

PROPRIETARY

BellSouth - Florida

020119-TP

BACK-UP INFORMATION

**CONFIDENTIAL
DECLASSIFIED**
MAR 6.13.04

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(x-ref. 03491-02)

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03534 MAR 27 88

FPSC-COMMISSION CLERK

This 12 month promotional tariff is an 18 or 36 month offering targeted to BellSouth customers in specific Wire Centers located in the BellSouth nine-state region. The SBS Key Customer Program will offer three separate discounts on the subscriber's bill. Subscribers must sign an 18 or 36-month agreement to participate in the program to receive the discounts specified. This promotion will be offered on an outbound and inbound basis, from June 26, 2001 through June 25, 2002.

Program Eligibility

- Available to new and existing BellSouth business customers
- Monthly BST revenue for subscriber's location must be \$100 to \$3,000
- Subscriber's location must be served out of an eligible wire center.
- Subscriber must sign a 18 or 36 month agreement to receive the discounts

Promotion Elements

- Subscribers, who participate in the promotion and purchase new service during the 12-month promotional period, will receive a waiver on all line connection charges associated with the service order. This will include the Line Connection Charge (first and additional lines, line equivalents and trunks).
- Subscribers meeting the eligibility requirements will receive the base discount and may be eligible to receive the hunting discount based upon having BellSouth hunting service.
- Base discount: Specified % discount off subscriber's total billed revenue (TBR) from the GSST A and PLS B tariffs.

Monthly TBR	18 Month	36 Month
\$1000 - \$3000	14%	18%
\$150 - \$999	10%	14%
\$100 - \$149	6%	10%
Hunting Discount	50%	75%

- Hunting discount: Subscribers that have hunting service are eligible to receive 50% or 75% off their monthly hunting charges in addition to the base discount depending on selected term. Subscriber may currently have or purchase the services during the enrollment period, June 26, 2001, through June 25, 2002, to qualify.
- Subscribers that choose a 36-month term and purchase an additional line from BellSouth from 6/26/01 - 9/28/01 are eligible for a 12-month waiver on BellSouth Voice Mail Service (BVMS). Where BVMS is available.

- ***Internet Offer: Customer may choose one of the following offers:**

Product	18 Month	36 Month
DSL	Waiver of fee 1 Month	Waiver of fee 1 Month
Web Hosting Site Builder Plans	Waiver of fee 6 months	Waiver of fee 12 months
Web Hosting Shared Web Hosting Basic Plan - Plan E	Waiver of fee 6 months	Waiver of fee 12 months
Dedicated Internet Access	\$x or % off monthly credit on BellSouth Internet charges	\$x or % off monthly credit on BellSouth Internet charges
BellSouth Digital Office		

***Waiver not good on existing service**

- **Base customer discount is based on end-user monthly total billed BST revenue**
 - **The total billed revenue consists of all total billed BST revenue (recurring, non-recurring and usage) excluding all unregulated charges including:**
 - **BellSouth Internet Service charges**
 - **Cingular Wireless**
 - **taxes, late payment charges, charges billed pursuant to Federal or State Access Service Tariffs, charges collected on behalf of municipalities (including, but not limited to surcharges for 911 service and dual party relay service), and charges for services provided by other companies.**
- **Participant must be a BST customer at the time of the discount to receive the discount. The discount will appear as a credit in the OC&C section of the subscriber's bill.**
- **At the end of the subscriber's agreed upon term, subscriber may renew the agreement for another term, under the same terms and conditions. Except NC & TN.**
- **In the event the subscriber terminates the contract; the subscriber must pay back all the discounts. This reimbursement for the base and hunting offer is to pay back all monetary discounts received as a result of being on this program. This payback will appear on the subscriber's final bill as a charge in the OC&C section. Exception TN: TN Subscribers must pay BellSouth a termination liability equal to the lesser of: (1) the discounts received during the term of the contract; or (2) the discounts received during the previous 12 months.**
- **The reimbursement for the Dedicated Internet Access offer is to pay back the months free that the Subscriber received as being a part of this program.**

- Subscribers with multi-locations that are BTN'd or CLUB billed may have all locations participate as long as one location is in a Hot Wire Center and meets the revenue requirement.
- Subscribers with Centrex, MultiServ and ESSX with SLAs not meeting the per location revenue may have all locations participate as long as it is billed under the same account and at least one location is located in a Hot Wire Center

Promotion Restrictions

- Customer's with aggregate annual billing per state of BellSouth services exceeding \$36,000 are not eligible to participate in this tariffed promotion.
- Base and hunting discounts (for hunting service) apply only to BST total billed revenue within a state, not across states.
- Customers participating in a Volume and Term Agreement CSAs are not eligible to participate in this promotion.
- This promotion may not be used concurrently with any previous Key Customer promotions, SBS Small Business Promotion (Hunting Term Promo), Business Discount Program (TN Only), Welcome Back! Winback, Full Circle and/or any future versions of those two programs.
- Customers currently participating in SBS Small Business Promotion (Hunting Term Promo) may migrate to this promotion without incurring any penalty from the other program specifications.
- BellSouth reserves the right to terminate this program at any time; provided, however, that subscribers participating in the program will be grandfathered for the term of their agreement.

Wire Center Qualification

- The wire centers were chosen based upon total cumulative lines lost as well as the velocity of losses, based on a three month rolling average and market share.

Key2001.doc

Filing Package FL2001-063
May 24, 2001

TO: MaryRose Sirianni, Manager – Regulatory (FL)
FROM: Sherry Bircheat, Manager – Market Pricing Strategy
SUBJECT: 2001 Key Customer Promotion

Please make arrangements for the following promotion for Small Business customers. This promotion will begin June 26, 2001, and end June 25, 2002. This promotion is available to new and existing BellSouth business customers. The monthly BST revenue for subscriber's location must be between \$100 and \$3,000. The subscriber's location must be served out of an eligible wire center. The subscriber must sign an 18 or 36 month agreement to receive the discounts listed below. The base discount will be applied to eligible monthly revenue throughout the term of the agreement. An additional discount will be given on hunting service for the term of the agreement. If the customer adds lines, trunks or Network Access Registers (NARs) during the term of the agreement, Line Connection Charges will be waived.

Monthly TBR	18 Month	36 Month
\$1,000 - \$3,000	14%	18%
\$150 - \$999.99	10%	14%
\$100 - \$149.99	6%	10%
Hunting Discount	50%	75%

The base customer discount is based on end-user monthly total billed BST revenue which consists of all total billed BST revenue (recurring, non-recurring and usage) excluding all unregulated charges including: Charges for unregulated services, taxes, late payment charges, charges billed pursuant to Federal or State Access Service Tariffs, charges collected on behalf of municipalities (including, but not limited to surcharges for 911 service and dual party relay service), and charges for services provided by other companies.

Subscribers who have hunting service are eligible to receive 50% or 75% off their monthly hunting charges in addition to the base discount depending on the selected term agreement. Subscriber may currently have or purchase the services during the enrollment period, June 26, 2001, through June 25, 2002, to qualify.

At the end of the subscriber's agreed upon term, subscriber may renew the agreement for another term, under the same terms and conditions. In the event the subscriber terminates the contract, the subscriber must pay back all the discounts. This reimbursement for the base and hunting offer is to pay back all monetary discounts received as a result of being on this program. This payback will appear on the subscriber's final bill as a charge in the OC&C section of their bill.

Listed below are restrictions that apply to, and affect participation in, this promotion:

- Subscribers may not have Analog Private Line service.
- Subscribers with multi-locations that are billed to the same telephone number or CLUB billed may have all locations participate as long as one location is in an eligible Wire Center and meets the revenue requirement.
- Subscribers with BellSouth[®] Centrex, MultiServ[®] service, ESSX[®] service, and Digital ESSX[®] service with Secondary Location Addresses not meeting the per location revenue may have all locations participate as long as they are billed under the same account and at least one location is located in an eligible Wire Center.
- Customers with aggregate annual billing per state of BellSouth services exceeding \$36,000 are not eligible to participate in this tariffed promotion.
- Base and hunting discounts (for hunting service) apply only to BST total billed revenue within Kentucky.
- Customers participating in a Volume and Term Agreement Contract Service Agreement are not eligible to participate in this promotion.
- This promotion may not be used concurrently with any previous Key Customer promotions, SBS Small Business Promotion (Hunting Term Promo), Welcome Back! Winback, Full Circle and/or any future versions of those two programs.
- Customers currently participating in SBS Small Business Promotion (Hunting Term Promo) may migrate to this promotion without incurring any penalty from the other program specifications.

BellSouth reserves the right to terminate this program at any time; provided, however, that subscribers participating in the program will be grandfathered for the term of their agreement.

I have attached the full program notification. A spreadsheet of the eligible wire centers is provided as a separate attachment. A regulatory analysis developed indicates, other than Analog Private Line service, all services usually ordered by Small Business customers pass the regulatory test with the maximum discount applied. The gross revenue for this promotion is \$31,354,128. Discounts have been estimated to be \$4,138,730 and costs of services of \$14,668,104 for a total cost of \$18,806,834. This results in net revenue of \$12,547,294. Please call me if you have any questions or need additional information.

Attachments

cc: Florida Tariff Distribution List
Susan Callaghan
Conrad Martin
Amy Britt
Vickie Milne
Bonnie O'Bannon
Tom Walden

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Key01FL.doc

Key Customer Program Financials - FL

Assumptions

Avg. Mo. Rev/CLAC	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	
	353		387	374	307	116

Total Customers

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
FL	3015	3350	3685	1507	5192
TOTAL	3,015	3,350	3,685	1,507	5,192

Total Monthly Revenue

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
FL	\$ 1,064,261	\$ 1,296,409	\$ 1,378,146	\$ 462,788	\$ 602,311
TOTAL	\$ 1,064,261	\$ 1,296,409	\$ 1,378,146	\$ 462,788	\$ 602,311

2001 - 2002 Rev

12 months from program launch

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
FL	\$ 12,771,133	\$ 15,556,904	\$ 16,537,753	\$ 5,553,453	\$ 7,227,730
TOTAL	\$ 12,771,133	\$ 15,556,904	\$ 16,537,753	\$ 5,553,453	\$ 7,227,730

Monthly Discount Revenue

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
FL	\$ 230,625	\$ 280,932	\$ 298,644	\$ 100,286	\$ 130,521
TOTAL	\$ 230,625	\$ 280,932	\$ 298,644	\$ 100,286	\$ 130,521

Expense

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
FL	\$ 6,315	\$ 5,452	\$ 4,466	\$ 1,352	\$ 2,245
TOTAL	\$ 6,315	\$ 5,452	\$ 4,466	\$ 1,352	\$ 2,245

COGS

33%

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
FL	351,206.15	427,814.86	454,788.20	152,719.96	198,762.56
TOTAL	\$ 351,206	\$ 427,815	\$ 454,788	\$ 152,720	\$ 198,763

Monthly Net Revenue (contribution)

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
FL	476,114.85	582,210.05	620,247.61	208,429.68	270,782.48
TOTAL	\$ 476,115	\$ 582,210	\$ 620,248	\$ 208,430	\$ 270,782

TOTAL
16,749
16,749

TOTAL
\$ 4,803,914
\$ 4,803,914

TOTAL
\$ 57,646,972
\$ 57,646,972

TOTAL
\$ 1,041,008
\$ 1,041,008

TOTAL
\$ 19,830
\$ 19,830

TOTAL
\$ 1,585,292
\$ 1,585,292

TOTAL
\$ 2,157,785
\$ 2,157,785