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BELLSOUTH TELECOMMUNICATIONS, INC.

FPSC DOCKET NO. 980696-TP

STAFF'S FOURTH REQUEST FOR PRODUCTION OF DOCUMENTS

POD NO. 55

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BellSouth Telecommunications, Inc.
Florida Docket No. 980696-TL
AT&T's First Set of Interrogatories
July 10, 1998
Item No. 1
Attachment 1

Business Non-Switched
(DS1 and DS3 factored
by two)

<u>BellSouth CLLI Name</u>	<u>Residence Switched</u>	<u>Business Switched</u>
ARCHFLMA		
BCRTFLBT		
BCRTFLMA		
BCRTFLSA		
BGPFLMA		
BKVLFLJF		
BLDWFLMA		
BLGLFLMA		
BNNLFLMA		
BRSNFLMA		
BYBHFLMA		
CQBHFLAF		
CCBHFLMA		
CDKYFLMA		
CFLDFLMA		
CHPLFLJA		
CNTMFLLE		
COCOFLMA		
COCOFLME		
CSCYFLBA		
DBRYFLDL		
DBRYFLMA		
DELDLFLMA		
DLBHFLKP		
DLBHFLMA		
DLSPFLMA		
DNLNFLWM		
DRBHFLMA		
DYBHFLFN		
DYBHFLMA		
DYBHFLQB		
DYBHFLQS		
DYBHFLPO		
EGLLFLBG		
EGLLFLIH		
EORNFLMA		
FLBHFLMA		
FRBHFLFP		
FTGRFLMA		
FTLDFLCR		
FTLDFLCY		
FTLDFLJA		
FTLDFLMR		
FTLDFLQA		

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<u>BellSouth CLLI Name</u>	<u>Residence Switched</u>	<u>Business Switched</u>
FTLDFLPL		
FTLDFLSG		
FTLDFLSU		
FTLDFLWN		
FTPRFLMA		
GCSPFLCN		
GCVLFLMA		
GENVFLMA		
GLBRFLMC		
GSVLFLMA		
GSVLFLNW		
HAVNFLMA		
HBSDFLMA		
HLNVFLMA		
HLWDFLHA		
HLWDFLMA		
HLWDFLPE		
HLWDFLWH		
HMSTFLEA		
HMSTFLHM		
HMSTFLNA		
HTISFLMA		
HWTHFLMA		
ISLMFLMA		
JAY-FLMA		
JCBHFLAB		
JCBHFLMA		
JCBHFLSP		
JCVLFLAR		
JCVLFLBW		
JCVLFLCL		
JCVLFLFC		
JCVLFLIA		
JCVLFLJT		
JCVLFLLF		
JCVLFLNO		
JCVLFLOW		
JCVLFLRV		
JCVLFLSJ		
JCVLFLSM		
JCVLFLWC		
JPTRFLMA		
KYHGFLMA		
KYLRFLLS		

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Business Non-Switched
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<u>BellSouth CLLI Name</u>	<u>Residence Switched</u>	<u>Business Switched</u>
KYLRFLMA		
KYWSFLMA		
LKCYFLMA		
LKMRFLAB		
LKMRFLMA		
LYHNFLOH		
MCNPFLMA		
MDBGFLPM		
MIAMFLAE		
MIAMFLAL		
MIAMFLAP		
MIAMFLBA		
MIAMFLBC		
MIAMFLBR		
MIAMFLCA		
MIAMFLFL		
MIAMFLGR		
MIAMFLHL		
MIAMFLIC		
MIAMFLKE		
MIAMFLME		
MIAMFLNM		
MIAMFLNS		
MIAMFLOL		
MIAMFLPB		
MIAMFLPL		
MIAMFLRR		
MIAMFLSH		
MIAMFLSO		
MIAMFLWD		
MIAMFLWM		
MICCFLLB		
MLBRFLMA		
MLTNFLRA		
MNDRFLAV		
MNDRFLLO		
MNDRFLW		
MNSNFLMA		
MRTFLVE		
MXVFLMA		
NDADFLAC		
NDADFLBR		
NDADFLGG		
NDADFLLOL		

Business Non-Switched
(DS1 and DS3 factored
by two)

<u>BellSouth CLLI Name</u>	<u>Residence Switched</u>	<u>Business Switched</u>
NKLRFLMA		
NSBHFLMA		
NWBYFLMA		
OKHLFLMA		
OLTWFLLN		
ORLDFLAP		
ORLDFLCL		
ORLDFLMA		
ORLDFLPC		
ORLDFLPH		
ORLDFLSA		
ORPKFLMA		
ORPKFLRW		
OVIDFLCA		
PACEFLPV		
PAHKFLMA		
PCBHFLNT		
PLCSFLMA		
PLTKFLMA		
PMBHFLCS		
PMBHFLFE		
PMBHFLMA		
PMBHFLTA		
PMPKFLMA		
PNCYFLCA		
PNCYFLMA		
PNSCFLBL		
PNSCFLFP		
PNSCFLHC		
PNSCFLPB		
PNSCFLWA		
PNVDFLMA		
PRRNFLMA		
PRSNFLFD		
PTSLFLMA		
PTSLFLSO		
SBSTFLFE		
SBSTFLMA		
SGKYFLMA		
SNFRFLMA		
STAGFLBS		
STAGFLMA		
STAGFLSH		
STAGFLWG		

Business Non-Switched
(DS1 and DS3 factored
by two)

<u>BellSouth CLLI Name</u>	<u>Residence Switched</u>	<u>Business Switched</u>
STRNFLMA		
SYHSFLCC		
TRENFLMA		
TTVFLMA		
VERNFLMA		
VRBHFLBE		
VRBHFLMA		
WELKFLMA		
WPBHFLAN		
WPBHFLGA		
WPBHFLGR		
WPBHFLHH		
WPBHFLLE		
WPBHFLRB		
WPBHFLRP		
WWSPFLHI		
WWSPFLSH		
YNFNFLMA		
YNTWFLMA		
YULEFLMA		
Total		

BELLSOUTH TELECOMMUNICATIONS, INC.

FPSC DOCKET NO. 980696-TP

STAFF'S FOURTH REQUEST FOR PRODUCTION OF
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POD NO. 52

PROPRIETARY

BELLSOUTH TELECOMMUNICATIONS, INC.

FPSC DOCKET NO. 980696-TP

AT&T'S FIFTH REQUEST FOR PRODUCTION OF DOCUMENTS

POD NO. 35b

PROPRIETARY



file code: 765.0240

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date: October 23, 1997

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other: None

to: Assistant Vice Presidents with Responsibility for Planning, Budgeting, Economic Analysis, Comptrollers and Capital Recovery

entities: BellSouth Corporation, BellSouth Telecommunications, Inc.

from: Assistant Vice President - Budgets, Administration & Support

description: Transmits current view of the BellSouth Region Telephone Plant Indexes (BSRTPI) and BSRTPI Forecasts through 2006.

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This letter transmits the 1997 version of the BellSouth Region Telephone Plant Index (BSRTPI). Included in the attachments are an overview of the major assumptions, the historical index by account, the forecast of percent cost change, and a comparison to other price indexes. This issue updates the historical indexes and forecasts sent January 15, 1997 in RL: 96-11-007BT.

The BellSouth Region Telephone Plant Indexes and Forecasts are meant solely for use by authorized BellSouth organizations responsible for planning, budgeting and economic analysis of telephone plant. The information contained herein should not be disclosed outside BellSouth or any of its subsidiaries except under written agreement.

Questions regarding this letter may be directed to Alan Lafourcade (205) 977-8846.

Keith

B. K. Tolbert
 Assistant Vice President -
 Budgets, Administration & Support

Attachments

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The BellSouth Telecommunications TPIs—September 1997

2 Macroeconomic Assumptions – The macroeconomic forecasts of GDP and its implicit price deflator
3 are from BellSouth's September economic view. Those forecasts were used to determine the forecasts
4 of the nonresidential structures deflator and the PPI for capital equipment. JPC provided the forecasts
5 of union wages, copper prices, and PVC prices.

6 The economy continues to grow strongly in 1997 with few signs of inflationary pressures. Real GDP
7 growth is expected to be 3.8 percent in 1997 and the economy-wide measure of price change is ex-
8 pected to be up only 2.2 percent. However, the Federal Reserve Board continues to be watchful for
9 signs of inflationary pressures and will probably move to tighten money relatively soon if the economy
10 continues to grow at a 3 percent plus rate of increase. Tighter monetary policy combined with slower
11 export sales from a higher dollar will slow growth in GDP. For the 1998–2006 period of this forecast,
12 real output growth is expected to average 2.2 percent per year. BellSouth's forecast of the CPI (measur-
13 ing the prices paid by consumers for goods and services) is expected to average about 3.0 percent per
14 year during the 1998–2006 period, a slightly slower pace than was seen in the March view. The deflator
15 for nonresidential structures is expected to average about 2.2 percent per year over the 1998 to 2006
16 period. The PPI for capital equipment will increase at about a 1.8 percent annual pace as falling com-
17 puter prices continue to put downward pressure on this index.

18
19 Indexes and Weights – The actual 1996 BellSouth indexes are in the forecast tables. The equations
20 in the model incorporate the data through 1996 in the determination of the coefficients. The 1996 in-
21 dexes and the forecasts are being composited using weights that are based on BellSouth's 1996
22 construction expenditures. Previously the weights used to composite the forecast period were 1993
23 weights. The TPI weights are periodically revised to better reflect changes in BellSouth's purchasing
24 patterns as its network evolves.

25 ESS Materials – In 1996 BellSouth spent \$600 million on the labor and materials for installing digital
26 switches in its network; that was up about 25 percent from 1995. While the Telecommunications Act
27 of 1996 will undoubtedly cause some changes in network configurations, three factors will still have a
28 significant impact on BellSouth's digital switch account during the forecast period: (1) There will be
29 additions and modifications to already installed digital switches, but there will not be a wholesale re-
30 placement of these switches during this forecast period.

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33 The majority of digital switch materials in 1996 were purchased from

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35 That was largely due to large price increases in a few items for which relatively
36 large expenditures had been made.

37
38 Prices for that equipment were largely unchanged al-
39 though some plugs showed significant price increases.

40 BellSouth's plans call for replacement of about per year during the next few
41 years. Those purchases should be made at competitive prices and keep the digital switch materials in-
42 dex on a relatively flat trend.

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6 Circuit - The circuit forecast is divided into analog, digital subscriber pair gain and other digital equip-
7 ment. Throughout the forecast period the overall circuit account is weighted based on the relative ex-
8 penditures of those three types in 1996. However, analog circuit was less than 2 percent of circuit in
9 1996 and virtually no impact on the price trend during the forecast period.

10
11

12 These distributional changes mean that the
13 forecast for the overall circuit account should be used with caution. It is better to use the more detailed
14 subaccounts if possible.

15 Interoffice Circuit - Expenditures for new digital circuit equipment other than digital subscriber pair
16 gain totaled about \$380 million in 1996, most of that was for interoffice digital and optical equipment,

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27 Since BellSouth will continue to deploy a wider range of equipment types, this
28 should help keep the price trend for its interoffice equipment on a downward path.

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31 As is often
32 the case with new technologies the price declines may not be a smooth progression. Sometimes relative-
33 ly large changes in one year are followed by little change in the next year.

34 Older technologies will tend to show flat to increasing prices over most of the forecast period and par-
35 tially offset the price declines on the newer equipment. In 1996, older FOTS and digital multiplexing
36 equipment increased in price. D4 equipment was roughly unchanged in price. The prices of equipment
37 used to power interoffice circuit were up for the most part. However, T1 and T3 equipment showed
38 significant price declines overall.

39 Digital Loop Carriers - BellSouth spent over \$600 million on digital subscriber pair gain installations
40 in 1996, up from about \$500 million in 1995. While BellSouth purchases equipment from many differ-
41 ent vendors for its digital pair gain systems,

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Those

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1 prices showed significant declines between 1995 and 1996 and were a large contributor to the overall
2 decline in the SPG materials index.

3 BellSouth is phasing out conventional DLCs. While about 3 percent of expenditures were still for
4 SLC96 equipment, concerted efforts to phase out all new purchases of SLC96 equipment should result
5 in virtually no new deployment during the forecast period.

6
7 **How-**
8 ever, the share of expenditures going towards these older technologies is assumed to decline relatively
9 quickly during the forecast period. Replacement plugs, etc., will still be purchased for existing installa-
10 tions over the next few years.

11 The prices for those systems
12 will be the major determinants of the trend in this account over the next few years.

13 - in prices declining less than
14 1 percent. It is assumed that falling electronic prices and competitive pressure on these equipment pro-
15 ducers will keep these prices flat to down during the early part of the forecast period.

16 Loop deployment plans call for all new residential development requiring buried facilities to be served
17 with FTTL network elements. However, that will be a relatively small portion of subscriber loop expen-
18 ditures over the next few years

19 Copper and Copper Cable Prices - Copper prices continued to be very volatile in 1996. After falling
20 sharply during the first few months of the year, prices recovered during the spring building season. Then
21 in June, a copper trading scandal involving one of the largest copper traders in the world, Sumitomo
22 Corporation, caused prices to plummet reaching a low point of about 90 cents per pound in September
23 1996. Prices recovered somewhat late in the year and rose steadily through the spring of 1997 reaching
24 a high of about \$1.15 per pound in May. That increase was partly due to a stronger than expected econo-
25 my in the U.S. However, copper production has finally begun to catch up with demand. In addition,
26 banking problems in Asia have begun to slow the growth rates of some of the fastest growing economies
27 in the world. These factors have pushed copper prices down to about 95 cents per pound and will prob-
28 ably keep prices below \$1 per pound into 1998.

29 BellSouth's current copper cable contracts are in effect until 1999. Consequently, the major change
30 in cable prices revolve around changes in copper prices through the use of escalator clauses. Despite
31 a 25 percent decline in copper prices in June of 1996, most of BellSouth's copper cable prices did not
32 show a decline in price between average year 1995 and average year 1996. The impact of copper price
33 changes on cable prices tend to be delayed a little due to the operation of the escalator clauses. Cable
34 prices did decline about 5 percent on average by year end; however, because of the recovery in copper
35 prices at the beginning of 1997 cable prices for 1997 overall probably will be down only slightly from
36 the average price in 1996. They should show modest price declines in 1998.

37
38 The
39 reduction in copper cable use may show up as a price increase as volume discounts begin to disappear.

40 Fiber Optic Cable - BellSouth deployed about 327 thousand fiber miles of new optical cable in 1996,
41 up from about 300 thousand miles in 1995. That increased total fiber in BellSouth's network to just
42 over 2 million fiber miles and over 55,000 sheath miles of fiber cable. Fiber accounted for almost 9 per-
cent of sheath miles of deployed cable by the end of 1996. About 32 percent of underground sheath

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miles are now fiber and about 6 percent of buried cable sheath miles are fiber. However, given that the carrying capacity of fiber cable is much greater than that of copper cable, that measure undoubtedly underestimates the true penetration of fiber-based transport in the BellSouth network.

The rapid increase of fiber deployment by telephone companies, Internet providers and CATV providers has pushed fiber demand up sharply in the past few years tightening worldwide supplies significantly. However, major users, such as the BOCs, will be able to acquire sufficient fiber cable. The increased demand has prompted a significant expansion in fiber producing facilities. Corning is increasing its fiber producing capacity both by expanding its current facilities in Wilmington, NC and by building a new plant in Concord, NC. This second plant will be on stream in 1999, and combined with changes in the Wilmington plant, will more than double Corning's capacity. Alcatel and Lucent Technologies have also announced capacity expansions that will be completed in the 1997-1998 time frame. Periodic expansions such as these are expected to continue as fiber cable use rapidly expands. Consequently, supplies should be adequate enough to prevent large increases in fiber cable prices during the forecast period. However, until the announced plant expansions are finished, prices may remain around their current levels.

Other Outside Plant Materials - After increasing almost 14 percent in 1995, BellSouth's conduit prices fell about 8 percent in 1996. That reflected large declines in the cost of PVC resin, a major component in the plastic conduit that BellSouth uses. PVC prices have recovered somewhat in 1997 and conduit prices will probably move up with a slight lag.

Pole prices also showed large increases in 1995, up about 17 percent but were virtually unchanged in 1996. However, environmental concerns in both the U.S. and Canada combined with an agreement to limit Canadian lumber exports to the U.S. have driven up the prices of wood products periodically during the past few years. These factors will continue to make the lumber market volatile and contribute to an overall upward trend in wood product prices. Consequently, pole prices will probably increase faster than most other components of the TPI during most of the forecast period.

Wages - BellSouth negotiated a new contract with its union workers in August 1995. The contract called for a 3.4 percent increase in wages in August 1997. That increase has been used as the basis for the craft wage increases in 1997, beyond that period wage changes are based on the movement of wages in the general economy and BellSouth's usual relationship to them.

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BELLSOUTH TELECOMMUNICATIONS
HISTORICAL TELEPHONE PLANT INDEXES
ACCOUNTS ON A PART 32 USOA BASIS
1988=100

ACCOUNT NAME	ACCT #	FRC	1988	1989	1990	1991	1992	1993	1994	1995	1996	1/97
BUILDINGS	2121	10C	100.0	100.5	102.5	104.9	108.6	109.8	112.4	115.6	119.8	121.1
MOTOR VEHICLES	2112	40C	100.0	102.7	104.5	108.0	110.4	113.2	116.2	117.6	118.6	119.0
AIRCRAFT	2113	140C	100.0	104.1	110.3	117.7	122.9	125.8	129.6	135.4	141.0	142.9
GARAGE WORK EQ	2115	340C	100.0	105.7	112.1	118.0	122.4	124.7	128.1	131.9	135.0	136.1
OTHER WORK EQ	2116	540C	100.0	104.8	108.8	112.0	115.1	118.1	119.6	122.3	125.0	127.0
FURNITURE	2122	30C	100.0	103.9	107.4	109.7	111.2	113.1	116.5	119.3	122.1	123.7
OFFICE EQUIPMENT	2123	430,718C	100.0	99.2	94.9	99.1	102.6	102.5	103.6	103.7	105.0	105.2
OFF SUPPORT EQ	2123.1		100.0	102.3	102.3	102.6	103.7	103.7	104.0	104.2	104.7	105.0
OFF COMM EQ	2123.2		100.0	98.8	94.4	98.7	102.3	102.1	103.9	103.9	105.6	105.8
G.P. COMPUTERS	2124	530C	100.0	99.9	95.8	79.4	66.6	58.4	53.7	48.1	40.4	36.3
GEN EQ COMPOSITE			100.0	100.6	97.5	89.3	83.0	76.0	72.2	67.5	60.2	56.4
ANALOG ELECTRONIC	2211	77C	100.0	105.3	107.4	112.1	113.8	113.2	113.8	114.8	121.2	122.3
DIGITAL ELECTRONIC	2212	377C	100.0	96.6	96.7	93.8	97.2	99.9	96.6	97.4	107.6	107.1
OPERATOR SYSTEMS	2220	117C	100.0	97.2	95.3	92.1	92.7	95.3	91.3	92.0	100.5	100.0
RADIO	2231	67C	100.0	104.9	108.1	121.0	127.5	132.6	128.0	125.4	123.7	122.5
CIRCUIT COMPOSITE	2232		100.0	100.3	99.9	102.5	100.6	103.1	100.2	98.6	96.7	95.6
ANALOG		57,457C	100.0	102.4	104.8	108.9	111.0	112.7	116.6	118.2	119.3	118.1
DIGITAL SPG		257C	100.0	100.7	99.8	104.9	100.8	103.8	101.8	101.4	99.4	98.2
OTHER DIGITAL		157,357C	100.0	99.1	99.2	98.1	98.7	100.8	96.1	92.6	90.6	90.0
COE COMPOSITE			100.0	99.6	99.6	99.9	100.7	103.2	100.2	99.7	102.1	101.4
STATION APPARATUS	2311	318C	100.0	98.3	93.4	97.9	101.7	99.4	100.2	101.0	102.6	102.6
LARGE PBX	2341	258C	100.0	103.4	103.2	105.9	105.2	107.8	104.4	101.8	100.6	99.7
PUBLIC TELEPHONES	2351	198C	100.0	99.7	99.0	99.5	98.9	101.5	101.6	103.0	103.8	103.9
OTH TERM EQ	2362	558,858C	100.0	101.2	101.1	102.4	102.6	104.6	103.7	102.2	100.5	100.0
STATION COMPOSITE			100.0	100.5	100.2	101.2	101.0	103.4	102.7	102.4	101.4	101.0
ISP COMPOSITE			100.0	99.6	99.6	100.0	100.7	103.2	100.3	99.8	102.1	101.4

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BELLSOUTH TELECOMMUNICATIONS
HISTORICAL TELEPHONE PLANT INDEXES
ACCOUNTS ON A PART 32 USOA BASIS
1988=100

ACCOUNT NAME	ACCT	FRC	1988	1989	1990	1991	1992	1993	1994	1995	1996	1/97
POLES	2411	1C	100.0	102.8	104.5	106.6	111.6	113.9	116.0	125.9	128.0	129.4
AERIAL CABLE	2421		100.0	111.7	110.6	113.6	104.9	104.6	99.1	107.5	109.7	108.7
COPPER		22C	100.0	113.6	112.8	116.1	105.9	106.3	101.4	111.5	114.0	112.5
OPTICAL		822C	100.0	92.0	89.8	91.1	90.2	86.1	77.2	75.4	76.3	76.8
U.G. CABLE	2422		100.0	101.8	99.1	100.5	95.8	93.2	85.2	88.9	90.0	89.4
COPPER		5C	100.0	110.3	107.9	109.8	100.2	101.3	96.2	107.3	109.1	106.9
OPTICAL		85C	100.0	90.9	88.2	89.2	87.9	82.5	72.6	70.3	70.9	71.3
BURIED CABLE	2423		100.0	108.7	108.3	112.4	105.4	103.7	102.1	107.2	109.4	109.4
COPPER		45C	100.0	110.4	110.0	114.4	106.2	105.1	104.1	110.0	112.2	112.0
OPTICAL		845C	100.0	94.5	93.7	95.4	95.7	90.6	88.2	86.6	88.4	89.2
SUBMARINE CABLE	2424		100.0	106.5	106.5	109.7	107.2	100.8	95.8	96.1	98.4	99.0
COPPER		6C	100.0	118.3	119.2	123.4	119.3	118.8	116.3	124.1	125.5	123.5
OPTICAL		86C	100.0	97.1	95.7	97.4	97.2	91.2	86.4	86.4	88.7	89.6
INBLDG NETWK CABLE	2426		100.0	114.4	113.3	116.8	103.6	105.5	99.8	107.6	110.8	108.7
COPPER		52C	100.0	114.9	113.9	117.5	103.9	106.4	101.1	109.8	113.2	110.8
OPTICAL		852C	100.0	96.2	93.8	95.1	94.1	89.3	79.1	76.6	77.8	78.5
CABLE COMPOSITE			100.0	108.7	107.7	111.1	104.0	102.6	99.2	105.0	107.1	106.7
COPPER			100.0	111.4	110.7	114.7	105.7	105.2	102.8	110.2	112.5	111.8
OPTICAL			100.0	92.6	90.7	92.0	91.4	86.5	79.3	78.4	79.5	80.0
CONDUIT SYSTEMS	2441	4C	100.0	96.8	95.6	93.9	93.9	83.9	87.9	95.7	96.9	97.3
OSP STRUCTURES			100.0	99.2	99.1	98.8	100.6	94.8	98.2	106.8	108.3	109.0
OSP COMPOSITE			100.0	107.6	106.7	109.7	103.6	101.6	99.1	105.3	107.3	107.0
TOTAL COMPOSITE			100.0	102.2	101.7	101.9	99.8	99.4	96.6	97.7	98.1	96.8

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HISTORICAL TELEPHONE PLANT INDEXES
ACCOUNTS ON A PART 32 USOA BASIS
1988=100

	ACCT	FRC	1988	1989	1990	1991	1992	1993	1994	1995	1996	1/97
MOTOR VEHICLES	2112	40C	100.0	102.7	104.5	108.0	110.4	113.2	116.2	117.6	118.6	119.0
AIRCRAFT	2113	140C	100.0	104.1	110.3	117.7	122.9	125.8	129.6	135.7	141.0	142.9
GARAGE WORK EQ.	2115	340C	100.0	105.7	112.1	118.0	122.4	124.7	128.1	131.9	135.0	136.1
OTHER WORK EQ.	2116	540C	100.0	104.8	108.8	112.0	115.1	118.1	119.6	122.3	125.0	127.0
FURNITURE	2122	30C	100.0	103.9	107.4	109.7	111.2	113.1	116.5	119.3	122.1	123.7
OFFICE MACHINES	2123		100.0	99.2	94.9	99.1	102.6	102.5	103.7	103.7	105.0	105.2
OFFICE SUPPORT EQ.		430C	100.0	102.3	102.3	102.6	103.7	103.7	104.0	104.2	104.7	105.0
OFF. COMM EQ		718C	100.0	98.8	94.4	98.7	102.3	102.1	103.9	103.9	105.6	105.8
MATERIALS			100.0	98.3	93.4	97.9	101.7	99.4	100.2	101.0	102.6	102.6
CONTRACT LABOR			100.0	101.6	103.4	107.1	110.3	113.3	117.0	120.8	124.0	125.6
TELCO LABOR			100.0	103.3	105.8	107.3	108.8	112.0	115.7	114.2	117.5	119.2
GEN. PURPOSE COMPUTER	2124	530C	100.0	99.9	95.8	79.4	66.6	58.4	53.7	48.1	40.4	36.3
ANALOG ELECTRONIC SW	2211	77C	100.0	105.3	107.4	112.1	113.8	113.2	113.8	114.8	121.2	122.3
MATERIAL (UNLOADED)			100.0	102.2	103.8	106.8	109.1	107.4	109.2	111.3	115.8	116.8
MATERIAL (LOADED)			100.0	105.4	107.5	112.4	114.1	113.4	113.8	114.5	121.1	122.1
TELCO LABOR COE			100.0	103.3	105.9	107.3	108.8	112.0	115.7	114.3	117.5	119.2
TELCO ENGINEERING			100.0	104.9	105.0	106.5	107.7	108.1	109.9	117.4	119.4	122.5
DIGITAL ELECTRONIC SW	2212	377C	100.0	96.6	96.7	93.8	97.2	99.9	96.6	97.4	107.6	107.1
MATERIAL (UNLOADED)			100.0	98.4	96.0	91.2	92.3	94.1	91.2	93.0	100.1	99.5
MATERIAL (LOADED)			100.0	96.1	96.0	92.9	96.4	99.1	95.5	96.1	106.6	106.0
TELCO LABOR COE			100.0	103.3	105.9	107.4	108.8	112.0	115.7	114.3	117.6	119.2
TELCO ENGINEERING			100.0	104.9	105.0	106.5	107.7	108.1	109.9	117.4	119.4	122.5
OPERATOR SYSTEMS	2220	117C	100.0	97.2	95.3	92.1	92.7	95.3	91.3	92.0	100.5	100.0
MATERIAL (UNLOADED)			100.0	98.4	96.0	91.2	92.3	94.1	91.2	93.0	100.1	99.5
LOADED MATERIAL			100.0	96.8	94.8	91.5	92.1	94.8	90.6	91.3	99.8	99.2
TELCO LABOR COE			100.0	103.3	105.8	107.3	108.7	111.9	115.6	114.2	117.4	119.1
TELCO ENGINEERING			100.0	104.9	104.9	106.5	107.8	108.2	109.9	117.5	119.4	122.5
RADIO	2231	67C	100.0	104.9	108.1	121.0	127.5	132.6	128.0	125.4	123.7	122.5
MATERIAL (UNLOADED)			100.0	106.6	109.8	121.7	129.4	133.8	129.9	127.7	123.7	122.2
MATERIAL (LOADED)			100.0	104.9	108.4	122.1	129.1	134.8	129.2	125.4	123.4	121.9
TELCO LABOR COE			100.0	103.3	105.9	107.4	108.9	112.1	115.8	114.4	117.6	119.3
TELCO ENGINEERING			100.0	104.9	105.1	108.5	107.7	108.1	109.8	117.4	119.4	122.4

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BELLSOUTH TELECOMMUNICATIONS
HISTORICAL TELEPHONE PLANT INDEXES
ACCOUNTS ON A PART 32 USOA BASIS
1988=100

	ACCT	FRC	1988	1989	1990	1991	1992	1993	1994	1995	1996	1/97
CIRCUIT-ANLG & DGTL	2232		100.0	100.3	99.9	102.5	100.6	103.1	100.2	98.6	96.7	95.6
ANALOG CIRCUIT		57C	100.0	102.4	104.8	108.9	111.0	112.7	116.6	118.2	119.3	118.1
MATERIAL (UNLOADED)			100.0	103.8	105.9	109.3	112.2	112.5	118.1	121.7	120.9	119.4
LOADED MATERIAL			100.0	102.2	104.5	109.7	111.9	113.4	117.4	119.5	120.5	119.1
TELCO LABOR COE			100.0	103.3	105.9	107.4	108.8	112.0	115.7	114.3	117.5	119.2
TELCO ENGINEERING			100.0	104.9	105.0	106.5	107.7	108.1	109.8	117.4	119.4	122.4
DIGITAL CIRCUIT X SPG		157C,357C	100.0	99.1	99.2	98.1	98.7	100.8	96.1	92.6	90.6	90.0
MATERIAL (UNLOADED)			100.0	99.2	98.8	99.4	100.0	101.2	97.8	94.4	91.4	90.6
LOADED MATERIAL			100.0	98.8	98.8	97.8	98.2	100.2	95.2	91.4	89.2	88.5
TELCO LABOR COE			100.0	103.3	105.9	107.3	108.8	112.0	115.7	114.3	117.5	119.2
TELCO ENGINEERING			100.0	104.9	105.0	106.5	107.7	108.1	109.9	117.4	119.4	122.5
CIRCUIT-DIG. SUBPAIR GAIN		257C	100.0	100.7	99.8	104.9	100.8	103.8	101.8	101.4	99.4	98.2
MATERIAL (UNLOADED)			100.0	100.8	99.3	100.8	99.7	101.5	99.2	99.0	95.8	94.4
LOADED MATERIAL			100.0	100.5	99.3	104.7	100.1	103.1	100.8	100.2	98.0	96.6
TELCO LABOR COE			100.0	103.3	105.8	107.3	108.8	112.0	115.7	114.2	117.5	119.2
TELCO ENGINEERING			100.0	104.9	104.9	106.5	107.7	108.1	109.9	117.4	119.4	122.5
STATION APPARATUS	2311	318C	100.0	98.3	93.4	97.9	101.7	99.4	100.2	101.0	102.6	102.6
LARGE PBX	2341	258C	100.0	103.4	103.2	105.9	105.2	107.8	104.4	101.8	100.6	99.7
MATERIAL (UNLOADED)			100.0	100.8	99.8	100.8	100.4	102.0	99.3	97.5	94.5	93.4
LOADED MATERIAL			100.0	103.3	102.7	105.7	104.6	107.3	103.1	100.0	98.4	97.2
INSTALLATION (CONTRACT)			-	-	-	-	-	-	-	-	-	-
TELCO LABOR			100.0	103.3	105.9	107.4	108.9	112.1	115.8	114.4	117.6	119.3
TELCO ENGINEERING			100.0	104.9	105.0	106.5	107.7	108.1	109.8	117.4	119.4	122.4
PUBLIC TELEPHONES	2351	198C	100.0	99.7	99.0	99.5	98.9	101.5	101.6	103.0	103.8	103.9
MATERIAL			100.0	99.7	99.0	99.5	98.9	101.5	101.6	102.9	103.8	103.9
TELCO LABOR			100.0	103.3	105.9	107.5	108.9	112.1	115.8	114.4	117.6	119.3
CONTRACT LABOR			100.0	101.6	103.4	107.1	110.3	113.3	117.0	120.8	124.0	125.6
OTHER TERMINAL EQ.	2362	558C,858C	100.0	101.2	101.1	102.4	102.6	104.6	103.7	102.2	100.5	100.0
MATERIAL			100.0	100.6	99.6	100.8	100.4	102.0	99.3	97.5	94.5	93.4
TELCO LABOR			100.0	103.3	105.8	107.3	108.8	112.0	115.7	114.2	117.5	119.1
TELCO ENGINEERING			100.0	104.9	105.0	106.5	107.7	108.1	109.9	117.4	119.4	122.5
CONTRACT LABOR			100.0	101.6	103.4	107.1	110.3	113.3	117.0	120.8	124.0	125.6

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BELLSOUTH TELECOMMUNICATIONS
HISTORICAL TELEPHONE PLANT INDEXES
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1988=100

	ACCT	FRC	1988	1989	1990	1991	1992	1993	1994	1995	1996	1/97
POLE LINES	2411	1C	100.0	102.8	104.5	106.6	111.6	113.9	116.6	125.9	128.0	129.4
MATERIAL			100.0	100.0	100.0	99.3	108.8	110.8	114.5	134.3	134.3	134.7
TELCO LABOR			100.0	104.1	106.4	108.3	111.1	115.9	114.9	115.9	119.4	121.1
TELCO ENGINEERING			100.0	104.9	105.0	106.5	107.7	108.1	109.9	117.4	119.4	122.4
CONTRACT LABOR			100.0	103.5	106.8	111.2	115.5	118.1	121.2	124.9	127.8	129.2
AERIAL CABLE COMPOSITE	2421		100.0	111.7	110.6	113.6	104.9	104.6	99.1	107.5	109.7	108.7
AERIAL CABLE-COPPER		22C	100.0	113.6	112.8	116.1	105.9	106.3	101.4	111.5	114.0	112.5
MATERIAL			100.0	126.9	122.2	127.7	97.5	94.3	83.5	101.6	103.3	98.2
TELCO LABOR			100.0	104.1	106.3	108.2	111.0	115.8	114.8	115.8	119.2	120.9
TELCO ENGINEERING			100.0	104.9	104.9	106.5	107.8	108.2	109.9	117.5	119.4	122.5
CONTRACT LABOR			100.0	101.6	103.4	107.1	110.3	113.3	117.0	120.8	124.0	125.6
AERIAL CABLE-OPTICAL		822C	100.0	92.0	89.8	91.1	90.2	86.1	77.2	75.4	76.3	76.8
MATERIAL			100.0	84.5	80.8	81.6	79.3	71.1	57.7	53.6	53.6	53.6
TELCO LABOR			100.0	104.1	106.5	108.6	111.5	116.3	115.3	116.3	119.8	121.4
TELCO ENGINEERING			100.0	104.9	104.8	106.5	107.8	108.2	109.9	117.5	119.5	122.5
CONTRACT LABOR			100.0	101.6	103.4	107.1	110.3	113.3	117.0	120.8	124.0	125.6
U.G. CABLE COMPOSITE	2422		100.0	101.8	99.1	100.5	95.8	93.2	85.2	88.9	90.0	89.4
U.G. CABLE-COPPER		5C	100.0	110.3	107.9	109.8	100.2	101.3	96.2	107.3	109.1	106.9
MATERIAL			100.0	117.8	109.9	111.6	85.9	85.3	75.9	94.5	95.0	89.8
TELCO LABOR			100.0	104.1	106.4	108.2	111.1	115.9	114.9	115.9	119.3	121.0
TELCO ENGINEERING			100.0	104.9	104.9	106.5	107.8	108.2	109.9	117.5	119.4	122.5
CONTRACT LABOR			100.0	102.0	104.2	107.0	109.9	105.1	106.6	109.4	113.1	114.5
U.G. CABLE-OPTICAL		85C	100.0	90.9	88.2	89.2	87.9	82.5	72.6	70.3	70.9	71.3
MATERIAL			100.0	84.5	80.8	81.6	79.3	71.1	57.7	53.6	53.6	53.6
TELCO LABOR			100.0	104.1	106.0	107.2	110.0	114.8	113.7	114.8	118.2	119.8
TELCO ENGINEERING			100.0	104.9	105.1	106.4	107.7	108.1	109.8	117.4	119.3	122.4
CONTRACT LABOR			100.0	102.0	104.2	107.0	109.9	105.1	106.6	109.4	113.1	114.5
BURIED CABLE COMPOSITE	2423		100.0	108.7	108.3	112.4	105.4	103.7	102.1	107.2	109.4	109.4

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BELLSOUTH TELECOMMUNICATIONS
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1988=100

ACCT	FRC	1988	1989	1990	1991	1992	1993	1994	1995	1996	1/97
BURIED CABLE-COPPER	45C	100.0	110.4	110.0	114.4	106.2	105.1	104.1	110.0	112.2	112.0
MATERIAL		100.0	124.1	118.9	127.9	95.7	94.6	89.8	100.8	99.9	94.5
TELCO LABOR		100.0	104.1	106.4	108.5	111.3	116.2	115.1	116.2	119.6	121.3
TELCO ENGINEERING		100.0	104.9	104.9	106.5	107.8	108.2	109.9	117.5	119.4	122.5
CONTRACT LABOR		100.0	102.0	104.2	107.0	109.9	105.1	106.6	106.4	113.1	114.5
BURIED CABLE-OPTICAL	845C	100.0	94.5	93.7	95.4	95.7	90.6	86.2	86.6	88.4	89.2
MATERIAL		100.0	84.5	80.8	81.6	79.3	71.1	57.7	53.6	53.6	53.6
TELCO LABOR		100.0	104.1	106.0	107.2	110.0	114.8	113.7	114.8	118.2	119.8
TELCO ENGINEERING		100.0	104.9	104.8	106.6	107.8	108.2	109.9	117.5	119.5	122.5
CONTRACT LABOR		100.0	102.0	104.2	107.0	109.9	105.1	106.6	109.4	113.1	114.5
SUBMARINE CABLE-COMPO	2424	100.0	106.5	106.5	109.7	107.2	100.8	95.8	96.1	98.4	99.0
SUB. CABLE-COPPER	6C	100.0	118.3	119.2	123.4	119.3	118.8	116.3	124.1	125.5	123.5
MATERIAL		100.0	124.1	118.9	127.9	95.7	94.6	89.8	100.8	99.9	94.5
TELCO LABOR		100.0	104.1	106.1	107.4	110.2	115.0	113.9	115.0	118.4	120.0
TELCO ENGINEERING		100.0	104.9	105.1	106.4	107.7	108.1	109.8	117.4	119.3	122.4
CONTRACT LABOR		100.0	102.0	104.2	107.0	109.9	105.1	106.6	109.4	113.1	114.5
SUB. CABLE-OPTICAL	86C	100.0	97.1	95.7	97.4	97.2	91.2	86.4	86.4	88.7	89.6
MATERIAL		100.0	84.5	80.8	81.6	79.3	71.1	57.7	53.6	53.6	53.6
TELCO LABOR		100.0	104.1	106.4	108.3	111.1	115.9	114.9	115.9	119.3	121.0
TELCO ENGINEERING		100.0	104.9	104.8	106.6	107.8	108.2	109.9	117.5	119.5	122.5
CONTRACT LABOR		100.0	102.0	104.2	107.0	109.9	105.1	106.6	109.4	113.1	114.5
INTRABLDG NW CABLE-CO	2426	100.0	114.4	113.3	116.8	103.6	105.5	99.8	107.6	110.8	108.7
INTBLDG NW CABLE -COPPER	52C	100.0	114.9	113.9	117.5	103.9	106.4	101.1	109.8	113.2	110.8
MATERIAL		100.0	126.9	122.2	127.7	94.4	95.8	86.6	90.8	103.0	98.7
TELCO LABOR		100.0	104.1	106.4	108.4	111.2	116.0	115.0	116.0	119.5	121.1
TELCO ENGINEERING		100.0	104.9	104.9	106.5	107.8	108.2	109.9	117.5	119.4	122.5
CONTRACT LABOR		100.0	101.6	103.4	107.1	110.3	113.3	117.0	120.8	124.0	125.6

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	ACCT	FRC	1988	1989	1990	1991	1992	1993	1994	1995	1996	1/97
INTBLDG NW CABLE-OPTICAL		852C	100.0	96.2	93.8	95.1	94.1	89.3	79.1	76.6	77.8	78.5
MATERIAL			100.0	84.5	80.8	81.6	79.3	71.1	57.7	53.6	53.6	53.6
TELCO LABOR			100.0	104.1	106.6	108.9	111.7	116.6	115.5	116.6	120.0	121.7
TELCO ENGINEERING			100.0	104.9	104.8	106.6	107.8	108.2	109.9	117.5	119.5	122.5
CONTRACT LABOR			100.0	101.6	103.4	107.1	110.3	113.3	117.0	120.8	124.0	125.6
CABLE COMPOSITE			100.0	108.7	107.7	111.1	104.0	102.6	99.2	105.0	107.1	106.7
CABLE-COPPER			100.0	111.3	110.7	114.7	105.7	105.2	102.8	110.2	112.5	111.8
CABLE-OPTICAL			100.0	92.5	90.7	92.0	91.4	86.5	79.3	78.4	79.5	80.0
AERIAL WIRE	2431		100.0	110.7	110.4	112.9	107.2	109.3	108.2	114.0	116.6	117.8
MATERIAL			100.0	126.9	122.2	127.7	97.5	94.3	83.5	101.6	103.3	98.2
TELCO LABOR			100.0	104.1	106.1	107.4	110.2	115.0	114.0	115.0	118.4	120.1
TELCO ENGINEERING			100.0	104.9	105.1	106.5	107.7	108.1	109.8	117.4	119.4	122.4
CONTRACT LABOR			100.0	101.6	103.4	107.1	110.3	113.3	117.0	120.8	124.0	125.6
CABLE & WIRE			100.0	108.7	107.8	111.2	104.0	102.6	99.2	105.1	107.1	106.7
OSP STRUCTURES			100.0	99.2	99.1	98.8	100.6	94.8	98.4	106.8	108.3	109.0
U.G. CONDUIT	2441	4C	100.0	96.8	95.6	93.9	93.9	83.9	87.9	95.7	96.9	97.3
MATERIAL			100.0	87.0	81.3	72.1	69.5	70.0	73.9	83.9	77.0	75.3
TELCO LABOR			100.0	104.1	106.4	108.5	111.3	116.1	115.1	116.1	119.6	121.2
TELCO ENGINEERING			100.0	104.9	104.9	106.5	107.8	108.2	109.9	117.5	119.4	122.5
CONTRACT LABOR			100.0	99.9	101.1	103.2	104.4	88.0	92.7	100.4	104.0	104.9

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BELL SOUTH REGION - BUILDINGS SUBCOMPONENTS

1988 = 0

	1988	1/1/89	1989	1/1/90	1990	1/1/91	1991	1/1/92	1992	1/1/93	1993	1/94	1994	1/95	1995	1/96	1996	1/97
GENL RQMT	100.0	100.0	104.0	104.0	108.1	108.1	112.2	112.2	116.3	116.3	120.1	120.1	123.5	123.5	126.8	128.2	130.8	131.8
SITWORK	100.0	104.7	102.8	104.2	103.6	103.3	111.0	119.1	117.2	115.5	109.5	109.9	110.7	111.8	113.3	115.0	116.5	117.2
CONCRETE	100.0	103.3	99.1	98.7	98.6	98.8	99.3	100.8	99.1	97.7	88.6	89.3	91.4	92.7	95.6	97.4	99.0	99.9
MASONRY	100.0	102.3	96.3	97.3	97.2	98.3	98.6	100.0	100.5	101.6	100.5	101.0	101.5	102.5	104.2	105.8	108.3	109.9
METALS	100.0	109.7	106.9	109.2	111.2	113.8	113.7	114.3	112.0	110.1	115.6	113.3	114.8	116.8	121.1	126.1	130.4	134.3
WOOD&PLASTICS	100.0	103.5	98.9	97.9	98.0	98.7	98.2	99.6	99.8	99.7	98.2	97.3	99.5	101.3	99.4	99.1	99.2	100.3
ERM&MOIST PRO	100.0	102.4	102.9	106.8	107.2	108.3	106.5	105.4	110.0	115.0	113.8	114.7	114.5	113.7	115.6	117.6	124.8	130.4
DOORS&WINDOWS	100.0	105.4	100.1	100.6	100.8	101.8	101.1	101.7	101.8	101.9	115.4	116.5	118.7	120.6	123.0	125.9	127.5	129.1
FINISHES	100.0	90.1	93.7	95.1	96.7	98.7	98.6	99.8	99.5	99.7	98.6	98.1	100.6	102.7	100.6	101.0	100.1	101.5
SPECIALTIES	100.0	105.6	105.2	107.2	107.7	107.8	105.4	103.1	105.3	107.5	110.3	111.4	112.0	112.7	115.9	118.6	122.0	125.1
SPEC CONST	100.0	106.5	104.9	106.2	107.9	109.4	110.1	110.8	110.0	109.2	109.8	108.5	110.6	112.8	116.8	120.4	123.5	126.3
VEYING SYSTEMS	100.0	107.9	113.6	123.0	123.3	123.3	123.7	124.2	122.7	121.1	128.1	133.1	135.5	138.0	139.6	140.6	143.8	146.7
MECHANICAL	100.0	93.3	99.8	103.6	104.3	105.7	107.2	110.2	113.3	116.9	122.2	126.9	125.2	123.2	126.1	130.6	127.8	125.3
ELECTRICAL	100.0	102.0	100.2	100.2	100.6	102.6	103.5	105.8	114.0	122.4	124.4	127.6	131.3	134.4	137.5	141.6	145.0	149.8

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BELLSOUTH TELECOMMUNICATIONS
FORECAST TELEPHONE PLANT INDEXES
ACCOUNTS ON PART 32 USOA BASIS
SEPTEMBER 1997 FORECAST OF % COST CHANGE

ACCOUNT NAME	ACCT #	FRC	ACTUAL													
			1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007*		
BUILDINGS	2121	10C	3.6	2												
MOTOR VEHICLES	2112	40C	0.9	-1												
AIRCRAFT	2113	140C	4.1	2												
GARAGE WORK EQ	2115	340C	2.4	1												
OTHER WORK EQ	2116	540C	2.2	2												
FURNITURE	2122	30C	2.3	2												
OFFICE EQUIPMENT	2123	430,718C	1.3	1												
OFF SUPPORT EQ			0.5	1												
OTH COMM EQ			1.6	1												
G.P. COMPUTERS	2124	530C	-16.0	-23												
GEN EQ COMPOSITE			-10.8	-15												
ANALOG ELECTRONIC	2211	77C	5.6	3												
DIGITAL ELECTRONIC	2212	377C	10.5	0												
OPERATOR SYSTEMS	2220	117C	9.2	0												
RADIO	2231	67C	-1.4	-1												
CIRCUIT COMPOSITE	2232		-1.9	-1												
ANALOG		57,467C	0.9	0												
DIGITAL SPG		257C	-2.0	0												
OTHER DIGITAL		157,357C	-2.2	-2												
COE COMPOSITE			2.4	-1												
STATION APPARATUS	2311	318C	1.6	2												
LARGE PBX	2341	258C	-1.2	-3												
PUBLIC TELEPHONES	2351	198C	0.8	1												
OTH TERM EQ	2362	558,858C	-1.7	-2												
STATION COMPOSITE			-1.0	-1												
ISP COMPOSITE			2.3	-1												

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BELLSOUTH TELECOMMUNICATIONS
FORECAST TELEPHONE PLANT INDEXES
ACCOUNTS ON PART 32 USOA BASIS
SEPTEMBER 1997 FORECAST OF % COST CHANGE

ACCOUNT NAME	ACCT #	FRC	ACTUAL													
			1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007*		
POLES	2411	1C	1.7	3												
AERIAL CABLE	2421		2.0	1												
COPPER		22C	2.2	1												
OPTICAL		822C	1.2	1												
U.G. CABLE	2422		1.2	0												
COPPER		5C	1.7	0												
OPTICAL		85C	0.9	0												
BURIED CABLE	2423		2.1	1												
COPPER		45C	2.0	1												
OPTICAL		845C	2.1	2												
SUBMARINE CABLE	2424		2.4	2												
COPPER		6C	1.1	1												
OPTICAL		86C	2.7	2												
INBLDG NETWK CABLE	2426		3.0	0												
COPPER		52C	3.1	0												
OPTICAL		852C	1.6	1												
CABLE COMPOSITE			2.0	1												
COPPER			2.1	1												
OPTICAL			1.4	1												
CONDUIT SYSTEMS	2441	4C	1.3	3												
OSP STRUCTURES			1.4	3												
OSP COMPOSITE			1.9	1												
TOTAL COMPOSITE			0.4	-2												

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BELLSOUTH TELECOMMUNICATIONS
FORECAST OF TELEPHONE PLANT INDEXES
ACCOUNTS ON PART 32 USOA BASIS
SEPTEMBER 1997 FORECAST OF INDEX LEVELS
1988=100

ACCOUNT NAME	ACCT #	FRC	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
BUILDINGS	2121	10C	122									
MOTOR VEHICLES	2112	40C	118									
AIRCRAFT	2113	140C	144									
GARAGE WORK EQ	2115	340C	136									
OTHER WORK EQ	2116	540C	128									
FURNITURE	2122	30C	124									
OFFICE EQUIPMENT	2123	430,718C	106									
OFF SUPPORT EQ	2123.1		106									
OFF COMM EQ	2123.2		107									
G.P. COMPUTERS	2124	530C	31									
GEN EQ COMPOSITE			51									
ANALOG ELECTRONIC	2211	77C	125									
DIGITAL ELECTRONIC	2212	377C	108									
OPERATOR SYSTEMS	2220	117C	101									
RADIO	2231	67C	123									
CIRCUIT COMPOSITE	2232		96									
ANALOG		57,457C	119									
DIGITAL SPG		257C	99									
OTHER DIGITAL		157,357C	89									
COE COMPOSITE			101									
STATION APPARATUS	2311	318C	105									
LARGE PBX	2341	258C	98									
PUBLIC TELEPHONES	2351	198C	105									
OTH TERM EQ	2362	558,858C	99									
STATION COMPOSITE			100									
ISP COMPOSITE			101									
POLES	2411	1C	132									
AERIAL CABLE	2421		111									
COPPER		22C	115									
OPTICAL		822C	77									

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BELLSOUTH TELECOMMUNICATIONS
FORECAST OF TELEPHONE PLANT INDEXES
ACCOUNTS ON PART 32 USOA BASIS
SEPTEMBER 1997 FORECAST OF INDEX LEVELS
1988=100

ACCOUNT NAME	ACCT #	FRC	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
U.G. CABLE	2422		90									
COPPER		5C	109									
OPTICAL		85C	71									
BURIED CABLE	2423		110									
COPPER		45C	113									
OPTICAL		845C	90									
SUBMARINE CABLE	2424		100									
COPPER		6C	127									
OPTICAL		86C	91									
INBLDG NETWK CABLE	2426		111									
COPPER		52C	113									
OPTICAL		852C	79									
CABLE COMPOSITE			108									
COPPER			113									
OPTICAL			80									
CONDUIT SYSTEMS	2441	4C	100									
OSP STRUCTURES			111									
OSP COMPOSITE			108									
TOTAL COMPOSITE			96									

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BELLSOUTH TELECOMMUNICATIONS TPI COMPONENTS
SEPTEMBER 1997 FORECAST

MATERIALS
(percentage changes)

	COPPER AERIAL CABLE	COPPER U.G. CABLE	COPPER BURIED CABLE	COPPER SUBMARINE CABLE	COPPER INTRBLDG CABLE	COMBINED COPPER CABLE	COMBINED OPTICAL CABLE	POLES	CONDUIT
1995	21.7	24.5	12.2	12.2	15.2	16.6	-7.1	17.3	13.5
1996	1.7	0.5	-0.9	-0.9	3.2	0.2	0.0	0.0	-8.2
1997	-2.7	-2.2	-2.5	-1.9	-1.9	-2.5	-1.0	4.5	1.9
1998									
1999									
2000									
2001									
2002									
2003									
2004									
2005									
2006									

	UNLOADED RADIO	UNLOADED ANALOG CIRCUIT	UNLOADED DIGITAL SPG	UNLOADED OTHER DIG CIRCUIT	UNLOADED ANALOG ESS	UNLOADED DIGITAL ESS	UNLOADED OPERATOR SYSTEMS
1995	-1.7	3.0	-0.2	-3.5	1.9	2.0	2.0
1996	-3.1	-0.7	-3.2	-3.2	4.0	7.6	7.6
1997	-1.6	0.0	-0.7	-2.4	2.8	0.4	0.4
1998							
1999							
2000							
2001							
2002							
2003							
2004							
2005							
2006							

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BELLSOUTH TELECOMMUNICATIONS TPI COMPONENTS
SEPTEMBER 1997 FORECAST

MATERIALS
(percentage changes)

	VEHICLES	WORK EQUIP	GARAGE WK EQ	FURNITURE	OFFICE EQUIP	COMPUTERS	OTHER COMM EQ	PUBLIC PHONES	OTHER TERM EQ	STATION APPARATUS
1995	1.2	2.3	3.0	2.4	0.2	-10.4	0.8	1.3	-1.8	0.0
1996	0.9	2.2	2.4	2.3	0.5	-18.0	1.6	0.9	-3.1	0.0
1997	-0.6	1.7	1.4	1.7	0.5	-22.8	0.4	1.3	-3.3	0.3
1998										
1999										
2000										
2001										
2002										
2003										
2004										
2005										
2006										

LABOR
(percentage changes)

	TELCO ENGINEERING	TELCO COE	TELCO OSP	TELCO STATION	CONTRACT CONDUIT	CONTRACT BUR&UG CABLE	CONTRACT AERIAL CABLE	CONTRACT BOOTHS
1995	8.8	-1.2	0.8	-1.2	8.3	2.8	3.2	3.2
1996	1.7	2.8	3.0	2.8	3.6	3.4	2.6	2.6
1997	3.6	3.5	3.4	3.5	2.8	2.2	2.8	2.8
1998								
1999								
2000								
2001								
2002								
2003								
2004								
2005								
2006								

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BELL SOUTH TELECOMMUNICATIONS TPIs
SEPTEMBER 1997 FORECAST ASSUMPTIONS

Percentage Change

	DEFLATOR NONRESIDENTIAL STRUCTURES	IMPLICIT DEFLATOR GDP	GDP 1992\$	CAPITAL EQUIPMENT PPI	UNION WAGES	COPPER CATHODE PPI	PVC PPI	SEMICOND. PPI
1993	3.3	2.6	2.3	1.8	2.9	-15.7	5.9	0.0
1994	3.6	2.4	3.5	2.1	3.1	22.2	13.3	-0.9
1995	4.2	2.5	2.0	2.0	2.6	27.9	10.5	-7.0
1996	2.3	2.3	2.8	1.2	2.7	-21.5	-14.5	-8.1
1997	3.0	2.2	3.8	0.0	2.7	-0.7	5.5	-10.0
1998								
1999								
2000								
2001								
2002								
2003								
2004								
2005								
2006								

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BELLSOUTH TELECOMMUNICATIONS
TPI COMPARED TO OTHER PRICE INDEXES
1988=100

BELLSOUTH TELECOMMUNICATIONS
TPI COMPARED TO OTHER PRICE INDEXES
PERCENT CHANGE

	TOTAL TPI	GDP DEFLATOR	CPI URBAN
1959	29.8	26.8	24.8
1960	29.8	27.1	25.0
1961	29.4	27.4	25.3
1962	29.2	27.8	25.5
1963	29.5	28.1	25.9
1964	29.8	28.5	26.2
1965	29.8	29.0	26.8
1966	30.4	29.8	27.4
1967	31.7	30.8	28.2
1968	33.5	32.2	29.4
1969	35.4	33.7	31.0
1970	37.7	35.5	32.8
1971	40.1	37.4	34.2
1972	42.7	38.9	35.3
1973	44.9	41.1	37.5
1974	50.8	44.7	41.7
1975	55.5	49.0	45.5
1976	59.9	51.8	48.1
1977	62.3	55.1	51.2
1978	64.8	59.2	55.1
1979	65.7	64.2	61.4
1980	72.3	70.2	69.7
1981	78.8	78.5	78.8
1982	85.1	81.4	81.8
1983	89.7	84.9	84.2
1984	94.2	88.2	87.9
1985	98.8	91.1	91.0
1986	99.9	93.8	92.6
1987	100.5	96.5	96.0
1988	100.0	100.0	100.0
1989	102.2	104.2	104.8
1990	101.7	108.7	110.5
1991	101.9	113.0	115.1
1992	99.8	118.1	118.8
1993	99.4	119.2	122.1
1994	98.8	123.1	125.3
1995	97.7	125.2	128.8
1996	98.1	128.0	132.6

	TOTAL TPI	GDP DEFLATOR	CPI URBAN
1980	0.0	1.9	1.6
1981	-0.7	1.1	1.2
1982	-0.7	1.5	0.8
1983	1.0	1.1	1.6
1984	1.0	1.4	1.2
1985	0.0	1.8	1.5
1986	2.0	2.8	3.0
1987	4.3	3.4	2.9
1988	5.7	4.5	4.3
1989	5.7	4.7	5.4
1990	6.5	5.3	5.8
1991	8.4	5.4	4.3
1992	6.5	4.0	3.2
1993	5.2	5.7	6.2
1994	12.7	8.8	11.2
1995	9.7	9.8	9.1
1996	7.9	5.7	5.7
1997	4.0	6.4	6.4
1998	4.0	7.4	7.6
1999	6.0	8.4	11.4
2000	5.2	9.3	13.5
2001	8.7	9.0	10.2
2002	6.3	6.4	6.3
2003	5.4	4.3	3.2
2004	5.0	3.9	4.3
2005	4.7	3.3	3.6
2006	1.3	2.7	1.8
2007	0.6	3.1	3.7
2008	-0.5	3.8	4.2
2009	2.2	4.2	4.8
2010	-0.5	4.3	5.4
2011	0.2	4.0	4.2
2012	-2.1	2.7	3.0
2013	-0.4	2.7	3.0
2014	-2.8	2.4	2.6
2015	1.1	2.5	2.6
2016	0.4	2.2	3.0

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