

9202607R

01902 FEB 1982

2-21-82

1100 1100 1100 1100 1100 1100 1100 1100 1100 1100

# SHARE LOSS ASSUMPTIONS RATIONALE

QUANTITATIVE REASONS  
RESIDENCE  
BUSINESS  
COMMENTS

- Does not account for price differences
- Does not account for marketing or other advantages
- Assumes critics provide free
- Does not account for price differences
- Does not account for marketing or other advantages
- Assumes critics provide free

- Give customers options based on price
- What about account?
- Does not account for marketing or other advantages

2	A	QUANTITATIVE REASONS	
3		BUSINESS	
4	B	RESIDENCE	
5	C		
6	D		
7	E		
8			
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BOOK EXPERIENCE IN OTHER STATES  
(Does not account for marketing or other advantages)

- N EST is lower than ATRI

- N Est on PAC unit with ATRI

- N EST is higher than ATRI

BI MARKET RESEARCH

BI MARKET RESEARCH

February 1980

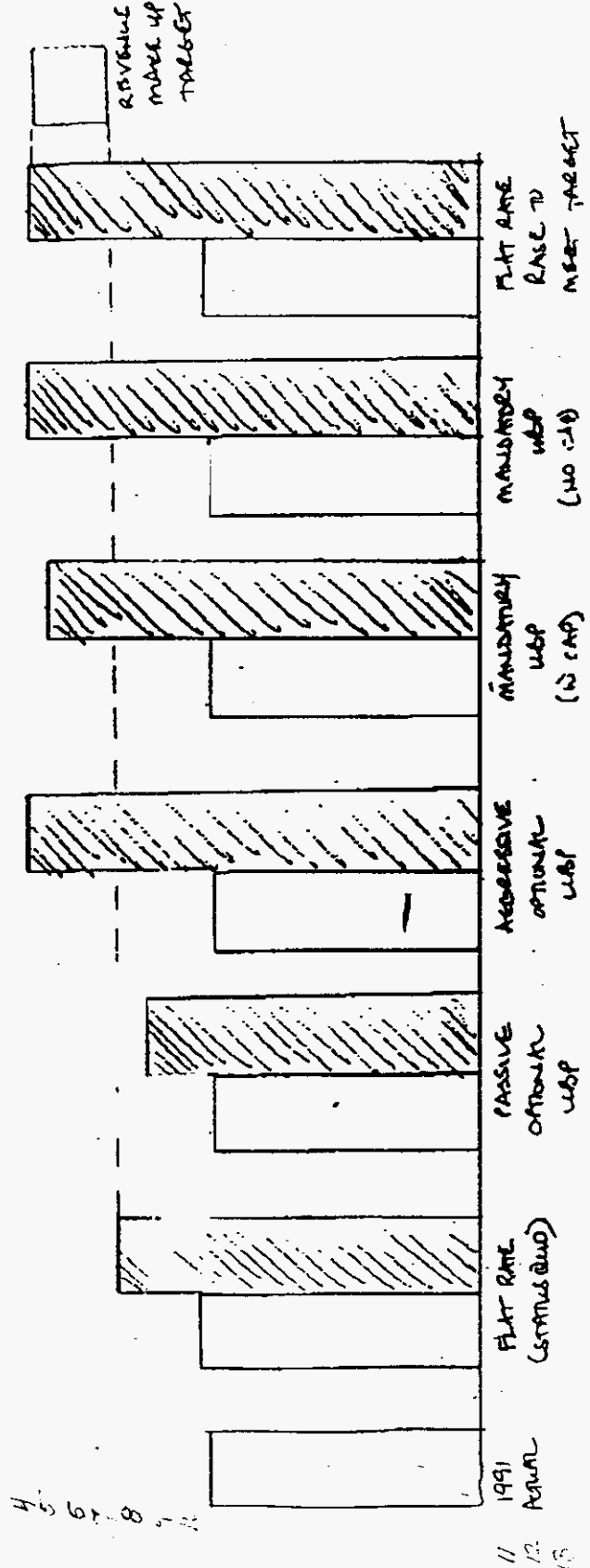
All 6 States

- If location occurs

- If location does not occur

A B C D E F G H I J K L M N

- 1 LOCAL REVENUES (EXCL. SPCA)
- 2 MILLIONS
- 3 (ASSUMES NO USER REPRESSION)



10 FLAT RATE:  
 11 - REA  
 12 - PAS  
 13 PENITENTIARY  
 14 - REA  
 15 - BUS  
 16 MONTHLY WSP BILL

AVERAGE MONTHLY RATES

# LOCAL SERVICE AVERAGE RESIDENCE BILL

## 3 OPTIONAL UBP ENVIRONMENT

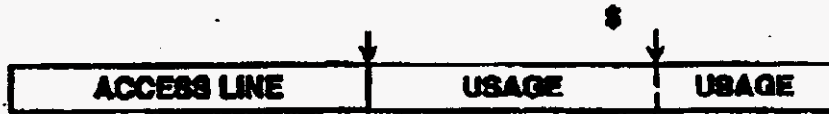
4 1992

5 **FLAT RATE**



6

7 **UBP**



8

9 1997

10 **PREMIUM  
FLAT RATE**



12

13 **UBP**



14

## 15 FLAT RATE ENVIRONMENT

16 1997

17 **FLAT RATE**



18

# COMBINED LOCAL & SHORT HAUL TOLL AVERAGE RESIDENCE BILL

## OPTIONAL UBP ENVIRONMENT

1992

FLAT RATE  
TOLL



UBP & ELCA

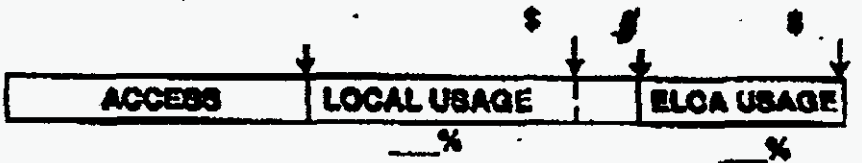


1997

PREMIUM FLAT  
RATE & TOLL



UBP & ELCA



## FLAT RATE ENVIRONMENT

1997

FLAT RATE



# SITUATION ANALYSIS

## 10XXX COMPETITION

4.

## 1+ COMPETITION

6.

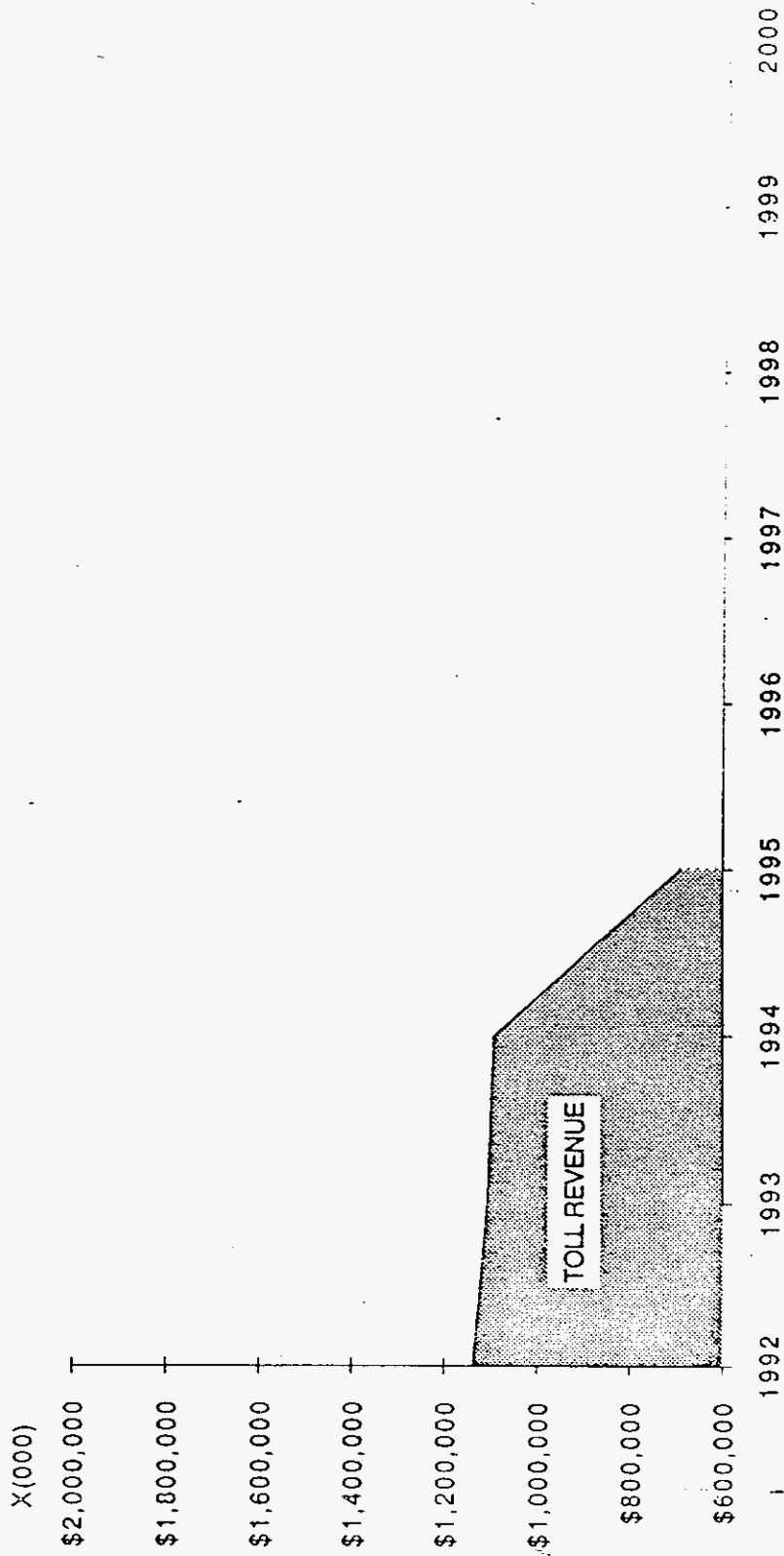
CONFIDENTIAL

**PRIVATE**

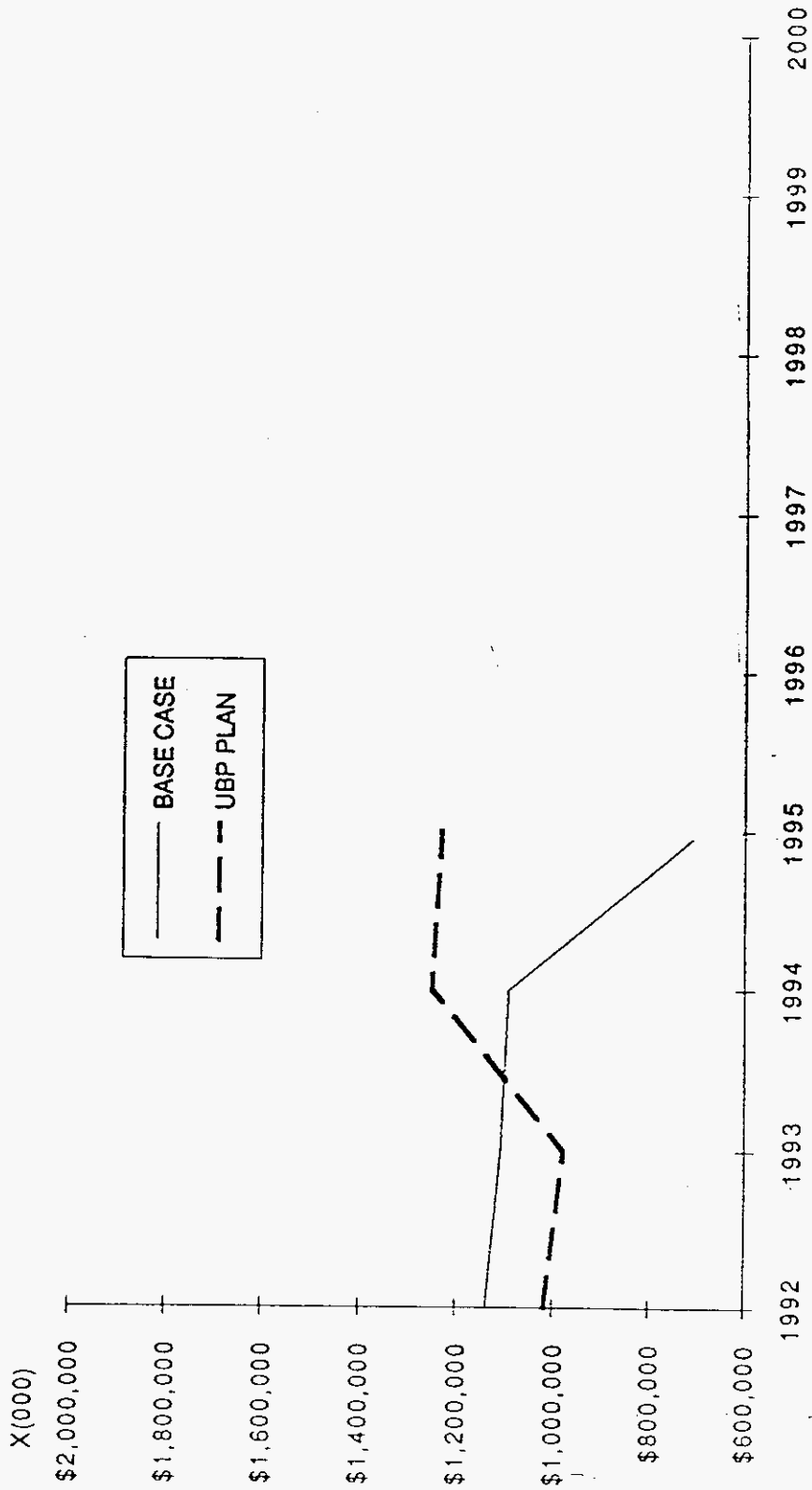
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**INTRALATA TOLL  
10XXX & 1+ REVENUE IMPACT**



# LOCAL/TOLL RESPONSE vs COMPETITIVE IMPACT



# COMBINED LOCAL/TOLL RESPONSE

## COMPONENTS

- EXPANDED LOCAL CALLING
  - USAGE BASED
  - INTEGRATION OF EXISTING & EXPANDED LCA
- TOLL REPRICING & SERVICE ENHANCEMENTS
- ADVERTISING & PROMOTIONS
- SALES TRAINING & SUPPORT
- SALES OBJECTIVES, INCENTIVES & COMPENSATION

## IMPACT

11  
12.

13.

14.

15.

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# PUBLIC SWITCHED NETWORK SERVICES STRATEGY

2.

\_\_\_\_\_

3.  
4.  
5.  
6.

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PERSONNEL

# PUBLIC SWITCHED NETWORK SERVICES STRATEGY

SEGMENT BASED

3.  
4.

PRODUCT, PACKAGING, AND PRICING

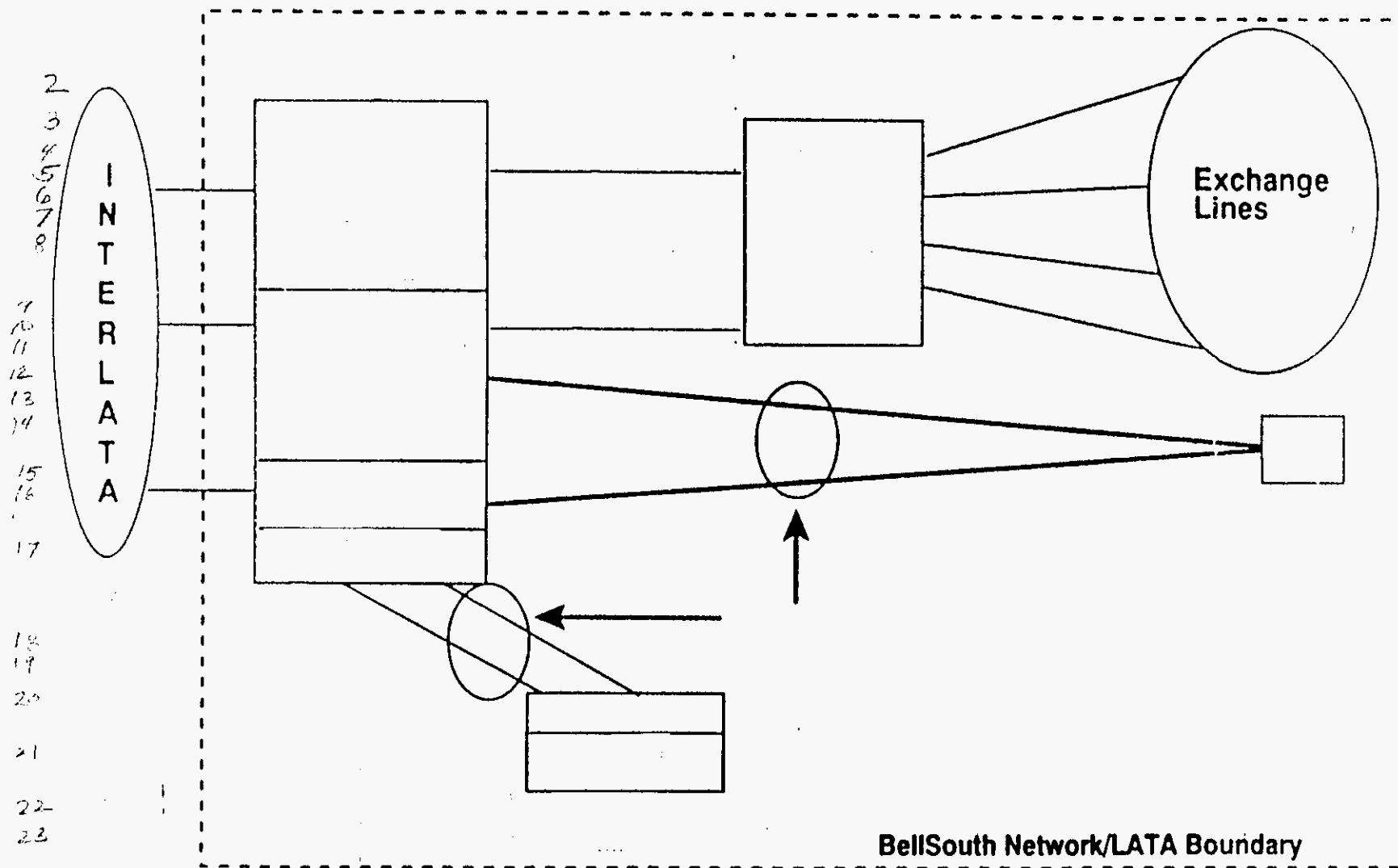
SALES CHANNELS AND CHANNEL SUPPORT

ADVERTISING AND PROMOTIONS

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# CARRIER STRATEGY



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# USAGE BASED EXPANDED LOCAL

## STRUCTURE

- 3.
- 4.
- 5.
- 6.

## ADVANTAGES

- 8
- 9.
- 10.
- 11.
- 12.
- 13.
- 14.
- 15
- 16.

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### PRIVATE

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# WatsSaver<sup>sm</sup> Service

## STRUCTURE

- Account-Based Optional Calling Plan
- LATA-Wide Calling
- Non-Distance Sensitivity
- Contract-Based Volume Discount

## ADVANTAGES

8.  
9  
10  
11.  
12.

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EMPLOYEES.

910424002p

**CHANNELS AND CHANNEL SUPPORT**

**LARGE BUSINESS**

**ACCOUNT PLANNING AND MANAGEMENT**

- 5.
- 6.
- 7.
- 8.
- 9.

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EMPLOYEES

**CHANNELS AND CHANNEL SUPPORT  
LARGE BUSINESS**

**COMPENSATION PLANS**

- EXPANDED VALUES FOR "TRAFFIC AND CONNECTIVITY " ORIENTED PRODUCTS (WATS SAVER <sup>sm</sup> , 800, TRUNKS, ETN, ETC. ) WERE IMPLEMENTED JULY, 1991
- DIRECT ADDITIONAL COMPENSATION VALUES TO ACCOUNT PLANS THAT DRIVE "TRAFFIC & CONNECTIVITY" PRODUCTS & WIN-BACK COMPETITIVE LOSSES
- 1992 SALES FORCE COMPENSATION & OBJECTIVES ESTABLISHED FOR PRODUCTS THAT ARE:
  - 1) STRATEGIC & PROFITABLE
  - 2) STRATEIC ONLY
  - 3) PROFITABLE ONLY

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**PRODUCT & PRODUCT PACKAGING  
RESIDENCE & SMALL BUSINESS**

**PUBLIC SWITCHED NETWORK SERVICES**

- USAGE BASED EXPANDED LOCAL
- 5. • SAVER SERVICE (MULTIPLE OPTIONS)
- WATS/SAVER (MULTIPLE OPTIONS)
- INTRALATA 800
- COMBINED 800
- FX ALTERNATIVE
- 11. • CROSS PRODUCT PACKAGES

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12  
13.

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**PRODUCT & PRODUCT PACKAGING  
RESIDENCE & SMALL BUSINESS**

**PUBLIC SWITCHED NETWORK SERVICES**

4.

5.

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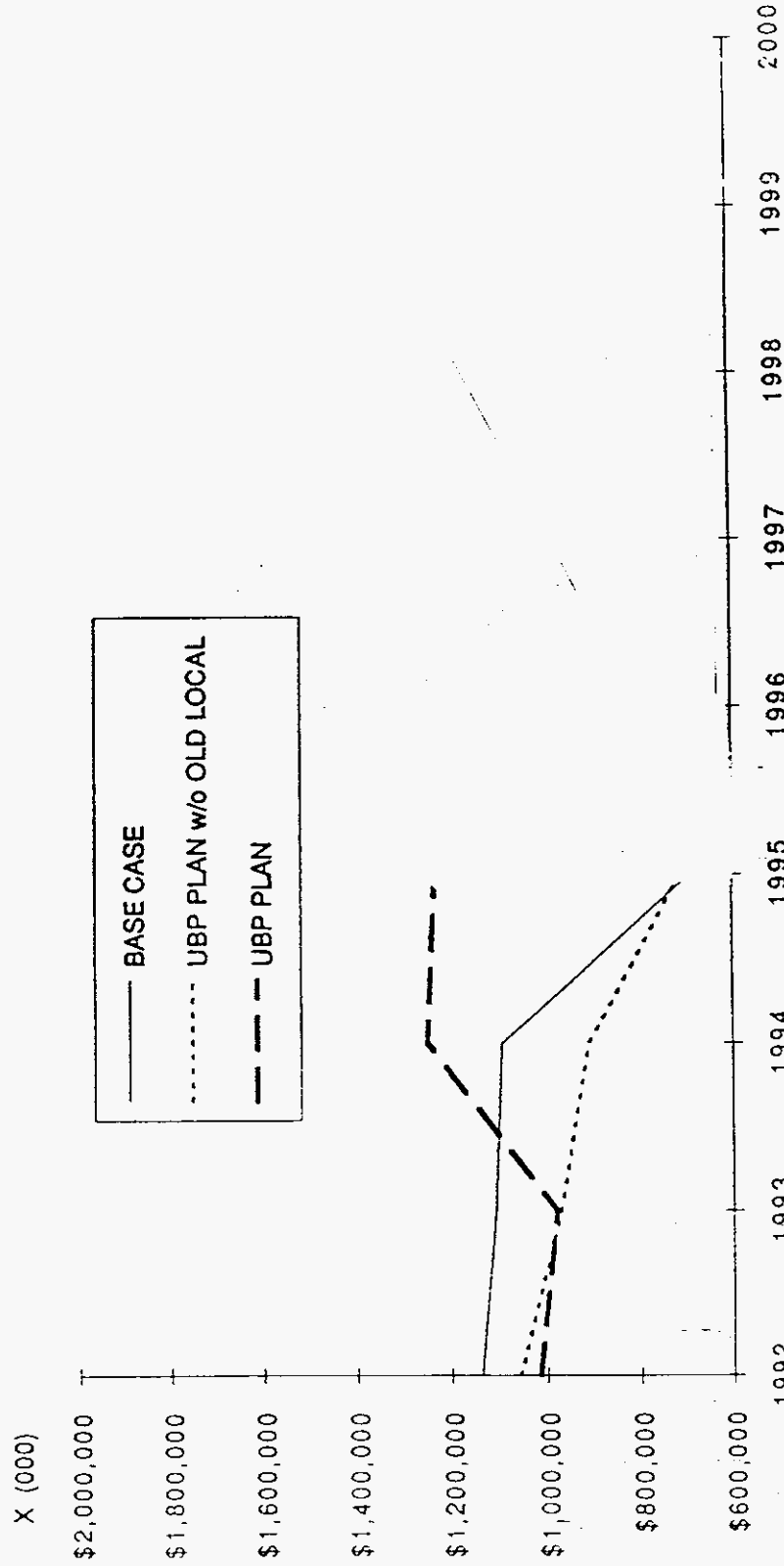
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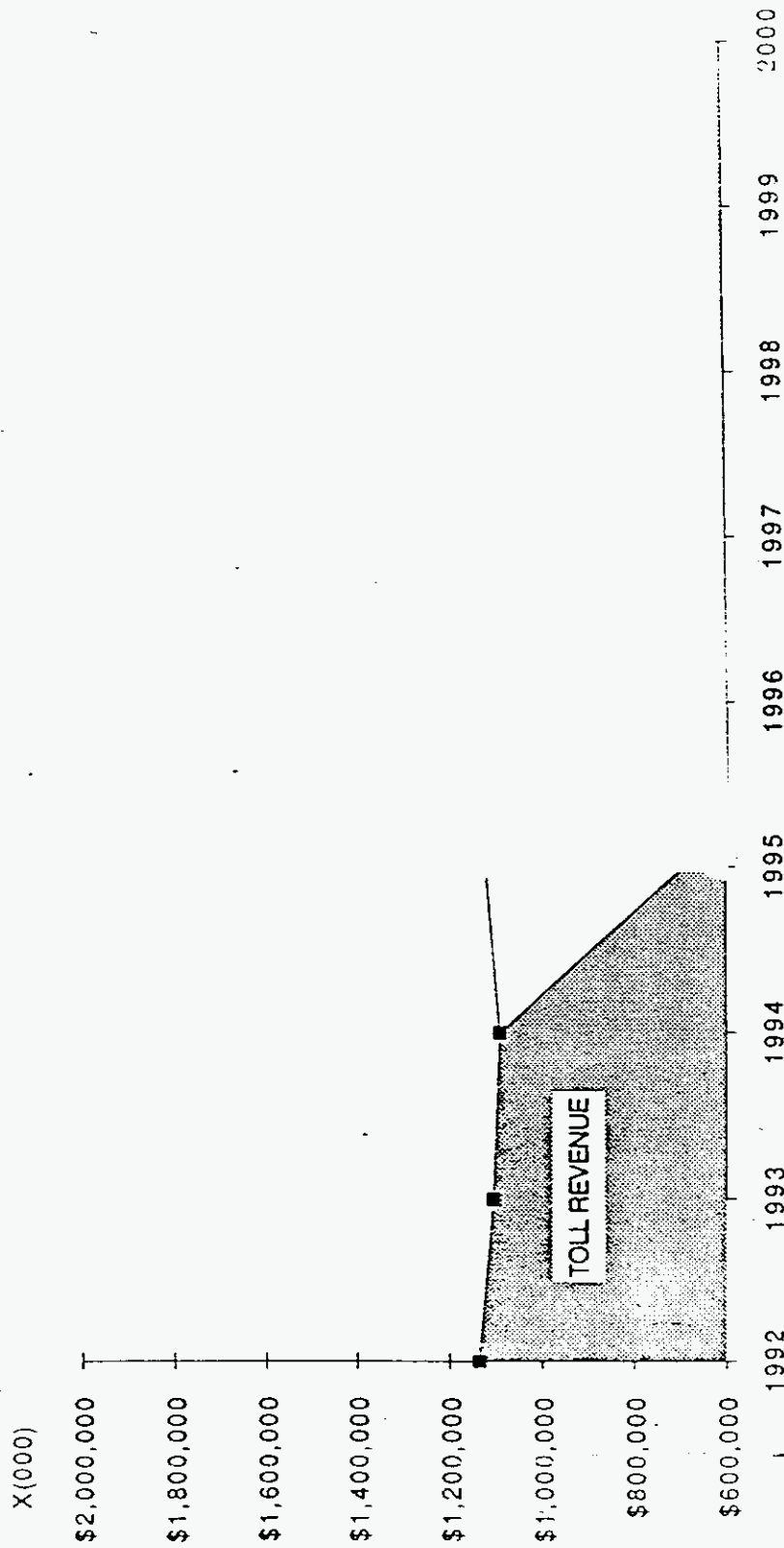
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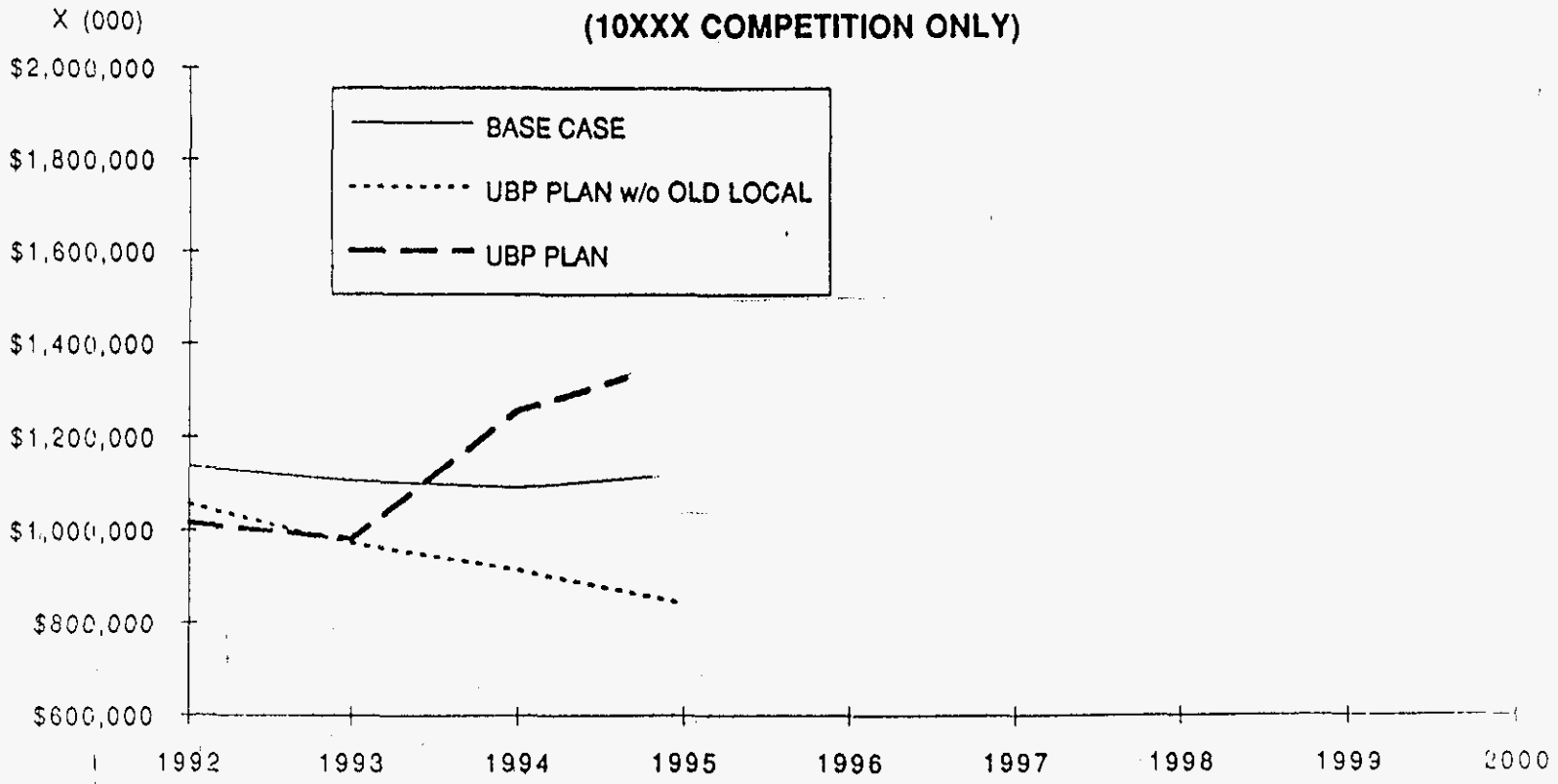
# LOCAL/TOLL RESPONSE REVENUE IMPACT



**INTRALATA TOLL  
10XXX & 1+ REVENUE IMPACT**



**LOCAL/TOLL RESPONSE  
REVENUE IMPACT  
(10XXX COMPETITION ONLY)**



FD1901200169

## STATE SPECIFIC ACTION PLANS

- **TARIFF FILINGS**

- **INTERDEPARTMENTAL IMPACTS**

4.  
5.  
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- 
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- 
- 

- **STATE BUDGET IMPACT**

- **STAFF SUPPORT NEEDED FOR SUCCESS**

## **AGGRESSIVE TOLL RESPONSE**

### **COMPONENTS**

- REPRICING**
- FEATURE ENHANCEMENTS**
- ADVERTISING AND PROMOTIONS**
- INCENTIVES, SALES COMPENSATION, OBJECTIVES**
- SALES TRAINING AND SUPPORT**

# COMBINED LOCAL TOLL RESPONSE

EVALUATION OF POTENTIAL

ACTUAL IMPACT REQUIRES STATE SPECIFIC PLANS

## COMPONENTS

EXPANDED LOCAL CALLING

FULL UBP IMPLEMENTATION

FULL INTEGRATION OF EXISTING, EXPANDED LCA

# **CHANNELS & CHANNEL SUPPORT LARGE BUSINESS**

## SALES SUPPORT

- **Market Assessment Managers & Competition Managers Will Drive PSNS Implementation Through Applications Development & Opportunity Identification**
- **Product Marketing Information Will Be Developed 3Q91 To Enhance Salesforce Knowledge Of Strategies, Competitive Positioning & Tariff Plans**
- **Sales Tools (Systems, Reports, Studies) Will Be Enhanced To Improve Efficiency & Focus On Value Drivers**
- **Training Will Be Developed To Improve Customer Networking Skills Using The PSNS Architecture**

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# SUMMARY

## Combined Market & Product View

## Total Public Switched Network - Not Just Toll

## Specific Solutions For Each Major Market Segment

- Product, Packaging, Price & Promotions
- Sales Channels/Incentives
- Cross-Product Issues

## Projected Revenue Impact

## Resources & Commitments

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EMPLOYEES.

P04

**INTRALATA TOLL SUBCOMMITTEE**  
**COMPETITIVE RESPONSE OPTIONS**  
 (1997 VIEW)

	<b>INDUSTRY</b>	<b>PROMOTION</b>	<b>PENETRATION</b>
7. <b>AGGRESSIVE TOLL RESPONSE</b> 3 MTS, OCPs, WATS & 800 4 5 PKG W/ CLG. CARD & PUB. 6 7 8 9	PRICE TO BEAT COMP. MTS TOLL = OCP TOLL = WATS = 800 = INTRAST SW.ACC. =	COMPENSATED- ALL CHNLS AGRESSIVE ADVERTISING USE ALT. DIST. CHNLS.	BST's TOLL SHR=
10. <b>SELL ACCESS TO END USERS</b> 11 STIMULATES TRAFFIC BY 12 GIVING END USER LOWEST 13 PRICE 14 PKG W/ ARS & ESSX	PRICE = ACCESS TO IXCs	TARGETMED. & LARGE BUS	
9. <b>EXIT THE TOLL MARKET</b> 16 DEFERS COST OF FUTURE SWITCHING & TRUNKING ADDITIONS MAY STRAND TRUNKING FACILITIES	N/A	SAVES ADV. EXP. SAVES COMPENSATION EXP. SAME COST OF SALES AS MTS	BST's TOLL SHR=

PM 02:48  
 FOIA01Z03767

03-20-97 03:02PM

5-552

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	BELLSOUTH MTS:	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001			
2	(TEST CASE RATE CHANGE EFFECTS ONLY:														
3	BUSINESS	\$0	\$0	\$0	\$0										
4	RESIDENCE	\$0	\$0	\$0	\$0										
5	TOTAL	\$0	\$0	\$0	\$0										
6	PRICE DIFFERENCES: STM = "1" >		1	1	1										
7	-BUS(B4 STIM)		ERR	ERR	ERR										
8	-RES(B4 STIM)		ERR	ERR	ERR										
9	-TOT(B4 STIM)		ERR	ERR	ERR										
10	REVENUE DIFFERENCES:														
11	RATE -BUS	\$0	\$0	\$0											
12	CHANGE -RES	\$0	\$0	\$0											
13	EFFECTS: -TOT	\$0	\$0	\$0											
14	PROJ MTS/CMOU-BUS:		ERR	ERR	ERR										
15	PROJ MTS/CMOU-RES:		ERR	ERR	ERR										
16	PROJ MTS/CMOU-TOT:		ERR	ERR	ERR										
16A															
17	PROJ DDD/CMOU-BUS:		ERR	ERR	ERR										
18	PROJ DDD/CMOU-RES:		ERR	ERR	ERR										
19	PROJ DDD/CMOU-TOT:		ERR	ERR	ERR										
20	SHARE LOSS EXPECTED:														
21	PERCENTAGE-BUS		0.0%	0.0%	0.0%										
22	ADOPTION RATE-BUS		0.0%	0.0%	0.0%										
23	PERCENTAGE-RES		0.0%	0.0%	0.0%										
24	ADOPTION RATE-RES		0.0%	0.0%	0.0%										
25	PROJECTED FORECAST (AFTER RATE REDUCTIONS) REFLECTING COMPETITIVE MARKET SHARE EFFECTS:														
26	VALUE OF -BUS		ERR	ERR	ERR										
27	LOST TOLL AS -RES		ERR	ERR	ERR										
28	SW ACCESS REV: -TOT		ERR	ERR	ERR										
29	VALUE OF -BUS	\$0	\$0	\$0											
30	REMAINING -RES	\$0	\$0	\$0											
31	TOLL MARKET: -TOT	\$0	\$0	\$0											
32	VALUE OF -BUS		ERR	ERR	ERR										
33	REMAINING -RES		ERR	ERR	ERR										
34	MARKETS: -TOT		ERR	ERR	ERR										

SCENARIO 6

1/97 B

MILEAGE I A  
 BANDS INCR INCR  
 0- 10  
 11- 16  
 17- 22  
 23- 30  
 31- 40  
 41- 55  
 56- 70  
 71-124  
 >=125  
 TOLL\*  
 DAY RT  
 EVE RT  
 N/W RT  
 CCARD  
 OPRTR  
 P / P

SW ACCESS RATE/CMOU:  
 1997

-BUS  
 -RES  
 STM FCTR

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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001				
1	BELLSOUTH MTS:														
2	(1997) @														
							SCENARIO 7								
3	BUSINESS												MILEAGE	I	A
4	RESIDENCE												BANDS	INCR	INCR
5	TOTAL												0- 10		
5A	*****												11- 16		
6	CURR MTS/CMOU-BUS:												17- 22		
7	CURR MTS/CMOU-RES:												23- 30		
8	CURR MTS/CMOU-TOT:												31- 40		
8A													41- 55		
9	CURR DDD/CMOU-BUS:												56- 70		
10	CURR DDD/CMOU-RES:												71-124		
11	CURR DDD/CMOU-TOT:												>=125		
12	SHARE LOSS EXPECTED:													TOLL*	
13	PERCENTAGE-BUS		0.0%	0.0%	0.0%								DAY RT		
14	ADOPTION RATE-BUS		0.0%	0.0%	0.0%								EVE RT		
14A													N/W RT		
15	PERCENTAGE-RES		0.0%	0.0%	0.0%								CCARD		
16	ADOPTION RATE-RES		0.0%	0.0%	0.0%								OPRTR		
16A													P / P		
17	CURRENT FORECAST REFLECTING COMPETITIVE MARKET SHARE EFFECTS:													SW ACCESS RATE/CMOU:	
18	VALUE OF -BUS		\$0	\$0	\$0									1997	
19	LOST TOLL AS -RES		\$0	\$0	\$0										
20	SW ACCESS REV: -TOT		\$0	\$0	\$0										
21	VALUE OF -BUS		\$0	\$0	\$0										
22	REMAINING -RES		\$0	\$0	\$0										
23	TOLL MARKET: -TOT		\$0	\$0	\$0										
24	VALUE OF -BUS		\$0	\$0	\$0										
25	COMBINED -RES		\$0	\$0	\$0										
26	MARKETS: -TOT		\$0	\$0	\$0										
27	STM = "1" >		1	1	1										

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28.	BELLSOUTH	NET OF "BASE CASE" VERSUS "TEST CASE" INCLUDING RATE REDUCTIONS AND MARKET SHARE EFFECTS:										
29.	MTS:	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
30.	BUSINESS		ERR	ERR	ERR							
31.	RESIDENCE		ERR	ERR	ERR							
32.	TOTAL		ERR	ERR	ERR							

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	PARITY @			
1 BELL SOUTH MTS:															
2 (TEST CASE RATE CHANGE EFFECTS ONLY:	SCENARIO 7											MILEAGE	I	A	
3 BUSINESS	\$0	\$0	\$0	\$0								BANDS	INCR	INCR	
4 RESIDENCE	\$0	\$0	\$0	\$0								0- 10			
5 TOTAL	\$0	\$0	\$0	\$0								11- 16			
6 PRICE DIFFERENCES: STM = "1" >		1	1	1								17- 22			
7 -BUS(B4 STIM)		ERR	ERR	ERR								23- 30			
8 -RES(B4 STIM)		ERR	ERR	ERR								31- 40			
9 -TOT(B4 STIM)		ERR	ERR	ERR								41- 55			
10 REVENUE DIFFERENCES:												56- 70			
11 RATE -BUS		\$0	\$0	\$0								71-124			
12 CHANGE -RES		\$0	\$0	\$0								>=125			
13 EFFECTS: -TOT		\$0	\$0	\$0										TOLL*	
14 PROJ MTS/CMOU-BUS:		ERR	ERR	ERR								DAY RT			
15 PROJ MTS/CMOU-RES:		ERR	ERR	ERR								EVE RT			
16 PROJ MTS/CMOU-TOT:		ERR	ERR	ERR								N/W RT			
16A												CCARD			
17 PROJ ODD/CMOU-BUS:		ERR	ERR	ERR								OPRTR			
18 PROJ ODD/CMOU-RES:		ERR	ERR	ERR								P / P			
19 PROJ ODD/CMOU-TOT:		ERR	ERR	ERR											
20 SHARE LOSS EXPECTED:															
21 PERCENTAGE-BUS		0.0%	0.0%	0.0%											
22 ADOPTION RATE-BUS		0.0%	0.0%	0.0%											
23 PERCENTAGE-RES		0.0%	0.0%	0.0%											
24 ADOPTION RATE-RES		0.0%	0.0%	0.0%											
25 PROJECTED FORECAST (AFTER RATE REDUCTIONS) REFLECTING COMPETITIVE MARKET SHARE EFFECTS:														SW ACCESS RATE/CMOU:	
26 VALUE OF -BUS		ERR	ERR	ERR										1997	
27 LOST TOLL AS -RES		ERR	ERR	ERR											
28 SW ACCESS REV: -TOT		ERR	ERR	ERR											
29 VALUE OF -BUS		\$0	\$0	\$0										-BUS	
30 REMAINING -RES		\$0	\$0	\$0										-RES	
31 TOLL MARKET: -TOT		\$0	\$0	\$0										STM FCTR^	
32 VALUE OF -BUS		ERR	ERR	ERR											
33 COMBINED -RES		ERR	ERR	ERR											
34 MARKETS: -TOT		ERR	ERR	ERR											

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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1 BELL SOUTH MTS:	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001				
2 (1/97) a							SCENARIO 8							1/97 a	
3 BUSINESS													MILEAGE	I	A
4 RESIDENCE													BANDS	INCR	INCR
5 TOTAL													0- 10		
6 *****													11- 16		
7 CURR MTS/CMOU-BUS:													17- 22		
8 CURR MTS/CMOU-RES:													23- 30		
9 CURR MTS/CMOU-TOT:													31- 40		
10													41- 55		
11 CURR DDD/CMOU-BUS:													56- 70		
12 CURR DDD/CMOU-RES:													71-124		
13 CURR DDD/CMOU-TOT:													>=125		
14 SHARE LOSS EXPECTED:														TOLL*	
15 PERCENTAGE-BUS		0.0%	0.0%	0.0%									DAY RT		
16 ADOPTION RATE-BUS		0.0%	0.0%	0.0%									EVE RT		
17													N/W RT		
18 PERCENTAGE-RES		0.0%	0.0%	0.0%									CCARD		
19 ADOPTION RATE-RES		0.0%	0.0%	0.0%									OPRTR		
20													P / P		
21 CURRENT FORECAST REFLECTING COMPETITIVE MARKET SHARE EFFECTS:														SW ACCESS RATE/CMOU:	
22 VALUE OF -BUS		\$0	\$0	\$0										1997	
23 LOST TOLL AS -RES		\$0	\$0	\$0											
24 SW ACCESS REV; -TOT		\$0	\$0	\$0											
25 VALUE OF -BUS		\$0	\$0	\$0											
26 REMAINING -RES		\$0	\$0	\$0											
27 TOLL MARKET: -TOT		\$0	\$0	\$0											
28 VALUE OF -BUS		\$0	\$0	\$0											
29 COMBINED -RES		\$0	\$0	\$0											
30 MARKETS: -TOT		\$0	\$0	\$0											
31	STM = "1" >	1	1	1											

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	BELL SOUTH	NET OF "BASE CASE" VERSUS "TEST CASE" INCLUDING RATE REDUCTIONS AND MARKET SHARE EFFECTS:									
MTS:	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
BUSINESS		ERR	ERR	ERR							
RESIDENCE		ERR	ERR	ERR							
TOTAL		ERR	ERR	ERR							

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001				
1 BELL SOUTH MTS:	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001				
2 (TEST CASE RATE CHANGE EFFECTS ONLY:	SCENARIO B											BLS 1+			
3 BUSINESS	\$0	\$0	\$0	\$0								MILEAGE	I	A	
4 RESIDENCE	\$0	\$0	\$0	\$0								BANDS	INCR	INCR	
5 TOTAL	\$0	\$0	\$0	\$0								0- 10			
6 PRICE DIFFERENCES: STM = "1" >		1	1	1								11- 16			
7 -BUS(B4 STIM)		ERR	ERR	ERR								17- 22			
8 -RES(B4 STIM)		ERR	ERR	ERR								23- 30			
9 -TOT(B4 STIM)		ERR	ERR	ERR								31- 40			
10 REVENUE DIFFERENCES:												41- 55			
11 RATE -BUS	\$0	\$0	\$0	\$0								56- 70			
12 CHANGE -RES	\$0	\$0	\$0	\$0								71-124			
13 EFFECTS: -TOT	\$0	\$0	\$0	\$0								>=125			
14														TOLL*	
15 PROJ MTS/CMOU-BUS:		ERR	ERR	ERR								DAY RT			
16 PROJ MTS/CMOU-RES:		ERR	ERR	ERR								EVE RT			
17 PROJ MTS/CMOU-TOT:		ERR	ERR	ERR								N/W RT			
18												CCARD			
19 PROJ DDD/CMOU-BUS:		ERR	ERR	ERR								OPRTR			
20 PROJ DDD/CMOU-RES:		ERR	ERR	ERR								P / P			
21 PROJ DDD/CMOU-TOT:		ERR	ERR	ERR											
22 SHARE LOSS EXPECTED:															
23 PERCENTAGE-BUS		0.0%	0.0%	0.0%											
24 ADOPTION RATE-BUS		0.0%	0.0%	0.0%											
25 PERCENTAGE-RES		0.0%	0.0%	0.0%											
26 ADOPTION RATE-RES		0.0%	0.0%	0.0%											
27 PROJECTED FORECAST (AFTER RATE REDUCTIONS) REFLECTING COMPETITIVE MARKET SHARE EFFECTS:												SW ACCESS RATE/CMOU:			
28 VALUE OF -BUS		ERR	ERR	ERR											1997
29 LOST TOLL AS -RES		ERR	ERR	ERR											
30 SW ACCESS REV: -TOT		ERR	ERR	ERR											
31 VALUE OF -BUS		\$0	\$0	\$0											-BUS
32 REMAINING -RES		\$0	\$0	\$0											-RES
33 TOLL MARKET: -TOT		\$0	\$0	\$0											STM FCTR^
34 VALUE OF -BUS		ERR	ERR	ERR											
35 COMBINED -RES		ERR	ERR	ERR											
36 MARKETS: -TOT		ERR	ERR	ERR											

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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1 BELLSOUTH MTS:		1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001			
2 (TEST CASE RATE CHANGE EFFECTS ONLY:									SCENARIO 9						1/97 @
3 BUSINESS		\$0	\$0	\$0	\$0								MILEAGE	I	A
4 RESIDENCE		\$0	\$0	\$0	\$0								BANDS	INCR	INCR
5 TOTAL		\$0	\$0	\$0	\$0								0- 10		
6 PRICE DIFFERENCES: STM = "1" >			1	1	1								11- 16		
7 -BUS(B4 STIM)			ERR	ERR	ERR								17- 22		
8 -RES(B4 STIM)			ERR	ERR	ERR								23- 30		
9 -TOT(B4 STIM)			ERR	ERR	ERR								31- 40		
10 REVENUE DIFFERENCES:													41- 55		
11 RATE -BUS		\$0	\$0	\$0	\$0								56- 70		
12 CHANGE -RES		\$0	\$0	\$0	\$0								71-124		
13 EFFECTS: -TOT		\$0	\$0	\$0	\$0								>=125		
14														TOLL*	
15 PROJ MTS/CMOU-BUS:			ERR	ERR	ERR								DAY RT		
16 PROJ MTS/CMOU-RES:			ERR	ERR	ERR								EVE RT		
17 PROJ MTS/CMOU-TOT:			ERR	ERR	ERR								N/W RT		
18													CCARD		
19 PROJ DDD/CMOU-BUS:			ERR	ERR	ERR								OPRTR		
20 PROJ DDD/CMOU-RES:			ERR	ERR	ERR								P / P		
21 PROJ DDD/CMOU-TOT:			ERR	ERR	ERR										
22 SHARE LOSS EXPECTED:															
23 PERCENTAGE-BUS			0.0%	0.0%	0.0%										
24 ADOPTION RATE-BUS			0.0%	0.0%	0.0%										
25 PERCENTAGE-RES			0.0%	0.0%	0.0%										
26 ADOPTION RATE-RES			0.0%	0.0%	0.0%										
27 PROJECTED FORECAST (AFTER RATE REDUCTIONS) REFLECTING COMPETITIVE MARKET SHARE EFFECTS:															SW ACCESS RATE/CMOU:
28 VALUE OF -BUS			ERR	ERR	ERR										1997
29 LOST TOLL AS -RES			ERR	ERR	ERR										
30 SW ACCESS REV: -TOT			ERR	ERR	ERR										
31 VALUE OF -BUS		\$0	\$0	\$0	\$0										-BUS
32 REMAINING -RES		\$0	\$0	\$0	\$0										-RES
33 TOLL MARKET: -TOT		\$0	\$0	\$0	\$0										STM FCTR^
34 VALUE OF -BUS		ERR	ERR	ERR	ERR										
35 COMBINED -RES		ERR	ERR	ERR	ERR										
36 MARKETS: -TOT		ERR	ERR	ERR	ERR										

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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1 BELLSOUTH MTS:	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001				
2 (1997) @							SCENARIO 10								1/97 @
3 BUSINESS													MILEAGE	I	A
4 RESIDENCE													BANDS	INCR	INCR
5 TOTAL													0- 10		
6 *****													11- 16		
7 CURR MTS/CMOU-BUS:													17- 22		
8 CURR MTS/CMOU-RES:													23- 30		
9 CURR MTS/CMOU-TOT:													31- 40		
10													41- 55		
11 CURR DDD/CMOU-BUS:													56- 70		
12 CURR DDD/CMOU-RES:													71-124		
13 CURR DDD/CMOU-TOT:													>=125		
14 SHARE LOSS EXPECTED:														TOLL*	
15 PERCENTAGE-BUS		0.0%	0.0%	0.0%									DAY RT		
16 ADOPTION RATE-BUS		0.0%	0.0%	0.0%									EVE RT		
17													N/W RT		
18 PERCENTAGE-RES		0.0%	0.0%	0.0%									CCARD		
19 ADOPTION RATE-RES		0.0%	0.0%	0.0%									OPRTR		
20													P / P		
21 CURRENT FORECAST REFLECTING COMPETITIVE MARKET SHARE EFFECTS:														SW ACCESS RATE/CMOU:	
22 VALUE OF -BUS		\$0	\$0	\$0										1997	
23 LOST TOLL AS -RES		\$0	\$0	\$0											
24 SW ACCESS REV; -TOT		\$0	\$0	\$0											
25 VALUE OF -BUS		\$0	\$0	\$0											
26 REMAINING -RES		\$0	\$0	\$0											
27 TOLL MARKET: -TOT		\$0	\$0	\$0											
28 VALUE OF -BUS		\$0	\$0	\$0											
29 COMBINED -RES		\$0	\$0	\$0											
30 MARKETS: -TOT		\$0	\$0	\$0											
31	STM = "1" >	1	1	1											

FOIA012027

	BELLSOUTH	NET OF "BASE CASE" VERSUS "TEST CASE" INCLUDING RATE REDUCTIONS AND MARKET SHARE EFFECTS:									
32	MTS:	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
33	BUSINESS		ERR	ERR	ERR						
34	RESIDENCE		ERR	ERR	ERR						
35	TOTAL		ERR	ERR	ERR						

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	BELLSOUTH MTS:	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001			
2	(TEST CASE RATE CHANGE EFFECTS ONLY:														
3	BUSINESS	\$0	\$0	\$0	\$0								MILEAGE	I	A
4	RESIDENCE	\$0	\$0	\$0	\$0								BANDS	INCR	INCR
5	TOTAL	\$0	\$0	\$0	\$0								0- 10		
6	PRICE DIFFERENCES: STM #="1" >		1	1	1								11- 16		
7	-BUS(B4 STIM)		ERR	ERR	ERR								17- 22		
8	-RES(B4 STIM)		ERR	ERR	ERR								23- 30		
9	-TOT(B4 STIM)		ERR	ERR	ERR								31- 40		
10	REVENUE DIFFERENCES:												41- 55		
11	RATE -BUS		\$0	\$0	\$0								56- 70		
12	CHANGE -RES		\$0	\$0	\$0								71-124		
13	EFFECTS: -TOT		\$0	\$0	\$0								>=125		
14															TOLL*
15	PROJ MTS/CMOU-BUS:		ERR	ERR	ERR								DAY RT		
16	PROJ MTS/CMOU-RES:		ERR	ERR	ERR								EVE RT		
17	PROJ MTS/CMOU-TOT:		ERR	ERR	ERR								N/W RT		
18													CCARD		
19	PROJ DDD/CMOU-BUS:		ERR	ERR	ERR								OPRTR		
20	PROJ DDD/CMOU-RES:		ERR	ERR	ERR								P / P		
21	PROJ DDD/CMOU-TOT:		ERR	ERR	ERR										
22	SHARE LOSS EXPECTED:														
23	PERCENTAGE-BUS		0.0%	0.0%	0.0%										
24	ADOPTION RATE-BUS		0.0%	0.0%	0.0%										
25	PERCENTAGE-RES		0.0%	0.0%	0.0%										
26	ADOPTION RATE-RES		0.0%	0.0%	0.0%										
27	PROJECTED FORECAST (AFTER RATE REDUCTIONS) REFLECTING COMPETITIVE MARKET SHARE EFFECTS:														
28	VALUE OF -BUS		ERR	ERR	ERR										SW ACCESS RATE/CMOU:
29	LOST TOLL AS -RES		ERR	ERR	ERR										1997
30	SW ACCESS REV: -TOT		ERR	ERR	ERR										
31	VALUE OF -BUS		\$0	\$0	\$0										-BUS
32	REMAINING -RES		\$0	\$0	\$0										-RES
33	TOLL MARKET: -TOT		\$0	\$0	\$0										STM FCTR^
34	VALUE OF -BUS		ERR	ERR	ERR										
35	COMBINED -RES		ERR	ERR	ERR										
36	MARKETS: -TOT		ERR	ERR	ERR										

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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1 BELLSOUTH MTS:	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001				
2 (1 '97) @							SCENARIO 11							1/97 @	
3 BUSINESS													MILEAGE	I	A
4 RESIDENCE													BANDS	INCR	INCR
5 TOTAL													0- 10		
6 *****													11- 16		
7 CURR MTS/CMOU-BUS:													17- 22		
8 CURR MTS/CMOU-RES:													23- 30		
9 CURR MTS/CMOU-TOT:													31- 40		
10													41- 55		
11 CURR DDD/CMOU-BUS:													56- 70		
12 CURR DDD/CMOU-RES:													71-124		
13 CURR DDD/CMOU-TOT:													>=125		
14 SHARE LOSS EXPECTED:														TOLL*	
15 PERCENTAGE-BUS		0.0%	0.0%	0.0%									DAY RT		
16 ADOPTION RATE-BUS		0.0%	0.0%	0.0%									EVE RT		
17													N/W RT		
18 PERCENTAGE-RES		0.0%	0.0%	0.0%									CCARD		
19 ADOPTION RATE-RES		0.0%	0.0%	0.0%									OPRTR		
20													P / P		
21 CURRENT FORECAST REFLECTING COMPETITIVE MARKET SHARE EFFECTS:														SW ACCESS RATE/CMOU:	
22 VALUE OF -BUS		\$0	\$0	\$0										1997	
23 LOST TOLL AS -RES		\$0	\$0	\$0											
24 SW ACCESS REV; -TOT		\$0	\$0	\$0											
25 VALUE OF -BUS		\$0	\$0	\$0											
26 REMAINING -RES		\$0	\$0	\$0											
27 TOLL MARKET: -TOT		\$0	\$0	\$0											
28 VALUE OF -BUS		\$0	\$0	\$0											
29 COMBINED -RES		\$0	\$0	\$0											
30 MARKETS: -TOT		\$0	\$0	\$0											
31	STM = "1" >	1	1	1											

FOIA01203783

	BELLSOUTH	NET OF "BASE CASE" VERSUS "TEST CASE" INCLUDING RATE REDUCTIONS AND MARKET SHARE EFFECTS:									
	MTS:	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
33	BUSINESS		ERR	ERR	ERR						
34	RESIDENCE		ERR	ERR	ERR						
35	TOTAL		ERR	ERR	ERR						

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	BELLSOUTH MTS:	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001			
2	(TEST CASE RATE CHANGE EFFECTS ONLY:														
							SCENARIO 11						BLS 1+		
3	BUSINESS	\$0	\$0	\$0	\$0								MILEAGE	I	A
4	RESIDENCE	\$0	\$0	\$0	\$0								BANDS	INCR	INCR
5	TOTAL	\$0	\$0	\$0	\$0								0- 10		
6	PRICE DIFFERENCES: STM ="1" >		1	1	1								11- 16		
7	-BUS(B4 STIM)		ERR	ERR	ERR								17- 22		
8	-RES(B4 STIM)		ERR	ERR	ERR								23- 30		
9	-TOT(B4 STIM)		ERR	ERR	ERR								31- 40		
10	REVENUE DIFFERENCES:												41- 55		
11	RATE -BUS	\$0	\$0	\$0	\$0								56- 70		
12	CHANGE -RES	\$0	\$0	\$0	\$0								71-124		
13	EFFECTS: -TOT	\$0	\$0	\$0	\$0								>=125		
14														TOLL	
15	PROJ MTS/CMOU-BUS:		ERR	ERR	ERR								DAY RT		
16	PROJ MTS/CMOU-RES:		ERR	ERR	ERR								EVE RT		
17	PROJ MTS/CMOU-TOT:		ERR	ERR	ERR								N/W RT		
18													CCARD		
19	PROJ DDD/CMOU-BUS:		ERR	ERR	ERR								OPRTR		
20	PROJ DDD/CMOU-RES:		ERR	ERR	ERR								P / P		
21	PROJ DDD/CMOU-TOT:		ERR	ERR	ERR										
22	SHARE LOSS EXPECTED:														
23	PERCENTAGE-BUS	0.0%	0.0%	0.0%	0.0%										
24	ADOPTION RATE-BUS	0.0%	0.0%	0.0%	0.0%										
25	PERCENTAGE-RES	0.0%	0.0%	0.0%	0.0%										
26	ADOPTION RATE-RES	0.0%	0.0%	0.0%	0.0%										
27	PROJECTED FORECAST (AFTER RATE REDUCTIONS) REFLECTING COMPETITIVE MARKET SHARE EFFECTS:													SW ACCESS RATE/CMOU:	
28	VALUE OF -BUS		ERR	ERR	ERR									1997	
29	LOST TOLL AS -RES		ERR	ERR	ERR										
30	SW ACCESS REV: -TOT		ERR	ERR	ERR										
31	VALUE OF -BUS	\$0	\$0	\$0	\$0									-BUS	
32	REMAINING -RES	\$0	\$0	\$0	\$0									-RES	
33	TOLL MARKET: -TOT	\$0	\$0	\$0	\$0									STM FCTR	
34	VALUE OF -BUS		ERR	ERR	ERR										
35	COMBINED -RES		ERR	ERR	ERR										
36	MARKETS: -TOT		ERR	ERR	ERR										

FN1A01Z03784

A B C D E F G H J K L M N O  
 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001  
 DBB-P  
 1/97 a

MILEAGE I A  
 BANDS INCR INCR  
 0- 10  
 11- 16  
 17- 22  
 23- 30  
 31- 40  
 41- 55  
 56- 70  
 71-124  
 >=125

TOLL\*  
 DAY RT  
 EVE RT  
 N/A RT  
 CCARD  
 OPRT  
 P / P

SW ACCESS RATE/CMOU:  
 FROM CURR LEVEL  
 IN 1992 ( TO  
 INTERSTATE LEVEL  
 BY 1996

-BUS  
 -RES  
 STM FCTR

\*\*\*\*\*  
 \* ACTUALS  
 1 CURR MTS/CMOU+BUS  
 2 CURR MTS/CMOU+RES  
 3 CURR MTS/CMOU+TOT  
 4 CURR CDD/CMOU+BUS  
 5 CURR CDD/CMOU+RES  
 6 CURR CDD/CMOU+TOT  
 7 SHARE LOSS EXPECTED  
 8 PERCENTAGE+BUS  
 9 ADOPTION RATE+BUS  
 10 PERCENTAGE+RES  
 11 ADOPTION RATE+RES  
 12 CURRENT FORECAST REFLECTING COMPETITIVE MARKET SHARE EFFECTS:  
 13 VALUE OF -BUS  
 14 LOST TOLL AS -RES  
 15 SW ACCESS REV: -TOT  
 16 VALUE OF -BUS  
 17 REMAINING -RES  
 18 TOLL MARKET: -TOT  
 19 net "toll" loss >>>>>>  
 20 VALUE OF -BUS  
 21 COMBINED -RES  
 22 MARKET: -TOT  
 23 STM FCTR >

A 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001  
 B C D E F G H J K L  
 1 OUTWATS  
 2 REVENUES (000)

3 FL

4 TOTAL (PRE-COMP):  
 5 (COMPETITIVE):

6 1 - STIM INDICATOR "0" = NO; "1" = YES.

7 TRANSITION PLAN:

8 0 % OF HOU TO ELCA:

9 0 % OF LOST ELCA MKT SHARE:

10 0 % OF LOST TOLL MKT SHARE:

11 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001

12 OUTWATS

13 \*\*REVENUES\*\*

14 0 EXTENDED LOCAL:

15 0 REMAINING TOLL:

16 0 ACCESS (FROM ELCA):

17 0 ACCESS (FROM TOLL):

18 0 TOTAL (INCL SHARE LOSS):

19 VS. COMPETITIVE VIEW

20 SCENARIO: TO-R/S

21 NET TOLL LOSS

22 VS. COMPETITIVE VIEW:

03 30. 92 05:08 PM

P02

3

DRAFT

A B C D E F G

**INTRALATA TOLL SUBCOMMITTEE  
COMPETITIVE RESPONSE OPTIONS  
(1997 VIEW - Res/Bus. Composite Numbers)**



Mkt Low High Low High Low

1  
2  
3

**4 1. ELCA - FULLY MEASURED**

- a) With Local UBP
- b) With Local Flat Rate

**7 2. FULL LATA ELCA - MEASURED**

With Local UBP

**9 3. 1+ PRICE RESPONSE**

**10 4. 1+ PRICE RESPONSE**

**11 5. 1+ PRICE RESPONSE**

**12 6. 10XXX PRICE RESPONSE**

**13 7. 10XXX PRICE RESPONSE**

**14 8. 10XXX PRICE RESPONSE**

TODAY'S TOLL FEES

EST	18¢
MCI	17.5¢