = \$.07 x 42.353/Month**
- = \$2.96/Month**

2/7/97

Physical Collocation

Cost Element	A Equipment	B Material Price	C Year	D Install Type	E Capacity	F Projected Utilization
2-Wire x-conn	1) TDF		1995	hardwired	12000 (pairs)	
	2) Connecting Block		1995	hardwired	100 (circuits)	
	3) 100 pair cable @ 400 feet		1995	hardwired	100 (circuits)	
	4) Cable Rack @ 400 feet		1995	hardwired	400 (cables) 100 (circuits)	
4-Wire x-conn	1) TDF		1995	hardwired	6000 (pairs)	
	2) Connecting Block		1995	hardwired	50 (circuits)	
	3) 100 pair cable @ 400 feet		1995	hardwired	50 (circuits)	
	4) Cable Rack @ 400 feet		1995	hardwired	400 (cables) 50 (circuits)	
DS1 x-conn	1) DSX-1 Panel		1995	hardwired	50 (circuits)	
	2) Cable @ 330 ft (300 * 90%) + (300 * 5%)		1995	hardwired	14 (circuits)	
	3) Cable Rack @ 330 feet		1995	hardwired	400 (cables) 14 (circuits)	
	4) Repeater Bay		1995	hardwired	224 (circuits)	
	5) Repeater Shelf		1995	hardwired	28 (circuits)	
	6) Repeater		1995	Plug-in	1 (circuits)	
DS3 x-conn	1) DSX-3 Panel		1995	hardwired	24 (circuits)	
	2) 2 Coax Cable @ 340 ft (300 * 80%) + (700 * 10%)		1995	hardwired	1 (circuits)	
	3) Cable Rack @ 340 feet		1995	hardwired	400 (circuits)	
	4) Repeater Bay		1995	hardwired	80 (circuits)	
	5) Repeater Shelf		1995	hardwired	8 (circuits)	
	6) Repeater		1995	Plug-in	1 (circuits)	

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Physical Collocation

<u>Cost Element</u>	<u>A</u> Equipment	<u>B</u> Material Price	<u>C</u> Year	<u>D</u> Inplant Type	<u>E</u> Capacity	<u>F</u> Projected Utilization
2-Wire POT Bay	1) POT Bay			1995 hardwired	1,296 (circuits)	
	2) Termination Block			1995 hardwired	24 (circuits)	
4-Wire POT Bay	1) POT Bay			1995 hardwired	648 (circuits)	
	2) Termination Block			1995 hardwired	12 (circuits)	
DS1 POT Bay	1) POT Bay			1995 hardwired	12 (shelves) 84 (circuits)	
	2) POT Bay Shelf			1995 hardwired	84 (circuits)	
	3) Connecting Block			1995 hardwired	4 (circuits)	
DS3 POT Bay	1) POT Bay			1995 hardwired	12 (shelves) 32 (circuits)	
	2) POT Bay Shelf			1995 hardwired	32 (circuits)	
	3) POT Bay Module			1995 hardwired	1 (circuits)	

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POT Bay per Cross Connect

Regional material costs per cross connect required to provide POT terminations (DS0, DS1 and DS3) per Interconnector's equipment. Material for POT framework and termination blocks is included.

Costs are material only. In-place factors should be added using 357C loadings.

DSO	A	B	C	CO
	MATERIAL	DESCRIPTION	COST	CO
11	POT Bay	Hornaco H88M1-50 Rack /1296 ckt)		
12	Termination blocks	66M1 (8 24 circuits/block)		
13	Bridging clips	2/2w ckt		
14	Total Mat'l Cost/DS0			
15	2wire POT			
16	Termination			
17	Total Mat'l Cost/DS0	2 x 2wire cost		
18	4wire POT			
19	Termination			
20	DS1			
21	MATERIAL	DESCRIPTION	COST	C
22	DIXI-1 Shelf	DS1 Interconnect shelf - 84 ckt/shelf		
23	Conn block	4 ckt/blt, 21 blts/shelf		
24	Bay & hardware	1008 circuit capacity		
25	Total Mat'l Cost/DS1			
26	Termination			
27	DS3			
28	MATERIAL	DESCRIPTION	COST	
29	DOF-PM Module Shelf	DS3 Interconnect Panel		
30	Module			
31	Bay and hardware	384 ckt/bay		
32	Total Mat'l Cost/DS3			
33	Termination			

MESSAGE
Subject: DSX-Pricing

Dated: 3/2/97 at 18:36
Contents: 2

Item 2

The following are average costs for DSX-1 and DSX-3 Panels:

9 DSX-1 --- 56 port panel / 12 panels per bay (672 ckts) [redacted] / bay =
10 [redacted] / ckt.

11 DSX-1 --- 84 port panel / 10 panels per bay (840 ckts) [redacted] / bay = [redacted] ckt

Note: Costs are approximate. Cost depends on configuration, ie. front vs. rear patch etc.

15 DSX-3 --- 24 port panels / 10 panels per bay (240 ports)
16 [redacted] / bay = [redacted] / ckt

Note: Costs are approximate. Cost depends on configuration, ie. front vs. rear patch etc.

This based on ADC panels which is by far the dominant vendor.

Please advise if this is not sufficient information.

21 DSX-1 = [redacted] per port per DS1 or [redacted] per port per DS1

22 DSX-3 = [redacted] per port per DS3 or [redacted] per port per DS1

23 DS1 in DSX-1 panel : [redacted] bay / 12 panels = [redacted] panel
24 DSX-3 panel : [redacted] bay / 10 panels = [redacted] panel

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Physical Collocation

Concurrence _____ Date _____

	Install		Disconnect		SME
	Final	Additional	Final	Additional	
2-Wire Cross Connect					
<u>Service Order</u>					
Customer Point of Contact (ICSC)	4.0000	4.0000	2.0000	2.0000	Beverly Scarbro
Circuit Provisioning Group (CPG)	0.3000	0.0000	0.3000	0.0000	Eno Landry
Work Management Center (WMC)	1.5000	0.0000	1.5000	0.0000	Eno Landry
Access Customer Advocate Center (ACAC)	1.0998	1.0998	1.0998	1.0998	Eno Landry
<u>Engineering</u>					
Circuit Provisioning Group (CPG)	0.7800	0.7800	0.0042	0.0042	Eno Landry
<u>Connect & Test</u>					
CO Install & Mtce Field - Ckt & Fac	25.0000	25.0000	10.0000	10.0000	Eno Landry
Access Customer Advocate Center (ACAC)	5.7168	5.7168	1.4370	1.4370	Eno Landry
4-Wire Cross Connect					
<u>Service Order</u>					
Customer Point of Contact (ICSC)	4.0000	4.0000	2.0000	2.0000	Beverly Scarbro
Circuit Provisioning Group (CPG)	0.3000	0.0000	0.3000	0.0000	Eno Landry
Work Management Center (WMC)	1.5000	0.0000	1.5000	0.0000	Eno Landry
Access Customer Advocate Center (ACAC)	1.0998	1.0998	1.0998	1.0998	Eno Landry
<u>Engineering</u>					
Circuit Provisioning Group (CPG)	0.7800	0.7800	0.0042	0.0042	Eno Landry
<u>Connect & Test</u>					
CO Install & Mtce Field - Ckt & Fac	25.0000	25.0000	10.0000	10.0000	Eno Landry
Access Customer Advocate Center (ACAC)	5.7168	5.7168	1.4370	1.4370	Eno Landry

certified
Eno Landry
2/27/97

Physical Collocation

	Install		Disconnect		SME
	First	Additional	First	Additional	
DS1 Cross Connect					
<u>Service Order</u>					
Customer Point of Contact (ICSC)	4.0000	4.0000	2.0000	2.0000	Beverly Scarbro
Network & Engineering Planning (FG20)	15.0000	5.0000	0.0000	0.0000	Eno Landry
Circuit Provisioning Group (CPG)	0.7998	0.0000	0.1998	0.0000	Eno Landry
Network Plug-in Administration (PICS)	0.1898	0.0000	0.0000	0.0000	Eno Landry
Work Management Center (WMC)	4.3998	0.0000	1.5000	0.0000	Eno Landry
Access Customer Advocate Center (ACAC)	1.0998	1.0998	1.0998	1.0998	Eno Landry
<u>Engineering</u>					
Circuit Provisioning Group (CPG)	2.9502	2.9502	0.1500	0.1500	Eno Landry
<u>Connect & Test</u>					
CO Install & Misc Field - Ckt & Fac	25.0000	25.0000	10.0000	10.0000	Eno Landry
Access Customer Advocate Center (ACAC)	9.1140	9.1140	1.4370	1.4370	Eno Landry
DS3 Cross Connect					
<u>Service Order</u>					
Customer Point of Contact (ICSC)	4.0000	4.0000	2.0000	2.0000	Beverly Scarbro
Network & Engineering Planning (FG20)	15.0000	5.0000	0.0000	0.0000	Eno Landry
Circuit Provisioning Group (CPG)	1.0000	0.0000	1.0000	0.0000	Eno Landry
Work Management Center (WMC)	3.0000	0.0000	3.0000	0.0000	Eno Landry
Access Customer Advocate Center (ACAC)	0.8630	0.8630	0.8630	0.8630	Eno Landry
<u>Engineering</u>					
Circuit Provisioning Group (CPG)	1.0000	1.0000	1.0000	1.0000	Eno Landry
<u>Connect & Test</u>					
CO Install & Misc Field - Ckt & Fac	25.0000	25.0000	10.0000	10.0000	Eno Landry
Access Customer Advocate Center (ACAC)	9.1140	9.1140	1.4370	1.4370	Eno Landry

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9/26/97

Physical Collocation Matrix

Beta Element	MoNRC	Input Description	Physical Collocation Input	Concurrence (When)
	NRC			
Security Escort		ICSC time for Service Order	4.8 minutes (only applies to first half hour)	
		ACAC time	15.6 minutes (only applies to first half hour)	